



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	935 349 230
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	DOF ASA
Forretningsadresse:	5392 STOREBØ

Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021
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Konsern

Morselskap 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:	Solveig Byrkjeland
Dato for fastsettelse av årsregnskapet:	24.05.2022

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, 29.06.2022



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	44 000 000	53 000 000
Sum inntekter		44 000 000	53 000 000
Kostnader			
Lønnskostnad	3	18 000 000	22 000 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	7	1 000 000	1 000 000
Annen driftskostnad	4,17,1 9	37 000 000	29 000 000
Sum kostnader		56 000 000	52 000 000
Driftsresultat		-12 000 000	1 000 000
Finansinntekter og finanskostnader			
Annen renteinntekt	5	8 000 000	14 000 000
Endring garantiforpliktelser	5	50 000 000	
Annen finansinntekt	5	28 000 000	56 000 000
Sum finansinntekter		86 000 000	70 000 000
Nedskrivning av finansielle eiendeler	5	40 000 000	47 000 000
Annen rentekostnad	5	43 000 000	24 000 000
Tap garantiavsetninger	5	453 000 000	2 549 000 000
Tap ved salg av aksjer	5		16 000 000
Andre finanskostnader	5	23 000 000	24 000 000
Sum finanskostnader		559 000 000	2 660 000 000
Netto finans		-473 000 000	-2 590 000 000
Ordinært resultat før skattekostnad		-485 000 000	-2 589 000 000
Ordinært resultat etter skattekostnad		-485 000 000	-2 589 000 000
Årsresultat		-485 000 000	-2 589 000 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-485 000 000	-2 589 000 000



Resultatregnskap

Beløp i: NOK	Note	2021	2020
Sum overføringer og disponeringer		-485 000 000	-2 589 000 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	7	7 000 000	5 000 000
Sum varige driftsmidler		7 000 000	5 000 000
Finansielle anleggsmidler			
Investering i datterselskap	5,8	3 607 000 000	3 638 000 000
Lån til tilknyttet selskap og felles kontrollert virksomhet	5,9	6 000 000	6 000 000
Investeringer i aksjer og andeler	10	1 000 000	1 000 000
Andre fordringer	10		6 000 000
Sum finansielle anleggsmidler		3 614 000 000	3 651 000 000
Sum anleggsmidler		3 621 000 000	3 656 000 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	11,16	32 000 000	37 000 000
Andre fordringer	12,16	39 000 000	22 000 000
Sum fordringer		71 000 000	59 000 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	13,16	236 000 000	85 000 000
Sum bankinnskudd, kontanter og lignende		236 000 000	85 000 000
Sum omløpsmidler		307 000 000	144 000 000
SUM EIENDELER		3 928 000 000	3 800 000 000

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2021	2020
Egenkapital			
Innskutt egenkapital			
Selskapskapital		316 000 000	309 000 000
Overkurs			139 000 000
Sum innskutt egenkapital		316 000 000	448 000 000
Opptjent egenkapital			
Annen egenkapital			74 000 000
Udekket tap		279 000 000	
Sum opptjent egenkapital		-279 000 000	74 000 000
Sum egenkapital		37 000 000	522 000 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	3		3 000 000
Sum avsetninger for forpliktelser			3 000 000
Annen langsiktig gjeld			
Sum langsiktig gjeld		0	3 000 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	14,16	819 000 000	813 000 000
Leverandørgjeld	16	18 000 000	5 000 000
Kortsiktig konserngjeld	14,16, 18	380 000 000	237 000 000
Avsetning garantigjeld	18	2 669 000 000	2 215 000 000
Annen kortsiktig gjeld	15,16	5 000 000	5 000 000
Sum kortsiktig gjeld		3 891 000 000	3 275 000 000
Sum gjeld		3 891 000 000	3 278 000 000
SUM EGENKAPITAL OG GJELD		3 928 000 000	3 800 000 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	5,6,7,1 5	6 356 000 000	6 212 000 000
Sum inntekter		6 356 000 000	6 212 000 000
Kostnader			
Lønnskostnad	8,30	2 756 000 000	2 654 000 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	4,13	1 030 000 000	856 000 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	4,13	412 000 000	3 258 000 000
Andel resultat fra felleskontrollerte og tilknyttede selskaper	32	-265 000 000	-171 000 000
Gevinst ved salg av anleggsmidler	13	-109 000 000	-19 000 000
Andre driftskostnader	9,15,2 9,30	1 896 000 000	1 644 000 000
Sum kostnader		5 720 000 000	8 222 000 000
Driftsresultat		636 000 000	-2 010 000 000
Finansinntekter og finanskostnader			
Annen renteinntekt	10	46 000 000	42 000 000
Gevinst oppgjør lån	10,22, 27	249 000 000	
Ettergitt gjeld	10	37 000 000	
Annen finansinntekt	10	71 000 000	29 000 000
Verdiøkning andre finansielle instrumenter vurdert til virkelig verdi	10	40 000 000	
Sum finansinntekter		443 000 000	71 000 000
Verdireduksjon andre finansielle instrumenter vurdert til virkelig verdi	10		56 000 000
Nedskrivning av finansielle eiendeler	10	1 000 000	
Annen rentekostnad	10	978 000 000	959 000 000
Annen finanskostnad	10	676 000 000	1 853 000 000
Sum finanskostnader		1 655 000 000	2 868 000 000
Netto finans		-1 212 000 000	-2 797 000 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
Ordinært resultat før skattekostnad		-576 000 000	-4 807 000 000
Skattekostnad på ordinært resultat	11	54 000 000	152 000 000
Ordinært resultat etter skattekostnad		-630 000 000	-4 959 000 000
Årsresultat		-630 000 000	-4 959 000 000
Minoritetsinteresser		-23 000 000	-50 000 000
Årsresultat etter minoritetsinteresser		-607 000 000	-4 909 000 000
Omregningsdifferanser		39 000 000	605 000 000
Kontanstrømsikring		48 000 000	59 000 000
Andel utvidet resultat fra felleskontrollert virksomhet		115 000 000	-47 000 000
Pensjonsforpliktelse			-1 000 000
Sum resultatkomponenter for IFRS-foretak		202 000 000	616 000 000
Totalresultat		-405 000 000	-4 293 000 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-405 000 000	-4 293 000 000
Sum overføringer og disponeringer		-405 000 000	-4 293 000 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	11	11 000 000	12 000 000
Sum immaterielle eiendeler		11 000 000	12 000 000
Varige driftsmidler			
Skip, rigger, fly og lignende	13	11 256 000 000	11 822 000 000
ROV og annet driftklsøre	13	726 000 000	758 000 000
Right-of-use eiendeler	13	217 000 000	264 000 000
Sum varige driftsmidler		12 199 000 000	12 844 000 000
Finansielle anleggsmidler			
Lån til tilknyttet selskap og felles kontrollert virksomhet	10,32	2 730 000 000	2 336 000 000
Andre fordringer	16,27	134 000 000	270 000 000
Sum finansielle anleggsmidler		2 864 000 000	2 606 000 000
Sum anleggsmidler		15 074 000 000	15 462 000 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	17,27	1 455 000 000	1 003 000 000
Andre fordringer	18,26, 27	625 000 000	628 000 000
Eiendeler holdt for salg			20 000 000
Sum fordringer		2 080 000 000	1 651 000 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	19,27	1 797 000 000	1 880 000 000
Sum bankinnskudd, kontanter og lignende		1 797 000 000	1 880 000 000
Sum omløpsmidler		3 877 000 000	3 531 000 000
SUM EIENDELER		18 951 000 000	18 993 000 000



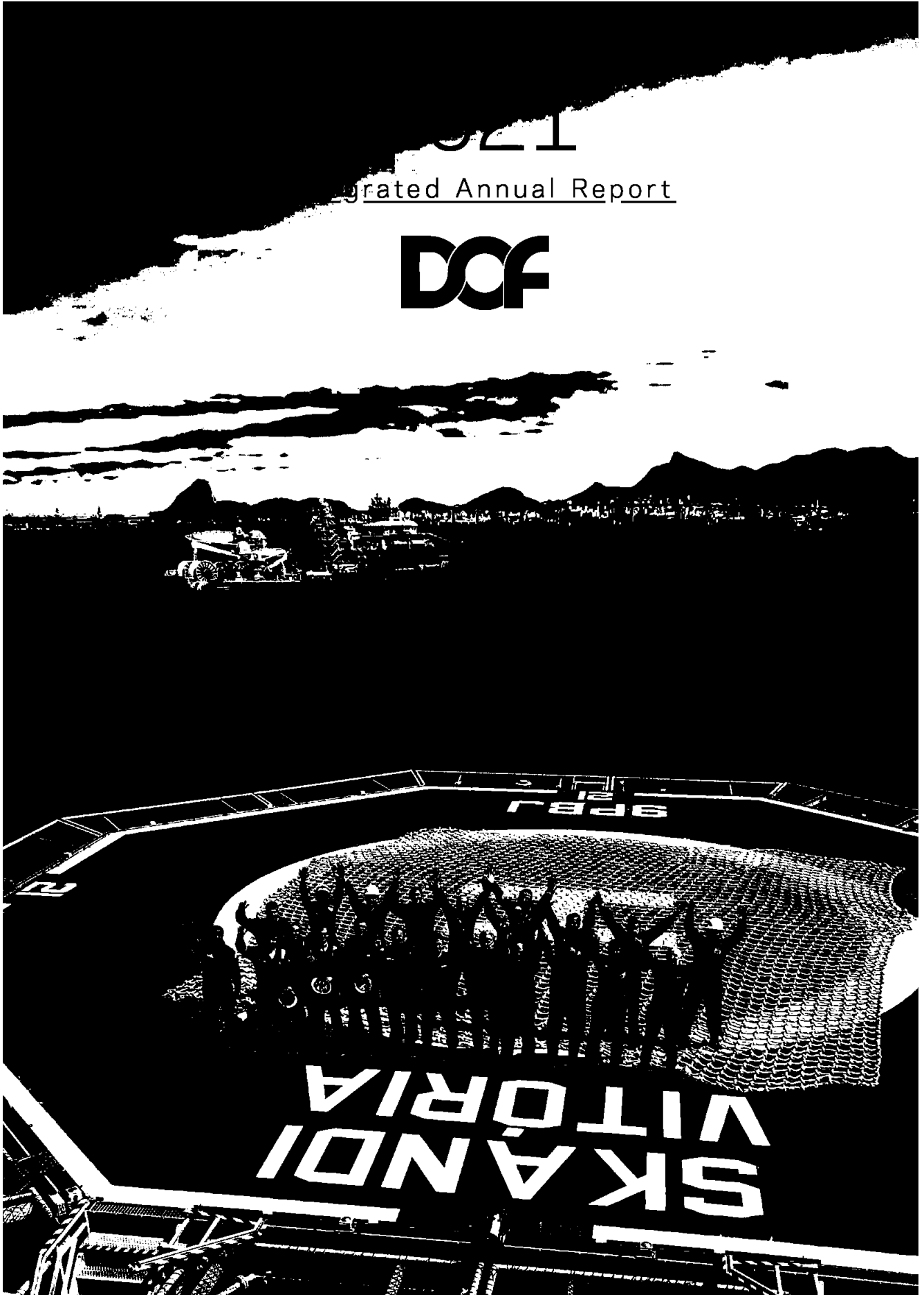
Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	20	316 000 000	309 000 000
Sum innskutt egenkapital		316 000 000	309 000 000
Opptjent egenkapital			
Udekket tap		1 733 000 000	1 321 000 000
Sum opptjent egenkapital		-1 733 000 000	-1 321 000 000
Minoritetsinteresser	21	91 000 000	114 000 000
Sum egenkapital		-1 326 000 000	-898 000 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	23		4 000 000
Utsatt skatt	23	35 000 000	58 000 000
Sum avsetninger for forpliktelser		35 000 000	62 000 000
Annen langsiktig gjeld			
Lease forpliktelser	15	217 000 000	301 000 000
Annen langsiktig gjeld	23	3 000 000	
Sum annen langsiktig gjeld		220 000 000	301 000 000
Sum langsiktig gjeld		255 000 000	363 000 000
Kortsiktig gjeld			
Obligasjonsgjeld	22,27	2 979 000 000	2 554 000 000
Gjeld til kreditinstitusjoner	22,27	15 309 000 000	15 305 000 000
Right-of-use gjeld	22,27	87 000 000	94 000 000
Kassekreditter	22,27	8 000 000	
Påløpte ikke batalte renter	22,27	309 000 000	348 000 000
Leverandørgjeld	24,27	895 000 000	675 000 000
Annen kortsiktig gjeld	25,26, 27	435 000 000	552 000 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
Sum kortsiktig gjeld		20 022 000 000	19 528 000 000
Sum gjeld		20 277 000 000	19 891 000 000
SUM EGENKAPITAL OG GJELD		18 951 000 000	18 993 000 000
POSTER UTENOM BALANSEN			
Pantstillelser	22	11 768 000 000	12 471 000 000







2021

DOF INTEGRATED ANNUAL REPORT





Sustainability

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

Transparency

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

Environmental, Social, and Corporate Governance

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



Financial calendar 2022

Preliminary dates for the publishing of the results for DOF ASA:

DATE	EVENT
19 May 2022	1 st quarter 2022
24 Aug 2022	2 nd quarter 2022
15 Nov 2022	3 rd quarter 2022
24 Feb 2023	4 th quarter 2022

The dates are subject to change.



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Financial performance

An overview of our 2021 financial performance

Key figures DOF Group

Amounts in NOK million From the Profit or Loss	Management reporting		Financial reporting	
	2021	2020	2021	2020
Operating income	7 544	7 582	6 356	6 212
Operating expenses	-4 754	-4 591	-4 278	-4 107
Operating profit (loss) before depreciation and write downs - EBITDA	2 790	2 990	2 078	2 105
Depreciation	-1 334	-1 097	-1 030	-856
Impairment	-510	-3 665	-412	-3 258
Operating profit (loss) - EBIT	946	-1 771	636	-2 010
Net finance costs	-1 131	-1 974	-941	-1 629
Unrealised currency gain (loss)	-358	-1 120	-311	-1 112
Net changes in gain (loss) on derivatives	40	-56	40	-56
Net financial items	-1 449	-3 150	-1 212	-2 797
Profit (loss) before taxes	-504	-4 921	-576	-4 806
Tax income (expenses)	-126	-38	-54	-153
Profit (loss) for the year	-630	-4 959	-630	-4 959
Non-controlling interests	-23	-49	-23	-49
From the Balance sheet				
Vessels and other non-current assets	18 532	19 188	15 074	15 462
Current assets	4 456	4 031	3 877	3 531
Total assets	22 988	23 219	18 951	18 993
Interest free debt	1 990	1 876	1 676	1 635
Net financing of the entity	20 998	21 343	17 275	17 357
Interest bearing debt	22 324	22 241	18 601	18 255
Equity	-1 326	-898	-1 326	-898

Key Figures

Current ratio	1)	0.22	0.20	0.19	0.18
Equity ratio	2)	-6%	-4%	-7%	-5%
Capex	3)	1 411	448	1 031	303
Operating margin	4)	37%	39%	33%	34%
Return on equity ratio	5)	48%	552%	48%	552%
Earnings per share (NOK)	6)	-1.92	-15.51	-1.92	-15.51
Diluted earnings per share (NOK)	7)	-1.92	-15.51	-1.92	-15.51
Average number of shares in the period		316 456 167	316 456 167	316 456 167	316 456 167
Number of shares incl mandatorily convertible shares		316 456 167	316 456 167	316 456 167	316 456 167
Outstanding number of shares		316 456 167	308 962 779	316 456 167	308 962 779

1) Current assets/Current liabilities

2) Equity/Total assets

3) Capex, see note 13

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

5) Profit for the year/Booked equity

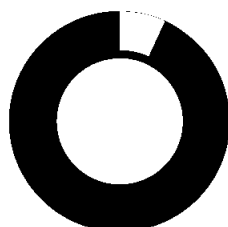
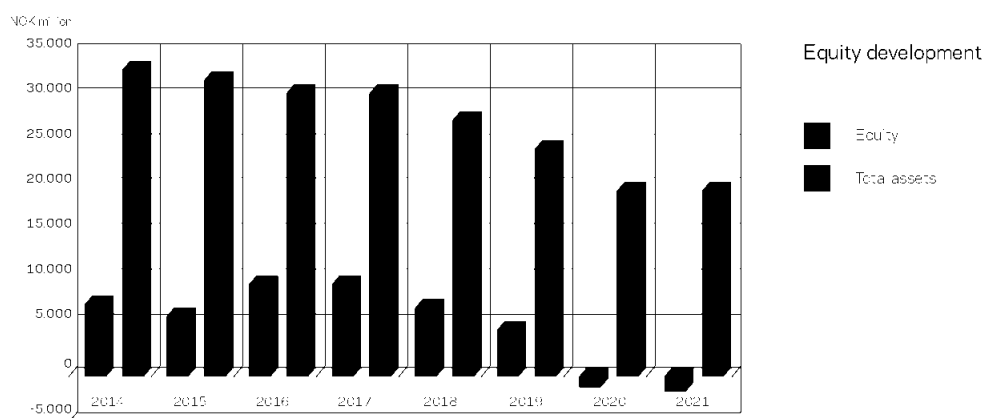
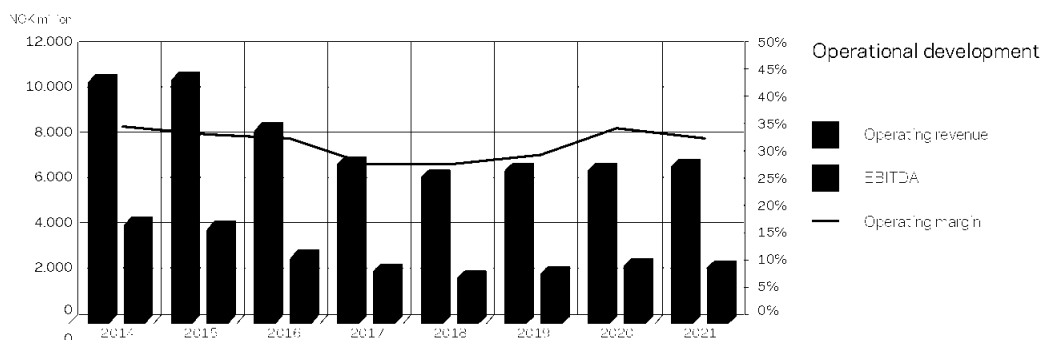
6) Majority share of profit for the year/Average number of shares. See note 12

7) Majority share of profit for the year/Potential average number of shares. See note 12

For further information about the management reporting see note 5 and the Appendix A.

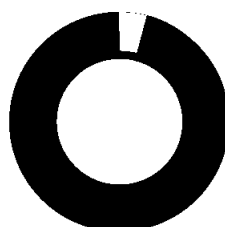


FINANCIAL PERFORMANCE



Revenue per segment *)

PSV	6%
A-TS	15%
Subsea	79%



EBITDA per segment *)

PSV	4%
A-TS	18%
Subsea	78%

*) Based on management reporting.



MANAGEMENT LETTER



Delivering our strategic priorities

From the CEO

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

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

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

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

Financial highlights

The Group achieved an EBITDA of NOK 2,790 million in 2021 (management reporting) which is a satisfactory operational result as COVID-19 continued to impact the operations throughout the year. The main contribution has been from the subsea segment where we have experienced a significant growth in the activities within the subsea project business, especially in the 2nd half of the year. The performance from the PSV and AHTS segment was slightly lower than what the Group achieved in 2020. The Group EBIT was NOK 946 million and was less impacted by impairments.

Operational highlights

The markets continued to be challenging at the start of the year, but the overall activity started to increase towards the end of the 2nd quarter, especially in the Atlantic and the Asia-Pacific regions, resulting in good performance from these regions the remainder of the year. The Brazil and US regions followed up, and with several new tenders towards the end of the year in Brazil. In total, the Group achieved a utilisation rate of 78% in 2021. COVID-19 has unfortunately impacted the costs and has also resulted in off-hire for parts of the fleet, especially in Brazil where the organisation successfully has managed to protect the employees and kept the operations close to normal. The PLSV fleet continued to operate on firm contracts through the year and achieved an utilisation rate of 90%.

The Group's fleet has decreased through the year as four vessels have been sold and one vessel has been recycled. None of the sold vessels were of strategic importance for the Group.

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

The Group has, through the year, secured several new contracts with a value of NOK 5.1 billion, and some of them are worth highlighting:

- Two 3-year contracts with Petrobras for the PLSVs, Skandi Vitoria & Skandi Niteroi.
- Multiple 1-year AHTS contracts with Petrobras in Brazil.
- Multiple 1-year PSV contracts with various clients in the North Sea.
- Subsea project contracts with Beach Energy and Esso Australia in the Asia-Pacific regions.

The total backlog by year-end was NOK 14.4 billion. Due to high tender activity, we expect the backlog to increase during the 1st half of 2022.

Safeguarding our People

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

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

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



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

Sustainable Environment

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

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

Employees

The key to DOF's success remains unchanged – our people. The market in which we operate has continued to be challenging, but we have seen a headcount growth of 22% in 2021 as we have adapted the workforce with current market demands. At the end of 2021 there were 3,820 people in the Group.

UN Sustainable Development Goals, Human Rights and Business

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

global companies based in the Nordics with the best score related to human rights and employer responsibility.

Continuous improvement of our operations

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

Outlook

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

Thank you for your support

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

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

Bergen, 6th of April 2022

Mons S. Aase
Chief Executive Officer



This is DOF

Company overview

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

A global workforce of 3,820 people and a fleet comprising 59 vessels.

Company overview

DOF is a leading provider of integrated subsea project and marine services to the global offshore energy market. Established in Austevoll in 1981, DOF has continued a proud tradition of delivering safe and quality services to our customers.

Our global footprint, excellent customer relations, combined with our expertise, high-quality vessels, and strong safety culture are central to future success in an evolving market. Over the last decade the Company has invested in key regions such as the Atlantic, South America, North America, and Asia-Pacific.

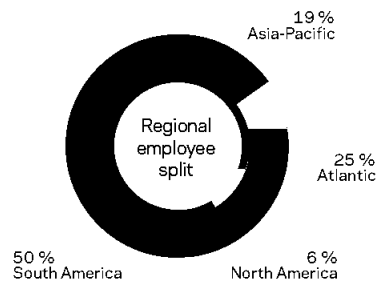
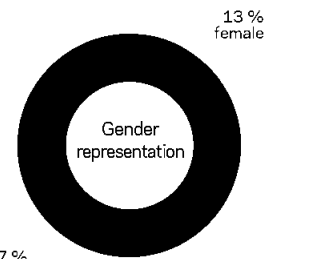
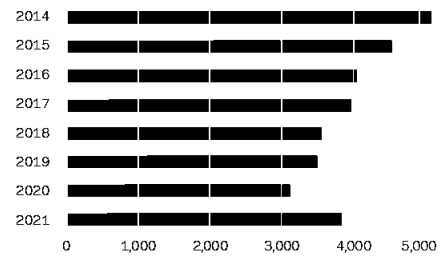
DOF has a unique ability to utilise people and assets from across the marine and subsea organisations to seamlessly deliver multi-discipline services from a single company.

DOF operates in three segments of the offshore services market, strategically defined by activities and vessel types: PSV (Platform Supply Vessels), AHTS (Anchor Handling Tug Supply vessels), and Subsea (Subsea vessels and Subsea engineering services).

As of 31st of December 2021, DOF has a global workforce of 3,820 people and a total fleet of 59 vessels, of which eight vessels are on management or hired in.

Key employee takeaways *

Number of employees 2021

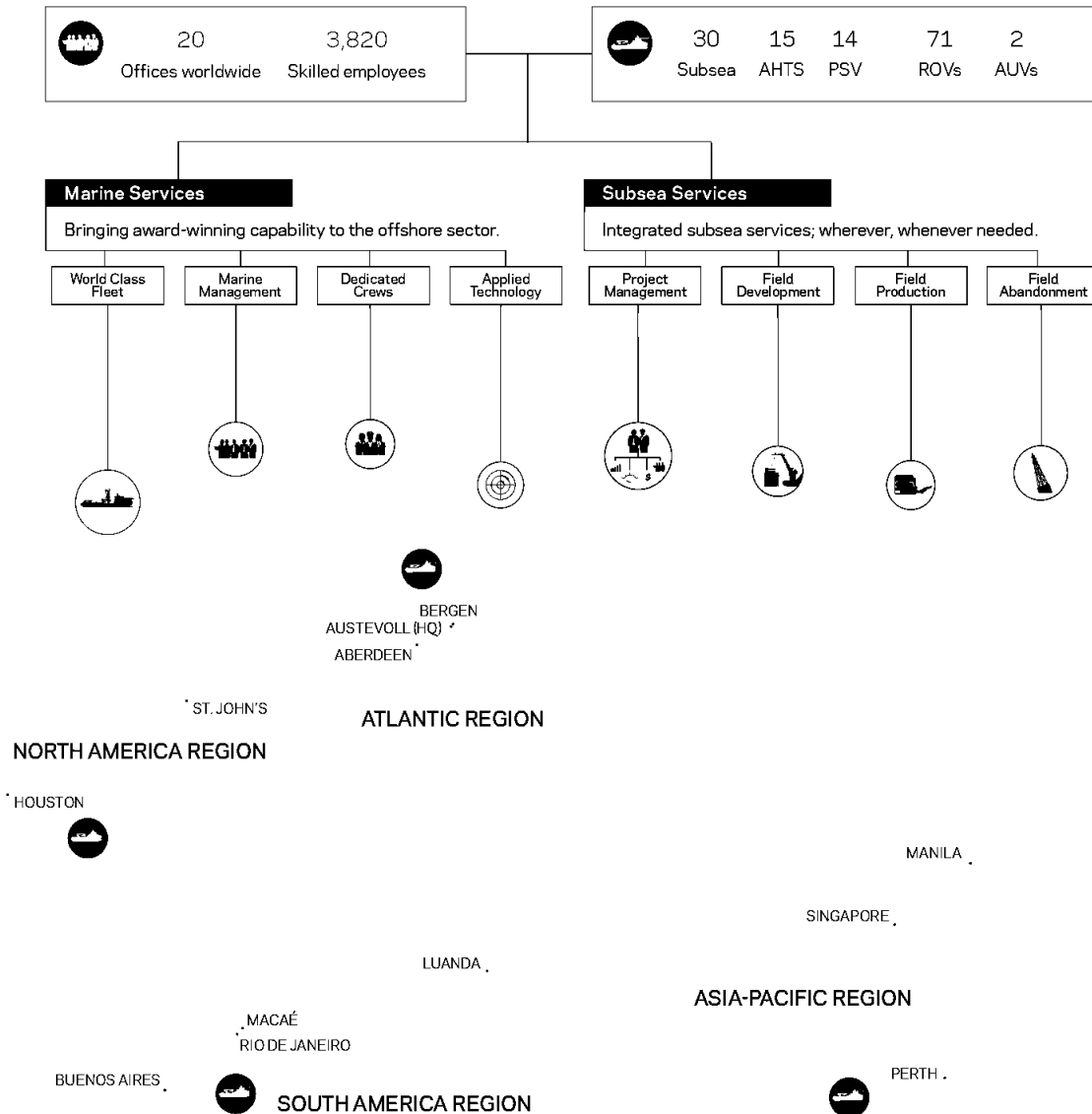


* All totals as of year-end 2021.



COMPANY OVERVIEW

A trusted partner for offshore operations





Operations

Operational highlights in 2021

General comments to the 2021

The challenging markets continued into 2021, however from the 2nd quarter the Group experienced increased demand within the subsea project markets. The AHTS and PSV markets continued to be weak, but the utilisation and earnings were slightly higher versus 2020.

The operations have been highly impacted by COVID-19 throughout the year especially in Brazil, which has resulted in high costs and off-hire for this part of the fleet.

The Group has, through the year, secured new contracts with a value of NOK 5.1 billion (NOK 6.2 billion). The backlog by year-end was NOK 14.1 billion.

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

Key takeaways *

7.5 Billion

Total revenue
(management reporting)

78%

Average fleet utilisation
for 2021

14.1 Billion

Contract backlog and excluding options
(includes JV backlog of 5.4 billion)



Q1 2021

GENERAL COMMENTS

Low activity in all regions.
Average utilisation fleet 67% (81%).

MAIN CONTRACT AWARDS & EVENTS

Skandi Kvitsøy awarded 1-year
+ 2x1-year options in the North Sea.

Skandi Texel (built 2006) and
Skandi Buchan (built 2002) sold.
Skandi Admiral (built 1999) recycled.

Skandi Gamma awarded 2-year
+ 2x1-year options with Ithaca Energy
(UK) and two PSVs awarded contracts
for periods of 150 days in 2021 and
270 days in 2022 in Latin America.

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

CAPITAL STRUCTURE

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

Q2 2021

GENERAL COMMENTS

Continued challenging markets, but
increased activity within the subsea regions.
Average utilisation fleet 80% (70%).

MAIN CONTRACT AWARDS & EVENTS

Geograph (built 2007) sold.

Awarded multiple contracts for
Skandi Acergy, Skandi Skansen,
Skandi Iceman, Skandi Hera and
a third-party vessel including
project management, engineering,
procurement and logistics for
a key renewable client.

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



Q2 2021 CONTINUED

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

CAPITAL STRUCTURE

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

Q3 2021

GENERAL COMMENTS

Increased activity in all regions. Average utilisation fleet 83% (71%).

MAIN CONTRACT AWARDS & EVENTS

Skandi Paraty awarded 1-year extension with Petrobras.

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

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

The DOF Subsea Asia-Pacific region awarded multiple contracts with minimum 8-month vessel utilisation and project scopes.

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

Skandi Achiever awarded 1-year contract extension with Petrobras.

Q3 2021 CONTINUED

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

Skandi Botafogo awarded 3-year contract with Petrobras.

Skandi Amazonas awarded 1-year contract extension with Petrobras.

CAPITAL STRUCTURE

Discussions with the lenders continued and standstill agreements with the secured lenders and bondholders were extended until 31st of October 2021.

DOF Subsea prepaid a loan facility of USD 47 million at a significant discount.

Q4 2021

GENERAL COMMENTS

High utilisation in all segments and good performance from the subsea regions. Average utilisation fleet 82% (68%).

MAIN CONTRACT AWARDS & EVENTS Geosund (built 2001) was agreed sold with delivery 2022.

DOF Subsea Asia-Pacific region awarded a contract with Beach Energy, including project management, engineering, fabrication, transportation and installation services.

CAPITAL STRUCTURE

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

2022

MAIN CONTRACT AWARDS & EVENTS

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

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

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

Skandi Sotra (built 2003), Skandi Rona (built 2002), Skandi Foula (built 2002), and Geosea (built 2002) agreed sold.

Skandi Mongstad awarded 3-year and Skandi Vega 2-year contract extension with Equinor Energy.

Skandi Kvitsøy awarded 1-year extension with Shell UK.

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

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

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

CAPITAL STRUCTURE

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



Shaping DOF for the future

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

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

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

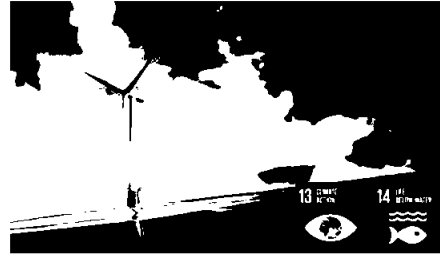
	People	Planet	Prosperity	Principles
Value Drivers	People Occupational health and safety	Environmental performance	Financial performance Marine & Subsea service delivery	Governance
Outputs	Enabling a strong health and safety culture and systems in values-based environment Fostering a diverse & inclusive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



People

A SAFE, INCLUSIVE,
INSPIRING WORKPLACE:

- Diversity, equality, & inclusion...17
- Skills for the future.....18
- Human rights18
- Employee health & wellbeing....19



Planet

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

- CDP & GRI reporting 21
- UN SDGs.....21
- Emission & energy reduction.....22
- Green Shipping22
- Environmental stewardship 23

THE
DOF
GROUP

Environmental, Social, and Governance commitments

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



Prosperity

GOOD CORPORATE CITIZENS,
EFFICIENT OPERATIONS,
POSITIVE IMPACTS

- Innovation & technology25
- Wealth generation25
- Circular economy.....26
- New market segments.....26



Principles

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

- Governing purpose 29
- Our Board29
- Accountability & transparency....29
- Ethical behaviour 30





Our People

A SAFE, INCLUSIVE,
INSPIRING WORKPLACE

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

- Marianne Møgster

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

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



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

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



People

3 Confirmed harassment cases <small>recorded in 2021</small>	3,820 Headcount <small>headcount per 31.12.2021</small>
0 GDPR breaches <small>recorded in 2021</small>	3.73% Absence <small>absence due to sickness in 2021</small>



SHAPING DOF FOR THE FUTURE / PEOPLE



Captain Débora Paula Ferreira



Captain Erica Mesquita

Improving diversity, equality, and inclusion

in line with UN SDG 5, Gender Equality

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

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

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

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

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

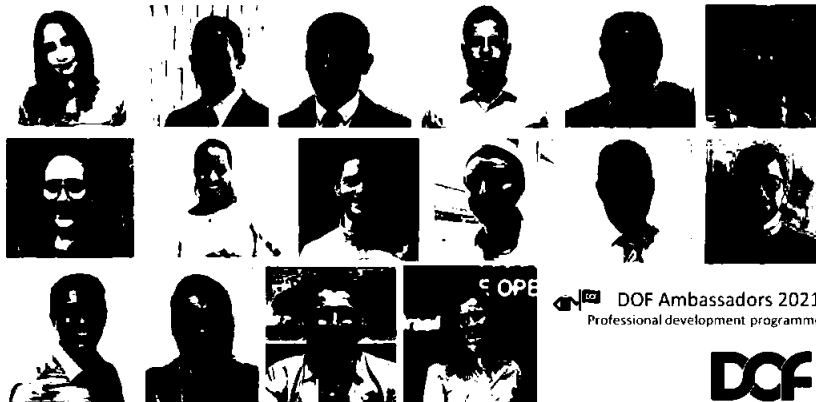
You can't be what you can't see: Celebrating International Women's Day 2021. DOF's master class 'Women's leadership and how to develop it' webinar for women employees in the Brazil region was attended by 61 onshore and offshore women.



Captain Tereza Santos

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

Read more at: page 30



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



Skills for the future: a culture of continuous learning

in line with UN SDG 4, Quality Education

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

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

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

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

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

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

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

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

DOF respects human rights

and believes them central to all UN SDGs

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

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



Top-5
scoring in the Nordics

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

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

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

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

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

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

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

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

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

Read more at:
page 30



Employee health & wellbeing

in line with UN SDG 3, Good Health and Wellbeing

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

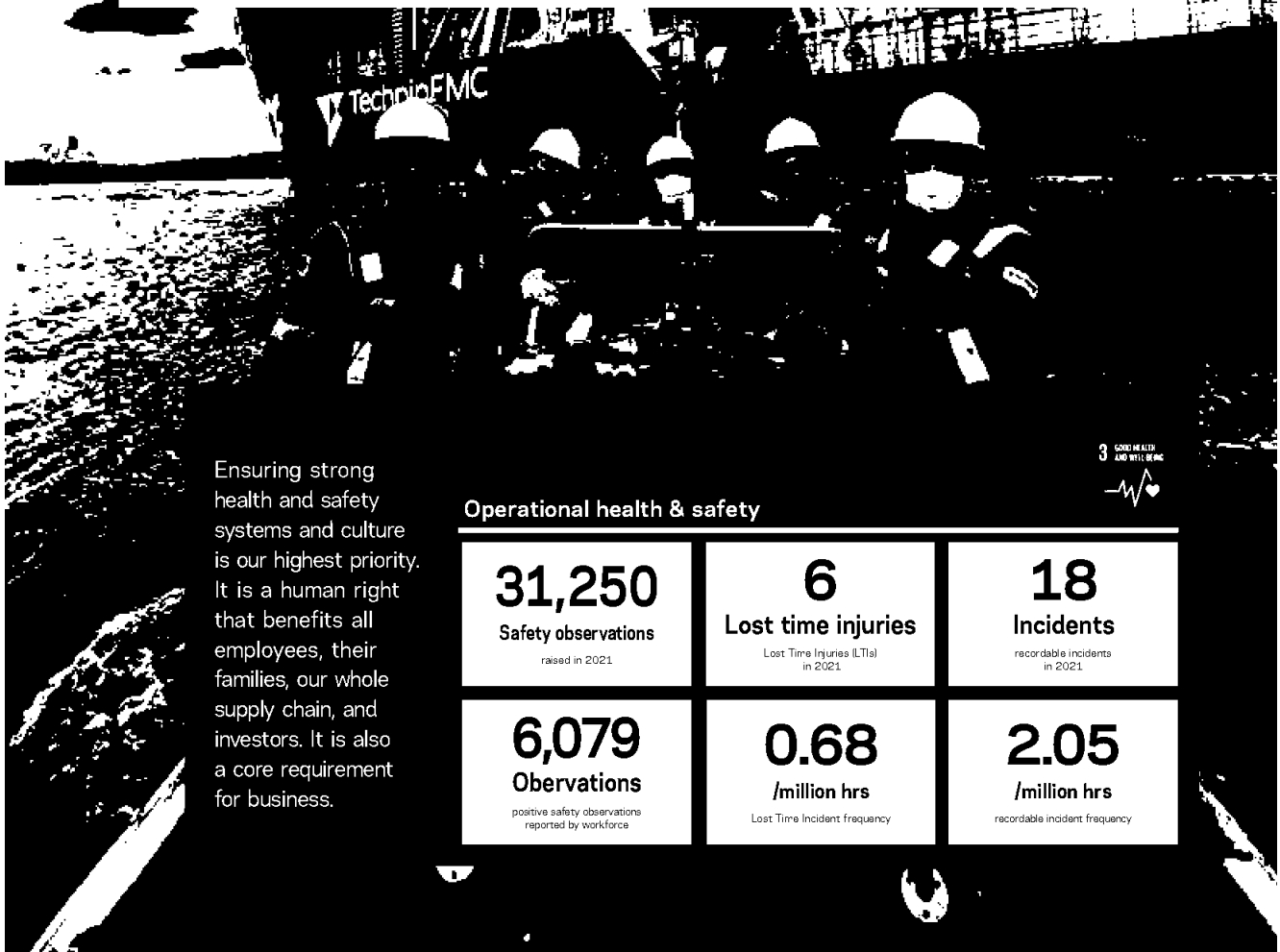
Health and safety in a global pandemic we face similar operating conditions in 2022. Our proven ability to adapt and maintain operations safely is core to our value creation for all stakeholders and future high-standard service delivery.

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

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

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

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



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



Operational health & safety

31,250 Safety observations <small>raised in 2021</small>	6 Lost time injuries <small>Lost Time Injuries (LTIs) in 2021</small>	18 Incidents <small>recordable incidents in 2021</small>
6,079 Observations <small>positive safety observations reported by workforce</small>	0.68 /million hrs <small>Lost Time Incident frequency</small>	2.05 /million hrs <small>recordable incident frequency</small>

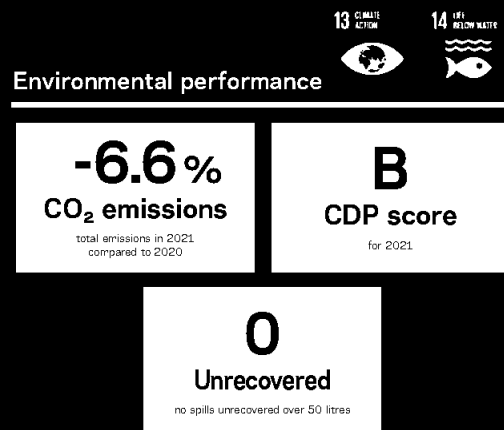


Our Planet

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

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

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





SHAPING DOF FOR THE FUTURE / PLANET



DOF named in Financial Times Europe's Climate Leaders 2021

Meeting our stakeholders' expectations

in line with UN SDG 13, Climate Action

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

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

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

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

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

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



Since

2014

DOF has used the Global Reporting Initiative (GRI) Standards. Recognised industry leader



Sustainable Development

17 GOALS

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



THE GOVERNANCE GROUP

A-

ESG 100 score

EY

Independent assurance report Sustainability & Greenhouse Gasses (GHG) verification



2021 B

11-year participation

Top 30% for Environmental Stewardship

Find more information at: www.cdp.net

SHAPING DOF FOR THE FUTURE / PLANET

Emissions and energy reduction

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

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

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

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

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

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

Activities and programs to reduce climate impact

Design

Improved fuel efficiency through design

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

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

← Hull resistance →

Route optimisation

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

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



Power innovations

LNG

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

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

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

HSE Crew comfort. Reduced Noise levels due to configuration.

Battery storage

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

Shore power connection



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

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



Environmental stewardship

in line with UN SDG 14 Life Below Water

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

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

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

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

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

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

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

A DOF employee's photo of a whale shark



Our Prosperity

GOOD CORPORATE CITIZENS,
EFFICIENT OPERATIONS,
POSITIVE IMPACTS

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



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

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



Financial performance

78%
Utilisation

of the group fleet in 2021

80%
Utilisation

of Subsea project fleet in 2021

14.4
BILLION

group backlog per 31.12.2021



SHAPING DOF FOR THE FUTURE / PROSPERITY

Stakeholder and wider wealth generation

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

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

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

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

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

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

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

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

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

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

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

Read more at: Page 30



SHAPING DOF FOR THE FUTURE / PROSPERITY

Innovating technologies & core services

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

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

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

Emissions reduction and energy management

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

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

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

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

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

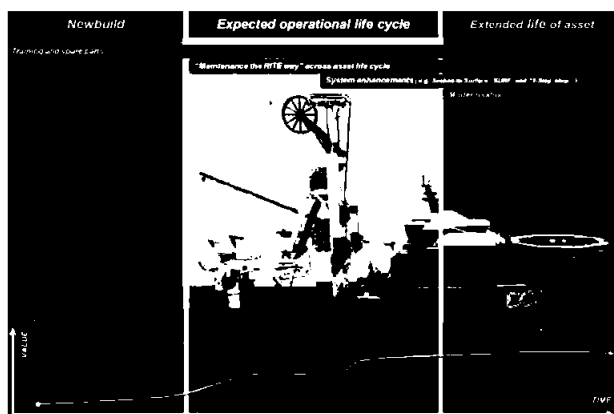
Other efficiencies and emissions reduction: Delivered by increasing shore power capability and installation of large batteries onboard vessels.

Core services

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

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

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



Circular Economy (CE) approach

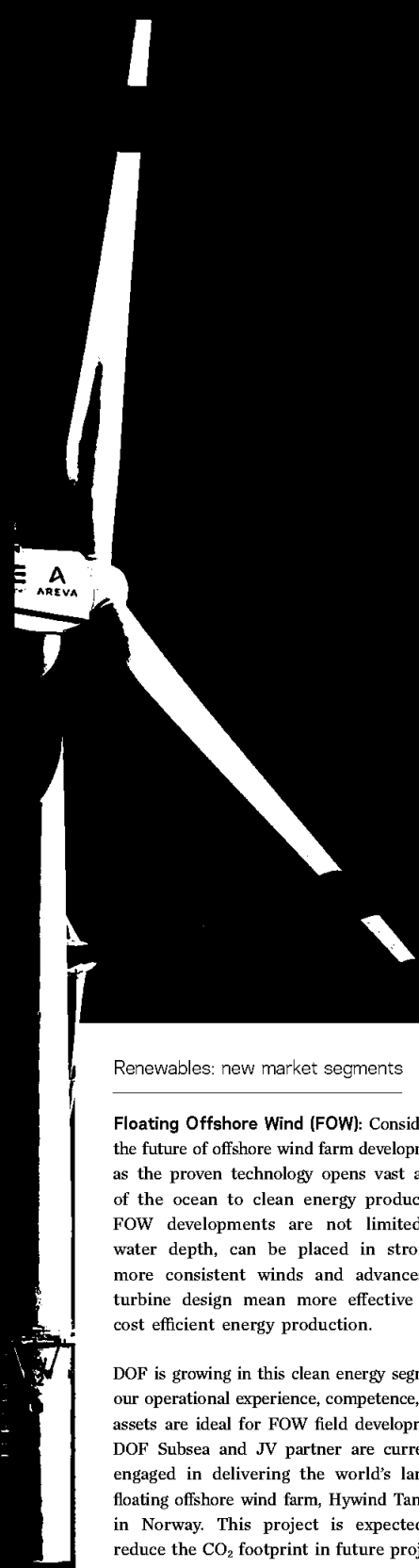
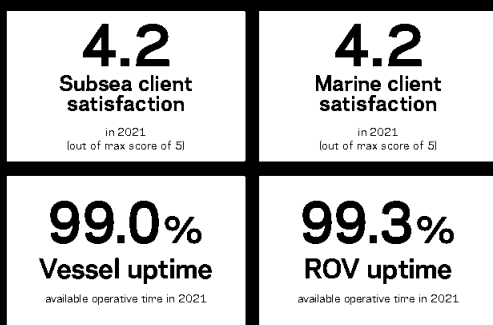


Subsea and Marine services are the core value-generating work of our business. Building strong relationships and ensuring we have the right assets and capability to support our customers in the evolving subsea and offshore energy sector, is key to our future and therefore benefits all stakeholders.

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



Marine and Subsea service delivery



Renewables: new market segments

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

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



Our Principles

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

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

VENTO
IDEL
ANCAS
OWN FALL

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

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

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

Principles

<p>0 Fines <small>or non-monetary sanctions due to non-compliance</small></p>	<p>0 Corruption <small>cases in 2021</small></p>
<p>1,036 NCRs <small>raised in 2021</small></p>	<p>1,589 Audits & Inspections <small>completed in 2021</small></p>





Annual Leaders Seminar

Governance

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

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

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

📖 Read more at: page 46

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

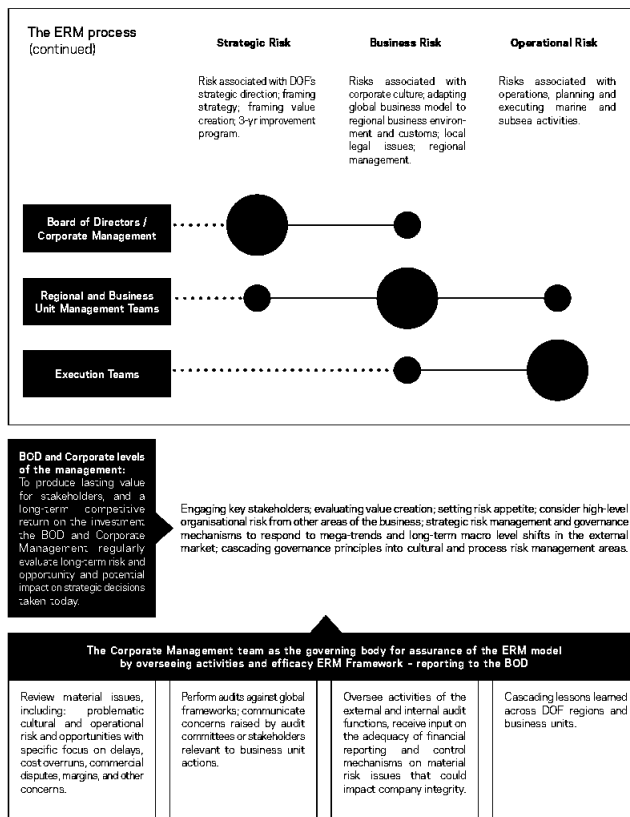
EU Taxonomy classification system establishes a list of environmentally sustainable economic activities. Companies will need to report the proportion of their revenue, capex and opex classified as eligible according to this Taxonomy.

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

Double materiality stakeholder engagement: Stakeholder engagement is a continuous and ongoing process as we factor stakeholder expectations and broader challenges into strategy and decision making. DOF established a materiality process in 2015. Increasing the focus on risk and opportunity, the Group evolved to a more contemporary double-materiality approach in 2021. See page 182.

Integrating risk and opportunity into business process: The Group's risk management and internal controls are based on the principles in the Norwegian Code of Practise for Corporate Governance. The Board and Corporate Management Team evaluate risk and opportunity and potential to realise vision and strategic direction for long-term competitive return on the investment and to produce lasting value for stakeholders. See page 184.

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



Integrating risk and opportunity into business process



Ethical behaviour

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

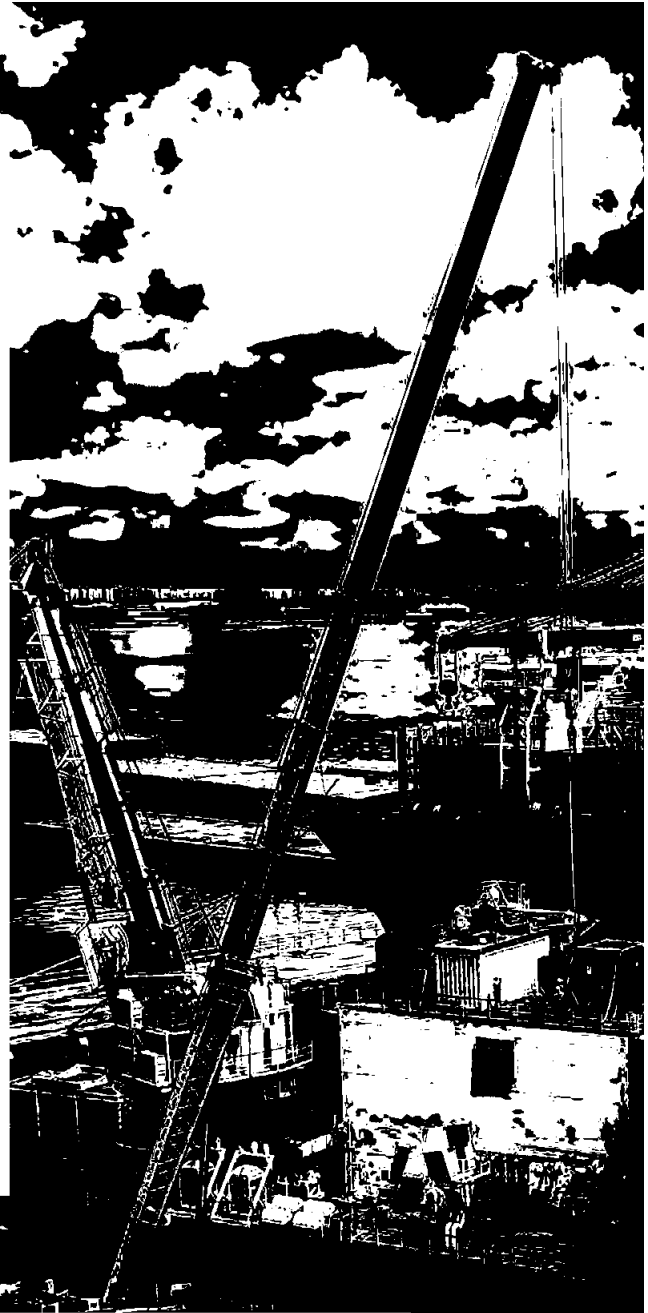
Our Code of Business Conduct (COBC) is aligned to the UN Global Compact and is our blueprint for conducting business fairly and responsibly. It was relaunched in 2018 and structured around our five values: Respect, Integrity, Teamwork, Excellence, and above all we are SAFE. The COBC is supported by extensive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

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

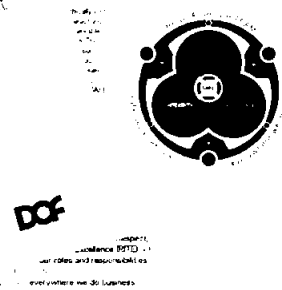
The DOF Watertight Integrity Test: DOF's Code of Business Conduct aims to help everyone understand and meet the Group's expectations for professional standards and how to comply with all legal and regulatory obligations, worldwide. The "DOF Watertight Integrity Test" is a simple tool to support decision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

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

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



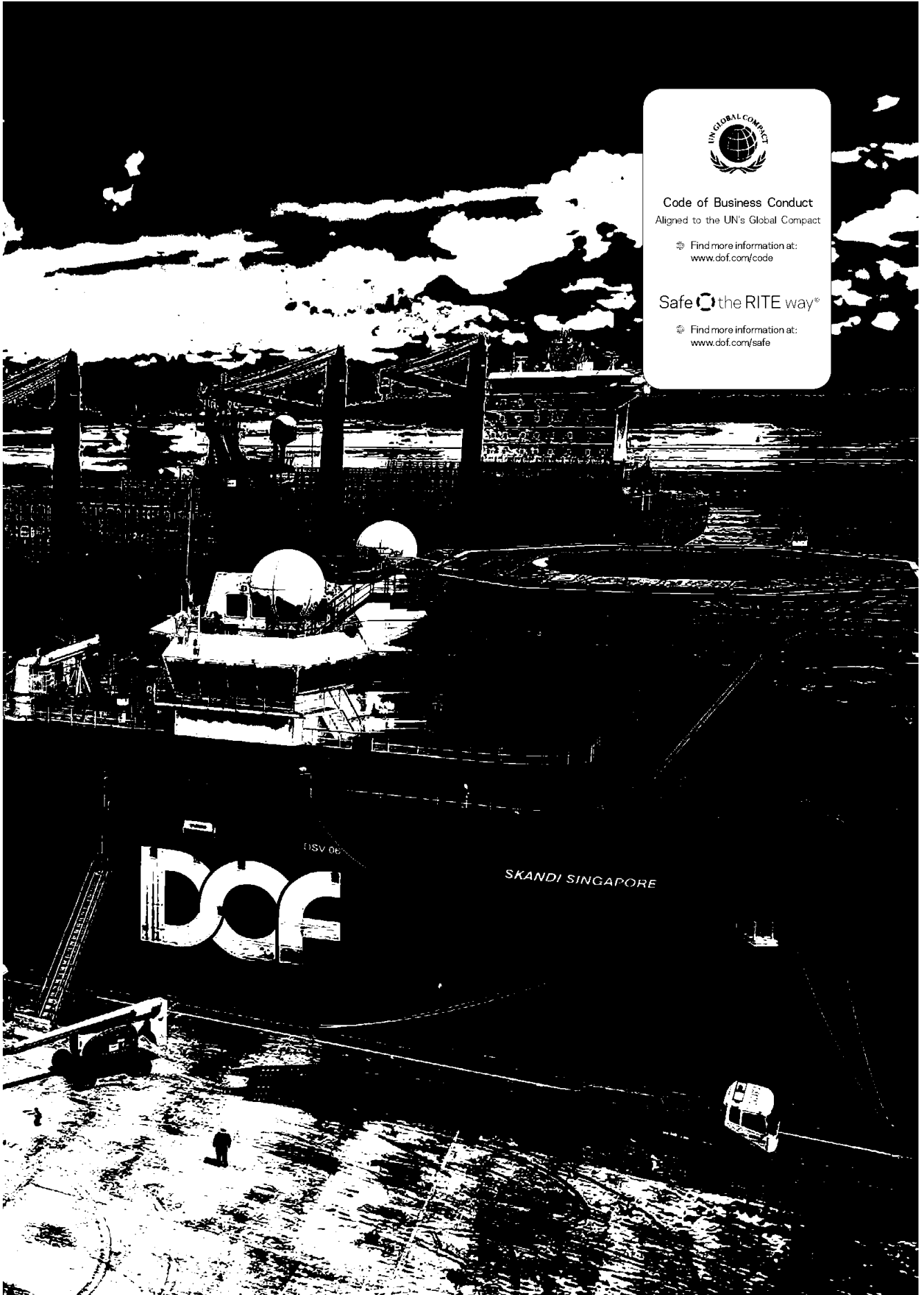
Code of Business Conduct



The DOF watertight integrity test

Think the RITE way: Is the problem really as it appears?

- IS IT SAFE?
- IS IT LEGAL?
- DOES IT REFLECT DOF VALUES?
- AM I SETTING A GOOD EXAMPLE?
- WOULD I BE COMFORTABLE TALKING ABOUT IT?



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

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

Safe the RITE way®

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

Board of Directors of DOF ASA

**Hans Olav
Lindal**

Chairman



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

**Helge
Singelstad**

*Deputy
Chairman*



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



BOARD OF DIRECTORS OF DOF ASA

Marianne Møgster

Director



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

Kathryn Moore Baker

Director



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

Mons Svendal Aase

CEO



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



Report of the Board of Directors

Key notes

In summary, 2021 has continued to be a challenging year with respect to COVID-19, but the O&G markets have improved in addition to an increased demand for vessels within the renewable market. The DOF Group (“the Group”) achieved an average utilisation of its fleet of 78% through the year, and higher rate levels compared to the previous year. It is however too early to conclude on a market recovery within O&G, and how the current geopolitical instability might impact the markets is further uncertain. During the year, the Group has succeeded in maintaining its strong position within environmental and social sustainability.

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

The Group’s revenue (management reporting) was NOK 7,544 million (NOK 7,582 million) and the EBITDA was NOK 2,790 million (NOK 2,990 million). The EBIT was NOK 946 million (NOK -1,771 million) whereof the EBIT in 2020 was impacted by high impairments. The EBIT excluding impairments was NOK 1,456 million (NOK 1,894 million). The net result was NOK -630 million (NOK -4,959 million) of which the negative financial result in 2020 was highly impacted by unrealised currency loss due a strengthened USD towards NOK and BRL. The Group’s operational cash flow was NOK 2,054 million (NOK 2,266 million) and net cash flow after finance and investment activities was NOK -86 million (NOK 1,177 million).

Business Overview & Strategy

DOF ASA (“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 PSV (platform supply vessels), AHTS (anchor handling tug support vessels) and Subsea (construction and subsea vessels). Included in the subsea segment are engineering companies that provide services within the subsea project market. The supply vessels (AHTS and PSV) support fields in production as well as development and exploration activities, with the majority of the supply fleet servicing fields in production. The Group’s subsea fleet is a combination of vessels on term contracts and vessels utilised for subsea project activities. The subsea vessels on term contracts are serving the IMR (Inspection, Maintenance & Repair) market and

the SURF (Subsea, Umbilicals, Risers & Flowlines) market. The Group’s subsea projects include survey, diving services, ROV operations, construction and IMR among others. In 2021 the Group has been engaged in several offshore wind projects of which the Hywind Tampen project in the North Sea is considered the most important contract and is currently the largest floating offshore wind project in Europe. The majority of the subsea fleet and all the subsea project activities are performed and owned by the subsidiary DOF Subsea AS.

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






Vision:

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



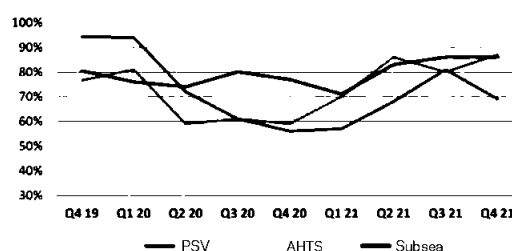
REPORT OF THE BOARD OF DIRECTORS

Asset overview*

	Subsea	30		ROV	71
	AHTS	15		AUV	2
	PSV	14			
	Total	59			

* All fleet totals are as of 31.12.2021. Totals include vessels wholly and partly owned and vessels on "management".

Average utilisation of the Fleet



Mission:

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

The Group will continue its strategy to be engaged in long-term and industrial offshore relationships and operate within a mix of project contracts and time charter contracts for its vessel and ROV fleet. The Group's backlog was by year-end 2021 NOK 14.1 billion (included backlog joint venture of NOK 5.4 billion), which represent a high backlog among peers. The Group further aims to deliver consistent and improved ESG results.

The Group owns a diversified and advanced fleet of offshore vessels with an average age of approximately 11.7 years, and a fleet of ROVs (Remote Operated Vehicles) and AUVs (Autonomous Underwater Vehicles). As of the 31st of December 2021, the Group's fleet comprised 59 vessels (51 owned fully or partly):

- 14 platform supply vessels (PSV)
- 15 anchor handling tug supply vessels (AHTS)
- 30 subsea/construction vessels (Subsea)
- 71 ROVs and 2 AUVs

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

The head office is located at Storebø in Austevoll municipality in Norway.

Operating segments

The challenging markets continued into 2021, however during 2nd quarter the Group experienced increased demand

especially for its subsea assets and services within subsea IMR and projects. The AHTS and PSV markets continued to be weak, but the utilisation and earnings were slightly higher versus 2020. The operations have been highly impacted by COVID-19 throughout the year especially in Brazil and resulted in high costs and off-hire for this part of the fleet. The Group has through the year secured new contracts with a value of NOK 5.1 billion (NOK 6.2 billion).

The utilisation of the Group's fleet was 78% in 2021 compared to 73% in 2020. On average, the Group had 2 owned vessels in lay-up in 2021 and has further sold and recycled in total five vessels.

The PSV & AHTS segment

By year-end the PSV fleet included 14 vessels of which one vessel is owned via a minority share. The fleet achieved a utilisation rate of 69% (71%) in 2021, and on average 2 vessels have been in lay-up. The main operational area for the fleet has been in the North Sea, but parts of the fleet have been operated in Asia-Pacific and in Latin-America on firm contracts. The majority of the fleet is owned by the subsidiary DOF Rederi AS. The PSV fleet represent the oldest part of the Group's fleet with an average age of 13.8. The fleet has gradually declined the last few years and two vessels have been sold in 2021. By year-end the backlog for the PSV fleet was NOK 0.7 billion. A continuing weak market has had a negative impact on the vessel values and total booked impairment in 2021 was NOK 96 million (NOK 252 million) within the PSV segment. The North Sea spot market has improved compared to 2020, and with normal seasonal variations. The tender activity picked up towards end of the year as operators began to secure tonnage for the upcoming 2022 summer drilling season.

The AHTS fleet include 15 vessels of which four vessels are on management. In 2021 the owned AHTS fleet achieved a utilisation rate of 81% (65%). One vessel has been recycled in 2021. The majority of the AHTS fleet operates in Brazil,



REPORT OF THE BOARD OF DIRECTORS

Segment reporting (management reporting)

Amounts in NOK million	PSV		AHTS		Subsea		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Operating revenue	462	524	1 117	1 224	5 964	5 834	7 544	7 582
Net gain on sale of tangible assets	31	-	-	12	78	7	109	19
Operating result before depreciation and impairment - EBITDA	108	104	491	606	2 190	2 281	2 790	2 990
Depreciation	113	123	216	245	1 005	728	1 334	1 097
Impairment	96	252	68	730	346	2 682	510	3 665
Operating result - EBIT	-100	-272	207	-369	839	-1 130	946	-1 771
EBITDA margin	23%	20%	44%	50%	37%	39%	37%	39%
EBIT margin	-22%	-52%	18%	-30%	14%	-19%	13%	-23%

and the remainder of the fleet has operated in the Atlantic region (mainly the North Sea) and in the Asia-Pacific region (mainly Australia). The operation in Brazil includes nine vessels, all built in Brazil and protected by Brazilian flag. This fleet is owned by the subsidiary Norskan Offshore Ltda. (Norskan), and the main client is Petrobras. The utilisation of the fleet in Brazil was higher than previous year but the average rate levels were lower as several long-term contracts were renewed in 2020 at lower rates than the initial contracts. However, the Brazil market tightened towards end of the year and Petrobras has further tendered for several vessels with both local and international flag. The operations in the North Sea and in Asia-Pacific include six vessels of which the majority are vessels on management. The North Sea spot market has been very volatile with short terms spikes parts of the year. By year-end the backlog for the AHTS fleet was NOK 1.3 billion. The value of the fleet has been stable through the year and total impairment was NOK 68 million (NOK 730 million).

The Subsea segment

By year-end, the Group operated 30 vessels of which three vessels were on management or hired in from an external party. The majority of the subsea fleet (23 vessels) is owned and operated by the subsidiary DOF Subsea AS ("DOF Subsea").

The activities from the subsea operations include operations from Subsea IMR project contracts and Long-term Chartering. During 2021, DOF Subsea has operated on average 17 vessels within the Subsea IMR projects and had by year-end approximately 1,465 employees engaged in this part of the business which is an increase of 25% since 2020. The Subsea IMR projects represented 51% (43%) of the Group's total revenue in 2021 (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 2021 was 80% (70%). The Long-term

Chartering comprises eight vessels of which seven vessels are PLSVs (pipe laying vessels) and six PLSVs are owned via the joint venture DOFCON, (50/50 owned by DOF Subsea and TechnipFMC). By year-end total backlog for the subsea vessels was NOK 12.1 billion including the Group's share of the backlog in DOFCON at a value of NOK 5.4 billion. Two vessels have been sold in 2021 of which one was delivered in 2022.

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

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

The North America region include operations in Canada and in the US Gulf of Mexico. DOF Subsea has mainly performed survey and positioning and various vessel services from this region. One vessel has continued to operate on an IMR contract in Canada and other vessels have fully or partly been hired in to support the operations in the US Gulf of Mexico and in Trinidad and Tobago.

The activities in South America mainly represent operations



REPORT OF THE BOARD OF DIRECTORS

in Brazil and include operation of vessels and ROVs, mainly on firm contracts. The region has through the year operated multiple vessels on a survey and inspection project (PIDF) for Petrobras, a diving vessel and IMR and RSV vessels. The operations in Brazil have in parts of the year been very challenging due to COVID-19 outbreak on several vessels resulting in off-hire and increased costs. The region has, however, managed to operate the fleet close to normal and successfully protect the employees.

The PLSVs owned by the DOFCON JV have continued to operate on firm contracts through the year and achieved a utilisation rate of 90% (95%). Two PLSVs (Skandi Niteroi and Skandi Vitoria) were awarded two 3-year contracts with Petrobras with start-up in 2022. The other fleet are committed on firm contracts with Petrobras with a remaining duration of the contracts from 2-5 years.

Marine management

The Group's management activities are performed by the subsidiaries DOF Management AS (DOFMAN), and Norskan. DOFMAN's main office is in Norway and the company further controls the subsidiaries' branch offices in UK, Singapore, Australia and Argentina. DOFMAN is responsible for the marine 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 marine management of the fleet operating in Brazil. The average number of vessels under marine management has been 60 vessels during 2021. By year-end in total approximately 2,360 persons were employed within the marine management activities.

The market

The market outlook for 2022 has improved, mainly based on new COVID variants are being contained and lighter measures being enforced. However, the geopolitical picture encourages a more conservative view to the otherwise promising 2022 outlook. The oil price has seen levels above USD 100/ bbl in the first 3 months, with a steep rise in March, based on the market's response to the geopolitical instability and potential supply challenges. Based on external analysis, the Company observes that the oil prices are likely to continue to climb, and the oil and gas macroenvironment continues to be dynamic.

Gas demand had a strong rebound in 2021, but growth is expected to moderately increase in 2022, up by 2.2% y-o-y. Further gas demand gains in 2022 are expected to be strengthened by ongoing economic improvements, as well as coal-to-gas switching. However, exceptionally high gas prices and geopolitical instability may temper demand gains.

Total offshore capex is expected to rise 11.3% with both offshore deep-water and offshore shelf adding 14.2%. The five-year CAGR for capital expenditures towards 2026 is estimated at 4% with growth in all supply segments over the five-year period, according to Rystad Energy.

Rig market conditions are improving with utilisation

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

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

Social and Environmental Sustainability

Having sustainable operations is important for the Group. The successful balance between social, environmental and economic elements allows the Group to develop 'Sustainable Operations'. This ensures that the Group remains commercially feasible, socially acceptable and works within the capacity of the external environment.

During the entire year tremendous efforts and sacrifices has been done to protect our crew and employees towards COVID-19. Continuously and changing regulations and demands from government and health authorities all over the world, has loyally been followed by our employees in a stoic and supporting way. Despite all of efforts and precautions, several employees ended in CRU units for months. However, all are now out of hospitals and supported by DOF and health professionals to get back at work.

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

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

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

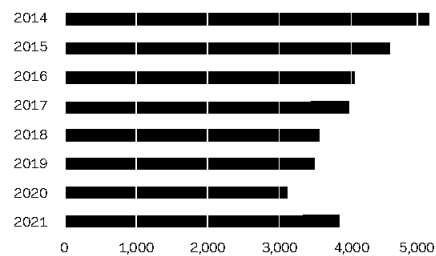


REPORT OF THE BOARD OF DIRECTORS

Human Resources overview

It is the expertise and competencies of our people that will determine DOF's success.

Number of employees 2021



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

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

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

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

Employees

The market conditions required the organisation to adapt its capacity and posed a threat to the Group's human

capital. At the end of 2021, the headcount in the Group was 3,820 people, of which approximately 13% were women.

2,361 men and 358 women are under full-time permanent contract. Further distribution is 73 men and 6 women on full-time temporary contract. 847 men and 79 women are self-employed workers. 9 men and 14 women have part-time permanent contract. Finally, 46 men and 27 women are working under part-time temporary contracts.

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

Equal opportunities and anti-discrimination

The Group has focus on diversity and strives to create equal opportunities for all employees, regardless of their ethnic background, nationality, descent, colour, language, religion, lifestyle or gender. The Group's 'Equal Employment Opportunity' policy clearly states that the Group is committed to be an equal opportunity employer. This means that all business units within the Group will select and appoint the most suitable person for a position based on their attitude, skills and qualifications. The Group also has a zero-tolerance policy for workplace harassments. Despite all efforts we sadly have to report three sexual harassment cases in 2021.

Our campaign to promote and secure retention of female managers and captains has been continued in 2021, with



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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 2020, Amnesty International ranked DOF in the top five global companies based in the Nordics with the best score related to human rights and responsible employer.

Health, safety, and the working environment

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

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

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

The Group strives to improve safety and environmental performance across all worksites, globally. The Group experienced six Lost Time Incidents (LTI) in 2021, which resulted in a Lost time injury frequency rate (LTIFR) of 0.68 LTIs per million man-hours. Combined with eight Medical Treatment Cases and four Restricted Workday Cases, the Total recordable injuries rate (TRIR) was 2.05 recordable incidents per million man-hours.

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

determination is expected to be finalised by the end of the second half 2022.

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

In 2021, absence due to illness has been 3.73 per cent, which is above the Group's target of 3 per cent. The working environment is monitored by various means of activities, including working environment surveys.

Business integrity and ethics

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

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

Anti-corruption and anti-bribery

The Group has a zero-tolerance policy for bribery and corruption. The Group's policy is to conduct all business in an honest and ethical manner. The Code of Business Conduct sets clear expectations for all employees and is supplemented by internal training.

It is the desire of the Board of Directors that the Group shall be recognised by its high ethical standards. Anti-corruption and anti-bribery measures are regularly evaluated and assessed to ensure that they are aligned with legal requirements and best practice. There have been no confirmed incidents of corruption during 2021.

Compliance with law

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

External environment

The Group's environmental management system ensures



REPORT OF THE BOARD OF DIRECTORS

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

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

Climate change and emissions to the air

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

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

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

Continuous improvement of our operations

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

Risk Management and Compliance

The global community is witnessing the invasion of Ukraine, and we see the repercussions of fractured tensions in international cooperation. However, the Group has not identified any potential exposure to assets or operations in Eastern Europe, specifically Ukraine and Russia. 2022 will undoubtedly be a year that requires strong global governance and effective risk management efforts. As exposed by COVID-19, crises prompt unexpected and unpredictable paths. DOF will continue applying our values as guiding principles of good corporate governance and behaviour. Our company values and Code of Business Conduct are essential to navigating DOF through the volatile, complex, and uncertain challenges that we may see unfold in the coming year.

The Group's risk management and internal control are

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

The Group has established routines for weekly, monthly and quarterly reporting regarding operations, liquidity, financing, investments, HSEQ, HR, taxes and legal performance. Five-year financial forecasts including information on market assumptions are prepared on a regular basis. The Group carries out annually detailed budget processes at all levels. Due to generally challenging markets and the Group's 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 DOF Workbook is the foundation for all the training in the years to come. The modules have a holistic approach and will be the centre of compliance for all our activities as well as the Group stakeholders' expectations for DOF to be a leading company, aligning its activities with the UN's sustainability development goals.

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

Alignment towards the Norwegian Transparency act

On 1st of July 2022 the Norwegian Transparency Act will enter into force and DOF has been part of the official hearing process on the new law and given concrete proposal on practical means to obey the 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

By the year-end, the share capital was NOK 316 million divided into 316 million shares. The final outstanding amount of the Subordinated Convertible Bond was converted in to shares on the 7th of July, and the main shareholder Møgster Offshore AS now controls 31.6% of the Company.



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Consolidated profit or loss

Amounts in NOK million	2021	2020	Change
Operating revenue	6 356	6 212	2%
EBITDA	2 078	2 105	-1%
Depreciation	-1 030	-856	-20%
Impairment	-412	-3 258	87%
EBIT	636	-2 010	132%

Consolidated balance sheet

Amounts in NOK million	31.12.2021	31.12.2020	Change
Non-current assets	15 074	15 462	-3%
Cash and cash equivalents	1 797	1 880	-4%
Equity	-1 326	-898	48%
Net interest bearing debt	16 675	16 286	2%

In March 2021, the Oslo Stock Exchange decided to allocate DOF ASA, ISIN: NO0010070063 to Penalty Bench as the Issuer is in breach of Oslo Rule Book II section 4.1 regarding minimum market value of NOK 1 per share. By 31st of December 2021 the share price was NOK 0.60/share.

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 2021 totalled NOK 6,356 million (NOK 6,212 million), and the operating profit before depreciation and finance (EBITDA) totalled NOK 2,078 million (NOK 2,105 million). The main reason for a lower margin in 2021 versus 2020 has been a higher activity from subsea projects where the margins are normally lower than from vessels on time charter contracts. The EBITDA in 2020 was further positively impacted by significantly strengthened USD to NOK and BRL during 1st half of the year and one-off termination fees due to cancelled contracts. A net gain of NOK 109 million (NOK 19 million) represent gain from sale of five vessels.

The operating profit (EBIT) amounted to NOK 636 million (NOK -2,010 million) of which NOK -1,030 million (NOK -856 million) represents depreciation and NOK -412 million (NOK -3,258 million) represents impairment. The basis for the impairment is fair market values received from independent broker companies and value in use (VIU) calculations. The drop in the fair market values for the Group's fleet has been 7.5% (27%) in 2021 and is significantly lower than previous year. There is still a risk for further impairment of the fleet and the booked

vessel values are further exposed to volatility in FX rates.

Net financial items in 2021 totalled NOK -1,212 million (NOK -2,797 million), of which finance costs represented NOK -1,076 million (NOK -1,065 million). Finance income amounts to NOK 403 million (NOK 71 million) and have been positively impacted by a gain of NOK 249 million after DOF Subsea has prepaid a loan facility at a significant discount. Net currency loss and changes in fair value of financial instruments amounted to NOK -539 million (NOK -1,803 million).

Taxes amounted to NOK -54 million (NOK -153 million).

The Group reported a loss for 2021 of NOK -630 million (NOK -4,959 million) and adjusted for other comprehensive income the net result was NOK -428 million (NOK -4,343 million).

The consolidated balance sheet at year-end 2021 totalled NOK 18,951 million (NOK 18,993 million). Included in the non-current assets are mainly vessels and subsea equipment at a book value of NOK 12,199 million (NOK 12,844 million) and the shares in the DOFCON JV at a value of NOK 2,730 million (NOK 2,336 million) representing 79% of the Group's total assets. The Group's cash reserve has dropped from NOK 1,880 million to NOK 1,797 million in 2021 even though standstill agreements have been applicable for the majority of the Group's debt. This is mainly due to increased capital expenditure partly due to postponed class dockings from 2020 and higher activity in the subsea regions, which has impacted the working capital. Restricted cash by year-end was NOK 172 million (NOK 183 million). Parts of the Group's unrestricted cash is not immediately available partly due to the existing standstill agreements, ref note 19 to the accounts.

The Group's equity is negative due to continuing weak results and impairments of assets.



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The Group reported net interest-bearing debt of NOK 16,675 million (NOK 16,286 million) as of 31st of December 2021. The current debt totals NOK 20,021 million (NOK 19,528 million), of which NOK 18,692 million (NOK 18,301 million) represent interest bearing debt where standstill agreements have been applicable and negotiations with the lenders have been ongoing since 2nd quarter 2020. As a consequence of that a long-term refinancing solution is not yet in place, the relevant interest-bearing debt is classified as short-term based on that the standstill agreements with the secured lenders and bondholders are less than 12 months.

The Group's net cash flow from operating activities was NOK 1,194 million (NOK 1,445 million), of which NOK 280 million is paid interest and other finance cost. NOK 610 million represents capitalised interest due to the standstill agreements. The net cash flow from investments activities was NOK -280 million (NOK -3 million) of which NOK -747 million (NOK -299 million) represent main class renewals and conversions of vessels, NOK 267 million (NOK 276 million) is mainly repayment of shareholders loan from the DOFCON JV and NOK 172 million (NOK 19 million) are contribution after sale of vessels. The cash flow from financing activities was NOK -1,003 million (NOK -423 million) and represent amortisation of debt for the subsidiaries in Brazil and prepayment of loans and leases. Net changes in cash and cash equivalents for the year was NOK -89 million (NOK 1,018 million).

Parent company financial statements

The parent company financial statements for 2021 show a revenue of NOK 44 million (NOK 53 million) and an operating loss of NOK -11 million (NOK 2 million). Net financial items are NOK -473 million (NOK -2,590 million) and are impacted, as in the previous year, by impairment on investments in subsidiaries of NOK 40 million (NOK -63 million) and loss and accruals on guarantees of NOK 443 million (NOK -2,549 million). Losses before taxes were NOK -485 million (NOK -2,589 million) and losses for the year were NOK -485 million (NOK -2,859 million).

The parent company's balance sheet as of 31st of December 2021 totals NOK 3,928 million (NOK 3,800 million), of which booked equity totalled NOK 37 million (NOK 522 million).

Financing and capital structure

The Group's total interest-bearing debt by 31.12.2021 comprises secured debt of NOK 14,543 million (NOK 14,658 million), unsecured bond debt of NOK 2,979 million (NOK 2,554 million), and other unsecured and right of use debt of NOK 1,079 million (NOK 1043 million). The main portion of the debt is drawn in USD.

The majority of the Group's vessels built in Brazil are financed by BNDES (Brazilian Development Bank), with tenor on average of 18-20 years and a fixed interest rate for the full duration of the loans. The remainder of

the secured debt represent funding from Export Credit institutions (Eksportfinansiering Norge - Eksfin) and reputable European banks.

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

The restructuring of the Group's debt has been ongoing in 2021 and standstill agreements have been agreed until the 30th of April 2022 with 91% of the secured lenders in DOF Rederi AS and DOF ASA, and with 95% of the secured lenders within the DOF Subsea Group. In Norskan Offshore Ltda. a standstill agreement has been agreed for the facilities with the international banks. The BNDES facilities have been served according to refinancing agreements signed in February 2020, which is also applicable for one facility in DOF Subsea Brasil Ltda. The DOF Subsea standstill agreements assume payment of principal and interest of a NOK 100 million credit facility provided by certain lenders in March 2020. The outstanding amount of this facility was NOK 47 million by the end of the year.

The relevant Group companies have imposed unilateral standstill to the secured lenders not participating in the standstill agreements. One of the DOF Subsea secured lenders has previously requested repayment of a facility of USD 47 million, and in the 3rd quarter this facility was prepaid at a significant discount. Another secured lender has enforced an account pledge for one loan facility in DOF Subsea.

The bondholders in DOFSUB07, DOFSUB08 and DOFSUB09 have accepted a standstill until the 30th of April 2022.

The DOFCON JV is not part of the standstill agreements and serves its debt according to the terms in the relevant loan facilities. Financial covenants related to the Group's 50% guarantee of the DOFCON loan facilities have been waived.

The Company is guarantor for the debt in Iceman AS of NOK 444 million, where approximately 50% of the DOF guarantee has been counter guaranteed by other shareholders in Iceman AS. As part of the restructuring of the Group the main shareholders in Iceman and the lenders have signed an agreement on the counter guarantees which has resulted in that the Company has become the majority shareholder of Iceman AS, hence this company was fully consolidated from the 3rd quarter. A refinancing of Iceman is yet to come in place and the current standstill agreement is applicable until the 30th of April 2022.

The Group will continue the dialogue with its creditors to secure a long-term financial solution for the Group. Various debt restructuring proposals have been discussed and the proposals include comprehensive restructuring of the Group's balance sheet, including conversion of debt, reduced amortisation and soft terms on the Group's loan facilities.



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Risk

The Group has limited exposure to Russia and Ukraine, however the general risk has increased following the invasion of Ukraine and the impact on the world economy. The Covid pandemic may further impact the Group's results going forward.

Climate risk

The Group's ability to manage GHG Emissions is a key component of the organisation's ESG profile. Providing a vessel fleet and services with reduced GHG emissions can become a value proposition for clients and investors or negatively impact upon competitiveness of the organisation against peers. The main concern is the Group's ability to meet changing stakeholder expectations associated with Greenhouse Gas emission from ships, including Nitrogen Oxides (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 executed a substantial newbuilding programme in the period from 2010 to 2019 and has historically achieved satisfactory long-term financing of its new assets. However, a sustained weak market since 2015 has increased the refinancing risk for the Group significantly, and the Group has since 2019 experienced that regular refinancing has been impossible.

The Norwegian high yield bond market and the equity market were until 2018 an important financing resource for the Group. However due to the depressed market and several debt-restructurings within the OSV segment, both the bond and equity markets are practically closed.

Currency risk

The Group operates globally and is exposed to foreign exchange risk arising from various currency exposures, mainly with respect to USD towards NOK and BRL, but is also exposed to AUD, EUR, CAD and GBP. Foreign exchange risk arises from future commercial transactions, contractual obligations (assets), liabilities and investments in foreign operations. The Group aims to achieve a natural hedge between cash inflows and cash outflows to secure the debt funding in equivalent currency as the committed earnings from the charter contracts, and further to manage the remaining foreign exchange risk arising from commercial transactions, through forward contracts and similar instruments as appropriate. However, due to the current financial position for the Group, new forward contracts have become more challenging. Hence, the Group's liquidity risk has increased if the currencies fluctuate.

Interest rate risk

The Group is exposed to changes in interest rates as parts

of the Group's liabilities have a floating rate of interest. The Group has reduced its interest rate exposure by entering into interest rate swap agreements. Moreover, all vessels with financing via BNDES in Brazil are secured at a fixed rate of interest throughout the duration of the loan. Due to the Group's financial position the banks are reluctant to enter into any interest forward contracts (swap contracts), and the Group's exposure to volatility in interest rates has increased.

Of the Group's total debt, 52% has a fixed rate of interest. This includes financing via BNDES and Eksfin.

Credit risk

The Group's credit risk has historically been low as the Group's customers traditionally have had good financial capability to meet their obligations and have high credit ratings. The sustained challenging market situation has resulted in changes to the credit ratings for some of the Group's customers, and thereby increased the credit risk. Historically, the portion of receivables not being collectable has been low. Revenue from the 10 largest customers, large oil companies and operators, represent approximately 74% of the Group's revenue, whereof Petrobras represent the largest customer.

Market and price risk

The Group is exposed to cost increases in general, including conversions and maintenance of vessels. The majority of the Group's conversions and main class renewals are done at fixed prices with the yards. The Group further attempts to reduce price risk by signing contracts with suppliers with the necessary financial strength and expertise to complete projects in accordance with agreements.

The Group is exposed to market fluctuations which have resulted in lower utilisation and reduced earnings for the Group's vessels and services due to continuing challenging markets since 2015. The Group's strategy is to continue its focus on long-term contracts for its fleet, however, during the last five years most of the clients prefer shorter term contract renewals. There are signs of improved markets, but the Group has several contracts up for renewal in 2022 hence both the price and utilisation risks are applicable.

Tax risk

The Group has a global organisation and operate vessels and subsea services in several different tax jurisdictions. The income and profit from these operations are subject to income taxes and judgment may be involved when determining the taxable results. Tax authorities in different jurisdictions may challenge the calculation of taxes payable from prior periods through tax audits. Several tax audits have been conducted over the last couple of years, where some of the tax claims are disputed by the Group, ref note 34 'Contingencies' 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.



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Going concern

The consolidated financial statements and the Parent Company's financial statement are prepared on the assumption of going concern. The Group's financial position is not sustainable, and there is material uncertainty related to going concern. Rolling short-term standstill agreements with the majority of the Group's lenders have been ongoing since 2nd quarter 2020 and the current standstill agreements are applicable until 30th of April 2022. The Group is on short-term dependent extension of standstill periods and on longer term dependent on a robust refinancing solution to continue as going concern. The restructuring proposals being discussed with the secured lenders and bondholders include conversion of debt to equity which will significantly dilute the current holders of equity in the Company. The dialogue with the lenders is constructive, but a refinancing solution is not yet in place. The Group is dependent on continued standstill agreements with its creditors until a long-term financial solution is agreed to maintain as going concern.

Profit & loss allocation

The parent company financial statements have returned a loss of NOK -485 million. The Board of Directors proposes to allocate this figure against other reserves.

The consolidated financial statements have a loss of NOK -630 million, and total comprehensive loss of NOK -428 million, of which NOK -23 million is attributed to non-controlling interests and NOK -405 million is allocated to other reserves.

Events after balance sheet date

New contracts

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

Assets

DOF Rederi AS has agreed to sell the vessels Skandi Rona (PSV built in 2002), Skandi Foula, (PSV built in 2002), and Skandi Sotra (PSV built in 2003). The current charterer of Geosea (RSV, built in 2002) owned by DOF Subsea Rederi AS, has exercised its purchase option.

Finance

On 31st of March 2022, DOF ASA and DOF Subsea AS have agreed to further extend the principal and interest suspension agreements with, or received extensions of similar concessions from, secured lenders representing in total 91% of the secured debt of DOF ASA and DOF Rederi AS and in total 95% of the secured debt of companies within the DOF Subsea AS Group (excluding DOF Subsea Brasil Servicos Ltda.) until the 30th of April 2022. The ad hoc group of bondholders in DOF Subsea have agreed to further extend the standstill agreement until the 30th of April 2022 in accordance with the resolution in the bondholders' meeting held 28 February 2022. The extensions of the standstill periods will facilitate the DOF Group's continued dialogue with its secured lenders and the bondholders under the DOF Group's bonds regarding a long-term financial restructuring of the DOF Group.

Outlook

The O&G markets have improved as several regions have seen increased activity in all the Group's segments towards end of the year and a high tender activity has continued into 2022. The current situation in Eastern-Europe has however created instability in the world economy and it is difficult to predict how the market will respond to this situation going forward. The Group's financial position is further not sustainable as the Group has through 2021 operated in an environment with short-term standstill agreements (often monthly extensions). If a robust long-term refinancing solution is not achieved, the Group cannot continue as going concern. If the Group cannot be treated as going concern the valuation of the Group's assets will be further revised and will result in significant impairment of the Group's assets.

The annual report is prepared on the assumption of going concern and this assumption is based on agreed standstill agreements (applicable until 30th of April 2022) with the majority of the Group's lenders. The debt restructuring currently discussed include soft terms on the loan facilities and conversion of substantial amounts of debt to equity which again will significantly dilute the current holders of equity. The dialogue with the lenders has continued to be constructive and progress has been made so far into 2022. There are still some issues pending, and a refinancing solution is not yet in place.

In parallel with the ongoing debt restructuring, the management and Board have continued the focus on operational and cost efficiency improvements and on



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implementation of new technology and digital solutions. In response to the ongoing shift in the energy markets and future customer requirements, the Group has a strong forward-looking focus on developing strategic opportunities and new lines of business utilising the Group's combined fleet, services, and competence within the limitations of the financial position due to the debt restructuring of the Group.

The Company emphasizes that the information included in this annual report contains certain forward-looking statements that address activities or developments that the Company anticipates will or may occur in the future. The statements are based on assumptions and estimates, and some of them are beyond the Company's control and therefore subject to risks and uncertainties.

The Board of Directors is thankful for the effort from all employees through 2021.

Storebø, 6th of April 2022
The Board of Directors of DOF ASA

Hans Olav Lindal
Chairman

Helge Singelstad
Deputy Chairman

Kathryn M. Baker
Director

Marianne Møgster
Director

Mons S. Aase
CEO



2021 corporate governance

Background

DOF ASA (DOF or the Company), is the parent company in DOF's group of companies (the Group). It is established and registered in Norway and governed by Norwegian law.

In 2006 the Company adopted its first formal Corporate Governance Policy. The Company is obliged to act in compliance with laws and regulations as applicable from time to time in respect of handling and control of insider trading rules and information to the shareholders and the market. The latest revision to the Corporate Governance guidelines was published by Norwegian Committee for Corporate Governance (NUES) on the 14th of October 2021 (www.nues.no), and the Company's current Corporate Governance Policy is effective as of that date. This fully reflects the Board's approval of these guidelines without reservation.

1 Governance principles

DOF considers good corporate governance to be a prerequisite for value creation and trustworthiness, and for access to capital.

In order to secure strong and sustainable corporate governance, it is important that DOF ensures good and healthy business practices, reliable financial reporting and an environment of compliance with legislation and regulations across the Group.

DOF has governance documents setting out principles for how business should be conducted. These apply to all entities within the Group. References to certain more specific policies are included in this corporate governance policy where relevant. DOF's governance regime is approved by the Board. For further information please visit DOF ASA's website www.dof.com.

2 Applicable rules and regulations

As a Norwegian public limited company listed on the Oslo Stock Exchange, the Company is subject to corporate governance regulations contained in the Public Limited Companies Act 1997 (Asal), the Securities Trading Act 2007 (Vhpl), the Stock Exchange Act with regulations (børsreg.) and other applicable legislation and regulations.

The Company endorses the Norwegian Code of Practice for Corporate Governance (Nw.: Norsk anbefaling for eierstyring og selskapsledelse), issued by the Norwegian Corporate Governance Board, most recently revised on the 14th of October 2021 (the Code).

The Code is based on "the comply or explain principle" whereby listed companies must comply with the Code or explain why they have chosen an alternative approach.

DOF will follow the Code, and any deviation from the Code are included in this corporate governance statement. A description of the most important corporate governance principles of the Company shall also be made available for external parties on the Company's website in accordance with the Company's IR-policy.

3 Main objectives for corporate governance in DOF

The Corporate Governance Policy of the Company is a governing document containing measures which are continuously implemented to secure efficient management and control of the activities of the Company.

DOF's corporate governance policy is based on the Code, and as such is designed to establish a basis for good corporate governance, to support achievement of the Company's core objectives on behalf of its shareholders, including the achievement of sustainable profitability for the shareholders of DOF. The manner in which DOF is governed is vital to the development of its value over time.

DOF believes good corporate governance involves openness and trustful cooperation between all parties involved in the Group: the shareholders, the Board and executive management, employees, customers, suppliers, public authorities and society in general.

By pursuing the principles of corporate governance, approved by the Board of DOF, the Board and management shall contribute to achieving the following objectives:

- Openness. Communication with the interest groups of DOF shall be based on openness in issues relevant to the evaluation of the development and position of the Company.
- Independence. The relationship between the Board, the management and the shareholders shall be based on independence. Independence shall ensure that decisions are made on an unbiased and neutral basis.
- Equal treatment. One of DOF's prime objectives is equal treatment and equal rights for all shareholders.
- Control and management. Good control and corporate governance mechanisms shall contribute to achieving predictability and reducing the level of risks for owners and other interest groups.

The development and improvements of the Company's corporate governance principles is an ongoing and important process for the Board.



4 Business

The objective of the Company is to be engaged in trading and shipping business and other offshore related activity, including participation in other companies with the same or similar objects. This statement of objective is set out in §2 of the Company's Articles of Association.

The Board has defined clear objectives, strategies and risk profiles for the Company's business activities so that the Company creates value for shareholders in a sustainable manner. The Company has established guidelines for how it integrates considerations related to its surroundings and stakeholders into its value creation.

The Board evaluates these objectives, strategies and risk profiles on a yearly basis.

5 Equity and dividends

5.1 Capital adequacy

The Board is responsible for ensuring that the Group has a capital structure that is appropriate to the Company's objective, strategy and risk profile, and that the capital requirements set forth in laws and regulations are met. The Board shall continuously monitor the Group's capital situation and shall immediately take adequate steps should it be apparent at any time that the Company's equity or liquidity is less than adequate.

The DOF ASA share capital was per the 31st of December 2021 NOK 316,456,167 divided into 316,456,167 shares and the main shareholder Møgster Offshore AS currently owns 100,007,313 shares, representing approximately 31.6% of the shares on a fully diluted basis.

The Board and Management have through 2021 been working on a long-term debt restructuring solution for the Group which includes discussions with the banks and the bondholders. The current proposals discussed include conversion of debt to equity, which in case will have significant adverse effect for the current shareholders in the Company. The dialogue with the lenders is constructive but a refinancing solution is not yet in place. The Group is dependent on continued standstill agreements with its creditors until a refinancing solution is agreed to maintain as going concern.

5.2 Dividend policy

The Company shall, at all times, have a clear and predictable dividend policy established and disclosed by the Board. The basis for any proposal for the Board to be provided with an authorisation to approve distribution of dividends shall be explained.

5.3 Authorisations to the Board

Any authorisation granted to the Board to increase the Company's share capital or purchase treasury shares shall be restricted to defined purposes. When the general meeting is to pass resolutions on such authorisations to the Board for different purposes, each authorisation shall be considered and resolved separately by the general meeting. Authorisations granted to the Board to increase the share capital or purchase treasury shares shall be limited in time and shall in no event last longer than two years. However, it is recommended that an authorisation to increase the share capital or purchase of treasury shares does not last longer than until the Company's next annual general meeting and the Company will follow that recommendation.

6 Equal treatment of shareholders

6.1 Basic principles

All shareholders shall be treated on an equal basis, unless there is just cause for treating them differently.

6.2 Share issues without pre-emption rights for existing shareholders

In the event of an increase in share capital through issuance of new shares, a decision to deviate from existing shareholders' pre-emptive rights to subscribe for shares shall be justified. Where the Board resolves to issue shares and deviate from the pre-emptive rights of existing shareholders pursuant to an authorisation granted to the Board by the general meeting, the justification will be publicly disclosed in a stock exchange announcement issued in connection with the share issuance.

6.3 Transactions in treasury shares

Any transactions carried out by the Company of treasury shares shall be carried out on Oslo stock exchange, and in any case at the prevailing stock exchange prices. In the event that there is limited liquidity in the Company's shares, the Company will consider other ways to ensure equal treatment of shareholders. Any transactions by the Company of treasury shares is subject to notification requirements and shall be publicly disclosed in a stock exchange announcement.

7 Freely negotiable shares

The shares of the Company are freely negotiable and there are no limitations in any party's right to own, trade or vote for the shares in the Company.



8 General Meetings

8.1 General meetings

8.1.1 Exercising rights

The Board shall ensure that the Company's shareholders can participate in the general meeting either through physical or electronic presence. The Board shall ensure that:

- the resolutions and any supporting documentation shall be sufficiently detailed, comprehensive and specific to allow shareholders to understand and form a view on all matters to be considered at the general meeting;
- deadlines for shareholders to give notice of their attendance at the general meeting shall be set as close to the date of the general meeting as practically possible. The time limit may not expire earlier than five days before the meeting;
- the CEO, the members of the Board and the chair of the nomination committee shall attend the general meetings, while members of the nomination committee, the audit committee and the remuneration committee, as well as the auditor shall be present at general meetings where matters of relevance for such committees/persons are on the agenda; and
- that the general meeting is able to elect an independent chairperson for the general meeting.

8.1.2 Participation without being present

Shareholders should be able to vote on each individual matter, including on each individual candidate nominated for election. Shareholders who cannot attend the meeting in person will be given the opportunity to vote through proxy or advance voting. The Company will in this respect provide information on the procedure and design/prepare the form for the appointment of a proxy to make voting on each individual matter possible and should nominate a person who can act as a proxy for shareholders.

8.1.3 Notification

The annual general meeting is held each year no later than six months after the end of each financial year. Notification will be sent out within the deadlines in the Code of practice, and relevant documentation will be available on the Group's website at least 21 days prior to the general meeting. The financial calendar is published on the internet and through a notification to Oslo Stock Exchange.

Participation:

It is possible to register by post, or e-mail. Shareholders who cannot attend the meeting can authorise a proxy, and the system facilitates the use of proxies on each individual item for discussion.

The Board will consider the annual general meeting to be held by video- and/or phone conference, participation by circulations of documents, electronic voting systems or other available alternatives.

9 Nomination committee

9.1 Composition

The Company shall have a nomination committee, cf. the Company's Articles of Association section 5. The Company's general meeting elects the members and the chairperson of the nomination committee, determines their remuneration and should stipulate guidelines for the duties of the nomination committee.

All the members of the nomination committee are independent from the Company's Board and executive management. The nomination committee does not include any executive personnel or any member of the company's board of directors. The CEO and other executive management shall not be members of the nomination committee. The composition of the nomination committee should be such that the interests of shareholders in general are represented. The Company's guidelines for the nomination committee have established rules for rotation of the members.

The objectives, responsibilities and functions of the nomination committee shall be in compliance with rules and standards applicable to the Group and which are described in the Company's "Instructions for the nomination committee".

The nomination committee consist of the following members:

- **Roy Reite.** Mr. Reite is General Manager of Fjordlaks AS, but soon he will take on the position as CEO of SalMar Aker Ocean AS. He has previously served as CEO of VARD.
- **Kristine Herrebrøden.** Mrs. Herrebrøden has in 2018 been appointed District Attorney for the county of Hordaland. She has served as attorney with the Bergen Municipal Attorney's office, and also has extensive experience in financial and corporate transactions and dispute resolution from private law firm practice.
- **Kristian Falnes.** Mr. Falnes has worked as Portfolio Manager in Skagen Funds for 17 years and has also served as Investment Director. He is currently managing his private investment company and serves as Board Member in companies in various industries.

Mr. Roy Reite was elected Chairman of the nomination committee, Ms. Kristine Herrebrøden was re-elected member and Mr. Kristian Falnes was elected new member in the annual general meeting held on 28 May, 2020, all for a period of two years.



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Shares controlled directly and indirectly by Board of Directors		2021		2020	
		No of shares ^{*)}	Shareholding	No of shares	Shareholding
Board of Directors					
Hans Olav Lindal	Chairman	-	0.00 %	-	0.00 %
Helge Singelstad	Deputy Chairman	417 867	0.13 %	417 867	0.14 %
Marianne Møgster	Board member	5 687 339	1.80 %	5 687 339	1.84 %
Kathryn M. Baker	Board member	-	0.00 %	-	0.00 %
Helge Møgster	Board member and Chairman until 28 May 2020			17 748 897	5.74 %

^{*)} Via Laco AS, the Møgster family, including Helge Møgster and Marianne Møgster, have direct and indirect control of 99.9975 % of the shares in Møgster Offshore AS, the main shareholder in DOF ASA.

9.2 Tasks

The nomination committee shall recommend candidates for the election of members and chairman of the Board, candidates for the election of members and chairperson of the nomination committee, and remuneration of the members of the Board and the nomination committee.

The nomination committee's recommendation of candidates to the nomination committee shall ensure that they represent a broad group of the Company's shareholders. The nomination committee's recommendation of candidates to the Board shall ensure that the Board is composed to comply with legal requirements and principles of corporate governance (cf. clause 10 below).

The proposals from the nomination committee shall include a reasoning for its proposal of each candidate, as well as provide a statement of how it has carried out its work. The nomination committee's proposal shall include information about the candidates and shall be made available in accordance with the 21 days' notice to call for a general meeting. Shareholders shall be given the opportunity to submit proposals to the nomination committee for candidates for election to the Board and other appointments in a simple and easy manner. A date shall be communicated prior to which such proposals must be submitted to be considered by the nomination committee.

10 Board; composition and independence

The composition of the Board should consider expertise, capacity and diversity appropriate to attend to the Company's goals, main challenges and the common interests of all shareholders. Each board member should have sufficient time available to devote to his or her appointment as a board member. The number of board members should be decided on this basis and shall consist of minimum four board members. Further, individuals of the Board shall

be willing and able to work as a team, resulting in the Board working effectively as a collegiate body.

The Board shall be composed so that it can act independently of any special interests. A majority of the shareholder-elected members of the Board shall be independent of the executive management and material business connections of the Company. Further, at least two of the members of the Board shall be independent of the Company's major shareholder(s). For the purposes of this corporate governance policy, a major shareholder shall constitute a shareholder that owns or controls 10% or more of the Company's shares or votes, and independence shall entail that there are no circumstances or relations that may be expected to be able to influence independent assessments of the person in question.

The Company is in compliance with the regulation to have at least two board members who are independent of a main shareholder (shareholders holding more than 10% of the shares in the Company).

The members of the Board and the chairman of the Board shall be elected by the Company's general meeting. No member of the Company's executive management shall be members of the Board. The general manager is prohibited from being a member of the Board.

At least half of the members in the Company's Board shall reside in Norway or another EEA country unless the Ministry of Finance grants a specific exemption from the statutory residency requirement. Both genders shall be represented at the Board with a minimum of 40% representation each. The term of office for the board members shall not be longer than two years at a time. Members of the Board may be re-elected. The election of the members of the Board should be phased so that the entire Board is not replaced at the same time.

The Company's annual report will provide information



regarding the expertise, experience and independence of the members of the Board, as well as information on their history of attendance at board meetings. Further, the annual report will identify the members of the Board that are considered to be independent. Detailed information on candidates for the Board (both appointments and re-elections) shall be made available within the 21 days' notice period for calling a general meeting.

Members of the Board are encouraged to own shares in the Company. However, caution should be taken not to let this encourage a short-term approach which is not in the best interests of the Company and its shareholders over the longer term.

Board members' shares in the Company (see table on page 49).

11 The work of the Board

11.1 General

The Board will implement instructions for the Board and the executive management, focusing on determining allocation of internal responsibilities and duties. The Board should ensure that members of the Board and executive personnel make the Company aware of any material interests that they may have in items to be considered by the Board. The objectives, responsibilities and functions of the Board and the CEO shall be in compliance with rules and standards applicable to the Group and are described in the Company's "Instructions for the Board of DOF".

The board instruction outline how the board of directors and executive management shall handle agreements with related parties, including that the board on a case-to-case bases shall consider whether an independent valuation shall be obtained. The board of directors will present any such agreements in their annual directors' report.

In total 13 board meetings have been arranged during 2021.

11.2 Committees

The Board are encouraged to appoint board committees as such may yield efficiency in the Board's work, as well as secure a more thorough and independent handling of matters under the responsibility of the Board. In accordance with Norwegian law, the members of the Board, as a collegial body, are jointly responsible for making decisions. This means that no part of the decision-making responsibility can be delegated to board committees, thus making the role of appointed board committees preparatory for the final decision to be made by the Board as a whole. Where board committees are appointed, the Board shall issue specific instructions for their work. Furthermore, the board

committees shall have the ability to make use of resources available in the Company or be able to seek advice and recommendations from sources outside of the Company.

11.2.1 Audit committee

The Company has an audit committee pursuant to the Asal.

The duties and composition of the audit committee shall be in compliance with the Asal. The committee is a working committee for the Board, preparing matters and acting in an advisory capacity.

The members of the audit committee are elected by and amongst the members of the Board for a term of up to two years. The committee members must have the overall competence required to fulfil their duties based on the organisation and operations of the Company. The entire Board shall not act as the Company's audit committee. At least one member of the audit committee should be competent in respect of finance and audit and one be independent of the Company.

The current audit committee consists of Helge Singelstad and Kathryn M. Baker.

The objectives, responsibilities and functions of the audit committee shall be in compliance with rules and standards applicable to the Company, as described in the Company's "Instructions for the audit committee".

11.3 Annual evaluations

The Board shall annually evaluate its performance and expertise for the previous year. This evaluation shall include the composition of the Board and the manner in which its member functions, both individually and as a group, in relation to the objectives set out for its work. The report shall be made available to the nomination committee.

12 Risk management and internal control

12.1 General

It is the Board who has the responsibility to ensure that the Company has sound and appropriate internal control systems and systems for risk management, and that these are proportionate to and reflect the extent and nature of the Company's activities. Having effective internal control systems and systems for risk management in place may prevent the Group from situations that can damage its reputation or financial standing.

Having in place an effective internal control system means that the Company is better suited to manage commercial risk, operational risk, the risk of breaching legislation and regulations as well as other forms of risk that may be



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material to the Company. As such, there is a correlation between the Company's internal control systems and effective risk management. The internal control system shall also address the organisation and execution of the Company's financial reporting, as well as cover the Company's guidelines etc. for how it integrates considerations related to stakeholders into its creation of value.

DOF shall comply with all laws and regulations that apply to the Group's business activities. The Group's Code of Conduct describes the main principles for compliance and how the compliance function is organised.

12.2 Policies

The Company shall have a comprehensive set of relevant corporate manuals and procedures, which shall provide detailed descriptions of procedures covering all aspects of managing the Company's operational business. These procedures and manuals shall continually be revised to reflect the best practice derived from experience or adopted through regulations.

12.3 Annual review and risk management in the annual report

The Board shall annually review the Company's most important areas of risk exposure and the internal control arrangement in place for such areas. The review shall pay attention to any material shortcomings or weaknesses in the Company's internal control and how risks are being managed.

The concept of double-materiality brings into focus key ESG interactions as an extension to the conventional idea of financial Materiality. Under this concept, any information on a company is material and should therefore be disclosed if a reasonable person or stakeholder group would consider it important. Increasingly, DOF's stakeholders are interested in ESG related interactions (in addition to financial information) surrounding DOF and its Value Chain. Therefore, it is prudent to also report and subsequently manage those ESG topics if they are considered material to stakeholders. The results of DOF's double materiality assessment is outlined in the Group ESG factbook and correlated GRI disclosures.

In the annual report, the Board shall describe the main features of the Company's internal control and risk management systems as they are connected to the Company's financial reporting. This shall cover the control environment in the Company, risk assessment, control activities and information, communication and follow-up. The Board is obligated to ensure that it is updated on the Company's financial situation, and shall continually evaluate whether the Company's equity and liquidity are adequate in relation to the risk from the Company's activities, and take immediate action if the Company's equity or liquidity at any time is

shown to be inadequate. The Company's management shall focus on frequent and relevant reporting of both operational and financial matters to the Board, where the purpose is to ensure that the Board has sufficient information for decision-making and is able to respond quickly to changing conditions. Board meetings shall be held frequently, and management reports shall be provided to the board as a minimum on a monthly basis. Financial performance shall be reported on a quarterly basis.

13 Remuneration of the Board of Directors

The remuneration of the Board is determined by the shareholders at the Company's annual general meeting, based on the proposal from the nomination committee. The remuneration of the Board shall reflect the Board's responsibility, expertise, the complexity of the Company and its business, as well as time spent and the level of activity in the Board and any board committee members of the Board participate in.

The remuneration of the Board is not linked to the Company's performance and share options shall not be granted to members of the Board. The remuneration to the Board shall be such that their independence is protected.

Members of the Board, or companies associated with a board member, shall not engage in specific assignments for the Company in addition to their appointment as members of the Board. If a board member nonetheless does take on any such assignment the entire Board must be informed and the consideration for such additional duties is subject to approval by the Board.

The annual report shall provide details of all elements of the remuneration and benefits of each member of the Board, which includes a specification of any consideration paid to members of the Board in addition to their board remuneration.

14 Salary and other remuneration for executive personnel

The Company's guidelines for determining remunerations to the CEO and other executive personnel (the Guidelines) shall at all times support prevailing strategy and values in the Company. Remuneration to members of the Company's executive management is vital for harmonising the Company's interests with the interests of the leading personnel. The main purpose of the Guidelines is to allow shareholders to influence the parameters of the salary and other kinds of remuneration, creating a culture for remuneration that promotes the Company's long-term interests, business



strategy while ensuring shareholders influence and the Company's financial sustainability. The Guidelines shall be in accordance with the provisions of Section 6-16 a of the Asal., supplemented by the Norwegian Regulation regarding guidelines and reporting on remuneration of executive management dated 11th of December 2020.

A report on salary and other remuneration to the executive personnel will be prepared in accordance with the Asal. and relevant regulations.

15 Information and communications

15.1 General information

The Company shall establish guidelines for its reporting of financial and other information based on openness and taking into account the requirement of equal treatment in the securities market. The Company is obliged to continually provide its shareholders, the Oslo Stock Exchange and the securities market and financial market in general with timely and precise information about the Company and its operations. This information shall be published in accordance with the Oslo Stock Exchange's information system.

Relevant information will be given in the form of annual reports, quarterly reports, press releases, notices to the stock exchange and through published investor presentations in accordance with what is deemed appropriate and required at any given time. Such information shall be published through Oslo Stock Exchange' information system and/or be published at the Company's website. The Company shall clarify its long-term potential, including strategies, value drivers and risk factors. The Company shall maintain an open and proactive policy for investor relations, a website designed to incorporate "sound practices", and shall give regular presentations in connection with annual and provisional results.

Unless there are applicable exemptions, and these are invoked, DOF shall promptly disclose all inside information (as defined by the Norwegian Securities Trading Act). In any event, DOF will provide information about certain events, e.g. by the Board and the general meeting concerning dividends, amalgamations, mergers/demergers or changes to the share capital, the issuing of subscription rights, convertible loans and all agreements of major importance that are entered into by DOF and related parties.

Separate guidelines have been drawn up for handling of inside information, see "Instructions for handling of inside information" and "Instructions for primary insiders" (www.dof.com) in accordance with the EU Market Abuse Regulation that entered into force in Norway on 1st of

March 2021. The Company shall also adopt a policy on whom in the Board who is entitled to publicly speak on behalf of the Company on various subjects. Further, the Company shall adopt a contingency plan on how to respond to events of a particular character of interest.

15.2 Information to shareholders

In addition to the Boards' dialogue with the Company's shareholders at the general meetings, the Board should make suitable arrangements for shareholders to communicate with the Company at other times. This will enable the Board to develop an understanding of the matters regarding the Company that are of a particular concern or interest to its shareholders. Communications with the shareholders should always be in compliance with the provisions of applicable laws and regulations and in accordance with the principle of equal treatment of the Company's shareholders.

All information distributed to the Company's shareholders will be published on the Company's website at the same time as it is sent to shareholders.

16 Takeovers

16.1 General

The Board shall have established the main principles for its actions in the event of a takeover offer.

In a takeover process, the Board and executive management each have independent responsibilities to ensure that the Company's shareholders are treated equally and that there are no unnecessary interruptions to the Company's business activities. The Board has a particular responsibility to ensure that the shareholders are given sufficient information and time to assess the offer.

16.2 Main principles for action in the event of a takeover offer

In the event of a takeover process, the Board shall abide by the principles of the Code, and ensure that the following take place:

- the Board shall not seek to hinder or obstruct any takeover offer for the Company's operations or shares unless they have valid and particular reasons for doing so;
- the Board shall not exercise mandates or pass any resolutions with the intention of obstructing the takeover offer unless this is approved by the general meeting following announcement of the bid;
- the Board shall not undertake any actions intended to give shareholders or others an unreasonable advantage at the expense of other shareholders or the Company;
- the Board shall not enter an agreement with any



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offeror that limits the Company's ability to arrange other offers for the Company's shares, unless it is self-evident that such an agreement is in the common interest of the Company and its shareholders;

- the Board and executive management shall not institute measures with the intention of protecting their own personal interests at the expense of the interests of shareholders; and
- the Board must be aware of the particular duty it has for ensuring that the values and interests of the shareholders are protected.

In the event of a takeover offer, the Board shall, in addition to complying with relevant legislation and regulations, seek to comply with the recommendations in the Code. This includes obtaining a valuation from an independent expert. On this basis, the Board will make a recommendation as to whether or not the shareholders should accept the offer.

A takeover process gives rise to a particular duty of care to disclose information, where openness is an important tool for the Board to ensure equal treatment of all shareholders. The Board shall strive to ensure that neither inside information about the Company, nor any other information that must be assumed to be relevant for shareholders in a bidding process, remains unpublished.

There are no other written guidelines for procedures to be followed in the event of a takeover offer. The Company has not found it appropriate to draw up any explicit basic principles for DOF's conduct in the event of a takeover offer, other than the actions described above. The Board concurs with what is stated in the Code regarding this issue.

17 Statutory auditor

The Board shall ensure that the Company's auditor annually submits the main features of the plan for the audit of the Company to the audit committee annually.

The auditor shall also provide the audit committee with the following:

- an annual written confirmation of its independence;
- information on services other than statutory audit provided to the Company during the course of the financial year; and
- inform about any threats to the auditor's independence, and provide evidentiary documentation of the measures implemented to combat such threats.

The Board shall invite the auditor to meetings that deal with the annual accounts. At these meetings the auditor should report on any material changes in the Company's accounting principles and key aspects of the audit, comment on any material estimated accounting figures and report all material matters on which there has been disagreement between the auditor and the executive management of the Company.

The Board shall at least once a year review the Company's internal control procedures with the auditor, including identification of weaknesses identified by the auditor and proposals for improvement.

In order to strengthen the Board's work on financial reporting and internal control, the auditor shall provide a report to the audit committee on the main features of the audit in respect to the previous financial year, and especially mention any material weaknesses identified in the internal control relating to the financial reporting process.

The Board shall establish guidelines in respect of the executive management's use of the auditor for other purposes than auditing. The auditor shall attend the general meeting if the matters to be dealt with are of such nature that his or her presence is deemed necessary. However, the auditor is in any case entitled to participate in the general meeting.



FINANCIAL STATEMENTS / DOF GROUP

Financial Statements DOF Group



FINANCIAL STATEMENTS / DOF GROUP

Consolidated Statement of Profit or Loss

Amounts in NOK million	Note	2021	2020
Operating revenue	5, 6, 7,15	6 356	6 212
Payroll expenses	8, 30	-2 756	-2 654
Other operating expenses	9, 15, 29, 30	-1 897	-1 643
Share of net profit of joint ventures and associates	32	265	171
Net gain (loss) on sale of tangible assets	13	109	19
Operating expenses		-4 278	-4 107
Operating profit before depreciation and impairment - EBITDA		2 078	2 105
Depreciation	4, 13	-1 030	-856
Impairment	4, 13	-412	-3 258
Operating profit - EBIT		636	-2 010
Finance income	10	403	71
Finance costs	10	-1 076	-1 065
Realised currency gain (loss)	10	-268	-635
Unrealised currency gain (loss)	10	-311	-1 112
Net change in unrealised gain (loss) on derivatives	10	40	-56
Net financial items		-1 212	-2 797
Profit (loss) before taxes		-576	-4 806
Tax income (cost)	11	-54	-153
Profit (loss) for the year		-630	-4 959
Attributable to:			
Non-controlling interest		-23	-49
Controlling interest		-607	-4 909
Earnings per share (NOK)	12	-1.92	-15.51
Diluted earnings per share (NOK)	12	-1.92	-15.51

Consolidated Statement of Comprehensive Income

Profit (loss) for the year		-630	-4 959
Other comprehensive income, net of tax			
Items that may be reclassified to profit or loss			
Currency translation differences		40	604
Cash flow hedge	11, 26	48	59
Share of other comprehensive income of joint ventures and associates	32	115	-47
Total		202	617
Items that not will be reclassified to profit or loss			
Defined benefit plan actuarial gain (loss)	8	-	-1
Total		-	-1
Total other comprehensive income for the year, net of tax		202	616
Total comprehensive income for the year net of tax		-428	-4 343
Attributable to:			
Non-controlling interest		-23	-49
Controlling interest		-405	-4 293



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Consolidated Statement of Balance Sheet

Amounts in NOK million	Note	31.12.2021	31.12.2020
Assets			
Tangible assets	13, 15, 22	12 199	12 844
Deferred tax assets	11	11	12
Investments in joint ventures and associated companies	10, 32	2 730	2 336
Other non-current assets	16, 27	134	270
Total non-current assets		15 074	15 462
Trade receivables	17, 27	1 455	1 003
Other current assets	18, 26, 27	625	627
Current assets		2 080	1 630
Restricted deposits		145	183
Unrestricted cash and cash equivalents		1 652	1 697
Cash and cash equivalents	19, 27	1 797	1 880
Total current assets		3 877	3 510
Asset held for sale		-	20
Total current assets included asset held for sale		3 877	3 531
Total assets		18 951	18 993



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Consolidated Statement of Balance Sheet

Amounts in NOK million	Note	31.12.2021	31.12.2020
Equity and liabilities			
Paid-in equity	20	316	309
Other equity		-1 733	-1 321
Non-controlling interests	21	91	114
Total equity	20	-1 326	-898
Bond loan	22, 27	-	-
Debt to credit institutions	15, 22, 27	-	-
Lease liabilities	15	217	301
Other non-current liabilities	11, 23, 26, 27	38	62
Non-current liabilities		255	363
Current portion of debt	22, 27	18 692	18 301
Trade payables	24, 27	895	675
Other current liabilities	25, 26, 27	434	551
Current liabilities		20 021	19 528
Total liabilities		20 276	19 890
Total equity and liabilities		18 951	18 993

Storebø, 6th of April 2022
The Board of Directors of DOF ASA

Hans Olav Lindal
Chairman

Helge Singelstad
Deputy Chairman

Kathryn M. Baker
Director

Marianne Møgster
Director

Mons S. Aase
CEO



FINANCIAL STATEMENTS / DOF GROUP

Consolidated Statement of Changes in Equity

Amounts in NOK million	Paid-in equity			Other equity					Non-controlling interest	Total equity
	Share capital	Share premium	Paid-in equity	Contributed capital	Retained earnings	Currency translation differences	Cash flow hedge	Total other equity		
Balance at 01.01.2021	309	-	309	75	-2 011	754	-139	-1 321	114	-898
Profit (loss) for the year	-	-67	-67	-	-539	-	-	-539	-23	-630
Other comprehensive income net of tax	-	-	-	-	115	40	48	202	-	202
Total comprehensive income for the year	-	-67	-67	-	-425	40	48	-337	-23	-428
Converted bond	7	67	75	-75	-	-	-	-75	-	-
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-
Total transactions	7	67	75	-75	-	-	-	-75	-	-
Balance at 31.12.2021	316	-	316	-	-2 436	793	-91	-1 734	91	-1 326
Balance at 01.01.2020	308	2 887	3 194	87	48	206	-254	87	170	3 451
Profit (loss) for the year	-	-2 897	-2 897	-	-2 012	-	-	-2 012	-49	-4 959
Other comprehensive income net of tax	-	-	-	-	-48	547	116	616	-	616
Total comprehensive income for the year	-	-2 897	-2 897	-	-2 059	547	116	-1 396	-49	-4 343
Converted bond	1	11	12	-12	-	-	-	-12	-	-
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-6	-6
Total transactions with owners	1	11	12	-12	-	-	-	-12	-6	-6
Balance at 31.12.2020	309	-	309	75	-2 011	754	-139	-1 321	114	-898

Non-controlling interest

Please see note 21 for more information about non-controlling interest.

Convertible bond loan

The remaining part of the convertible bond loan is converted to shares in 2021.



FINANCIAL STATEMENTS / DOF GROUP

Consolidated Statement of Cash Flows

Amounts in NOK million	Note	2021	2020
Operating profit		636	-2 010
Depreciation and impairment	13	1 442	4 115
Profit (loss) on disposal of tangible assets	13	-109	-13
Share of net income of joint ventures and associates	32	-265	-171
Change in trade receivables	17	-452	197
Change in trade payables	24	220	-84
Change in other working capital		5	-17
Exchange rate effect on operating activities		20	-4
Cash from operating activities		1 496	2 013
Interest received		40	34
Interest and other finance costs paid		-280	-525
Tax paid		-62	-78
Net cash from operating activities		1 194	1 445
Payments received for sale of tangible assets	13	172	19
Purchase of tangible assets	13	-612	-219
Purchase of contract costs		-135	-80
Payment of acquisition, net of cash		26	-
Received dividends		1	-
Net cash flow from other non-current receivables		267	276
Net cash used in investing activities		-280	-3
Proceeds from borrowings	22	7	230
Repayment of borrowings	22	-1 010	-654
Net cash flow from financing activities		-1 003	-423
Net changes in cash and cash equivalents		-89	1 018
Cash included restricted cash at the start of the period	19	1 880	1 395
Exchange gain (loss) on cash and cash equivalents		5	-533
Cash included restricted cash at the end of the period	19	1 797	1 880

Restricted cash amounts to NOK 145 million (NOK 183 million) and is included in the cash. Changes in restricted cash is reflected in the cash flow.

Restricted cash of NOK 335 million (NOK 145 million) has been presented net of debt to credit institutions and are included in the repayment of borrowings. For further information, please see note 19 "Cash and cash equivalents".



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Notes to the Consolidated Financial Statements

1 General

DOF ASA is a public limited company registered in Norway. The head office is located at Storebø in the municipality of Austevoll, Norway.

DOF is involved in business of industrial offshore activities as owner and operator of modern offshore vessels.

DOF ASA is the ultimate parent company of a number of companies, as specified in note 31.

The Group's activities comprise three segments, as specified in note 6.

The Annual Accounts were approved for publication by the Board of Directors on the 6th of April 2022. The financial report is divided in the Group accounts and the parent company account. The report starts with the Group accounts.

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

2 Summary of significant accounting principles

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

The consolidated financial statements have been prepared in accordance with the historical cost convention with the following exceptions: financial instruments at fair value through profit or loss and non-derivative instruments designated as heading instruments are subsequently carried at fair value.

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 Group's financial position is not sustainable, and there is material uncertainty related to going concern. Standstill agreements with the majority of the Group's lenders have continued since 2nd quarter 2020 and the current standstill agreements are applicable until 30th of April 2022. The restructuring proposals being discussed with the secured lenders and bondholders includes soft terms on the loan facilities and conversion of substantial amounts of debt to equity which again will significantly dilute the current holders of equity. The dialogue with the lenders is constructive, but a refinancing solution is not yet in place. The Group is dependent on continued standstill agreements with its creditors until a long-term financial solution is agreed to maintain as going concern.

If the Group cannot be treated as going concern the valuation of the Group's assets will be further revised and will result in significant impairment of the Group's assets.

Group consolidation principles

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 fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method for business combinations. The consideration transferred for the acquisition of a business is the fair values of the assets transferred, the liabilities assumed, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration classified asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not re-measured.

Goodwill is measured as the excess of consideration transferred plus the amount of non-controlling interest and fair value of any previously held equity interest less the fair value of the identifiable net assets acquired in the business combination. When this amount is negative, the difference is recognised in profit or loss.

Inter-company 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.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary 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.

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. The Group has assessed the nature of its jointly controlled companies and determined them to be joint ventures. Joint ventures are accounted for 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 using the equity method of accounting.

Under the equity method of accounting, interests are initially recognised at cost and adjusted thereafter to recognise the Group's share of post-acquisition profit or loss and movements in other comprehensive income. 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 investments in the investee), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the investee.

Unrealised gains on transactions between the Group and its investee 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 investee has been impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investee and its carrying value, recognising the amount in 'share of income of associates and joint ventures' in the profit or loss.

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

Segment reporting

The Group's reporting format is determined by business segment which is regularly reviewed by the chief operating decision maker to assess performance and to be able to allocate resources. DOF ASA's Board of Directors is the Group's chief operating decision maker. The Group operates within three business segments:

- 1) PSV (Platform Supply vessel)
- 2) AHTS (Anchor Handling Tug Supply Vessel)
- 3) Subsea (Subsea vessel and subsea engineering)

The segment reporting 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 in the note 5.

Conversion of foreign currency

a) 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, BRL, GBP and AUD. The consolidated financial statements are presented in Norwegian Kroner (NOK).

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.

c) Group companies

Group entities that have a functional currency which differs from the Group's presentation currency are converted into the presentation currency as follows:

- I. assets and liabilities are converted to the presentation currency at the foreign exchange rate at the end of the reporting period,
- II. income and expenses are converted using the average rate of exchange, and
- III. all resulting 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.

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 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.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at 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.

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 revenue under lump sum contracts are normally classified as contract assets. These are presented together with trade receivables and specified in the notes.

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.

Tangible Assets and contract costs

Tangible assets are recognised at cost less accumulated depreciation and accumulated impairment losses. The cost of tangible asset 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 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 life of tangible asset and the depreciation method are reviewed periodically in order to ensure that the method and period of depreciation are consistent with the expected pattern of financial benefits expected to be derived from the assets.

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

For vessels, residual value is determined based on the estimated fair value today as if the asset was at the end of its useful life. The Group's accounting policy for residual values vessels in the PSV, AHTS and Subsea segments are described in note 4 'Accounting estimates and assessment'.

Assets under construction

Assets under construction are capitalised as tangible assets during construction as instalments are due to the yard. Building costs include contractual costs and costs related to monitoring the project during the construction period. Borrowing costs are added to the cost of those vessels. The capitalisation of borrowing costs ceases when the vessel is substantially ready for their 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 4 '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 until the vessel enters the next periodical maintenance. When new vessels are acquired, a portion of the cost price is classified as periodic maintenance based on best estimates.

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

Contract costs

Cost of obtaining a contract with customer and costs related to mobilisation of vessel, equipment and personnel are capitalised and amortised in line with the satisfaction of the performance obligation. These costs are defined as contract costs. Contract period is based on best estimates taken into consideration the initial agreed period with probability for options periods. A probability judgement 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 costs, refer to 'Revenue recognition'.

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 profit or loss statement.

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.

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were



classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the Group is a lessor is recognised in income on a straightline 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.

Goodwill

Goodwill is measured as the excess of consideration transferred plus the amount of non-controlling interest and fair value of any previously held equity interest less the fair value of the identifiable net assets acquired in the business combination. When the amount is negative, the difference is recognised in profit or loss. Goodwill comprises the difference between nominal and discounted amounts in terms of deferred tax, synergy effects, organisational value and key personnel and their expertise.

Goodwill is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of goodwill may not be recoverable. Impairment losses on goodwill are not reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Debt

Debt is recognised initially at fair value, net of transaction costs incurred. Debt is subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of debt are recognised as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Interest expenses related to the borrowing are recognised as part of cost of an asset when the borrowing costs accrue during the construction period of a qualifying asset.

Debt is classified as current liability unless the borrowing involves an unconditional right to postpone payment of the liabilities 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 Group

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

For onerous contracts provisions are made when unavoidable cost of meeting the obligations under the contract exceed the economic benefit to be received under the contract. The unavoidable costs under the contract are the lower of the cost of fulfilling the contract and any compensation or penalties arising from failure to fulfil the contract. From 01.01.2022 the Group will adopt changes in IFRS and increase the cost base by including both direct cost and indirect cost in the calculation of "unavoidable cost".

Provisions are reviewed at the end of each reporting period and adjusted to the best estimate. 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 at the consolidated statement of the balance sheet date or to transfer it to a third party at that time. When timing is significant for the amount of the obligation, it is measured at its present value. Subsequent increases in the amount of the obligation due to interest accretion are reported as interest costs.

Contingent assets and liabilities:

Contingent assets are not recognised in the accounts but are disclosed in the notes to the accounts if there is a certain degree of probability 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 on the accounts because it is improbable that the commitment will result in an outflow of resources;
- liabilities which cannot be measured to a sufficient degree of reliability.

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

Equity

Ordinary shares are classified as equity.

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

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 consolidated statement of changes in equity. Gains or losses on disposals to non-controlling interests are also recorded in consolidated statement of changes in equity.



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.

a) 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 service utilised on 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 for determining the amount of revenue to recognise is assessed based on input or an 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 the off-hire.

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

b) 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 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 balance sheet.

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.

c) Contract cost

Cost incurred relating to future performance obligations are deferred and recognised as assets in the consolidated statement of balance sheet. The nature of the asset is incremental cost of obtaining a contract and will be recovered by the revenue over the contract period. Costs related to contract 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.

d) 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.

e) Mobilisation

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

f) Dividend income

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

g) Interest income

Interest income is recognised using the effective interest method.



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 end of the reporting 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 of the Group's vessels amount operating 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 positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions for uncertain tax positions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated accounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, see note 11 '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 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 ongoing 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.

Employee benefits

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

(a) 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 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.

(b) Defined benefit plans

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

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

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity through other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the income statement.

Financial assets

The Group classifies its financial assets in the following categories: fair value through other comprehensive income (FVOCI), fair value through profit and loss (FVTPL), and 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 27). 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.

a) *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. However, see note 26, for derivatives designated as hedging instruments.

b) *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.

c) *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.

d) *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.

e) *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 the separate paragraph in this note regarding trade receivables.

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 whole carrying amount of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged 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 a current asset or liability.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 26 'Hedging activities'.

Hedge accounting

The Group applies hedge accounting hedging of USD/BRL spot exchange rate risk arising from highly probable income denominated in USD.

Movements on the hedging reserve are shown in the consolidated statement of changes in equity and also recognised in other comprehensive income, and the carrying amount of the hedging instrument, net present value of the hedged items, the effective portion of the cash flow hedges and the gain (losses) on hedges are disclosed in note 26 'Hedging activities'.

At the inception of the transaction, the Group documents the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the hedging instruments that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The effective portion of changes in the fair value of hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

When the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is reclassified when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

Subsequent events

New information and other events that provide evidence



of conditions that existed at 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 to the accounts.

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 higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4. Changes in accounting estimates are recognised in profit or loss for the period in which they occurred. If the changes also apply to future periods, the effect of the change is distributed over current and future periods.

Consolidated statement of cash flows

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

Government grants

The Group recognises grants when it is reasonably secured that it will comply with the required conditions for the grant and the grant will be received. The Group receive grants related to the net salary scheme for crew onboard the vessel. These government grants are presented as a deduction in the Payroll expenses in the profit or loss.

New standards, amendments and interpretations adopted by the Group

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

New standards, amendments and interpretations not yet adopted

Amendments to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract

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

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

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

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

3 Financial risk management

Financial risk factors

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

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

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 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. However, due to the current financial position for the Group, new forward contracts have become more challenging. Hence, the Group's liquidity risk has increased.

Hedging of foreign exchange exposure is evaluated on a net basis. The Group used hedge accounting up to year-end 2019 for parts of the revenues (in Brazil) with the objective to reduce the volatility in operational and financial result due to foreign exchange risk. The hedge was considered ineffective at 31st of December 2019 and the ineffective portion (loss) was recognised in the finance result. Remaining hedge recognised as other comprehensive income will be circulated to the profit or loss account over the remaining hedge period. See note 26 'Hedging activities'.

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, and CAD debt to financial institutions. 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.



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	Appreciation		
	10%	20%	30%
Liabilities in currency	1 101	2 202	3 304
Investment in joint ventures	-272	-545	-817
Net effect	829	1 657	2 487

	Depreciation		
	10%	20%	30%
Liabilities in currency	-1 101	-2 202	-3 304
Investment in joint ventures	272	545	817
Net effect	-829	-1 657	-2 487

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 year the Group has experienced that payment terms on some receivables have been extended. After the balance sheet date, a NOK loan of 1,329 million has been converted to USD. The sensitivity analyses above will be affected by the conversion. Conversion of loan in NOK to loan in USD will better hedge the cash inflow and outflow for the Group.

Interests rate 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.

In addition to fixed interest loans, the Group manages its cash flow interest risk by using floating-to-fixed interest rate swaps. Such interest swaps have the economic effect of conversion from floating interest rates to fixed interest rates. Through interest rate swaps, the Group agrees with other parties to exchange, at specified intervals the difference between fixed interest rates and floating interest rates calculated by reference to the agreed amounts. Due to the Group's financial position the banks are reluctant to enter into any interest rate swap contracts and the Group's exposure to volatility in interest rates has increased.

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. The portion of debt secured with fixed rate of interest is 52% per year-end and this includes financing via BNDES and GIEK/Export Credit Norway.

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

	+100BPS	-100BPS
Amounts in NOK million	NOK	NOK
Interest rate swaps	10	-9

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 of new assets and replacements of assets are sensitive to changes in market prices.

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

The Group is exposed to market fluctuations which may result in lower utilisation and reduced earnings for the Group's vessels and services. Attempts are made to reduce this risk by entering into contracts that secure long-term charters for the main portion of the fleet. The markets in 2021 have continued to be challenging which has negatively impacted the earnings and utilisation of the Group's fleet. There are signs of improved markets but the Group has several contracts up for renewal in 2022, hence the price risk is applicable.

Credit and Liquidity risk

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

The Group's counterparty credit risk has historically been low as the Group's customers traditionally have had good financial capability to meet their obligations and have had high credit ratings. The sustained challenging market situation has resulted in changes to the credit ratings for some of the Group's customers, and thereby increased the credit risk. Historically, the portion of receivables not being collectable has been low. Revenue from the 10 largest customers, large oil companies and operators, represent approximately 74% 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 standstill agreements and the short-term liquidity loan off NOK 100 million drawn in 2020, covers the Group's short-term liquidity needs. The Group is dependent on extension of the existing standstill agreements until a long-term refinancing solution has been agreed.

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



Capital structure and equity

The restructuring of the Group's long-term debt is ongoing and standstill agreements have been agreed until the 30th of April 2022 with 91% of the secured lenders within the DOF ASA and DOF Rederi AS and with 95% of the secured lenders within the DOF Subsea Group. In Norskan Offshore Ltda, a standstill agreement has been agreed for the facilities with the international banks. The BNDES facilities have been served according to refinancing agreements signed in February 2020, which is also applicable for one facility in DOF Subsea Brasil Ltda. The DOF Subsea standstill agreements assume payment of principal and interest of a NOK 100 million credit facility provided by certain lenders in March 2020. The outstanding amount of this facility was NOK 47 million by year-end. The relevant Group companies have imposed unilateral standstill to the secured lenders not participating in the standstill agreements. One of the DOF Subsea secured lenders has previously requested repayment of approximately USD 47 million and in the 3rd quarter 2021 this facility was prepaid at a significant discount. Another secured lender has enforced an account pledge for one loan facility in DOF Subsea.

The ad hoc group of bondholders in DOFSUB07, DOFSUB08 and DOFSUB09 have accepted to extend the standstill until the 30 April 2022 in accordance with the resolutions of the bondholders' meeting held 28 February 2022. The DOFCON JV is not part of the standstill agreements and serves its debt according to the terms in the relevant loans facilities.

The Company is guarantor for the debt in Iceman AS of NOK 444 million, where approximately 50% of the DOF guarantee has been counter guaranteed by other shareholders in Iceman AS. As part of the restructuring of the Group the main shareholders and the lenders have signed an agreement on the counter guarantees which has resulted in that the Company has become the majority shareholder of Iceman AS, hence this company was fully consolidated from 3rd quarter 2021. A refinancing of Iceman is yet to come in place and the current standstill agreement is applicable until the 30th of April 2022.

The DOFCON JV is not part of the standstill agreements and serves its debt according to the terms in the relevant loan facilities. Financial covenants related to DOF Subsea AS's 50% guarantee of the DOFCON loan facilities have been waived.

The Group's financial position is not sustainable, and a long-term financial solution is necessary to continue as going concern. Due to the ongoing debt restructuring of the Group, the vast majority of the Group's secured and unsecured debt has in accordance with IFRS, been classified as current debt as per 31st of December 2021. This classification is based on that standstill agreements for debt service with the banks and bondholders are less than 12 months. The Group is dependent on a robust refinancing solution and the refinancing proposal currently discussed include a comprehensive restructuring of the Group's balance sheet which include softer terms on the loan facilities and conversion of substantial amounts of debt to equity which again will significantly dilute the current holders of equity.

Under normal circumstances the main objective when

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

Debt ratio	2021	2020
Interest-bearing debt	18 601	18 255
Interest-bearing assets non-current (sub-lease)	129	89
Restricted deposits	172	183
Cash	1 625	1 697
Net interest bearing debt	16 675	16 286
Total equity	(1 326)	(898)
Total equity and net debt	15 350	15 388
Debt ratio	109%	106%

During the standstill period, the DOF Group's and the DOF Subsea's main financial covenants have been waived. For further information see note 22 'Interest bearing debt'.

4 Accounting estimates and assessments

When preparing the annual accounts in accordance with IFRS, 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 to 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:

Debt to credit institutions and bondholders

Debt to credit institutions and bondholders have been presented as current debt as a result of not having a long-term financial solution in place or waivers covering more than 12 months after balance sheet date. Agreement on a new long-term financing solution or waiver of more than 12 months duration, will result in changes in the presentation of debt to credit institutions and bondholders.

For further information about debt to credit institutions and bondholders, see note 22 'Interest-bearing debt'.

Vessels

The carrying amount of the Group's vessels represents 62% of the total balance. 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.



Useful life and climate risk

The level of depreciation depends on the vessels estimated useful lives. Useful life and economic life of the Group vessels are estimated to be 30 years. The Group has reassessed useful life of the subsea vessels as from 01.01.2021 and changed the period of useful life from 20 years to 30 years. Useful life of older vessels are individually assessed. The changes in useful life and residual value has increased the depreciation of the subsea vessels. There will always be a certain risk of events like breakdown, obsolescence e.g. with older vessels, which may result in a shorter useful life than anticipated.

Useful life 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.

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

Residual value of vessels

The level of depreciation depends on the calculated residual value. 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 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 periodic maintenance based on best estimates.

Impairment of assets

Vessels

For the purposes of assessing impairment for 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. For vessels older than ten years within the PSV and AHTS segment the Group has used the lower value in the range of broker estimates. All vessels in the Group are assessed by obtaining independent broker estimates. The brokers' estimates are based on the principle of 'willing buyer and willing seller'. Broker estimates include mounted equipment and assume that the vessels are without any charter contracts (i.e. charter-free basis). The Group adjusts for positive or negative value in associated contracts.

Due to a limited number of vessel transactions in the current market, the brokers' estimates only to a limited extent represent the results of transactions in the market. Because of this, the broker estimates are more influenced by the judgement of each broker. For this reason, the Group has sought to substantiate the broker valuations, inter alia with value in use calculations or tests of reasonableness of implicit rates and other assumptions derived from the valuations.

After the evaluation, the Group has concluded that the broker estimates are considered reliable.

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.

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 Group has seen increased activity during 2021 and high tender activity into 2022. It is however, too early to conclude on a market recovery, hence, future earnings are



difficult to forecast. The market is expected to be a weak for the next 1-2 years, and gradually normalised to sustainable levels thereafter. Due to the current market situation there is a high level of uncertainty related to the estimates.

The Weighted Average Cost of Capital (WACC) is used as a discount rate, and reflects a normalised capital structure for the industry. The WACC represents the rate of return the Group is expected to pay to its sources of finance for cash flows with similar risks. Cash flows are calculated after tax and discounted with an after tax discount rate. The nominal WACC used in the value in use calculations are ranging from 8.4%-9.3%.

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 Group has divided all ROVs into two pools of ROVs. Each pool of ROVs is identified as a separate cash generating unit. Value in use calculation is performed for each pool 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 flow and financial conditions. Certain companies in the Group are subject to special tax rules for ship owners in different jurisdictions. The Norwegian Tonnage tax scheme is approved as legal state aid under the EU guidelines for a 10-years period, from the 1st of January 2018 until the 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 accounts per IAS 12.

Deferred tax assets are recorded in the consolidated statement of balance sheet 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. Continued challenging market situation, low utilisation on vessels, equipment and personnel has resulted in lower earnings and increased risk in some tax jurisdictions. In this context the inherent uncertainty in forecasting the amount, timing of future taxable profits and the reversal of temporary differences has increased. As a result of this, the Group has only to a limited extent recognised deferred tax assets.

For further information about deferred tax assets and tax loss carried forward, please refer to note 11 "Tax".

In general, attention and follow-up from tax authorities are increasing in all tax jurisdictions. This should be seen in relation to OECD and G20 countries implementation of the Base Erosion and Profit Shifting (BEPS) reporting requirements. The general trend that each individual country has become more concerned about protecting their tax base, and in this context the Group experiences more tax audits in all countries where the Group operates. Present tax claims and disputes are at 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 tax claims.

In total the Group has exposures due to ongoing tax audit related to year 2009-2021 of approximately NOK 377 million (included JV's of NOK 41 million).

The Group has operated in several new tax jurisdictions last couple of years. In combination with increased focus from the tax authorities, the total tax risk has increased. To mitigate the increased tax risk, the Group has recognised a general tax provision of NOK 40 million. See note 11 "Tax" for further information about tax.

In 2014, the Brazilian Federal Revenue issued a Tax Assessment Notice against DOF Subsea Brasil Ltda (the Company). Loans given by the Parent Company to DOF Subsea Brasil Ltda were deemed to be taxable revenue for the Company. The Tax Assessment Notice was disputed, but on February 7, 2019, the court of first instance in Macae ruled against the Company. Estimated amount of the claim is approximately BRL 29.5 million (NOK 47 million) plus interest and charges. On February 13, 2019, the Company filed a clarification appeal before the same court. The Company intends to defend its position and considered it to be more likely than not that the final verdict will conclude that the loans received by the Company will not be reclassified as taxable revenue. No provision related to the dispute is included in the Group's accounts as of 31st of December 2021. However, DOF Subsea has provided security for the tax claim and the amount is included in restricted cash. Outcome of such processes are uncertain and changes in assumptions, interpretations and circumstances might result in future cash outflow for the Group related.



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5 Management reporting

Management reporting is reported in a manner consistent with the internal reporting provided to the Board as the chief operating decision-makers.

The reporting below is presented according to internal management reporting, based on the proportional consolidation method of accounting of jointly controlled companies. The bridge between the management reporting and the figures reported in the financial statement is presented below.

Statement of Profit or Loss	2021			2020		
	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
Operating revenue	7 544	-1 188	6 356	7 582	-1 370	6 212
Operating expenses	-4 850	198	-4 652	-4 545	248	-4 297
Share of net profit from joint ventures and associates	-13	278	265	-66	237	171
Net gain (loss) on sale of tangible assets	109	-	109	19	-	19
Operating profit before depreciation EBITDA	2 790	-712	2 078	2 990	-885	2 105
Depreciation	-1 334	304	-1 030	-1 097	241	-856
Impairment	-510	98	-412	-3 665	406	-3 258
Operating profit - EBIT	946	-310	636	-1 771	-239	-2 010
Financial income	376	27	403	25	45	71
Financial costs	-1 234	158	-1 076	-1 338	273	-1 065
Net realised currency gain (loss)	-273	5	-268	-661	26	-635
Net unrealised currency gain (loss)	-358	47	-311	-1 120	9	-1 112
Net changes in fair value of financial instruments	40	-	40	-56	-	-56
Net financial costs	-1 449	237	-1 212	-3 150	354	-2 797
Profit (loss) before taxes	-504	-73	-576	-4 921	115	-4 806
Taxes	-126	73	-54	-38	-115	-153
Profit (loss)	-630	-	-630	-4 959	-	-4 959

Statement of Balance sheet	Balance 31.12.2021			Balance 31.12.2020		
	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
ASSETS						
Tangible assets	18 052	-5 853	12 199	18 657	-5 813	12 844
Deferred taxes	341	-330	11	361	-348	12
Investments in joint ventures and associated companies	6	2 724	2 730	8	2 328	2 336
Other non-current assets	133	-	134	162	108	270
Total non-current assets	18 532	-3 458	15 074	19 188	-3 726	15 462
Receivables	2 190	-111	2 080	1 679	-49	1 630
Cash and cash equivalents	2 266	-469	1 797	2 332	-452	1 880
Asset held for sale	-	-	-	20	-	20
Total current assets included asset held for sale	4 456	-579	3 877	4 031	-500	3 531
Total assets	22 988	-4 037	18 951	23 219	-4 227	18 993
EQUITY AND LIABILITIES						
Equity	-1 326	-	-1 326	-898	-	-898
Non-current liabilities	3 594	-3 339	255	3 969	-3 606	363
Current liabilities	20 720	-698	20 021	20 148	-620	19 528
Total liabilities	24 314	-4 037	20 276	24 117	-4 227	19 890
Total equity and liabilities	22 988	-4 037	18 951	23 219	-4 227	18 993



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5 Management report (continued)

Statement of Cash flow	2021			2020		
	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
(MNOK)						
Net cash from operating activities	2 054	-861	1 194	2 266	-821	1 445
Net cash used in investing activities	-741	462	-280	-314	312	-3
Net cash used in financing activities	-1 399	396	-1 003	-774	350	-423
Net changes in cash and cash equivalents	-86	-2	-89	1 177	-159	1 018
Cash and cash equivalents at start of the period	2 332	-452	1 880	1 715	-320	1 395
Exchange gain (loss) on cash and cash equivalents	19	-14	5	-560	27	-533
Cash and cash equivalents at the end of the period	2 266	-469	1 797	2 332	-452	1 880

6 Segment information

The segment reporting is based on the management reporting. See note 5 'Management reporting' for description about accounting policies used for management and segment reporting, as well as reconciliation to the financial statements. The chief operating decision-makers are responsible for allocating resources and assessing performance of the segments.

Business segment

The DOF Group operates within three business segments in terms of strategic areas of operation and vessel types. The three different business segments are: PSV (Platform Supply Vessel), AHTS (Anchor Handling Tug Supply Vessel) and Subsea (Subsea vessel and subsea engineering). The subsidiary DOF Subsea is represented as a part of the Subsea segment.

Business segment	2021			
	PSV	AHTS	Subsea	Total
Operating revenue	462	1 117	5 964	7 544
EBITDA	108	491	2 190	2 790
Depreciation	-113	-216	-1 005	-1 334
Impairment	-96	-68	-346	-510
EBIT	-100	207	839	946
Net financial items	-69	-710	-669	-1 449
Profit (loss) before taxes	-169	-504	169	-504
Balance				
Assets	1 398	4 450	10 267	16 114
Jointly controlled companies	-	-	6 874	6 874
Total assets	1 398	4 450	17 140	22 988
Additions	75	481	855	1 411
Liabilities	2 048	7 556	14 709	24 313
Business segment	2020			
	PSV	AHTS	Subsea	Total
Operating revenue	524	1 224	5 834	7 582
EBITDA	104	606	2 281	2 990
Depreciation	-123	-245	-728	-1 097
Impairment	-252	-730	-2 682	-3 665
EBIT	-272	-369	-1 130	-1 771
Net financial items	-95	-1 888	-1 167	-3 150
Profit (loss) before taxes	-367	-2 258	-2 297	-4 921
Balance				
Assets	1 598	4 247	10 481	16 326
Jointly controlled companies	-	-	6 893	6 893
Total assets	1 598	4 247	17 374	23 219
Additions	8	138	302	448
Liabilities	2 365	6 405	15 348	24 117



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7 Operating revenue

	2021	2020
Revenue from lump sum contracts	117	337
Revenue from contract with "day rate"	6 239	5 875
Total	6 356	6 212

Turnover:	2021		2020	
	NOK	Ratio %	NOK	Ratio %
Brazil	2 536	40%	1 963	32%
Australia	938	15%	447	7%
United Kingdom	729	11%	976	16%
Norway	596	9%	877	14%
Angola	388	6%	146	2%
United States	224	4%	257	4%
Canada	205	3%	277	4%
Philippines	181	3%	151	2%
Argentina	132	2%	149	2%
Singapore	56	1%	262	4%
Other	371	6%	707	11%
Total	6 356	100%	6 212	100%

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

In 2020 the Group received NOK 110 million in compensation to two cancelled contracts. The cancellation fee is included in total operating 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 30-80% of the total contract value.



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8 Payroll expenses

	2021	2020
Salary and holiday pay	-1 934	-1 941
Hired personnel	-326	-220
Employer's national insurance contributions	-301	-284
Pensions costs	-69	-47
Other personnel costs	-126	-162
Total	-2 756	-2 654
No. man-years employed in financial year	3 570	3 287

Government grants related to the net salary scheme for vessels are reported as a reduction in payroll costs of NOK 80 million (NOK 50 million).

Pension cost above include defined benefit pension plan and defined contribution pension plan. Both the defined benefit pension plan and the defined contribution plan are with an external life insurance company.

Defined benefit pension

DOF ASA has phased out the defined benefit pension scheme in 2021. In addition the defined benefit pension scheme for the offshore personnel in DOF Subsea was phased out as from 01.01.2021. At year-end 2021 the Group does not have any defined benefit pensions for the personnel.

9 Other operating expenses

	2021	2020
Short term lease of vessels	-155	-148
Technical costs vessel	-383	-432
Bunkers	-213	-147
Equipment and equipment rental	-515	-390
Amortisation contract cost	-97	-39
Administration cost	-201	-214
Other operating expenses	-334	-273
Total	-1 897	-1 643



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10 Financial income and expenses

	Note	2021	2020
Interest income		46	42
Gain on settlement of loan facility	22, 27	249	
Government support - debt forgiveness *)		37	
Other financial income		70	28
Financial income		403	71
Interest expenses		-978	-959
Impairment shares and loans		-1	-
Other financial expenses		-96	-105
Financial costs		-1 076	-1 065
Net gain (loss) on currency derivatives		1	-105
Net gain (loss) on non-current and current debt		-216	-99
Net gain (loss) on working capital		-53	-431
Net realised currency gain (loss)		-268	-635
Net unrealised gain (loss) on non-current and current debt		-399	-1 027
Net unrealised gain (loss) on working capital		88	-84
Net unrealised currency gain (loss)		-311	-1 112
Net change in unrealised gain (loss) on interest swap		40	12
Net change in unrealised gain (loss) on currency derivatives		-	-68
Net change in unrealised gain (loss) on derivatives		40	-56
Total		-1 212	-2 797

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



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11 Tax

Tax income (expense) comprises;	2021	2020
Current tax on profit for the year	-73	-73
Change in deferred taxes	19	-58
Payable tax in Norway can be offset by group contribution	-	-22
Tax income (expense)	-54	-153

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 subsidiaries as follows;

Reconciliation of nominal and effective tax rate	2021	2020
Profit (loss) before tax	-576	-4 806
Tax calculated at domestic tax rates applicable to profits in the respective countries *)	149	955
Tax effect of:		
Expenses not deductible for tax purposes	-4	-4
Unrecognised tax losses and temporary differences	-188	-1 106
Adjustment in respect to previous years	-1	3
Withholding tax and effect of different tax regime	-69	-48
Associates and joint ventures result reported net of tax	58	48
Total tax income (expense)	-54	-153

* Domestic tax rates applicable to the Group varies between 0% to 35%.

The tax relating to components of other comprehensive income is as follows;

2021	Before tax	Tax (charge)/ credit	After tax
Currency translation differences	39	1	40
Cash flow hedges	48	-	48
Share of other comprehensive income of joint ventures and associates	115	-	115
Other comprehensive income	201	1	202

2020	Before tax	Tax (charge)/ credit	After tax
Currency translation differences	604	-	604
Cash flow hedges	59	-	59
Cash flow hedges - impairment deferred tax assets	-47	-	-47
Share of other comprehensive income of joint ventures and associates	-1	-	-1
Other comprehensive income	616	-	616

The gross movement on the deferred tax (deferred tax assets) is as follows;

	2021	2020
At 1 January	45	-13
Income statement charge	-19	58
Tax charge (credit) relating to components of other comprehensive income	-1	-
At 31 December	25	45



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11 Tax (continued)

Deferred tax

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

Basis of deferred tax	2021	2020
Non-current assets	-139	-426
Current assets	83	-19
Liabilities	-3 545	-3 349
Tax position related to sold assets	-181	-138
Other differences	-13	-21
Total temporary differences	-3 794	-3 953
Tax loss carried forward	-5 864	-5 588
Total temporary differences and losses carried forward	-9 658	-9 541
Temporary differences not included as deferred tax asset (+)	3 918	4 178
Tax deficit not included in basis for calculation of deferred tax/deferred tax assets	5 864	5 578
Basis for calculation of deferred tax/deferred tax assets (-)	123	215
Total deferred tax/deferred tax assets (-)	25	45
Gross deferred tax	35	57
Gross deferred tax asset	-11	-12
Total deferred tax/deferred tax assets (-) recognised in balance sheet	25	45

Deferred tax asset are recorded in the balance sheet on the basis of the extent that it is probable that there will be sufficient future earnings available against which the loss or deductible can be utilised. For more information see note 4 'Accounting estimates and assessments'.

Deferred tax asset per jurisdiction

Country	Tax rate	Temporary differences	Tax loss carried forward	Deferred tax assets	Deferred tax debt
Norway	22%	161	-		-35
Norway	22%	-7	-	-2	
Australia	30%	-30	-	-9	
Total		124	-	-11	-35



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1.2 Earnings per share

Earnings per share are calculated based on the annual result for the year to the shareholders and the weighted average number of shares throughout the financial year.

Diluted earnings per share are calculated based on the annual result as the relationship between the annual result for the year to the shareholders and the weighted potential average number of shares throughout the financial year.

Basis for calculation of earning per share		2021	2020
Profit (loss) for the year after non-controlling interest (NOK million)		-607	-4 909
Earnings per share for parent company shareholders (NOK)		-1.92	-15.51
Diluted earnings per share for parent company shareholders (NOK)		-1.92	-15.51
Number of shares 01.01.	Date	308 962 779	307 762 779
Conversion of bond loan to shares	29.10.2020		1 200 000
Conversion of bond loan to shares	07.07.2021	7 493 388	
Number of shares 31.12.		316 456 167	308 962 779
Outstanding mandatorily convertible bond loan *)			
Outstanding number of shares 01.01.		7 493 388	8 693 388
Converted bond loan to shares		-7 493 388	-1 200 000
Outstanding number of shares 31.12.		-	7 493 388
Total number of shares 31.12. incl mandatorily convertible shares		316 456 167	316 456 167
Average number of shares for the period*)		316 456 167	316 456 167

*) As the convertible bond has been mandatory converted to ordinary shares at a future date, the number of shares has been included in the outstanding shares for the computation of basic earnings per share. The outstanding number of shares is zero at year-end 2021. There are no other dilutive instruments.



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1.3 Tangible assets

2021	Vessels	Periodic maintenance	ROV	Operating equipment	Right of use assets	Total
Acquisition cost as of 01.01.2021	23 859	1 819	1 778	1 083	395	28 933
Additions	437	451	101	39	3	1 031
Reallocation	-9	-	4	7	1	3
Disposals	-1 350	-182	-3	-	-5	-1 540
Currency translation differences	-153	-17	-1	-2	-2	-175
Acquisition cost as of 31.12.2021	22 784	2 071	1 879	1 127	392	28 252
Depreciation as of 01.01.2021	5 591	1 317	1 262	777	105	9 053
Depreciation for the year	568	229	125	59	49	1 030
Reallocation	-	-	-	-	-	-
Depreciation on disposals	-404	-160	-2	-	-4	-570
Currency translation differences	-29	-13	-1	-3	-1	-47
Depreciation 31.12.2021	5 726	1 373	1 384	834	148	9 465
Impairment 01.01.2021	6 948	-	14	48	26	7 036
Impairment	423	-	-	-	-	423
Reversal of impairment	-30	-	-	-	-	-30
Impairment on disposals	-828	-	-	-	-	-828
Currency translation differences	-12	-	-	-	-	-12
Impairment 31.12.2021	6 501	-	14	47	26	6 589
Book value 31.12.2021	10 557	699	481	246	217	12 199
Lease assets (included in book value)			228	70	217	515
Depreciation period	30 years	30-60 months	5-12 years	5-15 years	1-11 years	
Depreciation method	Linear	Linear	Linear	Linear	Linear	
2020	Vessels	Periodic maintenance	ROV	Operating equipment	Right of use assets	Total
Acquisition cost as of 01.01.2020	26 583	1 885	1 863	1 347	374	32 053
Additions	59	178	11	26	29	303
Reallocation	-66	7	19	-160	-	-200
Disposals	-1 254	-101	-64	-97	-4	-1 520
Currency translation differences	-1 464	-150	-52	-32	-5	-1 702
Acquisition cost as of 31.12.2020	23 859	1 819	1 778	1 083	395	28 933
Depreciation as of 01.01.2020	6 095	1 289	1 188	962	56	9 590
Depreciation for the year	350	237	158	60	52	856
Reallocation	-17	-	-1	-94	-	-112
Depreciation on disposals	-538	-96	-64	-96	-1	-795
Currency translation differences	-298	-113	-19	-54	-2	-486
Depreciation 31.12.2020	5 591	1 317	1 262	777	105	9 053
Impairment 01.01.2020	4 614	-	14	43	26	4 697
Impairment	3 154	5	-	15	-	3 173
Reallocation	-	-	-	-9	-	-9
Impairment on disposals	-717	-5	-	-1	-	-722
Currency translation differences	-103	-	-	-	-	-104
Impairment 31.12.2020	6 948	-	14	48	26	7 036
Book value 31.12.2020	11 318	504	502	258	264	12 844
Lease assets (included in book value)			233	74	264	570
Depreciation period	20-30 years	30-60 months	5-12 years	5-15 years	1-11 years	
Depreciation method	Linear	Linear	Linear	Linear	Linear	

The tangible assets are pledged against debt to credit institution, see note 22.



1.3 Tangible assets (continued)

Useful life and residual value

The Group has reassessed useful life of the subsea vessels from 20 years to 30 years with effect from 01.01.2021. The residual value has been set to zero for all vessels. In earlier periods the residual value on the subsea vessels were determined based on estimated fair value after 20 years. The change in useful life and residual value has increased the depreciation of the subsea vessels. For further information see note 4 'Accounting estimates and assessments'.

Lease assets

The Group leases ROV's, IT equipment, various offices, cars and vessels. 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 is mainly related to lease of offices. For more information please see note 15 Leases.

Disposals

The Group has sold four vessels in 2021 and one vessel is derecognised from tangible assets and classified as financial lease. Gain on sale of non-current assets in the consolidated profit or loss statement are related to sale of the four vessels and other operating equipment.

Impairment

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

The impairment tests performed for 2021 have resulted in impairment of vessels and equipment of NOK 423 million (NOK 3,173 million). In addition reversal of impairment of NOK 30 million is recognised on one vessel.

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

During the year the Group has impaired 25 vessels (45 vessels) and reversed impairment on one vessel. The impairment is divided in the following segments;

Impairment 2021

Age	Number of vessel impaired in 2021			Book value 31.12.2021 impaired vessels			Impairment 2021			Total
	PSV	AHTS	Subsea	PSV	AHTS	Subsea	PSV	AHTS	Subsea	
0-10 years	3	2	3	394	862	2 414	60	25	88	173
11-15 years	1	3	4	128	332	593	5	24	85	113
15+ years	4		5	90		351	27		80	107
Total	8	5	12	612	1 194	3 359	92	49	252	393

Impairment 2020

Age	Number of vessel impaired in 2020			Book value 31.12.2020 impaired vessels			Impairment 2020			Total
	PSV	AHTS	Subsea	PSV	AHTS	Subsea	PSV	AHTS	Subsea	
0-10 years	4	2	6	631	1 056	4 005	62	93	707	862
11-15 years	3	6	9	304	1 000	2 387	56	315	1 355	1 725
15+ years	7	2	6	191	-	382	135	37	400	571
Total	14	10	21	1 126	2 056	6 774	252	444	2 462	3 158

Impairment	2021	2020
Vessel	393	3 158
Operating equipment	-	15
Goodwill	19	85
Total impairment	412	3 258

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



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1.3 Tangible assets (continued)

Impairment (continued)

Impairment tests have in addition resulted in impairment of vessel in joint ventures with NOK 98 million (NOK 406 million). The impairment is related to one vessel, owned by DOFCON Brasil Group. DOF's 50% share of the impairment is as follows;

Joint venture - Impairment 2021

Age	Number of vessel impaired 2021			Book value 31.12.2021 impaired vessels			Impairment 2021			Total
	PSV	AHTS	Subsea	PSV	AHTS	Subsea	PSV	AHTS	Subsea	
0-10 years										-
11-15 years			1			580				98
Total	-	-	1	-	-	580	-	-		98

Joint venture - Impairment 2020

Age	Number of vessel impaired 2020			Book value 31.12.2020 impaired vessels			Impairment 2020			Total
	PSV	AHTS	Subsea	PSV	AHTS	Subsea	PSV	AHTS	Subsea	
0-10 years		5	1			290		286	108	394
11-15 years			1			519			12	12
Total	-	5	2	-	-	809	-	286	120	406

In addition vessels in associates have been impaired with NOK 3 million in 2021 (NOK 51 million in 2020). The impairment is reflected in Share of income of associates and joint ventures in the Income statement.

For further information see note 4 'Accounting estimates and assessments'.

For further information about joint ventures please see note 32 'Investments in jointly controlled companies and associated companies'.

For further information about measurement level see note 26 'Hedging activities'.

Sensitivity analysis of impairment

While testing the reasonableness of the broker estimates the Group has applied a nominal WACC after tax in the range of 8.4 - 9.3%.

The valuation of the vessels are sensitive for changes in WACC, USD/NOK rate and earnings. The Group has applied a nominal WACC after tax in the range 8.4 - 9.3%. Negative changes in WACC by 50 basis points will result in an additional impairment of the vessels of approximately NOK 74 million and a drop in USD/NOK of NOK 0.50 will result in an additional impairment of the vessels of approximately NOK 127 million. Negative effect on net future cash flows by 20% will result in an additional impairment of the vessels of approximately NOK 1.3 billion. In addition a negative effect on net future cash flows by 20% will result in an impairment of the vessels in joint ventures of NOK 436 million.

DOF Group has a relatively new fleet of vessels (average age approximately 12 (11) years) and as a result future cash flows for a long period of time. The key assumptions in a discounted cash flow calculation for vessels are utilisation and charter rates. Changes in these assumptions would have considerable effects on the net present value of the vessels in a value in use calculation. The Group uses measurement level 3 in value in use calculations.



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14 Contract cost

	2021	2020
Book value at 01.01	93	
Net value reclassified from tangible assets	-	58
Reclassification	-4	-
Additions	134	76
Amortisation	-97	-39
Currency translation differences	-1	-2
Book value 31.12.	126	93

The Group has presented and recognised contract cost as intangible asset in accordance with policies described in note 2 'Accounting policies'. 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.



15 Leases

Lease income - the Group as lessor

The Group acts as a lessor in connection to operating leases. The leases are related to the time charter and bareboat contracts on vessels and equipment. For time charter contracts both the lease component and the service component are included in the overview of future lease revenue. Vessel on operating lease are recognised as tangible assets, see note 13 'Tangible assets'. Lease payments received are recognised in the statement of profit or loss.

Future minimum operating lease income arising from contracts on vessels at period end 2021 is shown in the overview below. All contracts in foreign currency are converted to NOK at 31st of December 2021 and state in NOK million.

2021	Within 1 year	2-5 years	After 5 years	Total
Minimum operating lease revenue	2 146	2 536	7	4 688
Minimum operating lease revenue including joint ventures	3 577	6 462	39	10 078

Total future minimum operating lease revenues include firm contracts from DOF Group vessels and the Group's share of vessels in the joint ventures.

Joint ventures are consolidated using equity method, see notes 5 'Management reporting', 6 'Segment information' and 32 'Investments in joint controlled companies and associated companies' for further information.

For further information about revenue recognition please see note 2 'Accounting principles'.

Lease - the Group as lessee

Lease liabilities

The Group's leases ROV's, IT equipment, various offices, cars and vessels. The assets are presented as tangible assets and sub-lease, and the debt as part of the Group's borrowings.

The balance sheet shows the following amounts related to leases;

Amounts in NOK million	31.12.2021	31.12.2020
Tangible assets - ROV	228	233
Tangible assets - Operating equipment	70	74
Tangible assets - Right-of-use assets	217	264
Tangible assets	515	570
Non-current receivables sub-lease	1	44
Current receivable sub-lease	127	45
Total assets	643	659
Non-current debt to credit institution		
Current debt to credit institution	150	178
Non-current lease - right of use	217	301
Current lease - right of use	87	94
Total debt	454	573

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 is mainly related to lease of offices. The bareboat contract of Skandi Darwin is classified as a sub-lease. In addition the vessel Geosund has been agree sold and derecognised as tangible asset and presented as a sub-lease at year-end 2021.

The debt related to lease where we assumed to purchase the asset are classified as debt to credit institution. Debt related to right-of-use assets and sub-lease is classified as lease debt.



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15 Leases (continued)

The profit or loss shows the following amounts related to leases:

Amounts in NOK million	2021	2020
Short term leases	-155	-148
Depreciation ROV	31	53
Depreciation Operating equipment	8	9
Depreciation Right-of-use assets	49	52
Total depreciation and impairment	88	114
Interest income	3	5
Interest expenses	-17	-21
Net finance	-14	-16
Total net expenses in the Profit or Loss	-80	-49

Lease assets	2021	2020
Cost at 01.01.	920	1 104
Additions	76	65
Disposals	-63	-244
Currency translation differences	-2	-5
Cost at 31.12.	932	920
Depreciation at 01.01.	321	328
Depreciation for the year	94	114
Depreciation disposal	-26	-119
Currency translation differences	-1	-2
Depreciation at 31.12.	388	321
Impairment 01.01	29	29
Impairment for the year	-	-
Currency translation differences	-	-
Impairment 31.12	29	29
Book value at 31.12	515	570

For information on repayment of lease debt, please refer to note 22.



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16 Other non-current assets

	Note	2021	2020
Non-current receivables from joint ventures		-	107
Non-current receivables sub-lease		1	44
Contract costs		126	93
Other non-current receivables	27	7	26
Total		134	270

17 Trade receivable

	2021	2020
Trade receivable at nominal value	845	754
Uninvoiced revenue	633	298
Provision for bad debts	-23	-49
Total	1 455	1 003

The Group's credit exposure is mainly towards customers who historically have had good financial capability to meet their obligations and have had high credit rating. A sustained challenging market situation has resulted in changes to the credit ratings for some customers, and thereby increased the credit risk. Historically, the portion of receivables not being collectable has been low. General allowance for expected credit losses the 31st of December 2021 and the 31st of December 2020 are based on historical losses and updated view on general risk in the Group's industry. Loss allowance for a specific contract are based on expectation of recovery of outstanding amount.

As of 31.12, the Group had the following accounts receivable which had matured, but not been paid.

	Total	Not matured	<30d	30-60d	60-90d	>90d
2021	845	688	68	7	12	69
Receivable not included in provision for bad debt						31
Expected credit loss rate		0.2 %	2.5 %	3.0 %	7.0 %	12.0 %
Loss allowance	9	1	2	-	1	5
Loss allowance uninvoiced revenue	1					
Loss allowance specific contract	13					
Total loss allowance	23					
	Total	Not matured	<30d	30-60d	60-90d	>90d
2020	754	546	60	47	4	98
Receivable not included in provision for bad debt						56
Expected credit loss rate		0.2 %	2.5 %	3.0 %	7.0 %	12.0 %
Loss allowance	9	1	1	1	-	5
Loss allowance uninvoiced revenue	1					
Loss allowance specific contract	39					
Total loss allowance	49					



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17 Trade receivable (continued)

Trade receivable divided on currencies:

	2021			2020		
	Currency	NOK	Ratio %	Currency	NOK	Ratio %
USD	63	553	38%	23	199	20%
BRL	344	545	37%	214	352	35%
AUD	22	141	10%	35	231	23%
NOK	-	86	6%	126	126	13%
GBP	8	91	6%	6	66	7%
Other currencies		39	3%		28	3%
Total		1 455	100%		1 003	100%

18 Other current assets

	Note	2021	2020
Current receivables sub-lease		127	45
Current receivables from joint ventures		126	213
Pre-paid expenses		194	145
Accrued interest income		6	11
Government taxes (VAT)		60	94
Current derivatives		-	-
Fuel reserves and other inventory		92	75
Other current receivables		20	44
Total		625	627



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19 Cash and cash equivalents

	2021	2020
Total restricted cash	627	328
Restricted cash serving as security for loans	-481	-145
Restricted cash, net	145	183
Unrestricted cash and cash equivalents	1 652	1 697
Cash and cash equivalents	1 797	1 880

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 481 million. Some lenders have exercised their rights to set off such cash balances towards the outstanding loans. The Group has therefore chosen to present all restricted cash serving as security for loans, net of debt to credit institutions.

Cash pool arrangement

The Group has cash pooling arrangements 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. Only the master accounts, (nominated in NOK) in each of the cash pools hierarchies are classified as bank deposits and included in the table above. The total cash pool can never be overdrafted.

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 structure. Surplus cash in these companies will be available for the rest of the Group through loans or dividends. Total cash in these subsidiaries are NOK 615 million, mainly related to DOF Installer ASA, and are included in unrestricted cash and cash equivalents.

Cash pool	Currency	Currency amount	Balance 31.12.2021	Currency amount	Balance 31.12.2020
Cash pool arrangement 1	NOK	153	153	16	16
Cash pool arrangement 2	NOK	38	38	133	133
Cash pool arrangement 1	USD	4	39	1	10
Cash pool arrangement 2	USD	11	95	5	43
Cash pool arrangement 1	GBP	1	16	1	9
Cash pool arrangement 2	GBP	3	31	-	1
Cash pool arrangement 1	EUR	1	9	1	13
Cash pool arrangement 2	EUR	-	2	1	12
Cash pool arrangement 1	AUD	2	16	5	31
Cash pool arrangement 2	AUD	2	13	-	-
Cash pool arrangement 1	SGD	-	1	-	1
Cash pool arrangement 2	SGD	-	-	-	-
Cash pool arrangement 1	CAD	-	-	-	-
Cash pool arrangement 2	CAD	1	5	4	24
Total net cash pool			418		293
Total surpluses			418		293
Total overdrafts			-		-



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20 Share capital and share information

Share capital: The share capital in DOF ASA as of the 31st of December 2021 was NOK 316,456,167 distributed between 316,456,167 shares, each with a nominal value of NOK 1.00.

Nominal value of the shares: The nominal value is NOK 1.00 per share.

Share issues in 2021: There has been two share issues during 2021. The issue was related to converted bond loan with increase of 7,493,388 shares.

Share issue authorisation: The Board of Directors has no authorisation to increase the Company's share capital at year-end 2021.

Convertible bond: An Extraordinary General Meeting on the 6th of July 2016 has allocated authorisation to the Board of Directors for a capital increase of up to 823,640,482 shares at a nominal value of NOK 0.50 related to a Subordinated Convertible Bond. Remaining authorisation is zero at year-end 2021.

Shareholders: The 20 largest shareholders of DOF ASA and shares owned by management and board members including shareholdings held by closely related persons and companies at the 31st of December 2021 were as follows:

Shareholders at 31.12.	2021		2020	
	No of shares *)	Shareholding	No of shares	Shareholding
MØGSTER OFFSHORE AS	100 007 313	31.60 %	100 007 313	32.37 %
BNP PARIBAS SECURITIES SERVICES	9 570 169	3.02 %	9 570 169	3.10 %
BRØNMO, BJARTE	6 780 484	2.14 %	3 136 855	1.02 %
NORDNET BANK AB	5 063 921	1.60 %	4 915 986	1.59 %
BRETTEL INVEST AS	4 000 000	1.26 %	3 145 000	1.02 %
HERNESS, BJØRN	3 326 882	1.05 %		
SOTRA KRAN AS	3 200 000	1.01 %	2 754 062	0.89 %
EKREN, GEIR	2 761 760	0.87 %		
NORDNET LIVSFORSIKRING AS	2 544 409	0.80 %	3 318 520	1.07 %
MOLY AS	2 539 308	0.80 %	2 007 749	0.65 %
HOLDEN, JIM ØYSTEIN	2 429 747	0.77 %	2 334 747	0.76 %
TØRRESEN, HENRY JOHAN	2 055 147	0.65 %		
AVANZA BANK AB	1 994 794	0.63 %	12 217 755	3.95 %
MOCO AS	1 984 419	0.63 %	1 984 419	0.64 %
EBB HOLDING AS	1 949 097	0.62 %	1 949 097	0.63 %
CHAMANSKI, ALEXANDRE	1 900 000	0.60 %		
LAWO INVEST AS	1 857 377	0.59 %	1 857 377	0.60 %
BERGEN KOMMUNALE PENSJONSKASSE	1 800 000	0.57 %	1 800 000	0.58 %
DAHL, TORE	1 744 800	0.55 %		
DP HOLDING AS	1 633 517	0.52 %	1 633 517	0.53 %
Total	159 143 144	50.29 %	152 632 566	49.40 %
Other shareholders	157 313 023	49.71 %	156 330 213	50.60 %
Total	316 456 167	100.00 %	308 962 779	100.00 %

Shares controlled directly and indirectly by Board of Directors and Management		2021		2020	
		No of shares *)	Shareholding	No of shares	Shareholding
Board of Directors					
Hans Olav Lindal	Chairman	-	0.00 %	-	0.00 %
Helge Singelstad	Deputy Chairman	417 867	0.13 %	417 867	0.14 %
Marianne Møgster	Board member	5 687 339	1.80 %	5 687 339	1.84 %
Kathryn M. Baker	Board member	-	0.00 %	-	0.00 %
Helge Møgster	Board member and Chairman until 28 May 2020			17 748 897	5.74 %
*) Via Laco AS, the Møgster family, including Helge Møgster and Marianne Møgster, have direct and indirect control of 99.9975% of the shares in Møgster Offshore AS, the main shareholder in DOF ASA.					
Management group					
Mons S. Aase (Moco AS)	CEO	1 984 419	0.63 %	1 984 419	0.64 %
Hilde Drønen (Djupedal AS)	CFO	449 335	0.14 %	449 335	0.15 %
Total		8 538 960	2.70 %	26 287 857	8.51 %



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21 Non-controlling interest

Non-controlling interest represents external interest in subsidiaries.

Non-controllings share of profit (loss) and financial position are as follows:

	2021	2020
Ownership share of non-controlling interest		
Non-controlling share of;		
Operating income	58	109
EBITDA	22	28
Depreciation and impairment	-31	-66
Operating result	-8	-39
Profit (loss) before taxes	-23	-46
Taxes	-	-4
Profit (loss) for the year	-23	-49
Financial position		
Tangible assets	324	233
Financial assets	1	1
Non-current debt	1	1
Current portion of non-current debt	345	213
Changes in non-controlling interest;		
Non-controlling interest 1.1.	114	170
Non-controlling interest share of result	-23	-49
Non-controlling interest share of result OCI	-	-
Reduced non-controlling interest	-	-6
Non-controlling interest 31.12.	91	114

Please see note 31 for information about the subsidiaries.



22 Interest bearing debt

Financing

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

The restructuring of the Group's long-term debt is ongoing and standstill agreements have been agreed until the 30th of April 2022 with 91% of the secured lenders within the DOF ASA and DOF Rederi AS and with 95% of the secured lenders within the DOF Subsea Group. In Norskan Offshore Ltda, a standstill agreement has been agreed for the facilities with the international banks. The BNDES facilities have been served according to refinancing agreements signed in February 2020, which is also applicable for one facility in DOF Subsea Brasil Ltda. The DOF Subsea standstill agreements assume payment of principal and interest of a NOK 100 million credit facility provided by certain lenders in March 2020. The outstanding amount of this facility was NOK 47 million by year-end. The relevant Group companies have imposed unilateral standstill to the secured lenders not participating in the standstill agreements. One of the DOF Subsea secured lenders has previously requested repayment of approximately USD 47 million and in the 3rd quarter 2021 this facility was prepaid at a significant discount. Another secured lender has enforced an account pledge for one loan facility in DOF Subsea.

The ad hoc group of bondholders in DOFSUB07, DOFSUB08 and DOFSUB09 have accepted to extend the standstill until the 30 April 2022 in accordance with the resolutions of the bondholders' meeting held 28 February 2022. The DOFCON JV is not part of the standstill agreements and serves its debt according to the terms in the relevant loans facilities.

The Company is guarantor for the debt in Iceman AS of NOK 444 million, where approximately 50% of the DOF guarantee has been counter guaranteed by other shareholders in Iceman AS. As part of the restructuring of the Group the main shareholders and the lenders have signed an agreement on the counter guarantees which has resulted in that the Company has become the majority shareholder of Iceman AS, hence this company was fully consolidated from 3rd quarter 2021. A refinancing of Iceman is yet to come in place and the current standstill agreement is applicable until the 30th of April 2022.

The dialogue with the lenders has continued to be constructive and progress has been made so far into 2022. There are still some issues pending, hence a refinancing solution is not yet in place. The debt restructuring proposal currently discussed includes soft terms on the loan facilities and conversion of substantial amounts of debt to equity which again will significantly dilute the current holders of equity.

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

Restructuring costs related to advisory and legal fees amounts to NOK 76 million in 2021 and are included in the financial costs in the result.

Non current interest bearing liabilities	Note	2021	2020
Bond loans		-	-
Debt to credit institutions		-	-
Lease liabilities		217	301
Total non current interest bearing liabilities		217	301
Current interest bearing liabilities			
Bond loans		2 979	2 554
Debt to credit institutions		15 309	15 305
Lease liabilities		87	94
Overdraft facilities		8	1
Total current interest bearing liabilities		18 383	17 954
Total non-current and current interest bearing liabilities		18 601	18 255
Other interest bearing assets (sublease IFRS 16)		129	89
Cash and cash equivalents	19	1 797	1 880
Net Interest-bearing debt		16 675	16 286
Average rate of interest		5.74 %	5.00 %

Current interest bearing debt in the statement of balance sheet includes accrued interest expenses NOK 309 million (NOK 347 million). Accrued interest expenses are excluded in the figures above.



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22 Interest bearing debt (continued)

Changes in the interest bearing liabilities

Changes in interest bearing liabilities over a period consists of both cash effects and non-cash effects. The following is the changes in the Group's interest bearing liabilities:

2021	Balance 31.12.2020	Cash flows *)	Non-cash changes					Balance 31.12.2021	
			Proceeds lease debt	Acquisition subsidiary	Debt remission	Proceeds stand-still agreement	Amortised loan expenses		Currency and other effects
Interest bearing liabilities									
Bond loans	2 554					379	5	42	2 979
Debt to credit institutions	15 305	-919	46	420	-249	433	15	258	15 309
Lease liabilities	395	-90	3					-4	304
Overdraft facilities	1	7							8
Total interest bearing liabilities	18 255	-1 002	49	420	-249	812	20	296	18 601

*) Restricted cash of NOK 335 million has been presented net of debt to credit institutions and are included in the repayments of debt in the cash flow statement. See note 19 'Cash and cash equivalents'.

2020	Balance 31.12.2019	Cash flows *)	Non-cash changes					Balance 31.12.2020	
			Proceeds lease debt	Proceeds guarantee	Proceeds stand-still agreement	Amortised loan expenses	Currency adjustment		
Interest bearing liabilities									
Bond loans	2 589						1	-36	2 554
Debt to credit institutions	15 285	-265	6	522	309	6		-557	15 305
Lease liabilities	461	-91	29					-4	395
Overdraft facilities	78	-68						-9	1
Total interest bearing liabilities	18 414	-424	35	522	309	7	-606		18 255

*) Restricted cash of NOK 145 million has been presented net of debt to credit institutions and are included in the repayments of debt in the cash flow statement. See note 19 'Cash and cash equivalents'.

Interest-bearing liabilities, divided by currency:

	2021			2020		
	Currency	NOK	Ratio %	Currency	NOK	Ratio %
USD	1 232	10 863	58 %	1 267	10 671	58 %
NOK	7 290	7 290	39 %	7 184	7 184	39 %
CAD	60	413	2 %	58	388	2 %
GBP	2	27	0 %			
BRL	5	8	0 %	7	12	0 %
Total		18 601	100 %		18 255	100 %

After the balance sheet date NOK loan of 1,329 million and the CAD loan amounted to NOK 413 million are converted to USD.



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22 Interest bearing debt (continued)

Liabilities secured by mortgage	2021	2020
Debt to credit institutions	14 543	14 658
Total liabilities	14 493	14 658
Assets provided as security		
Tangible assets	11 535	12 151
Receivable (non-current and current)	233	320
Investment in subsidiary/Net asset pledged consolidated *)	-	-
Total assets provided as security	11 768	12 471

*) Shares in Norskan Offshore SA pledged against credit facility in DOF ASA.

For loans issued directly to ship-owning subsidiaries of DOF ASA and DOF Subsea AS, a parent company guarantee has been issued from DOF ASA and DOF Subsea AS respectively, for the nominal amount of the loans in addition to interest accrued at any given time.

Bond loans

The fair value of the company's bond loan at 31.12.2021 was as follows:

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

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

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

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

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

Lease liabilities

Lease liabilities related to ROV and IT equipment were the Group expect to purchase the asset are included in debt to credit institutions. The lease are repaid on a monthly basis with maturity from 3-10 years.

Lease debt related to right-of-use assets and sub-leases are not include in the above profile and are as follows:

	2022	2023	2024	2025	2026	Subsequent	Total
Lease liabilities - related to ROV and IT equipment	150						150
Lease liabilities - right-of-use assets and sub-lease	87	44	38	35	28	71	304
Total	237	44	38	35	28	71	454



22 Interest bearing debt (continued)

Financial covenants

As part of the current standstill agreement the following financial covenants have been waived in DOF ASA per 31.12.2021:

- The Group shall on a consolidated basis have a book equity of at least NOK 3,000 million.
- The Group (excluding DOF Subsea AS and its subsidiaries) shall at all times have available liquidity of at least NOK 500 million.
- The fair market value of the vessels shall at all times to be at least 100% of the outstanding debt.

Other main financial covenants in DOF ASA are the following:

- Certain change of control clauses related to Møgster Offshore AS' ownership in DOF ASA.
- DOF ASA shall be listed on the Oslo Stock Exchange.

As part of the current standstill agreement the following financial covenants have been waived in DOF Subsea AS per 31.12.2021 (the covenants are based on proportionate method of accounting for joint ventures):

- DOF Subsea AS consolidated shall have available cash of at least NOK 500 million at all times
- DOF Subsea AS consolidated shall have a book equity of at least NOK 3,000 million, and value adjusted equity ratio of at least 30%.
- DOF Subsea AS consolidated shall have positive working capital at all times, (excl. current portion of debt to credit institutions).
- The fair market value of vessels shall be at least 100% - 130% of outstanding debt.

Other main financial covenant in DOF Subsea AS is the following:

- DOF ASA shall be the principal shareholder in DOF Subsea AS, and own a minimum of 50.1% of the shares.

DOF Subsea AS has further received waiver for the financial covenants as guarantor for two facilities in the DOFCON JV.

In addition, normal terms and conditions for this type of loans apply, such as full insurance of the Group's vessels and restrictions regarding changes of classification, management and ownership of the vessels.

23 Other non-current liabilities

	Note	2021	2020
Pension		-	4
Deferred tax liabilities	11	35	57
Other non-current liabilities		2	
Total		38	62



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24 Trade payables

	2021	2020
Trade payables	895	675
Total	895	675

Trade payable has the following currency split;

	2021			2020		
	Currency	NOK	Ratio %	Currency	NOK	Ratio %
USD	23	199	22%	28	237	35%
NOK		218	24%		141	21%
BRL	197	311	35%	100	165	24%
AUD	12	74	8%	5	34	5%
GBP	4	51	6%	4	49	7%
Other currencies	-	42	5%	-	50	7%
Total		895	100%		675	100%

25 Other current liabilities

	Note	2021	2020
Public duties payable		140	123
Tax payables		69	81
Prepayments from customers		2	5
Fair value forward contracts	26	8	48
Accruals guarantee related to joint ventures		-	-
Other current liabilities		215	294
Total		434	551

26 Hedging activities

Derivatives

As of the 31st of December 2021, the Group has interest rate swaps that are utilised to manage interest rate risk by converting from floating to fixed interest rates.

The table below displays the fair value of derivative financial instruments as of 31st of December 2021.

	Measurement level	2021		2020	
		Assets	Liabilities	Assets	Liabilities
Interest rate swaps	2	-	8	-	48
Total		-	8	-	48
Non-current portion					
Interest rate swaps	2	-	-	-	-
Non-current portion		-	-	-	-
Current portion					
		-	8	-	48

Derivatives are classified as a current asset or liability if not designated as a hedge instruments. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months. As of the 31st of December 2021, all hedges are classified as current due to the ongoing debt restructuring.



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26 Hedging activities (continued)

Measurements of financial instruments

The Group uses the following hierarchy when determining and disclosing the fair value of financial instruments.

Total measurement level 1

Quoted, unadjusted prices in active markets for identical assets and liabilities.

Fair value of interest-bearing debt is disclosed face value of the bank loans and market value of bonds.

Total measurement level 2

Quoted 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 balance sheet date. The forward exchange rate is based on the relevant currency's interest rate curves. The fair value of currency swaps is determined by the present value of future cash flows, which is also dependent on the interest curves.

Total measurement level 3

Techniques which use inputs which have significant effect on the recorded fair value that are not based on observable market data.

Interest rate derivatives

As of 31.12 the Group held the following interest rate derivative contracts, not qualified for hedge accounting.

Instrument	Fixed rate	Floating rate	Notional amount	Effective from	Maturity date
31.12.2021					
Interest rate swaps - NOK	1.68 - 1.92%	Nibor 3m	1 200	2018	2023
31.12.2020					
Interest rate swaps - NOK	0.85% - 1.92%	Nibor 3m - 6m	2 926	2016-2018	2021-2023

Hedge accounting

The Group used hedge accounting up to year-end 2019 for parts of the revenues (in Brazil) with the objective to reduce the volatility in operational and financial result due to foreign exchange risk. The hedge was considered ineffective at 31st of December 2019 and the ineffective portion(loss) was recognised in the finance result. Remaining hedge recognised as other comprehensive income will be circulated to the profit or loss account over the remaining hedge period.

In 2021 NOK 48 million (NOK 59 million) has been circulated to the profit or loss. Remaining hedge recognised as other comprehensive income in the equity at 31st of December 2021 amounts to NOK -91 million (NOK -139 million).

	Effective portion of cash flow hedges recognised in other comprehensive income		Gains (losses) reclassified from accumulated other comprehensive income to income statement	
	2021	2020	2021	2020
Non-derivative financial instruments, pre-tax	-48	-59	-	-

Gains (losses) to be reclassified from accumulated other comprehensive income to income statement as follows:

	2022	2023	2024	2025	After
Non-derivative financial instruments, pre-tax	22	21	20	17	13



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27 Financial assets and liabilities: Information on the balance sheet

This note gives an overview of the carrying and fair 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. The table also shows the level of objectivity in the measurement hierarchy of each method of measuring the fair value of the Group's financial instruments.

31.12.2021	Financial instruments at fair value through profit or loss	Financial instruments measured at amortised cost	Total	Of this included interest bearing debt
Assets				
Non-current derivatives	-	-	-	-
Other non-current receivables	-	7	7	-
Current derivatives	-	-	-	-
Trade receivable and other current receivables	-	1 794	1 794	-
Restricted deposits	-	172	172	172
Cash and cash equivalents	-	1 625	1 625	1 625
Total financial assets	-	3 597	3 598	1 797
Liabilities				
Non-current bond loans, debt to credit institution and lease debt	-	217	217	217
Current bond loans and debt to credit institution	-	18 692	18 692	18 383
Other non-current derivatives	-	38	38	-
Current derivatives	8	-	8	-
Trade payable and other current liabilities	-	1 110	1 110	-
Total financial liabilities	8	20 057	20 065	18 601
Total financial instruments	-8	-16 459	-16 467	-16 804
31.12.2020	Financial instruments at fair value through profit or loss	Financial instruments measured at amortised cost	Total	Of this included interest bearing debt
Assets				
Non-current derivatives	-	-	-	-
Non-current receivables	-	26	26	-
Current derivatives	-	-	-	-
Trade receivable and other current receivables	-	1 410	1 410	-
Restricted deposits	-	183	183	183
Cash and cash equivalents	-	1 697	1 697	1 697
Total financial assets	-	3 316	3 316	1 880
Liabilities				
Non-current bond loans and debt to credit institution	-	301	301	301
Current bond loans and debt to credit institution	-	18 301	18 301	17 954
Other non-current liabilities	-	57	57	-
Current derivatives	48	-	48	-
Trade payable and other current liabilities	-	969	969	-
Total financial liabilities	48	19 629	19 677	18 255
Total financial instruments	-48	-16 313	-16 360	-16 375

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 payable and other working capital are approximately equal to fair value since they are entered into at standard terms and conditions.

The fair value of the interest-bearing debt is not possible to estimate due to the ongoing refinancing in the Group. In 2021 DOF Subsea Group has repaid one debt facility with a discount of 64%.

The fair value of the bond loans are estimated to NOK 644 million, based on the latest turnover which was in 2020. Due to the ongoing refinancing process it is not recognised any turnover in 2021. For further information see note 22 'Interest bearing liabilities'.



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28 Guarantee

The Group has commitments to clients to ensure proper performance under contracts. These commitments are mainly parent company guarantees from DOF Subsea AS on behalf of subsidiaries or counter guarantees in favour of banks for the issuance of bank guarantees and performance bonds. The guarantees are limited to fulfilment of the contract and are released after delivery of the project. 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.

Guarantees are given to suppliers for fulfilment of payments for deliveries of goods and services including vessels.

The Group has guarantee commitments on behalf of non-consolidated companies as per 31.12.2021:

- DOFCON Brasil Group (50% owned): Guarantees in favour of credit institutions in the total amount of USD 422 million.

Guarantee income is classified as other financial income in the income statement.

29 Related parties

Board members and management of DOF ASA and its subsidiaries will be regarded as related parties.

Below is a detailed description of significant transactions between related parties:

Long-term agreements:

Møgster Offshore AS owns 31.6% of the shares in DOF ASA. Laco AS is the main shareholder of Møgster Offshore AS. Møgster Management AS provides administrative shared services to DOF ASA. Møgster Management AS is owned by Laco AS. Total administrative fee for 2021 is NOK 2 million (NOK 3 million).

Austevoll Eiendom AS is a subsidiary of Austevoll Seafood ASA, which in turn is a subsidiary of Laco AS. DOF Management AS and Marin IT AS leases premises from Austevoll Eiendom AS. Total leased premises in 2021 are NOK 2.4 million (NOK 5 million).

Individual transactions:

Group

The Group has used the shipyard Fitjar Mekaniske Verksted AS to do maintenance and repairs on the vessels. Total costs in 2021 are NOK 4.5 million (NOK 1.2 million) and was at market terms. In addition the Group has paid NOK 2.6 million (NOK 1.2 million) for rent of quay from Brdr Birkeland AS. Both companies are part of the Laco AS Group.

Loans to joint ventures

Loans to joint ventures DOFCON Brasil Group and DOF Iceman AS are booked at NOK 126 million (NOK 320 million) per year end. For further information on joint ventures see note 32.



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30 Remuneration to executives, Board of Directors, and auditor

Total payments for salary, pension premium and other remuneration to CEO and CFO;

Amount in TNOK	Year 2021			Year 2020		
	CEO	CFO	Total	CEO	CFO	Total
Salary incl bonus	4 550	2 860	7 411	6 430	3 830	10 260
Pension premium	126	132	258	231	274	505
Other remuneration	21	129	150	21	107	128
Total	4 698	3 121	7 819	6 681	4 212	10 893

CEO = Mons Aase, CFO = Hilde Drønen

The CEO and CFO have been members of a collective defined benefit pension scheme limited to 12G (G=national insurance basic amount) which is closed and replaced with a collective defined contribution pension scheme in 2021.

A loan of NOK 2.5 million has been given to the CEO in DOF Subsea. The annual interest on the loans is 2%. The loan to is to be settled in 2022. There is sufficient security related to the loan.

Board fees granted on the General annual meeting as of 27th of May 2021 totalled NOK 1,200,000 (NOK 1,500,000) and comprises NOK 300,000 (NOK 300,000) to the Chairman of the Board and NOK 300,000 (NOK 300,000) each to the board members. Compensation for meetings have been paid to the Audit Committee (NOK 100,000) and the Election Committee (NOK 64,600). In addition the chairman Hans Olav Lindal has invoiced for hour spend, in total NOK 2,603,270 (NOK 1,223,552).

Specification of auditor's fee (amount in TNOK):	2021	2020
Audit	10 839	11 228
Fee for other confirmatory services	308	166
Tax consultation	915	561
Fee for other services	142	22
Total	12 204	11 976

All amounts in the table are excl VAT.

Guidelines governing salary and other remuneration to leading personnel in DOF

The Guidelines govern the determination of remuneration to leading personnel in DOF ASA, which were approved by the shareholders in the General Meeting held in the 27th of May 2021.

The Guidelines have been prepared in accordance with the provisions of Section 6-16 a, of the Public Limited Companies Act, supplemented by the Regulations 2015 and reports on remuneration for leading personnel.

The main principles for the Company's politics regarding remuneration to leading personnel are to offer terms and conditions which are competitive when fixed remuneration, payment in kind, bonuses and pension schemes are considered as a whole. That does not necessarily implicate that the remuneration shall be market leading. The Company will offer a remuneration level which is competitive compared to similar companies and businesses, where the need for qualified personnel in all parts of the business is also considered.

The determination of salary and other remuneration to leading personnel at any given time shall be in accordance with the guiding principle. The amount of any bonus to the CEO shall be approved by the Board of Directors. The bonus to other leading personnel shall be decided by the CEO together with the Chairman of the Board.

The CEO has the right to a bonus payment of 0.5% of the Group's annual result. In addition the CEO can be granted a discretionary bonus. The Board of Directors has entered into an intensive agreement with the CEO for 2021, which under certain terms and conditions give a right to bonus if the CEO is still employed in the position as of the 31st of July 2022.

The term of notice for the CEO is 6 months. If the CEO resigns from his position, he has the right to an extra compensation corresponding to 12 months' salary. Retirement age is 67 years.

The pension scheme for the leading personnel is changed from defined benefit pension scheme to a defined contribution pension scheme in 2021, limited to maximum 12 G (G=national insurance basic amount).

DOF ASA has no option schemes for purchase of share in the Company.

The Board of Directors shall each financial year ensure that a remuneration report is prepared and executed. The report shall provide an overview over paid and outstanding remuneration in accordance with these Guidelines. The auditor shall control that the report contains the information required in accordance with applicable law before the remuneration is subject to the General Meeting. The General Meeting shall hold an advising vote over the remuneration report. The next remuneration report shall explain how the result of the previous General Meeting's advising vote is considered.

Any proposed adjustments in the Guidelines will be presented to the General Meeting for a new approval.



FINANCIAL STATEMENTS / DOF GROUP

31 Companies within the Group

Investments in subsidiaries	Owner	Registered office	Nationality	Ownership and voting share
DOF Subsea AS	DOF ASA	Bergen	Norway	100%
DOF Rederi AS	DOF ASA	Austevoll	Norway	100%
DOF UK Ltd	DOF ASA	Aberdeen	UK	100%
Norskan AS	DOF ASA	Austevoll	Norway	100%
Iceman AS/Iceman IS	DOF ASA	Austevoll	Norway	73,5 %
DOF Management AS	DOF ASA/DOF Subsea AS	Austevoll	Norway	100%
Marin IT AS	DOF ASA/DOF Subsea AS	Austevoll	Norway	75%
DOF Subsea Chartering 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 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 ROV AS	DOF Subsea AS	Bergen	Norway	100%
DOF Installer ASA	DOF Subsea AS	Austevoll	Norway	84,9 %
DOF Subsea US Inc	DOF Subsea AS	Houston	US	100%
DOF Subsea Brasil Servicos Ltda	DOF Subsea AS	Macaè	Brazil	100%
DOF Subsea UK Ltd	DOF Subsea Atlantic AS	Aberdeen	UK	100%
DOF Subsea Ghana Investments Ltd	DOF Subsea UK	Accra	Ghana	100%
DOF Subsea Ghana Ltd	DOF Subsea Ghana Investment Ltd.	Accra	Ghana	49%
DOF Subsea Angola Lda	DOF Subsea AS	Luanda	Angola	100%
DOF Subsea Asia Pacific Pte. Ltd.	DOF Subsea AS	Singapore	Singapore	100%
PT DOF Subsea Indonesia	DOF Subsea Asia Pacific Pte Ltd	Jakarta	Indonesia	95%
DOF Subsea Australia Pty.	DOF Subsea Asia Pacific Pte Ltd	Perth	Australia	100%
DOF Subsea Labuan (L) Bhd	DOF Subsea Asia Pacific Pte Ltd	Labuan	Malaysia	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	Singapore	100%
DOF Subsea Asia Pacific Pte. Ltd, Philippine Branch	DOF Subsea Asia Pacific Pte Ltd	Muntinlupa City	Philippines	100%
Mashhor DOF Subsea Sdn	DOF Subsea Australian Pty.	Negara Brunei	Darussalam	50%
DOF Subsea Canada Corp	DOF Subsea US Inc.	St. Johns	Canada	100%
Norskan Offshore SA	Norskan AS	Rio	Brazil	100%
Norskan Offshore Ltda.	Norskan Offshore SA	Rio	Brazil	100%
DOF Management Argentina S.A.	DOF Management AS	Buenos Aires	Argentina	95%
DOF Sjø AS	DOF Management AS	Austevoll	Norway	100%
DOF Management Pte.	DOF Management AS	Singapore	Singapore	100%
DOF Management Australia Pty	DOF Management AS	Perth	Australia	100%
DOF Management Egypt Branch	DOF Management AS	Cairo	Egypt	100%
DOF Subsea Congo SA	DOF ASA /DOF Subsea AS	Pointe-Noire	Congo	100%



FINANCIAL STATEMENTS / DOF GROUP

32 Investments in jointly controlled companies and associated companies

2021	DOFCON Brasil Group	KDS AS	Associates	Total
Booked value of investments 01.01.	2 327	-	8	2 336
Addition	-	-	-	-
Profit (loss) for the period	281	-	-16	265
Other comprehensive income	115	-	-	115
Dividend	-	-	-1	-1
Reclassified as impairment on receivables	-	-	15	15
Booked value of investments 31.12.	2 724	-	6	2 730

2020	DOFCON Brasil Group	DOF Deepwater AS	Associates	Total
Booked value of investments 01.01.	1 771	-	35	1 806
Addition	-	-	6	6
Profit (loss) for the period	603	-363	-69	171
Other comprehensive income	-47	-	-	-47
Dividend	-	-	-	-
Reclassified as impairment on receivables	-	-	37	37
Reclassified as liabilities *)	-	363	-	363
Booked value of investments 31.12.	2 328	-	7	2 336

*) Reclassified due to guarantee, ref. note 28.

Name of entity	Place of business/country of incorporation	% of ownership interest	Nature of the relationship	Measurement method
DOFCON Brasil Group	Norway	50 %	Note 1	Equity
KDS AS	Norway	50 %	Note 2	Equity
DOF Deepwater AS (changed name to DDW Offshore AS)	Norway	0 %	Note 3	Equity
DOF Iceman AS (owner of 40% in Iceman AS)	Norway	50 %	Note 4	Equity
Skandi Aukra AS	Norway	34.25 %	Note 4	Equity
Master & Commander	Norway	20 %	Note 4	Equity
Semar AS	Norway	42.0 %	Note 4	Equity



32 Investments in jointly controlled companies and associated companies (continued)

Note 1 DOFCON Brasil Group consists of DOFCON Brasil AS, TechDOF Brasil AS and DOFCON Navegacao Ltda. DOFCON Brasil AS is a holding company located in Bergen and jointly owned by DOF Subsea AS and Technip Cofflexip Norge AS with 50% each. DOFCON Brasil AS owns TechDOF Brasil AS and DOFCON Navegacao Ltda. DOFCON Brasil Group owns six vessels. DOFCON Navegacao Ltda owns and operates Skandi Niteroi, Skandi Vitoria, Skandi Recife and Skandi Olinda. TechDOF Brasil AS owns and operate Skandi Acu and Skandi Buzios.

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 by using 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 extinguished 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 was converted by use of exchange rate as of 1 January 2017. The Group's share of the equity 1 January 2017 was NOK -333 million. The recycling of the accumulated hedge reserve to the consolidated statements of comprehensive income in 2021 is NOK 31 million (NOK 56 million). The group share of other comprehensive income related to hedging was NOK 132 million per 31.12.2021. The cost is included in the Share of net income from associates and joint ventures.

The Group has guarantee commitments on behalf of DOFCON Brasil Group (50% owned). The guarantees are in favour of credit institutions in the total amount of USD 422 million.

Note 2 KDS AS is owned by DOF Subsea Group and Kværner AS where each part owns 50% of liable capital. KDS JV has entered into a subcontract with Kværner AS to perform marine operations for the Hywind Tampen project for Equinor. The company has minor effect to the result of the Group in 2021.

Note 3 DOF Deepwater AS (changes name to DDW Offshore AS) was sold to Akastor in 2020.

The Company, Akastor ASA and the secured lenders agreed a debt restructuring of DDW in October 2020. As part of the agreement, Akastor acquired the Company's shares in DDW at zero cost. Akastor has further waived any recourse claims against the Company related to the guarantee commitments in DDW.

The Company's guarantee commitment at 31st of December 2021 amounts to NOK 532 million and is part of the Group's debt restructuring.

Note 4 a) DOF Iceman is owned by DOF ASA and Vard Group ASA where each part owns 50% each of the liable capital. DOF Iceman AS owns 40 % in Iceman IS. In addition DOF ASA owns 53.5% in Iceman AS. The Group has guarantee commitments on behalf of Iceman AS. The guarantee is in favour of credit institutions in the total amount of NOK 444 million. 50% of the commitment is counter guaranteed by Vard Group. For further information see note 35 'Subsequent events'.

b) Skandi Aukra AS; DOF ASA is shareholder with 34.25%.

c) Master and Commander AS; DOF Subsea AS is shareholders with 20%.

d) Semar AS; DOF Subsea AS is shareholders with 42.3%.



FINANCIAL STATEMENTS / DOF GROUP

32 Investments in jointly controlled companies and associated companies (continued)

Jointly controlled companies

	DOFCON Brasil Group	KDS AS	DOFCON Brasil Group	DOF Deepwater AS
Profit or Loss and other comprehensive income	2021	2021	2020	2020
Operating revenue	2 473	21	2 711	116
Operating costs	-493	-22	-453	-129
Operating result before depreciation (EBITDA)	1 980	-	2 258	-13
Depreciation	-608	-	-460	-21
Impairment	-196	-	-241	-571
Operating result (EBIT)	1 177	-	1 557	-605
Net financial result	-469	-	-581	-120
Profit (loss) before tax	707	-	976	-725
Tax income (expenses)	-145	-	229	-
Profit (loss) for the year	562	-	1 206	-725
Other comprehensive income, net of tax	230	-	-93	-
Total comprehensive income, net of tax	792	-	1 112	-725
Balance sheet	31.12.2021	31.12.2021	31.12.2020	31.12.2020
Tangible assets	11 705	-	11 627	-
Deferred tax assets	660	-	696	-
Total non-current assets	12 365	-	12 323	-
Current receivables	498	3	560	-
Cash and cash equivalents	884	53	904	-
Total current assets	1 382	57	1 464	-
Total assets	13 747	57	13 787	-
Total equity	5 449	-	4 657	-
Non-current liabilities	6 678	-	7 426	-
Current liabilities	1 620	56	1 704	-
Total liabilities	8 298	56	9 130	-
Total equity and liabilities	13 747	57	13 787	-
Reconciliation of summarised financial information	31.12.2021	31.12.2021	31.12.2020	31.12.2020
Group's interest in the joint venture at 50 %	2 724	-	2 328	-
Negative equity recognised	-	-	-	-
Group's carrying amount of the investment	2 724	-	2 328	-

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



FINANCIAL STATEMENTS / DOF GROUP

32 Investments in jointly controlled companies and associated companies (continued)

Associated companies

	Master and Commander AS	DOF Iceman AS	Skandi Aukra AS	DOF OSM Marine Services AS	Semar AS	Total
Carrying amount 01.01.2021	-	-	1	-	6	7
Additions/disposals	-	-	-	-	-	-
Share of result	1	-15	-1	-	-	-16
Dividend	-1	-	-	-	-	-1
Reclassified to non-current receivables and liabilities	-	15	-	-	-	15
Carrying amount 31.12.2021	-	-	-	-	6	6
Carrying amount 01.01.2020	30	-	3	1	-	34
Additions/disposals	-	-	-	-	6	6
Share of result	-30	-37	-1	-1	-	-69
Dividend	-	-	-	-	-	-
Reclassified to non-current receivables and liabilities	-	37	-	-	-	37
Carrying amount 31.12.2020	-	-	1	-	6	7

Summarise financial information for associates (100%):

Name	Registered office	Ownership	Assets	Liabilities	Turnover	Result
2021						
Master and Commander AS	Oslo	20.0 %	-	-	-	5
Skandi Aukra AS	Oslo	34.25 %	113	110	32	-5
Semar AS	Lysaker	42.3 %	26	12	58	1
2020						
Master and Commander AS	Oslo	20.0 %	-	-	-	-150
Iceman AS	Oslo	34.5 %	432	434	75	-97
Skandi Aukra AS	Oslo	34.25 %	117	108	21	-4
Semar AS	Lysaker	42.3 %	22	10	-	-

On the consolidated accounts, jointly controlled companies and associated companies are recognised according to the equity method.



33 Significant acquisitions in the year

2021 Transactions

Iceman AS/Iceman IS

The Company is guarantor for the debt in Iceman AS of NOK 444 million, where approximately 50% of the DOF guarantee is counter guaranteed by other shareholders in Iceman AS. Iceman AS is undergoing a restructuring, and a standstill agreement with the banks is applicable until 30th of April 2022. One shareholder in Iceman has been released from its counter guarantee by paying a certain amount as partly repayment of the debt. As part of this agreement the Group has increased its shareholding in Iceman from 34.5% to 73.5%. For further information see note 35 'Subsequent events'.

Iceman AS/IS is a subsidiary of DOF ASA from the 31st of August 2021 and is included in the Groups accounts this date. The purchase price for the share was zero and the Group impaired NOK 20 million related to a goodwill in 2021.

2020 Transactions

The Group has not had any significant acquisitions in 2020.

34 Contingencies

The Group and its subsidiaries are involved in one ongoing court case as of the 31st of December 2021 related to a dive campaign in Australia.

Tax assessment

In 2014, the Brazilian Federal Revenue issued a Tax Assessment Notice against DOF Subsea Brasil Ltda (the Company). The basis for the Tax Assessment Notice were loans given by the Parent Company was deemed to be taxable revenue for the Company. The Tax Assessment Notice was disputed, but on the 7th of February 2019, the court of first instance in Macae ruled against the Company. Estimated amount of the claim is approximately BRL 29.5 million (NOK 47 million) plus interest and charges. On the 13th of February 2019, the Company filed a clarification appeal before the same court. The Company considers it highly possible that the final verdict will reach the same conclusion as the Company, hence no provision related to the dispute is included in Group's accounts as of 31st of December 2021. However, DOF Subsea has provided security for the tax claim and the amount is included in restricted cash.

In addition the Group has in the period from 2009 until 2021 received notices of assessment of customs penalty from the Brazilian Tax Authorities regarding importation of vessel and equipment to Brazil. The Group has disputed the assessments and based on legal opinions from a reputable law firm decided not to make a provision in the accounts for 2021 related to these penalty assessments, as the Group considers the risk of negative outcomes to be lower than 50%.

In total the Group has exposures due to ongoing tax audit of approximately NOK 377 million (included JV's of NOK 41 million) at year-end 2021.

Dive campaign

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

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

There is always a risk that changes in interpretations of facts and circumstances will be interpreted to the detriment of the Group. Such changes might result in future cash outflow for the Group.



35 Subsequent events

Contract

DOF Subsea has been awarded an extension of the current contract with a key renewable's client for Skandi Acergy in the North Sea and another project in Trinidad and Tobago for the vessel Skandi Constructor. The DOF Subsea Asia-Pacific region has further been awarded a 3-year contract plus 2 x 1- year options to provide a Multi-Purpose Supply Vessel (MPSV) to Esso Australia Pty Ltd.

In Australia DOF Subsea has been awarded Woodside Energy Limited's Enfield XT Retrieval and Offshore Support Services contract, expected to be undertaken in Q3 and Q4 2022, utilising MPSV Skandi Hercules.

DOF Subsea USA has been awarded the first SURF project for the Skandi Constructor from Vaalco Energy at the Etame field, offshore Gabon. Engineering and design work has commenced with subsea work forecasted to begin in July and expected to be completed by September 2022. In addition DOF Subsea won multiple new contracts with Renewables and Oil & Gas utilising Skandi Acergy, Skandi Constructor, Skandi Hera and selected third-party vessels for 185 vessel days.

In GOM DOF Subsea has entered into an agreement with Otto Candies for the charter of the Jones Act compliant vessel Chloe Candies for a firm period of one year from May.

In DOF Rederi AS, Equinor Energy AS has exercised options to extend the firm periods of the contracts for Skandi Mongstad for three years and Skandi Vega for two years. In addition, Shell UK Ltda. has exercised an option to extend large/modern PSV Skandi Kvitsøy for one year firm, from March 2022.

Assets

DOF Rederi AS has agreed to sell the vessels Skandi Rona (PSV built in 2002), Skandi Foula, (PSV built in 2002), and Skandi Sotra (PSV built in 2003). Skandi Rona was delivered to new owner in March 2022 and Skandi Foula and Skandi Sotra will be delivered to new owners during 2nd quarter 2022.

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

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

After balance date the shareholders in Iceman and the lenders have signed an agreement on the counter guarantees which has resulted in that the company has increased its shareholdings in Iceman from 73.5% to 100%.

Financing

On 31st of March 2022, DOF ASA and DOF Subsea AS have agreed to further extend the principal and interest suspension agreements with, or received extensions of similar concessions from, secured lenders representing in total 91% of debt in DOF ASA and DOF Rederi AS and in total 95% of the secured debt of companies within the DOF Subsea AS Group (excluding DOF Subsea Brasil Servicos Ltda.) until the 30th of April 2022. The ad hoc group of bondholders in DOF Subsea AS have agreed to further extend the standstill agreement until the 30th of April 2022, in accordance with the resolution in the bondholders' meeting held 28th February 2022.

The extensions of the standstill periods will facilitate the DOF Group's continued dialogue with its secured lenders and the bondholders under the DOF Group's bonds regarding a long-term financial restructuring of the DOF Group.

Invasion of Ukraine

The global community is witnessing the invasion of Ukraine and 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.

36 Foreign exchange rates

DOF ASA bases its accounting on the reference exchange rates applied by Norges Bank.

As of 31.12, the following exchange rates were applied:

	2021	2020
US Dollar	8.8194	8.5326
Euro	9.9888	10.4703
GBP	11.8875	11.6462
Brazilian Real	1.5830	1.6428
CAD Dollar	6.9400	6.6976
AUD Dollar	6.3969	6.5868
Singapore dollar, SGD	6.5376	6.4560



FINANCIAL STATEMENTS / DOF ASA

Financial Statements DOF ASA



FINANCIAL STATEMENTS / DOF ASA

Statement of Profit or Loss

Amounts in NOK million	Note	2021	2020
Operating revenue	2	44	53
Payroll expenses	3	-18	-22
Other operating expenses	4,17,19	-37	-29
Gain on sale of tangible assets	7	-	-
Operating expenses		-55	-51
Operating profit (loss) before depreciation - EBITDA		-11	2
Depreciation	7	-1	-1
Impairment	7	-	-
Operating profit - EBIT		-12	1
Finance income	5	86	46
Finance costs	5	-547	-2 639
Realised currency gain (loss)	5	-1	-21
Unrealised currency gain (loss)	5	-12	24
Net change in unrealised gain (loss) on derivatives	5	-	-
Net financial items	5	-473	-2 590
Profit (loss) before taxes		-485	-2 589
Tax income (expense)	6	-	-
Profit (loss) for the year		-485	-2 589

Statement of Comprehensive Income

Amounts in NOK million	Note	2021	2020
Profit (loss) for the year		-485	-2 589
Other comprehensive income, net of tax			
Defined benefit plan actuarial gains (losses)		-	-1
Other comprehensive income, net of tax		-	-1
Total comprehensive income for the year		-485	-2 589



FINANCIAL STATEMENTS / DOF ASA

Statement of Balance Sheet

Amounts in NOK million	Note	31.12.2021	31.12.2020
Assets			
Tangible assets	7	7	5
Investments in subsidiaries	5,8	3 607	3 638
Investments in joint ventures and associated companies	5,9	6	6
Other non-current assets	10,16	1	7
Total non-current assets		3 621	3 656
Trade receivable	11,16	32	37
Other current assets	12,16	39	22
Current assets		71	60
Restricted deposits		2	3
Unrestricted cash and cash equivalents		234	82
Cash and cash equivalents	13,16	236	85
Total current assets		307	145
Total assets		3 928	3 800



FINANCIAL STATEMENTS / DOF ASA

Statement of Balance Sheet

Amounts in NOK million	Note	31.12.2021	31.12.2020
Equity and liabilities			
Share capital		316	309
Share premium		-	139
Other equity		-279	75
Equity		37	522
Other non-current liabilities	3	-	3
Non-current liabilities		-	3
Current portion of debt	14,16	819	813
Trade payable	16	18	5
Debt to group companies	14,16,18	380	237
Debt related to guarantees	18	2 669	2 215
Other current liabilities	15,16	5	6
Current liabilities		3 890	3 275
Total liabilities		3 890	3 278
Total equity and liabilities		3 928	3 800

Storebø, 6th of April 2022
The Board of Directors of DOF ASA

Hans Olav Lindal
Chairman

Helge Singelstad
Deputy Chairman

Kathryn M. Baker
Director

Marianne Møgster
Director

Mons S. Aase
CEO



FINANCIAL STATEMENTS / DOF ASA

Statement of Changes in Equity

Amounts in NOK million	Share capital	Share premium	Paid-in equity	Other contributed capital	Retained earnings	Other equity	Total equity
Balance at 01.01.2021	309	139	448	75	-	75	522
Profit (loss) for the year		-206	-206		-279	-279	-485
Other comprehensive income net of tax		-			-	-	-
Total comprehensive income for the year	-	-206	-206	-	-279	-279	-485
Converted bond	7	67	75	-75	-	-75	-
Total transactions with owners	7	67	75	-75	-	-75	-
Balance at 31.12.2021	316	-	316	-	-279	-279	37
Balance at 01.01.2020	308	2 844	3 152	87	-	87	3 238
Group contribution		-127	-127			-	-127
Adjusted balance at 01.01.2020	308	2 717	3 025	87	-	87	3 112
Profit (loss) for the year		-2 589	-2 589		-	-	-2 589
Other comprehensive income net of tax		-1	-1		-	-	-1
Total comprehensive income for the year	-	-2 589	-2 589	-	-	-	-2 589
Converted bond	1	11	12	-12	-	-12	-
Total transactions with owners	1	11	12	-12	-	-12	-
Balance at 31.12.2020	309	139	448	75	-	75	522



FINANCIAL STATEMENTS / DOF ASA

Statement of Cash Flows

Amounts in NOK million	Note	2021	2020
Operating profit		-12	1
Depreciation and impairment	7	1	1
Change in trade receivables		11	-29
Change in trade payable		14	1
Change in other working capital		-107	-12
Foreign exchange losses/gains		-	2
Net other financial income/cost		-	-9
Cash from operating activities		-92	-45
Interest received		17	20
Interest paid		-1	-6
Other financial cost		-8	-8
Tax paid		-	-
Net cash from operating activities		-84	-39
Purchase of tangible assets		-4	-3
Purchase of share		-	-
Payments other non-current intragroup balances		-6	-36
Payments other non-current receivables		6	-8
Net cash used in investing activities		-3	-46
Repayment of debt		-	-
Net change intragroup balances "cash pool"	14	241	6
Net cash flow from financing activities		241	6
Net changes in cash and cash equivalents		153	-78
Cash and cash equivalents at the start of the period		85	178
Exchange gain/loss on cash and cash equivalents		-1	-15
Cash and cash equivalents at the end of the period		236	85



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Notes to the Financial Statements

1 Accounting principles

The financial statements for DOF ASA have been prepared and presented in accordance with simplified IFRS pursuant of the Norwegian Accounting Act and are based on the same accounting principles as the Group statement with the following exceptions:

Investments in subsidiaries, joint venture and associates

Investments are based on the cost method.

Dividends

Dividends and group contribution is treated in accordance with the Norwegian Accounting Act and deviates from IAS 10 no. 12 and 13.

For further information, reference is made to the consolidated accounts.

2 Operating revenue

	2021	2020
Sales income	-	-
Other operating income	44	53
Total	44	53

3 Payroll and number of employees

	2021	2020
Salary and holiday pay	-22	-22
Employer's national insurance contribution	-3	-3
Reinvoiced salary costs	6	5
Pension costs	1	-1
Other personnel costs	-	-1
Total	-18	-22
No man-years employed in financial year	13	11

DOF ASA has the same management as the Group. Please see note 30 'Remuneration to executives, Board of Directors and auditor' in the Group's account.

Pension cost above include defined benefit pension plan and defined contribution pension plan. Both the benefit pension plan and the contribution plan are with an external life insurance company. The company's pension schemes meet the requirements of the law on compulsory occupational pension.

Defined benefit pension

DOF ASA has had a defined pension benefit plan covered total 2 active members. In 2021 the defined pension scheme has been phased out.



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4 Other operating expenses

	2021	2020
Audit fee	-2	-2
Consultants fee	-24	-22
Provision for loss on trade receivable (internal)	-	8
Other operating expenses	-11	-12
Total	-37	-29

5 Financial income and expenses

	2021	2020
Interest income	8	14
Fluctuation on guarantee commitment	50	-
Other financial income	28	32
Financial income	86	46
Interest costs	-43	-24
Loss on sale of shares	-	-16
Impairment financial assets *)	-40	-47
Loss and accruals on guarantees	-453	-2 549
Other financial costs	-11	-4
Financial costs	-547	-2 639
Net gain (loss) on currency derivatives	-	-9
Net gain (loss) on operational capital	-2	-12
Realised currency gain (loss)	-1	-21
Net unrealised gain (loss) on non-current debt	-12	24
Net unrealised gain (loss) on operational capital	-	-
Unrealised currency gain (loss)	-12	24
Net change in unrealised gain (loss) on interest swap	-	-
Net gain (loss) on currency forwards contracts	-	-
Total	-473	-2 590

*) Impairment financial assets is related to impairment of investments in subsidiary and associates with NOK 31 million (NOK 33 million), impairment receivable NOK 8 million (NOK 14 million), accruals on guarantees NOK 462 million (NOK 2,559 million) and other investment NOK 0.3 million (NOK 0.1 million).

6 Tax

Tax consists of:	2021	2020
Tax payable	-	-
Change in deferred tax	-	-
Tax income (expense)	-	-
Reconciliation of nominal and effective tax rate		
Profit before tax	-485	-2 589
Estimated tax income (expense) (22%)	-107	-569
Tax effect of:		
Tax effect of non-taxable income and non tax-deductible costs	-4	11
Tax effect of associated companies	98	561
Adjustment previous year	-2	-
Not included in deferred tax	14	-2
Tax income (expense)	-	-
The gross movement on the deferred income tax account is as follows:		
At 1 January	-	-
Income statement	-	-
Other comprehensive income	-	-
At 31 December	-	-



FINANCIAL STATEMENTS / DOF ASA

6 Tax (continued)

Basis of deferred tax	2021	2020 *)
Non current asset	-372	-363
Deferred capital gain	57	71
Other differences	-26	-13
Total temporary differences	-341	-305
Loss carried forward	-30	-
Not included in deferred taxes	370	305
Basis for calculation of deferred tax / deferred tax assets (-)	-	-
Total deferred tax / deferred tax assets (-) (22%)	-	-
Gross deferred tax	-	-
Gross deferred tax	-	-

7 Tangible assets

2021	Operating equipment	Right of use asset	Total
Acquisition cost as of 01.01.2021	8	1	9
Additions	4	-	4
Disposals	-	-	-
Acquisition cost as of 31.12.2021	12	1	12
Depreciation as of 01.01.2021	4	-	4
Depreciation for the year	1	-	1
Depreciation on disposals	-	-	-
Depreciation 31.12.2021	5	-	5
Impairment 01.01.2021	-	-	-
Impairment	-	-	-
Impairment on disposals	-	-	-
Impairment 31.12.2021	-	-	-
Book value 31.12.2021	7	-	7
Depreciation period	5-15 years	5-15 years	
Depreciation method	Straight line	Straight line	
2020	Operating equipment	Right of use asset	Total
Acquisition cost as of 01.01.2020	5	-	5
Additions	3	1	3
Disposals	-	-	-
Acquisition cost at 31.12.2020	8	1	9
Depreciation at 01.01.2020	4	-	4
Depreciation for the year	-	-	1
Depreciation on disposals	-	-	-
Depreciation at 31.12.2020	4	-	4
Impairment 01.01.2020	-	-	-
Impairment	-	-	-
Impairment on disposals	-	-	-
Impairment 31.12.2020	-	-	-
Book value at 31.12.2020	4	1	5
Depreciation period	5-15 years	5-15 years	
Depreciation method	Straight line	Straight line	



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8 Investments in subsidiaries

Directly owned subsidiaries	Main business	Nationality	Registered office	Share capital	Ownership and voting share	Result for the year (100%)	Equity 31.12 (100%)	Carrying value 31.12
DOF Subsea AS	Shipowning/subsea eng.	Norway	Bergen	1 674	100%	82	2 594	3 497
DOF Rederi AS	Shipowning	Norway	Austevoll	203	100%	-237	-1 148	-
DOF Management AS	Management	Norway	Austevoll	38	66%	4	183	58
DOF UK Ltd.	Shipowning/management	Scotland	Aberdeen	-	100%	-29	32	32
Norskan AS	Shipowning/management	Norway	Austevoll	805	100%	-1	13	13
Marin IT AS	IT services	Norway	Austevoll	16	40%	4	26	6
Iceman AS/S	Shipowning	Norway	Austevoll	-	53,5 %	-70	-69	-
Total								3 607

Due to impairment indicators related to the DOF ASA's activity in general, impairment testing has been performed in order to calculate the recoverable amount for the company's investments in subsidiaries. Each subsidiary is a separate cash generating unit, which is tested separately for impairment. The recoverable amount is tested against the fair value for each subsidiary. In the event that the calculated recoverable amount is lower than book value of the investment, impairment is made to reflect recoverable amount. The fair value for DOF Subsea AS Group includes excess values on the ownership in the joint venture DOFCON Brasil AS and on some of the 100% owned vessels.

Please see the Group's account for information about impairment testing of non-current assets.

The impairment tests have resulted in impairment of investments in subsidiaries with total NOK 31 million (NOK 17 million). See note 5.

9 Investments in joint venture and associates

Joint ventures

Joint venture	Main business	Nationality	Registered office	Share capital	Ownership and voting share	Result for the year	Equity 31.12 (100%)	Carrying value 31.12
DOF Iceman AS	Shipowning	Norway	Austevoll	24	50%	-10	-206	-
Total								-

Due to impairment indicators related to the DOF ASA's activity in general, impairment testing has been performed in order to calculate the recoverable amount for the company's investments in joint ventures and associated companies. Each joint ventures and associated company is a separate cash generating unit, which is tested separately for impairment. The recoverable amount is tested against fair value for each investment. In the event that the calculated recoverable amount is lower than book value of the investment, impairment is made to reflect recoverable amount.

Please see the Group's account for information about impairment testing of non-current assets.

There has been no impairment on investments in joint ventures in 2021 (NOK 0 million). See note 5.

Associated companies

Associated companies	Main business	Nationality	Registered office	Share capital	Ownership and voting share	Result for the year	Equity 31.12 (100%)	Carrying value 31.12
Skandi Aukra AS	Shipowning	Norway	Oslo	1	34.25%	-5	3	6
Total								6

Impairment test of investment in associates has resulted in an impairment of NOK 0 million (NOK 16 million).

Impairment test of other shares have resulted in an impairment of NOK 0.3 million (NOK 0.1 million) Other shares are included in 'Other receivables and investments'.



FINANCIAL STATEMENTS / DOF ASA

10 Other non-current assets

	Note	2021	2020
Non-current receivables		179	183
Provision for losses	18	-179	-177
Other investments		1	1
Total		1	7

11 Trade receivables

	2021	2020
Trade receivable	9	-
Trade receivable to intragroup	23	37
Total	32	37

The company's credit exposure is mainly towards customers who historically have had good financial capability to meet their obligations and have had high credit rating. A sustained challenging market situation has resulted in changes to the credit ratings for some customers, and thereby increased the credit risk. Historically, the portion of receivables not being collectable has been low. An impairment analysis is performed to measure expected credit losses.

As of 31.12, the company had the following trade receivable which had matured, but not been paid.

	Total	Not matured	<30 d	30-60d	60-90d	>90d
2021	32	22	9	-	-	2
2020	37	36	-	1	-	-

12 Other current assets

	2021	2020
Intragroup receivables	32	13
Other inventory	3	3
Other current receivables	3	6
Total	39	22

13 Cash and cash equivalents

	2021	2020
Restricted cash	2	3
Bank deposits	234	82
Total	236	85

DOF ASA owns and controls one cash pooling system within the Group. Cash in the cash pooling system is presented as cash and cash equivalents in the financial statement. See DOF Group note 19 'Cash and cash equivalents' for further information about the cash pool arrangement.



FINANCIAL STATEMENTS / DOF ASA

14 Interest bearing liabilities

Financing

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

The restructuring of the Group's long-term debt is ongoing and standstill agreements have been agreed until the 30th of April 2022 with 91% of the secured lenders within the DOF ASA and DOF Rederi AS and with 95% of the secured lenders within the DOF Subsea Group (excluded DOF Subsea Brasil Servicos Ltda). In Norskan Offshore Ltda, a standstill agreement has been agreed for the facilities with the international banks. The BNDES facilities have been served according to refinancing agreements signed in February 2020, which is also applicable for one facility in DOF Subsea Brasil Ltda. The DOF Subsea standstill agreements assume payment of principal and interest of a NOK 100 million credit facility provided by certain lenders in March 2020. The outstanding amount of this facility was NOK 47 million by year-end. The relevant Group companies have imposed unilateral standstill to the secured lenders not participating in the standstill agreements. One of the DOF Subsea secured lenders has previously requested repayment of approximately USD 47 million and in the 3rd quarter 2021 this facility was prepaid at a significant discount. Another secured lender has enforced an account pledge for one loan facility in DOF Subsea.

Non current interest bearing liabilities	2021	2020
Debt to group companies	-	-
Total non current interest bearing liabilities	-	-
Debt to credit institutions	819	813
Debt to group companies**)	325	84
Total current interest bearing liabilities *)	1 143	897
Total interest bearing liabilities	1 143	897
Average rate of interest	5.15%	5.83%

*) Accrued interest amounts to NOK 1 million and is not included in interest bearing liabilities.
**) Current debt to group companies equals cash drawn in Group cash pool.

Liabilities secured by mortgage	2021	2020
Debt to credit institutions	337	315
Total liabilities secured by mortgage	337	315
Assets provided as security	2021	2020
Investment in subsidiary/Net asset pledged consolidated †)	-	-
Total assets provided as security	-	-

†) The shares in Norskan Offshore SA was pledged against credit facility in DOF ASA.

Financial covenants

The main share of the Group's fleet is financed via mortgaged loans. A set of covenants has been established for the mortgaged loans in DOF Group and DOF Subsea Group.

As part of the current standstill agreement the following financial covenants have been waived in DOF ASA per 31.12.2021:

- * The Group shall on a consolidated basis have a book equity of at least NOK 3,000 million.
- * The Group (excluding DOF Subsea AS and its subsidiaries) shall at all times have available liquidity of at least NOK 500 million
- * The fair market value of the vessels shall at all times to be at least 100% of the outstanding debt.

Other main financial covenants in DOF ASA (not waived) are the following:

- * Certain change of control clauses related to Møgster Offshore AS' ownership in DOF ASA.
- * DOF ASA shall be listed on the Oslo Stock Exchange.

In addition, normal terms and conditions for this type of mortgaged loans apply, such as full insurance of the Group's vessels and restrictions regarding changes of classification, management and ownership of the vessels.



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15 Other current liabilities

	Note	2021	2020
Other current liabilities		5	6
Total		5	6

16 Financial assets and liabilities: Information on the balance sheet

This note gives an overview of the carrying amount of DOF ASA's financial instruments and the accounting treatment of these instruments. The table is the basis for further information regarding DOF ASA's financial risk. The table also shows the level of objectivity in the measurement hierarchy of each method of measuring the fair value of DOF ASA's financial instruments.

31.12.2021	Financial instruments at fair value through profit or loss	Financial instruments measured at amortised cost	Total
Assets			
Financial investment	1		1
Other non-current assets		-	-
Trade receivable		32	32
Other current assets		35	35
Cash and cash equivalents		236	236
Total financial assets	1	303	305
Liabilities			
Current portion of debt		819	819
Trade payable and other current liabilities		3 071	3 071
Total financial liabilities	-	3 890	3 890
Total financial instruments	1	-3 587	-3 586

Prepayments and non-financial liabilities are excluded from the disclosures above.

31.12.2020	Financial instruments at fair value through profit or loss	Financial liabilities measured at amortised cost	Total
Assets			
Financial investment	1		1
Other non-current assets		6	6
Trade receivable		37	37
Other current assets		19	19
Cash and cash equivalents		85	85
Total financial assets	1	148	149
Liabilities			
Current portion of debt		813	813
Trade payable and other current liabilities		2 462	2 462
Total financial liabilities	-	3 275	3 275
Total financial instruments	1	-3 128	-3 127

Prepayments and non-financial liabilities are excluded from the disclosures above.



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17 Remuneration to auditor

Specification of auditor's fee (amount in TNOK):	2021	2020
Audit	1 755	2 375
Tax consultation	380	-
Fee for other services	30	15
Total	2 165	2 390

All amounts in the table are excl VAT.

18 Guarantee commitments

On a general basis DOF ASA has issued guarantees to financial institutions on behalf of its wholly owned subsidiaries on maritime mortgages/loans. As per 31.12.2021 DOF ASA has accrued debt related to guarantees on behalf of the subsidiaries DOF Rederi AS, Norskan Offshore Ltda and Iceman AS in the amount of NOK 2,669 million (NOK 2,215 million).

DOF ASA has in some cases issued guarantees on behalf of partly owned subsidiaries. DOF ASA has guarantee commitments on behalf of the following partly owned companies as per 31.12.2021:

- DOFCON Navegacao Ltda. (50% owned): Guarantee in favor of BNDES. Total amount USD 77 million (USD 87 million).
- Iceman AS: Guarantee in favor of the company's Lender. Total amount NOK 444 million. 50% of the commitment is counter guaranteed by Vard Group. As part of the restructuring of the Group the main shareholders and the lenders in Iceman AS have signed an agreement on the counter guarantees which has resulted in that the Company has become the majority shareholder of Iceman AS. A refinancing of Iceman is yet to come in place and the current standstill agreement is applicable until the 30th of April 2022.

Guarantee income is classified as other financial income in the income statement.

19 Related parties

Below is a detailed description of significant transactions between related parties:

Long-term agreements:

Møgster Offshore AS owns 31.6% of the shares in DOF ASA at year-end 2021 (please see note 21 in the Notes to the Consolidated Financial Statement). Laco AS is the main shareholder of Møgster Offshore AS. Møgster Management AS provides administrative shared services to DOF ASA. Møgster Management AS is owned by Laco AS. Administration fee for 2021 is NOK 0.2 million (NOK 1.0 million).

Individual transactions:

Guarantee

DOF ASA has issued a guarantee in the maximum amount of NOK 444 million (NOK 427 million) on behalf of Iceman AS in favor of DNB ASA. Guarantee income in 2021 was NOK 3.7 million (NOK 3.1 million). Iceman AS is owned with 40% by DOF Iceman. DOF ASA and Vard ASA are owners with 50% each in DOF Iceman AS. In addition DOF ASA owns 53.5% in Iceman AS.

Loans to joint venture

DOF ASA has provided loan to joint venture and the book value at period end is NOK 0 million (NOK 0 million). Historical value of the loans amounts to NOK 103 million and provisions for losses amounts to NOK 103 million.

Information about transactions with related parties do not include transactions with companies in the DOF Group.



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20 Contingencies

DOF ASA is not involved in any ongoing court cases as of the 31st of December 2021.

21 Subsequent events

Please see the Notes 35 'Subsequent events' to the Consolidated Statement.



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Confirmation from the Board of Directors and CEO

We confirm, to the best of our knowledge, that the financial statements for the period January to 31st of December 2021 has been prepared in accordance with approved accounting standards, and gives a true and fair view of the Company's consolidated assets, liabilities, financial position and result of the operations and that the Report of 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 Company is facing.

Storebø, 6th of April 2022
The Board of Directors of DOF ASA

Hans Olav Lindal
Chairman

Helge Singelstad
Deputy Chairman

Kathryn M. Baker
Director

Marianne Møgster
Director

Mons S. Aase
CEO



To the General Meeting of DOF ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

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

- The financial statements of the parent company DOF ASA (the Company), which comprise the statement of balance sheet as at 31 December 2021, the statement of profit or loss, 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 ASA and its subsidiaries (the Group), which comprise the statement of balance sheet as at 31 December 2021, statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

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

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

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

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



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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.

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

We were elected auditors for DOF ASA before 2001, and have now served as auditors for a continuous period of at least 22 years. We were re-elected by the general assembly the 27.05.2021.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements and the Board of Directors' report, which indicates that the Group is dependent on a long-term solution with banks and bondholders to secure satisfactory financing and liquidity for the Group. As stated in Note 2 and the Board of Directors' report, these events or conditions, along with other matters as set forth in Note 3 and Note 35 and the Board of Directors' report, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. There is a risk that the Group will not reach an agreement with the lenders, and in such an event the Group could be forced to realise its assets at a significantly lower value than their carrying amount. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Impairment assessment of vessel and vessel related equipment</i></p> <p>DOF ASA Group has vessels and vessel related equipment with a carrying amount of NOK 12 199 million at 31 December 2021. In line with the Group's accounting policy for impairment of non-financial assets, the Board of Directors has assessed that there were impairment indicators present for the Group's vessels as of 31 December 2021. Consequently, they have carried out an impairment</p>	<p>We obtained management's impairment model and considered whether the model contained the elements and methodology IFRS require from such models. We found the model to be in accordance with our expectations.</p> <p>We challenged management's key assumptions such as the projected utilisation, charter hire rates, operating expenses and discount rates, and compared with historical performance, management's internal forecasts and long-term strategic plans that were</p>

(2)



Independent Auditor's Report - DOF ASA



assessment. Based on the results of the vessel impairment assessments, a net impairment charge of NOK 393 million including a reversal of impairment of NOK 30 million related to disposal of a vessel was recognised in 2021 resulting in the carrying amounts of certain vessels and vessel related equipment being written down to their recoverable amount. In addition, joint venture vessels have been impaired, whereas DOF ASA 50% share represent NOK 98 million in 2021.

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

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

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

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

We refer to Notes 2 and 4 for the Group's accounting policy for impairment of non-financial assets, and Note 13 where the Board of Directors explain their valuation process for the Group's tangible assets.

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

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

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

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

Other Information

(3)



Independent Auditor's Report - DOF ASA



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

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information presented with the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information presented with the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information presented with the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report and the other information presented with the financial statements. We have nothing to report in this regard.

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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Independent Auditor's Report - DOF ASA



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

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

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

(5)



Independent Auditor's Report - DOF ASA



Report on Other Legal and Regulatory Requirements

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

Opinion

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

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

Management's Responsibilities

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

Auditor's Responsibilities

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

Bergen, 6 April 2022

PricewaterhouseCoopers AS

Sturle Døsen

State Authorised Public Accountant

(This document is signed electronically)

(6)



Appendix A

Performance measurements definitions

DOF ASA financial information is prepared in accordance with international financial reporting standards (IFRS). In addition DOF ASA discloses alternative performance measures as a supplement to the financial statement prepared in accordance with IFRS. Such performance measures are used to provide an enhanced insight into the operating performance, financing and future prospects of the company and are frequently used by securities analysts, investors and other interested parties.

The definitions of these measures are as follows:

Financial reporting – Financial Reporting according to IFRS.

Management reporting – Investments in joint ventures (JV) is consolidated on gross basis in the income statement and the statement of financial position. See the Group Accounts note 5 for presentation of the bridge between the management reporting and the financial reporting.

EBITDA – Operating profit (earnings) before depreciation, impairment, amortisation, net financial costs and taxes is a key financial parameter. The term is useful for assessing the profitability of its operations, as it is based on variable costs and excludes depreciation, impairment and amortise costs related to investments. EBITDA is also important in evaluating performance relative to competitors.

EBIT – Operating profit (earnings) before net financial costs and taxes.

Interest bearing debt – Total of non-current and current borrowings.

	2021	2020
Bond loans (non-current)	-	-
Debt to credit institutions (non-current)	-	-
Lease debt (non-current)	217	301
Current bond loan, debt to credit institutions and lease debt	18 692	18 301
Total bond loan and debt to credit institutions	18 910	18 602
Accrued interest expenses	-309	-347
Total interest bearing liabilities	18 601	18 256

Net interest bearing debt – Interest bearing debt minus current and non-current interest-bearing receivables and cash and cash equivalents. The use of the term “net debt” does not necessarily mean cash included in the calculation are available to settle debts if included in the term. See the Groups Accounts note 22 for presentation of net interest bearing debt.

Debt ratio – Net interest bearing debt divided on total equity and net debt.

Utilisation of vessel – Utilisation of vessel numbers is based on actual available days including days at yard for periodical maintenance, upgrading, transit or idle time between contracts.

Contract coverage – Number of future sold days compared with total actual available days excluded options.

Contract backlog – Sum of undiscounted revenue related to secured contracts in the future and optional contract extensions as determined by the client. Contract coverage related to master service agreements (MSA's) within the subsea segment, includes only confirmed purchase order.



ESG FACTBOOK INTRODUCTION



People

A SAFE, INCLUSIVE, INSPIRING WORKPLACE:

- GRI-401 Employment
- GRI-402 Labour/management relations
- GRI-403 Occupational health and safety
- GRI-404 Training and education
- GRI-405 Diversity and equal opportunity
- GRI-406 Non-discrimination
- GRI-415 Public policy



Planet

TRANSPARENCY, ENVIRONMENTAL STEWARDSHIP & SUSTAINABLE SOLUTIONS TO REDUCE OUR IMPACT

- GRI-302 Energy
- GRI-305 Emissions
- GRI-306 Waste
- GRI-308 Supplier environmental assessment

THE DOF GROUP

Environmental, Social, and Governance commitments

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



Prosperity

GOOD CORPORATE CITIZENS, EFFICIENT OPERATIONS, POSITIVE IMPACTS

- GRI-202 Market Presence
- GRI-207 Tax
- GRI-413 Local communities
- DOF-1 Customer feedback
- DOF-2 Product reliability
- DOF-3 Risk balancing



Principles

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

- GRI-201 Economic Performance
- GRI-204 Procurement practices
- GRI-205 Anti-corruption
- GRI-206 Anti-competitive behaviour
- GRI-407 Freedom of association and collective bargaining
- GRI-409 Forced or compulsory labour
- GRI-411 Rights of indigenous peoples
- GRI-414 Supplier social assessment



ESG FACTBOOK INDEX

2021

DOF ESG FACTBOOK



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Welcome to our 2021 ESG factbook

Providing detailed non-financial performance data on key ESG indicators

The content contained in this factbook is organised around the World Economic Forum's framework: People, Planet, Prosperity, Principles. Within each area, it is also described how the DOF values relate to the area. The ESG factbook supports the statements and ambitions stated in the DOF Integrated Annual Report 2021.

As DOF's sustainability efforts evolve, expand, and become more comprehensive, so too do our stakeholders and their material interest in our activities. It is therefore of the utmost importance that DOF has effective mechanisms and reporting structures to communicate financial and non-financial information to these interested parties.

The content contained in this factbook is organised around the World Economic Forum's framework: People, Planet, Prosperity, Principles. Within each area, it is also described how the DOF values relate to the area. The ESG factbook supports the statements and ambitions stated in the DOF Integrated Annual Report 2021.

This year, DOF has adopted the World Economic Forum's Stakeholder Capitalism Metrics of; People, Planet, Prosperity and Principles.

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

The following ESG Factbook supports the DOF Integrated Annual Report 2021 by providing verifiable and where possible, quantifiable data points, assuring the legitimacy of our statements and ambitions.

DOF has reported in the areas of sustainability to the GRI standards measuring Economic, Environment, and Social aspects for eight years. This, along with our participation in Carbon Disclosure Project over the last eleven years, has driven engagement with stakeholder groups and improved both management and performance in these areas.

In 2021, we made further progress in transparency and integrated reporting as DOF adopts the World Economic Forum's 4-pillar approach, bringing all the measures of stakeholder value together, aligning the non-financial reporting with financial reporting. Our vision and strategic ambitions are set out in this integrated report. This report format aims to communicate to all stakeholders, underpin change, and outline targets and measures for the next strategic period.

This document can be found in digital format on our website: www.dof.com/sustainability.



SAFE THE RITE WAY

Safe the RITE way

Safe the RITE way[®]

Safeguarding our people, the environment, and communities where we operate is our highest priority.

Applying our values to define significance, guide our approach, assess our results and set the ambitions into our future.

DOF is a values-driven organisation with world-class social, environmental, ethical and governance standards. Our actions and decisions are always guided by and grounded in our values. Our ability to engage with stakeholders, identify material issues and manage material risk is key to the sustainability of the organisation. Our values underpin our approach to Sustainability, from identifying material issues – the issues that impact the business and are important to stakeholders – to setting the ambitions for our future.

Safety is at the centre of business and the icon. This illustrates how our values interact to keep us safe. How the Team embraces the values and holding them together is symbolised by people holding hands around the values.

Why are we a "values-driven" organisation? In business 'the only constant is change'.

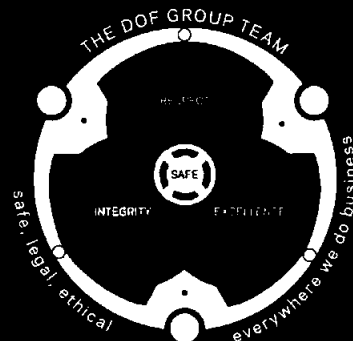
The advantage of having a solid set of beliefs and values is that the organisation can adapt rapidly to situational or commercial change, but always with an anchor of beliefs and values.

This is the essence of a sustainable organisation; where our values guide our actions to respond to relevant economic, environmental and social factors. We meet stakeholder expectations and navigate daily challenges, large and small, by having a deep understanding of our values, clear priorities and reporting mechanisms. "What we do is as important as the way in which we do it."

Safe the RITE way

Respect, Integrity, Teamwork, Excellence.
Above all we are Safe.

Safety is at the centre of business and the icon. This illustrates how our values interact to keep us safe. How the Team embraces the values and holding them together is symbolised by people holding hands around the values.





CREATING VALUE

Creating value for all of our stakeholders

This table shows how DOF connects material aspects to key stakeholders and our company values:

Safe, Respect, Integrity, Teamwork, & Excellence.

Gauging ripple effects from COVID-19

We have experienced first-hand the fallout of COVID-19 and all the economic and social consequences that come with it.

Like many other World Economic Forum Global Risk Perception Survey respondents, DOF's activities are subject to disparities in COVID-19 political responses and divergent economic recovery rates. The economic, geopolitical, public health and societal fractures that the pandemic risk has accelerated are reported as something likely to delay the business communities' response to other global challenges such as climate response, the greening of energy systems, addressing digital vulnerabilities, and social degradation. Whilst the WEF reports these as 'Global Challenges', our internal workshops translate these topics as material issues to DOF.

Read more about DOF's materiality approach on page 182 of the appendices.

Material Aspect	Key Stakeholders	Company Values	Material Topics (GRI)
COVID-19	Employees, Customers, Suppliers	Safe, Teamwork	GRI-401, GRI-402, GRI-403, GRI-404, GRI-405, GRI-406, GRI-415
Climate Change	Customers, Suppliers, Society	Excellence, Integrity	GRI-1301, GRI-1302, GRI-1303, GRI-1304, GRI-1305, GRI-1306, GRI-1307, GRI-1308, GRI-1309, GRI-1310, GRI-1311, GRI-1312, GRI-1313, GRI-1314, GRI-1315, GRI-1316, GRI-1317, GRI-1318, GRI-1319, GRI-1320, GRI-1321, GRI-1322, GRI-1323, GRI-1324, GRI-1325, GRI-1326, GRI-1327, GRI-1328, GRI-1329, GRI-1330, GRI-1331, GRI-1332, GRI-1333, GRI-1334, GRI-1335, GRI-1336, GRI-1337, GRI-1338, GRI-1339, GRI-1340, GRI-1341, GRI-1342, GRI-1343, GRI-1344, GRI-1345, GRI-1346, GRI-1347, GRI-1348, GRI-1349, GRI-1350, GRI-1351, GRI-1352, GRI-1353, GRI-1354, GRI-1355, GRI-1356, GRI-1357, GRI-1358, GRI-1359, GRI-1360, GRI-1361, GRI-1362, GRI-1363, GRI-1364, GRI-1365, GRI-1366, GRI-1367, GRI-1368, GRI-1369, GRI-1370, GRI-1371, GRI-1372, GRI-1373, GRI-1374, GRI-1375, GRI-1376, GRI-1377, GRI-1378, GRI-1379, GRI-1380, GRI-1381, GRI-1382, GRI-1383, GRI-1384, GRI-1385, GRI-1386, GRI-1387, GRI-1388, GRI-1389, GRI-1390, GRI-1391, GRI-1392, GRI-1393, GRI-1394, GRI-1395, GRI-1396, GRI-1397, GRI-1398, GRI-1399, GRI-1400
Diversity and Inclusion	Employees, Customers	Teamwork, Excellence	GRI-405, GRI-406
Human Rights	Employees, Suppliers	Integrity, Teamwork	GRI-401, GRI-402, GRI-403, GRI-404, GRI-405, GRI-406, GRI-415

* Material issues identification is aligned with the GRI Standards

- ▲ High importance to DOF
- △ Medium importance to DOF

People

COMPANY VALUES

SAFE
Above all we are SAFE

TEAMWORK
Respect for people: our colleagues, our customers, our business partners and our environment.

TEAMWORK
We build diverse and global teams and strive for free exchange of ideas, experience and knowledge, worldwide.

MATERIAL ISSUES (DOF*)

- △ Business Ethics
- ▲ Employee HSE
- ▲ Labour Practices

MATERIAL TOPICS (GRI)

- ▲ GRI-401 Employment
- ▲ GRI-402 Labour/management relations
- ▲ GRI-403 Occupational health and safety
- ▲ GRI-404 Training and education
- ▲ GRI-405 Diversity and equal opportunity
- ▲ GRI-406 Non-discrimination
- △ GRI-415 Public policy

OUTSIDE THE ORGANISATION

Global: Employees, shareholders, customers, local communities, NGOs, policy makers, shareholders, suppliers

WITHIN THE ORGANISATION

Whole organisation: DOF's ambition is to be an incident-free organisation. We are highly committed to our core values - Safe the RITE way - and we work pro-actively to achieving them.

Safe is significant to DOF and is paramount to our ongoing success and sustainability, we work to ensure we are safe and our team returns safely, everywhere we do business.

UN SDG



Safeguarding our people is the overall objective in everything we do. Through the Safe the RITE way framework, DOF has ambition to ensure the good health and well-being of all employees. Measurable key performance indicators are used as part of this work, to monitor the effect of the activities performed within the area.

The DOF Workbook includes a module on Physical, Social and Mental well-being, which puts the different aspects of health together in a holistic approach.

Our continuous efforts on simplification of our safety system and procedures aim to turn the focus from the industry's inbuilt bureaucracy, back to enhanced safe work practices.



Planet



Prosperity



Principles



COMPANY VALUES

RESPECT

Respect for people: our colleagues, our customers, our business partners, and our environment.

EXCELLENCE

Excellence in everything we do. We are resourceful and responsive to our customers' needs: innovative in the solutions we apply to everyday problems.

INTEGRITY

Integrity is the very corner stone of our business. We behave ethically – always.

MATERIAL ISSUES (DOF')

- ▲ Energy Management
- ▲ GHG Emissions
- ▲ Supply Chain Management
- △ Waste & HAZMAT Management

- ▲ Business Model Resilience
- △ Human rights & Community Relations
- △ Product Design and Life Cycle

- △ Business Ethics
- ▲ Business Model Resilience
- △ Human rights & Community Relations
- ▲ Supply Chain Management

MATERIAL TOPICS (GRI)

- ▲ GRI-302 Energy
- ▲ GRI-305 Emissions
- △ GRI-306 Waste
- ▲ GRI-308 Supplier environmental assessment

- ▲ GRI-202 Market Presence;
- ▲ GRI-207 Tax;
- △ GRI-413 Local communities;
- △ DOF-1 Customer feedback;
- △ DOF-2 Product reliability;
- ▲ DOF-3 Risk balancing

- ▲ GRI-201 Economic Performance;
- ▲ GRI-204 Procurement practices;
- △ GRI-205 Anti-corruption;
- △ GRI-206 Anti-competitive behaviour;
- ▲ GRI-407 Freedom of association and collective bargaining;
- ▲ GRI-409 Forced or compulsory labour;
- △ GRI-411 Rights of indigenous peoples;
- ▲ GRI-414 Supplier social assessment

OUTSIDE THE ORGANISATION

Global: Customers, civil society, policy makers, local communities, NGOs, shareholders

Global: Customers, civil society, shareholders, suppliers, policy makers, civil society

Global: Employees, shareholders, customers, local communities, NGOs, policy makers, shareholders, suppliers

WITHIN THE ORGANISATION

Whole organisation: Defining and measuring environmental sustainability risks associated with our business activities is an important activity for the Group. DOF is actively working with its partners on finding energy efficient and CO2 reducing solutions as part of their own efforts to reduce carbon footprint.

Whole organisation: For DOF, business integrity and ethics policy are of high priority and DOF expects their companies and employees to follow and adopt behaviours to protect and build the DOF's reputation, in all situations.

Whole organisation: DOF understands that acting in accordance with its Code of Business Conduct towards their partners and employees is decisive in achieving the highest standards by which DOF conducts their business activities every day.

For DOF to be in compliance to law and to industry standards is of strategic priority. In all of the regions where DOF operates, it strictly follows all rules and regulations addressed by the national governments.

DOF acknowledges the importance for our customers of a reliable partner and that is why we are always seeking to obtain the highest industry standard certifications before accredited bodies.

UN SDG



The main source of DOF's climate impact is the fuel used by its vessels. DOF has various activities and programs to reduce its climate impact, including: Ship Energy Efficiency Plans (SEEMP), goal of 3% annual reduction (intensity target) in fuel consumption, installation of shore power capability, installation of battery packs on vessels, and participation in the CDP for transparent environmental reporting.

Through an R&D project with Kongsberg, we aim to use digital solutions to reduce energy usage on our vessels, through intelligent Efficiency. There is potential for 15%-30% reduction in fuel consumption, ultimately leading to significant reduction in emissions.

DOF also has other internal activities such as preparedness for acute pollution from vessels, using environmentally friendly products (for example non-hazardous hydraulic oil in ROVs) and environmental management plans.



By employing local content, DOF contributes to economic growth in the various areas of operation. DOF is also committed to operating responsibly and respecting local laws and regulations. Through its Tax Strategy, DOF ensures that tax is paid fairly to the countries where it operates.

DOF acts ethically and lawfully to protect our reputation and comply with applicable laws and regulations, wherever we do business.

Our Code of Business Conduct gives us clear rules and provides guidance for decision-making in ethical dilemmas. This is particularly important when operating in areas with high risk related to Anti-Bribery and Corruption. DOF has established an Ethics Helpline where both employees and any other stakeholders can report by a phone available 24/7, or through an online form. Reports can be made anonymously.

DOF's focus towards Integrity is not limited to ourselves; we strive to ensure that our partners and suppliers operates according to the same standards, for example by assessing all suppliers towards the principles of the UN Global Compact.



DOF operates in many different areas around the world, and some of these areas lack a strong public education system. Either by direct contribution to employees or partnerships with other members of the industry, DOF contributes to quality education of children in challenging areas.

The DOF Workbook gives the foundation for training in the years to come. By delivering training modules on all aspects of how we work, we have established a unique way to engage training and development of our people.

DOF strives to promote a workplace where all are treated fairly, accepted equally, without any exclusion - in a harassment-free workplace. As a Group, we benefit from the different talents, experiences and perspectives equality and diversity brings to the workplace and the individual contribution employees make. Our guiding principle is that everyone should be treated with dignity and respect at work.



People

Company values that are directly connected to people:
SAFE, RESPECT, TEAMWORK

Within People, we apply our values **Safe** **the RITE way**® to define significance, guide our approach, assess our results, and set the ambitions into our future.

Safeguarding people is our highest priority. The Group has built on the Safe the RITE way program, strengthening our global safety culture. We work continuously to improve safety systems and our safety performance. DOF core values act together to create a strong safety culture and deliver our highest priority: “Above all we are Safe”. We work to ensure we are safe, and our team return home safely, everywhere we do business. Protecting the health and safety of our people and our environment is a fundamental requirement of business as it is paramount to DOF’s on-going success and sustainability. It is a material issue and a right that all employees, their families, our whole supply chains, clients, investors and regulators expect to be sustained. It is essential to winning business and attracting recruiting and retaining talented employees. We work to ensure we are safe, and our team return home safely, everywhere we do business. Cyber security, securing our Information Technology (IT), and Operation Technology (OT) infrastructure and preventing cyber-attacks, is also an important aspect of our business and sits within our definition of SAFE.

“Respect underpins everything we do and every interaction we have. Respect for people: our colleagues, our customers, and our business partners. As global citizens we are socially responsible, we respect the individual, the local customs and cultures of our various markets. Acting with care and consideration is central to our wellbeing and safety and ensures we minimise our environmental impact.” The Group aims to create an environment of empathy, mutual respect and understanding amongst all stakeholders. DOF is an equal opportunity employer and does not tolerate any form of harassment or discrimination within the workplace or local communities where we operate. We operate in an evolving market. It is vital for DOF to develop in the energy sector, together with our key partners, in line with the targets articulated in UN’s Sustainable Development Goals. As a responsible organisation and through Respect we aim to maintain our equal opportunity employer performance: we will not tolerate any form of harassment or discrimination within the workplace.

According to the DOF values: “Everything we achieve is as a result of teamwork. Each of us is responsible and open in our professional relationships, co-operative and collaborative, treating one another with dignity and respect. We do not blame; we find and share solutions and we learn from mistakes. From this platform we build diverse and global teams and strive for free exchange of ideas, experience and knowledge, worldwide.” Companies are their People. Collaboration between team members is a key success factor for DOF. Teams, at every level of the organisation, have built the professional and respected company we are today. In turn, working for a values-driven company, offering fair work, with career development and team environment creates an engaged workforce which benefits customers, investors, and suppliers. Training and careers programs benefit local communities. DOF is committed to building strong and capable teams, through training and developing of key employees, either as part of important teams, or as potential leaders.



PEOPLE / ACTIVITIES IN 2021

2021 activities within People

COVID recovery

During the entire year tremendous efforts and sacrifices has been done to protect our crew and employees towards COVID-19. Continuously and changing regulations and demands from government and health authorities all over the world, has loyally been followed by our employees in a stoic and understandable way. Despite all of efforts and precautions, several employees ended in CRU units for months. However, all are now out of hospitals and are now supported by Company and health professionals to get back at work. The biggest challenges have been to support and facilitate protocols and follow up of our employees in Brazil.

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

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

Social

DOF's strong standards within the social dimension of business aligns with UN's Global Compact and Sustainable Development Goals. This ensures decent work, generates wealth for employees, local communities, and along our supply chain as well as wider society by generating taxes.

Health, Safety, and Security

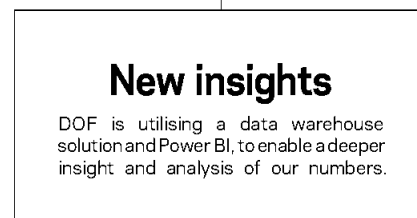
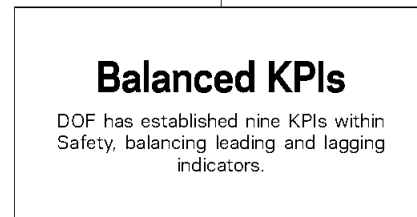
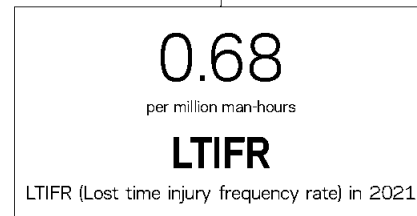
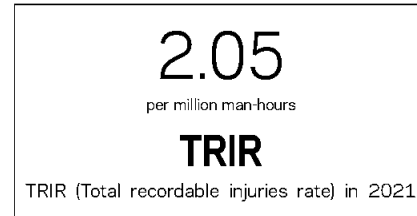
Protecting the health and safety of our people and our environment is a fundamental requirement of business as it is paramount to DOF's on-going success and sustainability. It is a material issue and a right that all employees, their families, our whole supply chains, clients, investors and regulators expect to be sustained. It is essential to winning business and attracting recruiting and retaining talented employees. We work to ensure we are safe, and our team return home safely, everywhere we do business.

DOF's approach to Health, Safety and Security from a sustainability perspective aligns closely with how this is managed operationally.

Labour and Human Rights

DOF follows the Norwegian Shipowners Association's approach to Labour and Human Rights in our industry:

The main concern is possible non-compliance with general labour and human rights standards, particularly related to the use of short-term contracts and temporary employment through manning agencies, which may weaken worker's rights. Several cases of modern slavery have been uncovered in the value chain in recent years, particularly involving migrant workers at yards.



PEOPLE / ACTIVITIES IN 2021

The Norwegian parliament has adopted the Transparency Act, obliging large and mid-size companies to conduct human rights and decent work due diligence not only for its own operations and supply chain, but throughout all business relationships in the value chain. Under this Act, citizens will be entitled to request information from companies, and the Norwegian consumer authority may issue injunctions and fines for non-compliance. Reporting should cover how the company approaches labour and human rights for its own employees, as well as in the value chain, particularly related to contracted workers and yard workers for newbuilds and ship recycling. DOF will in 2022 ensure that relevant governing documents and processes are aligned with the Transparency Act requirements.

DOF will in 2022 support roll-out of Amnesty's eLearning course on Business and Human Rights. The course will be mandatory for positions in DOF that are exposed to issues related to Human Rights.

Human Rights Due Diligence

DOF currently has a template for "Company Analysis and Due Diligence Report". This template will be reviewed to ensure the parts covering Labour and Human Rights are aligned with new requirements.

Diversity

Over the last few years, the Group have identified increasingly stricter requirements for reporting on various aspects of workplace diversity. In 2022, systematic work will be initiated to get an overview of these changes and develop a guideline on how to measure various aspects of diversity. This could include (but not limited to) wages, training, career paths and management positions. The work will be basis for a more structured approach to this area in the future.

As part of the DOF Ambassador program, one of the work-groups have been assigned a strategic project related to diversity in DOF.

Occupational Health & Safety management

DOF is committed to ensuring the provision of a healthy and safe working environment throughout company operations, through interaction and consultation with stakeholders.

The Occupational Health & Safety management is verified by DNV according to requirements in the ISO 45001 standard and the ISM code and forms a part of the Business Management System (available on www.dof.com).

- The Occupational Health and Safety Manual (OH&S) is in line with international standards such as ISO 45001 and the ISM code.
- DOF has established procedures to ensure that hazards are identified, the likelihood and consequence of occurrence is assessed and, as necessary, suitable control measures are introduced along ALARP principals.
- Personnel are trained in the use of appropriate risk assessment and management techniques.

Hazard identification, risk assessment, and incident investigation

DOF implements a hazard and risk management process in order to identify hazards and risks associated company activities - aligned with ISO 31000 Risk Management - Principles and Guidelines:

- Risk assessment processes are audited by internal and external parties such as DNV;
- All employees must undertake basic training in risk identification and assessment;
- All employees have the Stop Work Authority;
- Incident investigation depends on the level of severity of the incident and is published in the DOF Workbook;
- All investigations conclude with recommendations in the occupational health and safety management system.

Occupational health services

DOF has an agreement with an internationally recognised, accredited occupational health service provider. Services can be accessed directly or through positions such as a vessel's nurse.

Worker participation, consultation, and communication on occupational health and safety

- DOF's OH&S management system IT application allows for feedback directly on specific documents, or to make general improvement suggestions.
- Safety Delegate & Protection and Environment Committee (PEC) committees at vessels and onshore worksites guarantee worker involvement. These committees may vary depending on local legislation.

NORMA Cyber

The Norwegian Maritime Cyber Resilience Centre - NORMA Cyber is a joint effort between Den Norske Krigsforsikring for Skib (DNK) and the Norwegian Shipowners' Association and started operations from the 1st of January 2021.

The centre delivers centralised cyber security services to Norwegian shipowners and other entities within the Norwegian maritime sector. NORMA Cyber aims to be the leading hub for operational cyber security efforts within the Norwegian maritime sector.



PEOPLE / ACTIVITIES IN 2021

Worker training on occupational health and safety

All workers are required to perform mandatory e-learning related to Risk Assessment and the Permit to Work system, which are fundamental to safeguarding our people.

Promotion of worker health

DOF aims to ensure that all employees have access to non-occupational medical and healthcare services. This is normally achieved through agreements with local health insurance companies. The coverage of these insurances will be adapted to circumstances such as availability of universal health care and statutory requirements. Overall, DOF follows an industry benchmark for its health insurance coverage.

In some regions, programs have been established for voluntary health promotion services such as annual health check-up.

Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.

DOF's offshore operations are where our people have the highest exposure to health and safety risks. The Permit to Work system identifies high risk operations. The system ensures a thorough process before work may commence and includes risk assessment for the specific work to be done.

Workers covered by an occupational health and safety management system

All employees at DOF vessels and worksites are covered by the Occupational Health and Safety management system. This includes both employees and workers who are not employees. By 31.12.2021 the headcount of DOF staff was 3,820 people. An exact number of workers who are not employees is not available.

In addition to regular internal audits, the OH&S Management system is verified by DNV according to requirements in the ISO 45001 standard and the ISM code.

Cyber security

Cyber security is our practice of defending computers, servers, mobile devices, electronic systems, networks, and data from malicious attacks. Our defence of the Group IT and OT infrastructure is guided by our global Cyber Risk Management standard, built around but not limited to:

- Network security by online monitoring securing DOF's computer network from intruders, whether targeted attackers or opportunistic malware.
- Application security by design is focused on keeping software and devices free of threats.
- Information security protects the integrity and privacy of data, both in storage and in transit.
- Operational security processes are in place for handling and protecting data assets in a best possible way.
- Disaster recovery and business continuity plans are in place to dictate how the business restore any loss of operations or data and to return to the same operating capacity as before an attack.
- End-user education is in place to teach our employees to detect secure suspicious e-mails and behave like data security officers on behalf of our Company.
- DOF is part of NORMA Cyber including services like intelligence, security operations and crisis response. Regular ERT exercises are executed to be prepared and respond to attacks.

Respect for each other and cultural diversity

Respecting cultural diversity while working towards the same goals is a key success factor for DOF. All DOF employees undertake mandatory and regular values-based training. The Code of Business Conduct (COBC) is in place to guide behaviour and support sound judgement and common sense and DOF's values are embedded in many other business and discipline related training materials.

Robust, respectful and healthy communication between our people in the Group, across geographical borders and "top-down – bottom-up" is valued.

Labour rights & relations (employee satisfaction)

DOF is committed to encourage and support all employees and ensure all employees align with DOF's vision and values. DOF aims to perform working environment surveys every second year, followed by improvement process until the next survey. A survey is planned for 2022.

DOF follows a practice which conforms to international standards for human rights, and Group operations are managed in accordance with fundamental labour standards. Our guidelines and standards are based on the ILO Convention that prohibits all use of forced labour or child labour. DOF recognises and respects the employees' right of association, organisation and collective bargaining, and the company guidelines conform to the labour regulations stipulated by all local authorities.

Labour / Management Relations

DOF is part of an industry known to be cyclical and in down-times redundancy and down-sizing are an unfortunate part of the cycle. DOF ensures continuous dialogue with employees' representative and trade unions. It is inevitable that workforce numbers will change according to demand, however DOF will do its utmost to assist employees affected by down-sizing and have a robust program to support those employees with career and financial counselling.

Training and Education

The DOF training framework is based on nine key strategies:

- Cultivate Core Values, Safe the RITE way;
- Partner with different business units to establish core competencies;
- Leverage Intellectual Capital;
- Invest in Strategic Learning;
- Align Strategies with Corporate Objectives;
- Broaden Learning Activities;
- Focus on Performance Solutions;
- Speed up knowledge transfer and knowledge retention;
- Build our employee branding.

In addition to training for DOF employees, all third-party personnel onboard our vessels must complete a vessel induction process, with vessel familiarisation, DOF's operational standards and Code of Business Conduct, and mandatory e-learning modules covering Permit to Work, Management of Change, and Risk Assessment.



PEOPLE / RESULTS IN 2021

2021 results within People

Through entire 2021, DOF has strived to protect our people onboard and in our offices from the COVID-19 virus. Despite hundreds of employees infected throughout the year, everyone has recovered. The continuously changing requirements and recommendations from governments and health organisations has been exhausting. Nevertheless, we have been able to maintain our guidelines and regional protocols aligned with current requirements by tremendous effort by the onshore organisation. However, the greatest burden has been on our people offshore who have experienced quarantine periods, extended and changed shifts, travel restrictions and less time at home.

Based on experience through the pandemic, Medical Service and Employee Benefit Program has been strengthened to ensure they provide support for mental well-being and health issues.

DOF went into 2021 with many ambitious HSE projects and a clear objective to improve the results from the previous year. The HSE results are better than in 2020, but still far away from our ambitions. The trend throughout the year was very positive, but in Q4 we experienced a number of incidents connected to lack of awareness and inexperience. We find it likely that a major contributing factor was the wave of the Omicron variant taking the focus, demotivating an already fatigued organisation, and imposing new restrictions requiring use of personnel not familiar with the DOF safety culture.

Modern communication

The substantial efforts started in 2020 to modernise the communication channels in DOF continued throughout 2021. Our communication strategy changed during 2021, with increased focus on promoting and empowering our people. This will continue as a key communication strategy going forward.

A new initiative with global, digital town hall meetings led by the CEO started in Q3, and this will continue as a quarterly session. The town hall meetings consist of the CEO giving a general "state of the union" update, and a part of the session where a specific topic is presented by a subject matter expert.

In 2021, the organisation in Brazil arranged Annual Leaders Seminar 2021. Due to the COVID-19 pandemic, the event was held in virtual format. The theme of the event was "Shaping DOF for the future" - the strategic plan of DOF Group going forward. More than 450 employees from both onshore and offshore were engaged during the event through the chat, sending questions and interacting through the platform.

The Modern Workforce Communication project made significant progress and approximately half of our offshore employees had received their DOF email account by end of 2021.

Other improvement activities delivered in 2021:

- Maintained ISO 45001:2018 certification status for the DOF Group.
- Global survey among our offshore crew that gave valued input and advices on how to improve efforts within Occupational health and Safety

- Update to Cyber Risk Management standard
- Improved coordination, dialogue and regular meetings in the global HSEQ organisation
- Regular issues of monthly Safety Theme reflecting current challenges at the time

Work-related injuries 403-9

All HSE incidents are reported through a common system for DOF, "Docmap". The system is available in the office and on all DOF vessels. Among the data captured for each incident is Type of injury, injured body part, Gender, Age and Injury classification.

HSE reporting aligns with the reporting principles of IMCA.

The man-hours used to calculate frequencies are based on exposure hours and include hours for all personnel on our vessels. This provides the most accurate indicators regarding the overall safety performance.

Significant metrics are outlined in Figure 6 and Figure 7 on page 166 shows the Occupational Health and Safety Indicators.

For 2021 the objective was to be below 0.3 LTIs per million man-hours. At the end of the year, we reported 0.68 LTIs per million man-hours for DOF as a whole.

The total recordable injuries rate (TRIR) for DOF was 2.05 in 2021. The TRIR is an indicator of the total number of LTIs, restricted workday cases and medical treatment cases per million man-hours. The IMCA TRIR for 2020 was 1.09.

Number of first aid cases has for 2021 been 6.26 per million man-hours.

The main types of injury are lacerations and impact injuries (sprains / fractures).

Being a global company operating within multiple cultures, openness is a key approach. Our result in reporting safety observations, both positive and negative, reaches the impressive figure of 711 reports per 200,000 man-hours.

In 2021, there were six lost time injury cases recorded.

One incident resulted in partial amputation of a finger when finger was hit by a high-speed object due to unexpected release of pressure.

Two of the incidents did not result in long-term absence or permanent disability.

Three of the incidents occurred towards the end of the year and the injured persons had not returned to work by 31.12.2021. It is expected that the injured persons will fully recover within 6 months.

In most locations where DOF operates, trade union agreements contain provisions that address the health and safety of our employees. All our offshore workers are covered by the MLC 2006.



PEOPLE / RESULTS IN 2021

Emergency management

Emergency Management protocols and systems are well developed within DOF; however, this is an area where training and readiness are crucial to the effective management of any emergency situation or crisis. Regular scenario training, conducted by third party organisations specialising in Crisis management, is provided for personnel in the Emergency Response Teams (ERT). Scenario Training is supported by electronic system exercises to ensure individuals remain familiar with the system.

Emergency response training exercises range from a variety of offshore scenarios to more universal themes of business continuity in order for DOF to 'Stress Test' and improve where necessary. Organisational compliance is monitored by Key Performance Indicators.

During the year, there were 58 mobilisations in the Crisis Management system. 30 were actual incidents; 28 were exercises. The high number of actual incidents can be attributed to the system being used to handle actual or suspected COVID cases onboard vessels.

Cyber security

There have not been any major cyber security incidents in 2021.

FiftyFifty

Since 2017 the FiftyFifty programme has educated women from both Norwegian and international companies. The programme is presented by AFF and is based on the UN Sustainable Development Goal 5 "Gender Equality". FiftyFifty has, since its origin in 2017, brought women together from both Norwegian and international companies to learn and share best practices.

In 2021, seven women in DOF joined the program together with women from many other industries.

DOF's global goal is to reach 25 percent female representation in the seasoned professionals and management group by 2025.

DOF Ambassador Program

The DOF Ambassador programme is a platform for employee career development. The programme offers potential leaders and executives a structured professional development programme, which is scheduled over the coming years. The programme was intended to start in 2020, but was suspended due to COVID-19 restrictions as it required the cohort to travel to Norway. In 2021, the program was started with digital sessions connecting participants from all DOF regions.

Hybrid working arrangement

Hybrid working arrangement introduced to DOF in 2021 as a permanent arrangement. This is regarded by World Economic Forum as a very important measure to stimulate female career path when taking care of children. A global survey performed in 2021 gave clear feedback that a hybrid working arrangement contribute to better work-life balance, without compromising people's work performance.

Maritime Trainee

DOF is proud to participate in the Maritime Trainee program delivered by the Norwegian Shipowners Association (Norges Rederiforbund). The program was established in 2005 and has delivered 250 trainees and is one of the leading management trainee programs in Norway. The Maritime Trainee program provides solid contribution to the promotion of the Maritime Industry and all its future opportunities.

The program has a duration of 18 months and combine working in a leading maritime company with an academic program. The academic schedule focus on gaining maritime knowledge across international ocean industries, digitalisation and new technology development, maritime law, sustainability and corporate governance.

In 2021, DOF had two participants of the Maritime Trainee program.

Our Employees

DOF aims to provide all employees with a safe working environment where they can advance their careers, develop their expertise and have a flexible working day. The focus on DOF's fundamental values – respect, integrity, teamwork, excellence and safety – has resulted in an improvement in individual efficiency and productive attitudes among our employees. DOF has a long-term plan for training and development of its employees.

Diversity and inclusion have always been of high importance to DOF. The Equal employment Opportunities policy ensures a fair recruitment process. Candidates are treated fairly, professionally and with respect. DOF employs the most competent person for a position based on their skills, knowledge and experience.

Our workforce is comprised of 73% full-time employees and more than 2,500 employees are covered by collective bargaining agreements (87%).

Diversity of governance bodies and employees 405-1

The Board of Directors in DOF ASA is comprised of 50% men and 50% women. 25% 30-50 years old and 75% are over 50 years old. Overview of employee diversity can be found on page 146 - Diversity of employees.

Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation 401-2

Standard benefits to employees can vary depending on the country's legislation where DOF operates. The key regions for the marine and subsea operations are the Atlantic encompassing companies located in the UK, Norway; South America in Brazil and Argentina; North America in USA and Canada; Asia-Pacific in Australia, Singapore. In general, the same benefits apply to full-time and temporary or part-time employees, with minor variations in the coverage depending on the region / country where they are located. A detailed overview can be found on page 196 in Appendix B.

PEOPLE / RESULTS IN 2021

Minimum notice periods regarding operational changes, including whether these are specified in collective agreements 402-1

The minimum notice periods may vary, depending on collective bargaining agreements, individual agreements and statutory requirements. A summary of the practices in the different regions where DOF operates is given below.

Asia-Pacific - In Australia, number of weeks not specified within Modern Awards or Fair Work Act. Regulatory documents state "...as soon as practicable..." and therefore the employer must check to ensure it complies with each award of the effected employees at the time. In most cases one month notice applies. In Singapore, the notice duration should be in accordance with the contractual terms mutually agreed upon, which for DOF is one (1) months' notice. In Indonesia, the notice period is one month. In Philippines the minimum notice period is one month.

Atlantic - In UK there is a minimum of one months' notice provided for major operational changes affecting employees and for statutory requirements, notice will be in accordance with valid regulations.

In Norway, the minimum number of notice period defined in the relevant national working legislations or in the employment agreement varies from 4 to 12 weeks. This is defined in the relevant national working legislations, collective bargaining agreements or in the employment contract. If the employee is on probation period, a period of notice of 14 days will be applicable.

South America - In Brazil, the period varies depending on the years of work. In case of contract rescission, the employer must give one-month notice + 3 days for every year worked in the company.

North America - In the USA, there is no defined minimum notice period, however there are limited circumstances which trigger statutory requirements. In Canada, the minimum period of notice in terms of changes in employment is based on a number of factors, including the circumstances of the change. Notice that may affect employment status is given based on years of service.

Average hours of training per year per employee 404-1

The average hours per person budgeted is 16 hours per person for training, with an additional 8 hours for global information meetings per annum.

The budget for each person is USD 1000 for training, per annum.

Programs for upgrading employee skills and transition assistance programs 404-2

DOF have training matrices covering both basic and advanced training for its workforce. The DOF workbook is the basic and introductory training covering the most relevant topics. More advanced training is provided by a various training providers including Universities and Maritime University college.

Our transition assistance programs come in force when employees are moved from offshore to onshore or when there is need for recruitment or new competence. Various programs are tailored for the transition from one part of the company to another.

The Manila Accounting Support Hub (MASH) was established in May 2019. The MASH team is providing accounting services to DOF entities in several regions. This new services relief the DOF accounting from repetitive and manual work into more advance accounting tasks that are supported by internal or external training.

There are various severance programs in place and adjusted to national programs. These programs allow a smooth transfer to full retirement. This is done as part of Company succession planning as well.

In case of termination of employment, DOF will seek to provide guidance to facilitate continued employability outside DOF.

There are arrangements in place to stimulate employees to higher education combined with employment balancing time for study and present at work. These programs allow to plan for skills that help the organisation to meet strategic goals in a changing working environment.

Percentage of employees receiving regular performance and career development reviews 404-3

DOF seeks to conduct annually career development reviews / appraisal for all eligible employees (depending on operational area / type of position) together with their managers.

An overview of performance reviews is given on page 193 (Figure 19)

Non-discrimination 406-1

In 2021, there were three confirmed incidents of harassment. Two incidents resulted in dismissals, and one resulted in other disciplinary action.

2022 focus within People

The overarching focus in 2022 will be on our safety culture, through the principle of "safety starts with you" and leadership engagement.

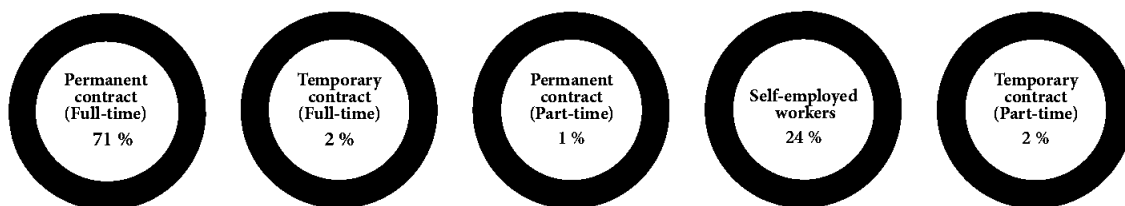
DOF has for many years had its "10 Life Saving Rules". In 2022, we will adopt the IOGP Life Saving Rules, which are similar, but will align us with other companies in our industry.

A framework will be established for using digital tools to perform management visits, audits, inspections etc. This will allow more frequent interaction between onshore and offshore personnel and will be used in combination with physical vessel visits.

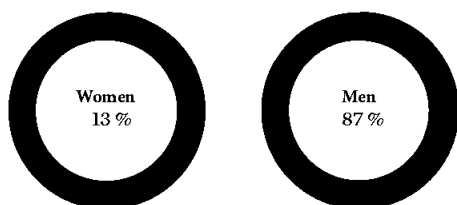


PEOPLE / FOCUS FOR 2022

Employment type - Figure 1



Demographics - Figure 3



Diversity of employees - Figure 2

BY GENDER	UNDER 30 YEARS	BETWEEN 30 AND 50 YEARS	OVER 50 YEARS
Female	22.0 %	12.5 %	8.6 %
Male	78.0 %	87.5 %	91.4 %
Total	15.0 %	61.5 %	23.5 %

BY GENDER	STAFF	MANAGERS	SENIOR MANAGERS
Female	14.8 %	10.3 %	2.5 %
Male	85.2 %	89.7 %	97.5 %
Total	77.8 %	11.8 %	10.4 %



PEOPLE / FOCUS FOR 2022

Work will continue with modernising the way operational HSE activities are performed. The main method to achieve this will be to digitalise the processes related to vessel specific checklists, Permit to Work and Risk Assessments, Management of Change and Toolbox Talks.

The DOF Workbook will be rolled out with training sessions globally. Different methods of delivering training will be available: Classroom training, digital training sessions, and self-study with video presentations.

In connection with upgrade to new version of the Business Management System, we will use the opportunity to simplify the system. Our industry is known to be bureaucratic, and in this context, we must strive to ensure we are not adding additional bureaucracy by self-imposed requirements.

During the year further work will be focused on the implementation of the measures in the Cyber Risk Management Standard, including ship specific risk assessments, raising awareness and further enhancing the Cyber Risk Management within DOF. This work will be coordinated by the new Cyber Security Task Force, supported by executive management.

DOF is an equal opportunity employer and has zero tolerance for any form of harassment within the workplace or local communities.

In 2022, DOF will continue to take full advantage of modern platforms for communication and collaboration which proved vital to business continuity the last years and in light of the pandemic. This includes an Enterprise Social Network solution to improve workforce communication by making it easier to communicate and allowing interactive communication. New tools for collaboration will allow for more efficient collaboration across all DOF entities and regions. A project is underway to improve the way information is made available to offshore personnel, by providing company e-mail address and access to company portal for all offshore employees.

In addition to this, a new talent management platform will be rolled out for all employees, supporting regular follow-up and goals throughout the year.

DOF joined the SHE Index in 2021 and will continue the efforts to balance the teams with regards to and other relevant parameters. DOF aims to strengthen our capability to measure and act on diversity and inclusion in leadership and workforce. As part of this, several activities will be done, such as global analysis of gender pay gap, and gender distribution in different employee categories.

Leadership development

“In the space of business and organisations, leadership is about getting the employees to work towards a common goal through motivation, commitment and well-being” – the quote is taken directly from the DOF Workbook. During the year a series of leadership training session will be held globally. The one-day training courses will be focused around the DOF values, leadership theory and practice, project management, communication and financial understanding. Another important part is to focus on leadership in Occupational Health and Safety.

Continue fifty-fifty

The fifty-fifty program has been a success so far and will continue in the coming years. Variants of the concept will be rolled out globally allowing female talents to strengthen their self-esteem towards their career, in trustful surroundings in close dialogue with executive female leaders and academia. This is an important activity for DOF to reach the organisation’s ambitious targets within diversity between male and female.

Continue ambassador program (next phase / new ambassadors)

The ambassador program will continue with new talented employees and adjusted according to our learning and experience from the first group. The program has shown to be an important supplement to our retention program and good arena for DOF’s executive team to meet the new generations of leaders.

Smarter and inclusive communication

DOF will change the communication profile focusing more on people and feel-good articles on our intranet and various social media platforms. Recognising the challenges the industry has

DOF's leadership principles

- Inspire & motivate
- Show integrity
- Solve problems
- Drive for result
- Communicate



PEOPLE / FOCUS FOR 2022

been through during the two years of pandemic we need an active approach to stimulate optimism in the organisation. The fact that the Company is now in a dynamic growth recruiting new employees and turning strategy towards the renewable market calls for a smarter and more inclusive communication. Various means of communication will be tested out. Podcast that will enhance employees understanding of areas like offshore wind and Circular economy are some examples. New and smarter ways of presenting PowerPoint presentations on safety meetings utilising videos and with artificial avatars presenters to secure consistency in the message. Finally, DOF will utilise the potential to reach out in social media. DOF have over 160 thousand followers at LinkedIn. This figure will be used as inspiration to get higher utilisation of Yammer internally.

Ethics Helpline

During 2022 various initiatives will be made to enhance respect in normal interaction in the Company. The analysis of situations and reports from our Ethics Helpline is not acceptable and in breach with our Code of Conduct. This will be addressed in training and campaigns. Some initiatives will be organised from corporate and others regionally.

New Code of Conduct - strengthen respect

The Code of Conduct will be strengthened with some new chapters like circular economy, life below water and biodiversity. Examples in the dilemmas will be on relevant situations like use of plastic and other examples as dilemma when client ask us to do high speed on a boat to reach shore when no one is expecting us. This results in extra tons of diesel burned without good purpose and consequently unnecessary GHG emissions. The common theme across the UN SDGs is human rights; this is addressed in the current Code of Conduct and will be even clearer in the new version of the Code.

Future goals within People

Safety awareness is a never-ending process, and our goal is to be recognised as the safest provider of subsea and vessel services to our growing international and global client base. The Watertight Integrity Test, launched in our code of conduct, starts with a simple question; "Is it Safe?" If the answer is no, action must be taken.

As personnel join the Group, we ground them in our values-driven approach and provide them with the necessary practical, and theoretical training to appreciate the importance of acting in line with the values and principles.

We continue to enhance safety culture onboard our vessels.

DOF issued the first HSEQ Workbook in 2012. A new Workbook was introduced in 2020 and expanded beyond HSEQ, to cover all aspects of the company and published on DOF's website.

The DOF workbook is the backbone of training within the Group for the next 5-6 years. Through a holistic approach, employees will be exposed to training ranging from induction

to the Company, our values, and risk assessment approach, to more advanced modules like project management.

To build on the strengths of teams so the efforts of one team can be quickly replicated or adapted in another region is a key concept. The ability to harness the creative talents from a region, by incorporating their solution into a potential business opportunity in another region, will enable DOF to respond to clients with timely, proven solutions and resulting in a cost-effective outcome for DOF and its clients.

DOF will increase the use of Subject Matter Experts selected from appropriate regions to provide support to corporate and project related teams. The implementation of the 'modern toolbox' will support this effort.

Various initiatives in the Human Resourcing areas of resourcing, attraction, privacy compliance, retention and development of employees will be executed. We remain committed to sourcing talent and developing employees and to adapt to market changes. In addition, enterprise social media platforms, both internal and external, have been implemented to improve communication with our workforce and external stakeholders.



Planet

Our company value that is directly connected to planet:
RESPECT

Within Planet, we apply our values Safe  the RITE way® to define significance, guide our approach, assess our results, and set the ambitions into our future.

“Respect underpins everything we do and every interaction we have. Respect for people: our colleagues, our customers, and our business partners. As global citizens we are socially responsible, we respect the individual, the local customs and cultures of our various markets. Acting with care and consideration is central to our wellbeing and safety and ensures we minimise our environmental impact.”

The Group aims to create an environment of empathy, mutual respect and understanding amongst all stakeholders. DOF is an equal opportunity employer and does not tolerate any form of harassment or discrimination within the workplace or local communities where we operate.

We operate in an evolving market. It is vital for DOF to develop in the energy sector, together with our key partners, in line with the targets articulated in UN's Sustainable Development Goals.

A key to meeting stakeholders' expectations is the implementation of new technology and digital solutions to reduce GHG emissions and become more efficient. An objective for the next 3-year strategic period and a driver for value creation. As a responsible organisation and through Respect we aim to:

- Maintain our equal opportunity employer performance: we will not tolerate any form of harassment or discrimination within the workplace;
- Operate responsibly at sea, with minimal impact upon the environment;
- Reduce our environmental impacts by delivering energy efficiency and the well-established zero-mindset to any discharges of harmful material into the sea, making DOF an attractive business partner;
- Adapt to the global communities' changing expectations to climate change and pollution.



PLANET / ACTIVITIES IN 2021

2021 activities within Planet

Environmental Performance

Also, an aspect of respect, Environmental Performance, is governed by the DOF Environmental Impact Policy. It reflects corporate intentions, principles of actions and aspirations to improve environmental performance. Responsibility for ensuring that DOF is committed to minimising its environmental impacts in line with the 'Polluters Pays Principle', 'Precautionary Principle' and 'Duty of Care', Energy Efficiency and Climate Impact lies with the Board of Directors.

Since 2010, DOF has reported key environmental performance through CDP and the reporting has directly influenced the development of our Business Management System and the programs established to manage our environmental performance.

Our Environmental Management System (EMS) ensures that DOF effectively manages our operations and strives for continual improvement of our environmental performance.

Using technology to reduce fuel consumption

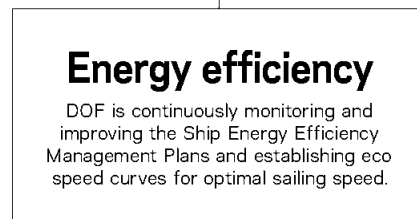
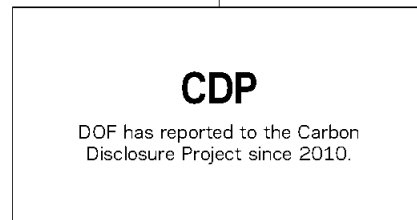
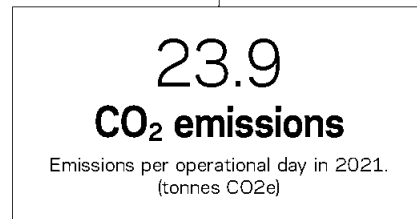
DOF has well established systems and new initiatives operating in parallel to deliver fuel efficiency and reduced GHG emissions.

Implemented in 2012, the Ship Energy Efficiency Management Plan (SEEMP) is vital to our EMS. The SEEMP was developed in partnership with DNV and aligned to the guidelines set out by the IMO marine environmental protection committee. SEEMPs are applied across the whole fleet to plan, implement and monitor the measures required to maximise vessel efficiency.

All DOF's vessels operate with Marine Gas Oil (MGO). DOF complies with the regulations in the industry, especially with IMO and MARPOL Annex IV, Regulation 14, regarding strict measures addressed to ship owners to control the emissions of NOx and SOx from their ships, in Emission Control Areas (ECA) where ultra-low sulphur fuel is required.

Several vessels are fitted with technology reducing fuel consumption and emissions.

- DOF has for more than 15 years focused on reducing NOx emission to air: the main contributor is the instalment of Selective Catalytic Reductions (SCR) systems which can reduce NOx emissions up to 90%. SCR is a means of converting NOx with the aid of catalyst urea into N2 and Water.
- The diesel electric hybrid propulsion system allows greater operational flexibility and reduces energy consumption, CO2 emissions and maintenance costs. This propulsion system is ideal for DOF's combined anchor handlers and offshore construction vessels.
- Improvements, particularly on hull design, have been made through close industrial cooperation with main suppliers. This experience transfer ensures continuing enhancement of technology into the future.



- DOF deployed cloud-based analytics software system successfully on all vessels in 2021. Maress analytics allows decision makers on shore and on the bridge to make more informed decisions on how to reduce emissions. Maress allows DOF to fully understand the emissions from individual vessels, and for the fleet as a whole. Due to the smart re-use of existing data the system can be rolled out quickly and was operational on the whole fleet in Q1 2021.
- The research project partnership with Kongsberg Maritime, SINTEF Ocean and NORCE to develop of a new generation Decision Support System (DSS) for offshore vessel operations were finalised in 2021 and is now undergoing final adjustment to be rolled in the fleet.
- Developing shore-side electricity connections for port stays has delivered considerable environmental benefits by utilising renewable energy reducing carbon dioxide, sulphur dioxide and nitrogen oxide emissions to a minimum. Modifying vessels for this technology is continuously evaluated based on the availability of shore-side connections where our vessels operate.

Spill avoidance is captured by KPIs and as a 'bearing element' in the ISO 14001 certification is audited regularly. DOF's maintenance regime incorporates spill avoidance objectives in order to reduce the risk of environmental impact from incidents.

All vessels have a Shipboard Marine Pollution Emergency Plan (SOPEP/SMPEP) which provides guidance to the Master and officers on board the vessel as to the steps to be taken when a pollution incident has occurred or is likely to occur. The plan is reviewed annually, and a regular drill held.

DOF's internal procedures for bunker and fuel testing ensure control of fuel supplies to its vessels. The main objective is to ensure good quality and uncontaminated fuel supplies to offshore installations, in accordance with Charterer requirements. All contracts between DOF Marine and charterers specify the quality of the fuel as per ISO 8217, Bunker Fuel Standard.

Innovation & climate resilience

DOF conducts operations in compliance with best practice techniques and principles, worldwide. As such, DOF standardises its global approach to meet the highest requirements of legislation and the expectations of external parties both locally and internationally.

Risk Identification and Assessment analysis of where we are most likely to deviate from these commitments and what the risks are should this happen, is undertaken. Control measures can be identified to ensure that our levels of exposure are acceptable for all stakeholders.

2021 results within Planet

Respect underpins the flexibility we have in our organisation. We can call on specialist individuals who because of the common respect for each other, have a commitment to meet shared goals. Without mutual respect, the high level of coordination and cooperation required to address corporate or operational challenges is more difficult. DOF has a proven record of adapting assets quickly and developing operational solutions to meet difficult and time sensitive challenges from their clients that delivers successful project execution outcomes. The following reporting concerns all DOF vessels and all environmental initiatives in the Group.

Energy Consumption within the Organisation and outside the Organisation 302-1 | 302-2

The majority of DOF's energy consumption comes from non-renewable sources, which is attributed to fuel consumption on our vessels. The energy consumed in our offices comes from both renewable and non-renewable sources, depending on the energy infrastructure in the area where the office is located.

Figure 10 in Appendix B.4 indicates the organisation's energy consumption in joules. Electricity consumption per country is detailed in Figure 11, also available in Appendix B.4.

302-3 Energy intensity

In 2021, the energy intensity for fuel consumed (Scope 1 vessels) was 332.5 GJ per operational day.

Managing Fuel Consumption and Emissions to Air (Carbon Dioxide Emissions) 305-1 | 305-2 | 305-3 | 305-4 | 305-5

The Environmental Impact Policy sets out clear aspirations to ensure that our operations have minimal impact on the environment. This requires DOF to calculate and anticipate potential challenges before activities take place through risk identification processes, to ensure that the environmental impacts are understood and reflected in our activities.

From reporting year 2021, DOF uses CEMAsys.com for carbon footprint management. The system enables gathering and management of data connected DOF's climate change impact, according to the international Greenhouse Gas Protocol.

The system allows DOF to report its carbon footprint with a new degree of accuracy and integrates current conversion factors for emissions and energy consumption. In addition, the reporting of Scope 1 and Scope 3 emissions for vessels is now more accurate.



PLANET / RESULTS IN 2021

For vessels owned by Joint Venture, DOF will report emissions equivalent to % ownership in the JVs as agreed with JV partner. This is to avoid that both companies report 100% emissions on these vessels, which in consolidated reporting would lead to inaccurate figures.

For the activity-based metric, tons CO₂ per operational day, the figure has been recalculated with the assumptions for the 2021 reporting, to provide comparability year by year. The historical figures for 2020 and earlier will consequently vary slightly from what has been reported in previous years.

Data regarding Scope 1 concerns vessel fuel consumption for DOF vessels (including third party vessels) where DOF is in operational control. The resulting CO₂ emissions are detailed in Figure 12. During 2021, the total Scope 1 emissions were reduced by 6.6% (26,012t CO₂e) compared to 2020. However, the emission per operational day (intensity target) increased by 2.1% compared to 2020. This is mainly attributed to many vessel movements between regions, as vessels needed to be reallocated due to COVID-19 effects on operations.

Scope 2 data relates to electricity and heat consumption in buildings where DOF has offices or warehouses, and electricity for vessels with shore power connection capability. Scope 2 accounts for 1% of DOF's total CO₂ emissions. DOF has decided to use "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)" to calculate the CO₂ emissions originating from onshore electricity consumption (Appendix B.4, Figure 12). From 2021 going forward, Scope 2 emissions will be reported market-based.

Data regarding Scope 3 concerns fuel vessel consumption for DOF vessels (including third party vessels) where the end client is in operational control. Scope 3 also includes business travel and incinerated waste onboard vessels. During 2021, the total Scope 3 emissions were reduced by 12.9% (14,449t CO₂e) compared to 2020.

Total number and volume of significant spills

DOF considers any loss of secondary containment over 50 litres to be a significant spill. This is in line with the definition from IMCA SEL-010. The target is to have zero significant spills to external environment.

In 2021, there were no loss of secondary containment spills that exceeded the 50-litre threshold to environment.

One incident of loss of primary containment was recorded where approximately 600 litres of fuel spilled on deck during bunkering operation. However, loss of secondary containment was prevented by the mitigative actions taken by crew on board, prevent release to the external environment.

During the year, 36 environmental incidents were reported. This results in 4.10 incidents per million man-hours. This is slightly above the KPI of less than four spills per million man-hours. The majority of spills are very small spills related to ROV operations.

DOF experiences variance in the quantity of spills due the broad nature of our activities. Within marine operations, we tend to see larger spills that are contained on deck to prevent loss of secondary containment. In subsea operations, there is generally very small quantities of substances released. However, these releases often stem from subsea equipment in operation which make it more likely to be released directly into the environment and become defined as loss of secondary containment.

It is challenging to record the exact volume of liquid spill as most spills are contained before being released (secondary containment) by marine spill kits and protocols. Measuring the volume is based upon individual's best judgement at the time of the incident, often in rough weather and darkness. The total volume of all spills during 2021 was 1,009 litres, whereby 82 litres was considered loss of secondary containment. The KPI for the area set to be zero, but the result is 9.34 litres with loss of secondary containment per million man-hours.

Compliance 307-1

In 2021, DOF has not been subject to any significant fines or non-monetary sanctions for non-compliance with environmental laws and/or regulations.

Waste generation and significant waste-related impacts 306-1

DOF generates both hazardous and non-hazardous waste as part of routine vessel operations. Generation of waste (i.e. non-hazardous), is the by-product of a number of activities listed in the table including and further classified in two different categories (see tables below and on following page).

Various activities

- Accommodating crew members on board vessels
- Recovered materials subsea as part of contracted scopes of work or marine duties
- Maintaining vessel equipment
- Packaging from goods received via supply chain
- Replacing or refurbishing end-of-life products

Waste categorisation part I

- Plastics
- Operational waste
- Food wastes
- Animal Carcass(es)
- Cooking oil
- Fishing gear
- Electronic waste (E-waste)
- Domestic wastes (e.g., paper products, rags, glass, metal, bottles, crockery, etc.)

Part II is applicable to those DOF vessels carrying bulk cargo, as required by contracted SOW

- Solid bulk cargo shall be classified per criteria in appendix I of MARPOL Annex V, and shipper shall declare whether cargo residues are harmful to the marine environment.
- Cargo residues which are not harmful to the marine environment (non-HME) have less strict discharge requirements than cargo residues which are harmful (HME).

The frequency of one-off, acute waste related incidents causing significant environmental damage is deemed low by the nature of our core activities.

Management of significant waste-related impacts 306-2

Vessel operations are governed by MARPOL Annex V, whereby receptacles are to be made available to segregate vessel generated waste.

MARPOL Annex V vessel segregation

- Paper / Board
- Glass
- Wood
- Plastic
- Metal
- Organic food waste
- E-waste, Hazardous waste, batteries, aerosol, bulbs, printer cartridges
- Health Service & Other Possible Infectious Waste
- Mixed, Contaminated or generally
- Non-recyclable Waste

Each vessel operates according to a Garbage Management Plan outlining specific segregation requirement. Garbage Management Plan also outlines the use of vessel waste management equipment to ensure that waste impacts are mitigated, this also includes operational procedures.

Segregation requirement

- Food grinder in the scullery
- Garbage compactor
- Glass crusher
- Incinerator
- Replacing or refurbishing end-of-life products

Waste-related data is logged in the vessel's Garbage Record Book in accordance with MARPOL Annex V and the data is available for monitoring by the onshore support organisation.

All vessels also have a dedicated spill prevention management plan. This outline controls such as use of spill kits, scupper plugs and key roles during a loss of primary containment on deck or secondary containment overboard.

Whilst the garbage management plan controls 'routine' waste generated offshore, DOF also has measures to control Project specific hazardous waste generation. This

type of waste is generated on a project-to-project basis and managed through project management and HSEQ functions. Types of waste generated, include recovery or handling of products/substances that have the following contaminants.

Project specific waste generation

- NORM
- BTEX
- VOC
- Mercury
- Hydrocarbons

Waste-related data is logged in the vessel's Garbage Record Book in accordance with MARPOL Annex V and the data is available for monitoring by the onshore support organisation.

Contaminants of this nature require specialist planning of deck arrangements, including double bundled containment, spill emergency response arrangements and personnel monitoring and protective equipment. Where project of this kind take place, it is likely that DOF operates under Field Environmental Plans approved by both the operator and/or state governing authority.

Key administrative controls are also in place to manage project generated hazardous products, including but not limited to; Identification of significant environmental aspects;

- Risk Assessment of potential environmental impacts through HAZID/HIRA processes;
- Task plans to control work activities and minimise likelihood of loss of primary/secondary containment;
- Client, government and specialist approvals/agreements or reviews as part of project authorisations.

Future goals within Planet

Emissions and Energy Reduction

DOF's ability to manage GHG Emissions is a key component of the organisation's ESG profile. Providing a vessel fleet and services with reduced GHG emissions can become a value proposition for clients and investors or negatively impact upon competitiveness of the organisation against peers. The main concern is DOF's ability of to meet changing stakeholder expectations associated with Greenhouse Gas emission from ships, including Nitrogen Oxides (NOX), Sulphur Oxides (SOX) and Particulate Matter (PM) in harbour areas.

Active management and continual reduction of fleet-wide energy inputs and GHG emissions is a significant material concern. Technology and Digitalisation is seen as a key enabler of managing this material issue.



PLANET / RESULTS IN 2021

Energy Management

Energy Management is considered in DOF as the process of identifying and bring forward initiatives, actions and opportunities, monitoring, and measuring the quantifiable benefits to the DOF Group's strategy of reducing emissions and reducing energy consumption.

Extended life of assets is a vital part in a transition period where there is a huge uncertainty of which green energy carrier will be sufficiently available. Consequently, the most important work in a wider energy management perspective, is the daily maintenance our good crew perform.

DOF Group will continue and increase capabilities and technology available to measure and gain insights into energy consumption and emissions. New digital technologies and products will deliver new insights into how and where we use energy. These insights will enable us to identify areas for improvement in 2022:

The "Intelligent Efficiency" product has been under development since 2018. This is planned to be rolled out on three to four vessels in 2022, pending final project evidence of saving. Important bi-product delivery of "Intelligent Efficiency" is the installation of "digital fuel measurement and reporting" software solution which avoids the requirement for manual registration of fuel consumption by workers offshore. Furthermore, a vessel performance shore portal /dashboard will follow the roll out of the "Intelligent Efficiency" solution.

DOF will specify the company requirements for possible implementation of hydrogen fuel cells combined with batteries on selected vessels. We will also investigate use of ammonia as a new zero/low-emission alternative to traditional fuels.

It is also planned to install battery / energy storage system on 2 vessels in 2022.

Science-based Targets

DOF recognises the importance of aligning our emission reduction targets to Paris Agreement goals. This approach is known as "Science-Based".

A project will be initiated together with TERRAVERA Foundation to model a structure to DOF's approach to gather scope one, two and three emissions. This will provide DOF with a clearly defined pathway to reduce GHG emissions and align with Stakeholder expectations.

DOF will work close with students from the technical university, NTNU and the business university NHH. The students will be guided by various professor within the area in close cooperation with DOF and TERRAVERA. The objective of the project is to build a model that is suitable for scope 1, 2 and 3 emissions.

DOF has formed a strategic alliance with Kongsberg Maritime Group to align efforts in reaching science-based targets on executive level, for scope 1, 2 and 3 emissions. In this perspective, DOF scope 1 is scope 3 for Kongsberg Maritime Group, and vice versa.

Establishing Science-Based Targets shall provide a clear pathway towards Net-Zero. During first half year a proposal will be presented to Board of Directors to publicly announce DOF as a Net-Zero emission company by 2050.

Single-use Plastic

As a steward of the environment, DOF recognises that it is no longer acceptable to utilise single-use plastic products. This too is reflected as a Material Issue for the organisation. Unfortunately, to date, we still see unacceptable quantities of single-use plastics being procured, used offshore and subsequently disposed. This linear flow of materials seen within the industry is contributing towards what the UN Environmental Program describes as a 'Global Pollution Crisis'.

In 2022, DOF will be playing our part in addressing this industry-wide environmental challenge with a series of systematic measures to phase out employee generated single-use plastic from our day-to day offshore operations.

In addressing this material concern, DOF shall take inspiration from our hierarchy of control by first seeking to eliminate the need to procure single-use plastic products or finding reusable alternatives. Where use of single-use products is unavoidable, we shall then endeavour to substitute plastic with non-plastic alternatives. The last resort is then to recycle any plastics we do use to ensure material value is maintained.

In our 2022 campaign, DOF shall form a strategic alliance within and outside of the industry to help expedite and scale-up our efforts to phase-out single use plastics. This shall be supported by a robust Group Charter outlining management measures, in addition to quantifiable inventories to track progress. These measures shall be verified as part of ongoing audit criteria throughout the group.

Biodiversity and Marine Pollution

Biodiversity is the variety of life on Earth and the natural patterns it forms. For DOF, what we see in our oceans is the result of 4.5 billion years of evolution and increasingly human influence. Ecosystem services such as food, fresh water, air, and climate regulation are commodities people and businesses rely on but depend on biodiversity conservation. Anthropogenic changes to ecological systems, whether planned or unplanned, are damaging not only for natural capital but also adversely affect social and economic development.

In 2021, when DOF mapped out revised material topics, 'Ecological Impacts / Biodiversity' was identified as a



risk for 'Life Below Water'. The main areas of concern relate to DOF's ability to prevent the introduction of invasive species through multinational vessel operations and minimising the likelihood and severity of unplanned discharges of hazardous materials.

While national and international regulatory frameworks exist for these topics, DOF wants to go beyond compliance by establishing further improvement initiatives. This year's improvement measures are related to generating greater company awareness of the biological interactions of our activities and reinforcing existing operational controls through increased governance mechanisms.

To ensure greater awareness, DOF shall establish 'Life Below Water' educational materials for operational personnel. This will correlate known biodiversity challenges, such as biofouling, spill prevention and marine plastic production to DOF operations and what we are doing to address these interactions. Communication mechanisms shall include Safety Themes of the Month and formal training media.

Bolstering the governance and assurance, DOF shall deploy more stringent reviews on marine pollution and biofouling controls. This will involve scrutinising key documents such as Biofouling and Garbage Management Plans with increased frequency and rigour through inspections and audits. DOF has also expanded the criteria for our most comprehensive investigations, ensuring that biodiversity or marine pollution incidents are thoroughly examined, lessons are extracted, and we can prevent future re-occurrence.

DOF believes the cornerstones of Awareness and Governance are critical to improving our already industry-leading practices for Life Below Water.

Circular Economy

The concept of Circular Economy is relatively new to the Industry and DOF, but it is a game-changer. As DOF

creates a more sustainable Value Chain, we need to adopt a 'Circular Economy' mindset in which we keep resources in use for as long as possible to extract the maximum value from them whilst in use. The principle of recovering and regenerating materials is then utilised to ensure we can extract the most value from whatever resources we have when it reaches the end of life. In doing so, DOF reduces the need for raw materials mitigating its company carbon intensity and footprint.

DOF understands that it needs to decouple its economic activity from material and energy consumption by employing circularity principles throughout its Value Chain and existing processes.

A 3-year Circular Economy program shall be established by DOF that takes inspiration from best practices and frameworks such as the MacArthur Foundation. The 3-year Program shall map circular opportunities throughout the value chain, establish a policy strategy, develop a circular transformation route and areas of collaboration and outline a mechanism to review progress.

Ship Life Cycle Management

Understanding and optimising the data behind DOF's assets over its Life-cycle is the most effective and meaningful way of achieving circularity. This entails creating an inventory analysis of material inputs and outputs over the lifespan of our most significant product, vessels.

The process and outcome of understanding material flow for a vessel will present unique opportunities to DOF across the vessel phases of new-build, expected operational life and extended life of the asset. Grasping these opportunities is essential to DOF in building resilience against an evolving industry landscape of decarbonisation, growing global fleets, regulatory changes and global sustainability transition. The illustration below visualises some the Value Propositions associated with an increased understanding of DOF Vessel Life Cycles.

Intelligent Efficiency - Industrialise

The "Intelligent Efficiency - Industrialise" product is expected to enable reduction in fuel consumption reduction of 5 - 10%, depending on vessels operational profile, by providing insights and real time guidance to vessel crew in how they can possibly improve operation of the vessel and deliver optimum fuel efficiency.



PLANET / FUTURE GOALS

Remote Operations

Remote Operations can be considered as the ability of workers to perform their duties without being physically present on board a vessel, reducing our environmental footprint.

The range of benefits must be considered holistically, and not limited to a traditional assumption that remote operations will automatically reduce personnel costs. Personnel remuneration and worker contractual considerations are out-with the scope of technical solution delivery.

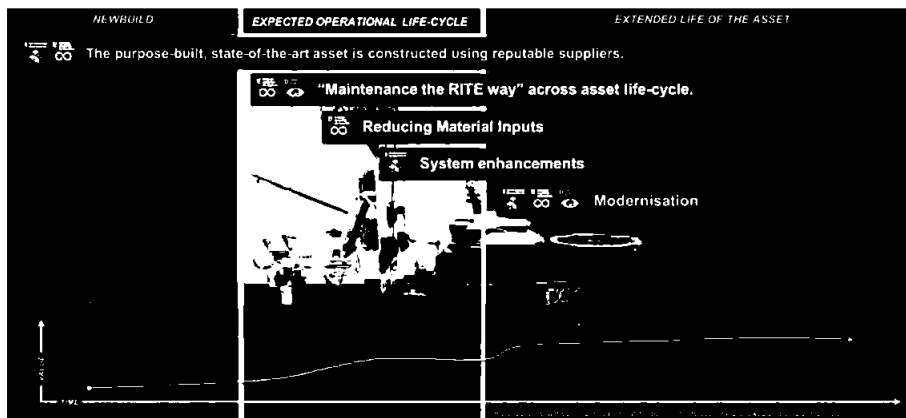
The benefits which can be realised from remote operations are operational in nature and primarily related to flexibility and optimisation of resource allocation. Examples include:

- One subject matter expert located onshore can provide live technical support and data services to multiple vessels.
- A vessel can switch from general FSV duties to ad-hoc subsea inspection mode, without the requirement to mobilise a team of inspectors.
- Reduction in travel and quarantine costs with associated health and safety benefits.
- Remove the requirement for specialist staff to be offshore for a longer period than necessary, e.g., a small inspection scope should not generate a long trip for a large team due to limited port calls.

DOF Subsea started using the “Survey in The Cloud” solution in mid-2020. This platform will be augmented to give real time access to onboard subsea project systems such as survey, inspection, voice communications and live video. The following activities will be done in 2022:

The “Survey in The Cloud – Remote Operations” is the evolution of “Survey In The Cloud” and will be implemented on four vessels in 2022. This will be done after successful pilot on a vessel and creation of appropriate governing support documents.

Progress testing of Remote Digital Class and DP services which will allow certain surveys required by Class to be done from shore with support from the crew.





Prosperity

Our company value that is directly connected to prosperity:
EXCELLENCE

Within Prosperity, we apply our values Safe the RITE way® to define significance, guide our approach, assess our results, and set the ambitions into our future.

“Excellence in everything we do. We are resourceful and responsive to our customers’ needs; innovative in the solutions we apply to everyday problems. We safeguard our individuality and the qualities that set us apart from our competitors, protecting our reputation and the professional trust we have built, we do not walk away from our commitments.”

Subsea and Marine services are the core value generating work of our business. Building strong relationships and ensuring we have reliable assets, capability and technology to support our customers in the evolving subsea and offshore energy sector, is key to our future and therefore benefits all stakeholders. The ‘Shaping DOF for the future’ strategy focuses on reshaping the organisation to reflect the market outlook. Clearly, operational and technological excellence are strategically important to the organisation’s future value creation and closely aligned to the delivery of material issues Product Reliability and Customer Service.

Excellence is essential in our corporate governance and management activities and in the provision of a reliable, efficient assets base; professional workforce and high standard internal controls. The Group’s improvement program is important in continuing to successfully differentiate DOF from its competitors. DOF is committed to continuously improve the organisational performance in all aspects of its operations, including management of processes, knowledge, resources, and change.

Offering a "one stop shop" for offshore wind

The interaction and synergies between DOF’s different product offering need to continue. The focus on DOF as a "one stop shop" within offshore wind, offering a total life of field business, needs to be strengthened. Digitalisation & technology development will be a central force to utilise our unique fleet of vessels, technologies, and competence, where equipment will be utilised and adjusted within different segments like SURF and offshore wind. Survey is a key competence with strong interactions towards wind and mooring.



PROSPERITY / ACTIVITIES IN 2021

2021 activities within Prosperity

Continuous Improvement

DOF monitors operations so areas for immediate or future improvement programmes can be identified to provide our employees with the best possible tools and services to perform their roles.

Alliances and partnerships are alternative options that can provide DOF and its clients with specialised services or products currently unavailable.

Product reliability

For DOF, product reliability is providing the best service to our customers with no delays. DOF is committed to delivering quality products and services by working with our customers to understand the needs of their business and consistently meet their requirements.

Product reliability is achieved through the Integrated Management System (IMS) and Business Management System (BMS). DOF is now undertaking larger and more complex projects and contracts, as well as investing in newer and more advanced vessels.

Customer satisfaction

Customer satisfaction is measured through feedback surveys and managing long-term contracts and winning repeat business. It is best characterised by delivering services of the best quality, at the best cost, at the right time and to the required location.

Maintenance Management System

The Maintenance Management System is implemented on all DOF vessels and for subsea assets, as well as third party vessels on long term charter.

2021 results within Prosperity

Our industry is experiencing substantial change, disrupting the way it has traditionally worked. New expectations and requirements appear rapidly, and affect all areas of business, from external environment to operational performance and business ethics.

DOF must keep pace with these changes, work within our values and business strategies, and involve all interested parties. A Digital Transition Strategy was commissioned by the Chief Operating Officer, to outline the main roles and responsibilities that the executive team will need to embrace.

The merger of DOF Management and Norskan, as DOF Marine, has now settled and the new organisation is continuously reviewing its key business systems and processes to be in alignment with current best practice models.

The Subsea organisation has initiated several projects with the aim to improve our product deliveries significantly, with focus in three main areas: ROV operations, diving operations, and survey.

99%
Vessel uptime

Available operative time for vessel in 2021.

99.3%
ROV uptime

Available operative time for ROVs in 2021.

Continuous Improvement

DOF has built its management systems on the Plan-Do-Check-Act principle.

"Maintenance the RITE way"

The programme aims to build a world-class maintenance culture in the DOF Group.



PROSPERITY / ACTIVITIES IN 2021

The ultimate proof of excellence is in our reliability figures. The vessel uptime figure for 2021 was 99%. The equivalent figure for ROV uptime was 99.3%.

Even though the pandemic has brought many practical challenges, there have been docking activities in 2021 as normal. There have been no major issues with dockings, and a key success factor has been the work that was done in 2019 to improve the processes related to docking activities.

During 2021, it has not been possible to continue with the "flying squad" due to travel restrictions. The concept has proven to be a success and will recommence when practicalities allows it. This team travels around the global fleet, assisting the vessel crew with performing periodical maintenance on-board instead of taking the vessel to shore. This leads to more availability for our clients.

Maintenance Management

A successful pilot program with Karsten Moholt and the skAIwatch system was performed in 2020. Throughout 2021 this system was implemented on the entire fleet. The system collects data on machinery onboard the vessel, and presents it in one common place, to quickly identify equipment that needs maintenance attention.

A focus area for Maintenance Management in 2021 has been quality control and planning, resulting in improved maintenance performance and cost efficiency. Maintenance the RITE way as a program will continue.

Product reliability results, Subsea ROV Operations 2021

Executive management visited Brazil in late 2019, for consultation and review of DOF Brasil ROV performance. The result of the review has been worked on throughout the last two years, and improvement activities have been identified for 2022 and part of the Group Improvement Program. A Senior VP for Remote Systems has been appointed and is now part of the Digitalisation and Technology function in DOF, in close of the team will work in close collaboration with Chief Operating Officer to improve all aspects with ROV operations.

Product reliability results, Vessel Operations 2021

The new Marine Operations manual was launched in 2018. During 2021, the manual has been subject for smaller adjustments. There have also been various activities to secure full implementation of the manual.

The structure for follow up of activities related to DP incidents has been strengthened, with appointment of a global DP authority, as well as a deputy in Brazil. Two DP incident reported and four event in 2021. One incident led to drive off from position but no damages. The other lead to light contact to a fix installation. No personal injuries, no damage on the installation, some damage on the vessel that was repaired within a week. This incident still under investigation.

Operational uptime DOF1

See Figure 4, page 159.

Customer satisfaction DOF 2

DOF uses different means to monitor our customers' perception of whether their needs and expectation have been fulfilled. Systems are in place for obtaining, monitoring and reviewing this information.

The results are analysed and used as the basis for our yearly improvement plans as required. Our commitment is to deliver quality products and services, safely and DOF works with its customers to understand their needs and meet their requirements.

DOF's customer satisfaction forms are the main source for monitoring our customers' feedback and cover all phases of our operations.

There were no formal customer complaints registered during 2021. However, some responses in customer feedback have triggered internal non-conformity processes.

From 2020 to 2021 there were no major changes in the average ratings in the customer feedback.

We have continued to receive feedback from several clients expressing recognition of DOF's ability to maintain high standards of quality in deliveries despite the challenges with COVID-19. Even more importantly, clients have commended DOF's plans and measures implemented throughout mobilisation and on vessels to prevent infection and keep everyone safe.

Proportion of senior management hired from the local community 202-2

In DOF, the significant areas of operations are considered to be the four regions: Asia Pacific, Atlantic, South America and North America. Each region has a Senior Management Team that includes managers of the business units within the region and is led by regional EVP. In 2021, the proportion of senior management hired from the local community was as follows, where "local" is defined as the country of the business unit where the manager is employed:

- Asia Pacific: 87.5%
- Atlantic: 100 %
- North America: 100%
- South America: 100%

Operations with significant actual and potential negative impacts on local communities 413-2

DOF does not have indication that any of its operations has significant actual and potential negative impacts on local communities.



PROSPERITY / EXCELLENCE / RESULTS

Results (continued): EXCELLENCE

DOF 1 - Operational uptime - Figure 4

QUALITY INPUT/OUTPUTS	GLOBAL TARGETS 2021 METRICS	2021	2020	2019
Available operative time for VESSEL - Time in % when vessels are in an operating mode and under contract with a client = < 2 % Down time for client due to vessel availability.	> 98.0 %	99.0 %	99.7 %	99.4 %
Available operative time for ROV - Time in % when ROV are in an operating mode and under contract with a client = < 2 % Down time for client due to ROV availability.	> 98.0 %	99.3 %	99.0 %	98.9 %

DOF 2 - Customer Satisfaction - Figure 5

Average ratings DOF Subsea customer feedback (received during 2021) - ratings range from 1-5, where 5 is the highest rating.

	#1 - Mobilisation	#2 - Engineering (Project & Design)	#3 - Client's Objectives (Understood & Achieved)	#4 - Client Relationship	#5 - Schedule Management	#6 - HSE Management	#7 - Site Operations	#8 - Overall Project Management (including communications)	#9 - Overall Performance	#10 - De-Mobilisation	Overall Survey Rating
2021											
2020											

Average ratings DOF Management customer feedback (for 2021) - ratings range from 1-5, where 5 is the highest rating.

	HSE Management	Co-operation	Flexibility	Dialogue	Delivery of service	Cost	Results	Added value	Overall Survey Rating
2021									
2020									



PROSPERITY / FOCUS FOR 2022

2022 focus within Prosperity

Respecting development and support of the communities where we operate

A principle of our business model is to train and maintain a dedicated core crew on all our vessels. This creates value by retaining operational and vessel knowledge between charter or project crew changes and leads to a higher level of safety, efficiency and quality of services, benefiting the Group, our clients and our workforce. The program creates value for individuals, their families as well as local governments and society by creating jobs, assisting in enterprise development and technology transfer to local communities.

DOF's global maritime cadetship program combines the principles of a fair return for our local communities with building a skilled and sustainable workforce. This program gives cadets a structured path to gain qualifications and a long-term livelihood.

Involvement in the Norwegian Training Centre - Manila (NTC) cadet program has been part of DOF's strategy to provide highly qualified officers to our fleet. The courses extend across the complete area of vessel operations. The aim is to train seafarers to the highest standard of safety and quality and promote excellence in maritime operations worldwide.

DOF joined other Norwegian ship-owners who founded AEPM in Brazil to provide opportunities for young adults to start maritime careers via ordinary seamen courses.

Community support is focused on promoting education, culture and sports through a number of specialist organisation's structured programs, primarily in Brazil and Philippines, to give underprivileged children a chance for a better future.

For example, DOF provides Sponsorship to the Renascer foster institute (Brazil), an organisation which cares for children of one to five years old, presenting them new life perspectives through sports, art and music, providing them with a home, food and shelter.

We remain very close the community of Comatin (Philippines) since DOF and partner OSM rebuilt the Elementary School after a typhoon in 2013.

Tax

The DOF Group aims to achieve excellence in all its operations in every jurisdiction in which it operates. By providing a Tax Strategy, the DOF Group aims to ensure that all tax obligations are complied with in a timely, efficient and cost-effective manner, in all project locations.

The DOF Group is mindful of its responsibility and committed to paying the amounts of tax legally due in any country in which it operates, in compliance with applicable laws and conventions and in accordance with DOF's Code of Business Conduct.

The DOF Group Tax Strategy, available on the DOF website, provides further details concerning DOF's approach to tax.

Strengthened the pursuit of new lines of business

The changing and evolving of DOF line of business will have to continue through 2022 and build upon the various strategy business plans in close interaction with the DOF's DigiTech environment established in 2021.

The main focus in 2022 will be to follow the business strategy plan developed and continue investment in people and technology. DOF aim to be a wind - floating, one stop shop, supporting the total life of field: from pre-construction, construction, operations and maintenance and finally to decommissioning. This calls for strong cooperation and alignment with (among others) our global survey environment. Several new positions have been identified to strengthen the Business Development, as well as technical lead to be hired during the year. During the year a review will be done to investigate possibilities to document DOF's offshore wind capabilities by a certificate issued by DNV.

The Company will continue building track records within SURF and execute the market plans will be main focus for 2022. We will continue to build competence and capacity within the area by hiring new employees.

Within mooring and decommissioning we will continue building competence, and capacity globally will be achieved by recruiting new competence. This will also include building competence in Brazil to be prepared for new opportunities when the market would like to see turnkey suppliers. The development of Honey mooring will continue into 2022 both as R&D as well as partnering with stakeholders both within oil and gas and offshore wind.

During 2022, the Group will evaluate establishing a centre of excellence for Survey. The Centre of Excellence focus will be on the commercial and technical development of the survey market and continued implementation of One DOF for Inspection and Positioning. It will also explore further the market for Geophysical Survey and Geotechnical Survey services.

Future goals within Prosperity

The DOF has a zero mind-set towards customer complaints and downtime of our operations. Operating in a challenging market with pressure to deliver the same services for less money, DOF appreciates the importance of maintaining the quality of services. In a complex and demanding world, excellence is not simply having the best product or service.

DOF will work towards delivering ever-improving value to its customers, and other stakeholders involved in contributing to our overall organisational sustainability. The continuous improvement to the overall organisational effectiveness and capabilities will position DOF as a partner of choice to both regional clients and major international clients.

DOF will continue to evaluate and engage with strategic partners to strengthen existing capabilities and to develop new capabilities that will allow DOF to expand its range of services and align with the needs of international clients.



PROSPERITY / FUTURE GOALS

Modern Information Technology

New possibilities are made available by introducing modern IT tools both to the onshore and offshore organisations, and in combination with each other. Implementation of these new products, supported by new company Standards, can ensure resilience against the growing wave of cyber threats, increase efficiency, and change how we can leverage new vessel connectivity. A modern IT platform is crucial for further implementing new digital tools and ways of working, as a part of the Maritime 4.0 initiatives.

Business continuity is key for sustainability of the company and the work force. Increased and proportionate focus on cyber security will directly contribute to business continuity and avoid operational disruption, financial risks, and reduce threats to business continuity and sustainability.

Leveraging modern systems offshore, with sight on remote operations and reducing the 'distance' between vessel and shore will increase quality and availability of communications to vessels. New connectivity to our vessels will result in tighter project integration with vessel sites, new availability of vessel and project data onshore, and increased usage of secure cloud systems to support operations and enable new possibilities. Stability and increased availability of vessel connectivity will be key targets.

Modern IT solution will enable new possibilities such as the Maritime 4.0 Platform for Performance Management.

Investment will be made on new standardised IT systems for installation on vessels. These will be tightly coupled with evaluation and installation of modern connectivity solutions. The following activities will be done in 2022:

The existing "Cyber Security Standard" will be reinforced, and IT equipment will be implemented on board vessels to reduce risk and gain increased awareness of risk.

The new "Vessel IT-C Platform" product will be created and implemented to modernise vessel IT systems and deliver the new ship-to-shore connectivity required by DOF Group. A total of 40 vessels are targeted for implementation in 2022 (pending on operational planning and vendors delivery capabilities).

Performance Management

Performance Management can be defined as the continuous process of maximising the benefits delivered to the business of the resources the company has at its disposal. In the context of digitalisation, this means the technical solutions we use today and wish to use tomorrow, for example, software and hardware, both from IT-systems and OT-systems. This is defined as Industry 4.0, or the fourth industrial revolution. In maritime terms, this are often referred to as Maritime 4.0.

If we manage performance of our equipment and resources, we can maximise the return on investment in these items. Benefits include reduced fuel consumption and operational expenditure, new insights into the data we generate, reducing unplanned maintenance, and reduction of scheduled maintenance which may be unnecessary.

The "SkAIwatch" product gives insights to optimise critical equipment maintenance planning and decision making. This can remove the requirement for unnecessary scheduled maintenance.

Migration from perceived 'good performance' to measurable performance is key to performance management. We must gather data and extract value from this data. Analysis of data via software is an invaluable tool for performance management. Today's technology is moving into capabilities where e.g. Digital Twins, Machine Learning and Artificial Intelligence are becoming available to a moderate cost, enabling large improvement and insight to the company's operations.

We must continuously review the tools we use and maximise the functionality available in these tools in order to identify improvements possible in our performance in both short and long term. The following activities will be done in 2022:

Utilisation of the CRM solution we use will be reviewed and new ways of extracting value from the CRM database will be implemented via increased data input and automated reporting. The CRM solution will be placed into "life-cycle management" mode with focus on continuous improvement.

To deliver insights into vessel operational data, investigation will be done into new cloud-based solutions available from vendors. This is commonly known as 'Maritime 4.0 Platform'. These solutions are designed to provide maximum availability of our data and a range of analysis and reporting software is available to help us gain insights into vessel performance. DOF will investigate the vendor landscape and combine that with the strategy and future needs for DOF in order to choose future platform for these initiatives.

The existing "SkAIwatch" product was installed on the global fleet in 2021. In 2022 it will be enhanced to include aspects of machine learning to improve trend analysis in insights. This will be delivered via a new version of this important software solution.

Subsea Robotics

Subsea Robotics encompasses subsea vehicles with robotic features, such as the classic work class ROV, AUV, and newer types of subsea vehicles designed for data acquisition and intervention.

Subsea robotic vehicles have been used to perform task which divers and people cannot perform. Increasingly, with improvements in battery and subsea communications technologies, the capabilities are growing. New possibilities are appearing in relation to remote control, digital imaging, optical imaging, and other techniques. DOF need to have these capabilities to remain competitive and relevant.

In 2022, DOF will start preparation work for onshore possibility of remote operation of ROV / LARS, including proof of concept for DOF future ROV operations.



Principles

Our company value that is directly connected to principles:
INTEGRITY

Within Principles, we apply our values Safe the RITE way[®] to define significance, guide our approach, assess our results, and set the ambitions into our future.

“We are honest, fair and equitable in all our dealings. We are dedicated to good corporate governance. We strive to do the right thing not because someone is checking, or looking, but purely because it is the right thing to do.”

Stakeholders rightly expect good governance, integrity and ethical practices to be evidenced at all levels of DOF’s organisation and operations. Upholding standards aligns with UN’s Global Compact and Sustainable Development Goals, ensures decent work, generates wealth for employees, local communities, and along our supply chain as well as wider society by generating taxes.

Upholding our position within the top 5 for environmental and social sustainability in our industry is a strategic objective in the next 3-year strategic period and a driver for value creation. Through Integrity we aim to:

- Maintain DOF’s reputation as a responsible and competent partner, demonstrating the highest level of integrity in all our activities. Promote fair and honest relationships with all stakeholders through consultation and engagement.
- Continue to deliver value to all stakeholders and wider society by providing clients with subsea and marine solutions that meet client expectations and contractual obligations. Here, ‘repeat business’ is strong indicator of client confidence and helps us win future contracts.

Our global community is witnessing the invasion of Ukraine, and we see the repercussions of fractured tensions in international cooperation. 2022 will undoubtedly be a year that requires strong global governance and effective risk management efforts. Crises prompt unexpected and unpredictable paths, as exposed by COVID-19. DOF will continue enforcing our Values as guiding principles of good corporate governance and behaviour. Having recognised reference points, like our company Values and Code of Business Conduct is essential to navigating DOF through the volatile, uncertain, complex, and ambiguous challenges we will see unfold in the coming year.



PRINCIPLES / ACTIVITIES IN 2021

2021 activities within Principles

Everyone shares the commitment to practise the highest standards of ethical business conduct and integrity in all decisions, and actions. Values-based training is mandatory, including our Code of Business Conduct e-learning module, compliance activities and the correct use of our management systems and tools.

To ensure external providers align with our values and policies, the Group has invested in a more efficient, digital platform to conduct vendor evaluation which is also designed to ensure principles are upheld along our supply chain. The vendor evaluation is mandatory for all suppliers and will produce a master supplier database in Unit 4 ERP.

Compliance to Law, Industry Standards, and local regulations

Operating globally DOF works to comply with regulations at both national and local levels.

Guided and inspired by international laws, DOF is in front to uphold the highest standards within integrity:

- US Dodd Frack Act
- California Supply Chain Transparency Act
- UK Modern Slavery Act
- France Duty of Vigilance Law
- Australian Modern Slavery Bill
- Netherland Child Labour Due Diligence Law
- Germany Supply Chain Due Diligence Law
- EU Conflict Mineral Regulation
- Norway Transparency Law –“Åpenhetsloven”
- DOF personnel and subcontractor compliance

All DOF personnel and subcontractors are required to comply with applicable legislation, regulations and standards as well as client's requirements. The legislation, standards, codes of practice and guidelines register provides a list of applicable requirements.

Each region has developed registers of applicable legislation, standards, codes of practice and guidelines. When DOF operates in areas where legal requirements are weak, all operations are to follow our policies and operational standards.

DOF's Management System is based upon ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. The system is accredited by DNV.

All legislative requirements are listed in the regional Legislation and Other Requirements Compliance Register according to pre-identified areas for the compliance analysis.

The company subscribes to regular updates from legal databases, and register is being updated accordingly. Compliance with the requirements is verified during internal reviews, inspections, third party reviews, internal and external audits.

Anti-Bribery & Corruption

In 2021, DOF continued the practice of evaluating vendors to assess their suitability to meet DOF's requirements for a competent and reliable vendor. A key and mandatory element of the assessment process is the requirement for the vendor to declare their commitment to abide by DOF's Anti-Bribery and Corruption guidelines. Failure to comply will automatically exclude the vendor.

0
Fines

There have been no significant fines or non-monetary sanctions due to non-compliance.

0
Corruption cases

There have been no corruption cases in 2021.

Compliance Awareness

A compliance awareness programme has been developed and available to the entire organisation.

UN Global Compact

DOF's supplier evaluation program is based on the ten principles in the UN Global Compact, covering the areas: Human Rights, Labour Conditions, External Environment, Anti-Corruption.

Ethics Helpline

DOF has a 24/7 Ethics Helpline, available for people inside and outside the organisation. Reports can be made anonymously, and the service is managed by a third-party provider.

Transparency - Traceability - Trust

DOF's anti-corruption and anti-bribery measures are regularly evaluated in order to ensure that sufficient measures are in place and oversight responsibility sits with the BoD.

Risk and opportunity management

Risk and opportunity management is imperative to all DOF business activities. The Risk Management Manual helps DOF to identify threats and opportunities associated with the DOF business and operational activities and establish efficient means of barriers and controls in all phases of the business life cycle. The Risk Management principles and techniques align with the following:

- ISO 31000: Risk management -- Principles and guidelines;
- ISO 31010: Risk management -- Risk assessment techniques;
- ISO 17776: Guidelines on tools and techniques for hazard identification and risk assessment;
- DNV RP-H101: DNV Recommended Practice – RISK management in marine operations.

Modern Slavery Act and Human Rights

The Vendor Evaluation and Recertification process incorporate requirements to ensure that all existing and future vendors to DOF agree to abide by the principles of the Act, and that they do not promote or carry out any unlawful human rights practices, as covered in the Modern Slavery Act 2015, and also ensure that all vendors do not engage in any type of human trafficking, child or forced labour practices, etc., whilst doing business with DOF. Suppliers will be required to provide DOF with a Transparency Statement stating their position with regards to the Act and associated Human Trafficking and related exploitation practices, or a declaration that they will abide by DOF's Code of Business Conduct. Failure to comply with this requirement will automatically exclude the vendor.

The new Norwegian Transparency Act will come into force during 2022. DOF's operations has been guided by its principles for years and it will be useful in motivation of our supply chain to intensive their efforts within this area.

Training

DOF has incorporated specific training such as Anti-Bribery & Corruption into its training programme. Also, where necessary, DOF is committed to training all stakeholders within its supply chain to understand the practical and legal aspects of DOF's Code of Business Conduct requirements, and the possible implications and the consequences to DOF and themselves of failing to comply with DOF's requirement's and legislative obligations.

Through DOF IMCA membership we have access to training material that is tailored for our industry to fight corruption. The material is developed by Transparency International, the global coalition against corruption, and active used by our supply chain and legal function.

Supply Chain Management

The DOF CEO, supported by an executive management team is responsible for identifying, engaging and where necessary

retaining all necessary financial, technological and organisational resources required to support the DOF Supply Chain Management (SCM) global operations.

DOF's overall SCM system is comprised of three core disciplines and two support disciplines, interacting with each other as shown in Figure 14 on page 170. All activities undertaken within the various supply chain functions meet the following criteria:

- The best interest of DOF and its partners - Add value to the supply chain system for the benefit of the Company and its partners.
- Fairness, Integrity and Transparency - To achieve the best value for money, whilst protecting the Company from unwanted and / or illegal practices such as: fraud, corruption, collusion and other unethical practices.
- Best value for money - Trade-off between price and performance that provides the greatest overall benefit under the specified selection criteria.
- Effective competition - Ensure where possible, that there is a sufficient number of independent prospective vendors, allow competition to supply between the vendors, non-discriminatory selection criteria.

Procurement is central to DOF's overall Supply Chain Management system. It ensures that all procurement activities conducted by DOF are performed in a standardised and controlled manner, consistent with DOF's policies and in accordance with contractual obligations and client requirements and expectations.

The procurement of goods and services is undertaken in a manner that reduces the level of risk and cost for DOF and our clients whilst maintain the highest level of quality, reliability and integrity possible. The process operates in conjunction with the Contract Management and Logistics management processes to achieve a seamless transition of information and knowledge that supports all DOF entities and projects.

In 2021 DOF's global supply chain, consisted of almost 3,250 suppliers and a significant amount of its procurement spending was comprised by bunkering, lay spread equipment, crew agency services, specialised equipment hire, employee travel, vessel hire among other services.

In 2021 the regional split for suppliers was as follows: Asia-Pacific 18%, Atlantic 48%, North America 12%, and South America 22%.

Risk and Opportunity Management

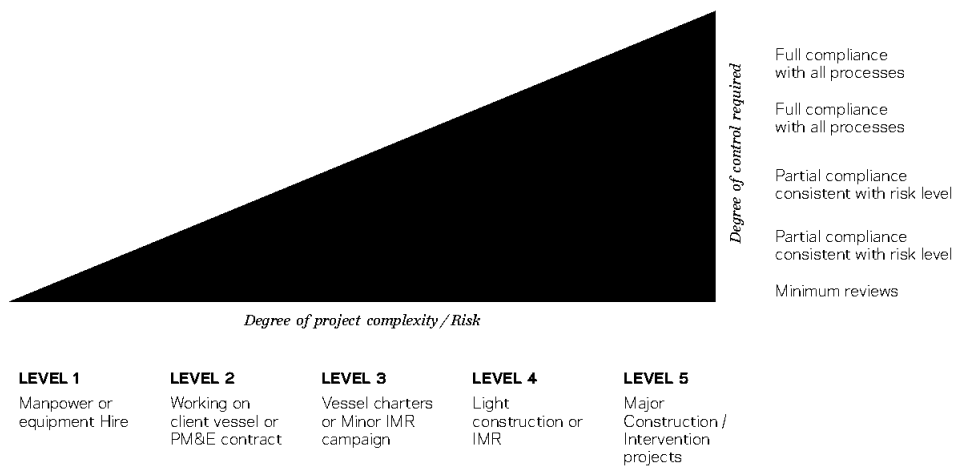
DOF has an active approach to future risk and opportunity management and strives to clarify its long-term potential, including strategy, value drivers and risk factors, to its main stakeholders.

To produce lasting value for its stakeholders, and a long-term competitive return on the investment of its shareholders, the Board of Directors and the Management regularly evaluate long-term risk and opportunity and potential impact on strategic decisions taken today.

PRINCIPLES / ACTIVITIES IN 2021

Degree of complexity / risk compared to degree of control required - Figure 6

Overall risk management process in DOF is the balance between complexity of risk and complexity in a project, and degree of controls. The figure above gives a visual view on how project levels are combined with what part of the business management system that need to apply.



DOF's policy is to continue to invest in the local communities in which it operates. This includes investing in training, building the technical competencies of our employees and focusing on a local workforce.

DOF's operations are based on asset investments with a long-life span, of up to 30 years. DOF's policy is to have a modern, multi-purpose fleet, renewing and converting over time to implement new technology and maintain an attractive, energy efficient fleet to serve our customers and potential new markets.

To be a long-term marine and subsea supplier for offshore industries DOF maintains a cohort of asset, marine and subsea engineering competency, inhouse. There is potential for DOF to continue to build on these core capabilities to access opportunities in offshore renewable energy projects.

Balancing risk and opportunity is a key concept for DOF. Operations range from low risk areas, such as long-term vessel charter, balanced with more complex operations for subsea project delivery. DOF further diversifies its risk exposure in today's global offshore energy market by having established a global footprint, a presence in promising markets and excellent customer relations. DOF is committed to maintaining a focus on diversifying its risk exposure and adapting to changing landscape of risk and opportunities.

Within DOF Subsea, the distribution of risk between Subsea and IMR projects and long-term charter has been quite stable over the last three years (ref. Figure 1 on page 165). Subsea and IMR projects are normally regarded to have a higher risk profile compared to long-term chartering of vessels. The distribution of project levels is outlined in Figure 1.

By using local suppliers and infrastructure, we support many companies and organisations that are outside the DOF core business, although vital to deliver successful operations to our clients. It is difficult to quantify the exact monetary value of this contribution; however, a conservative estimate is that one DOF employee creates one job position outside of the organisation. This estimate is based on various studies performed by the energy industry trade organisations.

The Board of Directors, in its assessment of the scope and volumes of dividend, emphasises security, predictability and stability, dividend capacity of the Company, the requirement for healthy and optimal equity as well as adequate financial resources to create a basis for future growth and investment, and considering the wish to minimise capital costs.

2021 results within Principles

During 2020, major activities have been initiated to strengthen the integrity of the Group.

Tax strategy: At the beginning of 2021, the DOF tax strategy was reaffirmed and approved by the Board of Directors. The tax strategy is available on www.dof.com.

Supplier evaluation: Continued implementation of the vendor evaluation database. Close to 600 suppliers were evaluated during 2021; resulting in a total of 1,100 since DOF started using the database.

Privacy and General Data Protection Regulation (GDPR): One privacy breach with limited impact was recorded in 2020. The incident was not subject to GDPR, and was reported to local authorities in the area.

DOF Tax Strategy

DOF aims to achieve excellence in all its operations across every jurisdiction in which it operates. By providing a Tax Strategy, DOF ensures that all tax obligations are complied with, in a timely, efficient and cost-effective manner, in all project locations.

DOF is mindful of its responsibility and is committed to paying the amounts of tax legally due in any country in which it operates, in compliance with applicable laws and conventions and in accordance with the Code of Business Conduct.

The strategy aims to demonstrate good corporate practice in the area of tax management and tax transparency, balancing the interests of the various stakeholders, including customers, shareholders, employees and society at large.

Governing Documents

Besides the Code of Business Conduct (COBC) further improvements were made to communicate DOF's ethical guidelines and business conduct with the release of an updated electronic training module made available to and mandatory for all employees. The COBC sets clear expectations on all employees, and provides examples of dilemmas that our people may encounter. The training is also publicly available at www.dof.com.

Additionally, executive and middle management receive regular training regarding anti-bribery and anti-corruption measures.

During 2021, the reporting mechanism for compliance incidents has been actively used on both local and Group level, and compliance incidents were handled and concluded in accordance with the requirements in the policy framework.

Legal compliance 205-3 / 206-1

In 2021, there were no confirmed incidents of corruption, and there was not any legal action pending or completed regarding anti-competitive behaviour, anti-trust or monopoly practices against DOF.

Operations assessed for risks related to corruption 205-1

In regions with a high risk for Bribery and Corruption, DOF has used the know-how of DOF Subsea UK, subjected to the ruling of the Bribery Act 2010, to frame the approach to Bribery and ethics.

Bribery Risk Assessments for the Group's operations (business units) are performed and recorded on a regular basis, given the risk potential.

However, risks identified out with the formal Risk Assessment on an ad hoc basis will be added and analysed as appropriate by Regional HSEQ Managers in all the locations where DOF operates.

In addition, assessment related to Business Integrity and Ethics is mandatory in all projects identified as level 3 and above. In 2021, out of 104 projects, 74% were within levels 3-5, and consequently assessed for risks related to corruption. There were no significant risks identified that had not already been treated by existing DOF standards and policies. Control and mitigation required is based upon project risk and complexity (Figure 1 on page 147).

Risk and Opportunities associated with business integrity, anti-bribery and corruption, were evaluated as part of the materiality workshop performed in 2021. Outcomes from the workshop showed that whilst these topics were a material concern to some of our stakeholders, they were not assessed as 'significant material topics' due to robust control measures being in place. Nevertheless, DOF considers the ongoing prevention of bribery and business ethics risks to be of the utmost importance across our value chain.

It should be noted that this level of control against business ethics and bribery risk is applicable to DOF level. At business unit and worksite levels of the organisation, it is necessary for measures to be implemented to manage compliance against local risks and requirements.

In the UK, DOF follows the ruling of the Anti-bribery act of 2010, and in other regions where DOF operates, a detailed process is followed according to guidelines for Business Acquisition in DOF, including Legal Contractual Risk Assessment, Commercial Risk Assessment, Technical Risk Assessment and Insurance Review.

Risks identified related to corruption may vary according to the activity the Company is engaged in. For example, during the tender selection key risks encompass facilitation payments, excessive hospitality and excessive promotional expenditure, to provide a client with excessively luxurious accommodation or transportation and offer of favourable prices in return for a personal gain.

Donations and sponsorships are organised in a transparent way and are regularly checked and audited by external bodies such as PwC and equals.



A typical donation can be to an athletic organisation where DOF donates a fixed sum for sponsoring a sport arrangement. DOF has its name on posters or clothes and in return the company will receive an invoice from the athletic club. The invoice will refer to an agreement. Other sponsorships can be of named athletics with a half yearly payment. This is regulated in a joint agreement signed by both parties.

With respect to donations to support bereaved with education in case of the death of a DOF employee, a separate donation committee is organised by external lawyers. As a gesture, DOF will donate a given sum of money and this will be followed up by collection given by DOF employees.

In Brazil, DOF donates money to established and reputable organisations that run schools and educational programs. These donations are based upon written agreements and payments are based upon invoices referring to the agreements. The agreements are part of the annual audit scope performed by external auditors.

In general, all payments in DOF are regulated in the authorisation matrix. The "four sets of eyes" principle is built into this. The entire payment process is under strict control and in case of donations and sponsorship these rules will apply.

Projects on level 3 and above (ref. Figure 6 on page 165) are assessed regarding risk of bribery and corruption. However, regional Executive Vice Presidents may deviate from this requirement by a Management of Change process. Due to this possibility for deviation, it is currently not possible to obtain an exact number of projects where bribery and corruption risk assessment has been done. Going forward, DOF intends to update routines and processes to capture this information.

Communication and training on anti-corruption policies and procedures 205-2

DOF's Business Integrity and Ethics policy is approved by the Board of Directors. This policy is available on the public website, intranet, and posted at all work sites globally. In addition, the policy is communicated to both suppliers and clients through the business processes.

The policies are reviewed regularly in management review at regional and corporate level. Any changes proposed are given final approval by the Board of Directors.

Introduction training is provided to all employees in DOF, regardless of their role and position. Four e-learning modules are mandatory, including a module regarding Business Ethics and Code of Conduct, which covers many issues regarding anti-bribery and anti-corruption policies. In addition to completing the module at the start of employment, it must be completed again every two years. In 2021, approximately 1,500 employees completed the module.

One of the aims is to provide to the executive and middle management team regular training regarding anti-bribery and anti-corruption measures. Board members are informed on a quarterly basis of any cases, changes or results of audits in the area of Anti-Bribery and Corruption.

Business Integrity and Ethics is a mandatory part of the yearly appraisal between managers and employees. This is an important opportunity for monitoring awareness and consciousness of DOF's values.

Financial implications and other risks and opportunities for the organisation's activities due to climate change 201-2

In recognition of TCFD's recommendation, DOF has performed a Climate Risk Scenario Assessment and subsequent report. This builds upon the 2016 Climate Change Risk and Opportunity workshop, by providing in depth analysis of physical and transition risks associated with DOF's interaction with climate change.

The Climate Scenario Analysis identified multiple risks and opportunities associated with three IPCC climate scenarios. These risks and opportunities were categorised into the following areas;

- Physical Risks;
- Transition Risks;
- Policy and legal;
- Technology;
- Market;
- Reputation.

The above analysis evaluated both direct and indirect risks and opportunities to DOF's Value Chain associated with Climate Change Scenarios.

At this stage, DOF has recognised the the aforementioned risks and opportunities using qualitative descriptors. Quantitative and financial implications have yet to be established, beyond theoretical descriptions outlined within the report.

Coverage of the organisation's defined benefit plan obligations 201-3

From 2021, there are no longer any defined benefit plans in DOF.

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

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

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

Financial assistance received from government 201-4

In 2021, DOF received tax relief / tax credits or subsidies in some of its areas of operation as part of governmental COVID-19 relief measures for businesses.

The government is not present in the shareholding structure.

Norway

- Tax credit in relation to R&D projects
 - » NOK 7 million received in support from Innovasjon Norge for Intelligent Efficiency project by end of 2021.
 - » NOK 85 thousand received in tax credit related to development of technique for remote survey operations.

Singapore

- Subsidies
 - » USD 40 222
 - » SGD 14 077

UK

- Other financial benefits
 - » GBP 3,000 Employment Allowance

Canada

- Other financial benefits
 - » CAD 6,000 Government of Newfoundland & Labrador Student Mentorship Agreement

USA

- Other financial benefits
 - » In 2020, the company received a Small Business Administration Payroll Protection Program loan of USD \$2,342,292. In 2021, the company received a second draw on this loan of \$2,000,000. Both of these amounts were confirmed to be 100% forgiven in 2021.

Commitments to external initiatives

DOF endeavours to comply with recognised industry standards and guidelines published by various organisations connected to the oil & gas industry, such as International Maritime Organisation (IMO), International Marine Contractor Association (IMCA), International Association of Oil & Gas Producers (IOGP), International Organisation for Standardisation (ISO), and class societies (DNV, Lloyd's etc.).

In the marine segment, a robust system is also in place to allow that vessels and offshore personnel comply with laws and regulations in the locals of operation.

DOF's Integrated Management System (IMS) is based on compliance with IMO regulations and audited and approved by DNV. A Document of Compliance certificate is issued. An annual audit is conducted to verify that the Company complies with the requirements of the International Management Code for the Safe Operation of ships and for Pollution prevention. The DOF internal audit program is annually updated to ensure updates on new regulations are implemented and adhered to in the Company.

All the vessels owned by DOF are audited regularly by DNV GL under the same IMO legislation, vessel-by-vessel. Additionally, vessels are audited under the internal audit program.

DOF Management utilises DNV Navigator, which provides regular updating of all IMO legislation and flag state requirements on vessel. Any changes in legislation as well any vessel re-certification is communicated daily to our managers.

In 2013, DOF Management successfully implemented the Marine Labour Convention (MLC) on all NIS / NOR, BAH, Cyprus and IOM flagged vessels. In addition, vessel managers ensure that all DOF vessels comply with the SOLAS regulations for Life Saving Appliances (LSA) and Fire Fighting Equipment on board and that masters and officers are given the required training to operate in safety.

Memberships of associations 2-28

In order to facilitate interaction and collaboration with different sectors of the offshore industry, DOF is an active member of many industry associations in the locations where it maintains operations. In addition, there is regular participation by DOF's representatives in projects or committees of those associations.

The International Marine Contractors Association (IMCA) is the international trade association representing companies and organisations engaged in delivering offshore, marine and underwater solutions. DOF has been an IMCA member for many years and has been an International Contractor member since 2015. DOF has representatives in vice chair positions in the Digitalisation Committee, and in the Environmental Sustainability Committee.

IMCA defines the International Contractor membership as follows; "International Contractor - ICO This category of membership has been developed for contractors who have an international presence -operating in 3 or 4 of the IMCA regions - as offshore oil and gas construction contractors. Such companies should be able to demonstrate their marine construction capability, set out their geographical presence and their commitment and involvement with IMCA."

DOF Subsea APAC

- APPEA (Australian Petroleum Production & Exploration Association)
- Subsea Underwater Technology (SUT)



PRINCIPLES / RESULTS IN 2021

- Subsea Energy Australia
- Industrial Foundation for Accident Prevention (IFAP)
- Offshore Project Safe - Steering Committee member (Region EVP)

- DOF Subsea UK
- British Safety Council
 - Subsea UK
 - Oil and Gas UK

- DOF Brasil
- Abespetro (O&G Association)
 - Abeam (Shipowners / Vessel Operators Association)
 - Syndarma (Shipowners Union)
 - Abran (NSA - Norwegian Shipowners Association)
 - NBCC (Norwegian-Brazil Chamber of Commerce)
 - AEPM (Association for the Specialisation of the Seafarer)

- DOF ASA
- Norwegian Shipowners Association
 - Bergen Shipowners Association
 - Norwegian Church Abroad - Global ERT membership
 - The Bergen Chamber of Commerce and Industry

- DOF North America
- American Society of Safety Engineers - ASSE
 - International Organisation for Safety and Health - IOSH
 - International Association of Drilling Contractors - IADC

Incidents of violations involving rights of indigenous peoples 411-1

DOF has not identified incidents of violations involving the rights of indigenous peoples in 2021.

Compliance 419-1

In 2021, there were no significant fines or non-monetary sanctions related to fraud, corruption or workplace discrimination under the jurisdictions where DOF operates.

Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk 407-1

DOF's Equal Employment Opportunity Policy recognises and respect employees' rights to freely associate, organise and bargain collectively in accordance with the laws of the country in which they are employed. It has not been identified that these rights may be at risk for employees in any of DOF's operations.

In the supply chain, 230 suppliers evaluated in 2021 stated that they source their products/services from at least one country that is rated 4 or higher on the ITUC Global Rights Index related to violation of workers rights.

Operations and suppliers at significant risk for incidents of child labour 408-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labour 409-1

As stated in the DOF ASA Human Rights and Slavery statement, the Group follows a practice, which conforms to international standards for human rights, and Group operations are

managed in accordance with fundamental labour standards. Our guidelines and standards are based on the ILO Convention that prohibits all use of forced labour or child labour.

In the supply chain, 7 suppliers evaluated in 2021 stated that they consider high risk to UN Global Compact principles regarding working conditions in at least one country where they source products/services. Among these principles is principle 4: the elimination of all forms of forced and compulsory labour, and principle 5: the effective abolition of child labour.

Supplier screening 414-1 & 308-1

DOF vendor evaluation questionnaire is comprised of two parts. The first part concerns anti-bribery and corruption, and additional questions based on the UN Global Compact, which asks the supplier to rate their risk towards breaches of the principles. All vendors must complete the first part of the questionnaire. The second part is largely related to management systems (Occupational Health & Safety / Quality / Environmental). In 2021, 573 suppliers completed the questionnaire. This equals to 17.6% of suppliers used in 2021. Including questionnaires prior to 2021 this figure equals to 34.3% of suppliers.

204-1 Proportion of spending on local suppliers

DOF utilises a global supply chain with suppliers that have a global presence. In this context, to determine spend on local suppliers, a local supplier is defined as supplier located in the same country as the DOF entity that performed the transaction. In 2021, the proportion of spending on local suppliers (per DOF region) was as follow:

- Asia Pacific: 57%
- Atlantic: 57%
- North America: 83%
- South America: 78%

414-2 Negative social impacts in the supply chain and actions taken

DOF did not identify any actual negative social impacts in the supply chain in 2021. Regarding suppliers assessed for potential negative social impact, the supplier screening process also concerns risk for negative social impact (ref. 407-1, 408-1, 409-1, 414-1).

Political contributions 415-1

As per the Business Integrity and Ethics policy, DOF does not allow payments to political parties, organisations, or their representatives. There were no financial or in-kind political contributions made directly or indirectly by the organisation in 2021.

2022 focus within Principles

- Continue to apply the new ISO 37001 standard to structured governing documentation to achieve the highest standards



- within Anti-Bribery management system.
- All Whistleblowing incidents will be captured and demonstrated as resolved in line with Group policies and international standards.
- A new database will be introduced, for identifying, recording, assessing and controlling risks through all our activities to ensure visibility at all appropriate levels within the organisation.
- Continue to strengthen the global legal function in DOF combining legal, tax and insurance with a global perspective.
- New strategic objective: Maintain position within top 5 in social and environmental sustainability in our industry.
- Active promotion of Amnesty e-learn module inside as well outside DOF.
- Update and revise the Code of Conduct.

Anti-Corruption

The global industry is highly vulnerable to corruption and the demand of facilitation payments in certain operational areas. A vulnerability that increases with the widespread use of agents, brokers and intermediaries in the industry. DOF's governing documentation and reporting addresses how the company manages corruption risk and be transparent about challenges.

During 2022 DOF will make IMCA's anti-corruption e-learning course available for the organisation, and it will be mandatory for selected employees in the Group.

Norwegian Transparency Act

On July 1st 2022 the Norwegian Transparency Act will enter into force. As one of very few countries in the world, enterprises operating in Norway will have to prove that their supply chain follows fundamental human rights and decent working conditions. A lack of observation of the Act will be pursued by sanctions such as enforcement penalties and infringement penalties.

DOF has been part of the official hearing process on the new law and given concrete proposal on practical means to obey the intention of Transparency Act based on our experience on how we deal with fundamental human rights and decent working conditions.

Accountability and Transparency

The industry's supranational nature implies that it is sometimes challenging to select a level of public disclosures which satisfies all relevant audiences. However, and also recognising the Transparency Act, it is important to explain how the company's governance structure safeguards compliance with legal requirements, potential sanctions and industry standards, and how the company ensures accountability and transparency in its operations and partnerships. DOF will include this information in the Integrated Annual Report.

EU Taxonomy

Work will be initiated to prepare the Group to a future where taxonomy is an integrated part of finance and accounting.

Privacy

A global compliance review will be performed of privacy legislation in the countries where DOF have worksites (such as GDPR in Europe and LGPD in Brazil). Although DOF

applies GDPR globally, there may be local deviations, and it is also necessary to be aware of any ongoing changes to privacy legislation.

Future goals within Principles

During next year a full review of our Code of Business Conduct will be made. DOF will continue enforcing our Values as guiding principles of good corporate governance and behaviour. Having recognised reference points, like our company Values and Code of Business Conduct is essential to navigating DOF through the volatile, uncertain, complex, and ambiguous challenges we will see unfold in the coming year.

Industry Leader: to leverage global assets, knowledge and operational expertise, to strengthen the position and progress towards being recognised as an industry leader capable of delivering large scale projects that add benefit to all stakeholders.

Global Partner of Choice: working with global operators, as a committed and reliable organisation that can supply integrated services and work in partnership to develop optimum solutions for the benefit of both organisations, and other relevant stakeholders.

Equally important, is DOF's approach to forming strategic partnerships arrangements with its own supplier and contractors. The intention is to develop a more cost effective and efficient supply chain, regionally and globally, to benefit DOF and our clients.

United Nations Guiding Principles on Human Rights and Business

In late 2019, DOF was invited to participate in a project coordinated by the Rafto Foundation for Human Rights. This project has been named "Future Proof" and develops tools for businesses in the Bergen area to implement the United Nations Guiding Principles on Human Rights and Business, which will continue to develop throughout 2022. Through participation, we gained a new and deeper understanding of UN's Global Compact and SDGs which will guide us in further integrating Human Rights into our operations.

Amnesty International's recent acknowledgment placing DOF among the top 5 global companies based in the Nordics, not only demonstrates our commitment to the core principles of human rights, but that we are on the right track. Amnesty International has also invited DOF to participate in the development of an online learning tool to increase awareness and knowledge within Human Rights and Business. The training modules were finalised last year and will be made mandatory for DOF's employees within Supply chain and all managers. We will actively make the training available for our supplier.





Appendix B

Appendix B.1 - GRI Content Index for 'In Accordance'

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.	VERIFICATION
			REQUIREMENTS OMITTED	REASON	EXPLANATION		
	General disclosures						
	2-1 Organizational details	10-11					
	2-2 Entities included in the organization's sustainability reporting	198					Yes
		01 Jan. - 31 Dec. 2021 Annual					
	2-3 Reporting period, frequency and contact point	Stig Clementsen, CSO					Yes
	2-4 Restatements of information	None					Yes
	2-5 External assurance	200-201					Yes
	2-6 Activities, value chain and other business relationships	10-11	No				
	2-7 Employees	193	No				Yes
	2-8 Workers who are not employees	193	No				Yes
	2-9 Governance structure and composition	46-53	No				Yes
	2-10 Nomination and selection of the highest governance body	48-49	No				Yes
	2-11 Chair of the highest governance body	49	No				Yes
	2-12 Role of the highest governance body in overseeing the management of impacts	50-51	No				Yes
	2-13 Delegation of responsibility for managing impacts	50-51	No				Yes
	2-14 Role of the highest governance body in sustainability reporting	37-39	No				Yes
	2-15 Conflicts of interest	52	No				Yes
	2-16 Communication of critical concerns	34-45, 50	No				Yes
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	37-39	No				Yes
	2-18 Evaluation of the performance of the highest governance body	50	No				Yes
	2-19 Remuneration policies	100	No				Yes
	2-20 Process to determine remuneration	100	No				Yes
	2-21 Annual total compensation ratio	a) 8.40. b) 3.54 (decrease) Based on information on pages 76, 100.					Yes
	2-22 Statement on sustainable development strategy	8-9	No				Yes
	2-23 Policy commitments	Policies are available at http://www.dof.no/en-GB/HSEQ/Policies .	No				Yes
	2-24 Embedding policy commitments	BMS (Business Management System) manual available at http://www.dof.no/en-GB/HSEQ/HSEQ-Publications .	No				Yes
	2-25 Processes to remediate negative impacts	30	No				Yes
	2-26 Mechanisms for seeking advice and raising concerns	30	No				Yes
	2-27 Compliance with laws and regulations	151, 166, 169	No				Yes
	2-28 Membership associations	168	No				Yes
	2-29 Approach to stakeholder engagement	29, 182-183	No				Yes
	2-30 Collective bargaining agreements	143	No				Yes



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Appendix B.1 (continued) - GRI Content Index for 'In Accordance'

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.	VERIFICATION
				REASON	EXPLANATION		
General disclosures							
GRI 3: Material Topics 2021	3-1 Process to determine material topics	136-137					Yes
	3-2 List of material topics	182-183	No				Yes
PEOPLE							
DOF Material Issue: Business Ethics							
Public policy							
GRI 3: Material Topics 2021	3-3 Management of material topics	29-30	No			11.22.1	Yes
GRI 415: Public Policy 2016	415-1 Political contributions	168	No			1.22.2	Yes
DOF Material Issue: Employee HSE							
Occupational health and safety							
GRI 3: Material Topics 2021	3-3 Management of material topics	140-141	No			11.9.1	Yes
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	140	No			11.9.2	Yes
	403-2 Hazard identification, risk assessment, and incident investigation	140	No			11.9.3	Yes
	403-3 Occupational health services	140	No			11.9.4	Yes
	403-4 Worker participation, consultation, and communication on occupational health and safety	140-141	No			11.9.5	Yes
	403-5 Worker training on occupational health and safety	141	No			11.9.6	Yes
	403-6 Promotion of worker health	141	No			11.9.7	Yes
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	141	No			11.9.8	Yes
	403-8 Workers covered by an occupational health and safety management system	141	Yes	Information unavailable/incomplete	An exact number of workers who are not employees is not available.	11.9.9	Yes
	403-9 Work-related injuries	142	Yes	Information unavailable/incomplete	DOF does not have split between employees and works who are not employees, regarding injury statistics.	11.9.10	Yes
	403-10 Work-related ill health	N/A	Yes	Information unavailable/incomplete	DOF does not have sufficiently accurate data for work-related ill health for employees and workers who are not employees.	11.9.11	Yes



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Appendix B.1 (continued) - GRI Content Index for 'In Accordance'

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIRE- MENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.	VERIFI- CATION
				REASON	EXPLANATION		
DOF Material Issue: Labour Practices							
Employment							
GRI 3: Material Topics 2021	3-3 Management of material topics	138-139	No			11.10.1, 11.11.1	Yes
	401-1 New employee hires and employee turnover	N/A	Yes	Information unavailable/incomplete	There is not sufficient information on rate of new employee hires and employee turnover.	11.10.2	Yes
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	143	No			11.10.3	Yes
	401-3 Parental leave	N/A	Yes	Information unavailable/incomplete	There are not sufficient details available regarding parental leave.	11.10.4, 11.11.3	Yes
Employment							
GRI 3: Material Topics 2021	3-3 Management of material topics	138-139	No			11.7.1, 11.10.1	Yes
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	144	No			11.7.2, 11.10.5	Yes
Training and education							
GRI 3: Material Topics 2021	3-3 Management of material topics	138	No			11.7.1, 11.10.1, 11.11.1	Yes
	404-1 Average hours of training per year per employee	144	Yes	Information unavailable/incomplete	DOF does not have a detailed breakdown in gender and employee category for average hours of training.	11.10.6, 11.11.4	Yes
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	144-145	No			11.7.3, 11.10.7	Yes
	404-3 Percentage of employees receiving regular performance and career development reviews	144	No			NA	Yes
Diversity and equal opportunity							
GRI 3: Material Topics 2021	3-3 Management of material topics	138	No			11.11.1	Yes
	405-1 Diversity of governance bodies and employees	143	No			11.11.5	Yes
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	N/A	Yes	Information unavailable/incomplete	DOF does not currently have a global overview of ratio of basic salary and remuneration of women to men. This is intended to be in place for 2022 reporting.	11.11.6	Yes



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Appendix B.1 (continued) - GRI Content Index for 'In Accordance'

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIRE- MENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.	VERIFI- CATION
				REASON	EXPLANATION		
Non-discrimination							
GRI 3: Material Topics 2021	3-3 Management of material topics	138	No			11.1.1.1	Yes
GRI 406: Non-discrimi- nation 2016	406-1 Incidents of discrimination and corrective actions taken	144	No			11.1.1.7	Yes
PLANET							
DOF Material Issue: Energy Management							
Energy							
GRI 3: Material Topics 2021	3-3 Management of material topics	148	No			11.1.1	Yes
GRI 302: Energy 2016	302-1 Energy consumption within the organization	150	No			11.1.2	Yes
	302-2 Energy consumption outside of the organization	150	No			11.1.3	Yes
	302-3 Energy intensity	150	No			11.1.4	Yes
	302-4 Reduction of energy consumption	N/A	Yes	Information unavailable/incomplete	DOF does not have sufficient data to connect reduction in energy consumption directly to energy reduction initiatives.	NA	Yes
	302-5 Reductions in energy requirements of products and services	N/A	Yes	Information unavailable/incomplete	DOF does not have information available regarding reduction in baseline energy requirements of its services.	NA	Yes
DOF Material Issue: GHG Emissions							
Emissions							
GRI 3: Material Topics 2021	3-3 Management of material topics	148-150	No			11.1.1, 11.2.1, 11.3.1	Yes
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	150-151	No			11.1.5	Yes
	305-2 Energy indirect (Scope 2) GHG emissions	150-151	No			11.1.6	Yes
	305-3 Other indirect (Scope 3) GHG emissions	150-151	No				Yes
	305-4 GHG emissions intensity	150-151	No				Yes
	305-5 Reduction of GHG emissions	183	Yes	Information unavailable/incomplete	While DOF reports reduction of GHG emissions, it cannot be directly linked to reduction initiatives.		Yes
	305-6 Emissions of ozone-depleting substances (ODS)	N/A	Yes	Information unavailable/incomplete	DOF does not produce or export ODS. It may be present in equipment/machinery onboard. MARPOL Annex VI prohibits deliberate emissions of ozone depleting substances. However, DOF does not have documentation if there has been accidental release of minor amounts.		Yes
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	N/A	Yes	Information unavailable/incomplete			Yes



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Appendix B.1 (continued) - GRI Content Index for 'In Accordance'

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.	VERIFICATION
				REASON	EXPLANATION		
DOF Material Issue: Supply Chain Management							
Supplier environmental assessment							
GRI 3: Material Topics 2021	3-3 Management of material topics	23, 164, 169	No			NA	Yes
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	169	No			NA	Yes
	308-2 Negative environmental impacts in the supply chain and actions taken	N/A	Yes	Information unavailable/incomplete	DOF does not have detailed information regarding negative environmental impacts in its supply chain.	NA	Yes
DOF Material Issue: Waste & HAZMAT Management							
Waste							
GRI 3: Material Topics 2021	3-3 Management of material topics	148-149	No			11.5.1, 11.8.1	Yes
	306-1 Waste generation and significant waste-related impacts	151-152	No			11.5.2	Yes
	306-2 Management of significant waste-related impacts	152	No			11.5.3	Yes
	306-3 Waste generated	N/A	Yes	Information unavailable/incomplete	DOF does not have accurate information of waste generated at all worksites.	11.5.4, 11.8.2	Yes
GRI 306: Waste 2020	306-4 Waste diverted from disposal	N/A	Yes	Information unavailable/incomplete	DOF does not have accurate information on the further handling of waste after it is delivered to waste handling facilities.	11.5.5	Yes
	306-5 Waste directed to disposal	N/A	Yes	Information unavailable/incomplete	DOF does not have accurate information on the further handling of waste after it is delivered to waste handling facilities.	11.5.6	Yes
PROSPERITY							
DOF Material Issue: Energy Management							
Market presence							
GRI 3: Material Topics 2021	3-3 Management of material topics	156-157				11.14.1	Yes
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	N/A	Yes	Information unavailable/incomplete	DOF does not have sufficient data on this for 2021 reporting. It is however expected to be available for 2022 reporting.	NA	Yes
	202-2 Proportion of senior management hired from the local community	158	No			11.14.3, 11.11.3	Yes



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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIRE- MENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.	VERIFI- CATION
				REASON	EXPLANATION		
Tax							
GRI 3: Material Topics 2021	3-3 Management of material topics	160	No			11.21.1	Yes
	207-1 Approach to tax	160	No			11.21.4	Yes
	207-2 Tax governance, control, and risk management	160	No			11.21.5	Yes
GRI 207: Tax 2019	207-3 Stakeholder engagement and management of concerns related to tax	160	No			11.21.6	Yes
	207-4 Country-by-country reporting	N/A	Yes	Information unavailable/incomplete		11.21.7	Yes
Risk balancing							
DOF 3: Risk Balancing	Revenue per business segment and distribution of project levels	192	No				Yes
DOF Material Issue: Human Rights & Community Relations							
Local communities							
GRI 3: Material Topics 2021	3-3 Management of material topics	25				11.15.1	Yes
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	N/A	Yes	Information unavailable/incomplete	DOF does not have sufficient details regarding local community engagement, impact assessments, and development programs.	11.15.2	Yes
	413-2 Operations with significant actual and potential negative impacts on local communities	158	No			11.15.3	Yes
DOF Material Issue: Product Design and Life Cycle							
Customer Satisfaction							
DOF 1: Customer Satisfaction	Results of surveys measuring customer satisfaction	159	No				Yes
Operational uptime							
DOF 2: Operational Uptime	Operational uptime for vessels and ROVs	159	No				Yes
PRINCIPLES							
DOF Material Issue: Business Ethics							
Anti-corruption							
GRI 3: Material Topics 2021	3-3 Management of material topics	162-163	No			11.20.1	Yes
	205-1 Operations assessed for risks related to corruption	166-167	No			11.20.2	Yes
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	167	Yes	Information unavailable/incomplete	DOF does not have sufficient data to document communication and training about anti-corruption policies and procedures, particularly towards business partners.	11.20.3	Yes
	205-3 Confirmed incidents of corruption and actions taken	166	No			11.20.4	Yes



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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.	VERIFICATION
				REASON	EXPLANATION		
Anti-competitive behavior							
GRI 3: Material Topics 2021	3-3 Management of material topics	162-163				11.19.1	Yes
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	166				11.19.2	Yes
DOF Material Issue: Business Model Resilience							
Economic performance							
GRI 3: Material Topics 2021	3-3 Management of material topics	148-149	No			11.5.1, 11.8.1	Yes
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	54-107	No			11.14.2, 11.21.2	Yes
	201-2 Financial implications and other risks and opportunities due to climate change	167	Yes	Information unavailable/incomplete	Quantitative and financial implications have yet to be established.	11.2.2	Yes
	201-3 Defined benefit plan obligations and other retirement plans	167-168	No			NA	Yes
	201-4 Financial assistance received from government	167-168	No			11.21.3	Yes
DOF Material Issue: Human Rights & Community Relations							
Rights of indigenous peoples							
GRI 3: Material Topics 2021	3-3 Management of material topics	162-163	No			11.17.1	Yes
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	169	No			11.17.2	Yes
DOF Material Issue: Supply Chain Management							
Procurement practices							
GRI 3: Material Topics 2021	3-3 Management of material topics	162-163	No			11.14.1	Yes
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	169	No			11.14.6	Yes
Freedom of association and collective bargaining							
GRI 3: Material Topics 2021	3-3 Management of material topics	162-164	No			11.13.1	Yes
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	169	No			11.13.2	Yes



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Appendix B.1 (continued) - GRI Content Index for 'In Accordance'

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIRE- MENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.	VERIFI- CATION
				REASON	EXPLANATION		
Child labor							
GRI 3: Material Topics 2021	3-3 Management of material topics	18, 164, 169	No			NA	Yes
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	169	No			NA	Yes
Forced or compulsory labor							
GRI 3: Material Topics 2021	3-3 Management of material topics	18, 164, 169	No			11.12.1	Yes
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	169	No			11.12.2	Yes
Supplier social assessment							
GRI 3: Material Topics 2021	3-3 Management of material topics	18, 164, 169	No			11.10.1, 11.12.1	Yes
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	169	No			11.10.8, 11.12.3	Yes
	414-2 Negative social impacts in the supply chain and actions taken	169	No			11.10.9	Yes
MATERIAL TOPICS FROM SECTOR STANDARD CONSIDERED NOT MATERIAL ('NOT APPLICABLE')							
Indirect economic impacts							
GRI 3: Material Topics 2021	3-3 Management of material topics		Yes	Not applicable	DOFs involvement with infrastructure development as a tier 2 contractor is low and we are not involved with social impact studies in this area.	11.14.1	Yes
	203-1 Infrastructure investments and services supported		Yes	Not applicable	DOFs involvement with infrastructure development as a tier 2 contractor is low and we are not involved with social impact studies in this area.	11.14.4	Yes
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts		Yes	Not applicable	DOFs involvement with infrastructure development as a tier 2 contractor is low and we are not involved with social impact studies in this area.	11.14.5	Yes



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Appendix B.1 (continued) - GRI Content Index for 'In Accordance'

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.	VERIFICATION
				REASON	EXPLANATION		
Water and effluents							
GRI 3: Material Topics 2021	3-3 Management of material topics		Yes	Not applicable	DOF's main interaction with water is seawater and do not consume significant fresh water in production processes.	11.6.1	Yes
	303-1 Interactions with water as a shared resource		Yes	Not applicable	DOF's main interaction with water is seawater and do not consume significant fresh water in production processes.	11.6.2	Yes
	303-2 Management of water discharge-related impacts		Yes	Not applicable	DOF's main interaction with water is seawater and do not consume significant fresh water in production processes.	11.6.3	Yes
	303-3 Water withdrawal		Yes	Not applicable	DOF's main interaction with water is seawater and do not consume significant fresh water in production processes.	11.6.4	Yes
	303-4 Water discharge		Yes	Not applicable	DOF's main interaction with water is seawater and do not consume significant fresh water in production processes.	11.6.5	Yes
GRI 303: Water and Effluents 2018	303-5 Water consumption		Yes	Not applicable	DOF's main interaction with water is seawater and do not consume significant fresh water in production processes.	11.6.6	Yes
Biodiversity							
GRI 3: Material Topics 2021	3-3 Management of material topics		Yes	Not applicable	When DOF operates in protected areas for a limited time with vessel, it is under the client's governmental approved environmental protection plan.	11.4.1	Yes
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Yes	Not applicable	When DOF operates in protected areas for a limited time with vessel, it is under the client's governmental approved environmental protection plan.	11.4.2	Yes
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity		Yes	Not applicable	When DOF operates in protected areas for a limited time with vessel, it is under the client's governmental approved environmental protection plan.	11.4.3	Yes
	304-3 Habitats protected or restored		Yes	Not applicable	When DOF operates in protected areas for a limited time with vessel, it is under the client's governmental approved environmental protection plan.	11.4.4	Yes
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		Yes	Not applicable	When DOF operates in protected areas for a limited time with vessel, it is under the client's governmental approved environmental protection plan.	11.4.5	Yes



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Appendix B.1 (continued) - GRI Content Index for 'In Accordance'

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.	VERIFICATION
				REASON	EXPLANATION		
Security practices							
GRI 3: Material Topics 2021	3-3 Management of material topics		Yes	Not applicable	DOF may hire extra security personnel for vessels entering high-risk areas. This occurs rarely and is thus not considered a significant topic.	11.18.1	Yes
	GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Yes	Not applicable	DOF may hire extra security personnel for vessels entering high-risk areas. This occurs rarely and is thus not considered a significant topic.	11.18.2	Yes
Customer health and safety							
GRI 3: Material Topics 2021	3-3 Management of material topics		Yes	Not applicable	DOF operates in an industry with strict health and safety requirements in all operations. In the context of DOF's operations, our approach to health and safety impacts are embedded in our value chain to comply with requirements from international and national regulations, industry, and customers.	11.3.1	Yes
	GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Yes	Not applicable	DOF operates in an industry with strict health and safety requirements in all operations. In the context of DOF's operations, our approach to health and safety impacts are embedded in our value chain to comply with requirements from international and national regulations, industry, and customers.	11.3.3	Yes
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		Yes	Not applicable	DOF operates in an industry with strict health and safety requirements in all operations. In the context of DOF's operations, our approach to health and safety impacts are embedded in our value chain to comply with requirements from international and national regulations, industry, and customers.	NA	Yes











MATERIALITY

Appendix B.2 - Materiality (with People, Planet, Prosperity, Principles)

We have experienced first-hand the fallout of COVID-19 and all the economic and social consequences that come with it. Like many other World Economic Forum Global Risk Perception Survey respondents, DOF's activities are subject to disparities in COVID-19 political responses and divergent economic recovery rates. The economic, geopolitical, public health and societal fractures that the pandemic risk has accelerated are reported as something likely to delay the business communities' response to other global challenges such as climate response, the greening of energy systems, addressing digital vulnerabilities, and social degradation. Whilst the WEF reports these as 'Global Challenges', our internal workshops translate these topics as material issues to DOF.

A table showing how DOF connects material aspects to company People, Planet, Prosperity and Principles.

ASSESSMENT	CRITERIA	VALIDATION	WEF FRAMEWORK
<p>What ESG impacts do DOF have? This approach allows DOF to look at 'Social and Environmental Materiality' across our value chain.</p>	<p>Assessment criteria</p> <ul style="list-style-type: none"> - Likelihood of impact; - Severity of impact; - Opportunity or potential value creation; - Nature of threat; long, medium or short term. 	<p>Validation by executive management team</p>	 People
	<p>External strategic drivers</p> <ul style="list-style-type: none"> - Relevancy to Sustainable Development Goals; - Global Report Initiative topic; - Industry-specific drivers / Hard and soft law, - Sector materiality. 		 Planet
	<p>Internal strategic drivers</p> <ul style="list-style-type: none"> - Area of value chain interaction; - Existing DOF risk assessments/Significant environmental aspects; - DOF Business Management System Documentation. 		 Prosperity
			 Principles
<p>What ESG issues could impact DOF? This approach evaluates what ESG matters interact with DOF's ability to create long-term value for stakeholders. Otherwise known as, Financial Materiality.</p>	<p>Key interests, concerns and/or expectations of Stakeholders</p> <ul style="list-style-type: none"> - Employees; - Clients; - Investors; - Suppliers; - Local communities; - Regulatory authorities; - Non-Government organisations. 	<p>Validation by executive sponsors and the ELT</p>	 People
	<p>Strategic relevance to DOF</p> <ul style="list-style-type: none"> - Likelihood of impact; - Severity of impact; - Opportunity or potential value creation; - Nature of threat; long, medium or short term 		 Planet
			 Prosperity
			 Principles



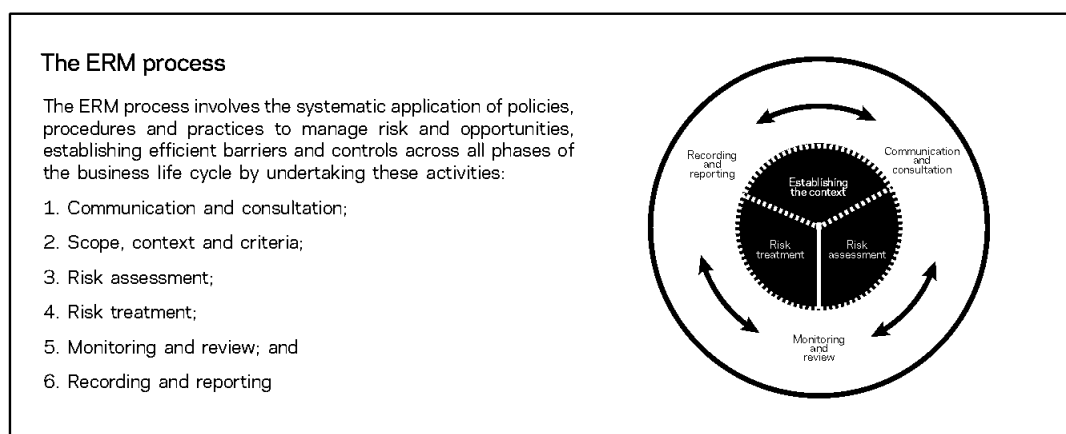
MATERIALITY

Appendix B.2 (continued) - Materiality (with People, Planet, Prosperity, Principles)

OUTPUT: TOP MATERIAL ISSUES	OUTPUT: OTHER SIGNIFICANT MATERIAL TOPICS
<p>Employee Health Safety and Security: Managing critical risks across our value chain.</p>	<p>Shared Natural and Social Capital Data Security Human Rights and Community Relations Labour Practices</p>
<p>GHG Emissions: The main concern is GHG emissions and the ability to meet broad stakeholder expectations, and also concern over air pollution emission from ships offshore and in harbour limits.</p>	<p>Air Quality Management Energy Management Waste and Hazardous Materials Management Ecological Impacts/Biodiversity</p>
<p>Supply Chain Management: ensuring responsible practices throughout our supply chain.</p>	<p>Customer Privacy Business Model Resilience Product Design and Life-cycle Management</p>
<p>Labour Practices: Maintaining value chain and geographical compliance of standards and practices addressing human rights, working conditions, labour standards, and labour relations including freedom of association, collective bargaining, working hours, rest and minimum age.</p>	<p>Management of Legal and Regulatory Environment Business Ethics Competitive Behaviour Critical Incident and Risk Management</p>
<p>GHG Emissions/Impacts of Climate Change: Managing fleet and organisational preparedness to meet physical and transition risks and opportunities of Climate Change.</p>	<p>Shared Natural and Social Capital Data Security Human Rights and Community Relations Employee Health and Safety</p>
<p>Energy Management: Identifying DOF's role in meeting societal expectations around the energy transition.</p> <p>Business Model Resilience: Maintaining and creating value propositions that are aligned with the decarbonisation of the industry.</p> <p>Supply Chain Management: Our capacity to cascade DOF and wider sustainability principles within our supply chain.</p>	<p>Air Quality Management Energy Management Waste and Hazardous Materials Management Ecological Impacts/Biodiversity</p>
	<p>Customer Privacy Product Design and Life-cycle Management</p>
	<p>Management of Legal and Regulatory Environment Business Ethics Competitive Behaviour Critical Incident and Risk Management</p>

Appendix B.3 - Enterprise Risk Management (ERM)

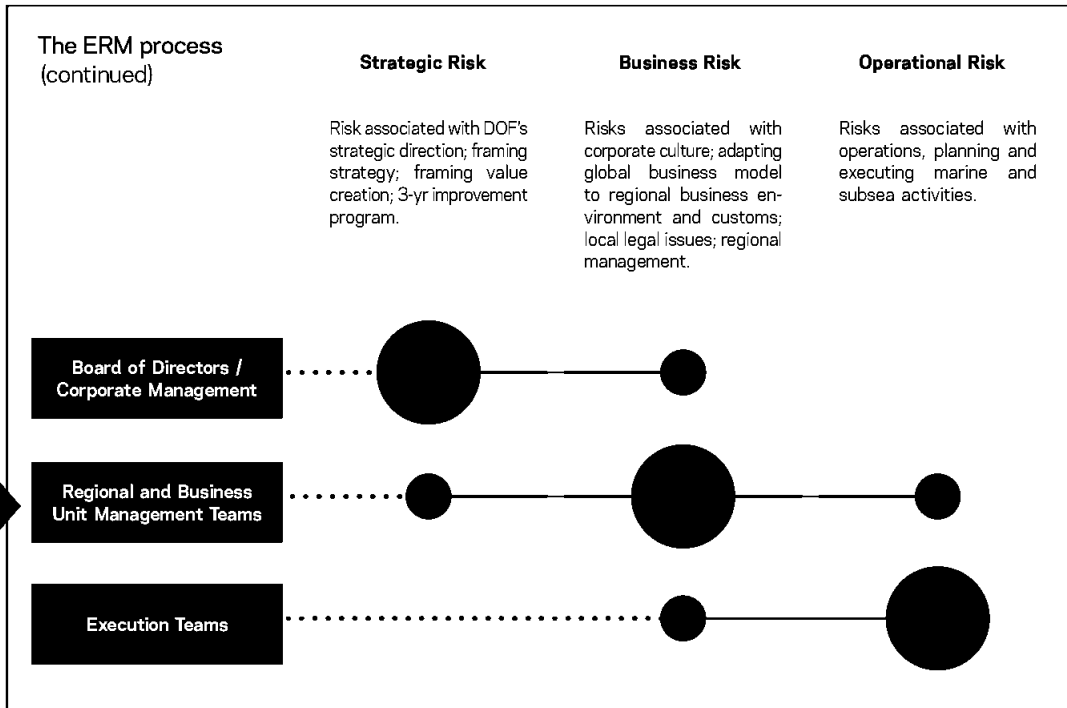
Value creation uses the Enterprise Risk Management (ERM) process: identify, evaluate, control and mitigate the risk and opportunities across DOF.



ERM principles and techniques are underpinned by:

- ISO 31000: Risk management – Principles and guidelines;
- ISO 31010: Risk management – Risk assessment techniques;
- ISO 17776: Guidelines on tools and techniques for hazard identification and risk assessment;
- DNV RP-H101: DNV Recommended Practice – RISK management in marine operations
- Value creation uses the ERM process: identify, evaluate, control and mitigate the risk and opportunities across DOF.

Appendix B.3 (continued) - Enterprise Risk Management (ERM)



BOD and Corporate levels of the management:

To produce lasting value for stakeholders, and a long-term competitive return on the investment the BOD and Corporate Management regularly evaluate long-term risk and opportunity and potential impact on strategic decisions taken today.

Engaging key stakeholders; evaluating value creation; setting risk appetite; consider high-level organisational risk from other areas of the business; strategic risk management and governance mechanisms to respond to mega-trends and long-term macro level shifts in the external market; cascading governance principles into cultural and process risk management areas.

The Corporate Management team as the governing body for assurance of the ERM model by overseeing activities and efficacy ERM Framework - reporting to the BOD

Review material issues, including: problematic cultural and operational risk and opportunities with specific focus on delays, cost overruns, commercial disputes, margins, and other concerns.

Perform audits against global frameworks; communicate concerns raised by audit committees or stakeholders relevant to business unit actions.

Oversee activities of the external and internal audit functions, receive input on the adequacy of financial reporting and control mechanisms on material risk issues that could impact company integrity.

Cascading lessons learned across DOF regions and business units.



Appendix B.3 - Value driver results 2021

The dashboard contains results from key targets, both financial and non-financial, established in DOF. Additional targets and review of current targets are ongoing. **Since 2014, we have made substantial progress in improving our sustainability reporting.**

Full details for both financial and non-financial 2021 performance are given in the financial statements and in the ESG factbook.

Our value drivers

Financial performance



▲ **3.9**
BILLION

Subsea project total revenue in 2021

▼ **3.6***
BILLION

time charter total revenue in 2021
*According to management reporting

▼ **14.4**
BILLION

group backlog per 31.12.2021

▲ **78%**
Utilisation

of the group fleet in 2021

▲ **80%**
Utilisation

of Subsea project fleet in 2021

Applying relevant UN SDGs



The UN Sustainability Development Goals (SDGs) are comprehensive in the issues that they address with each goal having specific actions and targets. As an organisation working principally with subsea engineering and offshore vessels, DOF has assessed the specific SDGs where we have the greatest impact and can make a significant contribution as part of our operations. We aligned eight SDGs (3, 4, 5, 8, 9, 13, 14, and 16) with corresponding material aspects. You can see how they fit together on page 136.

Read more about UN SDGs.
<https://sustainabledevelopment.un.org/>

Governance



0
Fines

or non-monetary sanctions due to non-compliance

0
Corruption

cases in 2021

▲ **1,036**
NCRs

raised in 2021

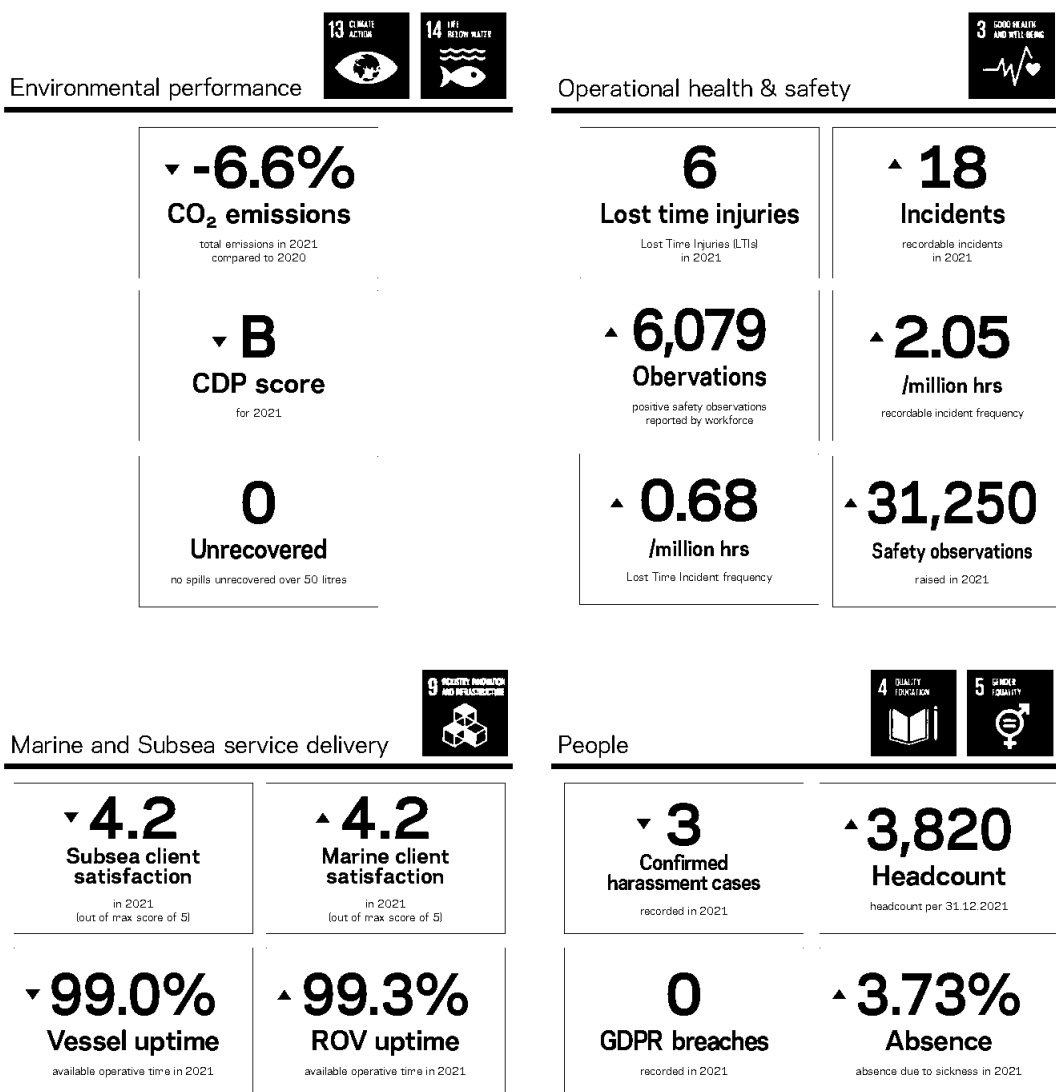
▲ **1,589**
Audits & Inspections

completed in 2021



ESG FACTBOOK / APPENDIX

Appendix B.3 - Value driver results 2021



Key

The trend markers are in relation to end of year results in 2020. See DOF Integrated Annual Report 2020 to compare figures.

▲ Positive trend in result ▼ Negative trend in result No significant change in result



Appendix B.4 - Figures & tables

Overview of emergency incidents and exercises - **Figure 7**

	2021	2020	2019
Incident	30	28	9
Exercise	28	36	41

Global HSE targets - **Figure 8**

HSEQ INPUT/OUTPUTS	GLOBAL TARGETS 2021 METRICS
Number of Lost Time Injuries	0
Lost Time Injury Frequency Rate (LTIFR)	< 0.3 / 1 000 000 man-hours
Lost Recordable Case Frequency Rate (TRCF) Includes LTIs, Restricted Workday Cases, Medical Treatment Cases and fatalities.	<1.1 / 1 000 000 man-hours
First Aid Cases	< 7.5 / 1 000 000 man-hours
Safety Observation Rate	600 / 200 000 man-hours



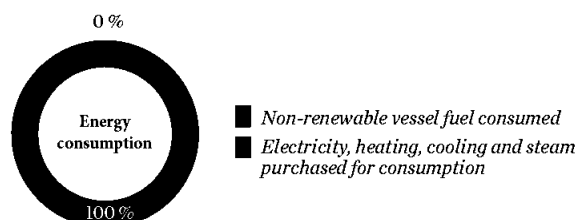
Appendix B.4 (continued) - Figures & tables

Occupational Health and Safety Indicators - Figure 9

OHS INPUTS / OUTPUTS	UNIT OF MEASUREMENT	2021 Target	2021	2020	2019
Man-hours	Number		8 784 602	7 558 323	9 104 679
High consequence injuries	Number		1	2	0
High consequence injury rate	Injuries per million man-hour		0.11	0.26	0
Fatalities	Number	0	0	0	0
Number of Lost Time Incidents (LTI)	Number	0	6	6	5
Lost Time Injury Frequency Rate	LTIs per million man-hour	< 0.3	0.68	0.79	0.55
Total Recordable Cases	Number		18	19	20
Total Recordable Case Frequency Rate	TRC per million man-hour	< 1.1	2.05	2.51	2.2
First Aid Cases	Number		55	57	53
First Aid Case Frequency Rate	FACs per million man-hour	< 7.5	6.26	7.54	5.82
Safety Observation Rate	SOB per 200,000 man-hour	> 600	711	656	598
Lost Day Rate	% lost days of scheduled days		0.04%	0.03%	0.02%
Absentee rate	% absent days of scheduled days		3.73%	3.28%	2.45%

Appendix B.4 (continued) - Figures & tables

Energy consumption - Figure 10



Total energy consumption within the organisation in joules (see below for conversion factors)

ENERGY CONSUMPTION	UNIT	2021	2020	2019
Nonrenewable fuel consumed (fuel oil and LNG, scope 1 vessels)	GJ	6 084 447	6 334 898	6 898 322
Renewable fuel consumed	GJ	0		
Electricity, heating, cooling and steam purchased for consumption	GJ	27 828	35 655	25 279
Self-generated electricity, heating, cooling and steam	GJ	0		
Electricity, heating, cooling and steam sold	GJ	0		
Total energy consumption within the organisation	GJ	6 112 275	6 370 553	6 923 601
Energy consumption outside the organisation (non-renewable fuel consumed (fuel oil, scope 3 vessels))	GJ	1 221 769	Not available	Not available

Electricity consumption per country - Figure 11

ELECTRICITY CONSUMPTION PER REGION	UNIT	2021	2020	2019
Australia *	MWh	231.0 *	231.0	311.5
Brazil	MWh	352.7	412.5	643.5
Canada	MWh	133.2	149.0	149.4
Norway	MWh	6 454.6	8 469.1	4 914.9
Singapore *	MWh	82.1 *	82.1	104.0
UK	MWh	144.5	179.5	281.5
USA	MWh	332.0	381.0	617.0
Total	MWh	7 730.1	9 904.2	7 021.9

* Estimate based on 2020

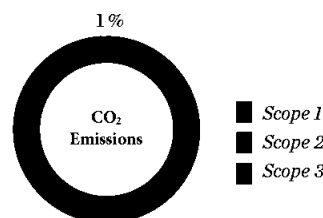
Conversion factors - Figure 12

ITEM	SOURCE
Marine gas oil (MGO)	DEFRA 2021
Electricity Norway	1) IEA (2021), Emission Factors 2) AIB (2021), European Residual Mixes 2020 3) %RE: IEA
Electricity Canada	1) IEA (2021), Emission Factors 2) 2021 Green-e Residual mix Emissions Rates (2019 data, approximation)
Electricity Brazil	1) IEA statistic 2020, emission factor for 2018
Electricity USA	1) IEA statistic 2021, emission factor for 2019 2) 2020 Green-e Residual Mix Emission Rates (2018 data)
Electricity UK	1) IEA (2021), Emission Factors 2) AIB (2021), European Residual Mixes 2020 3) %RE: IEA
Electricity Australia	1) IEA (2021), Emission Factors 2) No residual emission factor 3) %RE: IEA
Electricity Singapore	1) IEA (2021), Emission Factors 2) No residual emission factor 3) %RE: IEA
Residual waste, incinerated	Ecoinvent 3.8

Appendix B.4 (continued) - Figures & tables

CO₂ Emissions - Figure 13

Scope 1	81 %
Scope 2	1 %
Scope 3	18 %



Note: Prior to 2021, this table only showed Scopes 1 and 2, and Scope 2 was reported location-based. From 2021 going forward, Scope 2 will be reported market-based.

CO ₂ EMISSIONS	UNIT OF MEASURE	2021	2020	2019
Scope 1	ton (CO ₂ e)	436 671	462 683	481 649
Scope 2	ton (CO ₂ e)	3068	719	927
Scope 3	ton (CO ₂ e)	97 265	111 714	137 438
Total *	ton (CO₂e)	537 004	575 116	620 014
Change (total)	%	-6.6 %	-7.2 %	

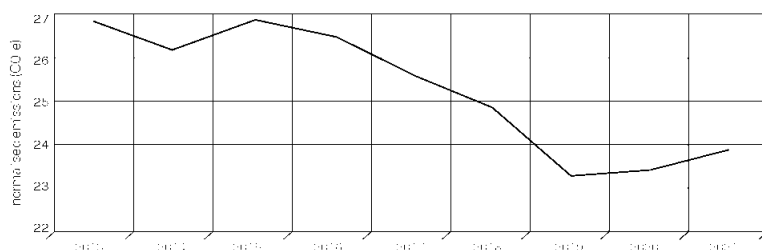
Note: Prior to 2021, this table only showed Scopes 1 and 2, and Scope 2 was reported location-based. From 2021 going forward, Scope 2 will be reported market-based.

Methodology used: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition).

Notes:

- 1) Although DOF started to report to the CDP in 2010 the base year chosen was 2011, since the data for 2010 was quite weak. Emissions in base year (tons CO₂e) was 593,745 (Scope 1) and 700 (Scope 2).
- 2) As vessel fuel consumption has an element of inaccuracy due to the methods in which fuel consumption are recorded onboard vessels, there is a level of uncertainty associated with the final Scope 1 and Scope 3 emissions.
- 3) The chosen consolidation approach for emissions is Operational control.
- 4) GWP source: CO₂ (IPCC Fourth Assessment Report (AR4 - 100 year).
- 5) CO₂e (CO₂ equivalent) includes all major greenhouse gases; carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O)

Intensity reduction targets - Figure 14



	YEAR	EMISSION PER OPERATIONAL DAYS *	% CHANGE
Verified	2021	23.9	2.1 %
Verified	2020	23.4	0.4 %
Verified	2019	23.3	-8.9 %
Verified	2018	25.5	-1.2 %
Verified	2017	25.9	-3.3 %
Verified	2016	26.7	-1.3 %
Verified	2015	27.1	2.9 %
Verified	2014	26.3	-1.0 %
Verified	2013	26.6	

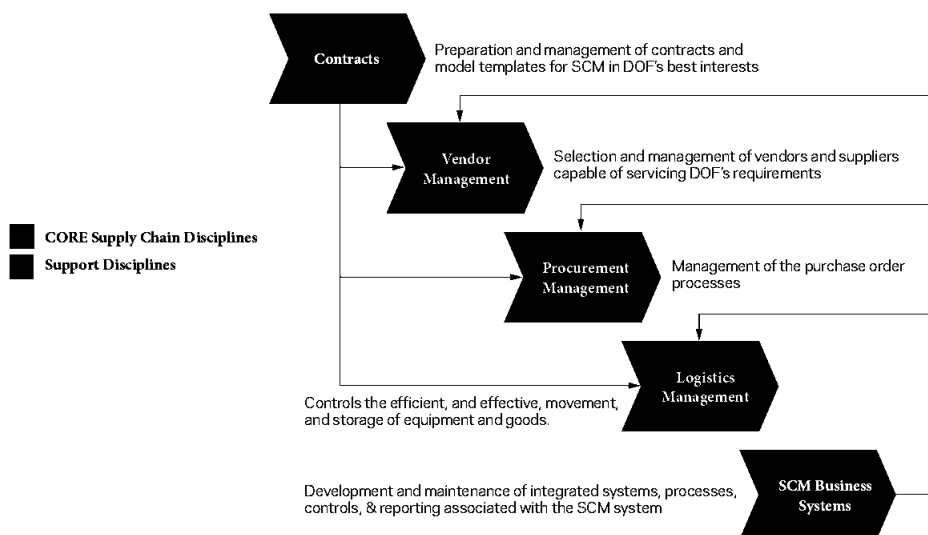
* Operational day is defined as days with vessel in warm layup, idle in port/field or in operation.

The above table shows the verified emission per operational day for Scope 1 vessels from 2013-2021 (total tons CO₂e Scope 1 / total operational days Scope 1).

Note: the figure has been recalculated with the assumptions for the 2021 reporting, to provide comparability year by year. The historical figures for 2020 and earlier will consequently vary slightly from what has been reported in previous years.

Appendix B.4 (continued) - Figures & tables

Supply Chain Management (SCM) - Figure 15



General information regarding our Supply Chain Management is also given on page 164 under the Principles chapter.

DOF 3 - Revenue per segment (DOF Subsea) - Figure 16

	2021	2020	2019
Subsea projects	71 %	61 %	63 %
Chartering of vessels	29 %	39 %	37 %
Total revenue (NOK Million)	5 545	5 337	5 147

Distribution of projects per project level (DOF Subsea) - Figure 17

Level 0: Budget Pricing	3 %
Level 1: Manpower or Equipment Hire	16 %
Level 2: Working on Clients Vessel or PM&E Contracts	7 %
Level 3: Vessel Charters or Minor IMR Campaign	53 %
Level 4: Light Construction or IMR	19 %
Level 5: Major Construction/Intervention Projects	2 %



ESG FACTBOOK / APPENDIX

Appendix B.4 (continued) - Figures & tables

Employment statistics as of 31.12.2021 - **Figure 18**

	TOTAL	MEN	WOMEN	ATLANTIC	ASIA-PACIFIC	NORTH AMERICA	SOUTH AMERICA
Permanent Contract (Full-time)	2719	2361	358	787	210	190	1532
Temporary Contract (Full-time)	79	73	6	56	11	4	8
Permanent Contract (Part-time)	23	9	14	19	4	0	0
Temporary Contract (Part-time)	73	46	27	10	0	0	63
Self-employed workers	926	847	79	338	255	58	275
Total	3820	3336	484	1210	480	252	1878

Overview of performance reviews by gender and employee category - **Figure 19**

BY GENDER	PERFORMANCE REVIEWS	TOTAL HEADCOUNT	% OF EMPLOYEES RECEIVED REVIEWS
Female	169	419	40.33 %
Male	1550	2550	60.78 %
Total	1719	2969	57.90 %

BY EMPLOYEE CATEGORY	PERFORMANCE REVIEWS	TOTAL HEADCOUNT	% OF EMPLOYEES RECEIVED REVIEWS
Senior managers	74	220	33.64 %
Managers	368	551	66.79 %
Staff	1277	2198	58.10 %
Total	1719	2969	57.90 %



Appendix B.4 (continued) - Figures & tables

Summary of pension schemes - Figure 20

ATLANTIC

Norway (DOF Management / DOF ASA)

- There are no longer defined benefit pension plans in DOF ASA or DOF Management.
- Employees have a defined contribution pension plan. A percentage of salary is paid to an insurance company in line with the earnings of wages.
- All employees are part of the pension scheme.
- Pension fund is handled by the insurance company.
- The company has no liabilities or obligation after payments to the insurance company on behalf of the individual employee.
- The individual employee's fund is based on actual payment done by the company and actual returns on funds.
- The employee gets the value of the fund paid in monthly payments when the employee reaches the age of pension.

Norway (DOF Subsea)

- DOF Subsea AS and DOF Subsea Norway AS have a defined contribution pension plan for employees. A percentage of salary is paid to an insurance company in line with the earnings of wages. The companies have no pension liability.
- All employees are part of the pension scheme.
- Pension fund is handled by the insurance company.
- The company has no liabilities or obligation after payments to the insurance company on behalf of the individual employee.
- The individual employee's fund is based on actual payment done by the company and actual returns on funds.
- The employee gets the value of the fund paid in monthly payments when the employee reaches the age of pension.

UK

- There is no liability for the company.
- In UK there are no defined benefit plans.

SOUTH AMERICA

Brazil

- There is no liability for the company.
- In Brazil the company holds a private pension plan on a private bank.
- Pension Plan is based on salary percentage contribution from both employee and the company. Department manager and above positions may contribute with up to 7.5% while for other employees the limit will be 3%.
- Scheme is voluntary and it is estimated that 40% of all employees are participating in DOF Subsea Brazil and 50% in Norskan.



Appendix B.4 (continued) - Figures & tables

Summary of pension schemes - Figure 20 (continued)

NORTH AMERICA

USA

- The plan is fully funded and DOF Subsea has no liability to the plan. The plan matches the first 6% of contributions dollar for dollar; The company portion is immediately vested at 100% as soon as the money is remitted to the plan manager each pay period. The 401(k) plan is a DC plan. Such plans in the USA don't act like DB plans of old (aka pension plans). So there is no liability or estimates to cover obligations to the plan. All 401(k) plans are fully vested under the safe harbor act.
- In 2021, employees under age 50 could contribute up to a maximum of \$19,500, those 50 and over may contribute up to \$26,000. The company match is up to 6% of payroll per participant.
- Scheme is voluntary.

Canada

- There is no liability for the company.
- Employer/Employee funded RRSP through Manulife. Maximum employer contribution is 5% for employees with 5+ years of services or 4% for those with less than 5 years; employees have option to contribute based on individual RRSP contribution maximums. Monthly contributions are remitted to Manulife by the 15th of following month.
- Scheme is voluntary.

ASIA-PACIFIC

Australia

- There is no liability for the company.
- Australia operates compulsory superannuation schemes based on employer defined contributions.
- Employees have the right to choose which superannuation fund (external funds they are a member of).
- External superannuation funds in Australia are monitored by Australian Securities and Investment Commission as well as other Governmental agencies.
- i) 9.5% employer contribution on gross salary to cap of AUD 114,180 for 6-months to 30 June 2021, ii) 10% employer contribution on gross salary to cap of AUD 117,840 for 6 months ended 31 Dec 2021. iii) Employee contributions from payroll are voluntary

Singapore

- There is no liability for the company.
- Monthly contributions to the Central Provident Fund on wages up to an income ceiling of SGD 6,000. Rates for employees 55 and under:
 - i) employer - 17%
 - ii) employee - 20%
- For employees over 55, the rates reduce - the lowest level being of 7.5% (employer) and 5% (employee) for ages 70 and over.
- The scheme is mandatory for Singapore citizens and permanent residents. Others are not eligible.

Philippines

- Social security contributions are required under several social institutions, the aggregated maximum monthly amounts are:
 - i) employer - PHP 3,125
 - ii) employee - PHP 2,125
- The scheme is mandatory for all Philippine employees.

Indonesia

- In Indonesia, the company is required to pay monthly contributions to the Workers Social Security fund based on fixed rates.
- The scheme is mandatory for all Indonesian employees



Appendix B.4 (continued) - Figures & tables

Benefits provided to full-time employees that are not provided to temporary or part-time employees - Figure 21.

BRAZIL	<ul style="list-style-type: none">▪ Life insurance (employee and spouse/husband)▪ Funeral Insurance (employee and spouse/husband)▪ Health and Dental Insurance (employee and direct dependents - spouse/wife and kids)▪ Pension Plan (employee) company do a deposit of the same amount than employee▪ Supermarket Coupon (monthly basis)▪ Restaurant Coupon (monthly basis only for onshore employee)
AUSTRALIA	All employees, whether full-time or part-time / fixed term have the same benefits, though if part-time some benefits are pro-rated e.g. leave accruals. With the exception of: 9 Day Fortnight (flexibility) Scheme for permanent onshore full-time employees only (or maximum duration >12 months) - Employee Assistance Program.
NORWAY	All employees, including temporary employees, are entitled the same benefits. Employees who are younger than 20 years old or work less than 20% are entitled to most of the benefits except: <ul style="list-style-type: none">▪ Life insurance▪ Disability and invalidity coverage▪ Paid parental leave▪ Pension
SINGAPORE	All employees, whether full-time or part-time have the same benefits. If fixed term or casual, benefits reduce. Different benefits may be offered to employees based on their Singapore residency status (e.g. health insurance, flights) or a car park bay based on their role seniority.
PHILIPPINES	All employees, whether full-time or part-time /fixed term, have the same benefits with the exception of: Service Incentive Leave entitlement after one year of service, an employee becomes entitled to a yearly service is provided with incentive leave of 5 days with pay (there are preclusions so must check always as to who this applies to, for example does not apply to Managers or those employed in establishments regularly employing less than 10 employees). Leave can be used in ill health or for general holidays and the balance must be paid out at the end of the year. TOWP (Time Off With Pay) sick - days not used at the end of each calendar year will be converted into money equivalent and paid to the employee. Not available to casual employees.



Appendix B.4 (continued) - Figures & tables

Benefits provided to full-time employees that are not provided to temporary or part-time employees - Figure 21 (continued)

US

Benefits provided to full-time employees that are not provided to temporary or part-time employees:

- Health and Dental Programs to include medical, dental, and vision
- Flexible Spending Accounts (FSA and HSA)
- Life Insurance - Company Paid
- Voluntary Life Insurance - Employee Paid
- Short term and long term disability
- Employee Assistance Program (EAP)
- Vacation
- Statutory Holidays
- Sick Leave
- Family Medical Leave (FMLA)
- Time off to Vote
- Jury/Witness Leave
- 401(k) retirement (6% company match currently)

CANADA

The benefits below are provided to full-time employees and not provided to temporary / casual employees. Part-time employees may have some or all of the benefits based on hours worked.

- Life Insurance
 - Critical Illness
 - Short term and Long term disability
 - Employee and Family Assistance Program (EAFP)
 - Vacation - Statutory Holidays
 - Registered Retirement Savings Program
 - Family Violence Leave - Personal Leave
 - Parental Leave
 - Adoptive Leave
 - Bereavement Leave
 - Compassionate Leave
 - Reserve Leave
 - Sick Leave
 - Time off to Vote
 - Jury/Witness Leave Duty
-



Appendix B.4 (continued) - Figures & tables

Entities included in the organisation's sustainability reporting - Figure 22

The below list shows the entities (operations) included in DOF's sustainability reporting and the region the entity is considered part of, in the context of significant area of operation.

The list below is determined based on entities with operational activity, and thus will differ from the list of companies within the group in the consolidated financial statements.

ENTITY (OPERATION)	REGION (SIGNIFICANT AREA OF OPERATION)
DOF Management Australia Pty	Asia Pacific
DOF Management Pte	Asia Pacific
DOF Subsea Asia Pacific Pte. Ltd	Asia Pacific
DOF Subsea Asia Pacific Pte. Ltd, Philippine Branch	Asia Pacific
DOF Subsea Australia Pty	Asia Pacific
PT DOF Subsea Indonesia	Asia Pacific
DOF ASA	Atlantic
DOF Management AS	Atlantic
DOF Management Egypt Branch	Atlantic
DOF Management UK	Atlantic
DOF OSM	Atlantic
DOF SJØ AS	Atlantic
DOF Subsea Angola Lda	Atlantic
DOF Subsea AS	Atlantic
DOF Subsea Ghana Ltd	Atlantic
DOF Subsea Norway AS	Atlantic
DOF Subsea Norway Offshore AS	Atlantic
DOF Subsea UK Ltd	Atlantic
Marin IT AS	Atlantic
DOF Subsea Canada Corp	North America
DOF Subsea US Inc	North America
DOF Management Argentina S.A.	South America
DOF Subsea Brasil Servicos Ltda	South America
Norskan Offshore Ltda	South America




Appendix B.5 - Document figure overview

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Appendix B.6 - Independent Assurance Report - EY

 Building a better working world	<p>State Authorised Public Accountants Ernst & Young AS</p> <p>Dronning Eufemias gate 6, NO-0191 Oslo Oslo Atrium, P.O.Box 20, NO-0051 Oslo</p>	<p>Business Register: NO 976 389 387 MVA Tlf: +47 24 00 24 00</p> <p>www.ey.no Member of the Norwegian Institute of Public Accountants</p>
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To the Board of Directors of DOF ASA

Independent accountant's assurance report

Scope

We have been engaged by DOF ASA to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on DOF ASA's sustainability reporting as the DOF ASA have defined and referred to in the DOF ASA's GRI Index (the "Subject Matter") as of 31 December 2021 for the period from 01 January 2021 to 31 December 2021.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the sustainability reporting, and accordingly, we do not express a conclusion on this information.

Criteria applied by DOF ASA

In preparing the Subject Matter, DOF ASA applied the relevant criteria from the Global Reporting Initiative (GRI) sustainability reporting standards, "Core" option (the "Criteria") and the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard. The Criteria can be accessed at globalreporting.org and are available to the public. Such Criteria were specifically designed for companies and other organizations that want to report their sustainability impacts in a consistent and credible way. As a result, the Subject Matter information may not be suitable for another purpose. We consider these reporting criteria to be relevant and appropriate to review the sustainability reporting.

DOF ASA's responsibilities

The Board of Directors and Chief Executive Officer (management) are responsible for the selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'). This standard requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

A member firm of Ernst & Young Global Limited

Penneo Dokumentnøkkel: BUKL-2ND43-TWFE-XHGNT-CQIX3-ET15E



State Authorised Public Accountants
Ernst & Young AS

Dronning Eufemias gate 6, NO-0191 Oslo
Oslo Atrium, P.O.Box 20, NO-0051 Oslo

Business Register: NO 976 389 387 MVA
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www.ey.no
Member of the Norwegian Institute of Public
Accountants

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants. EY also applies *International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- ▶ Review of DOF ASA's process for preparation and presentation of the sustainability report to develop an understanding of how the reporting is conducted within the business
- ▶ Interviewed those in charge of sustainability reporting to develop an understanding of the process for the preparation of the sustainability reporting
- ▶ Verified on a sample basis the information in the sustainability reporting against source data and other information prepared those in charge
- ▶ Assessed the overall presentation of sustainability reporting against the criteria in the GRI Standards including a review of the consistency of information against the GRI index.

We believe that our procedures provide us with an adequate basis for our conclusion. We also performed such other procedures as we considered necessary in the circumstances.

Independent accountant's assurance report - DOF ASA

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Penneo DokumentID: BUKL-2N045-F1WFE-ARIGNT-QCUX3-ET1YSE



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Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as of 31 December 2021 and for the period from 1 January 2021 to 31 December 2021 in order for it to be in accordance with the Criteria.

Oslo, 06 April 2022
ERNST & YOUNG AS

The assurance report is signed electronically

Eirik Moe
State Authorised Public Accountant

Perthec.Dokumentnr:BUKLL-20045-ITWFE-XRIGNT-QCUX3-ETISE

Independent accountant's assurance report - DOF ASA

A member firm of Ernst & Young Global Limited





GLOSSARY

Glossary

AUV:	Autonomous Underwater Vehicle
CAPEX:	Capital Expenditure
CDP	Carbon Disclosure Project
CSV/Subsea	Construction Support Vessels and Subsea vessels
DNV-GL:	Det Norske Veritas. Classification company. Controlling and approving the vessels technical condition, security and quality according to the company's own rules and the national laws
DP:	Dynamic Positioning
E&P:	Exploration & Production
EPIC:	Engineering, Procurement, Installation & Commissioning
ERM	Emergency Risk Management
ESG	Environmental, Social, and Corporate Governance
FPSO:	Floating Production Storage and Offloading
GHG:	Greenhouse Gases
GOM:	Gulf of Mexico
GR:	Global Reporting Initiative
HR:	Human Resources
HSEQ:	Health, Safety, Environment and Quality
IFRS:	International Financial Reporting Standards
IMCA:	International Marine Contractors Association
IMO:	International Maritime Organisation
IMR:	Inspection, Maintenance, and Repair
IOC:	International Offshore Company
ISM:	International Safety Management Code
ISO:	International Standards Organisation
ISPS:	International Ship and Port Facility Security Code. International framework to detect/ assess security threats and take preventive measures against security incidents affecting ships or port facilities used in international trade
LNG:	Liquefied Natural Gas
MLC:	Maritime Labour Convention
NIBOR:	Norwegian Interbank Offered Rate
NIS:	Norwegian International Ship Register
NOR:	Norwegian Ordinary Ship Register
OHSAS:	Occupational Health & Safety Advisory Services
OSCV:	Offshore Subsea Construction Vessel
PLSV:	Pipelaying Support Vessel
ROV:	Remote Operated Vehicle
SDGs:	United Nations Sustainable Development Goals
SEMS:	Safety and Environmental Management Systems
STCW:	Standards of Training, Certification and Watch keeping
SURF:	Subsea, Umbilicals, Risers & Flowlines
T&I:	Transportation & Installation
Time Charter Party (TC):	Contract for Chartering a Vessel
UDW:	Ultra Deep Water
VAE:	Value Adjusted Equity



DEDICATION

A dedication & thank you:

**Thank you to all our hard working
and dedicated colleagues.
It is you that makes DOF
the preferred OSV manager and
subsea services partner.**



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Cover image

In the port of Rio de Janeiro, DOF employees share a greeting from the helideck of Skandi Vitoria with Skandi Niteroi in view in the background.

Production team

The DOF Integrated Annual Report 2021 is produced with great care and would not be possible without the contribution of many of the DOF team across the globe. We thank everyone for their considerable efforts. Special thanks go to the project team who helped make this year's report come together. Committed to continuous improvement, we welcome and appreciate your feedback. If you would like to send us your views, please contact: stig.clements@dof.com

Layout

DOF ASA Corporate Communication
Department and Cogency Design
Solutions

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Distribution

The report is distributed digitally via the DOF websites, as well as in printed format from May 2022, is delivered to key stakeholders and presented in all DOF offices around the globe. Quick link to latest report: www.dof.com/sustainability



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13 FEB. 2017



Norwegian Directorate of Taxes

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

DOF ASA
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5392 STOREBØ

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

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

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

Conclusion

Based on a total evaluation, the view of The Directorate of Taxes is that the companies mentioned above may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph. The exemption requires that the information that the decision is based on, does not change significantly.

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

Background

DOF ASA is the ultimate parent company in the DOF ASA Group. The other companies are owned by DOF ASA. DOF ASA is listed on Oslo Stock Exchange and has permission to present the annual accounts in English language. The DOF ASA Group is an international group of companies which owns and operates a modern fleet of offshore-/subsea vessels, and owns engineering capacity to service the subsea market. Other group companies have already permission to make the directors' report and annual accounts in English language.

The working language in the group is English. The DOF ASA Group operate within the international offshore-/subsea industry, where English is clearly the dominant language. The group is highly international in the sense that it operates throughout the world, and the group has several

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

Best regards

Rune Tystad
Senior Adviser
Legal Department
Norwegian Directorate of Taxes

Torstein Kinden Helleland

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