DOF ASA – May 26th, 2021

Q1 Financial Presentation 2021

Highlights Group

Financial highlights Q1

Amounts in NOK million	Q1 2021	Q1 2020
Operating revenue	1 514	2 074
Net gain on sale of tangible assets	29	-
EBITDA	**492**	**804**
EBIT	45	-1 035
Net financial costs	-826	-3 202
Profit (loss)	**-801**	**-4 116**
NIBD (Net interest bearing debt)	19 729	24 278
NIBD (Net interest bearing debt) excluded effect of IFRS 16	19 436	23 940
Equity ratio	-7%	-1%

According to management reporting

Standstill agreements have been signed with the majority of the secured lenders and the bond holders until 31 May. Discussions with the lenders are ongoing.

Operational highlights

Operations

- Challenging markets and Covid-19 virus has continued to impact the operations
  - Increased activity in the Atlantic region
  - Reduced utilisation in APAC and in North America regions
  - High activity in Brazil, operations impacted by several vessel mobilisations
  - Low activity in the North Sea market in the start of the year, increased activity from March
- Average utilisation of 67% (owned fleet), 57% PSV, 70% AHTS and 71% Subsea

Backlog

- Order intake in Q1 represent a value of ~ NOK 0.6 billion and NOK 6.2 billion the last 12 months

Fleet

- 3 vessels sold (2 delivered to new owners) and 1 vessel recycled
- 4 (owned) vessels in lay-up by end of Q1 versus 8 by end of Q4

Contracts won in Q1 and YTD

New contracts in Atlantic region

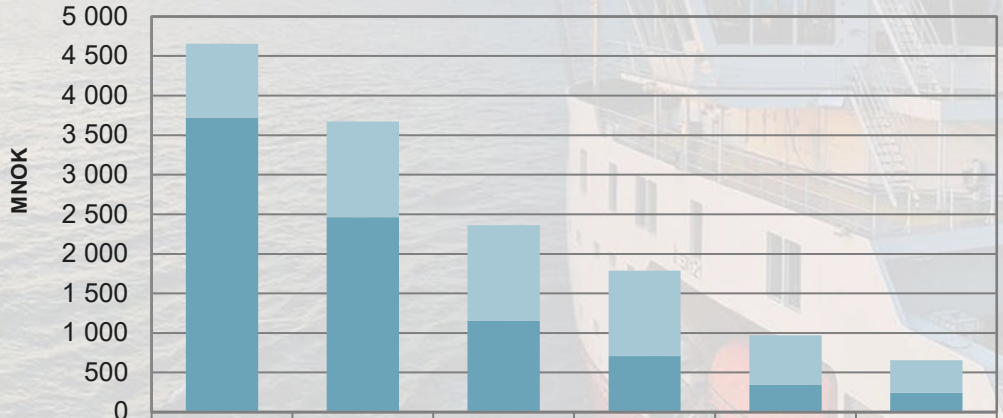
- **Skandi Kvitsøy** (PSV) awarded 1+2x1-year contract with commencement in 1st quarter.
- **Skandi Gamma** (PSV) awarded 2 +2x1-year contract with Ithaca Energy (UK) Ltd, commenced in April.
- **Skandi Constructor** (Subsea) awarded a contract with Siemens Gamesa. The vessel to be utilised up to 160 days for projects on several offshore wind farms in Germany, commenced in April.
- DOF Subsea awarded multiple contracts for execution in the North Sea utilising **Skandi Acergy** (Subsea)**, Skandi Skansen** (Subsea)**, Skandi Iceman** (AHTS) and **Skandi Hera** (AHTS) and a third-party vessel for more than 340 vessel days. All awards include project management, engineering, procurement and logistics.
- DOF Subsea shall deliver one construction vessel and associated services during the construction phase of a major offshore wind project of approximately 150 vessel days.

Contracts in South America region

- DOF Group secured contracts for two large PSV's with an International Contractor to support pipehaul operations in Guyana in 2021 and 2022, commencement in early 3rd quarter. Secures a backlog of at least 150 days in 2021, and 270 days in 2022.
- DOF Subsea awarded vessel and ROV contracts by Shearwater GeoServices Holding AS on Petrobras's Jubarte, Tupi and Iracema fields offshore Brazil. The combined projects will utilise **Skandi Neptune** (Subsea) for approximately 1 year, with commencement during Q2 2021.

Backlog

- Total value contracts won in Q1 NOK 0.6 billion
- Backlog secured for Q2 of NOK 1.9 billion
- Backlog secured for the remainder of 2021 NOK 4.7 billion



	2021	2022	2023	2024	2025	2026+
Joint Venture	934	1 211	1 209	1 080	625	412
Non Joint Venture	3 719	2 462	1 153	708	346	244

Maintaining ESG segment leader status

Q1 2021

Reporting both financial & non-financial results

Starting from Q1 2021, DOF is presenting both financial and non-financial results in quarterly reporting. The non-financial results are related to key ESG indicators identified in the DOF Integrated Annual Report 2020.

2020 A-

Carbon Disclosure Project score

Tenth year of participation
Top-30% for Environmental Stewardship

3.33

ESG 100 score

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

Top-5

Scoring in the Nordics

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

A trusted partner for offshore operations

Positioned globally

- Operating from 6 continents
- 20 offices near key O&G markets
- 60 vessels (10 on management)
- Head office in Norway

Total of 3,308 employees *

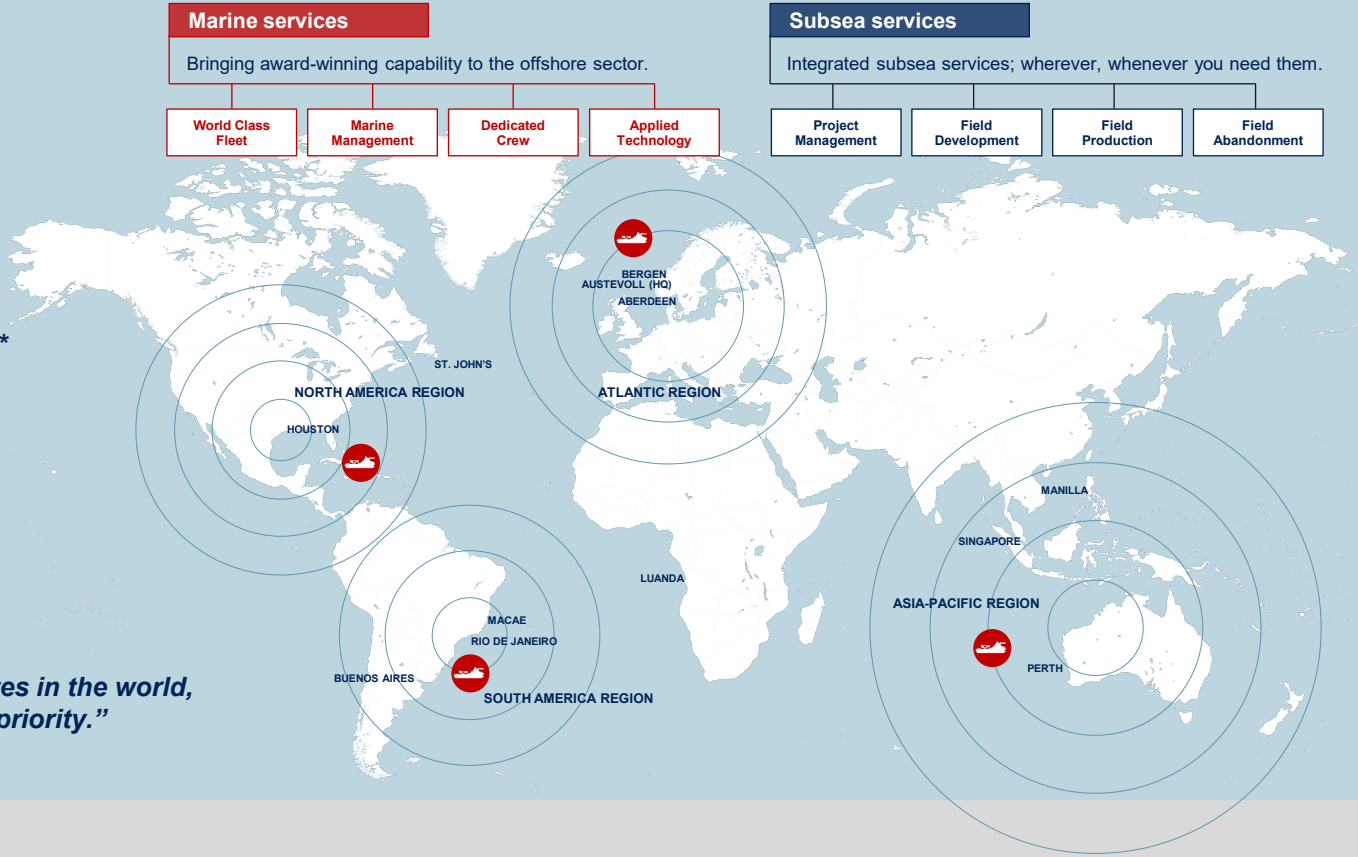
- Offshore ~2,600
- Onshore ~ 700

Vessels & subsea equipment *

Subsea	29
AHTS	17
PSV	14
Total fleet	**60**
ROV / AUV	70

** All totals as of 31.03.2021*

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



Financial Group

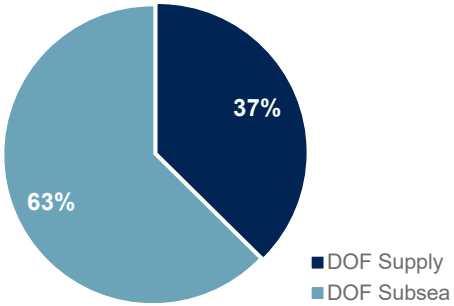
Management Reporting

Main financial highlights Q1

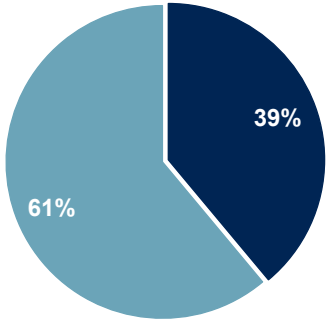
Operational EBITDA NOK 492 million

- Average utilisation total owned fleet 67% (81%)
  - 57% (94%) PSV segment
  - 70% (81%) AHTS segment
  - 71% (76%) Subsea segment (project fleet 56%)

EBITDA Q1 2021



EBITDA Q1 2020



Comments to highlights

Performance

- DOF Subsea EBITDA: NOK 308 million
- DOF Supply EBITDA: NOK 184 million

Operations

- Avg. utilisation owned DOF Subsea fleet: 66%
- Avg. utilisation owned DOF Supply fleet: 67%
- PSV – 4 owned vessels in lay-up, 3 are planned for reactivation in Q2
- AHTS: Zero vessels in lay-up but utilisation impacted by vessels mobilising for contracts
- Subsea: various performance from the regions 94% utilisation of the PLSV fleet

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

Profit or Loss Q1

All figures in NOK million	Q1 2021	Q1 2020	2020
Operating revenue	1 514	2 074	7 582
Operating expenses	-1 047	-1 257	-4 545
Net profit/loss from associated	-4	-14	-66
Net gain on sale of vessel	29	-	19
Operating profit before depr - EBITDA	**492**	**804**	**2 990**
Depreciation	-316	-307	-1 097
Impairment	-131	-1 532	-3 665
Operating profit- EBIT	**45**	**-1 035**	**-1 771**
Financial income	6	11	25
Financial costs	-277	-335	-1 338
Net realised currency gain/loss	-30	-528	-661
Net unrealised currency gain/loss	-534	-2 103	-1 120
Net unrealised gain/loss on market instr.	10	-248	-56
Net financial cost	**-826**	**-3 202**	**-3 150**
Profit/loss before tax	**-781**	**-4 237**	**-4 921**
Tax	-20	121	-38
Net profit/loss	**-801**	**-4 116**	**-4 959**

According to management reporting

Comments to 1st quarter

Operational performance:

PSV (57% utilisation incl. 4 vessels in lay-up)
- 2 PSVs sold
- Reduced Ebitda due to fewer vessels in operation

AHTS (70% utilisation)
- All vessels in operation, one reactivated from lay-up and one mobilising for contract
- Reduced Ebitda due to lower rates ATHS fleet in Brazil

Subsea (71% utilisation)
- Variable utilisation in the regions
- High utilisation PLSV fleet

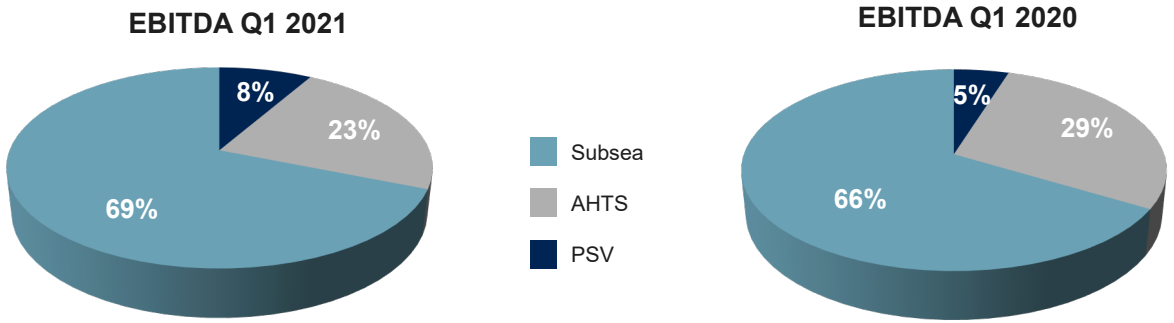
Impairments
- Broker estimates dropped by 5% in the quarter

Financial
- Unrealised currency loss is due to a weak BRL to USD
- NOK/USD has been stable

Segment reporting Q1

Amounts in NOK million	PSV		AHTS		Subsea		Total	
	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020
Operating revenue	84	151	202	401	1 228	1 523	1 514	2 074
Gain on sale of tangible assets	29	-	-	-	-	-	29	-
Operating result before depreciation and impairment (EBITDA)	**41**	**39**	**112**	**231**	**339**	**534**	**492**	**804**
Depreciation	27	34	50	74	238	199	316	307
Impairment	12	151	9	481	110	899	131	1 532
Operating result (EBIT)	**2**	**-147**	**53**	**-325**	**-10**	**-564**	**45**	**-1 035**
EBITDA margin	49%	26%	56%	58%	28%	35%	33%	39%
EBIT margin	3%	-97%	26%	-81%	-1%	-37%	3%	-50%

According to management reporting



DOF Subsea: two business segments

DOF Subsea Group

Subsea / IMR Projects

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

Revenues Q1'21	*EBITDA Q1'21*	*Firm backlog*
NOK 679 million	*NOK 46 million*	*NOK 3.0 bn*
	~7% margin	

1 282 Employees Q1'21

17 vessels in operation Q1'21

Long-term Chartering

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

Revenues Q1'21	*EBITDA Q1'21*	*Firm backlog*
NOK 362 million	*NOK 275 million*	*NOK 7.6 bn*
	~76% margin	

8 vessels in operation Q1'21

Cash flow Q1 2021

All figures in NOK million	Q 2021	Q1 2020	2020
Cash from operating activities	447	825	3 083
Net interest paid	-94	-341	-715
Taxes paid	-40	-44	-102
Net cash from operating activities	**313**	**440**	**2 266**
Sale of tangible assets	97	-	19
Purchase of tangible assets	-140	-108	-285
Purchase of contract costs	-52	-	-80
Sale of shares in JV	-	-	-17
Purchase of shares	-	-	-
Other changes in investing activities	-35	22	49
Net cash from investing activities	**-130**	**-86**	**-314**
Proceeds from borrowings	2	230	230
Payment of borrowings	-226	-357	-1 004
Payment from/to non-controlling interests	-	-	-
Net cash from financing activities	**-224**	**-127**	**-774**
Net changes in cash and cash equivaltents	**-41**	**227**	**1 177**
Cash and cash equivalents at the start of the period	2 332	1 715	1 715
Exchange gain/loss on cash and cash equivalents	-34	-336	-560
Cash and cash equivalents at the end of the period	**2 257**	**1 606**	**2 332**

According to management reporting

Comments to cash flow

Reduced interest paid due to standstill agreements.

Sale of assets represent sale of Skandi Buchan (PSV, built 2002) and Skandi Texel (PSV, built in 2006)

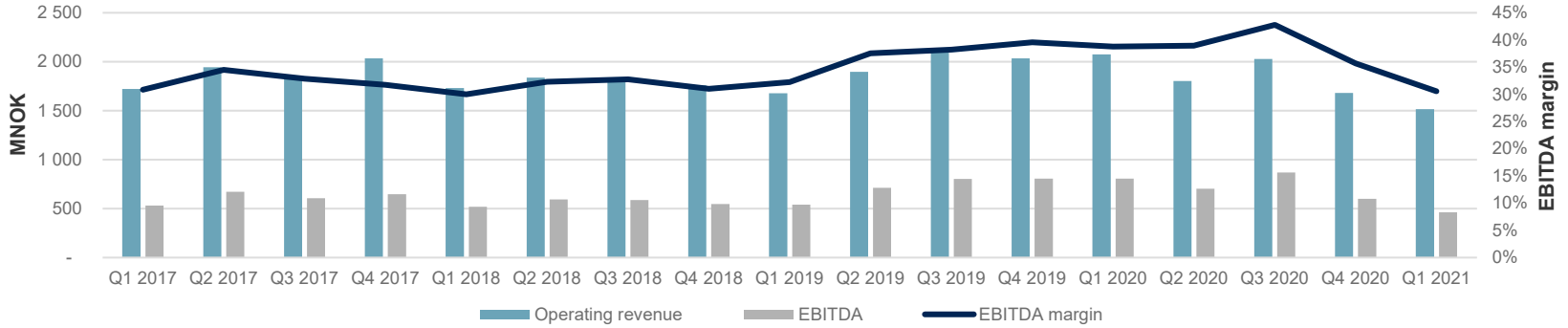
Purchase tangible assets are class dockings and purchase of ROVs.

Contract costs are conversion and mobilisation costs to new contracts.

Payment of borrowings are debt service on facilities not part of the standstill agreements and repayment debt after sale of vessels.

Restricted cash by end March is NOK 178 million.

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



	Q1 2017	Q1 2018	Q1 2019	Q1 2020	Q1 2021
Operating revenue	1 723	1 731	1 678	2 074	1 514
EBITDA	531	519	541	804	463
EBITDA margin	31%	30%	32%	39%	31%
Non-current assets	29 338	26 101	27 498	24 202	18 523
Current assets	4 675	4 070	3 786	3 477	3 908
Total Assets	34 013	30 171	31 284	27 679	22 432
Equity	7 994	7 491	5 658	-245	-1 480
Non-current debt	22 370	19 133	20 021	9 796	3 870
Current debt	3 649	3 547	5 605	18 127	20 042
Total Equity and Debts	34 013	30 171	31 284	27 678	22 432
NIBD	21 563	19 088	22 051	24 278	19 729

According to management reporting

Balance as of 31.03.2021

Amounts in NOK million	31.03.2021	31.12.2020	31.03.2020
ASSETS			
Tangible assets	17 987	18 657	23 522
Goodwill	-	-	-
Deferred taxes	359	314	405
Investment in associated and joint ventures	8	8	32
Other non-current receivables	170	162	243
Non-current assets	**18 523**	**19 141**	**24 202**
Receivables	1 651	1 679	1 871
Cash and cash equivalents	2 257	2 332	1 606
Asset held for sale	-	20	-
Current assets	**3 908**	**4 031**	**3 477**
Total assets	**22 432**	**23 172**	**27 679**
EQUITY AND LIABILITIES			
Subscribted equity	309	309	308
Retained equity	-1 901	-1 321	-703
Non-controlling equity	112	114	150
Equity	**-1 480**	**-898**	**-245**
Non-current interest bearing debt	3 798	3 898	9 657
Other non-current liabilities	73	71	139
Non-current liabilities	**3 870**	**3 969**	**9 796**
Current portion of debt	18 714	18 720	16 504
Other current liabilities	1 328	1 381	1 624
Current liabilities	**20 042**	**20 101**	**18 127**
Total equity and liabilities	**22 432**	**23 172**	**27 679**

According to management reporting

Comments to the balance

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

Deferred taxes
- Deferred taxes mainly from the DOFCON JV.

Cash
- Cash positive impacted by standstill agreements
- Cash negative impacted by several vessel mobilisations and conversion to new contracts and class dockings.

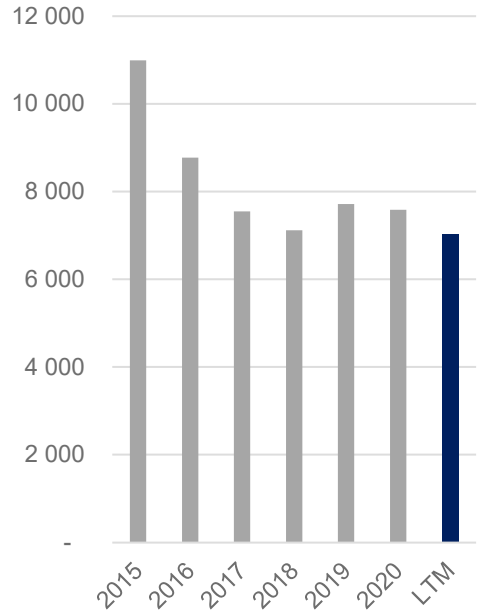
Equity:
- Negative equity impacts the going concern assumptions.

Liabilities:
- Long-term liabilities represent debt in DOFCON JV and lease debt.
- All other secured debt and bond loans are classified as short term due to ongoing debt restructuring of the Group.
- NIBD Q1/21 reduced by ca NOK 4.5 bn compared to Q1/20 mainly due to very weak NOK to USD in 2020.

Group key financials

Revenue

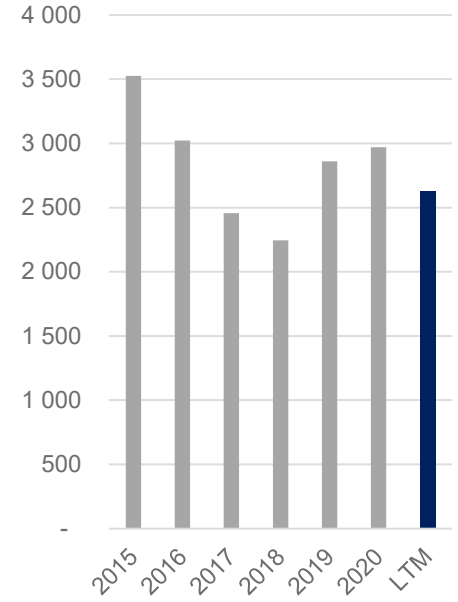
NOK million



According to management reporting

EBITDA *

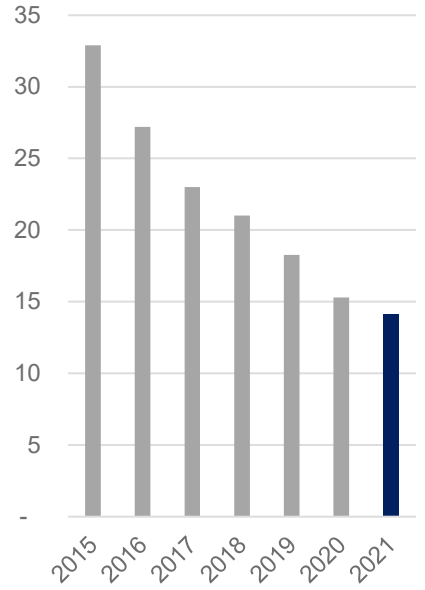
NOK million



** EBITDA excl. gain from sale of assets*

Firm backlog

NOK billion



LTM = Last twelve months

Update debt restructuring

- Approx. NOK 18 billion of the secured and unsecured debt is under restructuring.
- Standstill agreements signed with 91% of the secured lenders within the DOF Group (excl. DOF Subsea and DDW JV) and 88% of the secured lenders in DOF Subsea (excl. DOFCON JV), until 31 May 2021.
- Standstill agreements signed with BNDES until 10 June for the majority of the facilities in Norskan Offshore Ltda. and one facility in DOF Subsea Servicos Brasil Ltda.
- Debt restructuring proposals are currently discussed with the secured lenders and bondholders. The proposals will result in a comprehensive restructuring of the Group’s balance sheet.

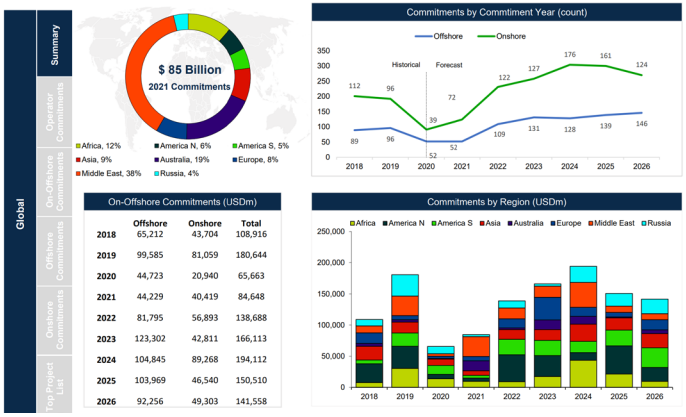
Markets & Outlook

Global Macro Outlook

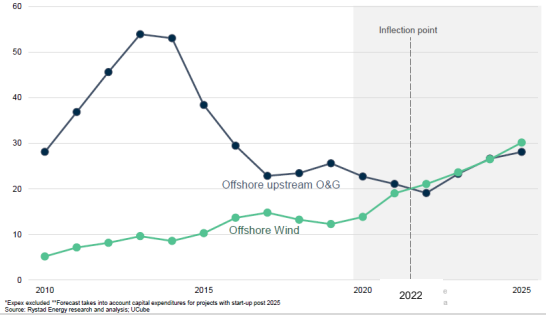
Trends related to the energy market applicable to DOF;

- Recovery phase throughout 2021 and upcycle in activity from 2022. Oil Price increased from 45 USD and 65 USD during 1st quarter
- Tie-backs expected to be the preferred development solution; growth within floating segment. CAGR +13% for 2021 – 2023
- OPEX activity expected to grow within subsea; however off-balance between supply and demand expecting to last
- For longer term beyond 2025; fundamental change is taking place in industry. **Renewables will surpass oil & gas in capex expenditure**

Global capital expenditure O&G



Expenditure Oil & Gas vs. Renewables



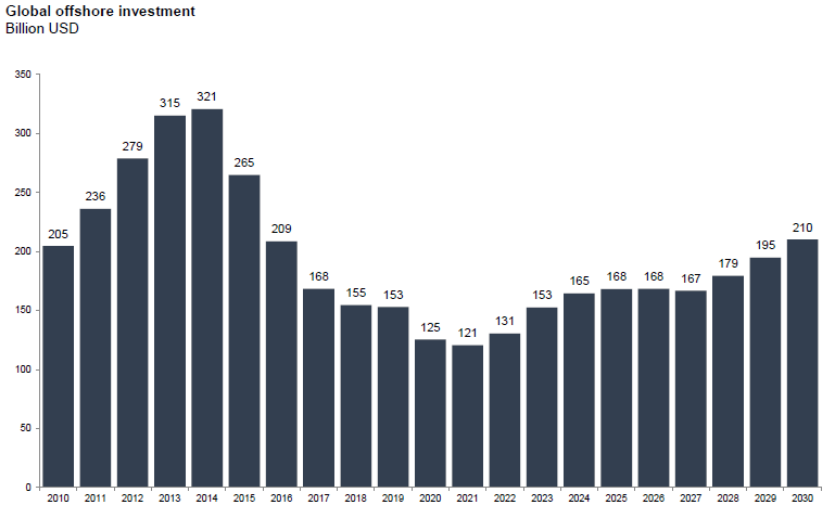
Source; Bloomberg & Rystad, February 2021; Rystad April 2021

Offshore Capex

Global Offshore Capex Outlook

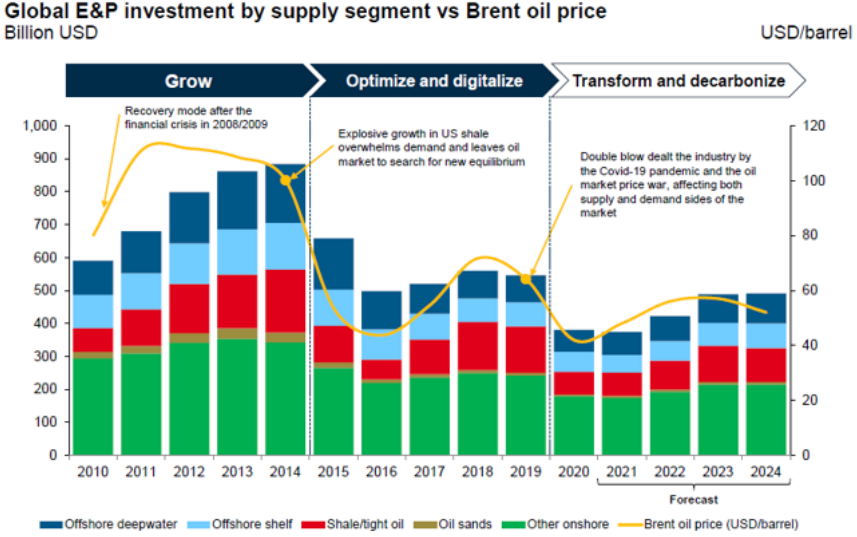
- Outlook for a slow and steady improvement on offshore investments

Offshore capex taking a toll before coming back up



Segmentation vs. Oil Price

- 3 “phases”, whereof two are already undertaken

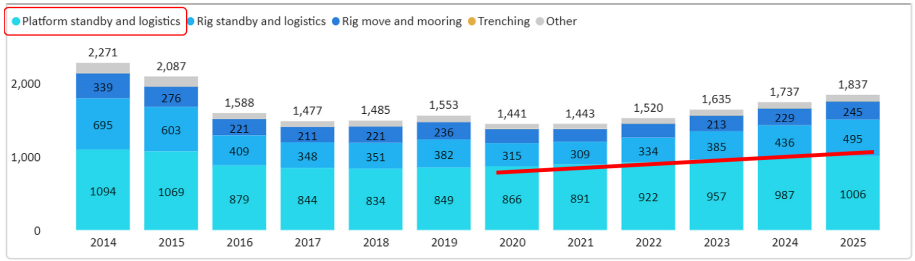


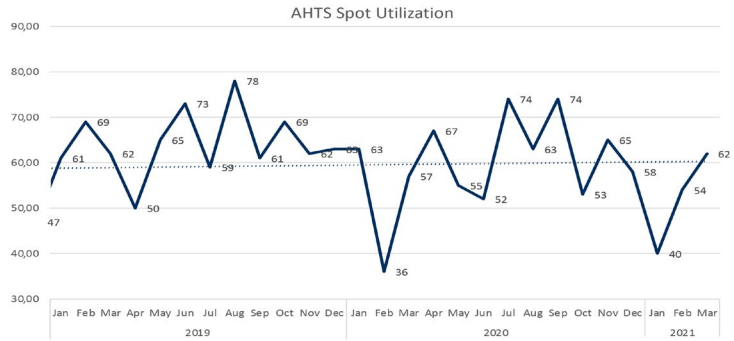
Source: Rystad

Vessel Demand

PSVs and AHTS

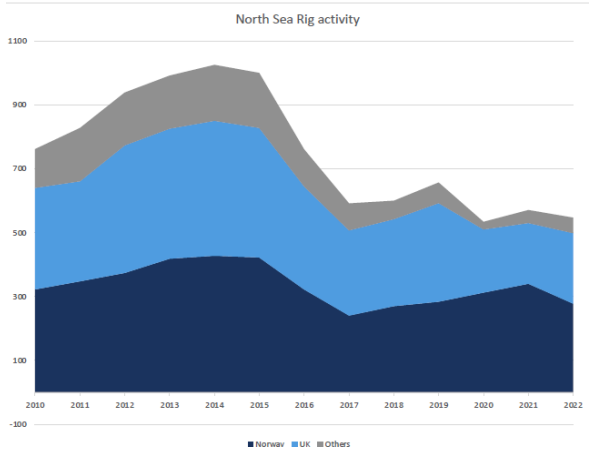
- The North Sea market is currently tight due to less tonnage available
- The Norwegian side is expected to show a steeper curve due to more FIDs
- Longer term forecast is however flat for standard Platform and logistics services
- AHTS utilisation has stabilised on average 60%





Rig Forecasts – North Sea

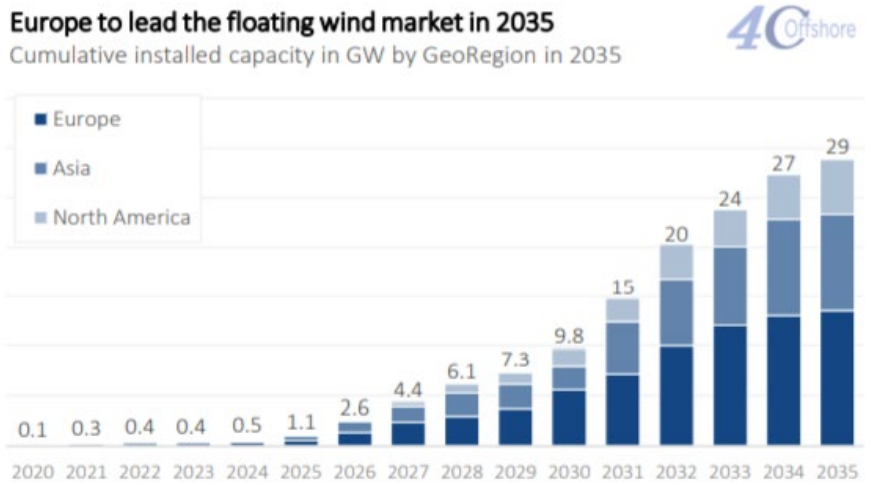
- Signs of increasing activity in tenders for rigs from the oil companies
- Norwegian side is somewhat recovering in 2021
- Potential more “peak timings”; i.e. rate peaks due to potential less vessels trading.
- The pending question is how many vessels departing to other regions
- Increase in de-commissioning activity and will likely increase in the years to come
- UK side is recovering slow, but a potentially recovery in 2022



Source: Clarksons

Floating Wind – The **Next Frontier** from 2025

- Premature market at the verge of commercialization, expected growth from 30MW (2019) capacity to 29GW capacity in 2035
- CACGR of more than 47% from 2020 - 2023
- Key areas of prospects is Europe (France, UK, Norway) Asia (Japan, Taiwan, South Korea, China) and Americas (West / East Coast)
- DOF Subsea Atlantic currently part of a contract for the worlds largest floating windfarm to date



Outlook

Operational & Markets

- The markets are expected to remain challenging, but signs of increased activity in certain regions.
- North Sea (Norwegian sector) and Brazil expected to show increased activity
- Increased vessel demand within offshore wind.
- The Group's firm backlog for Q2 amounts to NOK 1.9 billion and NOK 4.7 billion for the remainder of 2021.
- The Operational EBITDA in 2nd quarter 2021 is expected to be higher than 1st quarter 2021.

Financial

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

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This presentation by DOF ASA designed to provide a high-level overview of aspects of the operations of the DOF ASA Group.

The material set out in the presentation is current as at 26 May 2021.

This presentation contains forward-looking statements relating to operations of the DOF ASA Group that are based on management's own current expectations, estimates and projections about matters relevant to DOF ASA's future financial performance. Words such as "likely", "aims", "looking forward", "potential", "anticipates", "expects", "predicts", "plans", "targets", "believes" and "estimates" and similar expressions are intended to identify forward-looking statements.

References in the presentation to assumptions, estimates and outcomes and forward-looking statements about assumptions, estimates and outcomes, which are based on internal business data and external sources, are uncertain given the nature of the industry, business risks, and other factors. Also, they may be affected by internal and external factors that may have a material effect on future business performance and results.

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Presented by
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Hilde Drønen - CFO