



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 991 051 945
Organisasjonsform: Aksjeselskap
Foretaksnavn: DOF SJØ AS
Forretningsadresse: 5392 STOREBØ

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Tove Jondahl
Dato for fastsettelse av årsregnskapet: 19.05.2022

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, 16.07.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2,11	500 000	500 000
Sum inntekter		500 000	500 000
Kostnader			
Lønnskostnad	3	-390 000	-20 250 000
Annen driftskostnad	3	461 000	267 000
Sum kostnader		71 000	-19 983 000
Driftsresultat		429 000	20 483 000
Finansinntekter og finanskostnader			
Annen renteinntekt	4	251 000	438 000
Annen finansinntekt	4	100 000	463 000
Sum finansinntekter		351 000	901 000
Annen rentekostnad	4	6 000	-2 000
Annen finanskostnad	4	120 000	260 000
Sum finanskostnader		126 000	258 000
Netto finans		225 000	643 000
Ordinært resultat før skattekostnad		654 000	21 126 000
Skattekostnad på ordinært resultat	5	144 000	4 648 000
Ordinært resultat etter skattekostnad		510 000	16 478 000
Årsresultat		510 000	16 478 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		510 000	16 478 000
Sum overføringer og disponeringer		510 000	16 478 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel		0	0
Sum immaterielle eiendeler		0	0
Sum anleggsmidler		0	0
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	12	14 595 000	2 006 000
Andre fordringer	6	26 715 000	30 834 000
Konsernfordringer	12	0	10 859 000
Sum fordringer		41 310 000	43 699 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	7	68 643 000	67 086 000
Sum bankinnskudd, kontanter og lignende		68 643 000	67 086 000
Sum omløpsmidler		109 953 000	110 785 000
SUM EIENDELER		109 953 000	110 785 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	8,9	105 000	105 000
Overkurs	9	16 295 000	16 295 000
Sum innskutt egenkapital		16 400 000	16 400 000
Opptjent egenkapital			
Annen egenkapital	9	25 701 000	25 701 000



Balanse

Beløp i: NOK	Note	2021	2020
Sum opptjent egenkapital		25 701 000	25 701 000
Sum egenkapital		42 101 000	42 101 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser		0	0
Sum avsetninger for forpliktelser		0	0
Annen langsiktig gjeld			
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld	12	2 156 000	2 799 000
Skyldige offentlige avgifter	13	37 234 000	39 278 000
Kortsiktig konserngjeld	12	4 591 000	1 006 000
Annen kortsiktig gjeld	10	23 871 000	25 601 000
Sum kortsiktig gjeld		67 852 000	68 684 000
Sum gjeld		67 852 000	68 684 000
SUM EGENKAPITAL OG GJELD		109 953 000	110 785 000



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
Alfabygget
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

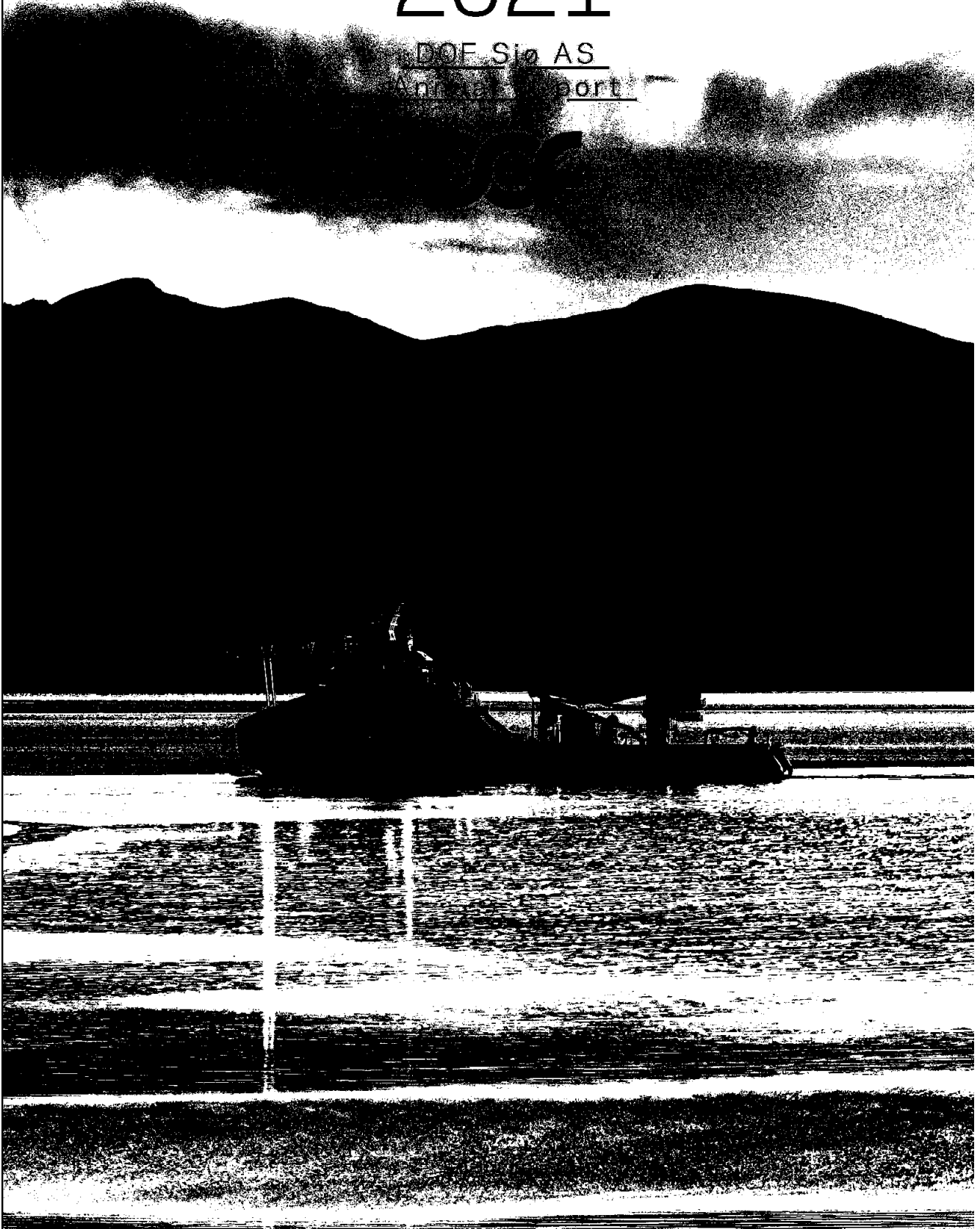
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2021

DOF Sjø AS
Årsregnskap





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Report of the Board of Directors DOF Sjø AS 2021

Report from the Board of Directors

Introduction

DOF Sjø AS ("the Company") is a company whose main purpose is to provide maritime crew to offshore vessels.

The Company is domiciled on Storebø in the municipality of Austevoll. The company is 100% owned and managed by DOF Management AS (DOFMAN).

Operations 2021

The Company was in 2021 responsible for providing maritime crew to the DOF Group ("the Group") fleet. The Company's activities in 2021 were to facilitate stable operations, as well as recruit competent and necessary personnel to the DOF Group's fleet.

Social and Environmental Sustainability

Having sustainable operations is important for the Company. The successful balance between social, environmental and economic elements allows the Company to develop 'Sustainable Operations'. This ensures that the Company 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.

The Company acts responsibly and ethically everywhere it operates, and the Company'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 Company and the Group's reputation.

'Safe the RITE way' is the guiding philosophy by which the Company operates. '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 Company is guided by the articles of association, the Corporate Governance and Company policies, combined with the Group's Code of Business Conduct, ensuring that the Company's operations consider the interests of all stakeholders.



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Report of the Board of Directors DOF Sjø AS 2021

The Company promotes transparency and standard disclosure of information relating to key sustainability aspects.

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

Not only does this framework complement 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 Company is certified to ISO 9001:2015, ISO 14001: 2015, and ISO 45001:2018. The certificates are issued at Group level, and valid until December 2023.

Human resources

Human Resources are recognized as the key business enabler and the Company is committed to continuously improve the processes which support managing human capital.

The Company has 471 men and 10 women under full-time permanent contract. In addition, 26 men and 2 women are under full-time temporary contracts.

The market is still challenging, and the Board of Directors is continuously monitoring the need for the Company to adapt its capacity. The aim going forward will be to retain core competencies.

The Company's working environment is continuously being monitored, also by conducting regular working environment surveys. Absence due to sickness on Company level has been 7.0 % (7.0 %) during 2021. Absence due to sickness for female was 9.5 % and absence due to sickness for male was 5.2 % in 2021.

The Company 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 Company's 'Equal Employment Opportunity' policy clearly states that the Company is committed to be an equal opportunity employer. This means that the Company will select and appoint the most suitable person for a position based on their attitude, skills and qualifications. The Company also has a zero-tolerance policy for workplace harassments.

The campaign to promote and secure retention of female managers and captains has been continued in 2021, with communication internally and externally. Several measures have been promoted to secure a balanced workforce and to create equal opportunities. This also includes dialogue with labour unions for flexible offshore rotation.



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Report of the Board of Directors DOF Sjø AS 2021

Out of the total parental leave taken out in the Company in 2021 the distribution between male and female are 4.9 % male and 95.1 % female.

The Company embraces practices consistent with international human rights standards and operates in compliance with fundamental as well as local labour standards. The Company's policies and standards are based on International Labour Organisation (ILO) conventions, and they prohibit any use of forced or child labour. The Company 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 Company's activities. The Company's human rights, and slavery statement is available on the DOF 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 environment

Throughout 2021, the Company has experienced several COVID-19 cases among employees. No cases have resulted in fatalities. All cases have been handled by the emergency response team, in close dialogue with the Group's corporate emergency response team and company doctors.

There has been regular communication to employees with recommendations for physical and mental well-being. The Company's occupational health service provider has been available for all employees.

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

The Company 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 Company strives to improve safety and environmental performance across all worksites, globally. The Company experienced 3 Lost Time Incidents (LTIs) in 2021, resulting a frequency of 0.7 LTIs per million man-hours (0.49). Combined with 7 Medical Treatment Cases and 2 Restricted Workday Cases, the Total Recordable Frequency (TRFC) was 2,79 (3,18) recordable incidents per million man-hours. Employees are back in normal duties and none of the injured suffered permanent disabilities.

The Company's ambition is to be an incident free organisation. Through the 'Safe the RITE way' program, the Company 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 the offshore employees early in the year concluded with a strong and unified safety culture build around our values and Safe the RITE way.



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Report of the Board of Directors DOF Sjø AS 2021

External environment

The Board of Directors is not aware that the Company has contaminated the external environment beyond what is common for this type of business.

Business Integrity and Ethics

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

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.

The Company has a zero-tolerance policy for bribery and corruption. The Company'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 Company 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.

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

The Board

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

Financial performance

Revenue in 2021 totalled NOK 0,5 million (NOK 0,5 million), with an operating profit before depreciation and finance (EBITDA) of NOK 0,4 million (NOK 20,5 million). High EBITDA in 2020 was related to change from a defined benefit pension plan to a defined contribution pension plan with effect from 1st January 2020. Change in the pension scheme was based on an agreement between Norges Rederiforbund and the Unions. Operating profit (EBIT) amounted to NOK 0,4 million (NOK 20,5 million).



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Report of the Board of Directors DOF Sjø AS 2021

The Company has no interest-bearing debt and is included in the DOF Group cash pool. Net working capital (current receivables – current liabilities) amounts to 42,1 NOK million (NOK 42,1 million)

The balance sheet at year-end 2021 totalled NOK 110,0 million (NOK 110,8 million) and is mainly related to internal short-term receivables & payables and bank deposits.

Net cash flow from operating activities for 2021 was NOK -8,3 million (NOK 5,8 million). Net cash flow from investing activities was NOK 0 million (NOK 0 million), and cash flow from financing activities was NOK 9,9 million (NOK 39,7 million). In 2020 NOK 50,0 million was transferred from the Group cash pool to a separate bank account in the Company.

Risks

The Company's liquidity is considered as sufficient. Changes to the credit ratings for customers have resulted in an increase focus on overdue receivables. The Company has limited exposure to changes in the interest level since all liabilities is current liabilities.

Going concern

The financial statements are submitted on a going concern assumption, cf. section 3-3a of the Norwegian Accounting Act.

However, the DOF 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 31st May 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. 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 will not continue as going concern this will also apply to DOF Sjø AS.

Profit allocation

The Company's financial statements have returned a profit of NOK 0,5 million. The Board of Directors proposes to allocate this figure to other equity.

Events after balance sheet date

The DOF Group has agreed to extend the standstill agreements with the secured lenders and bondholders until 31st May 2022.

Outlook

The O&G markets have improved as several regions that the Company operates in has seen increased activity 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 DOF Group's financial position is further not



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Report of the Board of Directors DOF Sjø AS 2021

sustainable as the Group has through 2021 operated in an environment with short-term standstill agreements. If a robust longterm refinancing solution is not achieved, the Group cannot continue as going concern. 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.

The Company will continue its focus on operational and cost efficiency.

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

Storebø, 9th May 2022

The Board of Directors of DOF Sjø AS

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Hilde Drønen
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Hilde Drønen

Chairman of the Board

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Mons Aase

Board Member



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Statement of Profit or Loss

DOF Sjø AS

Amounts in TNOK	Note	2021	2020
Operating income	2, 11	500	500
Payroll expenses	3	-390	-20 250
Other operating expenses	3	461	268
Operating expenses		71	-19 983
Operating profit before depreciation and impairment - EBITDA		429	20 483
Operating profit - EBIT		429	20 483
Other interest income	4	251	438
Other finance income	4	100	463
Other interest expenses	4	6	-2
Other finance expenses	4	120	260
Net financial income/loss		224	643
Profit/loss before taxes		653	21 126
Tax expense/income	5	144	4 648
Profit/loss for the year		510	16 478



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Statement of Balance Sheet

DOF Sjø AS

Amounts in TNOK	Note	31.12.2021	31.12.2020
Assets			
Deferred tax assets	5	-	-
Non-current assets		-	-
Other non-current receivables		-	-
Other non-current receivables		-	-
Trade receivables	12	14 595	2 006
Current receivables intra group	12	-	10 859
Other current receivables	6	26 715	30 833
Current receivables		41 310	43 699
Restricted deposits		17 827	16 469
Cash and cash equivalents		50 816	50 617
Cash and cash equivalents included restricted deposits	7	68 643	67 086
Current assets		109 953	110 785
Total assets		109 953	110 785



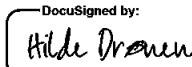
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Statement of Balance Sheet

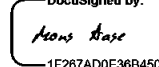
DOF Sjø AS

Amounts in TNOK	Note	31.12.2021	31.12.2020
Equity and liabilities			
Share capital	8, 9	105	105
Share premium	9	16 295	16 295
Other equity	9	25 701	25 701
Total equity		42 101	42 101
Pension liability		-	-
Non-current financial liabilities		-	-
Trade payable	12	2 156	2 799
Tax payable	5	-	0
Other public duties	13	37 234	39 278
Other current liabilities	10	23 871	25 600
Current liabilities group companies	12	4 591	1 006
Current liabilities		67 852	68 683
Total liabilities		67 852	68 683
Total equity and liabilities		109 953	110 785

Storebø, 9th May 2022
The Board of Directors DOF Sjø AS

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Hilde Drønen
Chairman

DocuSigned by:

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Mons S. Aase
Board member



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Statement of Cash flows

DOF Sjø AS

Amounts in TNOK	Note	2021	2020
Operating profit - EBIT		429	20 483
Change in trade receivables		-12 589	19 972
Change in accounts payable		-643	-5 339
Change in other working capital		4 267	-29 826
Exchange rate effect on operating activities		-6	123
Cash flow from operating activities		-8 542	5 413
Interest received		251	438
Interest paid		-6	2
Tax paid		-	-
Net cash flow from operating activities		-8 298	5 853
Cash flow from investing activities		0	0
Net change intragroup balances "cash pool"		10 859	41 197
Dividend		-1 006	-1 529
Cash flow from financing activities		9 853	39 668
Net changes in cash and cash equivalents		1 556	45 521
Cash included restricted cash at the beginning of the period	7	67 087	21 471
Exchange gain/loss on cash and cash equivalents		1	94
Cash included restricted cash at the end of the period	7	68 644	67 087



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Notes to the accounts

1 Accounting principles

The financial statements for DOF Sjø AS have been prepared and presented in accordance with the Norwegian Accounting Act, and accounting principles generally accepted in Norway.

Going concern

The financial statements are submitted on a going concern assumption, cf. section 3-3a of the Norwegian Accounting Act.

However, the DOF 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 31st of May 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. 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 will not continue as going concern this will also apply to DOF Sjø AS.

Conversion of foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the conversion at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized as financial income or costs.

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 of statement of financial position date
- 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 of the consolidated statement of financial position date; or
 - the entity does not have an unconditional right to postpone settlement of the liability until at least 12 months after the consolidated statement of financial position date.
- All other liabilities are classified as non-current liabilities.

Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value. Long term liabilities in NOK, with exception of other provisions, are capitalized at nominal value at the date of establishment. Provisions are discounted if the interest rate element is significant.



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Notes to the accounts

1 Accounting principles (continued)

Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks. Restricted deposits are classified separate from unrestricted bank deposits under cash and cash equivalents. Restricted deposits include deposits with restriction past twelve months.

Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected within one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Accrued, not invoiced revenues are classified as trade receivables.

Trade receivables are subject to value adjustments where their recovery are uncertain. A provision for impairment of trade receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying value and the estimated recoverable value. Changes to this provision are recognised in the income statement.

Revenue recognition

The Company recognises income when it is probable that future economic benefits will flow to the entity and when the amount of income can be reliably measured. Operating income is shown net of discounts, value-added tax and other taxes on gross rates. Sales income associated with future performance of services are recognised in the balance sheet as deferred income, and are subsequently taken to income in proportion to the work performed. Revenues from management fee related to administration of wage payments to seafarers are recognised in the income statement. The company is intermediary between the customer and the shipowning companies, and does not have any risk for payroll or other operating expenses. Costs recharged to other companies are presented net in the company's accounts.

Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement for financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions 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. 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. Deferred income tax assets are recognized 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.

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

The deferred tax rate is calculated to 22 % 31.12.2021.



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Notes to the accounts

1 Accounting principles (continued)

Employee benefits

The Company has defined benefit pension plans for the seafarers.

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 in the period in which they arise. Past-service costs are recognised immediately in the income statement. Pensions are recorded in accordance with IAS 19, access to select NRS 6.

Government grants

The Company recognises grants when it is reasonably secured that it will comply with the required conditions for the grant and the grant will be received. Investments grants are presented as deduction in the asset's carrying amount in the statement of financial position. Contributions relating to the employee and reimbursement for seafarers are recognized as a deduction of payroll expenses in the income statement.

Statement of cash flow

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

Subsequent events

The DOF Group has agreed to extend the standstill agreements with the secured lenders and bondholders until 31st of May 2022.



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Notes to the accounts

2 Operating income

Other operating income	2021	2020
Management fee*	500	500
Total	500	500

* In addition to the management fee the company reimburse all payroll expenses, see note 3.

3 Payroll, auditor's remuneration, operating expenses

	2021	2020
Payroll and other remunerations	376 695	403 777
Employer's national insurance contributions	60 372	56 703
Pension insurance for seamen (Pensjonstrygden for sjøfolk)	12 539	13 018
Pension costs	13 612	11 263
Change in pension obligations	-	-20 120
Reimbursable payroll costs *	-392 992	-430 135
Government grants **	-92 049	-73 367
Other personnel costs	21 432	18 611
Total	-390	-20 250

* Payroll costs for seafarers are recharged to DOF group companies without mark-up, and recognized as a deduction of payroll costs in the income statement.

** Government grants related to net salary scheme for vessels are presented as a reduction in the payroll expenses in the income statement at MNOK 92,0 (MNOK 73,3 in 2020).

In accordance with agreement between Norges Rederiforbund and the Unions, the pension scheme has been changed from a defined benefit plan to a defined contribution plan with effect from 01.01.2020. Pension plan is with an external life insurance company.

Pension insurance for seamen is a statutory pension scheme for seamen. The pensions are paid to seafarers born before 1970 when they are aged 60 and for seamen born 1970 or later the pension are paid when they are aged 62.

Average numbers of employees during the year were 503 in 2021 (522 in 2020).

DOF Sjø AS has no managing director.

There were no remunerations or other compensations paid to Board members in 2021.

There were no loans and guarantees issued to related parties in 2021.

Specification of auditor's fee	2021	2020
Fee for audit of financial statement	74	96
Fee for tax consultation	0	0
Fee for other attestation services *	173	130
Total	247	226

Auditor's fees are excl. VAT.

Other operating expenses	2021	2020
Fee for audit of financial statement	74	96
Legal fee	0	0
Fee for other services Legal fee *	173	130
Other operating expenses	214	42
Total	461	268

* Attestation services related to grant scheme for the employment of seafarers.



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Notes to the accounts

4 Financial income and expenses

	2021	2020
Financial income		
Interest income group companies	50	353
Interest income	201	85
Total other interest income	251	438
Realized gain on currencies	100	375
Unrealized gain on currencies	0	89
Total other financial income	100	463
Financial expenses		
Interest costs group companies	5	1
Other interest costs	1	-3
Total other interest costs	6	-2
Realized loss on currencies	101	276
Unrealized loss on currencies	4	-72
Other financial costs	16	55
Total other financial costs	120	260
Net financial items	224	643



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Notes to the accounts

5 Tax

The taxable income comprises;	2021	2020
Profit/loss before taxes	653	21126
Non-deductible expenses	0	0
Basis for tax expense	653	21126
Changes in temporary differences	0	-20120
Changes in loss carried forward	0	0
Group contribution received	0	0
Group contribution given	-653	-1006
Basis for tax payable	0	0
Impact on change in tax rate on deferred tax	0	0
Income tax expense/ (tax income)	0	0

Reconciliation of nominal and effective tax rate		
Profit before tax	653	21 126
Tax calculated at domestic tax rates applicable to profits in the respective countries.	144	4 648
Tax effect of:		
Impact of changes in tax rate	0	0
Tax effect on other items	0	0
Total tax expense	144	4 648

The gross movement on the deferred income tax account is as follows;	2021	2020
At 01.01.	-0	-4 426
Income statement	0	4 426
At 31.12.	-0	-0

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.

Basis of deferred tax	2021	2020
Other differences (pension obligations etc)	0	0
Total temporary differences	0	0
Loss carried forward	0	0
- hereof tax deficit not included in basis for calculation of deferred tax/deferred tax assets	0	0
Basis for calculation of deferred tax/(deferred tax assets)	0	0
Total deferred tax/(deferred tax assets)	0	0

Group contribution given to DOF Management AS for 2021.



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Notes to the accounts

6 Other current receivables

	2021	2020
Prepaid expenses	2 446	6 295
Grants	23 834	22 915
Pension fund	171	1 090
Inventory	264	533
Total	26 715	30 833

7 Cash and cash equivalents

	2021	2020
Restricted deposits	17 827	16 469
Bank deposits	50 816	50 617
Total	68 643	67 086

The company is included in DOF ASA's cash pool. Deposits/overdrawn accounts related to the cash pool are classified as intra group receivables/liabilities. For further information please see note 12.

8 Share capital and share information

	Total Shares	Nominal value	Ownership	Vote share
DOF Management AS	1 000	105	100 %	100 %
Total	1 000	105	100 %	100 %

The ultimate parent company, DOF ASA, has its headquarter at Storebø in Austevoll, Norway. Consolidated financial statement can be acquired by visiting DOF ASA Group web page, www.dof.no.

9 Changes in equity

2021	Share capital	Share premium	Retained earnings	Total equity
Balance at 01.01.21	105	16 295	25 701	42 101
Profit for the year			510	510
Group contribution			-510	-510
Balance at 31.12.	105	16 295	25 701	42 101

2020	Share capital	Share premium	Retained earnings	Total equity
Balance at 01.01.20	105	16 295	10 008	26 408
Profit for the year			16 478	16 478
Group contribution			-785	-785
Balance at 31.12.	105	16 295	25 701	42 101



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Notes to the accounts

10 Other current liability

	2021	2020
Personnel costs	23 871	25 600
Total	23 871	25 600

11 Related parties

DOF Management AS is owned by DOF ASA 66% and DOF Subsea AS 34 %. DOF Subsea AS is owned by DOF ASA 100 %, and DOF Sjø AS is 100 % owned by DOF Management AS.

DOF Management AS has entered into management agreements with the groups shipowning companies.

Please see note 12 for intra group balances.

Sales of services to group companies	2021	2020
Management fee	500	500

Please see note 3 for salary transactions with the group's shipowning companies.

12 Intra - group balances

	2021	2020
Trade receivables	12 873	1 724
Trade payables	797	1 260
Other current receivables group companies*	-	10 859
Other current liabilities group companies*	4 591	1 006

* MNOK 3,9 as liabilities (MNOK 10,9 in 2020 as receivable) is related to cash pool in DOF ASA.

13 Other public duties

The company is jointly registered in value added tax group with DOF ASA.

Short term liability VAT of the company amounts to MNOK 2,2 per 31.12.2021.

The VAT receivables/liabilities are presented net in the companys balance sheet.



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Notes to the accounts

14 Subsequent events

The O&G markets have improved as several regions that the Company operates in has seen increased activity 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 DOF Group has agreed to extend the standstill agreements with the secured lenders and bondholders until 31st of May 2022.



To the General Meeting of DOF Sjø AS

Independent Auditor's Report

Opinion

We have audited the financial statements of DOF Sjø AS (the Company), which comprise the balance sheet as at 31 December 2021, the statement of profit or loss and statement of cash flows for the year then ended, and notes to the accounts, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 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 1 and the Board of Directors' report, these events or conditions, along with other matters as set forth in Note 1 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.

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



Independent Auditor's Report - DOF Sjø AS



Other Information

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

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

(2)



Independent Auditor's Report - DOF Sjø AS



Bergen, 9 May 2022
PricewaterhouseCoopers AS

Marius Kaland Olsen
State Authorised Public Accountant

(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Olsen, Marius Kaland	BANKID_MOBILE	2022-05-09 09:42

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