

DOF ASA – August 24th, 2021

Q2 Financial Presentation 2021

Highlights Group

Financial highlights Q2

Amounts in NOK million	Q2 2021	Q2 2020
Operating revenue	2 003	1 802
Net gain on sale of tangible assets	31	-
EBITDA	**680**	**701**
EBIT	**148**	**-354**
Net interest cost	-251	-361
Net currency and derivatives	782	26
Profit (loss)	**580**	**-675**
NIBD (Net interest bearing debt)	19 738	22 640
NIBD (Net interest bearing debt) excluded effect of IFRS 16	19 454	22 328
Equity ratio	-5%	-3%

According to management reporting

Standstill agreements have been signed with the majority of the secured lenders and the bond holders until 31 August 2021.

Operational highlights Q2

Operations

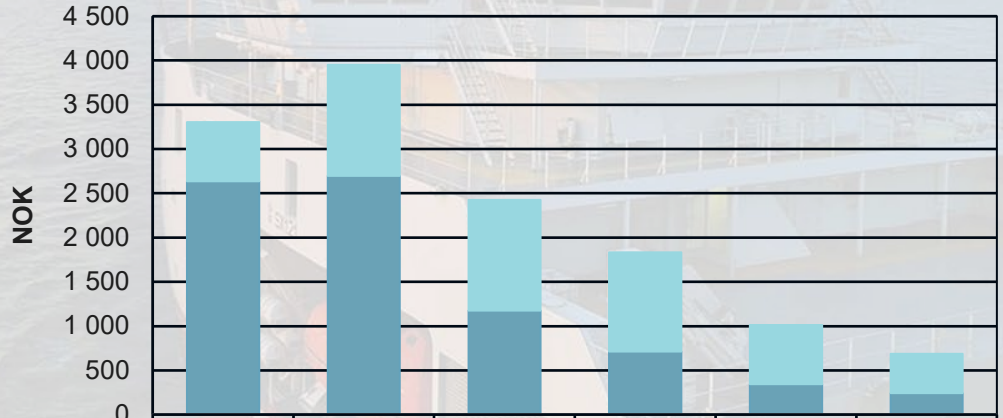
- Average utilisation fleet 80% versus 70% last year
- The markets have continued to be challenging
- Increased activity in the subsea project segment
- Covid-19 has continued to impact the operations

Fleet

- 58 vessels (50 owned)
- 1 vessel sold
- 1 owned vessel in lay-up vs 12 last year

Backlog

- Total value backlog ~ NOK 13 billion *
- Backlog secured for Q3 of NOK 1.8 billion
- Backlog secured for the remainder of 2021 NOK 3.3 billion



	2021	2022	2023	2024	2025	2026+
Joint Venture	671	1 252	1 250	1 122	666	442
Non Joint Venture	2 634	2 698	1 175	713	346	244

* NOK 1.7 billion secured after period end

Contracts won

New contracts in Atlantic region

- **Skandi Constructor** (Subsea) awarded a contract with Siemens Gamesa. The vessel to be utilised up to 160 days for projects on several offshore wind farms in Germany, commenced in April.
- DOF Subsea awarded multiple contracts for execution in the North Sea utilising **Skandi Acergy** (Subsea)**, Skandi Skansen** (Subsea)**, Skandi Iceman** (AHTS) and **Skandi Hera** (AHTS) and a third-party vessel for more than 340 vessel days. All awards include project management, engineering, procurement and logistics.
- The joint venture between DOF Subsea and Aker Solutions, KDS JV AS, has been awarded a subsea decommissioning contract for DNO at the Norwegian Continental Shelf, planned execution in Q1 2022 using **Skandi Acergy** (Subsea).
- **Skandi Seven** (Subsea) 6-month extension to contract in Africa, delivering integrated FSV services, project management, engineering, procurement and logistical services within deep-water construction and maintenance of existing subsea infrastructure.

Contracts in South America region

- DOF Subsea awarded vessel and ROV contracts by Shearwater GeoServices Holding AS on Petrobras's Jubarte, Tupi and Iracema fields offshore Brazil. The combined projects will utilise **Skandi Neptune** (Subsea) for approximately 1 year, with commencement during Q2 2021.
- **Skandi Paraty** (AHTS) awarded an 1-year extension with Petrobras until July 2022.
- **Skandi Iquacu** (AHTS) several contracts won securing high utilisation during 2nd half.
- Petrobras has awarded the pipelay support vessels (PLSVs) **Skandi Vitória and Skandi Niteroi** a 3 years firm plus option contract for each vessel, via JV partner TechnipFMC and via Norskan Offshore Ltda (a fully owned DOF ASA Company) respectively.

Contracts in Asia-Pacific region

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

Maintaining ESG segment leader status

2021

Financial Times announces "Europe's Climate Leaders 2021"

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

2020 A-

Carbon Disclosure Project score

Tenth year of participation
Top-30% for Environmental Stewardship

3.33

ESG 100 score

The Governance Group (TGG) conducted an independent review of DOF's sustainability reporting activity in 2019. DOF received a stand-out score of 3.33 within the Energy Sector group using the ESG 100 method, scoring well above the "energy sector" average of 2.33. DOF's total ESG score ranks within the top 20 of 100 largest (by market cap) companies on Oslo Stock Exchange, for a second consecutive year.

Top-5

Scoring in the Nordics

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

A trusted partner for offshore operations

Positioned globally

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

Total of 3,797 employees *

Offshore	3,036
Onshore	761

Vessels & subsea equipment *

Subsea	29
AHTS	15
PSV	14
Total fleet	**58**
ROV / AUV	71

** All totals as of 30.06.2021*

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

Marine services

Bringing award-winning capability to the offshore sector.

- World Class Fleet
- Marine Management
- Dedicated Crew
- Applied Technology

Subsea services

Integrated subsea services; wherever, whenever you need them.

- Project Management
- Field Development
- Field Production
- Field Abandonment



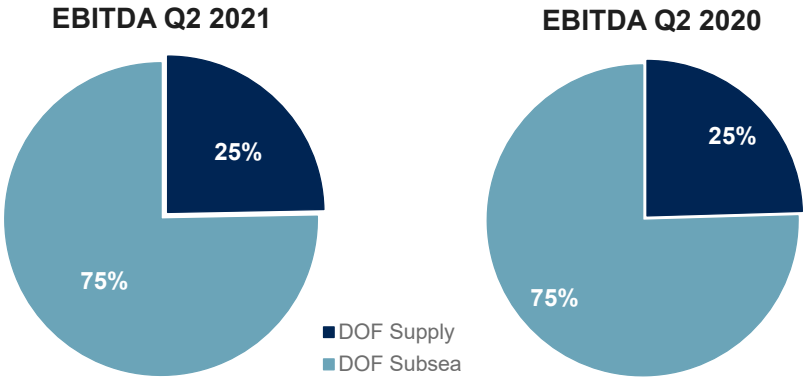
Financial Group

Management Reporting

Main financial highlights Q2

Operational EBITDA NOK 680 million (NOK 701 million)

- Average utilisation total owned fleet 80% (70%)
  - 68% (72%) PSV segment
  - 86% (59%) AHTS segment
  - 83% (74%) Subsea segment (project fleet 78%)



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

Comments to highlights

Performance

- DOF Subsea EBITDA: NOK 512 million
- DOF Supply EBITDA: NOK 168 million

Operations

- Avg. utilisation owned DOF Subsea fleet: 82%
- Avg. utilisation owned DOF Supply fleet: 78%
- PSV – 1 owned vessel in lay-up, vessels reactivated from lay-up
- AHTS: High activity in Brazil, variable activity in the North Sea. 1 vessel recycled
- Subsea: improved utilisation and performance from the regions
  91% utilisation for the PLSV fleet

Profit or Loss Q2

All figures in NOK million	Q2 2021	Q2 2020	Acc Q2 2021	Acc Q2 2020	2020
Operating revenue	2 003	1 802	3 517	3 875	7 582
Operating expenses	-1 347	-1 074	-2 394	-2 331	-4 545
Net profit/loss from associated	-7	-26	-11	-40	-66
Net gain on sale of vessel	31	-	60	-	19
Operating profit before depr - EBITDA	**680**	**701**	**1 172**	**1 505**	**2 990**
Depreciation	-313	-277	-630	-584	-1 097
Impairment	-218	-779	-349	-2 311	-3 665
Operating profit- EBIT	**148**	**-354**	**193**	**-1 389**	**-1 771**
Financial income	6	6	12	18	25
Financial costs	-257	-368	-535	-703	-1 338
Net realised currency gain/loss	-32	-35	-62	-563	-661
Net unrealised currency gain/loss	804	-38	270	-2 141	-1 120
Net unrealised gain/loss on market instr.	11	100	21	-148	-56
Net financial cost	**531**	**-335**	**-295**	**-3 537**	**-3 150**
Profit/loss before tax	**679**	**-689**	**-102**	**-4 927**	**-4 921**
Tax	-99	14	-120	136	-38
Net profit/loss	**580**	**-675**	**-221**	**-4 791**	**-4 959**

According to management reporting

Comments to 2nd quarter

Operational performance:

PSV (68% utilisation)
- 3 PSVs reactivated from lay-up

AHTS (86% utilisation)
- All vessels in operation, 1 vessel reactivated from lay-up and 1 mobilised for a firm contract
- 1 vessel recycled

Subsea (83% utilisation)
- Increased subsea project activity
- Vessel mobilisations in Brazil
- 1 vessel sold

Impairments
- 1,3% drop in FMV* of the fleet

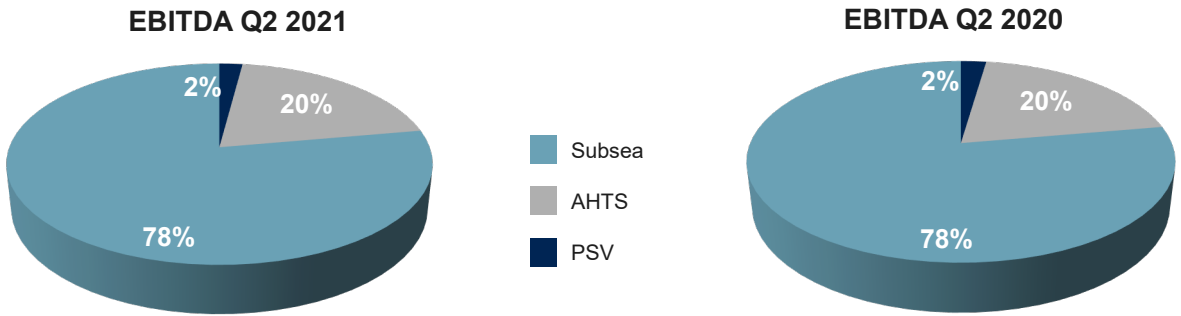
Financial
- Unrealised currency gains due to strengthened BRL to USD
- NOK/USD has been stable

*FMV = fair market values

Segment reporting Q2

Amounts in NOK million	PSV		AHTS		Subsea		Total	
	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020
Operating revenue	86	112	221	275	1 696	1 415	2 003	1 802
Gain on sale of tangible assets	2	-	-	-	29	-	31	-
Operating result before depreciation and impairment (EBITDA)	**14**	**16**	**137**	**140**	**529**	**545**	**680**	**701**
Depreciation	26	31	50	65	237	180	313	277
Impairment	25	18	26	202	167	559	218	779
Operating result (EBIT)	**-37**	**-32**	**61**	**-128**	**124**	**-194**	**148**	**-354**
EBITDA margin	17%	15%	62%	51%	31%	39%	34%	39%
EBIT margin	-43%	-29%	28%	-47%	7%	-14%	7%	-20%

According to management reporting



Two business segments

DOF Subsea Group

Subsea / IMR Projects

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

Revenues Q2'21[2)]	*EBITDA Q2'21[2)]*	*Firm backlog[3)]*
NOK 1 115 million	*NOK 209 million*	*NOK 3.8 bn*
	~19% margin	



1 492 Employees[4)] Q2'21



17 vessels in operation[5)] Q2'21

Long-term Chartering[1)]

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

Revenues Q2'21[2)]	*EBITDA Q2'21[2)]*	*Firm backlog[3)]*
NOK 391 million	*NOK 275 million*	*NOK 6.2 bn*
	~70% margin	



8 vessels in operation Q2'21

1) Note: Long-term Chartering comprises of 7 PLSVs in operation, plus Skandi Patagonia
2) Note: According to management reporting
3) Note: Firm backlog as at end of Q2'21
4) Excluding marine employees that are hired in through shipman agreements to operate the Group's vessels.
5) Note: Including 2 chartered-in vessels.

Cash flow Q2 2021

All figures in NOK million	Q2 2021	Q2 2020	Acc Q2 2021	Acc Q2 2020	2020
Cash from operating activities	501	769	948	1 594	3 083
Net interest paid	-86	-164	-180	-505	-715
Taxes paid	-20	-9	-60	-54	-102
Net cash from operating activities	**395**	**595**	**708**	**1 035**	**2 266**
Sale of tangible assets	76	-	173	-	19
Purchase of tangible assets	-250	-25	-389	-133	-285
Purchase of contract costs	-64	-	-116	-	-80
Sale of shares in JV	-	-	-	-	-17
Other changes in investing activities	70	8	35	29	49
Net cash from investing activities	**-167**	**-17**	**-297**	**-103**	**-314**
Proceeds from borrowings	2	-	3	230	230
Payment of borrowings	-415	-176	-641	-534	-1 004
Net cash from financing activities	**-414**	**-176**	**-638**	**-304**	**-774**
Net changes in cash and cash equivalents	**-186**	**402**	**-227**	**629**	**1 177**
Cash and cash equivalents at the start of the period	2 257	1 606	2 332	1 715	1 715
Exchange gain/loss on cash and cash equivalents	64	-106	29	-442	-560
Cash and cash equivalents at the end of the period	**2 135**	**1 902**	**2 135**	**1 902**	**2 332**

According to management reporting

Comments to cash flow

Reduced cash from operating activities mainly due to increased project activity with high outstanding receivables by end of the quarter.

Reduced interest paid due to standstill agreements.

Sale of assets are the sale of Geograph (built 2008) and sale of Skandi Admiral (built 1999) to recycling.

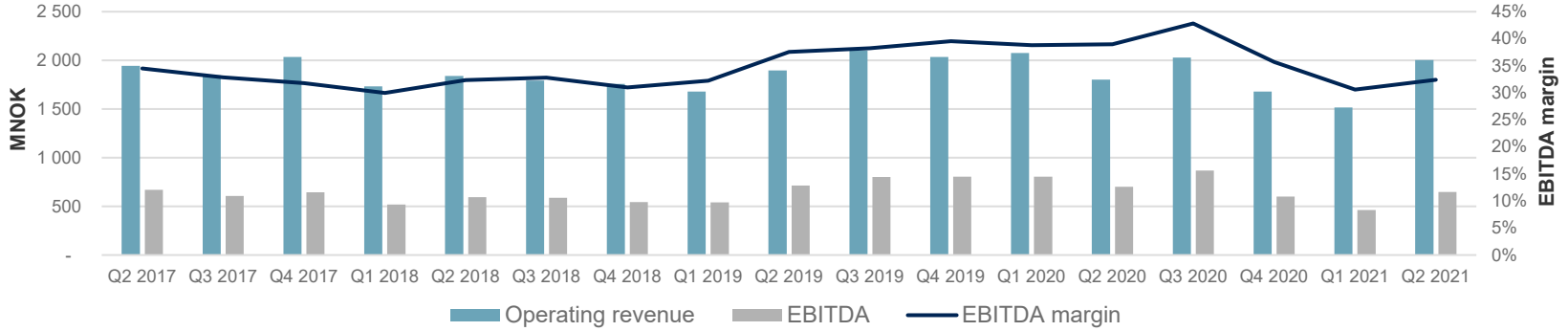
Purchase tangible assets are mainly class dockings and purchase of ROVs.

Contract costs are conversion and mobilisation costs to new contracts.

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

Restricted cash by end June is NOK 154 million.

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



	Q2 2017	Q2 2018	Q2 2019	Q2 2020	Q2 2021
Operating revenue	1 943	1 838	1 897	1 802	2 003
EBITDA	671	594	712	701	649
EBITDA margin	35%	32%	38%	39%	32%
Non-current assets	28 959	26 633	27 163	22 097	18 685
Current assets	4 538	4 143	3 663	3 546	4 299
Total Assets	33 497	30 776	30 826	25 643	22 985
Equity	7 629	6 598	5 630	-728	-1 141
Non-current debt	21 529	19 560	19 088	4 616	3 757
Current debt	4 339	4 617	6 108	21 755	20 369
Total Equity and Debts	33 497	30 775	30 826	25 643	22 985
NIBD	21 660	20 386	21 628	22 640	19 738

According to management reporting

Balance as of 30.06.2021

Amounts in NOK million	**30.06.2021**	**31.03.2021**	**31.12.2020**
ASSETS			
Tangible assets	18 146	17 987	18 657
Goodwill	-	-	-
Deferred taxes	341	359	314
Investment in associated and joint ventures	7	8	8
Other non-current receivables	191	170	162
Non-current assets	**18 685**	**18 523**	**19 141**
Receivables	2 165	1 651	1 679
Cash and cash equivalents	2 135	2 257	2 332
Asset held for sale	-	-	20
Current assets	**4 299**	**3 908**	**4 031**
Total assets	**22 985**	**22 432**	**23 172**
EQUITY AND LIABILITIES			
Subscribted equity	309	309	309
Retained equity	-1 557	-1 901	-1 321
Non-controlling equity	107	112	114
Equity	**-1 141**	**-1 480**	**-898**
Non-current interest bearing debt	3 682	3 798	3 898
Other non-current liabilities	75	73	71
Non-current liabilities	**3 757**	**3 870**	**3 969**
Current portion of debt	18 730	18 714	18 720
Other current liabilities	1 638	1 328	1 381
Current liabilities	**20 369**	**20 042**	**20 101**
Total equity and liabilities	**22 985**	**22 432**	**23 172**

According to management reporting

Comments to the balance

Non-current assets

- Changes in tangible assets from year end are sale of vessels and depreciations/impairments.

Deferred taxes

- Deferred taxes are mainly from the DOFCON JV.

Cash

- Cash has dropped since year end, mainly due to high project activity.

Equity:

- Negative equity impacts the going concern assumptions.

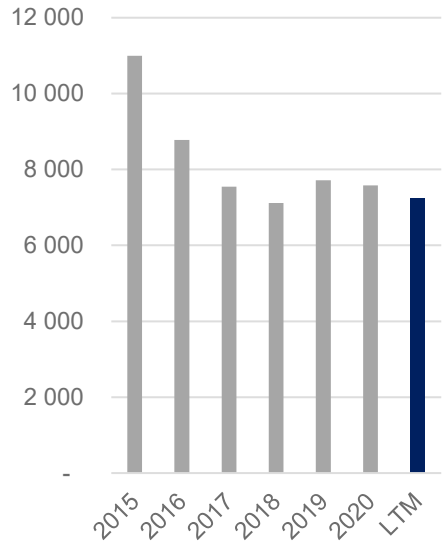
Liabilities:

- Long-term liabilities represent the debt in DOFCON JV and lease debt.
- All other secured debt and bond loans are classified as short-term due to ongoing debt restructuring of the Group.
- NIBD Q2/21 reduced by ca NOK 2.9 bn compared to Q2/20 mainly due to very weak NOK to USD in 2020.

Group key financials

Revenue

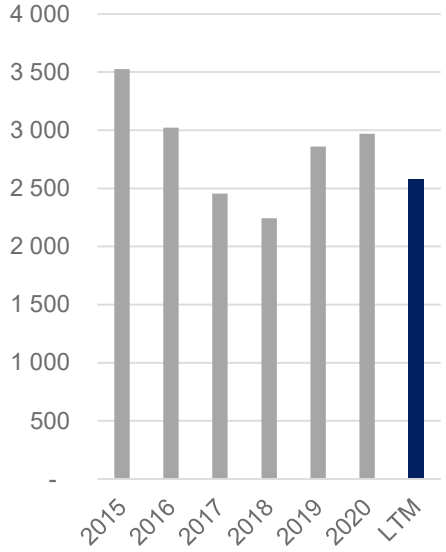
NOK million



According to management reporting

EBITDA *

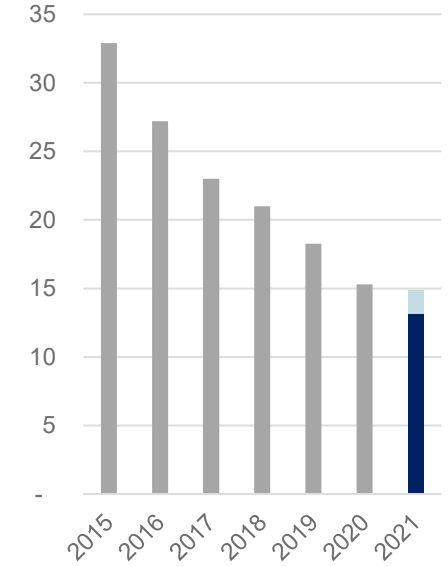
NOK million



** EBITDA excl. gain from sale of assets*

Firm backlog

NOK billion



LTM = Last twelve months

Update debt restructuring

- Approx. NOK 18 billion of the Group's debt is under restructuring.
- Standstill agreements signed with 91% of the secured lenders within the DOF Group (excl. DOF Subsea) and 88% of the secured lenders in DOF Subsea (excl. DOFCON JV), are applicable until 31 August 2021.
- Standstill agreements with BNDES have matured for loan facilities in Norskan Offshore Ltda. and one facility in DOF Subsea Servicos Brasil Ltda. Since June this debt have been served according to refinancing agreements signed in February 2020. In parallel there are ongoing discussions with BNDES on a long-term refinancing solution.
- Debt restructuring proposals with the secured lenders and bondholders have continued through the quarter. A long-term solution with the secured lenders and the bondholders is conditional a long-term solution with BNDES.

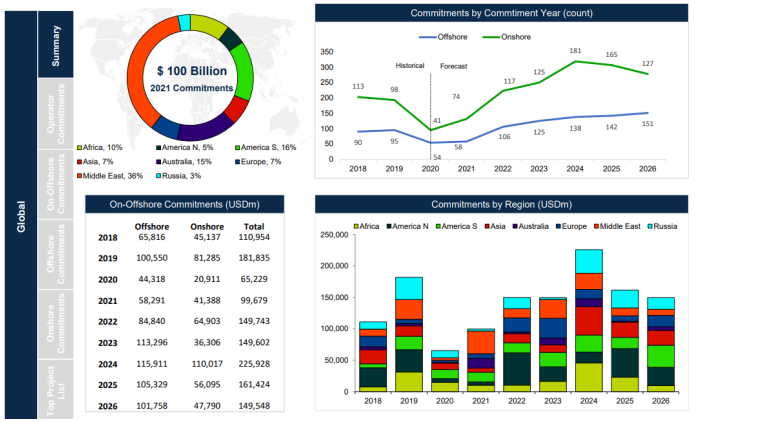
Markets & Outlook

Global Macro Outlook

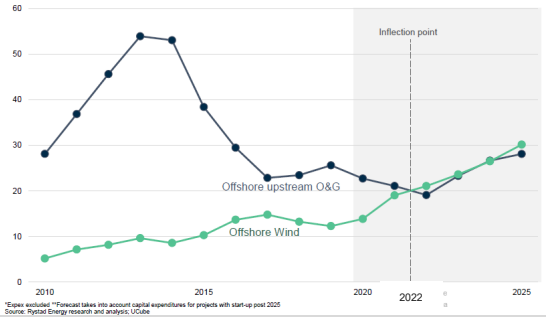
Trends related to the energy market:

- Current oil price increase since OPEC+ pressured the market in June. **2025 forecast** “Brent base case” of **$55.**
- Total **offshore capex** is expected to grow by **7.9%** to reach $130 million with offshore **deepwater growing by 23.3%.**
- Total **offshore opex** is expected to grow by **2.5%** to reach $136 billion, **deepwater** growing by **7%** and **offshore shelf is flat.**
- For longer term beyond 2025; fundamental change is taking place in industry. **Renewables will surpass oil & gas in capex expenditure.**

Global capital expenditure O&G



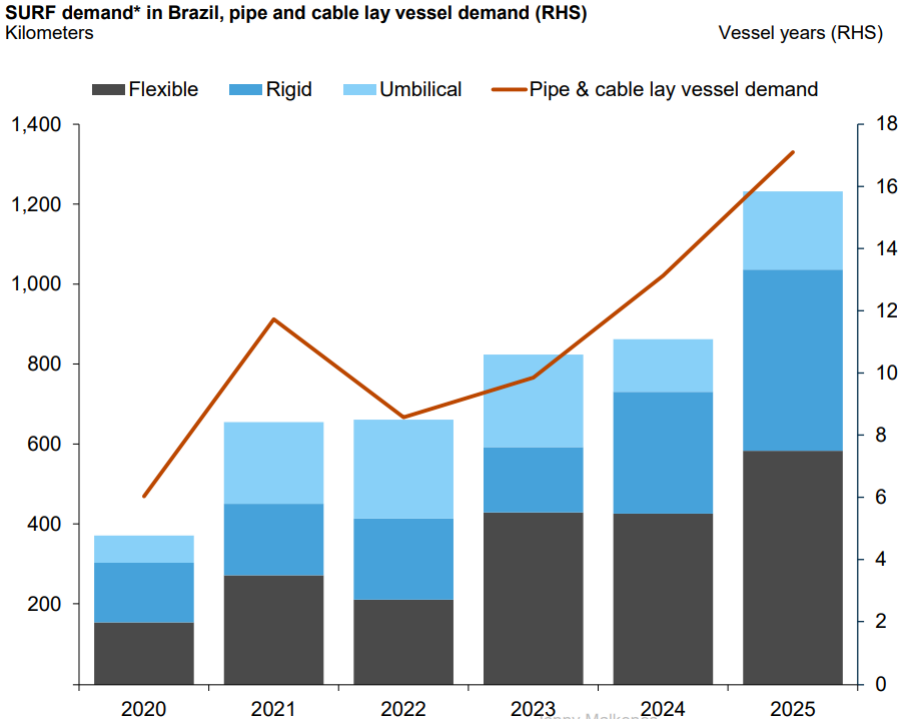
Expenditure Oil & Gas vs. Renewables



Source; Rystad, global service report June 2021; Rystad Project Sanctioning Report June 2021

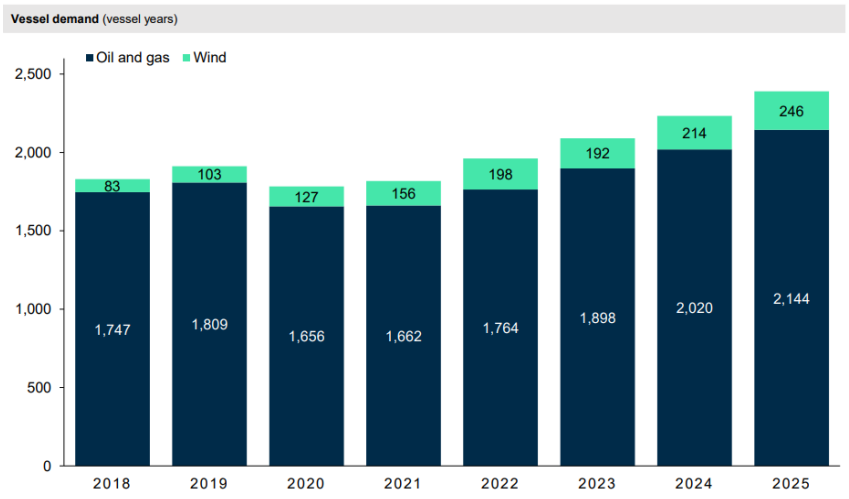
Increased SURF demand in Brazil = demand for vessels

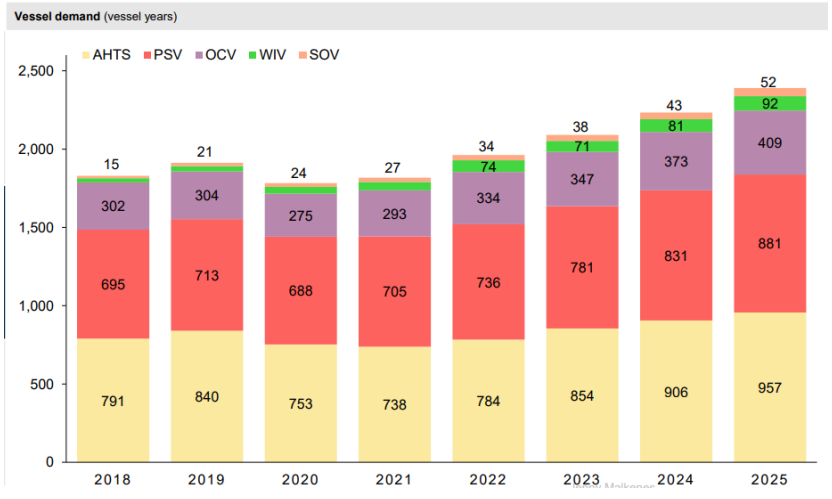
- Pre 2014 oil crisis, Brazil accounted for almost **1/3** of all **subsea trees awarded globally** between 2008-2013. Numbers remained low until Petrobras, amid Covid-19, started handing out FPSO awards again.
- With giant pre-salt projects coming up, a significant scope of orders will follow. Creating a healthy demand boost for subsea umbilical's, risers and flowlines (SURF).
- More than **4,200 km of SURF** lines will be ordered for new projects between 21-25. In addition to brownfield replacements of **900 km** in the same period.
- The increased demand bodes well for cable laying vessels in the region, with Petrobras looking to hire up to eight units for work in the Santos and Campos basin. Demand for pipe and cable lay vessels in Brazil is expected to increase by **23% CAGR** from 2018 to 2025.



1) Source; Rystad, Offshore Vessel Report Q2 2021

Total vessel prediction: sector and vessel type





Source; Rystad, Vessel report June 2021

Outlook

Operational & Markets

- The markets are expected to remain challenging, but signs of increased activity in certain regions:
  - The activity in Brazil is expected to increase further
  - The weak PSV and AHTS markets in the North Sea are expected to continue
- The activity within the subsea project segment is expected to remain high during 2nd half 2021
- Increased vessel demand within offshore wind
- The Group's firm backlog amounts to NOK 3.3 billion for the remainder of 2021
- The Operational EBITDA in 2nd half 2021 is expected to be better than 1st half

Financial

- Continued discussions with the Group creditors to reach a long-term refinancing solution
- The Group is dependent on continued standstill agreements with the lenders until a long-term financial solution is agreed to maintain as a going concern

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