



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 996 394 565
Organisasjonsform: Aksjeselskap
Foretaksnavn: DOF SUBSEA REDERI AS
Forretningsadresse: Thormøhlens gate 53C
5006 BERGEN

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Knut Søråsdekkan
Dato for fastsettelse av årsregnskapet: 30.06.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

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

Brønnøysundregistrene, 30.06.2024



Resultatregnskap

| Beløp i: NOK | Note | 2022 | 2021 |
|---|-------|---------------------|--------------------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Operating revenue | 5,19 | 792 000 000 | 690 000 000 |
| Profit from sale of non-current assets | 9 | 10 000 000 | 28 000 000 |
| Sum inntekter | | 802 000 000 | 718 000 000 |
| Kostnader | | | |
| Payroll expenses | 6,19 | 110 000 000 | 112 000 000 |
| Depriciation | | 263 000 000 | 275 000 000 |
| Nedskrivning av varige driftsmidler og immaterielle eiendeler | | -371 000 000 | 171 000 000 |
| Other operating expenses | 19,20 | 153 000 000 | -12 000 000 |
| Rounding corrections | | -1 000 000 | |
| Sum kostnader | | 154 000 000 | 546 000 000 |
| Driftsresultat | | 648 000 000 | 172 000 000 |
| Finansinntekter og finanskostnader | | | |
| Financial income | 7 | 30 000 000 | 265 000 000 |
| Sum finansinntekter | | 30 000 000 | 265 000 000 |
| Financial expenses | 7 | 150 000 000 | 23 000 000 |
| Realised loss on financial derivatives and currency positions | 7 | | 74 000 000 |
| Unrealised loss on financial derivatives and currency positions | 7 | 312 000 000 | -7 000 000 |
| Sum finanskostnader | | 462 000 000 | 90 000 000 |
| Netto finans | | -432 000 000 | 175 000 000 |
| Ordinært resultat før skattekostnad | | 216 000 000 | 347 000 000 |
| Income tax expenses | 8 | 4 000 000 | 4 000 000 |
| Rounding corrections | | 1 000 000 | |
| Ordinært resultat etter skattekostnad | | 211 000 000 | 343 000 000 |
| Årsresultat | | 211 000 000 | 343 000 000 |
| Overføringer og disponeringer | | | |
| To other equity | | 211 000 000 | 343 000 000 |



Resultatregnskap

| Beløp i: NOK | Note | 2022 | 2021 |
|-----------------------------------|-------------|-------------|-------------|
| Sum overføringer og disponeringer | | 211 000 000 | 343 000 000 |



Balanse

| Beløp i: NOK | Note | 2022 | 2021 |
|--|-------|----------------------|----------------------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| Varige driftsmidler | | | |
| Tangible assets | 9 | 3 968 000 000 | 3 811 000 000 |
| Sum varige driftsmidler | | 3 968 000 000 | 3 811 000 000 |
| Finansielle anleggsmidler | | | |
| Other non current assets | 10 | | 3 000 000 |
| Sum finansielle anleggsmidler | | | 3 000 000 |
| Sum anleggsmidler | | 3 968 000 000 | 3 814 000 000 |
| Omløpsmidler | | | |
| Varer | | | |
| Fordringer | | | |
| Trade receivables | 11 | 15 000 000 | 16 000 000 |
| Current receivables from Group companies | 19 | 730 000 000 | 548 000 000 |
| Other current receivables | 12,18 | 28 000 000 | 21 000 000 |
| Sum fordringer | | 773 000 000 | 585 000 000 |
| Bankinnskudd, kontanter og lignende | | | |
| Cash and Cash equivalents | 13,15 | 168 000 000 | 186 000 000 |
| Sum bankinnskudd, kontanter og lignende | | 168 000 000 | 186 000 000 |
| Sum omløpsmidler | | 941 000 000 | 771 000 000 |
| SUM EIENDELER | | 4 909 000 000 | 4 585 000 000 |

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital



Balanse

| Beløp i: NOK | Note | 2022 | 2021 |
|--|-------------|----------------------|-----------------------|
| Share capital | 14 | 2 465 000 000 | 2 465 000 000 |
| Sum innskutt egenkapital | | 2 465 000 000 | 2 465 000 000 |
| Opptjent egenkapital | | | |
| Other equity | | -981 000 000 | -1 192 000 000 |
| Sum opptjent egenkapital | | -981 000 000 | -1 192 000 000 |
| Sum egenkapital | | 1 484 000 000 | 1 273 000 000 |
| Sum langsiktig gjeld | | 0 | 0 |
| Kortsiktig gjeld | | | |
| Current portion of debt | 15 | 3 191 000 000 | 3 081 000 000 |
| Leverandørgjeld | | 48 000 000 | 58 000 000 |
| Current liabilities to Group companies | 19 | 133 000 000 | 142 000 000 |
| Other current liabilities | 18 | 53 000 000 | 32 000 000 |
| Sum kortsiktig gjeld | | 3 425 000 000 | 3 313 000 000 |
| Sum gjeld | | 3 425 000 000 | 3 313 000 000 |
| SUM EGENKAPITAL OG GJELD | | 4 909 000 000 | 4 586 000 000 |



MOTTAT



Skattedirektoratet

| | | |
|--|------------------------------------|------------------------------|
| Saksbehandler Torstein Kinden Helleland | Deres dato 21.12.2010 | Vår dato 04.01.2011 |
| Telefon 22078139 | Deres referanse Petter O. Pharo | Vår referanse 2009/276917 |

DOF Subsea Holding
Thormøhlens gt. 53 C
5006 BERGEN

Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk

Det vises til brev av 21. desember 2010 samt telefonsamtaler i sakens anledning. Det søkes om tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for selskapene listet opp i uthevet skrift nedenfor.

Bakgrunn

DOF Subsea Holding AS eier DOF Subsea AS med 100 %. DOF Subsea Holding AS er igjen eid med 51 % av DOF ASA og 49 % av First Reserve Corporation hjemmehørende i Luxemburg. Dette selskapet er igjen eid av det amerikanske selskapet First Reserve Corporation. DOF Subsea Holding AS og DOF Subsea AS fikk i vedtak av 17. juni 2009 (2009/276917) tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk.

Selskapene det her søkes om dispensasjon for er enten hel eller del eid av DOF Subsea AS eller inngår i et Joint venture med DOF Subsea AS. Aksjonærstrukturen er således begrenset. Selskapene driver virksomhet innen internasjonal shipping og subsea service. Selskapene har engelsk som arbeidsspråk. De aller fleste av selskapenes kunder, leverandører og andre brukere av regnskapet har engelsk som sitt naturlige språk. Dette gjelder også selskapenes långivere.

Det er en engelsk språklig versjon som utarbeides og benyttet for alle praktiske formål både internt og eksternt, mens den norske oversettelsen kun utarbeides for å tilfredsstille regnskapslovens krav. Nytteten i forhold til kostnaden ved å utarbeide et norsk årsregnskap og årsberetning, vurderes derfor som liten. Det søkes derfor om dispensasjon.

Selskaper eid 100 % av DOF Subsea AS

Det søkes om dispensasjon for følgende heleide selskaper:

| | |
|-------------------------|---------------------|
| DOF Subsea Norway AS | org.nr. 888 131 442 |
| Geo Rederi AS | org.nr. 988 562 300 |
| Geo Rederi II AS | org.nr. 987 722 231 |
| Geoconsult AS | org.nr. 988 131 393 |
| DOFCON AS | org.nr. 989 583 395 |
| DOF Subsea Rederi II AS | org.nr. 995 921 723 |
| Geosund AS | org.nr. 992 067 942 |
| CSL Norge AS | org.nr. 994 192 841 |

CSL Norge AS er 100 % eid av CSL UK Ltd som igjen er eid 100 % av DOF Subsea AS.

| | | |
|-------------------------------------|---|------------------------|
| Postadresse | Besøksadresse | Sentralbord |
| Postboks 9200 Grønland 0134 Oslo | Se www.skatteetaten.no Org. nr: 996250318 | 800 80 000 Telefaks |
| | For elektronisk henvendelse se www.skatteetaten.no | 22 17 08 60 |



Selskaper del eid av DOF Subsea AS gjennom et brasiliansk selskap
Det søkes om dispensasjon for følgende del eide selskaper:

| | |
|--------------------------|---------------------|
| Geograph Shipping II AS | org.nr. 895 276 502 |
| DOF Subsea Shipowning AS | org.nr. 995 251 582 |
| DOF Subsea Rederi AS | org.nr. 995 251 558 |
| Geoholm AS | org.nr. 995 251 647 |
| Skandi Neptun AS | org.nr. 992 318 155 |
| DOF Subsea ROV AS | org.nr. 992 755 717 |

DOF Subsea Rederi AS er morselskapet for selskapene nevnt her og eier disse 100 %. DOF Subsea Rederi AS er eid av det brasilianske holding selskapet Norskan Offshore S.A. DOF Subsea AS har en eierandel på 38 % i dette selskapet. Eierandelen vil bli økt til 100 %. Regnskapsmessig blir selskapene behandlet som datterselskaper og blir konsolidert i regnskapet til DOF Subsea AS.

Selskaper som inngår i Joint venture mellom DOF Subsea AS og Technip Norge AS
Det søkes om dispensasjon for følgende selskaper:

| | |
|------------------|---------------------|
| TECHDOF DA | org.nr. 992 546 034 |
| DOFCON Brasil AS | org.nr. 991 562 214 |
| DOFTECH DA | org.nr. 991 652 086 |

TECHDOF DA eier 100 % av DOFCON Brasil AS. TECHDOF DA og DOFTECH DA er eid av DOF Subsea Rederi AS og Technip Norge AS med 50 % hver. Eierskapet blir administrert gjennom Technip France i Frankrike, noe som innebærer at regnskapene utarbeides på engelsk.

Skattedirektoratets vurdering og konklusjon

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

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

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

Det fremgår således at et av hovedmålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet. Offentlige myndigheter må også anses som en sentral regnskapsbruker, idet ulike myndigheter, som lignings- og tilsynsmyndigheter, benytter regnskapene som et verktøy i sin kontrollvirksomhet.



2009/276917 Side 3 av 3

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


Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. Det fremgår av søknaden at selskapene har en begrenset aksjonærstruktur. Selskapene opererer inne en bransje med sterk internasjonal karakter og arbeidsspråket er engelsk. Alle sentrale aktører innen de bransjer selskapene driver, antas å måtte beherske og benytte engelsk språk.

Skattedirektoratet gir på bakgrunn av en helhetsvurdering de overnevnte selskaper 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.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen


Jan Hoelstad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet


Torstein Kinden Helleland



DOF SUBSEA
REDERI AS
ANNUAL REPORT

2022





Board of Directors report 2022

DOF Subsea Rederi AS ("The Company") is 100% owned by DOF Subsea AS and is part of DOF Subsea Group ("the Group") and DOF Group ASA ("DOF Group"). The Company's fleet counts 8 vessels, after the sale of Geosea, which have been operating worldwide in the Far East, the North Sea, South America and North America. In 2022, the operating revenue was NOK 792 million (NOK 690 million in 2021) with an operating profit before depreciation and impairment (EBITDA) of NOK 539 million (NOK 619 million). The operating profit (EBIT) was NOK 648 million (NOK 172 million). Total assets amounted to NOK 4 909 million (NOK 4 585 million) with an equity of NOK 1 484 million (NOK 1 273 million) and a net interest-bearing debt of NOK 2 391 million (NOK 2 445 million). The Company's headquarter is in Bergen, Norway.

Business overview and strategy

DOF Subsea Rederi AS' core business is ownership of subsea vessels. The vessels are chartered to the DOF Subsea Group and to external charterers.

DOF Subsea Rederi AS is a part of the DOF Subsea Group and is working under DOF Subsea AS' certification and Business Management System. In 2022 DOF Management and Norskan Offshore Ltda have provided the Company with ship management services.

For further reading about the Group reference is given to the 2022 integrated annual report for the DOF Subsea Group and DOF Group ASA.

Operational events

In 2022, the majority of the Company's vessels have been on charter contracts within the DOF Subsea Group, operating in the Subsea/IMR Projects segment. Skandi Hawk and Skandi Singapore have been operating in the Asia Pacific region. Skandi Achiever continued to work on a diving project for Petrobras in Brazil. Skandi Carla and Geoholm have continued to work for DOF Subsea Brasil on the PIDF project for Petrobras, which was extended during 2022. Skandi Acergy was fully utilized in 2022 working via DOF Subsea Chartering. Two of the Company's vessels have been on long-term time charter contracts to external charterers during the year; Skandi Patagonia continued working for Total via DOF Rederi, and Skandi Africa continued on her contract for TechnipFMC via DOF Subsea Chartering.

Social and environmental sustainability

Having sustainable operations is important for the Group. The successful balance between social, environmental and economic elements allows the Group to develop 'Sustainable

Operations' and ensures that the Group remains commercially feasible, socially acceptable and works within the capacity of the external environment.

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

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

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

The Group promotes transparency and standard disclosure of information relating to key sustainability aspects. As part of this, the Group reports according to CDP and the Global Reporting Initiative. Detailed reporting on these matters is included in the Integrated Annual Report 2022 for New DOF ASA (DOF Group ASA).

As the Group'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 Group has effective mechanisms and reporting structures to communicate financial and non-financial information to these interested parties. DOF has adopted the World Economic Forum's Stakeholder Capitalism Metrics of, People, Planet,



Prosperity, and Principles.

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

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

Employees

The Company has no employees as they are hired in from other companies in DOF Group and external companies. At the end of 2022, the headcount in the DOF Group was 3,774 people, of which approximately 13% were women.

Equal opportunities and anti-discrimination

The Group has focus on diversity and strives to create equal opportunities for all employees, regardless of their ethnic background, nationality, descent, color, language, religion, lifestyle or gender. The Group's 'Equal Employment Opportunity' policy clearly states that the Group is committed to be an equal opportunity employer. This means that all business units within the Group will select and appoint the most suitable person for a position based on their attitude, skills and qualifications. The Group also has a zero-tolerance policy for workplace harassments. Despite all efforts we sadly have to report four sexual harassment cases in 2022 that lead to dismissal.

Our campaign to promote and secure retention of female managers and captains has been continued in 2022, with communication internally and externally. Several measures such as flexible work hours, and working from home, has been promoted to secure a balanced workforce and to create equal opportunities. This also includes dialogue with labor unions for flexible offshore rotation.

Human Rights and Labor standards

The Group embraces practices consistent with international human rights standards and operates in compliance with fundamental as well as local labor standards. The Group's policies and standards are based on International Labour Organisation (ILO) conventions, and they prohibit any use of forced or child labour. The Group recognises and

respects employees' right to freely associate, organise and collectively bargain, and the policies are compliant with working hour requirements as established by local laws.

Several initiatives have been taken during the year to ensure that slavery and human trafficking are not occurring within the supply chain nor in any part of the Group's activities. The Group's human rights and slavery statement is available on the Group's website. In 2021, Amnesty International ranked DOF in the top five global companies based in the Nordics with the best score related to human rights and responsible employer.

Health, safety, and the working environment

During the year the strong COVID measures were brought into normalisation and COVID-19 outbreak treated like influenza-like infection and guided by our medical protocols and HR handbooks.

The Group strives to improve safety and environmental performance across all worksites, globally. DOF Group experienced eight Lost Time Incidents (LTI) in 2022, which resulted in a Lost time injury frequency rate (LTIFR) of 0.68 LTIs per million man-hours. Combined with twelve Medical Treatment Cases and eight Restricted Workday Cases, the Total recordable injuries rate (TRIR) was 2.17 recordable incidents per million man-hours. No of the incidents have led to any disabilities and all workers are back in duty.

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

In 2022, DOF Group's absence due to illness has been 2.90 per cent, which is below the Group's target of 3 per cent. The working environment is monitored by various means of activities, including working environment surveys.

Business Integrity and Ethics

Integrity is the core of multiple aspects of the Group's business model, both from an internal and external perspective. As one of the governing core values, the Group has established integrity training throughout the organisation. This seeks to ensure sound business practices and decisions determined and executed in accordance with the Group's Code of Business



Conduct, promoting everyone to display professional competence, due diligence, confidentiality, and professional behavior in everything we do on behalf of the Group.

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

Anti-corruption and anti-bribery

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

It is the desire of the Board of Directors that the Group shall be recognised by its high ethical standards. Anti-corruption and anti-bribery measures are regularly evaluated and assessed to ensure that they are aligned with legal requirements and best practice. There have been no confirmed incidents of corruption during 2022.

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

Compliance to Law

The DOF Group acknowledges the importance for its internal and external stakeholders of being a reliable partner, compliance is therefore a key topic for the DOF Group. Compliance with both international and local laws and regulations and industry standards is important for the Group.

External environment

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

During 2022, the focus on energy efficiency has increased by implementing Key Performance Indicators (KPIs) related to environmental performance, e.g. energy consumption and CO₂ emissions. During the year, there have been one loss of secondary containment spills that exceeded the 50-litre

threshold to environment in the Group.

The DOF Group's total volume of all spills during 2022 was 3,575 litres, whereby 2,112 litres was considered loss of secondary containment.

Climate change and emissions to the air

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

Defining and measuring environmental sustainability and risks associated with the Group's business activities are important. Investments in systems and equipment have been made to record, understand and improve environmental performance. This has been achieved through SEEMP, ISO 14001 and CDP, where the Group achieved a score of B in 2022.

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

Continuous improvement of operations

It is the view of the Board of Directors that continuous improvement helps to reduce risk, improve performance and align ways of working. Through the Group's improvement program, the Group has streamlined and systematised its improvement work. Based on thorough planning, improvement projects have been carried out through the Group's value chain, focusing on standardisation and improved efficiency. The improvement initiatives will continue in 2023.

Risk Management and Compliance

The global community is witnessing the invasion of Ukraine, and we see the repercussions of fractured tensions in international cooperation. However, the Group has not identified any potential exposure to assets or operations in Eastern Europe, specifically Ukraine and Russia. The situation is monitored by the Group's Ukraine Task force. DOF will continue applying our values as guiding principles of good corporate governance and behaviour. Our company values and Code of Business Conduct are essential to navigating DOF through the volatile, complex, and uncertain challenges that we may see unfold in the coming year.



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

The Group has established routines for weekly, monthly, and quarterly reporting regarding operations, liquidity, financing, investments, HSEQ, HR, taxes and legal performance.

Five year financial forecasts including information on market assumptions are prepared on a regular basis. The Group carries out annually detailed budget processes at all levels.

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

The Group's due diligence processes have been strengthened in recent years and involve the global competence within legal, finance and ESG. The new vendor evaluation database allows management to assess the suppliers and subcontractors towards the Group's requirements for ESG. The process is built upon UN Global Compact guidelines and ISO standards. The new DOF Workbook is the foundation for all the training in the years to come. The modules have a holistic approach and will be the centre of compliance for all our activities as well as the Group stakeholders' expectations for DOF to be a leading company, aligning its activities with the UN's sustainability development goals.

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

Alignment towards the Norwegian Transparency act

On 1st of July 2022 the Norwegian Transparency Act entered into force and DOF has been part of the official hearing process on the new law and given concrete proposal on practical means to obey the intension of Transparency Act based on our experience on how we deal with fundamental human rights and decent working conditions globally. The organisation is aligned and prepared for the new requirements. The Group's Transparency Act statement is published on the DOF's website www.dof.com.

Shareholders, board of directors and employees

DOF Subsea AS owns 100% of the shares in the Company. The Board of Directors consists of two women and one man and there were no employees at year-end 2022. Management services in 2022 have been provided by other companies in the DOF Group ASA.

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

Financial performance

The Company has prepared the financial statement in accordance with the Norwegian Accounting Act § 3-9 and Finance Ministry's prescribed regulations on simplified IFRS.

The Company's operating revenue was NOK 792 million compared to an operating revenue of NOK 690 million for 2021. Operating profit before depreciation and impairment (EBITDA) was NOK 539 million (NOK 619 million), whilst operating profit (EBIT) was NOK 648 million (NOK 172 million). The depreciation and reversal of impairments amounted to NOK 109 million (NOK -447 million).

| NOK million | 2022 | 2021 | Change |
|-------------------|------|------|---------|
| Operating revenue | 792 | 690 | 14,78% |
| EBITDA | 539 | 619 | -12,92% |

Net financial loss was NOK 432 million (income of NOK 175 million), the profit before tax was NOK 215 million (loss NOK 347 million) and the profit for the year was NOK 211 million compared with NOK 343 million in 2021.

Total assets were NOK 4 909 million (NOK 4 585 million) where non-current assets amounted to NOK 3 968 million (NOK 3 814 million). Current assets were NOK 941 million (NOK 771 million), of which NOK 168 million (NOK 186 million) was cash and cash equivalents. The Company is part of the DOF Subsea Group's cash pooling system and has at all times access to cash available in the cash pool.

Total equity was NOK 1 484 million (NOK 1 273 million), giving a book equity ratio of 30% compared to 28% in 2021. Non-current liabilities were NOK 0 million (NOK 0 million). Current liabilities were NOK 3 425 million (NOK 3 312 million), of which NOK 3 191 million (NOK 3 081 million) was current portion of debt to credit institutions. The Company's debt has been presented as short term pr 31.12.2022 as the refinancing was not finalised before in 2023.



DOF Subsea Rederi AS

Amounts in NOK million

| NOK million | 2022 | 2021 | Change |
|-----------------|-------|-------|--------|
| Tangible assets | 3 968 | 3 811 | 4,12% |
| Total equity | 1 484 | 1 273 | 16,57% |
| NIBD | 2 391 | 2 445 | -2,21% |

Net cash flow from operating activities during the year was NOK 298 million (NOK 345 million). Cash flow from investing activities during the year was NOK 52 million (NOK -88 million), while the cash flow from financing activities was NOK -397 million (NOK -425 million).

Financing and capital structure

The Company's interest-bearing debt by 31 December 2022 was NOK 3 170 million.

DOF Group signed a Restructuring Agreement (RA) with its lenders in June 2022, which included the debt in DOF Subsea Rederi AS, and it was approved by all relevant financial creditors in November 2022. The parties of the RA further signed an Addendum which described certain steps on how to implement the RA should the shareholders not approve the restructuring. The RA did not get the necessary majority votes from the shareholders, resulting in that the financial creditors requested the board to file for bankruptcy in the DOF ASA. The bankruptcy proceedings were opened on the 2nd of February 2023.

As a consequence of the Restructuring Agreement all subsidiaries in DOF ASA were transferred to DOF Services AS, later named to New DOF ASA and then DOF Group ASA, as a planned "drop-down" process. As part of the agreements in the Addendum all the operations in the subsidiaries of DOF have continued as normal and was unaffected by the bankruptcy proceedings in DOF ASA.

The refinancing was completed on the 22nd of March 2023 and as part of the restructuring loans with USD 27 million was reinstated as external debt in the Company, in addition USD 318 million of the Company's debt was reinstated as debt in DOF Subsea AS with maturity in January 2026. and a corresponding loan from DOF Subsea AS to the Company was established

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

Risk

Climate risk

The Company's ability to manage GHG Emissions is a key component of the organisation's ESG profile. Providing a vessel fleet and services with reduced GHG emissions can become a value proposition for clients and investors or negatively impact upon competitiveness of the organisation against peers. The main concern is the Company's ability to meet changing stakeholder expectations associated with Greenhouse Gas emission from ships, including Nitrogen Oxides (NOX), Sulphur Oxides (SOX) and Particulate Matter (PM) in harbour areas.

Financial risk factors

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

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

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

Currency risk

The Company operates parts of its fleet globally and is to a certain extent exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, contractual obligations (assets), liabilities and investments in foreign operations.

The Company's reporting currency is NOK. Foreign exchange risk arises when future commercial transactions, contractual obligations (assets) and liabilities are in different currencies than the reporting currency. The Company aims to achieve a natural hedge between cash inflows and cash outflows to secure the debt funding in equivalent and currency as the committed earnings from the charter contracts, and further to manage the remaining foreign exchange risk arising from commercial transactions, through forward contracts and similar instruments as appropriate. However, these forward contracts are limited in the new loan facility. Hence the Company's liquidity risk has increased when currency fluctuate.

Foreign exchange rate changes in receivables, liabilities and currency swaps are recognised as a financial income/expense in the profit or loss statement. Fluctuation in foreign exchange rates will therefore have an effect on the future results and balances.

The Company's debt is in USD.



DOF Subsea Rederi AS

Amounts in NOK million

Interest risk

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

Credit risk

The Company's credit risk has historically been low as the Company's customers traditionally have had good financial capability to meet their obligations and have high credit ratings. Historically, the portion of receivables not being collectable has been low.

Market risk

The Company is exposed to market fluctuations which have resulted in lower utilisation and reduced earnings for the Company's vessels and services due to continuing challenging markets in the period from 2014-2021. The Company's strategy is to focus on long term relationships with the clients and firm contracts for its fleet and has managed to continue a high utilisation also through the downturn. Since 2022 the client's willingness to agree contracts for longer periods have increased due to improving markets.

Price risk

The Company is exposed to increased costs in general. The effects of the Covid pandemic and the war in Ukraine have among other things resulted in higher inflation on vessel maintenance, services, and salaries. In addition, the logistics and supply management have become more challenging and more costly. The Company has focus on early planning to mitigate the risk of not receiving deliveries on time and sign agreements with the main suppliers at fixed prices.

Tax risk

The Company operate vessels in several different tax jurisdictions. The income and profit from these operations are subject to income taxes and judgment may be involved when determining the taxable results. Tax authorities in different jurisdictions may challenge the calculation of taxes payable from prior periods through tax audits.

Cyber risk

The continuous digitalization of routines and operations increases exposure of the Group's business information and communication systems to external and/or internal cyberattacks. These cyberattacks could lead to business disruption and/or data breaches. To manage this risk, the Group works systematically to make the organization more resistant

to cyberattacks and reduce the consequences of breaches. Cyber Security is an integrated part of the organization and internal training material.

Going concern

The financial statements are prepared on the assumption of going concern. The Company's and the Group's financial position has since 2019 not been sustainable and standstill agreements with the financial creditors have been applicable for the debt since 2nd Quarter 2020. The restructuring agreement (RA) with the financial creditors was signed in June 2022 and the restructuring was completed in March 2023. Based on that the restructuring of the Company and the Group is now done and the budget for the next 12 months, the Board is of the opinion that the Company is in compliance with going concern.

Allocation of the result

The Company's profit for the year for the year was NOK 211 million in 2022. The Board of Directors recommends that the profit for the year is allocated to other equity.

Events after balance date

Financing

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

On the 22nd of March 2023 the restructuring of the Company and the Group was completed including effectuating of new loan facilities in DOF Subsea Group and conversion of approximately NOK 3 billion of bond loans to equity.

As part of the restructuring debt to credit institutions with USD 27 million was reinstated with maturity in 2026, in addition USD 318 million of the Company's debt was reinstated as debt in DOF Subsea AS with maturity in January 2026 and a corresponding loan from DOF Subsea AS to the Company was established.

From 22 June 2023 shares in DOF Group ASA was re-listed and traded on Oslo Stock Exchange.

Vessels

The vessel Skandi Constructor has been acquired from DOF Subsea Rederi III AS in May 2023.

The charterer for the PLSV, Skandi Africa has exercised its option



DOF Subsea Rederi AS Annual Report | 2022 FINANCIAL STATEMENTS

DOF Subsea Rederi AS

Amounts in NOK million

until February 2025.

The RSV vessel Geoholm has been awarded a contract for a large SURF Project in Brazil from the beginning of March 2023. The contract has 180 days firm plus options and has a total value of more than USD 19 million for the firm period.

Petrobras has in 2023 exercised an option for the diving support vessel Skandi Achiever.


Outlook

The oil and gas markets have improved in 2022 resulting in better performance and earnings. This trend has continued into 2023. The Company has a strong back log in 2023 which gives a good visibility on the earnings in 2023. The recent contract awards are done at higher rates and better terms than the previous contracts.

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

Bergen, 30th June 2023


The Board of Directors of DOF Subsea Rederi AS


Mons S. Aase (Jun 30, 2023 12:58 GMT+2)

Mons S. Aase
Chairman


Hilde Drønen (Jun 30, 2023 12:58 GMT+2)

Hilde Drønen
Director


Marianne Møgster (Jun 30, 2023 13:08 GMT+2)

Marianne Møgster
Director



DOF Subsea Rederi Annual Report 2022

DOF Subsea Rederi AS

Amounts in NOK million

Financial statements DOF Subsea Rederi AS



DOF Subsea Rederi AS Annual Report | 2022 FINANCIAL STATEMENTS

DOF Subsea Rederi AS

Amounts in NOK million

Statement of comprehensive income

| | Note | 2022 | 2021 |
|--|--------|------|------|
| Operating revenue | 5, 19 | 792 | 690 |
| Payroll expenses | 6, 19 | -110 | -112 |
| Other operating expenses | 19, 20 | -153 | 12 |
| Profit / loss from sale of non-current assets | 9 | 10 | 28 |
| Operating profit before depreciation and impairment (EBITDA) | | 539 | 619 |
| Depreciation and impairment | 9 | 109 | -447 |
| Operating (loss)/profit (EBIT) | | 648 | 172 |
| Financial income | 7 | 30 | 265 |
| Financial expenses | 7 | -150 | -23 |
| Realised gain / loss on derivative instruments and currency position | 7 | - | -74 |
| Unrealised gain / loss on derivative instruments and currency position | 7 | -312 | 7 |
| Net financial income / loss | | -432 | 175 |
| Profit / loss before tax | | 215 | 347 |
| Income tax expense | 8 | -4 | -4 |
| Profit / loss for the year | | 211 | 343 |
| Other comprehensive income / loss net of tax | | - | - |
| Total comprehensive income / loss for the year net of tax | | 211 | 343 |



DOF Subsea Rederi Annual Report 2022

DOF Subsea Rederi AS

Amounts in NOK million

Statement of financial position

| | Note | 2022 | 2021 |
|--|--------|--------------|--------------|
| Assets | | | |
| Tangible assets | 9 | 3 968 | 3 811 |
| Other non-current assets | 10 | - | 3 |
| Total non-current assets | | 3 968 | 3 814 |
| Trade receivables | 11 | 15 | 16 |
| Current receivables from Group companies | 19 | 730 | 548 |
| Other current receivables | 12, 18 | 28 | 21 |
| Current receivables | | 773 | 585 |
| Cash and cash equivalents | 13, 15 | 168 | 186 |
| Total current assets | | 941 | 771 |
| Total assets | | 4 909 | 4 585 |



DOF Subsea Rederi AS Annual Report | 2022 FINANCIAL STATEMENTS

DOF Subsea Rederi AS


Amounts in NOK million

Statement of financial position


| | Note | 2022 | 2021 |
|--|------|--------------|--------------|
| Equity and liabilities | | | |
| Paid-in equity | 14 | 2 465 | 2 465 |
| Other equity | 14 | -981 | -1 192 |
| Total equity | | 1 484 | 1 273 |
| | | | |
| Debt to credit institutions | 15 | - | - |
| Other non-current liabilities | 18 | - | - |
| Total non-current liabilities | | - | - |
| | | | |
| Current portion of debt | 15 | 3 191 | 3 081 |
| Trade payables | | 48 | 58 |
| Current liabilities to Group companies | 19 | 133 | 142 |
| Tax payable | 8 | - | - |
| Other current liabilities | 18 | 53 | 32 |
| Total current liabilities | | 3 425 | 3 312 |
| | | | |
| Total liabilities | | 3 425 | 3 312 |
| | | | |
| Total equity and liabilities | | 4 909 | 4 585 |

Bergen, 30th June 2023


The Board of Directors of DOF Subsea Rederi AS


Mons S. Aase (Jun 30, 2023 12:58 GMT+2)

Mons S. Aase
Chairman


Hilde Drønen (Jun 30, 2023 12:58 GMT+2)

Hilde Drønen
Director


Marianne Møgster (Jun 30, 2023 13:08 GMT+2)

Marianne Møgster
Director



DOF Subsea Rederi Annual Report 2022

DOF Subsea Rederi AS

Amounts in NOK million

Statement of changes in equity

| Changes in equity | Share capital | Other equity | Total equity |
|---------------------------------------|---------------|--------------|--------------|
| Equity at 01.01.2022 | 2 465 | -1 192 | 1 273 |
| Profit for the year | - | 211 | 211 |
| Other comprehensive income net of tax | - | - | - |
| Total comprehensive income net of tax | - | 211 | 211 |
| Equity at 31.12.2022 | 2 465 | -981 | 1 484 |
| Equity at 01.01.2021 | 2 465 | -1 535 | 930 |
| Profit for the year | - | 343 | 343 |
| Other comprehensive income net of tax | - | - | - |
| Total comprehensive income net of tax | - | 343 | 343 |
| Equity at 31.12.2021 | 2 465 | -1 192 | 1 273 |



DOF Subsea Rederi AS Annual Report | 2022 FINANCIAL STATEMENTS

DOF Subsea Rederi AS

Amounts in NOK million

Statement of cash flows

| | Note | 2022 | 2021 |
|---|------|------|------|
| Operating profit (EBIT) | | 648 | 172 |
| Depreciation and impairment | 9 | -109 | 447 |
| Amortisation of contract cost | | 3 | 3 |
| Profit/(loss) from sale of non-current assets | 9 | -10 | -28 |
| Provision loss on revenue from Group companies | | - | -183 |
| Change in trade receivables | | 1 | 17 |
| Change in trade payables | | -9 | 25 |
| Changes in other working capital and intercompany balance | | -205 | -48 |
| Exchange rate effect on operating activities | | -5 | 9 |
| Cash flow from operating activities | | 314 | 414 |
| Interest received | 7 | 43 | 3 |
| Interest and other finance costs paid | 7 | -54 | -65 |
| Tax paid | 8 | -4 | -7 |
| Net cash flow operating activities | | 298 | 345 |
| Sale of tangible assets | 9 | - | 82 |
| Purchase of tangible assets | | -99 | -165 |
| Purchase of intangible assets | 9 | - | -5 |
| Changes in other non-current receivables | | 151 | - |
| Cash flow from investing activities | | 52 | -88 |
| Proceeds from non-current liabilities | 15 | - | - |
| Instalments on non-current liabilities | 15 | -397 | -425 |
| Cash flow from financing activities | | -397 | -425 |
| Net change in cash and cash equivalents | | -45 | -168 |
| Cash and cash equivalents at 01.01 | | 186 | 353 |
| Exchange rate gain / loss on cash and cash equivalents | | 28 | 1 |
| Cash and cash equivalents at 31.12 | | 168 | 186 |



DOF Subsea Rederi AS

Amounts in NOK million

Notes to the financial statements

1 Corporate information

DOF Subsea Rederi AS, the Company, was founded 5th of January 2011. The main purpose of the Company is to conduct business within the shipping-, offshore and energy sectors. The Company owns and operates a modern fleet of vessels: Skandi Patagonia, Skandi Carla, Skandi Achiever, Geoholm, Skandi Acergy, Skandi Singapore, Skandi Hawk and Skandi Africa. Skandi Constructor has been acquired from DOF Subsea Rederi III AS in May 2023.

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

DOF Subsea Rederi AS is 100% owned by DOF Subsea AS.

Going concern

The financial statements for the Company have been prepared on the basis of going concern assumption in accordance with the Norwegian Accounting Act § 3-3a. The Company has net negative equity.

The going concern assumption is based on the refinancing that was completed on 22nd March 2023, strong operational performance and the contract coverage. Approximately NOK 5.2 billion of debt in the ultimate parent company, DOF Group ASA, was converted into equity. NOK 3.1 billion of the NOK 5.2 billion has been given effect on equity in DOF Subsea Group.

As part of the restructuring debt to credit institutions with USD 27 million was reinstated as external debt in the Company with maturity in 2026. In addition USD 318 million of the Company's debt was reinstated as debt in DOF Subsea AS with maturity in January 2026, and loans from DOF Subsea AS to DOF Subsea Rederi AS with corresponding installments and interest were established.

2 Accounting policies

Summary of significant accounting principles

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

The fiscal year is the same as the calendar year.

Group companies

DOF Group ASA companies are defined as DOF Group ASA and its subsidiaries excluding companies within the DOF Subsea Group. DOF Subsea AS companies are defined as DOF Subsea AS and its subsidiaries. Group companies are defined as both DOF Group ASA and DOF Subsea AS companies.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The Company has only one business segment, Chartering of vessels.

Conversion of foreign currency

a) Foreign currency

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

b) Transactions and balances

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

Classification of assets and liabilities

Assets are classified as current assets when:

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

All other assets are classified as non-current assets.

Liabilities are classified as current liabilities when:

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

All other liabilities are classified as non-current liabilities.

Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business and classified as current assets. In addition to invoiced amounts, trade receivable also includes accrued, not invoiced revenues when the amounts are independent of future performance. Accrued not invoiced revenues is recognised if the company performs by transferring services to a customer before the customer pays consideration or before invoice can be issued.

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

Tangible assets

Tangible assets are recognised at cost less accumulated depreciation and accumulated impairment losses. The cost of tangible assets comprises its purchase price, borrowing costs and any directly attributable costs of bringing the asset to its operating condition. If



significant, the total expenditure is separated into components which have different expected useful lives.

Depreciation is calculated on a modified straight-line basis over the useful life of the asset. The depreciable amount equals historical cost less residual value.

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

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

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

Impairment of assets

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

Periodic maintenance of tangible assets

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

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

Debt

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

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

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

Debt is classified as a current liability unless it involves an unconditional right to postpone payment of the liability for more than 12 months from the reporting period.

Provisions

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

Revenue recognition

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

Day rate contracts

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

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

Distinct service components in a contract are accounted for separately from other promises in the contract. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the stand-alone selling prices. Revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue to recognise is assessed based on an input or output method. The method applied is the one that most faithfully depicts the Company's progress towards complete satisfaction of the performance obligation. Progress is usually measured based on output methods such as days.

The Company does not recognise revenue during periods when the underlying vessel is off-hire. In contracts where the Company is remunerated for maintenance days the revenue is recognised over the contract period. The maintenance days are recognised as receivables, and invoiced during off-hire.

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

Mobilisation

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

Interest income

Interest income is recognised using the effective interest method.

Contract Costs

Costs incurred relating to future performance obligations are deferred and recognised as assets in the statement of financial position. The nature of the asset is incremental costs of obtaining a contract, that would not have incurred if the contract had not been obtained, and will be recovered by the revenue over the contract period. Costs related to



DOF Subsea Rederi AS

Amounts in NOK million

contracts and future performance obligation longer than 12 months are classified and presented as Other non-current assets. All other costs for future performance are presented as other current assets. Contract costs incurred will be expensed and presented as Operational expenses in line with the satisfaction of the performance obligations.

Current and deferred income tax

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements per IAS 12 'Income taxes'.

Deferred tax assets are recognised in the statement of financial position on the basis of unused tax losses carried forward or deductible temporary differences to the extent that it is probable there will be sufficient future earnings available against which the loss or deductible can be utilised.

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

Events after period end

New information and other events that provide evidence of conditions that existed at the end of the reporting period is included in the accounts. Events occurring after the reporting period, which do not impact the Company's financial position, but which have a significant impact on future periods, are disclosed in the notes.

Use of estimates

The preparation of financial statements in conformity with simplified IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4 'Accounting estimates and assessments'. Changes in accounting estimates are recognised in profit or loss for the period in which they occur. If the changes also apply to future periods, the effect of the change is distributed over current and future periods.

Statement of cash flows

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

New standards, amendments and interpretations

No new standards, amendments or interpretations have been adopted by the Company in 2022.

New standards, amendments and interpretations not yet adopted

New standards and amendments mandatory for annual reporting periods after 31 December 2022 is expected to not be significant for the Company.

3 Financial risk management

The Company's risk management is conducted in line with policies and guidelines approved by the Group's Board of Directors. Accordingly, financial risk is identified, evaluated and risks are managed if appropriate. The Company has adopted the Group's written policies for governing risk management and defined principles for specific areas such as the currency risk, interest rate risk and credit and liquidity risk.

Credit and liquidity risk

Credit and liquidity risk arises from cash and cash equivalents, derivatives, financial instruments and deposit with banks as well as payment terms towards clients and suppliers. Liquidity risk management implies maintaining sufficient cash and marketable securities, and to maintain available funding through committed credit facilities.

The Company's counterparty credit risk has been low as the Company's customers traditionally have had good financial capability to meet their obligations and have had high credit ratings. Historically, the portion of receivables not being collectable has been low.

The Company's financing, capital structure and liquidity are monitored closely. Liquidity risk is monitored on short, medium and long-term, focusing on funding and liquidity requirements.

Currency risk

The Company has global operations, and a significant portion of the income and costs are denominated in foreign currencies, mainly USD. Fluctuations in foreign exchange rates against NOK have impact on the Company's financial statement. The company has loan in USD equivalent to NOK 3 170 million.

The Company aims to be naturally hedged by matching income and costs for the relevant currencies. In addition, the Company has a derivative strategy using derivatives to reduce the exchange rate risk exposure. However, due to the current financial position, entering into forward contracts or commercial transactions have become more challenging. Hence, the Company's liquidity risk has increased if the currencies fluctuate.

The Company's debt is denominated in USD.

Interest risk

The Company's existing debt arrangements are loans at floating interest rates. Movements in interest rates will have effects on the Company's cash flow and financial condition.

Inflation risk and supply management

The Company is exposed to inflation risks. Effects of the covid pandemic and the war in Ukraine contributed to the start of higher inflation and a greater degree of unpredictability in the prices of goods, services and salaries. Inflation has during 2022 reached level not seen in decades. In addition, the logistics and supply management have become more challenging. To mitigate these risks and not receiving deliveries on time, strategy is to do early planning and sign agreements with the main suppliers at fixed prices.

Capital structure and equity



DOF Subsea Rederi AS

Amounts in NOK million

DOF ASA Group signed the Restructuring Agreement (RA) in June 2022, which included the debt in DOF Subsea Rederi AS. The refinancing was completed on the 22nd of March 2023. As part of the restructuring loans with USD 27 million was reinstated as external debt in the Company, in addition USD 318 million of the Company's debt was reinstated as debt in DOF Subsea AS with maturity in January 2026.

For further information related to the refinancing see the Annual report for DOF ASA Group and DOF Subsea Group.

4 Accounting estimates and assessments

When preparing the annual accounts, estimates and assessments have been in use. Bases for these estimates and assessments may change and impact assets, liabilities, equity and result.

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

Depreciation of vessels

The carrying amount of the Company's vessels represents 81 % of the total statement of financial position. Consequently, policies and estimates linked to the vessels have a significant impact on the Company's financial statements. Depreciation is calculated on a modified straight-line basis over the estimated useful life of the asset. Depreciable amount equals historical cost less residual value. Please see note 2 'Accounting policies' for further information about tangible assets.

Useful life and periodic maintenance

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

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

Impairment of Vessels

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

Fair value less costs to sell

For vessels, fair value less cost to sell is based on an average of brokers' estimates, taken into account sales commission. All vessels in the company are assessed by obtaining independent broker estimates. The brokers' estimates are based on the principle of 'willing buyer and willing seller'. Broker estimates include mounted equipment and assume that the vessels are without any charter contracts (i.e. charter-free basis). The company adjusts for positive or negative contract value in associated contracts. The Company has sought to substantiate the broker valuations, inter alia with value in use calculations or tests of reasonableness of implicit rates and other assumptions derived from the valuations. When value in use calculations have lower value than broker estimates, value in use has been used in the impairment test.

Value in use

Estimated cash flows are based on next year's budgets per vessel and forecasted earnings going forward. The budget process is a detailed and thorough bottom-up budgeting process at all levels of the organisation, with approval procedures on all levels within the Group. Estimated future cash flows are based on historical performance per vessel, in combination with current market situation and future expectations. Critical assumptions in the assessment are related to charter rates, utilisation, operational and capital expenditure.

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

The Weighted Average Cost of Capital (WACC) is used as a discount rate and reflects a normalised capital structure for the industry. The WACC represents the rate of return the Group is expected to pay to its sources of finance for cash flows with similar risks. Cash flows are calculated after tax and discounted with an after-tax discount rate. The nominal WACC used in the value in use calculations is 10.8%.

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

Climate Risk and Impairment test

The impairment test for vessels has included an analysis of which measures will be necessary to achieve GHG emissions reductions target. It is expected that decarbonisation measures will contain activities that have a greater degree of uncertainty than a traditional maintenance and upgrade program for the vessels. Cash flow effects related to risk and opportunities in a climate risk context therefore comes with higher degree of uncertainty.

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

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

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

The residual value has been set to zero after 30 years as the cost of increasing environmental requirements related to disposal of vessels are estimated to offset the scrap value of the steel. Useful life and residual value of vessels is based on knowledge of the market and years of operations of these types of vessels.



DOF Subsea Rederi AS

Amounts in NOK million

It is key for the Company to limit exposure to stranded assets by incorporating climate-resilient strategies within the business model and create low-carbon value propositions for the clients across short, medium and long-term timeframes.

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

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

5 Operating revenue

Country

| 2022 | Norway | Brazil | Philippines | Singapore | United Kingdom | Other | Sum |
|-------------------|--------|--------|-------------|-----------|----------------|-------|-----|
| Operating revenue | 435 | 240 | 52 | 63 | 1 | 3 | 792 |
| 2021 | Norway | Brazil | Philippines | Singapore | United Kingdom | Other | Sum |
| Operating revenue | 382 | 183 | 42 | 32 | 18 | 33 | 690 |

The Company has only one business segment. Geographical distribution of revenue from contracts with customers is based on the location of clients.

6 Payroll expenses

The Company has no employees. Payroll expenses relates to crew hire from other companies. The Company's vessels are operated by DOF Management AS, DOF Management Pte. Ltd. and Norskan Offshore Ltda.



DOF Subsea Rederi AS Annual Report | 2022 FINANCIAL STATEMENTS

DOF Subsea Rederi AS

Amounts in NOK million

7 Financial income and expenses

| Financial income and expenses | 2022 | 2021 |
|--|------|------|
| Interest income | 30 | 15 |
| Gain on settlement of loan facility | | 250 |
| Financial income | 30 | 265 |
| Interest expenses | -188 | -170 |
| Other financial expenses *) | 38 | 147 |
| Financial expenses | -150 | -23 |
| Realised gain / loss on derivative financial instruments | | - |
| Realised gain / loss on currencies | 0 | -74 |
| Realised gain / loss on derivative instruments and currency position | 0 | -74 |
| Unrealised gain / loss on derivative financial instruments | 7 | 28 |
| Unrealised gain / loss on currencies | -319 | -22 |
| Unrealised gain / loss on derivative instruments and currency position | -312 | 7 |
| Net financial income / loss | -432 | 175 |

*) Other financial expenses include reversal of impairment of cash pool receivable towards DOF Subsea AS for NOK 35 million (impairment of NOK 35 million in 2021) and reversal of impairment on loan to DOF Subsea Rederi III AS of NOK 28 million (reversal of NOK 197 million in 2021).

8 Tax

| Financial income within tonnage tax regime | 2022 | 2021 |
|---|------|------|
| Net taxable financial income | 4 | -24 |
| Unrecognised tax losses | -4 | 24 |
| Basis for deferred tax | | - |
| Tax loss carry forward | -240 | -244 |
| Tax loss and total temporary differences not included as deferred tax asset | 240 | 244 |
| Basis for calculating deferred tax / tax asset (-) | - | - |

The 2021 figures have been adjusted to agree with final tax returns.

The Company is registered within the shipping tonnage tax regime. It is unlikely that the Company will have a future taxable income due to tonnage tax regulations and current tax loss carry forward. Therefore deferred tax asset is not recognised in the statement of financial position. The Company has temporary differences relating to unrealised currency loss on loans in foreign currencies, and unrealised effects on financial instruments. The tax effects of unrealised financial items are dependent on the future relation between financial assets and total assets. This future relation cannot be estimated reliably.

Recognised tax expense NOK 4 million in 2022 (NOK 6 million) relates to countries outside Norway.



DOF Subsea Rederi AS

Amounts in NOK million

9 Tangible assets

| 2022 | Vessels | Periodical maintenance | ROVs | Total |
|--------------------------------------|----------|------------------------|--------|--------|
| Cost at 01.01 | 6 909 | 860 | 127 | 7 897 |
| Additions | -8 | 106 | - | 99 |
| Disposals | -258 | -42 | - | -300 |
| Cost at 31.12 | 6 644 | 923 | 127 | 7 696 |
| Depreciation at 01.01 | -995 | -623 | -90 | -1 708 |
| Depreciation for the year | -176 | -78 | -9 | -263 |
| Depreciation eliminated on disposals | 8 | 41 | - | 49 |
| Depreciation at 31.12 | 1 162 | -660 | -98 | -1 922 |
| Impairment at 01.01 | -2 378 | - | - | -2 378 |
| Impairment for the year | 371 | - | - | 371 |
| Impairment eliminated on disposals | 201 | - | - | 201 |
| Impairment at 31.12 | 1 806 | - | - | 1 806 |
| Book value at 31.12 | 3 676 | 262 | 29 | 3 968 |
| Asset lifetime (years) | 30 | 2.5-5 | 12 | |
| Depreciation schedule | Linear** | Linear | Linear | |

** Useful life and residual value

The company has reassessed useful life of vessels from 20 years to 30 years with effect from 01.01.2021.

Disposal

The charterer of Geosea has exercised its purchase option in 1st quarter 2022, and the vessel was delivered in 3rd quarter 2022.

| 2021 | Vessels | Periodical maintenance | ROVs | Total |
|--------------------------------------|---------|------------------------|--------|--------|
| Cost at 01.01 | 7 228 | 744 | 127 | 8 099 |
| Additions | 4 | 161 | - | 165 |
| Disposals | -323 | -44 | - | -367 |
| Cost at 31.12 | 6 909 | 860 | 127 | 7 897 |
| Depreciation at 01.01 | -867 | -590 | -79 | -1 535 |
| Depreciation for the year | -189 | -77 | -11 | -276 |
| Depreciation eliminated on disposals | 61 | 43 | - | 104 |
| Depreciation at 31.12 | -995 | -623 | -90 | -1 708 |
| Impairment at 01.01 | -2 415 | - | - | -2 415 |
| Impairment for the year | -171 | - | - | -171 |
| Impairment eliminated on disposals | 208 | - | - | 208 |
| Impairment at 31.12 | -2 378 | - | - | -2 378 |
| Book value at 31.12 | 3 537 | 237 | 37 | 3 811 |
| Asset lifetime (years) | 30 | 2.5-5 | 12 | |
| Depreciation schedule | Linear | Linear | Linear | |



DOF Subsea Rederi AS Annual Report | 2022 FINANCIAL STATEMENTS

DOF Subsea Rederi AS

Amounts in NOK million

Impairment

2022

| Vessel | Reversal of impairment |
|------------------------------------|------------------------|
| Skandi Acergy | 111 |
| Skandi Africa | 175 |
| Skandi Hawk | 16 |
| Skandi Carla | 69 |
| Total impairment of vessels | 371 |

2021

| Vessel | Impairment |
|------------------------------------|-------------|
| Skandi Patagonia | -65 |
| Skandi Africa | -63 |
| Skandi Hawk | -21 |
| Skandi Carla | -17 |
| Geoholm | -5 |
| Total impairment of vessels | -171 |

Reversal of impairment

The impairment test is based on operational performance, contract backlog and the completed refinancing 22nd of March 2023. The impairment test has resulted in a reversal of impairment of NOK 371 million. For further information about the impairment assessment, see note 3.

Sensitivity analysis of impairment

Impairment tests are highly sensitive to changes in NOK towards other currencies and a strengthening of NOK of 20% will result in an additional impairment of NOK 434 million, given no change in other assumptions. While testing the reasonableness of the broker estimates the Group has applied a nominal WACC after tax of 10.8 %. An increase in WACC with 200 basis points will result in an additional impairment of the vessels with NOK 79 million. Negative effect on net future cash flows with 20 % will result in an additional impairment of the vessels with NOK 202 million. The Company has a new fleet of vessels and as a result, the future cash flows for the vessels are long. The key assumptions in a discounted cash flow calculation for vessels are utilisation, charter rates, operational costs and climate related costs. Changes in these assumptions could have considerable effects on the value of the vessels.

10 Contract costs

| 31.12.2022 | Contract costs | Total |
|---------------------------------------|----------------|-------|
| Net booked value 01.01 | 3 | 3 |
| Additions | - | - |
| Reclassification from tangible assets | - | - |
| Amortisation | -3 | -3 |
| Impairment | - | - |
| Currency translation differences | - | - |
| Net booked value 31.12 | - | - |

The Company has presented and recognised contract cost as intangible asset in accordance with policies described in note 2 'Accounting policies'. The main part of the contract costs is related to mobilisation of vessels, equipment and offshore personnel.

Amortisation of contract costs are recognized over the contract period of the related contract.



DOF Subsea Rederi AS

Amounts in NOK million

11 Trade receivables

| Trade receivables | 2022 | 2021 |
|------------------------------------|------|------|
| Trade receivables at nominal value | 12 | 16 |
| Uninvoiced revenue | 3 | - |
| Trade receivables at 31.12 | 15 | 16 |

12 Other current receivables

| Other current receivables | 2022 | 2021 |
|---------------------------------------|------|------|
| Government taxes receivable | - | - |
| Prepaid expenses and insurance claims | 17 | 12 |
| Fuel reserves and other inventory | 11 | 9 |
| Derivative financial instruments | - | - |
| Other current receivables at 31.12 | 28 | 21 |

13 Cash and cash equivalents

| Cash and cash equivalents | 2022 | 2021 |
|---|------|------|
| Bank deposits | 168 | 186 |
| Cash pooling system deposit DOF Subsea AS | 477 | 212 |
| Total cash and cash equivalents | 645 | 398 |

The Company has NOK 392 million restricted cash (NOK 191 million pr 31.12.2021) which is presented as part of debt from credit institutions. Some lenders have exercised their right to set off cash balances toward the outstanding loans. The Company has therefore chosen to present all restricted cash serving as security for loans, net of debt to credit institutions.

The Company is part of the Group's cash pooling system and has at all times access to cash available in the Group's cash pool. For further reading about liquidity risk, please refer to note 3 'Financial risk management'. Pricing on deposits in the respective currencies is based on the Group's internal transfer pricing policy.

The amounts in the cash pooling system deposit of the DOF Subsea Group are recognised as current receivables/liabilities to Group companies.



DOF Subsea Rederi AS Annual Report | 2022 FINANCIAL STATEMENTS

DOF Subsea Rederi AS

Amounts in NOK million

14 Share capital and share information

Share capital

The share capital in the Company at 31 December 2022 was NOK 2 465 100 000 comprising 2 400 shares, each with a nominal value of NOK 1 027 125.

Shareholder overview

| Shareholders at 31.12.2021 / 31.12.2022 | No. of shares | Proportion of ownership | Share capital |
|---|---------------|-------------------------|---------------|
| DOF Subsea AS | 2 400 | 100% | 2 465 |

| Board of Directors | Title |
|--------------------|----------|
| Mons S. Aase | Chairman |
| Hilde Drønen | Director |
| Marianne Møgster | Director |

15 Interest bearing debt

The Company has standstill-agreement with its lenders at 31 December 2022 and the financial covenants have been waived in the standstill agreement.

DOF Group ASA including DOF Subsea Group signed a Restructuring Agreement (RA) in June 2022 which include all the external debt in the Company.

All the financial creditors have approved the restructuring agreement and the addendum, the refinancing was completed on the 22nd of March 2023 and as part of the restructuring loans of USD 27 million was reinstated as external debt in the Company, in addition USD 318 million of the Company's debt was reinstated as debt in DOF Subsea AS with maturity in January 2026. The new loans is secured with the Company's vessels.

| | | |
|---|-------|-------|
| Non-current interest bearing debt | 2022 | 2021 |
| Debt to credit institutions | - | - |
| Total non-current interest bearing debt | - | - |
| Current interest bearing debt | | |
| Debt to credit institutions | 3 170 | 3 040 |
| Total current interest bearing debt | 3 170 | 3 040 |
| Total non-current and current interest bearing debt | 3 170 | 3 040 |
| Net interest bearing debt | | |
| Cash and cash equivalent | 168 | 186 |
| Receivables from Group companies | 134 | 197 |
| Cash pooling system deposit DOF Subsea AS | 477 | 212 |
| Net interest bearing debt | 2 391 | 2 445 |

Current portion of debt in the statement of financial position includes accrued interest expenses. Accrued interest of NOK 21 million (NOK 40 million) are excluded in the current interest bearing debt above. Internal accrued interest, guarantee fees and other non-interest bearing liabilities are excluded in the current interest bearing debt to Group companies. Accrued interest income are excluded from net interest bearing debt.

Other non-current liabilities, with the exception of non-current loans, have nominal value equivalent to fair value of the liability.



DOF Subsea Rederi AS

Amounts in NOK million

| | 2022 | 2021 |
|--|--------|-------|
| Liabilities secured by mortgage | | |
| Liabilities to credit institutions | 3 042 | 2 936 |
| Book value of assets pledged as security for debt to credit institutions | 3 939 | 3 774 |
| Average rate of interest* | 5,84 % | 4,14% |

*Calculated on external debt

Financial covenants and new loan agreements

After completion of the financial restructuring of the Group and the Company, new loan facilities have been established including changes in the financial covenants. There are no financial covenants at company level for DOF Subsea Rederi AS. Applicable covenants are on DOF Subsea Group consolidated level, in addition to covenants in sister companies DOF Rederi AS and Norskan Offshore Ltda. The new loan agreements have financial covenants related to cash, working capital, interest coverage ratio and fair value of vessels. Testing date is set to be the last day in each quarter. For further information about financial covenants in the Group see the annual report 2022 for DOF Subsea Group and DOF Group ASA at www.dof.com.

16 Fair value estimation

Measurement level 1 (Quoted, unadjusted prices in active markets for identical assets and liabilities)

Measurement level 2 (Techniques for which all inputs which have significant effect on the recorded fair value are observable, directly and indirectly)

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

Measurement level 3 (Techniques which use inputs which have significant effect on the recorded fair value that are not based on observable markets data)

The fair value of the Company's assets are assessed by obtaining independent quarterly broker estimates from recognised brokers within the industry. Net sales value is calculated based on an average of the brokers' values, taken into account sales commission. This is further adjusted for any excess values in the incumbent contract.

17 Financial instruments - by category

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

| 31.12.2022 | Financial instruments at fair value through profit and loss | Financial instruments measured at amortised cost | Total | Of which included in net interest bearing debt |
|---|---|--|-------|--|
| Assets | | | | |
| Trade receivables and other current receivables | - | 744 | 744 | 611 |
| Unrestricted cash | - | 168 | 168 | 168 |
| Total financial assets | - | 913 | 913 | 779 |
| Liabilities | | | | |
| Current portion of debt to credit institutions | - | 3 191 | 3 191 | 3 171 |
| Trade payables and other current liabilities | - | 234 | 234 | - |
| Total financial liabilities | - | 3 425 | 3 425 | 3 171 |



DOF Subsea Rederi AS Annual Report | 2022 FINANCIAL STATEMENTS

DOF Subsea Rederi AS

Amounts in NOK million

| 31.12.2021 | Financial instruments at fair value through profit and loss | Financial instruments measured at amortised cost | Total | Of which included in net interest bearing debt |
|---|---|--|--------------|--|
| Assets | | | | |
| Trade receivables and other current receivables | - | 564 | 564 | 409 |
| Unrestricted cash | - | 186 | 186 | 186 |
| Total financial assets | - | 750 | 750 | 595 |
| Liabilities | | | | |
| Current portion of debt to credit institutions | - | 3 081 | 3 081 | 3 040 |
| Current derivatives | 6 | - | 6 | - |
| Trade payables and other current liabilities | - | 224 | 224 | - |
| Total financial liabilities | 6 | 3 305 | 3 311 | 3 040 |

The company's cash pooling system is included in the net interest-bearing debt. Trade receivables, other current receivables, and all interest-bearing debt are measured at amortised cost. Intercompany receivables is included in Trade Receivables and other current receivables. The carrying amount of cash and cash equivalents is approximately equal to fair value since these instruments have a short term to maturity. Similarly, the carrying amount of trade receivables and trade payables are approximately equal to fair value since they are entered into at standard terms and conditions. For further information on financial instruments, please refer to accounting policies.

18 Other current liabilities

| Other current liabilities | 2022 | 2021 |
|---|-----------|-----------|
| Accrued expenses and prepaid income | 53 | 26 |
| Derivative financial instruments | - | 6 |
| Other current liabilities at 31.12 | 53 | 32 |

Skandi Patagonia operates in Argentina under a long-term contract with Total Austral. The contract ends 31.12.2025. Crew on the vessel has during the contract period earned the right to compensation that will be payable when the contract ends. Earned right to compensation as of 31.12.2022 is estimated to NOK 53 million and is presented as other current liabilities.

Right to compensation is based on assumption about salary level, turnover and changes in local regulations. Changes in assumption will have an affect on estimated liabilities.

19 Related parties

DOF Group ASA is the sole shareholder in DOF Subsea AS with a 100 % ownership stake. DOF Subsea Rederi AS is owned 100% by DOF Subsea AS.

The Company purchases management services from DOF Management AS and Norskan Offshore Ltda. for its vessels, and has guarantee agreements with DOF Subsea AS.

| Operating revenue | 2022 | 2021 |
|---------------------------|------------|------------|
| DOF Subsea Group | 599 | 495 |
| DOF Group ASA | 189 | 132 |
| Total | 788 | 627 |
| Operating expenses | | |
| DOF Subsea Group | 93 | -55 |
| DOF Group ASA | 112 | 119 |
| Total | 205 | 64 |



DOF Subsea Rederi Annual Report 2022

DOF Subsea Rederi AS

Amounts in NOK million

| | | |
|--|------------|------------|
| <hr/> | | |
| Net finance result | | |
| DOF Subsea Group | -21 | 140 |
| DOF Group ASA | 1 | - |
| Total | -20 | 140 |
| <hr/> | | |
| Current receivables from Group companies | | |
| DOF Subsea Group | 912 | 788 |
| Bad debt provision | -209 | -272 |
| DOF Group ASA | 27 | 33 |
| Total | 730 | 548 |
| <hr/> | | |
| Current liabilities to Group companies | | |
| DOF Subsea Group | 123 | 121 |
| DOF Group ASA | 10 | 21 |
| Total | 133 | 142 |
| <hr/> | | |
| (Profit)/Loss on sale of tangible assets | | |
| DOF Subsea Group | - | -9 |
| Total | - | -9 |
| <hr/> | | |

Other financial expenses include reversal of impairment of cash pool receivable towards DOF Subsea AS for NOK 35 million (impairment of NOK 35 million in 2021) and reversal of impairment on loan to DOF Subsea Rederi III AS of NOK 28 million (reversal of NOK 197 million in 2021).

For further information see the financial statements for DOF Group ASA and DOF Subsea AS.

20 Remuneration to Board of Directors, Executives, and Auditor

No salaries or other remuneration have been paid to the Company's Board of Directors. No loans or guarantees have been provided for the Company's Board of Directors or close associates.

| | | |
|---|----------------|----------------|
| Specification of auditor's fee (excl. VAT)* | 2022 | 2021 |
| Fee for audit of financial statements | 309 000 | 235 503 |
| Fee for other tax consultancy | 18 750 | 40 000 |
| Fee for attestation | - | - |
| Total | 327 750 | 275 503 |

*) Amounts in NOK



DOF Subsea Rederi AS Annual Report | 2022 FINANCIAL STATEMENTS

DOF Subsea Rederi AS

Amounts in NOK million

21 Events occurring after period end

Finance

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

On the 22nd of March 2023 the restructuring of the Company and the Group was completed including effectuating of new loan facilities in DOF Subsea Group and conversion of approximately NOK 3 billion of bond loans to equity. From 22 June 2023 shares in DOF Group ASA was re-listed and traded on Oslo Stock Exchange.

As part of the restructuring debt to credit institutions with USD 27 million was reinstated with maturity in 2026. In addition USD 318 million of the Company's debt was reinstated as debt in DOF Subsea AS with maturity in January 2026, and a corresponding loan from DOF Subsea AS to the Company was established.

Vessels

The vessel Skandi Constructor has been acquired from DOF Subsea Rederi III AS in May 2023.

The charterer for the PLSV, Skandi Africa has exercised its option until February 2025.

The RSV vessel Geoholm has been awarded a contract for a large SURF Project in Brazil from the beginning of March 2023. The contract has 180 days firm plus options and has a total value of more than USD 19 million for the firm period.

Petrobras has in 2023 exercised an option for the diving support vessel Skandi Achiever.



DOF Subsea Rederi AS

Amounts in NOK million

22 Performance measurement definitions

Alternative performance measurements:

The Company presents alternative performance measurements (APM) that are regularly reviewed by management and aim to enhance the understanding of the Company's performance. APMs are calculated consistently over time and are based on financial data presented in accordance with IFRS and other operational data as described in the table below.

| Measure | Description | Reason for including |
|--|--|---|
| Operating profit before depreciation and impairment (EBITDA) | EBITDA is defined as operating profit, including profit from sale of non-current assets, and amortisation of contract assets before impairment and depreciation of tangible assets. EBITDA represents earnings before interest, tax depreciation and impairment, and is a key financial parameter for the Company. | This measure is useful in evaluating operating profitability on a more variable cost basis as it excludes depreciation and impairment. EBITDA shows operating profitability regardless of capital structure and tax situations with the purpose of simplifying comparison in the same industry. |
| Operating profit (EBIT) | EBIT represents earnings before interest and tax | EBIT shows operating profitability regardless of capital structure and tax situations. |
| Net interest-bearing debt | Net interest-bearing debt consists of both current and non-current interest-bearing liabilities less interest-bearing financial assets, cash and cash equivalents. Non-current receivables from joint ventures are not included in net interest-bearing debt. Cash and cash equivalents will include restricted cash. Current interest-bearing debt includes interest-bearing debt related to asset held for sale. | Net interest-bearing debt is a measure of the Company's net indebtedness that provides an indicator of the overall statement. It measures the Company's ability to pay all interest-bearing liabilities within available interest-bearing financial assets, cash and cash equivalents, if all debt matured on the day of the calculation. It is therefore a measurement of the risk related to the Company's capital structure. |
| Working capital | The working capital position of the Company is equal to current assets less current liabilities. | It is a measure of the Company's liquidity and efficiency, and demonstrates the Company's ability to pay its current liabilities. |
| Other definitions | Description | |
| Market value | Calculated average vessel value between two independent brokers' estimates based on the principle of "willing buyer and willing seller". | |



To the General Meeting of DOF Subsea Rederi AS

Independent Auditor's Report

Opinion

We have audited the financial statements of DOF Subsea Rederi AS (the Company), which comprise the statement of financial position as at 31 December 2022, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 2022, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

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

Other Information

The Board of Directors (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 statutory requirements.

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



Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Bergen, 30 June 2023
PricewaterhouseCoopers AS

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



 Securely signed with Brevio

Revisjonsberetning

Signers:

| Name | Method | Date |
|----------------------|---------------|------------------|
| Olsen, Marius Kaland | BANKID | 2023-06-30 13:28 |

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



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



DOF SUBSEA AS
Thormøhlens gate 53 C
5006 Bergen
NORWAY
dofsubsea.com





To the General Meeting of DOF Subsea Rederi AS

Independent Auditor's Report

Opinion

We have audited the financial statements of DOF Subsea Rederi AS (the Company), which comprise the statement of financial position as at 31 December 2022, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 2022, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

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

Other Information

The Board of Directors (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 statutory requirements.

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



Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Bergen, 30 June 2023

PricewaterhouseCoopers AS

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



 Securely signed with Brevio

Revisjonsberetning

Signers:

| Name | Method | Date |
|----------------------|---------------|------------------|
| Olsen, Marius Kaland | BANKID | 2023-06-30 13:28 |

This document package contains:

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



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