Q3 2022

Financial Report
DOF ASA

Index

Contacts
Mons S. Aase, CEO
Tel, 91661012

Hilde Drønen, CFO
Tel, 91661009

Report distribution & webcast
The Q3 2022 financial report for DOF ASA is to be published on 27th of October, 2022. A financial webcast will be held on the day of publication at 08:30 (CET) and will be available on the Company website: www.dof.com. All materials, including an investor presentation, will be available on the same website.

The interim consolidated financial statements have not been subject to audit or review.

Directors' report

3rd Quarter 2022

Key figures

(MNOK)	Management reporting Q3 2022	Management reporting Q3 2021	Financial reporting Q3 2022	Financial reporting Q3 2021
Operating revenue	2 862	2 052	2 466	1 738
Net gain on sale of tangible assets	18	44	18	44
EBITDA	**1 030**	**865**	**864**	**695**
Depreciation	-352	-335	-264	-248
Impairment	-	-42	-	-42
EBIT	**678**	**488**	**600**	**405**
Net interest costs	-388	-30	-335	14
Net currency and derivatives	-738	-641	-745	-582
Profit (loss)	**-519**	**-128**	**-519**	**-128**
NIBD (Net interest bearing debt)	23 159	19 847	19 404	16 631
NIBD (Net interest bearing debt) excluded effect of IFRS 16	22 913	19 678	19 158	16 462
Equity ratio	-9%	-5%	-10%	-6%

Operations

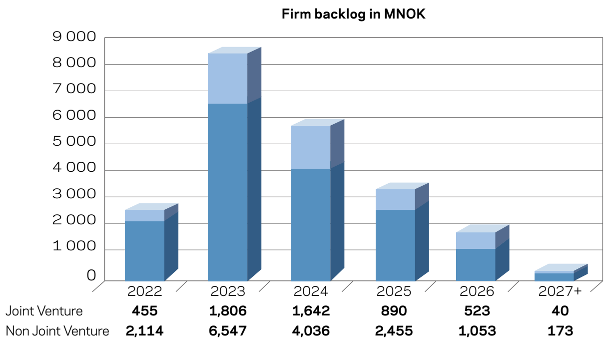
- The fleet achieved an average utilisation of 88% (83%) in the quarter.
- Continued high activity and good performance in the subsea regions.
- High activity in Brazil. Lower rates and utilisation in the North Sea spot market especially for the AHTS fleet.
- A high tender activity has resulted in an increased order intake the last two quarters.
- The total current fleet includes 54 vessels (incl. vessels on management or hired in):
  - 15 AHTSs, 11 PSVs and 28 Subsea vessels.
  - One vessel sold and delivered in the quarter.

Finance

- The Group has signed a Restructuring Agreement with the secured lenders and a group of bondholders representing 40% of the total outstanding bonds ("The lenders"), with the purpose of securing a long-term financial solution and continue as going concern, where the following main terms have been agreed:
  - Conversion of approximately NOK 6.2 billion in debt into equity across all major silos within the Group (DOFCON JV excluded), whereas the holders of current shares will hold 4% of the shares after the conversion.
  - Consolidation of most bilateral facilities at DOF Subsea Group in a single syndicated loan and refinancing of the DOF Rederi Fleet loan after conversion of debt.
  - Amended terms of the Norskan financing including a split in guaranteed (approx. 70%) and unguaranteed tranches.
  - The Restructuring Agreement remains to be approved by the bondholders in DOF Subsea AS in a bondholder meeting on 7th of November and by the shareholders in the Company in an extraordinary general meeting on 11th of November.
  - The Group and the lenders have agreed alternative implementation steps of the restructuring should it not be approved by the shareholders.

Backlog

- Order intake of NOK 3.9 billion in the 3rd quarter.
- Backlog at end of the quarter was NOK 21.7 billion (NOK 15 billion), of which DOFCON JV backlog represents NOK 5.4 billion.
- **After balance date DOF signed a contract with ExxonMobile Guyana with a firm contract value of approximately NOK 2.7 billion (not included in the backlog figures).**



Key ESG (Environmental, Social, & Governance) information

The ESG figures, where appropriate, are shown in comparison with previous year, as rolling average, or as running numbers. The dashboard contains results from key, non-financial, targets established in DOF and quarter over quarter trends are indicated with trend symbols. Read more about how we selected these targets in our integrated annual report 2021.

Operational health & safety

- ▼ **3** Lost Time injuries (LTIs) in Q3 2022
- ▲ **3** Recordable incidents in Q3 2022
- ▲ **2,082** Positive safety observations in Q3 2022
- ▼ **2.64** /million hrs recordable incident frequency in Q3 2022
- ▼ **1.32** /million hrs Lost Time Incident frequency in Q3 2022
- ▲ **9,224** Safety observations in Q3 2022

Marine and Subsea service delivery

- **4.1** Subsea client satisfaction in 2021 (out of max score of 5)
- **4.2** Marine client satisfaction in 2021 (out of max score of 5)
- ▲ **99.5%*** Vessel uptime available operative time in Q3 2022
- ▶ **99.4%** ROV uptime available operative time in Q3 2022

** Vessels managed by DOF Management*

People

- ▶ **0** GDPR breaches recorded in Q3 2022
- ▶ **2** Confirmed harassment cases in 2022
- ▶ **3,803** Headcount per 30.09.2022
- ▶ **2.8%** Absence due to sickness in Q3 2022

Environmental performance

- **-6.6%** CO_2 emissions total emissions in 2021 compared to 2020
- ▼ **1** Number of spills unrecovered over 50 litres in Q3 2022
- **B** Current CDP score

Governance

- ▶ **0** Fines or monetary sanctions due to non-compliance recorded in Q3 2022
- ▲ **361** NCRs raised in Q3 2022
- ▶ **501** audits and inspections completed in Q3 2022

Key

The trend markers are in relation to the previous quarter. See DOF ASA financial report Q2 2022 to compare figures.

▲ Positive trend in result ▼ Negative trend in result ▶ No significant change in result

Key financial & operational information

Q3 Operations

The Q3 operational result per segment is as follows;

(MNOK)	PSV	AHTS	Subsea	Total
Operating revenue	131	350	2 381	2 862
Net gain on sale of tangible assets	-	-	18	18
Operating result before depreciation and impairment - EBITDA	38	139	853	1 030
Depreciation	24	67	261	352
Impairment	-	-	-	-
Operating result - EBIT	14	72	592	678
EBITDA margin	29%	40%	36%	36%
EBIT margin	10%	20%	25%	24%

The main part of the Group's PSV and AHTS fleet operates on time charter (TC) contracts or in the spot market, while the Subsea fleet is mainly utilised on long-term services contracts or on shorter project contracts. The scope executed from the Group's subsea fleet and parts of the AHTS fleet varies from survey, IMR, construction, decommissioning and SURF both within Oil and Gas and renewables.

PSV & AHTS

The PSV fleet includes operation of 11 vessels, of which one vessel is owned via a minority share. The majority of the fleet have operated on firm contracts in the North Sea and the fleet has achieved an average utilisation rate of 89% (81%) in 3rd quarter. One vessel has been reactivated from lay-up and has partly operated in the spot market in the period. The activity in the North Sea market continued to improve during the quarter with increased rates both in the term- and spot market. Equinor Energy AS has exercised its option to extend the firm period of the contract for Skandi Flora by one year. The extension is applicable from 4th of October.

The AHTS fleet includes operation of 15 vessels including four vessels on management. The majority of the fleet operates in Brazil, and the remaining fleet (six vessels) are operating in the North Sea and in the Asia-Pacific region. The average utilisation for the AHTS fleet (owned) has been 74% versus 80% last year. The North Sea market was busy in the start of the quarter, but slower in August and September. The vessels on term contracts have achieved good utilisation. Skandi Iceman was committed on the Hywind Tampen in July and in August. The activity in Brazil has been impacted by class dockings and mobilisations to the new contracts awarded by Petrobras in the previous quarter. Most of the vessels operated by the Group are equipped with ROVs, which are owned and operated by DOF Subsea. Parts of the AHTS vessels have frequently been used on projects in DOF Subsea.

SUBSEA

By the end of the quarter, the Group operated a fleet of 28 Subsea vessels, including one vessel on management and two vessels hired in from external owners. The majority of the fleet is owned by the subsidiary DOF Subsea AS. The overall utilisation of the owned Subsea fleet was 94% versus 86% in the same period last year. Geosea (built 2002) was sold and delivered to the new owner based on a purchase option which was exercised in 1st quarter this year.

The total revenues from Subsea IMR project contracts amounted to NOK 1,703 million (NOK 1,087 million) in the quarter.

In the **Asia-Pacific region**, the Group has conducted IMR work under two long-term contracts for Shell in the Philippines and in Australia. The two remaining vessels in the region have been working on various construction and IMR projects, mainly in Australian waters. The region has achieved better performance even though the quarter has been impacted by class-docking and mobilisation to a new contract. Skandi Darwin completed its class-docking and mobilisation in August and has started on the 3+2-year contract with Esso Australia. The project activity in the **Atlantic region** continued to be high in the quarter. One vessel has been working as a field support vessel (FSV) offshore Angola, and one vessel has been utilised within the offshore wind industry for a key renewable client in the North Sea. The region has during the quarter continued executing the Hywind Tampen project, utilising Skandi Iceman, as well as chartering in external vessels. During the quarter the region has been awarded multiple new contracts including one SURF contract with a major oil & gas operator in the Mediterranean utilising Skandi Acergy. Another award is a FPSO mooring rectification project in West- Africa utilising Skandi Skansen as the main installation vessel. The region has been awarded an early phase study for the purpose of detailing cessation of a field in the North Sea. The utilisation in the **North America region** has improved during the quarter with two of the Group's vessel working respectively on a SURF project in Gabon and mooring project in the Gulf of Mexico. The Group has also executed IMR and installation work for Cenovus in Canada and the services to the client has been expanded to cover all engineering for the IMR and installation tasks. The region has entered into an agreement with Otto Candies for the charter of the Jones Act compliant vessel Chloe Candies for a firm period of one year with two years options with expected commencement in 4th quarter. The region has been awarded several contracts with major operators in the Gulf of Mexico, securing utilisation for the regions two Jones Act compliant vessels for 2022 and 2023.

In the **Brazil region**, the Group has operated multiple vessels on a survey and inspection project (PIDF), a diving vessel and an IMR vessel, all for Petrobras, and the Skandi Neptune on a seismic node project. The region has further been awarded 3-year IMR contracts for the Skandi Chieftain, Skandi Olympia and Skandi Commander with Petrobras with start-up in direct continuation with the existing contracts, except for the Skandi Commander which will be utilised on the PIDF project until August 2023 and then commence the new contract. The PLSV fleet has continued to operate on firm contracts and has achieved a utilisation of 96% (93%) in the quarter. In the DOFCON JV, Skandi Vitoria commenced a 3-year contract.

ESG (Environmental, Social, and Governance) Q3

The Group continued delivery of consistent ESG results in 3rd quarter 2022 when compared to the last two quarters. Occupational health and safety results for the quarter, with a total recordable injury rate of 2.64 per million man-hours is up from last quarter, however all incidents with a low risk factor and no permanent disabilities. The lost-time injury frequency rate of 1.32 per million man-hours is an increase from previous quarter. Within Marine and Subsea service delivery, the operational uptime for vessels was 99.5%* (*Vessels managed by DOF Management)* in the quarter, and operational uptime for ROV was 99.4%. Regarding Governance, the number of NCRs and audits are stable, although there are small variations. There have been no fines or non-monetary sanctions due to non-compliance.

There was one significant spill in the quarter with 80 litres released to external environment.

Regarding people, the headcount per end of quarter was 3,803 and absence rate due to sickness was 2.8%. There were no data privacy breaches. There were no harassment cases confirmed through investigation in the quarter.

During the quarter, several improvement projects have been initiated like "digital fleet", and a task force for cyber security with strengthened defense and focus on prevention. There has also been a strengthened focus on the cultural aspect of digitalisation. A remote ROV operations room has been established at corporate office in Bergen with success and ready for testing in Q4. A decarbonisation roadmap towards 2030-50 is finalised and will be issued for approval in late 2022. Substantial efforts have been made to develop videos supporting DOF's workbook. The workbook is the backbone of internal training for DOF's employees and subcontractors. The material will be made publicly available on DOF's external webpage.

Financial Reporting Q3 - Highlights

The below figures represent the Group's consolidated accounts based on Financial Reporting.

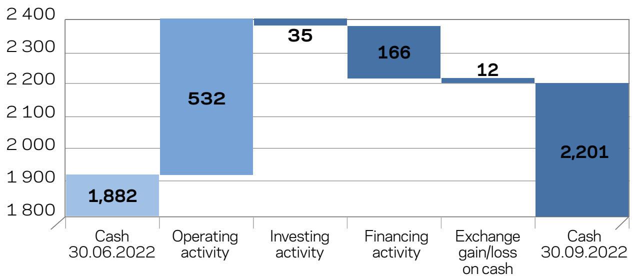
Profit or Loss

(MNOK)	Q3 2022	Q3 2021
Operating revenue	2 466	1 738
Net gain on sale of tangible assets	18	44
EBITDA	**864**	**695**
Depreciation	-264	-248
Impairment	-	-42
EBIT	**600**	**405**
Net interest costs	-335	14
Net currency and derivatives	-745	-582
Profit (loss)	-519	-128

The revenue and Ebitda are higher compared to last year mainly due to increased activity on subsea projects and high utilisation of the fleet. The DOFCON fleet has operated on firm contracts with stable utilisation and achieved an Ebitda of NOK 150 million versus NOK 85 million last year. (ref. Note 2). The gain from sale of assets represents sale of subsea equipment. The AHTS and PSV segment achieved Ebitda in line with 3rd quarter last year. Value in use calculations and updated broker estimates indicates no impairment this quarter. The fair market values of the Group's vessels received from two independent companies have increased with 2% (before currency effects) since last quarter.

The net interest costs are NOK -335 million (NOK 14 million). The net interest costs last year include a gain of NOK 249 million due to a repurchase of a loan facility in DOF Subsea. The net loss on currencies and derivatives of NOK -745 million (NOK -582 million) represent mainly unrealised currency loss on USD debt in the subsidiaries Norskan Offshore Ltda. and DOF Subsea Group. The Group is not in a position to do interest rate hedges, hence, the Group interest expense is and will be impacted by increase in interest rates.

Cash flow from Q3 2022



Cash flow from operating activities

(MNOK)	Q3 2022	Q3 2021
Operating result	600	405
Depreciation and impairment	264	290
Gain (loss) on disposal of tangible assets	-18	-44
Share of net income from associates and joint ventures	-150	-81
Changes in working capital	-136	-48
Exchange rate effects on operating activities	48	-15
Cash from operating activities	607	506
Net interest and finance cost, and taxes paid	-75	-74
Net cash from operating activities	532	432

The net operational cash flow in the quarter was NOK 532 million (NOK 432 million) and is higher compared to last year mainly due to improved operational cash flow from the PSV and AHTS segment. The net cash flow from investments was negative by NOK -35 million (NOK -115 million) and include sale of Geosea, sale of ROVs and class dockings. The cash flow from finance activities of NOK -166 million (NOK -319 million) represent debt service in Norskan Offshore Ltda., lease facilities in DOF Subsea and repayment of the Geosea loan facility.

BALANCE

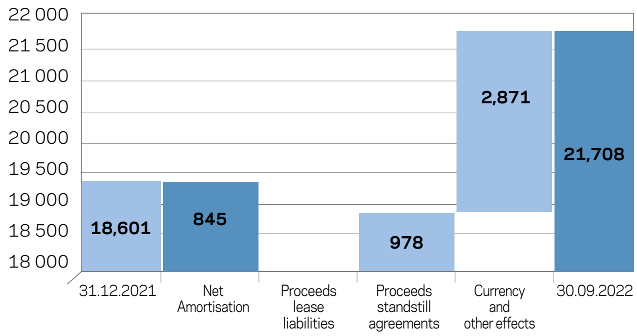
(MNOK)	30.09.2022	30.09.2021
Non-current assets	16 333	15 226
Current assets	2 835	2 299
Cash and cash equivalents	2 201	1 598
Total assets	**21 369**	**19 123**
Equity	-2 212	-1 106
Non-current liabilities	304	264
Current liabilities	23 277	19 965
Total equity and liabilities	**21 369**	**19 123**
Net interest bearing debt (NIBD)	19 404	16 631
Net interest bearing debt (NIBD) excl. effect IFRS 16	19 158	16 462

The non-current assets include vessels, ROVs and the DOFCON JV shares which represent book values of NOK 12,398 million (NOK 12,458 million) in vessels and subsea equipment and NOK 3,740 million (NOK 2,593 million) for the shares in the DOFCON JV. The non-current assets represent 76% of the Group's total assets. The increase in value of non-current assets is impacted by a strong USD rate in the period. Due to a weak net result in the quarter mainly related to unrealised currency losses, the negative value of the equity has increased to NOK -2,212 million (NOK -1,106 million). Non-current liabilities include long-term lease agreements. All remaining liabilities have been classified as current due to standstill agreements with the lenders and that the restructuring agreement is yet to be approved by the bondholders and the shareholders of the Company (ref. note 9). The interest-bearing debt has further been increased by NOK 3,107 million since year-end 2021 mainly due to a significant strengthening of the USD towards NOK and BRL and capitalised interest costs.

Financing and Capital Structure

The Group's total interest-bearing debt by end of the quarter is NOK 21,708 million (NOK 18,384 million) of which bond debt is NOK 3,739 million (NOK 2,593 million). The main portion of the debt is drawn in USD.

Total interest bearing debt 31.12.2021 - 30.09.2022



The Group has signed a Restructuring Agreement (RA) which include the Company's debt and the Group subsidiaries debt (excluding the debt in the DOFCON JV). The RA has been entered into with all the secured lenders and the adhoc group of bondholders in DOF Subsea's three bond issues controlling approximately 40% of the total outstanding amount of the bonds. BNDES (Brazilian Development Bank) has further given their consent to the RA.

Highlights in the RA include the following:

- A conversion of debt into equity (approximately NOK 6.2 billion) across all major silos within the Group.
- NOK 675 million of the DOFSUB Group bonds to be reinstated into a new bond recovery instrument maturing in December 2027.
- The consolidation of most bilateral facilities at DOFSUB Group to create a single syndicated loan and a refinancing of the reinstated DOF Rederi debt into a new fleet loan.
- Upon completion of the Restructuring, the existing shares in the Company shall represent 4% of the issued shares, converting bondholders would represent 53.33% of the shares, whereas the holders of all other conversion liabilities would represent 42.67% of the shares, in each case on a fully diluted basis.
- The existing liabilities of Norskan Offshore Ltda. to the Senior Finance Parties shall be split in two and reinstated in the form of guaranteed tranches (which will include the part of such liabilities that are secured by vessel mortgages within ~70% of the agreed fair market value of those vessels) and unguaranteed tranches (including all other parts of such liabilities).
- NOK 250 million of the liabilities of Iceman AS under Iceman AS' existing loan shall be reinstated in a new loan facility for which Iceman AS shall be the sole obligor. The other liabilities under Iceman's existing loan shall be converted into equity in the Company.

With the exception of certain guarantee-liabilities, and ring-fenced structures, the surviving debt of the Group shall be reinstated as (i) new facilities with maturity on 9th of January 2026 and generally extended amortisation schedule and reduced interest costs and (ii) new bonds with no cash debt service with maturity on 17th of December 2027.

The DOFCON JV is not part of the standstill agreements and serves its debt according to the terms in the relevant loan facilities. Financial covenants related to the Group's 50% guarantee of the DOFCON loan facilities have been waived.

The RA remains to be approved by the bondholders in DOF Subsea AS in a bondholder meeting on 7th of November and by the shareholders in the Company in an extraordinary general meeting on 11th of November.

The parties to the RA have agreed on how to implement the Restructuring should the shareholders not approve the Restructuring in the extraordinary general meeting with the following implementation steps; Step 1: a reconstruction with the existing shareholders to retain 1% post the restructuring, Step 2: if step 1 cannot be implemented, the implementation will be done via bankruptcy with existing shareholders retaining no equity interest.

See further details in the press releases issued on 22nd of June 2022 and 13th of October 2022.

Shareholders & the Board

By the 30th of September, the share capital was NOK 316 million divided into 316 million shares. The main shareholder Møgster Offshore AS controls 31.6% of the Company.

The Oslo Stock Exchange has decided to put DOF ASA, ISIN: NO0010070063 to Recovery Box which is a special compartment where the Oslo Stock Exchange can place securities where the issuer is subject to circumstances that make pricing of the shares particularly uncertain.

By 30th of September 2022 the share price was NOK 1.26/share and by date of this report the share price is 0.77/share.

Subsequent events

The Group has been awarded new contracts after the balance date. See note 11.

The Group has on the 13th of October, agreed alternative implementation steps for the Restructuring if the Restructuring is not approved by the shareholders. See further details in note 11.

Outlook

The O&G markets have improved as several regions have seen increased activity and the Group has built a substantial backlog year to date. The war in Ukraine has had an impact on the increased oil and gas prices but has also created instability in the world economy and this situation might have an impact on the markets going forward.

The Group's interest bearing debt has increased by approximately NOK 3 billion year to date due to a strengthened USD and the interest rates have further increased significantly which will impact the liquidity going forward. Even though there are market improvements the Group's current financial position is not sustainable, and the equity is lost. The Group has since 2nd quarter 2020 worked on finding a long-term refinancing solution with all stakeholders, including the shareholders, banks and bondholders. The Board is satisfied that the Company and its subsidiaries have signed a restructuring agrement with its creditors which include a comprehensive financial restructuring and address significant amounts of overdue debt that are not refinanceable. The agreed restructuing is vital in order to maintain going concern and create a stable and more efficient financial platform for the Group going forward.

Failing a completion of the agreed restructuring solution, the standstill arrangement with creditors will cease and the majority of the debt will fall due. The Board considers it impossible to obtain alternative refinancing of the debt.

The 3rd quarter report is prepared on the assumption of going concern and the assumption is based on the restructuring agreement signed with the majority of the creditors in the Group. The restructuring requires the approval by the Company's existing shareholders and the bondholders in DOF Subsea in order to become effective. The agreed final deadline for the implementation is 30th of November 2022, and in the event that the restructuring is not approved the Company will file for a reconstruction, or a bankruptcy, according to the agreement signed with the Group's creditors, published on the 13th of October 2022. Therefore, the Board and management strongly believe that the shareholders will obtain the best recovery by supporting the restructuring in an Extraordinary General Meeting on the 11th of November 2022.

The Board of Directors of DOF ASA,
October 26th, 2022

IR contacts
Mons S. Aase, CEO
+47 91661012, mons.aase@dof.com
Hilde Drønen, CFO
+47 91661009, hilde.dronen@dof.com

DOF ASA
5392 Storebø
www.dof.com

Accounts

3rd Quarter 2022

Consolidated statement of profit or loss

(MNOK)	Note	Q3 2022	Q3 2021	Acc Q3 2022	Acc Q3 2021	2021
Operating revenue	3	2 466	1 738	6 477	4 692	6 356
Operating expenses	6	-1 771	-1 169	-4 763	-3 452	-4 652
Share of net profit from joint ventures and associates	7	150	81	299	150	265
Net gain (loss) on sale of tangible assets		18	44	70	104	109
Operating profit before depreciation and impairment - EBITDA		864	695	2 083	1 494	2 078
Depreciation	5	-264	-248	-804	-739	-1 030
Impairment	5	-	-42	-93	-293	-412
Operating profit - EBIT		600	405	1 186	462	636
Financial income		31	284	92	314	403
Financial costs		-365	-270	-1 045	-727	-1 076
Net realised currency gain (loss)		133	-102	171	-164	-268
Net unrealised currency gain (loss)		-878	-492	-1 302	-243	-311
Net changes in unrealised gain (loss) on derivatives		-	13	9	33	40
Net financial costs		-1 079	-568	-2 076	-787	-1 212
Profit (loss) before taxes		-480	-163	-889	-325	-576
Taxes income (cost)		-39	35	-119	-24	-54
Profit (loss) for the period		-519	-128	-1 008	-349	-630
Profit attributable to						
Non-controlling interest		-21	-10	-49	-17	-23
Controlling interest		-498	-118	-959	-332	-607
Earnings per share (NOK)		-1.57	-0.37	-3.03	-1.05	-1.92
Diluted earnings per share (NOK)		-1.57	-0.37	-3.03	-1.05	-1.92

Consolidated statement of comprehensive income

(MNOK)	Note	Q3 2022	Q3 2021	Acc Q3 2022	Acc Q3 2021	2021
Profit (loss) for the period		-519	-128	-1 008	-349	-630
Items that will be subsequently reclassified to profit or loss						
Currency translation differences		-180	81	-579	10	40
Cash flow hedge		2	13	-3	39	48
Share of other comprehensive income of joint ventures	7	316	69	704	92	115
Items that not will be reclassified to profit or loss						
Defined benefit plan actuarial gain (loss)		-	-	-	-	-
Other comprehensive income/loss net of tax		137	163	122	141	202
Total comprehensive income/loss		-382	35	-886	-208	-428
Total comprehensive income/loss net attributable to						
Non-controlling interest		-21	-10	-49	-17	-23
Controlling interest		-361	45	-837	-191	-405

Consolidated statement of balance sheet

(MNOK)	Note	30.09.2022	30.09.2021	31.12.2021
ASSETS				
Tangible assets	5	12 398	12 458	12 199
Deferred tax assets		12	10	11
Investment in joint ventures and associated companies	7	3 740	2 593	2 730
Other non-current assets	6	184	166	134
Total non-current assets		16 333	15 226	15 074
Trade receivables		2 278	1 547	1 455
Other current receivables		557	751	625
Current receivables		2 835	2 299	2 080
Restricted deposits		203	155	172
Unrestricted cash and cash equivalents		1 998	1 444	1 625
Cash and cash equivalents	8	2 201	1 598	1 797
Current assets		5 036	3 897	3 877
Total Assets		21 369	19 123	18 951
EQUITY AND LIABILITIES				
Paid in equity		316	316	316
Other equity		-2 585	-1 520	-1 733
Non-controlling interests		57	97	91
Total equity		-2 212	-1 106	-1 326
Bond loan	9	-	-	-
Debt to credit institutions	9	-	-	-
Lease liabilities	9	266	232	217
Other non-current liabilities		39	33	38
Non-current liabilities		304	264	255
Current portion of debt	9	21 545	18 695	18 692
Trade payable		1 192	781	895
Other current liabilities		541	489	434
Current liabilities		23 277	19 965	20 021
Total liabilities		23 581	20 229	20 276
Total equity and liabilities		21 369	19 123	18 951

Consolidated statement of cash flows

(MNOK)	Q3 2022	Q3 2021	Acc Q3 2022	Acc Q3 2021	2021
Operating result	600	405	1 186	462	636
Depreciation and impairment	264	290	897	1 032	1 442
Gain (loss) on disposal of tangible assets	-18	-44	-70	-104	-109
Share of net income from associates and joint ventures	-150	-81	-299	-150	-265
Changes in trade receivable	-126	-17	-823	-544	-467
Changes in trade payable	-33	-47	296	105	198
Changes in other working capital	23	17	14	45	42
Exchange rate effects on operating activities	48	-15	160	27	20
Cash from operating activities	607	506	1 362	873	1 496
Interest received	7	2	35	26	40
Interest and other finance costs paid	-64	-64	-247	-192	-280
Taxes paid	-18	-12	-57	-46	-62
Net cash from operating activities	532	432	1 092	662	1 194
Payments received for sale of tangible assets	26	-	135	173	172
Purchase of tangible assets	-133	-135	-385	-394	-612
Purchase of contract costs	-2	-21	-48	-136	-135
Payment of acquisition, net of cash	-	26	-	26	26
Purchase of shares	-	-	-6	1	1
Net cash from non-current receivables	75	14	306	149	267
Net cash from investing activities	-35	-115	1	-181	-280
Proceeds from borrowings	-	2	-	5	7
Repayment of borrowings	-166	-319	-845	-777	-1 010
Net cash from financing activities	-166	-317	-845	-771	-1 003
Net changes in cash and cash equivalents	331	1	248	-290	-88
Cash and cash equivalents at the start of the period	1 882	1 617	1 797	1 880	1 880
Exchange gain/loss on cash and cash equivalents	-13	-19	156	8	5
Cash and cash equivalents at the end of the period	2 200	1 598	2 200	1 598	1 797

The Group has standstill agreements with majority of the lenders and no interest and installments have been paid during standstill period to these lenders.

Restricted cash amounts to NOK 203 million (NOK 155 million) and is included in the cash. Changes in restricted cash is reflected in the cash flow.

Restricted cash consist of cash only available for specific purposes. A portion of this cash serves as security for outstanding debt following enforcements of account pledges. Some lenders have exercised their right to set off such cash balances toward the outstanding loans. The Group has therefore chosen to present restricted cash serving as security for loans, net of debt to credit institutions. Year to date restricted cash of NOK 305 million (NOK 274 million) has been presented net of debt to credit institutions and are included in the repayment of borrowings.

For further information, please see note 8 “Cash and cash equivalents”.

Consolidated statement of equity

(MNOK)	Paid-in capital	Other contributed capital	Other equity - Retained earnings	Other equity - Currency translation differences	Other equity - Cash flow hedge	Total other equity	Non-controlling interest	Total equity
Balance at 01.01.2022	316	-	-2 436	793	-91	-1 734	91	-1 326
Result (loss) for the period			-959			-959	-49	-1 008
Other comprehensive income/loss			704	-579	-3	122	-	122
Total comprehensive income for the period	-	-	-255	-579	-3	-837	-49	-886
Changes ownership non-controlling interest			-14			-14	14	-
Total transactions with the owners	-	-	-14	-	-	-14	14	-
Balance at 30.09.2022	316	-	-2 706	215	-94	-2 585	57	- -2 212
Balance at 01.01.2021	309	75	-2 012	754	-139	-1 322	114	-898
Result (loss) for the period			-332			-332	-17	-349
Other comprehensive income/loss			90	10	41	141	-	141
Total comprehensive income for the period	-	-	-242	10	41	-191	-17	-208
Converted bond loan	7	-75	67			-7		-
Changes in non-controlling interest						-		-
Total transactions with the owners	7	-75	67	-	-	-7	-	-
Balance at 30.09.2021	316	-	-2 186	764	-98	-1 520	97	-1 106

Key figures

		Q3 2022	Q3 2021	Acc Q3 2022	Acc Q3 2021	2021
EBITDA margin ex net gain on sale of vessel	1	34%	37%	31%	30%	31%
EBITDA margin	2	35%	40%	32%	32%	33%
EBIT margin	3	24%	23%	18%	10%	10%
Profit per share	4	-1.57	-0.37	-3.03	-1.05	-1.92
Return on net capital	5			-46%	-32%	-48%
Equity ratio	6			-10%	-6%	-7%
Net interest bearing debt				19 404	16 631	16 675
Net interest bearing debt excl. effect of IFRS 16				19 158	16 462	16 499
Number of shares				316 456 167	316 456 167	316 456 167
Potential average number of shares				316 456 167	316 456 167	316 456 167
Potential number of shares				316 456 167	316 456 167	316 456 167

1) Operating profit before depreciation excluded net gain on sale of vessel in percent of operating income.
2) Operating profit before depreciation in percent of operating income.
3) Operating profit in percent of operating income.
4) Result /potential average no. of shares.
5) Result incl non-controlling interest/total equity.
6) Total equity/total balance.

Notes to the accounts

3rd Quarter 2022

Note 1 General

DOF ASA (the "Company") and its subsidiaries (together, the "Group") own and operate a fleet of PSV, AHTS, subsea vessels and service companies offering services to the subsea market worldwide.

The Company is a public limited company, which is listed on the Oslo Stock Exchange and incorporated and domiciled in Norway. The head office is located at Storebø in the municipality of Austevoll, Norway.

These condensed interim financial statements were approved for issue on the 26th of October 2022. These condensed interim financial statements have not been audited.

Basis of preparation
This Financial Report has been prepared in accordance with IAS 34, 'Interim financial reporting'. The Financial Report does not include all the information and disclosure required in the annual financial statements, and should be read in conjunction with the Group's Annual Report for 2021.

In accordance with IAS 1.25, the Board of Directors confirms that the financial statements have been prepared under the assumption of going concern. The assumption is based on the restructuring agreement and standstill arrangement signed with the majority of the creditors in the Group. The restructuring requires the approval by the Company's existing shareholders and the bondholders in DOF Subsea in order to become effective. The agreed final deadline for the implementation is 30 November 2022, and in the event that the restructuring is not approved the Company will file for reconstruction, or a bankrupt, according to the agreement signed with the Group's creditors, published on 13th of October 2022. Hence, the Board would like to emphasize that there is still material uncertainty related to the going concern assumption.

Without implementation of a restructuring agreement, the Group can no longer present financial statements on the assumption of going concern. If the Group can not be treated as going concern, the valuation of the Groups assets will be further revised and will result in significantly impairment of the Group's assets.

Estimates
The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31st of December 2021, with the exception of changes in estimates that are required in determining the provision for income taxes.

Note 2 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.

RESULT	3rd Quarter 2022			3rd Quarter 2021		
(MNOK)	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
Operating revenue	2 862	-395	2 466	2 052	-314	1 738
Operating expenses	-1 850	79	-1 771	-1 228	59	-1 169
Net profit from associated and joint ventures	-	150	150	-3	84	81
Net gain on sale of tangible assets	18	-	18	44	-	44
Operating profit before depreciation and impairment - EBITDA	**1 030**	**-166**	**864**	**865**	**-170**	**695**
Depreciation	-352	88	-264	-335	87	-248
Impairment	-	-	-	-42	-	-42
Operating profit - EBIT	**678**	**-78**	**600**	**488**	**-83**	**405**
Financial income	28	3	31	279	5	284
Financial costs	-416	50	-365	-309	39	-270
Net realised gain/loss on currencies	131	2	133	-105	3	-102
Net unrealised gain/loss on currencies	-869	-9	-878	-548	56	-492
Net changes in fair value of financial instruments	-	-	-	13	-	13
Net financial costs	**-1 126**	**47**	**-1 079**	**-671**	**102**	**-568**
Profit (loss) before taxes	**-448**	**-32**	**-480**	**-182**	**19**	**-163**
Taxes	-71	32	-39	54	-19	35
Profit (loss)	**-519**	**-**	**-519**	**-128**	**-**	**-128**

RESULT	YTD 3rd Quarter 2022			YTD 3rd Quarter 2021		
(MNOK)	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
Operating revenue	7 545	-1 068	6 477	5 568	-877	4 692
Operating expenses	-4 971	208	-4 763	-3 622	170	-3 452
Net profit from associated and joint ventures	-	299	299	-14	164	150
Net gain on sale of tangible assets	70	-	70	104	-	104
Operating profit before depreciation and impairment - EBITDA	**2 645**	**-561**	**2 083**	**2 037**	**-543**	**1 494**
Depreciation	-1 051	247	-804	-965	225	-739
Impairment	-93	-	-93	-391	98	-293
Operating profit - EBIT	**1 500**	**-314**	**1 186**	**681**	**-220**	**462**
Financial income	83	9	92	291	23	314
Financial costs	-1 189	143	-1 045	-844	117	-727
Net realised gain/loss on currencies	174	-3	171	-168	3	-164
Net unrealised gain/loss on currencies	-1 275	-27	-1 302	-278	36	-243
Net changes in fair value of financial instruments	9	-	9	33	-	33
Net financial costs	**-2 198**	**123**	**-2 076**	**-965**	**179**	**-787**
Profit (loss) before taxes	**-698**	**-191**	**-889**	**-284**	**-41**	**-325**
Taxes	-310	191	-119	-65	41	-24
Profit (loss)	**-1 008**	**-**	**-1 008**	**-349**	**-**	**-349**

BALANCE	30.09.2022			30.09.2021		
(MNOK)	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
ASSETS						
Tangible assets	19 566	-7 168	12 398	18 312	-5 855	12 458
Deferred taxes	343	-331	12	357	-347	10
Investment in joint ventures and associated companies	12	3 728	3 740	7	2 585	2 593
Other non-current assets	278	-94	184	166	-	166
Total non-current assets	**20 198**	**-3 865**	**16 333**	**18 842**	**-3 616**	**15 226**
Receivables	3 139	-304	2 835	2 256	43	2 299
Cash and cash equivalents	2 648	-447	2 201	2 202	-604	1 598
Total current assets included asset held for sale	**5 787**	**-751**	**5 036**	**4 458**	**-561**	**3 897**
Total assets	**25 985**	**-4 616**	**21 369**	**23 300**	**-4 177**	**19 123**
EQUITY AND LIABILITIES						
Equity	**-2 212**	**-**	**-2 212**	**-1 106**	**-**	**-1 106**
Non-current liabilities	4 090	-3 785	304	3 700	-3 435	264
Current liabilities	24 107	-831	23 277	20 707	-742	19 965
Total liabilities	**28 197**	**-4 616**	**23 581**	**24 406**	**-4 177**	**20 229**
Total equity and liabilities	**25 985**	**-4 616**	**21 369**	**23 300**	**-4 177**	**19 123**
Net interest bearing liabilities excluded effect of IFRS 16	22 913	-3 755	19 158	19 678	-3 215	16 462

Note 3 Segment information - management reporting

3rd Quarter 2022	Q3 2022 PSV	Q3 2022 AHTS	Q3 2022 Subsea	Q3 2022 Total	YTD Q3 2022 PSV	YTD Q3 2022 AHTS	YTD Q3 2022 Subsea	YTD Q3 2022 Total
Operating revenue	131	350	2 381	2 862	361	1 025	6 160	7 545
Net gain on sale of tangible assets	-	-	18	18	43	-	27	70
Operating result before depreciation and impairment - EBITDA	**38**	**139**	**853**	**1 030**	**107**	**371**	**2 166**	**2 645**
Depreciation	24	67	261	352	75	194	782	1 051
Impairment	-	-	-	-	-	93	-	93
Operation result - EBIT	**14**	**72**	**592**	**678**	**33**	**84**	**1 383**	**1 500**

3rd Quarter 2021	Q3 2021 PSV	Q3 2021 AHTS	Q3 2021 Subsea	Q3 2021 Total	YTD Q3 2021 *) PSV	YTD Q3 2021 *) AHTS	YTD Q3 2021 *) Subsea	YTD Q3 2021 *) Total
Operating revenue	138	276	1 638	2 052	349	804	4 415	5 568
Net gain on sale of tangible assets	-	-	44	44	31	-	73	104
Operating result before depreciation and impairment - EBITDA	**41**	**123**	**701**	**865**	**93**	**365**	**1 579**	**2 037**
Depreciation	28	54	254	335	81	154	729	965
Impairment	2	24	15	42	39	59	293	391
Operation result - EBIT	**11**	**45**	**432**	**488**	**-27**	**152**	**556**	**681**

*) Figures for 2021 includes reallocation of revenue between the segments.

Note 4 Operating revenue

The Group's revenue from contracts with customers has been disaggregated and presented in the table below;

Operating revenue	Q3 2022	Q3 2021	Acc Q3 2022	Acc Q3 2021	2021
Lump sum contracts	120	45	256	99	117
Day rate contracts	2 346	1 693	6 221	4 593	6 239
Total	**2 466**	**1 738**	**6 477**	**4 692**	**6 356**

Note 5 Tangible assets

2022	Vessel and periodical maintenance	ROV	Operating equipment	Asset "Right-of-use"	Total
Book value at 01.01.2022	11 256	511	214	218	12 199
Addition	321	29	42	11	403
Reclassification	-1	-	-1		-2
Disposal	-116		-8	-1	-125
Depreciation	-632	-86	-45	-39	-802
Impairment loss	-93				-93
Currency translation differences	787	5	12	14	818
Book value at 30.09.2022	11 521	459	215	203	12 398

2021	Vessel and periodical maintenance	ROV	Operating equipment	Asset "Right-of-use"	Total
Book value at 01.01.2021	11 821	533	226	264	12 844
Addition	685	90	28	-2	801
Disposal	-138				-138
Depreciation	-568	-90	-44	-37	-739
Impairment loss	-273				-273
Currency translation differences	-39	-	1	1	-36
Book value at 30.09.2021	11 487	533	211	226	12 458

Disposal
The vessels Skandi Rona, Skandi Sotra, Skandi Foula are sold and delivered to new owner in 2022. Geosea was derecognised from tangible assets and reclassified as financial lease in Q1 2022. The vessel is delivered to new owner in Q3 2022. In addition some subsea equipments are sold in Q3 2022.

Total gain on sale and derecognition of tangible assets amounts to NOK 70 million.

Right-of-use asset
Net booked value of right-of-use assets at the 30th of September 2022 consists of property with NOK 203 million (NOK 221 million) and operating equipment with NOK 1 million (NOK 5 million).

Impairment
Impairment tests performed for Q3 2022 have resulted in no impairment of vessels this quarter. Accumulated impairment year to date Q3 2022 amounts to NOK 93 million. No impairment has been done in joint ventures in 2022.

The fair market values have increased for the majority of the fleet, and the markets have improved in 2022. However, the Group's current financial position is not sustainable and is dependent on a comprehensive financial restructuring as agreed in the Restructuring Agreement (RA) signed in June. The RA has to be approved by the Company's shareholders and the Group's bondholders and in the event that the restructuring is not approved, the valuation of the Group's assets will be further revised which again will result in increased impairments of the Group assets.

Sensitivity analysis of impairment
The valuation of the vessels are sensitive for changes in WACC, earnings and USD/NOK rate. The Group has applied a nominal WACC after tax in the range of 7.9-10.6% (changed from 8.4%-9.3%). Negative changes in WACC with 50 basis points will result in an additional impairment of the vessels with approximately NOK 15 million. Negative effect on net future cash flows with 20% will result in an additional impairment of the vessels with approximately NOK 0.6 billion. The impairment tests are USD sensitive and a drop in USD/NOK of with 20% will result in an additional impairment of approximately NOK 0.3 billion given no change in other assumptions. 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 0.9 billion.

Note 6 Contract costs

	30.09.2022	30.09.2021	31.12.2021
Net booked value 01.01.	126	93	93
Additions	48	121	134
Reclassification to tangible assets		-5	-4
Amortisation	-82	-37	-97
Currency translation differences	19	1	-1
Net booked value closing balance	111	173	126

Note 7 Investment in joint ventures and associates

The Company's investment in associates and joint ventures as of 30.09.2022;

Joint ventures	Ownership
DOFCON Brasil AS with subsidiaries	50%
KDS JV AS	50%
Associated companies	
Master & Commander	20%
Skandi Aukra AS	34%
Semar AS	42%

Effect of application of IFRS 11 on investments in joint ventures;	30.09.2022	30.09.2021	31.12.2021
Opening balance 01.01	2 730	2 336	2 336
Addition	6	-	-
Profit (loss)	299	150	265
Profit (loss) through OCI	704	92	115
Dividend			-1
Negative value on investments reallocated to receivable	1	14	15
Closing balance	3 740	2 593	2 730

Note 8 Cash and cash equivalent

	30.09.2022	30.09.2021	31.12.2021
Restricted cash	203	155	172
Unrestricted cash and cash equivalent	1 998	1 444	1 625
Total cash and cash equivalent	2 201	1 598	1 797

Restricted cash consist 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 922 million at 30th of September 2022. Some lenders have exercised their right to set off such cash balances toward the outstanding loans. The Group has therefore chosen to present restricted cash serving as security for loans, net of debt to credit institutions.

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. The 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 that on a currency basis can be in surplus or overdraft. 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 in net overdraft. No overdraft facilities are connected to the cash pools.

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 501 million and are included in unrestricted cash and cash equivalents.

Note 9 Interest bearing liabilities

Financing
The Group has signed a Restructuring Agreement (RA) which include the Company's debt and the Group subsidiaries debt (excluding the debt in the DOFCON JV). The RA has been entered into with all the secured lenders and the adhoc group of bondholders in DOF Subsea's three bond issues controlling approximately 40% of the total outstanding amount of the bonds. BNDES (Brazilian Development Bank) has further given their consent to the RA.

Highlights in the RA include the following:

* A conversion of debt into equity (approximately NOK 6.2 billion) across all major silos within the Group.

* NOK 675 million of the DOFSUB Group bonds to be reinstated into a new bond recovery instrument maturing in December 2027.

* The consolidation of most bilateral facilities at DOFSUB Group to create a single syndicated loan and a refinancing of the reinstated DOF Rederi debt into a new fleet loan.

* Upon completion of the Restructuring, the existing shares in the Company shall represent 4% of the issued shares, converting bondholders would represent 53.33% of the shares, whereas the holders of all other conversion liabilities would represent 42.67% of the shares, in each case on a fully diluted basis.

* The existing liabilities of Norskan Offshore Ltda. to the Senior Finance Parties shall be split in two and reinstated in the form of guaranteed tranches (which will include the part of such liabilities that are secured by vessel mortgages within ~70% of the agreed fair market value of those vessels) and unguaranteed tranches (including all other parts of such liabilities).

* NOK 250 million of the liabilities of Iceman AS under Iceman AS' existing loan shall be reinstated in a new loan facility for which Iceman AS shall be the sole obligor. The other liabilities under Iceman's existing loan shall be converted into equity in the Company.

With the exception of certain guarantee-liabilities, and ring-fenced structures, the surviving debt of the Group shall be reinstated as (i) new facilities with maturity on 9th of January 2026 and generally extended amortisation schedule and reduced interest costs and (ii) new bonds with no cash debt service with maturity on 17th of December 2027.

The DOFCON JV is not part of the standstill agreements and serves its debt according to the terms in the relevant loan facilities. Financial covenants related to the Group's 50% guarantee of the DOFCON loan facilities have been waived.

The RA remains to be approved by the bondholders in DOF Subsea AS in a bondholder meeting on 7th of November and by the shareholders in the Company in an extraordinary general meeting on 11th of November.

The parties to the RA have agreed on how to implement the Restructuring should the shareholders not approve the Restructuring in the extraordinary general meeting where two main steps are as follows; Step 1: implemented by a reconstruction with the existing shareholders to retain 1% post the restructuring, Step 2: if step 1 cannot be implemented, the implementation will be done via bankrupty with existing shareholders retaining no equity interest.

The financial covenants have been waived in standstill agreements for DOF ASA and DOF Subsea AS (excl. the DOFCON JV).

Note 9 Interest bearing liabilities (continued)

At 30th of September 2022 the interest bearing liabilities are as follows;

	30.09.2022	30.09.2021	31.12.2021
Non-current interest bearing liabilities			
Bond loan	-	-	-
Debt to credit institutions	-	-	-
Lease liabilities (IFRS 16) *)	266	232	217
Total non-current interest bearing liabilities	266	232	217
Current interest bearing liabilities			
Bond loan	3 739	2 593	2 979
Debt to credit institutions	17 620	15 467	15 309
Lease liabilities (IFRS 16) *)	83	92	87
Overdraft facilities	-		8
Total current interest bearing liabilities	21 442	18 153	18 383
Total interest bearing liabilities	21 708	18 384	18 601
Net interest bearing liabilities			
Other interest bearing assets (sublease IFRS 16)	103	155	129
Cash and cash equivalents	2 201	1 598	1 797
Total net interest bearing liabilities	19 404	16 631	16 675
Net effect of IFRS 16 Lease	246	169	175
Total net interest bearing liabilities excluded IFRS 16 Lease liabilities	19 158	16 462	16 499

*) Lease liabilities are related to right-of-use assets and sub-leases.

Current interest bearing debt in the statement of balance sheet included accrued interest expenses of NOK 102 million. Accrued interest expenses are excluded in the figures above. Accrued interest to credit institutions and bondholders is capitalised on the loans on an ongoing basis. A significant amount was capitalised the first quarter 2022 due to convertion of debt from NOK and CAD to USD.

Reconciliation changes in borrowings

Changes in total liabilites over a period consists of both cash effects (proceeds and repayments) and non-cash effects (amortisations and currency translations effects). In the first quarter the Group has extended the leasing agreement for Skandi Darwin until mid 2025 resulting in lease liabilities by NOK 90 million included in proceeds lease debt below. The following are the changes in the Group's borrowings:

			Non-cash changes					
	Balance 31.12.2021	Cash flows*	Proceeds lease debt	Debt remission	Proceeds standstill agreement	Amortised loan expenses	Currency and other effects	Balance 30.09.2022
Interest bearing liabilities								
Bond loan	2 979				379	4	376	3 739
Debt to credit institutions	15 309	-766	5	-4	599	6	2 471	17 620
Lease liabilities	304	-71	99				17	349
Overdraft facilities	8	-8						-
Total interest bearing liabilities	18 601	-845	104	-4	978	10	2 865	21 708

*) Restricted cash of NOK 305 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 8 'Cash and cash equivalent'.

Loan divided on currency

At the 30th of September 2022 the liabilites is divided on currencies;

	Currency	Balance NOK	Ratio %
NOK		6 309	29%
USD	1 389	15 081	69%
Other currencies		318	1%
Total		21 708	100%

Note 10 Transaction with related parties

Transactions with related parties are governed by market terms and conditions in accordance with the "arm's length principle". The transactions are described in the Annual report for 2021.

There are no major changes in the type of transactions between related parties.

Note 11 Events after balance date

Contract
Equinor Energy AS has exercised its option to extend the firm period of the contract for Skandi Flora by one year. The extension is applicable from 4th of October.

DOF Subsea awarded a 3-year contract for two vessels with Esso Exploration & Production Guyana Limited, performing IMR, well intervention support, and light subsea construction in the Stabroek Block offshore Guyana. Two Multipurpose Support Construction Vessels with 250-ton AHC crane and 2 work class ROV systems will be deployed in Guyana for 3-year terms, plus 2 years options. The estimated firm backlog for the group is approximately NOK 2.7 billion.

The Group was awarded multiple contracts including extension of a contract in Brazil and new contracts in West-Africa and in the North Sea. Petrobras awarded an extension of the Skandi Amazonas contract with Norskan Offshore Ltda until March 2023. DOF Subsea has been awarded a contract to support a FPU for a major operator in West-Africa. Skandi Captain has secured a contract with a client to support drilling operations in the Dutch sector of the North Sea. The estimated firm backlog for these contracts is approximately NOK 260 million.

Finance
The parties in the Restructuring Agreement, as set out in the announcement on 22nd of June 2022, have entered into an addendum to the Restructuring Agreement (the "Addendum") detailing the steps that will be taken by the creditors, subject to satisfaction or waiver of certain customary conditions, to implement the Restructuring in such event.

In the event that the extraordinary general meeting of DOF rejects the resolutions required to implement the Restructuring, DOF shall subject to the terms of the Addendum, procure that reconstruction proceedings are opened under the Norwegian Reconstruction Act of 7th of May 2020 and propose a reconstruction with the following key elements:
(i) a portion of DOF's direct financial indebtedness will be converted into equity; and
(ii) no other liabilities of DOF or the Group will be affected by the reconstruction.
All other elements of the Restructuring will be implemented following completion of the reconstruction.

Implementation of the reconstruction proposal will require that an additional extraordinary general meeting of DOF approves the proposal with at least 50% of the shares represented at the general meeting. If the Restructuring is implemented by way of a reconstruction, the existing shares in DOF will represent 1% of the fully diluted shares in DOF post completion, unless otherwise agreed among the Group's creditors, compared to 4% of the fully diluted shares in DOF if the Restructuring Agreement is adopted as proposed in the first extraordinary general meeting.

If the reconstruction proposal cannot be implemented, either because the required majority at the second extraordinary general meeting is not obtained or for other reasons, bankruptcy proceedings will be opened in DOF. Pursuant to the Addendum, the creditors of the Group have agreed to establish a new company ("Newco") that will make an offer to acquire the entire business of the Group from the bankruptcy estate through an acquisition, directly or indirectly, of its subsidiaries against a subordination of their claims against DOF. No cash consideration will be offered. If such offer is successful, Newco will become the new parent company in the Group, and an application will be made for the listing of the shares of Newco on Oslo Børs or Euronext Expand Oslo. If the Restructuring is implemented following a bankruptcy in DOF, the existing shareholders in DOF will not retain any equity interest in the restructured group.

The board of directors and management of DOF firmly believe that it is in the best interest of DOF's shareholders that the Restructuring is implemented on a consensual basis and that the shareholders will obtain the best recovery by supporting the Restructuring at the extraordinary general meeting of DOF. However, if a consensual solution is not possible, the board of directors must have regard to the interest of its creditors as the main economic stakeholders of the Group, as well as seeking to secure the continued operations of the business of the Group to the benefit of its customers, employees and other stakeholders. To this end, the board of directors is of the opinion that the implementation of the Restructuring through the alternative implementation steps agreed in the Addendum will be the best option available to DOF and the Group if the shareholders do not support the Restructuring at the extraordinary general meeting.

All scenarios above, including in case of a formal bankruptcy in the parent company DOF ASA to effect the Restructuring, are structured to avoid any interruption to the ongoing operations of the Group and to avoid losses for the Group's customers, suppliers and other trade creditors. Consequently, no other creditors than the financial creditors are envisaged to be affected by such alternative implementations of the Restructuring Agreement.

Note 12 Share capital and shareholders

Largest shareholders as of 30.09.2022

Name	No. shares	Shareholding %
MØGSTER OFFSHORE AS	100 007 313	31.60%
BRØNMO, BJARTE	15 399 058	4.87%
BNP PARIBAS SECURITIES SERVICES	9 570 169	3.02%
SANS INVEST AS	7 717 464	2.44%
HERNESS, BJØRN	3 517 616	1.11%
DAHL, TORE	3 241 500	1.02%
EBB HOLDING AS	2 901 097	0.92%
NORDNET BANK AB	2 793 678	0.88%
EKREN, GEIR	2 721 514	0.86%
CHAMANSKI, ALEXANDRE	2 615 000	0.83%
HOLDEN, JIM ØYSTEIN	2 533 235	0.80%
NORDNET LIVSFORSIKRING AS	2 372 117	0.75%
AVANZA BANK AB	2 271 390	0.72%
LUNDBY, IRENE	2 065 439	0.65%
DP HOLDING AS	2 033 517	0.64%
WORKINN, HANS KRISTIAN	2 032 290	0.64%
MOCO HOLDING AS	1 984 419	0.63%
LAWO INVEST AS	1 857 377	0.59%
SOTRA KRAN AS	1 404 750	0.44%
HORVIK, PER OLAV	1 380 000	0.44%
Total	170 418 943	53.85%
Total other shareholders	146 037 224	46.15%
Total no of shares	316 456 167	100.00%

Note 13 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.

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.

Operational EBITDA – Ebitda as described above adjusted for gain on sale of tangible assets, according to management reporting.

EBIT – Operating profit (earnings) before net financial costs and taxes.

Interest bearing debt – Total of current and non-current borrowings.

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.

Debt ratio – Net interest bearing debt divided on total equity and debt.

Utilisation – 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 CSV segment, includes only confirmed purchase order.

Supplemental information

Reporting last 5 quarters

The supplemental information below is presented according to management reporting, based on the proportionate consolidation method. Proportionate consolidation method implies full consolidation for subsidiaries, and consolidation of 50% of the comprehensive income and financial position for the joint ventures.

Consolidated statement of profit or loss

(MNOK)	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Operating revenue	2862	2510	2174	1 975	2 052
Operating expenses	-1850	-1693	-1428	-1 228	-1 228
Share of net profit from joint ventures and associates	-	-	-	-	-3
Net gain (loss) on sale of tangible assets	18	32	20	5	44
Operating profit before depreciation and impairment - EBITDA	**1 030**	**848**	**767**	**753**	**865**
Depreciation	-352	-346	-353	-369	-335
Impairment	-	-	-93	-119	-42
Operating profit - EBIT	**678**	**501**	**321**	**264**	**488**
Financial income	28	37	18	85	279
Financial costs	-416	-373	-400	-390	-309
Net realised gain (loss) on currencies	131	92	-49	-106	-105
Net unrealised gain (loss) on currencies	-869	-1 502	1 096	-80	-548
Net changes in unrealised gain (loss) on derivatives	-	-	9	7	13
Net financial costs	**-1 126**	**-1 746**	**673**	**-484**	**-671**
Profit (loss) before taxes	**-448**	**-1 245**	**995**	**-219**	**-182**
Taxes	-71	-68	-171	-61	54
Profit (loss) for the period	**-519**	**-1 313**	**824**	**-281**	**-128**
Profit attributable to					
Non-controlling interest	-21	-29	1	-6	-10
Controlling interest	-498	-1 284	823	-274	-118

Consolidated statement of balance sheet

(MNOK)	30.09.2022	30.06.2022	31.03.2022	31.12.2021	30.09.2021
ASSETS					
Tangible assets	19 566	18 967	18 101	18 052	18 312
Deferred tax assets	343	310	291	341	357
Investment in joint ventures and associated companies	12	12	6	6	7
Other non-current assets	278	260	233	133	166
Total non-current assets	20 198	19 550	18 632	18 532	18 842
Receivables and other current asset	3 139	3 127	2 707	2 190	2 256
Cash and cash equivalents	2 648	2 240	2 258	2 266	2 202
Current assets	5 787	5 367	4 965	4 456	4 458
Total Assets	25 985	24 917	23 597	22 988	23 300
EQUITY AND LIABILITIES					
Paid in equity	316	316	316	316	316
Other equity	-2 585	-2 223	-1 201	-1 733	-1 520
Non-controlling interests	57	77	105	91	97
Total equity	-2 212	-1 830	-780	-1 326	-1 106
Non-current liabilities	4 090	3 885	3 547	3 594	3 700
Current liabilities	24 107	22 862	20 829	20 720	20 707
Total liabilities	28 197	26 746	24 376	24 314	24 406
Total equity and liabilities	25 985	24 917	23 597	22 988	23 300
Net interest bearing liabilities excluded effect of IFRS 16	22 913	21 758	19 683	19 754	19 678

Consolidated statement of cash flows

(MNOK)	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Net cash from operation activities	762	671	301	676	670
Net cash from investing activities	-98	-280	-41	-257	-187
Net cash from financing activities	-287	-582	-306	-352	-410
Net changes in cash and cash equivalents	377	-190	-47	68	73
Cash and cash equivalents at start of the period	2 241	2 258	2 266	2 202	2 135
Exchange gain/loss on cash and cash equivalents	31	172	39	-5	-5
Cash and cash equivalents at the end of the period	2 648	2 241	2 258	2 266	2 202

Key figures

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
EBITDA margin excluded net gain on sale of tangible assets	35%	33%	34%	38%	40%
EBITDA margin	36%	34%	35%	38%	42%
EBIT margin	24%	20%	15%	13%	24%
Profit per share (NOK)	-1.57	-4.06	2.60	-0.87	-0.37
Book value equity per share (NOK)	-7.17	-6.03	-2.79	-4.48	-3.80
Net interest bearing debt excluded effect of IFRS 16 (NOK million)	22 913	21 758	19 683	19 754	19 678
Potential average number of shares	316 456 167	316 456 167	316 456 167	316 456 167	316 456 167

DOF ASA

Alfabygget
5392 Storebø
NORWAY

Phone: +47 56 18 10 00
management@dof.com

NORWAY

DOF Subsea AS
Thormøhlensgate 53 C
5006 Bergen
NORWAY
Phone: +47 55 25 22 00

DOF Subsea Norway AS
Thormøhlensgate 53 C
5006 Bergen
NORWAY
Phone: +47 55 25 22 00

DOF Management AS
Alfabygget
5392 Storebø
NORWAY
Phone: +47 56 18 10 00
management@dof.com

ANGOLA

DOF Subsea Angola
Belas Business Park-Talatona
Edificio Bengo, 1º Andar
Sala 106/107, Luanda
REPUBLIC OF ANGOLA
Phone: +244 222 43 28 58
Fax: +244 222 44 40 68
Mobile: +244 227 28 00 96
+244 277 28 00 95

ARGENTINA

DOF Management Argentina S.A.
Peron 315, piso 1, Oficina 6-b
1038 - Buenos Aires
ARGENTINA
Phone: +54 11 4342 4622
fgarcia@seaworks.com.ar

AUSTRALIA

DOF Subsea Australia Pty Ltd
5th Floor, 181 St. Georges Tce
Perth WA 6000
AUSTRALIA
Phone +61 8 9278 8700
Fax: +61 8 9278 8799

DOF Management Australia
5th Floor, 181 St. Georges Tce
Perth WA 6000
AUSTRALIA
Phone: +61 3 9556 5478
Mobile: +61 418 430 939
management@dof.com

BRAZIL

NorSkan Offshore Ltda
Rua Lauro Muller
116, 17 andar
Torre do Rio Sul - Botafogo
Rio de Janeiro, R.J.
BRAZIL - CEP: 22290-160
Phone: +55 21 21 03 57 00
Fax: +55 21 21 03 57 17
office@norskan.com.br

DOF Subsea Brasil Serviços Ltda
Rua Fiscal Juca, 330
Q: W2 – L: 0001
Loteamento Novo Cavaleiros
Vale Encantado – Macaé/RJ
BRAZIL - CEP 27933-450
Phone: +55 22 21 23 01 00
Fax: +55 22 21 23 01 99

CANADA

DOF Subsea Canada
26 Allston Street
Mount Pearl, Newfoundland
CANADA, A1N 0A4
Phone: +1 709 576 2033
Fax: +1 709 576 2500

SINGAPORE

DOF Management Pte Ltd
150 Beach Road
#14-01/03 Gateway West
189720
Singapore
Phone: +65 65602338
management@dof.com

DOF Subsea Asia Pacific Pte Ltd
150 Beach Road
#14-01/03 Gateway West
189720
Singapore
Phone: +65 6561 2780

UK

DOF (UK) Ltd
Horizons House,
81-83 Waterloo Quay
Aberdeen, AB11 5DE
UNITED KINGDOM
Phone: +44 1224 586 644
Fax: +44 1224 586 555
info@dofman.co.uk

DOF Subsea UK Ltd
Horizons House
81-83 Waterloo Quay
Aberdeen, AB11 5DE
UNITED KINGDOM
Phone: +44 1224 614 000
Fax: +44 1224 614 001

USA

DOF Subsea USA Inc
5365 W. Sam Houston Parkway N
Suite 400
Houston, Texas
77041
USA
Phone: +1 713 896 2500
Fax: +1 713 726 5800

DOF ASA
Alfabygget
5392 Storebø
NORWAY

www.dof.com