Financial Report 1st quarter for DOF ASA

The impact of the COVID-19 virus and the sharp fall in the oil price have resulted in postponement and cancellation of several projects and tenders and disrupted the Group's operations and earnings going forward. Several clients have terminated contracts and initiated renegotiations in rates in existing contracts which again have caused pressure on earnings and utilisation of the Group's assets. Due to significant weaker markets the Group has recognised an impairment of NOK 1.5 billion (management reporting) in the first quarter. The Group has further faced a currency loss of NOK 2.9 billion (management reporting) due to the extreme weakening of the NOK and BRL. Based on these events the Group's result is negative of NOK -4.1 billion and the book value of the equity is now negative. The long-term refinancing of the Group has been postponed and a standstill agreement has been agreed (excl. Brazil and the JVs) until 30th June.

Despite the events above the operational result for the Group has been good in first quarter:

The average utilisation of the Group's fleet during the 1st quarter was 81%; 78% for the subsea fleet, 75% for the AHTS fleet and 94% for the PSV fleet.

The Group's operating income for 1st quarter (management reporting) totals NOK 2,064 million (NOK 1,633 million) and the operating profit before depreciation and impairment (EBITDA) totals NOK 804 million (NOK 541 million adjusted for hedge accounting with NOK 45 million).

General market & operational comments:

- Improved earnings and utilisation in all segments compared to Q1 2019
- Relatively tightened markets until the impacts from COVID-19 and the drop in oil price
- By May the Group has 18 vessels in lay-up
- The Group's current backlog is NOK 19 billion

Please see enclosed 1st quarter Financial Report 2020

Webcast is available Wednesday, 27th of May 2020 at 08:30 on www.dof.com.

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With a multi-national workforce of about 3,400 personnel, DOF ASA is an international group of companies which owns and operates a fleet of modern offshore/subsea vessels, and engineering capacity to service both the offshore and subsea market. With over 35 years in the offshore business, the group has a strong position in terms of experience, innovation, product range, technology and capacity.

DOF's core businesses are vessel ownership, vessel management, project management, engineering, vessel operations, survey, remote intervention and diving operations primarily for the oil and gas sector. From PSV charter to Subsea engineering, DOF offers a full spectrum of top quality offshore services to facilitate an ever-growing and demanding industry.

The company's main operation centers and business units are located in Norway, the UK, the USA, Singapore, Brazil, Argentina, Canada, Angola, and Australia.

DOF ASA is listed on the Oslo Exchange since 1997.