



DOF ASA – November 10th, 2021

Q3 Financial Presentation 2021





Financial highlights Q3

Amounts in NOK million

	Q3 2021	Q3 2020
Operating revenue	2 052	2 027
Net gain on sale of tangible assets	44	12
EBITDA	865	879
EBIT	488	-46
Net financial cost	-30	-301
Net currency and derivatives	-641	-42
Profit (loss)	-128	-406
NIBD (Net interest bearing debt)	19 847	21 547
NIBD (Net interest-bearing debt) excluded effect of IFRS 16	19 678	21 221
Equity ratio	-5%	-4%

According to management reporting

- *Discussions with the lenders has had progress in 3rd quarter, but a long term solution is not yet in place*
- *One loan facility repaid resulting in a financial gain of NOK 249 million*

Operational highlights Q3

Operations

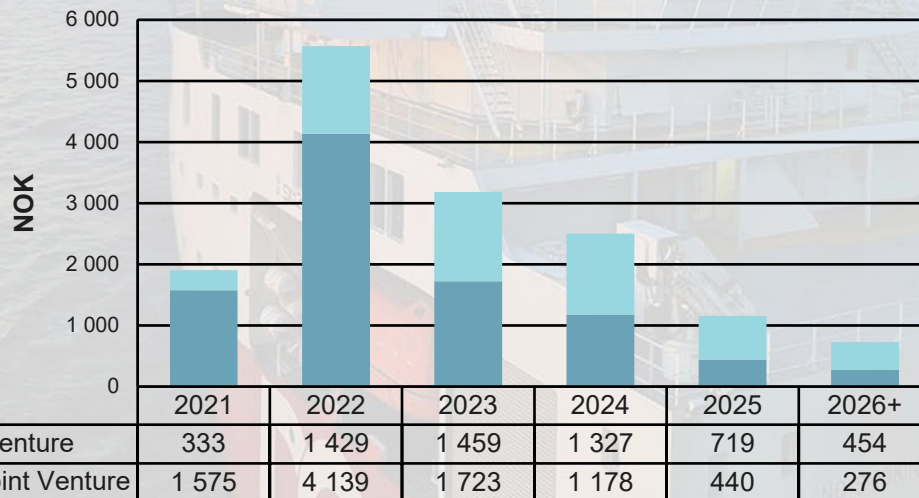
- Average utilisation fleet 83% versus 71% last year
- Good performance from the subsea regions
- Increased activity in several regions

Fleet

- 59 vessels (51 owned)
- 2 vessels agreed sold in Q3 (6 vessels YTD)
- 1 owned vessel in lay-up vs 10 last year

Backlog

- Total value backlog ~ NOK 15 billion
- Backlog secured for Q4 of NOK 1.9 billion
- Backlog secured for 2022 NOK 5.6 billion



Contracts won



New contracts in Atlantic region

- The joint venture between DOF Subsea and Aker Solutions, KDS JV AS, has been awarded a subsea decommissioning contract for DNO at the Norwegian Continental Shelf, planned execution in Q1 2022 using **Skandi Acergy** (Subsea).
- **Skandi Seven** (Subsea) 6-month extension to contract in Africa, delivering integrated FSV services, project management, engineering, procurement and logistical services within deep-water construction and maintenance of existing subsea infrastructure.

Contracts in Asia-Pacific region

- DOF Subsea awarded multiple contracts providing utilisation for resources and vessels in Q3 and Q4 2021 and securing solid backlog into the first half of 2022, utilising **Skandi Hercules** (Subsea) and **Skandi Singapore** (DSV).

Contracts in South America region

- **Skandi Botafogo** (AHTS) awarded a 3-year contract with Petrobras from Q4 2021.
- **Skandi Amazonas** (AHTS) awarded a 1-year extension with Petrobras until September 2022.
- **Skandi Achiever** (Subsea) awarded extension with Petrobras for ROV and diving services until 4th quarter 2022.
- **Skandi Paraty** (AHTS) awarded a 1-year extension with Petrobras until July 2022.
- **Skandi Iquacu** (AHTS) several contracts won securing high utilisation during 2nd half.
- Petrobras has awarded the pipelay support vessels (PLSVs) **Skandi Vitória** and **Skandi Niteroi** a 3-year firm plus option contract for each vessel, via JV partner TechnipFMC and via Norskan Offshore Ltda (a fully owned DOF ASA Company) respectively.

Maintaining ESG segment leader status



2021

Financial Times announces “Europe’s Climate Leaders 2021”

In May of this year, using a set of company-related criteria, the Financial Times, in cooperation with an independent data company, announced that DOF was included among their “Europe’s Climate Leaders 2021”.



2020 A-

Carbon Disclosure Project score

Tenth year of participation
Top-30% for Environmental Stewardship



3.09 (A-)

ESG 100 score

The Governance Group (TGG) conducted an independent review of DOF’s sustainability reporting activity in 2020. DOF received a score of 3.09 (A-) using the ESG 100 method. DOF’s total ESG score ranks well above the 100 largest (by market cap) companies on Oslo Stock Exchange average of 2.59 (B).



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.

Institutions focused on environment, social, and governance continue to give positive feedback to DOF’s efforts and results.

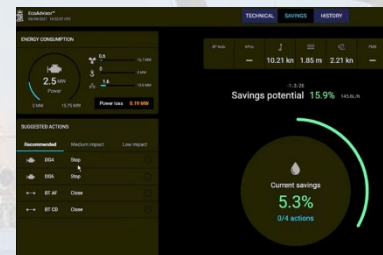
A commitment to reducing emissions



Our commitment

DOF is committed to reducing its CO2 footprint, which is in large part composed of fuel used by its vessels. This commitment is measured and realized through various activities and programs, including;

- **Goal of 3% annual reduction (intensity target) in fuel consumption.**
- Installation of shore power capability.
- Installation of battery packs on some vessels.
- Ship Energy Efficiency Plans (SEEMP).
- Participation in the Carbon Disclosure Project (CDP) for transparent environmental reporting.



Great potential in “Intelligent Efficiency”

The Kongsberg Maritime and DOF project “Intelligent Efficiency” is near completion of its pilot project and with promising results;

- **A predictive, intelligent, and dynamic guidance tool.**
- The project started in mid-2019 and is also supported by partners Innovasjon Norge, SINTEF, and NORCE.
- With fleet wide implementation of “Intelligent Efficiency”, we expect higher reduction of CO2 emissions for the Group in 2022 and thereafter with **conservative calculations estimated at a reduction in CO2 emissions of 10% on each vessel the system is implemented on.**

A trusted partner for offshore operations

Positioned globally

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

Total of 3,799 employees *

- Offshore 3,055
- Onshore 744

Vessels & subsea equipment *

- Subsea 30
- AHTS 15
- PSV 14
- **Total fleet 59**
- ROV / AUV 73

* All totals as of 30.09.2021

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

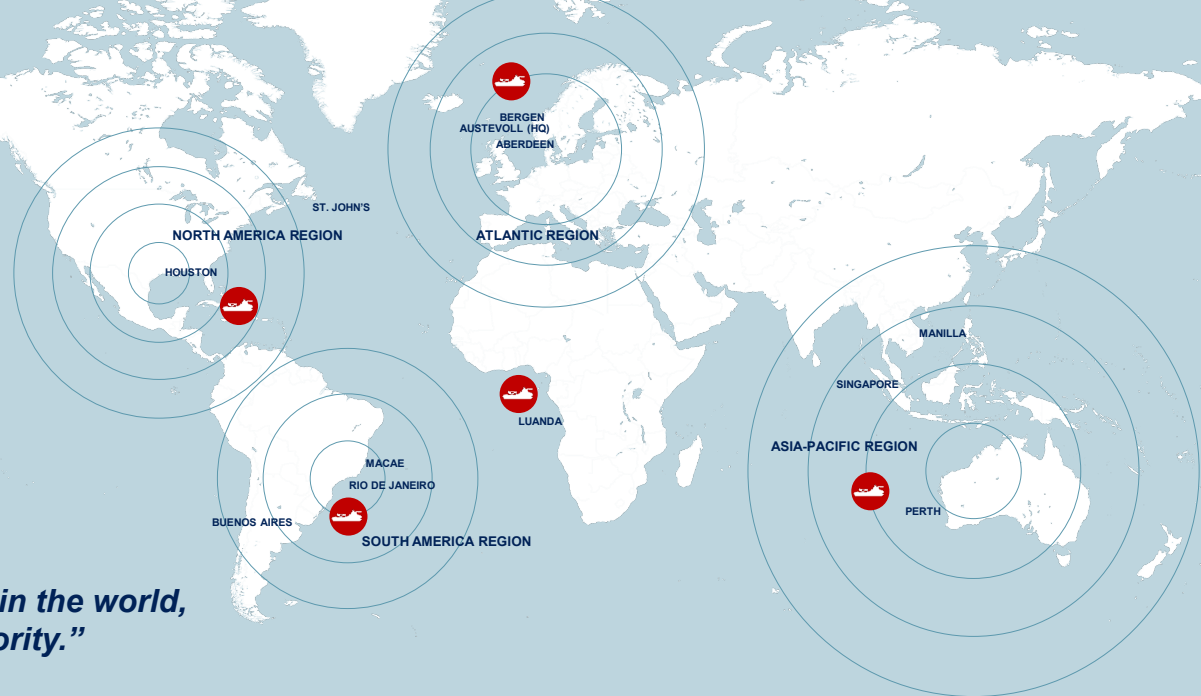
Marine services

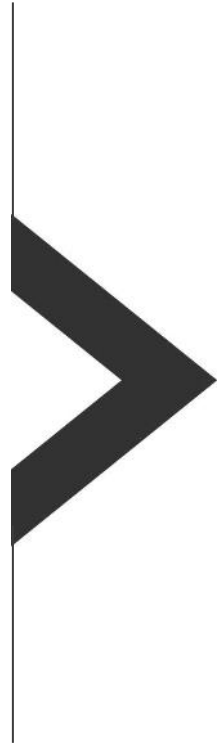
Bringing award-winning capability to the offshore sector.



Subsea services

Integrated subsea services; wherever, whenever you need them.





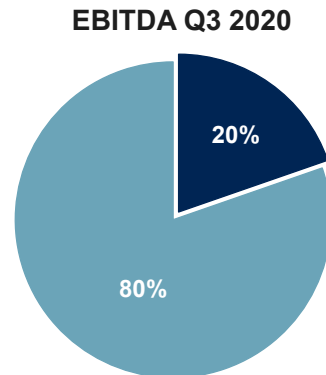
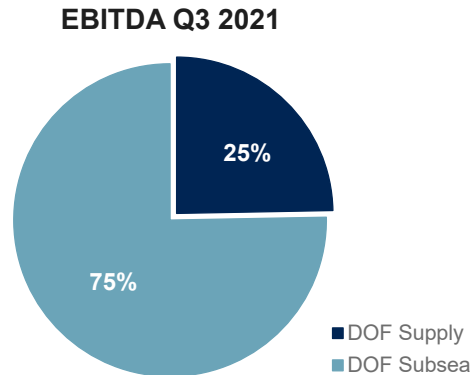
Financial Group

Management Reporting

Main financial highlights Q3

Operational EBITDA NOK 865 million (NOK 879 million)

- Average utilisation total owned fleet 83% (71%)
 - 81% (61%) PSV segment
 - 80% (61%) AHTS segment
 - 86% (80%) Subsea segment (project fleet 82%)



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

Comments to highlights

Performance

- DOF Subsea EBITDA: NOK 645 million
- DOF Supply EBITDA: NOK 220 million

Operations

- Avg. utilisation owned DOF Subsea fleet: 86%
- Avg. utilisation owned DOF Supply fleet: 81%
- PSV – one vessel in lay-up, improved utilisation for the vessels in operations
- AHTS: improved utilisations, but high volatility in the North Sea spot market
- Subsea: increased activity and good performance from the regions, especially the Atlantic and APAC regions
- 88% (91%) utilisation for the PLSV fleet

Profit or Loss Q3

<i>All figures in NOK million</i>	Q3 2021	Q3 2020	Acc Q3 2021	Acc Q3 2020	2020
Operating revenue	2 052	2 027	5 568	5 902	7 582
Operating expenses	-1 228	-1 159	-3 622	-3 490	-4 545
Net profit/loss from TS and JV	-3	-1	-14	-41	-66
Net gain on sale of vessel	44	12	104	12	19
Operating profit before depr - EBITDA	865	879	2 037	2 384	2 990
Depreciation	-335	-258	-965	-842	-1 097
Impairment	-42	-667	-391	-2 978	-3 665
Operating profit- EBIT	488	-46	681	-1 435	-1 771
Financial income	279	5	291	23	25
Financial costs	-309	-307	-844	-1 010	-1 338
Net realised currency gain/loss	-105	-55	-168	-618	-661
Net unrealised currency gain/loss	-548	-33	-278	-2 174	-1 120
Net unrealised gain/loss on market instr.	13	46	33	-102	-56
Net financial cost	-671	-343	-965	-3 881	-3 150
Profit/loss before tax	-182	-389	-284	-5 316	-4 921
Tax	54	-17	-65	119	-38
Net profit/loss	-128	-406	-349	-5 197	-4 959

According to management reporting

Comments to 3rd quarter

Operating Profit

Operational Ebitda lower due to termination fee of NOK 110 million booked last year

PSV

- Improved revenue and margins

AHTS

- Stable operations in Brazil
- Iceman fully consolidated

Subsea

- Good performance in the subsea regions
- Gain on sale of Geosund
- Reduced utilisation PLSV fleet due to Covid-19

Impairments

- Reversal of impairment after sale of Skandi Neptune
- Impairment consolidation of Iceman

Financial Cost

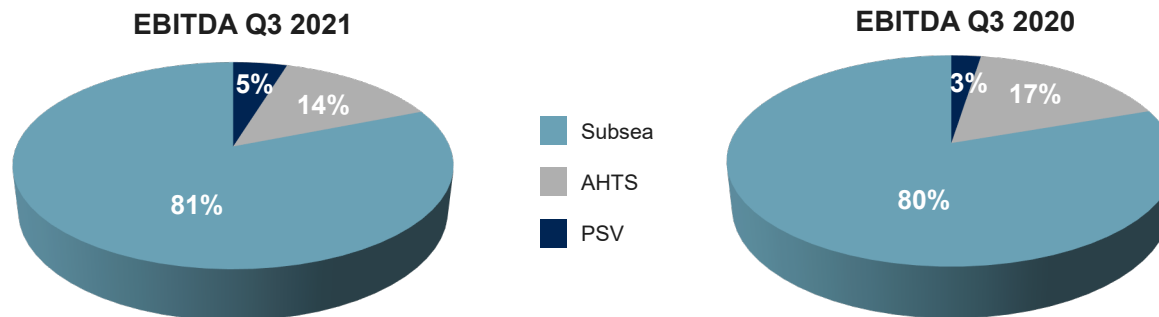
- Gain of NOK 249 million after repayment of a loan facility
- Unrealised currency loss due to strengthened USD to NOK and BRL

Segment reporting Q3

Amounts in NOK million

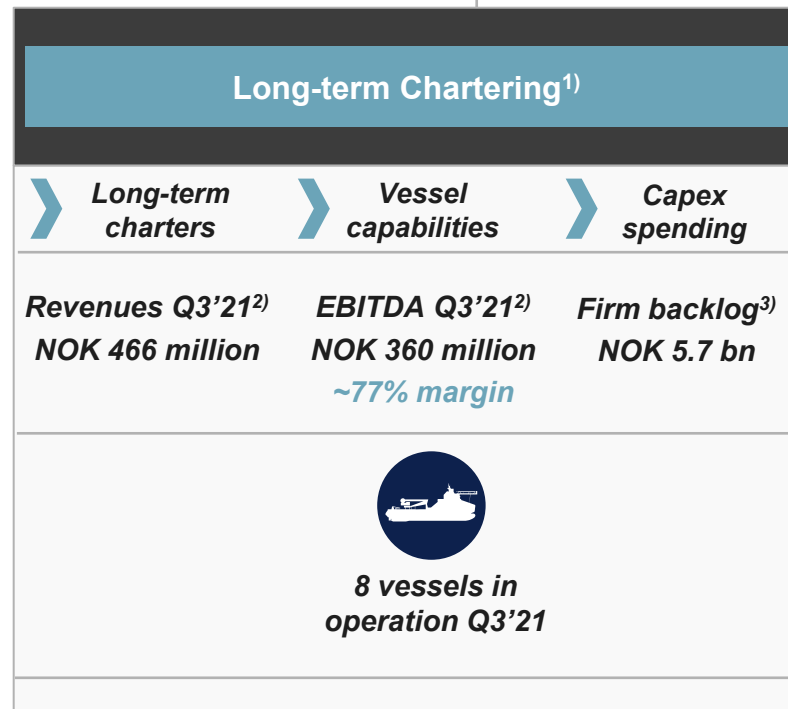
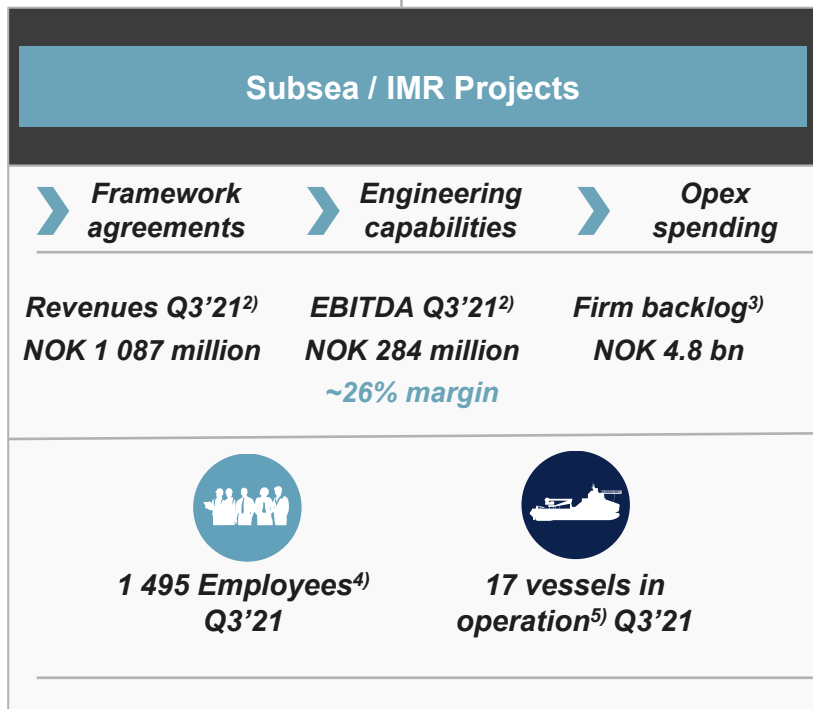
	PSV		AHTS		Subsea		Total	
	Q3 2021	Q3 2020	Q3 2021	Q3 2020	Q3 2021	Q3 2020	Q3 2021	Q3 2020
Operating revenue	138	128	276	279	1 638	1 620	2 052	2 027
Gain on sale of tangible assets	-	-	-	12	44	-	44	12
Operating result before depreciation and impairment (EBITDA)	41	22	123	151	701	706	865	879
Depreciation	28	30	54	53	254	176	335	258
Impairment	2	69	24	14	15	584	42	667
Operating result (EBIT)	11	-77	45	84	432	-53	488	-46
EBITDA margin	29%	17%	45%	54%	43%	44%	42%	43%
EBIT margin	8%	-60%	16%	30%	26%	-3%	24%	-2%

According to management reporting



Two business segments

DOF Subsea Group



Cash flow Q3 2021

All figures in NOK million

	Q3 2021	Q3 2020	Acc Q3 2021	Acc Q3 2020	2020
Cash from operating activities	805	886	1 754	2 481	3 083
Net interest paid	-108	-90	-288	-595	-715
Taxes paid	-27	-17	-87	-70	-102
Net cash from operating activities	670	779	1 378	1 815	2 266
Sale of tangible assets	-	11	173	12	19
Purchase of tangible assets	-205	-62	-595	-195	-285
Purchase of contract costs	-21	-	-136	-	-80
Sale of shares in JV	-	-	-	-	-17
Acquisition	27	-	27	-	-
Other changes in investing activities	12	-2	47	28	49
Net cash from investing activities	-187	-53	-484	-156	-314
Proceeds from borrowings	2	-	5	230	230
Payment of borrowings	-412	-145	-1 053	-679	-1 004
Net cash from financing activities	-410	-145	-1 048	-448	-774
Net changes in cash and cash equivalents	73	582	-154	1 211	1 177
Cash and cash equivalents at the start of the period	2 135	1 902	2 332	1 715	1 715
Exchange gain/loss on cash and cash equivalents	-5	-37	24	-479	-560
Cash and cash equivalents at the end of the period	2 202	2 447	2 202	2 447	2 332

According to management reporting

Comments to cash flow 3rd quarter

Main variance in operational cash flow is termination fee (NOK 110 million) received last year.

Low interest costs paid due to standstill agreements.

No cash impact on sale of assets this quarter as both vessels will be delivered next year.

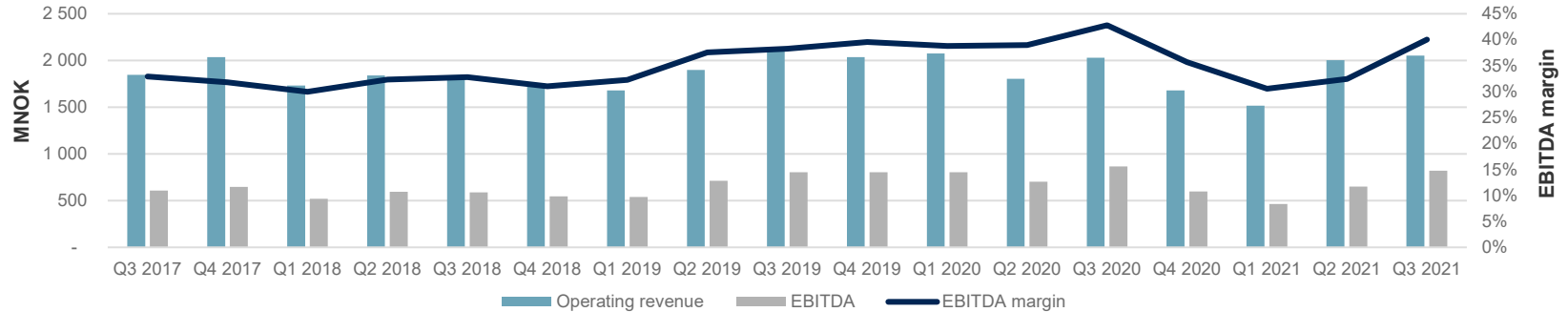
Purchase tangible assets are mainly class dockings.

Contract costs are conversion and mobilisation costs to new contracts.

Payment of borrowings are debt service in the DOFCON JV, amortisation for parts of the debt in DOF Subsea and Norskan, and repayment of a loan in DOF Subsea.

Restricted cash by end September is NOK 155 million.

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



	Q3 2017	Q3 2018	Q3 2019	Q3 2020	Q3 2021
Operating revenue	1 846	1 792	2 101	2 027	2 052
EBITDA	607	587	803	867	820
EBITDA margin	33%	33%	38%	43%	40%
Non-current assets	27 979	26 152	25 908	20 792	18 842
Current assets	4 370	3 925	3 662	4 176	4 458
Total Assets	32 349	30 076	29 570	24 968	23 300
Equity	7 688	6 264	3 512	-1 014	-1 106
Non-current debt	20 317	18 648	19 220	4 490	3 700
Current debt	4 343	5 165	6 838	21 492	20 707
Total Equity and Debts	32 348	30 076	29 570	24 968	23 300
NIBD	20 824	20 418	22 441	21 547	19 847

According to management reporting

Balance as of 30.09.2021

Amounts in NOK million	30.09.2021	30.06.2021	31.12.2020	30.09.2020
ASSETS				
Tangible assets	18 312	18 146	18 657	20 237
Goodwill	-	-	-	-
Deferred taxes	357	341	314	364
Investment in associated and joint ventures	7	7	8	5
Other non-current receivables	166	191	162	186
Non-current assets	18 842	18 685	19 141	20 792
Receivables	2 256	2 165	1 679	1 729
Cash and cash equivalents	2 202	2 135	2 332	2 447
Asset held for sale	-	-	20	-
Current assets	4 458	4 299	4 031	4 176
Total assets	23 300	22 985	23 172	24 968
EQUITY AND LIABILITIES				
Subscribed equity	316	309	309	308
Retained equity	-1 520	-1 557	-1 321	-1 456
Non-controlling equity	97	107	114	134
Equity	-1 106	-1 141	-898	-1 014
Non-current interest bearing debt	3 647	3 682	3 898	4 452
Other non-current liabilities	53	75	71	38
Non-current liabilities	3 700	3 757	3 969	4 490
Current portion of debt	19 126	18 730	18 720	19 906
Other current liabilities	1 580	1 638	1 381	1 585
Current liabilities	20 707	20 369	20 101	21 492
Total equity and liabilities	23 300	22 985	23 172	24 968

According to management reporting

Comments to the balance

Non-current assets

- Changes in tangible assets from year end are sale of vessels and depreciations/impairments.
- One vessel reclassified as financial lease.

Deferred taxes

- Deferred taxes are mainly from the DOFCON JV.

Cash

- Cash has dropped since year end, mainly due to increased project activity and higher debt service.

Equity

- Negative equity impacts the going concern assumptions.

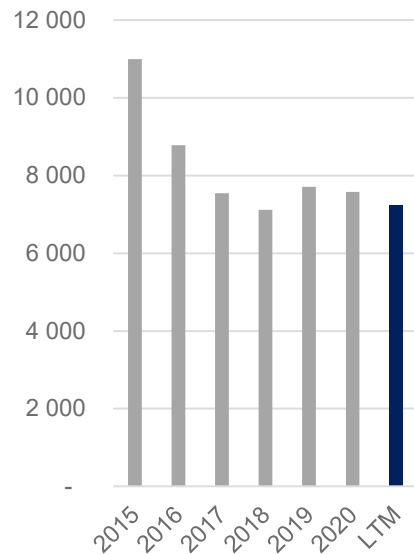
Liabilities

- Long-term liabilities represent the debt in DOFCON JV and lease debt.
- All other secured debt and bond loans are classified as short-term due to ongoing debt restructuring of the Group.
- IBD increased by NOK 420 million after consolidation of Iceman and decreased after repayment of a loan facility of NOK 392 million.

Group key financials

Revenue

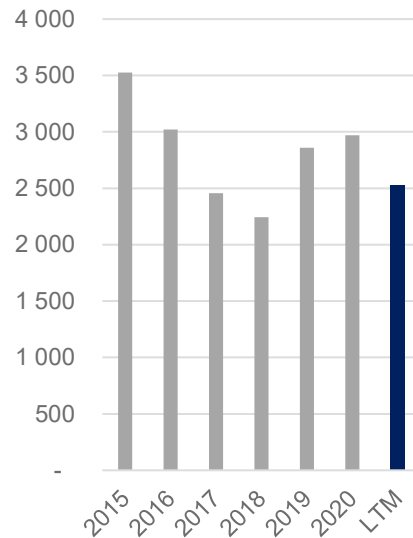
NOK million



According to management reporting

EBITDA *

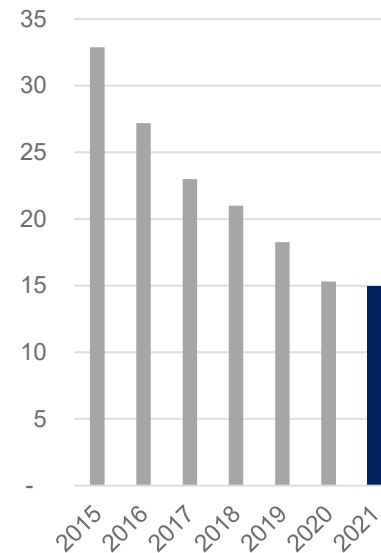
NOK million



* EBITDA excl. gain from sale of assets

Firm backlog

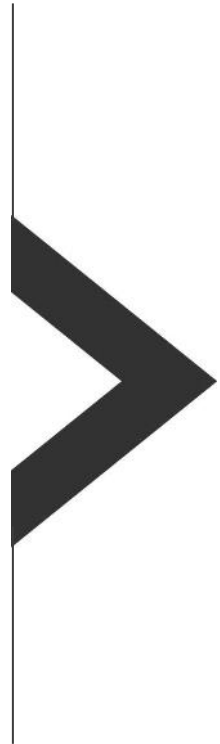
NOK billion



LTM = Last twelve months

Update debt restructuring

- Approx. NOK 19 billion of the Group's debt is under restructuring.
- 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), are applicable until 30 November 2021.
- One loan facility repaid at a substantial discount in 3rd quarter
- The BNDES loan facilities in Norskan Offshore Ltda. and in DOF Subsea Servicos Brasil Ltda are served according to refinancing agreements signed in February 2020. In parallel there are ongoing discussions with BNDES and the other lenders on a robust long-term refinancing solution for the Group.
- The dialogue with the lenders is constructive and progress has been made, but a refinancing solution is not yet in place.

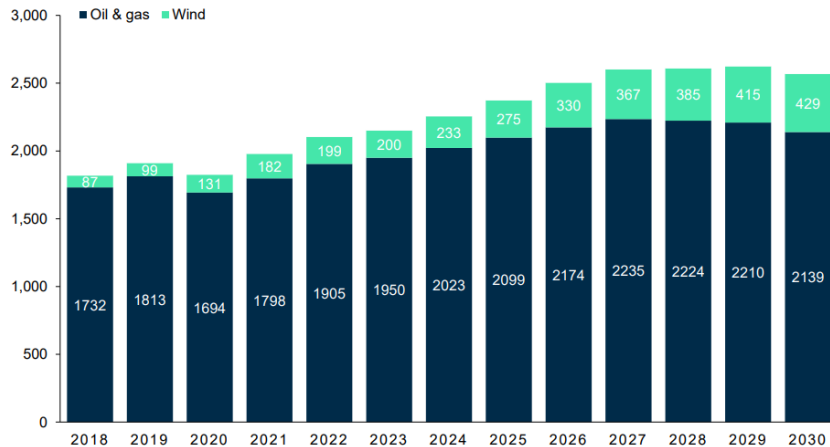


Markets & Outlook

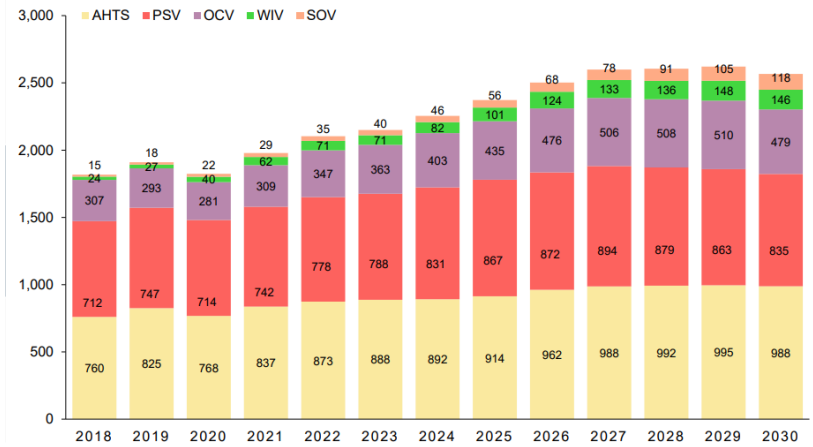
Total Vessel Prediction: Sector and Vessel type to 2030



Vessel demand (vessel years)



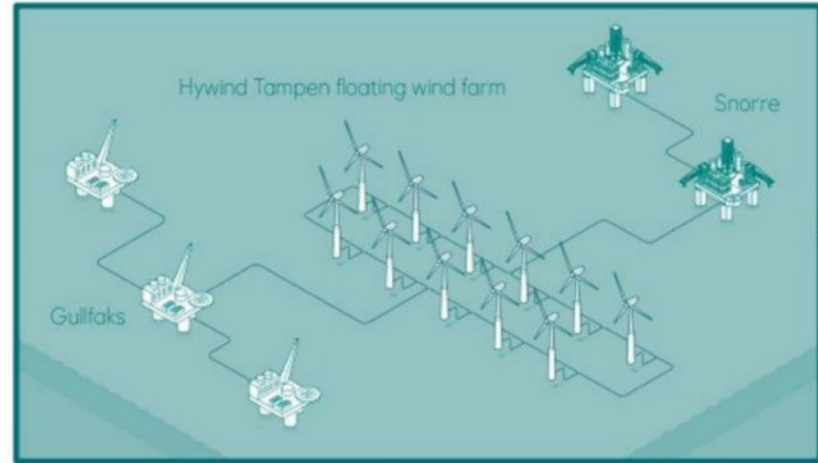
Vessel demand (vessel years)



Floating Offshore Wind

Hywind Tampen – offshore wind farm in the North Sea

- DOF Subsea and its JV partner Kvaerner (Aker Solutions) were awarded a contract to engineer, procure, construct, and install the 11, 8MW floating turbine foundations.
- DOF Subsea will tow and install all 11 units and manage all marine activities both at the quayside and offshore.
- DOF Subsea will utilize some of the world's most powerful seagoing tugs and DP2 construction vessels on this project.



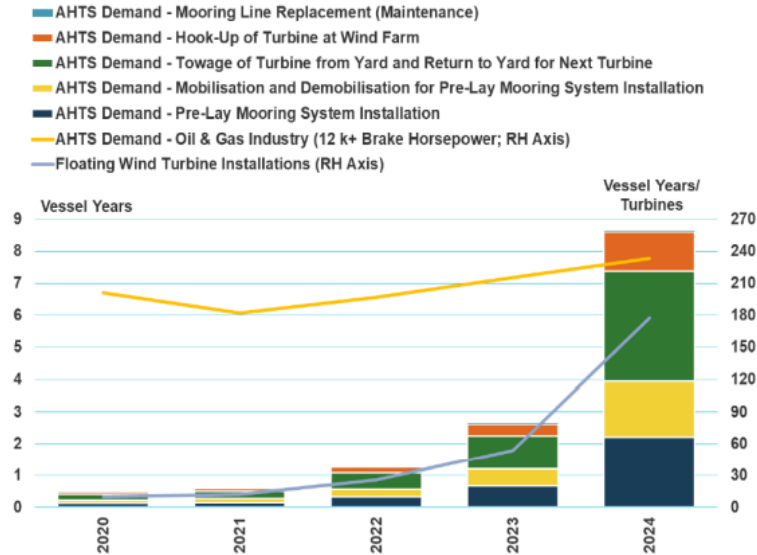
11 wind turbines between
Snorre and Gullfaks

Combined capacity of
88MW

Concrete substructures
and shared anchors

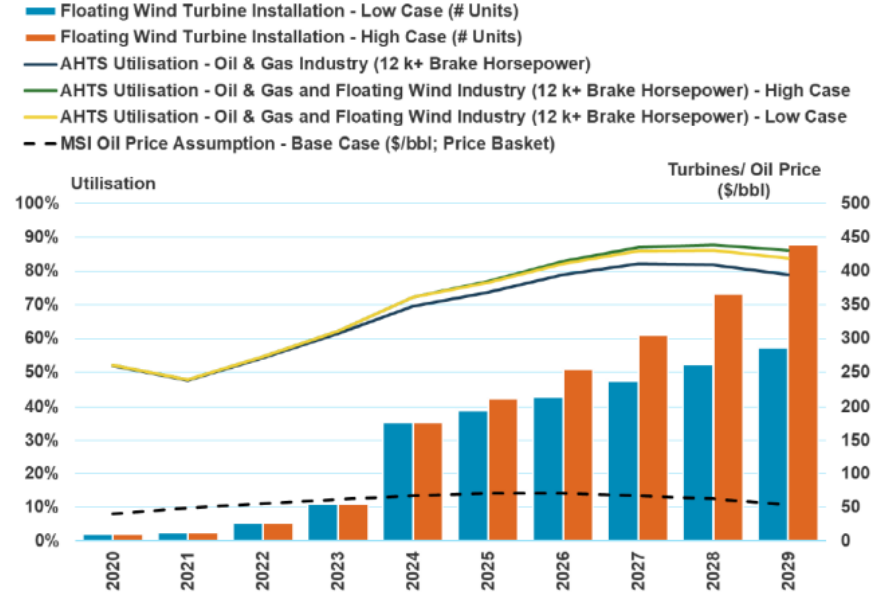
Considerable CO2
emission reductions

AHTS Demand generated by Floating Wind-installation and maintenance*



* Vessel year assumptions based on vessel movements data

AHTS Demand generated by Floating Wind – Oil&Gas vs Wind



Operational & Markets

- The markets show signs of increased activity in most regions:
 - High tender activity in Brazil
 - The PSV and AHTS markets in the North Sea have improved, but expected to weaken during the winter season
 - The tender activity within Subsea projects is high
 - Increased vessel demand within offshore wind
- The Group's firm backlog amounts to NOK 1.9 billion for Q4
- The Operational EBITDA in Q4 is expected to be lower than Q3

Financial

- The dialogue with lenders concerning a robust long term financial solution has had progress in 3rd quarter, but a final solution is not yet in place.

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Presented by
Mons Aase - CEO
Hilde Drønen - CFO