



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 936 742 475  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: SUBSEA 7 NORWAY AS  
Forretningsadresse: Kanalsletta 9  
4033 STAVANGER

### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Odd Terje Ellingsen  
Dato for fastsettelse av årsregnskapet: 20.05.2022

### 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, 22.06.2023



## Resultatregnskap

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Revenue	2	4 706 032 790	4 705 708 457
Other income	2	306 410	632 766
<b>Sum inntekter</b>		<b>4 706 339 200</b>	<b>4 706 341 223</b>
<b>Kostnader</b>			
Raw materials and consumables used		2 113 820 184	1 655 592 514
Employee benefits expense	3, 4	553 016 225	565 851 631
Depreciation	5	49 192 154	46 029 752
Amortisation	15	111 001 402	123 989 587
Other expenses	3	2 129 630 088	2 393 823 806
<b>Sum kostnader</b>		<b>4 956 660 054</b>	<b>4 785 287 291</b>
<b>Driftsresultat</b>		<b>-250 320 854</b>	<b>-78 946 068</b>
<b>Finansinntekter og finanskostnader</b>			
Renteinntekt fra foretak i samme konsern	13	96 666	
Annen renteinntekt	13	155 910	4 446
Other financial income	13	257 436 850	236 049 659
<b>Sum finansinntekter</b>		<b>257 689 426</b>	<b>236 054 106</b>
Rentekostnad til foretak i samme konsern	13	7 243 136	9 089 460
Annen rentekostnad	13	23 872 173	32 482 574
Other financial expenses	13	233 743 750	268 763 952
<b>Sum finanskostnader</b>		<b>264 859 059</b>	<b>310 335 986</b>
<b>Netto finans</b>		<b>-7 169 633</b>	<b>-74 281 880</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-257 490 487</b>	<b>-153 227 948</b>
Income tax expense	12	-65 076 795	-31 509 179
<b>Ordinært resultat etter skattekostnad</b>		<b>-192 413 692</b>	<b>-121 718 769</b>
<b>Årsresultat</b>		<b>-192 413 692</b>	<b>-121 718 769</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>-192 413 692</b>	<b>-121 718 769</b>



## Resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Remeasurement Defined Benefit Pension		-2 675 420	4 990 210
Sum resultatkomponenter for IFRS-foretak		-2 675 420	4 990 210
<b>Totalresultat</b>		<b>-195 089 112</b>	<b>-116 728 559</b>
<b>Overføringer og disponeringer</b>			
Other equity		-195 089 112	-116 728 559
<b>Sum overføringer og disponeringer</b>		<b>-195 089 112</b>	<b>-116 728 559</b>



## Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	12	124 419 678	67 778 779
Goodwill	5		
<b>Sum immaterielle eiendeler</b>		<b>124 419 678</b>	<b>67 778 779</b>
<b>Varige driftsmidler</b>			
Buildings and land	5	338 118 706	362 243 053
Right of use - Building and land	15	44 713 034	60 097 638
Machinery and equipment	5	111 506 598	121 951 531
Right of use - Machinery and equipment	15		24 678
Ships	5		
Right of use - Ships	15	397 301 400	496 626 750
Equipment and other movables	5	3 040 008	3 253 390
Assets under construction	5	3 286 351	2 493 368
Right of use - Fixture and fittings	15	1 363 966	1 449 551
<b>Sum varige driftsmidler</b>		<b>899 330 063</b>	<b>1 048 139 958</b>
<b>Finansielle anleggsmidler</b>			
Lån til tilknyttet selskap og felles kontrollert virksomhet	8		
Obligasjoner	14	162 160	57 970
Other long-term receivables	4		6 886 151
<b>Sum finansielle anleggsmidler</b>		<b>162 160</b>	<b>6 944 121</b>
<b>Sum anleggsmidler</b>		<b>1 023 911 902</b>	<b>1 122 862 858</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Sum varer</b>	6	<b>2 615 679</b>	<b>2 697 864</b>
<b>Fordringer</b>			
Accounts receivables	7, 9	1 135 275 992	679 774 107
Other short-term receivables	13	1 121 657 234	110 320 436
<b>Sum fordringer</b>		<b>2 256 933 226</b>	<b>790 094 543</b>



### Balanse

Beløp i: NOK	Note	2021	2020
<b>Investeringer</b>			
Other financial instruments	14	3 731 730	15 000 770
<b>Sum investeringer</b>		<b>3 731 730</b>	<b>15 000 770</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	10	-1	
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>-1</b>	
<b>Sum omløpsmidler</b>		<b>2 263 280 634</b>	<b>807 793 177</b>
<b>SUM EIENDELER</b>		<b>3 287 192 536</b>	<b>1 930 656 035</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	11	120 400	120 400
Beholdning av egne aksjer	11		
Annen innskutt egenkapital		432 082 960	430 329 903
<b>Sum innskutt egenkapital</b>		<b>432 203 360</b>	<b>430 450 303</b>
<b>Opptjent egenkapital</b>			
Other equity		-360 854 200	-165 765 088
<b>Sum opptjent egenkapital</b>		<b>-360 854 200</b>	<b>-165 765 088</b>
<b>Sum egenkapital</b>		<b>71 349 160</b>	<b>264 685 215</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Pensjonsforpliktelser	4	22 165 515	18 382 226
Utsatt skatt	12		
Non-current lease liabilities	16	366 798 194	466 438 474
Other provisions	8	64 733 191	60 589 124
<b>Sum avsetninger for forpliktelser</b>		<b>453 696 900</b>	<b>545 409 824</b>
<b>Annen langsiktig gjeld</b>			
Other non-current liabilities	7, 8	16 743 000	16 743 000
<b>Sum annen langsiktig gjeld</b>		<b>16 743 000</b>	<b>16 743 000</b>



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Sum langsiktig gjeld</b>		<b>470 439 900</b>	<b>562 152 824</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	7	261 077 074	310 565 976
Tax payable	12		
Public duties payable		74 801 139	65 503 816
Current lease liabilities	16	101 217 609	98 531 845
Other current liabilities	9	2 308 307 655	629 216 362
<b>Sum kortsiktig gjeld</b>		<b>2 745 403 476</b>	<b>1 103 817 998</b>
<b>Sum gjeld</b>		<b>3 215 843 376</b>	<b>1 665 970 822</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>3 287 192 536</b>	<b>1 930 656 037</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 660518

#### Enheten

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Organisasjonsform: Aksjeselskap  
Foretaksnavn: SUBSEA 7 NORWAY AS  
Forretningsadresse: Kanalsletta 9  
4033 STAVANGER

#### Regnskapsår

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#### Konsern

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Brønnøysundregistrene, 18.07.2022



Organisasjonsnr: 936 742 475  
SUBSEA 7 NORWAY AS

## RESULTATREGNSKAP

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Organisasjonsnr: 936 742 475  
SUBSEA 7 NORWAY AS

## BALANSE

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<b>Investeringer</b>			
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<b>Sum investeringer</b>		<b>3 731 730</b>	<b>15 000 770</b>
<b>Bankinnskudd, kontanter og lignende</b>			



Cash and cash equivalents	10	-1	
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>-1</b>	
<b>Sum omløpsmidler</b>		<b>2 263 280 634</b>	<b>807 793 177</b>
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Organisasjonsnr: 936 742 475  
SUBSEA 7 NORWAY AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall aksjer og aksjeeiere

Note

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:  
549.00

Omløpsmidler                      Startdato      Sluttdato      Endring

Skattemessig fremf.undersk. Startdato      Sluttdato      Endring

Kortsiktig gjeld                      Startdato      Sluttdato      Endring



Skatteetaten

Vår dato  
26.10.2020

Din/Deres dato  
05.10.2020

Saksbehandler  
Kjell Knutsen

800 80 000  
Skatteetaten.no

Din/Deres referanse

Telefon  
51825856

Org.nr  
974761076

Vår referanse  
2020/5955471

Postadresse  
Postboks 9200 Grønland  
0134 OSLO

SUBSEA 7 NORWAY AS  
Postboks 205  
4068 STAVANGER

## Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk for 936742475 Subsea 7 Norway AS samt norske konsernselskaper

Vi viser til søknad av 5. oktober 2020 om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk for følgende selskap Subsea 7 Norway-konsernet:

Selskapsnavn	Org.nr.
Subsea 7 Holding Norway AS	984 053 436
Subsea 7 Norway AS	936 742 475
Subsea 7 i-Tech Norway AS	920 340 245
Subsea 7 Navica AS	998 433 088
Subsea 7 Vessel Owner AS	998 720 540
Normand Oceanic AS	998 462 983

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapene dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

### Bakgrunn

Fra søknaden siteres:

Subsea 7 er et internasjonalt konsern som leverer tjenester rettet mot offshore energi-markedet (olje, gass og havvind). Konsernet har hovedkontor i London og bruker engelsk som arbeidsspråk. Det har kommet ønske fra konsernet om at regnskapene for de norske selskapene fra og med regnskapsåret 2020 utarbeides på engelsk.

Alle selskapene som det søkes om dispensasjon for er indirekte 100 % eid av konsernets børsnoterte selskap Subsea 7 S.A.:



Subsea 7 Holding Norway AS:	org.nr 984 053 436
Subsea 7 Norway AS:	org.nr 936 742 475
Subsea 7 i-Tech Norway AS:	org.nr 920 340 245
Subsea 7 Navica AS:	org.nr 998 433 088
Subsea 7 Vessel Owner AS:	org.nr 998 720 540
Normand Oceanic AS:	org.nr 998 462 983

Styremøtene i disse selskapene avholdes på engelsk da samtlige styrever har ett eller flere styremedlemmer som ikke er norske statsborgere. I tillegg har selskapene også internasjonale leverandører og i noen tilfeller også internasjonale kunder, så både interne og eksterne brukere vil ha nytte av at regnskapene er på engelsk.

Med referanse til regnskapslovens § 3-4 tredje ledd søkes det herved om dispensasjon fra språkkravet og tillatelse om å utarbeide årsregnskap og årsberetninger for de ovenfornevnte selskaper på engelsk

## Skattekontorets vurdering

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

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

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

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *”informative regnskaper for ulike grupper av regnskapsbrukere”*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte, kunder og lokalsamfunnet.

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

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I dette tilfellet er det opplyst at selskapene har internasjonale leverandører og i noen tilfeller også internasjonale kunder. Det er videre opplyst at styremøtene i aktuelle selskaper avholdes på engelsk og at konsernet har engelsk som arbeidsspråk. Skattekontoret vektlegger også at selskapene opererer i en bransje hvor engelsk ofte brukes som arbeidsspråk. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.



Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Gro Stangeland  
underdirektør  
Innsats, storbedrift  
Skatteetaten

Kjell Knutsen

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.*



Statsautoriserte revisorer  
Ernst & Young AS

Vassbotnen 11a Forum, 4313 Sandnes  
Postboks 8015, 4068 Stavanger

Foretaksregisteret: NO 976 389 387 MVA  
Tlf: +47 24 00 24 00

www.ey.no  
Medlemmer av Den norske Revisorforening

## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Subsea 7 Norway AS

### Opinion

We have audited the financial statements of Subsea 7 Norway AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement, statement of cash flows and statement of changes in equity 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 legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

### Basis for opinion

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

### Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the general manager) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

### Responsibilities of management for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the



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going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, 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 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'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 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 fair presentation.

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.

Stavanger, 25 May 2022  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Stig Tore Strand  
State Authorised Public Accountant (Norway)

Independent auditor's report - Subsea 7 Norway AS 2021

A member firm of Ernst & Young Global Limited

Penneo Dokumentnøkkel: GHD37-Z6LKF-5YBDN-7L7OL-2PXJX-BUJLC



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## Stig Tore Strand

Statsautorisert revisor

På vegne av: EY

Serienummer: 9578-5998-4-756562

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Subsea 7 Norway AS  
Entity Org. number 936 742 475

## DIRECTORS REPORT 2021

The Financial statements and notes in this report are specific to Subsea 7 Norway AS (the Company) and not the wider Subsea 7 S.A. Group.

Subsea 7 Norway AS is ultimately wholly owned by Subsea 7 S.A., a global leader in the delivery of projects and services for the offshore energy industry. Subsea 7 provides project management, engineering and construction expertise across the full field lifecycle within the operational business units Subsea & Conventional and Renewables. The Annual Report and Consolidated Financial statements of Subsea 7 S.A. are available at [www.subsea7.com](http://www.subsea7.com). Subsea 7 S.A. is listed on the Oslo Stock Exchange.

The main activity of Subsea 7 Norway AS is execution of Subsea & Conventional projects primarily in the Norwegian sector of the North Sea. The Company's head office in Norway is at Kanalsletta 9, Sola.

### FINANCIAL STATEMENT REVIEW 2021 (In NOK)

Operating income	: 4,706,339,200
Operating result before tax	: -257,490,487
Net income/loss	: -192,413,692
Total comprehensive income/loss	: -195,089,112
Total equity	: 71,349,160
Total equity and liabilities	: 3,287,192,536

Operating income of NOK 4,706M is at same level as was reported in 2020 (NOK 4,706M). A net loss of NOK -192M was generated compared to a net loss of NOK -122M in 2020. The following factors contributed to the differing results across the 2 years:

- Project delivery delays as a result of vessels waiting on weather in 2021.
- Additional operating costs incurred as a result of COVID-19 have only been partly compensated by our clients and this has had an adverse impact on the 2021 financial result.
- Less unfavourable currency movements than in 2020.

A total comprehensive loss of NOK -195M was generated in 2021 compared to a loss of NOK -117M in 2020. This was after taking into account a NOK 3M charge associated with remeasurement of the defined benefit pension scheme, compared to a credit of NOK -5M in 2020. It is proposed to allocate the total comprehensive loss for the year NOK -195M to equity. At the end of December 2021, shareholders equity amounts to NOK 71M compared to NOK 265M at the end of 2020.

The Board is of the opinion that the Financial statement presents a fair and correct view of the Company's financial position and does not recommend payment of a dividend to the shareholders for 2021.

### Review of the Business:

Subsea 7 Norway AS operated in challenging circumstances in 2021 given the continued impacts



from the Covid-19 pandemic as well as busy offshore schedule as well as a high activity level at our Spoolbase in Vigra.

Considerable effort was involved in delivering client projects safely and to a high quality given the challenges introduced by the pandemic. The Government stimulus packages were successful with clients bringing a number of projects to market in spite of the challenging environment although many of these awards will benefit future financial years.

Revenue is mainly generated by projects within the Subsea & Conventional segment and via services provided to other entities within the Subsea 7 Group.

Equinor and Aker BP remain the Company's largest clients and, similar to 2020, account for the majority of the turnover generated in the year.

The financial result reflects the competitive market conditions which continue to prevail.

Additional operating costs incurred as a result of COVID-19 have only been partly compensated by our clients and this has had an adverse impact on the 2021 financial result.

## **GOING CONCERN**

The Company has adequate resources to continue in operational existence for the foreseeable future. The Board of Directors is of the opinion that the Company is a going concern and the Financial statements have been prepared under this assumption.

The prospects for the next 5 years are very good and the expectation is the Company's equity position will improve through generation and retention of profit. In addition, the Directors are reviewing the current equity and debt position, with a view to raising additional capital via issue of shares.

The company has an insurance policy for members of the Board of Directors and the general manager that covers potential liability towards the company and third parties.

## **FINANCIAL RISK**

### **Market risk**

The demand for Subsea 7's services correlates with the oil price which is the main driver when clients sanction new projects. History has also showed that there is a risk that clients may suspend or cancel awarded contracts when a sudden and unexpected drop in the oil price occurs. Market volatility is a known risk in the offshore energy industry and Subsea 7 Norway AS is structured to quickly react to changes in market conditions.

Subsea 7 Norway AS is exposed to foreign exchange fluctuations. The exposure is mitigated by seeking payments from clients in multi currencies such that any cost incurred is reimbursed in the same currency.

### **Credit risk**

The Company's clients are mainly well-established domestic operator companies with proven track records of fulfilling their financial obligations. Credit checks are performed at tender stage before entering contracts with new clients.



The credit risk is deemed to be low.

#### Liquidity risk

Subsea 7 Norway AS is part of the wider Subsea 7 Group's Working Capital Agreement and will receive funding if required.

Subsea 7 S.A. has a strong balance sheet and sufficient access to cash securing financial stability for its subsidiaries.

#### LOOKING AHEAD

The economic impact of the pandemic has been less extensive than initially expected for the offshore industry in Norway, largely due to the stimulus packages announced by the Norwegian Government. Planned development projects initially postponed or cancelled by the Operator companies were re-started after the Government made a temporary amendment to the Norwegian petroleum tax system although the timing of a number of these projects has slipped.

Subsea 7's Vision 2025 sets out two strategic focus areas. In addition to Subsea 7's continued focus on the subsea oil and gas sector (Subsea Field of the Future), the Company is also focused on supporting clients in the Renewable Energy sector.

The award of Equinor's full-scale carbon capture and storage project (Northern Lights) in the first half of 2021, fits very well into Subsea 7 Norway AS strategy to take a position in the CCS market in the North Sea.

Overall, Subsea 7 Norway AS, is well positioned for the future. High tender activity in 2022 to date, indicates optimism in the market and the Company has well-established relations with key clients.

Closing backlog for 2021 is higher than 2020, and there is further increased activity anticipated in the coming years following the announcement of the Norwegian government tax package where PDO is required for delivery by 31.12.2022.

#### DISCRIMINATION

The purpose of the Norwegian Equality and Anti-Discrimination Act is to promote equality, prevent discrimination and to improve the position of women and minorities. These values are adopted by Subsea 7. Everyone at Subsea 7 has the right to be treated fairly and to have equal opportunities in a supportive, friendly and inclusive environment free from all forms of discrimination, harassment and bullying.

Subsea 7 Norway AS follow Group's Equal Opportunities & Diversity Policy promoting inclusion, equality and fairness of treatment for all. Respect for Human Rights and fight against all forms for discrimination is an integrated part of Subsea 7 and is embodied in the Code of Conduct.

In the last employee opinion survey 84% of the employees in Subsea 7 Norway AS reported they are satisfied with Subsea 7's efforts to support diversity and inclusion in terms of gender, ethnicity, disability, socio-economics status.

Subsea 7's head office in Forus has a universal design and the office facilities can be used regardless of disability.

A diverse workforce is a clear priority at Subsea 7. At Subsea 7, people of all backgrounds are



accepted for who they are.

## EMPLOYEES

Subsea 7 Norway AS has 552 regular employees at the end of 2021.

The Company is actively working to recruit and maintain a diversified workforce and in 2021 employees from 31 different nationalities were employed by Subsea 7 Norway AS.

The oil and gas industry has traditionally been dominated by men, and men form the majority of the Company workforce. Of the regular staff 26,8% are women and 73,2% are men.

The Company is working to close the gap and recruit more women, but it is a fact that more men than women are applying to the Graduate Intake program which may be an indicator that women prefer a career in other industries.

Women are represented in both the Management team (3 members) and in the Board of Directors (3 members).

31.12.2021

### Every year, it must be examined and accounted for:

Total gender balance in the company (number)	148 women / 404 men
Temporary employees (gender difference in number or percentage)	1 women / 4 men
Employees in part-time positions (gender difference in number or percentage)	2 women / 6 men
Average number of weeks of parental leave for women and men	36 weeks

### At least every two years, it must be mapped and accounted for:

Wage differences at different job levels / groups (women's share of men's wages in kroner or per cent)	
Group 1	92,79 %
Group 2	91,62 %
Group 3	90,63 %
Group 4	101,50 %
Wage differences at different job levels / groups (women's share of men's wages in kroner or per cent)	
	88,44 %
Gender distribution at different job levels / groups	
Group 1	22 women / 78 men
Group 2	65 women / 131 men
Group 3	54 women / 165 men
Group 4	7 women / 29 men
Employees who work involuntarily part-time (gender difference in number or percentage)	0

Subsea 7 conducts regular Employee Opinion Surveys to monitor working conditions and employee satisfaction. The working environment in Subsea 7 Norway AS is good.

## HEALTH, SAFETY, ENVIRONMENT AND QUALITY (HSEQ)

### HSEQ Management System

Subsea 7 has implemented an integrated HSEQ management system, which is certified by DNV against the ISO 9001, 14001 and 45001 standards. The management system is overseen by senior management and underpinned by our HSEQ Policy Statement. Central elements of our management



system are stakeholder engagement, compliance with legislative requirements and striving for continuous improvement. Together with our Values (Safety, Integrity, Sustainability, Performance, Collaboration and Innovation), these drive our HSEQ performance.

## Sustainability

Sustainability is one of our corporate values and the company has 6 defined Sustainability Priorities: Employee Health, Safety and Wellbeing; Labour Practices and Human Rights; Business Ethics; Energy Transition; Operational Eco-Efficiency and Ecological Impacts. In 2021, Subsea 7 also published a Net Zero Carbon target for 2050 with intermediate targets and established a separate entity for fixed offshore wind installation. Sustainability is increasingly becoming part of our core business and this will drive our efforts in energy transition and subsea field of the future which include local sustainability objectives for Subsea 7 Norway AS.

## Health

COVID-19 has been a dominant factor across the business also in 2021, impacting all aspects of our operations. Despite the challenges, Subsea 7 Norway has managed to continue offshore operations, onshore fabrication and run our (home) offices with minimum disruption and no serious COVID health impacts throughout 2021. We have had particular attention to the wellbeing of our employees during this period with additional support initiatives to our people.

Sick leave in 2021 ended at 1,5 % for onshore employees and 3,5% for offshore employees, which is below industry average. This is calculated based on the number of hours of sick leave compared with the total number of hours produced.

## Safety

In 2021, Subsea 7 Norway AS had two (2) incidents that led to absence from work (Lost Time Injury). Subsea 7 investigates all incidents and near-miss incidents, regardless severity, and the Company implements targeted organizational, technical and operational measures to prevent repeat of the conditions that cause incidents or potential incidents. The Company's management is involved in assessing the effectiveness of the implemented measures.

The Company has had a good reporting frequency (above target) of safety observations and interventions at our operational worksites. This provides important input to our preventive safety work where there is a strong focus on safe behaviour, conducting task risk assessments and toolbox talks. The Company has embedded the industry standard "Life Saving Rules" as a central theme in our preventative safety work.

## Environment

Subsea 7 Norway AS environmental impact is dominated by the emissions and impacts associated with our offshore vessel operations. In addition, the operation of our offices, onshore production sites and (indirectly) the performance of our subcontractors contribute to our environmental impact profile.

Fuel consumption in the Company's fleet is significant and is a focus area. The Company has established an energy saving program on all ships and has a modern fleet equipped with energy-efficient engines. In addition, several ships have had treatment plants installed that reduce NOx emissions. One ship, Seven Viking, was rebuilt in 2018 to become a battery-backed hybrid vessel and shows positive results in the form of lower fuel consumption and NOx emissions. The Company has established a carbon estimator that allows prediction of our CO2-emissions profile in project execution and we disclose our carbon emissions at corporate level at CDP.



The fleet is managed in accordance with ISM and complies with all MARPOL regulations related to emissions to air, generation of waste and discharges to water from our ships. The Company has, in accordance with international regulations, established contingency plans for all vessels related to pollution accidents. These plans are subject to the approval of an independent third party.

In accordance with the ISO 14001 standard, Subsea 7 Norway AS establishes environmental aspect registers for all projects and operations, identifying control measures and opportunities for improved performance. As part of our Sustainability value (see above), the Company has established working groups led by Senior management that cover long-term improvements on environmental impacts and operational eco-efficiency.

## Quality

Our quality performance is closely monitored in all phases of the project. Non-conformities are raised in our management system and are investigated in a similar manner as safety incidents. The Company implements targeted organizational, technical and operational measures to prevent repeat of the conditions that cause quality incidents. The Company's management is involved in assessing the effectiveness of the implemented measures. In 2021, the company started the roll-out of our global "Predictable Performance" initiative, which aims to further improve our pro-active quality management and the increased use of leading quality indicators.

Forus, 20.05.2022

The board of Subsea 7 Norway AS

*Phil Simons*  
Phil Simons (May 25, 2022 07:45 GMT+1)

Phillip Simons  
chairman of the board

*Colin Strachan*  
Colin Strachan (May 24, 2022 16:43 GMT+1)

Colin Strachan  
vice chairman

*Siw Stordahl*

Siw Viktoria Stordahl  
member of the board

*Monica Th. Bjørkmann*  
Monica Th. Bjørkmann (May 25, 2022 05:49 GMT+2)

Monica T. Bjørkmann  
general Manager

*Jon Sunde Haugland*  
Jon Sunde Haugland (May 25, 2022 10:42 GMT+1)

Jon Sunde Haugland  
member of the board

*Stian Sletten*  
Stian Sletten (May 25, 2022 14:32 GMT+2)

Stian Sletten  
member of the board

*Eirik Valheim*  
Eirik Valheim (May 25, 2022 10:17 GMT+2)

Martin Fossum  
member of the board

*Sarah Jane Søvik*

Sarah Jane Søvik  
member of the board

*Sven Rasmussen*  
Sven Rasmussen (May 25, 2022 13:13 GMT+2)

Sven Rasmussen  
member of the board



## Statement of Comprehensive Income

### Subsea 7 Norway AS

Operating income and operating expenses	Note	2021	2020
Revenue	2	4,706,032,790	4,705,708,457
Other income	2	306,410	632,766
<b>Total income</b>		<b><u>4,706,339,200</u></b>	<b><u>4,706,341,223</u></b>
Raw materials and consumables used		2,113,820,184	1,655,592,514
Employee benefits expense	3, 4	553,016,225	565,851,631
Depreciation	5	49,192,154	46,029,752
Amortisation	15	111,001,402	123,989,587
Other expenses	3	2,129,630,088	2,393,823,806
<b>Total expenses</b>		<b><u>4,956,660,054</u></b>	<b><u>4,785,287,291</u></b>
<b>Operating profit</b>		<b><u>-250,320,854</u></b>	<b><u>-78,946,068</u></b>
<b>Financial income and expenses</b>			
Interest income from group companies	13	96,666	0
Other interest income	13	155,910	4,446
Other financial income	13	257,436,850	236,049,659
<b>Sum financial income</b>		<b><u>257,689,426</u></b>	<b><u>236,054,106</u></b>
Interest expense to group companies	13	7,243,136	9,089,460
Other interest expenses	13	23,872,173	32,482,574
Other financial expenses	13	233,743,750	268,763,952
<b>Sum financial expenses</b>		<b><u>264,859,059</u></b>	<b><u>310,335,986</u></b>
<b>Net financial items</b>		<b><u>-7,169,633</u></b>	<b><u>-74,281,880</u></b>
Net profit before tax		-257,490,487	-153,227,948
Income tax expense	12	-65,076,795	-31,509,179
<b>Net income/(loss)</b>		<b><u>-192,413,692</u></b>	<b><u>-121,718,769</u></b>
<b>Other comprehensive income/(loss)</b>			
Remeasurement Defined Benefit Pension		2,675,420	-4,990,210
<b>Other comprehensive income/(loss)</b>		<b><u>-2,675,420</u></b>	<b><u>4,990,210</u></b>
<b>Total comprehensive income/(loss)</b>		<b><u>-195,089,112</u></b>	<b><u>-116,728,559</u></b>
<b>Attributable to</b>			
Other equity		-195,089,112	-116,728,559
<b>Total</b>		<b><u>-195,089,112</u></b>	<b><u>-116,728,559</u></b>

Subsea 7 Norway AS

Side 7



<b>Balance sheet</b>			
Subsea 7 Norway AS			
<b>Assets</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Deferred tax assets	12	124,419,678	67,778,779
<b>Total intangible assets</b>		<b>124,419,678</b>	<b>67,778,779</b>
<b>Property, plant and equipment</b>			
Buildings and land	5	338,118,706	362,243,053
Machinery and equipment	5	111,506,598	121,951,531
Equipment and other movables	5	3,040,008	3,253,390
Assets under construction	5	3,286,351	2,493,368
<b>Total property, plant and equipment</b>		<b>455,951,664</b>	<b>489,941,341</b>
<b>Leased assets</b>			
Right of use - Ships	15	397,301,400	496,626,750
Right of use - Building and land	15	44,713,034	60,097,638
Right of use - Machinery and equipment	15	0	24,678
Right of use - Fixture and fittings	15	1,363,966	1,449,551
<b>Total leased assets</b>		<b>443,378,400</b>	<b>558,198,617</b>
<b>Non-current financial assets</b>			
Bonds and other receivables	14	162,160	57,970
Other long-term receivables	4	0	6,886,151
<b>Total non-current financial assets</b>		<b>162,160</b>	<b>6,944,121</b>
<b>Total non-current assets</b>		<b>1,023,911,902</b>	<b>1,122,862,859</b>
<b>Current assets</b>			
Inventories	6	2,615,679	2,697,864
<b>Debtors</b>			
Accounts receivables	7, 9	1,135,275,992	679,774,107
Other short-term receivables	13	1,121,657,234	110,320,436
<b>Total receivables</b>		<b>2,256,933,226</b>	<b>790,094,543</b>
<b>Investments</b>			
Other financial instruments	14	3,731,730	15,000,770
<b>Total investments</b>		<b>3,731,730</b>	<b>15,000,770</b>
Cash and cash equivalents	10	-1	0
<b>Total current assets</b>		<b>2,263,280,634</b>	<b>807,793,178</b>
<b>Total assets</b>		<b>3,287,192,536</b>	<b>1,930,656,037</b>



<b>Balance sheet</b>			
Subsea 7 Norway AS			
<b>Equity and liabilities</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Paid-in capital</b>			
Share capital	11	120,400	120,400
Other paid-up equity		432,082,960	430,329,903
<b>Total paid-up equity</b>		<b>432,203,360</b>	<b>430,450,303</b>
<b>Retained earnings</b>			
Other equity		-360,854,200	-165,765,088
<b>Total retained earnings</b>		<b>-360,854,200</b>	<b>-165,765,088</b>
<b>Total equity</b>		<b>71,349,160</b>	<b>264,685,215</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Provisions</b>			
Employee benefit obligations	4	22,165,515	18,382,226
Non-current lease liabilities	16	366,798,194	466,438,474
Other provisions	8	64,733,191	60,589,124
<b>Total provisions</b>		<b>453,696,900</b>	<b>545,409,824</b>
<b>Other non-current liabilities</b>			
Other non-current liabilities	7, 8	16,743,000	16,743,000
<b>Total non-current liabilities</b>		<b>16,743,000</b>	<b>16,743,000</b>
<b>Current liabilities</b>			
Trade payables	7	261,077,074	310,565,976
Current lease liabilities	16	101,217,609	98,531,845
Public duties payable		74,801,139	65,503,816
Other current liabilities	9	2,308,307,655	629,216,362
<b>Total current liabilities</b>		<b>2,745,403,476</b>	<b>1,103,817,998</b>
<b>Total liabilities</b>		<b>3,215,843,376</b>	<b>1,665,970,822</b>
<b>Total equity and liabilities</b>		<b>3,287,192,536</b>	<b>1,930,656,037</b>



## Balance sheet

Subsea 7 Norway AS  
Forus, 20.05.2022  
The board of Subsea 7 Norway AS

Phil Simons  
Phil Simons (May 25, 2022 07:45 GMT+1)

Phillip Simons  
chairman of the board

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member of the board

Monica Th. Bjørkmann  
Monica Th. Bjørkmann (May 25, 2022 05:49 GMT+2)

Monica T. Bjørkmann  
general Manager

Jon Sunde Haugland  
Jon Sunde Haugland (May 25, 2022 10:42 GMT+2)

Jon Sunde Haugland  
member of the board

Stian Sletten  
Stian Sletten (May 25, 2022 14:32 GMT+2)

Stian Sletten  
member of the board

Eirik Valheim  
Eirik Valheim (May 25, 2022 10:17 GMT+2)

Martin Fossum  
member of the board

Sarah Jane Søvik

Sarah Jane Søvik  
member of the board

Sven Rasmussen  
Sven Rasmussen (May 25, 2022 13:13 GMT+2)

Sven Rasmussen  
member of the board

**Indirect cash flow**

## Subsea 7 Norway AS

	Note	2021	2020
<b>Cash flows from operating activities</b>			
Profit/loss before tax		-257,490,487	-153,227,948
- Tax paid		6,000,000	0
+ Depreciation		163,334,798	156,338,742
+/- Change in inventory		82,186	2,569,446
+/- Change in accounts receivable		-455,501,885	445,304,422
+/- Change in accounts payable		-49,488,902	-325,304,136
+/- Difference expensed pension and paid pension		0	-1,051,216
+/- Exchange rate variations		13,467,904	17,906,567
+/- Change in other accrual items		715,139,317	-19,626,929
= <b>Net cash from operating activities</b>		<b>135,542,931</b>	<b>122,908,949</b>
<b>Cash flows from investment activities</b>			
- Payments to buy tangible assets		15,202,477	57,298,368
= <b>Net cash from investments activities</b>		<b>-15,202,477</b>	<b>-57,298,368</b>
<b>Cash flows from financing activities</b>			
- Cash payments for the principal portion of lease liability		-120,340,454	-162,379,226
+ Proceeds from Group contributions		0	96,768,645
= <b>Net cash from financing activities</b>		<b>-120,340,454</b>	<b>-65,610,581</b>
+ Beh. av kont. og kontantekvivalenter ved per. begynnelse		0	0
= <b>Beh. av kont. og kontantekvivalenter ved per. slutt</b>		<b>0</b>	<b>0</b>



## Statement of Equity 2021

	Share capital	Other paid-up equity	Other Comprehensive Income	Other equity	Total
As at 1.1.2021	120,400	430,329,904	152,247,253	-318,012,342	264,685,215
Net income/(loss) of the year				-192,413,692	-192,413,692
Remeasurement Defined Benefit Pension of the year			-2,675,420		-2,675,420
<b>Total comprehensive income/(loss) 31.12</b>			<b>-2,675,420</b>	<b>-192,413,692</b>	<b>-195,089,112</b>
Share based payments		1,753,057			1,753,057
<b>Pr 31.12.2021</b>	<b>120,400</b>	<b>432,082,961</b>	<b>149,571,833</b>	<b>-510,426,034</b>	<b>71,349,160</b>

### Note 1 Accounting Principles

The Financial statements and notes in this report are specific to Subsea 7 Norway AS (Company) and not the wider Subsea 7 S.A. Group. The results for the Subsea 7 S.A. Group are contained within the Annual Report and Consolidated Financial Statements of Subsea 7 S.A. which can be found at [www.subsea7.com](http://www.subsea7.com).

The Financial statements for 2021 are prepared in accordance with the Norwegian Accounting Act § 3-9 and Regulation on IFRS Light of January 21st 2008:57 as provided by the Norwegian Ministry of Finance.

This means that measurement and recognition follow IFRS and that presentation and notes are in accordance with the Norwegian Accounting Act and NGAAP.

The Company has taken advantage of the following exemption from Regulation on IFRS Light of January 21st 2008:57:

Section 3.2.3 Dividend and Group Contribution - The Company will treat Dividend and Group Contribution in accordance with the Norwegian Accounting Act.

Cash flow statement is presented in accordance with RL§ 3-2 and NRS

### Changes in standards and interpretations with future effective date

The Company intend to implement any relevant amendments to applicable standards when they become effective. The Company has no knowledge of future accounting standard or interpretations that will have significant impact on the Financial statement.

### Currency

The Financial statements are presented in NOK, which is the Company's functional currency and the currency of the primary economic environment in which the Company operates.

Client contracts are preferably agreed in multi-currency to obtain natural hedging to minimise foreign exchange exposure



Transactions in foreign currencies are translated to NOK using exchange rates provided on a monthly basis by Subsea 7 Group (source: Bloomberg).

## **Estimates**

Management is required to make judgements, estimates and assumptions regarding the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other assumptions that the Company believes to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised prospectively in the period in which the estimate is revised.

### **Property, plant and equipment**

Property, plant and equipment is recorded at cost and depreciation is recorded on a straight-line basis over the useful lives of the assets. Management uses its experience to estimate the remaining useful economic life and residual value of an asset.

### **Defined benefit pension scheme**

The financial assumptions reflect market expectations at the balance sheet date for the period over which the obligations are to be settled. This follows the Norwegian Accounting Standards Board (NASB) as at September 2020.

The actuarial assumptions are based on standard assumptions regarding mortality and disability rates, together with other demographic factors, which are stipulated by Finance Norway (FNO).

The turnover reflects the expected share of employees which is expected to leave the company each year. A turnover of 8% for the work stock means that it is an 8% probability that an employee will leave the company within the working year.

The number of members in each scheme, average age, average salary and expected remaining service period for the members is included in the calculation's sheets.

## **Revenue and cost recognition**

### **Long term construction contracts**

The Company applies the IFRS 15 'Revenue from Contracts with Customers' five-step model whereby revenue is recognised at an amount which reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer.

Long term construction contracts (Subsea and Conventional work) which includes Engineering, Procurement, Installation and Commissioning (EPIC) contracts, is generally contracted on a fixed-price basis. Revenue is recognised in each period based upon the advancement of the work-in-progress. The input method used to progressively recognise revenue over time is based upon percentage-of-completion whereby total costs incurred to date are compared with total forecast costs at completion of the contract.

Additional work, such as scope changes or variation orders, as well as variable consideration, will be included within the total price once the amounts can be reasonably estimated and Management



have concluded that their recognition will not result in a significant revenue reversal in a future period.

Any significant upfront procurement which is not customised for the specific project is not included at cost within the actual cost of work performed until such time as the costs incurred are proportionate to the progress in satisfying the performance obligation. Similarly, an adjustment to the measurement of progress may be required where significant inefficiencies occur.

Unbilled work is classified as Current asset and pre-payments from customers as Current liability (deferred revenue) in the Balance sheet.

### **Day-rate contracts**

Inspection, Maintenance and Repair (IMR) services are provided on a day-rate basis. A day-rate contracts consist of a range of activities compensated based on a contractual agreed set of rates and revenue is recognised when goods or services are provided to the customer.

The transaction price for all day-rate contracts is determined by the expected value approach being the number of days multiplied by the expected day-rate. This method of revenue recognition for day-rate contracts provides a faithful depiction of the transfer of goods and services. Typically, the value of work completed in any one month corresponds directly with Subsea 7's right to payment.

Costs are expensed in the same period as revenue recognised.

### **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The financial instrument is recognised when the entity becomes party to the contractual provision of the instrument. On initial recognition are both financial assets and liabilities recognised at fair value.

Subsequent measurement of financial instruments is dependent on the classification of the financial asset or liability at initial recognition.

Initial measurement is based upon one of four IFRS 9 'Financial Instruments' models: amortised cost; fair value through profit and loss; fair value through other comprehensive income (with recycling of accumulated gains and losses) or fair value through other comprehensive income (without recycling of accumulated gains and losses).

The Company's main financial asset is trade and other receivables, intercompany receivables and derivate financial instruments. The financial liabilities include trade and payables, intercompany payable, lease liabilities and derivate financial instruments.

Financial assets and liabilities are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees



or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Payables are measured at their nominal amount when the effect of discounting is not material.

The Group enters into forward foreign currency contracts, in order to manage its foreign currency exposures; these are measured at FVPL. The Group regularly enters into multi-currency contracts from which the cash flows may lead to embedded foreign exchange derivatives in non-financial host contracts, carried at FVPL. The Group reassesses the existence of an embedded derivative if the terms of the host financial instrument change significantly. The fair values of derivative financial instruments are measured on bid prices for assets held and offer prices for issued liabilities based on values quoted in active markets. Changes in the fair value of derivative financial instruments which do not qualify for hedge accounting are recognised in the Consolidated Income Statement within other gains and losses.

#### **Accounts receivable and other receivables**

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value.

The Company applies the expected credit loss (ECL) impairment model to record allowances for expected credit losses. The expected credit loss model applies to all debt financial assets accounted for in accordance with IFRS 9 'Financial Instruments'.

For contract assets and trade and other receivables which do not contain a significant financing component, the Company applies the simplified approach. This approach requires the allowance for ECLs to be recognised at an amount equal to lifetime expected credit losses.

For other debt financial assets, the allowance for ECLs is calculated on a 12-month basis and is based on the portion of ECLs expected to result from default events possible within 12 months of the reporting date.

#### **Pensions**

The Company has an established Defined Contribution Scheme according to Mandatory Occupational Pension Scheme (OTP). Pension contribution is calculated as a percentage of the pensionable salary; 7% up to 7,1 G and 15% between 7,1 G to 12 G. This scheme is applicable for all employees.

On 1 June 2021, the Defined Benefit Scheme (early retirement plan) for offshore personnel was terminated for all members. As a result of this change, the Company no longer has any obligations related to the pension plan and all assets and liabilities related to this plan were derecognised during the year ending 31 December 2021.

A group of pensioners is included in the Defined Benefit Scheme (early retirement plan). Pension costs and obligations under this scheme is calculated in accordance with IAS19R. Actuarial gains and losses are recognised in Other comprehensive income.

#### **Valuation and classification**

Assets acquired for long term use are classified as Property, plant and equipment and accounted for at historical cost and depreciated over the useful economic life of the asset.



Other assets are classified as Current assets and recorded at the lowest of acquisition cost and fair value.

Current and non-current liabilities are recognised in the Balance sheet at nominal amount at the time of acquisition.

## **Property, plant and equipment**

Property, plant and equipment are capitalized at cost less accumulated depreciation and accumulated impairment charges.

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

If the carrying amount of a non-current asset exceeds its estimated recoverable amount, and this is not temporarily, is the asset impaired accordingly.

Gains and losses on disposals are recognised in the Statement of Comprehensive Income in the period in which the asset is disposed.

Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset.

Assets under construction are carried at cost, less any recognised impairment charge. Depreciation of these assets commences when the assets become operational and either commence activities or are deemed available for service.

## **Leases**

A lease is defined as a contract, or part of a contract, that conveys the right to control the use off an identified asset for a period in exchange from consideration.

### **Recognition of leases and exemptions**

At the lease commencement date, the Company recognises a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

Short-term leases (defined as 12 months or less)

Low value assets

For these leases, the Group recognises the lease payments as other operating expenses in the statement of profit or loss when they incur.

### **Lease liabilities**

The lease liability is recognised at the commencement date of the lease. The Company measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Company is reasonably certain to exercise this option.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in



lease payments due to an adjustment in an index or rate.

## Right-of-use assets

The Group measures the right-of use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities.

The Company applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset.

The Company applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

## Inventory

Inventories such as materials, consumables and spares are valued at the lower of cost and net selling price.

The cost is arrived at using the FIFO method and includes the costs incurred in acquiring the goods and the costs of bringing the goods to their current state and location.

Net selling price is the estimated selling price in the case of ordinary operations minus the estimated completion, marketing and distribution costs.

Physical inventory inspection is done on a regular basis and obsolete inventory written down accordingly.

## Taxation

Taxation expense or income recorded in the Statement of Comprehensive Income represents the sum of current tax and deferred tax charge or credit for the year.

Deferred tax is calculated with 22 % based on the temporary differences between the Balance Sheet and the corresponding tax bases, and tax loss to carry forward year end. Increasing and reducing tax bases of the temporary differences that are reversed or can be reversed in the same period are offset and netted. Deferred tax asset on net reducing tax bases of temporary differences that have not been offset and tax losses carried forward, are justified by assumed profit in the future.

## Cashflow statement

The cash flow statement is prepared according to the Indirect method. Cash and cash equivalents include cash and bank deposits.

## Note 2 Operating income

<b>Operating income by geographic origin:</b>	<b>2021</b>	<b>2020</b>
Norway	3,494,471,229	4,497,873,920
UK	163,946,667	145,288,860
Other	1,047,921,304	63,178,443
Total	4,706,339,200	4,706,341,223



## Operating income by activity

Subsea and Conventional	4,287,562,165	4,208,044,501
Vessel chartering	143,783,504	180,196,440
Personnel services	121,828,839	195,427,662
Other	153,164,692	122,672,620
<b>Total</b>	<b>4,706,339,200</b>	<b>4,706,341,223</b>

## Subsea and Conventional, IRM

Revenue relates to the provision of Subsea Umbilicals, Risers and Flowlines activities such as engineering, procurement, installation and commissioning of highly complex systems offshore. Conventional services include fabrication, installation, extension and refurbishment of fixed and floating platforms and associated pipelines in shallow water environments. Revenue also relates to the activities associated with the provision of IMR services, drill-rig operations, integrity management of subsea infrastructure and remote intervention support.

## Vessel chartering

Revenue relates to the charter of IRM and Light Construction vessel Seven Viking to other entities within the Subsea 7 Group.

## Personnel services

Revenue relates to provisions of management, engineering and support services to other entities within the Subsea 7 Group.

## Other

Revenue related to purchase on behalf of other entities etc.

## Note 3 Salary costs and benefits, remuneration to the chief executive, board and auditor

### Salary costs

	2021	2020
Salaries	372,530,325	379,619,057
Employment tax	65,793,255	64,691,410
Pension costs	52,639,893	48,505,555
Other benefits	62,052,753	73,035,609
<b>Total</b>	<b>553,016,225</b>	<b>565,851,631</b>

In 2021 the company employed 549 man-years.

## Pension liabilities

The Company is liable to maintain an occupational pension scheme under the Mandatory Occupational Pensions Act. The Company's pension schemes satisfy the requirements of this Act.

## Remuneration to leading personnel

	Vice President	Chairman of the Board
Salaries	2 875 332	0
Bonus	37 345	0
Other remuneration	360 441	0
<b>Total</b>	<b>3,273,118</b>	<b>0</b>



The Vice president and the Chairman of the board is covered by the Company's general bonus system, which can provide a payout if given criteria are present.

None of the company's senior executives have any kind of severance pay agreement.

**Auditor**

Total audit fee for 2021 amounts to NOK 1 325 550 NOK. The amount include audit fee of NOK 1 088 800 and fee for other attestations of NOK 236 750.



## Note 4 Pensions

Subsea 7 Norway AS is required to maintain an occupational pension scheme under the Mandatory Occupational Pensions Act. The Company's pension schemes satisfy the requirements of this Act.

The pension schemes give the right to defined future benefits. These are mainly dependent on the number of years of service, the salary level at retirement age and the size of the benefits from the National Insurance Scheme. The obligations are covered through an insurance company and are in accordance with the rules on mandatory occupational pensions. Comparative figures for 2020 include employees in Subsea 7 Norway AS per. 12/31/2020.

(All figures in NOK '000)

	2021		2020	
	Scheme A	Scheme B	Scheme A	Scheme B
Present value of the year's pension earnings	-	-	1,468	-
Recognised past service cost	6,962	-	(4,489)	-
Net interest expense(income) of pension obligation	-	214	(72)	387
Administrative expenses related to management of plan assets	-	33	55	32
	-	-	-	-
Effect of estimate differences not charged to the P&L	-	-	-	-
Payroll tax (PT)	-	-	-	-
Payroll tax (PT)	-	30	-	55
<b>Cost in financial statement</b>	<b>6,962</b>	<b>277</b>	<b>(3,037)</b>	<b>474</b>
DBO at the beginning of year	(48,981)	(66,078)	(72,146)	(72,316)
Past service cost	48,694	-	18,132	-
Estimated effect of future salary adjustments	288	(5,209)	5,033	6,238
<b>DBO at end of year</b>	<b>-</b>	<b>(71,287)</b>	<b>(48,981)</b>	<b>(66,078)</b>
Plan assets at end of year	-	51,861	55,868	49,967
<b>Net defined benefit obligation (asset)</b>	<b>-</b>	<b>(19,426)</b>	<b>6,886</b>	<b>(16,111)</b>
	-	-	-	-
	-	-	-	-
Remeasurements at end of year	-	-	-	-
Payroll tax	-	(2,739)	-	(2,272)
<b>Obligation in financial statement</b>	<b>-</b>	<b>(22,166)</b>	<b>6,886</b>	<b>(18,382)</b>
	<b>2021</b>		<b>2020</b>	
Estimated return on plan assets	1.50%	1.50%	1.50%	1.50%
Discount rate	1.50%	1.50%	1.50%	1.50%
Salary increase	2.50%	2.50%	2.00%	2.00%
Increase of pension from the Norwegian National Insurance	2.25%	2.25%	1.75%	1.75%



The defined benefit pension schemes cover 26 people per. 31.12.21, of which 26 received a pension in 2021.

The defined benefit pension plan scheme A was terminated as at 31 March 2021.

The company has a defined contribution pension plan that satisfies current rules. It includes all employees who are over 20 years of age and a member of the Norwegian National Insurance Scheme. The pension scheme includes old-age pension, contribution exemption, disability pension and child pension.

Costs related to the defined contribution pension plan in 2021 were NOK 42 180 711.



## Note 5 Non-current assets

	Goodwill	Buildings and land	Machinery and equipment	Equipment and other movables
Purchase cost as of 01.01.21	2,268,556,775	617,153,544	300,039,568	47,974,733
+ Inflow purchased fixed assets			12,081,489	2,328,005
- Outflow this year			515,000	
= <b>Acquisition cost 31.12.21</b>	<b>2,268,556,775</b>	<b>617,153,544</b>	<b>311,606,057</b>	<b>50,302,738</b>
Accumulated depreciation 31.12.21	487,206,572	279,034,838	200,099,459	47,262,730
+ Accumulated write-down 31.12.21	1,781,350,203			
= <b>Depreciation and down-wr. as of 31.12.21</b>	<b>2,268,556,775</b>	<b>279,034,838</b>	<b>200,099,459</b>	<b>47,262,730</b>
= <b>Book value 31.12.21</b>	<b>0</b>	<b>338,118,706</b>	<b>111,506,598</b>	<b>3,040,008</b>
This year's ordinary depreciations		24,124,347	22,526,421	2,541,386
Economic life	10 years	0-25 years	0-8 years	0-5 years

	Assets under Construction	Intangible assets	Total
Purchase cost as of 01.01.21	2,493,368	943,449	3,237,161,437
+ Inflow purchased fixed assets	792,984		15,202,477
- Outflow this year			515,000
= <b>Acquisition cost 31.12.21</b>	<b>3,286,352</b>	<b>943,449</b>	<b>3,251,848,914</b>
Accumulated depreciation 31.12.21		943,449	1,014,547,048
+ Accumulated write-down 31.12.21			1,781,350,203
= <b>Depreciation and down-wr. as of 31.12.21</b>		<b>943,449</b>	<b>2,795,897,251</b>
= <b>Book value 31.12.21</b>	<b>3,286,352</b>	<b>0</b>	<b>455,951,664</b>
This year's ordinary depreciations			49,192,154
Economic life		0-5 years	



## Note 6 Inventory

Materials, consumables and spare parts are valued at the lower of acquisition cost and net selling price.

## Note 7 Balances held with Group companies

	Customer receivables	
	2021	2020
Companies in the same group	78,090,829	0
Jointly controlled businesses	0	309,933
<b>Total</b>	<b>78,090,829</b>	<b>309,933</b>

	Debt to suppliers		Other long-term liabilities	
	2021	2020	2021	2020
Companies in the same group	-341,479	-144,969,070	-16,743,000	-16,743,000
<b>Total</b>	<b>-341,479</b>	<b>-144,969,070</b>	<b>-16,743,000</b>	<b>-16,743,000</b>

The Company is part of Subsea 7 Group's Working Capital Agreement and an automated sweeping mechanism setup, whereby any surplus funds are deposited with Subsea 7 Treasury Ltd (STL) overnight, conversely any overdrawn positions are funded by STL

The Company has no bank deposits. All available bank funds are routinely transferred to and made available to Group Treasury.

## Intercompany transactions (All figures in NOK '000)

	2021	2020
Sales revenue	625 921	629 700
Cost of goods	22 181	219 818
Guarantees, borrowing costs and insurance	56 873	51 744
Management services	345 652	275 013
Vessels and equipment	1 172 009	1 214 586
Personnel and technical assistance	399 067	404 324



## Note 8 Long-term Receivables and liabilities

### Long-term receivables

There are no receivables due after one year after the balance sheet date.

### Long-term liabilities

Pursuant to the loan agreement with Subsea 7 Interim UK Holdings Limited, the loan will be repaid in 2023.

Other long-term debt	16,743,000	16,743,000
<b>Total</b>	<b>16,743,000</b>	<b>16,743,000</b>

### Other long-term liabilities

Financial derivatives	2,855,700	175,430
Provisions for other liabilities	428,675,685	526,852,168
<b>Total other long-term liabilities</b>	<b>431,531,385</b>	<b>527,027,598</b>

<b>Other provisions for liabilities</b>	<b>2021</b>	<b>2020</b>
Uncertain tax costs	33,487,837	42,678,339
Bonus	0	0
Provisions for losses on contracts	28,389,654	17,735,355
Other provisions	2,855,700	175,430
<b>Total other provisions for liabilities</b>	<b>64,733,191</b>	<b>60,589,124</b>

## Note 9 Long-term construction contracts

The Company's long-term construction projects are reported in accordance with IFRS 15. Under IFRS 15, the Company needs to determine whether or not a promise in a customer contract to transfer goods or services to that customer, is a distinct performance obligation. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when the performance obligation is satisfied.

The performance obligations are satisfied over time as work progresses or at a point in time. The percentage of completion of the work in progress is calculated as the ratio between accrued project costs and estimated total costs for the project.

	<b>2021</b>	<b>2020</b>
Pre-invoiced production included in other short-term liabilities	1,412,627,223	237,338,133
Earned unbilled income included in accounts receivables	801,886,530	360,070,991
Estimated remaining production on loss-making contracts	986,972,000	276,588,000



## Note 10 Restricted bank deposits

The Company does not have restricted bank deposits per. 31/12/2021.

## Note 11 Shareholders

The share capital in Subsea 7 Norway AS as of 31/12 consists of the following share classes:

	Total	Face value	Entered
A-shares	12	400.0	4,800
B-shares	289	400.0	115,600
<b>Total</b>	<b>301</b>		<b>120,400</b>

## Ownership structure

The largest shareholders in % at year end:

	A-shares	B-shares	Total Owner interest	Share of votes
Subsea 7 Holding Norway AS	12	289	301	100.0



**Note 12 Tax**

<b>This year's tax expense</b>	<b>2021</b>	<b>2020</b>
Entered tax on ordinary profit/loss:		
Payable tax	-9,190,502	-4,961,041
Changes in deferred tax assets	-55,886,293	-26,548,138
<b>Tax expense on ordinary profit/loss</b>	<b>-65,076,795</b>	<b>-31,509,179</b>

Taxable income:		
Ordinary result before tax	-257,490,487	-153,227,948
IFRS items		4,990,210
Other Comprehensive Income	-3,430,026	
Permanent differences	3,461,880	3,959,838
Changes in temporary differences	439,893,630	-98,780,979
Use of carried forward loss from previous years	-182,434,397	
Restricted interest	-4,933,162	9,250,358
<b>Taxable income</b>	<b>-4,933,162</b>	<b>-233,808,522</b>

Payable tax in the balance:		
Payable tax on this year's result		
Tax on reversed losses		-6,600,000
<b>Total payable tax in the balance</b>	<b>0</b>	<b>-6,600,000</b>

Negative tax payable 2020 applies to the right to return losses for 2020 against taxable profits in 2018 and 2019.

Calculation of effective tax rate		
Profit before tax	-257,490,487	-153,227,948
Calculated tax on profit before tax	-56,647,907	-33,710,149
Tax effect of permanent differences	761,614	871,164
ITC	-9,190,502	3,769,000
Foreign taxes		-2,130,041
Other tax effects		-309,154
<b>Sum</b>	<b>-65,076,795</b>	<b>-31,509,179</b>
Effektiv skattesats	25.3%	20.6%

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences.

	<b>2021</b>	<b>2020</b>	<b>Difference</b>
Tangible assets	-39,092,273	-31,625,209	7,467,064
Production contracts	-395,204,000	21,823,000	417,027,000
Lease agreement brought to the balance	-22,975,039	-5,738,532	17,236,507
Profit and loss account	3,504,208	4,380,260	876,052
Provisions	-16,625,877	-18,273,584	-1,647,706
Pension premium / liabilities	-22,165,515	-11,496,074	10,669,441
Other differences	-9,979,627	-21,714,355	-11,734,728
<b>Total</b>	<b>-502,536,123</b>	<b>-62,644,494</b>	<b>439,893,630</b>
Accumulated loss to be brought forward	-52,908,852	-230,410,687	-177,501,835
Restricted interest	-10,097,014	-15,030,176	-4,933,162
<b>Basis for deferred tax assets</b>	<b>-565,543,990</b>	<b>-308,085,357</b>	<b>257,458,633</b>
<b>Deferred tax assets (22%)</b>	<b>-124,419,678</b>	<b>-67,778,779</b>	<b>56,640,899</b>
Tax OCI			-754,606
<b>Changes in deferred tax assets</b>			<b>55,886,293</b>



**Note 13 Items that are aggregated in the accounts**

<b>Other Financial Income</b>	<b>2021</b>	<b>2020</b>
Other interest income	96,666	0
Other financial income	155,910	4,446
Gain on exchange (agio)	257,436,850	236,049,659
<b>Total Other Financial Income</b>	<b>257,689,426</b>	<b>236,054,106</b>

<b>Interest expense to group companies</b>	<b>2021</b>	<b>2020</b>
Interest expense to group companies	7,243,136	9,089,460
<b>Total Interest expense to group companies</b>	<b>7,243,136</b>	<b>9,089,460</b>

<b>Other interest expenses</b>	<b>2021</b>	<b>2020</b>
Lease interest expenses	23,687,829	31,636,326
Other interest expenses	184,344	846,247
<b>Total Other interest expenses</b>	<b>23,872,173</b>	<b>32,482,574</b>

<b>Other Financial Expenses</b>	<b>2021</b>	<b>2020</b>
Loss on exchange (disagio)	233,546,429	268,535,615
Other financial costs	197,321	228,337
<b>Total Other Financial Expenses</b>	<b>233,743,750</b>	<b>268,763,952</b>

<b>Other short term receivables</b>		
Prepaid expenses	1,073,330,342	49,579,090
Employee advances	425,321	0
Unsettled VAT receivables	47,901,571	60,741,346
<b>Total Other Financial Expenses</b>	<b>1,121,657,234</b>	<b>110,320,436</b>



## Note 14 Financial Instruments

The Company's main financial asset is trade and other receivables, intercompany receivables and derivative financial instruments. The financial liabilities include trade and payables, intercompany payable, lease liabilities and derivative financial instruments.

The fair values of derivative financial instruments are measured on bid prices for assets held and offer prices for issued liabilities based on values quoted in active markets. Changes in the fair value of derivative financial instruments which do not qualify for hedge accounting are recognised in the Consolidated Income Statement within other gains and losses.

### Financial instruments at Market Fair Value

#### 31.12.2021

##### Assets

Embedded Derivatives - Short Term	3,731,730
Embedded Derivatives - Long Term	162,160
<b>Total Embedded Derivatives Assets</b>	<b>3,893,890</b>

#### 31.12.2021

##### Liabilities

Embedded Derivatives - Short Term	-7,396,020
Embedded Derivatives - Long Term	-2,855,700
<b>Total Embedded Derivatives Liabilities</b>	<b>-10,251,720</b>

## Note 15 Right-of-use assets

	Vessels	Land and buildings	Other facilities	Other operating equipment	Total
<b>Gross RoU</b>					
At 1 January 2021	695,277,450	90,944,068	2,953,241	173,706	789,348,465
Additions	0	-4,020,059	374,949	-173,706	-3,818,816
At 31 December 2021	695,277,450	86,924,009	3,328,190	0	785,529,650
<b>Accumulated amortisation</b>					
At 1 January 2021	198,650,700	30,846,430	1,503,690	149,028	231,149,848
Charge for the year	99,325,350	11,364,545	460,535	-149,028	111,001,402
At 31 December 2021	297,976,050	42,210,975	1,964,225	0	342,151,250
<b>Carrying amount at 31 December 2021</b>	<b>397,301,400</b>	<b>44,713,034</b>	<b>1,363,966</b>	<b>0</b>	<b>443,378,400</b>



**Note 16 Other financial information**

**Lease obligations**

The Company has entered into lease agreements regarding lease of vessels, commercial buildings, storage space, parking space and other operating assets. The lease periods for the leases are between 1-10 years, with options for a further 1-10 years related to vessels, commercial buildings and storage areas.

**Undiscounted lease liabilities and maturity of cash outflows**

Less than 1 year	101,217,609
2-5 years	365 319 528
More than 5 years	38 870 613
<b>Total undiscounted lease liabilities 31/12</b>	<b>505,407,750</b>

**Summary of the lease liabilities**

Lease liabilities at 1/1	564,970,319
New lease liabilities recognized in the year	-3,818,816
Payments for the principal portion of the lease	116,823,529
Interest expense on lease payments	23,687,829
<b>Total lease liabilities at 31/12</b>	<b>468,015,803</b>

**Bank guarantees**

The Company has bank guarantee liabilities to the Tax Collector in Sola of NOK 40M, Equinor NOK 304M and USD 1.3M, Aker BP ASA NOK 238M and USD 17.3M, Turkish Petroleum USD 124M, Northern Lights JV DA NOK 56M, HMRC GBP 120K.

**Note 17 Post Balance Sheet events**

There have been no project-related events after the balance sheet date that have an accounting impact for 2021.














## Subsea 7 Norway Statutory accounts

Final Audit Report

2022-05-25

















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