

2020

Integrated
Annual Report





Annual sustainability reporting using Global Reporting Initiative (GRI) Standards since:

2014



DOF Code of Business Conduct aligned to the United Nations Global Compact

Recognised industry leader



2020 A-

10 years participation

Top 30% for Environmental Stewardship

DOF

A trusted and leading partner delivering services globally for a sustainable utilisation of offshore energy and other subsea resources.



Limited assurance report sustainability (GRI Standards) and Greenhouse gas reporting (GHG Protocol).



Annual financial reporting

Sustainable Development

17 GOALS

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



3.33

ESG 100 score

The Governance Group (TGG) conducted an independent review of DOF's sustainability reporting activity in 2019. DOF received a stand-out score of 3.33 within the Energy Sector group using the ESG 100 method, scoring maximum points in both GRI reporting and UN SDG integration and well above the "energy sector" average of 2.33. We're proud to say DOF's total ESG (Environmental, Social, and Corporate Governance) score ranks within the top 20 of 100 largest (by market cap) companies on Oslo Stock Exchange, for a second consecutive year.

- Read more about stakeholder engagement and materiality assessment in the ESG factbook.

2020

DOF INTEGRATED ANNUAL REPORT



Welcome to DOF's 2020 annual report

Our next step in fully integrated reporting

DOF has reported in the areas of sustainability to the GRI standards measuring Economic, Environmental, and Social aspects for seven years. This, along with our participation in Carbon Disclosure Project over the last ten years, has driven engagement with stakeholder groups and improved both management and performance in these areas.

In 2020, we have made further progress in transparency and integrated reporting as DOF brings all the measures of stakeholder values together, aligning the non-financial reporting with financial reporting. Our vision and strategic ambitions are set out in this integrated report. This report format aims to communicate to all stakeholders, underpin changes, and outline targets and measures for the next strategic period.

The integrated annual report is supported by an ESG (Environmental, Social, and Corporate Governance) factbook as the last section of this report. This section contains extensive details on performance in 2020 and future ambitions, organised around our company values. This document can be found in digital format on our website: www.dof.com/sustainability.

Financial calendar 2021

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

DATE	EVENT
26 May 2021	1 st quarter 2021
27 May 2021	Ordinary General Meeting
24 Aug 2021	2 nd quarter 2021
10 Nov 2021	3 rd quarter 2021
25 Feb 2022	4 th quarter 2021

The dates are subject to change.

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Financial performance

An overview of our 2020 financial performance

Key figures DOF Group

From the Profit or Loss	Management reporting		Financial reporting	
	2020	2019	2020	2019
Operating revenue	7 582	7 524	6 212	6 276
Operating expenses	-4 591	-4 851	-4 107	-4 461
Operating profit (loss) before depreciation and write downs - EBITDA	2 990	2 673	2 105	1 815
Depreciation	-1 097	-1 314	-856	-1 071
Impairment	-3 665	-1 449	-3 258	-1 130
Operating profit (loss) - EBIT	-1 771	-90	-2 010	-387
Net finance costs	-1 974	-1 486	-1 629	-1 165
Unrealised currency gain/(loss)	-1 120	-880	-1 112	-862
Net changes in gain/loss on derivatives	-56	117	-56	117
Net financial items	-3 150	-2 249	-2 797	-1 909
Profit (loss) before taxes	-4 921	-2 340	-4 806	-2 296
Tax income (expenses)	-38	-542	-153	-585
Profit (loss) for the year	-4 959	-2 881	-4 959	-2 881
Non-controlling interests	-49	-402	-49	-402
From the Balance sheet				
Vessels and other non-current assets	19 141	24 896	15 462	20 273
Current assets	4 031	3 475	3 531	3 190
Total assets	23 172	28 371	18 993	23 464
Interest free debt	1 829	1 575	1 635	1 599
Net financing of the entity	21 343	26 796	17 358	21 865
Interest bearing debt	22 241	23 345	18 255	18 414
Equity	-898	3 451	-898	3 451
Key Figures				
Net cash flow	1)	1 017	1 186	476
Current ratio	2)	0.20	0.21	0.18
Equity ratio	3)	-4%	12%	-5%
Capex	4)	448	1 455	303
Operating margin	5)	39%	36%	34%
Return on equity ratio	6)	552%	-83%	552%
Earnings per share (NOK)	7)	-15.51	-7.84	-15.51
Diluted earnings per share (NOK)	8)	-15.51	-7.84	-15.51
Average number of shares in the period		316 456 168	316 456 168	316 456 168
Number of shares incl mandatorily convertible shares		316 456 168	316 456 168	316 456 168
Outstanding number of shares		308 962 779	307 762 779	307 762 779

1) Profit/loss before taxes + depreciation and write downs +/- unrealised gain/loss on currency +/- net changes in gain/loss on derivatives

2) Current assets/Current liabilities

3) Equity/Total assets

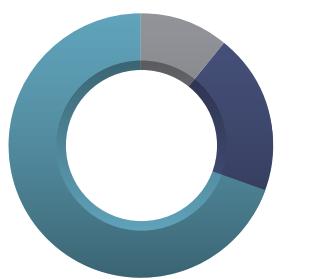
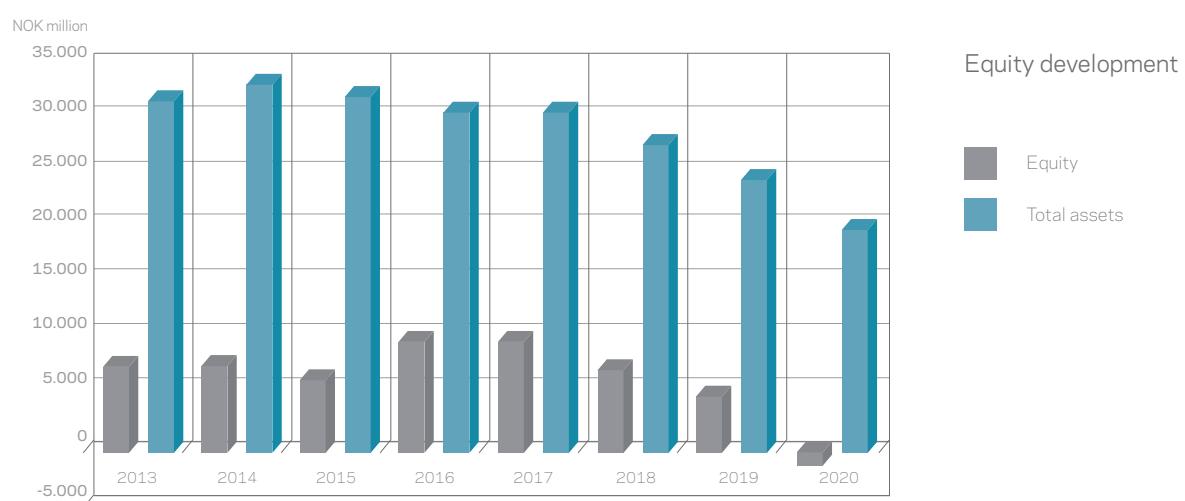
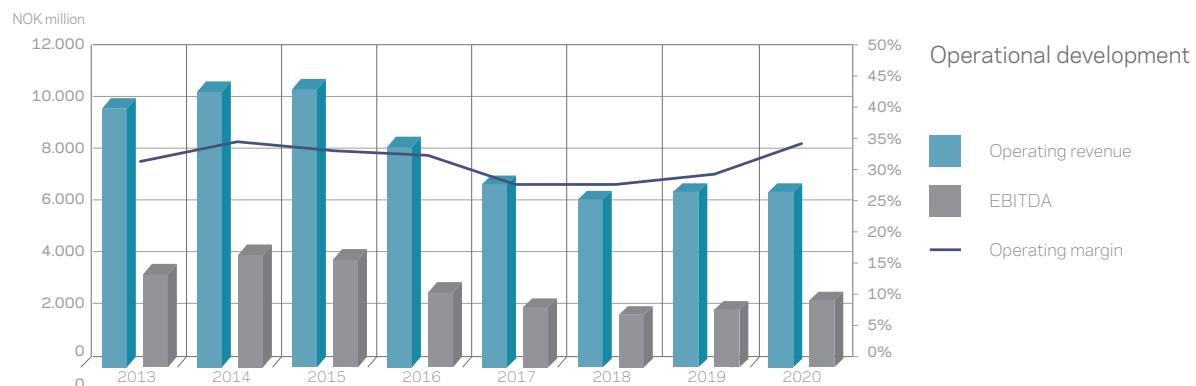
4) Capex, see note 14

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

6) Profit for the year/Booked equity

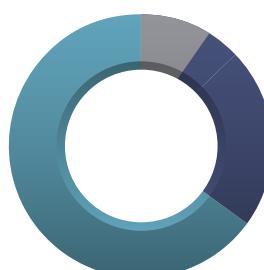
7) Majority share of profit for the year/Average number of shares. See note 12

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



Revenue per segment *)

PSV	7%
AHTS	16%
Subsea	77%



EBITDA per segment *)

PSV	3%
AHTS	20%
Subsea	76%

* Based on management reporting.

Restructure & adjust

From the Chairman of the Board of Directors

Needless to say, during the past year we have invested a massive amount of dedicated work into the ongoing debt restructuring process. **Our goal is to shape a healthy, One DOF for the future.** To achieve this goal, it is however essential that we not only deal with the financial side of matters, but also have a firm focus on business development and the horizon emerging post restructuring.

Consequently, DOF's 2020 strategic review mapped the Group's business focus for the next 3-year strategic period. The resulting strategy 'Shaping DOF for the future' focuses on reshaping the organisation to reflect the market outlook, to optimise technology and other efficiencies, and create the agility necessary for the organisation's future value creation. We also focus on new business opportunities, beyond our traditional scope.

DOF has operated in a complex business environment for nearly 40 years, and one constant over this time has been that our people have been the key success driver. Although many of the challenges ahead are of a different nature than before, the importance of our people will not change over the next strategy period which focuses on adjusting the current business platform to "the new normal".

Despite the challenges brought about by COVID-19 and a continued adverse market, we are confident that our core competence, key assets, and the services we provide today will be in demand tomorrow and in the foreseeable future. Non-renewables will still be an important energy source in the global market, and we will continue to develop our competitive edge in traditional offshore energy related services. At the same time however, the global focus and growing surge for a shift to renewables create the potential for new opportunities for DOF.

New and different demands from our customers and the changes in the energy market are key drivers for our future organisation and utilisation of competence and assets. These market forces are integrated into our business strategy and the foundation for our direction ahead.

The immediate and short-term focus on financial sustainability will co-exist with our focus on building a robust and sustainable new business platform for the longer term.

Our global footprint, presence in promising markets, excellent customer relations, combined with our competence, experience and high-quality vessels, shall enable us to pursue new, profitable business opportunities and will continue to keep us ahead of competitors.

Bergen, 7th of April 2021



Hans Olav Lindal
Chairman of the Board of Directors

Delivering our strategic priorities

From the CEO



The unforeseeable challenges brought about by the COVID-19 pandemic tested the limits of our organisation and people. At the same time, we have overcome challenges together, and found creative solutions, adapting to continuously changing situations. Throughout the pandemic, our values have been the foundation for maintaining operations safely.

I am impressed, proud, and thankful.

In the energy sector we have seen the focus on climate action and expectations for global citizenship grow. We see this clearly as energy majors, such as Equinor, align with the Paris Agreement and state climate ambitions to reduce the absolute greenhouse gas emissions to near zero within a few decades. Given continued challenging market conditions, I am proud to say DOF has continued its progress and strengthened its efforts and focus on sustainability in 2020. We report environmental, social, and economic performance against our key objectives and our results are integrated into this report.

Financial highlights

The Group achieved an EBITDA of NOK 2,990 million in 2020, which is the highest since 2016. In 2020, the Group benefitted from a strong USD compared to NOK and BRL, decent contract coverage going into the year, termination fees of NOK 110 million and high activity for the 2nd half in some of the regions. Although the Group has performed well on EBITDA, the P&L is heavily impacted by impairment of vessels and extreme fluctuations in foreign exchange rates, resulting in an EBIT of NOK -1,771 million and profit before tax of NOK -4,921 million.

Operational highlights

The Group started the year with a decent contract coverage and high activity in January and February, but the disruption of COVID-19 and drop in the oil price in March resulted in a negative shift in demand for the Group's vessels and services. The PSV segment has experienced the largest drop, with several vessels still in lay-up. The AHTS and Subsea segment were also negatively impacted by the change in demand, with a couple of contract terminations and postponement of tenders. However, in the AHTS and Subsea segments the activity picked up in 2nd half of 2020, especially in Brazil, and the Group was able to secure several new contracts with start up in end 2020 or 2021.

Despite of the negative effects from COVID-19, the Group has managed to operate its vessels close to normal. The utilisation of the Group's fleet was 73% in 2020 compared to 77% in 2019, with the largest drop related to the PSV and AHTS segment.

The Group has through the year secured new contracts with a value of NOK 6.2 billion of which the main portion was awarded during 2nd half of 2020. Some of the important contract awards include:

- 2-year contract extension for Skandi Africa;
- PIDF contract in Brazil providing survey and inspection services to Petrobras, utilising four of the Group's vessels;
- Skandi Salvador was awarded a 3-year MPSV contract on the Mero field in Brazil;
- Skandi Seven was awarded an integrated FSV contract for a minimum of 300 days with ENI Angola;
- Skandi Vega replaced a 6-month contract with a 2-year contract with Equinor Energy;
- Skandi Kvitsøy was awarded a 1+2x1-year contract with commencement in 1st quarter 2021;
- Skandi Urca and Skandi Fluminense were both awarded 2+2 year contracts with commencement in September 2020;
- Skandi Paraty was awarded a 1-year contract that commenced at the beginning of June 2020;
- Skandi Rio was awarded a 3+2 year contract with Petrobras.

At year-end, the total backlog was NOK 15.3 billion, of which NOK 5.8 billion is scheduled for 2021. During the year, the Group has also sold two vessels and recycled one vessel.

Safeguarding our People

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

Our Workbook is developed to build a strong safety culture, based on the Safe the RITE way programme. The

DOF Workbook incorporates core and enterprise management disciplines, and the training programme specifically includes the universal principles of sustainability and the international standards that apply to DOF activities.

Additionally, the DOF Workbook continues to build safety culture and develops competence in health sciences and enhanced risk perception based on contemporary thinking. The effect will be to strengthen DOF as a values-driven organisation, with a culture shaped by a clear set of ground rules and guiding principles for decision-making, actions, and a sense of community.

After a saturation dive campaign in Australia in 2017, some of the divers have been diagnosed with potential long-term health effects with various symptoms. The incident has been under investigation by NOPSEMA since 2018 and the Group has in Q2 2020 received a Prosecution Notice as a result of NOPSEMA's investigation. The matter is now before the Australian Courts however no trial date has been set. Any proceedings are not expected to happen until 2022.

Sustainable Environment

Our actions to reduce greenhouse gas emissions and manage environmental impacts are ongoing. We use a combination of technical solutions, such as shore power and battery packs, and an organisational approach through environmental management systems and strategy. Even so, it was gratifying to receive the 2020 CDP score A-, which places DOF among leaders in our industry.

The research and development project, in partnership with Kongsberg, has had significant progress in 2020. During the year, technical installations have been finalised onboard Skandi Africa and Skandi Vega and data from the vessels have been analysed in world-class laboratories. The aim of the "Intelligent Efficiency" project is to provide a decision support system to give the bridge officers the opportunity to execute and plan vessel operations with the most energy efficient setup of the engines. The Intelligent Efficiency system has the potential to reduce vessel fuel consumption by 15-30 per cent. The project is expected to finalise in Q3 2021.

Employees

The key to DOF's success remains unchanged – our people. Still, the market in which we operate is very challenging, and we have had to adapt the workforce with the current market demands. At the end of 2020 there were 3,126 people in the Company.

UN Sustainable Development Goals, Human Rights, and Business

DOF's practices are consistent with the UN Guiding Principles on Human Rights and Business. The organisation operates in compliance with fundamental labour standards. However, working closely with the Rafto Foundation we have gained a new and deeper understanding of how integral Human Rights are to the UN SDGs. In this context, Amnesty International's recent acknowledgment placed DOF in the top-five global companies based in the Nordics with the best score related to human rights and responsible employer.

Continuous improvement of our operations

Quality of our work, cost efficiency, and smarter solutions will be key in securing work and delivering according to our stakeholders' expectations. Several improvement projects have been ongoing to achieve a more streamlined and efficient organisation. We will continue this effort in order to be competitive. Defining and measuring environmental sustainability aspects and risks associated with our business activities is important, and investment in systems and equipment have been made to record, understand, and improve our environmental performance, and secure a sustainable future.

Outlook

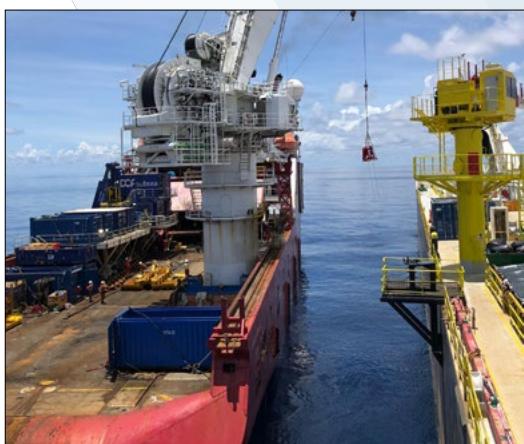
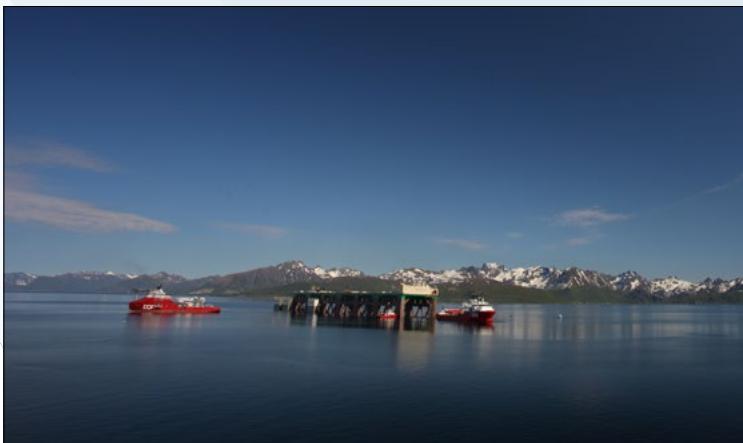
We expect the challenging market to persist in 2021 with a continued oversupply of vessels and pressure on utilisation and rates. However we see regional differences and differences between segments. Tendering activity has picked up especially in Brazil, but also other regions shows increased tender activity. Nevertheless rates are still generally low, but we have noticed a modest increase in levels in some vessel segments. The PSV segment and especially the smaller and older PSVs stands out on the negative side due to oversupply and a large number of vessels in lay-up.

I strongly believe that our global presence and our business model strengthens our position. Our focus will be to keep our people safe, win and execute contracts, and secure repeat business with our clients. Lastly, I want to express my gratitude to every employee and contractor for their extra effort during these difficult times, making sure that we can operate as close to normal as possible and keep everybody safe.

Bergen, 7th of April 2021



Mons S. Aase
Chief Executive Officer



This is DOF

Company overview

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

Company overview

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

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

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

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

As of 31st of December 2020, DOF has a global workforce of 3,126 people and a fleet comprising 62 vessels.

Key takeaways*:

7.6 Billion

Total revenue (management reporting)

73 %

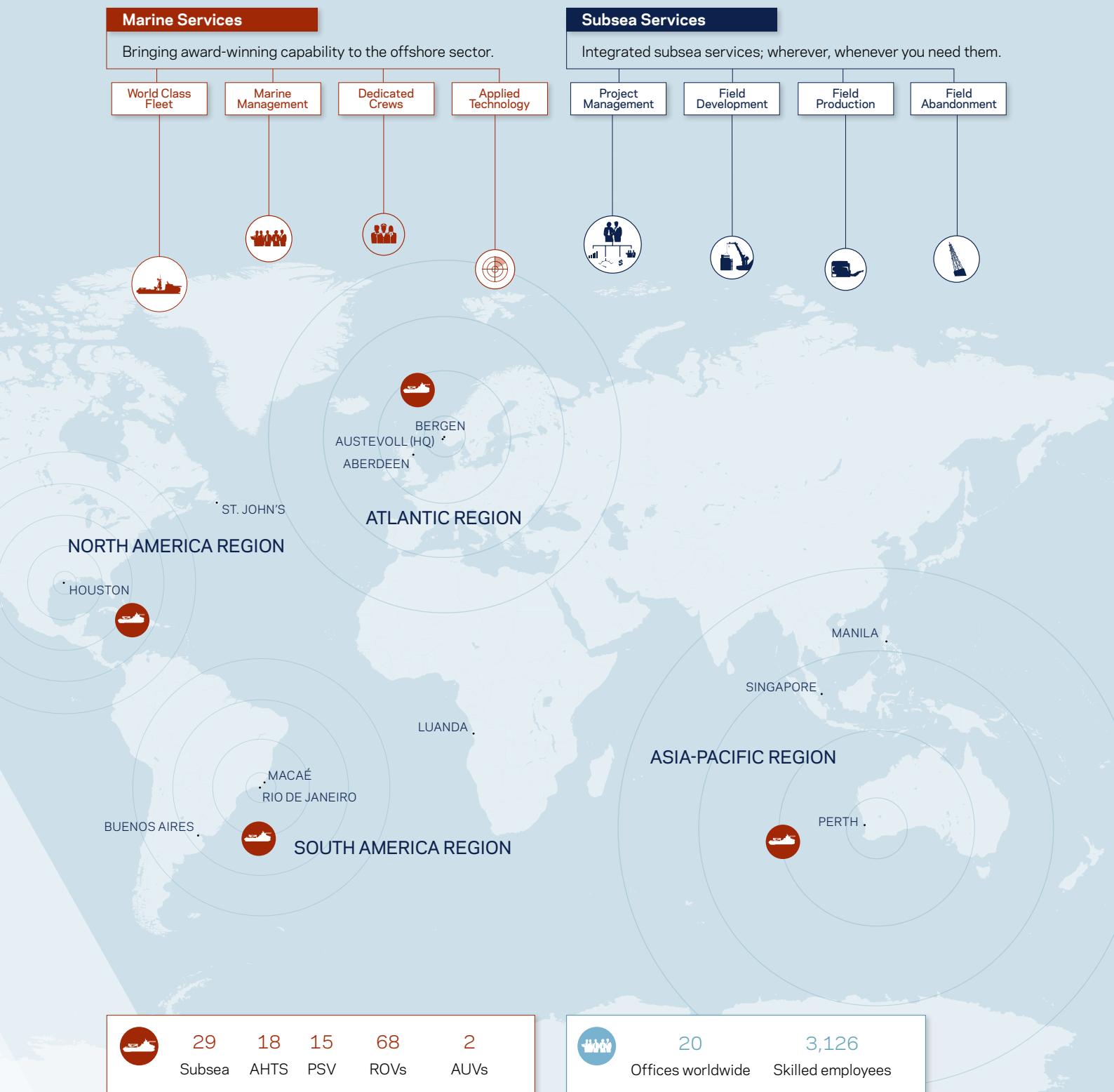
Average fleet utilisation for 2020

15.3 Billion

YTD contract backlog excluding options

* All totals as of year-end 2020 and all figures in NOK.

A trusted partner for offshore operations



Operational highlights in 2020

Q1 2020 Average fleet utilisation 81%**GENERAL COMMENTS**

COVID-19 began to affect the operations in February with detection of the coronavirus first disrupting the operations in Asia-Pacific region. New measures developed early by DOF in Asia-Pacific established as global requirements. By end of the quarter, the Group had three vessels in lay-up.

MAIN CONTRACT AWARDS

South America (Brazil): Skandi Vitoria (50/50 DOFCON vessel) awarded a 2-year contract with Technip FMC.

Atlantic: Geosea awarded a 5-year contract with N-Sea Survey BV.

Skandi Captain and Skandi Texel awarded 1-year contracts with Peterson den Helder BV.

Skandi Caledonia awarded ~400 days contract with Premier Oil.

Two contracts awarded in West-Africa utilising **Geosund** and **Skandi Seven**.

North America: multiple contracts awarded utilising **Skandi Neptune** for pre-lay installation and subsea installations in Guyana and Trinidad, and in Canada.

Asia-Pacific: several contract awards securing utilisation for **Skandi Singapore** 1st quarter.

**CAPITAL STRUCTURE**

DOF Subsea announced approval of extended maturity of three bond loans (DOFSUB07, DOFSUB08 and DOFSUB09) until 2024 and 2025, and updated the market on the ongoing negotiations with the secured lenders to reach a long-term refinancing for the Group. A 4-year refinancing agreement for the facilities in Norskan and DOF Subsea Brasil was signed with BNDES.

Q2 2020 Average fleet utilisation 67%**GENERAL COMMENTS**

The Group announced that the financial effect of COVID-19 including the sharp decline in oil prices had a significant negative impact on the financial performance of the Group. In addition, several contracts were terminated, and projects were postponed. COVID-19 also affected the global operations with extensive operational and procedural adaptation, including offshore extending vessel stays and onshore expansion of Work From Home tools. By August 17 vessels were in lay-up.

MAIN CONTRACT AWARDS

Atlantic: The region secured a 6-month contract in the North Sea utilising **Skandi Skansen**.

Brazil: Skandi Urca and Skandi Fluminense awarded 2+2-year contracts and **Skandi Paraty** awarded a 1-year contract with Petrobras.

**CAPITAL STRUCTURE**

As a consequence of the sudden and significant developments due to COVID-19 and the drop in oil price, DOF ASA, DOF Subsea AS, and Norskan Offshore Ltda. each agreed standstill agreements (full waiver for interest and instalments) with the banks and bondholders until 30th of June. All standstill agreements were later extended until 30th of September.

Q3 2020 Average fleet utilisation 67%

GENERAL COMMENTS

Market impacts of COVID-19 intensified resulted in continued tender freeze across industry and early termination of contracts. Operations continued to be challenging, especially in Brazil with increasing spread of COVID-19. Global Emergency Response Team placed high focus on potential effects of stress and fatigue within offshore organisation and supported crewing and operation departments. One vessel sold and 13 vessels in layup by end of the quarter.

MAIN CONTRACT AWARDS

Asia-Pacific: the region was awarded a 5-year IMR Services contract and a mooring project utilising **Skandi Hercules** and **Skandi Singapore** in 3rd and 4th quarter.

Atlantic: multiple contract awards totalling more than 150 offshore days, utilising **Skandi Acergy**, **Skandi Seven** and **Skandi Skansen**.

Turnkey contract awarded performing marine operations in connection with a decommissioning project utilising **Skandi Acergy**, **Skandi Iceman**, and **Skandi Hera**.

Skandi Seven awarded 303-day contract with ENI in Angola.

Brazil: Four new contracts with Petrobras totalling 550 offshore days utilising four vessels with work scopes: flexible pipeline, risers, and subsea equipment inspection.



CAPITAL STRUCTURE

As part of the restructuring of DOF Deepwater (DDW), Akastor ASA took full ownership of DDW. DOF continued as vessel manager of DDW's five vessels. Extension of the standstill agreements with the banks were extended until 31st of January 2021 and with the bondholders until 15th of December with the option to extend until 31st of January 2021.

Q4 2020 Average fleet utilisation 68%

GENERAL COMMENTS

By November, the market showed signs of stabilising with a slow but steady increase in both oil prices and tender activity, however over-supply negatively impacted the rates. One vessel was agreed sold and one vessel was recycled. By end of the quarter 12 vessels were in lay-up.

MAIN CONTRACT AWARDS

Asia-Pacific: **Skandi Singapore** and **Skandi Hercules** awarded contracts, including saturation diving and planning for a decommissioning project, and engineering and installation services in Australia.

Atlantic: **Skandi Vega** option extended from six months to 2-year firm contract with Equinor.

Skandi Africa awarded a 2-year extension with TechnipFMC.

Multiple contract awards utilising **Skandi Acergy**, **Skandi Skansen**, **Skandi Neptune**, and **Skandi Seven** totalling more than 180 offshore days.

Brazil: **Skandi Salvador** awarded 3-year MPSV contract delivering ROV services, including inspection, maintenance and subsea commissioning services.

Skandi Rio awarded a 3+1-year contract award for Petrobras.



CAPITAL STRUCTURE

The standstill agreements with the bondholders were extended until 31st of January 2021. A comprehensive refinancing proposal, including conversion of debt, was presented by the Group to the lenders and bondholders in October.

Creating value

How we make the greatest positive contribution

What drives us

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

Our values

DOF values: Respect, Integrity, Teamwork, Excellence, and above all we are SAFE. "Safe the RITE way" integrates our values into how we approach our activities.

Together with our stakeholders: Our priorities

Our stakeholders' expectations and decisions play a significant role in DOF's success and value creation model. DOF's activities have the potential to create value for a diverse group of stakeholders. DOF established a structured approach to factor stakeholder expectations, broader challenges, and drivers of sustainable operations into our decision making in 2015.

We know that understanding material issues is essential to shaping strategy and addressing the sustainability issues within our control. Our materiality process* gives stakeholders the opportunity to participate in identifying issues and helps us to prioritise, set targets, and direct our actions towards sustainability.

Our strategies

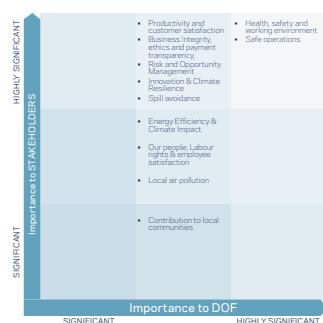
Our debt structure, business model, and portfolio will provide **sustainable revenue and competitive returns on capital**.

We will **develop our technical capability, experience, and assets globally** to deliver dedicated, sustainable subsea and marine services for our clients in an evolving subsea and offshore energy sector.

DOF will earn our reputation for flexibility and rapid adaptation, positioning the Group for growth in existing markets and at the forefront of development in new segments.

Our Materiality process*

1. Identify key stakeholders;
2. Conduct materiality assessment;
3. Stakeholders' engagement;
4. Validation/Analysis of the materiality matrix.



* Read more about stakeholder engagement and Materiality Assessment in our ESG factbook 2020.

Creating value for all our stakeholders

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

Full details for all our measures are given in the ESG factbook 2020 and financial statements.

Value driver results in 2020

The dashboard contains results from key targets, both financial and non-financial, established in DOF. Additional targets and review of current targets are ongoing. **Since 2014, we have made substantial progress in improving our sustainability reporting.**

Full details for both financial and non-financial 2020 performance are given in the financial statements and in the ESG factbook.

Applying relevant UN SDGs



The UN Sustainability Development Goals (SDGs) are comprehensive in the issues that they address with each goal having specific actions and targets. As an organisation working principally with subsea engineering and offshore vessels, DOF has assessed the specific SDGs where we have the greatest impact and can make a significant contribution as part of our operations. We aligned eight SDGs (3, 4, 5, 8, 9, 13, 14, and 16) with corresponding material aspects. You can see how they fit together on page 132.

Read more about UN SDGs:
<https://sustainabledevelopment.un.org/>

Our value drivers



Financial performance

3.3
BILLION

Subsea project total revenue in 2020

4.3*
BILLION

Time charter total revenue in 2020
* According to management reporting

15.3
BILLION

Group backlog per
31.12.2020

73%
Utilisation

of the Group fleet in 2020

70%
Utilisation

of Subsea project fleet in 2020



Governance

0

Fines

or non-monetary sanctions due to non-compliance

0

Corruption

cases in 2020

818
NCRs

raised in 2020

904
AUDITS

completed in 2020

Environmental performance



Operational health & safety



-7.2%
CO₂ emissions

total emissions in 2020 compared to 2019

A-
CDP score

0
Unrecovered

No spills unrecovered over 50 litres

6
Lost

Time injuries (LTIs) in 2020

5,036
Observations

Positive Safety Observations reported by workforce

0.79
/million hrs

Lost Time Incident frequency

19
Incidents

recordable incidents in 2020

2.51
/million hrs

recordable incident frequency

24,809
Safety observations

raised in 2020

Marine and Subsea service delivery



4.3
Subsea client satisfaction

in 2020 (out of max score of 5)

4.1
Marine client satisfaction

in 2020 (out of max score of 5)

99.7%
Vessel uptime

available operative time in 2020

99.0%
ROV uptime

available operative time in 2020

People



100%
Formal contracts

per cent of workforce on formal contract in 2020

0
GDPR breaches

recorded in 2020

40
Helpline cases

Ethical helpline cases raised in 2020

Shaping DOF for the future

Our strategy

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

As our stakeholders would expect, DOF's actions and decisions have always been guided by and grounded in our values. We take corporate responsibility seriously, conducting our business with good governance and aligned to the UN Global Compact and relevant UN Sustainable Development Goals. We strive to be the leader in the field of health, safety and environment performance, to deserve our reputation and continue to build our future.

DOF's Vision and Mission have been updated to guide us as we provide essential services in existing and transitioning offshore energy sector.

Renewed business platform recreating an investable company

With almost 40 years' operational experience in complex markets, DOF is versed in successfully managing change and adapting to market trends. We operate in an evolving market. New and different demands from our stakeholders and the changes in the energy market are key drivers for our future organisation.

Our 2020 strategic and business context review mapped DOF's focus for the next 3-year strategic period. The resulting strategy 'Shaping DOF for the future' focuses on reshaping the organisation to reflect the market outlook, to optimise technology and other efficiencies and create the agility necessary for the organisation's future value creation.

Within 'Shaping DOF for the future', the first issue is a matter of survival and it is dependent on the outcome of the ongoing financial restructuring process and the specific business plan developed for that purpose. The current capital structure is not sustainable when compared to future earnings-trajectories, the ability to service debt and capability to refinance in the future, and needs to be restructured accordingly. The second issue pertains to adjusting the business platform, which builds on the assumption that a sufficiently robust financial platform will be created as a result of the restructuring. DOF's ultimate goal is to rebuild an investable company.

OUR VISION

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

OUR MISSION:

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



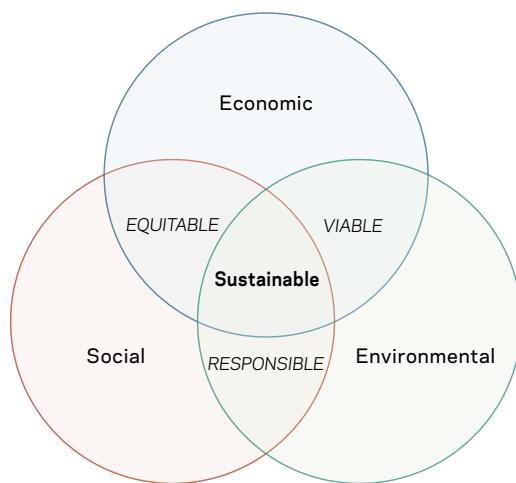
Shaping DOF for the future, a 3-year rolling strategy

Focused on six pillars:

1. Restructuring of debt;
2. Continue cost efficiency measures & efficiency gains;
3. Embrace new technology;
4. New lines of business;
5. Assessment and pursuit of strategic industry consolidations;
6. Maintain reputation as a responsible player.

Sustainable operations

Using the model below, in order to be a sustainable business, DOF must be *EQUITABLE* as a business, *VIABLE* economically and within the external environmental, and *RESPONSIBLE* socially. It is only when these factors are in place, that sustainable operations can occur.



As of publishing this report, the Group's financial position is not sustainable, and a long-term financial solution is necessary to continue as going concern. The restructuring of the Group's debt is ongoing and DOF will continue the dialogue with its creditors to secure a long-term financial solution for the Group. The Group is dependent on continued standstill agreements with its creditors until a long-term financial solution is agreed to maintain as going concern. More information on the Group's refinancing process can be found in the Report of the Board of Directors.

● Economic sustainability

This assumes DOF is using its resources efficiently to create consistent revenue. Without consistent returns, DOF cannot last without considering both environment & social considerations.

○ Social sustainability

This assumes the social well-being of DOF's internal & external stakeholders are able to flourish. However, this cannot last without considering both financial performance & environment performance.

○ Environmental sustainability

This assumes that DOF is working within the means of its external environment and resources. However, this has to be balanced with economic feasibility & social considerations.

Our roadmap*

Shaping **DOF** for the future

FINANCE

Objective

Optimise risk management, capital rationalisation and cost base. Focus on profitability and return on investments, which together with the restructuring of our balance will create financial sustainability.

Outcome

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

MARKET

Objective

Adjust business platform to facilitate future customer demands and a competitive business offering.

Outcome

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

PEOPLE

Objective

Establish "One DOF" built on our unique subsea and marine competence with the aim of creating optimal value for our customers and other stakeholders.

Outcome

DOF is transformed into an even more flexible, fast adapting organisation that is well-positioned for new and existing markets and leading new segments.

* This is a simplified version of the "Shaping DOF for the future" roadmap. The roadmap, produced to facilitate change, presents our value drivers by splitting the activities into three subcategories: Finance, Market, and People.

Providing competitive services, globally

Innovating technologies to support our Marine and Subsea service delivery

The key to our success has always been our people: In our operations it's not unusual to manage short turnaround times or to have multiple, geographically diverse teams collaborating to deliver marine and subsea services. It's also standard practice to mobilise personnel from different parts of our organisation, as well as contractors, subsea and marine crew. This has never been more challenging than in 2020-21 and it couldn't be achieved without the professionalism and great attitude of our team.

The strategic direction laid out for the next three years will reshape the organisation to reflect the market outlook, optimise technology and other efficiencies, to provide competitive services globally.

Matching existing assets and the unique skills and potential of our people to future market demand

Aligning the people-resources in the Group

The key to our success has always been our people. Although many of the challenges ahead are different in nature, the importance of the people-factor will not change over the next strategy period. We aim to align the people in DOF ASA and DOF Subsea, maintaining the diversified strengths and our unique position with both marine and offshore subsea services, global footprint and strong local networks. In 2020, technology, connectivity and remote working revolutionised the way we work, the same technology and newly established routines will facilitate collaboration and flexibility across the organisation and create many efficiency gains.

Optimising organisational structure

Over the next three years, our organisational structure will adjust to support a highly agile organisation. In 2020 the process commenced with changes at the Board of Director level. In the next strategic period further optimisation will be realised in three stages: focusing on review and reporting structures; using technology and centralisation for efficiency gains; and by focusing on competency, succession planning, and work culture to ensure a competitive level of access to market opportunities.

Delivering competitive services, globally

DOF's unique ability to utilise the people and assets from across the marine and subsea subsidiaries has been strategically important and resulted in multi-discipline contracts. Driving our strategic ambition is anchored in the same principle of capitalising on diversified strengths and expertise from DOF companies. Cross company, multi-disciplinary, Technical Steering Committees have been established to drive capability development in specific key strategic focus-areas, the progress of which will be reported at the Board level.

Implementing technology and digital solutions and maintaining market position steering teams have drawn from our existing expertise. The focus areas to develop new lines of business by expanding traditional services steering teams are also largely drawn from existing expertise but have been strengthened by key appointments with specific expertise in the renewables sector.

Innovate and optimise technology to enable our client's success

A key to meeting stakeholder's expectations is the implementation of new technology and digital solutions to reduce GHG emissions and become more efficient. DOF made solid progress in this direction.

Taking the next step towards transparency and GHG emissions reduction

Having deployed the Yxney's Maress system successfully on 30 vessels for 12 months, DOF is set to roll-out the cloud-based software to the whole fleet in Q1 2021. Essentially, Maress analytics allows decision makers on shore

and on the bridge to make more informed decisions on how to reduce emissions. Maress allows DOF to fully understand the emissions from individual vessels, and for the fleet. With seamless integration with existing systems for data gathering, Maress offers a cost-efficient way to create transparency and like-for-like comparisons across the fleet. Due to the smart re-use of existing data the system can be rolled out quickly and will be operational on the whole fleet in Q1 2021.

Industry collaboration for innovation

“Intelligent Efficiency”: DOF is part of a research project partnership with Kongsberg Maritime, SINTEF Ocean and NORCE to develop of a new generation Decision Support System (DSS) for offshore vessel operations. The NOK 90 million project is supported by Innovasjon Norge and aims to reduce fuel consumption and greenhouse gas emissions for complex offshore operations (by up to 30 percent) and streamline fleet-wide maintenance. The DSS prototype project milestone to install technical equipment on two vessels (Skandi Africa and Skandi Vega) was achieved in 2020 and will in 2021 provide live system feedback. Innovasjon Norge granted the project an extension until November 30th, 2021 due to the disruption caused by COVID-19.

Additionally, installation of shore power capability, installation of large batteries onboard vessels to improve operations offer efficiencies and emissions reduction potential we can offer our clients.

Alternative solutions for core services

“Survey in the Cloud” development undertaken in 2020 demonstrates how technology improves data workflow, offshore personnel safety and overall efficiency. DOF has developed capability to deliver survey and inspection projects onshore via online communication and real-time High Definition (HD) video, from the vessel to the office. Clients are increasingly interested in ‘live environment’ visibility for planning and oversight of their subsea assets. We can offer more cost-effective solutions to our clients and utilise our global team strengths. Achieving support, processing and reporting via standard office hours using existing resources to support operations on a global basis without relocating from their home country.

Enabling our client’s success in a transitioning market

Establishing an offshore renewable track record

Hywind Farm Project: in 2019, DOF established a 50/50 joint venture between Aker Solutions (previously Kvaerner) to deliver Hywind Tampen marine operations. The JV’s (KDS JV) scope includes full project management, engineering, assembly site management, assembly of the floating wind turbine, installation of the mooring system, tow out and hook up of the 11 floating wind turbines at the Tampen area. The project will reduce Norwegian CO2 emissions with more than 200 000 tonnes per year. The Hywind Tampen will also be leveraged to further reduce the CO2 footprint in future projects.

During the global pandemic, our core competence, key assets, and services have been required to support “essential services” in offshore energy production. Government’s recognition of “essential services” demonstrates the importance of existing offshore energy in global energy markets and indicates its importance in the foreseeable future. In parallel, the offshore energy sector is transitioning towards renewable sources. **These market forces, stakeholder expectation, and corporate responsibility are integrated into our business strategy.**

Occupational Health and Safety, Marine and Subsea service delivery, and Governance

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

Health and Safety in a Global Pandemic

Safe the RITE way: structured systems and a strong safety culture underpinned our response to the COVID-19 pandemic. Strict protocols to protect our employees and their local communities were instigated requiring a significant investment of time and resources to design, deploy, and maintain operations around the globe. Facing similar operating conditions in 2021 our proven ability to adapt and maintain operations safely is a competitive advantage for future high-standard service delivery.



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

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

A strong 'feedback loop' with tools for transparency and accountability: the Ethics Helpline

The Group introduced the 'DOF ethics helpline' in 2018 to give stakeholders anonymity and a 24/7 accessible tool to report serious concerns. 40 cases were reported in 2020, of which two cases resulted in dismissals due to severe breaches of Code of Conduct. Some cases were raised as consequence of not following DOF's stringent COVID-19 measures.

Looking to the future: Fully audited ISO certification for a business platform in line with future market demand In Q4 2020 DOF received renewed ISO certificates (ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018). DNV-GL conducted a global, socially distanced, audit which combined marine and subsea activities to receive unifying ISO certificates. This was a milestone for the Group as aligned systems supports the strategic development.

Ethical business along our supply-chain

The vendor evaluation is mandatory for all suppliers and will produce a master supplier database in our ERP system. The evaluation process will support quality control of approved vendors, and by 31.12.2020 close to 700 suppliers had been through the qualification process.

Electronic vendor evaluation is designed to ensure universal principles are upheld along our supply chain. A core part of the evaluation is based on the UN Global Compact principles, and all vendors need to describe their approach to Human Rights, Labour, Environment and Anti-Corruption. This includes an assessment of the risk of violating these principles within their own supply chain.

Promoting Industry Best Practice for Environmental Stewardship

Over the course of 2020, DOF executives joined IMCA's Environmental Sustainability Committee to develop a Code of Practice on Environmental Sustainability (the Code) for the offshore marine construction industry. The resulting Code aims to promote a practical, shared approach to environmental sustainability, focusing specifically on internationally recognised, working practices related to environmental sustainability. Early in 2021 it will be available to the 700 member companies, operating in over 60 countries globally, that represent the majority of contractors and the supply chain in the offshore marine construction industry.

Environmental, Social, Governance (ESG) transparency and activities

DOF's 2019 reporting "ESG 100 score" * ranks within the top 20 of 100 largest (by market cap) companies on Oslo Stock Exchange. With 4 being the highest, DOF's score of 3.33 is well above the "energy sector" average of 2.3.

- DOF requires employees to train annually in key ESG topics like ABC, SCM, environment and, human rights.
- DOF's policies are aligned with the UN Global Compact.
- 8 of the 17 UN Sustainability Development Goals (SDGs) guide and inform DOF's activities and reporting.

* Scoring done by "The Governance Group" based in Norway.

Human Rights

As a responsible organisation we support and promote human rights. We ensure our operations do not breach international standards and conventions in line with United Nations guidelines; avoid causing or contributing to adverse human rights impacts through our activities and we seek to prevent adverse human rights that are directly linked to activities through our business relationships.

The Code of Business Conduct clearly communicates core principles to support our organisation and partners to align with UNs Global Compact:

- Comply with all applicable laws and respect internationally recognised human rights everywhere we operate;
- Follow consistent procedures to achieve a high common standard among our companies and business partners even where business practices in the countries in which we operate differ;
- Ensure all parties we work with share and implement the same standards of human rights;
- Always report incidents of unacceptable behaviour or deficiencies in the system;
- Uphold the right for all employees to be free to associate, organise and bargain collectively.

The DOF Watertight Integrity Test

The DOF Code of Business Conduct aims to help everyone understand and meet the Group's expectations for professional standards and how to comply with all legal and regulatory obligations, worldwide.

The "DOF Watertight Integrity Test" is a simple tool to support decision making in any situation.

Read more in our Code of Business Conduct: www.dof.com/TheCode.



Sustainable value for our stakeholders

Transparency builds trust

DOF is proud to be a “values-driven” organisation and our performance in environmental and social sustainability is recognised by industry bodies, clients and partners, and international organisations like Amnesty International. Our performance and reporting on sustainability topics and metrics have annually scored in the top-5 amongst peers on the Oslo stock exchange. DOF will continue to deliver these results as an important part of our strategy: **we will uphold our position within the top-5 for environmental and social sustainability in our industry.**



Carbon Disclosure Project (CDP)

DOF has reported to CDP since 2010. In 2020, DOF achieved CDP's “Leadership” level score with A- overall, with maximum grade of A achieved in several subcategories. In comparison, competitors' average score is C.

We're proud to have participated in the annual CDP for ten years. 9,600 companies took part in 2020, and DOF (up from a B in 2019) is in the top 29 percent for our actions towards sustainability.

DOF has reported to Global Reporting Initiative standards for seven years ensuring vital drivers of sustainable operations are factored into decision making and providing stakeholders* with a transparent view of all aspects of organisational performance. Working principally with offshore vessels and subsea engineering, the Group identified specific SDGs where we can make an important contribution as part of our operations.

Our overall goal is to reduce emissions per operational day by 3% each year towards the foreseeable future through various methods, using digital tools, deep learning, machine learning, data collection, and further increasing the competence and operational environmental awareness by our workforce. DOF is on track to reach IMO requirements to reduce our CO2 footprint by 50% within the 2050 target date and we are adapting to our zero-mindset emission philosophy. Additionally, we work in collaboration with vendors to achieve a responsible supply chain.

* DOF's key stakeholders were originally identified in 2015 as customers, employees, investors, suppliers, and local communities, and are reviewed on an annual basis. You can read more about our continuous stakeholders and materiality process in Appendix B.2 "Materiality".

Supporting our employees & local communities

Our commitment and value creation extend to the communities in which we operate. Our activities are based on training and career pathways for local communities; engaging local businesses and supporting early-life education, cultural and sporting programs.

Training and career pathways for local communities

A principle of our business model is to train and maintain a dedicated core crew on all our vessels.

This creates value by retaining operational and vessel knowledge between charter or project crew changes and leads to a higher level of safety, efficiency and quality of services, benefiting the Group, our clients and our workforce. The program creates value for individuals, their families as well as local governments and society by creating jobs, assisting in enterprise development and technology transfer to local communities.

DOF's global maritime cadetship program combines the principles of a fair return for our local communities with building a skilled and sustainable workforce. This program gives cadets a structured path to gain qualifications and a long-term livelihood.

The aim is to train seafarers to the highest standard of safety and quality and promote excellence in maritime operations worldwide.

Part of DOF's strategy to provide highly qualified officers to our fleet is achieved through our cadet program and involvement in the Norwegian Training Centre – Manila, Philippines (NTC). Courses offered at NTC extend across the complete area of vessel operations.

In Brazil, DOF joined other Norwegian ship-owners who founded AEPM to provide opportunities for young adults to start maritime careers via ordinary seamen courses.

Promoting education, culture, and sports

DOF is focused through a number of specialist organisation's structured programs, primarily in Brazil and Philippines, to give underprivileged children a chance for a better future.

- Sponsorship to the Renascer foster institute (Brazil), an organisation which cares for children of one to five years old, presenting them new life perspectives through sports, art and music, providing them with a home, food and shelter.
- We continue to support the community of Comatin since DOF and our partner in the Philippines, OSM rebuilt the Elementary School after a typhoon in 2013.



Top-5 scoring in the Nordics

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

Find more information at:
<https://amnesty.no/er-norske-selskaper-i-front>

Board of Directors of DOF ASA

HANS OLAV**LINDAL***Chairman***HELGE
SINGELSTAD***Deputy Chairman*

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

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

**MARIANNE
MØGSTER***Director*

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

**KATHRYN
MOORE
BAKER***Director*

Born in 1964. Kathryn Moore Baker was appointed to the Board in 2016. She is chairman of Fynd Ocean Ventures, Genetic Analysis AS, Pensionera AB and Terra Mater Renewable Investments. Ms. Baker is also a board member of Akastor ASA and Labrida AS. Ms. Baker was previously a member of the Executive Board of the Central Bank of Norway, a partner at the Norwegian private equity firm Reiten & Co for 15 years, and has held positions with Morgan Stanley and McKinsey & Co. She holds a bachelor's degree in economics from Wellesley College and an MBA from the Tuck school of Business at Dartmouth. Ms. Baker is a United States citizen and resides in Norway.

**MONS
SVENDAL
AASE***CEO*

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

Report of the Board of Directors

Key notes

In summary, 2020 has been a challenging year due to the continued downturn in the markets. In addition, the COVID-19 virus has had a major impact on the operations. The DOF Group (the Group) has maintained an average utilisation of its fleet of 73% through the year, but rate levels are still not at sufficient levels to serve the Group's total debt. The Group has since 2nd quarter 2020 entered into standstill agreements (including deferral of interest payments and instalments) with the majority of its secured and unsecured lenders. Debt restructuring proposals have been presented to the lenders and discussions to agree on a long-term refinancing of the Group are ongoing. The Group is dependent on continued standstill agreements with its creditors until a long-term and sustainable financial solution is agreed to maintain as going concern.

In 2020 the Group achieved an EBITDA (management reporting) of NOK 2,990 million (NOK 2,861 million before hedge) and an EBIT of NOK -1,771 million (NOK -90 million). The improved Ebitda is driven by better performance in the subsea regions and increased utilisation of the vessels in the DOFCON joint venture. In addition, a stronger USD and termination fees on two cancelled contracts have contributed positively. The Group EBIT is highly impacted by impairments of NOK 3,665 million (NOK 1,449 million). The net result before taxes (management reporting) was in 2020 negative with NOK -4,921 million (NOK -2,340 million).

Business Overview & Strategy

DOF ASA (the Company) is the parent company of several subsidiaries and corporations which provide essential offshore and subsea services to the global offshore industry, and own and operate a fleet of PSV (platform supply vessels), AHTS (anchor handling tug support vessels) and Subsea (construction and subsea vessels). Included in the subsea segment are engineering companies that provide services within the subsea project market. The supply vessels (AHTS and PSV) support fields in production as well as development and exploration activities, with the majority of the supply fleet servicing fields in production. The Group's subsea fleet is a combination of vessels on term contracts and vessels utilised for subsea project activities. The subsea vessels on term contracts are serving the pipelaying market, IMR (Inspection, Maintenance

& Repair) and the SURF (Subsea, Umbilicals, Risers & Flowlines) market. The Group's subsea projects include survey, diving services, ROV operations, construction and IMR among others. In 2020 several of the Group's vessels have been engaged in offshore wind projects in addition to servicing the oil and gas industry. The majority of the subsea fleet and all the subsea project activities are performed and owned by the subsidiary DOF Subsea AS.

As part of the DOF 3-year Rolling Business & Strategy Plan and with the goal to shape a healthy, One DOF, the Vision and Mission statements have been amended as follows:

Vision:

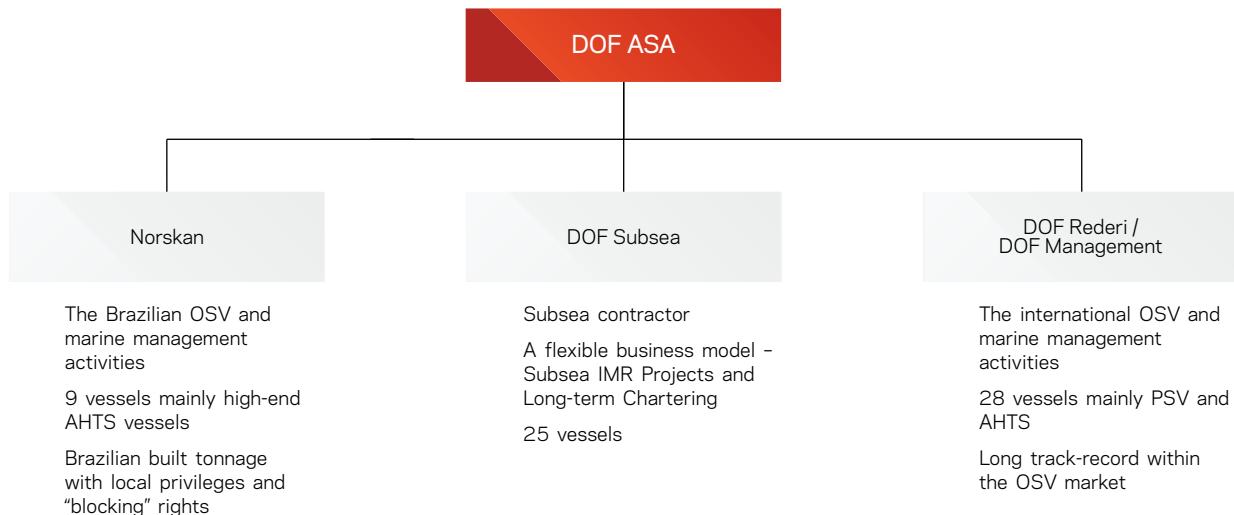
"The DOF Group is a trusted and leading partner delivering services globally for a sustainable utilisation of offshore energy and other subsea resources".

Mission:

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

The Group will continue its strategy to be engaged in long-term and industrial offshore relationships and operate within a mix of project contracts and time charter contracts for its vessel and ROV fleet. The Group's backlog was by year-end 2020 NOK 15.3 billion which is one of the highest among peers.

The Group owns a diversified and advanced fleet of offshore vessels with an average age of approximately 11 years, and a fleet of ROVs (Remote Operated Vehicles) and AUVs (Autonomous Underwater Vehicles). As of the 31st of December 2020, the Group's fleet comprised 62 vessels (53 owned



fully or partly):

- 15 platform supply vessels (PSV)
- 18 anchor handling tug supply vessels (AHTS)
- 29 subsea/construction vessels (Subsea)
- 68 ROVs and 2 AUVs

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

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

Operating segments

The markets started positively in January and February 2020, but after the disruption of COVID-19 and the steep drop in the oil price in March the Group experienced a significant drop in utilisation and rate levels. In addition, several tenders were cancelled, and contracts were terminated during 2nd quarter. From September and rest of the year the activities increased in some regions and especially in Brazil. The Group has through the year secured new contracts with a value of NOK 6.2 billion of which

the main portion was awarded during 2nd half of 2020.

The utilisation of the Group's fleet was 73% in 2020 compared to 77% in 2019. The biggest drop in utilisation has been within the PSV and AHTS segment. On average, the Group has had 10 owned vessels in lay-up in 2020. The Group has further sold and recycled some older vessels.

The PSV & AHTS segment

By year-end the **PSV** fleet included 15 vessels of which one vessel is owned via a minority share. This fleet has, in 2020, achieved a utilisation rate of 71% (90%) and on average six vessels have been in lay-up. The main operational area for the fleet has been in the North Sea, but two vessels have operated on firm contracts in Australia most of the year. The majority of the fleet is owned by the subsidiary DOF Rederi AS. The Group has historically had a high utilisation rate for its PSV fleet, but after March the PSV market was hit very hard, and several of the Group's fleet went into lay-up in 2nd quarter and this situation continued for the rest of the year. One vessel was sold in December and delivered to new owners in January 2021. By year-end the backlog for the PSV fleet was 51% (78%). A continuing weak market has further had a negative impact on the vessel

values. Total booked impairment in 2020 was NOK 252 million (NOK 92 million) within the PSV segment.

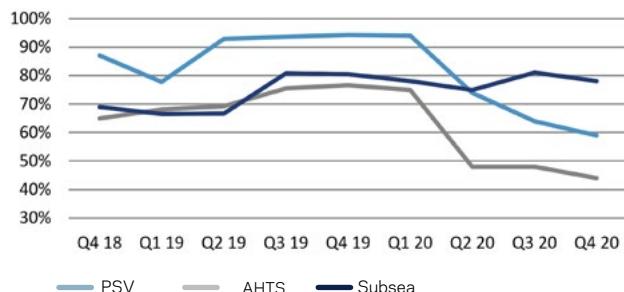
The AHTS fleet by year-end included 18 vessels of which seven vessels are on management. In 2020 the owned AHTS fleet achieved a utilisation rate of 65% (72%). On average two owned vessels have been in lay-up through 2020. The majority of the AHTS fleet operates in Brazil, and the remainder of the fleet has operated in the Atlantic region (mainly the North Sea) and in the Asia-Pacific region (mainly Australia). The operation in Brazil includes nine vessels, all built in Brazil and protected by Brazilian flag. This fleet is owned by the subsidiary Norskan Offshore Ltda. (Norskan), and the main client is Petrobras. During 2020 several vessels renewed their contracts after end of the firm period on long-term contracts. The new contract awards were at lower rates and contract periods. In addition, two of the vessels in the Norskan fleet have partly been in lay-up through the year. Hence, Norskan has experienced a significant drop in earnings compared to 2019. The operation in the North Sea included in 2020 seven vessels of which the majority are vessels on management or owned via JVs. The utilisation rates and earnings were significantly down after March and by year-end, four

Asset overview **

 Subsea	29	 ROV	68
 AHTS	18	 AUV	2
 PSV	15		
Total			62

** All fleet totals are as of 31.12.2020.
Totals include vessels wholly and partly owned
and vessels on "management".

Average utilisation of the Fleet



vessels were in lay-up in this region. One vessel was prepared for recycling during 4th quarter. In Australia three vessels have operated of which two vessels have been partly or fully in lay-up. One of the laid-up vessels was sold in 3rd quarter.

The Group has owned five vessels via the DOF Deepwater JV (DDW) since 2010. As part of the restructuring of DDW the shares were transferred to Akastor ASA. The Group has continued to operate this fleet.

The total backlog for the AHTS fleet for 2021 is 43% (33%). As with the PSV segment, there has been a drop in fair market values within the AHTS segment. Total impairment was NOK 730 million (NOK 339 million).

The Subsea segment

By year-end, the Group operated 29 subsea vessels of which one vessel was hired in from an external party. The majority of the subsea fleet (24 vessels) is owned and operated by the subsidiary DOF Subsea AS (DOF Subsea).

The activities from the subsea operations include operations from Subsea IMR project contracts and Long-term Chartering. During 2020, DOF Subsea has operated on average 16 vessels within the Subsea IMR projects and

had by year-end approximately 1,200 employees engaged in this part of the business. The Subsea IMR projects represented 43% of the Group's total revenue in 2020 (management reporting). The Subsea IMR project activities have been performed from four regions; the Atlantic region, the Asia-Pacific region, the North America region, and the South America region. The overall utilisation of the subsea project fleet during 2020 was 70% (72%). The Long-term Chartering comprises nine vessels of which seven vessels are PLSVs (pipe laying vessels). Six vessels are owned via the joint venture DOFCON, (50/50 owned by DOF Subsea and Technip-FMC). Total backlog for the subsea vessels is approximately 67% for 2021 whereof the highest contract values represent the backlog in the DOFCON JV. Since March the subsea markets deteriorated and as a consequence the vessels values dropped significantly. Total booked impairment in the subsea segment in 2020 was NOK 2,682 million (NOK 1,018 million) reflecting the largest impairment for the Group. One vessel has been recycled in 2020. On average two subsea vessels have been in lay-up in 2020.

The Atlantic region includes operations in the North Sea, Mediterranean and West Africa where the activities in 2020 have mainly been within the

IMR segment on existing infrastructure, FPSO installations and mooring projects. In addition, parts of the fleet have operated on various offshore wind projects. The utilisation rates declined after March, but the region experienced increased activity during 2nd half of 2020. The region further experienced termination of two contracts, and three vessels have been fully or partly in lay-up through the year.

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

The North America region includes operations in Canada and in the US Gulf of Mexico. DOF Subsea has mainly performed survey and positioning and various vessel services from this region. One vessel has operated on a firm contract in Canada and two vessels have fully or partly been hired in to support the operations in the US Gulf of Mexico and in Guyana.

The activities in South America

Amounts in NOK million	PSV		AHTS		Subsea		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Operating revenue	524	516	1 224	1 226	5 834	5 782	7 582	7 524
Operating result before depreciation and impairment - EBITDA	104	113	606	578	2 281	1 982	2 990	2 673
Depreciation	123	130	245	350	728	834	1 097	1 314
Impairment	252	92	730	339	2 682	1 018	3 665	1 449
Operating result - EBIT	-272	-109	-369	-110	-1 130	129	-1 771	-90
EBITDA margin	20%	22%	50%	47%	39%	34%	39%	36%
EBIT margin	-52%	-21%	-30%	-9%	-19%	2%	-23%	-1%

represent operations in Brazil and include vessels and ROVs on firm contracts. The operations in Brazil have been very challenging after the COVID-19 outbreak. Of the Group's total costs of approximately NOK 100 million directly related to COVID-19, the main part is from the Brazilian operations. The region has, however, managed to operate the fleet close to normal and successfully protect the employees. During 2nd half the activity in Brazil has grown after awards of multiple contracts and during 4th quarter, four vessels mobilised for contracts with start up from December and onwards.

An important activity in Brazil are the PLSVs owned by DOFCON JV where all six vessels have achieved a utilisation of above 90% through the year. Four vessels are committed on long-term contracts with Petrobras with a remaining duration of the contracts from 3-6 years.

Marine management

The Group's management activities are performed by the subsidiaries DOF Management AS (DOFMAN), and Norskan. DOFMAN's main office is in Norway and the Company further controls the subsidiaries' branch offices in UK, Singapore, Australia and Argentina. DOFMAN is responsible for the marine management of the Group's fleet with operations outside Brazil and in addition all class renewals and conversion projects on the Group's total fleet. Norskan is responsible for marine management of the fleet operating

in Brazil. The average number of vessels under marine management has been 64 vessels during 2020. By year-end in total approximately 1,900 persons were employed within the marine management activities.

The market

The oil prices and the demand trend remain uncertain, as globally additional lockdown measures continue to be rolled out. However, the arrival of new COVID-19 vaccines and cuts in production from the OPEC+ countries have brightened the oil market outlook, and since year-end 2020 the oil price has reached a level above USD 60/ bbl. On the assumption that the activities in the OECD countries will come back to normal by year-end 2021, most analysts predict the oil demand to get back to 100 mb/d in 2022.

The capex cuts from the oil companies have been far more than expected, falling by 29% in 2020. Only a few projects were sanctioned, and total investments dropped by approximately USD 140 billion. Most of the oil companies have started to increase their capex budgets and the total number of FIDs (Final investment decisions). According to Rystad Energy, greenfield capex sanctioning is expected to increase by more than 30% in 2021 and 70% in 2022 and 30% in 2023. Brazil and Norway are expected to be the strongest subsea regions over the next three years.

The offshore drilling market with close to 50 rigs being retired from the market in 2020, the sector as a whole is expected to be focused on restructuring through 2021. With the assumption on a successful rebalancing of the market a positive impact on rates should at the earliest be expected in 2022.

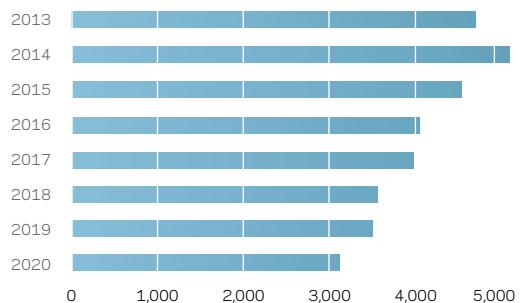
The OSV sector remain oversupplied and the outlook for 2021 is negative. As for the drilling sector, most of the companies are focusing on closing ongoing restructuring agreements, including disposal of assets. The utilisation rates are expected to be higher in 2021 versus 2020, but there is high uncertainty on rate levels.

In 2020 the energy transition has become high on the agenda and several of the large oil companies are expected to play a key role as these companies have extensive experience in project management and key technologies. Several "green" contracts have been signed lately and new targets both in terms of CO2 emissions and revenue contributing from green activities have accelerated the energy transition. In addition, various JVs and partnerships have been set up with technological/industrial companies to reinforce and develop the new competencies. Renewables (Offshore Wind) are expected to surpass oil & gas investments in 2023 and 2024 which may increase demand for AHTS and subsea vessels longer term.

Human Resources overview

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

Number of employees 2020



Social and Environmental Sustainability

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

The unforeseeable challenges brought by the COVID-19 pandemic resulted in the postponement of many sustainability-related improvement activities. However, towards the end of the year, several activities were resumed as the organisation adapted to new ways of working.

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

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

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

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

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

Employees

The market conditions required the organisation to adapt its capacity and posed a threat to the Group's human capital. At the end of 2020, the headcount in the Group was 3,126 people, of which approximately 13% were women.

2,183 men and 364 women are under full-time permanent contract. Further distribution is 73 men and 11 women on full-time temporary contract. 357 men and 7 women are self-employed workers. 10 men and 17 women are under part-time permanent contract. Finally, 87 men and 17 women are working under part-time temporary contract.

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

Equal opportunities and anti-discrimination

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

During 2020, a campaign to promote and secure retention of female managers and captains was performed, with communication internally and externally. Several measures such as flexible work hours, and working from home, have been promoted to secure a balanced workforce and to create equal opportunities. This also includes dialogue with labour unions for flexible offshore rotation.

Analysis of parental leave with regards to gender is available for the

HSEQ overview in 2020

Safety is our highest priority regardless of where DOF operates in the world.

Performance 2020

Man-hours	7,558,323
LTIs	6
Fatalities	0
Safety observations	24,809
Audits	904
Management visits	114
Lessons learned	293

Norwegian companies in the Group. Wage analysis with a gender equality perspective is available in DOF's sustainability report.

Human Rights and Labour standards

The Group embraces practices consistent with international human rights standards and operates in compliance with fundamental as well as local labour standards. The Group's policies and standards are based on International Labour Organisation (ILO) conventions, and they prohibit any use of forced or child labour. The Group recognises and respects employees' right to freely associate, organise and collectively bargain, and the policies are compliant with working hour requirements as established by local laws.

Several initiatives have been taken during the year to ensure that slavery and human trafficking are not occurring within the supply chain nor in any part of the Group's activities. The Group's human rights and slavery statement is available on the Group's website. In 2020, Amnesty International ranked DOF in the top five global companies based in the Nordics with the best score related to human rights and responsible employer.

Health, safety, and the working environment

Throughout 2020, the Group has experienced several COVID-19 cases among employees. Some cases resulted in hospitalisation, but there have not been any fatalities. Cases have been handled by regional emergency response

teams, in close dialogue with the corporate emergency response team and company doctors.

All locations where the Group operates have experienced different local measures throughout the pandemic, with the most severe being lockdowns. The Group has facilitated "working from home" for all onshore employees. There has been regular communication to employees with recommendations for physical and mental well-being. The Group's occupational health service provider has been available for all employees.

The Group strives to improve safety and environmental performance across all worksites, globally. The Group experienced six Lost Time Incidents (LTIs) in 2020, which resulted in a Lost time injury frequency rate (LTIFR) of 0.79 LTIs per million man-hours. Combined with 9 Medical Treatment Cases and four Restricted Workday Cases, the Total recordable injuries rate (TRIR) was 2.51 recordable incidents per million man-hours.

After a saturation dive campaign in Australia in 2017, some of the divers have been diagnosed with potential long-term health effects with various symptoms. The incident has been under investigation by NOPSEMA since 2018 and the Group has in Q2 2020 received a Prosecution Notice as a result of NOPSEMA's investigation. The matter is now before the Australian Courts however no trial date has been set. Any proceedings are not expected to happen until 2022.

The Group's ambition is to be an incident free organisation. Through the 'Safe the RITE way' program, the Group has been able to establish a unified safety culture, as well as a stronger safety cooperation with clients, industry partners and suppliers. The aim for 2020 was to continue to develop the safety program. Going forward, the program will be strengthened by establishing a Safe the RITE way Council, consisting of representatives from executive management and the workforce.

In 2020, absence due to illness has been 3.28 per cent, which is above the Group's target of 3 per cent. The working environment is monitored by various means of activities, including working environment surveys.

Business integrity and ethics

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

A new Ethics Helpline was launched in 2019. The helpline is operated by a third-party company and provides a platform for reporting unacceptable

conduct, when normal reporting lines cannot be used. The helpline allows for communication with the reporters even if they prefer to be anonymous, which can be essential during investigations.

Anti-corruption and anti-bribery

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

It is the desire of the Board of Directors that the Group shall be recognised by its high ethical standards. Anti-corruption and anti-bribery measures are regularly evaluated and assessed to ensure that they are aligned with legal requirements and best practice. There have been no confirmed incidents of corruption during 2020.

Compliance with law

The Group acknowledges the importance for its internal and external stakeholders of being a reliable partner, compliance therefore is a key topic for the Group. Compliance with both international and local laws and regulations and industry standards is important for the Group. In 2020, there have been no significant fines or non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area.

External environment

The Group's environmental management system ensures 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 2020, the focus on energy efficiency has increased by implementing Key Performance Indicators (KPIs) related to environmental performance, e.g. energy consumption and CO2 emissions. During the year, there have been no major spills to the external environment and no spills that resulted in fines or other non-monetary sanctions from local governments.

Climate change and emissions to the air

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

Defining and measuring environmental sustainability and risks associated with the Group's business activities are important. Investments in systems and equipment have been made to record, understand and improve environmental performance. This has been achieved through SEEMP, ISO 14001 and CDP, where DOF achieved a score of A- in 2020.

Through continued focus on technologically advanced vessels and an improved environmental culture on

all levels of the organisation, the Group strives to achieve the objective of a reduction in CO2 emissions through reduced fuel consumption.

Continuous improvement of our operations

It is the view of the Board of Directors that continuous improvement helps to reduce risk, improve performance and align ways of working. Through the Group's improvement program, the Group has streamlined and systematised its improvement work. Based on thorough planning, improvement projects have been carried out through the Group's value chain, focusing on standardisation and improved efficiency. The improvement initiatives will continue in 2021.

Risk Management and Compliance

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

The Group has established routines for weekly, monthly and quarterly reporting regarding operations, liquidity, financing, investments, HSEQ, HR, taxes and legal performance. Five-year financial forecasts including information on market assumptions are prepared on a regular basis. The Group carries out annually detailed

Consolidated Statement of Profit or Loss

Amounts in NOK million	2020	2019	Change
Operating revenue	6 212	6 276	-1 %
EBITDA	2 105	1 815	16 %
Depreciation and impairment	-4 115	-2 202	-87 %
EBIT	-2 010	-387	-420 %

budget processes at all levels. Due to generally challenging markets and the Group's weak financial position, the focus on liquidity, profit or loss forecast control and financial compliance control has been high during the year. The Board of Directors considers the Group's reporting procedures to be satisfactory and in compliance with the requirements on risk management and internal control.

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 CSR. The new vendor evaluation database allows management to assess the suppliers and subcontractors towards the Group's requirements for CSR. 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.

Shareholders & the Board

The share capital of the Company by year-end 2020 was NOK 308,962,779. The increase in the share capital since year-end 2019 are conversions of 1,200,000 shares from the Subordinated Convertible bond established in August 2016. The remainder of the Subordinated Convertible Bond NOK 74,933,885 will be automatically converted to shares if not requested converted on 6th of July 2021.

The share price was NOK 0.69 by the 31st of December 2020. The main shareholder Møgster Offshore AS controls by year-end 32.37% and 31.60% on a fully diluted basis. A demerger of Møgster Offshore (previously Møgster Mohn Offshore AS) was completed in September which reduced their shareholding from 48.95% to 32.37%.

In the Annual Shareholders Meeting in May, Hans Olav Lindal was elected as the chairman of the board and replaced Helge Møgster who had served as chairman for 18 years in the Company.

Financial performance

Group revenue in 2020 totalled NOK 6,212 million (NOK 6,276 million), with an operating profit before depreciation

and finance (EBITDA) of NOK 2,105 million (NOK 1,815 million). The improved EBITDA versus 2019 is mainly related to a strong USD towards NOK and BRL, terminations fees of NOK 110 million on cancelled contracts, improved earnings from the DOFCON JV and the subsea regions.

(See table above: Consolidated Statement of Profit or Loss)

Operating profit (EBIT) amounted to NOK -2,010 million (NOK -387 million) and has been highly impacted by impairment of in total NOK 3,258 million (NOK 1,130 million). In addition, the impairments in the JV amount to NOK 406 million (NOK 319 million). The basis for the impairment is fair market values received from independent broker companies and value in use (VIU) calculations. The drop in the fair market values for the Group's fleet has been 27% in 2020. Based on increased financial risk for the Group, the assumptions for the VIU calculations have been evaluated regularly through the year. High volatility in currencies has further impacted the book values and VIU calculations.

Net financial items in 2020 totalled NOK -2,797 million (NOK -1,909 million), of which net interest costs represented NOK -994 million (NOK -927 million) and net currency loss and changes in fair value of financial instruments amounted to NOK -1,803 million (NOK -982 million).

Taxes amounted to NOK -153 million (NOK -585 million).

Consolidated Statement of Balance Sheet

Amounts in NOK million	31.12.2020	31.12.2019	Change
Non-current assets	15 462	20 273	-24 %
Cash and cash equivalents	1 880	1 395	35 %
Equity	-898	3 451	-126 %
Net interest bearing debt	16 286	16 888	-4 %

The Group reported a loss for 2020 of NOK -4,959 million (NOK -2,881 million) and adjusted for other comprehensive income the net result was NOK -4,343 million (NOK -2,307 million).

The consolidated balance sheet at year-end 2020 totalled NOK 18,993 million (NOK 23,464 million). Due to continued challenging markets and an unsustainable financial position for the Group, the values of the Group's assets have dropped substantially. Hence, impairments and depreciations represent the main difference in booked tangible assets from 2019 to 2020. Non-current assets comprise vessels, subsea equipment and investments in associated companies and joint ventures totally NOK 15,462 million (NOK 20,273 million). The Group's deferred tax asset totalled NOK 12 million (NOK 13 million) and the goodwill has been impaired to zero from NOK 85 million in 2019. Total current assets are NOK 3,531 million (NOK 3,190 million) of which cash and cash equivalents represent the largest increase. The main reasons for the increase are the effects from the standstill agreements including full waiver of interest payments and instalments for the vast majority of the long-term debt applicable from June.

(See table above: Consolidated Statement of Balance Sheet)

The Group's booked equity by year-end 2020 is negative by NOK -898 million (NOK 3,451 million). The annual report is prepared on the

assumption of going concern due to signed standstill agreements with the Group's creditors.

The Group reported net interest-bearing debt of NOK 16,286 million (NOK 16,888 million) as of 31st of December 2020. The current debt totals NOK 19,528 million (NOK 15,617 million), of which NOK 18,301 million (NOK 14,198 million) represent interest bearing debt where restructuring proposals have been discussed since 2nd half of 2019. As a consequence of that a long-term refinancing solution is not yet in place, the relevant interest-bearing debt was reclassified as short-term in 4th quarter 2019. Since June 2020, the Group has agreed standstill agreements with its secured and unsecured lenders also including the BNDES facilities. Hence, the BNDES facilities was reclassified as short-term after 2nd quarter of 2020.

The Group's cash flow from operating activities was NOK 2,013 million (NOK 1,874 million), effected by approximately NOK 450 million in deferred interest payments due to the standstill agreements. The net cash flow from investments activities was NOK -3 million (NOK -1 million) of which NOK -299 million (NOK -514 million) represent main class renewals and conversions of vessels, and NOK 295 million (NOK 514 million) mainly include repayment of shareholders loan from the DOFCOM JV. Cash flow from financing activities was NOK -423 million (NOK 1,422 million) of which NOK -654 million

(NOK 1,403 million) represent amortisation long term debt. Net changes in cash and cash equivalents for the year was NOK 1,018 million (NOK -504 million). The Group's cash has been significantly impacted by losses of in total NOK -533 million (NOK -33 million) due to high volatility in FX rates, see further information in note 20 to the accounts.

Parent company financial statements

The parent company financial statements for 2020 show a revenue of NOK 53 million (NOK 29 million) and an operating profit of NOK -2 million (NOK -34 million). Net financial items are NOK -2,590 million (NOK -2,814 million) and are impacted, as in the previous year, by impairment on investments in subsidiaries, joint ventures and associates of in total NOK -63 million (NOK 2,783 million) and loss and accruals on guarantees of NOK -2,549 million (NOK -62 million). Losses before taxes were NOK -2,589 million (NOK -2,848 million) and losses for the year were NOK -2,859 million (NOK -2,878 million).

The parent company's balance sheet as of 31st of December 2020 totals NOK 3,800 million (NOK 3,956 million), of which booked equity totalled NOK 522 million (NOK 3,238 million).

Financing and capital structure

The Group's interest-bearing debt by 31st of December 2020 comprise secured debt of NOK 15,701 million and unsecured bonds of NOK 2,554 million. The majority of the Group's vessels built in Brazil are financed

by BNDES, with tenor on average of 18-20 years and a fixed interest rate for the duration of the loans. The remainder of the secured debt represent funding from Export Credit institutions (mainly GIEK and Export Credit) and reputable European banks.

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

The refinancing discussions have continued into 2020 and are still ongoing. Since 2nd quarter 2020 the Group has agreed on standstill agreements (including waiver of financial covenants, interest payments and instalments) with its lenders. The current standstill agreements are applicable until the 30th of April 2021 with 91% of the secured lenders within the DOF ASA Group (excl. DOF Subsea Group) and 88% of the secured lenders within the DOF Subsea Group. The relevant Group companies have imposed unilateral standstill to the secured lenders not participating in the standstill agreements. The DOF Subsea standstill agreements further assume payment of principal and interest of a NOK 100 million extraordinary credit facility provided by certain lenders in March 2020. One of the DOF Subsea secured lenders has requested repayment of approximately USD 46 million and has enforced account pledge on the earnings account for the relevant vessel. Another secured lender has enforced account pledge for one loan facility in DOF Subsea. The DOFCON JV is not part of the restructuring of the Group and serves the debt according to the terms in the relevant loan facilities.

The bondholders in DOFSUB07, DOFSUB08 and DOFSUB09 have accepted a standstill until the 31st of March and an ad-hoc group of bondholders may extend the standstill

until the 30th of June. By March the ad-hoc group has approved an extension of the standstill until 30th of April.

During 1st quarter 2020 the Group signed a 4-year restructuring agreement with BNDES for the two Brazilian subsidiaries including soft amortisation until end 2023. Due to several disruptive events in 1st quarter, and as part of a governmental package in Brazil, standstill agreements were agreed with BNDES for the period from July until December 2020. The standstill agreements are applicable for the majority of the facilities in Norskan Offshore Ltda. and one facility in DOF Subsea Servicos Brasil Ltd. The standstill agreements have in January been extended until June 2021

The Company is guarantor for the debt in Iceman AS, in total NOK 427 million, where approximately 50% of the Company's guarantee is counter guaranteed by other shareholders in Iceman AS. A long-term refinancing solution is currently discussed with the Iceman lenders.

The Company, Akastor ASA and the secured lenders agreed a debt restructuring of DDW in October 2020. As part of the agreement, Akastor acquired the Company's shares in DDW at zero cost. Akastor has further waived any recourse claims against the Company related to the guarantee commitments in DDW. The Company's remaining guarantee commitment NOK 522 million, representing 50% of the DDW debt, will be part of the Group's debt restructuring.

The Group's financial position is not sustainable, and a long-term financial solution is necessary to continue as going concern. Due to the ongoing debt restructuring of the Group, the vast majority of the Group's secured and unsecured debt are classified as current debt. This classification is based on that standstill agreements for debt service with the banks and bondholders are less than 12 months.

The Group will continue the dialogue with its creditors to secure a long-term financial solution for the Group. Various debt restructuring proposals have been discussed with the secured lenders and the bondholders. The proposals include comprehensive restructuring of the Group's balance sheet, including conversion of debt.

Risk

Financial and liquidity risk

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

The Group has executed a substantial newbuilding programme in the period from 2010 to 2019 and has historically achieved satisfactory long-term financing of its newbuildings. However, a sustained weak market since 2014 has increased the refinancing risk for the Group significantly, and the Group has since 2019 experienced that regular refinancing has been more or less impossible. The increased ESG requirements have in 2020 become an additional refinancing risk as several banks are more reluctant to provide funding to the oil and gas sector.

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

Currency risk

The Group operates globally and is exposed to foreign exchange risk arising from various currency exposures, mainly with respect to USD towards NOK and BRL, but is also exposed to AUD, EUR and GBP. Foreign exchange risk arises from future commercial

transactions, contractual obligations (assets), liabilities and investments in foreign operations. The Group aims to achieve a natural hedge between cash inflows and cash outflows to secure the debt funding in equivalent currency as the committed earnings from the charter contracts, and further to manage the remaining foreign exchange risk arising from commercial transactions, through forward contracts and similar instruments as appropriate. However, due to the current financial position for the Group, new forward contracts have become more challenging. Hence, the Group's liquidity risk has increased if the currencies fluctuate.

Interest rate risk

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

Of the Group's total long-term debt, 59% has a fixed rate of interest. This includes financing via BNDES and GIEK/Export Credit Norway.

Credit risk

The Group's credit risk has historically been low as the Group's customers traditionally have had good financial capability to meet their obligations and have high credit ratings. The sustained challenging market situation has resulted in changes to the credit ratings for some of the Group's customers, and thereby increased the credit risk. Historically, the portion of receivables not being collectable has been low. By year-end approximately

85% of the Group's trade receivables were to large oil companies and operators, whereof Petrobras represent the largest customer.

Market and price risk

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

The Group is exposed to market fluctuations which have resulted in lower utilisation and reduced earnings for the Group's vessels and services. The Group's strategy is still to focus on long-term contracts for its fleet, however, during the last five years most of the clients prefer shorter term contract renewals. The Group has further experienced cancellation of long-term contracts in 2020. The Group's utilisation rate of 73% in 2020 is high compared to peers, however the majority of the contract renewals have been at lower rates than the old contracts.

Tax risk

The Group has a global organisation and operate vessels and subsea services in several different tax jurisdictions. The income and profit from these operations are subject to income taxes and judgment may be involved when determining the taxable results. Tax authorities in different jurisdictions may challenge the calculation of taxes payable from prior periods through tax audits. Several tax audits have been conducted over the last couple of years, where some of the tax claims are disputed by the Group, ref note 35 'Contingencies' to the accounts. In general, attention from tax authorities is increasing, and the trend is that each individual country

has increased focus on protecting their tax base.

Going concern

The annual report is prepared on the assumption of going concern. The Group's financial position is not sustainable as the equity is negative, and standstill agreements with the majority of the Group's creditors have continued since 2nd quarter 2020. The Group is dependent on a robust refinancing solution and has presented a debt restructuring proposal to the secured lenders and bondholders. The refinancing proposal currently discussed include a comprehensive restructuring of the Group's balance sheet which include softer terms and conversion of debt. The dialogue with the lenders is constructive, but a refinancing solution is not yet in place. The Group is dependent on continued standstill agreements with its creditors until a long-term financial solution is agreed to maintain as going concern.

Profit & loss allocation

The parent company financial statements have returned a loss of NOK -2,589 million. The Board of Directors proposes to allocate this figure against other reserves.

The consolidated financial statements have a loss of NOK -4,959 million, and total comprehensive loss of NOK -4,343 million, of which NOK -49 million is attributed to non-controlling interests and NOK -4,293 million is allocated to other reserves.

Events after balance sheet date

New time charter contracts have been awarded after balance date, and two vessels have been sold and delivered to new owners in January and in

March, see note 36 to the accounts.

On the 29th of January the Group agreed to extend the standstill agreements with the secured lenders representing in total 91% of the secured debt of DOF ASA and its subsidiaries and in total 88% of the secured debt of companies within the DOF Subsea Group (excluding the DOFCON JV and DOF Subsea Brasil Servicos Ltda).

The stand-still from BNDES to Norskan Offshore Ltda. has in January been extended to the 10th of June 2021, except in respect of certain loan facilities which are not eligible for further stand-still periods as the maximum stand-still periods under applicable regulations have been exhausted. As part of the standstill agreements the other secured lenders have accepted that Norskan Offshore Ltda. services interest and amortisations under these facilities.

In a bondholder meeting on the 1st of February a proposal to extend the standstill period until the 31st of March received 99.17%, 100% and 100% of the votes in DOFSUB07, DOFSUB08, and DOFSUB09. The approval includes that the ad-hoc group of bondholders has the option to extend the standstill period until the 30th of June 2021. In March the ad-hoc group has approved an extension of the standstill period until 30th of April.

Outlook

The challenging markets are expected to continue in 2021. There are signs of increased activity from 2022, however the timing of a recovery is highly uncertain. Hence, future earnings and asset values are difficult to forecast. Continued weak markets will increase the risk for reduced earnings and further strain the Group's financial position. If a robust long-term refinancing solution is not

achieved, the Group cannot be treated as a going concern which again will require additional impairments of the Group's assets.

The Group will maintain its strategy to secure the fleet on term contracts and the majority of the Group's high-end vessels are committed on firm contracts. The DOFCON PLSVs represent the largest portion of the Group's backlog.

As mentioned above the Group has entered into standstill agreements with the majority of its lenders and debt restructuring proposals are currently being discussed. The proposals include a conversion of debt to equity, which again will have a significant adverse effect for the current holders of the equity. The dialogue with the lenders is constructive, but a refinancing solution is not yet in place. The Group is dependent on continued standstill agreements with its creditors until a long-term financial solution is agreed to maintain as a going concern.

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

The Board of Directors is thankful for the effort from all employees through a very challenging 2020.

Storebø, April 7th, 2021
The Board of Directors for DOF ASA



Hans Olav Lindal
Chairman



Helge Singelstad
Deputy Chairman



Kathryn M. Baker
Director



Marianne Møgster
Director



Mons S. Aase
CEO

2020 Corporate Governance

Background

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

In 2006 the Company adopted its first formal Corporate Governance Policy. The Company is obliged to act in compliance with laws and regulations as applicable from time to time in respect of handling and control of insider trading rules and information to the shareholders and the market. The latest revision to the Corporate Governance guidelines was published by Norwegian Committee for Corporate Governance (NUES) on the 17th of October 2018 (www.nues.no), and the Company's current Corporate Governance Policy is effective as of that date. This fully reflects the Board's approval of these guidelines without reservation.

1 Governance principles

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

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

DOF has governance documents setting

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

2 Applicable rules and regulations

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

The Company endorses the Norwegian Code of Practice for Corporate Governance (Nw.: Norsk anbefaling for eierstyring og selskapsledelse), issued by the Norwegian Corporate Governance Board, most recently revised on the 17th of October 2018 (the Code).

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

DOF will follow the Code, and any deviation from the Code are included in this corporate governance statement.

A description of the most important corporate governance principles of the Company shall also be made available for external parties on the Company's website in accordance with the Company's IR-policy.

3 Main objectives for corporate governance in DOF

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

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

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

By pursuing the principles of corporate governance, approved by the Board of DOF, the Board and management shall

contribute to achieving the following objectives:

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

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

4 Business

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

The Board shall define clear objectives, strategies and risk profiles for the Company's business activities so that the Company creates value for shareholders. The Company shall also have guidelines for how it integrates considerations related to its surroundings and stakeholders into its value creation.

The Board shall evaluate these objectives, strategies and risk profiles at least yearly.

5 Equity and dividends

5.1 Capital adequacy

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

The DOF ASA share capital was per the 31st of December 2020 NOK 308,962,779 divided into 308,962,779 shares and the main shareholder Møgster Offshore AS currently owns 100,007,313 shares, representing approximately 32.37% of the shares or 31.6% on a fully diluted basis. In addition, DOF ASA equity per the 31st of December 2020 consists of 74,933,885 outstanding bonds in the Subordinated Convertible bond established in August 2016. The bondholders may convert their bonds to shares in the Company at NOK 10 per share and as of the 31st of December 2020 a total of 157,250,000 bonds have been converted. The bondholders will be treated as shareholders in the event of a merger of the Company, split or consolidation of shares, de-merger or issue of convertible loans. The bondholders have equal rights as shareholders to receive dividend payments and other distributions to shareholders in the Company. The remainder of the Subordinated Convertible Bond will be converted to shares after the 6th of July 2021.

The Board and Management have through 2020 been working on a long-term debt restructuring solution for the Group which includes discussions

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

5.2 Dividend policy

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

5.3 Authorisations to the Board

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

6 Equal treatment of shareholders and transactions with close associates

6.1 Basic principles

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

6.2 Share issues without pre-emption rights for existing shareholders

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

6.3 Transactions in treasury shares

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

6.4 Approval of agreements with shareholders and other close associates

In the event of transactions that are considered to be non-immaterial between the Company and its shareholders, a shareholder's parent company, members of the Board, executive personnel or close associates to any such party, the Board shall arrange for an independent third-party valuation. This will, however, not apply for transactions that are subject to the approval of the general meeting pursuant to the Asal. provisions. Independent valuations shall also be procured for transactions between companies within the Group if any of the companies involved have minority shareholders. Such transactions must be included in the Company's annual report.

7 Freely negotiable shares

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

8 General Meetings

8.1 General meetings

8.1.1 Exercising rights

The Board shall ensure that the Company's shareholders can participate in the general meeting. The Board shall ensure that:

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

8.1.2 Participation without being present

Shareholders should be able to vote on each individual matter, including on each individual candidate nominated for election. Shareholders who cannot attend the meeting in person should be given the opportunity to vote through proxy or advance voting. The Company should design the form for

the appointment of a proxy to make voting on each individual matter possible and should nominate a person who can act as a proxy for shareholders.

8.1.3 Notification

The annual general meeting is held each year no later than six months after the end of each financial year. The 2021 annual general meeting is scheduled for 27th of May. Notification will be sent out within the deadlines in the Code of practice, and relevant documentation will be available on the Group's website at least 21 days prior to the general meeting. The financial calendar is published on the internet and through a notification to Oslo Stock Exchange.

Participation:

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

Due to the travel restrictions and other related limitations following the COVID-19 outbreak, the Company will to the extent necessary adopt the exemptions from arranging a physical annual general meeting as stated in the Regulation no. 464 dated 27th of March 2020, to the Asal. The Board will consider the annual general meeting to be held by video- and/or phone conference, participation by circulations of documents, electronic voting systems or other available alternatives.

9 Nomination committee

9.1 Composition

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

stipulate guidelines for the duties of the nomination committee.

All the members of the nomination committee are independent from the Company's Board and executive management. No more than one member of the nomination committee may also be a member of the Board, in which case such member shall not be re-elected to the Board. The CEO and other executive management shall not be members of the nomination committee. The composition of the nomination committee should be such that the interests of shareholders in general are represented. The Company's guidelines for the nomination committee have established rules for rotation of the members.

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

The nomination committee consist of the following members:

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

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

9.2 Tasks

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

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

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

10 Board; composition and independence

The composition of the Board should consider expertise, capacity and diversity

appropriate to attend to the Company's goals, main challenges and the common interests of all shareholders. Each board member should have sufficient time available to devote to his or her appointment as a board member. The number of board members should be decided on this basis and shall consist of minimum four board members. Further, individuals of the Board shall be willing and able to work as a team, resulting in the Board working effectively as a collegiate body.

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

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

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

At least half of the members in the Company's Board shall reside in Norway or another EEA country unless the Ministry of Finance grants

Shares controlled directly and indirectly by Board of Directors

		2020		2019	
		No of shares	Shareholding	No of shares	Shareholding
Board of Directors					
Hans Olav Lindal	Chairman from 28 May 2020	-	0.00%		
Helge Singelstad	Deputy Chairman	417 867	0.14%	417 867	0.14%
Marianne Møgster (Lafjord AS)	Board member	5 687 339	1.84%	5 684 577	1.85%
Kathryn M. Baker	Board member	-	0.00%	-	0.00%
Helge Møgster (Lafjord AS)	Board member and Chairman until 28 May 2020			17 755 805	5.77%

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

a specific exemption from the statutory residency requirement. Both genders shall be represented at the Board with a minimum of 40% representation each. The term of office for the board members shall not be longer than two years at a time. Members of the Board may be re-elected. The election of the members of the Board should be phased so that the entire Board is not replaced at the same time.

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

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

Board members' shares in the Company (see table above).

11 The work of the Board

11.1 General

The Board will implement instructions

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

In total 20 board meetings have been arranged during 2020.

11.2 Committees

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

11.2.1 Audit committee

The Company has an audit committee pursuant to the Asal.

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

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

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

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

11.3 Annual evaluations

The Board shall annually evaluate its performance and expertise for the previous year. This evaluation shall include the composition of the Board and the manner in which its member functions, both individually and as a

group, in relation to the objectives set out for its work. The report shall be made available to the nomination committee.

12 Risk management and internal control

12.1 General

It is the Board who has the responsibility to ensure that the Company has sound and appropriate internal control systems and systems for risk management, and that these are proportionate to and reflect the extent and nature of the Company's activities. Having effective internal control systems and systems for risk management in place may prevent the Group from situations that can damage its reputation or financial standing. Furthermore, effective and proper internal control and risk management are important factors when building and maintaining trust, to reach the Company's objectives, and ultimately create value.

Having in place an effective internal control system means that the Company is better suited to manage commercial risk, operational risk, the risk of breaching legislation and regulations as well as other forms of risk that may be material to the Company. As such, there is a correlation between the Company's internal control systems and effective risk management. The internal control system shall also address the organisation and execution of the Company's financial reporting, as well as cover the Company's guidelines etc. for how it integrates considerations related to stakeholders into its creation of value.

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

12.2 Policies

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

12.3 Annual review and risk management in the annual report

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

In the annual report, the Board shall describe the main features of the Company's internal control and risk management systems as they are connected to the Company's financial reporting. This shall cover the control environment in the Company, risk assessment, control activities and information, communication and follow-up. The Board is obligated to ensure that it is updated on the Company's financial situation, and shall continually evaluate whether the Company's equity and liquidity are adequate in relation to the risk from the Company's activities, and take immediate action if the Company's equity or liquidity at any time is shown to be inadequate. The Company's management shall focus on frequent and relevant reporting of both operational and financial matters to the Board, where the purpose is to ensure that the Board has sufficient information for decision-making and is able to respond quickly to changing conditions. Board meetings shall be held frequently, and management reports shall be provided to the board as a minimum on a monthly basis. Financial performance shall be reported on a quarterly basis.

13 Remuneration of the Board of Directors

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

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

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

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

14 Remuneration of executive management

The Company's guidelines for determining remunerations to the CEO and other executive personnel (the Guidelines) shall at all times support prevailing strategy and values in the Company. Remuneration to members

of the Company's executive management is vital for harmonising the Company's interests with the interests of the leading personnel. The main purpose of the Guidelines is to allow shareholders to influence the parameters of the salary and other kinds of remuneration, creating a culture for remuneration that promotes the Company's long-term interests, business strategy while ensuring shareholders influence and the Company's financial sustainability.

The Guidelines shall be in accordance with the provisions of Section 6-16 a, of the Asal., supplemented by the Norwegian Regulation regarding guidelines and reporting on remuneration of executive management dated 11th of December 2020.

15 Information and communications

15.1 General information

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

Relevant information will be given in the form of annual reports, quarterly reports, press releases, notices to the stock exchange and through published investor presentations in accordance with what is deemed appropriate and required at any given time. Such information shall be published through Oslo Stock Exchange' information system and/or be published at the Company's website. The Company shall clarify

its long-term potential, including strategies, value drivers and risk factors. The Company shall maintain an open and proactive policy for investor relations, a website designed to incorporate "sound practices", and shall give regular presentations in connection with annual and provisional results.

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

Separate guidelines have been drawn up for handling of inside information, see "Instructions for handling of inside information" and "Instructions for primary insiders" (www.dof.com) in accordance with the EU Market Abuse Regulation that entered into force in Norway on 1st of March 2021. The Company shall also adopt a policy on whom in the Board who is entitled to publicly speak on behalf of the Company on various subjects. Further, the Company shall adopt a contingency plan on how to respond to events of a particular character of interest.

15.2 Information to shareholders

In addition to the Boards' dialogue with the Company's shareholders at the general meetings, the Board should make suitable arrangements for shareholders to communicate with the Company at other times. This will enable the Board to develop an understanding of the matters regarding the Company that are of a particular concern or interest to its shareholders.

Communications with the shareholders should always be in compliance with the provisions of applicable laws and regulations and in accordance with the principle of equal treatment of the Company's shareholders.

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

16 Takeovers

16.1 General

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

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

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

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

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

- shareholders or others an unreasonable advantage at the expense of other shareholders or the Company;
- the Board shall not enter an agreement with any offeror that limits the Company's ability to arrange other offers for the Company's shares, unless it is self-evident that such an agreement is in the common interest of the Company and its shareholders;
- the Board and executive management shall not institute measures with the intention of protecting their own personal interests at the expense of the interests of shareholders; and
- the Board must be aware of the particular duty it has for ensuring that the values and interests of the shareholders are protected.

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

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

There are no other written guidelines for procedures to be followed in the event of a takeover offer. The Company has not found it appropriate

to draw up any explicit basic principles for DOF's conduct in the event of a takeover offer, other than the actions described above. The Board concurs with what is stated in the Code regarding this issue.

17 Statutory auditor

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

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

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

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

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

In order to strengthen the Board's work on financial reporting and internal control, the auditor shall provide

a report to the audit committee on the main features of the audit in respect to the previous financial year, and especially mention any material weaknesses identified in the internal control relating to the financial reporting process.

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

Financial Statements DOF Group

Consolidated Statement of Profit or Loss

Amounts in NOK million	Note	2020	2019
Operating revenue	5, 6, 7,16	6 212	6 276
Payroll expenses	8, 31	-2 654	-2 870
Other operating expenses	9, 16, 30, 31	-1 643	-1 647
Share of net profit of joint ventures and associates	33	171	52
Net gain (loss) on sale of tangible assets	14	19	4
Operating expenses		-4 107	-4 461
Operating profit before depreciation and impairment - EBITDA		2 105	1 815
Depreciation	4, 14	-856	-1 071
Impairment	4, 13, 14	-3 258	-1 130
Operating profit - EBIT		-2 010	-387
Finance income	10	71	97
Finance costs	10	-1 065	-1 024
Realised currency gain (loss)	10	-635	-237
Unrealised currency gain (loss)	10	-1 112	-862
Net change in unrealised gain (loss) on derivatives	10	-56	117
Net financial items		-2 797	-1 909
Profit (loss) before taxes		-4 806	-2 296
Tax income (cost)	11	-153	-585
Profit (loss) for the year		-4 959	-2 881
Attributable to:			
Non-controlling interest		-49	-402
Controlling interest		-4 909	-2 480
Earnings per share (NOK)	12	-15.51	-7.84
Diluted earnings per share (NOK)	12	-15.51	-7.84

Consolidated Statement of Comprehensive Income

Profit (loss) for the year		-4 959	-2 881
Other comprehensive income, net of tax			
Items that may be reclassified to profit or loss			
Currency translation differences			
Cash flow hedge	11, 27	604	24
Cash flow hedge - impairment deferred tax		59	712
Share of other comprehensive income of joint ventures and associates	33	-	-240
Total		-47	66
Items that not will be reclassified to profit or loss			
Defined benefit plan actuarial gain (loss)	8	617	562
Total		-1	12
Total other comprehensive income for the year, net of tax		-1	12
Total comprehensive income for the year net of tax		616	574
Attributable to:			
Non-controlling interest		-49	-363
Controlling interest		-4 293	-1 945

Consolidated Statement of Balance Sheet

Amounts in NOK million	Note	31.12.2020	31.12.2019
Assets			
Tangible assets	14,16,23	12 844	17 765
Goodwill	13	-	85
Deferred tax assets	11	12	13
Investments in joint ventures and associated companies	10, 33	2 336	1 806
Non-current receivables	17, 28	270	604
Total non-current assets		15 462	20 273
Trade receivables	18, 28	1 003	1 200
Other current assets	19, 27, 28	627	595
Current assets		1 630	1 795
Restricted deposits		183	216
Cash and cash equivalents		1 697	1 179
Cash and cash equivalents included restricted deposits	20, 28	1 880	1 395
Total current assets		3 510	3 190
Asset held for sale		20	-
Total current assets included asset held for sale		3 531	3 190
Total assets		18 993	23 464

Consolidated Statement of Balance Sheet

Amounts in NOK million	Note	31.12.2020	31.12.2019
Equity and liabilities			
Paid-in equity	21	309	3 194
Other equity		-1 321	87
Non-controlling interests	22	114	170
Total equity	21	-898	3 451
Bond loan	23, 28	-	-
Debt to credit institutions	16, 23, 28	-	3 994
Lease debt	16	301	370
Other non-current liabilities	8, 11, 24, 27, 28	62	33
Non-current liabilities		363	4 396
Current bond loan and debt to credit institution	23, 28	18 301	14 198
Trade payables	25, 28	675	759
Other current liabilities	26, 27, 28	551	660
Current liabilities		19 528	15 617
Total liabilities		19 890	20 013
Total equity and liabilities		18 993	23 464

Storebø, 7th of April 2021
The Board of Directors for DOF ASA



Hans Olav Lindal
Chairman



Helge Singelstad
Deputy Chairman



Kathryn M. Baker
Director



Marianne Møgster
Director



Mons S. Aase
CEO

Consolidated Statement of Changes in Equity

Amounts in NOK million	Paid-in equity			Other equity				Non-controlling interest	Total equity
	Share capital	Share premium	Paid-in equity	Contributed capital	Retained earnings	Currency translation differences	Cash flow hedge		
Balance at 01.01.2020	308	2 887	3 194	87	48	206	-254	87	170 3 451
Profit (loss) for the year		-2 897	-2 897		-2 012	-	-	-2 012	-49 -4 959
Other comprehensive income net of tax				-	-48	604	59	616	- 616
Reclassification between CTA and cash flow hedge				-	-	-57	57	-	-
Total comprehensive income for the year	-	-2 897	-2 897	-	-2 059	547	116	-1 396	-49 -4 343
Converted bond	1	11	12	-12	-			-12	-
Changes in non-controlling interest		-		-	-			-	-6 -6
Total transactions	1	11	12	-12	-	-	-	-12	-6 -6
Balance at 31.12.2020	309	-	309	75	-2 011	754	-139	-1 321	114 -898
Balance at 01.01.2019	1 466	1 811	3 277	232	544	196	-740	232	2 269 5 778
Profit (loss) for the year		-244	-244		-2 235	-	-	-2 235	-402 -2 881
Other comprehensive income net of tax				-	40	24	472	535	39 575
Reclassification between CTA and cash flow hedge			-	-	-14	14	-	-	-
Total comprehensive income for the year	-244	-244	-	-2 196	10	486	-1 700	-363	-2 307
Converted bond	45	100	145	-145	-			-145	-
Reduction of nominal value of the shares	-1 204	1 204	-	-	-			-	-
Reclassification		17	17	-	-			-	-17 -
Changes in non-controlling interest	-	-	-	-	1 700	-	1 700	-1 720	-20
Total transactions with owners	-1 158	1 320	162	-145	1 700	-	-	1 555 -1 737	-20
Balance at 31.12.2019	308	2 887	3 194	87	48	206	-254	87	170 3 451

Non-controlling interest

In November 2019, DOF ASA increased their share in DOF Subsea AS from 65% to 100%. The reduced non-controlling interest is reflected in the equity. Please see note 22 for more information about non-controlling interest.

Convertible bond loan

Convertible bond loan is classified as contributed capital. Please see note 23 for more information about the convertible bond.

Consolidated Statement of Cash Flows

Amounts in NOK million	Note	2020	2019
Operating profit		-2 010	-387
Depreciation and impairment	14	4 115	2 202
Profit (loss) on disposal of tangible assets	14	-13	-4
Share of net income of associates and joint ventures	33	-171	-52
Change in trade receivables	18	197	112
Change in trade payables	25	-84	-50
Change in other working capital		-17	204
Exchange rate effect on operating activities		-4	-152
Cash from operating activities		2 013	1 874
Interest received		34	69
Interest and other finance costs paid		-525	-980
Tax paid		-78	-44
Net cash from operating activities		1 445	919
Payments received for sale of tangible assets	14	19	6
Purchase of tangible assets	14	-219	-510
Purchase of contract costs		-80	-
Purchase of shares		-	-4
Received dividends		-	2
Net cash flow from other non-current receivables		276	506
Net cash used in investing activities		-3	-1
Proceeds from borrowings	23	230	-
Repayment of borrowings	23	-654	-1 403
Share issue	12, 21	-	-
Non-controlling interest	22	-	-20
Net cash flow from financing activities		-423	-1 422
Net changes in cash and cash equivalents		1 018	-504
Cash included restricted cash at the start of the period	20	1 395	1 932
Exchange gain (loss) on cash and cash equivalents		-533	-33
Cash included restricted cash at the end of the period	20	1 880	1 395

Restricted cash amounts to NOK 183 million (NOK 216 million) and is included in the cash. Changes in restricted cash is reflected in the cash flow.

The Group has standstill agreements with the majority of the lenders and no interest and instalments have been paid to these lenders during 2020. As a result of this, the cash and cash equivalents have increased during 2020.

Restricted cash of NOK 145 million has been presented net of debt to credit institutions and are included in the installments of non-current debt. For further information, please see note 20 "Cash and cash equivalents".

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Notes to the Consolidated Financial Statements

1 General

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

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

DOF ASA is the parent company of a number of companies, as specified in note 32.

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

The Annual Accounts were approved for publication by the Board of Directors on the 7th of April 2021.

The financial report is divided in the Group accounts and the parent company account. The report starts with the Group accounts.

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

2 Summary of significant accounting principles

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

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

Going concern

The consolidated financial statements and the Parent Company's financial statement are prepared on the assumption of going concern. The Group's financial position is not sustainable as the equity is negative, and standstill agreements with the majority of the Group's creditors have continued since 2nd quarter 2020. The Group is dependent on a robust refinancing solution and has presented a debt restructuring proposal to the secured lenders and bondholders. The refinancing proposal currently discussed include a comprehensive restructuring of the Group's balance sheet which include softer terms and conversion of debt. The dialogue with the lenders is constructive, but a refinancing solution is not yet in place. The Group is dependent on continued standstill agreements with its creditors until a long-term financial solution is agreed to maintain as going concern.

If the Group cannot be treated as going concern the valuation of the Group's assets will be further revised. Valuation of assets without the going concern assumption will result in further impairment of the Group's assets.

Group consolidation principles

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

Acquisition-related costs are expensed as incurred.

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

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

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

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

Joint arrangements and associates

Investments in jointly controlled companies are classified as either joint operations or joint ventures depending on the contractual rights and obligations for each investor. The Group has assessed the nature of its jointly controlled companies and determined them to be joint ventures. Joint ventures are accounted for using the equity method of accounting.

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

Under the equity method of accounting, interests are initially recognised at cost and adjusted thereafter to recognise the Group's share of post-acquisition profit or loss and movements in other comprehensive income. When the Group's share of losses equals or exceeds its interest in the investee (which includes any long-term interests that, in substance, form part of the Group's net investments in the investee), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the investee.

Unrealised gains on transactions between the Group and its investee are eliminated to the extent of the Group's interest in the investee. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

If the ownership interest in an investee is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the investee has been impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investee and its carrying value, recognising the amount in 'share of income of associates and joint ventures' in the profit or loss.

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

Segment reporting

The Group's reporting format is determined by business segment, and the Group operates within three business segments:

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

The segment reporting is presented according to internal management reporting, based on the proportionate consolidation method of accounting for joint ventures. The bridge between the management reporting and the figures reported in the financial statements is presented in the note 5.

Conversion of foreign currency

a) Foreign currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency is mainly NOK, USD, BRL, GBP and AUD. The consolidated financial statements are presented in Norwegian Kroner (NOK).

b) Transactions and balances

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

c) Group companies

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

- I. assets and liabilities are converted to the presentation currency at the foreign exchange rate at the end of the reporting period,
- II. income and expenses are converted using the average rate of exchange, and
- III. all resulting exchange differences are recognised in other comprehensive income and specified separately in the consolidated statement of changes in equity.

When the entire interest in a foreign entity is disposed of or control is lost, the cumulative exchange differences relating to that foreign entity are reclassified to profit or loss.

Classification of assets and liabilities

Assets are classified as current assets when:

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

All other assets are classified as non-current assets.

Liabilities are classified as current when:

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

All other liabilities are classified as non-current liabilities.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks. Restricted deposits are classified separately from unrestricted bank deposits under cash and cash equivalents. Restricted deposits include deposits with restrictions exceeding twelve months.

Trade receivables

Trade receivables are amounts due from customers for services

performed in the ordinary course of business and classified as current assets. In addition to invoiced amounts, trade receivable also includes accrued, not invoiced revenues when the amounts are independent on future performance. Accrued revenue under lump sum contracts are normally classified as contract assets. These are presented together with trade receivables and specified in the notes.

Trade receivable for which there are no significant financing component are recognised at nominal amounts less expected credit losses. The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivable and accrued, not invoiced revenue.

Tangible Assets and contract costs

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

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

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

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

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

Assets under construction

Assets under construction are capitalised as tangible assets during construction as instalments are due to the yard. Building costs include contractual costs and costs related to monitoring the project during the construction period. Borrowing costs are added to the cost of those vessels. The capitalisation of borrowing costs ceases when the vessel is substantially ready for their intended use. Assets under construction are not depreciated before the tangible asset is in use.

Impairment of assets

All assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount

of an asset exceeds its recoverable amount, an impairment loss is recognised.

The recoverable amount is the higher of an asset's net selling price and value in use. Where there are circumstances and evidence that impairment losses recognised previously no longer exists or has decreased, a reversal of the impairment loss is recognised, except for goodwill. For further information on the calculation see note 4 'Accounting estimates and assessments'.

Periodic maintenance

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

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

Contract costs

Cost of obtaining a contract with customer and costs related to mobilisation of vessel, equipment and personnel are capitalised and amortised in line with the satisfaction of the performance obligation. These costs are defined as contract costs. Contract period is based on best estimates taken into consideration the initial agreed period with probability for options periods. A probability judgement is performed in assessing whether the option period shall be included in the contract period. Contract costs are classified and presented as other non-current assets. For further information about contract costs, refer to Q. 'Revenue recognition'.

Leases

Where assets are financed through finance leases, under which substantially all the risks and rewards of ownership are transferred to the Group, the assets are treated as if they had been purchased outright. The amount included in the cost of tangible assets represents the aggregate of the capital elements payable during the lease. The corresponding obligation, reduced by the appropriate proportion of lease or hire purchase payments made, is included in borrowings. The amount included in the cost of property, plant and equipment is depreciated on the basis described in the preceding paragraphs and the interest element of lease payments made is included in interest expense in the profit or loss statement.

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the Group is a lessor is recognised in income on a straightline basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying

asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

Goodwill

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

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

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

Debt

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

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

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

Debt is classified as current liability unless the borrowing involves an unconditional right to postpone payment of the liabilities for more than 12 months from the reporting period. The current portion of such debt includes undiscounted instalments due within the next 12 months.

Provisions

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

For onerous contracts provisions are made when unavoidable cost of meeting the obligations under the contract exceed the economic benefit to be received under the contract. The unavoidable costs under the contract are the lower of the cost of

fulfilling the contract and any compensation or penalties arising from failure to fulfil the contract. Unavoidable costs are costs that would not incur for the entity if it did not have the contract.

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

Contingent assets and liabilities:

Contingent assets are not recognised in the accounts but is disclosed in the notes to the accounts if there is a certain degree of probability that the Group will benefit economically.

Contingent liabilities are defined as:

- possible liabilities resulting from past events, but where their existence relies on future events;
- liabilities which are not reported on the accounts because it is improbable that the commitment will result in an outflow of resources;
- liabilities which cannot be measured to a sufficient degree of reliability.

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

Equity

Ordinary shares are classified as equity.

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

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of the non-controlling interests is recorded in consolidated statement of changes in equity. Gains or losses on disposals to non-controlling interests are also recorded in consolidated statement of changes in equity.

Revenue recognition

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

a) Day rate contracts

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

Under long-term chartering the Group delivers a vessel, including crew, to a client. The charterer determines, within the contractual limits, how the vessel is to be utilised. Under sub-sea/IMR Projects the Group utilises its vessels, equipment, crew and the onshore project organisation to perform tailor made services on the client's installations and/or assets.

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

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

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

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

b) Lump sum contracts

A lump sum contract is a contract where the Group is remunerated by the client to a fixed price which is deemed to include the Group's costs, profit and contingency allowances for risks. Any over-run of costs experienced by the Group is for the Group's account, unless specifically agreed with the client in the contract.

For lump sum projects, contract revenue and expenses are recognised over time in accordance with the stage of completion of a contract. The stage of completion is calculated by dividing contract costs incurred to date by total estimated contract costs. Revenue is recognised in line with the stage of completion.

The method relies on the Group's ability to estimate future costs in an accurate manner over the remaining life of a project. The process requires judgement, and changes to estimates or unexpected costs resulting in fluctuations in revenue and

probability. Cost forecasts are reviewed on a continuous basis and the project accounts are updated in a monthly project manager's report as a result of these reviews. The reviews monitor actual cost of work performed project to date, the estimate cost to complete and the estimate cost at completion. This enables a reliable estimate for the likely outcome in terms of profitability of each project.

As contract revenue, costs and the resulting profit are recognised as the work is performed, costs incurred relating to future activities are deferred and recognised as an asset in the consolidated statement of financial position. Conversely, where revenue is received in advance of costs being incurred, a deferred liability is recognised in the consolidated statement of balance sheet.

Where the outcome of a project cannot be reliably measured, revenue will be recognised only to the extent that costs are recoverable. Where it is probable that contract costs will not be recovered, it is only costs incurred that are recognised in the consolidated statement of comprehensive income.

c) Contract cost

Cost incurred relating to future performance obligations are deferred and recognised as assets in the consolidated statement of balance sheet. The nature of the asset is incremental cost of obtaining a contract and will be recovered by the revenue over the contract period. Costs related to contract and future performance obligation longer than 12 months are classified and presented as other non-current assets. All other costs for future performance are presented as other current assets. Contract costs incurred will be expensed and presented as operational expenses in line with the satisfaction of the performance obligation.

d) Variation orders

Additional contract revenue arising from variation orders is recognised when it is probable that the client will approve the variation and the amount of revenue arising from the variation can be reliably measured.

e) Mobilisation

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

f) Dividend income

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

g) Interest income

Interest income is recognised using the effective interest method.

Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting date in the countries where the Company's subsidiaries and associated companies operate and generate taxable income. Permanent establishment of the operation will be dependent of the Group's vessels amount operating in the

period. Tax is calculated in accordance with the legal framework in those countries in which the Group's subsidiaries, associated companies or vessels with permanent establishment operate and generate taxable income.

The Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated accounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, see note 4 'Tax'.

Deferred income tax assets are recognised on the balance sheet to the extent it is probable that the future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is calculated on the basis of temporary differences related to investments in subsidiaries and associated companies, except when the Company has control of the timing of the reversal of the temporary differences, and it is probable that reversal will not take place in the foreseeable future.

Both tax payable and deferred tax are recognised directly in equity, to the extent they relate to items recognised directly in equity. Similarly, any tax related to items reported as other comprehensive income is presented together with the underlying item.

Companies under the shipping tonnage tax regime
 The Group is organised in compliance with the tax regime for shipping companies in Norway. This scheme entails no tax on profits or tax on dividends from companies within the scheme. Net finance, allowed for some special regulations, will continue to be taxed on an ongoing basis. In addition, tonnage tax is payable, which is determined based on the vessel's net weight. This tonnage tax is presented as an operating expense.

Employee benefits

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

(a) Defined contribution plans

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as employee benefit expense

when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Defined benefit plans

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

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

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

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

Financial assets

The Group classifies its financial assets in the following categories: fair value through other comprehensive income (FVOCI), fair value through profit and loss (FVTPL), and amortised cost. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial instrument is managed and its contractual cash flow characteristics. Classification of financial assets is determined at initial recognition and is not reclassified subsequently unless the Group changes its business model for managing financial assets.

A financial asset shall be measured at amortised cost if both of the following conditions are met and it is not designated at FVTPL:

- * the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- * the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at FVOCI if both of the following conditions are met and it is not designated at FVTPL:

- * the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- * the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets (see note 28). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- * contingent events that would change the amount or timing of cash flows;
- * terms that may adjust the contractual coupon rate, including variable-rate features;
- * prepayment and extension features; and
- * terms that limit the Group's claim to cash flows from specified assets.

a) Financial assets at FVTPL

The assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, see note 26, for derivatives designated as hedging instruments.

b) Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

c) Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

d) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

e) Impairment

The Group assesses at the end of each reporting period the expected credit losses for a financial asset or a group of financial assets. See the separate paragraph in this note regarding trade receivables.

Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently

remeasured on a continuous basis at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group has various types of hedging relationships that are not documented as hedge accounting and measured at fair value with the resulting gain or loss recognised immediately in the profit or loss.

The whole carrying amount of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity is less than 12 months. Trading derivatives are classified as a current asset or liability.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 27 'Hedging activities'.

Hedge accounting

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

Movements on the hedging reserve are shown in the consolidated statement of changes in equity and also recognised in other comprehensive income, and the carrying amount of the hedging instrument, net present value of the hedged items, the effective portion of the cash flow hedges and the gain (losses) on hedges are disclosed in note 27 'Hedging activities'.

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

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

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

Subsequent events

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

Use of estimates

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

Consolidated statement of cash flows

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

Government grants

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

3 Financial risk management

Financial risk factors

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

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

Market risk

Foreign exchange risk

The Group operates globally and is exposed to foreign exchange risk arising from various currency exposures, mainly with respect to USD, BRL, AUD, EUR and GBP. The Group's presentation currency is NOK. Foreign exchange risk arises when future commercial transactions, contractual obligations (assets), liabilities and investments are in different currencies than the presentation currency. The Group aims to achieve a natural hedge between cash inflows and cash outflows and manages remaining foreign exchange risk through forward contracts and similar instruments as appropriate. However, due to the current financial position for the Group, new forward contracts have become more challenging. Hence, the Group's liquidity risk has increased.

Hedging of foreign exchange exposure is evaluated on a net basis. The Group used hedge accounting up to year-end 2019 for parts of the revenues (in Brazil) with the objective to reduce the volatility in operational and financial result due to foreign exchange risk. The hedge was considered ineffective at 31st of December 2019 and the ineffective portion (loss) was recognised in the finance result. Remaining hedge recognised as other comprehensive income will be circulated to the profit or loss account over the remaining hedge period. See note 27 'Hedging activities'.

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

The Group has a significant amount of liabilities denominated in USD. In conducting the foreign exchange rate sensitivity analysis, a hypothetical change in exchange rates of 10%, 20% and 30% against NOK has been used. Included in 'Liabilities' below are USD debt to financial institutions and bondholders, and CAD debt to financial institutions. The Group's has subsidiaries with USD debt, where the subsidiary's functional currency is BRL. The effect of change in BRL to USD is included in the sensitivity analysis below. As the Group has a material investment in a joint venture company which has USD as functional currency, this is included in the sensitivity analysis.

	Appreciation		
	10%	20%	30%
Liabilities	1 013	2 026	3 039
Investment in joint ventures	-233	-466	-698
Net effect	780	1 561	2 341

	Depreciation		
	10%	20%	30%
Liabilities	-1 013	-2 026	-3 039
Investment in joint ventures	233	466	698
Net effect	-780	-1 561	-2 341

Currency effects on other liabilities are not included in the above sensitivity analysis. A significant portion of the Group's operating income is denominated in USD. A depreciation of NOK against USD will over a longer period have a positive impact on the Group's future earnings and cash in NOK. Current receivables and liabilities excluding short portion of long-term debt are often in the same currency and are normally due within 30 - 60 days. Over the last year the Group has experienced that payment terms on some receivables have been extended.

Interest rate risk

The Group's existing debt arrangements are both at floating and fixed interest rates. Movements in interest rates will have effects on the Group's cash flow and financial condition. The Group's policy is to maintain parts of its debt at fixed interest rates.

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

The long-term funding of the Group's vessels built in Brazil are mainly secured at fixed interest rates for the entire duration of the loans. The portion of long term debt secured with fixed rate of interest is 59% per year-end and this includes financing via BNDES and GIEK/Export Credit Norway.

The Group has an interest risk in the change in value for the interest rates swaps. In accordance with IFRS, the Group provides information about the potential risk with a sensitivity analysis. The table below shows the change in Market-to-market (MTM) on interest rate swaps at year-end with an increase and decrease of 100bps in 2020.

Amounts in NOK million	+ 100BPS	- 100BPS
	NOK	NOK
Interest rate swaps	33	-35

Price risk

The Group is exposed to price risk at two main levels:

- The demand for the Group's vessels is sensitive to changes in the oil industry, for example oil price movements, exploration and general activity level within the offshore energy industry. This affects both the pricing and the utilisation of the Group's assets.
- The costs of construction of new assets and replacements of assets are sensitive to changes in market prices.

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

The Group is exposed to market fluctuations which may result in lower utilisation and reduced earnings for the Group's vessels and services. Attempts are made to reduce this risk by entering into contracts that secure long-term charters for the main portion of the fleet. The markets in 2020 have continued to be challenging which has negatively impacted the earnings and utilisation of the Group's fleet. The counter-party risk has increased and contracts have been canceled or not renewed. If the markets continue to be challenging this situation may sustain.

Credit and Liquidity risk

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

The Group's credit risk has historically been low as the Group's customers traditionally have had good financial capability to meet their obligations and have had high credit ratings. The sustained challenging market situation has resulted in changes to the credit ratings for some of the Group's customers, and thereby increased the credit risk. Historically, the portion of receivables not being collectable has been low. By year-end approximately 85% of the Group's trade receivables were to large oil companies and operators, whereof Petrobras represent the largest customer.

Liquidity risk management implies maintaining sufficient cash, marketable securities, available funding through committed and uncommitted credit facilities and ability to close market positions. The significant weakening, in the range of 20%-30%, of NOK against other currencies in 2020, had a significant negative impact on available cash in the Group's cash pool. For further information about cash and cash management, see note 20 'Cash and cash equivalents'.

A short-term liquidity loan of NOK 100 million was secured as part of the Group's discussions with the secured lenders.

The credit facility, together with current waivers of interest payments and instalments, covers the Group's short-term liquidity needs (the standstill agreements). In addition, all main financial covenants have been waived. The Group initiated a process to secure a long-term refinancing solution for the Group in 2019, however after the disruptive events in 1st quarter 2020, standstill agreements were agreed in 2nd quarter to secure sufficient liquidity for the Group. The Group is dependent on extension of the existing standstill agreements until a long-term refinancing solution has been agreed.

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

Capital structure and equity

The restructuring of the Group's long-term debt is ongoing and standstill agreements have been agreed until the 30th of April 2021 with 91% of the secured lenders within the DOF ASA Group (excl. DOF Subsea Group) and 88% of the secured lenders within the DOF Subsea Group. The DOF Subsea standstill agreements further assume payment of principal and interest of a NOK 100 million extraordinary credit facility provided by certain lenders in March 2020. The relevant Group companies have imposed unilateral standstill to the secured lenders not participating in the standstill agreements. One of the DOF Subsea secured lenders has requested repayment of approximately USD 46 million and has enforced account pledge on the earnings account for the relevant vessel. Another secured lender has enforced account pledge for one loan facility in DOF Subsea. The DOFCON JV is not part of the Group's debt restructuring and serves the debt according to the terms in the relevant loan facilities.

The bondholders in DOFSUB07, DOFSUB08 and DOFSUB09 have further accepted a standstill agreement until the 31st of March. An ad-hoc group of bondholders can extend the standstill until the 30th of June. By March the ad-hoc group has approved an extension of the standstill until 30th of April.

During 1st quarter 2020 the Group signed a 4-year restructuring agreement with BNDES for the two Brazilian subsidiaries including soft amortisation until end 2023. Due to several disruptive events in 1st quarter, and as part of a governmental package in Brazil, standstill agreements for the period from July until December were agreed with BNDES for the majority of the facilities in Norskan Offshore Ltda. and one facility in DOF Subsea Brasil Ltda. The standstill agreements have in January been extended until June 2021.

The Company is guarantor for the debt in Iceman AS, in total NOK 427 million, where approximately 50% of the DOF guarantee is counter guaranteed by other shareholders in Iceman AS. A long-term refinancing solution is currently discussed with the Iceman lenders.

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

guarantee commitments in DDW. The Company's remaining guarantee commitment amounts to NOK 522 million, representing 50% of the DDW debt, will be part of the Group's debt restructuring.

The Group's financial position is not sustainable, and a long-term financial solution is necessary to continue as going concern. Due to the ongoing debt restructuring of the Group, the vast majority of the Group's secured and unsecured debt has in accordance with IFRS, been classified as current debt as per 31st of December 2020. This classification is based on that standstill agreements for debt service with the banks and bondholders are less than 12 months. The Group will continue the dialogue with its creditors to secure a long-term financial solution for the Group. Various debt restructuring proposals have been discussed with the secured lenders and the bondholders. The proposals include comprehensive restructuring of the Group's balance sheet, including conversion of debt.

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

Debt ratio	2020	2019
Interest-bearing debt	18 255	18 414
Interest bearing asset (sub-lease)	89	131
Restricted deposits	183	216
Cash	1 697	1 179
Net interest bearing debt	16 286	16 888
Total equity	(898)	3 451
Total equity and net debt	15 388	20 339
Debt ratio	106%	83%

During the standstill period, the DOF Group's and the DOF Subsea's main financial covenants of, including minimum free liquidity, minimum equity requirement and minimum LTV (Loan to value) have been waived.

4 Accounting estimates and assessments

When preparing the annual accounts in accordance with IFRS, the Group management has applied estimates based on best judgement and conditions considered to be realistic. Situations or changes may occur in the markets which may result in changes to the estimates, thereby impacting the Group's assets, liabilities, equity and result.

Assessments, estimates and assumptions which have a significant effect on the accounts are summarised below:

Debt to credit institutions and bondholders

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

For further information about debt to credit institutions and bondholders, see note 23 'Interest-bearing debt'.

Vessels

The carrying amount of the Group's vessels represents 62% of the total balance. Consequently, policies and estimates linked to the vessels have a significant impact on the Group's financial statements. Depreciation is calculated on a straight-line basis over the useful life of the asset. Depreciable amount equals historical cost less residual value.

Useful life of vessels

The level of depreciation depends on the vessels estimated useful lives. The Group changed the period of useful life for the PSV and AHTS from 01.01.2018, due to the market expectation for these vessels. Useful life for these vessels are 30 years. Estimated useful life for subsea vessel is 20 years based on strategy, past experience and knowledge of the types of vessels the Groups owns. Useful life of older vessels is individually assessed. There will always be a certain risk of events like breakdown, obsolescence e.g. with older vessels, which may result in a shorter useful life than anticipated.

Residual value of vessels

The level of depreciation depends on the calculated residual value. Assumptions concerning residual value for Subsea vessels are made on the basis of knowledge of the market for second hand vessels. The estimate of residual value is based on a market value of a charter free vessel, and today's fair value forms a basis for the estimate. Fair values are adjusted to reflect the value of the vessels as if it had been of an age and in the condition expected at the end of the useful life. Residual value for PSV and AHTS vessels are estimated based upon the latest available steel-price and the lightweight of the vessels.

Useful life of investments related to periodical maintenance

Periodic maintenance is related to major inspections and over-haul costs which occur at regular intervals over the life of an asset. The expenditure is capitalised and depreciated until the

vessel enters the next periodical maintenance. Estimated life of each periodical maintenance program is normally 5 years. When new vessels are acquired, a portion of the cost price is classified as periodic maintenance based on best estimates.

Impairment of assets

Vessels

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

Fair value less cost to sell

For vessels, fair value less cost to sell is based on an average of the brokers' estimates, taken into account sales commission. For vessels older than 10 years within the PSV and AHTS segment the Group has used the lower value in the range of broker estimates. All vessels in the Group are assessed by obtaining independent broker estimates. The brokers' estimates are based on the principle of 'willing buyer and willing seller'. Broker estimates include mounted equipment and assume that the vessels are without any charter contracts (i.e. charter-free basis). The Group adjusts for positive or negative value in associated contracts.

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

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

Value in use

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

For vessels fixed on firm long-term contracts, the assumption is that the contracts run up until expiry of the contracts. Options held by the customers are not assumed to be exercised, unless the options are at or below current market rates. For vessels without contract, assumptions derived from the evaluation of broker estimates, combined with other market information are considered when estimating future revenues. It is expected to be a weak market for the next 1-2 years, and gradually normalised to historical average levels thereafter. Due to the current market situation there is a high level of uncertainty related to the estimates.

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

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

ROVs

The Group has divided all ROVs into two pools of ROVs. Each pool of ROVs is identified as a separate cash generating unit. Value in use calculation is performed for each pools of ROVs. Principles for calculation of future cash flows and WACC are the same as described for vessels.

Tax

Changes in tax regimes may adversely affect the Group's cash flow and financial conditions. Certain companies in the Group are subject to special tax rules for ship owners in different jurisdictions. These tax rules stipulate certain requirements which will have to be met. A failure to meet such requirements may have an adverse effect on the effective tax rate of the Group. The Group is also subject to transfer pricing regulations in various jurisdictions which might impose the tax risk for the Group.

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

Deferred tax assets are recorded in the consolidated statement of balance sheet on the basis of unused tax losses carried forward or deductible temporary differences to the extent that it is probable that there will be sufficient future earnings available against which the loss or deductible can be utilised. Continued challenging market situation, low utilisation on vessels, equipment and personnel has resulted in lower earnings and increased risk in some tax jurisdictions. In this context the inherent uncertainty in forecasting the amount, timing of future taxable profits and the reversal of temporary differences has increased. As a result of this, the Group has only to a limited extent recognised deferred tax assets.

Challenging market combined with the Groups refinancing process have also increased the risk of not being able to give group contribution within the Group to reduce payable tax to Norway. Purpose of giving group contribution between companies in the Group is to offset taxable profit towards taxable loss carry forward within the Group. The change in assumptions have led to increased tax payable of NOK 25 million and increased deferred tax liability of NOK 57 million at year-end 2020.

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

In general, attention and follow-up from tax authorities are increasing in all tax jurisdictions. This should be seen in relation to OECD and G20 countries implementation of the Base Erosion and Profit Shifting (BEPS) reporting requirements. The general trend that each individual country has become more concerned about protecting their tax base, and in this context the Group experiences more tax audits in all countries where the Group operates. Present tax claims and disputes are at year-end either in an administrative or legal process with local tax authorities. Tax claims are disputed, and the Group considers the risk of negative outcomes of the tax claims to be lower than 50% and has not recognised any liability regarding tax claims.

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

In 2014, the Brazilian Federal Revenue issued a Tax Assessment Notice against DOF Subsea Brasil Ltda (the Company). Loans given by the Parent Company to DOF Subsea Brasil Ltda were deemed to be taxable revenue for the Company. The Tax Assessment Notice was disputed, but on February 7, 2019, the court of first instance in Macae ruled against the Company. Estimated amount of the claim is approximately BRL 29.5 million (NOK 48 million) plus interest and charges. On February 13, 2019, the Company filed a clarification appeal before the same court. The Company intends to defend its position and considered it to be more likely than not that the final verdict will conclude that the loans received by the Company will not be reclassified as taxable revenue. No provision related to the dispute is included in the Group's accounts as of 31st of December 2020. However, DOF Subsea has provided security for the tax claim and the amount is included in restricted cash. Outcome of such processes are uncertain and changes in assumptions, interpretations and circumstances might result in future cash outflow for the Group related.

5 Management reporting

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

Statement of Profit or Loss	2020			2019		
	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
Operating revenue	7 582	-1 370	6 212	7 524	-1 248	6 276
Operating expenses	-4 545	248	-4 297	-4 808	291	-4 517
Net profit from associated and joint ventures	-66	237	171	-47	99	52
Net gain on sale of tangible assets	19	-	19	4	-	4
Operating profit before depreciation EBITDA	2 990	-885	2 105	2 673	-858	1 815
Depreciation	-1 097	241	-856	-1 314	242	-1 071
Impairment	-3 665	406	-3 258	-1 449	319	-1 130
Operating profit - EBIT	-1 771	-239	-2 010	-90	-296	-387
Financial income	25	45	71	42	54	97
Financial costs	-1 338	273	-1 065	-1 273	249	-1 024
Net realised currency gain (loss)	-661	26	-635	-255	18	-237
Net unrealised currency gain (loss)	-1 120	9	-1 112	-880	18	-862
Net changes in fair value of financial instruments	-56	-	-56	117	-	117
Net financial costs	-3 150	354	-2 797	-2 249	340	-1 909
Profit (loss) before taxes	-4 921	115	-4 806	-2 340	44	-2 296
Taxes	-38	-115	-153	-542	-44	-585
Profit (loss)	-4 959	-	-4 959	-2 881	-	-2 881
Statement of Balance sheet						
Balance 31.12.2020						
	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
ASSETS						
Tangible assets	18 657	-5 813	12 844	24 303	-6 537	17 765
Goodwill	-	-	-	85	-	85
Deferred taxes	361	-348	12	200	-187	13
Investments in joint ventures and associated companies	8	2 328	2 336	45	1 760	1 806
Other non-current receivables	162	108	270	263	341	604
Total non-current assets	19 188	-3 726	15 462	24 896	-4 623	20 273
Receivables	1 679	-49	1 630	1 761	35	1 795
Cash and cash equivalents	2 332	-452	1 880	1 715	-320	1 395
Asset held for sale	20	-	20			
Total current assets included assets held for sale	4 031	-500	3 531	3 475	-285	3 190
Total assets	23 219	-4 227	18 993	28 371	-4 908	23 464
EQUITY AND LIABILITIES						
Equity	-898	-	-898	3 451	-	3 451
Non-current liabilities	3 969	-3 606	363	8 422	-4 026	4 396
Current liabilities	20 148	-620	19 528	16 498	-882	15 617
Total liabilities	24 117	-4 227	19 890	24 920	-4 908	20 013
Total equity and liabilities	23 219	-4 227	18 993	28 371	-4 908	23 464

6 Segment information

The segment reporting is based on the management reporting. See note 5 'Management reporting' for description about accounting policies used for management and segment reporting, as well as reconciliation to the financial statements.

Business segment

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

Business segment	2020			
	PSV	AHTS	Subsea	Total
Operating revenue	524	1 224	5 834	7 582
EBITDA	104	606	2 281	2 990
Depreciation	-123	-245	-728	-1 097
Impairment	-252	-730	-2 682	-3 665
EBIT	-272	-369	-1 130	-1 771
Net financial items	-95	-1 888	-1 167	-3 150
Profit (loss) before taxes	-367	-2 258	-2 297	-4 921
Balance				
Assets	1 598	4 247	10 481	16 326
Jointly controlled companies	-	-	6 893	6 893
Total assets	1 598	4 247	17 374	23 219
Additions	8	138	302	448
Liabilities	2 365	6 405	15 348	24 117
2019				
Business segment	PSV	AHTS	Subsea	Total
Operating revenue	516	1 226	5 782	7 524
EBITDA	113	578	1 982	2 673
Depreciation	-130	-350	-834	-1 314
Impairment	-92	-339	-1 018	-1 449
EBIT	-109	-110	129	-90
Net financial items	-255	-925	-1 069	-2 249
Profit (loss) before taxes	-364	-1 036	-940	-2 340
Balance				
Assets	1 934	5 776	13 349	21 058
Jointly controlled companies	-	365	6 948	7 313
Total assets	1 934	6 141	20 297	28 371
Additions	147	115	1 546	1 808
Liabilities	2 010	7 081	15 829	24 920

7 Operating revenue

	2020	2019
Revenue from lump sum contracts	337	357
Revenue from contract with "day rate"	5 875	5 919
Total	6 212	6 276

In 2020 the Group has received NOK 110 million in cancellation fees for two contracts that have been canceled. The cancellation fees are included in the operating revenue above.

Turnover:	2020		2019	
	NOK	Ratio %	NOK	Ratio %
Brazil	1 963	32%	2 234	36%
United Kingdom	976	16%	1 034	16%
Norway	877	14%	784	12%
Australia	447	7%	622	10%
Canada	277	4%	244	4%
Singapore	262	4%	31	0%
United States	257	4%	233	4%
Philippines	151	2%	156	2%
Argentina	149	2%	141	2%
Angola	146	2%	152	2%
Other	707	11%	645	10%
Total	6 212	100%	6 276	100%

Geographical distribution of revenue from contracts with customers is based on the location of clients.

In 2020, one client accounted for more than 10% of the Group's revenue. The segments AHTS and Subsea have revenue from this client.

The lease portion of revenue contracts are included in revenue from contracts with customers presented above. The right to use the vessel will normally be within the range 30-80% of the total contract value.

8 Payroll expenses

	2020	2019
Salary and holiday pay	-1 941	-2 067
Hired personnel	-220	-241
Employer's national insurance contributions	-284	-319
Pensions costs	-47	-81
Other personnel costs	-162	-163
Total	-2 654	-2 870
No. man-years employed in financial year	3 287	3 553

Government grants related to the net salary scheme for vessels are reported as a reduction in payroll costs of NOK 50 million (NOK 49 million).

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

Defined benefit pension

DOF Group has a company pension scheme with life insurance companies. As of the 31st of December 2020, the Group defined pension benefit plan covered total 51 (609) active members and 6 (67) pensioners. The defined pension scheme for DOF Management AS, DOF Sjø AS and Marin IT AS have been phased out in 2020. From 01.01.2021 the defined pension scheme for offshore personnel in DOF Subsea has been phased out.

The pension funds are placed in a portfolio of investments by insurance companies. The insurance company manages all transactions related to the pension scheme. Estimated return of pension funds is based on market prices on balance sheet date and projected development during the period in which the pension scheme is valid.

The calculation of pension liabilities is based on assumptions in line with the recommendations. Actuarial gains and losses are presented as part of other comprehensive income.

Pension obligation as of 31st of December 2020 was NOK 4 million (NOK 24 million). The pension obligations are included in other non-current liabilities.

9 Other operating expenses

	2020	2019
Technical costs vessel	-432	-480
Short term lease of vessels	-148	-117
Bunkers	-147	-176
Equipment rental	-390	-400
Amortisation contract cost	-39	-
Other operating expenses	-488	-474
Total	-1 643	-1 647

10 Financial income and expenses

	2020	2019
Interest income	42	80
Other financial income	28	16
Financial income	71	97
Interest expenses	-959	-975
Impairment shares and loans	-	-2
Other financial expenses	-105	-47
Financial costs	-1 065	-1 024
Net gain (loss) on currency derivatives	-105	-122
Net gain (loss) on non-current debt	-99	-84
Net gain (loss) on working capital	-431	-31
Net realised currency gain (loss)	-635	-237
Net unrealised gain (loss) on non-current debt	-1 027	-826
Net unrealised gain (loss) on working capital	-84	-36
Net unrealised currency gain (loss)	-1 112	-862
Net change in unrealised gain (loss) on interest swap	12	12
Net change in unrealised gain (loss) on currency derivatives	-68	104
Net change in unrealised gain (loss) on derivatives	-56	117
Total	-2 797	-1 909

11 Tax

Tax income (expense) comprises;	2020	2019
Current tax on profit for the year	-73	-106
Change in deferred taxes	-58	-480
Payable tax in Norway can be offset by group contribution	-22	-
Tax income (expense)	-153	-585

Purpose of giving group contribution between companies in the Group is to offset taxable profit towards taxable loss carry forward within the Group. The change in assumptions have led to increased tax payable of NOK 22 million and increased deferred tax liability of NOK 57 million at year-end 2020.

The tax on the Group's profit before tax differs from the theoretical amount, calculated by using domestic tax rates applicable to profits of each subsidiaries as follows;

Reconciliation of nominal and effective tax rate	2020	2019
Profit (loss) before tax	-4 806	-2 296
Tax calculated at domestic tax rates applicable to profits in the respective countries ^{*)}	955	637
 Tax effect of:		
Expenses not deductible for tax purposes	-4	13
Unrecognised tax losses and temporary differences	-1 100	-1 049
Adjustment in respect to previous years	3	-39
Withholding tax and effect of different tax regime	-48	-88
Associates and joint ventures result reported net of tax	48	-59
Total tax income (expense)	-153	-585

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

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

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

2019	Before tax	Tax (charge)/ credit	After tax
Currency translation differences	41	-17	24
Cash flow hedges	844	-132	712
Cash flow hedges	-	-240	-240
Share of other comprehensive income of joint ventures and associates	66	-	66
Remeasurements of post employment benefit liabilities	15	-3	12
Other comprehensive income	966	-392	574

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

	2020	2019
At 1 January	-13	-885
Income statement charge	58	480
Tax charge (credit) relating to components of other comprehensive income	-	392
At 31 December	45	-13

11 Tax (continued)

Deferred tax

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

Basis of deferred tax	2020	2019
Non-current assets	-426	1 115
Current assets	-19	217
Liabilities	-3 349	-2 891
Tax position related to sold assets	-138	61
Other differences	-21	-60
Total temporary differences	-3 953	-1 559
Tax loss carried forward	-5 588	-5 396
Total temporary differences and losses carried forward	-9 541	-6 955
Temporary differences not included as deferred tax asset (+)	4 178	1 951
Tax deficit not included in basis for calculation of deferred tax/deferred tax assets	5 578	4 949
Basis for calculation of deferred tax/deferred tax assets (-)	215	-55
Total deferred tax/deferred tax assets (-)	45	-13
Gross deferred tax	57	-
Gross deferred tax asset	-12	-13
Total deferred tax/deferred tax assets (-) recognised in balance sheet	45	-13

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

Deferred tax asset per jurisdiction

Country	Tax rate	Temporary differences	Tax loss carried forward	Deferred tax assets	Deferred tax debt
Norway	22%	-261	2		57
Norway	22%	7	8	3	
Australia	30%	29	-	9	
Total		-225	10	12	57

12 Earnings per share

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

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

Basis for calculation of earning per share	Date	2020	2019
Profit (loss) for the year after non-controlling interest (NOK million)		-4 909	-2 480
Earnings per share for parent company shareholders (NOK)		-15.51	-7.84
Diluted earnings per share for parent company shareholders (NOK)		-15.51	-7.84
Number of shares 01.01.		307 762 779	293 237 779
Conversion of bond loan to shares	03.07.2019		5 550 000
Conversion of bond loan to shares	30.07.2019		2 100 000
Conversion of bond loan to shares	20.12.2019		6 875 000
Conversion of bond loan to shares	29.10.2020	1 200 000	
Number of shares 31.12.		308 962 779	307 762 779
Outstanding mandatorily convertible bond loan *)			
Outstanding number of shares 01.01		8 693 389	23 218 389
Converted bond loan to shares		-1 200 000	-14 525 000
Outstanding number of shares 31.12.		7 493 389	8 693 389
Total number of shares 31.12. incl mandatorily convertible shares		316 456 168	316 456 168
Average number of shares in the period *)		316 456 168	316 456 168

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

13 Goodwill

	2020				2019			
	PSV	AHTS	Subsea	Total	PSV	AHTS	Subsea	Total
Acquisition cost at 01.01	3	3	433	439	3	3	433	439
Additions			-	-			-	-
Disposals			-	-			-	-
Currency translation differences			-	-			-	-
Acquisition cost at 31.12	3	3	433	439	3	3	433	439
Adjustment at 01.01	-3	-3	-347	-353			-144	-144
Impairment loss	-	-	-85	-85	-3	-3	-203	-209
Currency translation differences			-	-			-	-
Adjustment 31.12.	-3	-3	-433	-439	-3	-3	-347	-353
Book value 31.12.	-	-	-	-	-	-	85	85

Goodwill has been related to the acquisition of subsidiaries and comprises the difference between nominal and discounted amounts in terms of deferred tax, synergy effects, organisational value, brand name and key personnel and their expertise. Goodwill has been allocated to groups of cash-generating units identified according to be the Group's operating segments.

Continued challenging market situation with low utilisation on vessels, equipment and personnel has led to impairment of the remaining goodwill in 2020.

14 Tangible assets

2020	Vessels	Periodic maintenance	ROV	Operating equipment	Right-of-use assets	Total
Acquisition cost as of 01.01.2020	26 583	1 885	1 863	1 347	374	32 053
Additions	59	178	11	26	29	303
Reallocation	-66	7	19	-160	-	-200
Disposals	-1 254	-101	-64	-97	-4	-1 520
Currency translation differences	-1 464	-150	-52	-32	-5	-1 702
Acquisition cost as of 31.12.2020	23 859	1 819	1 778	1 083	395	28 933
Depreciation as of 01.01.2020	6 095	1 289	1 188	962	56	9 590
Depreciation for the year	350	237	158	60	52	856
Reallocation	-17	-	-1	-94	-	-112
Depreciation on disposals	-538	-96	-64	-96	-1	-795
Currency translation differences	-298	-113	-19	-54	-2	-486
Depreciation 31.12.2020	5 591	1 317	1 262	777	105	9 053
Impairment 01.01.2020	4 614	-	14	43	26	4 697
Impairment	3 154	5	-	15	-	3 173
Reallocation	-	-	-	-9	-	-9
Impairment on disposals	-717	-5	-	-1	-	-722
Currency translation differences	-103	-	-	-	-	-104
Impairment 31.12.2020	6 948	-	14	48	26	7 036
Book value 31.12.2020	11 318	503	502	258	264	12 844
Lease assets (included in book value)			233	74	264	570
Depreciation period	20-30 years *)	30-60 months	5-12 years	5-15 years	1-11 years	
Depreciation method	Linear *)	Linear	Linear	Linear	Linear	
2019	Vessels	Periodic maintenance	ROV	Operating equipment	Right-of-use assets	Total
Acquisition cost as of 01.01.2019	26 478	1 714	1 749	1 277	-	31 219
Implementation of IFRS 16 Leases				-	353	353
Additions	250	191	110	49	19	620
Reallocation	-	-	5	19	-	24
Disposals	-10	-7	-	-	-1	-18
Currency translation differences	-136	-13	-1	1	4	-146
Acquisition cost as of 31.12.2019	26 583	1 885	1 863	1 347	374	32 053
Depreciation as of 01.01.2019	5 620	1 046	1 027	853	-	8 546
Depreciation for the year	508	259	158	90	56	1 071
Reallocation	-	-	5	19	-	24
Depreciation on disposals	-10	-7	-	-	-	-17
Currency translation differences	-24	-10	-2	-	-	-35
Depreciation 31.12.2019	6 095	1 289	1 188	962	56	9 590
Impairment 01.01.2019	3 738	-	14	22	-	3 775
Impairment	873	-	-	20	27	921
Currency translation differences	2	-	-	-	-	1
Impairment 31.12.2019	4 614	-	14	43	26	4 697
Book value 31.12.2019	15 875	596	660	342	292	17 766
Lease assets (included in book value)			437	18	292	746
Depreciation period	20-30 years *)	30-60 months	5-12 years		5-15 years	
Depreciation method	Linear *)	Linear	Linear		Linear	

*) Residual value and depreciation period are described in note 4 'Accounting estimates and assessments'.

The tangible assets are pledged against debt to credit institution, see note 23.

14 Tangible assets (continued)

Lease assets

The Group leases ROV's, IT equipment, various offices, cars and vessels. On long-term contracts with low residual value, the Group has assumed an expectation of purchase of the asset. These contracts are classified as ROV and operating equipment. Other contracts are classified as right-of-use assets and are mainly related to lease of offices. For more information please see note 16 'Leases'.

Disposals

The Group has sold two vessels in 2020. Gain on sale of non-current assets in the consolidated income statement are related to sale of the two vessels and other operating equipment.

Impairment

The continued weak market during the year has had a negative impact on both earnings and utilisation of the Group's fleet, in addition to vessel values. The weakening market has resulted in impairment of vessels and equipment are NOK 3,173 million in 2020 (NOK 921 million).

For the Group 45 vessels (29 vessels) have been impaired during the year which is divided in the following segments;

Impairment 2020

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

Impairment 2019

Age	Number of vessel impaired in 2019			Book value 31.12.2019 impaired vessels			Impairment			Total
	PSV	AHTS	Subsea	PSV	AHTS	Subsea	PSV	AHTS	Subsea	
0-10 years	4	4	4	514	226	2 230	51	89	158	298
11-15 years	2	1	6	212	801	2 432	24	82	214	320
15+ years	2	2	4	105	37	519	16	113	127	256
Total	8	7	14	830	1 064	5 182	91	284	499	873

Impairment

	2020	2019
Vessel	3 158	873
Operating equipment	15	20
Right-of-use assets		28
Goodwill	85	209
Total impairment	3 258	1 130

14 Tangible assets (continued)

Impairment (continued)

Impairment tests have in addition resulted in impairment of vessel in joint ventures with NOK 406 million (NOK 318 million). The impairments are divided on 7 vessels, owned by DOF Deepwater AS and DOFCON Brasil Group. DOF's 50% share of the impairment is as follows;

Joint venture - Impairment 2020

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

Joint venture - Impairment 2019

Age	Number of vessel impaired			Book value 31.12.2019 impaired vessels			Impairment			
	PSV	AHTS	Subsea	PSV	AHTS	Subsea	PSV	AHTS	Subsea	Total
0-10 years		5	2		296	1 007		49	269	318
Total	-	5	2	-	296	1 007	-	49	269	318

In addition vessel in associates has been impaired with NOK 51 million in 2020 (NOK 32 million in 2019). The impairment is reflected in Share of income of associates and joint ventures in the profit or loss statement.

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

For further information about joint ventures please see note 33 'Investments in joint venture and associates companies'.

For further information about measurement level see note 27 'Hedging activities'.

Sensitivity analysis of impairment

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

The valuation of the vessels are sensitive for changes in WACC, USD/NOK rate and earnings. Negative changes in WACC with 50 basis points will result in an additional impairment of the vessels with approximately NOK 320 million and a drop in USD/NOK of 0.50 will result in an additional impairment of the vessels with approximately NOK 460 million. Negative effect on net future cash flows with 20% will result in an additional impairment of the vessels with approximately NOK 1.9 billion. In addition a negative effect on net future cash flows with 20% will result in an impairment of the vessels in joint ventures with NOK 350 million.

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

15 Contract cost

	2020
Net value reclassified from tangible assets	58
Additions	76
Amortisation	-39
Currency translation differences	-2
Book value 31.12.2020	93

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

In previous reporting periods, the contract costs have been included in tangible assets. Contract costs have been reclassified from tangible assets to other non-current assets. Amortisation of contract costs are recognised over the contract period of the related contract.

16 Leases

Lease income - the Group as lessor

The Group acts as a lessor in connection to operating leases. The leases are related to the time charter and bareboat contracts on vessels and equipment. For time charter contracts both the lease component and the service component are included in the overview of future lease revenue. Vessel on operating lease are recognised as tangible assets, see note 14 'Tangible assets'. Lease payments received are recognised in the statement of profit or loss.

Future minimum operating lease income arising from contracts on vessels at period end 2020 is shown in the overview below. All contracts in foreign currency are converted to NOK on the 31st of December 2020 and stated in NOK million.

2020	Within 1 year	2-5 years	After 5 years	Total
Minimum operating lease revenue	2 173	2 773	77	5 023
Minimum operating lease revenue including joint ventures	3 453	6 958	500	10 911

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

Joint ventures are consolidated using equity method, see notes 5 'Management reporting', 6 'Segment information' and 33 'Investments in joint controlled companies and associated companies'.

Lease - the Group as lessee

Lease liabilities

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

The balance sheet shows the following amounts related to leases:

Amounts in NOK million	31.12.2020	31.12.2019
Tangible assets - ROV	233	437
Tangible assets - Operating equipment	74	18
Tangible assets - Right-of-use assets	264	292
Tangible assets	570	746
Non-current receivables sub-lease	44	131
Current receivable sub-lease	45	-
Total assets	659	877
Non-current debt to credit institution	-	-
Current debt to credit institution	178	259
Non-current lease - right of use	301	370
Current lease - right of use	94	91
Total debt	573	720

On long-term contracts with low residual value, the Group has assumed an expectation of purchase of the asset. These contracts are classified as ROV and operating equipment. Other contracts are classified as right-of-use assets and is mainly related to lease of offices. In addition the bareboat contract of Skandi Darwin is classified as a sub-lease.

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

16 Leases (continued)

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

Amounts in NOK million	2020	2019
Short term leases	-148	-117
Depreciation ROV	53	-54
Depreciation Operating equipment	9	-13
Depreciation Right-of-use assets	52	-56
Impairment Right-of-use assets	-	-27
Total depreciation and impairment	114	-150
Interest income	5	7
Interest expenses	-21	-24
Net finance	-16	-17
Total net expenses in the Profit or Loss	-49	-284

Lease assets	2020	2019
Cost at 01.01.	1 104	776
Implementation of IFRS 16	-	353
Additions	65	106
Disposals	-244	-135
Currency translation differences	-5	4
Cost at 31.12.	920	1 104
Depreciation at 01.01.	328	250
Depreciation for the year	114	123
Depreciation disposal	-119	-46
Currency translation differences	-2	-
Depreciation at 31.12.	321	328
Impairment 01.01	29	3
Impairment for the year	-	27
Currency translation differences	-	-
Impairment 31.12	29	29
Book value at 31.12.	570	746

For information on repayment of lease debt, please refer to note 23.

17 Non-current receivables

	Note	2020	2019
Non-current receivables from joint ventures		107	347
Non-current derivatives	27, 28	-	25
Non-current receivables sub-lease		44	131
Contract costs		93	-
Other non-current receivables	28	26	101
Total		270	604

Non-current receivable sub-lease is mainly related to bareboat contract for Skandi Darwin on operation in APAC region. The existing contract expire in 2022. For further information about lease, see note 16 'Leases'.

18 Trade receivable

		2020	2019
Trade receivable at nominal value		754	763
Uninvoiced revenue		298	503
Provision for bad debts		-49	-66
Total		1 003	1 200

The Group's credit exposure is mainly towards customers who historically have had good financial capability to meet their obligations and have had high credit rating. A sustained challenging market situation has resulted in changes to the credit ratings for some customers, and thereby increased the credit risk. Historically, the portion of receivables not being collectable has been low. General allowance for expected credit losses the 31st of December 2020 and the 31st of December 2019 are based on historical losses and updated view on general risk in the Group's industry. Loss allowance for a specific contract are based on expectation of recovery of outstanding amount.

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

	Total	Not matured	<30d	30-60d	60-90d	>90d
2020	754	546	60	47	4	98
Receivable not included in provision for bad debt						56
Expected credit loss rate		0.2%	2.5%	3.0%	7.0%	12.0%
Loss allowance	9	1	1	1	-	5
Loss allowance uninvoiced revenue	1					
Loss allowance specific contract	39					
Total loss allowance	49					
	Total	Not matured	<30d	30-60d	60-90d	>90d
2019	763	491	73	18	29	150
Receivable not included in provision for bad debt						60
Expected credit loss rate		0.2%	2.5%	3.0%	7.0%	14.0%
Loss allowance	18	1	2	1	2	13
Loss allowance specific contract	48					
Total loss allowance	66					

18 Trade receivable (continued)

Trade receivable divided on currencies:

	2020			2019		
	Currency	NOK	Ratio %	Currency	NOK	Ratio %
USD	23	199	20%	43	376	31%
BRL	214	352	35%	183	401	33%
AUD	35	231	23%	36	220	18%
NOK	126	126	13%	127	127	11%
GBP	6	66	7%	3	31	3%
Other currencies		28	3%		45	4%
Total		1 003	100%		1 200	100%

19 Other current assets

	Note	2020	2019
Current receivables sub-lease		45	-
Current receivables from joint ventures		213	224
Pre-paid expenses		145	138
Accrued interest income		11	2
Government taxes (VAT)		94	66
Current derivatives		0	23
Fuel reserves and other inventory		75	96
Other current receivables		44	47
Total		627	595

20 Cash and cash equivalents

	2020	2019
Restricted deposits	183	216
Bank deposits	1 697	1 179
Cash and cash equivalents at 31.12.	1 880	1 395

Restricted cash consists of cash only available for specific purposes. A portion of this cash serves as security for outstanding debt following enforcements of account pledges. The balance of these accounts sums up to NOK 145 million. Some lenders have exercised their rights to set off such cash balances towards the outstanding loans. The Group has therefore chosen to present all restricted cash serving as security for loans, net of debt to credit institutions.

Loans have been provided by Eksportfinans and are invested as restricted deposits. The repayment terms on the loans are equivalent with the reduction on the deposits. The loans are fully repaid in February 2021. The cash deposits are included in Restricted deposits with a total of NOK 8 million (NOK 77 million).

Cash pool arrangement

The Group has cash pooling arrangements whereby cash surpluses and overdrafts residing in the Group companies bank accounts are pooled together to create a net surplus. Liquidity is made available through the cash pooling for the Companies in the Group to meet their obligations. The bank accounts in the cash pool consists of accounts in various currencies. Only the master accounts, (nominated in NOK) in each of the cash pools hierarchies are classified as bank deposits and included in the table above. The total cash pool can never be overdrafted.

Surplus cash transferred to the Group's cash pool will be available at all times to meet the Group's financial obligations at any time. Some subsidiaries are not part of the cash pool structure. Surplus cash in these companies will be available for the rest of the Group through loans or dividends. Total cash in these subsidiaries are NOK 523 million, mainly related to DOF Installer ASA, and are included in unrestricted cash and cash equivalents.

Cash pool	Currency	Currency amount	Balance 31.12.2020	Currency	Balance 31.12.2019
Cash pool arrangement 1	NOK	16	16	538	538
Cash pool arrangement 2	NOK	133	133	1 216	1 216
Cash pool arrangement 1	USD	1	10	-21	-189
Cash pool arrangement 2	USD	5	43	-75	-659
Cash pool arrangement 1	GBP	1	9	-	5
Cash pool arrangement 2	GBP	-	1	-6	-72
Cash pool arrangement 1	EUR	1	13	-12	-116
Cash pool arrangement 2	EUR	1	12	-	4
Cash pool arrangement 1	AUD	5	31	-8	-47
Cash pool arrangement 2	AUD	-	-	-17	-105
Cash pool arrangement 1	SGD	-	1	-2	-13
Cash pool arrangement 2	SGD	-	-	-17	-111
Cash pool arrangement 1	CAD	-	-	-	-2
Cash pool arrangement 2	CAD	4	24	1	6
Total net cash pool			293		454
Total surpluses			293		1 768
Total overdrafts			-		-1 315

The Group has total credit facilities of NOK 300 million at period end, of which all was utilised. For further information about market-, credit- and liquidity risk see note 3.

21 Share capital and share information

Share capital: The share capital in DOF ASA as of the 31st of December 2020 was NOK 308,962,779 distributed between 308,962,779 shares, each with a nominal value of NOK 1.00.

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

Share issues in 2020: There has been one share issue during 2020. The issue was related to converted bond loan with increase of 1,200,000 shares.

Share issue authorisation: The Board of Directors has no authorisation to increase the Company's share capital at year-end 2020.

Convertible bond: An Extraordinary General Meeting on the 6th of July 2016 has allocated authorisation to the Board of Directors for a capital increase of up to 823,640,482 shares at a nominal value of NOK 0.50 related to a Subordinated Convertible Bond. Remaining authorisation is 7,493,389 shares.

Shareholders: The 20 largest shareholders of DOF ASA and shares owned by management and board members including shareholdings held by closely related persons and companies at the 31st of December 2020 were as follows:

Shareholders at 31.12.	2020		2019	
	No of shares *)	Shareholding	No of shares	Shareholding
MØGSTER OFFSHORE AS	100 007 313	32.37%	150 638 643	48.95%
AVANZA BANK AB	12 217 755	3.95%	-	0.00%
BNP PARIBAS SECURITIES SERVICES	9 570 169	3.10%	9 570 169	3.11%
NORDNET BANK AB	4 915 986	1.59%	2 610 818	0.85%
NORDNET LIVSFORSIKRING AS	3 318 520	1.07%	-	0.00%
BRETTEL INVEST AS	3 145 000	1.02%	-	0.00%
BRØNMO, BJARTE	3 136 855	1.02%	-	0.00%
SOTRA KRAN AS	2 754 062	0.89%	-	0.00%
DRAGESUND INVEST AS	2 360 000	0.76%	2 360 000	0.77%
HOLDEN, JIM ØYSTEIN	2 334 747	0.76%	2 004 885	0.65%
SWEDBANK AB	2 157 497	0.70%	-	0.00%
MOLY AS	2 007 749	0.65%	-	0.00%
MOCO AS	1 984 419	0.64%	1 984 419	0.64%
EBB HOLDING AS	1 949 097	0.63%	-	0.00%
LAWO INVEST AS	1 857 377	0.60%	1 173 377	0.38%
DANSKE BANK A/S	1 842 725	0.60%	-	0.00%
BERGEN KOMMUNALE PENSJONSKASSE	1 800 000	0.58%	1 800 000	0.58%
DP HOLDING AS	1 633 517	0.53%	1 262 500	0.41%
SKANDINAViska ENSKILDA BANKEN AB	1 615 201	0.52%	1 612 201	0.52%
WORKINN, BJØRN ÅGE	1 200 000	0.39%	-	0.00%
Total	161 807 989	52.37%	175 017 012	56.87%
Other shareholders	147 154 790	47.63%	132 745 767	43.13%
Total	308 962 779	100.00%	307 762 779	100.00%

Shares controlled directly and indirectly by Board of Directors and Management	2020		2019	
	No of shares *)	Shareholding	No of shares	Shareholding
Board of Directors				
Hans Olav Lindal	Chairman from 28 May 2020	-	0.00%	
Helge Singelstad	Deputy Chairman	417 867	0.14%	417 867
Marianne Møgster	Board member	5 687 339	1.84%	5 684 577
Kathryn M. Baker	Board member	-	0.00%	-
Helge Møgster	Board member and Chairman until 28 May 2020	17 748 897	5.74%	17 755 805
Management group				
Mons S. Aase (Moco AS)	CEO	1 984 419	0.64%	1 984 419
Hilde Drønen (Djupedalen AS)	CFO	449 335	0.15%	449 335
Total		26 287 857	8.51%	26 292 003
				8.54%

Via Laco AS, the Møgster family, including Helge Møgster and Marianne Møgster, have direct and indirect control of 99,9975% of the shares in Møgster Offshore AS, the main shareholder in DOF ASA.

Management group

Mons S. Aase (Moco AS)	CEO	1 984 419	0.64%	1 984 419	0.64%
Hilde Drønen (Djupedalen AS)	CFO	449 335	0.15%	449 335	0.15%
Total		26 287 857	8.51%	26 292 003	8.54%

22 Non-controlling interest

Non-controlling interest represents external interest in subsidiaries and daughter subsidiaries.

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

	Other	2020	DOF Subsea AS *)	Other	2019
Ownership share of non-controlling interest			35%		
Non-controlling share of;					
Operating income	109	109	1 177	133	1 311
EBITDA	28	28	343	32	376
Depreciation and impairment	-66	-66	-397	-35	-432
Operating result	-39	-39	-53	-3	-56
Profit (loss) before taxes	-46	-46	-313	-17	-330
Taxes	-4	-4	-75	3	-72
Profit (loss) for the year	-49	-49	-388	-14	-402
Financial position					
Tangible assets	233	233	-	296	296
Financial assets	1	1	-	1	1
Non-current debt	1	1	-	5	5
Current portion of non-current debt	213	213	-	211	211
Changes in non-controlling interest;					
Non-controlling interest 1.1.	170	170	2 060	208	2 269
Non-controlling interest share of result	-49	-49	-388	-14	-402
Non-controlling interest share of result OCI	-	-	39	-	39
Dividends to non-controlling interest	-	-	-	-	-
IFRS 9 implementation effect	-	-	-	-	-
Reclassification	-	-	8	-25	-17
Reduced non-controlling interest	-6	-6	-1 720	-	-1 720
Non-controlling interest 31.12.	114	114	-	170	170

*) In November 2019, DOF ASA increased their share in DOF Subsea AS from 65% to 100%. Non-controlling interest share of the profit is related to the period January to October 2019. The reduced non-controlling interest is reflected in the equity at year-end 2019.

Please see note 32 for more information about the subsidiaries.

23 Interest bearing debt

Financing

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

The refinancing discussions have continued into 2020 and are still ongoing. Since 2nd quarter 2020 the Group has agreed standstill agreements (including waiver of financial covenants, interest payments and instalments) with its lenders. The current standstill agreements are applicable until the 30th of April 2021 with 91% of the secured lenders within the DOF ASA Group (excl. DOF Subsea Group) and 88% of the secured lenders within the DOF Subsea Group. The relevant Group companies have imposed unilateral standstill to the secured lenders not participating in the standstill agreements. The DOF Subsea standstill agreements further assume payment of principal and interest of a NOK 100 million extraordinary credit facility provided by certain lenders in March 2020. One of the DOF Subsea secured lenders has requested repayment of approximately USD 46 million and has enforced account pledge on the earnings account for the relevant vessel. Another secured lender has enforced account pledge for one loan facility in DOF Subsea.

The bondholders in DOFSUB07, DOFSUB08 and DOFSUB09 have further accepted a standstill until the 31st of March and an ad-hoc group of bondholders may extend the standstill until the 30th of June. By March the ad-hoc group has approved an extension of the standstill until 30th of April.

During 1st quarter 2020 the Group signed a 4-year restructuring agreement with BNDES for the two Brazilian subsidiaries including soft amortisation until end 2023. Due to several disruptive events in 1st quarter, and as part of a governmental package in Brazil, standstill agreements for the period from July until December were agreed with BNDES for the majority of the facilities in Norskan Offshore Ltda. and one facility in DOF Subsea Brasil Ltda. The standstill agreements have in January been extended until June 2021.

The Group will continue the dialogue with its creditors to secure a long-term financial solution for the Group. Various debt restructuring proposals have been discussed with the secured lenders and the bondholders. The proposals include comprehensive restructuring of the Group's balance sheet, including conversion of debt.

The Group's secured and unsecured debt are, in accordance with IFRS, classified as current debt at the 31st of December 2020. The classification is based on the Group's financial situation and standstill agreements of debt service with the banks and bondholders.

Bond loans

The subsidiary DOF Subsea AS has three bond loans outstanding, DOFSUB07 (13/20), DOFSUB08 (17/22) and DOFSUB09 (18/23), which mature in 2020, 2022, and 2023. The trustee on behalf of the bondholders is Nordic Trustee ASA. Interest rates are both floating and fixed, and the bonds are unsecured. As summarised above these bond loans are part of the Group's debt restructuring.

Convertible bond DOF ASA

DOF ASA has a 5-year convertible bond with zero coupon and no financial covenants; DOF12 (DOF ASA 16/21 0% SUB CONV). The bond loan is classified as other equity, and the bondholders may convert their bonds to shares at NOK 10 per share through the tenor of the loan. On the final maturity date on 6th of July 2021 the remaining bonds will be converted to shares. The initial value of the bond loan was NOK 1,032.5 million and outstanding by 31.12.2020 is approximately NOK 75 million.

Liabilities to credit institutions

The main share of the Group's fleet is financed via mortgaged loans. A set of covenants has been established for the mortgaged loans in the DOF Group and the DOF Subsea Group.

As part of the current standstill agreement the following financial covenants have been waived in DOF ASA per 31.12.2020:

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

Other main financial covenants in DOF ASA are the following:

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

As part of the current standstill agreement the following financial covenants have been waived in DOF Subsea AS per 31.12.2020 (the covenants are based on proportionate method of accounting for joint ventures):

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

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

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

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

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

23 Interest bearing debt (continued)

Non current interest bearing liabilities	Note	2020	2019
Bond loans		-	-
Debt to credit institutions		-	3 994
Lease liabilities		301	370
Total non current interest bearing liabilities	301	4 363	
Current interest bearing liabilities			
Bond loans		2 554	2 589
Debt to credit institutions		15 305	11 291
Lease liabilities		94	91
Overdraft facilities		1	78
Total current interest bearing liabilities		17 954	14 050
Total non-current and current interest bearing liabilities		18 255	18 414
Other interest bearing assets non-current (sublease IFRS 16)		89	131
Cash and cash equivalents		19	1 880
Net Interest-bearing debt		16 286	16 888
Average rate of interest		5.00%	5.22%

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

Interest-bearing liabilities, divided by currency:	2020			2019		
	Currency	NOK	Ratio %	Currency	NOK	Ratio %
USD	1 267	10 671	58%	1 074	9 443	52%
NOK	7 184	7 184	39%	8 075	8 075	45%
CAD	58	388	2%	57	383	2%
BRL	7	12	0%	44	97	1%
Total		18 255	100%		17 998	100%

Changes in the interest bearing liabilities

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

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

*) Restricted cash of NOK 145 million has been presented net of debt to credit institutions and are included in the repayments of debt in the cash flow statement. See note 20 'Cash and cash equivalents'.

2019	Balance 31.12.2018	Cash flows	Non-cash changes					Balance 31.12.2019
			Implementation IFRS 16 Leases	Proceeds lease debt	Amortised loan expenses	Currency adjustment		
Interest bearing liabilities								
Bond loans	2 580				-5	14	2 589	
Debt to credit institutions	16 382	-1 339		87	21	134	15 285	
Lease liabilities		-84	525	15		5	461	
Overdraft facilities	59	20				-1	78	
Total current interest bearing liabilities	19 021	-1 403	525	102	16	152	18 414	

23 Interest bearing debt (continued)

	2020	2019
Liabilities secured by mortgage		
Debt to credit institutions	14 658	15 059
Total liabilities	14 658	15 059
Assets provided as security		
Tangible assets	12 151	17 004
Receivable (non-current and current)	320	-
Investment in subsidiary/Net asset pledged consolidated *)	-	-
Total assets provided as security	12 471	17 004

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

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

Fair value of non-current loans

The fair value of the Company's bond loan at 31.12.2020 was as follows:

Loan	Due date *)	Coupon rate	Price *) 31.12.2020	Outstanding amount 31.12.2020	Initial amount 31.12.2020	Price *) 31.12.2019	Outstanding amount 31.12.2019	Initial amount 31.12.2019
DOFSUB07	31.03.2021	7.35%	20.25	467	1 300	67.50	467	1 300
DOFSUB08	14.03.2022	9.50%	20.25	1 255	1 489	80.38	1 292	1 489
DOFSUB09	27.11.2023	8.37%	25.00	840	900	75.50	840	900
Total				2 563	3 689		2 599	3 689

*) Price at par price.

**) DOFSUB07 due date has been extended to end of the standstill period.

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

Lease liabilities

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

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

	2021	2022	2023	2024	2025	Subsequent	Total
Lease liabilities - related to ROV and IT equipment	178						178
Lease liabilities - right-of-use assets and sub-lease	94	86	43	37	34	100	395
Total	272	86	43	37	34	100	572

24 Other non-current liabilities

	Note	2020	2019
Pension		4	24
Derivatives	27	-	5
Deferred tax	11	57	-
Other non-current liabilities		-	4
Total		62	33

25 Trade payables

	2020	2019
Trade payables	675	759
Total	675	759

Trade payable has the following currency split:

	2020			2019		
	Currency	NOK	Ratio %	Currency	NOK	Ratio %
USD	28	237	35%	25	218	29%
NOK		141	21%		154	20%
BRL	100	165	24%	105	229	30%
AUD	5	34	5%	5	34	4%
GBP	4	49	7%	7	83	11%
Other currencies	-	50	7%	-	40	5%
Total		675	100%		759	100%

26 Other current liabilities

	Note	2020	2019
Public duties payable		123	121
Tax payables		81	67
Prepayments from customers		5	5
Fair value forward contracts	27	48	23
Accruals guarantee related to joint ventures		-	188
Other current liabilities		294	257
Total		551	660

27 Hedging activities

Derivatives

As of the 31st of December 2020, the Group has interest rate swaps that are utilised to manage interest rate risk by converting from floating to fixed interest rates. The Group has not applied hedge accounting for any of the interest rate swap agreements entered into in 2020.

The table below displays the fair value of derivative financial instruments as of 31st of December 2020.

Measurement level	2020		2019	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps	2	-	48	25
Foreign exchange contracts	2	-	-	23
Total		-	48	48
Non-current portion				
Interest rate swaps	2	-	-	25
Foreign exchange contracts	2	-	-	-
Non-current portion		-	25	4
Current portion		-	48	23

Derivatives are classified as a current asset or liability if not designated as a hedge instruments. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months. As of the 31st of December 2020, all hedges are classified as current due to the ongoing debt restructuring.

Measurements of financial instruments

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

Total measurement level 1

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

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

Total measurement level 2

Quoted techniques for which all inputs which have significant effect on the recorded fair value are observable, directly and indirectly.

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

Total measurement level 3

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

27 Hedging activities (continued)

Interest rate derivatives

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

Instrument	Fixed rate	Floating rate	Notional amount	Effective from	Maturity date
31.12.2020					
Interest rate swaps - NOK	0.85% - 1.92%	Nibor 3m - 6m	2 926	2016-2018	2021-2023
31.12.2019					
Interest rate swaps - NOK	0.85% - 2.98%	Nibor 3m - 6m	4 413	2014-2018	2020-2023

Foreign exchange derivatives

Instrument	Committed	Amount	Remaining term to maturity
31.12.2020			
As of 31.12 the Group did not have any foreign exchange rate derivatives.			
31.12.2019			
Foreign exchange contracts	NOK/EUR	500	< 1 year
Foreign exchange contracts	NOK/USD	1 132	< 1 year
Foreign exchange contracts	USD/NOK	146	< 1 year

Hedge accounting

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

In 2020 NOK 59 million has been circulated to the profit or loss. Remaining hedge recognised as other comprehensive income in the equity at 31st of December 2020 amounts to NOK -139 million.

	Effective portion of cash flow hedges recognised in other comprehensive income	Gains (losses) reclassified from accumulated other comprehensive income to income statement	
		2020	2019
Non-derivative financial instruments, pre-tax	-	-656	-188

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

	2021	2022	2023	2024	After
Non-derivative financial instruments, pre-tax	44	23	21	20	30

28 Financial assets and liabilities: Information on the balance sheet

This note gives an overview of the carrying and fair value of the Group's financial instruments and the accounting treatment of these instruments. The table is the basis for further information regarding the Group's financial risk. The table also shows the level of objectivity in the measurement hierarchy of each method of measuring the fair value of the Group's financial instruments.

31.12.2020	Financial instruments at fair value through profit or loss	Financial instruments measured at amortised cost	Total	Of this included interest bearing debt	Fair value
Assets					
Non-current derivatives	-	-	-	-	-
Other non-current receivables		26	26		26
Current derivatives	-	-	-	-	-
Trade receivable and other current receivables		1 410	1 410		1 410
Restricted deposits		183	183	183	183
Cash and cash equivalents		1 697	1 697	1 697	1 697
Total financial assets	-	3 316	3 316	1 880	3 316
Liabilities					
Non-current bond loans, debt to credit institution and lease debt		301	301	301	301
Current bond loans and debt to credit institution		18 301	18 301	17 954	16 298
Non-current derivatives	-	-	-	-	-
Other non-current derivatives	-	57	57		57
Current derivatives	48	-	48		48
Trade payable and other current liabilities		969	969		969
Total financial liabilities	48	19 629	19 677	18 255	17 673
Total financial instruments	-48	-16 313	-16 360	-16 375	-14 357
31.12.2019	Financial instruments at fair value through profit or loss	Financial instruments measured at amortised cost	Total	Of this included interest bearing debt	Fair value
Assets					
Non-current derivatives	25	-	25		25
Non-current receivables	-	101	101		101
Current derivatives	23	-	23		23
Trade receivable and other current receivables		1 539	1 539		1 539
Restricted deposits		216	216	216	216
Cash and cash equivalents		1 179	1 179	1 179	1 179
Total financial assets	48	3 035	3 083	1 395	3 083
Liabilities					
Non-current bond loans and debt to credit institution		4 363	4 363	4 363	4 363
Current bond loans and debt to credit institution		14 198	14 198	14 050	13 587
Non-current derivatives	5	-	5		5
Other non-current liabilities		4	4		4
Current derivatives	23	-	23		23
Trade payable and other current liabilities		1 204	1 204		1 204
Total financial liabilities	28	19 769	19 796	18 414	19 185
Total financial instruments	21	-16 734	-16 713	-17 019	-16 102

Prepayments and non-financial liabilities are excluded from the disclosures above.

The following of the Group's financial instruments are measured at amortised cost: cash and cash equivalents, trade receivables, other current receivables, overdraft facilities and all interest bearing debt.

The carrying amount of cash and cash equivalents and overdraft facilities is approximately equal to fair value since these instruments have a short term to maturity. Similarly, the carrying amount of trade receivables and trade payables is approximately equal to fair value since they are entered into at standard terms and conditions.

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

29 Guarantee

The Group has commitments to clients to ensure proper performance under contracts. These commitments are mainly parent company guarantees from DOF Subsea AS on behalf of subsidiaries or counter guarantees in favor of banks for the issuance of bank guarantees and performance bonds. The guarantees are limited to fulfillment of the contract and are released after delivery of the project. In some cases, this is followed by a warranty period. Normally this warranty period will have duration of 12-24 months and will only be for a portion of the initial guarantee amount.

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

The Group has guarantee commitments on behalf of non-consolidated companies as per 31.12.2020:

- DOFCOM Brasil Group (50% owned): Guarantees in favor of credit institutions in the total amount of USD 467 million.
- Iceman AS (34.5% owned): Guarantee in favor of credit institutions in the total amount NOK 427 million. 50% of the commitment is counter guaranteed by Vard Group. A long-term refinancing solution is currently discussed with the Iceman lenders.

DOF Deepwater (DDW)

The Company, Akastor ASA and the secured lenders agreed a debt restructuring of DDW in October 2020. As part of the agreement, Akastor acquired the Company's shares in DDW at zero cost. Akastor has further waived any recourse claims against the Company related to the guarantee commitments in DDW. The Company's remaining guarantee commitment amounts to NOK 522 million, representing 50% of the DDW debt, will be part of the Group's debt restructuring. The debt is reported as debt to financial institutions in the balance sheet.

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

30 Related parties

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

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

Long-term agreements:

Møgster Offshore AS owns 32.37% of the shares in DOF ASA. Laco AS is the main shareholder of Møgster Offshore AS.

Møgster Management AS provides administrative shared services to DOF ASA. Møgster Management AS is owned by Laco AS. Total administrative fee for 2020 is NOK 3 million (NOK 6 million).

Austevoll Eiendom AS is a subsidiary of Austevoll Seafood ASA, which in turn is a subsidiary of Laco AS. DOF Management AS and Marin IT AS leases premises from Austevoll Eiendom AS. Total leases premises in 2020 are NOK 5 million (NOK 5 million).

Individual transactions:

Group

The Group has used the shipyard Fitjar Mekaniske Verksted AS to do maintenance and repairs on the vessels. Total costs in 2020 are NOK 1.2 million (NOK 9.6 million) and was at market terms. In addition the Group has paid NOK 1.2 million (NOK 2.8 million) for rent of quay from Brdr Birkeland AS. Both companies are part of the Laco AS Group.

Loans to joint ventures

Loans to joint ventures DOFCOM Brasil Group and DOF Iceman AS are booked at NOK 320 million (NOK 571 million) per year-end. For further information on joint ventures see note 33.

Guarantee

DOF ASA has issued a guarantee in the maximum amount of NOK 427 million on behalf of Iceman AS in favor of DNB ASA. Guarantee income in 2020 was NOK 3.1 million (NOK 3.6 million). Iceman AS is owned with 40% by DOF Iceman AS. DOF ASA and Vard Group ASA are owners with 50% each in DOF Iceman AS, and Vard has issued a counter-guarantee for 50% of the amount. In addition DOF ASA owns 14.5% in Iceman AS.

31 Remuneration to executives, Board of Directors and auditor

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

Amount in TNOK	Year 2020			Year 2019		
	CEO	CFO	Total	CEO	CFO	Total
Salary incl bonus	6 430	3 830	10 260	7 246	4 525	11 771
Pension premium	231	274	505	264	337	601
Other remuneration	21	107	128	188	127	316
Total	6 681	4 212	10 893	7 699	4 989	12 688

CEO = Mons Aase, CFO = Hilde Drønen

The CEO has the right to a bonus payment of 0.5% of the Group's annual result. In addition the CEO can be granted a discretionary bonus. The term of notice for the CEO is 6 months. If the CEO resigns from his position, he has the right to an extra compensation corresponding to 12 months' salary. Retirement age is 67 years with a pension of up to 70% of salary (12 times the National Insurance base amount) upon retirement.

In addition, the executive vice president (EVP) in DOF Subsea is entitled to a bonus based on the result of DOF Subsea and personal performance.

A loan of NOK 2.5 million has been given to each of the CEO and the EVP in DOF Subsea. The annual interest on the loans is 2%. The loan to the EVP in DOF Subsea is to be settled in 2021 and the loan to the CEO is to be settled in 2022. There is sufficient security related to the loans.

Board fees granted on the General annual meeting as of 28th of May 2020 totalled NOK 1,500,000 (NOK 1,500,000) and comprises NOK 300,000 (NOK 300,000) to the Chairman of the Board and NOK 300,000 (NOK 300,000) each to the board members. Compensation for meetings have been paid to the Audit Committee (NOK 133,330) and the Election Committee (NOK 75,000). In addition, the Chairman Hans Olav Lindal has invoiced for hour spend, in total NOK 1,223,552.

Specification of auditor's fee (amount in TNOK):	2020	2019
Audit	11 228	9 528
Fee for other confirmatory services	166	340
Tax consultation	561	540
Fee for other services	22	170
Total	11 976	10 578

All amounts in the table are excl VAT.

Guidelines for determination of salary and other remuneration to the CEO and senior employees of DOF in 2020

The guiding principle of DOF ASA's senior management salary policy is to offer senior employees terms of employment that are competitive in relation to salary, benefits in kind, bonus and pension scheme, taken together. The company shall offer a salary level that is comparable with corresponding companies and activities, and taking account of the Company's need to have well qualified personnel at all levels.

The determination of salary and other remuneration to senior employees at any given time shall be in accordance with the above guiding principle.

Senior employees shall only receive remuneration in addition to the basic salary in the form of a bonus. The amount of any bonus to the CEO shall be approved by the Board. The bonus to other senior employees shall be set by the CEO in consultation with the Chairman of the Board.

DOF ASA has no schemes for the allocation of options for the purchase of shares in the Company.

The senior employees are members of the Company's Group pension schemes which guarantee pension benefits not exceeding 12 times the national insurance base amount per year.

Senior employees have agreements whereby they are entitled to a free car and free business telephone. Apart from this, there are no other benefits in kind.

Where the employment of senior employees is terminated by the Company, they have no agreements entitling them to severance pay except for salary in the period of notice for the number of months provided for in the Working Environment Act. The contract of employment of 2005 for the CEO contains provisions providing for severance pay.

32 Companies within the Group

Investments in subsidiaries	Owner	Registered office	Nationality	Ownership and voting share
DOF Subsea AS	DOF ASA	Bergen	Norway	100%
DOF Rederi AS	DOF ASA	Austevoll	Norway	100%
DOF UK Ltd	DOF ASA	Aberdeen	UK	100%
Norskan AS	DOF ASA	Austevoll	Norway	100%
DOF Management AS	DOF ASA/DOF Subsea AS	Austevoll	Norway	100%
Marin IT AS	DOF ASA/DOF Subsea AS	Austevoll	Norway	75%
DOF Subsea Chartering AS	DOF Subsea AS	Bergen	Norway	100%
DOF Subsea Rederi AS	DOF Subsea AS	Bergen	Norway	100%
DOF Subsea Rederi III AS	DOF Subsea AS	Bergen	Norway	100%
DOF Subsea Norway AS	DOF Subsea Atlantic AS	Bergen	Norway	100%
DOF Subsea Norway Offshore AS	DOF Subsea Atlantic AS	Bergen	Norway	100%
DOF Subsea Atlantic AS	DOF Subsea AS	Bergen	Norway	100%
DOF Subsea ROV AS	DOF Subsea AS	Bergen	Norway	100%
DOF Installer ASA	DOF Subsea AS	Austevoll	Norway	84.9%
DOF Subsea US Inc	DOF Subsea AS	Houston	US	100%
DOF Subsea Brasil Servicos Ltda	DOF Subsea AS	Macaé	Brazil	100%
DOF Subsea UK Ltd	DOF Subsea Atlantic AS	Aberdeen	UK	100%
DOF Subsea Ghana Ltd	DOF Subsea UK Ltd.	Accra	Ghana	49%
DOF Subsea Angola Lda	DOF Subsea AS	Luanda	Angola	100%
DOF Subsea Asia-Pacific Pte. Ltd.	DOF Subsea AS	Singapore	Singapore	100%
PT DOF Subsea Indonesia	DOF Subsea Asia-Pacific Pte Ltd	Jakarta	Indonesia	95%
DOF Subsea Australia Pty.	DOF Subsea Asia-Pacific Pte Ltd	Perth	Australia	100%
DOF Subsea Labuan (L) Bhd	DOF Subsea Asia-Pacific Pte Ltd	Labuan	Malaysia	100%
DOF Subsea Malaysia Sdn Bhd	DOF Subsea Asia-Pacific Pte Ltd	Kuala Lumpur	Malaysia	100%
DOF Subsea Offshore Services Pte Ltd	DOF Subsea Asia-Pacific Pte Ltd	Singapore	Singapore	100%
DOF Subsea Asia-Pacific Pte. Ltd, Philippine Branch	DOF Subsea Asia-Pacific Pte Ltd	Muntinlupa City	Philippines	100%
Mashoor DOF Subsea Sdn	DOF Subsea Australian Pty.	Negara Brunei	Darussalam	50%
DOF Subsea Canada Corp	DOF Subsea US Inc.	St. Johns	Canada	100%
Norskan Offshore SA	Norskan AS	Rio	Brazil	100%
Norskan Offshore Ltda.	Norskan Offshore SA	Rio	Brazil	100%
DOF Argentina	DOF Management AS	Buenos Aires	Argentina	95%
DOF Sjø AS	DOF Management AS	Austevoll	Norway	100%
DOF Management Pte.	DOF Management AS	Singapore	Singapore	100%
DOF Management Australia Pty	DOF Management AS	Perth	Australia	100%
DOF Management Egypt Branch	DOF Management AS	Cairo	Egypt	100%
DOF Offshore India Private Ltd	DOF ASA	Mumbai	India	100%
DOF Subsea Congo SA	DOF ASA /DOF Subsea AS	Pointe-Noire	Congo	100%

33 Investments in jointly controlled companies and associated companies

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

Reclassified due to guarantee, ref. note 29.

2019	DOFCON Brasil Group	DOF Deepwater AS	Associates	Total
Booked value of investments 01.01.	1 479	-	68	1 547
Addition	-	-	4	4
Profit (loss) for the period *)	226	-124	-50	52
Other comprehensive income	66	-	-	66
Dividend	-	-	-2	-2
Reclassified as impairment on receivables	-	62	15	76
Reclassified as liabilities *)	-	62	-	62
Booked value of investments 31.12.	1 772	-	34	1 806

Reclassified due to guarantee, ref. note 29.

Name of entity	Place of business/country of incorporation	% of ownership interest	Nature of the relationship	Measurement method
DOFCON Brasil Group	Norway	50%	Note 1	Equity
DOF Deepwater AS (changed name to DOF Deepwater AS)	Norway	0%	Note 2	Equity
DOF Iceman AS (owner of 40% in Iceman AS)	Norway	50%	Note 3	Equity
Iceman AS	Norway	14.5%	Note 3	Equity
Skandi Aukra AS	Norway	34%	Note 3	Equity
Master & Commander	Norway	20%	Note 3	Equity
Semar AS	Norway	42.3%	Note 3	Equity

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

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

DOFCON Navegação Ltda applied from 2013 hedge accounting related to foreign exchange risk on the portion of the company's highly probable revenue in USD by using the company's debt in USD. As of January 2017 DOFCON Navegação Ltda, changed its functional currency from BRL to USD. The change in the functional currency extinguished the foreign exchange risk that, consequently, resulted in the prospective discontinuation of the cash flow hedge accounting.

The accumulated hedge reserves held in other comprehensive income was converted by use of exchange rate as of 1st of January 2017. The Group's share of the equity 1st of January 2017 was NOK -333 million. The recycling of the accumulated hedge reserve to the consolidated statements of comprehensive income in 2020 is NOK 56 million (NOK 58 million). The cost is included in the Share of net income from associates and joint ventures.

The Group has guarantee commitments on behalf of DOFCON Brasil Group (50% owned). The guarantees are in favor of credit institutions in the total amount of USD 467 million.

Note 2 DOF Deepwater AS (changes name to DDW Offshore AS) owns five AHTS vessels.

The Company, Akastor ASA and the secured lenders agreed a debt restructuring of DDW in October 2020. As part of the agreement, Akastor acquired the Company's shares in DDW at zero cost. Akastor has further waived any recourse claims against the Company related to the guarantee commitments in DDW. The Company's remaining guarantee commitment amounts to NOK 522 million, representing 50% of the DDW debt, will be part of the Group's debt restructuring.

Note 3 a) DOF Iceman is owned by DOF ASA and Vard Group ASA where each part owns 50% each of the liable capital. DOF Iceman AS owns 40% in Iceman IS. In addition DOF ASA owns 14.5% in Iceman AS. The Group has guarantee commitments on behalf of Iceman AS. The guarantee is in favour of credit institutions in the total amount of NOK 427 million. 50% of the commitment is counter guaranteed by Vard Group. See note 29 for further information.
 b) Skandi Aukra AS; DOF ASA is shareholder with 34.25%.
 c) Master and Commander AS; DOF Subsea AS is shareholders with 20%.
 d) Semar AS; DOF Subsea AS is shareholders with 42.3%.
 e) DOF OSM Services AS; DOF Management AS has sold its 50% shares in 2020.

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

Jointly controlled companies

	DOFCON Brasil Group	DOF Deepwater AS	DOFCON Brasil Group	DOF Deepwater AS
	2020	2020	2019	2019
Profit or Loss and other comprehensive income				
Operating revenue	2 711	116	2 403	166
Operating costs	-453	-129	-464	-192
Operating result before depreciation (EBITDA)	2 258	-13	1 939	-26
Depreciation	-460	-21	-399	-49
Impairment	-241	-571	-437	-98
Operating result (EBIT)	1 557	-605	1 103	-174
Net financial result	-581	-120	-599	-74
Profit (loss) before tax	976	-725	504	-248
Tax income (expenses)	229	-	40	-
Profit (loss) for the year	1 206	-725	544	-248
Other comprehensive income, net of tax	-93	-	131	-
Total comprehensive income, net of tax	1 112	-725	675	-248
 Balance sheet	 31.12.2020	 31.12.2020	 31.12.2019	 31.12.2019
Tangible assets	11 627	-	12 483	592
Deferred tax assets	696	-	373	-
Total non-current assets	12 323	-	12 856	592
Current receivables	560	-	433	106
Cash and cash equivalents	904	-	606	32
Total current assets	1 464	-	1 039	139
Total assets	13 787	-	13 895	731
 Total equity	 4 657	 -	 3 544	 -551
Non-current liabilities	7 426	-	8 701	195
Current liabilities	1 704	-	1 650	1 087
Total liabilities	9 130	-	10 351	1 282
Total equity and liabilities	13 787	-	13 895	731
 DOFCON Brasil Group	 DOF Deepwater AS		 DOFCON Brasil Group	 DOF Deepwater AS
 Reconciliation of summarised financial information	 31.12.2020	 31.12.2020	 31.12.2019	 31.12.2019
Group's interest in the joint venture at 50%	2 328	-	1 772	-275
Negative equity recognised				275
Group's carrying amount of the investment	2 328	-	1 772	-

Financial statements of the joint ventures are not audited at the Group reporting date. Figures above are consolidated with use of the equity method in the DOF Group.

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

Associated companies

	Master and Commander AS	DOF Iceman AS	Skandi Aukra AS	DOF OSM Marine Services AS	Semar AS	Total
Carrying amount 01.01.2020	30	-	3	1	-	34
Additions/disposals	-	-	-	-	6	6
Share of result	-30	-37	-1	-1	-	-69
Dividend	-	-	-	-	-	-
Reclassified to non-current receivables and liabilities	-	37	-	-	-	37
Carrying amount 31.12.2020	-	-	1	-	6	7
Carrying amount 01.01.2019	57	2	4	3	-	68
Additions/disposals	-	4	-	-	-	4
Share of result	-28	-21	-1	-	-	-50
Dividend	-	-	-	-2	-	-2
Reclassified to non-current receivables and liabilities	-	15	-	-	-	15
Carrying amount 31.12.2019	30	-	3	1	-	34

Summarise financial information for associates (100%):

Name	Registered office	Ownership	Assets	Liabilities	Turnover	Result
2020						
Master and Commander AS	Oslo	20.0%	-	-	-	-150
Iceman AS	Oslo	34.5%	432	434	75	-97
Skandi Aukra AS	Oslo	34.25%	117	108	21	-4
Semar AS	Lysaker	42.3%	22	10	-	-
2019						
Master and Commander AS	Oslo	20.0%	150	0	23	-140
Iceman AS	Oslo	34.5%	513	417	80	-53
Skandi Aukra AS	Oslo	34.25%	121	109	33	-1

On the consolidated accounts, jointly controlled companies and associated companies are recognised according to the equity method.

34 Significant acquisitions in the year

2020 Transactions

The Group has not had any significant acquisitions in 2020.

2019 Transactions

In November, the Company entered into a share purchase agreement with two companies controlled by First Reserve to purchase their 35.1% stake in DOF Subsea AS. The purchase price was NOK 20 million. Upon completion of this acquisition, DOF ASA is the sole shareholder of DOF Subsea AS.

35 Contingencies

The Group and its subsidiaries are involved in one ongoing court case as of the 31st of December 2020 related to dive campaign in Australia.

Tax assessment

In 2014, the Brazilian Federal Revenue issued a Tax Assessment Notice against DOF Subsea Brasil Ltda (the Company). The basis for the Tax Assessment Notice were loans given by the Parent Company was deemed to be taxable revenue for the Company. The Tax Assessment Notice was disputed, but on the 7th of February 2019, the court of first instance in Macae ruled against the Company. Estimated amount of the claim is approximately BRL 29.5 million (NOK 48 million) plus interest and charges. On the 13th of February 2019, the Company filed a clarification appeal before the same court. The Company considers it probable that the final verdict will reach the same conclusion as the Company, hence no provision related to the dispute is included in Group's accounts as of 31st of December 2019. However, DOF Subsea has provided security for the tax claim and the amount is included in restricted cash.

In addition the Group has in the period from 2009 until 2020 received notices of assessment of customs penalty from the Brazilian Tax Authorities regarding importation of vessel and equipment to Brazil. The Group has disputed the assessments and based on legal opinions from a reputable law firm decided not to make a provision in the accounts for 2020 related to these penalty assessments, as the Group considers the risk of negative outcomes to be lower than 50%.

In total the Group has exposures due to ongoing tax audit of approximately NOK 400 million (whereof NOK 40 million related to JV) at year-end 2020.

Dive campaign

After a saturation dive campaign in Australia in 2017, some of the divers have been diagnosed with potential long-term health effects with various symptoms. The situation continues to be monitored, and the Group has engaged a team of globally recognised experts and has offered specialist medical support to the divers. The incident has been under investigation by NOPSEMA since 2018 and the Group has in Q2 2020 received a Prosecution Notice as a result of NOPSEMA's investigation. The Group has engaged an external law firm to act on behalf of the Group for the defense of the charges by the prosecutor. Based on facts and circumstances it is the Group's view that it is more likely than not that there will be no future cash outflow related to the dive campaign in 2017. No provision related to the dive campaign is included in DOF Subsea Group's accounts as of 31st of December 2020. There is always a risk that changes in interpretation of facts and circumstances will be to the detriment of the Group. Such changes might result in future cash outflow for the Group.

36 Subsequent events

New contracts

Skandi Kvitsøy has been awarded a long term contract in the North Sea by a multinational energy company. The charter contract will commence in 1st quarter 2021 for a duration of 1 year firm plus 2 x 1 year options.

The DOF Group has been awarded three term contracts. The first award, commencing in April, is the charter of large modern PSV Skandi Gamma to Ithaca Energy (UK) Limited for a period of 2 years firm, plus 2 x 1 year options. In addition, the DOF Group has secured contracts for two large PSV's with an International Contractor, to support pipehaul operations in Guyana in 2021 and 2022. The 2021 Campaign is expected to commence in early Q3, and the award secures a backlog of at least 150 days in 2021, and 270 days in 2022.

36 Subsequent events (continued)

Vessels

Skandi Buchan and Skandi Texel have been sold in 2021. Skandi Buchan was delivered to new owner in January and Skandi Texel was delivered to new owner in March.

Financing

On the 29th of January the Group agreed to extend the standstill agreements with the secured lenders representing in total 91% of the secured debt of DOF ASA and its subsidiaries and in total 88% of the secured debt of companies within the DOF Subsea Group (excluding the DOFCON JV and DOF Subsea Brasil Servicos Ltda).

The stand-still from BNDES to Norskan Offshore Ltda. has in January been extended to the 10th of June 2021, except in respect of certain loan facilities which are not eligible for further stand-still periods as the maximum stand-still periods under applicable regulations have been exhausted. As part of the standstill agreements the other secured lenders have accepted that Norskan Offshore Ltda. services interest and amortisations under these facilities.

In a bondholder meeting on the 1st of February a proposal to extend the standstill period until the 31st of March received 99.17%, 100% and 100% of the votes in DOFSUB07, DOFSUB08, and DOFSUB09. The approval includes that the ad-hoc group of bondholders has the option to extend the standstill period until the 30th of June 2021. By March the ad-hoc group has approved an extension of the standstill until 30th of April 2021.

Financing

With reference to Oslo Rulebook II – Issuers Rules section 2.10.3 Oslo Børs may decide to allocate a security to the Penalty Bench if the Issuer fails to comply with the Rules. Oslo Børs has decided to allocate DOF ASA, ISIN: NO0010070063 to Penalty Bench as the Issuer is in breach of Oslo Rule Book II section 4.1 regarding minimum market value of NOK 1 per share.

37 Foreign exchange rates

DOF ASA bases its accounting on the reference exchange rates applied by Norges Bank.

As of 31.12, the following exchange rates were applied:

Reconciliation of lease commitments to lease liabilities	2020	2019
US Dollar	8.5326	8.7803
Euro	10.4703	9.8638
GBP	11.6462	11.5936
Brazilian Real	1.6428	2.1843
CAD Dollar	6.6976	6.7570
AUD Dollar	6.5868	6.1668
Singapore dollar, SGD	6.4560	6.5276

Financial Statements DOF ASA

Statement of Profit or Loss

Amounts in NOK million	Note	2020	2019
Operating revenue	2	53	29
Payroll expenses	3	-22	-23
Other operating expenses	4,17,19	-29	-40
Gain on sale of tangible assets	7	-	-
Operating expenses		-51	-63
Operating profit (loss) before depreciation - EBITDA		2	-34
Depreciation	7	-1	-
Impairment	7	-	-
Operating profit - EBIT		1	-34
Finance income	5	46	52
Finance costs	5	-2 639	-2 875
Realised currency gain (loss)	5	-21	-3
Unrealised currency gain (loss)	5	24	5
Net change in unrealised gain/loss on derivatives	5	-	8
Net financial items		-2 590	-2 814
Profit (loss) before taxes		-2 589	-2 848
Tax income (expense)	6	-	-29
Profit (loss) for the year		-2 589	-2 878

Statement of Comprehensive Income

Amounts in NOK million	Note	2020	2019
Profit (loss) for the year		-2 589	-2 878
Other comprehensive income, net of tax			
Defined benefit plan actuarial gains (losses)		-1	-
Other comprehensive income, net of tax		-1	-
Total comprehensive income for the year		-2 589	-2 878

Statement of Balance Sheet

Amounts in NOK million	Note	31.12.2020	31.12.2019
Assets			
Tangible assets	7	5	2
Deferred taxes	6	-	-
Investments in subsidiaries	5,8	3 638	3 656
Investments in joint ventures and associated companies	5,9	6	21
Intragroup non-current receivables	16,19	-	22
<u>Other non-current receivables and investments</u>	<u>10,16</u>	<u>7</u>	<u>55</u>
Total non-current assets		3 656	3 757
Trade receivable	11,16	37	8
Other current assets	12,16	22	13
Current assets		60	21
Restricted deposits		3	1
Cash and cash equivalents		82	177
Cash and cash equivalents included restricted deposits	13,16	85	178
Total current assets		145	199
Total assets		3 800	3 956

Statement of Balance Sheet

Amounts in NOK million	Note	31.12.2020	31.12.2019
Equity and liabilities			
Share capital		309	308
Share premium		139	2 844
Other equity		75	87
Equity		522	3 238
Other non-current liabilities	3	3	2
Non-current liabilities			
Current debt to credit institutions	14,16	813	298
Trade payable	16	5	4
Debt to Group companies	14,16,18	237	202
Debt related to guarantees	18	2 215	188
Other current liabilities	15,16	6	24
Current liabilities		3 275	715
Total liabilities		3 278	717
Total equity and liabilities		3 800	3 956

Storebø, 7th of April 2021
The Board of Directors for DOF ASA



Hans Olav Lindal
Chairman



Helge Singelstad
Deputy Chairman



Kathryn M. Baker
Director



Marianne Møgster
Director



Mons S. Aase
CEO

Statement of Changes in Equity

Amounts in NOK million	Share capital	Share premium	Paid-in equity	Other contributed capital	Retained earnings	Other equity	Total equity
Balance at 01.01.2020	308	2 844	3 152	87	-	87	3 238
Group contribution		-127	-127			-	-127
Adjusted balance at 01.01.2020	308	2 717	3 025	87	-	87	3 112
Profit (loss) for the year		-2 589	-2 589		-	-	-2 589
Other comprehensive income net of tax		-1			-	-	-1
Total comprehensive income for the year	-	-2 589	-2 589	-	-	-	-2 589
Converted bond	1	11	12	-12	-	-12	-
Total transactions with owners	1	11	12	-12	-	-12	-
Balance at 31.12.2020	309	139	448	75	-	75	522
Balance at 01.01.2019	1 466	2 172	3 638	232	2 246	2 478	6 116
Profit (loss) for the year		-632	-632		-2 246	-2 246	-2 878
Other comprehensive income net of tax					-	-	-
Total comprehensive income for the year	-	-632	-632	-	-2 246	-2 246	-2 878
Share capital reduction	-1 204	1 204	-	-	-	-	-
Converted bond	45	100	145	-145	-	-145	-
Total transactions with owners	-1 158	1 304	145	-145	-	-145	-
Balance at 31.12.2019	308	2 844	3 152	87	-	87	3 238

Statement of Cash Flows

Amounts in NOK million	Note	2020	2019
Operating profit		1	-34
Depreciation and impairment	7	1	-
Gain on sale of tangible asset		-	-
Change in trade receivables		-29	4
Change in trade payable		1	-12
Change in other working capital		-12	40
Foreign exchange losses/gains		2	-1
Net other financial income/cost		-9	-
Cash from operating activities		-45	-3
Interest received		20	33
Interest paid		-6	-30
Other financial cost		-8	4
Tax paid		-	-
Net cash from operating activities		-39	4
Purchase of tangible assets		-3	-2
Purchase of share		-	-22
Payments received on non-current receivables intragroup		-	17
Payments received on non-current receivables		-	-
Dividend received from subsidiaries		-	-
Payments other non-current intragroup balances		-36	-158
Payments other non-current receivables		-8	-28
Net cash used in investing activities		-46	-193
Payment other non-current liability		-	-
Proceeds from borrowings	14	-	-
Repayment of borrowings	14	-	-150
Share issue		-	-
Net change intragroup balances "cash pool"	14	6	31
Net cash flow from financing activities		6	-119
Net changes in cash and cash equivalents		-78	-307
Cash and cash equivalents at the start of the period		178	483
Exchange gain/loss on cash and cash equivalents		-15	2
Cash and cash equivalents at the end of the period		85	178

Notes to the Financial Statements

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Notes to the Financial Statements

1 Accounting principles

The financial statements for DOF ASA have been prepared and presented in accordance with simplified IFRS pursuant of the Norwegian Accounting Act and are based on the same accounting principles as the Group statement with the following exceptions:

Investments in subsidiaries, joint venture and associates
Investments are based on the cost method.

Dividends

Dividends and group contribution is treated in accordance with the Norwegian Accounting Act and deviates from IAS 10 no. 12 and 13.

For further information, reference is made to the consolidated accounts.

2 Operating revenue

	2020	2019
Sales income	-	-
Other operating income	53	29
Total	53	29

3 Payroll and number of employees

	2020	2019
Salary and holiday pay	-22	-22
Employer's national insurance contribution	-3	-4
Reinvoices salary costs	5	5
Pension costs	-1	-1
Other personnel costs	-1	0
Total	-22	-23
No man-years employed in financial year	11	11

DOF ASA has the same management as the Group. Please see note 30 'Remuneration to executives, Board of Directors and auditor' in the Group's account.

Pension cost above include defined benefit pension plan and defined contribution pension plan. Both the benefit pension plan and the contribution plan are with an external life insurance company. The company's pension schemes meet the requirements of the law on compulsory occupational pension.

Defined benefit pension

DOF ASA has a company pension scheme with life insurance companies. As of the 31st of December 2020, DOF ASA defined pension benefit plan covered total 2 (2) active members.

The pension funds are placed in a portfolio of investments by insurance companies. The insurance company managers all transactions related to the pension scheme. Estimated return of pension funds is based on market prices on balance sheet date and projected development during the period in which the pension scheme is valid. The calculation of pension liabilities is based on assumptions in line with the recommendations. Actuarial gains and losses are expensed as incurred.

The Company's cost of defined pension plan in 2020 was NOK 0.2 million (NOK 0.7 million). Pension obligation as of the 31st of December 2020 was NOK 2.7 million (NOK 2.1 million).

4 Other operating expenses

	2020	2019
Audit fee	-2	-2
Consultants fee	-22	-14
Provision for loss on trade receivable (internal)	8	-16
Other operating expenses	-12	-8
Total	-29	-40

5 Financial income and expenses

	2020	2019
Interest income	14	14
Other financial income	32	37
Financial income	46	52
Interest costs	-24	-27
Loss on sale of shares	-16	
Impairment financial assets *)	-47	-2 783
Loss and accruals on guarantees	-2 549	-62
Other financial costs	-4	-3
Financial costs	-2 639	-2 875
Net gain (loss) on currency derivatives	-9	-
Net gain (loss) on operational capital	-12	-3
Realised currency gain (loss)	-21	-3
Net unrealised gain (loss) on non-current debt	24	-
Net unrealised gain (loss) on operational capital	-	5
Unrealised currency gain (loss)	24	5
Net change in unrealised gain (loss) on interest swap	-	8
Net gain (loss) on currency forwards contracts	-	8
Total	-2 590	-2 814

*) Impairment financial assets is related to impairment of investments in subsidiary and associates with NOK 33 million, impairment non-current receivable NOK 14 million, accruals on guarantees NOK 2,559 million and other investment NOK 0.1 million.

6 Tax

Tax consists of:	2020	2019
Tax payable	-	-5
Change in deferred tax	-	-25
Tax income (expense)	-	-29
Reconciliation of nominal and effective tax rate		
Profit before tax	-2 589	-2 848
Estimated tax income (expense) (22%)	-569	-627
Tax effect of;		
Tax effect of non-taxable income and non tax-deductible costs	11	-2
Tax effect of associated companies	561	567
Adjustment previous year *)	-	46
Not included in deferred tax	-2	45
Tax income (expense)	-	-29

The gross movement on the deferred income tax account is as follows;

At 1 January	-	-25
Income statement	-	25
Other comprehensive income	-	-
At 31 December	-	-

6 Tax (continued)

Basis of deferred tax	2020	2019 ¹
Non current asset	-363	-514
Deferred capital gain	71	211
Other differences	-13	-12
Total temporary differences	-305	-315
Loss carried forward	-	-
Not included in deferred taxes	305	315
Basis for calculation of deferred tax / deferred tax assets (-)	-	-
Total deferred tax / deferred tax assets (-) (22%)	-	-
Gross deferred tax	-	-
Gross deferred tax	-	-

*) The tax returns for the years 2017 - 2019 have been changed. The basis for deferred tax for 2019 is changed accordingly.

7 Tangible assets

2020	Operating equipment	Right of use asset	Total
Acquisition cost as of 01.01.2020	5	-	5
Additions	3	1	3
Disposals	-	-	-
Acquisition cost as of 31.12.2020	8	1	9
Depreciation as of 01.01.2020	4	-	4
Depreciation for the year	-	-	-
Depreciation on disposals	-	-	-
Depreciation 31.12.2020	4	-	4
Impairment 01.01.2020	-	-	-
Impairment	-	-	-
Impairment on disposals	-	-	-
Impairment 31.12.2020	-	-	-
Book value 31.12.2020	4	1	5
Depreciation period	5-15 years	5-15 years	
Depreciation method	Straight line	Straight line	
2019	Operating equipment	Right of use asset	Total
Acquisition cost as of 01.01.2019	4	-	4
Additions	2	-	2
Disposals	-	-	-
Acquisition cost at 31.12.2019	5	-	5
Depreciation at 01.01.2019	4	-	4
Depreciation for the year	-	-	-
Depreciation on disposals	-	-	-
Depreciation at 31.12.2019	4	-	4
Impairment 01.01.2019	-	-	-
Impairment	-	-	-
Impairment on disposals	-	-	-
Impairment 31.12.2019	-	-	-
Book value at 31.12.2019	2	-	2
Depreciation period	5-15 years	5-15 years	
Depreciation method	Straight line	Straight line	

8 Investments in subsidiaries

Directly owned subsidiaries	Main business	Nationality	Registered office	Share capital	Ownership and voting share	Result for the year (100%)	Equity 31.12 (100%)	Carrying value 31.12
DOF Subsea AS	Shipowning/subsea eng.	Norway	Bergen	1 674	100%	-2 237	2 324	3 497
DOF Rederi AS	Shipowning	Norway	Austevoll	203	100%	-617	-897	-
DOF Management AS	Management	Norway	Austevoll	38	66%	25	181	58
DOF UK Ltd.	Shipowning/management	Scotland	Aberdeen	-	100%	-38	60	63
Norskan AS	Shipowning/management	Norway	Austevoll	805	100%	-27	13	13
Marin IT AS	IT services	Norway	Austevoll	16	40%	2	22	6
Total							3 638	

Due to impairment indicators related to the DOF ASA's activity in general, impairment testing has been performed in order to calculate the recoverable amount for the Company's investments in subsidiaries. Each subsidiary is a separate cash generating unit, which is tested separately for impairment. The recoverable amount is tested against the fair value for each subsidiary. In the event that the calculated recoverable amount is lower than book value of the investment, impairment is made to reflect recoverable amount. The fair value for DOF Subsea AS Group includes excess values on the ownership in the joint venture DOFCON Brasil AS and on some of the 100% owned vessels.

Please see the Group's account for information about impairment testing of non-current assets.

The impairment tests have resulted in impairment of investments in subsidiaries with total NOK 17 million (NOK 2,413 million). See note 5.

9 Investments in joint venture and associates

Joint ventures

Joint venture	Main business	Nationality	Registered office	Share capital	Ownership and voting share	Result for the year	Equity 31.12 (100%)	Carrying value 31.12
DOF Iceman AS	Shipowning	Norway	Austevoll	24	50%	-45	-201	-
Total								-

Due to impairment indicators related to the DOF ASA's activity in general, impairment testing has been performed in order to calculate the recoverable amount for the Company's investments in joint ventures and associated companies. Each joint ventures and associated company is a separate cash generating unit, which is tested separately for impairment. The recoverable amount is tested against fair value for each investment. In the event that the calculated recoverable amount is lower than book value of the investment, impairment is made to reflect recoverable amount.

Please see the Group's account for information about impairment testing of non-current assets.

There has been no impairment on investments in joint ventures in 2020 (NOK 0 million). See note 5.

Associated companies

Associated companies	Main business	Nationality	Registered office	Share capital	Ownership and voting share	Result for the year	Equity 31.12 (100%)	Carrying value 31.12
Iceman AS	Shipowning	Norway	Austevoll	468	14.5%	-84	11	-
Skandi Aukra AS	Shipowning	Norway	Oslo	1	34.25%	-4	7	5
Total							5	

Impairment test of investment in associates has resulted in an impairment of NOK 16 million (NOK 0 million).

Impairment test of other shares have resulted in an impairment of NOK 0.1 million (NOK 2.2 million). Other shares are included in 'Other receivables and investments'.

10 Other non-current receivables and investment

	Note	2020	2019
Non-current receivables		183	149
Provision for losses	18	-177	-95
Other investments		1	1
Total		7	55

11 Trade receivables

	2020	2019
Trade receivable	-	-
Trade receivable to intragroup	37	8
Total	37	8

The company's credit exposure is mainly towards customers who historically have had good financial capability to meet their obligations and have had high credit rating. A sustained challenging market situation has resulted in changes to the credit ratings for some customers, and thereby increased the credit risk. Historically, the portion of receivables not being collectable has been low. An impairment analysis is performed to measure expected credit losses.

As of 31.12, the Company had the following trade receivable which had matured, but not been paid.

	Total	Not matured	<30 d	30-60d	60-90d	>90d
2020	37	36	-	1	-	-
2019	8	1	2	-	-	4

12 Other current assets

	2020	2019
Intragroup receivables	13	3
Other inventory	3	8
Other current receivables	6	2
Total	22	13

13 Cash and cash equivalents

	2020	2019
Restricted cash	3	1
Bank deposits	82	177
Total	85	178

DOF ASA owns and controls one cash pooling system within the Group. Cash in the cash pooling system is presented as cash and cash equivalents in the financial statement. See DOF Group note 20 'Cash and cash equivalents' for further information about the cash pool arrangement.

DOF ASA has a credit facilities of NOK 300 million at period end, which was utilised. For further information about market-, credit- and liquidity risk see the Group note 3.

14 Interest bearing liabilities

Financing

The Board and Management have, since the second quarter of 2019, been working on a long-term refinancing solution for the Group which includes discussions with secured lenders and the bondholders. The refinancing discussions have continued into 2020 and are still ongoing. Since 2nd quarter 2020 the Group has agreed standstill agreements (including waiver of financial covenants, interest payments and instalments) with its lenders. The current standstill agreements are applicable until the 30th of April 2021 with 91% of the secured lenders within the DOF ASA Group (excl. DOF Subsea Group) and 88% of the secured lenders within the DOF Subsea Group. The relevant Group companies have imposed unilateral standstill to the secured lenders not participating in the standstill agreements.

Convertible bond

DOF ASA has a 5-year convertible bond with zero coupon and no financial covenants; DOF12 (DOF ASA 16/21 0% SUB CONV). The bond loan is classified as other equity, and the bondholders may convert their bonds to shares at NOK 10 per share through the tenor of the loan. On the final maturity date remaining bonds will be converted to shares. The initial value of the bond loan was NOK 1,032.5 million and outstanding by 31.12.2020 is NOK 75 million.

Liabilities to credit institutions

The main share of the Group's fleet is financed via mortgaged loans. A set of covenants has been established for the mortgaged loans in DOF Group and DOF Subsea Group.

As part of the current standstill agreement the following financial covenants have been waived in DOF ASA per 31.12.2020:

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

Other main financial covenants in DOF ASA are the following:

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

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

	2020	2019
Non current interest bearing liabilities		
Debt to Group companies	-	-
Total non current interest bearing liabilities	-	-
Debt to credit institutions	813	298
Debt to Group companies**)	84	78
Total current interest bearing liabilities *)	897	376
Total interest bearing liabilities	897	376
Average rate of interest	5.83%	9.13%

*) Accrued interest amounts to NOK 1 million and is not included in interest bearing liabilities.

**) Current debt to Group companies equals cash drawn in Group cash pool.

	2020	2019
Liabilities secured by mortgage		
Debt to credit institutions	315	298
Total liabilities secured by mortgage	315	298
Assets provided as security	2020	2019
Investment in subsidiary/Net asset pledged consolidated *)	-	-
Total assets provided as security	-	-

*) The shares in Norskan Offshore SA was pledged against credit facility in DOF ASA.

15 Other current liabilities

	Note	2020	2019
Other current liabilities		6	24
Total		6	24

16 Financial assets and liabilities: Information on the balance sheet

This note gives an overview of the carrying and fair value of DOF ASA's financial instruments and the accounting treatment of these instruments. The table is the basis for further information regarding DOF ASA's financial risk. The table also shows the level of objectivity in the measurement hierarchy of each method of measuring the fair value of DOF ASA's financial instruments.

31.12.2020	Financial instruments at fair value through profit or loss	Financial instruments measured at amortised cost	Total
Assets			
Financial investment	1		1
Intragroup non-current receivables	-	-	-
Other non-current receivables	6	6	6
Trade receivable	37	37	37
Current receivables Group companies	-	-	-
Other current receivables and investments	19	19	19
Cash and cash equivalents	85	85	85
Total financial assets	1	148	149
Liabilities			
Current debt to credit institution	813	813	813
Trade payable and other current liabilities	2 462	2 462	2 462
Total financial liabilities	-	3 275	3 275
Total financial instruments	1	-3 128	-3 127

Prepayments and non-financial liabilities are excluded from the disclosures above.

31.12.2019	Financial instruments at fair value through profit or loss	Financial liabilities measured at amortised cost	Total
Assets			
Financial investment	1		1
Intragroup non-current receivables	22	22	22
Other non-current receivables	54	54	54
Trade receivable	8	8	8
Current receivables Group companies	-	-	-
Other current receivables and investments	5	5	5
Cash and cash equivalents	178	178	178
Total financial assets	1	267	269
Liabilities			
Current debt to credit institution	298	298	298
Trade payable and other current liabilities	417	417	417
Total financial liabilities	-	715	715
Total financial instruments	1	-448	-447

Prepayments and non-financial liabilities are excluded from the disclosures above.

17 Remuneration to auditor

Specification of auditor's fee (amount in TNOK):	2020	2019
Audit	2 375	1 514
Tax consultation	-	187
Fee for other services	15	160
Total	2 390	1 861

All amounts in the table are excl VAT.

18 Guarantee commitments

On a general basis DOF ASA has issued guarantees to financial institutions on behalf of its wholly owned subsidiaries on maritime mortgages/loans. As per 31.12.2020 DOF ASA has accrued debt related to guarantees on behalf of the subsidiaries DOF Rederi AS and Norskan Offshore Ltda in the amount of NOK 2,215 million.

DOF ASA has in some cases issued guarantees on behalf of partly owned subsidiaries. DOF ASA has guarantee commitments on behalf of the following partly owned companies as per 31.12.2020:

- DOFCON Navegação Ltda. (50% owned): Guarantee in favor of BNDES. Total amount USD 87 million.
- Iceman AS: Guarantee in favor of the company's Lender. Total amount NOK 427 million. 50% of the commitment is counter guaranteed by Vard Group.

The Company, Akastor ASA and the secured lenders agreed a debt restructuring of DDW in October 2020. As part of the agreement, Akastor acquired the Company's shares in DDW at zero cost. Akastor has further waived any recourse claims against the Company related to the guarantee commitments in DDW. The Company's remaining guarantee commitment amounts to NOK 522 million, representing 50% of the DDW debt, will be part of the Group's debt restructuring. The debt is reported as debt to financial institutions in the balance sheet.

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

19 Related parties

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

Long-term agreements:

Møgster Offshore AS owns 32.37% of the shares in DOF ASA at year-end 2020 (please see note 21 in the Notes to the Consolidated Financial Statement). Laco AS is the main shareholder of Møgster Offshore AS. Møgster Management AS provides administrative shared services to DOF ASA. Møgster Management AS is owned by Laco AS. Administration fee for 2020 is NOK 1.0 million (NOK 2.8 million).

Individual transactions:

Guarantee

DOF ASA has issued a guarantee in the maximum amount of NOK 427 million (NOK 403 million) on behalf of Iceman AS in favor of DNB ASA. Guarantee income in 2020 was NOK 3.1 million (NOK 3.6 million). Iceman AS is owned with 40% by DOF Iceman. DOF ASA and Vard ASA are owners with 50% each in DOF Iceman AS. In addition DOF ASA owns 14.5% in Iceman AS.

Loans to joint venture

DOF ASA has provided loan to joint venture and the book value at period end is NOK 0 million (NOK 22 million). Historical value of the loans amounts to NOK 101 million and provisions for losses amounts to NOK 101 million.

Information about transactions with related parties do not include transactions with companies in the DOF Group.

20 Contingencies

DOF ASA is not involved in any ongoing court cases as of the 31st of December 2020.

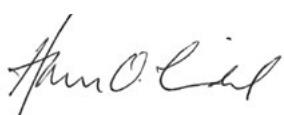
21 Subsequent events

Please see the Notes 36 'Subsequent events' to the Consolidated Statement.

Confirmation from the Board of Directors and CEO

We confirm, to the best of our knowledge, that the financial statements for the period January to 31st of December 2020 has been prepared in accordance with approved accounting standards, and gives a true and fair view of the Company's consolidated assets, liabilities, financial position and result of the operations and that the Report of Board of Directors provides a true and fair view of the development and performance of the business and the position of the Group and the Company together with a description of the key risks and uncertainty factors that the Company is facing.

Storebø, 7th of April 2021
The Board of Directors for DOF ASA



Hans Olav Lindal
Chairman



Helge Singelstad
Deputy Chairman



Kathryn M. Baker
Director



Marianne Møgster
Director



Mons S. Aase
CEO



To the General Meeting of DOF ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of DOF ASA, which comprise:

- The financial statements of the parent company DOF ASA (the Company), which comprise the balance sheet as at 31 December 2020, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of DOF ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, 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.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and 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.

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State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm

Independent Auditor's Report - DOF ASA

*Material Uncertainty Related to Going Concern*

We draw attention to Note 2 in the financial statements and the Board of Directors' report, which indicates that the Group is dependent on a long-term solution with banks and bondholders to secure satisfactory financing and liquidity for the Group. As stated in Note 2 and the Board of Directors' report, these events or conditions, along with other matters as set forth in Note 3 and Note 36 and the Board of Directors' report, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. There is a risk that the Group will not reach an agreement with the lenders, and in such an event the Group could be forced to realise its assets at a significantly lower value than their carrying amount. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

The Group's business activities are largely unchanged compared to last year. Impairment assessment of vessels and vessel related equipment involves similar complexity and risks as previous years and have been considered as key audit matters also for 2020.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Impairment assessment of vessel and vessel related equipment</i></p> <p>DOF ASA Group has vessels and vessel related equipment with a carrying amount of NOK 12 844 million at 31 December 2020. In line with the Group's accounting policy for impairment of non-financial assets, the Board of Directors has assessed that there were impairment indicators present for the Group's vessels as of 31 December 2020. Consequently, they have carried out an impairment assessment. Based on the results of the vessel impairment assessments, an impairment charge of NOK 3 173 million was recognised in 2020 resulting in the carrying amounts of certain vessels and vessel related equipment being written down to their recoverable amount. In addition, joint venture vessels have been impaired, whereas DOF ASA 50% share represent NOK 406 million in 2020.</p> <p>We focused on this area because vessels and vessel related equipment constitute a significant share of the total assets in the</p>	<p>We obtained management's impairment model and considered whether the model contained the elements and methodology IFRS require from such models. We found the model to be in accordance with our expectations.</p> <p>We challenged management's key assumptions such as the projected utilisation, charter hire rates, operating expenses and discount rates, and compared with historical performance, management's internal forecasts and long-term strategic plans that were approved by the Board of Directors. We also considered publicly available information about macroeconomic assumptions relevant to the industry and considered whether the assumptions were consistent with management assumptions and what we know about DOFs business. We found management's assumptions to be within a reasonable range.</p> <p>To consider the reliability of management forecast, we compared previous year's estimates to actual historical performance. We considered whether deviations from the budget had reasonable explanations. We assessed the discount rate by comparing key components used</p>

(2)

Independent Auditor's Report - DOF ASA



Group, and because the assessment of the recoverable amount is complex and involves significant management judgement.

Value-in-use ("VIU") for the vessels was estimated using discounted cash flows. Each individual vessel, together with associated contract, was assessed as a separate cash generating unit. Significant management judgement was related to key assumptions such as utilisation, charter hire rates, operating expenses and discount rates.

Fair value less costs to sell ("FVLCS"), was estimated by obtaining professional valuations for each vessel from two well-reputed and independent brokers, taken into account estimated sales commission.

The uncertainty related to valuation of the company's vessels and vessel related equipment are considered to be high due to the challenging market conditions.

We refer to Notes 2 and 4 for the Group's accounting policy for impairment of non-financial assets, and Note 14 where the Board of Directors explain their valuation process for the Group's tangible assets.

with external market data, as well as comparing the overall level with discount rates used by other companies within the industry. We considered that the discount rates were within an appropriate range.

We evaluated the competence and objectivity of the external brokers used by the Group. The range of values derived from the two independent brokers were compared with the VIU estimates. We considered the appropriateness and reliability of the fair value estimates from the external brokers. We were able to conclude that the broker estimates were appropriate as audit evidence. However, for some of the vessel categories we observed a larger spread in the broker estimates compared to previous years, which indicate that uncertainty in valuations have increased recent years. We found that none of the vessels, after impairment, had a carrying value that was materially higher than their VIU estimates.

We lastly evaluated the adequacy of the disclosures made on impairment of vessel and vessel related equipment, including those regarding the key assumptions and sensitivities, and found that disclosures appropriately explained management's valuation process and the uncertainties inherent in some of management's key assumptions.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements of the Company in accordance with simplified application of international accounting standards according to

(3)

Independent Auditor's Report - DOF ASA



the Norwegian Accounting Act section 3-9, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

(4)

Independent Auditor's Report - DOF ASA



- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Bergen, 7 April 2021
PricewaterhouseCoopers AS

A handwritten signature in black ink, appearing to read 'Sturla Døsen'.

Sturla Døsen
State Authorised Public Accountant

(5)

Appendix A

Performance measurements definitions

DOF ASA financial information is prepared in accordance with international financial reporting standards (IFRS). In addition DOF ASA discloses alternative performance measures as a supplement to the financial statement prepared in accordance with IFRS. Such performance measures are used to provide an enhanced insight into the operating performance, financing and future prospects of the Company and are frequently used by securities analysts, investors and other interested parties.

The definitions of these measures are as follows:

Financial reporting – Financial Reporting according to IFRS.

Management reporting – Investments in joint ventures (JV) is consolidated on gross basis in the income statement and the statement of financial position. See the Group Accounts note 5 for presentation of the bridge between the management reporting and the financial reporting.

EBITDA – Operating profit (earnings) before depreciation, impairment, amortisation, net financial costs and taxes is a key financial parameter. The term is useful for assessing the profitability of its operations, as it is based on variable costs and excludes depreciation, impairment and amortise costs related to investments. Ebitda is also important in evaluating performance relative to competitors.

Underlying EBITDA – Ebitda (management reporting) as described above adjusted for hedge accounting of revenue.

	2020	2019
EBITDA	2 105	2 673
Hedge	-	-188
EBITDA before hedge	2 105	2 861

EBIT – Operating profit (earnings) before net financial costs and taxes.

Interest bearing debt – Total of non-current and current borrowings.

	2020	2019
Bond loans (non-current)	-	-
Debt to credit institutions (non-current)	-	3 994
Lease debt	301	370
Current bond loan, debt to credit institutions and lease debt	18 301	14 198
Total bond loan and debt to credit institutions	18 602	18 561
Accrued interest expenses	-347	-148
Total interest bearing liabilities	18 255	18 414

Net interest bearing debt – Interest bearing debt minus current and non-current interest-bearing receivables and cash and cash equivalents. The use of the term “net debt” does not necessarily mean cash included in the calculation are available to settle debts if included in the term. See the Groups Accounts note 23 for presentation of net interest bearing debt.

Debt ratio – Net interest bearing debt divided on total equity and net debt.

Utilisation of vessel – Utilisation of vessel numbers is based on actual available days including days at yard for periodical maintenance, upgrading, transit or idle time between contracts.

Contract coverage – Number of future sold days compared with total actual available days excluded options.

Contract backlog – Sum of undiscounted revenue related to secured contracts in the future and optional contract extensions as determined by the client. Contract coverage related to master service agreements (MSA's) within the subsea segment, includes only confirmed purchase order.

Welcome to DOF's 2020 ESG factbook

Providing detailed non-financial performance data on key ESG indicators

The content contained in this factbook, organised around our company values, supports the statements and ambitions stated in the DOF Integrated Annual Report 2020.

DOF has reported in the areas of sustainability to the GRI standards measuring Economic, Environment, and Social aspects for seven years. This, along with our participation in Carbon Disclosure Project over the last ten years, has driven engagement with stakeholder groups and improved both management and performance in these areas.

In 2020, we made further progress in transparency and integrated reporting as DOF brings all the measures of stakeholder value together, aligning the non-financial reporting with financial reporting. Our vision and strategic ambitions are set out in this integrated report. This report format aims to communicate to all stakeholders, underpin change, and outline targets and measures for the next strategic period.

This document can be found in digital format on our website: www.dof.com/sustainability.

2020

DOF ESG FACTBOOK



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Safe the RITE way

Safeguarding our people, the environment, and communities where we operate is our highest priority.

Applying our values to define significance, guide our approach, assess our results and set the ambitions into our future.

DOF is a values-driven organisation with world-class safety, legal and ethical standards. Our actions and decisions are always guided by and grounded in our values. Our ability to engage with stakeholders, identify material issues and manage material risk is key to the sustainability of the organisation. Our values underpin our approach to Sustainability, from identifying material issues – the issues that impact the business and are important to stakeholders – to setting the ambitions for our future. This report is built on each of our core values representing material aspects and relevant GRI standards.

Safety is at the centre of business and the icon. This illustrates how our values interact to keep us safe. How the Team embraces the values and holding them together is symbolised by people holding hands around the values.



Safe the RITE way® Highlights 2020

SAFE	<ul style="list-style-type: none"> ▪ Extensive work to safeguard our people and manage business continuity during COVID-19 pandemic. Global guideline, emergency response teams, task forces and experience transfer are all elements of DOF's handling of the pandemic. ▪ Improvements focusing on safety and COVID-19 measures during dive operations.
RESPECT	<ul style="list-style-type: none"> ▪ Intensive communication of COVID-19 related information to the workforce through different channels. ▪ Technical installation of "Intelligent Efficiency" decision support system prototype finalised on two vessels. ▪ Maress cloud-based analytics software system has been successfully deployed on 30 vessels in 2020 (DOF is set to roll-out to the whole fleet in Q1 2021).
INTEGRITY	<ul style="list-style-type: none"> ▪ Vendor evaluation process focusing on UN Global Compact continued in 2020. Approximately 300 vendors evaluated during the year.
TEAMWORK	<ul style="list-style-type: none"> ▪ New communication and collaboration tools were rolled out and strengthened DOF as one team across borders.
EXCELLENCE	<ul style="list-style-type: none"> ▪ Survey in the Cloud concept has been a success in several projects. ▪ DOF was certified with common ISO certification for the entire Group.

The DOF Workbook.
Read more at: www.dof.com/workbook



Why are we a "values-driven" organisation?

In business "the only constant is change".

The advantage of having a solid set of beliefs and values is that the organisation can adapt rapidly to situational or commercial change, but always with an anchor of beliefs and values.

This is the essence of a sustainable organisation; where our values guide our actions to respond to relevant economic, environmental and social factors. We meet stakeholder expectations and navigate daily challenges, large and small, by having a deep understanding of our values, clear priorities and reporting mechanisms. "What we do is as important as the way in which we do it."



DOF values & materiality

A table showing how DOF connects material aspects to company values: Safe, Respect, Integrity, Teamwork, & Excellence.

Safe

Above all we are SAFE

We are committed to protect the health and safety of our people and our environment.

Respect

Underpins everything we do and every interaction we have. Respect for people: our colleagues, our customers, and our business partners.

As global citizens we are socially responsible, we respect the individual, the local customs and cultures of our various markets.

Acting with care and consideration is central to our well-being and safety and ensures we minimise our environmental impact.

MATERIAL ISSUES *

Health, safety and working environment

- 403-1 Management systems
- 403-2 Hazards & Incidents
- 403-3 Occupational health services
- 403-4 Occupational health and safety engagement
- 403-5 Occupational health and safety training
- 403-6 Promotion of worker health
- 403-7 Occupational health and safety impacts
- 403-8 Occupational health and safety system coverage
- 403-9 Work-related injuries

Energy Efficiency & Climate Impact

- 305-1 Scope 1 GHG emissions
- 305-2 Scope 2 GHG emissions
- 302-1 Energy Consumption
- 307-1 Compliance
- 306-3 Significant spills
- 201-2 Financial implication due to climate change

OUTSIDE THE ORGANISATION

Global: Employees, shareholders, customers, local communities, NGOs, policy makers, shareholders, suppliers

Global: Customers, civil society, policy makers, local communities, NGOs, shareholders

WITHIN THE ORGANISATION

Whole organisation: DOF's ambition is to be an incident-free organisation. We are highly committed to our core values - Safe the RITE way - and we work pro-actively to achieving them.

Safe is significant to DOF and is paramount to our ongoing success and sustainability, we work to ensure we are safe and our team returns safely, everywhere we do business.

Whole organisation: Defining and measuring environmental sustainability risks associated with our business activities is an important activity for the Group. DOF is actively working with its partners on finding energy efficient and CO2 reducing solutions as part of their own efforts to reduce carbon footprint.

UN SDG



Safeguarding our people is the overall objective in everything we do. Through the Safe the RITE way framework, DOF has ambition to ensure the good health and well-being of all employees. Measurable key performance indicators are used as part of this work, to monitor the effect of the activities performed within the area.

The DOF Workbook includes a module on Physical, Social and Mental well-being, which puts the different aspects of health together in a holistic approach.

Our continuous efforts on simplification of our safety system and procedures aim to turn the focus from the industry's inbuilt bureaucracy, back to enhanced safe work practices.



The main source of DOF's climate impact is the fuel used by its vessels. DOF has various activities and programs to reduce its climate impact, including: Ship Energy Efficiency Plans (SEEMP), goal of 3% annual reduction (intensity target) in fuel consumption, installation of shore power capability, installation of battery packs on vessels, and participation in the CDP for transparent environmental reporting.

Through an R&D project with Kongsberg, we aim to use digital solutions to reduce energy usage on our vessels, through Intelligent Efficiency. There is potential for 15%-30% reduction in fuel consumption, ultimately leading to significant reduction in emissions.

DOF also has other internal activities such as preparedness for acute pollution from vessels, using environmentally friendly products (for example non-hazardous hydraulic oil in ROVs) and environmental management plans.

*Material issues identification is aligned with the GRI Standards

Integrity

The very corner stone of our business. We behave ethically – always.

We are honest, fair and equitable in all our dealings. We are dedicated to good corporate governance.

We strive to do the right thing not because someone is checking, or looking, but purely because it is the right thing to do.

Teamwork

Everything we achieve is as a result of teamwork.

Each of us is responsible and open in our professional relationships, cooperative and collaborative, treating one another with dignity and respect.

We do not blame, we find and share solutions and we learn from mistakes. From this platform we build diverse and global teams and strive for free exchange of ideas, experience and knowledge, worldwide.

Excellence

In everything we do. We are resourceful and responsive to our customers' needs; innovative in the solutions we apply to everyday problems.

We safeguard our individuality and the qualities that set us apart from our competitors, protecting our reputation and the professional trust we have built, we do not walk away from our commitments.

MATERIAL ISSUES *

Business Integrity, ethics and payment transparency, Spill avoidance

205-1 Anti-corruption
205-2 Anti-corruption
205-3 Anti-corruption
415-1 Anti-Competitive behaviour
201-4 Financial assistance
419-1 Compliance
414-1 Supplier social screening
308-1 Supplier environmental screening
306-3 Significant spills

Our people;
Labour rights and employee satisfaction

401-2 Employment
402-1 Labour/Management Relations
404-3 Performance and career development reviews
406-1 Non-discrimination
201-3 Benefit obligations

Product reliability and customer service,
Innovation & Climate Resilience

DOF 1 Operational uptime
DOF 2 Results of surveys measuring customer satisfaction

OUTSIDE THE ORGANISATION

Global: Customers, civil society, shareholders, suppliers, policy makers, civil society

Global: Employees, shareholders, customers, local communities, NGOs, policy makers, shareholders, suppliers

Global: Employees, shareholders, customers, local communities, NGOs, policy makers, shareholders, suppliers

WITHIN THE ORGANISATION

Whole organisation: For DOF, business integrity and ethics policy are of high priority and DOF expects their companies and employees to follow and adopt behaviours to protect and build the DOF's reputation, in all situations.

For DOF to be in compliance to law and to industry standards is of strategic priority. In all of the regions where DOF operates, it strictly follows all rules and regulations addressed by the national governments.

DOF acknowledges the importance for our customers of a reliable partner and that is why we are always seeking to obtain the highest industry standard certifications before accredited bodies.

Whole organisation: DOF understands that acting in accordance with its Code of Business Conduct towards their partners and employees is decisive in achieving the highest standards by which DOF conducts their business activities every day.

Whole organisation: DOF continues to acknowledge that achieving excellence in corporate and operational efficiencies across the organisation is the most important thing it can do that will protect long-term sustainability for the organisation.

Whole organisation: DOF is continuously defining and measuring its sustainability risks such as climate change through measurable and innovative control measures that are being applied within the business.

UN SDG



By employing local content, DOF contributes to economic growth in the various areas of operation. DOF is also committed to operating responsibly and respecting local laws and regulations. Through its Tax Strategy, DOF ensures that tax is paid fairly to the countries where it operates.

DOF acts ethically and lawfully to protect our reputation and comply with applicable laws and regulations, wherever we do business.

Our Code of Business Conduct gives us clear rules and provides guidance for decision-making in ethical dilemmas. This is particularly important when operating in areas with high risk related to Anti-Bribery and Corruption. DOF has established an Ethics Helpline where both employees and any other stakeholders can report by a phone available 24/7, or through an online form. Reports can be made anonymously.

DOF's focus towards Integrity is not limited to ourselves; we strive to ensure that our partners and suppliers operate according to the same standards, for example by assessing all suppliers towards the principles of the UN Global Compact.

DOF operates in many different areas around the world, and some of these areas lack a strong public education system. Either by direct contribution to employees or partnerships with other members of the industry, DOF contributes to quality education of children in challenging areas.

The DOF Workbook gives the foundation for training in the years to come. By delivering training modules on all aspects of how we work, we have established a unique way to engage training and development of our people.

DOF strives to promote a workplace where all are treated fairly, accepted equally, without any exclusion - in a harassment-free workplace. As a Group, we benefit from the different talents, experiences and perspectives equality and diversity brings to the workplace and the individual contribution employees make. Our guiding principle is that everyone should be treated with dignity and respect at work.

Our industry is now experiencing substantial change, disrupting the way it has traditionally been working. New expectations and requirements appear rapidly, and affect all areas of business, from external environment to operational performance and business ethics.

DOF's Digital Transition strategy highlights different technology development that we expect to see over the next few years. There are many opportunities, but it is not possible to do everything at once. It will therefore be important for DOF to look at the opportunities and make strategic prioritisations of the digital transition and technology development.

In the recent years, DOF has entered into new markets with a developing industry. By bringing decades of experience and expertise, we work together with local stakeholders to facilitate sustainable and resilient infrastructure development.

Safe

Applying our values Safe  the RITE way® to define significance, guide our approach, assess our results and set the ambitions into our future.

Safeguarding people is our highest priority. The Group has built on the Safe the RITE way program, strengthening our global safety culture. We work continuously to improve safety systems and our safety performance.



How DOF defines SAFE:

DOF core values act together to create a strong safety culture and deliver our highest priority: "Above all we are Safe". We work to ensure we are safe, and our team return home safely, everywhere we do business.

Cybersecurity, securing our Information Technology (IT), and Operation Technology (OT) infrastructure and preventing cyberattacks, is also an important aspect of our business and sits within our definition of SAFE.

Why is SAFE significant to DOF:

Protecting the health and safety of our people and our environment is a fundamental requirement of business as it is paramount to DOF's on-going success and sustainability. It is a material issue and a right that all employees, their families, our whole supply chains, clients, investors and regulators expect to be sustained. It is essential to winning business and attracting recruiting and retaining talented employees. We work to ensure we are safe, and our team return home safely, everywhere we do business.

What are we doing about SAFE:

Occupational Health & Safety management

DOF is committed to ensuring the provision of a healthy and safe working environment throughout company operations, through interaction and consultation with stakeholders.

The Occupational Health & Safety management is verified by DNV according to requirements in the ISO 45001 standard and the ISM code and forms a part of the Business Management System (available on www.dof.com).

- The Occupational Health and Safety Manual (OH&S) is in line with international standards such as ISO 45001 and the ISM code.
- DOF has established procedures to ensure that hazards are identified, the likelihood and consequence of occurrence is assessed and, as necessary, suitable control measures are introduced along ALARP principals.

- Personnel are trained in the use of appropriate risk assessment and management techniques.

Hazard identification, risk assessment, and incident investigation DOF implements a hazard and risk management process in order to identify hazards and risks associated company activities - aligned with ISO 31000 Risk Management - Principles and Guidelines:

- Risk assessment processes are audited by internal and external parties such as DNV;
- All employees must undertake basic training in risk identification and assessment;
- All employees have the Stop Work Authority;
- Incident investigation depends on the level of severity of the incident and is published in the DOF Workbook;
- All investigations conclude with recommendations in the occupational health and safety management system.

Occupational health services

DOF has an agreement with an internationally recognised, accredited occupational health service provider. Services can be accessed directly or through positions such as a vessel's nurse.

Worker participation, consultation, and communication on occupational health and safety

- DOF's OH&S management system IT application allows for feedback directly on specific documents, or to make general improvement suggestions.
- Safety Delegate & Protection and Environment Committee (PEC) committees at vessels and onshore worksites guarantee worker involvement. These committees may vary depending on local legislation.

Worker training on occupational health and safety

All workers are required to perform mandatory e-learning related to Risk Assessment and the Permit to Work system, which are fundamental to safeguarding our people.

Promotion of worker health

DOF aims to ensure that all employees have access to non-occupational medical and healthcare services. This is normally achieved through agreements with local health insurance companies. The coverage of these insurances will be adapted to

circumstances such as availability of universal health care and statutory requirements. Overall, DOF follows an industry benchmark for its health insurance coverage.

In some regions, programs have been established for voluntary health promotion services such as annual health check-up.

Prevention and mitigation of occupational health and safety impacts directly linked by business relationships DOF's offshore operations are where our people have the highest exposure to health and safety risks. The Permit to Work system identifies high risk operations. The system ensures a thorough process before work may commence and includes risk assessment for the specific work to be done.

Workers covered by an occupational health and safety management system

All employees at DOF vessels and worksites are covered by the Occupational Health and Safety management system. This includes both employees and workers who are not employees. By 31.12.2020 the headcount of DOF staff was 3,126 people. An exact number of workers who are not employees is not available.

In addition to regular internal audits, the OH&S Management system is verified by DNV according to requirements in the ISO 45001 standard and the ISM code.

Cyber security

Cyber security is our practice of defending computers, servers, mobile devices, electronic systems, networks, and data from malicious attacks. Our defence of the Group IT and OT infrastructure is built around but not limited to:

- Network security by online monitoring securing DOF's computer network from intruders, whether targeted attackers or opportunistic malware.
- Application security by design is focused on keeping software and devices free of threats.
- Information security protects the integrity and privacy of data, both in storage and in transit.
- Operational security processes are in place for handling and protecting data assets in a best possible way
- Disaster recovery and business continuity plans are in place

Highlights: SAFE

TRIR

In 2020, a TRIR (Total recordable injuries rate) of:

2.51
per million man-hours

LTIFR

In 2020, a LTIFR (Lost time injury frequency rate) of:

0.79
per million man-hours

Balanced KPIs

DOF has established nine KPIs within Safety, balancing leading and lagging indicators.

Ambitious targets

"This is an incident-free organisation"

New Insights

DOF is utilising a data warehouse solution and Power BI, to enable a deeper insight and analysis of our numbers.

Overview (continued): SAFE

to dictate how the business restore any loss of operations or data and to return to the same operating capacity as before an attack.

- End-user education is in place to teach our employees to detect secure suspicious e-mails and behave like data security officers on behalf of our Company.

What are future goals with SAFE:

Safety awareness is a never-ending process, and our goal is to be recognised as the safest provider of subsea and vessel services to our growing international and global client base. The Watertight Integrity Test, launched in our code of conduct, starts with a simple question; "Is it Safe?" If the answer is no, action must be taken.

As personnel join the Group, we ground them in our values-driven approach and provide them with the necessary practical, and theoretical training to appreciate the importance of acting in line with the values and principles.

We continue to enhance safety culture onboard our vessels. We have introduced reflective learning tools for safety awareness; sea riding (where onshore managers sail on vessels in operation) and continue to implement our management visits program.

The New DOF Workbook was introduced to our workforce in 2020. The DOF workbook is the backbone of training within the Group for the next 5-6 years. Through a holistic approach, employees will be exposed to training ranging from induction to the Company, our values, and risk assessment approach, to more advanced modules like project management.

During 2021, an HSE improvement plan will be developed and be the foundation for several initiatives. A large part of putting the plan together is consultation with our workforce, through surveys and direct conversations. The objective is to build a new strategy that will be aligned with the overall strategy of the Group. Another important part of this work is to evaluate the HSE toolbox and how it supports current and future needs. This also includes use of tools made available by the Modern Workforce Communication project.

A project commenced in 2020 to ensure DOF complies with the new IMO Cyber Security requirements, which come into effect in 2021. In addition to identifying activities to comply with IMO requirements, several other improvement areas within cyber security were identified. These activities will be part of DOF's improvement program going forward. Some will be undertaken in 2021, while other activities have a longer term perspective.

Our SAFE focus for 2021

Our improvement initiatives focus on simplifying the HSE toolbox, monitoring risk factors and focusing on safety in diving operations will continue into 2021. The efforts to simplify procedures and guidelines will continue and be

balanced with industry standards in general, and especially in Brazil. The DOF Safe Work Practice concept will be further developed, and there will be further guidance on where the concepts fit in the bigger picture;

Digitalisation of PTW / TBT / RA / MOC processes will continue. A separate project will be initiated to fulfil implementation in Brazil;

Based on experience through the pandemic, Medical Service and Employee Benefit Program will be reviewed and strengthened to ensure they provide support for mental well-being and health issues.

A new direction will be taken for HSE, where closer dialogue with our people on the sharp end of our operations will be a core activity;

The DOF Workbook will be rolled out with training sessions globally. It will primarily be delivered through digital sessions, such as webinars;

During the year further work will be focused on the implementation of the measures in the Cyber Risk Management Standard, including ship specific risk assessments, raising awareness and further enhancing the Cyber Risk Management within DOF.

Results: SAFE

DOF went into 2020 with many ambitious HSE projects and a clear objective to improve the results from the previous year. The new workbook had been recently printed and set to be the backbone of many of the planned initiatives.

In January concerns came from our organisation in Asia-Pacific about a new virus designated COVID-19. A regional emergency response was established. Later, as the epidemic became a pandemic situation, we declared a global emergency to address the emergency impacts for DOF.

The 2020 HSE results were influenced by the pandemic. A brief overview is given of our specific measures over the year and other safety measures performed in parallel to managing the virus.

Other improvement activities delivered in 2020:

- ISO 45001:2018 is issued for the entire DOF Group.
- New version of Crisis Management system was implemented.
- A new Cyber Risk Management standard was released, facilitating new IMO requirements.
- Some training sessions for the new Workbook were held, when practically possible.

Work-related injuries 403-9

All HSE incidents are reported through a common system for DOF, "Docmap". The system is available in the office and on all DOF vessels. Among the data captured for each incident is Type of injury, injured body part, Gender, Age and Injury classification.

HSE reporting aligns with the reporting principles of IMCA.

The man-hours used to calculate frequencies are based on exposure hours and include hours for all personnel on our vessels. This provides the most accurate indicators regarding the overall safety performance.

Significant metrics are outlined in Figure 6 and Figure 7 on page 166 shows the Occupational Health and Safety Indicators.

Each company / region enters HSE

statistics monthly into an internal tool on the DOF intranet, which is used by the corporate organisation to create quarterly and yearly reports.

For 2020 the objective was to be below 0.3 LTIs per million man-hours. At the end of the year, we reported 0.79 LTIs per million man-hours for DOF as a whole.

The total recordable injuries rate (TRIR) for DOF was 2.51 in 2020. The TRIR is an indicator of the total number of LTIs, restricted workday cases and medical treatment cases per million man-hours. The IMCA TRIR for 2019 was 1.69.

Number of first aid cases has for 2020 been 7.54 per million man-hours.

The main types of injury are lacerations and impact injuries (sprains / fractures).

Being a global company operating within multiple cultures, openness is a key approach. Our result in reporting safety observations, both positive and negative, reaches the impressive figure of 656 reports per 200,000 man-hours.

In 2020, there were six lost time injury cases recorded.

One case resulted in amputation of the distal phalanx of a finger, when the finger was squeezed in a door frame. The five other cases have not resulted in permanent disability.

Another case is defined as a high potential incident, when a crew member's hand was caught between a closing hydraulic watertight door and the door frame. The incident led to a full review on operation of hydraulic watertight doors in the fleet. The other cases have a low risk profile.

In most locations where DOF operates, trade union agreements contain provisions that address the health and safety of our employees. All our offshore workers are covered by the MLC 2006.

Emergency management

Emergency Management protocols and systems are well developed within DOF; however, this is an area where training and readiness are crucial to the effective

management of any emergency situation or crisis. Regular scenario training, conducted by third party organisations specialising in Crisis management, is provided for personnel in the Emergency Response Teams (ERT). Scenario Training is supported by electronic system exercises to ensure individuals remain familiar with the system.

Emergency response training exercises range from a variety of offshore scenarios to more universal themes of business continuity in order for DOF to 'Stress Test' and improve where necessary. Organisational compliance is monitored by Key Performance Indicators.

The Crisis Management system was successfully upgraded to a new version in late 2020. The new version provides significant improvements and new functionality, including support for mobile devices.

During the year, there were 50 mobilisations in the Crisis Management system, nine of which were actual incidents; the rest were exercises. This is about the same total mobilisations as the past years.

Cyber security

A project was established to prepare DOF for the new IMO Cyber Security requirements. A key deliverable of this project was a new company standard for Cyber Risk Management. The project also identified several activities to enhance cyber security in DOF, that goes beyond the IMO requirements.

Respect

Applying our values Safe  the RITE way® to define significance, guide our approach, assess our results and set the ambitions into our future.

Respect for each other, the environment, and our local communities.



How DOF defines RESPECT:

“Respect underpins everything we do and every interaction we have. Respect for people: our colleagues, our customers, and our business partners. As global citizens we are socially responsible, we respect the individual, the local customs and cultures of our various markets. Acting with care and consideration is central to our wellbeing and safety and ensures we minimise our environmental impact.”

Why is RESPECT significant to DOF:

The Group aims to create an environment of empathy, mutual respect and understanding amongst all stakeholders. DOF is an equal opportunity employer and does not tolerate any form of harassment or discrimination within the workplace or local communities where we operate.

We operate in an evolving market. It is vital for DOF to develop in the energy sector, together with our key partners, in line with the targets articulated in UN’s Sustainable Development Goals.

A key to meeting stakeholder’s expectations is the implementation of new technology and digital solutions to reduce GHG emissions and become more efficient. An objective for the next 3-year strategic period and a driver for value creation. As a responsible organisation and through Respect we aim to:

- Maintain our equal opportunity employer performance: we will not tolerate any form of harassment or discrimination within the workplace;
- Operate responsibly at sea, with minimal impact upon the environment;
- Reduce our environmental impacts by delivering energy efficiency and the well-established zero-mindset to any discharges of harmful material into the sea, making DOF an attractive business partner;
- Adapt to the global communities’ changing expectations to climate change and pollution.

What are we doing about RESPECT:

Respect for each other and cultural diversity

Respecting cultural diversity while working towards the same goals is a key success factor for DOF. All DOF employees undertake mandatory and regular values-based training. The Code of Business Conduct (COBC) is in place to guide behaviour and support sound judgement and common sense and DOF’s values are embedded in many other business and discipline related training materials.

Robust, respectful and healthy communication between our people in the Group, across geographical borders and “top-down – bottom-up” is valued. In 2019 a new internal portal was designed to meet our need for better communication with our workforce. Launched early in 2020, the new platform has various features allowing employees to access and engage with DOF in a new and better way.

Environmental Performance

Also, an aspect of respect, Environmental Performance, is governed by the DOF Environmental Impact Policy. It reflects corporate intentions, principles of actions and aspirations to improve environmental performance. Responsibility for ensuring that DOF is committed to minimising its environmental impacts in line with the ‘Polluters Pays Principle’, ‘Precautionary Principle’ and ‘Duty of Care’, Energy Efficiency and Climate Impact lies with the Board of Directors.

Since 2010, DOF has reported key environmental performance through CDP and the reporting has directly influenced the development of our Business Management System and the programs established to manage our environmental performance.

Our Environmental Management System (EMS) ensures that DOF effectively manages our operations and strives for continual improvement of our environmental performance.

Using technology to reduce fuel consumption

DOF has well established systems and new initiatives operating in parallel to deliver fuel efficiency and reduced GHG emissions.

Implemented in 2012, the Ship Energy Efficiency Management Plan (SEEMP) is vital to our EMS. The SEEMP was developed in partnership with DNV and aligned to the guidelines set out by the IMO marine environmental protection committee. SEEMPs are applied across the whole fleet to plan, implement and monitor the measures required to maximise vessel efficiency.

All DOF's vessels operate with Marine Gas Oil (MGO). DOF complies with the regulations in the industry, especially with IMO and MARPOL Annex IV, Regulation 14, regarding strict measures addressed to ship owners to control the emissions of NOx and SOx from their ships, in Emission Control Areas (ECA) where ultra-low sulphur fuel is required.

Several vessels are fitted with technology reducing fuel consumption and emissions.

- Since 2007, DOF has focused on reducing NOx emission to air: the main contributor is the instalment of Selective Catalytic Reductions (SCR) systems which can reduce NOx emissions up to 90%. SCR is a means of converting NOx with the aid of catalyst urea into N2 and Water. See Appendix B.4, Figure 9 - NOx reduction measures.
- The diesel electric hybrid propulsion system allows greater operational flexibility and reduces energy consumption, CO2 emissions and maintenance costs. This propulsion system is ideal for DOF's combined anchor handlers and offshore construction vessels.
- Improvements, particularly on hull design, have been made through close industrial cooperation with main suppliers. This experience transfer ensures continuing enhancement of technology into the future.
- DOF deployed cloud-based analytics software system successfully on 30 vessels in 2020. Maress analytics allows decision makers on shore and on the bridge to make more informed decisions on how to reduce emissions. Maress allows DOF to fully understand the emissions from individual vessels, and for the fleet as a whole. Due to the smart re-use of existing data the system can be rolled out quickly and will be operational on the whole fleet in Q1 2021.
- The research project partnership with Kongsberg Maritime, SINTEF Ocean and NORCE to develop of a new generation Decision Support System (DSS) for offshore vessel operations. In 2020 the DSS prototype was installed on two vessels (Skandi Africa and Skandi Vega) and will provide live system feedback.
- Developing shore-side electricity connections for port stays has delivered considerable environmental benefits by utilising renewable energy reducing carbon dioxide, sulphur dioxide and nitrogen oxide emissions to a minimum. Modifying vessels for this technology is continuously evaluated based on the availability of shore-side connections where our vessels operate.

Spill avoidance is captured by KPIs and as a 'bearing element' in the ISO 14001 certification is audited regularly. DOF's maintenance regime incorporates spill avoidance objectives in order to reduce the risk of environmental impact from incidents.

Highlights: RESPECT

Spills over 50 litres

Number of unrecovered spills:

0
in 2020

CO₂ emissions

Emissions per operational day:

+10.6%
in 2020

CDP

DOF has reported to the Carbon Disclosure Project since 2010.

Energy Efficiency

DOF is continuously monitoring and improving the Ship Energy Efficiency Management Plans and establishing eco speed curves for optimal sailing speed.

New tools

DOF is working together with Kongsberg Group and Innovasjon Norge to develop new technology for optimal energy use onboard vessels.

Overview (continued): RESPECT

All vessels have a Shipboard Marine Pollution Emergency Plan (SOPEP/SMPEP) which provides guidance to the Master and officers on board the vessel as to the steps to be taken when a pollution incident has occurred or is likely to occur. The plan is reviewed annually, and a regular drill held.

DOF's internal procedures for bunker and fuel testing ensure control of fuel supplies to its vessels. The main objective is to ensure good quality and uncontaminated fuel supplies to offshore installations, in accordance with Charterer requirements. All contracts between DOF Marine and charterers specify the quality of the fuel as per ISO 8217, Bunker Fuel Standard.

Innovation & climate resilience

DOF conducts operations in compliance with best practice techniques and principles, worldwide. As such, DOF standardises its global approach to meet the highest requirements of legislation and the expectations of external parties both locally and internationally.

Risk Identification and Assessment analysis of where we are most likely to deviate from these commitments and what the risks are should this happen, is undertaken. Control measures can be identified to ensure that our levels of exposure are acceptable for all stakeholders.

Development and support of the communities where we operate

A principle of our business model is to train and maintain a dedicated core crew on all our vessels.

This creates value by retaining operational and vessel knowledge between charter or project crew changes and leads to a higher level of safety, efficiency and quality of services, benefiting the Group, our clients and our workforce. The program creates value for individuals, their families as well as local governments and society by creating jobs, assisting in enterprise development and technology transfer to local communities.

DOF's global maritime cadetship program combines the principles of a fair return for our local communities with building a skilled and sustainable workforce. This program gives cadets a structured path to gain qualifications and a long-term livelihood.

Involvement in the Norwegian Training Centre - Manila (NTC) cadet program has been part of DOF's strategy to provide highly qualified officers to our fleet. The courses extend across the complete area of vessel operations. The aim is to train seafarers to the highest standard of safety and quality and promote excellence in maritime operations worldwide.

DOF joined other Norwegian ship-owners who founded AEPN in Brazil to provide opportunities for young adults to start maritime careers via ordinary seamen courses.

Community support is focused on promoting education, culture and sports through a number of specialist organisation's

structured programs, primarily in Brazil and Philippines, to give underprivileged children a chance for a better future.

For example, DOF provides Sponsorship to the Renascer foster institute (Brazil), an organisation which cares for children of one to five years old, presenting them new life perspectives through sports, art and music, providing them with a home, food and shelter.

We remain very close the community of Comatin since DOF and partner OSM rebuilt the Elementary School after a typhoon in 2013.

What are future goals with RESPECT:

A new communication package, including new tools, with a goal to improve communication with our workforce was launched in 2019. A solution for distributing company news offshore and introduction of an Enterprise Social Network will continue to be developed in 2021.

The ongoing efforts to enhance energy efficiency will continue in 2021. This includes continuous evaluation of vessel modifications such as installation of shore power connection capability and battery packages.

The 'Intelligent Efficiency' Decision Support system will continue developing. Innovasjon Norge granted the project an extension until November 30th, 2021 due to the disruption caused by COVID-19.

DOF performed a climate change scenario analysis in 2019, based on the Task Force on Climate-related Financial Disclosures (TCFD). During 2021, a set of strategies will be developed to implement short, mid and long-term strategies and goals related to the external environment.

DOF has an overall objective to reduce CO2 emissions by 3% each year, based on operational days per vessel. CO2, SOx and NOx are gases which are part of the exhaust from combustion engines and reducing the fuel consumption will also reduce the emission of these gasses.

Our RESPECT focus for 2021

- DOF is an equal opportunity employer and has zero tolerance for any form of harassment within the workplace or local communities.
- The R&D phase of the Intelligent Efficiency project will be finalised, and field testing commence.
- Continue to strive for reduced emissions. To support this, the framework for measuring, monitoring and analysing fuel consumption and emissions will be overhauled.

Results: RESPECT

Respect underpins the flexibility we have in our organisation. We can call on specialist individuals who because of the common respect for each other, have a commitment to meet shared goals. Without mutual respect, the high level of coordination and cooperation required to address corporate or operational challenges is more difficult. DOF has a proven record of adapting assets quickly and developing operational solutions to meet difficult and time sensitive challenges from their clients that delivers successful project execution outcomes. The following reporting concerns all DOF vessels and all environmental initiatives in the Group.

Energy Consumption within the Organisation 302-1

The majority of DOF's energy consumption comes from non-renewable sources, which is attributed to fuel consumption on our vessels. The energy consumed in our offices comes from both renewable and non-renewable sources, depending on the energy infrastructure in the area where the office is located.

Figure 9 in the Appendix B.4 indicates the organisation's energy consumption in joules. Electricity consumption per country is detailed in Figure 10, also available in Appendix B.4.

Managing Fuel Consumption and Emissions to Air (Carbon Dioxide Emissions) - Scope 1 and Scope 2 - 305-1 | 305-2

The Environmental Impact Policy sets out clear aspirations to ensure that our operations have minimal impact on the environment. This requires DOF to calculate and anticipate potential challenges before activities take place through risk identification processes, to ensure that the environmental impacts are understood and reflected in our activities.

Data regarding Scope 1 concerns fuel vessel consumption for all DOF vessels (including third party vessels). The resulting CO₂ emissions are detailed in Figure 12. During 2020, the total Scope 1 emissions were reduced by 3.9% (18,966t CO₂e) compared to 2019. However, the emission

per operational day (intensity target) increased by 10.6% compared to 2019. This is mainly attributed to many vessel movements between regions, as vessels needed to be reallocated due to COVID-19 effects on operations. In addition, Scope 1 figures for 2020 includes emissions from incinerated waste onboard.

Scope 2 data relates to electricity and heat consumption in buildings where DOF has offices or warehouses. Scope 2 accounts for 0.2% of DOF's total CO₂ emissions. DOF has decided to use "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)" to calculate the CO₂ emissions originating from onshore electricity consumption (Appendix B.4, Figure 12).

Total number and volume of significant spills 306-3

DOF considers spills of hazardous materials to the external environment that are over 50 litres to be significant spills. This is in line with the definition from IMCA SEL-010. The target is to have zero significant spills to external environment.

In 2020, there were no liquid spills reported that exceeded the 50-litre target to environment.

One incident was recorded where approximately 2,190 litres of hydraulic oil spilled on deck. The spill was contained and there was no release to the external environment.

During the year, 17 environmental incidents were reported. This results in 2.25 incidents per million man-hours. This is below the KPI of less than four spills per million man-hours. The vast majority of the incidents are related to minor spills onboard the vessel which was contained without release to the external environment.

The spills vary from millilitres to litres. It is challenging to record the exact volume of liquid spilt as most of the spills are contained by marine spill kits with different absorbent material. Measuring the volume is based upon individual's best judgement at the time of the incident, often in rough weather, darkness

and time constraint. The total volume of spills was 2,287 litres, whereof 32 litres were released to the environment. The KPI for the area set to be zero, but the result is 4.26 litres released to environment per million man-hours.

Compliance 307-1

In 2020, DOF has not been subject to any significant fines or non-monetary sanctions for non-compliance with environmental laws and/or regulations.

Innovation and Climate Resilience - Financial implications and other risks and opportunities for the organisation's activities due to climate change 201-2

A climate change risk and opportunity workshop was undertaken in March 2016 to establish the impact climate change has on DOF's global operations. This assessment is subject to annual review and was last updated in March 2021 to validate the risk assessment and make any necessary adjustments.

Due to its modern fleet, DOF can operate in harsh environments and extreme weather conditions. Combined with the capabilities and training of our senior officers to manage adverse weather situations, DOF ensures continuous operations where less capable vessels seek Safe-haven. This gives DOF a competitive advantage in a future where extreme weather conditions will be more common.

The rapid change as the energy mix shifts from predominantly fossil fuel to renewable energy is expected to bring new opportunities for the energy sector. The knowledge and experience gained by the industry is transferred to new areas such as offshore floating wind farms. This new energy industry will open new areas for DOF where we can take advantage of our unique mooring competence and experience.

Our energy efficiency and environmental management programs have created a robustness within the Group. DOF is prepared for any type of CO₂ taxation and can be a preferred partner of choice. The Climate Risk and Opportunity analysis is available on request according to the requirements in the ISO 14001 certification.

Integrity

Applying our values Safe  the RITE way® to define significance, guide our approach, assess our results and set the ambitions into our future.

The very corner stone of our business.
We behave ethically, always.



How DOF defines INTEGRITY:

"We are honest, fair and equitable in all our dealings. We are dedicated to good corporate governance. We strive to do the right thing not because someone is checking, or looking, but purely because it is the right thing to do."

Why is INTEGRITY significant to DOF:

Stakeholders rightly expect good governance, integrity and ethical practices to be evidenced at all levels of DOF's organisation and operations. Upholding standards aligns with UNs Global Compact and Sustainable Development Goals, ensures decent work, generates wealth for employees, local communities, and along our supply chain as well as wider society by generating taxes.

Upholding our position within the top 5 for environmental and social sustainability in our industry is a strategic objective in the next 3-year strategic period and a driver for value creation. Through Integrity we aim to:

- Maintain DOF's reputation as a responsible and competent partner, demonstrating the highest level of integrity in all our activities. Promote fair and honest relationships with all stakeholders through consultation and engagement.
- Continue to deliver value to all stakeholders and wider society by providing clients with subsea and marine solutions that meet client expectations and contractual obligations. Here, 'repeat business' is strong indicator of client confidence and helps us win future contracts.

What are we doing about INTEGRITY:

Everyone shares the commitment to practise the highest standards of ethical business conduct and integrity in all decisions, and actions. Values-based training is mandatory, including our Code of Business Conduct e-learning module, compliance activities and the correct use of our management systems and tools.

To ensure external providers align with our values and policies, the Group has invested in a more efficient, digital platform to conduct vendor evaluation which is also designed to ensure principles are upheld along our supply chain. The vendor evaluation is mandatory for all suppliers and will produce a master supplier database in Unit 4 ERP.

Compliance to Law, Industry Standards, and local regulations

Operating globally DOF works to comply with regulations at both national and local levels.

DOF personnel and subcontractor compliance

All DOF personnel and subcontractors are required to comply with applicable legislation, regulations and standards as well as client's requirements. The legislation, standards, codes of practice and guidelines register provides a list of applicable requirements.

- Each region has developed registers of applicable legislation, standards, codes of practice and guidelines. When DOF operates in areas where legal requirements are weak, all operations are to follow our policies and operational standards.
- DOF's Management System is based upon ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. The system is accredited by DNV.
- All legislative requirements are listed in the regional Legislation and Other Requirements Compliance Register according to pre-identified areas for the compliance analysis.
- The company subscribes to regular updates from legal databases, and register is being updated accordingly. Compliance with the requirements is verified during internal reviews, inspections, third party reviews, internal and external audits.

Anti-Bribery & Corruption

In 2020, DOF continued the practice of evaluating vendors to assess their suitability to meet DOF's requirements for a competent and reliable vendor. A key and mandatory element of the assessment process is the requirement for the vendor to declare their commitment to abide by DOF's Anti-Bribery and Corruption guidelines. Failure to comply will automatically exclude the vendor.

Transparency - Traceability - Trust

DOF's anti-corruption and anti-bribery measures are regularly evaluated in order to ensure that sufficient measures are in place and oversight responsibility sits with the BoD.

Risk and opportunity management

Risk and opportunity management is imperative to all DOF business activities. The Risk Management Manual helps DOF to identify threats and opportunities associated with the DOF business and operational activities and establish efficient means of barriers and controls in all phases of the business life cycle. The Risk Management principles and techniques align with the following:

- ISO 31000: Risk management -- Principles and guidelines;
- ISO 31010: Risk management -- Risk assessment techniques;
- ISO 17776: Guidelines on tools and techniques for hazard identification and risk assessment;
- DNV RP-H101: DNV Recommended Practice – RISK management in marine operations.

Modern Slavery Act

The Vendor Evaluation and Recertification process incorporate requirements to ensure that all existing and future vendors to DOF agree to abide by the principles of the Act, and that they do not promote or carry out any unlawful human rights practices, as covered in the Modern Slavery Act 2015, and also ensure that all vendors do not engage in any type of human trafficking, child or forced labour practices, etc., whilst doing business with DOF. Suppliers will be required to provide DOF with a Transparency Statement stating their position with regards to the Act and associated Human Trafficking and related exploitation practices, or a declaration that they will abide by DOF's Code of Business Conduct. Failure to comply with this requirement will automatically exclude the vendor.

Training

DOF has incorporated specific training such as Anti-Bribery & Corruption into its training programme. Also, where necessary, DOF is committed to training all stakeholders within its supply chain to understand the practical and legal aspects of DOF's Code of Business Conduct requirements, and the possible implications and the consequences to DOF and themselves of failing to comply with DOF's requirement's and legislative obligations.

Supply Chain Management 102-9

The DOF CEO, supported by an executive management team is responsible for identifying, engaging and where necessary retaining all necessary financial, technological and organisational resources required to support the DOF Supply Chain Management (SCM) global operations.

DOF's overall SCM system is comprised of three core disciplines and two support disciplines, interacting with each other as shown in Figure 14 on page 170. All activities undertaken within the various supply chain functions meet the following criteria:

- The best interest of DOF and its partners - Add value to the supply chain system for the benefit of the Company and its partners.

Highlights: INTEGRITY

Fines

There has been no significant fines or non-monetary sanctions due to non-compliance.

0

in 2020

Corruption Cases

There have been no corruption cases in 2020.

0

in 2020

Compliance Awareness

A compliance awareness programme has been developed and rolled out to the entire organisation.

UN Global Compact

DOF's supplier evaluation program is based on the ten principles in the UN Global Compact, covering the areas:

- Human Rights
- Labour Conditions
- External Environment
- Anti-Corruption

Ethics Helpline

DOF has a 24/7 Ethics Helpline, available for people inside and outside the organisation. Reports can be made anonymously, and the service is managed by a third-party provider.

Overview (continued): INTEGRITY

- Fairness, Integrity and Transparency - To achieve the best value for money, whilst protecting the Company from unwanted and / or illegal practices such as: fraud, corruption, collusion and other unethical practices.
- Best value for money - Trade-off between price and performance that provides the greatest overall benefit under the specified selection criteria.
- Effective competition - Ensure where possible, that there is a sufficient number of independent prospective vendors, allow competition to supply between the vendors, non-discriminatory selection criteria.

Procurement is central to DOF's overall Supply Chain Management system. It ensures that all procurement activities conducted by DOF are performed in a standardised and controlled manner, consistent with DOF's policies and in accordance with contractual obligations and client requirements and expectations.

The procurement of goods and services is undertaken in a manner that reduces the level of risk and cost for DOF and our clients whilst maintain the highest level of quality, reliability and integrity possible. The process operates in conjunction with the Contract Management and Logistics management processes to achieve a seamless transition of information and knowledge that supports all DOF entities and projects.

In 2020 DOF's global supply chain, consisted of almost 3,500 suppliers and a significant amount of its procurement spending was comprised by bunkering, lay spread equipment, crew agency services, specialised equipment hire, employee travel, vessel hire among other services.

In 2020 the regional split for suppliers was as follows: Asia-Pacific 16%, Atlantic 49%, North America 14% and South America 21%.

Risk and Opportunity Management

DOF has an active approach to future risk and opportunity management and strives to clarify its long-term potential, including strategy, value drivers and risk factors, to its main stakeholders.

To produce lasting value for its stakeholders, and a long-term competitive return on the investment of its shareholders, the Board of Directors and the Management regularly evaluate long-term risk and opportunity and potential impact on strategic decisions taken today.

DOF's policy is to continue to invest in the local communities in which it operates. This includes investing in training, building the technical competencies of our employees and focusing on a local workforce.

DOF's operations are based on asset investments with a long-life span, of up to 30 years. DOF's policy is to have a modern, multipurpose fleet, renewing and converting over time to implement new technology and maintain an

attractive, energy efficient fleet to serve our customers and potential new markets.

To be a long-term marine and subsea supplier for offshore industries DOF maintains a cohort of asset, marine and subsea engineering competency, inhouse. There is potential for DOF to continue to build on these core capabilities to access opportunities in offshore renewable energy projects.

Balancing risk and opportunity is a key concept for DOF. Operations range from low risk areas, such as long-term vessel charter, balanced with more complex operations for subsea project delivery. DOF further diversifies its risk exposure in today's global offshore energy market by having established a global footprint, a presence in promising markets and excellent customer relations. DOF is committed to maintaining a focus on diversifying its risk exposure and adapting to changing landscape of risk and opportunities.

Within DOF Subsea, the distribution of risk between Subsea and IMR projects and long-term charter has been quite stable over the last year three years (ref. Figure 1 on page 147). Subsea and IMR projects are normally regarded to have a higher risk profile compared to long-term chartering of vessels. The distribution of project levels is outlined in Figure 1.

By using local suppliers and infrastructure, we support many companies and organisations that are outside the DOF core business, although vital to deliver successful operations to our clients. It is difficult to quantify the exact monetary value of this contribution; however, a conservative estimate is that one DOF employee creates one job position outside of the organisation. This estimate is based on various studies performed by the energy industry trade organisations.

The Board of Directors, in its assessment of the scope and volumes of dividend, emphasises security, predictability and stability, dividend capacity of the Company, the requirement for healthy and optimal equity as well as adequate financial resources to create a basis for future growth and investment, and considering the wish to minimise capital costs.

What are future goals with INTEGRITY:

Industry Leader: to leverage global assets, knowledge and operational expertise, to strengthen the position and progress towards being recognised as an industry leader capable of delivering large scale projects that add benefit to all stakeholders.

Global Partner of Choice: working with global operators, as a committed and reliable organisation that can supply integrated services and work in partnership to develop optimum solutions for the benefit of both organisations, and other relevant stakeholders.

Equally important, is DOF's approach to forming strategic partnerships arrangements with its own supplier and contractors. The intention is to develop a more cost effective and efficient supply chain, regionally and globally, to benefit DOF and our clients.

Overview (continued): INTEGRITY

United Nations Guiding Principles on Human Rights and Business

In late 2019, DOF was invited to participate in a project coordinated by the Rafto Foundation for Human Rights. This project has been named “Future Proof” and develops tools for businesses in the Bergen area to implement the United Nations Guiding Principles on Human Rights and Business, which will continue to develop throughout 2021. Through participation, we gained a new and deeper understanding of UN’s Global Compact and SDGs which will guide us in further integrating Human Rights into our operations.

Amnesty International’s recent acknowledgment placing DOF among the top 5 global companies based in the Nordics, not only demonstrates our commitment to the core principles of human rights, but that we are on the right track. Amnesty International has also invited DOF to participate in the development of an online learning tool to increase awareness and knowledge within Human Rights and Business.

Our INTEGRITY focus for 2021

- Continue to apply the new ISO 37001 standard to structured governing documentation to achieve the highest standards within Anti-Bribery management system.
- All Whistleblowing incidents will be captured and demonstrated as resolved in line with Group policies and international standards.
- A new database will be introduced, for identifying, recording, assessing and controlling risks through all our activities to ensure visibility at all appropriate levels within the organisation.
- The global legal function in DOF will be strengthened, combining legal, tax and insurance with a global perspective.
- New strategic objective: Maintain position within top 5 in social and environmental sustainability in our industry.

Results: INTEGRITY

During 2020, major activities have been initiated to strengthen the integrity of the Group.

Tax strategy: At the beginning of 2021, the DOF tax strategy was reaffirmed and approved by the Board of Directors. The tax strategy is available on www.dof.com.

Supplier evaluation: Continued implementation of the vendor evaluation database. Approximately 300 suppliers were evaluated during 2020; resulting in a total of 700 since DOF started using the database.

Privacy and General Data Protection Regulation (GDPR): One privacy breach with limited impact was recorded in 2020. The incident was not subject to GDPR, and was reported to local authorities in the area.

DOF Tax Strategy

DOF aims to achieve excellence in all its operations across every jurisdiction in which it operates. By providing a Tax Strategy, DOF ensures that all tax obligations are complied with, in a timely, efficient and cost-effective manner, in all project locations.

DOF is mindful of its responsibility and is committed to paying the amounts of tax legally due in any country in which it operates, in compliance with applicable laws and conventions and in accordance with the Code of Business Conduct.

The strategy aims to demonstrate good corporate practice in the area of tax management and tax transparency, balancing the interests of the various stakeholders, including customers, shareholders, employees and society at large.

Governing Documents

Besides the Code of Business Conduct (COBC) further improvements were made to communicate DOF's ethical guidelines and business conduct with the release of an updated electronic training module made available to and mandatory for all employees. The COBC sets clear expectations on all employees, and provides examples of dilemmas

that our people may encounter. The training is also publicly available at www.dof.com.

Additionally, executive and middle management receive regular training regarding anti-bribery and anti-corruption measures.

During 2020, the reporting mechanism for compliance incidents has been actively used on both local and Group level, and compliance incidents were handled and concluded in accordance with the requirements in the policy framework.

Legal compliance 205-3 / 206-1

In 2020, there were no confirmed incidents of corruption, and there was not any legal action pending or completed regarding anti-competitive behaviour, anti-trust or monopoly practices against DOF.

Operations assessed for risks related to corruption 205-1

In regions with a high risk for Bribery and Corruption, DOF has used the know-how of DOF Subsea UK, subjected to the ruling of the Bribery Act 2010, to frame the approach to Bribery and ethics.

Bribery Risk Assessments for the Group's operations are performed and recorded on a regular basis, given the risk potential.

However, risks identified out with the formal Risk Assessment on an ad hoc basis will be added and analysed as appropriate by Regional HSEQ Managers in all the locations where DOF operates.

In addition, assessment related to Business Integrity and Ethics is mandatory in all projects identified as level 3 and above. In 2020, out of 97 projects, 81% were within levels 3-5, and consequently assessed for risks related to corruption. There were no significant risks identified that had not already been treated by existing DOF standards and policies. Control and mitigation required is based upon project risk and complexity (Figure 1 on page 147).

A Risk Identification Workshop with participation at senior management level with representatives either accountable or knowledgeable in the areas of business ethics, bribery or legal matters was undertaken. The workshop team produced a gap analysis of legal and other requirements also highlighting areas where DOF is most at risk of non-compliance.

Overall, this Risk Identification process showed a substantial degree of control over managing bribery and business ethics risks at a Group level. However, there are recommendations from this workshop that are considered significant in maintaining business continuity and our duty of care as a responsible organisation. A review was performed in February 2020 to validate the risk assessment and make any necessary adjustments.

It should be noted that this level of control against business ethics and bribery risk is applicable to DOF level. At business unit and worksite levels of the organisation, it is necessary for measures to be implemented to manage compliance against local risks and requirements.

In the UK, DOF follows the ruling of the Anti-bribery act of 2010, and in other regions where DOF operates, a detailed process is followed according to guidelines for Business Acquisition in DOF, including Legal Contractual Risk Assessment, Commercial Risk Assessment, Technical Risk Assessment and Insurance Review.

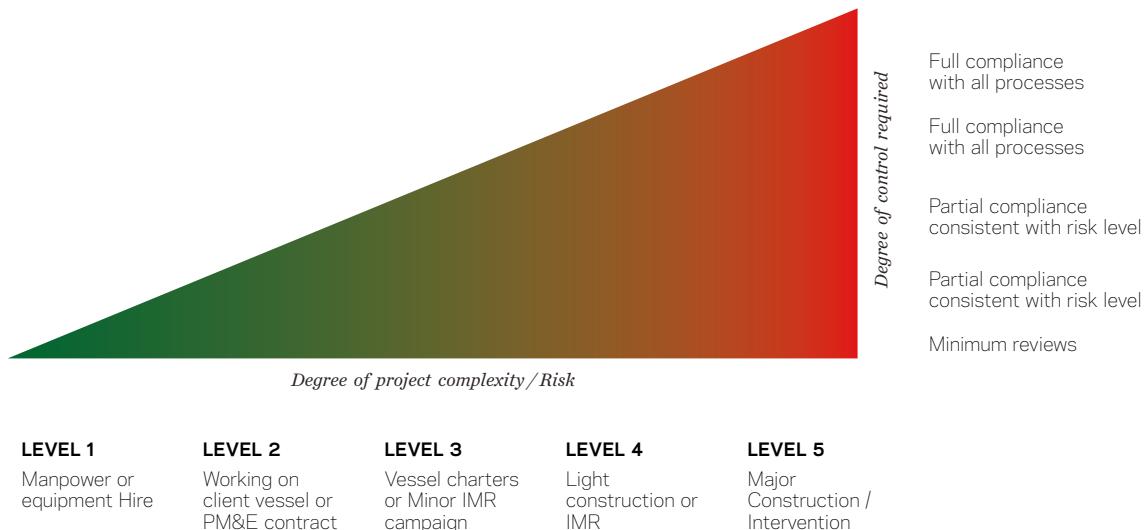
Risks identified related to corruption may vary according to the activity the Company is engaged in. For example, during the tender selection key risks encompass facilitation payments, excessive hospitality and excessive promotional expenditure, to provide a client with excessively luxurious accommodation or transportation and offer of favourable prices in return for a personal gain.

Donations and sponsorships are organised in a transparent way and are regularly checked and audited by external bodies such as PwC and equals.

Results (continued): INTEGRITY

Degree of complexity / risk compared to degree of control required - **Figure 1**

Overall risk management process in DOF is the balance between complexity of risk and complexity in a project, and degree of controls. The figure above gives a visual view on how project levels are combined with what part of the business management system that need to apply.



A typical donation can be to an athletic organisation where DOF donates a fixed sum for sponsoring a sport arrangement. DOF has its name on posters or clothes and in return the company will receive an invoice from the athletic club. The invoice will refer to an agreement. Other sponsorships can be of named athletics with a half yearly payment. This is regulated in a joint agreement signed by both parties.

With respect to donations to support bereaved with education in case of the death of a DOF employee, a separate donation committee is organised by external lawyers. As a gesture, DOF will donate a given sum of money and this will be followed up by collection given by DOF employees.

In Brazil, DOF donates money to established and reputable organisations that run schools and educational programs. These donations are based upon written agreements and payments are based

upon invoices referring to the agreements. The agreements are part of the annual audit scope performed by external auditors.

In general, all payments in DOF are regulated in the authorisation matrix. The “four sets of eyes” principle is built into this. The entire payment process is under strict control and in case of donations and sponsorship these rules will apply.

Projects on level 3 and above (ref. Figure 1 above) are assessed regarding risk of bribery and corruption. However, regional Executive Vice Presidents may deviate from this requirement by a Management of Change process. Due to this possibility for deviation, it is currently not possible to obtain an exact number of projects where bribery and corruption risk assessment has been done. Going forward, DOF intends to update routines and processes to capture this information.

Communication and training on anti-corruption policies and procedures 205-2

DOF's Business Integrity and Ethics policy is approved by the Board of Directors. This policy is available on the public website, intranet, and posted at all work sites globally. In addition, the policy is communicated to both suppliers and clients through the business processes.

The policies are reviewed regularly in management review at regional and corporate level. Any changes proposed are given final approval by the Board of Directors.

Introduction training is provided to all employees in DOF, regardless of their role and position. Eight e-learning modules are mandatory, including a module regarding Business Ethics and Code of Conduct, which covers many issues regarding anti-bribery and anti-corruption policies. In addition to completing the module at the

Results (continued): INTEGRITY

start of employment, it must be completed again every two years. In 2020, approximately 1,000 employees completed the module.

One of the aims is to provide to the executive and middle management team regular training regarding anti-bribery and anti-corruption measures. Board members are informed on a quarterly basis of any cases, changes or results of audits in the area of Anti-Bribery and Corruption.

Business Integrity and Ethics is a mandatory part of the yearly appraisal between managers and employees. This is an important opportunity for monitoring awareness and consciousness of DOF's values.

Financial assistance received from government 201-4

In 2020, DOF received tax relief / tax credits or subsidies in some of its areas of operation as part of governmental COVID-19 relief measures for businesses.

The government is not present in the shareholding structure.

Australia

- Tax relief and tax credit
 - » AUD 142,544
- Subsidies
 - » AUD 1,980,000

Norway

- Tax credit in relation to R&D projects
 - » NOK 12 million budgeted from Innovasjon Norge for Intelligent Efficiency project; NOK 3.6 million received by end of 2020.
 - » NOK 76 thousand received in tax credit related to development of technique for remote survey operations.

Singapore

- Subsidies
 - » USD 184,840
 - » SGD 62,892

UK

- Other financial benefits
 - » GBP 3,000 Employment Allowance

USA

- Other financial benefits
 - » USD 2,342,292 loan (Small Business Administration Payroll Protection Program). It is expected that this loan will be 100% forgiven

Commitments to external initiatives 102-12

DOF endeavours to comply with recognised industry standards and guidelines published by various organisations connected to the oil & gas industry, such as International Maritime Organisation (IMO), International Marine Contractor Association (IMCA), International Association of Oil & Gas Producers (IOGP), International Organisation for Standardisation (ISO), and class societies (DNV, Lloyd's etc.).

In the marine segment, a robust system is also in place to allow that vessels and offshore personnel comply with laws and regulations in the locals of operation.

DOF's Integrated Management System (IMS) is based on compliance with IMO regulations and audited and approved by DNV. A Document of Compliance certificate is issued. An annual audit is conducted to verify that the Company complies with the requirements of the International Management Code for the Safe Operation of ships and for Pollution prevention. The DOF internal audit program is annually updated to ensure updates on new regulations are implemented and adhered to in the Company.

All the Vessels owned by DOF are audited regularly by DNV GL under the same IMO legislation, vessel-by-vessel. Additionally, vessels are audited under the internal audit program.

DOF Management utilises DNV Navigator, which provides regular updating of all IMO legislation and flag state requirements on vessel. Any changes in legislation as well any vessel re-certification is communicated daily to our managers.

In 2013, DOF Management successfully implemented the Marine Labour Convention (MLC) on all NIS / NOR, BAH,

Cyprus and IOM flagged vessels. In addition, vessel managers ensure that all DOF vessels comply with the SOLAS regulations for Life Saving Appliances (LSA) and Fire Fighting Equipment on board and that masters and officers are given the required training to operate in safety.

Memberships of associations 102-13

In order to facilitate interaction and collaboration with different sectors of the offshore industry, DOF is an active member of many industry associations in the locations where it maintains operations. In addition, there is regular participation by DOF's representatives in projects or committees of those associations.

The International Marine Contractors Association (IMCA) is the international trade association representing companies and organisations engaged in delivering offshore, marine and underwater solutions. DOF has been an IMCA member for many years and has been an International Contractor member since 2015. DOF has representatives in vice chair positions in the Digitalisation Committee, and in the Environmental Sustainability Committee.

IMCA defines the International Contractor membership as follows;

“International Contractor - ICO This category of membership has been developed for contractors who have an international presence -operating in 3 or 4 of the IMCA regions - as offshore oil and gas construction contractors. Such companies should be able to demonstrate their marine construction capability, set out their geographical presence and their commitment and involvement with IMCA.”

DOF Subsea APAC

- APPEA (Australian Petroleum Production & Exploration Association)
- Subsea Underwater Technology (SUT)
- Subsea Energy Australia
- Industrial Foundation for Accident Prevention (IFAP)
- Offshore Project Safe - Steering Committee member (Region EVP)

Results (continued): INTEGRITY

DOF Subsea UK

- British Safety Council
- Subsea UK
- Oil and Gas UK

DOF Brasil

- Abespetro (O&G Association)
- Abeam (Shipowners / Vessel Operators Association)
- Syndarma (Shipowners Union)
- Abran (NSA - Norwegian Shipowners Association)
- NBCC (Norwegian-Brazil Chamber of Commerce)
- AEPM (Association for the Specialisation of the Seafarer)

DOF ASA

- Norwegian Shipowners Association
- Bergen Shipowners Association
- Norwegian Church Abroad – Global ERT membership
- The Bergen Chamber of Commerce and Industry

DOF North America

- American Society of Safety Engineers - ASSE
- International Organisation for Safety and Health - IOSH
- International Association of Drilling Contractors - IADC

Compliance 419-1

In 2020, there were no significant fines or non-monetary sanctions related to fraud, corruption or workplace discrimination under the jurisdictions where DOF operates.

Supplier screening 414-1 & 308-1
 DOF vendor evaluation questionnaire is comprised of two parts. The first part concerns anti-bribery and corruption, and additional questions based on the UN Global Compact, which asks the supplier to rate their risk towards breaches of the principles. All vendors must complete the first part of the questionnaire. The second part is largely related to management systems (Occupational Health & Safety / Quality / Environmental). In 2020, 291 suppliers completed the questionnaire. That equals to 8.4% of suppliers used in 2020.

Teamwork and labour rights

Applying our values Safe  the RITE way® to define significance, guide our approach, assess our results and set the ambitions into our future.

DOF requires all parties to participate and collectively strive to develop best practice solutions aligned with DOF's values and regional and corporate objectives. Within the same framework, DOF follows a practice that conforms to international standards for human rights, and Group operations are managed in accordance with fundamental labour standards.



How DOF defines TEAMWORK:

According to the DOF values: "Everything we achieve is as a result of teamwork. Each of us is responsible and open in our professional relationships, co-operative and collaborative, treating one another with dignity and respect. We do not blame; we find and share solutions and we learn from mistakes. From this platform we build diverse and global teams and strive for free exchange of ideas, experience and knowledge, worldwide."

Why is TEAMWORK significant to DOF:

Companies are their People. Collaboration between team members is a key success factor for DOF. Teams, at every level of the organisation, have built the professional and respected company we are today.

In turn, working for a values-driven company, offering fair work, with career development and team environment creates an engaged workforce which benefits customers, investors, and suppliers. Training and careers programs benefit local communities.

Matching existing assets and the unique skills and potential of our people to future market demand is a strategic objective in the next 3-year strategic period and a driver for value creation. Through Teamwork we aim to:

- Align teams in DOF ASA and DOF Subsea, maintaining the diversified strengths and our unique position with both marine and offshore subsea services, to become a more efficient and flexible organisation.
- Develop capability using technology and centralisation for specialisation hubs and focus on competency, succession planning, and work culture to ensure a competitiveness and career development in market opportunities.

What are we doing about TEAMWORK:

DOF is committed to building strong and capable teams, through training and developing of key employees, either as part of important teams, or as potential leaders.

Labour rights & relations (employee satisfaction)

DOF is committed to encourage and support all employees and ensure all employees align with DOF's vision and values. DOF has systematically performed working environment surveys over the last six years. Surveys are conducted every second year, followed by 2-year improvement processes.

DOF follows a practice which conforms to international standards for human rights, and Group operations are managed in accordance with fundamental labour standards. Our guidelines and standards are based on the ILO Convention that prohibits all use of forced labour or child labour. DOF recognises and respects the employees' right of association, organisation and collective bargaining, and the company guidelines conform to the labour regulations stipulated by all local authorities.

Labour / Management Relations

DOF is part of an industry known to be cyclical and in down-times redundancy and down-sizing are an unfortunate part of the cycle. DOF ensures continuous dialogue with employees' representative and trade unions. It is inevitable that workforce numbers will change according to demand, however DOF will do its utmost to assist employees affected by down-sizing and have a robust program to support those employees with career and financial counselling.

Training and Education

The DOF training framework is based on nine key strategies:

- Cultivate Core Values, Safe the RITE way;
- Partner with different business units to establish core competencies;

- Leverage Intellectual Capital;
- Invest in Strategic Learning;
- Align Strategies with Corporate Objectives;
- Broaden Learning Activities;
- Focus on Performance Solutions;
- Speed up knowledge transfer and knowledge retention;
- Build our employee branding.

In addition to training for DOF employees, all third-party personnel onboard our vessels must complete a vessel induction process, with vessel familiarisation, DOF's operational standards and Code of Business Conduct, and mandatory e-learning modules covering Permit to Work, Management of Change, and Risk Assessment.

What are future goals with TEAMWORK:

To build on the strengths of teams so the efforts of one team can be quickly replicated or adapted in another region is a key concept. The ability to harness the creative talents from a region, by incorporating their solution into a potential business opportunity in another region, will enable DOF to respond to clients with timely, proven solutions and resulting in a cost-effective outcome for DOF and its clients.

DOF will increase the use of Subject Matter Experts selected from appropriate regions to provide support to corporate and project related teams. The implementation of the 'modern toolbox' will support this effort.

Various initiatives in the Human Resourcing areas of resourcing, attraction, privacy compliance, retention and development of employees will be executed. We remain committed to sourcing talent and developing employees and to adapt to market changes. In addition, enterprise social media platforms, both internal and external, have been implemented to improve communication with our workforce and external stakeholders.

Our TEAMWORK focus for 2021

In 2021, DOF will continue to take full advantage of modern platforms for communication and collaboration which proved vital to business continuity in 2020. This includes an Enterprise Social Network solution to improve workforce communication by making it easier to communicate and allowing interactive communication. New tools for collaboration will allow for more efficient collaboration across all DOF entities and regions. A project is underway to improve the way information is made available to offshore personnel, by providing company e-mail address and access to company portal for all offshore employees.

A new professional development initiative was launched in 2020: the DOF Group Ambassador programme. The programme was suspended due to COVID-19 restrictions as it required the cohort to travel to Norway. In 2021 it is hoped to again offer potential leaders and executives this professional development programme. In addition to this, a new talent management platform will be rolled out for all employees, supporting regular follow-up and goals throughout the year.

By joining the SHE Index in 2021, DOF aims to strengthen our capability to measure and act on diversity and inclusion in leadership and workforce. As part of this, several activities will be done, such as global analysis of gender pay gap, and gender distribution in different employee categories.

Highlights: TEAMWORK

Workplace Harassment

DOF uses a worldwide acknowledged reporting system for workplace harassment.

People

People in DOF:

3,126

As of December 31, 2020

Performance Reviews

DOF has a goal that 100% of eligible staff will have annual performance reviews.

Modern communication

DOF will continue to roll out new tools in 2021 to improve communication and collaboration, significantly across organisations and borders.

Results: TEAMWORK

Throughout 2020, the people in DOF have truly embodied teamwork. The unforeseeable challenges brought by the COVID-19 pandemic tested the limits of our organisation and people. At the same time, we have overcome challenges together and found creative solutions, adapting to continuously changing situations. Our experience and lessons learned have been distributed transparently with our clients and industry associations. Nevertheless, it is the team effort that has been the key to overcoming the challenges in 2020. We anticipate similar operating conditions and challenges throughout 2021.

Substantial effort was made in 2020 to modernise the communication channels in DOF, bringing the team closer together. The Modern Workforce Communication project made significant progress and delivered a pilot for two vessels, demonstrating that the solution and tools are working as intended.

The DOF Ambassador program which identified and gathered talents from all DOF regions, bringing them to Norway, was scheduled to start in Q1 2020. Due to travel restrictions, the project had to be put on hold and preserved. The program can be re-started when the global situation has returned to normal. The Maritime Trainee program started as planned and will continue into 2021.

Our Employees

DOF aims to provide all employees with a safe working environment where they can advance their careers, develop their expertise and have a flexible working day. The focus on DOF's fundamental values – respect, integrity, teamwork, excellence and safety – has resulted in an improvement in individual efficiency and productive attitudes among our employees. DOF has a long-term plan for training and development of its employees.

Diversity and inclusion have always been of high importance to DOF. The Equal employment Opportunities policy ensures a fair recruitment process. Candidates are treated fairly, professionally and with respect. DOF employs the most competent person for a position based on their skills, knowledge and experience.

Our workforce is comprised of 84% full-time employees and more than 2,400 employees are covered by collective bargaining agreements (88%).

Coverage of the organisation's defined benefit plan obligations 201-3
DOF operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

a) Defined contribution plans - For defined contribution plans, DOF pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. DOF has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

b) Defined benefit plans - Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

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

Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation 401-2

Standard benefits to employees can vary depending on the country's legislation where DOF operates. The key regions for the marine and subsea operations are the Atlantic encompassing companies located in the UK, Norway; South America in Brazil and Argentina; North America in USA and Canada; Asia-Pacific in Australia, Singapore. In general, the same benefits apply to full-time and temporary or part-time employees, with minor variations in the coverage depending on the region / country where they are located.

Minimum notice periods regarding operational changes, including whether these are specified in collective agreements 402-1

The minimum notice periods may vary, depending on collective bargaining agreements, individual agreements and statutory requirements. A summary of the practices in the different regions where DOF operates is given below.

Asia-Pacific - In Australia, the Modern Awards or Fair Work Act Regulatory documents' states that employers shall "...as soon as practicable..." notify the employees of any change that is likely to have a significant effect on the employees of the enterprise. In Singapore, the Ministry of Manpower do not prescribe notice periods. In Philippines labour law there is no minimum notice period prescribed, however DOF seeks to practice and provide a fair and consultative process, giving as much notice as practically possible.

Atlantic - In UK there is a minimum of one months' notice provided for major operational changes affecting employees and for statutory requirements, notice will be in accordance with valid regulations.

In Norway, the minimum number of notice period defined in the relevant national working legislations or in the employment agreement varies from 4 to 12 weeks. However, there are quarterly meetings with Union representatives

Results (continued): TEAMWORK

and the work environment committee to address organisational and operational changes. Any major issues concerning the operations that would affect employees would be debated with the employee representatives before executed.

South America - In Brazil, the period varies depending on the years of work. In case of contract rescission, the employer must give one-month notice + 3 days for every year worked in the company before executing it.

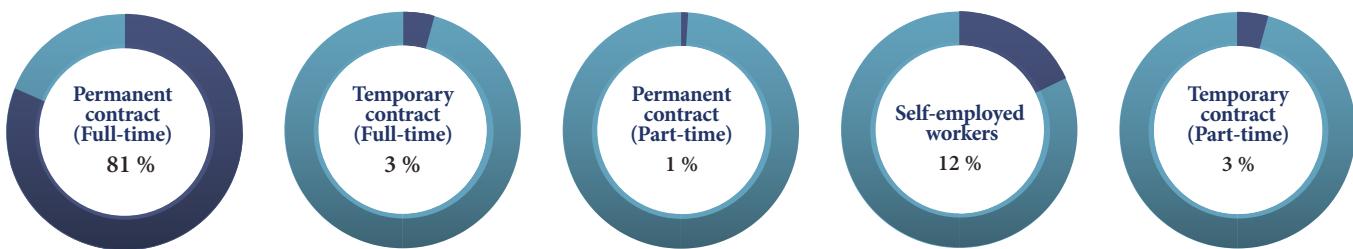
North America - In the USA, there is no defined minimum notice period, however there are limited circumstances which trigger statutory requirements. In Canada, the minimum period of notice in terms of changes in employment is based on a number of factors, including the circumstances of the change. In general, circumstances outside the control of the employer do not require any significant notice. However other notice that may affect the employment status is given based on years of service.

Percentage of employees receiving regular performance and career development reviews, by gender and by employee category 404-3
DOF seeks to conduct annually career development reviews / appraisal for all eligible employees (depending on operational area / type of position) together with their managers.

An overview of performance reviews is given on page 171 (Figure 18).

Non-discrimination 406-1

In 2020, there were no incidents or allegations where it was concluded that discrimination had taken place.

Employment type - **Figure 2**Demographics - **Figure 3**

Excellence

Applying our values Safe  the RITE way® to define significance, guide our approach, assess our results and set the ambitions into our future.

A core value, excellence is a commitment, a way of thinking, pride in what we do, and the discipline to ensure that the services we provide meet the standard stakeholders expect, to deliver future success.



How DOF defines EXCELLENCE:

“Excellence in everything we do. We are resourceful and responsive to our customers’ needs; innovative in the solutions we apply to everyday problems.

“We safeguard our individuality and the qualities that set us apart from our competitors, protecting our reputation and the professional trust we have built, we do not walk away from our commitments.”

Why is EXCELLENCE significant to DOF:

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

The ‘Shaping DOF for the future’ strategy focuses on reshaping the organisation to reflect the market outlook. Clearly, operational and technological excellence are strategically important to the organisation’s future value creation and closely aligned to the delivery of material issues Product Reliability and Customer Service.

Excellence is essential in our corporate governance and management activities and in the provision of a reliable, efficient assets base; professional workforce and high standard internal controls. The Group’s improvement program is important in continuing to successfully differentiate DOF from its competitors.

What are we doing about EXCELLENCE:

DOF is committed to continuously improve the organisational performance in all aspects of its operations, including management of processes, knowledge, resources, and change.

Continuous Improvement

DOF monitors operations so areas for immediate or future

improvement programmes can be identified to provide our employees with the best possible tools and services to perform their roles.

Alliances and partnerships are alternative options that can provide DOF and its clients with specialised services or products currently unavailable.

Product reliability

For DOF, product reliability is providing the best service to our customers with no delays. DOF is committed to delivering quality products and services by working with our customers to understand the needs of their business and consistently meet their requirements.

Product reliability is achieved through the Integrated Management System (IMS) and Business Management System (BMS). DOF is now undertaking larger and more complex projects and contracts, as well as investing in newer and more advanced vessels.

Customer satisfaction

Customer satisfaction is measured through feedback surveys and managing long term contracts and winning repeat business. It is best characterised by delivering services of the best quality, at the best cost, at the right time and to the required location.

Maintenance Management System

The Maintenance Management System is implemented on all DOF vessels and for subsea assets, as well as third party vessels on long term charter.

What are future goals with EXCELLENCE:

The DOF has a zero mind-set towards customer complaints and downtime of our operations. Operating in a challenging market with pressure to deliver the same services for less money, DOF appreciates the importance of maintaining the quality of services. In a complex and demanding world, excellence is not simply having the best product or service.

DOF will work towards delivering ever-improving value to its

customers, and other stakeholders involved in contributing to our overall organisational sustainability. The continuous improvement to the overall organisational effectiveness and capabilities will position DOF as a partner of choice to both regional clients and major international clients.

DOF will continue to evaluate and engage with strategic partners to strengthen existing capabilities and to develop new capabilities that will allow DOF to expand its range of services and align with the needs of international clients.

Maintenance Management

Maintain the RITE way, a program launched in 2018, based on best practices from Safe the RITE way, will continue through 2021. The overall objective is to improve the maintenance and housekeeping culture throughout the entire organisation. This program will be continuously developed during the coming years.

Implementing new digital tools will be a focus area to further expand the condition-based maintenance principle. This is in many ways connected to our energy efficiency efforts, as the tools used for monitoring equipment condition can also often be used to run the vessel more efficiently.

The Maintenance Management System, TMv2, will undergo adjustments. The goal will continue to simplify the system by reducing the amount of maintenance jobs and increase the focus and quality on critical jobs. This work will be done in close cooperation with Chief Engineers.

ROV & Survey Operations

A separate improvement plan for global ROV operations will be finalised early in 2021 and will cover improvements within areas such as organisational setup, maintenance and reliability, experience transfer and lessons learned, and supply chain processes within ROV.

Based on successful projects using cloud computing for survey processing, the “Survey in the Cloud” concept will be further established as a method of project delivery. This will allow DOF to produce deliverables faster, enables us to work as a global organisation and deliver close to real-time updates to our clients.

Vessel Operations

After proving a success on 30 vessels in 2020, Maress will be implemented on the entire fleet in 2021. The system combines operational data with vessel position data to enable advanced analysis of vessel performance. This creates the opportunity to reduce fuel consumption by identifying ways to run our vessels more efficiently and will be a key system to support DOF's effort in reducing our climate impact.

Our EXCELLENCE focus for 2021

- Improve monitoring and measuring of Vessel Operations by introducing new digital tools. This will have impact on several areas, such as maintenance, safety, and environmental performance.
- Building on experience from pilot projects, Survey in the Cloud will be established as a standardised method for delivering Survey & Inspection projects.
- Continue developing our maintenance culture the RITE way. A key element in this is to reduce the total amount of maintenance tasks and increase focus on quality of critical tasks.
- Establish cross company, multi-disciplinary, Technical Steering Committees to drive development in specific key strategic focus-areas.

Highlights: EXCELLENCE

Vessel Uptime

Available operative time for vessel:

99.7%
in 2020

ROV Uptime

Available operative time for ROV:

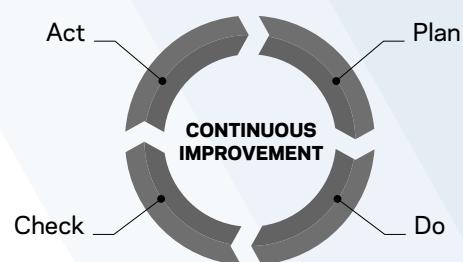
99.0%
in 2020

“Maintenance the RITE way”

The programme aims to build a world-class maintenance culture in DOF.

Continuous Improvement

DOF has built its management systems on the Plan-Do-Check-Act principle.



Results: EXCELLENCE

Our industry is experiencing substantial change, disrupting the way it has traditionally worked. New expectations and requirements appear rapidly, and affect all areas of business, from external environment to operational performance and business ethics.

DOF must keep pace with these changes, work within our values and business strategies, and involve all interested parties. A Digital Transition Strategy was commissioned by the Chief Operating Officer, to outline the main roles and responsibilities that the executive team will need to embrace.

The merger of DOF Management and Norskan, as DOF Marine, has now settled and the new organisation is continuously reviewing its key business systems and processes to be in alignment with current best practice models.

The Subsea organisation has initiated several projects with the aim to improve our product deliveries significantly, with focus in three main areas: ROV operations, diving operations, and survey.

The ultimate proof of excellence is in our reliability figures. The vessel uptime figure for 2020 was 99.7%. The equivalent figure for ROV uptime was 99.0%.

Even though the pandemic has brought many practical challenges, there have been docking activities in 2020, although some dockings had to be postponed to 2021. There have been no major issues with dockings, and a key success factor has been the work that was done in 2019 to improve the processes related to docking activities.

During 2020, it has not been possible to continue with the “flying squad” due to travel restrictions. The concept has proven to be a success and will recommence when practicalities allows it. This team travels around the global fleet, assisting the vessel crew with performing periodical maintenance on-board instead of taking the vessel

to shore. This leads to more availability for our clients.

Maintenance Management

A successful pilot program with Karsten Moholt and the skAIwatch system was performed in 2020 onboard two vessels. This will be implemented on more vessels throughout 2021. The system collects data on machinery onboard the vessel, and presents it in one common place, to quickly identify equipment that needs maintenance attention.

A focus area for Maintenance Management in 2020 has been quality control and planning, resulting in improved maintenance performance and cost efficiency. Maintenance the RITE way as a program will continue.

Product reliability results, Subsea ROV Operations 2020

Executive management visited Brazil in late 2019, for consultation and review of DOF Brasil ROV performance. The result of the review has been worked on throughout 2020, and improvement activities have been identified for 2021. A Senior VP for Remote Systems has been appointed and will work in close collaboration with Chief Operating Officer to improve all aspects with ROV operations.

Product reliability results, Vessel Operations 2020

The new Marine Operations manual was launched in 2018. During 2020, the manual has been subject for smaller adjustments. There have also been various activities to secure full implementation of the manual.

The structure for follow up of activities related to DP incidents has been strengthened, with appointment of a global DP authority, as well as a deputy in Brazil.

Operational uptime DOF1

See Figure 4, page 157.

Customer satisfaction DOF 2

DOF uses different means to monitor our

customers' perception of whether their needs and expectation have been fulfilled. Systems are in place for obtaining, monitoring and reviewing this information.

The results are analysed and used as the basis for our yearly improvement plans as required. Our commitment is to deliver quality products and services, safely and DOF works with its customers to understand their needs and meet their requirements.

DOF's customer satisfaction forms are the main source for monitoring our customers' feedback and cover all phases of our operations.

There were no formal customer complaints registered during 2020. However, some responses in customer feedback have triggered internal non-conformity processes.

In 2019, DOF experienced a drop in the scores of the customer feedback, compared to 2018. When comparing 2020 to 2019, we see that the scores are now improving. We have received feedback from several clients expressing recognition of DOF's ability to maintain high standards of quality in deliveries despite the challenges with COVID-19. Even more importantly, clients have commended DOF's plans and measures implemented throughout mobilisation

Results (continued): EXCELLENCE

DOF 1 on Operational performance Figure 4

keep everyone safe.

QUALITY INPUT/OUTPUTS	GLOBAL TARGETS 2019 METRICS	2020		2019	2018
		2020	2019	2019	2018
Available operative time for VESSEL – Time in % when vessels are in an operating mode and under contract with a client = < 2 % Down time for client due to vessel availability.	> 98 %	99.7 %	99.4 %	98.9 %	
Available operative time for ROV – Time in % when ROV are in an operating mode and under contract with a client = < 2 % Down time for client due to ROV availability.	> 98 %	99.0 %	98.9 %	99.2 %	

DOF 2 - Customer Satisfaction - Figure 5

Average ratings DOF Subsea customer feedback (received during 2020) - ratings range from 1-5, where 5 is the highest rating.

	#1 - Mobilisation	#2 - Engineering (Project & Design)	#3 - Client's Objectives (Understood & Achieved)	#4 - Client Relationship	#5 - Schedule Management	#6 - HSE Management	#7 - Site Operations	#8 - Overall Project Management (including communications)	#9 - Overall Performance	#10 - De-Mobilisation	Overall Survey Rating
2020	4.2	4.3	4.3	4.4	4	4.2	4.5	4.3	4.3	4.1	4.3
2019	3.8	4	4.1	4.4	4.2	3.9	4.1	4.2	4.2	3.9	4.1

Average ratings DOF Management customer feedback (for 2020) - ratings range from 1-5, where 5 is the highest rating.

	HSE Management	Co-operation	Flexibility	Dialogue	Delivery of service	Cost	Results	Added value	Overall Survey Rating
2020	4	4.3	4.3	3.8	4	3.7	4.2	4	4.1
2019	4	4.3	4.3	3.9	4.2	3.6	4.1	4	4.1

Appendix B

Appendix B.1 - GRI Content Index for 'In Accordance'

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102-56 Assurance	177	
GOVERNANCE		
102-18 Governance structure of the organisation	42-49	
ETHICS AND INTEGRITY		
102-16 Organisation's values	132-133	

Appendix B.1 (continued) - GRI Content Index for 'In Accordance'

DISCLOSURE NUMBER	DISCLOSURE DESCRIPTION	PAGE REFERENCE	OMISSION	REASON FOR OMISSION	EXPLANATION FOR OMISSION	VERIFICATION
DOF MATERIAL TOPIC: HEALTH, SAFETY AND EMERGENCY MANAGEMENT						
GRI Management approach						
103-1	Explanation of the material topic and its Boundary	134-135	No			Yes
103-2	The management approach and its components	134-135	No			Yes
103-3	Evaluation of the management approach	134-135	No			Yes
GRI 403- Occupational health and safety						
403-1	Occupational health and safety management system	134	No			Yes
403-2	Hazard identification, risk assessment, and incident investigation	134	No			Yes
403-3	Occupational health services	134	No			Yes
403-4	Worker participation, consultation, and communication on occupational health and safety	134	No			Yes
403-5	Worker training on occupational health and safety	134	No			Yes
403-6	Promotion of worker health	134-135	No			Yes
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	135	No			Yes
403-8	Workers covered by an occupational health and safety management system	135	No			Yes
403-9	Work-related injuries	137	Man-hours are not available separately for employees and other workers.	Information unavailable.	System to differentiate man hours DOF / non-DOF was not operational on all vessels during whole of 2020. Expected to be available for 2021 reporting.	Yes
DOF MATERIAL TOPIC: ENERGY EFFICIENCY AND CLIMATE IMPACT						
GRI Management approach						
103-1	Explanation of the material topic and its Boundary	138-141	No			Yes
103-2	The management approach and its components	138-141	No			Yes
103-3	Evaluation of the management approach	138-141	No			Yes
GRI 302- Energy						
302-1	Energy consumption within the organisation	168	No			Yes
GRI 305- Emissions						
305-1	Scope 1 emissions	169	No			Yes
305-2	Scope 2 emissions	169	Scope 2 is location based only and not market based.	Information unavailable.	A climate change workshop will be held in 2021 and include evaluation of reporting on market-based emissions.	Yes
GRI 307- Environmental compliance						
307-1	Non-compliance with environmental laws	141	No			Yes
DOF MATERIAL TOPIC: SPILL AVOIDANCE						
GRI Management approach						
103-1	Explanation of the material topic and its Boundary	138-140	No			Yes
103-2	The management approach and its components	138-140	No			Yes
103-3	Evaluation of the management approach	138-140	No			Yes
GRI 306- Effluents and waste						
306-3	Significant spills	141	No			Yes

Appendix B.1 (continued) - GRI Content Index for 'In Accordance'

DISCLOSURE NUMBER	DISCLOSURE DESCRIPTION	PAGE REFER- ENCE	OMISSION	REASON FOR OMISSION	EXPLANA- TION FOR OMISSION	VERIFI- CATION
DOF MATERIAL TOPIC: BUSINESS INTEGRITY, ETHICS AND PAYMENT TRANSPARENCY						
GRI Management approach						
103-1	Explanation of the material topic and its Boundary	142-145	No			Yes
103-2	The management approach and its components	142-145	No			Yes
103-3	Evaluation of the management approach	142-145	No			Yes
GRI 201- Economic performance						
201-4	Financial assistance received from government	148	No			Yes
GRI 205- anti-corruption						
205-1	Operations assessed for risks related to corruption	146-147	Yes			
205-2	Communications and training on anti-corruption	147-148	Total number and percentage of governance body members, employees or business partners that the organisation's anticorruption policies and procedures have been communicated to, broken down by region, employee category or type of business partner.	Information unavailable	DOF will evaluate how to record necessary data to fully report on the disclosure.	Yes
205-3	Confirmed incidents of corruption and actions taken	146	No			Yes
206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices						
GRI 308- Supplier environmental assessment						
308-1	Supplier environmental screening	148	No			Yes
GRI 414- Supplier social assessment						
414-1	Supplier social screening	148	No			Yes
GRI 419- Socioeconomic compliance						
419-1	Non-compliance with socioeconomic laws	148	No			Yes

Appendix B.1 (continued) - GRI Content Index for 'In Accordance'

DISCLOSURE NUMBER	DISCLOSURE DESCRIPTION	PAGE REFERENCE	OMISSION	REASON FOR OMISSION	EXPLANATION FOR OMISSION	VERIFICATION
DOF MATERIAL TOPIC: LABOUR RIGHTS AND EMPLOYEE SATISFACTION						
GRI Management approach						
103-1	Explanation of the material topic and its Boundary	150-151	No			Yes
103-2	The management approach and its components	150-151	No			Yes
103-3	Evaluation of the management approach	150-151	No			Yes
GRI 201- Economic Performance						
201-3	Defined benefit plan obligations and other retirement plans	152, 172-173	No			Yes*
* Note: EY does not verify financial information.						
GRI 401- Employment						
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	152, 174-175	No			Yes
GRI 402- Labour/Management Relations						
402-1	Minimum notice periods regarding operational changes	152-153	No			Yes
GRI 404- Training and education						
404-3	Career and performance reviews	153, 171	No			Yes
GRI 406- Non-discrimination						
406-1	Incidents of discrimination and corrective actions taken	153	No			
DOF MATERIAL TOPIC: PRODUCT RELIABILITY AND CUSTOMER SERVICE						
GRI Management approach						
103-1	Explanation of the material topic and its Boundary	154-155	No			Yes
103-2	The management approach and its components	154-155	No			Yes
103-3	Evaluation of the management approach	154-155	No			Yes
DOF own disclosure						
DOF 1	Operational uptime	157	No			Yes
DOF 2	Results of surveys measuring customer satisfaction	157	No			Yes
DOF MATERIAL TOPIC: RISK BALANCING						
GRI Management approach						
103-1	Explanation of the material topic and its Boundary	142-145	No			Yes
103-2	The management approach and its components	142-145	No			Yes
103-3	Evaluation of the management approach	142-145	No			Yes
DOF own disclosure						
DOF 3	Revenue per segment	170	No			Yes
DOF MATERIAL TOPIC: INNOVATION & CLIMATE RESILIENCE						
GRI Management approach						
103-1	Explanation of the material topic and its Boundary	138-140	No			Yes
103-2	The management approach and its components	138-140	No			Yes
103-3	Evaluation of the management approach	138-140	No			Yes
GRI 201- Economic performance						
201-2	Financial implications of climate change	141	Description of the risk or opportunity and its classification; description of the impact associated with the risk or opportunity; financial implications of the risk or opportunity before action is taken; the methods used to manage the risk or opportunity; the costs of actions taken to manage the risk or opportunity.	Information unavailable.	DOF plans to perform a TCFD-based workshop in 2021 to perform thorough assessments.	Yes

Appendix B.2 - Materiality

DOF is a global organisation, operating in a complex environment. A strong business model has enabled us to capitalise on opportunities and manage material issues to create value for all our stakeholders. It is an evolving process, as our strategic direction leads us towards new technologies, markets and competencies we continue to manage existing or new material issues that may affect short, medium or long-term value creation.

Seven years reporting to The Global Reporting Initiative (GRI) benefits DOF and stakeholders:

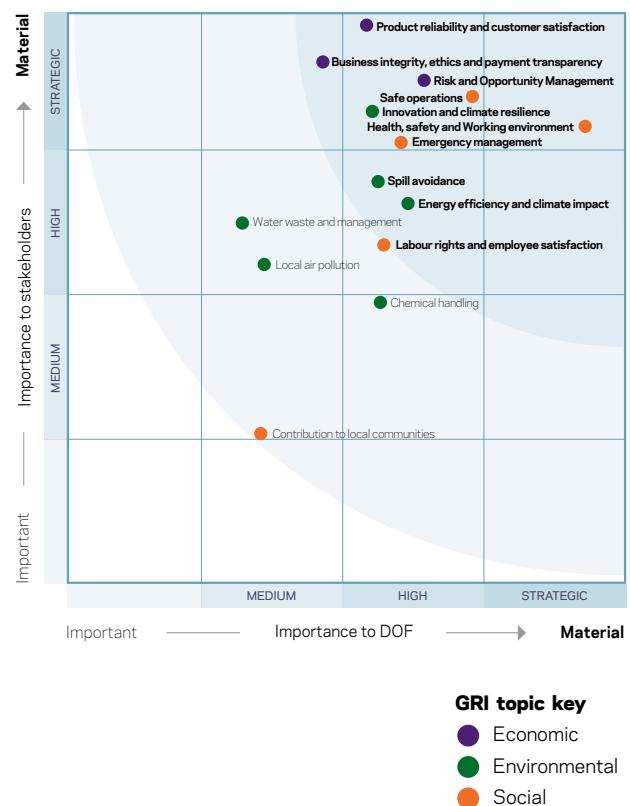
- Understanding material issues is essential to shaping strategy and addressing the sustainability issues within our control. To do this DOF considers the views and concerns of a wide range of stakeholders.
- The GRI standard gives DOF a structured framework to ensure material issues – the issues that impact the business and are important to stakeholders are factored into strategy.
- Our materiality process gives stakeholders the opportunity to participate in identifying issues and helps us to prioritise, set targets and direct our actions towards sustainable development.
- Reporting to the GRI standard provides stakeholders with a view of organisational performance in more than financial terms alone.

Step one - Identifying material aspects and conducting a materiality assessment 102-42, 102-46

To deliver more sustainable operations, DOF must recognise and respond to the most significant aspects of its activities (also known as material aspects). The Group's material aspects were identified through an internal process which analysed internal reports, studies and customers' surveys to establish the most relevant economic, social and environmental topics on which to focus. As a result of the process, key stakeholders were identified through various analyses and consultations and a comprehensive list of material aspects captured. Stakeholder engagement is described later in this report.

Step 2 - Stakeholder engagement 102-43

Stakeholder engagement is a continuous and on-going process. Engagement has been conducted through key stakeholder group workshop sessions, as well as dialogue using existing channels and meeting places, for example, investor meetings, engagement surveys, processes with suppliers and customers). Other relevant opportunities for engagement have been used too, for example, advisory panels, public meetings, multi-stakeholder forums, focus groups, surveys, partnerships, etc.



Step 3 - Validation analysis of the materiality matrix

The initial materiality matrix for the Group was developed in 2015. Since then, there has been annual validation of the matrix, with adjustments as circumstances have changed. The analysis used a standardised 'Materiality Tool' which consists of predefined external and internal criteria, by which every topic can be measured. These include a broad set of considerations such as financial criteria, sustainability context, DOF's strategy, peer pressure, and alike. Each topic's relevance was tested, from low to strategic and where the topic could impact in the value chain, whether positive or negative.

DOF's key stakeholders were originally identified in 2015 as customers, employees, investors, suppliers and local communities. The stakeholder group's relevance has been reviewed and confirmed in various and annual strategic sessions. The following material issues have been identified as being the most relevant for DOF and its stakeholders. The material aspects are arranged according to the DOF values.

Appendix B.2 (continued) - Materiality

STAKEHOLDER	MATERIALITY	KEY INTERESTS, CONCERNS, OR EXPECTATIONS
EMPLOYEES	<p>DOF has approximately 3,100 employees. They are the backbone of our organisation and a natural choice as a key stakeholder group. Engagement with employees is conducted through studies of feedback from numerous employee committees, working environment surveys and separate dialogue with individuals.</p> <p>Ongoing dialogue through established channels; Town-hall meetings; Operational leadership teams; Safe the RITE Way; Managers/team dialogues; Employee engagement surveys; Focus groups; DOF Workbook; intranet and newsletters.</p>	<ul style="list-style-type: none"> Conditions of employment Wages and benefits ESG profile of organisation Health and Safety performance Strategic direction Social justice Ethical responsibilities
CLIENTS	<p>The Group works with numerous clients globally. Some key clients are global, and others operate in local or regional areas. This makes engagement with all stakeholders challenging. Expectations of the Group are based on reviews of existing and upcoming contract requirements, client transfer of experience meetings, client supplier meetings with focus on future projects and new expectations, and reviews of client's external communication and public web pages.</p> <p>Press releases; Business Press Interviews; Annual Reports; Ongoing engagement through business development meetings, HIRA and Project meetings; feedback forms; website; site visits; industry associations.</p>	<ul style="list-style-type: none"> Reputation, capability, assets Safety performance offshore; Timely project delivery Efficiency and technology development Contracts and terms and conditions; Quality control and maintenance
INVESTORS	<p>As a publicly listed company with many shareholders, the assessment to identify key stakeholders was determined to be most feasible through engagement with the members of the Board, representing the investors.</p> <p>Board Meetings; Investor conferences; Individual meetings; Website; Annual reports; Site visits; Results reporting presentations.</p>	<ul style="list-style-type: none"> IR Impact of coronavirus on sales, project backlog, forecasting; Management of costs and industry trends; Environmental, Social and Governance issues; Shareholder returns / dividends; Alignment with 3-year improvement plan;
SUPPLIERS	<p>In 2019 the Group had almost 3,900 different suppliers. It is not practical to engage with all of them to ascertain their expectations. However, as a key stakeholder, suppliers to DOF are vital. To compensate for a lack of in-depth dialogue, studies and dialogue have been undertaken with key suppliers within global logistics, advanced subsea equipment providers, classification societies and shipbuilding yards as a fair representation of the stakeholder group.</p> <p>Supplier engagement through projects; Annual Reports; Shared worksites; Audits and pre-qualification processes.</p>	<ul style="list-style-type: none"> Opportunities to work with organisation; Contracts and terms and conditions; Procurement strategies; Safety performance offshore; Quality control and maintenance of hired equipment; Payment terms;
LOCAL COMMUNITIES	<p>The Group has its main operations offshore and is as such not visible in the local community, aside from office buildings, a few warehouses and shore bases. However, in some communities DOF is a major employer. This means there are expectations for the Company as regards contributing to the local community. It has not been practical to maintain a dialogue with all local communities we operate in.</p>	<ul style="list-style-type: none"> Localised procurement; Employment opportunities; Community investment opportunities; Environmental performance and interactions of DOF operations; Provision of energy mix;

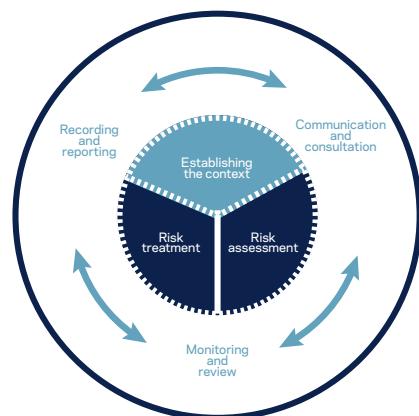
Appendix B.3 - Enterprise Risk Management (ERM)

Value creation uses the Enterprise Risk Management (ERM) process: identify, evaluate, control and mitigate the risk and opportunities across DOF.

The ERM process

The ERM process involves the systematic application of policies, procedures and practices to manage risk and opportunities, establishing efficient barriers and controls across all phases of the business life cycle by undertaking these activities:

1. Communication and consultation;
2. Scope, context and criteria;
3. Risk assessment;
4. Risk treatment;
5. Monitoring and review; and
6. Recording and reporting



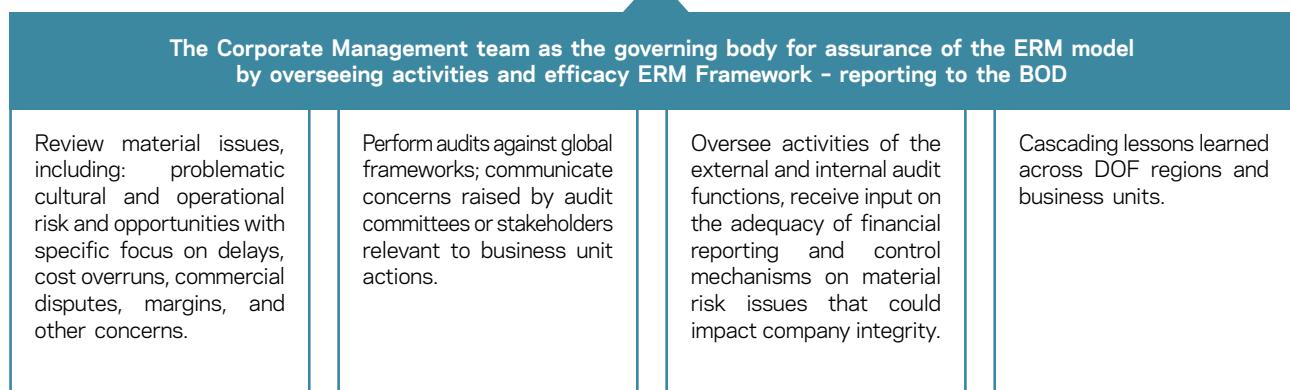
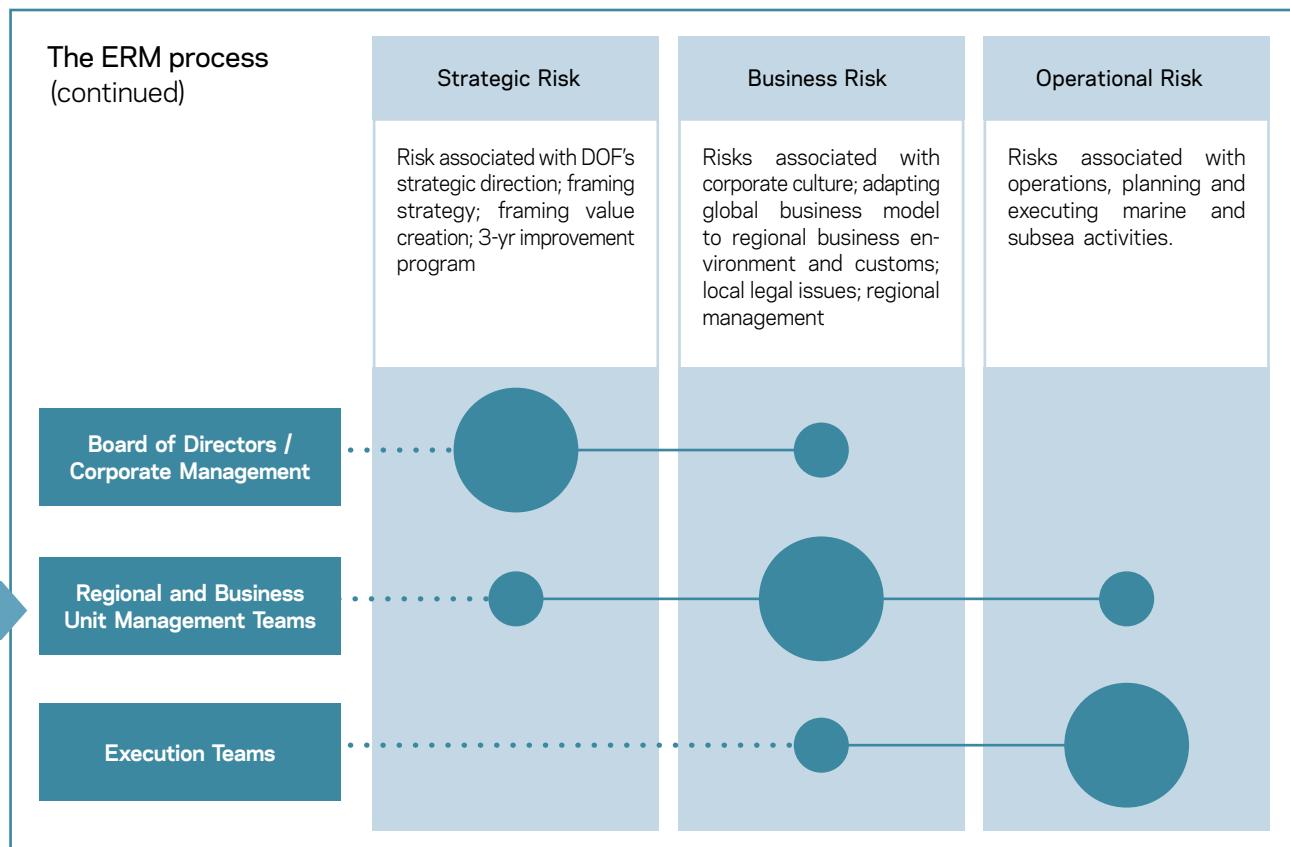
ERM principles and techniques are underpinned by:

- ISO 31000: Risk management – Principles and guidelines;
- ISO 31010: Risk management – Risk assessment techniques;
- ISO 17776: Guidelines on tools and techniques for hazard identification and risk assessment;
- DNV RP-H101: DNV Recommended Practice – RISK management in marine operations
- Value creation uses the ERM process: identify, evaluate, control and mitigate the risk and opportunities across DOF.



A newly deployed strategy plan
DOF's 3-year rolling business and strategy plan was developed in 2020 and follows the value creation principle in ERM.

Appendix B.3 (continued) - Enterprise Risk Management (ERM)



Appendix B.4 - Figures & tables

Overview of emergency incidents and exercises - **Figure 6**

	2020	2019	2018
Incident	28	9	18
Exercise	36	41	31

Global HSE targets - **Figure 7**

HSEQ INPUT/OUTPUTS	GLOBAL TARGETS 2020 METRICS
Number of Lost Time Injuries	0
Lost Time Injury Frequency Rate (LTIFR)	< 0.3 / 1 000 000 man-hours
Lost Recordable Case Frequency Rate (TRCF) Includes LTIs, Restricted Workday Cases, Medical Treatment Cases and fatalities.	<1.1 / 1 000 000 man-hours
First Aid Cases	< 7.5 / 1 000 000 man-hours
Safety Observation Rate	600 / 200 000 man-hours

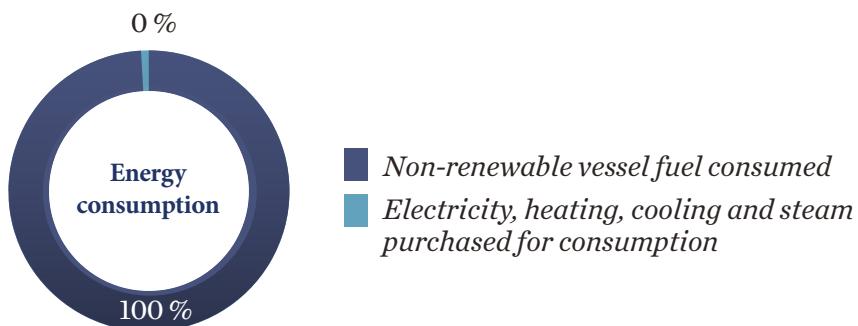
Appendix B.4 (continued) - Figures & tables

Occupational Health and Safety Indicators - Figure 8

OHS INPUTS / OUTPUTS	UNIT OF MEASUREMENT	2020 Target	2020	2019	2018
Man-hours	Number		7 558 323	9 104 679	8 882 567
High consequence injuries	Number		2	0	2
High consequence injury rate	Injuries per million man-hour		0.26	0	0.23
Fatalities	Number	0	0	0	0
Number of Lost Time Incidents (LTI)	Number	0	6	5	7
Lost Time Injury Frequency Rate	LTIs per million man-hour	< 0.3	0.79	0.55	0.79
Total Recordable Cases	Number		19	20	16
Total Recordable Case Frequency Rate	TRC per million man-hour	< 1.1	2.51	2.2	1.80
First Aid Cases	Number		57	53	73
First Aid Case Frequency Rate	FACs per million man-hour	< 7.5	7.54	5.82	8.22
Safety Observation Rate	SOB per 200.000 man-hour	> 600	656	598	584
Lost Day Rate	% lost days of scheduled days		0.03%	0.02%	0.05%
Absentee rate	% absent days of scheduled days		3.28%	2.45%	2.69%

Appendix B.4 (continued) - Figures & tables

Energy consumption - Figure 9



Total energy consumption within the organisation in joules (see below for conversion factors)

ENERGY CONSUMPTION	GJ
Nonrenewable fuel consumed (fuel oil and LNG, scope 1 vessels)	6 334 898
Renewable fuel consumed	0
Electricity, heating, cooling and steam purchased for consumption	35 655
Self-generated electricity, heating, cooling and steam	0
Electricity, heating, cooling and steam sold	0
Total energy consumption within the organisation	6 370 553

Electricity consumption per country - Figure 10

ELECTRICITY CONSUMPTION PER REGION	MWH
Brazil	412.5
UK	179.5
Australia	231.0
Canada	149.0
Norway	8 469.1
Singapore	82.1
USA	381.0
Total	9 904.2

Conversion factors - Figure 11

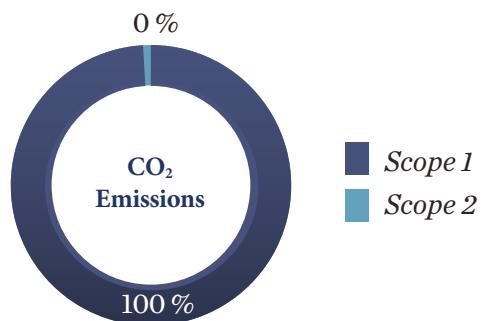
ITEM	SOURCE
Marine gas oil	Quantification of emissions from ships - Part 3 - European Commission
LNG	MEPC.281(70)
Waste (incinerated)	DEFRA 2013
Onshore electricity	DEFRA 2013
Marine gas oil energy (kWh/kg) (gross CV)	DEFRA 2013
LNG energy (kWh/kg) (gross CV)	DEFRA 2013

Appendix B.4 (continued) - Figures & tables

CO₂ Emissions - Figure 12

Scope 1	99.8 %
Scope 2	0.2 %

Direct greenhouse gas (GHG) emissions (Scope 1) and Energy indirect greenhouse gas (GHG) emissions (Scope 2)
Note: Scope 2 emissions are location based.



CO ₂ EMISSIONS	UNIT OF MEASURE	2020	2019	2018
Scope 1	ton (CO ₂ e)	462 683	481 649	504 471
Scope 2	ton (CO ₂ e)	719	927	1 008
Total *	ton (CO₂e)	463 402	482 576	505 479

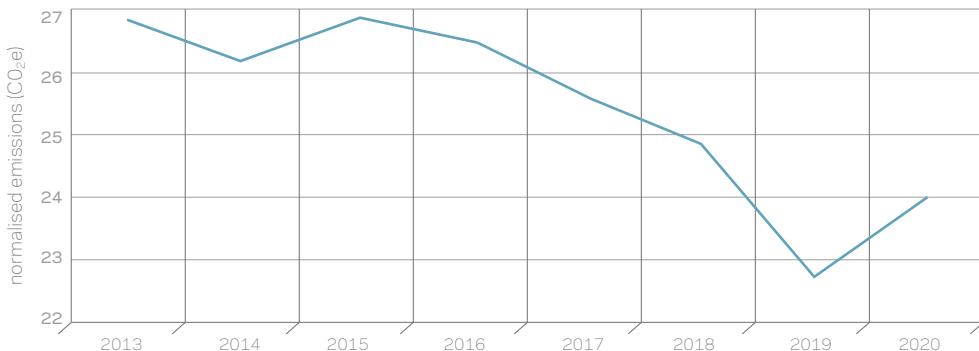
Methodology used: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition).

Notes:

- 1) Although DOF started to report to the CDP in 2010 the base year chosen was 2011, since the data for 2010 was quite weak. Emissions in base year (tons CO₂e) was 593,745 (Scope 1) and 700 (Scope 2).
- 2) As vessel fuel consumption has an element of inaccuracy due to the methods in which fuel consumption are recorded onboard vessels, there is a level of uncertainty associated with the final Scope 1 and Scope 2 emissions.
- 3) The chosen consolidation approach for emissions is Operational control.
- 4) GWP source: CO₂ (IPCC Fourth Assessment Report (AR4 - 100 year).
- 5) CO₂e (CO₂ equivalent) includes all major greenhouse gases; carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O)

* The table identifying factors can be found in Figure 5.

Intensity reduction targets - Figure 13

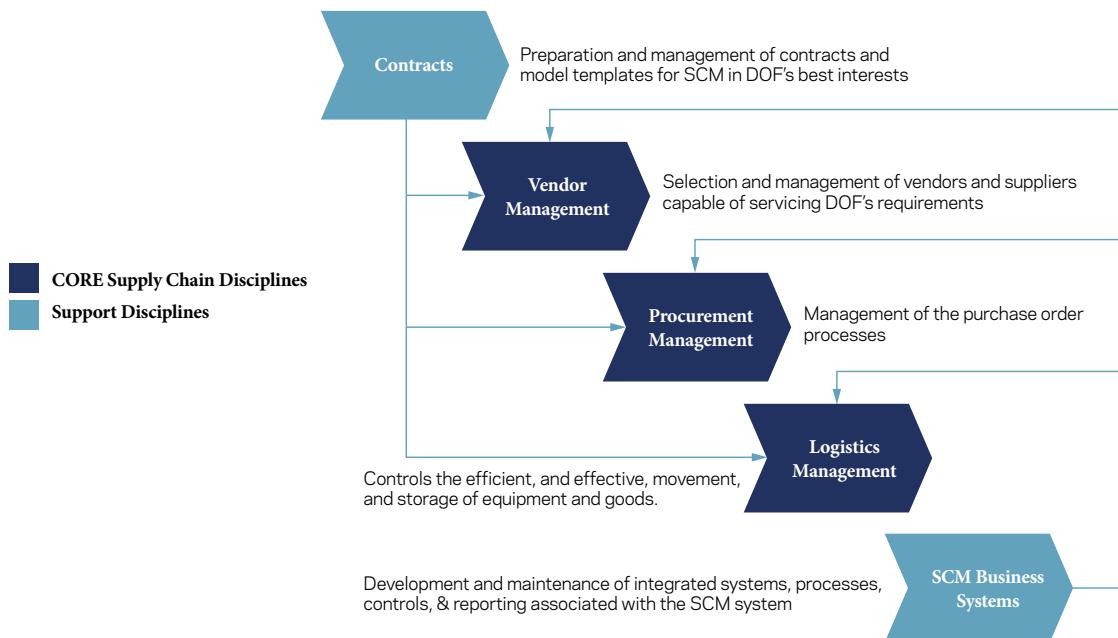


	YEAR	EMISSION PER OPERATIONAL DAYS	% REDUCTION
Verified	2020	25.1	-10.6
Verified	2019	22.7	8.8
Verified	2018	24.9	3.0
Verified	2017	25.7	2.7
Verified	2016	26.4	1.9
Verified	2015	26.9	0
Verified	2014	26.1	3.0
Verified	2013	26.9	

The above table shows the verified emission per operational day from 2013-2020.

Appendix B.4 (continued) - Figures & tables

Supply Chain Management (SCM) - Figure 14



General information regarding our Supply Chain Management is also given on page 143 under the Business Overview chapter.

DOF 3 - Revenue per segment (DOF Subsea) - Figure 15

	2020	2019	2018
Subsea projects	61 %	63 %	71 %
Chartering of vessels	39 %	37 %	29 %
Total revenue (NOK Million)	5 337	5 147	4 607

Distribution of projects per project level (DOF Subsea) - Figure 16

Level 0: Budget Pricing	2 %
Level 1: Manpower or Equipment Hire	16 %
Level 2: Working on Clients Vessel or PM&E Contracts	0 %
Level 3: Vessel Charters or Minor IMR Campaign	64 %
Level 4: Light Construction or IMR	15 %
Level 5: Major Construction/Intervention Projects	2 %

Appendix B.4 (continued) - Figures & tables

Employment statistics as of 31.12.2020 - **Figure 17**

	TOTAL	MEN	WOMEN	ATLANTIC	ASIA-PACIFIC	NORTH AMERICA	SOUTH AMERICA
Permanent Contract (Full-time)	2 547	2 183	364	831	200	238	1 278
Temporary Contract (Full-time)	84	73	11	27	10	12	35
Permanent Contract (Part-time)	27	10	17	21	5	0	1
Temporary Contract (Part-time)	104	87	17	12	79	0	13
Self-employed workers	364	357	7	306	55	0	3
Total	3 126	2 710	416	1197	349	250	1 330

Overview of performance reviews by gender and employee category - **Figure 18**

BY GENDER	PERFORMANCE REVIEWS	TOTAL HEADCOUNT	% OF EMPLOYEES RECEIVED REVIEWS
Female	134	366	36.61 %
Male	945	2 505	37.72 %
Total	1 079	2 871	37.58 %

BY EMPLOYEE CATEGORY	PERFORMANCE REVIEWS	TOTAL HEADCOUNT	% OF EMPLOYEES RECEIVED REVIEWS
Senior managers	85	246	34.55 %
Managers	218	404	53.96 %
Staff	776	2 221	34.94 %
Total	1 079	2 871	37.58 %

Appendix B.4 (continued) - Figures & tables

Summary of pension schemes - Figure 19

ATLANTIC

Norway (DOF Management / DOF ASA)

- Pension liability in DOF ASA amounts to NOK 2,642,835 as of 31.12.2020. External actuarial pension calculation is as of 31.12.2020 (calculated in January 2020 with the latest changes to assumptions).
- Plan is covered.
- The defined benefit plan ensures covered persons 70 % of salary.
- There are no longer defined benefit pension plans in DOF Management.
- The employee gets the value of the fund paid in monthly payments when the employee reaches the age of pension.
- All pension costs are covered by the employer.
- Employees not part of the defined benefit plans have a defined contribution pension plan. A percentage of salary is paid to an insurance company in line with the earnings of wages.
- All employees not part of the defined benefit plan are part of the pension scheme.
- Pension fund is handled by the insurance company.
- The company has no liabilities or obligation after payments to the insurance company on behalf of the individual employee.
- The individual employee's fund is based on actual payment done by the company and actual returns on funds.
- The employee gets the value of the fund paid in monthly payments when the employee reaches the age of pension.

Norway (DOF Subsea)

- The defined benefit plans in DOF Subsea Norway have been closed.
- DOF Subsea AS and DOF Subsea Norway AS have a defined contribution pension plan for employees. A percentage of salary is paid to an insurance company in line with the earnings of wages. The companies have no pension liability.
- All employees are part of the pension scheme.
- Pension fund is handled by the insurance company.
- The company has no liabilities or obligation after payments to the insurance company on behalf of the individual employee.
- The individual employee's fund is based on actual payment done by the company and actual returns on funds.
- The employee gets the value of the fund paid in monthly payments when the employee reaches the age of pension.

UK

- There is no liability for the company.
- In UK there are no defined benefit plans.

SOUTH AMERICA

Brazil

- There is no liability for the company.
- In UK there are no defined benefit plans.
- There is no liability for the company.
- In Brazil the company holds a private pension plan on a private bank.
- Pension Plan is based on salary percentage contribution from both employee and the company. Department manager and above positions may contribute with up to 7.5% while for other employees the limit will be 3%.
- Scheme is voluntary and it is estimated that 40% of all employees are participating.

Appendix B.4 (continued) - Figures & tables

Summary of pension schemes - **Figure 19** (continued)

NORTH AMERICA	USA
	<ul style="list-style-type: none"> ▪ There is no liability for the company. ▪ In the USA, the 401(k) plan is fully vested under the Safe Harbor Act. ▪ Pension Plan and there is no liability for the company. ▪ The plan matches the first 6% of contributions dollar for dollar. Note: This 6% match was suspended in 2020, but is planned to be reinstated in the future. ▪ The company portion is immediately vested at 100% as soon as the money leaves the company for each paying period. ▪ Scheme is voluntary and it is estimated that 70% of employees are participating.
ASIA-PACIFIC	Canada
	<ul style="list-style-type: none"> ▪ There is no liability for the company. ▪ Canada operates Employer/Employee funded Registered Retirement Savings Plan (RRSP). ▪ Maximum employer contribution is 5% for employees with 5+years of services or 4% for those with less than 5 years; employees have option to contribute based on individual RRSP contribution maximums. ▪ Scheme is voluntary and it is estimated that 86% of employees are participating.
ASIA-PACIFIC	Australia
	<ul style="list-style-type: none"> ▪ There is no liability for the company. ▪ Australia operates compulsory superannuation schemes based on employer defined contributions. ▪ Employees have the right to choose which superannuation fund (external funds they are a member of). ▪ External superannuation funds in Australia are monitored by Australian Securities and Investment Commission as well as other Governmental agencies. ▪ 9.5% contribution by employer. Voluntary contributions can be made by the employee, but limits are imposed.
ASIA-PACIFIC	Singapore
	<ul style="list-style-type: none"> ▪ There is no liability for the company. ▪ In Singapore the company is required to pay monthly contributions to the Central Provident Fund with variable rates depending on the employees' age.
ASIA-PACIFIC	Philippines
	<ul style="list-style-type: none"> ▪ In Philippines, the company is required to pay monthly contributions to the Social Security fund based on progressive rates depending on the employees' salary.
ASIA-PACIFIC	Indonesia
	<ul style="list-style-type: none"> ▪ In Indonesia, the company is required to pay monthly contributions to the Workers Social Security fund based on fixed rates.

Appendix B.4 (continued) - Figures & tables

Benefits provided to full-time employees that are not provided to temporary or part-time employees - **Figure 20**

BRAZIL	<ul style="list-style-type: none"> ▪ Life insurance (employee and spouse/husband) ▪ Funeral Insurance (employee and spouse/husband) ▪ Health and Dental Insurance (employee and direct dependents – spouse/wife and kids) ▪ Pension Plan (employee) company do a deposit of the same amount than employee ▪ Supermarket Coupon (monthly basis) ▪ Restaurant Coupon (monthly basis only for onshore employee)
AUSTRALIA	<p>All employees, whether full-time or part-time / fixed term have the same benefits, though if part-time some benefits are pro-rated e.g leave accruals. With the exception of 9 Day Fortnight (flexibility) Scheme for permanent onshore full-time employees only (or maximum duration >12 months).</p>
NORWAY	<p>Employees who are younger than 20 years old or work less than 20% are entitled to most of the benefits except:</p> <ul style="list-style-type: none"> ▪ Life insurance ▪ Pension ▪ Disability and invalidity coverage ▪ Paid parental leave <p>Full time employees will be provided with company phones. This is normally not provided for part-time employees.</p>
SINGAPORE	<p>All employees, whether full-time or part-time have the same benefits. If fixed term or casual, benefits reduce. Different benefits may be offered to employees based on their Singapore residency status (e.g. health insurance, flights) or a car park bay based on their role seniority. Currently there are nil part time employees in Singapore.</p>
PHILIPPINES	<p>All employees, whether full-time or part-time /fixed term, have the same benefits with the exception of: Service Incentive Leave entitlement: After one year of service, an employee becomes entitled to a yearly service is provided with incentive leave of 5 days with pay (there are preclusions so must check always as to who this applies to, for example does not apply to Managers or those employed in establishments regularly employing less than 10 employees). Leave can be used in ill health or for general holidays and the balance must be paid out at the end of the year.</p> <p>TOWP (Time Off With Pay) sick - days not used at the end of each calendar year will be converted into money equivalent and paid to the employee. Not available to casual employees.</p>

Appendix B.4 (continued) - Figures & tables

Benefits provided to full-time employees that are not provided to temporary or part-time employees - **Figure 20 (continued)**

US	<p>Benefits provided to full-time employees that are not provided to temporary or part-time employees:</p> <ul style="list-style-type: none"> ▪ Health and Dental Programs to include medical, dental, and vision ▪ Flexible Spending Accounts (FSA and HSA) ▪ Life Insurance - Company Paid ▪ Voluntary Life Insurance - Employee Paid ▪ Short term and long term disability ▪ Employee Assistance Program (EAP) ▪ Vacation ▪ Statutory Holidays ▪ Sick Leave ▪ COVID Sick Leave ▪ Family Medical Leave (FMLA) ▪ Time off to Vote ▪ Jury/Witness Leave ▪ 401(k) retirement (no company match currently)
CANADA	<p>The benefits below are provided to full-time employees and not provided to temporary / casual employees. Part-time employees may have some or all of the benefits based on hours worked.</p> <ul style="list-style-type: none"> ▪ Health and Dental Programs ▪ Life Insurance ▪ Critical Illness ▪ Short term and Long term disability ▪ Employee and Family Assistance Program (EAFP) ▪ Vacation - Statutory Holidays ▪ Registered Retirement Savings Program ▪ Family Violence Leave - Personal Leave ▪ Parental Leave ▪ Adoptive Leave ▪ Bereavement Leave ▪ Compassionate Leave ▪ Reserve Leave ▪ Sick Leave ▪ Time off to Vote ▪ Jury/Witness Leave Duty

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Appendix B.6 - Independent Assurance Report - EY



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To the Board of Directors of DOF ASA

Independent assurance report on DOF ASA's Sustainability reporting for 2020

We have undertaken a limited assurance engagement of DOF ASA's sustainability reporting for the period from 1 January 2020 to 31 December 2020. This comprise a review of DOF ASA's material sustainability aspects, presented in the annual report on page 128 and as is shown in the company's overview of reporting on GRI Indicators ("GRI Content Index" on page 158) (the "Sustainability reporting").

Criteria applied by DOF ASA

In preparing the Sustainability reporting, DOF ASA applied relevant criteria from the Global Reporting Initiative (GRI Standards) sustainability reporting standards "Core" option and The Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard. The Criteria can be accessed at globalreporting.org and ghgprotocol.org and are available to the public. Such Criteria were specifically designed for companies and other organizations that want to report their sustainability impacts in a consistent and credible way. As a result, the subject matter information may not be suitable for other purposes. We consider these reporting criteria to be relevant and appropriate to review the Sustainability Reporting.

DOF ASA's responsibility

The Board of Directors and Chief Executive Officer (management) are responsible for selecting the Criteria, and for presenting the Sustainability reporting in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Sustainability reporting, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Sustainability reporting based on the evidence we have obtained.

Our engagement was conducted in accordance with the *International Standard for Assurance Engagements on Assurance Engagements Other than Audits or Reviews of Historical Financial Information ('ISAE 3000')*. This standard requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Sustainability reporting is presented in accordance with the Criteria, and to issue a limited assurance report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board



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for Accountants. EY also applies *International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

The engagement consists of making enquiries, primarily of persons responsible for preparing the Reporting on sustainability and related information and applying analytical and other relevant procedures.

Our procedures included:

- Review of DOF ASA's process for preparation and presentation of the Sustainability reporting to develop an understanding of how sustainability is ensured in practice within the business
- Interviewed those in charge of DOF ASA's Sustainability Reporting to develop an understanding of the process for the preparation of the Sustainability reporting
- Verified on a sample basis the information in the Sustainability reporting against source data and other information prepared by DOF ASA
- Assessed the overall presentation of Sustainability reporting against the criteria in the GRI Standards and Greenhouse Gas Protocol Corporate Accounting and Reporting Standard including a review of the consistency of information against the GRI index

We believe that our procedures provide us with an adequate basis for our conclusion.



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working world

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Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Sustainability reporting for 2020, in order for the Sustainability reporting to be in accordance with the Criteria.

Bergen, 07 April 2021
ERNST & YOUNG AS



Eirik Moe
State Authorised Public Accountant

Glossary

AUV:	Autonomous Underwater Vehicle
CAPEX:	Capital Expenditure
CDP	Carbon Disclosure Project
CSV/Subsea	Construction Support Vessels and Subsea vessels
DNV-GL:	Det Norske Veritas. Classification company. Controlling and approving the vessels technical condition, security and quality according to the company's own rules and the national laws
DP:	Dynamic Positioning
E&P:	Exploration & Production
EPIC:	Engineering, Procurement, Installation & Commissioning
ERM	Emergency Risk Management
ESG	Environmental, Social, and Corporate Governance
FPSO:	Floating Production Storage and Offloading
GHG:	Greenhouse Gasses
GOM:	Gulf of Mexico
GRI:	Global Reporting Initiative
HR:	Human Resources
HSEQ:	Health, Safety, Environment and Quality
IFRS:	International Financial Reporting Standards
IMCA:	International Marine Contractors Association
IMO:	International Maritime Organisation
IMR:	Inspection, Maintenance, and Repair
IOC:	International Offshore Company
ISM:	International Safety Management Code
ISO:	International Standards Organisation
ISPS:	International Ship and Port Facility Security Code. International framework to detect/ assess security threats and take preventive measures against security incidents affecting ships or port facilities used in international trade
LNG:	Liquefied Natural Gas
MLC:	Maritime Labour Convention
NIBOR:	Norwegian Interbank Offered Rate
NIS:	Norwegian International Ship Register
NOR:	Norwegian Ordinary Ship Register
OHSAS:	Occupational Health & Safety Advisory Services
OSCV:	Offshore Subsea Construction Vessel
PLSV:	Pipelaying Support Vessel
ROV:	Remote Operated Vehicle
SDGs:	United Nations Sustainable Development Goals
SEMS:	Safety and Environmental Management Systems
STCW:	Standards of Training, Certification and Watch keeping
SURF:	Subsea, Umbilicals, Risers & Flowlines
T&I:	Transportation & Installation
Time Charter Party (TC):	Contract for Chartering a Vessel
UDW:	Ultra Deep Water
VAE:	Value Adjusted Equity

A dedication & thank you:

Thank you to all our hard working
and dedicated colleagues.

It is you that makes DOF
the preferred OSV manager and
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Cover image

A new day begins with Skandi Skansen & Skandi Hera during a midnight sun transit in northern Norway.

Production team

The DOF Integrated Annual Report 2020 is produced with great care and would not be possible without the contribution of many of the DOF team across the globe. We thank everyone for their considerable efforts. Special thanks go to the project team who helped make this year's report come together. Committed to continuous improvement, we welcome and appreciate your feedback. If you would like to send us your views, please contact: stig.clemetsen@dof.com

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