

# Q3 2021

Financial Report  
DOF ASA

**DOF**



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Report distribution & webcast  
The Q3 2021 financial report for DOF ASA is to be published on 10<sup>th</sup> of November, 2021. 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](http://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

3<sup>rd</sup> Quarter 2021

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## Key figures

	Management reporting		Financial reporting	
(MNOK)	Q3 2021	Q3 2020	Q3 2021	Q3 2020
Operating revenue	2 052	2 027	1 738	1 706
Net gain on sale of tangible assets	44	12	44	12
EBITDA	865	879	695	736
Depreciation and impairment	-377	-925	-290	-840
EBIT	488	-46	405	-104
Net financial costs	-30	-301	14	-240
Net currency and derivatives	-641	-42	-582	-52
<b>Profit (loss)</b>	<b>-128</b>	<b>-406</b>	<b>-128</b>	<b>-406</b>
NIBD (Net interest bearing debt)	19 847	21 547	16 631	17 018
NIBD (Net interest bearing debt) excluded effect of IFRS 16	19 678	21 221	16 462	16 691
Equity ratio	-5%	-4%	-6%	-5%

## Operations

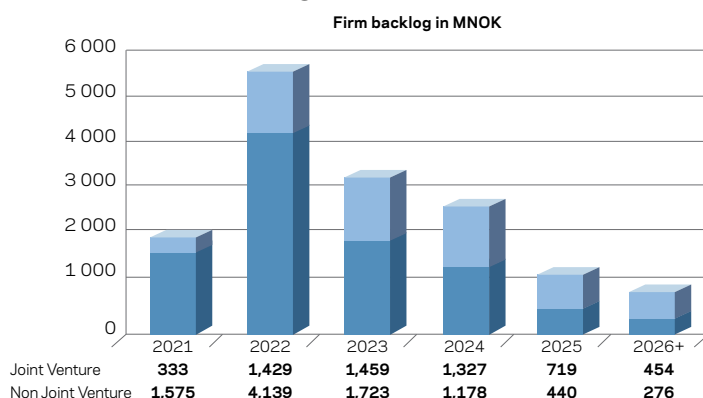
- Average utilisation of the fleet is 83% (71%)
- High utilisation in all segments
- Good performance from the subsea regions
- The total fleet includes 59 vessels (eight on management or hired in):
  - › 15 AHTSs, 14 PSVs and 30 Subsea vessels
  - › Two vessels agreed sold with delivery in 2022
  - › One (owned) vessel in lay-up

## Finance

- The Group's financial position is not sustainable, and a long-term financial solution is necessary to continue as going concern.
- The dialogue with the lenders concerning a robust long-term financial solution has had progress during 3rd quarter. The discussions continue, and there are important issues pending, hence the outcome of the restructuring process is still uncertain.
- The current standstill agreements with the banks and bondholders mature on 30<sup>th</sup> November.
- DOF Subsea has during the quarter repaid a loan facility at a substantial discount, which has resulted in a gain of NOK 249 million.

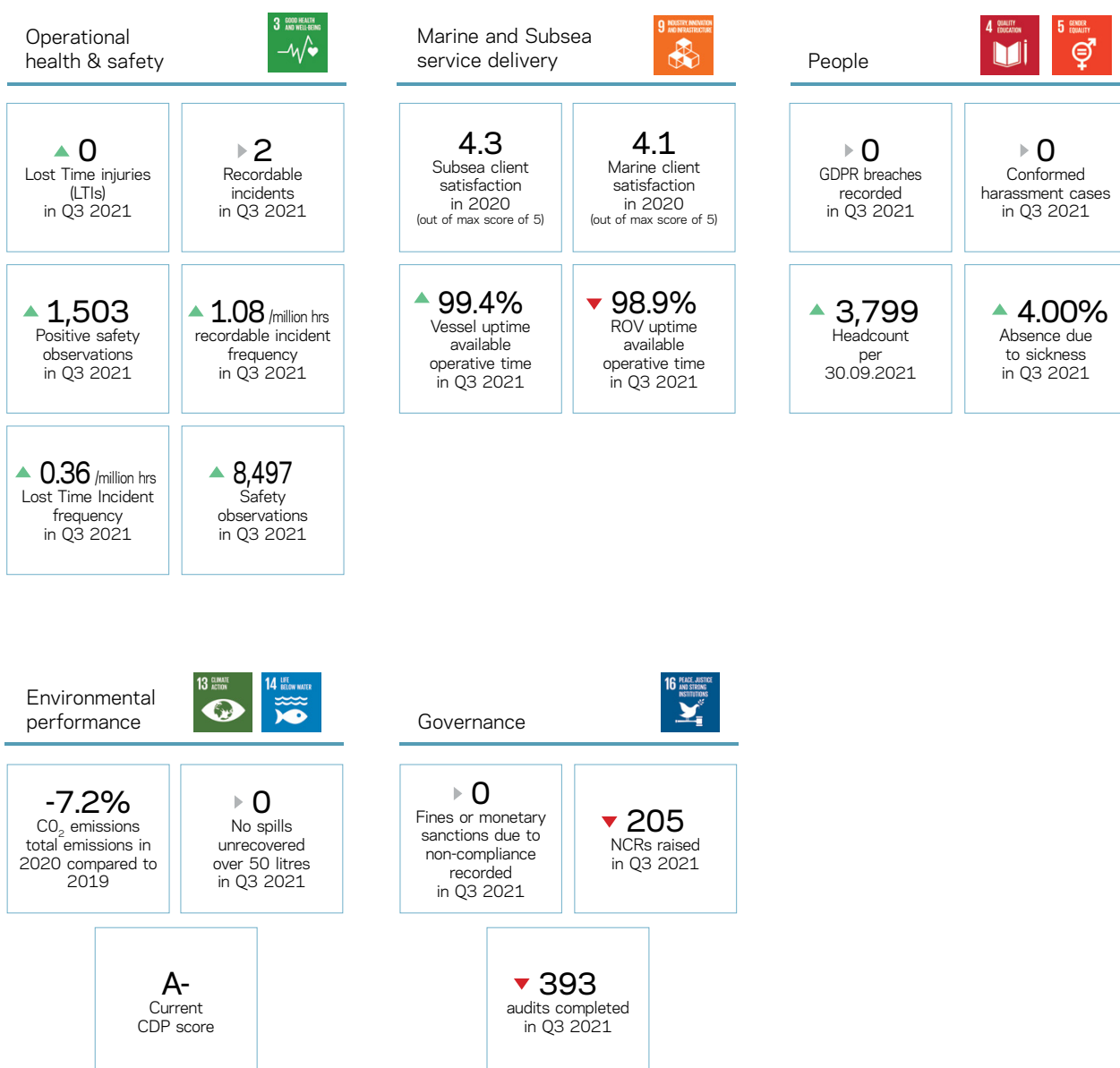
## Backlog

- Order intake NOK 2.8 in 3<sup>rd</sup> quarter
- Current backlog is NOK 15 billion (NOK 17 billion)



## Key ESG (Environmental, Social, &amp; 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 2020.



## Key financial &amp; operational information

## Q3 Operations

The Q3 operational result per segment is as follows;

(MNOK)	PSV	AHTS	Subsea	Total
Operating revenue	138	276	1 638	2 052
Net gain on sale of tangible assets	-	-	44	44
Operating result before depreciation and impairment - EBITDA	41	123	701	865
Depreciation	28	54	254	335
Impairment	2	24	15	42
Operating result - EBIT	11	45	432	488
EBITDA margin	29%	45%	43%	42%
EBIT margin	8%	16%	26%	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 partly utilised on TC contracts or on project contracts. The COVID-19 pandemic has continued to be challenging through 3<sup>rd</sup> quarter, resulting in extra costs and off-hire especially in Brazil.**

## PSV &amp; AHTS

The PSV fleet includes operation of 14 vessels, of which one vessel is owned via a minority share. The majority of the fleet operates on firm contracts in the North Sea market. Two vessels have operated in the Asia-Pacific region, of which one vessel left this region and sailed to Norway in August and is currently prepared for lay-up. In July two vessels started their contracts as pipelay support vessels in Guyana. The average utilisation for the PSV fleet has been 81% versus 61% in 3<sup>rd</sup> quarter 2020. By end of the quarter one vessel was in lay-up.

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 activity in Brazil has been busy during the quarter and the Group has been awarded several contracts during the quarter. Skandi Paraty and Skandi Amazonas have been awarded 1-year extensions with Petrobras from July and September respectively, and Skandi Botafogo has been awarded a 3-year contract with Petrobras with start up in 4<sup>th</sup> quarter. Skandi Iguazu has further achieved high utilisation on various contracts in the short-term market in the period. The fleet in the North Sea spot market has achieved better utilisation and earnings compared to previous quarter, but the market continues to be volatile. The average utilisation for the AHTS fleet (owned) has been 80% versus 61% in the 3<sup>rd</sup> quarter 2020.

## SUBSEA

By end of the quarter, the Group operated a fleet of 30 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 86% versus 80% in the 3<sup>rd</sup> quarter 2020. Skandi Neptune was agreed sold in September and will be delivered to new owners during 3<sup>rd</sup> quarter 2022 after completion of a contract in Brazil. In addition, the vessel Geosund, has been agreed sold with expected delivery to the new owner during 1<sup>st</sup> quarter 2022.

Total revenues from subsea IMR project contracts amounted to NOK 1,087 million (NOK 968 million). Although the utilisation of the project fleet has been impacted by some vessels undertaking main class renewals, the activity has been good this quarter.

During the quarter the Asia-Pacific region has conducted IMR work on two long-term contracts for Shell in the Philippines and in Australia. The two remaining vessels in the region have operated on multiple installations and construction projects, and one vessel has completed main class renewal during the quarter. The utilisation in the Atlantic region has increased during the quarter. One vessel has been working as a field support vessel (FSV) offshore Angola, and two vessels have been utilised within the offshore wind industry in the North Sea sector. The region has also executed projects within decommissioning and IMR work in the North Sea, utilising several vessels in the fleet. In the North America region, DOF Subsea has executed IMR and installation work for Husky Energy in Canada and for other clients in the GoM, Trinidad and Tobago. In Brazil the activity has been high during the quarter and multiple vessels have continued to operate on a survey and inspection project with Petrobras and another vessel has operated on a diving contract also with Petrobras. Skandi Salvador has operated on a 3-year contract with Petrobras in the quarter and Skandi Neptune commenced a seismic node project with Shearwater GeoServices. Skandi Achiever has further been awarded a 1-year extension as diving support vessel with Petrobras.

The PLSV fleet has continued on firm contracts in the period, and both Skandi Vitoria and Skandi Niteroi have been awarded two 3-year contracts with Petrobras with start up in 1<sup>st</sup> and 2<sup>nd</sup> quarter 2022, respectively.

In the TC segment, including the PLSV fleet, all vessels have continued working on firm contracts and achieved a utilisation of 92%.

### ESG (Environmental, Social, and Governance) Q3

The Group delivered consistent ESG results in Q3 when compared to Q2, with improved results in areas and no significant negative trends. Regarding occupational health & safety, a total recordable injury rate of 1.08 injuries per million man-hours is on level with the IMCA 2020 benchmark figure 1.09. Within Marine and Subsea service delivery, the operational uptime for vessels was 99.4% in Q3, and operational uptime for ROV in Q3 was 98.9%. Regarding people, the headcount per end of Q3 was 3,799 and absence rate due to sickness in Q3 was 4.00%. There were no significant data privacy breaches, nor any confirmed harassment cases that were reported. Regarding Governance, performance was consistent with Q2 with slightly lower total NCRs and completed audits. In Q3 there was no significant change in environmental performance.

The Kongsberg Maritime and DOF project "Intelligent Efficiency" is near completion of its pilot project and with promising results. The project started in mid-2019 and is also supported by partners Innovasjon Norge, SINTEF, and NORCE. This predictive, intelligent, and dynamic guidance tool will act as the foundation for DOF to simplify operational complexity with objective measurement, ultimately enabling optimal utilisation and a more sustainable fleet management. With fleet wide implementation of "Intelligent Efficiency", we expect significantly higher reduction of CO2 emissions for the Group in 2022 and thereafter with conservative calculations estimated at a reduction in CO2 emissions of 10%.

### Main Items Interim Accounts Q3 – Financial Reporting

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

#### P&L 3<sup>rd</sup> QUARTER

(MNOK)	Q3 2021	Q3 2020
Operating revenue	1 738	1 706
Net gain on sale of tangible assets	44	12
<b>EBITDA</b>	<b>695</b>	<b>736</b>
<b>EBIT</b>	<b>405</b>	<b>-104</b>
Net financial costs	14	-240
Net currency and derivatives	-582	-52
<b>Profit (loss)</b>	<b>-128</b>	<b>-406</b>

The revenue and Ebitda are slightly in line with the Ebitda in 3<sup>rd</sup> quarter 2020. In the PSV segment the Ebitda have improved mainly due to higher utilisation of the fleet and the Ebitda in the AHTS segment are slightly below 3<sup>rd</sup> quarter last year due to lower earnings on new contracts. For the subsea fleet, the revenue is higher compared to the same period last year, when 2020 revenue is adjusted for

the received one-off termination fees of in total NOK 110 million and the Ebitda is in line with 3<sup>rd</sup> quarter 2020. Net gain from sale of assets is related to the sale of Geosund where the client has exercised a purchase option with agreed delivery in 1<sup>st</sup> quarter 2022, and the vessel is reclassified to financial lease. The net result from the DOFCON JV was NOK 85 million (NOK 106 million). The drop in net result from the JV is related to reduced utilisation after a COVID-19 outbreak on one vessel and demobilisation for another vessel. Total impairment in the quarter is NOK 42 million of which NOK 20 million is related to consolidation of Iceman AS after a change in ownership from 34.5% to 73.5%. For the subsea fleet parts of the booked impairment on the Skandi Neptune has been reversed based on the agreed sales price for this vessel. The drop in fair market values has stabilised for the majority of the Group's fleet during the quarter. There are signs of increased activity in several regions, but it is still too early to conclude on a market recovery, hence impairments going forward may be applicable. The Group's assets are further sensitive to the USD/NOK rates.

The main variances in net financial costs are financial income of NOK 284 million (NOK 12 million), and loss on currencies of NOK -594 million (NOK -98 million). The financial income has been positively impacted by gain of NOK 249 million related to settlement of one loan facility. The main portion of the loss in currencies is unrealised and reflects a strengthened USD towards NOK and BRL. The majority of the Group's debt is in USD.

### Main Items YTD Accounts Q3 – Financial Reporting

#### P&L 3<sup>rd</sup> QUARTER

(MNOK)	Acc Q3 2021	Acc Q3 2020
Operating revenue	4 692	4 869
Net gain on sale of tangible assets	104	12
<b>EBITDA</b>	<b>1 494</b>	<b>1 601</b>
<b>EBIT</b>	<b>462</b>	<b>-1 627</b>
Net financial costs	-413	-731
Net currency and derivatives	-373	-2 770
<b>Profit (loss)</b>	<b>-349</b>	<b>-5 197</b>

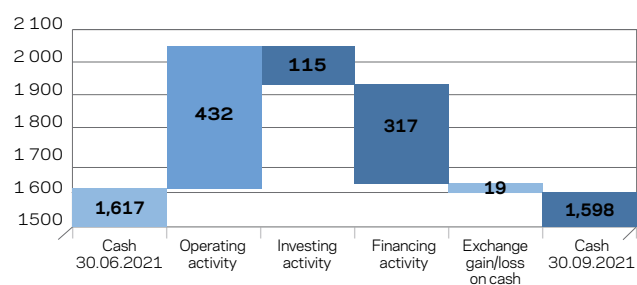
When compared to the same period last year, the operating revenue and Ebitda YTD 2021 are slightly lower than last year. The Ebitda last year was positively impacted by significant strengthened USD to NOK and BRL, especially during the 1<sup>st</sup> half of the year. A net gain of NOK 104 million represent sale of five vessels year to date. The net financial costs include interest and other financial costs of NOK -727 million (NOK -795 million), and currencies losses of NOK -407 million (NOK -2,668 million).

## BALANCE

(MNOK)	30.09.2021	30.09.2020	31.12.2020
Non-current assets	15 226	16 568	15 462
Current assets	2 299	1 709	1 651
Cash and cash equivalents	1 598	1 945	1 880
<b>Total assets</b>	<b>19 123</b>	<b>20 221</b>	<b>18 993</b>
Equity	-1 106	-1 014	-898
Non-current liabilities	264	341	363
Current liabilities	19 965	20 894	19 528
<b>Total equity and liabilities</b>	<b>19 123</b>	<b>20 221</b>	<b>18 993</b>
Net interest bearing debt (NIBD)	16 631	17 018	16 286
Net interest bearing debt (NIBD) excl. effect IFRS 16	16 462	16 691	15 980

The main part of the non-current assets, representing approximately 80% of the total balance, are vessels, of which NOK 2,593 million mainly represents the 50% share in the DOFCON JV. The Group's cash reserve has dropped since year end even though standstill agreements have been applicable for the majority of the debt. This is mainly due to several class dockings and a general increased activity including mobilisations to new contracts. The equity is negative due to continuing weak results and impairments of assets. Non-current liabilities include long-term lease agreements. All remaining liabilities have been classified as current since 2<sup>nd</sup> quarter 2020. This classification is based on that the standstill agreements with the banks and bondholders are less than 12 months.

## Cash flow from Q3 2021

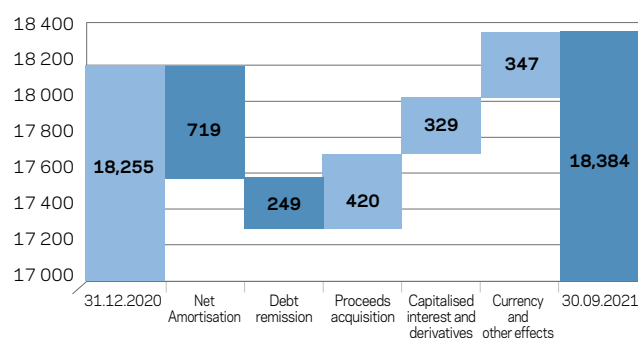


The operational cash flow (after payment of interest and taxes) is NOK 432 million (NOK 580 million). The operational cash flow has dropped due to increased project activity versus last year which has impacted the working capital short term. The cash flow last year was further positively impacted by payment of termination fees on two contracts. The net investments of NOK -115 million (NOK -32 million) mainly represent class dockings. The finance activities represent debt service on lease agreements, some facilities in DOF Subsea and Norskan, and prepayment of one facility in DOF Subsea. Of a total cash of NOK 1,598 million, NOK 155 million represent restricted cash.

## Financing and Capital Structure

The Group's total interest-bearing debt comprises secured debt of NOK 15,791 million (NOK 16,374 million) and unsecured debt/bonds NOK 2,593 million (NOK 2,692 million). The main portion of the debt is drawn in USD.

## Total interest bearing debt 31.12.2020 - 30.09.2021



The restructuring of the Group's long-term debt is ongoing and standstill agreements have been agreed until the 30th of November 2021 with 91% of the secured lenders in DOF Rederi and DOF ASA, and with 95% of the secured lenders within the DOF Subsea Group. In Norskan, a standstill agreement has been agreed for all the facilities with the international banks. The BNDES facilities have been served according to refinancing agreements signed in February 2020, which is also applicable for one facility in DOF Subsea Brasil. The DOF Subsea standstill agreements assume payment of principal and interest of a NOK 100 million credit facility provided by certain lenders in March 2020. The outstanding amount of this facility was NOK 47 million by the end of September.

The relevant Group companies have imposed unilateral standstill to the secured lenders not participating in the standstill agreements. One of the DOF Subsea secured lenders has previously requested repayment of approximately USD 47 million and enforced account pledge on the earnings account for the relevant vessel. DOF Subsea has during the quarter prepaid this loan in full at a substantial discount. Another secured lender has enforced an account pledge for one loan facility in DOF Subsea.

The bondholders in DOFSUB07, DOFSUB08 and DOFSUB09 have accepted a standstill until the 30th of November 2021, and an Ad-hoc group of bondholders can extend the standstill until the 28th of February 2022.

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 Company is guarantor for the debt in Iceman AS of

NOK 438 million, where approximately 50% of the DOF guarantee is counter guaranteed by other shareholders in Iceman AS. Iceman AS is undergoing a restructuring, and a standstill agreement with the banks is applicable until 30th of November. One shareholder in Iceman has been released from its counter guarantee by paying a certain amount as partly repayment of the debt. As part of this agreement the Company has increased its shareholding in Iceman from 34.5% to 73.5%. A refinancing solution which includes agreement with the remaining counter guarantees is currently being discussed with the secured lenders in Iceman.

The Group aims to achieve a natural hedge between cash flows and cash outflows and have secured debt funding in equivalent currency as the earnings from firm contracts. The remaining exchange risk has been secured through forward FX contracts. The Group further aims to reduce the interest risk and by end of the quarter the portion of debt secured with a fixed rate of interest was approximately 52% of the total debt where the largest portion represents the debt with fixed interest on the BNDES facilities. Due to the Group's financial position, it has become more challenging to secure interest forward contracts (swap contracts) and FX contracts. Hence, the Group's liquidity exposure has increased due to volatility in interest and FX rates.

## Shareholders & the Board

By the end of September, the share capital was NOK 316 million divided into 316 million shares. The final outstanding amount of the Subordinated Convertible Bond was converted in to shares on the 7th of July, and the main shareholder Møgster Offshore AS now controls 31.6% of the Company.

In March the Oslo Stock Exchange decided to allocate DOF ASA, ISIN: NO0010070063 to Penalty Bench as the Issuer is in breach of Oslo Rule Book II section 4.1 regarding minimum market value of NOK 1 per share. By end of September the share price was NOK 0.59/share.

## Outlook

There are signs of increased activity in several regions. It is however still too early to conclude on a market recovery. Hence, future earnings and asset values are difficult to forecast. It is further challenging for the Group to operate in an environment with short-term standstill agreements. If a robust long-term refinancing solution is not achieved, the Group will not continue as going concern, which again will result in additional impairments of the Group's assets.

The 3<sup>rd</sup> quarter financial report is prepared on the assumption of going concern and this assumption is based on agreed standstill agreements with the majority of the Group's lenders. The debt restructuring proposals currently discussed with the lenders include conversion of debt to equity, which again will have a significant adverse effect for the current shareholders in the Company.

The dialogue with the lenders is constructive and progress has been made, but a refinancing solution is not yet in place.

In parallel with the ongoing debt restructuring, the management and Board have continued the focus on operational and cost efficiency improvements and on implementation of new technology and digital solutions. In response to the ongoing shift in the energy markets and future customer requirements, the Group has a strong forward-looking focus on developing strategic opportunities and new lines of business utilising the Group's combined fleet, services, and competence.

*The Board of Directors of DOF ASA  
November 9th, 2021*

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# Accounts

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3<sup>rd</sup> Quarter 2021

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## Consolidated statement of profit or loss

(MNOK)	Note	Q3 2021	Q3 2020	Acc Q3 2021	Acc Q3 2020	2020
Operating revenue	3	1 738	1 706	4 692	4 869	6 212
Operating expenses		-1 169	-1 096	-3 452	-3 289	-4 297
Net profit from associated and joint ventures	6	81	114	150	8	171
Net gain on sale of tangible assets		44	12	104	12	19
<b>Operating profit before depreciation and impairment - EBITDA</b>		<b>695</b>	<b>736</b>	<b>1 494</b>	<b>1 601</b>	<b>2 105</b>
Depreciation	5	-248	-203	-739	-656	-856
Impairment	5	-42	-637	-293	-2 572	-3 258
<b>Operating profit - EBIT</b>		<b>405</b>	<b>-104</b>	<b>462</b>	<b>-1 627</b>	<b>-2 010</b>
Financial income		284	12	314	64	71
Financial costs		-270	-252	-727	-795	-1 065
Net realised gain/loss on currencies		-102	-54	-164	-592	-635
Net unrealised gain/loss on currencies		-492	-44	-243	-2 076	-1 112
Net changes in fair value of financial instruments		13	46	33	-102	-56
<b>Net financial costs</b>		<b>-568</b>	<b>-291</b>	<b>-787</b>	<b>-3 500</b>	<b>-2 797</b>
<b>Profit (loss) before taxes</b>		<b>-163</b>	<b>-395</b>	<b>-325</b>	<b>-5 127</b>	<b>-4 806</b>
Taxes		35	-11	-24	-70	-153
<b>Profit (loss) for the period</b>		<b>-128</b>	<b>-406</b>	<b>-349</b>	<b>-5 197</b>	<b>-4 959</b>
<b>Profit attributable to</b>						
Non-controlling interest		-10	-	-17	-35	-49
Controlling interest		-118	-407	-332	-5 162	-4 909
Earnings per share (NOK)		-0,37	-1,28	-1,05	-16,31	-15,51
Diluted earnings per share (NOK)		-0,37	-1,28	-1,05	-16,31	-15,51

## Consolidated statement of comprehensive income

(MNOK)	Note	Q3 2021	Q3 2020	Acc Q3 2021	Acc Q3 2020	2020
<b>Profit (loss) for the period</b>		<b>-128</b>	<b>-406</b>	<b>-349</b>	<b>-5 197</b>	<b>-4 959</b>
<b>Items that will be subsequently reclassified to profit or loss</b>						
Currency translation differences		81	156	10	501	604
Cash flow hedge		13	14	39	45	59
Share of other comprehensive income of joint ventures	6	69	-49	92	186	-47
<b>Items that not will be reclassified to profit or loss</b>						
Defined benefit plan actuarial gain (loss)		-	-	-	-	-1
<b>Other comprehensive income/loss net of tax</b>		<b>163</b>	<b>121</b>	<b>141</b>	<b>732</b>	<b>616</b>
<b>Total comprehensive income/loss</b>		<b>35</b>	<b>-285</b>	<b>-208</b>	<b>-4 465</b>	<b>-4 343</b>
<b>Total comprehensive income/loss net attributable to</b>						
Non-controlling interest		-10	-	-17	-35	-49
Controlling interest		45	-286	-191	-4 429	-4 293

## Consolidated statement of balance sheet

(MNOK)	Note	30.09.2021	30.09.2020	31.12.2020
<b>ASSETS</b>				
Tangible assets	5	12 458	13 758	12 844
Deferred tax assets		10	9	12
Investment in associated and joint ventures	6	2 593	2 374	2 336
Other non-current financial assets		166	426	270
<b>Total non-current assets</b>		<b>15 226</b>	<b>16 568</b>	<b>15 462</b>
Trade receivables		1 547	1 059	1 003
Other receivables		751	650	627
<b>Current receivables</b>		<b>2 299</b>	<b>1 709</b>	<b>1 630</b>
Restricted deposits		155	204	183
Cash and cash equivalents		1 444	1 741	1 697
<b>Cash and cash equivalents incl. restricted deposits</b>	<b>7</b>	<b>1 598</b>	<b>1 945</b>	<b>1 880</b>
<b>Current assets</b>		<b>3 897</b>	<b>3 654</b>	<b>3 510</b>
Asset held for sale		-	-	20
<b>Current assets included asset held for sale</b>		<b>3 897</b>	<b>3 654</b>	<b>3 531</b>
<b>Total Assets</b>		<b>19 123</b>	<b>20 221</b>	<b>18 993</b>
<b>EQUITY AND LIABILITIES</b>				
Paid in equity		316	308	309
Other equity		-1 520	-1 456	-1 321
Non-controlling interests		97	134	114
<b>Total equity</b>		<b>-1 106</b>	<b>-1 014</b>	<b>-898</b>
Bond loan		-	-	-
Debt to credit institutions	8	-	-	-
Lease debt		232	335	301
Other non-current liabilities		33	6	62
<b>Non-current liabilities</b>		<b>264</b>	<b>341</b>	<b>363</b>
Current portion of debt	8	18 695	18 951	18 301
Accounts payable		781	795	675
Other current liabilities		489	1 149	551
<b>Current liabilities</b>		<b>19 965</b>	<b>20 894</b>	<b>19 528</b>
<b>Total liabilities</b>		<b>20 229</b>	<b>21 235</b>	<b>19 890</b>
<b>Total equity and liabilities</b>		<b>19 123</b>	<b>20 221</b>	<b>18 993</b>

## Consolidated statement of cash flows

(MNOK)	Q3 2021	Q3 2020	Acc Q3 2021	Acc Q3 2020	2020
Operating result	405	-104	462	-1 627	-2 010
Depreciation and impairment	290	840	1 032	3 227	4 115
Gain/loss on disposal of tangible assets	-44	-12	-104	-12	-13
Share of profit/loss from associates and joint ventures	-81	-114	-150	-8	-171
Changes in accounts receivables	-17	6	-544	141	197
Changes in accounts payable	-47	89	105	36	-84
Changes in other working capital	17	-63	45	-86	-17
Exchange rate effects on operating activities	-15	-4	27	37	-4
<b>Cash from operating activities</b>	<b>506</b>	<b>638</b>	<b>873</b>	<b>1 708</b>	<b>2 013</b>
Interest received	2	6	26	29	34
Interest and other finance costs paid	-64	-61	-192	-455	-525
Taxes paid	-12	-4	-46	-51	-78
<b>Net cash from operating activities</b>	<b>432</b>	<b>580</b>	<b>662</b>	<b>1 232</b>	<b>1 445</b>
Payments received for sale of tangible assets	-	11	173	12	19
Purchase of tangible assets	-135	-49	-394	-161	-219
Purchase of contract costs	-21	-	-136	-	-80
Acquisition	26	-	26	-	-
Received dividend	-	-	1	-	-
Other investments	14	6	149	153	276
<b>Net cash from investing activities</b>	<b>-115</b>	<b>-32</b>	<b>-181</b>	<b>4</b>	<b>-3</b>
Proceeds from borrowings	2	-	5	230	230
Repayment of borrowings	-319	-118	-777	-416	-654
<b>Net cash from financing activities</b>	<b>-317</b>	<b>-118</b>	<b>-771</b>	<b>-186</b>	<b>-423</b>
<b>Net changes in cash and cash equivalents</b>	<b>1</b>	<b>430</b>	<b>-290</b>	<b>1 050</b>	<b>1 018</b>
Cash and cash equivalents at the start of the period	1 617	1 543	1 880	1 395	1 395
Exchange gain/loss on cash and cash equivalents	-19	-27	8	-500	-533
<b>Cash and cash equivalents at the end of the period</b>	<b>1 598</b>	<b>1 945</b>	<b>1 598</b>	<b>1 945</b>	<b>1 880</b>

Restricted cash amounts to NOK 155 million (NOK 204 million) and is included in the cash. Changes in restricted cash is reflected in the cash flow.

For further information, please see note 7 “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 01.01.2021	309	75	-2 012	754	-139	-1 322	114	-898
Result (loss) for the period			-332			-332	-17	-349
Other comprehensive income/loss			92	10	39	141	-	141
Reclassification between CTA and cash flow hedge			-2		2	-		-
<b>Total comprehensive income for the period</b>	-	-	-242	10	41	-191	-17	-208
Converted bond loan	7	-75	68			-7		-
Changes ownership non-controlling interest						-		-
<b>Total transactions with the owners</b>	7	-75	68	-	-	-7	-	-
<b>Balance at 30.09.2021</b>	<b>316</b>	<b>-</b>	<b>-2 186</b>	<b>764</b>	<b>-98</b>	<b>-1 520</b>	<b>97</b>	<b>-1 106</b>
Balance at 01.01.2020	3 194	87	48	206	-254	87	170	3 451
Result (loss) for the period			-5 162			-5 162	-35	-5 197
Other comprehensive income/loss			186	501	45	732	-	732
Reclassification between CTA and cash flow hedge				-55	55	-		-
<b>Total comprehensive income for the period</b>	-	-	-4 976	446	100	-4 430	-35	-4 465
Converted bond loan						-		-
Changes in non-controlling interest						-		-
<b>Total transactions with the owners</b>	-	-	-	-	-	-	-	-
<b>Balance at 30.09.2020</b>	<b>3 194</b>	<b>87</b>	<b>-4 928</b>	<b>653</b>	<b>-155</b>	<b>-4 343</b>	<b>135</b>	<b>-1 014</b>

## Key figures

		Q3 2021	Q3 2020	Acc Q3 2021	Acc Q3 2020	2020
EBITDA margin ex net gain on sale of vessel	1	37%	42%	30%	33%	34%
EBITDA margin	2	40%	43%	32%	33%	34%
EBIT margin	3	23%	-6%	10%	-33%	-32%
Profit per share	4	-0.40	-1.28	-1.10	-16.42	-15.67
Cashflow per share	5	1.11	-1.29	-0.44	-9.54	1.50
Return on net capital	6			-32%	-513%	-552%
Equity ratio	7			-6%	-5%	-5%
Net interest bearing debt				16 631	17 018	16 286
Net interest bearing debt excl. effect of IFRS 16				16 462	16 691	15 980
Number of shares				316 456 167	307 762 779	308 962 779
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) Pre-tax result + depreciation and impairment +/- unrealised gain/loss on currencies +/- net changes in fair value of financial instruments/potential average no of shares.

6) Result incl non-controlling interest/total equity

7) Total equity/total balance

# Notes to the accounts

## 3<sup>rd</sup> Quarter 2021

### 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 9th of November 2021. 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 2020.

The Financial Report is prepared on the assumption of a going concern. However, the Group’s financial situation is not sustainable as the equity is negative and standstill agreements with the majority of the Group’s creditors have continued since June 2020. There are signs of increased activity in several regions. It is however still too early to conclude on a market recovery. Hence, future earnings and assets values are difficult to forecast. A continuing weak market will increase the risk of lower earnings for the Group and further strain the Group’s financial position. Without continued standstill agreement or a robust long-term refinancing solution is not achieved, 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 significant 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 31 December 2020, 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	3 <sup>rd</sup> Quarter 2021			3 <sup>rd</sup> Quarter 2020		
	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
(MNOK)						
Operating revenue	2 052	-314	1 738	2 027	-320	1 706
Operating expenses	-1 228	59	-1 169	-1 159	62	-1 096
Net profit from associated and joint ventures	-3	84	81	-1	115	114
Net gain on sale of tangible assets	44	-	44	12	-	12
<b>Operating profit before depreciation and impairment - EBITDA</b>	<b>865</b>	<b>-170</b>	<b>695</b>	<b>879</b>	<b>-143</b>	<b>736</b>
Depreciation	-335	87	-248	-258	55	-203
Impairment	-42	-	-42	-667	30	-637
<b>Operating profit - EBIT</b>	<b>488</b>	<b>-83</b>	<b>405</b>	<b>-46</b>	<b>-58</b>	<b>-104</b>
Financial income	279	5	284	5	6	12
Financial costs	-309	39	-270	-307	55	-252
Net realised gain/loss on currencies	-105	3	-102	-55	1	-54
Net unrealised gain/loss on currencies	-548	56	-492	-33	-11	-44
Net changes in fair value of financial instruments	13	-	13	46	-	46
<b>Net financial costs</b>	<b>-671</b>	<b>102</b>	<b>-568</b>	<b>-343</b>	<b>52</b>	<b>-291</b>
<b>Profit (loss) before taxes</b>	<b>-182</b>	<b>19</b>	<b>-163</b>	<b>-389</b>	<b>-6</b>	<b>-395</b>
Taxes	54	-19	35	-17	6	-11
<b>Profit (loss)</b>	<b>-128</b>	<b>-</b>	<b>-128</b>	<b>-406</b>	<b>-</b>	<b>-406</b>

RESULT	Acc 3 <sup>rd</sup> Quarter 2021			Acc 3 <sup>rd</sup> Quarter 2020		
	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
(MNOK)						
Operating revenue	5 568	-877	4 692	5 902	-1 034	4 869
Operating expenses	-3 622	170	-3 452	-3 490	201	-3 289
Net profit from associated and joint ventures	-14	164	150	-41	49	8
Net gain on sale of tangible assets	104	-	104	12	-	12
<b>Operating profit before depreciation and impairment - EBITDA</b>	<b>2 037</b>	<b>-543</b>	<b>1 494</b>	<b>2 384</b>	<b>-784</b>	<b>1 601</b>
Depreciation	-965	225	-739	-842	186	-656
Impairment	-391	98	-293	-2 978	406	-2 572
<b>Operating profit - EBIT</b>	<b>681</b>	<b>-220</b>	<b>462</b>	<b>-1 435</b>	<b>-191</b>	<b>-1 627</b>
Financial income	291	23	314	23	41	64
Financial costs	-844	117	-727	-1 010	215	-795
Net realised gain/loss on currencies	-168	3	-164	-618	27	-592
Net unrealised gain/loss on currencies	-278	36	-243	-2 174	98	-2 076
Net changes in fair value of financial instruments	33	-	33	-102	-	-102
<b>Net financial costs</b>	<b>-965</b>	<b>179</b>	<b>-787</b>	<b>-3 881</b>	<b>380</b>	<b>-3 500</b>
<b>Profit (loss) before taxes</b>	<b>-284</b>	<b>-41</b>	<b>-325</b>	<b>-5 316</b>	<b>189</b>	<b>-5 127</b>
Taxes	-65	41	-24	119	-189	-70
<b>Profit (loss)</b>	<b>-349</b>	<b>-</b>	<b>-349</b>	<b>-5 197</b>	<b>-</b>	<b>-5 197</b>

BALANCE	30.09.2021			30.09.2020		
	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
(MNOK)						
<b>ASSETS</b>						
Tangible assets	18 312	-5 855	12 458	20 237	-6 478	13 758
Deferred taxes	357	-347	10	364	-355	9
Investment in associated companies and joint ventures	7	2 585	2 593	5	2 370	2 374
Other financial assets	166	-	166	186	239	426
<b>Total non-current assets</b>	<b>18 842</b>	<b>-3 616</b>	<b>15 226</b>	<b>20 792</b>	<b>-4 225</b>	<b>16 568</b>
Receivables	2 256	43	2 299	1 729	-21	1 709
Cash and cash equivalents	2 202	-604	1 598	2 447	-502	1 945
Asset held for sale	-	-	-	-	-	-
<b>Total current assets included asset held for sale</b>	<b>4 458</b>	<b>-561</b>	<b>3 897</b>	<b>4 176</b>	<b>-522</b>	<b>3 654</b>
<b>Total assets</b>	<b>23 300</b>	<b>-4 177</b>	<b>19 123</b>	<b>24 968</b>	<b>-4 747</b>	<b>20 221</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>	<b>-1 106</b>	<b>-</b>	<b>-1 106</b>	<b>-1 014</b>	<b>-</b>	<b>-1 014</b>
Non-current liabilities	3 700	-3 435	264	4 490	-4 149	341
Current liabilities	20 707	-742	19 965	21 492	-597	20 894
<b>Total liabilities</b>	<b>24 406</b>	<b>-4 177</b>	<b>20 229</b>	<b>25 982</b>	<b>-4 747</b>	<b>21 235</b>
<b>Total equity and liabilities</b>	<b>23 300</b>	<b>-4 177</b>	<b>19 123</b>	<b>24 968</b>	<b>-4 747</b>	<b>20 221</b>
Net interest bearing liabilities excluded effect of IFRS 16	19 678	-3 215	16 462	21 221	-4 530	16 691

## Note 3 Segment information - management reporting

3 <sup>rd</sup> Quarter 2021	Q3 2021				Acc Q3 2021 *)			
	PSV	AHTS	Subsea	Total	PSV	AHTS	Subsea	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
<b>Operating result before depreciation and impairment - EBITDA</b>	<b>41</b>	<b>123</b>	<b>701</b>	<b>865</b>	<b>93</b>	<b>365</b>	<b>1 579</b>	<b>2 037</b>
Depreciation	28	54	254	335	81	154	729	965
Impairment	2	24	15	42	39	59	293	391
<b>Operation result - EBIT</b>	<b>11</b>	<b>45</b>	<b>432</b>	<b>488</b>	<b>-27</b>	<b>152</b>	<b>556</b>	<b>681</b>

3 <sup>rd</sup> Quarter 2020	Q3 2020				Acc Q3 2020			
	PSV	AHTS	Subsea	Total	PSV	AHTS	Subsea	Total
Operating revenue	128	279	1 620	2 027	391	954	4 557	5 902
<b>Operating result before depreciation and impairment - EBITDA</b>	<b>22</b>	<b>151</b>	<b>706</b>	<b>879</b>	<b>77</b>	<b>522</b>	<b>1 785</b>	<b>2 384</b>
Depreciation	30	53	176	258	94	193	555	842
Impairment	69	14	584	667	238	698	2 042	2 978
<b>Operation result - EBIT</b>	<b>-77</b>	<b>84</b>	<b>-53</b>	<b>-46</b>	<b>-256</b>	<b>-368</b>	<b>-812</b>	<b>-1 435</b>

\*) Accumulated figures per Q3 2021 includes reallocation of revenue between the segments related to previous periods.

## Note 4 Operating revenue

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

Operating revenue	Q3 2021	Q3 2020	Acc Q3 2021	Acc Q3 2020	2020
Lump sum contracts	45	134	99	182	284
Day rate contracts	1 693	1 572	4 593	4 687	5 928
<b>Total</b>	<b>1 738</b>	<b>1 706</b>	<b>4 692</b>	<b>4 869</b>	<b>6 212</b>

## Note 5 Tangible assets

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
<b>Book value at 30.09.2021</b>	<b>11 487</b>	<b>533</b>	<b>211</b>	<b>226</b>	<b>12 458</b>

2020	Vessel and periodical maintenance	ROV	Operating equipment	Asset "Right-of-use"	Total
Book value at 01.01.2020	16 469	665	337	292	17 763
Addition	130	8	23	21	182
Reclassification	9	2	-29		-18
Depreciation	-451	-117	-48	-40	-656
Impairment loss	-2 468		-18		-2 486
Currency translation differences	-1 033	-1	-3	11	-1 028
<b>Book value at 30.09.2020</b>	<b>12 656</b>	<b>557</b>	<b>261</b>	<b>284</b>	<b>13 758</b>

**Disposal**

The vessel Geosund is agreed to be sold with expected delivery to the new owner 1<sup>st</sup> quarter 2022. The vessel is per Q3 derecognised from tangible asset and classified as financial lease. Derecognition resulted in a gain of NOK 44 million.

In addition Skandi Buchan, Skandi Texel and Geograph have been sold earlier this year. Total gain on sale per 30th of September 2021 amounts to NOK 104 million.

**Right-of-use asset**

Net booked value of right-of-use assets at the 30th of September 2021 consists of property with NOK 221 million (NOK 276 million) and operating equipment with NOK 5 million (NOK 8 million).

**Impairment**

The drop in fair market values has stabilised for the majority of the fleet during the 3<sup>rd</sup> quarter 2021. The market conditions are expected to remain challenging, and the timing of market recovery remains uncertain. A continuing weak market and high volatility in currencies may increase the risk for further impairment of the Group's assets going forward.

Impairment tests performed for Q3 2021 have resulted in an impairment of vessels of NOK 22 million in the 3<sup>rd</sup> quarter 2021 and accumulated per 3<sup>rd</sup> quarter 2021 NOK 273 million. No impairment has been done in joint ventures in the 3<sup>rd</sup> quarter 2021.

There are signs of increased activity in several regions and increased demand for offshore vessels within the renewable segment. It is however still too early to conclude on a market recovery. Hence, future earnings and asset values are difficult to forecast. A continuing weak market will further increase the risk of lower earnings for the Group and put more pressure on the Group's liquidity position. If a robust long-term refinancing solution is not achieved and the Group cannot be treated as a going concern, the valuation of the Group's assets may be further revised and will result in significantly impairments of the Group's 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 8.4 - 9.3 %. Negative changes in WACC with 50 basis points will result in an additional impairment of the vessels with approx. NOK 64 million. Negative effect on net future cash flows with 20% will result in an additional impairment of the vessels with approximately NOK 1.7 billion. The impairment tests are USD sensitive and a drop in USD/NOK of NOK 0.50 will result in an additional impairment of NOK 145 million 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 385 million.

**Useful life of vessels**

The Group has reassessed useful life of the subsea vessels and from 01.01.2021 the useful life has changed from 20 years to 30 years for these vessels. The change in useful life has increased the monthly depreciation with about NOK 16 million. The useful life for the PSV and AHTS vessels has been 30 years since 01.01.2018.

## Note 6 Investment in associates and joint ventures

The Company's investment in associates and joint ventures as of 30.09.2021;

Joint ventures	Ownership
DOFCON Brasil AS with subsidiaries	50%
DOF Iceman AS (owner of 40% in Iceman AS, Skandi Iceman)	50%
KDS JV AS	50%
<b>Associated companies</b>	
Master & Commander	20%
Skandi Aukra AS	34%
Semar AS	42%
Effect of application of IFRS 11 on investments in joint ventures;	30.09.2021
Opening balance 01.01.2021	2 336
Addition	-
Profit (loss)	150
Profit (loss) through OCI	92
Negative value on investments reallocated to receivable	14
<b>Closing balance 30.09.2021</b>	<b>2 593</b>

## Note 7 Cash and cash equivalent

	30.09.2021	30.09.2020	31.12.2020
Restricted cash	155	204	183
Cash and cash equivalent	1 444	1 741	1 697
<b>Total cash and cash equivalent</b>	<b>1 598</b>	<b>1 945</b>	<b>1 880</b>

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.

### 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 540 million and are included in unrestricted cash and cash equivalents.

## Note 8 Interest bearing liabilities

### Financing

The Board and Management have since the 2<sup>nd</sup> quarter 2019 been working on a long-term refinancing solution for the Group which includes discussions with the banks, the bondholders, and the main shareholders.

The restructuring of the Group's long-term debt is ongoing and standstill agreements have been agreed until the 30th of November 2021 with 91% of the secured lenders within the DOF ASA Group (excl. DOF Subsea Group) and 95% of the secured lenders within the DOF Subsea Group. In Norskan, standstill agreement has been agreed for all the facilities with the international banks, and the BNDES facilities has been served according to refinancing agreements signed in February 2020, which is also applicable for one facility in DOF Subsea Brasil. The DOF Subsea standstill agreements assume payment of principal and interest of a NOK 100 million credit facility provided by certain lenders in March 2020. The outstanding amount of this facility was NOK 47 million by end of September. The relevant Group companies have imposed unilateral standstill to the secured lenders not participating in the standstill agreements. One of the DOF Subsea secured lenders requested repayment of approximately USD 47 million and has enforced account pledge on the earnings account for the relevant vessel. DOF Subsea has during the quarter prepaid this loan in full at a substantial discount. Another secured lender has enforced an account pledge for one loan facility in DOF Subsea.

The bondholders in DOFSUB07, DOFSUB08 and DOFSUB09 have further accepted a standstill until the 30th of November 2021 and an Ad-hoc group of bondholders can extend the standstill until the 28th of February 2022. The DOFCON JV is not part of the standstill agreements and serves its debt according to the terms in the relevant loans facilities.

The dialogue with the lenders is constructive and progress has been made, but a refinancing solution is not yet in place. The debt restructuring proposal currently discussed include conversion of debt to equity, which again will have a significant adverse effect for the current shareholders in the Company.

The Group's secured and unsecured debt are, in accordance with IFRS, classified as current debt at the 30th of September 2021. The classification is based on the Group's financial situation and standstill agreements of debt service with the banks and bondholders.

**The main covenants in the loan agreements regarding non-current liabilities to credit institutions are as follows;**

#### **DOF ASA**

DOF ASA Group shall have a book equity higher than NOK 3,000 million, free cash deposits shall at all times be minimum NOK 500 million excluding DOF Subsea AS (and its subsidiaries) and market value of the vessels on aggregated level shall at all times be higher than 100% of outstanding secured debt.

#### **DOF Subsea AS**

DOF Subsea has the following covenants (based on proportional consolidation method of accounting for joint ventures); the book equity shall be higher than NOK 3,000 million, minimum free liquidity shall at all times be minimum NOK 500 million, value adjusted equity shall be at least 30% and market value vessels shall at all times be at least 110-130% of outstanding secured debt.

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

## Note 8 Interest bearing liabilities (continued)

At the 30th of September 2021 the interest bearing liabilities are as follows;

	30.09.2021	30.09.2020	31.12.2020
<b>Non-current interest bearing liabilities</b>			
Bond loan	-	-	-
Debt to credit institutions	-	-	-
Lease liabilities (IFRS 16) *)	232	335	301
<b>Total non-current interest bearing liabilities</b>	<b>232</b>	<b>335</b>	<b>301</b>
<b>Current interest bearing liabilities</b>			
Bond loan	2 593	2 692	2 554
Debt to credit institutions	15 467	15 918	15 305
Lease liabilities (IFRS 16) *)	92	95	94
Overdraft facilities	-	27	1
<b>Total current interest bearing liabilities</b>	<b>18 153</b>	<b>18 731</b>	<b>17 954</b>
<b>Total interest bearing liabilities</b>	<b>18 384</b>	<b>19 066</b>	<b>18 255</b>
<b>Net interest bearing liabilities</b>			
Other interest bearing assets non-current (sublease IFRS 16)	155	103	89
Cash and cash equivalents	1 598	1 945	1 880
<b>Total net interest bearing liabilities</b>	<b>16 631</b>	<b>17 018</b>	<b>16 286</b>
Net effect of IFRS 16 Lease	169	327	307
<b>Total net interest bearing liabilities excluded IFRS 16 Lease liabilities</b>	<b>16 462</b>	<b>16 691</b>	<b>15 980</b>

\*) 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 NOK 543 million. Accrued interest expenses are excluded in the figures above. Accrued interest to credit institutions is capitalised on the loans on an ongoing basis. The accrued interest on bonds is not capitalised on the loans.

	Share fixed interest	Balance 30.09.2021
<b>Loan divided on currency and fixed interest</b>		
NOK	31%	7 400
USD	66%	10 536
CAD	100%	408
GBP	100%	31
BRL	0%	8
<b>Total</b>	<b>52%</b>	<b>18 384</b>

### Reconciliation changes in borrowings

Changes in total liabilities over a period consists of both cash effects (proceeds and repayments) and non-cash effects (amortisations and currency translations effects). The following are the changes in the Group's borrowings:

	Balance 31.12.2020	Cash flows	Acquisition subsidiary	Debt remission	Capitalisation interest and derivatives	Proceeds lease debt	Amortised loan expenses	Currency adjustments	Balance 30.09.2021
<b>Interest bearing liabilities</b>									
Bond loan	2 554						4	35	2 593
Debt to credit institutions	15 305	-707	420	-249	329	40	14	315	15 467
Lease liabilities	395	-68				1		-4	324
Overdraft facilities	1	-1							-
<b>Total interest bearing liabilities</b>	<b>18 255</b>	<b>-776</b>	<b>420</b>	<b>-249</b>	<b>329</b>	<b>41</b>	<b>18</b>	<b>346</b>	<b>18 384</b>

## Note 9 Acquisition

### **Iceman AS/Iceman IS**

The Company is guarantor for the debt in Iceman AS of NOK 438 million, where approximately 50% of the DOF guarantee is counter guaranteed by other shareholders in Iceman AS. Iceman AS is undergoing a restructuring, and a standstill agreement with the banks is applicable until 30th of November. One shareholder in Iceman has been released from its counter guarantee by paying a certain amount as partly repayment of the debt. As part of this agreement the Company has increased its shareholding in Iceman from 34.5% to 73.5%. A refinancing solution which includes agreement with the remaining counter guarantees is currently being discussed with the secured lenders in Iceman.

Iceman AS/IS is a subsidiary of DOF ASA from 31st of August 2021 and is included in the Groups accounts from this date. The purchase price for the share was zero and the Group has impaired NOK 20 million related to a goodwill in Q3 2021.

## 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 2020.

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

## Note 11 Subsequent events

### **Finance**

Each of the companies DOF ASA and DOF Subsea AS have agreed to further extend the principal and interest suspension agreements with, or received extensions of similar concessions from, secured lenders representing in total 91% of the secured debt of DOF ASA and DOF Rederi AS and in total 95% of the secured debt of companies within the DOF Subsea AS group (excluding DOF Subsea Brasil Servicos Ltda.) until 30th of November 2021, and that DOF Subsea AS has received confirmation from the ad hoc group of bondholders that they have agreed to further extend the suspension, deferral and standstill agreement currently in place for the bond issues to 30th of November 2021 in accordance with the resolutions of the bondholders’ meeting held 30th of September 2021.

The extensions of the standstill periods will facilitate the DOF Group’s continued dialogue with its secured lenders and the bondholders under the DOF Group’s bonds regarding a long-term financial restructuring of the DOF Group.

## Note 12 Share capital and shareholders

## Largest shareholders as of 30.09.2021

Name	No. shares	Shareholding %
MØGSTER OFFSHORE AS	100 007 313	31.60 %
BNP PARIBAS SECURITIES SERVICES	9 570 169	3.02 %
BRØNMO, BJARTE	5 893 077	1.86 %
NORDNET BANK AB	5 033 106	1.59 %
BRETTEL INVEST AS	3 900 000	1.23 %
SOTRA KRAN AS	3 200 000	1.01 %
HERNESS, BJØRN	2 642 483	0.84 %
MOLY AS	2 539 308	0.80 %
NORDNET LIVSFORSIKRING AS	2 504 156	0.79 %
HOLDEN, JIM ØYSTEIN	2 429 747	0.77 %
DRAGESUND INVEST AS	2 360 000	0.75 %
AVANZA BANK AB	2 306 105	0.73 %
DANSKE BANK A/S	2 081 644	0.66 %
MOCO AS	1 984 419	0.63 %
EBB HOLDING AS	1 949 097	0.62 %
CHAMANSKI, ALEXANDRE	1 900 000	0.60 %
LAWO INVEST AS	1 857 377	0.59 %
TØRRESEN, HENRY JOHAN	1 800 000	0.57 %
BERGEN KOMMUNALE PENSJONSKASSE	1 800 000	0.57 %
MORGAN STANLEY & CO. INT. PLC.	1 772 076	0.56 %
Total	157 530 077	49.78 %
Total other shareholders	158 926 090	50.22 %
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 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Operating revenue	2 052	2 003	1 514	1 680	2 027
Operating expenses	-1 228	-1 347	-1 047	-1 055	-1 159
Net profit from associated and joint ventures	-3	-7	-4	-25	-1
Net gain on sale of tangible assets	44	31	29	7	12
<b>Operating profit before depreciation and impairment - EBITDA</b>	<b>865</b>	<b>680</b>	<b>492</b>	<b>606</b>	<b>879</b>
Depreciation	-335	-313	-316	-255	-258
Impairment	-42	-218	-131	-687	-667
<b>Operating profit - EBIT</b>	<b>488</b>	<b>148</b>	<b>45</b>	<b>-335</b>	<b>-46</b>
Financial income	279	6	6	2	5
Financial costs	-309	-257	-277	-328	-307
Net realised gain/loss on currencies	-105	-32	-30	-43	-55
Net unrealised gain/loss on currencies	-548	804	-534	1 053	-33
Net changes in fair value of financial instruments	13	11	10	46	46
<b>Net financial costs</b>	<b>-671</b>	<b>531</b>	<b>-826</b>	<b>730</b>	<b>-343</b>
<b>Profit (loss) before taxes</b>	<b>-182</b>	<b>679</b>	<b>-781</b>	<b>395</b>	<b>-389</b>
Taxes	54	-99	-20	-157	-17
<b>Profit (loss) for the period</b>	<b>-128</b>	<b>580</b>	<b>-801</b>	<b>238</b>	<b>-406</b>

## Consolidated statement of balance sheet

(MNOK)	30.09.2021	30.06.2021	31.03.2021	31.12.2020	30.09.2020
<b>ASSETS</b>					
Tangible assets	18 312	18 146	17 987	18 657	20 237
Deferred tax assets	357	341	359	314	364
Investment in associated companies and joint ventures	7	7	8	8	5
Other financial assets	166	191	170	162	186
<b>Total non-current assets</b>	<b>18 842</b>	<b>18 685</b>	<b>18 523</b>	<b>19 141</b>	<b>20 792</b>
Receivables and other current asset	2 256	2 165	1 651	1 699	1 729
Cash and cash equivalents	2 202	2 135	2 257	2 332	2 447
<b>Current assets</b>	<b>4 458</b>	<b>4 299</b>	<b>3 908</b>	<b>4 031</b>	<b>4 176</b>
<b>Total Assets</b>	<b>23 300</b>	<b>22 985</b>	<b>22 432</b>	<b>23 172</b>	<b>24 968</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Total equity</b>	<b>-1 106</b>	<b>-1 141</b>	<b>-1 480</b>	<b>-898</b>	<b>-1 014</b>
Non-current liabilities	3 700	3 757	3 870	3 969	4 490
Current liabilities	20 707	20 369	20 042	20 101	21 492
<b>Total liabilities</b>	<b>24 406</b>	<b>24 126</b>	<b>23 912</b>	<b>24 070</b>	<b>25 982</b>
<b>Total equity and liabilities</b>	<b>23 300</b>	<b>22 985</b>	<b>22 432</b>	<b>23 172</b>	<b>24 968</b>
<b>Net interest bearing liabilities</b>	<b>19 678</b>	<b>19 454</b>	<b>19 436</b>	<b>19 513</b>	<b>21 221</b>

## Consolidated statement of cash flows

(MNOK)	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Net cash from operation activities	670	395	313	451	779
Net cash from investing activities	-187	-167	-130	-159	-53
Net cash from financing activities	-410	-414	-224	-325	-145
<b>Net changes in cash and cash equivalents</b>	<b>73</b>	<b>-186</b>	<b>-41</b>	<b>-34</b>	<b>582</b>
Cash and cash equivalents at start of the period	2 135	2 257	2 332	2 447	1 902
Exchange gain/loss on cash and cash equivalents	-5	64	-34	-81	-37
<b>Cash and cash equivalents at the end of the period</b>	<b>2 202</b>	<b>2 135</b>	<b>2 257</b>	<b>2 332</b>	<b>2 447</b>

## Key figures

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
EBITDA margin excluded net gain on sale of tangible assets	40%	32%	31%	36%	43%
EBITDA margin	42%	34%	32%	36%	43%
EBIT margin	24%	7%	3%	-20%	-2%
Profit per share (NOK)	-40%	183%	-253%	75%	-128%
Book value equity per share (NOK)	-3,80	-3,95	-5,03	-3,20	-3,63
Net interest bearing debt excl. effect of IFRS 16 (NOK million)	19 678	19 454	19 436	19 513	21 221
Potential average number of shares	316 456 167	316 456 167	316 456 167	316 456 167	316 456 167



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