Q3 2020

Financial Report

DOF ASA

Management reporting: Accounts 3rd quarter 2020

RESULT

(MNOK)	Q3 2020	Q3 2019	Acc Q3 2020	Acc Q3 2019	2019
Operating income	2 027	2 057	5 902	5 544	7 524
Operating expenses	-1 159	-1 295	-3 490	-3 610	-4 808
Net profit from associated and joint ventures	-1	-7	-41	-14	-47
Net gain on sale of tangible assets	12	3	12	4	4
Operating profit before depreciation and impairment - EBITDA	879	759	2 384	1 924	2 673
Depreciation	-258	-345	-842	-991	-1 314
Impairment	-667	-917	-2 978	-1 121	-1 449
Operating profit - EBIT	-46	-503	-1 435	-188	-90
Financial income	5	12	23	42	42
Financial costs	-307	-329	-1 010	-952	-1 273
Net realised gain/loss on currencies	-55	-60	-618	-245	-255
Profit before unrealised finance costs	-403	-879	-3 041	-1 343	-1 576
Unrealised finance costs	13	-1 014	-2 276	-710	-763
Profit (loss) before taxes	-389	-1 893	-5 316	-2 053	-2 340
Taxes	-17	-237	119	-316	-542
Profit (loss)	-406	-2 130	-5 197	-2 369	-2 881

BALANCE

(MNOK)	30.09.2020	30.09.2019	31.12.2019
ASSETS			
Tangible assets	20 237	25 122	24 303
Goodwill	-	85	85
Deferred taxes	364	377	200
Investment in associated companies and joint ventures	5	77	45
Other non-current financial assets	186	246	263
Total non-current assets	20 792	25 908	24 896
Receivables	1 729	1 983	1 761
Cash and cash equivalents	2 447	1 679	1 715
Total current assets	4 176	3 662	3 475
Total assets	24 968	29 570	28 371
EQUITY AND LIABILITIES			
Equity	-1 014	3 512	3 451
Non-current liabilities	4 490	19 220	8 422
Current liabilities	21 492	6 838	16 498
Total liabilities	25 982	26 058	24 920
Total equity and liabilities	24 968	29 570	28 371
Net interest bearing liabilities excluded effect of IFRS 16	21 221	22 109	21 169

CASH FLOW

(MNOK)	Q3 2020	Q3 2019	Acc Q3 2020	Acc Q3 2019	2019
Net cash from operation activities	779	386	1 815	1 016	1 539
Net cash from investing activities	-53	-95	-156	-1 234	-1 312
Net cash from financing activities	-145	-341	-448	-297	-722
Net changes in cash and cash equivalents	582	-50	1 211	-516	-495
Cash and cash equivalents at start of the period	1 902	1 789	1 715	2 240	2 240
Exchange gain/loss on cash and cash equivalents	-37	-60	-479	-45	-30
Cash and cash equivalents at the end of the period	2 447	1 679	2 447	1 679	1 715

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Financial report 3rd Quarter 2020

KEY INFORMATION

The COVID-19 virus has had a major impact on the operations in the 3rd quarter and the markets have continued to be challenging, with pressure on earnings and utilisation rates. Despite a challenging market situation, the Group has secured new contracts with a total value of approx. NOK 3.7 billion during the 3rd quarter and so far in the 4th quarter.

The restructuring of the Group's debt is ongoing and standstill agreements (excluding the JVs) have been agreed until the 31st of January 2021 with the secured lenders and until the 15th of December 2020 with the bondholders. The discussions with the Group's creditors is ongoing and the Group has presented a debt restructuring proposal to the secured lenders and bondholders. As part of the restructuring of the debt in the DOF Deepwater JV, the shares have been sold to Akastor ASA at a value of zero.

The Group achieved an EBITDA (management reporting) of NOK 879 million (NOK 803 million), included in the EBITDA is termination fees of approx. NOK 110 million for two cancelled contracts.

The total fleet utilisation was 67%:

- 81% Subsea fleet, 48% AHTS fleet, 64% PSV fleet.

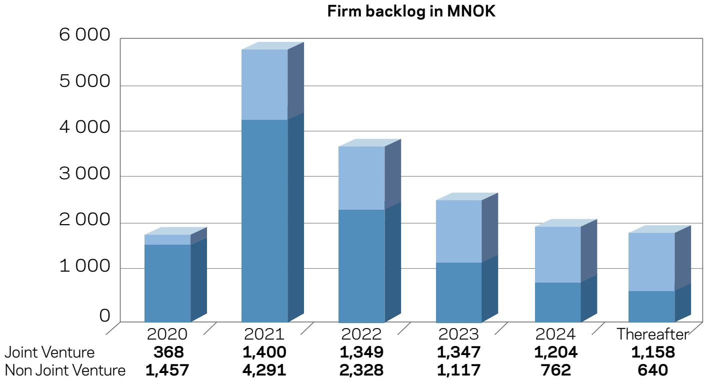
The total fleet include 65 vessels (56 vessels are owned):

- 19 AHTSs, 16 PSVs, 30 Subsea vessels, 70 ROVs.

General market and operational comments in Q3:

- Good performance from subsea projects in the Asia-Pacific and the Atlantic regions;
- Contract awards in the AHTS and Subsea segments;
- Weak North Sea spot market with several PSVs in lay-up;
- 13 vessels in lay-up by end of the quarter versus 17 in lay-up by end of previous quarter.

The Group's current backlog is NOK 17.4 billion:



KEY FIGURES

	Management reporting		Financial reporting	
(MNOK)	Q3 2020	Q3 2019	Q3 2020	Q3 2019
Operating income	2 027	2 057	1 706	1 752
EBITDA	879	759	736	461
EBIT	-46	-503	-104	-547
Net financial costs	-343	-1 390	-291	-1 261
Profit (loss)	-406	-2 130	-406	-2 130
EBITDA - before hedge *)	879	803	736	505
NIBD (Net interest bearing debt)	21 547	22 441	17 018	17 616
NIBD (Net interest bearing debt) excluded effect of IFRS 16	21 221	22 109	16 691	17 284
Equity ratio	-4%	12%	-5%	14%

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

Q3 Operations

The Q3 operational result per segment is as follows;

(MNOK)	PSV	AHTS	Subsea	Total
Operating income	128	279	1 620	2 027
Operating result before depreciation and impairment - EBITDA	22	151	706	879
Depreciation	30	53	176	258
Impairment	69	14	584	667
Operating result - EBIT	-77	84	-53	-46
EBITDA margin	17%	54%	44%	43%
EBIT margin	-60%	30%	-3%	-2%

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.

PSV
The PSV fleet includes 16 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. The weak markets have continued for the PSV fleet and currently the Group has six vessels in lay-up. One vessel has operated in the North Sea spot market and started in October on a firm contract. One vessel has operated on a firm contract in Australia. The average utilisation for the PSV fleet was 64% compared to 94% in the 3rd quarter 2019.

AHTS
The AHTS fleet includes 19 vessels including seven vessels on management and one vessel owned via a minority share. The Group agreed in August to sell its shares in DOF Deepwater (DDW), and the company has been renamed to DDW Offshore AS. The Group has continued as manager for the DDW Offshore fleet. Currently six vessels are in lay-up of which three are owned by DOF. Skandi Giant, which has been in lay-up for two years, has been sold in the period. The average utilisation for the AHTS fleet was 48% compared to 75% in the 3rd quarter 2019.

Nine vessels are operating in Brazil with local flag and with Petrobras as the main client. During the 3rd quarter, the utilisation was impacted by two vessels idle due to termination of contracts in the 2nd quarter and mobilisation of vessels for new contracts. Three vessels have started new contracts during the quarter; Skandi Paraty on a 1-year contract, Skandi Angra and Skandi Fluminense both on 2+2-year contracts, all with Petrobras. By end of the quarter, two vessels were in lay-up in this region, however one vessel will be reactivated during the 4th quarter.

The North Sea market has been impacted by reduced activity and the utilisation rate in this region has been 74% and the earnings have been very volatile. Two of the spot vessels have been utilised by DOF Subsea on two projects during the quarter. The 6-month contract with Equinor for the Skandi Vega has been replaced by a 2-year contract.

In Asia-Pacific, the Skandi Giant was sold and delivered to new owners in August.

SUBSEA
During the 3rd quarter, the Group operated a fleet of 30 Subsea vessels, including two vessels hired 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 3rd quarter amounted to NOK 968 million (NOK 969 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 Subsea fleet was 81% in the 3rd quarter versus 81% in the 3rd quarter last year.

The average utilisation rate for the Subsea IMR/Project fleet has been 76% (86%) in the 3rd quarter. During the 3rd quarter, the Asia-Pacific region has conducted IMR and construction work outside the Philippines, IMR/construction and survey work in Australia, and mooring and installation projects in Vietnam. The Asia-Pacific region has, during the quarter, been awarded several contracts, securing work in the 4th quarter and in 2021 for the fleet. In the Atlantic region, the Group has executed engineering and decommissioning work at the Banff field and ROV support in the North Sea, and pipeline survey in the Mediterranean. The Atlantic region was, in September, awarded one FSV contract in Angola for the Skandi Seven for 300 days and an additional 365 days of options. In the North America region, the Group has conducted IMR and installation work and RSV services in the Gulf of Mexico. By the end of the quarter, two vessels were operating in Canada. In the Brazil region, the Group has been engaged in ROV inspection work for Petrobras. In August, the Brazil region was awarded multiple contracts with Petrobras including survey and inspection work where three to four vessels within the Group will be secured good utilisation in 2021. The relevant vessels will start mobilisation to the new contracts in the 4th quarter.

Of the six DOFCON PLSVs, four vessels have continued on long-term contracts with Petrobras and achieved a high utilisation rate in the quarter. Skandi Niteroi has operated on various projects during the quarter and started on a contract with TechnipFMC at the Peregrino field (phase two) in the middle of September. Skandi Vitoria has continued on a BB contract with TechnipFMC.

By the end of September, one vessel was in lay-up. Skandi Hav (built 1983) has been recycled in the quarter.

Main Items Interim Accounts Q3 – Financial Reporting

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

P&L 3RD QUARTER

RESULT

(MNOK)	Q3 2020	Q3 2019
Operating income	1 706	1 752
EBITDA	736	461
EBIT	-104	-547
Net financial costs	-291	-1 261
Profit (loss)	-406	-2 130

During the 3rd quarter, the Group achieved an operating revenue of NOK 1,706 million (NOK 1,752 million) and an operating result before depreciation and impairment (EBITDA) of NOK 736 million (NOK 461 million). The increased Ebitda is related to good performance from subsea regions, payment of termination fees on contracts of approx. NOK 110 million terminated during 2nd quarter, and better performance from the JVs. The results from the JVs are NOK 114 million (NOK -71 million) and represent net result in the DOFCON JV and DOF Deepwater JV. Impairment of in total NOK 30 million (NOK 184 million) has been recognised in the JVs in the quarter.

The Group's operating result (Ebit) is NOK -104 million (NOK -547 million) and is impacted by impairments of NOK -637 million (NOK -733 million). The basis for the impairments is fair market values from two independent brokers and value-in-use calculations. Due to the challenging markets the fair market values for the Group's fleet have continued to drop this quarter and total depreciation and impairments booked in the 3rd quarter are NOK -840 million (NOK -1,009 million). 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 negative by NOK -291 million (NOK -1,261 million). Net interest costs were NOK -240 million (NOK -240 million) and net losses on currency and financial instruments are NOK -52 million (NOK -1,021 million). There has been less volatility on the FX rates (USD/NOK and USD/BRL) during the quarter, hence net unrealised currency loss was NOK 2 million (NOK -967 million). The Group's operations in Brazil are based on firm charter contracts where the USD revenue is secured with debt in corresponding currency, 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 1.87 billion and negatively impacted the result for the Group.

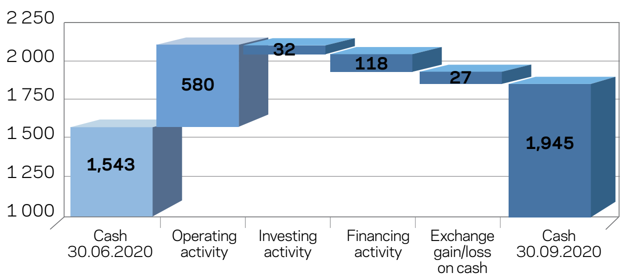
Net result before tax, in the 3rd quarter, is NOK -395 million (NOK -1,809 million).

BALANCE

(MNOK)	30.09.2020	30.09.2019	Change %
Non-current assets	16 568	21 247	-22%
Current assets	1 709	1 842	-7%
Cash and cash equivalents	1 945	1 295	50%
Total assets	20 221	24 383	-17%
Equity	-1 014	3 512	-129%
Non-current liabilities	341	14 425	-98%
Current liabilities	20 894	6 446	224%
Total equity and liabilities	20 221	24 383	-17%
Net interest bearing debt (NIBD)	17 018	17 616	-3%
Net interest bearing debt (NIBD) excl. effect IFRS 16	16 691	17 616	-5%

Of the Group's total balance of NOK 20,221 million (NOK 24,383 million), vessels and subsea equipment amount to NOK 13,758 million (NOK 18,192 million). 11 vessels are owned via joint ventures and are presented as associated companies and non-current receivables in the balance sheet of in total NOK 2,611 million (NOK 2,493 million). The five vessels owned by DDW will not be included in the balance sheet as from the 4th quarter. Total equity is negative with NOK -1,014 million (NOK 3,512 million), due to a very weak result year to date including impairments and unrealised loss on currency of in total approx. NOK 4.75 billion.

Cash flow from Q3 2020



The operational cash flow after payment of interest and taxes, in the 3rd quarter, was NOK 580 million (NOK 219 million), and net cash flow from investing activities was NOK -32 million (NOK 130 million). The net cash flow from financing activities was NOK -118 million (NOK -472 million). The Group (excluding the JVs) has not paid any instalments or interest to the secured lenders and the bondholders due to the standstill agreements. The DOFCON JV has served its debt normally and the DOF Deepwater JV has waived all bank instalments and served interest on its debt in the period.

Main Items YTD Accounts Q3 - Financial Reporting

The Group revenue, YTD September, was NOK 4,869 million (NOK 4,652 million) and Ebitda was NOK 1,601 million (NOK 1,296 million). The Ebitda has been impacted by a strong USD, termination fees on cancelled contracts, and improved performance from certain subsea regions. Operating profit (Ebit) was NOK -1,627 million (NOK -430 million) whereof impairment and deprecation amount to NOK -3,228 million (NOK -1,726 million). Net financial result is NOK -3,500 million (NOK -1,585 million) of which currency losses on debt and financial instruments (unrealised and realised) amount to NOK -2,770 million (NOK -902 million).

The operational cash flow, YTD September, was NOK 1,232 million (NOK 544 million). Cash flow investment activities was NOK 4 million (NOK -21 million) and financing activities NOK -186 million (NOK -1,101 million).

Financing and Capital Structure

The Group is mainly funded by secured debt of 79% and unsecured debt/bonds of 13%. By end of the quarter, the equity was negative by NOK -1,004 million. The remaining funding represents net working capital and financial lease debt (IFRS 16).

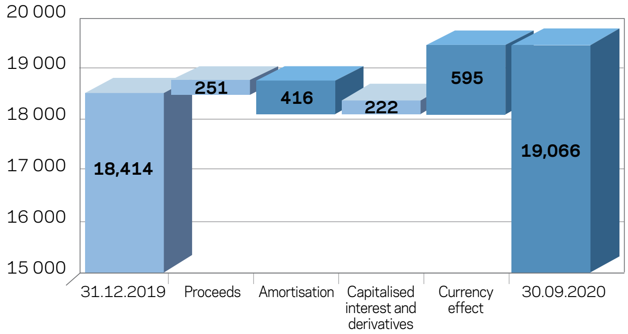
The restructuring of the Group's long-term debt is ongoing and standstill agreements have been agreed until 31st of January 2021 with 91% of the secured lenders within the DOF ASA Group (excl. DOF Subsea Group) and 88% of the secured lenders within the DOF Subsea Group. The standstill agreements do not include the JVs (DOFCON and DOF Deepwater), and further assume payment of principal and interest of a NOK 100 million credit facility provided to DOF Subsea AS 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 secured lenders in DOF Subsea has requested repayment of USD 47 million, pursuant to the standstill agreement and blocked the earnings account for the relevant vessel. Another secured lender has notified its right to block the earnings account from a second vessel owned by DOF Subsea. DOF Subsea has agreed a standstill with its bondholders until the 15th of December.

For the BNDES facilities (excluding the DOFCON JV), 4-year refinancing agreements, including reduced amortisation profile (75% reduction), have been applicable from the 1st of January 2020. BNDES has further approved a full standstill from the 1st of July until end of the year as part of a governmental package in Brazil due to COVID-19. Extension until the 30th of June 2021 of the current standstill agreements has further been approved by the Brazilian government and applications for these extensions have been submitted in November.

On the 27th of August the Company, Akastor ASA and the secured lenders, agreed a debt restructuring of DOF Deepwater AS (DDW). As part of this agreement, Akastor has taken over the Company's shares in DDW at zero cost. Akastor has further agreed a separate debt restructuring for DDW and has 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, approx. NOK 530 million is still valid and will be part of the debt restructuring of the Group. The DDW agreements were closed on the 10th of October.

The vessels and subsea assets (including the JVs) constitute 82% of the Group's total assets, and the Group's balance sheet is exposed to fluctuations in the valuations of these assets. As part of the quarterly impairment testing, the updated broker estimates indicate a decrease in valuations of the fleet due to significant weaker markets which started in 1st quarter.

Total interest bearing debt 31.12.2019 - 30.09.2020



The portion of debt secured with fixed rate of interest is approximately 66% 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 of in total NOK 409 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 30th of November.

Due to the ongoing debt restructuring of the Group, the 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 and sustainable financial solution for the Group and a debt restructuring proposal has been presented to the secured lenders and the bondholders. The proposal will result in a comprehensive restructuring of the Group's balance sheet including conversion of debt and further an adverse effect on the existing equity.

Shareholders & the Board

By the end of September, the total share capital was NOK 308 million divided into 308 million shares. The main shareholder Møgster Offshore AS controls 32.49% of the Company and 31.60% on a fully diluted basis. A demerger of Møgster Offshore (previously Møgster Mohn Offshore) was completed in September, and Laco AS has become the sole shareholders in Møgster Offshore and Perestroika Industry AS has become a direct shareholder in the Company.

Employees
The Group employed as of 30th of September 3,182 employees including hired staff, which is a slight increase since the previous quarter. The marine offshore personnel amounts to 1,726 people, while 1,159 persons are employed within the subsea segment and 297 are employed onshore.

Health, Safety, Environment and Quality
There was not identified any significant HSEQ issues during the 3rd quarter. The operations are still challenging since the outbreak of COVID-19. The Group has so far been successful in protecting its employees, executing the projects, and operating the vessels close to normal.

Events after balance date
DOF Subsea Brazil has been awarded a 3-year contract at the Mero Field for the Skandi Salvador with Petrobras. DOF Subsea has further been awarded a 2-year contract extension for the Skandi Africa, which started in direct continuation of the existing contract in October.

The Group has entered into a standstill agreement with its secured lenders and bondholders until the 31st of January 2021, and as part of the standstill agreements the Group has submitted a comprehensive restructuring proposal to the secured lenders and bondholders. The Group has applied for an extension of additional six months standstill for the BNDES facilities, applicable from year end based on a governmental package in Brazil. A new board member, Harald Thorstein, was elected in DOF Subsea AS on the 29th of October.

The debt restructuring, including the sale of the shares in DOF Deepwater, was completed on the 11th of October.

Outlook
The markets have continued to be challenging after the effects from COVID-19 and the drop in oil price. The Group will, however, maintain its strategy to secure the fleet on long-term contracts and is actively working on keeping the firm employment of the fleet as high as possible. The Group will further continue to adapt its cost level and adjust its capacity to the challenging markets.

Several of the Group's high-end assets are committed on firm contracts and represent the largest value of the Group's backlog. However, the continuing weak markets have increased the financial risk of the Group, and the Board of Directors expects the market conditions to remain challenging, and the timing of a recovery is highly uncertain. The future earnings and asset values are difficult to forecast, and impairment of assets could be further expected.

The 3rd quarter financial report is prepared on the assumption of going concern. However, the Group's financial situation is not sustainable as the equity is negative and the liquidity is under pressure. 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 will result in significant impairments of the Group's assets, see Annual Report 2019, Note 2, 22, and 35.

As reported, the Group has entered into a standstill agreement with the majority of its creditors, including temporary deferral of payment of interest and instalments. The Group has presented a debt restructuring proposal to the secured lenders and bondholders. The proposal will result in a comprehensive restructuring of the Group's balance sheet including conversion of debt, which will have an adverse effect on the equity. The Group is dependent on continued standstill agreements with its creditors until a long-term financial solution is agreed to remain as a going concern.

The Board of Directors of DOF ASA,
November 11th, 2020

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SKANDI AFRICA
DOF

Accounts Q3 2020

Consolidated statement of profit or loss

(MNOK)	Note	Q3 2020	Q3 2019	Acc Q3 2020	Acc Q3 2019	2019
Operating income	3	1 706	1 752	4 869	4 652	6 276
Operating expenses		-1 096	-1 224	-3 289	-3 407	-4 517
Net profit from associated and joint ventures	6	114	-71	8	48	52
Net gain on sale of tangible assets		12	3	12	4	4
Operating profit before depreciation and impairment - EBITDA		736	461	1 601	1 296	1 815
Depreciation	5	-203	-276	-656	-809	-1 071
Impairment	5	-637	-733	-2 572	-917	-1 130
Operating profit - EBIT		-104	-547	-1 627	-430	-387
Financial income		12	26	64	86	97
Financial costs		-252	-266	-795	-769	-1 024
Net realised gain/loss on currencies		-54	-54	-592	-232	-237
Net unrealised gain/loss on currencies		-44	-897	-2 076	-706	-862
Net changes in fair value of financial instruments		46	-70	-102	36	117
Net financial costs		-291	-1 261	-3 500	-1 585	-1 909
Profit (loss) before taxes		-395	-1 809	-5 127	-2 015	-2 296
Taxes		-11	-322	-70	-355	-585
Profit (loss) for the period		-406	-2 130	-5 197	-2 369	-2 881
Profit attributable to						
Non-controlling interest		-	-377	-35	-379	-402
Controlling interest		-407	-1 753	-5 162	-1 991	-2 480
Earnings per share (NOK)		-1,28	-5,54	-16,31	-6,29	-7,84
Diluted earnings per share (NOK)		-1,28	-5,54	-16,31	-6,29	-7,84

Consolidated statement of comprehensive income

(MNOK)	Note	Q3 2020	Q3 2019	Acc Q3 2020	Acc Q3 2019	2019
Profit (loss) for the period		-406	-2 130	-5 197	-2 369	-2 881
Items that will be subsequently reclassified to profit or loss						
Currency translation differences		156	-39	501	-27	24
Cash flow hedge		14	167	45	256	712
Cash flow hedge - impairment deferred tax		-	-240	-	-240	-240
Share of other comprehensive income of joint ventures	6	-49	124	186	115	66
Items that not will be reclassified to profit or loss						
Defined benefit plan actuarial gain (loss)		-	-	-	-	12
Other comprehensive income/loss net of tax		121	12	732	103	574
Total comprehensive income/loss		-285	-2 118	-4 465	-2 266	-2 307
Total comprehensive income/loss net attributable to						
Non-controlling interest		-	-350	-35	-349	-363
Controlling interest		-286	-1 768	-4 429	-1 917	-1 945

Consolidated statement of balance sheet

(MNOK)	Note	30.09.2020	30.09.2019	31.12.2019
ASSETS				
Tangible assets	5	13 758	18 192	17 765
Goodwill		-	85	85
Deferred tax assets		9	207	13
Investment in associated and joint ventures	6	2 374	1 812	1 806
Other non-current assets		426	950	604
Total non-current assets		16 568	21 247	20 273
Trade receivables		1 059	1 493	1 200
Other receivables		650	349	595
Current receivables		1 709	1 842	1 795
Restricted deposits		204	208	216
Cash and cash equivalents		1 741	1 087	1 179
Cash and cash equivalents incl. restricted deposits	7	1 945	1 295	1 395
Current assets		3 654	3 136	3 190
Total Assets		20 221	24 383	23 464
EQUITY AND LIABILITIES				
Paid in equity		308	1 504	3 178
Other equity		-1 456	88	87
Non-controlling interests		134	1 920	186
Total equity		-1 014	3 512	3 451
Bond loan	8	-	2 168	-
Debt to credit institutions	8	-	11 814	3 994
Lease debt		335	384	370
Other non-current liabilities		6	59	33
Non-current liabilities		341	14 425	4 396
Current portion of debt	8	18 951	4 809	14 198
Accounts payable		795	923	759
Other current liabilities	9	1 149	714	660
Current liabilities		20 894	6 446	15 617
Total liabilities		21 235	20 871	20 013
Total equity and liabilities		20 221	24 383	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			-5 162			-5 162	-35	-5 197
Other comprehensive income/loss			186	501	45	732	-	732
Reclassification between CTA and cash flow hedge				-55	55	-		-
Total comprehensive income for the period	-	-	-4 976	446	100	-4 430	-35	-4 465
Converted bond loan						-		-
Total transactions with the owners	-	-	-	-	-	-	-	-
Balance at 30.09.2020	3 194	87	-4 928	653	-155	-4 343	135	-1 014
Balance at 01.01.2019	3 277	232	544	196	-740	232	2 269	5 778
Result (loss) for the period	-1 849		-142			-142	-379	-2 369
Other comprehensive income/loss			74	-16	16	74	30	103
Reclassification between CTA and cash flow hedge				-18	18	-		-
Total comprehensive income for the period	-1 849	-	-67	-34	34	-68	-349	-2 266
Converted bond loan	77	-77				-77		-
Total transactions with the owners	77	-77	-	-	-	-77	-	-
Balance at 30.09.2019	1 504	156	477	162	-707	88	1 920	3 512

Key figures

		Q3 2020	Q3 2019	Acc Q3 2020	Acc Q3 2019	2019
EBITDA margin ex net gain on sale of vessel	1	42%	26%	33%	28%	29%
EBITDA margin	2	43%	26%	33%	28%	29%
EBIT margin	3	-6%	-31%	-33%	-9%	-6%
Cashflow per share *)	4	1,40	0,34	0,88	1,21	2,06
Profit per share *)	5	-1,28	-6,73	-16,42	-7,49	-9,11
Profit per share ex. unrealised gain/loss on currencies and changes fair value of financial instruments *)	6	-1,29	-3,86	-9,54	-5,37	-6,75
Return on net capital	7			-513%	-67%	-83%
Equity ratio	8			-5%	14%	15%
Net interest bearing debt				17 018	17 616	16 888
Net interest bearing debt excl. effect of IFRS 16				16 691	17 284	16 558
Number of shares				307 762 779	300 887 779	307 762 779
Potential average number of shares				316 456 168	316 456 168	316 456 168
Potential number of shares				316 456 168	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)	Q3 2020	Q3 2019	Acc Q3 2020	Acc Q3 2019	2019
Operating result	-104	-547	-1 627	-430	-387
Depreciation and impairment	840	1 009	3 227	1 726	2 202
Gain/loss on disposal of tangible assets	-12	-3	-12	-4	-4
Share of profit/loss from associates and joint ventures	-114	71	-8	-48	-52
Changes in accounts receivables	6	-203	141	-181	112
Changes in accounts payable	89	58	36	115	-50
Changes in other working capital	-63	76	-86	142	204
Exchange rate effects on operating activities	-4	33	37	-44	-152
Cash from operating activities	638	492	1 708	1 276	1 874
Interest received	6	9	29	59	69
Interest paid	-61	-276	-455	-768	-980
Taxes paid	-4	-5	-51	-23	-44
Net cash from operating activities	580	219	1 232	544	919
Payments received for sale of tangible assets	11	6	12	6	6
Purchase of tangible assets	-49	-119	-161	-441	-510
Payments received for sale of shares	-	-	-	-	-
Purchase of shares	-	-	-	-4	-4
Received dividend	-	1	-	2	2
Other investments	6	242	153	417	506
Net cash from investing activities	-32	130	4	-21	-1
Proceeds from borrowings	-	-	230	-	-
Repayment of borrowings	-118	-472	-416	-1 101	-1 403
Share issue	-	-	-	-	-
Purchase of convertible bond	-	-	-	-	-
Payments to non-controlling interests	-	-	-	-	-20
Net cash from financing activities	-118	-472	-186	-1 101	-1 423
Net changes in cash and cash equivalents	430	-122	1 050	-577	-504
Cash and cash equivalents at the start of the period	1 543	1 498	1 395	1 932	1 932
Exchange gain/loss on cash and cash equivalents	-27	-81	-500	-61	-33
Cash and cash equivalents at the end of the period	1 945	1 295	1 945	1 295	1 395

Restricted cash amounts to NOK 204 million (NOK 208 million) and is included in the cash. Changes in restricted cash is reflected in the cash flow. For further information, please see note 10 "Cash and cash equivalents".

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.

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 11th of November 2020. 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 the liquidity is under pressure. The continuing weak market have increased the financial risk of the Group, and the Board of Directors expects the market conditions to remain challenging, and the timing of recovery is highly 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 will result in significantly impairments of the Group’s assets, see Annual Report 2019, Note 2, 22 and 35.

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 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	3rd Quarter 2020			3rd Quarter 2019		
(MNOK)	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
Operating income	2 027	-320	1 706	2 057	-304	1 752
Operating expenses	-1 159	62	-1 096	-1 295	71	-1 224
Net profit from associated and joint ventures	-1	115	114	-7	-64	-71
Net gain on sale of tangible assets	12	-	12	3	-	3
Operating profit before depreciation and impairment - EBITDA	879	-143	736	759	-297	461
Depreciation	-258	55	-203	-345	69	-276
Impairment	-667	30	-637	-917	184	-733
Operating profit - EBIT	-46	-58	-104	-503	-45	-547
Financial income	5	6	12	12	14	26
Financial costs	-307	55	-252	-329	64	-266
Net realised gain/loss on currencies	-55	1	-54	-60	5	-54
Net unrealised gain/loss on currencies	-33	-11	-44	-944	47	-897
Net changes in fair value of financial instruments	46	-	46	-70	-	-70
Net financial costs	-343	52	-291	-1 390	129	-1 261
Profit (loss) before taxes	-389	-6	-395	-1 893	84	-1 809
Taxes	-17	6	-11	-237	-84	-322
Profit (loss)	-406	-	-406	-2 130	-	-2 130

RESULT	Acc 3 Quarter 2020			Acc 3 Quarter 2019		
(MNOK)	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
Operating income	5 902	-1 034	4 869	5 544	-892	4 652
Operating expenses	-3 490	201	-3 289	-3 610	202	-3 407
Net profit from associated and joint ventures	-41	49	8	-14	62	48
Net gain on sale of tangible assets	12	-	12	4	-	4
Operating profit before depreciation and impairment - EBITDA	2 384	-784	1 601	1 924	-628	1 296
Depreciation	-842	186	-656	-991	182	-809
Impairment	-2 978	406	-2 572	-1 121	204	-917
Operating profit - EBIT	-1 435	-191	-1 627	-188	-242	-430
Financial income	23	41	64	42	44	86
Financial costs	-1 010	215	-795	-952	183	-769
Net realised gain/loss on currencies	-618	27	-592	-245	13	-232
Net unrealised gain/loss on currencies	-2 174	98	-2 076	-746	40	-706
Net changes in fair value of financial instruments	-102	-	-102	36	-	36
Net financial costs	-3 881	380	-3 500	-1 865	280	-1 585
Profit (loss) before taxes	-5 316	189	-5 127	-2 053	38	-2 015
Taxes	119	-189	-70	-316	-38	-355
Profit (loss)	-5 197	-	-5 197	-2 369	-	-2 369

Note 2 Management reporting (continued)

BALANCE	30.09.2020			30.09.2019		
(MNOK)	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
ASSETS						
Tangible assets	20 237	-6 478	13 758	25 122	-6 930	18 192
Goodwill	-	-	-	85	-	85
Deferred taxes	364	-355	9	377	-170	207
Investment in associated companies and joint ventures	5	2 370	2 374	77	1 735	1 812
Other non-current financial assets	186	239	426	246	704	950
Total non-current assets	20 792	-4 225	16 568	25 908	-4 661	21 247
Receivables	1 729	-21	1 709	1 983	-141	1 842
Cash and cash equivalents	2 447	-502	1 945	1 679	-384	1 295
Total current assets	4 176	-522	3 654	3 662	-525	3 136
Total assets	24 968	-4 747	20 221	29 570	-5 187	24 383
EQUITY AND LIABILITIES						
Equity	-1 014	-	-1 014	3 512	-	3 512
Non-current liabilities	4 490	-4 149	341	19 220	-4 794	14 425
Current liabilities	21 492	-597	20 894	6 838	-392	6 446
Total liabilities	25 982	-4 747	21 235	26 058	-5 187	20 871
Total equity and liabilities	24 968	-4 747	20 221	29 570	-5 187	24 383
Net interest bearing liabilities excluded effect of IFRS 16	21 221	-4 530	16 691	22 109	-4 825	17 284

Note 3 Segment information - management reporting

3rd Quarter 2020	Q3 2020 PSV	AHTS	Subsea	Total	Acc Q3 2020 PSV	AHTS	Subsea	Total
Operating income	128	279	1 620	2 027	391	954	4 557	5 902
Operating result before depreciation and impairment - EBITDA	22	151	706	879	77	522	1 785	2 384
Depreciation	30	53	176	258	94	193	555	842
Impairment	69	14	584	667	238	698	2 042	2 978
Operation result - EBIT	-77	84	-53	-46	-256	-368	-812	-1 435

3rd Quarter 2019	Q3 2019 PSV	AHTS	Subsea	Total	Acc Q3 2019 PSV	AHTS	Subsea	Total
Operating income	129	297	1 631	2 057	376	932	4 237	5 544
Operating result before depreciation and impairment - EBITDA	36	140	583	759	74	449	1 401	1 924
Depreciation	33	86	226	345	96	266	629	991
Impairment	18	176	723	917	32	276	813	1 121
Operation result - EBIT	-15	-122	-366	-503	-53	-94	-41	-188

Note 4 Operating income

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

Operating income	Q3 2020	Q3 2019	Acc Q3 2020	Acc Q3 2019	2019
Lump sum contracts	134	131	182	243	50
Day rate contracts	1 572	1 621	4 687	4 409	6 226
Total	1 706	1 752	4 869	4 652	6 276

In Q3 2020 the Group has received NOK 110 million in cancellation fee for two long-term contracts that have been cancelled. The cancellation fee is included in total operating revenue above.

Note 5 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	130	8	23	21	182
Reclassification	9	2	-29		-18
Depreciation	-451	-117	-48	-40	-656
Impairment loss	-2 468		-18		-2 486
Currency translation differences	-1 035	-1	-3	11	-1 028

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	413	121	29	18	581
Disposal			-2	-3	-5
Depreciation	-582	-118	-68	-41	-809
Impairment loss	-708				-708
Currency translation differences	-118		2	-1	-117
Book value at 30.09.2019	16 792	710	364	326	18 192
Book value at 30.09.2020	12 656	557	261	284	13 758

Right-of-use asset
Net booked value of right-of-use assets at 30th of September 2020 consists of property with NOK 276 million (NOK 307 million) and operating equipment with NOK 8 million (NOK 18 million).

Impairment
The fair market values have dropped due to 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 Q3 2020 has resulted in an impairment of vessels and equipment of NOK 637 million in the 3rd quarter 2020 and year to date NOK 2,487 million. In addition an impairment in the joint ventures of NOK 30 million has been done in 3rd quarter 2020 and year to date NOK 406 million.

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 will 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 approx. NOK 290 million. Negative effect on net future cash flows with 20% will result in an additional impairment of the vessels with approx. NOK 1.7 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 270 million given no change in other assumptions.

Note 6 Investment in associates and joint ventures

The Company's investment in associates and joint ventures as of 30.09.2020;

Joint ventures	Ownership
DOFCON Brasil AS with subsidiaries	50%
DOF Deepwater AS	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%
DOF OSM Services AS	50%

Effect of application of IFRS 11 on investments in joint ventures;	30.09.2020
Opening balance 01.01.2020	1 806
Addition	
Profit (loss)	8
Profit (loss) through OCI	186
Negative value on investments reallocated to receivable and liabilities	373
Closing balance 30.09.2020	2 374

Note 7 Cash and cash equivalent

	30.09.2020	30.09.2019	31.12.2019
Restricted cash	204	208	216
Cash and cash equivalent	1 741	1 087	1 179
Total cash and cash equivalent	1 945	1 295	1 395

Loans have been provided by Eksportfinans and are invested as restricted deposits. The repayment terms on the loans are equivalent with the reduction on the deposits. The loans are fully repaid in 2021. The cash deposits are included in Restricted deposits with a total of NOK 35 million (NOK 77 million).

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 493 million and are included in unrestricted cash and cash equivalents.

Note 8 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 31st of January 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 and DOF Deepwater), and further assume payment of principal and interest of a NOK 100 million credit facility provided to DOF Subsea AS 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 secured lenders in DOF Subsea has requested repayment of USD 47 million, pursuant to the standstill agreement and blocked the earnings account for the relevant vessel. Another secured lender has notified its right to block the earnings account from a second vessel owned by DOF Subsea. DOF Subsea has agreed a standstill with its bondholders until the 15th of December.

For the BNDES facilities (excluding the DOFCON JV), 4-year refinancing agreements, including reduced amortisation profile (75% reduction), have been applicable from the 1st of January 2020. BNDES has further approved a full standstill from the 1st of July until end of the year as part of a governmental package in Brazil due to COVID-19. Extension until the 30th of June 2021 of the current standstill agreements has further been approved by the Brazilian government and application for these extension have been submitted in November.

The Group has presented a debt restructuring proposal to the secured lenders and bondholders which will result in a comprehensive restructuring of the Group's balance sheet and including conversion of debt and further an adverse effect on the existing equity.

The Group's secured and unsecured debt are, in accordance with IFRS, classified as current debt at the 30th of September 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 8 Interest bearing liabilities (continued)

At 30 September 2020 the interest bearing liabilities are as follows;

	30.09.2020	30.09.2019	31.12.2019
Non-current interest bearing liabilities			
Bond loan	-	2 168	-
Debt to credit institutions	-	11 814	3 994
Lease liabilities (IFRS 16) *)	335	384	370
Total non-current interest bearing liabilities	335	14 366	4 363
Current interest bearing liabilities			
Bond loan	2 692	467	2 589
Debt to credit institutions	15 918	4 048	11 291
Lease liabilities (IFRS 16) *)	95	90	91
Overdraft facilities	27	81	78
Total current interest bearing liabilities	18 731	4 686	14 050
Total interest bearing liabilities	19 066	19 052	18 414
Net interest bearing liabilities			
Other interest bearing assets non-current (sublease IFRS 16)	103	141	131
Cash and cash equivalents	1 945	1 295	1 395
Total net interest bearing liabilities	17 018	17 616	16 888
Net effect of IFRS 16 Lease	327	332	330
Total net interest bearing liabilities excluded IFRS 16 Lease liabilities	16 691	17 284	16 888

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

Current interest bearing debt in the statement of balance sheet included accrued interest expenses NOK 220 million. Accrued interest expenses are excluded in the figures above.

Loan divided on currency and fixed interest	Share fixed interest	Balance 30.09.2020
NOK	62%	7 030
USD	67%	11 623
CAD	100%	409
BRL	0.0 %	4
Total	66%	19 066

Reconciliation changes in borrowings
Changes in total liabilities 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 30.09.2020
Interest bearing liabilities							
Bond loan	2 589					103	2 692
Debt to credit institutions	15 285	-69		222	10	470	15 917
Lease liabilities	461	-69	21			17	430
Overdraft facilities	78	-48				-3	27
Total interest bearing liabilities	18 414	-186	21	222	10	586	19 066

Note 9 Guarantees

DOF Deepwater
On the 27th of August the Company, Akastor ASA and the secured lenders agreed a restructuring of the DOF Deepwater AS (DDW). As part of this 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 533 million. The DDW agreements were closed on the 11th of October.

Iceman AS
The Company is guarantor for the debt in Iceman AS of in total NOK 409 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 30th of November.

Note 10 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 30 September 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 11 Subsequent events

Contracts
DOF Subsea Brazil has been awarded a 3-year contract at the Mero Field for the Skandi Salvador with Petrobras. DOF Subsea has further awarded a 2-year contract extension for the Skandi Africa which started in direct continuation of the existing contract in October.

Financing
The Group has entered into a standstill agreement with its secured lenders and bondholders until the 31st of January 2021, and as part of the standstill agreements the Group has submitted a comprehensive restructuring proposal to the secured lenders and bondholders. The Group has applied for an extension of additional six months standstill for the BNDES facilities, applicable from year end based on a governmental package in Brazil.

The debt restructuring and sale of shares in DOF Deepwater was completed on 11th October.

Note 12 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 13 Share capital and shareholders

Largest shareholders as of 30.09.2020

Name	No. shares	Shareholding %
MØGSTER OFFSHORE AS	100 007 313	32.49%
PERESTROIKA INDUSTRI AS	50 631 330	16.45%
BNP PARIBAS SECURITIES SERVICES	9 570 169	3.11%
BRØNMO, BJARTE	2 901 630	0.94%
NORDNET BANK AB	2 770 042	0.90%
BRETTEL INVEST AS	2 448 722	0.80%
DRAGESUND INVEST AS	2 360 000	0.77%
HOLDEN, JIM ØYSTEIN	2 191 492	0.71%
MOCO AS	1 984 419	0.64%
LAWO INVEST AS	1 857 377	0.60%
BERGEN KOMMUNALE PENSJONSKASSE	1 800 000	0.58%
SKANDINAVISKA ENSKILDA BANKEN AB	1 603 201	0.52%
NORDNET LIVSFORSIKRING AS	1 560 636	0.51%
WORKINN, BJØRN ÅGE	1 200 000	0.39%
DP HOLDING AS	1 183 517	0.38%
DANSKE BANK A/S	1 144 262	0.37%
WORKINN, HANS KRISTIAN	1 021 597	0.33%
STAVERN HELSE OG FORVALTNING AS	1 000 000	0.32%
TEIR, MAGED ELABD SOLIMAN ABU	1 000 000	0.32%
EBB HOLDING AS	949 097	0.31%
Total	189 184 804	61.47%
Total other shareholders	118 577 975	38.53%
Total no of shares	307 762 779	100.00%

Note 14 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 management 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 Subsea segment, includes only confirmed purchase order.

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