



DOF ASA – May 19<sup>th</sup>, 2022

# Q1 Financial Presentation 2022





# Financial highlights Q1

<i>Amounts in NOK million</i>	<b>Q1 2022</b>	<b>Q1 2021</b>
Operating revenue	2 174	1 514
Net gain on sale of tangible assets	20	29
<b>EBITDA</b>	<b>767</b>	<b>492</b>
Depreciation	-353	-316
Impairment	-93	-131
<b>EBIT</b>	<b>321</b>	<b>45</b>
Net interest cost	-382	-272
* Net currency and derivatives	1 055	-554
<b>Profit (loss)</b>	<b>824</b>	<b>-801</b>
NIBD (Net interest bearing debt)	19 882	19 729
NIBD (Net interest-bearing debt) excluded effect of IFRS 16	19 683	19 436
Equity ratio	-3%	-7%

*According to management reporting*

## Comments to the financial debt restructuring

The discussions with the lenders are ongoing, but a final solution is not yet in place

Even though the markets have improved the Group is not in a position to pay its debts without a significant conversion of debt to into equity and thereby continue as going concern

Standstill agreements are applicable until 31st of May

\* Main portion include unrealised currency gain due to a strengthened BRL to USD



# Operational highlights Q1

## Operations

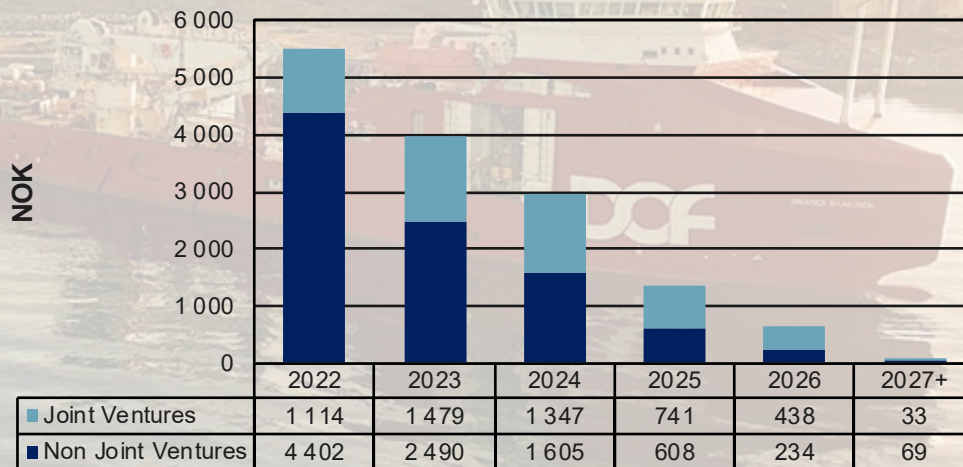
- Average utilisation fleet 82% (67%)
- Variable performance from the subsea regions
- Good performance from the DOFCON fleet
- Covid-19 still challenging in certain regions
- High tender activity

## Fleet

- 55 vessels (47 owned)
- 4 vessels agreed sold
- 1 vessel in lay-up vs 4 end of Q1 2021

## Backlog

- Total value backlog ~ NOK 14.6 billion
- Backlog secured for Q2 2022 of NOK 2.2 billion
- Backlog secured for remaining of 2022 NOK 5.5 billion



# Contracts won

## *Contracts in Atlantic region*

- **Skandi Mongstad** (PSV) and **Skandi Vega** (AHTS) extended with Equinor for 3 and 2 years respectively.
- **Skandi Kvitsoy** (PSV) extended with Shell UK for 1 year.
- DOF Subsea awarded multiple new contracts within Renewable and Oil & Gas in 2022, totals more than 185 vessel days utilising **Skandi Acergy** (Subsea), **Skandi Constructor** (Subsea) and **Skandi Hera** (AHTS). In addition, several frame agreements.
- DOF Subsea awarded an extension of approx. 170 vessel days on a subsea construction contract in the North Sea utilising **Skandi Acergy** (Subsea).
- **Skandi Constructor** (Subsea) awarded SURF project from Vaalco Energy at the Etame field in Gabon, expected completed by September 2022.

## *New contracts in South America region*

- DOF Subsea awarded a new project in Trinidad & Tobago utilising **Skandi Constructor** (Subsea). Commencement in early January, estimated duration of approx. 40 days plus mobilisation and demobilisation.
- After balance date Norskan and DOF Subsea Brasil awarded four 3 + 2 yrs contracts with Petrobras for the **Skandi Angra, Skandi Paraty, Skandi Urca and Skandi Fluminense** (ATHS 18,000). All the vessels are equipped with ROVs.

## *New contracts in Asia-Pacific region*

- DOF Subsea awarded Woodside Energy Ltd's Enfield XT Retrieval and Offshore Support Services contract, to be undertaken in Q3 and Q4 utilising MPSV **Skandi Hercules**.
- DOF Subsea awarded 3-year contract plus 2 x 1-year options to provide a Multi-Purpose Supply Vessel (MPSV) to Esso Australia.

# A trusted partner for offshore operations



## Positioned globally

- Operating from 6 continents
- 20 offices near key O&G markets
- 55 vessels (8 on management)
- Head office in Norway

## Total of 3,835 employees \*

- Offshore 3,077
- Onshore 758

## Vessels & subsea equipment \*

- Subsea 29
- AHTS 15
- PSV 11
- **Total fleet 55**
- ROV / AUV 73

\* All totals as of 31.03.2022

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

### Marine services

Bringing award-winning capability to the offshore sector.

World Class  
Fleet

Marine  
Management

Dedicated  
Crew

Applied  
Technology

### Subsea services

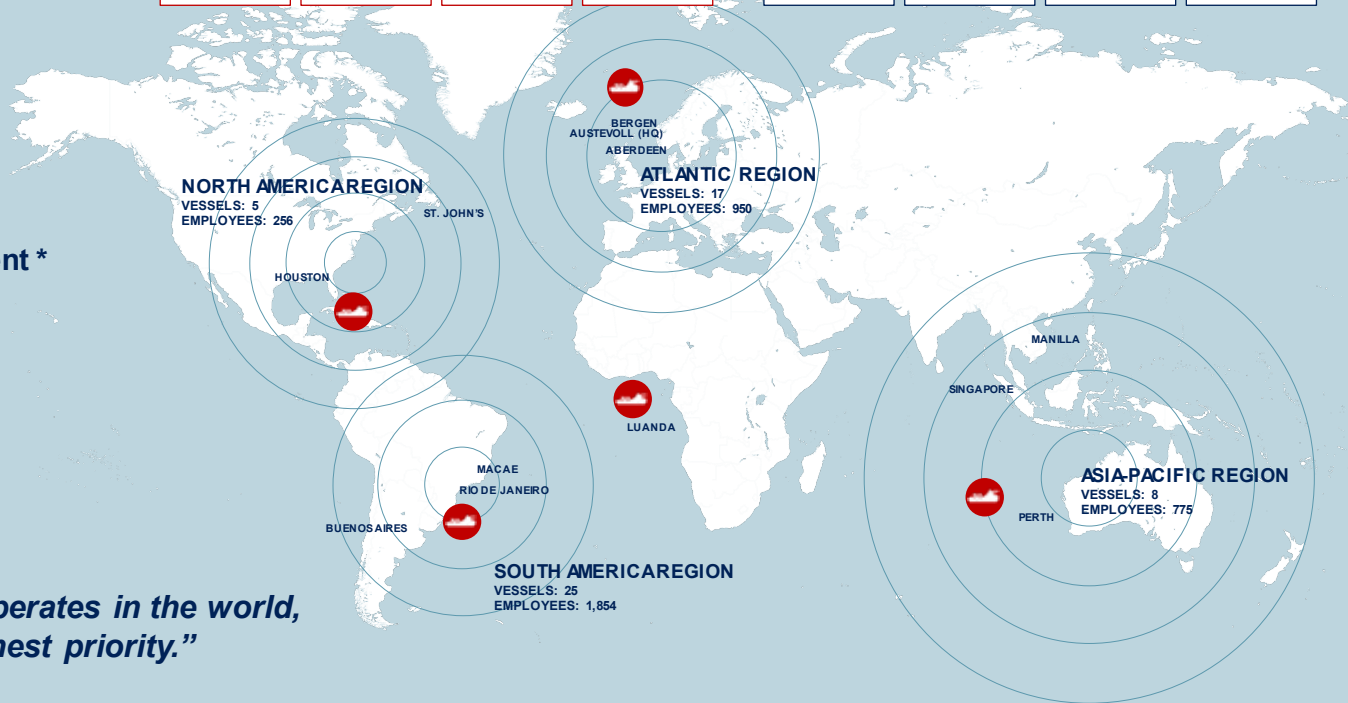
Integrated subsea services; wherever, whenever you need them.

Project  
Management

Field  
Development

Field  
Production

Field  
Abandonment





# Hywind Tampen

## Project summary

DOF Subsea and Kværner, in a 50/50 joint venture, are delivering Hywind Tampen marine operations.

Work scope includes:

- Project management;
- Engineering;
- Assembly site management;
- Mooring system installation;
- Units tow -to-field, and;
- Installation of the floating wind turbine units.



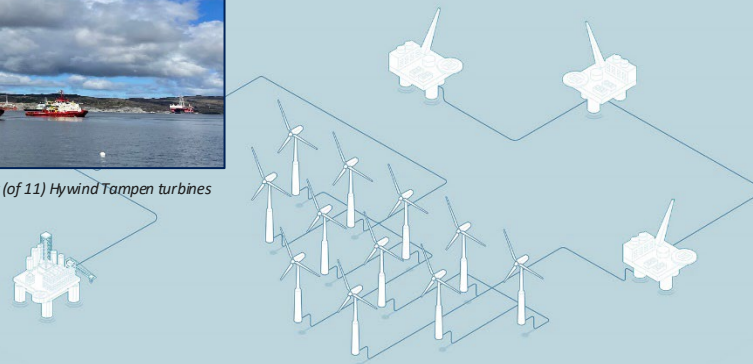
*Chain loading at the production site*



*Assembly complete of the first (of 11) Hywind Tampen turbines*



*Skandi Skansen prepares suction anchors for transport*



# Value driver results in Q1

## OPERATIONAL HEALTH & SAFETY



**1**

**Lost**  
Lost Time Injuries  
(LTIs)

**4**

**Incidents**  
Recordable incidents

**0.66**

/million hrs  
LTI frequency

**1.98**

/millions hrs  
Recordable incident  
frequency

**1,593**

**Observations**  
Positive safety obs.  
Reported by workforce

**7,501**

**Safety Observations**  
Raised

## MARINE & SUBSEA SERVICE DELIVERY



**4.1**

**Subsea client  
satisfaction**  
In 2021 (out of max of 5.0)

**4.2**

**Marine client  
satisfaction**  
In 2021 (out of max of 5.0)

**98.9%**

**ROV uptime**  
Available operative time

**98.4%**

**Vessel uptime**  
Available operative time

## PEOPLE



**0**

**GDPR breaches**  
Recorded

**1**

**Harassment cases**

**3,835**

**People**  
Headcount per 31.03.2022

**3.8%**

**Absence**  
Absence due to sickness

## ENVIRONMENTAL PERFORMANCE



**-6.6%**

**CO<sub>2</sub> emissions**  
Total emissions in 2021  
compared to 2020

**1**

**Unrecovered**  
No. spills unrecovered over  
50 litres

**B**

**Current  
CDP score**

## GOVERNANCE



**0**

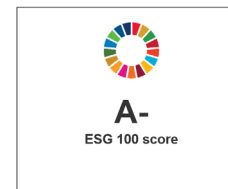
**Fines**  
due to non-compliance

**166**

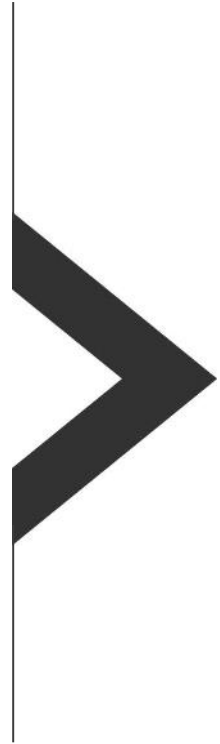
**NCRs**  
Raised in Q4 2021

**601**

**Audits & Inspections**  
completed







# Financial Group

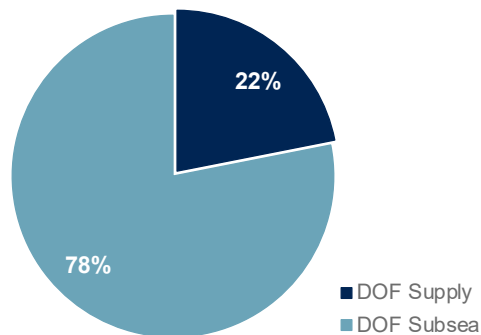
## Management Reporting

# Main financial highlights Q1

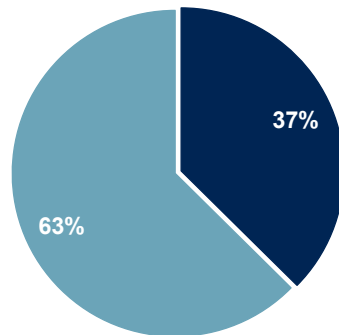
## Operational EBITDA NOK 767 million (NOK 492 million)

- Average utilisation total owned fleet 82% (67%)
  - 69% (57%) PSV segment
  - 81% (70%) AHTS segment
  - 88% (71%) Subsea segment (project fleet 87%)

EBITDA Q1 2022



EBITDA Q1 2021



- All numbers based on management reporting
- DOF Supply = DOF Rederi and Norskan consolidated

### Comments to highlights Q1

#### Performance

- DOF Subsea EBITDA: NOK 599 million
- DOF Supply EBITDA: NOK 168 million

#### Operations

- Avg. utilisation owned DOF Subsea fleet: **89%**
- Avg. utilisation owned DOF Supply fleet: **76%**
- PSV - Three vessels agreed sold, one vessel in lay-up, higher utilisation versus last year, but more vessels exposed to the North Sea spot market
- AHTS - Stable operations in Brazil, one vessel partly off-hire. Variable utilisation and rates for the spot vessel in the North Sea
- Subsea - One vessel agreed sold, variable utilisation in regions, slow start in Asia-Pacific and better performance in Atlantic and Brazil
- PLSV fleet - good performance but reduced utilisation 90% (94%) due to mobilisation for Skandi Niteroi

# Profit or Loss Q1

<i>All figures in NOK million</i>	<b>Q1 2022</b>	<b>Q1 2021</b>
Operating revenue	2 174	1 514
Operating expenses	-1 428	-1 047
Share of net profit/loss from JV and TS	-	-4
Net gain on sale of vessel	20	29
<b>Operating profit before depr - EBITDA</b>	<b>767</b>	<b>492</b>
Depreciation	-353	-316
Impairment	-93	-131
<b>Operating profit- EBIT</b>	<b>321</b>	<b>45</b>
Financial income	18	6
Financial costs	-400	-277
Net realised currency gain/loss	-49	-30
Net unrealised currency gain/loss	1 096	-534
Net unrealised gain/loss on market instr.	9	10
<b>Net financial cost</b>	<b>673</b>	<b>-826</b>
<b>Profit/loss before tax</b>	<b>995</b>	<b>-781</b>
Tax	-171	-20
<b>Net profit/loss</b>	<b>824</b>	<b>-801</b>

*According to management reporting*

## Comments to 1<sup>st</sup> quarter

### Operating Profit

#### PSV

- Good utilisation, but lower margins
- Gain on one vessel sold

#### AHTS

- Stable operations in Brazil, one vessel mobilising for a new contract
- Variable earnings and utilisation for the AHTS North Sea fleet

#### Subsea

- Good performance on projects in Brazil and Atlantic region, variable utilisation and performance in US and APAC regions
- Gain on one vessel sold
- Good performance from the DOFCON fleet

### Depreciations and Impairments

- Impairment relates to the AHTS fleet in Brazil and is due to a strengthened BRL to USD which has impacted the VIU for these vessels
- Fair market values (broker estimates) have been stable in the quarter

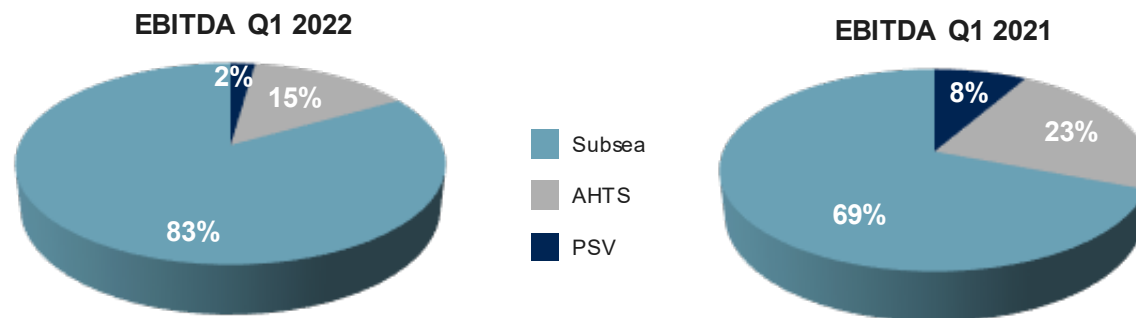
### Financial Cost

- High unrealised currency gain last year is mainly due to a significant strengthened BRL to USD

# Segment reporting Q1

	PSV		AHTS		Subsea		Total	
	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021
<i>Amounts in NOK million</i>								
Operating revenue	111	101	318	245	1 745	1 168	2 174	1 514
Gain on sale of tangible assets	11	29	-	-	9	-	20	29
<b>Operating result before depreciation and impairment (EBITDA)</b>	<b>17</b>	<b>41</b>	<b>111</b>	<b>112</b>	<b>639</b>	<b>339</b>	<b>767</b>	<b>492</b>
Depreciation	27	27	61	50	264	238	353	316
Impairment	-	12	93	9	-	110	93	131
<b>Operating result (EBIT)</b>	<b>-10</b>	<b>2</b>	<b>-44</b>	<b>53</b>	<b>375</b>	<b>-10</b>	<b>321</b>	<b>45</b>
EBITDA margin	15%	40%	35%	46%	37%	29%	35%	33%
EBIT margin	-9%	2%	-14%	22%	21%	-1%	15%	3%

According to management reporting





# DOF Subsea Group segments

## DOF Subsea Group

### Subsea / IMR Projects

**Framework agreements**
**Engineering capabilities**
**Opex spending**

<b>Revenues Q1'22<sup>2)</sup></b>	<b>EBITDA Q1'22<sup>2)</sup></b>	<b>Firm backlog<sup>3)</sup></b>
<b>NOK 1 130 million</b>	<b>NOK 262 million</b>	<b>NOK 5.0 bn</b>
	<b>~23% margin</b>	



**1 553 Employees<sup>4)</sup>**  
**Q1'22**



**17 vessels in**  
**operation<sup>5)</sup> Q1'22**

### Long-term Chartering<sup>1)</sup>

**Long-term charters**
**Vessel capabilities**
**Capex spending**

<b>Revenues Q1'22<sup>2)</sup></b>	<b>EBITDA Q1'22<sup>2)</sup></b>	<b>Firm backlog<sup>3)</sup></b>
<b>NOK 462 million</b>	<b>NOK 337 million</b>	<b>NOK 5.2 bn</b>
	<b>~73% margin</b>	



**8 vessels in**  
**operation Q1'22**

# Balance as of 31.03.2022

<i>Amounts in NOK million</i>	<b>31.03.2022</b>	<b>31.12.2021</b>	<b>31.03.2021</b>
<b>ASSETS</b>			
Tangible assets	18 101	18 052	17 987
Deferred taxes	291	341	359
Investment in joint ventures and associated	6	6	8
Other non-current assets	233	133	170
<b>Non-current assets</b>	<b>18 632</b>	<b>18 532</b>	<b>18 523</b>
Receivables	2 707	2 190	1 651
Cash and cash equivalents	2 258	2 266	2 257
<b>Current assets</b>	<b>4 965</b>	<b>4 456</b>	<b>3 908</b>
<b>Total assets</b>	<b>23 597</b>	<b>22 988</b>	<b>22 432</b>
<b>EQUITY AND LIABILITIES</b>			
Subscribed equity	316	316	309
Retained equity	-1 201	-1 733	-1 901
Non-controlling equity	105	91	112
<b>Equity</b>	<b>-780</b>	<b>-1 326</b>	<b>-1 480</b>
Non-current interest bearing debt	3 488	3 534	3 798
Other non-current liabilities	59	59	73
<b>Non-current liabilities</b>	<b>3 547</b>	<b>3 594</b>	<b>3 870</b>
Current portion of debt	19 064	19 125	18 714
Other current liabilities	1 765	1 595	1 328
<b>Current liabilities</b>	<b>20 829</b>	<b>20 720</b>	<b>20 042</b>
<b>Total equity and liabilities</b>	<b>23 597</b>	<b>22 988</b>	<b>22 432</b>

According to management reporting

## Comments to the balance Q1

### Non-current assets

- Changes in tangible assets are depreciations and impairments of in total NOK -445 million, capex NOK 155 million, disposal and derecognition NOK -73 million and FX effect NOK 412 million
- One vessel classified as financial lease. The vessel will be delivered to new owner in 2<sup>nd</sup> half 2022

### Deferred taxes

- Deferred taxes are mainly related to the DOFCON JV

### Receivables

- Increased receivable due to high activity in the regions

### Equity

- Negative equity impacts the going concern assumptions

### Liabilities

- Long-term liabilities represent the debt in DOFCON JV and lease debt in DOF Subsea
- All other secured debt and bond loans are classified as short-term due to ongoing debt restructuring of the Group and standstill

# Cash flow Q1 2022



*All figures in NOK million*

	Q1 2022	Q1 2021
Cash from operating activities	460	447
Net interest paid	-129	-94
Taxes paid	-30	-40
<b>Net cash from operating activities</b>	<b>301</b>	<b>313</b>
Sale of tangible assets	33	97
Purchase of tangible assets	-143	-140
Purchase of contract costs	-26	-52
Other changes in investing activities	95	-35
<b>Net cash from investing activities</b>	<b>-41</b>	<b>-130</b>
Proceeds from borrowings	-	2
Prepayment of borrowings	-306	-226
<b>Net cash from financing activities</b>	<b>-306</b>	<b>-224</b>
<b>Net changes in cash and cash equivalents</b>	<b>-47</b>	<b>-41</b>
Cash and cash equivalents at the start of the period	2 266	2 332
Exchange gain/loss on cash and cash equivalents	39	-34
<b>Cash and cash equivalents at the end of the period</b>	<b>2 258</b>	<b>2 257</b>

*According to management reporting*

## Comments to cash flow 1<sup>st</sup> quarter

Operating cash flow impacted by increased working capital demand from the subsea regions

Low interest costs paid due to standstill agreements

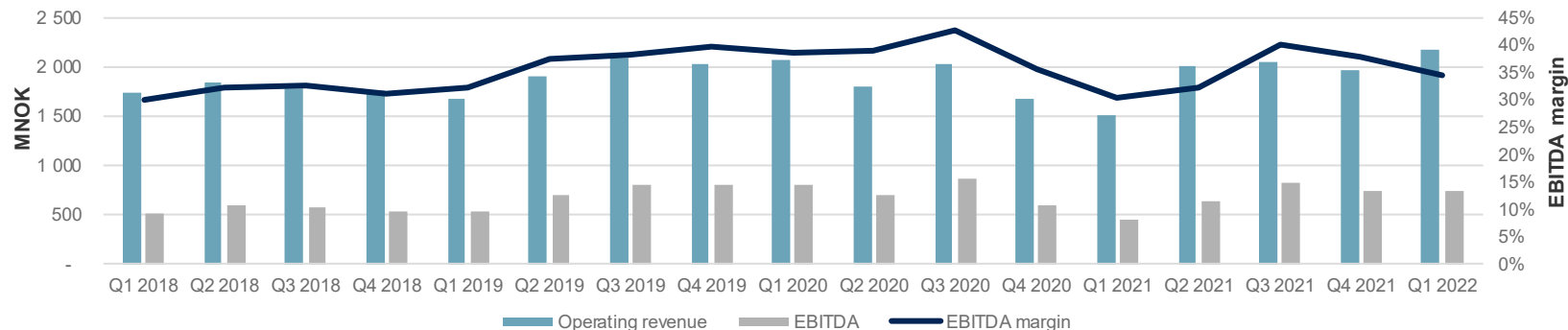
Net cash from investments include cash after the sale of two vessels

Purchase of tangible assets mainly include class dockings

Payment of borrowings are debt service in the DOFCON JV, Norskan Offshore, DOF Subsea Brasil, various lease payments and payment of debt after sale of vessels

Restricted cash by end March is NOK 148 million

# Historical Performance Group (excl hedge and gain from sale of assets)



	Q1 2018	Q1 2019	Q1 2020	Q1 2021	Q1 2022
Operating revenue	1 731	1 678	2 074	1 514	2 174
EBITDA	519	541	804	463	747
EBITDA margin	30%	32%	39%	31%	34%
Non-current assets	26 101	27 498	24 202	18 523	18 632
Current assets	4 070	3 786	3 477	3 908	4 965
<b>Total Assets</b>	<b>30 171</b>	<b>31 284</b>	<b>27 679</b>	<b>22 432</b>	<b>23 597</b>
Equity	7 491	5 658	-245	-1 480	-780
Non-current debt	19 133	20 021	9 796	3 870	3 547
Current debt	3 547	5 605	18 127	20 042	20 829
<b>Total Equity and Debts</b>	<b>30 171</b>	<b>31 284</b>	<b>27 678</b>	<b>22 432</b>	<b>23 597</b>
NIBD	19 088	22 051	24 278	19 729	19 882

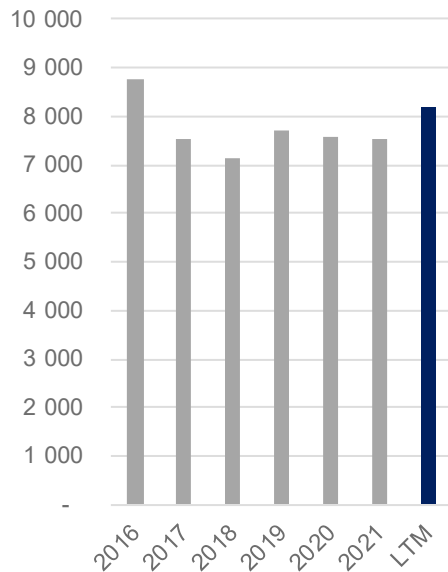
According to management reporting



# Group key financials

## Revenue

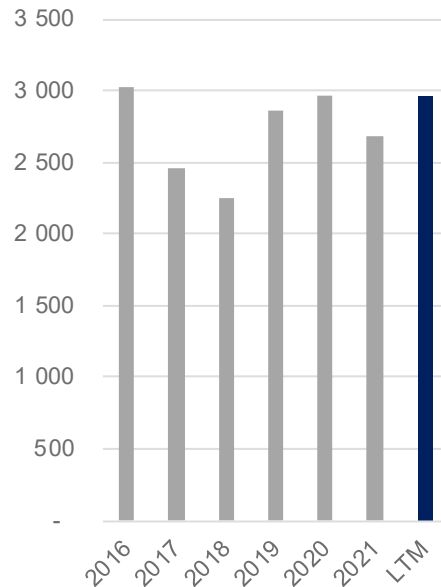
NOK million



According to management reporting

## EBITDA \*

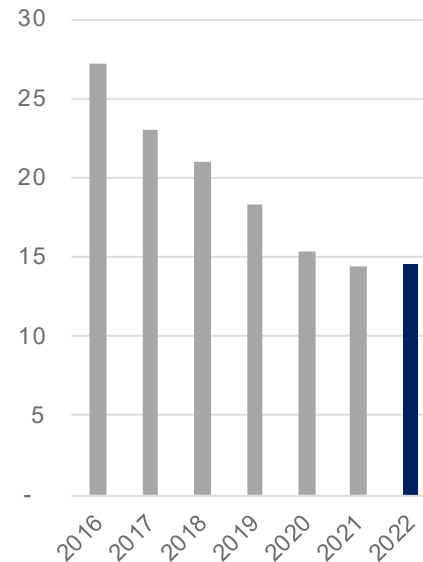
NOK million



\* EBITDA excl. gain from sale of assets

## Firm backlog

NOK billion



LTM = Last twelve months

- **The Group's financial position is not sustainable, and the equity is lost.**
- **Approx. NOK 19 billion of the Group's debt is part of standstill agreements and a comprehensive debt restructuring has been negotiated since June 2020.**
  - Standstill agreements signed with 91% of the secured lenders within the DOF Group (excl. DOF Subsea) and 95% of the secured lenders in DOF Subsea (excl. DOFCON JV) and are applicable until 31<sup>st</sup> May 2022.
  - The BNDES loan facilities in Norskan Offshore Ltda. and in DOF Subsea Servicos Brasil Ltda are served according to refinancing agreements signed in Feb 2020. The International lenders have signed standstill agreements until 31<sup>st</sup> May 2022.
  - Standstill agreements agreed until 31<sup>st</sup> May 2022 with the DOF Subsea bondholders and with the authority for the Ad-hoc group to extend until 30th Sep 2022.
  - The current restructuring proposal includes conversion of a significant amount of debt to equity and softer terms on many of the Group's loan facilities.
  - DOF ASA is guarantor for the debt in DOF Rederi where the current outstanding debt is higher than the value of the fleet and the company does not generate sufficient cash flow to service the outstanding debt.
  - DOF Subsea does not generate sufficient cash flow to serve both the secured and unsecured debt and a reduction in debt is necessary
  - Due to the dependence on the DOFCON JV and the DOF ASA guarantees for its subsidiaries it is prerequisite that all conversion of debt into equity is done in DOF ASA as holding company in order for the Group to continue as going concern.
- **The Group has continued its constructive dialogue with the creditors to secure a long-term and robust financial solution, but a final solution is not yet in place.**

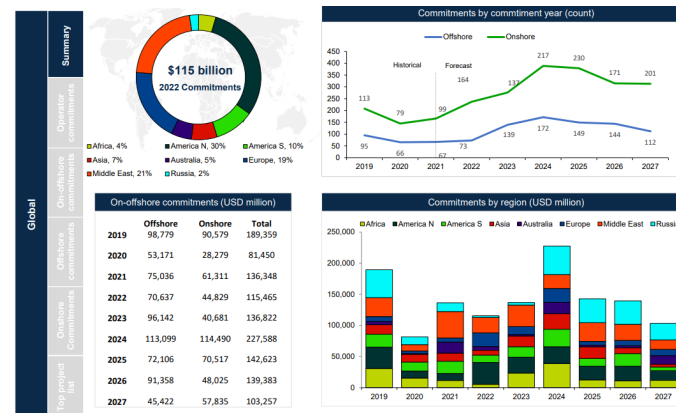


# Markets & Outlook

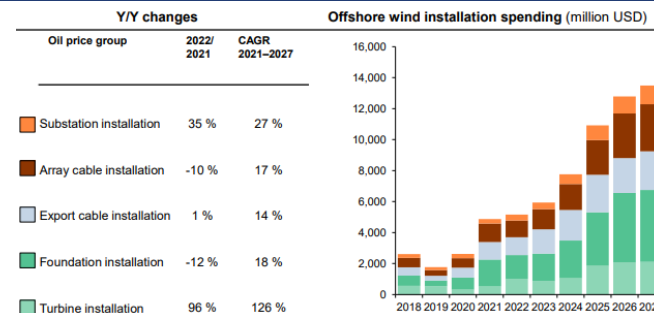
## Trends related to the energy market applicable to DOF;

- **Russia's invasion** of Ukraine sent Brent futures to \$139, the fear of losing as much as **4.5 million bpd** of Russian oil and geopolitical movements has made the oil price hard to predict. Rystad has a **base case** of **\$100** and above per barrel throughout 2022.
- Total offshore **capex** is expected to **rise 18.9%** to \$140 billion, with offshore deep-water adding **18.1%\***.
- Total offshore **opex** is expected to **grow by 18.1%** to reach \$149 billion, with both offshore deep-water and offshore shelf adding **24%**.
- The **offshore wind installation** spending is expected to increase by **15%** overall from 2021-2022. towards 2027, spending is expected to increase at **18% CAGR**.

## Global capital expenditure O&G



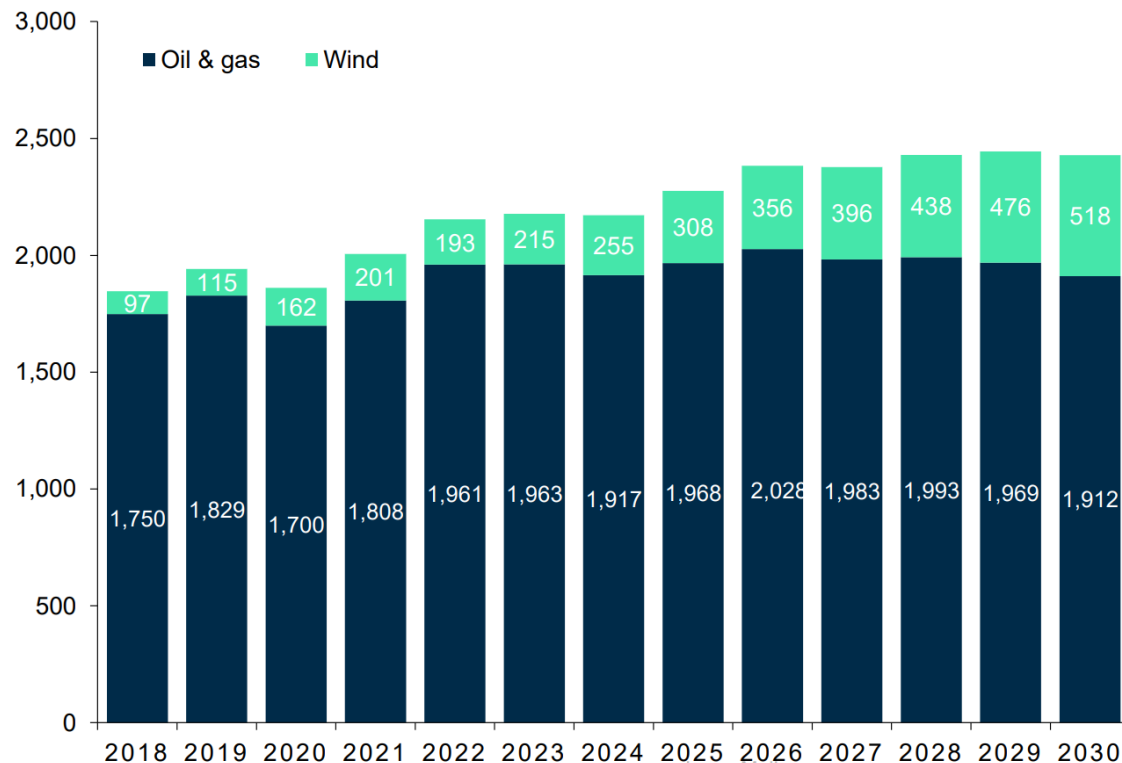
## Offshore Wind Installation spending





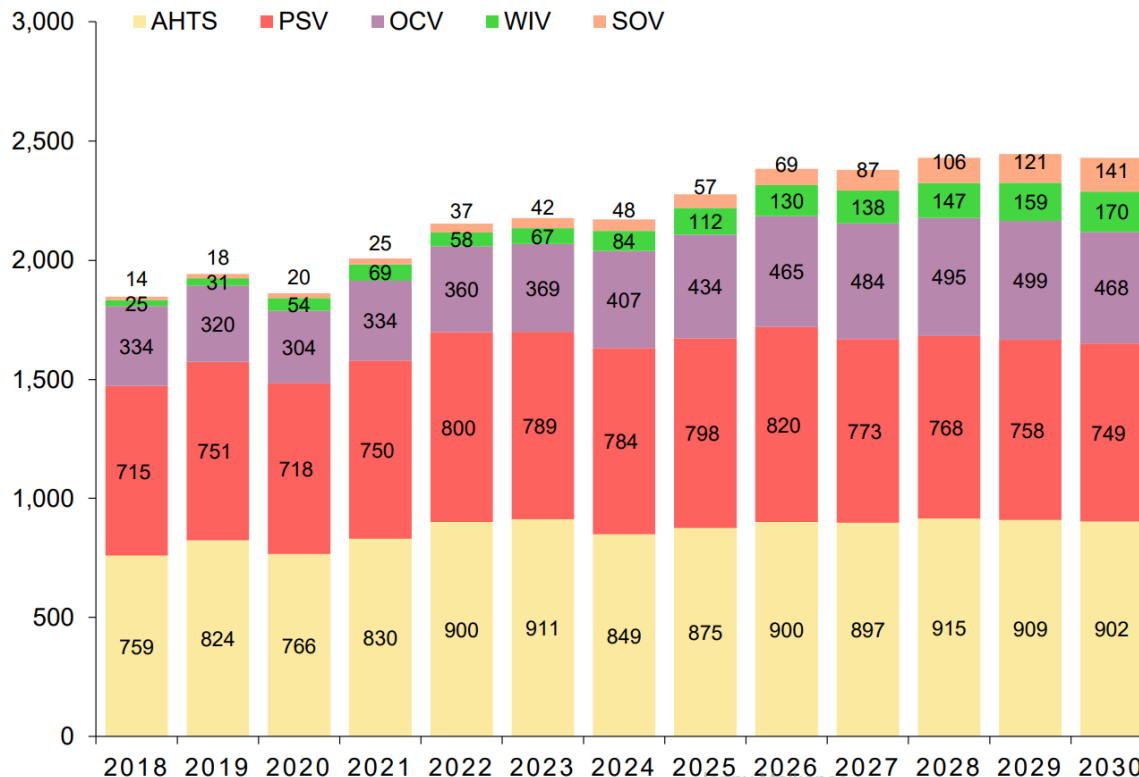
# Total offshore vessel demand by sector

- The overall offshore vessel market is expected to **grow** towards **2030**.
- The current situation with **higher oil prices** has led to an increase in activity for **short-cycle brownfield developments** and infill drilling, which has led to increased oil and gas vessel demand **towards 2026**.
- **Offshore wind** vessel demand is still growing and is expected to **double in the next five years**.



# Total offshore vessel demand by vessel type

- With **increased drilling** activity, demand for **AHTS and PSVs** is increasing in the short term.
- With more jack up rigs required, **AHTS** will especially be in demand over the **next two years**.
- As the installed bases of offshore wind **turbines increase in size** and are being **installed further from shore**, more SOVs will be needed to support the rapid growth.



## Markets

- PSV: Both the spot and term rates in the North Sea are picking up
- AHTS: High activity in Brazil, but a volatile North Sea spot market so far in 2022. Expect a better North Sea market during the summer season due to higher project activity
- Subsea: The high activity in Brazil and Atlantic are expected to continue. The activities in the North America and APAC region have started slow, but are expected to increase

The Groups firm backlog amounts to NOK 2.2 billion for Q2 and NOK 5.5 billion for remaining of 2022

The operational EBITDA in Q2 2022 is expected to be better than in Q2 2021

## Financial

- The dialogue with lenders concerning a robust long-term financial solution has had progress but a final solution is not yet in place
- The debt restructuring currently discussed include a significant amount of debt to be converted to equity

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Presented by  
Mons Aase - CEO  
Hilde Drønen - CFO