Q4 2020

Financial Report

DOF ASA



Management reporting: Accounts 4th quarter 2020

RESULT

(MNOK)	Q4 2020	Q4 2019	2020	2019
Operating income	1 680	1 979	7 582	7 524
Operating expenses	-1 055	-1 199	-4 545	-4 808
Net profit from associated and joint ventures	-25	-32	-66	-47
Net gain on sale of tangible assets	7	0	19	4
Operating profit before depreciation and impairment - EBITDA	606	749	2 990	2 673
Depreciation	-255	-323	-1 097	-1 314
Impairment	-687	-328	-3 665	-1 449
Operating profit - EBIT	-335	98	-1 771	-90
Financial income	2	-0	25	42
Financial costs	-328	-321	-1 338	-1 273
Net realised gain/loss on currencies	-43	-10	-661	-255
Profit before unrealised finance costs	-704	-234	-3 745	-1 576
Unrealised finance costs	1 099	-53	-1 176	-763
Profit (loss) before taxes	395	-287	-4 921	-2 340
Taxes	-157	-226	-38	-542
Profit (loss)	238	-512	-4 959	-2 881

BALANCE

(MNOK)	31.12.2020	31.12.2019
ASSETS		
Tangible assets	18 657	24 303
Goodwill	-	85
Deferred taxes	314	200
Investment in associated companies and joint ventures	8	45
Other non-current financial assets	162	263
Total non-current assets	19 141	24 896
Receivables	1 679	1 761
Cash and cash equivalents	2 332	1 715
Asset held for sale	20	-
Total current assets	4 031	3 475
Total assets	23 172	28 371
EQUITY AND LIABILITIES		
Equity	-898	3 451
Non-current liabilities	3 969	8 422
Current liabilities	20 101	16 498
Total liabilities	24 070	24 920
Total equity and liabilities	23 172	28 371
Net interest bearing liabilities excluded effect of IFRS 16	19 513	21 169

CASH FLOW

(MNOK)	Q4 2020	Q4 2019	2020	2019
Net cash from operation activities	451	523	2 266	1 539
Net cash from investing activities	-159	-77	-314	-1 312
Net cash from financing activities	-325	-424	-774	-722
Net changes in cash and cash equivalents	-34	21	1 177	-495
Cash and cash equivalents at start of the period	2 447	1 679	1 715	2 240
Exchange gain/loss on cash and cash equivalents	-81	15	-560	-30
Cash and cash equivalents at the end of the period	2 332	1 715	2 332	1 715

Index

Financial report 4th Quarter 2020 4

Accounts Q4 2020 10

- Consolidated statement of profit or loss 10
- Consolidated statement of balance sheet 11
- Consolidated statement of equity 12
- Consolidated statement of cash flows 13

Notes to the Accounts 14

- Note 1 General 14
- Note 2 Management reporting 15
- Note 3 Segment information - management reporting 17
- Note 4 Operating income 17
- Note 5 Taxes 17
- Note 6 Tangible assets 18
- Note 7 Investment in associates and joint ventures 19
- Note 8 Cash and cash equivalent 19
- Note 9 Interest bearing liabilities 20
- Note 10 Guarantees 22
- Note 11 Contingency 22
- Note 12 Subsequent events 22
- Note 13 Transaction with related parties 23
- Note 14 Share capital and shareholders 23
- Note 15 Performance measurements definitions 24

Financial report 4th Quarter 2020

KEY INFORMATION

In summary, 2020 has been a challenging year due to continued downturn in the markets which has increased the pressure on earnings and utilisation. In addition, the COVID-19 virus has continued to impact operations. The Group has secured new contracts with a total value of approximately NOK 6.1 billion the last 12 months, and in the 4th quarter new contracts with a value of NOK 1.6 billion have been secured.

The restructuring of the Group's debt is ongoing and standstill agreements have been agreed until the 30th of April with the majority of the secured lenders and until the 31st of March with the bondholders. BNDES has extended the standstill agreement for the majority of the facilities until the 10th of June. The Group is dependent on continued standstill agreements with its creditors until a long-term financial solution is agreed to maintain as going concern.

The Group achieved an EBITDA (management reporting) of NOK 606 million (NOK 805 million) in 4th quarter, and an EBIT of NOK -335 million (NOK 98 million). EBITDA for the full year was NOK 2,990 million (NOK 2,861 million), and an EBIT of NOK -1,771 million (total impairments for the year was NOK 3,665 million).

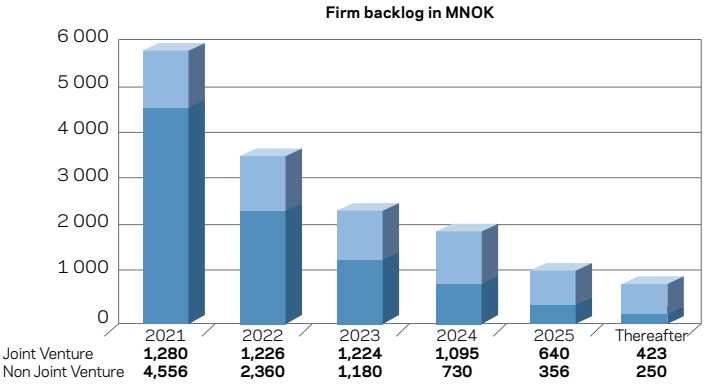
The owned fleet utilisation in 4th quarter was 68% (83%):
- 77% (79%) Subsea fleet, 59% (77%) AHTS fleet, 56% (94%) PSV fleet.

The total fleet includes 62 vessels (9 vessels on management):
- 18 AHTSs (7), 15 PSVs (1), 29 Subsea vessels (1), 70 ROVs.

General operational comments in Q4:
- Improved performance from subsea projects in the Asia-Pacific and the Atlantic regions;
- Increased activity in Brazil and several vessels mobilising for new contracts;
- Continued weak North Sea market.

12 vessels in lay-up (4 on management) by end of the quarter, versus 13 in lay-up by end of previous quarter.

The Group's current backlog is NOK 15.3 billion:



KEY FIGURES

	Management reporting		Financial reporting	
(MNOK)	Q4 2020	Q4 2019	Q4 2020	Q4 2019
Operating income	1 680	1 979	1 343	1 624
EBITDA	606	749	504	519
EBIT	-335	98	-383	44
Net financial costs	730	-384	704	-325
Profit (loss)	238	-512	238	-512
EBITDA - before hedge *)	606	805	504	575
NIBD (Net interest bearing debt)	19 820	21 499	16 286	16 888
NIBD (Net interest bearing debt) excluded effect of IFRS 16	19 513	21 169	15 980	16 558
Equity ratio	-4%	12%	-5%	15%

*) The hedge was terminated in 4th quarter 2019 and the ebitda is not effected by hedge in 2020.

Q4 Operations

The Q4 operational result per segment is as follows;

(MNOK)	PSV	AHTS	Subsea	Total
Operating income	133	269	1 277	1 680
Operating result before depreciation and impairment - EBITDA	27	84	496	606
Depreciation	29	53	173	255
Impairment	14	32	640	687
Operating result - EBIT	-16	-1	-318	-335
EBITDA margin	20%	31%	39%	36%
EBIT margin	-12%	0%	-25%	-20%

The main part of the Group's PSV and AHTS fleet operates on firm contracts or in the spot market, while the Subsea fleet is partly utilised on term contracts or on subsea IMR (Inspection, Maintenance, and Repair) project contracts. The majority of the 12 vessels in lay-up are within the PSV segment.

PSV

The PSV fleet includes 15 vessels, of which one vessel is owned via a minority share. The majority of the fleet operates in the North Sea market and on term contracts and five vessels have been in lay-up the entire period. Two vessels have operated in Australia, of which one contract finished in November. Skandi Aukra started a 2+2-year contract in December and Skandi Kvitsøy was awarded a 1+2x1-year contract in January, both in the North Sea. Skandi Buchan was sold in December and delivered to new owners in January. The average utilisation for the owned PSV fleet has been 56% versus 94% in the 4th quarter 2019.

AHTS

The AHTS fleet includes 18 vessels with six vessels on management and one vessel owned via a minority share. By year end, five vessels were in lay-up of which one vessel is owned by the Group. One vessel held on management was sold and delivered to new owners in December, and one vessel has been prepared for recycling. Two vessels in Brazil were reactivated from lay-up during December for contracts with start up in the 1st quarter 2021. The average utilisation for the Group's owned AHTS fleet was 59% versus 77% in the 4th quarter 2019.

Nine vessels are operating in Brazil. All vessels are built in Brazil and are owned by the subsidiary Norskan Offshore Ltda. Petrobras is the main client. Skandi Rio and Skandi Botafogo have started to mobilise on new contracts with estimated start up in the 1st quarter 2021. Skandi Rio has been awarded a 3+1-year contract with Petrobras and Skandi Botafogo will replace Skandi Rio on the PIDF project for DOF Subsea Brasil, keeping her busy until Q1 2022.

The North Sea spot market has been impacted by reduced activity. The utilisation rate in this region has been 51% and high volatility in rates.

SUBSEA

By year end, the Group operated a fleet of 29 Subsea vessels, including one vessel hired in from external owners. The majority of the fleet is owned by the subsidiary DOF Subsea AS.

The revenues from the subsea operation include revenues from subsea IMR project contracts and time charter contracts, mainly performed by DOF Subsea. The revenues from the subsea IMR contracts during the 4th quarter amounted to NOK 756 million (NOK 825 million). The Group's subsea IMR activities are operated from the Atlantic region, the Asia-Pacific region, the North America region, and the South America (Brazil) region. The overall utilisation of the owned Subsea fleet was 77% in the 4th quarter versus 79% in the 4th quarter last year. One vessel, Skandi Hav (built 1983) has been recycled in the quarter. By year end two vessels were in lay-up, of which one has mobilised for operation in 1st quarter.

The average utilisation rate for the owned Subsea IMR/Project fleet has been 64% (77%) in the 4th quarter. During the 4th quarter, the Asia-Pacific region has conducted IMR and construction work for Shell in the Philippines and in Australia. The region has further completed a saturation diving and riser installation project in Vietnam and a subsea equipment remediation project in South Korea. In the Atlantic region, the Group has executed a FPSO IMR campaign in Equatorial Guinea, a pipeline survey in the Mediterranean, a survey and AUV project in West Africa, multiple decommission projects and RSV services in the North Sea. In the North America region, the Group has conducted IMR and installation work for Husky Energy, RSV services for Shearwater in the Gulf of Mexico and decommission work for Encana. In the Brazil region, the mobilisation has commenced for the Service and Inspection contracts (PIDF) for Petrobras awarded last quarter. The Group has also been awarded a significant IMR service contract in the region, utilising the Skandi Salvador, also for Petrobras.

In the term chartering segment, the Skandi Africa commenced the 2-year contract extension in direct continuation of the former contract. The six PLSVs owned by the DOFCON JV have operated on firm contracts in the entire period with 98% utilisation.

Main Items Interim Accounts Q4 – Financial Reporting
The below figures represent the Group's consolidated accounts based on Financial Reporting.

P&L 4TH QUARTER

RESULT

(MNOK)	Q4 2020	Q4 2019
Operating income	1 343	1 624
EBITDA	504	519
EBIT	-383	44
Net financial costs	704	-325
Profit (loss)	238	-512

During the 4th quarter, the Group achieved an operating revenue of NOK 1,343 million (NOK 1,624 million) and an operating result before depreciation and impairment (EBITDA) of NOK 504 million (NOK 519 million). The EBITDA is impacted by reduced utilisation of the fleet compared to the 4th quarter previous year, which is mitigated by positive results from the JVs. The results from the JVs are NOK 163 million (NOK 5 million) and mainly represent net result in the DOFCON JV. The results from the DOF Deepwater JV have not been included since the shares were sold in October after the restructuring of this company in 3rd quarter.

The Group's operating result (EBIT) is NOK -383 million (NOK 44 million) and include impairments of NOK -687 million (NOK -213 million). The basis for the impairments is fair market values from two independent brokers and value-in-use calculations. The fair market values for the Group's fleet have dropped this quarter. The main part of impairments booked in the quarter is within the subsea segment. A continuing weak market will increase the risk of reduced earnings and asset values, hence further impairment of assets could be expected. The Group's assets are further sensitive to the USD/NOK rate.

The financial result is positive by NOK 704 million (NOK -325 million). Net interest costs were NOK -263 million (NOK -245 million) and net profit on currency and financial instruments were NOK 966 million (NOK -81 million). Both NOK and BRL have strengthened towards USD in the period, hence unrealised gain from currencies represent NOK 1,010 million (NOK -75 million) in the quarter. The Group's operations in Brazil are based on firm charter contracts where the USD revenue is secured with debt in corresponding currency, and the BRL revenue covers the operational costs, hence, the Group's cash exposure on FX fluctuations has been limited in this region. However, the significant weakened BRL to USD has year to date resulted in an accumulated currency loss (unrealised) of NOK 1.4 billion.

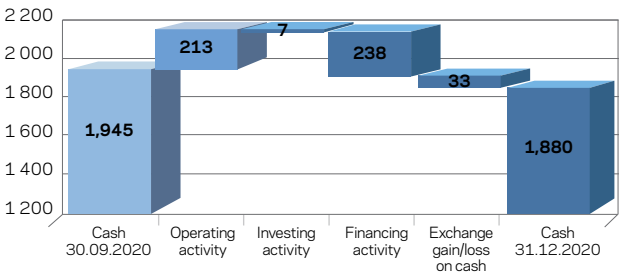
Net result before tax, in the 4th quarter, is NOK 238 million (NOK -512 million).

BALANCE

(MNOK)	31.12.2020	31.12.2019	Change %
Non-current assets	15 507	20 273	-24%
Current assets	1 585	1 795	-12%
Cash and cash equivalents	1 880	1 395	35%
Assets held for sale	20	-	-
Total assets	18 993	23 464	-19%
Equity	-898	3 451	-126%
Non-current liabilities	363	4 396	-92%
Current liabilities	19 528	15 617	25%
Total equity and liabilities	18 993	23 464	-19%
Net interest bearing debt (NIBD)	16 286	16 888	-4%
Net interest bearing debt (NIBD) excl. effect IFRS 16	15 980	16 888	-5%

Of the Group's total balance of NOK 18,993 million (NOK 23,464 million), vessels and subsea equipment amount to NOK 12,844 million (NOK 17,765 million). Six vessels are owned via the DOFCON JV and the book value is NOK 2,336 (NOK 1,806 including the DDW JV). Due to continued challenging markets and an unsustainable financial position for the Group, the values of the Group's assets have dropped substantially. Hence, depreciation and impairments represent the main difference in booked tangible assets from 2019 to 2020. The Group's equity is lost and negative with NOK -898 million (NOK 3,451 million).

Cash flow from Q4 2020



The operational cash flow after payment of interest and taxes, in the 4th quarter, was NOK 213 million (NOK 375 million), and net cash flow from investing activities was NOK -7 million (NOK 20 million). The net cash flow from financing activities was NOK -238 million (NOK -322 million). The Group (excluding the JVs) has not paid any instalments or interest to the vast majority of the secured lenders and the bondholders due to the standstill agreements. Cash served as security for outstanding debt are presented net of debt to credit institution with NOK 145 million.

Main Items YTD Accounts – Financial Reporting
The Group revenue, YTD December, was NOK 6,212 million (NOK 6,276 million) and EBITDA was NOK 2,105 million (NOK 1,815 million). The EBITDA has been positively impacted by a strong USD towards NOK and BRL, termination fees of NOK 110 million on cancelled contracts, and improved profit from the JVs (NOK 171 million in 2020 versus NOK 52 million in 2019. Operating profit (EBIT) was NOK -2,010 million (NOK -387 million). Total impairments amount to NOK 3,258 million (NOK 1,130 million). Net financial result is NOK -2,797 million (NOK -1,909 million). High volatility in USD has impacted the financial costs negatively and total loss on currencies (realised and unrealised) represent NOK -1,747 million (NOK -1,099 million). Net loss for 2020 is NOK -4,959 million.

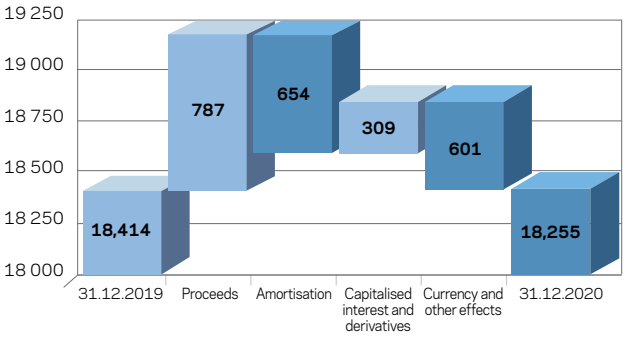
The operational cash flow for 2020 was NOK 1,445 million (NOK 919 million). Cash flow investment activities was NOK -3 million (NOK -1 million) and financing activities NOK -423 million (NOK -1,422 million).

Financing and Capital Structure
The Group's total interest-bearing debt comprise secured debt of NOK 15,701 million and unsecured debt/bonds NOK 2,554 million.

The restructuring of the Group's long-term debt is ongoing and standstill agreements have been agreed until the 30th of April 2021 with 91% of the secured lenders within the DOF ASA Group (excl. DOF Subsea Group) and 88% of the secured lenders within the DOF Subsea Group. The standstill agreements do not include the JVs (DOFCON). The DOF Subsea standstill agreements further assume payment of principal and interest of a NOK 100 million credit facility provided by certain lenders in March 2020. 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 requested repayment of approximately USD 47 million and has enforced account pledge on the earnings account for the relevant vessel. Another secured lender has enforced account pledge for one loan facility in DOF Subsea. The bondholders in DOFSUB07, DOFSUB08 and DOFSUB09 have further accepted a standstill until the 31st of March. An Ad-hoc group of bondholders can extend the standstill until the 30th of June.

BNDES has extended the standstill of the majority of the facilities in Norskan Offshore Ltda. and one facility in DOF Subsea Brasil until the 10th of June 2021. As previously reported BNDES has approved a 4-year restructuring agreement with the two Brazilian subsidiaries including soft amortisation until end 2023. The DOFCON JV has not applied for a general standstill, but has applied for use of grace periods, where applicable, under its loan facilities in Brazil.

Total interest bearing debt 31.12.2019 - 31.12.2020



The portion of debt secured with fixed rate of interest is approximately 59% of total debt and includes the debt with fixed interest in BNDES (Brazilian Development Bank).

The Company is guarantor for the debt in Iceman AS, in total NOK 425 million, where approximately 50% of the DOF guarantee is counter guaranteed by other shareholders in Iceman AS. The company has agreed a standstill period with the banks including deferral of interest and instalments until the 15th of March, and a long-term refinancing solution is currently under discussion with the lenders.

The Group's financial position is not sustainable, and a long-term financial solution is necessary to continue as going concern. Due to the ongoing debt restructuring of the Group, the vast majority of the Group's secured- and unsecured debt are classified as current debt. This classification is based on that standstill agreements for debt service with the banks and bondholders are less than 12 months.

The Group will continue the dialogue with its creditors to secure a long-term financial solution for the Group. Various debt restructuring proposals have been discussed with the secured lenders and the bondholders. The proposals include comprehensive restructuring of the Group's balance sheet, including conversion of debt.

Shareholders
By the end of December, the total share capital was NOK 309 million divided into 309 million shares. The main shareholder Møgster Offshore AS controls 32.37% of the Company and 31.60% on a fully diluted basis.

Employees
The Group employed as of the 31st of December 3,126 employees including hired staff, which is a slight decrease since the previous quarter. Total offshore personnel are 2,421 and 705 persons are employed onshore of which the majority are engaged within the subsea segment.

Health, Safety, Environment and Quality
There were no significant HSEQ issues identified in 4th quarter. The operations have continued to be challenging since the outbreak of COVID-19. Still, the Group has been able to protect its employees, executing the projects, and operating the vessels at close to normal throughout the year. However, the COVID-19 costs for the Group has in 2020 been significant and represent approximately NOK 100 million. Regarding environmental issues the Group received the A-score in the Carbon Disclosure Project 2019, which is an improvement from previous year and the next to the highest achievable score.

Events after balance date
On the 29th of January the Group agreed to extend the standstill agreements with the secured lenders representing in total 91% of the secured debt of DOF ASA and its subsidiaries and in total 88% of the secured debt of companies within the DOF Subsea AS Group (excluding the DOFCON JV and DOF Subsea Brasil Servicos Ltda).

The stand-still from BNDES to Norskan Offshore Ltda. has been extended to 10th June 2021, except in respect of certain loan facilities which are not eligible for further stand-still periods as the maximum stand-still periods under applicable regulations have been exhausted. The other secured lenders have accepted that Norskan Offshore Ltda. services interest and amortisations under these facilities.

In a bondholder meeting on the 1st of February a proposal to extend the standstill period until the 31st of March received 99.17%, 100% and 100% of the votes in DOFSUB07, DOFSUB08, and DOFSUB09. The Approval includes that the Ad-hoc group of bondholders has the option to extend the standstill period until the 30th of June 2021.

Outlook
The markets have continued to be challenging throughout the year. Still, the Group has managed to secure several contracts during the 2nd half of 2020 and maintained the utilisation of its owned fleet at 73% through the year, but the rate levels are still not at sufficient levels to serve the Group's total debt. The majority of the Group's high-end assets are committed on firm contracts and represent the largest value of the Group's backlog.

The continuing weak markets have increased the financial risk of the Group, and the Board of Directors expects the market conditions to remain challenging. The timing of a recovery is highly uncertain, and future earnings and asset values are difficult to forecast, hence further impairments of assets could be expected.

The 4th quarter financial report is prepared on the assumption of going concern. However, the Group's financial position is not sustainable as the equity is negative. and standstill agreements with the majority of the Group's creditors have continued since June 2020. Continuing weak markets will increase the risk of reduced earnings and further strain the Group's financial 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 will be further revised and will result in significant impairments of the Group's assets.

As mentioned above the Group has entered into standstill agreements with the majority of its creditors, including temporary deferral of payment of interest and instalments. Debt restructuring proposals have been presented and discussed with the secured lenders and bondholders, but a final solution is not yet in place. The proposals currently discussed include a comprehensive restructuring of the Group's balance sheet including conversion of debt, which again will have a significant adverse effect for the current holders of the equity. The Group is dependent on continued standstill agreements with its creditors until a long-term financial solution is agreed to maintain as going concern.

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

The Board of Directors of DOF ASA, February 24th, 2021

Hans Olav Lindal
Chairman

Helge Singelstad
Deputy Chairman

Marianne Møgster

Kathryn Baker

Mons S. Aase
CEO

Accounts Q4 2020

Consolidated statement of profit or loss

(MNOK)	Note	Q4 2020	Q4 2019	2020	2019
Operating income	3	1 343	1 624	6 212	6 276
Operating expenses		-1 009	-1 110	-4 297	-4 517
Net profit from associated and joint ventures	7	163	5	171	52
Net gain on sale of tangible assets		7	-	19	4
Operating profit before depreciation and impairment - EBITDA		504	519	2 105	1 815
Depreciation	6	-201	-263	-856	-1 071
Impairment	6	-687	-213	-3 258	-1 130
Operating profit - EBIT		-383	44	-2 010	-387
Financial income		6	10	71	97
Financial costs		-269	-255	-1 065	-1 024
Net realised gain/loss on currencies		-44	-6	-635	-237
Net unrealised gain/loss on currencies		964	-156	-1 112	-862
Net changes in fair value of financial instruments		46	81	-56	117
Net financial costs		704	-325	-2 797	-1 909
Profit (loss) before taxes		321	-281	-4 806	-2 296
Taxes	5	-82	-231	-153	-585
Profit (loss) for the period		238	-512	-4 959	-2 881
Profit attributable to					
Non-controlling interest		-15	-23	-49	-402
Controlling interest		253	-489	-4 909	-2 480
Earnings per share (NOK)		0,79	-1,55	-15,52	-7,84
Diluted earnings per share (NOK)		0,79	-1,55	-15,52	-7,84

Consolidated statement of comprehensive income

(MNOK)	Note	Q4 2020	Q4 2019	2020	2019
Profit (loss) for the period		238	-512	-4 959	-2 881
Items that will be subsequently reclassified to profit or loss					
Currency translation differences		103	51	604	24
Cash flow hedge		14	456	59	712
Cash flow hedge - impairment deferred tax		-	-	-	-240
Share of other comprehensive income of joint ventures	7	-233	-49	-47	66
Items that not will be reclassified to profit or loss					
Defined benefit plan actuarial gain (loss)		-1	12	-1	12
Other comprehensive income/loss net of tax		-117	471	616	574
Total comprehensive income/loss		122	-42	-4 343	-2 307
Total comprehensive income/loss net attributable to					
Non-controlling interest		-14	-14	-49	-363
Controlling interest		136	-28	-4 293	-1 945

Consolidated statement of balance sheet

(MNOK)	Note	31.12.2020	31.12.2019
ASSETS			
Tangible assets	6	12 844	17 765
Goodwill		-	85
Deferred tax assets		12	13
Investment in associated and joint ventures	7	2 336	1 806
Other non-current assets		270	604
Total non-current assets		15 462	20 273
Trade receivables		1 003	1 200
Other receivables		627	595
Current receivables		1 630	1 795
Restricted deposits		183	216
Cash and cash equivalents		1 697	1 179
Cash and cash equivalents incl. restricted deposits	8	1 880	1 395
Current assets		3 510	3 190
Asset held for sale		20	
Current assets included asset held for sale		3 531	3 190
Total Assets		18 993	23 464
EQUITY AND LIABILITIES			
Paid in equity		309	3 178
Other equity		-1 321	87
Non-controlling interests		114	186
Total equity		-898	3 451
Bond loan	9	-	-
Debt to credit institutions	9	-	3 994
Lease debt		301	370
Other non-current liabilities		62	33
Non-current liabilities		363	4 396
Current portion of debt	9	18 301	14 198
Accounts payable		675	759
Other current liabilities		551	660
Current liabilities		19 528	15 617
Total liabilities		19 890	20 013
Total equity and liabilities		18 993	23 464

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 01.01.2020	3 194	87	48	206	-254	87	170	3 451
Result (loss) for the period	-2 897		-2 012			-2 012	-49	-4 959
Other comprehensive income/loss			-48	604	59	616		616
Reclassification between CTA and cash flow hedge				-57	57	-		-
Total comprehensive income for the period	-2 897	-	-2 060	547	116	-1 397	-49	-4 343
Converted bond loan	12	-12				-12		-
Changes ownership non-controlling interest						-	-6	-6
Total transactions with the owners	12	-12	-	-	-	-12	-6	-6
Balance at 31.12.2020	309	75	-2 012	754	-139	-1 322	114	-898
Balance at 01.01.2019	3 277	232	544	196	-740	232	2 269	5 778
Result (loss) for the period	-244		-2 235			-2 235	-402	-2 881
Other comprehensive income/loss			40	24	472	535	39	575
Reclassification between CTA and cash flow hedge				-14	14	-		-
Total comprehensive income for the period	-244	-	-2 196	10	486	-1 700	-363	-2 307
Converted bond loan	145	-145				-145		-
Reduction of nominal value of the shares	-					-		
Reclassification	17					-	-17	-
Changes in non-controlling interest			1 700			1 700	-1 720	-20
Total transactions with the owners	162	-145	1 700	-	-	1 555	-1 737	-20
Balance at 31.12.2019	3 194	87	48	206	-254	87	170	3 451

Key figures

		Q4 2020	Q4 2019	2020	2019
EBITDA margin ex net gain on sale of vessel	1	37%	32%	34%	29%
EBITDA margin	2	38%	32%	34%	29%
EBIT margin	3	-29%	3%	-32%	-6%
Cashflow per share *)	4	0,62	0,85	1,50	2,06
Profit per share *)	5	0,75	-1,62	-15,67	-9,11
Profit per share ex. unrealised gain/loss on currencies and changes fair value of financial instruments *)	6	-2,44	-1,38	-11,98	-6,75
Return on net capital	7			-552%	-83%
Equity ratio	8			-5%	15%
Net interest bearing debt				16 286	16 888
Net interest bearing debt excl. effect of IFRS 16				15 980	16 558
Number of shares				308 962 779	307 762 779
Potential average number of shares				316 456 168	316 456 168
Potential number of shares				316 456 168	316 456 168

1) Operating profit before net gain on sale of vessel and depreciation in percent of operating income.
2) Operating profit before depreciation in percent of operating income.
3) Operating profit in percent of operating income.
4) Pre-tax result + depreciation and impairment +/- unrealised gain/loss on currencies +/- net changes in fair value of financial instruments/potential average no of shares.
5) Result /potential average no. of shares.
6) Result + net unrealised currency gain/loss + net changes fair value of financial instruments/potential average no of shares.
7) Result incl non-controlling interest/total equity
8) Total equity/total balance

*) Key figures on cash flow per share, profit per share and profit per share ex. unrealised gain/loss on currencies and changes fair value of financial instruments are included controlling interest. Comparable figures are restated.

Consolidated statement of cash flows

(MNOK)	Q4 2020	Q4 2019	2020	2019
Operating result	-383	44	-2 010	-387
Depreciation and impairment	887	475	4 115	2 202
Gain/loss on disposal of tangible assets	-	-	-13	-4
Share of profit/loss from associates and joint ventures	-163	-5	-171	-52
Changes in accounts receivables	56	293	197	112
Changes in accounts payable	-120	-164	-84	-50
Changes in other working capital	115	62	28	204
Exchange rate effects on operating activities	-86	-108	-49	-152
Cash from operating activities	305	597	2 013	1 874
Interest received	4	10	34	69
Interest and other finance costs paid	-70	-212	-525	-980
Taxes paid	-27	-21	-78	-44
Net cash from operating activities	213	375	1 445	919
Payments received for sale of tangible assets	8	-	19	6
Purchase of tangible assets	-58	-69	-219	-510
Purchase of contract costs	-80	-	-80	-
Purchase of shares	-	-	-	-4
Received dividend	-	-	-	2
Other investments	124	89	276	506
Net cash from investing activities	-7	20	-3	-1
Proceeds from borrowings	-	-	230	-
Repayment of borrowings	-238	-302	-654	-1 403
Share issue	-	-	-	-
Purchase of convertible bond	-	-	-	-
Payments to non-controlling interests	-	-20	-	-20
Net cash from financing activities	-238	-322	-423	-1 422
Net changes in cash and cash equivalents	-31	73	1 018	-504
Cash and cash equivalents at the start of the period	1 945	1 295	1 395	1 932
Exchange gain/loss on cash and cash equivalents	-33	28	-533	-33
Cash and cash equivalents at the end of the period	1 880	1 395	1 880	1 395

Restricted cash amounts to NOK 183 million (NOK 216 million) and is included in the cash. Changes in restricted cash is reflected in the cash flow.

The Group has standstill agreements with the majority of the lenders and no interest and instalments have been paid to these lenders during 2020. As a result of this, the cash and cash equivalents have increased during 2020.

Restricted cash of NOK 145 million has been presented net of debt to credit institutions and included in installments of non-current debt.

For further information see Note 8 “Cash and cash equivalents”.

Notes to the Accounts

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 24th of February 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 2019.

The Financial Report are 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. The continuing weak markets have increased the financial risk of the Group, and the Board of Directors expects the marked conditions to remain challenging. The timing of a recovery is highly uncertain. A continuing weak market will increase the risk of lower earnings for the Group and further strain the Group's financial 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 will be further revised and will result in significantly impairments 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 the 31st of December 2019, 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	4th Quarter 2020			4th Quarter 2019		
(MNOK)	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
Operating income	1 680	-336	1 343	1 979	-356	1 624
Operating expenses	-1 055	47	-1 009	-1 199	89	-1 110
Net profit from associated and joint ventures	-25	188	163	-32	37	5
Net gain on sale of tangible assets	7	-	7	-	-	-
Operating profit before depreciation and impairment - EBITDA	606	-102	504	749	-230	519
Depreciation	-255	54	-201	-323	61	-263
Impairment	-687	-	-687	-328	115	-213
Operating profit - EBIT	-335	-48	-383	98	-54	44
Financial income	2	4	6	-	10	10
Financial costs	-328	59	-269	-321	67	-255
Net realised gain/loss on currencies	-43	-1	-44	-10	4	-6
Net unrealised gain/loss on currencies	1 053	-89	964	-134	-22	-156
Net changes in fair value of financial instruments	46	-	46	81	-	81
Net financial costs	730	-27	704	-384	60	-325
Profit (loss) before taxes	395	-74	321	-287	5	-281
Taxes	-157	74	-82	-226	-5	-231
Profit (loss)	238	-	238	-512	-	-512

RESULT	2020			2019		
(MNOK)	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
Operating income	7 582	-1 370	6 212	7 524	-1 248	6 276
Operating expenses	-4 545	248	-4 297	-4 808	291	-4 517
Net profit from associated and joint ventures	-66	237	171	-47	99	52
Net gain on sale of tangible assets	19	-	19	4	-	4
Operating profit before depreciation and impairment - EBITDA	2 990	-885	2 105	2 673	-858	1 815
Depreciation	-1 097	241	-856	-1 314	242	-1 071
Impairment	-3 665	406	-3 258	-1 449	319	-1 130
Operating profit - EBIT	-1 771	-239	-2 010	-90	-296	-387
Financial income	25	45	71	42	54	97
Financial costs	-1 338	273	-1 065	-1 273	249	-1 024
Net realised gain/loss on currencies	-661	26	-635	-255	18	-237
Net unrealised gain/loss on currencies	-1 120	9	-1 112	-880	18	-862
Net changes in fair value of financial instruments	-56	-	-56	117	-	117
Net financial costs	-3 150	354	-2 797	-2 249	340	-1 909
Profit (loss) before taxes	-4 921	115	-4 806	-2 340	44	-2 296
Taxes	-38	-115	-153	-542	-44	-585
Profit (loss)	-4 959	-	-4 959	-2 881	-	-2 881

Note 2 Management reporting (continued)

BALANCE	31.12.2020			31.12.2019		
(MNOK)	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
ASSETS						
Tangible assets	18 657	-5 813	12 844	24 303	-6 537	17 765
Goodwill	-	-	-	85	-	85
Deferred taxes	314	-301	12	200	-187	13
Investment in associated companies and joint ventures	8	2 328	2 336	45	1 760	1 806
Other non-current financial assets	207	108	315	263	341	604
Total non-current assets	19 186	-3 679	15 507	24 896	-4 623	20 273
Receivables	1 634	-49	1 585	1 761	35	1 795
Cash and cash equivalents	2 332	-452	1 880	1 715	-320	1 395
Asset held for sale	20		20	-		-
Total current assets	3 986	-500	3 486	3 475	-285	3 190
Total assets	23 172	-4 180	18 993	28 371	-4 908	23 464
EQUITY AND LIABILITIES						
Equity	-898	-	-898	3 451	-	3 451
Non-current liabilities	3 969	-3 606	363	8 422	-4 026	4 396
Current liabilities	20 101	-573	19 528	16 498	-882	15 617
Total liabilities	24 070	-4 180	19 890	24 920	-4 908	20 013
Total equity and liabilities	23 172	-4 180	18 993	28 371	-4 908	23 464
Net interest bearing liabilities excluded effect of IFRS 16	19 513	-3 533	15 980	21 169	-4 611	16 558

Note 3 Segment information - management reporting

4th Quarter 2020	Q4 2020 PSV	AHTS	Subsea	Total	2020 PSV	AHTS	Subsea	Total
Operating income	133	269	1 277	1 680	524	1 224	5 834	7 582
Operating result before depreciation and impairment - EBITDA	27	84	496	606	104	606	2 281	2 990
Depreciation	29	53	173	255	123	245	728	1 097
Impairment	14	32	640	687	252	730	2 682	3 665
Operation result - EBIT	-16	-1	-318	-335	-272	-369	-1 130	-1 771

4th Quarter 2019	Q4 2019 PSV	AHTS	Subsea	Total	2019 PSV	AHTS	Subsea	Total
Operating income	140	294	1 545	1 979	516	1 226	5 782	7 524
Operating result before depreciation and impairment - EBITDA	39	129	581	749	113	578	1 982	2 673
Depreciation	34	83	206	323	130	350	834	1 314
Impairment	60	63	205	328	92	339	1 018	1 449
Operation result - EBIT	-55	-17	170	98	-109	-110	129	-90

Note 4 Operating income

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

Operating income	Q4 2020	Q4 2019	2020	2019
Lump sum contracts	102	136	284	357
Day rate contracts	1 241	1 488	5 928	5 919
Total	1 343	1 624	6 212	6 276

Note 5 Taxes

Continued challenging market combined with the Groups refinancing process have increased the risk of not being able to give group contribution within the Group to reduce payable tax to Norway. Purpose of giving group contribution between companies in the Group is to offset taxable profit towards taxable loss carry forward within the Group. Change in tax assumptions has led to increased tax payable of NOK 25 million and deferred tax liability of NOK 57 million at year end 2020.

Note 6 Tangible assets

2020	Vessel and periodical maintenance	ROV	Operating equipment	Asset "Right-of-use"	Total
Book value at 31.12.2019	16 471	665	337	292	17 765
Addition	236	11	25	29	301
Reclassification	-42	16	-44		-71
Disposal	-2	2	-8	-3	-11
Depreciation	-586	-158	-60	-52	-856
Impairment loss	-3 158		-15		-3 173
Currency translation differences	-1 098	-3	-8	-2	-1 112
Book value at 31.12.2020	11 820	533	226	264	12 844

2019	Vessel and periodical maintenance	ROV	Operating equipment	Asset "Right-of-use"	Total
Book value at 01.01.2018	17 787	707	403		18 898
Implementation of IFRS 16 Leases				353	353
Book value at 01.01.2019	17 787	707	403	353	19 251
Addition	441	110	49	18 786	620
Disposal	-			-1	-1
Depreciation	-768	-158	-90	-55 913	-1 071
Impairment loss	-873		-20	-26 857	-921
Currency translation differences	-117	0	1	4	-113
Book value at 31.12.2019	16 470	660	342	292	17 765

Right-of-use asset
Net booked value of right-of-use assets at the 31st of December 2020 consists of property with NOK 256 million (NOK 280 million) and operating equipment with NOK 8 million (NOK 12 million).

Impairment
The fair market values have dropped due the significant drop in oil price and expected weaker markets going forward. In addition, all value in use calculation have been recalculated. 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 Q4 2020 have resulted in an impairment of vessels and equipment of NOK 687 million in the 4th quarter 2020 and NOK 3,258 million in total year 2020. No impairment has been done in the joint ventures in the 4th quarter 2020 and in 2020 total impairments represent NOK 406 million. In addition vessels in associates are impaired with NOK 21 million in Q4 2020 and NOK 51 million in total year 2020.

The markets within oil service are still challenging, and the timing of a recovery remains uncertain. 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 will be further revised and may 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 approximately NOK 324 million. Negative effect on net future cash flows with 20% will result in an additional impairment of the vessels with approximately NOK 1.4 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 455 million given no change in other assumptions. In addition a negative effekt on net future cash flows with 20% will result in an impairment of the vessels in joint ventures with NOK 350 million.

Note 7 Investment in associates and joint ventures

The Company's investment in associates and joint ventures as of 31.12.2020;

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%
Associated companies	
Master & Commander	20%
Skandi Aukra AS	34%
Iceman AS (Skandi Iceman)	35%
Semar AS	42%

Effect of application of IFRS 11 on investments in joint ventures;	31.12.2020
Opening balance 01.01.2020	1 806
Addition	6
Profit (loss)	171
Profit (loss) through OCI	-47
Negative value on investments reallocated to receivable and liabilities	399
Closing balance 30.12.2020	2 336

DOF Deepwater AS (DDW)
The Company, Akastor ASA and the secured lenders completed a debt restructuring and sale of the shares in DOF Deepwater AS (DDW) on the 11th of October 2020. For information about the guarantee from DOF ASA see note 10 Guarantees.

Note 8 Cash and cash equivalent

	31.12.2020	31.12.2019
Restricted cash	183	216
Cash and cash equivalent	1 697	1 179
Total cash and cash equivalent	1 880	1 395

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 145 million. Some lenders have exercised their right to set off such cash balances toward the outstanding loans. The Group has therefore chosen to present all 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 hierarchives 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 531 million and are included in unrestricted cash and cash equivalents.

Note 9 Interest bearing liabilities

Financing
The Board and Management have since the 2nd 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 April 2021 with 91% of the secured lenders within the DOF ASA Group (excl. DOF Subsea Group) and 88% of the secured lenders within the DOF Subsea Group. The standstill agreements do not include the JVs (DOFCON). The DOF Subsea standstill agreements further assume payment of principal and interest of a NOK 100 million credit facility provided by certain lenders in March 2020. 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 requested repayment of approximately USD 47 million and has enforced account pledge on the earnings account for the relevant vessel. Another secured lender has enforced account pledge for one loan facility in DOF Subsea. The bondholders in DOFSUB07, DOFSUB08 and DOFSUB09 have further accepted a standstill until the 31st of March. An Ad-hoc group of bondholders can extend the standstill until the 30th of June.

BNDES has extended the standstill of the majority of the facilities in Norskan Offshore Ltda. and one facility in DOF Subsea Brasil until the 10th of June 2021. BNDES has further in the 1st quarter 2020 signed a 4-year restructuring agreement with the two Brazilian subsidiaries including soft amortisation until end 2023.

The Group will continue the dialogue with its creditors to secure a long-term financial solution for the Group. Various debt restructuring proposals have been discussed with the secured lenders and the bondholders. The proposals include comprehensive restructuring of the Group's balance sheet, including conversion of debt.

The Group's secured and unsecured debt are, in accordance with IFRS, classified as current debt at the 31st of December 2020. 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 it's 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 9 Interest bearing liabilities (continued)

At the 31st of December 2020 the interest bearing liabilities are as follows;

	31.12.2020	31.12.2019
Non-current interest bearing liabilities		
Bond loan	-	-
Debt to credit institutions	-	3 994
Lease liabilities (IFRS 16) *)	301	370
Total non-current interest bearing liabilities	301	4 363
Current interest bearing liabilities		
Bond loan	2 554	2 589
Debt to credit institutions	15 305	11 291
Lease liabilities (IFRS 16) *)	94	91
Overdraft facilities	1	78
Total current interest bearing liabilities	17 954	14 050
Total interest bearing liabilities	18 255	18 414
Net interest bearing liabilities		
Other interest bearing assets non-current (sublease IFRS 16)	89	131
Cash and cash equivalents	1 880	1 395
Total net interest bearing liabilities	16 286	16 888
Net effect of IFRS 16 Lease	307	330
Total net interest bearing liabilities excluded IFRS 16 Lease liabilities	15 980	16 558

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

Current interest bearing debt in the statement of balance sheet included accured interest expenses NOK 347 million. Accured interest expenses are excluded in the figures above.

Loan divided on currency and fixed interest	Share fixed interest	Balance 31.12.2020
NOK	47%	7 184
USD	65%	10 671
CAD	100%	388
BRL	0%	12
Total	59%	18 255

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). The following are the changes in the Group's borrowings:

			Non-cash changes				
Reconciliation changes in liabilities	Balance 31.12.2019	Cash flows *)	Proceed lease debt	Capitalisation interest and derivatives	Amortised loan expenses	Currency adjustments	Balance 31.12.2020
Interest bearing liabilities							
Bond loan	2 589				1	-36	2 554
Debt to credit institutions	15 285	-265	6	309	6	-35	15 305
Lease liabilities	461	-91	29			-4	395
Overdraft facilities	78	-68				-9	1
Total interest bearing liabilities	18 414	-424	35	309	7	-85	18 255

*) Restricted cash of NOK 145 million has been presented net of debt to credit institutions and are included in the installments of non-current debt in the cash flow. See note 8 Cash and cash equivalents.

Note 10 Guarantees

DOF Deepwater (DDW)
The Company, Akastor ASA and the secured lenders completed a debt restructuring and sale of the shares in DOF Deepwater AS (DDW) on the 11th of October 2020. As part of the agreement, Akastor has taken over the Company's shares in DDW and has agreed a separate restructuring agreement for DDW. Akastor has further waived any recourse claims against the Company related to guarantee commitments in DDW. The Company's guarantee commitment for 50% of the secured debt in DDW is still valid and will be part of the debt restructuring of the Group. The Company's share of the secured debt amounts to NOK 522 million.

Iceman AS
The Company is guarantor for the debt in Iceman AS of in total NOK 425 million, with a 50% counter guarantee from other owners in this company. Iceman AS has agreed a standstill period with the banks including deferral of interest and instalments until the 15th of March, and a long-term refinancing solution is currently under discussion with the lenders.

For further information please see the Annual report 2019, note 28 Guarantees.

Note 11 Contingency

After a saturation dive campaign in Australia in 2017, some of the divers have been diagnosed with potential long-term health effects with various symptoms. The situation continues to be monitored, and the Group has engaged a team of globally recognised experts and has offered specialist medical support to the divers.

The incident has been under investigation by NOPSEMA since 2018 and the Group received a Prosecution Notice as a result of NOPSEMA's investigation in Q2 2020. The Group has engaged an external law firm to act on behalf of the Group for the defense of the charges by the prosecutor. Based on facts and circumstances it is the Group`s view that it is more likely than not that there will be no future cash outflow related to the dive campaign in 2017. No provision related to the dive campaign is included in the Group's accounts as of 31st of December 2020.

There is always a risk that changes in interpretations of facts and circumstances will be interpreted to the detriment of the Group. Such changes might result in future cash outflow for the Group.

For further information about contingencies, see Annual Report for 2019.

Note 12 Subsequent events

Contracts
Skandi Kvitsøy has been awarded a long-term contract in the North Sea by a multinational energy company. The charter contract will commence in 1st quarter 2021 for a duration of 1 year firm plus 2 x 1 year options.

Financing
On the 29th of January the Group agreed to extend the standstill agreements with the secured lenders representing in total 91% of the secured debt of DOF ASA and its subsidiaries and in total 88% of the secured debt of companies within the DOF Subsea AS Group (excluding the DOFCON JV and DOF Subsea Brasil Servios Ltda).

The stand-still from BNDES to Norskan Offshore Ltda. has been extended to 10th of June 2021, except in respect of certain loan facilities which are not eligible for further stand-still periods as the maximum stand-still periods under applicable regulations have been exhausted. The other secured lenders have accepted that Norskan Offshore Ltda. services interest and amortisations under these facilities.

In a bondholder meeting on the 1st of February a proposal to extend the standstill period until the 31st of March received 99.17%, 100% and 100% of the votes in DOFSUB07, DOFSUB08, and DOFSUB09. The Approval includes that the Ad-hoc group of bondholders has the option to extend the standstill period until the 30th of June 2021.

Note 13 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 2019.

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

Note 14 Share capital and shareholders

Largest shareholders as of 31.12.2020

Name	No. shares	Shareholding %
MØGSTER OFFSHORE AS	100 007 313	32.37%
AVANZA BANK AB	12 217 755	3.95%
BNP PARIBAS SECURITIES SERVICES	9 570 169	3.10%
NORDNET BANK AB	4 915 986	1.59%
NORDNET LIVSFORSIKRING AS	3 318 520	1.07%
BRETTEL INVEST AS	3 145 000	1.02%
BRØNMO, BJARTE	3 136 855	1.02%
SOTRA KRAN AS	2 754 062	0.89%
DRAGESUND INVEST AS	2 360 000	0.76%
HOLDEN, JIM ØYSTEIN	2 334 747	0.76%
SWEDBANK AB	2 157 497	0.70%
MOLY AS	2 007 749	0.65%
MOCO AS	1 984 419	0.64%
EBB HOLDING AS	1 949 097	0.63%
LAWO INVEST AS	1 857 377	0.60%
DANSKE BANK A/S	1 842 725	0.60%
BERGEN KOMMUNALE PENSJONSKASSE	1 800 000	0.58%
DP HOLDING AS	1 633 517	0.53%
SKANDINAVISKA ENSKILDA BANKEN AB	1 615 201	0.52%
WORKINN, BJØRN ÅGE	1 200 000	0.39%
Total	161 807 989	52.37%
Total other shareholders	147 154 790	47.63%
Total no of shares	308 962 779	100.00%

Note 15 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.

EBITDA before hedge – Ebitda as described above adjusted for hedge accounting of revenue, according to mangement reporting.

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

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

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

Profit before unrealised finance costs – Profit before net unrealised gain/loss on currencies and net changes in the fair value of financial instruments.

Unrealised finance costs – Total unrealised gain/loss on currencies and net changes in the fair value of financial instruments.

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.

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
25 Loyang Crescent
Block 302 TOPS Avenue 3
#01-11
SINGAPORE 508988
Phone: +65 6868 1001
Fax: +65 6561 2431
management@dof.com

DOF Subsea Asia Pacific Pte Ltd
25 Loyang Crescent
Block 302 TOPS Avenue 1
#01-11
SINGAPORE 508988
Phone: +65 6561 2780
Fax: +65 6561 2431

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