DOF Subsea

Financial Report Q3 2024



DOF Subsea

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Report distribution
The Q3 2024 financial report for DOF Subsea AS is to be published on 7th of November 2024 and will be available on the Company website: www.dof.com.

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

Directors' report

3rd Quarter 2024

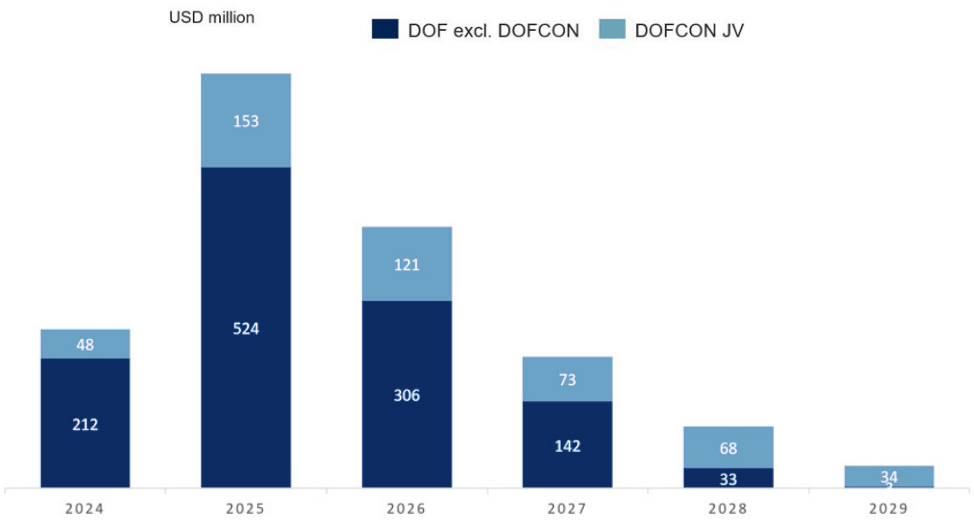
Key figures

	Management reporting		Financial reporting	
(USD million)	Q3 2024	Q3 2023	Q3 2024	Q3 2023
Operating revenue	291	245	253	203
EBITDA	110	99	91	82
EBIT	68	73	63	64
Profit (loss)	47	46	47	46
NIBD (Net interest bearing debt)	712	796	413	451
EBITDA ratio	38%	40%	36%	40%
Equity ratio	47%	38%	55%	46%

Key financial & operational information

Operations

- The Group achieved an EBITDA of USD 110 million (USD 99 million).
- The Group's cash flow from operating activities was USD 74 million (USD 86 million) in the quarter.
- The equity ratio has improved from 38% to 47% due to strong results the last 12 months.
- The net interest-bearing debt has been reduced from USD 796 million to USD 712 million.
- The average utilisation of the fleet has been 92% (87%) in the quarter.
- The performance has been good in the APAC, North America and the Atlantic regions, and stable in Brazil.
- The total fleet consists of 27 vessels including 6 vessels in the JV and 5 vessels hired in.
- The order intake in 3rd quarter was USD 0.4 billion.
- Firm backlog by end September is USD 1.71 billion (USD 1.31 billion).
- The DOF Group has on 1st of November completed the acquisition of Maersk Supply Service A/S ("MSS") which has been renamed to DOF Denmark A/S. MSS will not be part of DOF Subsea Group but result in increased available vessels for the subsea projects.
- DOF Subsea Group Backlog (end quarter):



Note: all numbers above are based on management reporting

Q3 operations

The Group owns 22 subsea vessels (including the DOFCON fleet) and has in the quarter hired in five vessels from external owners on term contracts. The overall utilisation of the DOF Subsea fleet has been 92% (87%) in the quarter.

The total revenues from Subsea project contracts represented 83% of DOF Subsea's revenue and totals USD 242 million (USD 188 million) in the quarter. The DOF Subsea's operations are managed from four regions: The Atlantic Region, The Asia-Pacific Region, The North America Region, and the South America Region (mainly Brazil).

The Atlantic region has operated in total seven vessels fully or partly in the quarter. Skandi Acergy has continued operating at the Tortue field in West Africa and this contract is expected to continue into the 1st quarter of 2025. Skandi Seven has been fully utilised for an operator in Angola and this contract has been extended by two years from end November 24. Several vessels have been working on projects across the North Sea and West Africa. Maersk Installer has been close to fully utilised on various projects in the North Sea and started on a project in West Africa towards the end of the 3rd quarter. The region signed a long-term IMR contract (3 years firm, and with 3x1 year options) with Equinor in June this year. Offshore operations will commence in Q2 2025, utilising the chartered in vessel REM Inspector.

The performance in Asia-Pacific region has been strong in the quarter utilising two vessels on various projects and two vessels on firm contracts. Skandi Singapore has provided IMR vessel services under a frame agreement with Chevron and Skandi Hercules has been providing IMR and Decommissioning vessel services for various clients including Jadestone and Woodside. Skandi Hawk and Skandi Darwin have continued operating on firm contracts in the Philippines and Australia. The region has been awarded an extension for the Skandi Singapore and a decommissioning contract for the Skandi Hercules, offshore Australia, securing full utilisation for the remainder of 2024.

The activity in the North America region, has been high in the period utilising the two 3rd party JAC chartered vessels on various projects in the Gulf of Mexico. The Chloe Candies worked the entire period on a large Seismic Ocean Botton Node project, while the Connor Bordelon took care of several IRM, survey and Intervention tasks for several Operators. The region has further been serving the long-terms contracts with ExxonMobil in Guyana utilising the Havila Phoenix and the Skandi Constructor and with Cenovus in Canada utilising the Skandi Vinland, where in both contract the local project management and engineering teams were given new challenges, a mooring replacement project in Canada and providing support to a "Gas to Shore"project in Guyana. The average utilisation of the fleet has been high in the quarter.

The Brazil region has continued on the PIDF contract with Petrobras operating multiple vessels on this survey and inspection project utilising the chartered in vessel Stril Explorer, Skandi Carla, Geoholm and also Skandi Achiever following completion of the long-term DSV contract with Petrobras. Skandi Achiever has also operated in the short-term market for various clients and achieved good utilisation including a successful sat diving campaign to Trident early in the quarter. Skandi Salvador started on a new contract with a tier-1 Contractor in August following completion of the long-term MPSV contract with Petrobras. The RSVs have achieved stable operations throughout the quarter including AUV operations.

Tendering activities are very high, primarily towards Petrobras, which has issued new AHTS and RSV tenders during the quarter, with mobilisations planned for 2025 and 2026. A new large program of new builds in Brazil has further been launched by Petrobras with PSV and OSRV tenders ongoing and RSV tender expected in the next quarter.

The DOFCON JV fleet achieved a utilisation of 91% (76%) in the quarter and all vessels are committed on firm contracts with Petrobras. Skandi Buzios went back on-hire on its contract with Petrobras on the 1st of August after a long off-hire period due to the fire incident in 2023. DOFCON is expected to have stable operations and improved earnings going forward due to the new 3-years contracts for the Skandi Vitoria and Skandi Niteroi commencing in 4th quarter 2025. Skandi Açu has further been awarded an extension on the existing contract until mid-2026 and a new 3-year contract with Petrobras will start-up after completion of the old contract.

Skandi Africa, has been extended with 2 years on the contract with TechnipFMC, hence the vessel is firm until May 2028.

ESG (Environmental, Social, and Governance) Q3

During the quarter, there has been an increased number of incidents compared to last quarter. The total recordable injury rate of 2.41 (1.96) per million man-hours is up from last quarter. There were four Restricted Workday Cases in the quarter. There was one Lost Time Injury in the quarter and the lost-time injury frequency rate of 0.56 (0.39) is up from previous quarter. Despite increased number of incidents, the incidents are with a low risk factor and no permanent disabilities.

Regarding Governance, the number of NCRs and audits are stable, although there are small variations. There have been no fines or non-monetary sanctions due to non-compliance.

There were no significant spills above 50 litres in the quarter.

Regarding people, the headcount per end of quarter was 1,949 (1,872) and absence rate due to sickness was 1.9% (1.8%). There were no data privacy breaches.

Financial Reporting Q3 - Highlights

The Group has a global operation with the main exposure to USD, and a reporting currency in USD. Most of the Norwegian companies in the Group have adjusted the functional currency to USD accordingly.

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

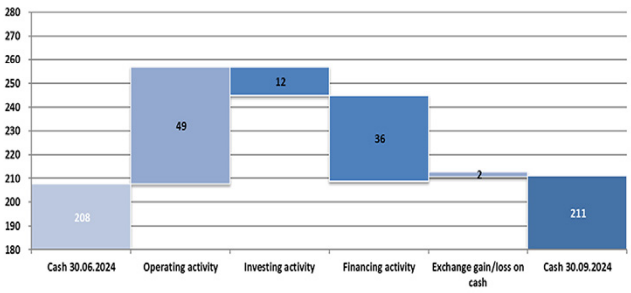
RESULT	Q3 2024	Q3 2023
(MUSD)		
Operating revenue	253	203
Operating expenses	-169	-139
Share of net profit from joint ventures	7	16
Net gain on sale of tangible assets	0	1
EBITDA	91	82
Depreciation and impairment	-28	-17
Impairment/reversal of impairment	-0	-0
EBIT	63	64
Net interest income and costs	-10	-13
Net currency and derivatives	1	4
Profit before taxes	53	55
Taxes	-6	-9
Profit	47	46

The Group have achieved a better Ebitda than in 3rd quarter last year and most of the positive variance comes from the project activity. The net result from the DOFCON JV is lower versus last year mainly due to higher depreciation and one month off-hire on Skandi Buzios. In 3rd quarter last year the Skandi Buzios off-hire was covered by LOH insurance. The depreciations are slightly higher than last year mainly due to higher booked values of tangible assets after reversal of impairments in 2023.

The net interest costs of USD -10 million (USD -13 million) is slightly lower due to reduced net interest-bearing debt. The secured loan facilities in DOF Subsea are drawn in USD while the DOF Subsea convertible bond loan are drawn in NOK.

The tax costs mainly include withholding tax on contracts in certain regions and corporate tax.

Cash flow



The cash flow from operations are USD 49 million versus USD 60 million last year mainly due to higher activity and increase in receivables.

The cash flow from investing activities are mainly maintenance capex. Financing activities include USD -26 million as repayment of the Group's secured debt and lease payments of USD -9 million. The lease payments are mainly payments to external vessel owners and include contractual commitment on three long-term lease contracts. Lastly a dividend payment to the minority shareholders in DOF Installer of USD 1 million was paid in July. The Group has after July taken over 100% of the shares in DOF Installer.

BALANCE SHEET	30.09.2024	30.09.2023
(MUSD)		
Non-current assets	1 455	1 245
Current assets	341	250
Cash and cash equivalents	211	210
Total assets	2 007	1 705
Equity	1 094	785
Non-current liabilities	650	718
Current liabilities	262	203
Total equity and liabilities	2 007	1 705
Net interest bearing debt (NIBD)	413	451
Net interest bearing debt (NIBD) excl. effect IFRS 16	346	429

The Group's balance sheet by end of September 2024 has an equity ratio of 55% (46%) and a reduction in the Net interest-bearing debt of USD 38 million.

The non-current assets include vessels and subsea equipment, contract costs, the JV investment and other long-term assets. Of total non-current assets USD 1,278 million (USD 1,110 million) represent vessels and the shares in DOFCON JV. USD 20 million (USD 16 million) represents contract costs which are amortised during the various contract periods. Other long-term assets of USD 103 million (USD 107 million) mainly comprise a shareholder loan to DOFCON JV. The significant increase in current assets reflects the continued increased activity.

Equity has increased due to a strong result during the last 12 months.

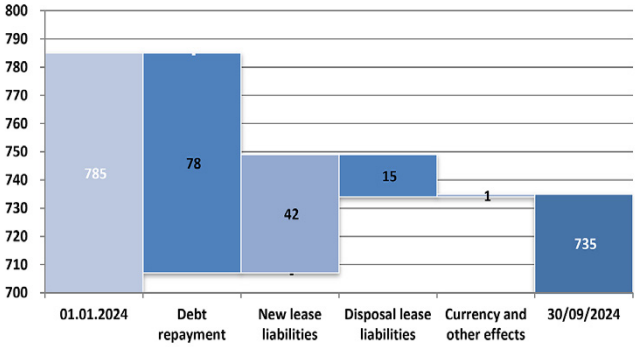
The non-current liabilities include secured liabilities of USD 576 million (USD 656 million), bond loan of USD 73 million (USD 68 million) and lease liabilities and other debt of USD 86 million (USD 49 million). Lease liabilities are mainly related to vessels hired in from external owners. Of the current liabilities, USD 41 million (USD 42 million) represent 12 months amortisation of the secured debt and USD 44 million (USD 15 million) represent lease debt. Other short-term debt has increased due to higher activity.

The net working capital (excl. cash and short portion NIBD) by the end of September is USD 163 million (USD 104 million).

Financing and Capital Structure

The Group's total interest-bearing debt at the end of the quarter is USD 735 million of which USD 576 million represent secured debt to credit institutions, USD 73 million as bond debt in DOF Subsea and USD 86 million as lease debt (related to right-of-use assets and sub leases). Approximately 85% of the Group's debt is drawn in USD and the remaining debt is drawn in NOK.

Interest bearing debt 01.01.2024 - 30.09.2024



The main terms in the loan facilities drawn in 1st quarter 2023 include a margin of ~2% above NIBOR/SOFR), low amortisation cash sweep mechanism, no dividend payments and limitations on investments. These facilities mature in January 2026.

Cash sweep in the quarter represent USD 3.8 million on one BNDES facility and is payable in 4th quarter. In addition, USD 10 million has been done as a prepayment on the DOF Subsea loan facility.

The convertible bond loan in DOF Subsea matures in December 2027 and includes interest (PIK) of NIBOR+ 2%. Debt service of the bond loan is 1/3 of any dividends from the DOFCON JV, and so far, this has not yet materialised. The bond loan may be converted to equity on maturity in December 2027.

The debt in the DOFCON JV's fleet has mainly been funded by BNDES and Eksfin where the first loan facility matures in 2027. As part of the financial restructuring any dividend payments to the DOF Group from DOFCON JV shall be utilised to repay the secured debt and bond loan. The DOFCON semi-annual dividend payments were paused after the Skandi Buzios incident and since the vessel is now on-hire it has been decided to resume dividend payments.

The Skandi Hera, and Skandi Darwin is financed by three loan facilities at normal market terms and 5-year duration. This financing is non-recourse.

The Group has started the planning of the refinancing of the restructured debt that matures in January 2026 with the target to achieve a leaner financial structure and to position DOF Group to pay dividend from 2025.

Shareholders

By quarter end, the shares in DOF Subsea AS were owned by DOF Group ASA.

Subsequent events

The DOF Group has on the 1st of November completed the acquisition of all the shares in Maersk Supply Service A/S ("MSS"). Further details on the transaction are available in the quarterly report for DOF Group ASA and on the website: www.dof.com.

Outlook

After completion of the MSS transaction the DOF Group now comprises a workforce of more than 5,400 employees with 79 modern offshore & subsea vessels including one newbuild, (66 owned), and engineering capacity, and will strengthen the Group's integrated service offering and position towards a strong oil & gas market and a growing offshore wind market.

DOF and MSS' current operations are both strategically and geographically complementary, and future growth ambitions are strongly aligned. Hence the combined group will become a leading offshore service provider with comprehensive scale and a wide range of services across all continents. For DOF this is an immediate fleet expansion without need for substantial newbuild lead time, and with significantly lower per vessel investment requirement.

The markets have continued to improve especially within the subsea and AHTS segment and the Group is well positioned towards an expected increased demand for the Group's assets and services both in the oil and gas market and the renewable markets.

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Accounts

3rd Quarter 2024

Amounts in NOK million

Consolidated statement of profit or loss

(MUSD)	Note	Q3 2024	Q3 2023	Acc Q3 2024	Acc Q3 2023	2023
Operating revenue	3	253	203	716	609	816
Operating expenses	5	-169	-139	-484	-431	-587
Share of net profit from joint ventures and associates	6	7	16	26	37	40
Net gain (loss) on sale of tangible assets		0	1	0	1	3
Operating profit before depreciation and impairment - EBITDA		91	82	259	216	272
Depreciation	4	-28	-17	-80	-48	-72
Impairment (-)/reversal of impairment	4	-0	-0	3	26	128
Operating profit - EBIT		63	64	181	194	327
Financial income		5	3	16	9	17
Financial costs		-16	-17	-48	-53	-69
Net realised currency gain (loss)		-3	-2	-8	-102	-98
Net unrealised currency gain (loss)		3	6	3	57	74
Net financial costs		-10	-9	-37	-88	-77
Profit (loss) before taxes		53	55	144	106	251
Taxes income (cost)		-6	-9	-23	-29	8
Profit (loss) for the period		47	46	121	77	259
Profit attributable to						
Non-controlling interest		-0	0	-0	-1	4
Controlling interest		47	46	121	78	255

Consolidated statement of comprehensive income

(MUSD)	Note	Q3 2024	Q3 2023	Acc Q3 2024	Acc Q3 2023	2023
Profit (loss) for the period		47	46	121	77	259
		-				
Items that will be subsequently reclassified to profit or loss		-				
Currency translation differences		7	-2	-7	6	25
Share of other comprehensive income of joint ventures	6	1	1	2	2	3
Items that not will be reclassified to profit or loss						
Other comprehensive income/loss net of tax		8	-2	-5	9	28
Total comprehensive income/loss		55	45	116	85	287
Total comprehensive income/loss net attributable to						
Non-controlling interest		-0	1	-0	-2	4
Controlling interest		55	45	116	87	283

Amounts in USD million

Consolidated statement of balance sheet

ASSETS	Note	30.09.2024	30.09.2023	31.12.2023
Tangible assets	4	928	789	944
Contract costs	5	20	16	23
Deferred tax assets		55	12	58
Investment in joint ventures and associated companies	6	350	321	322
Other non-current receivable		103	107	106
Total non-current assets		1 455	1 245	1 454
Trade receivables		274	209	230
Other current receivables		67	41	48
Current receivables		341	250	278
Restricted deposits		71	75	77
Unrestricted cash and cash equivalents		140	135	127
Cash and cash equivalents	7	211	210	204
Current assets		552	461	481
Total Assets		2 007	1 705	1 935

Amounts in USD million

Consolidated statement of balance sheet

EQUITY AND LIABILITIES	Note	30.09.2024	30.09.2023	31.12.2023
Share capital		194	194	194
Other equity		901	587	784
Non-controlling interests		0	4	9
Total equity		1 094	785	987
Bond loan		73	68	72
Debt to credit institutions	8	535	615	588
Lease liabilities	8	42	34	59
Other non-current liabilities		0	1	0
Non-current liabilities		650	718	719
Current portion of debt	8	41	42	42
Current portion of lease liabilities	8, 9	44	15	25
Trade payable		138	113	122
Other current liabilities		40	33	40
Current liabilities		262	203	229
Total liabilities		912	921	948
Total equity and liabilities		2 007	1 705	1 935

Amounts in USD million

Consolidated statement of cash flows

	Q3 2024	Q3 2023	Acc Q3 2024	Acc Q3 2023	2023
Operating result	63	64	181	193	327
Depreciation and impairment	28	17	77	22	-55
Gain (loss) on disposal of tangible assets	0	-1	0	-1	-3
Share of net income from associates and joint ventures	-7	-16	-26	-36	-40
Dividend received from joint ventures	0	0	0	0	3
Amortisation of contract costs	6	1	12	4	6
Changes in trade receivable	-28	22	-44	-33	-42
Changes in trade payable	-6	17	15	9	14
Changes in other working capital	13	-26	-12	-53	-54
Exchange rate effects on operating activities	0	0	0	-2	-5
Cash from operating activities	69	79	203	102	152
Interest received	3	2	8	7	11
Interest and other finance costs paid	-14	-16	-43	-61	-77
Taxes paid	-7	-5	-21	-21	-28
Net cash from operating activities	49	60	146	27	59
Payments received for sale of tangible assets	0	14	0	14	13
Purchase of tangible assets	-12	-11	-44	-39	-44
Purchase of contract costs	-1	-3	-10	-10	-18
Payment of acquisition, net of cash	0	2	0	2	2
Payment received on sale of shares	0	1	0	1	1
Purchase of shares	-1	-2	-8	0	0
Net cash from non-current receivables	2	0	8	5	8
Net cash from investing activities	-12	1	-54	-27	-37
Proceeds from borrowings	0	0	0	0	0
Repayment of borrowings	-26	-31	-53	-88	-113
Repayment of lease liabilities	-9	-4	-25	-9	-15
Restricted cash net of debt	0	0	0	88	88
Dividend paid	-1	-4	-1	-4	-4
Net cash from financing activities	-36	-38	-80	-13	-44
Net changes in cash and cash equivalents	1	22	13	-14	-22
Cash and cash equivalents at the start of the period	208	184	204	225	225
Exchange gain/loss on cash and cash equivalents	2	4	-5	-1	1
Cash and cash equivalents at the end of the period	211	210	211	210	204

Restricted cash amounts to USD 71 million (USD 75 million) and is included in the cash.

Restricted cash, previously offset against debt to credit institutions has been reclassified to cash in March 2023. The cash effects of the reclassification is reflected in the financing activities.

For further information, please see note 7 “Cash and cash equivalents”.

Amounts in USD million

Consolidated statement of changes in equity

(MUSD)	Share capital	Other equity - contributed capital	Other equity	Total other equity	Non-controlling interest	**Total equity**
Balance at 01.01.2024	194	280	503	783	9	**987**
Result (loss) for the period			121	121	-	**121**
Other comprehensive income/loss			-5	-5	-	**-5**
Total comprehensive income for the period	-	-	116	116	-	**116**
Dividend to non-controlling interest				-	-1	**-1**
Changes in non-controlling interest				-	-8	**-8**
Total transactions with the owners	-	-	-	-	-9	**-9**
Balance at 30.09.2024	194	280	619	899	0	**1 094**
Balance at 01.01.2023	170		189	189	9	**368**
Result (loss) for the period			78	78	-1	**77**
Other comprehensive income/loss			13	13	-1	**12**
Total comprehensive income for the period	-	-	91	91	-2	**89**
Debt conversion	24	276		276		**300**
Dividend paid					-3	**-3**
Other adjustment		-1	33	32		**31**
Total transactions with the owners	24	275	33	308	-3	**328**
Balance at 30.09.2023	194	275	313	588	4	**785**
Balance at 01.01.2023	170		189	189	9	**368**
Result (loss) for the period			255	255	4	**259**
Other comprehensive income/loss			17	17		**17**
Total comprehensive income for the period	-	-	272	272	4	**276**
Debt conversion	24	276		276		**300**
Dividend paid					-3	**-3**
Other adjustment		4	43	47		**47**
Total transactions with the owners	24	280	43	323	-3	**344**
Balance at 31.12.2023	194	280	504	784	9	**987**

Notes to the accounts

3rd Quarter 2024

Amounts in USD million

Notes to the financial statements

Note 1 General

The Company is owned by DOF Group ASA as a sole shareholder with 100 % ownership stake.

DOF Subsea AS is the parent company in the DOF Subsea Group exercising control over a number of subsidiaries. The Company also holds investmens in associates and joint arrangements.

The DOF Subsea Group has two business segments,Subsea/IMR Projects and Long-term Chartering. In these segments, the Group provides integrated subsea and marine services to the world`s offshore energy procedures.

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 2023.

Presentation currency changed from NOK to USD from year 2024

The Group has a global operation with the main currency in USD and from 2024 the presentation currency is changed from NOK to USD.

In addition, some of the Norwegian companies in the Group has changed their functional currency to USD as from 2024.

Comparable accounts for the for year 2023 are restated to USD.

Estimates and judgements

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

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31st of December 2023.

Note 2 Management reporting

Amounts in USD million

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.

	3 Quarter 2024			3 Quarter 2023		
(MUSD)	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
Operating revenue	291	-38	253	245	-42	203
Operating expenses	-181	12	-169	-148	9	-139
Net profit from associated and joint ventures	-	7	7	1	16	16
Net gain on sale of tangible assets	-	0	0	1	-	1
Operating profit before depreciation and impairment - EBITDA	110	-19	91	99	-17	82
Depreciation	-42	14	-28	-25	8	-17
Impairment (-)/ reversal of impairment	0	-0	-0	-0	-	-0
Operating profit - EBIT	68	-5	63	73	-9	64
Financial income	4	1	5	4	-0	3
Financial costs	-19	3	-16	-21	4	-17
Net realised gain/loss on currencies	-3	-0	-3	-2	0	-2
Net unrealised gain/loss on currencies	6	-2	3	-3	9	6
Net financial costs	-12	2	-10	-22	13	-9
Profit (loss) before taxes	56	-3	53	51	4	55
Taxes	-9	4	-6	-5	-4	-9
Profit (loss)	47	0	47	46	0	46

	Acc 3 Quarter 2024			Acc 3 Quarter 2023		
(MUSD)	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
Operating revenue	816	-100	716	732	-123	609
Operating expenses	-517	33	-484	-458	26	-431
Net profit from associated and joint ventures	0	26	26	1	36	37
Net gain on sale of tangible assets	0	-	0	1	-	1
Operating profit before depreciation and impairment - EBITDA	299	-41	259	276	-60	216
Depreciation	-113	33	-80	-73	25	-48
Impairment (-)/ reversal of impairment	27	-24	3	26	-	26
Operating profit - EBIT	213	-32	181	229	-35	194
Financial income	13	3	16	10	-1	9
Financial costs	-59	11	-48	-65	12	-53
Net realised gain/loss on currencies	-8	-0	-8	-101	-0	-102
Net unrealised gain/loss on currencies	-3	6	3	55	1	57
Net financial costs	-57	20	-37	-101	13	-88
Profit (loss) before taxes	156	-12	144	128	-22	106
Taxes	-35	12	-23	-51	22	-29
Profit (loss)	121	0	121	77	0	77

Note 2 Management reporting (continued)

Amounts in USD million

(MUSD)	30.09.2024 Management reporting	Reconciliation to equity method	Financial reporting	30.09.2023 Management reporting	Reconciliation to equity method	Financial reporting
ASSETS						
Tangible assets	1 570	-642	928	1 437	-648	789
Contract costs	23	-3	20	24	-8	16
Deferred taxes	55	-0	55	22	-10	12
Investment in joint ventures and associated companies	6	344	350	6	315	321
Other non-current receivables	11	92	103	22	85	107
Total non-current assets	1 665	-210	1 455	1 511	-266	1 245
Receivables	373	-33	341	284	-33	250
Cash and cash equivalents	298	-87	211	288	-78	210
Total current assets	672	-120	552	572	-112	461
Total assets	2 337	-330	2 007	2 083	-378	1 705
EQUITY AND LIABILITIES						
Equity	1 094	0	1 094	785	0	785
Non-current liabilities	899	-249	650	1 014	-296	718
Current liabilities	343	-81	262	285	-82	203
Total liabilities	1 242	-330	912	1 298	-378	921
Total equity and liabilities	2 337	-330	2 007	2 083	-378	1 705

Note 3 Operating revenue

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

Operating revenue	Q3 2024	Q3 2023	Acc Q3 2024	Acc Q3 2023	2023
Lump sum contracts	29	2	40	33	41
Day rate contracts	224	201	676	576	775
Total operating revenue	253	203	716	609	816

Note 4 Tangible assets

Amounts in USD million

2024	Vessels & periodic maintenance	ROVs	Operating equipments	Right-of-use assets	Total
Book value at 01.01.2024	821	50	17	56	944
Addition	26	13	5	42	86
Disposal	-	-1	-	-17	-18
Depreciation	-48	-9	-3	-20	-80
Impairment loss	-	-	-	-	-
Reversal of impairment	-	-	3	-	3
Currency translation differences	-6	-1	-	-	-7
Book value at 30.09.2024	793	52	22	61	928

2023	Vessels & periodic maintenance	ROVs	Operating equipments	Right-of-use assets	Total
Book value at 01.01.2023	687	53	18	18	776
Addition	34	10	2	3	49
Disposal	-13	-	-	-	-13
Depreciation	-36	-6	-3	-3	-48
Impairment loss	-	-	-	-	-
Reversal of impairment	26	-	-	-	26
Currency translation differences	3	-4	-2	-	-3
Book value at 30.09.2023	702	54	15	18	789

Right-of-use-asset
Net booked value of right-of-use assets at the 30.09.2024 consists of vessels with USD 46 million and property with USD 15 million.

Reversal of impairment
Indicator test
An indicator test has been carried out for Q3 2024 which shows that changes in the assumptions used as a basis for the impairment model have not changed significantly and a new impairment assesement has not been carried out. The changes that can be obsersved over a short period, based on short contracts and individual events etc, must be given a character of a certain stability and duration before the Group concludes that there is a significant change that would require a new impairment asssessment.
If a vessel entered into a new long-term contrct in the reporting period with significantly changes in the rates, there are indications of significant changes in value for the specific vessel which may result in impairment/ reversal of impairment. No such event has occured during the quarter.

Value in use
The Group uses “value in use” as recoverable amount in the impairment assessments. “Value in use” was used as recoverable amount in the annual report for 2023 and the same model has been used for calculation at end of Q3 2024. As described in the annual report for 2023, the value-in-use calculations are calculated based on the budget for the coming year and forecasts for four further years, approved by the board in December each year. After year 5, the basis is a normalized earnings for the remaining lifetime of the vessels. The normalized earnings are based on the last year of the forecast period.

Note 5 Contract cost

Amounts in USD million

	30.09.2024	30.09.2023	31.12.2023
Net booked value 01.01	23	10	10
Additions	10	10	18
Amortisation	-11	-4	-6
Currency translation differences	-2	0	1
Net booked value closing balance	20	16	23

Note 6 Investments in joint ventures and associated companies

The Company's investment in joint venture and associates as of 30.09.2024;

	% of ownership interest
Joint ventures	
DOFCON Brasil AS with subsidiaries	50%
KDS JV AS	50%
Associated companies	
Semar AS	42%
DOF Management Group	34%

Effect of application of IFRS 11 on investments in joint ventures;

	30.09.2024	30.09.2023	31.12.2023
Opening balance 01.01	322	370	370
Addition	-	-	-
Profit (loss)	26	37	40
Profit (loss) through OCI	2	2	3
Dividend	-	-87	-90
Closing balanse	350	321	322

Reversal of impairment related to vessels in DOFCON is recognised in Q2 2024 with USD 28 million.

Note 7 Cash and cash equivalents

Amounts in USD million

	30.09.2024	30.09.2023	31.12.2023
Restricted cash	71	75	77
Unrestricted cash and cash equivalent	140	135	127
Total cash and cash equivalent	211	210	204

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.

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.

Note 8 Net interest-bearing debt

Financing

After completion of the financial restructuring of the Group, new loan facilities have been established including changes in the financial covenants. The most important financial covenants in the new loan agreements are the following:

DOF Subsea Group (excluding DOF Subsea Brasil Ltda.)
- The DOF Subsea Group shall have available cash of at least NOK 600 million on each testing date.
- DOF Subsea Group shall have positive working capital (current assets less current liabilities excluded current portion of debt to credit institutions), on each testing date.
- DOF Subsea Group`s Interest Coverage Ratio (EBITDA / interest payable in period) shall be no less than the level set out that period. The Interest coverage ratios are the following: From June 23-Dec 23, 2.0x, from Marc 24-Dec 24, 2.50x and from March 25-Dec 25, 3.25x.
- Fair value (based on 2 brokers valuations) for the vessels shall be at least 100% of the total outstanding loans related to the vessels. From March 2024 105% and from March 2025 110%.
- Testing date is set to be the last day in each quarter.

The main financial covenants for the loan facilities for the Skandi Hera and the Skandi Darwin are minimum cash, fair value of the vessels and minimum equity ratio of the borrower.

The DOF Subsea Group has further the following financial covenants as guarantor for two facilities in the joint venture with TechnipFMC:
- The DOF Subsea Group shall have value adjusted equity to value adjusted assets of at least 30%
- The DOF Subsea Group shall have a minimum book equity of NOK 3 000 million
- The DOF Subsea Group shall have positive working capital at all times, excl. current portion of debt to credit institutions
- The DOF Subsea Group shall have free cash of minimum NOK 500 million

Note 8 Net interest-bearing debt (continued from previous page)

Amounts in USD million

	30.09.2024	30.09.2023	31.12.2023
Non-current interest bearing liabilities			
Bond loan	73	68	72
Debt to credit institutions	535	615	588
Lease liabilities (IFRS 16) *)	42	34	59
Total non-current interest bearing liabilites	650	717	719
Current interest bearing liabilities			
Bond loan		-	-
Debt to credit institutions	41	42	42
Lease liabilities (IFRS 16) *)	44	15	25
Total current interest bearing liabilities	85	57	66
Total non-current and current interest-bearing debt	735	774	785
Net interest bearing liabilities			
Other interest bearing receivables	92	85	88
Receivables sub-lease	19	28	24
Cash and cash equivalents	211	210	204
Total net interest bearing liabilities	413	451	470
Net effect of IFRS 16 Lease	67	22	60
Total net interest bearing liabilities excluded IFRS 16 Lease liabilities	346	429	410

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

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:
The following is the changes in the Group`s borrowings:

			Non-cash changes			
Interest bearing liabilities	Balance 31.12.2023	Cash flows	New lease liabilities	Disposal lease liabilities	Currency and other effects	Balance 30.09.2024
Bond loan	72				1	73
Debt to credit institutions	629	-53			0	576
Lease liabilities	84	-25	42	-15	0	86
Total interest bearing liabilities	**785**	**-78**	**42**	**-15**	1	735

Loan divided on currency

At the 30th of September 2024 the liabilites is divided on currencies;

	USD	Ratio
NOK	626	85%
USD	92	13%
Other currencies	17	2%
Total debt	735	100%

Note 9 Lease liabilities

Amounts in USD million

The Group has in the quarter hired in five vessels where three vessels are on long-term contracts.

At end of June total financial lease liabilities amounts to USD 86 million which is related to lease of three vessels and offices.

			30.09.2024	30.09.2023	31.12.2023
Lease vessels			64	27	56
Havila Phoenix	3-year contract	from Apr 2023			
Stril Explorer	3-year contract	from Oct 2023			
Maersk Installer	2-year contract	from Mar 2024			
Skandi Iceman					
Lease offices and equipment			22	22	28
Total lease liabilities			86	49	84

Note 10 Transactions 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 2023.

Note 11 Shareholder information

Name	No. shares	Shareholding	Voting shares
DOF Group ASA	167 352 762	100%	100%
Total	167 352 762	100%	100%

Note 12 Events after period end

Transactions
The DOF Group has on the 1st of November completed the acquisition of the shares in Maersk Supply services A/S ("MSS"). Further details on the transaction are available in the quarterly report for DOF Group ASA and on the website: www.dof.com.

Note 13 Performance measurement definitions

Amounts in USD million

Alternative performance measurements

The Group's financial information is prepared in accordance with international financial reporting standards (IFRS). In addition the Group 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. See the Groups note 2 for presentation of the bridge between the management reporting and the financial reporting.

EBITDA – Is defined as profit (loss) before depreciation, impairment, amortisation of financial items, net financial costs and tax income (cost). EBITDA is measure which is useful for assessing the profitability of its operations, as it is based on variable costs and excludes depreciation, impairment and amortise costs of financial items. Ebitda is also important in evaluating performance relative to competitors.

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

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

Net interest bearing debt – Is defined as Interest bearing debt less 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. See the Groups Accounts note 10 for presentation of net interest bearing debt.

Net interest-bearing debt is a non-IFRS measure for the financial leverage of the Group, a financial APM the Group intends to apply in relation to its capacity for dividend distribution and/or for doing investments, when and if the Group will be able to carry out its dividend distribution and/or investments policy

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

In addition the Group has the following indicatiors;

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.

Amounts in USD million

Profit or loss

	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Operating revenue	291	277	248	240	245
Operating expenses	-181	-175	-161	-166	-148
Share of net profit from joint ventures and associates	-	0	-	-0	1
Net gain (loss) on sale of tangible assets	0	0	-0	2	1
Operating profit before depreciation and impairment - EBITDA	110	102	87	76	99
Depreciation	-42	-37	-33	-35	-25
Impairment (-)/reversal of impairment	-	27	-	101	-
Operating profit - EBIT	68	92	54	142	73
Financial income	4	4	4	5	4
Financial costs	-19	-20	-19	-18	-21
Net realised gain (loss) on currencies	-3	-1	-4	3	-2
Net unrealised gain (loss) on currencies	6	-6	-3	18	-3
Net financial costs	-12	-23	-23	9	-22
Profit (loss) before taxes	57	69	31	151	51
Taxes	-9	-13	-12	31	-5
Profit (loss) for the period	47	56	18	182	46
Profit attributable to					
Non-controlling interest	-	-	-	5	-
Controlling interest	47	56	18	177	46

Amounts in USD million

Supplemental information (continued from previous page)

Balance sheet

	30.09.2024	30.06.2024	31.03.2024	31.12.2023	30.09.2023
ASSETS					
Tangible assets	1 570	1 596	1 610	1 586	1 437
Contract costs	23	29	29	30	24
Deferred tax assets	55	54	59	65	22
Investment in joint ventures and associated companies	6	6	6	6	6
Other non-current assets	11	12	16	18	22
Total non-current assets	**1 665**	**1 698**	**1 720**	**1 705**	**1 511**
Receivables and other current asset	373	343	332	315	284
Cash and cash equivalents	298	285	275	276	288
Current assets	**672**	**627**	**607**	**592**	**572**
Total Assets	**2 337**	**2 325**	**2 327**	**2 297**	**2 083**
EQUITY AND LIABILITIES					
Share capital	190	190	189	194	194
Other equity	905	850	801	784	587
Non-controlling interests	-	1	9	9	4
Total equity	**1 094**	**1 041**	**1 000**	**987**	**785**
Non-current liabilities	899	942	991	1 002	1 014
Current liabilities	343	342	336	308	285
Total liabilities	**1 242**	**1 284**	**1 328**	**1 310**	**1 298**
Total equity and liabilities	**2 337**	**2 325**	**2 327**	**2 297**	**2 083**
Net interest bearing liabilities excluded effect of IFRS 16	**644**	**692**	**725**	**821**	**775**

Amounts in USD million

Supplemental information (continued from previous page)

Cash flow 5

	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Net cash from operation activities	74	74	57	46	86
Net cash from investing activities	-14	-23	-25	-15	-3
Net cash from financing activities	-47	-39	-28	-44	-49
Net changes in cash and cash equivalents	12	11	4	-14	34
Cash and cash equivalents at start of the period	285	275	276	288	250
Exchange gain/loss on cash and cash equivalents	2	-2	-5	2	4
Cash and cash equivalents at the end of the period	298	285	275	276	288

Key figures

	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
EBITDA margin excluded net gain on sale of tangible assets	38%	37%	35%	31%	40%
EBITDA margin	38%	37%	35%	32%	40%
EBIT margin	23%	33%	22%	59%	30%
Profit per share	0,28	0,33	-0,07	1,06	0,27
Book value equity per share	6,54	6,21	5,92	5,84	4,67
Net interest bearing debt excluded effect of IFRS 16	644	692	725	821	775

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