

Q2 2021

Financial Report
DOF ASA



Index

Directors' report	4
Accounts	12
Consolidated statement of profit or loss	12
Consolidated statement of balance sheet	13
Consolidated statement of cash flows	14
Consolidated statement of equity	15
Notes to the accounts	16
Note 1 General	16
Note 2 Management reporting	17
Note 3 Segment information	18
Note 4 Operating revenue	18
Note 5 Tangible assets	19
Note 6 Investment in associates and joint ventures	20
Note 7 Cash and cash equivalent	20
Note 8 Interest bearing liabilities	21
Note 9 Guarantees	23
Note 10 Transaction with related parties	23
Note 11 Subsequent events	23
Note 12 Share capital and shareholders	24
Note 13 Performance measurements definitions	25
Supplemental information	26
Consolidated statement of profit or loss	26
Consolidated statement of balance sheet	27
Consolidated statement of cash flows	27
Key figures	27

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Report distribution & webcast

The Q2 2021 financial report for DOF ASA is to be published on 24th of August, 2021. A financial webcast will be held on the day of publication at 08:30 (CET) and will be available on the Company website: www.dof.com. All materials, including an investor presentation, will be available on the same website.

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

Directors' report

2nd Quarter 2021

Key figures

(MNOK)	Management reporting		Financial reporting	
	Q2 2021	Q2 2020	Q2 2021	Q2 2020
Operating revenue	2 003	1 802	1 716	1 455
Net gain on sale of tangible assets	31	-	31	-
EBITDA	680	701	463	376
EBIT	148	-354	97	-424
Net interest costs	-251	-361	-204	-255
Net currency and derivatives	782	26	706	14
Profit (loss)	580	-675	580	-675
 NIBD (Net interest bearing debt)	19 738	22 640	16 437	17 769
NIBD (Net interest bearing debt) excluded effect of IFRS 16	19 454	22 328	16 153	17 457
Equity ratio	-5%	-3%	-6%	-4%

NIBD by end of June 2021 is highly impacted by weak NOK to USD (NOK 9.74, 30.06.2020 versus NOK 8.56, 30.06.2021).

Operations

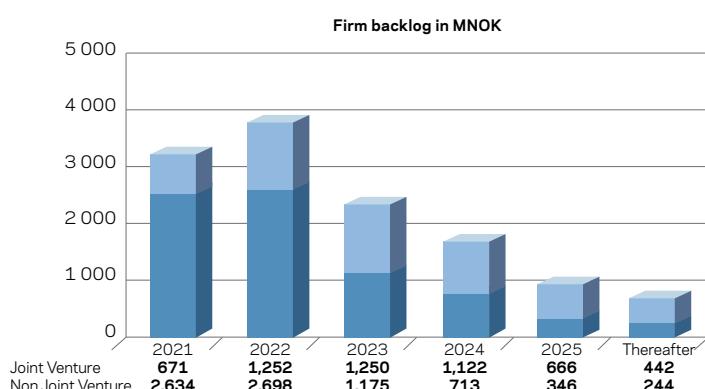
- Average utilisation of the fleet 80% (70%)
- The markets have continued to be challenging
- High activity in the subsea project segments and mobilisations have impacted the cash flow in the quarter
- Still challenging operations due to COVID-19, but the situation in Brazil has improved
- The total fleet includes 58 vessels (eight on management):
 - 15 AHTSs, 14 PSVs, and 29 Subsea vessels
 - Three vessels in lay-up (one owned)
 - One vessel sold

Finance

- The Group's financial position is not sustainable, and a long-term financial solution is necessary to continue as going concern
- The Group has continued the discussions with lenders on a long-term refinancing, but a solution is not yet in place
- The current standstill agreement with the banks and bondholders mature on 31st of August

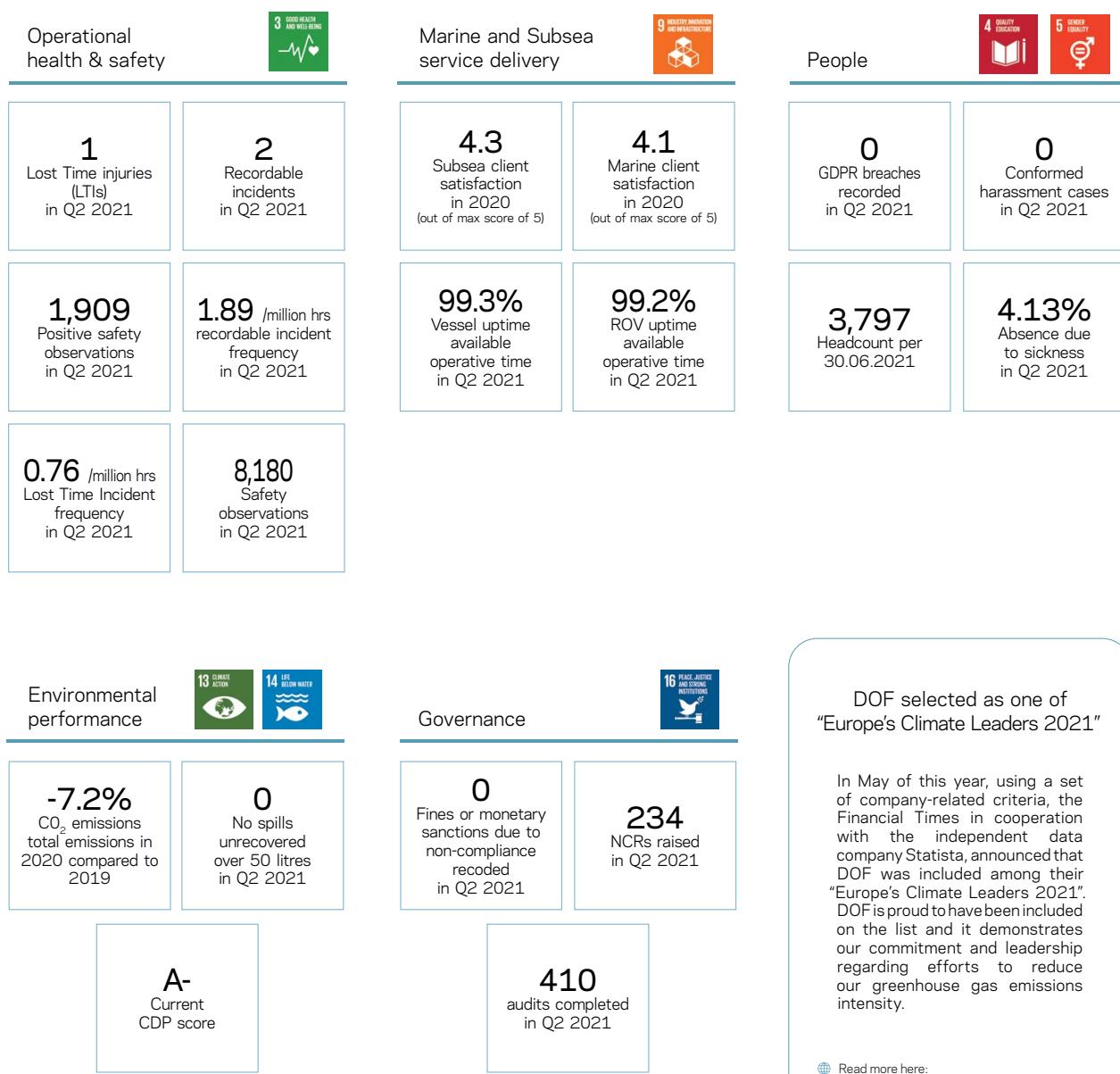
Backlog:

- Order intake NOK 1.2 billion YTD
- Current backlog is NOK 13.2 billion
- Approximately NOK 1.7 billion has been secured after end of the quarter



Key ESG (Environmental, Social, & Governance) information

The ESG figures, where appropriate, are shown in comparison with previous year, as rolling average, or as running numbers. The dashboard contains results from key, non-financial, targets established in DOF. Read more about how we selected these targets in our integrated annual report 2020.



Read more here:
<https://www.ft.com/climate-leaders-europe-2021>

Key financial & operational information

Q2 Operations

The Q2 operational result per segment is as follows;

(MNOK)	PSV	AHTS	Subsea	Total
Operating income	86	221	1 696	2 003
Net gain on sale of tangible assets	2	-	29	31
Operating result before depreciation and impairment - EBITDA	14	137	529	680
Depreciation	26	50	237	313
Impairment	25	26	167	218
Operating result - EBIT	-37	61	124	148
EBITDA margin	17%	62%	31%	34%
EBIT margin	-43%	28%	7%	7%

The main part of the Group's PSV and AHTS fleet operates on time charter (TC) contracts or in the spot market, while the Subsea fleet is partly utilised on TC contracts or on project contracts. The COVID-19 pandemic has continued to be challenging through 2nd quarter, but the situation in Brazil has improved slightly with fewer outbreaks onboard the vessels.

PSV & AHTS

The PSV fleet includes operation of 14 vessels, of which one vessel is owned via a minority share. The majority of the fleet operates in the North Sea market and two vessels have operated in the Asia-Pacific region during the quarter. The average utilisation for the owned PSV fleet has been 68% versus 72% in 2nd quarter 2020. Three vessels have been reactivated from lay-up, of which two vessels have sailed to Guyana to support pipelay activities for Saipem. The third vessel has operated in the North Sea since early June after completion of a drydocking.

The AHTS fleet includes operation of 15 vessels including four vessels on management and one vessel owned via a minority share. The majority of the fleet operates in Brazil, and the remaining fleet (six vessels) are operating in the Asia-Pacific region and in the North Sea. The average utilisation for the AHTS fleet (owned) has been 86% versus 59% in 2nd quarter 2020. The fleet in Brazil has achieved high utilisation including one vessel operating in the spot/short-term market through the quarter. Skandi Admiral, built in 1999, was delivered for recycling in April.

During the quarter the AHTS market in Brazil has been busy both in the spot and term markets. Skandi Paraty has been awarded a 1-year extension with Petrobras to be commenced in July. The markets in the North Sea has continued to be volatile with higher activity in the Norwegian sector versus the UK sector. The activity in Asia-Pacific has declined and the utilisation has been low in this region.

At the end of the quarter one owned vessel was in lay-up.

SUBSEA

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

The overall utilisation of the owned Subsea fleet was 83% versus 74% in 2nd quarter 2020. Geograph has been sold and delivered to new owners. At the end of the quarter no vessels were in lay-up.

Total revenues from subsea IMR project contracts amounted to NOK 1,115 million (NOK 699 million). Although the utilisation of the project fleet has been impacted by vessels undertaking main class renewals, transit and mobilisations for new projects, the activity has increased in the quarter.

In the Asia-Pacific region, the Group has conducted IMR work under two long-term contracts for Shell in the Philippines and in Australia. The two remaining vessels in the region have had improved utilisations and have been working on multiple installation and construction projects. One vessel was in transit to undertake class docking towards the end of the quarter. In the Atlantic region, one vessel has been working as a field support vessel in offshore Angola. The region has also executed projects within decommissioning and IMR work in the North Sea, utilising several vessels in the fleet. Two vessels commenced on projects within the offshore wind industry. In the North America region, the Group has executed IMR and installation work for Husky Energy in Canada and for other clients in the Gulf of Mexico and in Trinidad and Tobago. In the Brazil region, the activity has been high in the quarter where multiple vessels have continued working on an inspection project, and one vessel has been working on a long-term diving contract. One vessel has mobilised for a 3-year MPSV contract awarded with Petrobras in 2nd quarter. One vessel has transited to the region to commence a Seismic Node project for Shearwater GeoServices.

Main contract awards are up to 160 days for the Skandi Constructor to support offshore wind farms in Germany and multiple contracts in the North Sea within IMR, construction and decommissioning segment utilising four vessels. In addition, a contract of 150 vessel days has been awarded within the renewable market. In Brazil, Skandi Neptune has been awarded a contract to support a seismic campaign on the Jubarte and Iracema field offshore Brazil.

In the TC segment, including the PLSV fleet, all vessels have continued working on firm contracts and achieved a utilisation of 93%.

Main Items Interim Accounts Q2 – Financial Reporting

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

P&L 2nd QUARTER

(MNOK)	Q2 2021	Q2 2020
Operating revenue	1 716	1 455
Net gain on sale of tangible assets	31	-
EBITDA	463	376
EBIT	97	-424
Net interest costs	-204	-255
Net currency and derivatives	706	14
Profit (loss)	580	-675

The revenue and EBITDA are slightly higher than last year due to increased activity this quarter. In the PSV and AHTS segment the revenue has dropped, but the margins have improved, resulting in an EBITDA in line with last year. For the subsea project fleet, the activity has been higher, however the margins have been lower compared to 2nd quarter 2020. Net gain from sale of assets is related to the sale of Geograph and Skandi Admiral (sold for recycling). A net result from the JVs of NOK -7 million (NOK -26 million) is included in the EBITDA and mainly represents the DOFCON JV (last year the results include losses from the JV DOF Deepwater). An impairment of NOK 99 million is included in the JV result. The remaining impairments in the quarter are NOK 120 million (NOK 588 million). During the quarter, the fair market value of the fleet dropped on average by 1.3% and the values for several vessels have stabilised. However, there is still high uncertainty on a market recovery, and the earnings are not at sustainable levels. Hence further impairments may still be applicable. The Group's assets are further sensitive to the USD/NOK rates.

The net financial costs of NOK 502 million (NOK -241 million) include net interest costs of NOK -204 million (NOK -255 million) and net gain on currencies and financial instruments of NOK 706 million (NOK 14 million) of which NOK 741 (NOK 40 million) is unrealised. The majority of the Group's debt is in USD. The BRL rate has strengthened towards the USD and explains the unrealised currency gain this quarter. The NOK rate has been stable towards the USD in the period.

Main Items YTD Accounts Q2 – Financial Reporting

P&L 2nd QUARTER

(MNOK)	Acc Q2 2021	Acc Q2 2020
Operating revenue	2 954	3 162
Net gain on sale of tangible assets	60	-
EBITDA	799	864
EBIT	57	-1 523
Net interest costs	-427	-491
Net currency and derivatives	209	-2 718
Profit (loss)	-221	-4 791

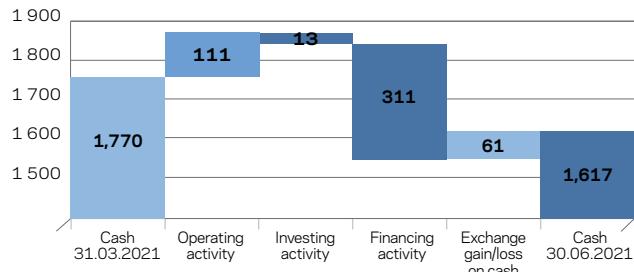
When compared to the same period last year, the operating revenue and EBITDA YTD 2021 are slightly lower. The EBITDA last year was positively impacted by significant strengthened USD to NOK and BRL. A net gain of NOK 60 million is included in the EBITDA and represents gain from the sale of four vessels. The net financial costs include currencies gain/loss of NOK 209 million (NOK -2,718 million) and net interest costs of NOK -427 million (NOK -492 million). The high financial costs last year reflect the volatility in currencies.

BALANCE

(MNOK)	30.06.2021	30.06.2020	31.12.2020
Non-current assets	15 064	17 524	15 462
Current assets	2 202	1 673	1 651
Cash and cash equivalents	1 617	1 543	1 880
Total assets	18 883	20 740	18 993
Equity	-1 141	-728	-898
Non-current liabilities	319	358	363
Current liabilities	19 705	21 111	19 528
Total equity and liabilities	18 883	20 740	18 993
Net interest bearing debt (NIBD)	16 437	17 769	16 286
Net interest bearing debt (NIBD) excl. effect IFRS 16	16 153	17 457	15 980

The main part of the non-current assets, representing approximately 79% of the total balance, are vessels, of which NOK 2,439 million represents the 50% share in the DOFCON JV. The Group's cash reserve has since year-end been positively impacted by standstill agreements and negatively impacted by several class dockings and mobilisations to new contracts completed in 1st half of the year. The equity is negative due to continuing weak results and impairments of assets. Non-current liabilities include long-term lease agreements. All remaining liabilities have been classified as current since 2nd quarter 2020. This classification is based on that the standstill agreements with the banks and bondholders are less than 12 months.

Cash flow from Q2 2021

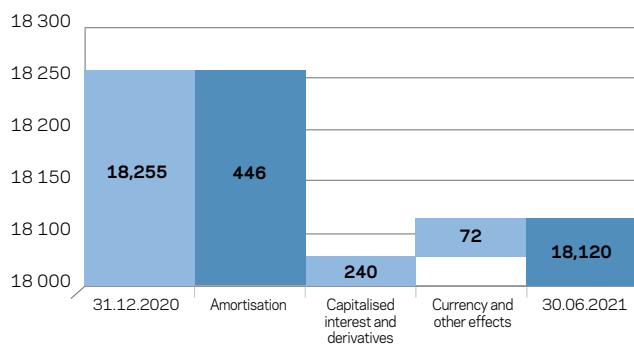


The operational cash flow (after payment of interest and taxes) is NOK 111 million which is significantly lower compared to the cash flow last year of NOK 402 million. Even though the Group has not paid interest and amortisation for the vast majority of the debt, the liquidity has dropped during the quarter. The main reasons for the drop in liquidity are increased project activity, including high outstanding receivables by end of the quarter (paid in 3rd quarter) and several class-dockings and mobilisations especially in Brazil. Net investments of NOK -13 million (NOK 115 million) include class dockings and conversions of NOK -206 million (NOK -22 million), sale of assets of NOK 76 million and payment of dividend from the DOFCON JV of NOK 115 million (NOK 137 million). Finance activity represents debt service on lease agreements and some facilities in DOF Subsea and Norskan. NOK 154 million represents restricted cash of a total cash of NOK 1,617 million.

Financing and Capital Structure

The Group's total interest-bearing debt comprises secured debt of NOK 15,560 million (NOK 16,580 million) and unsecured debt/bonds NOK 2,560 million (NOK 2,842 million). The main portion of the debt is drawn in USD.

Total interest bearing debt 31.12.2020 - 30.06.2021



The restructuring of the Group's long-term debt is ongoing and standstill agreements have been agreed until the 31st of August 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 DOF Subsea standstill agreements further assume payment of principal and interest of a NOK 100 million credit facility provided by certain lenders in March 2020. The outstanding amount of this facility was NOK 47 million by end of June. The relevant Group companies have imposed unilateral standstill to the secured lenders not participating in the standstill agreements. One of the DOF Subsea secured lenders has requested repayment of approximately USD 47 million and has enforced account pledge on the earnings account for the relevant vessel. The parties have during the quarter entered into a settlement agreement. Pursuant to the settlement agreement, the borrower will prepay such loan in full at a substantial discount, subject to certain conditions. Another secured lender has enforced an account pledge for one loan facility in DOF Subsea. The bondholders in DOFSUB07, DOFSUB08 and DOFSUB09 have accepted a standstill until the 31st of August 2021. An Ad-hoc group of bondholders can extend the standstill until the 30th of September. The DOFCON JV is not part of the standstill agreements and this company serves its debt according to the terms in the relevant loan facilities.

The BNDES standstill agreements for several facilities in Norskan Offshore Ltda. and one facility in DOF Subsea Brasil expired in June and both companies have since then paid debt service according to refinancing agreements signed in February 2020. A comprehensive refinancing solution for the Group include a long-term solution for the BNDES facilities.

The Company is guarantor for the debt in Iceman AS of NOK 438 million, where approximately 50% of the DOF guarantee is counter guaranteed by other shareholders in Iceman AS. Iceman AS has agreed to a standstill period with the banks including deferral of interest and instalments until 31st of August. A refinancing solution which includes agreement on the counter guarantees is currently being discussed with the secured lenders.

The Group aims to achieve a natural hedge between cash flows and cash outflows and have secured debt funding in equivalent currency as the earnings from firm contracts. The remaining exchange risk has been secured through forward FX contracts. Due to the current financial position of the Group, new forward contracts have become challenging. Hence the Group's liquidity risk has increased due to currency fluctuation.

The portion of debt secured with a fixed rate of interest is approximately 57% of total debt where the largest portion represents the debt with fixed interest in BNDES (Brazilian Development Bank). Due to the Group's financial

position it is challenging to get interest forward contracts (swap contracts), hence the Group's exposure to volatility in interest rates has increased.

Shareholders & the Board

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

In March the Oslo Stock Exchange decided to allocate DOF ASA, ISIN: NO0010070063 to Penalty Bench as the Issuer is in breach of Oslo Rule Book II section 4.1 regarding minimum market value of NOK 1 per share. By end of June the share price was NOK 0.51/share.

Outlook

The challenging markets have continued into 2021. It is further challenging and time consuming to operate the Group in an environment with short-term standstill agreements. There are signs of increased activity in several regions, however there is still an oversupply of vessels. A significant increase in demand is necessary to secure sustainable earnings going forward, however the timing of a recovery is highly uncertain. Hence, future earnings and asset values are difficult to forecast. Continued weak markets will increase the risk of reduced earnings and further strain the Group's financial position. If a robust long-term refinancing solution is not achieved, the Group cannot be treated as going concern, which again will require additional impairments of the Group's assets.

The 2nd quarter financial report is prepared on the assumption of going concern and as mentioned above this assumption is based on agreed standstill agreements with the majority of the Group's lenders. The debt restructuring proposals currently discussed include conversion of debt to equity, which again will have a significant adverse effect for the current holders of the equity. The dialogue with the lenders is challenging, but constructive. Hence a refinancing solution is not yet in place. The Group is dependent on continued standstill agreements with its creditors until a long-term financial solution is agreed to maintain as a going concern.

In parallel with the ongoing debt restructuring, the management and Board continue to focus on operational and cost efficiency improvements and on implementation of new technology and digital solutions. In response to the ongoing shift in the energy markets and future customer requirements, the Group also have a strong, forward looking focus on developing strategic opportunities and new lines of business utilising the Group's combined fleet, services, and competence.

*The Board of Directors of DOF ASA
August 23rd, 2021*

IR contacts

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Declaration from the Board of Directors and the CEO

We declare that to the best of our knowledge the financial statements for the period 1st of January to 30th of June 2021, are prepared in accordance with IAS34 accounting standards for interim reporting, and that the information provided gives a true and fair view of the company's assets, liabilities, profit or loss, and overall financial position.

We also declare that to the best of our knowledge the first half 2021 report provides a true and fair overview of important events during the accounting period and their influence on the interim account, as well as the most significant risks and uncertainties facing the Group during the following accounting period, in addition to material transactions with related parties.

The Board of Directors of DOF ASA, August 23rd, 2021

Hans Olav Lindal
Chairman

Helge Singelstad
Deputy Chairman

Marianne Møgster

Kathryn Baker

Mons S. Aase
CEO

Accounts

2nd Quarter 2021

Consolidated statement of profit or loss

(MNOK)	Note	Q2 2021	Q2 2020	Acc Q2 2021	Acc Q2 2020	2020
Operating revenue	3	1 716	1 455	2 954	3 162	6 212
Operating expenses		-1 301	-1 013	-2 283	-2 192	-4 297
Net profit from associated and joint ventures	6	18	-66	69	-106	171
Net gain on sale of tangible assets		31	-	60	-	19
Operating profit before depreciation and impairment - EBITDA		463	376	799	864	2 105
Depreciation	5	-246	-211	-491	-452	-856
Impairment	5	-120	-588	-251	-1 935	-3 258
Operating profit - EBIT		97	-424	57	-1 523	-2 010
Financial income		11	15	30	52	71
Financial costs		-216	-270	-457	-544	-1 065
Net realised gain/loss on currencies		-34	-26	-62	-538	-635
Net unrealised gain/loss on currencies		730	-60	249	-2 032	-1 112
Net changes in fair value of financial instruments		11	100	21	-148	-56
Net financial costs		502	-241	-218	-3 209	-2 797
Profit (loss) before taxes		599	-665	-162	-4 732	-4 806
Taxes		-19	-10	-60	-59	-153
Profit (loss) for the period		580	-675	-221	-4 791	-4 959
Profit attributable to						
Non-controlling interest		-3	-16	-7	-35	-49
Controlling interest		582	-659	-214	-4 756	-4 909
Earnings per share (NOK)		1,84	-2,08	-0,68	-15,03	-15,51
Diluted earnings per share (NOK)		1,84	-2,08	-0,68	-15,03	-15,51

Consolidated statement of comprehensive income

(MNOK)	Note	Q2 2021	Q2 2020	Acc Q2 2021	Acc Q2 2020	2020
Profit (loss) for the period		580	-675	-221	-4 791	-4 959
Items that will be subsequently reclassified to profit or loss						
Currency translation differences		-272	332	-71	345	604
Cash flow hedge		13	14	25	31	59
Share of other comprehensive income of joint ventures	6	18	-154	23	235	-47
Items that not will be reclassified to profit or loss						
Defined benefit plan actuarial gain (loss)		-	-	-	-	-1
Other comprehensive income/loss net of tax		-240	191	-22	612	616
Total comprehensive income/loss		339	-484	-243	-4 179	-4 343
Total comprehensive income/loss net attributable to						
Non-controlling interest		-3	-16	-7	-36	-49
Controlling interest		342	-468	-236	-4 144	-4 293

Consolidated statement of balance sheet

(MNOK)	Note	30.06.2021	30.06.2020	31.12.2020
ASSETS				
Tangible assets	5	12 422	14 769	12 844
Deferred tax assets		12	13	12
Investment in associated and joint ventures	6	2 439	2 312	2 336
Other non-current financial assets		191	430	270
Total non-current assets		15 064	17 524	15 462
Trade receivables		1 530	1 065	1 003
Other receivables		672	608	627
Current receivables		2 202	1 673	1 630
Restricted deposits		154	151	183
Cash and cash equivalents		1 462	1 392	1 697
Cash and cash equivalents incl. restricted deposits	7	1 617	1 543	1 880
Current assets		3 819	3 216	3 510
Asset held for sale		-	-	20
Current assets included asset held for sale		3 819	3 216	3 531
Total Assets		18 883	20 740	18 993
EQUITY AND LIABILITIES				
Paid in equity		309	308	309
Other equity		-1 557	-1 170	-1 321
Non-controlling interests		107	134	114
Total equity		-1 141	-728	-898
Bond loan		-	-	-
Debt to credit institutions	8	-	-	-
Lease debt		257	330	301
Other non-current liabilities		62	27	62
Non-current liabilities		319	358	363
Current portion of debt	8	18 311	19 231	18 301
Accounts payable		828	706	675
Other current liabilities		565	1 175	551
Current liabilities		19 705	21 111	19 528
Total liabilities		20 024	21 469	19 890
Total equity and liabilities		18 883	20 740	18 993

Consolidated statement of cash flows

(MNOK)	Q2 2021	Q2 2020	Acc Q2 2021	Acc Q2 2020	2020
Operating result	97	-424	57	-1 523	-2 010
Depreciation and impairment	366	800	743	2 387	4 115
Gain/loss on disposal of tangible assets	-31	-	-60	-	-13
Share of profit/loss from associates and joint ventures	-17	66	-69	106	-171
Changes in accounts receivables	-532	288	-527	135	197
Changes in accounts payable	171	-205	153	-53	-84
Changes in other working capital	68	-19	28	-23	-17
<u>Exchange rate effects on operating activities</u>	<u>57</u>	<u>-1</u>	<u>43</u>	<u>41</u>	<u>-4</u>
Cash from operating activities	179	505	367	1 070	2 013
Interest received	6	11	24	23	34
Interest and other finance costs paid	-59	-105	-128	-394	-525
Taxes paid	-16	-9	-33	-47	-78
Net cash from operating activities	111	402	230	652	1 445
Payments received for sale of tangible assets	76	-	173	-	19
Purchase of tangible assets	-142	-22	-259	-111	-219
Purchase of contract costs	-64	-	-116	-	-80
Received dividend	-	-	1	-	-
Other investments	117	137	135	147	276
Net cash from investing activities	-13	115	-66	36	-3
Proceeds from borrowings	2	-	3	230	230
Repayment of borrowings	-313	-44	-458	-298	-654
Net cash from financing activities	-311	-44	-454	-68	-423
Net changes in cash and cash equivalents	-214	473	-291	620	1 018
Cash and cash equivalents at the start of the period	1 770	1 142	1 880	1 395	1 395
Exchange gain/loss on cash and cash equivalents	61	-72	27	-472	-533
Cash and cash equivalents at the end of the period	1 617	1 543	1 617	1 543	1 880

Restricted cash amounts to NOK 154 million (NOK 151 million) and is included in the cash. Changes in restricted cash is reflected in the cash flow.

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

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 01.01.2021	309	75	-2 012	754	-139	-1 322	114	-898
Result (loss) for the period			-214			-214	-7	-221
Other comprehensive income/loss			23	-71	25	-22	-	-22
Reclassification between CTA and cash flow hedge			5		-5	-	-	-
Total comprehensive income for the period	-	-	-186	-71	21	-236	-7	-243
Converted bond loan						-	-	-
Changes ownership non-controlling interest						-	-	-
Total transactions with the owners	-	-	-	-	-	-	-	-
Balance at 30.06.2021	309	75	-2 198	683	-118	-1 558	107	-1 141
Balance at 01.01.2020	3 194	87	48	206	-254	87	170	3 451
Result (loss) for the period			-4 756			-4 756	-36	-4 791
Other comprehensive income/loss			235	345	31	612	-	612
Reclassification between CTA and cash flow hedge						-	-	-
Total comprehensive income for the period	-	-	-4 520	345	31	-4 144	-36	-4 180
Converted bond loan						-	-	-
Changes in non-controlling interest						-	-	-
Total transactions with the owners	-	-	-	-	-	-	-	-
Balance at 30.06.2020	3 194	87	-4 472	552	-224	-4 057	134	-728

Key figures

		Q2 2021	Q2 2020	Acc Q2 2021	Acc Q2 2020	2020
EBITDA margin ex net gain on sale of vessel	1	25%	26%	25%	27%	34%
EBITDA margin	2	27%	26%	27%	27%	34%
EBIT margin	3	6%	-29%	2%	-48%	-32%
Profit per share	4	1,83	-2,13	-0,70	-15,14	-15,67
Cashflow per share	5	0,71	0,30	0,98	-0,52	1,50
Return on net capital	6			-19%	658%	552%
Equity ratio	7			-6%	-4%	-5%
Net interest bearing debt				16 437	17 769	16 286
Net interest bearing debt excl. effect of IFRS 16				16 153	17 457	15 980
Number of shares				308 962 779	307 762 779	308 962 779
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 depreciation excluded net gain on sale of vessel in percent of operating income.
- 2) Operating profit before depreciation in percent of operating income.
- 3) Operating profit in percent of operating income.
- 4) Result /potential average no. of shares.
- 5) Pre-tax result + depreciation and impairment +/- unrealised gain/loss on currencies +/- net changes in fair value of financial instruments/potential average no of shares.
- 6) Result incl non-controlling interest/total equity
- 7) Total equity/total balance

Notes to the accounts

2nd Quarter 2021

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 23rd of August 2021. These condensed interim financial statements have not been audited.

Basis of preparation

This Financial Report has been prepared in accordance with IAS 34, ‘Interim financial reporting’. The Financial Report does not include all the information and disclosure required in the annual financial statements, and should be read in conjunction with the Group’s Annual Report for 2020.

The Financial Report are prepared on the assumption of a going concern. However, the Group’s financial situation is not sustainable as the equity is negative and standstill agreements with the majority of the Group’s creditors have continued since June 2020. The continuing weak markets have increased the financial risk of the Group, and the Board of Directors expects the marked conditions to remain challenging. The timing of a recovery is highly uncertain. A continuing weak market will increase the risk of lower earnings for the Group and further strain the Group’s financial position. If a robust long-term refinancing solution is not achieved and the Group cannot be treated as a going concern, the valuation of the Group’s assets will be further revised and will result in significantly impairments of the Group’s assets.

Estimates

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

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2020, 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 (MNOK)	2 nd Quarter 2021			2 nd Quarter 2020		
	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
Operating revenue	2 003	-287	1 716	1 802	-347	1 455
Operating expenses	-1 347	46	-1 301	-1 074	61	-1 013
Net profit from associated and joint ventures	-7	24	18	-26	-39	-66
Net gain on sale of tangible assets	31	-	31	-	-	-
Operating profit before depreciation and impairment - EBITDA	680	-217	463	701	-325	376
Depreciation	-313	68	-246	-277	65	-211
Impairment	-218	98	-120	-779	191	-588
Operating profit - EBIT	148	-51	97	-354	-69	-424
Financial income	6	5	11	6	9	15
Financial costs	-257	42	-216	-368	97	-270
Net realised gain/loss on currencies	-32	-2	-34	-35	9	-26
Net unrealised gain/loss on currencies	804	-74	730	-38	-22	-60
Net changes in fair value of financial instruments	11	-	11	100	-	100
Net financial costs	531	-29	502	-335	94	-241
Profit (loss) before taxes	679	-80	599	-689	24	-665
Taxes	-99	80	-19	14	-24	-10
Profit (loss)	580	-	580	-675	-0	-675

RESULT (MNOK)	Acc 2 nd Quarter 2021			Acc 2 nd Quarter 2020		
	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
Operating revenue	3 517	-563	2 954	3 875	-713	3 162
Operating expenses	-2 394	111	-2 283	-2 331	139	-2 192
Net profit from associated and joint ventures	-11	79	69	-40	-66	-106
Net gain on sale of tangible assets	60	-	60	-	-	-
Operating profit before depreciation and impairment - EBITDA	1 172	-373	799	1 505	-641	864
Depreciation	-630	138	-491	-584	131	-452
Impairment	-349	98	-251	-2 311	376	-1 935
Operating profit - EBIT	193	-136	57	-1 389	-134	-1 523
Financial income	12	18	30	18	35	52
Financial costs	-535	78	-457	-703	159	-544
Net realised gain/loss on currencies	-62	-	-62	-563	25	-538
Net unrealised gain/loss on currencies	270	-20	249	-2 141	108	-2 032
Net changes in fair value of financial instruments	21	-	21	-148	-	-148
Net financial costs	-295	76	-218	-3 537	328	-3 209
Profit (loss) before taxes	-102	-60	-162	-4 927	195	-4 732
Taxes	-120	60	-60	136	-195	-59
Profit (loss)	-221	-	-221	-4 791	-	-4 791

(MNOK)	30.06.2021			30.06.2020		
	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
ASSETS						
Tangible assets	18 146	-5 724	12 422	21 507	-6 738	14 769
Deferred taxes	341	-329	12	399	-386	13
Investment in associated companies and joint ventures	7	2 431	2 439	6	2 306	2 312
Other financial assets	191	1	191	185	246	430
Total non-current assets	18 685	-3 621	15 064	22 097	-4 572	17 524
Receivables	2 165	37	2 202	1 645	28	1 673
Cash and cash equivalents	2 135	-518	1 617	1 902	-359	1 543
Asset held for sale	-	-	-	-	-	-
Total current assets included asset held for sale	4 299	-481	3 819	3 546	-330	3 216
Total assets	22 985	-4 102	18 883	25 643	-4 903	20 740
EQUITY AND LIABILITIES						
Equity	-1 141	-	-1 141	-728	-	-728
Non-current liabilities	3 757	-3 438	319	4 616	-4 258	358
Current liabilities	20 369	-664	19 705	21 755	-644	21 111
Total liabilities	24 126	-4 102	20 024	26 371	-4 903	21 469
Total equity and liabilities	22 985	-4 102	18 883	25 643	-4 903	20 740
Net interest bearing liabilities excluded effect of IFRS 16	19 454	-3 301	16 153	22 328	-4 871	17 457

Note 3 Segment information - management reporting

2 nd Quarter 2021	Q2 2021			PSV	Acc Q2 2021			
	PSV	AHTS	Subsea		PSV	AHTS	Subsea	
Operating income	86	221	1 696	2 003	170	423	2 924	3 517
Net gain on sale of tangible assets	2	-	29	31	31	-	29	60
Operating result before depreciation and impairment - EBITDA	14	137	529	680	55	249	868	1 172
Depreciation	26	50	237	313	54	100	476	630
Impairment	25	26	167	218	37	35	278	349
Operation result - EBIT	-37	61	124	148	-35	114	114	193

2 nd Quarter 2020	Q2 2020			PSV	Acc Q2 2020			
	PSV	AHTS	Subsea		Total	PSV	AHTS	Total
Operating income	112	275	1 415	1 802	263	676	2 937	3 875
Operating result before depreciation and impairment - EBITDA	16	140	545	701	55	371	1 079	1 505
Depreciation	31	65	180	277	64	140	379	584
Impairment	18	202	559	779	169	684	1 458	2 311
Operation result - EBIT	-32	-128	-194	-354	-178	-452	-758	-1 389

Note 4 Operating revenue

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

Operating revenue	Q2 2021	Q2 2020	Acc Q2 2021	Acc Q2 2020	2020
Lump sum contracts	30	39	54	48	284
Day rate contracts	1 686	1 416	2 900	3 114	5 928
Total	1 716	1 455	2 954	3 162	6 212

Note 5 Tangible assets

2021	Vessel and periodical maintenance	ROV	Operating equipment	Asset "Right-of-use"	Total
Book value at 01.01.2021	11 821	533	226	264	12 844
Addition	209	37	15	-1	260
Disposal	-92				-92
Depreciation	-375	-62	-30	-25	-491
Impairment loss	-251				-251
Currency translation differences	148	-	1	3	152
Book value at 30.06.2021	11 461	508	213	241	12 422

2020	Vessel and periodical maintenance	ROV	Operating equipment	Asset "Right-of-use"	Total
Book value at 01.01.2020	16 469	665	337	292	17 763
Addition	87	4	21	1	113
Reclassification	9	2	-11		-
Depreciation	-310	-79	-36	-27	-452
Impairment loss	-1 831		-18		-1 850
Currency translation differences	-814	-1	1	9	-805
Book value at 30.06.2020	13 610	591	293	275	14 769

Right-of-use asset

Net booked value of right-of-use assets at the 30 June 2021 consists of property with NOK 235 million (NOK 265 million) and operating equipment with NOK 6 million (NOK 10 million).

Impairment

The fair market values have dropped due the significant drop in oil price and expected weaker markets going forward. In addition, all value in use calculation have been recalculated. The market conditions are expected to remain challenging, and the timing of market recovery remains uncertain. A continuing weak market and high volatility in currencies may increase the risk for further impairment of the Group's assets going forward.

Impairment tests performed for Q2 2021 have resulted in an impairment of vessels of NOK 120 million in the 2nd quarter 2021 and accumulated per 2nd quarter 2021 NOK 251 million. In addition vessel own by joint ventures has been impaired with NOK 98 million in the 2nd quarter 2021.

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 may 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 approximately NOK 200 million. Negative effect on net future cash flows with 20% will result in an additional impairment of the vessels with approximately 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 450 million given no change in other assumptions. In addition a negative effect on net future cash flows with 20% will result in an impairment of the vessels in joint ventures with NOK 417 million.

Useful life of vessels

The Group has reassessed useful life of the subsea vessels and from 01.01.2021 the useful life has changed from 20 years to 30 years for these vessels. The change in useful life has increased the monthly depreciation with about NOK 16 million. The useful life for the PSV and AHTS vessels has been 30 years since 01.01.2018.

Note 6 Investment in associates and joint ventures

The Company's investment in associates and joint ventures as of 30.06.2021;

Joint ventures	Ownership
DOFCON Brasil AS with subsidiaries	50%
DOF Iceman AS (owner of 40% in Iceman AS, Skandi Iceman)	50%
KDS JV AS	50%
Associated companies	
Master & Commander	20%
Skandi Aukra AS	34%
Iceman AS (Skandi Iceman)	35%
Semar AS	42%
Effect of application of IFRS 11 on investments in joint ventures;	
	30.06.2021
Opening balance 01.01.2021	2 336
Addition	-
Profit (loss)	69
Profit (loss) through OCI	23
Negative value on investments reallocated to receivable and liabilities	11
Closing balance 30.06.2021	2 439

Note 7 Cash and cash equivalent

	30.06.2021	30.06.2020	31.12.2020
Restricted cash	154	151	183
Cash and cash equivalent	1 462	1 392	1 697
Total cash and cash equivalent	1 617	1 543	1 880

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. Some lenders have exercised their right to set off such cash balances toward the outstanding loans. The Group has therefore chosen to present restricted cash serving as security for loans, net of debt to credit institutions.

Cash pool arrangement

The Group has cash pooling arrangements whereby cash surpluses and overdrafts residing in the Group companies bank accounts are pooled together to create a net surplus. The liquidity is made available through the cash pooling for the Companies in the Group to meet their obligations. The bank accounts in the cash pool consists of accounts in various currencies that on a currency basis can be in surplus or overdraft. Only the master accounts, (nominated in NOK) in each of the cash pools 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. 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 510 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 the 31st of August 2021 with 91% of the secured lenders within the DOF ASA Group (excl. DOF Subsea Group) and 88% of the secured lenders within the DOF Subsea Group. The standstill agreements do not include the JVs (DOFCON). The DOF Subsea standstill agreements further assume payment of principal and interest of a NOK 100 million credit facility provided by certain lenders in March 2020. The outstanding amount of this facility was NOK 47 million by end of June. The relevant Group companies have imposed unilateral standstill to the secured lenders not participating in the standstill agreements. One of the DOF Subsea secured lenders has requested repayment of approximately USD 47 million and has enforced account pledge on the earnings account for the relevant vessel. The parties have during the quarter entered into a settlement agreement. Pursuant to the settlement agreement, the borrower will prepay such loan in full at a substantial discount, subject to certain condition. Another secured lender has enforced account pledge for one loan facility in DOF Subsea. The bondholders in DOFSUB07, DOFSUB08 and DOFSUB09 have further accepted a standstill until the 31st of August 2021. An Ad-hoc group of bondholders can extend the standstill until the 30th of September.

The BNDES standstill agreements for several facilities in Norskan Offshore Ltda. and one facility in DOF Subsea Brasil matured in June 2021 and both companies have since then paid debt service according to refinancing agreement signed in February 2020. A comprehensive refinancing solution for the Group include a long-term solution for the BNDES facilities.

The dialogue with the lenders is challenging, but constructive, hence a refinancing solution is not yet in place. The debt restructuring proposal currently discussed include conversion of debt to equity, which again will have a significant adverse effect for the current holders of the equity.

The Group's secured and unsecured debt are, in accordance with IFRS, classified as current debt at the 30th of June 2021. 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 its 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 the 30th of June 2021 the interest bearing liabilities are as follows:

	30.06.2021	30.06.2020	31.12.2020
Non-current interest bearing liabilities			
Bond loan	-	-	-
Debt to credit institutions	-	-	-
Lease liabilities (IFRS 16 *)	257	330	301
Total non-current interest bearing liabilities	257	331	301
Current interest bearing liabilities			
Bond loan	2 560	2 730	2 554
Debt to credit institutions	15 204	16 240	15 305
Lease liabilities (IFRS 16 *)	93	92	94
Overdraft facilities	5	30	1
Total current interest bearing liabilities	17 863	19 091	17 954
Total interest bearing liabilities	18 120	19 422	18 255
Net interest bearing liabilities			
Other interest bearing assets non-current (sublease IFRS 16)	66	110	89
Cash and cash equivalents	1 617	1 543	1 880
Total net interest bearing liabilities	16 437	17 769	16 286
Net effect of IFRS 16 Lease	284	312	307
Total net interest bearing liabilities excluded IFRS 16 Lease liabilities	16 153	17 457	15 980

*) 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 448 million. Accrued interest expenses are excluded in the figures above.

Accrued interest to credit institutions is capitalised on the loans on an ongoing basis. The accrued interest on bonds, NOK 307 million, is not capitalised on the loans.

	Share fixed interest	Balance 30.06.2021
Loan divided on currency and fixed interest		
NOK	42%	7 045
USD	65%	10 659
CAD	100%	406
BRL		10
Total	57%	18 120

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:

	Balance 31.12.2020	Non-cash changes					Balance 30.06.2021
		Cash flows	Proceed lease debt	Capitalisation interest and derivatives	Amortised loan expenses	Currency adjustments	
Interest bearing liabilities							
Bond loan	2 554				2	4	2 560
Debt to credit institutions	15 305	-415	3	240	4	68	15 205
Lease liabilities	395	-46	1				350
Overdraft facilities	1	5					5
Total interest bearing liabilities	18 255	-457	4	240	7	71	18 120

Note 9 Guarantees

Iceman AS

The Company is guarantor for the debt in Iceman AS of in total NOK 438 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 31st of August 2021. A refinancing solution which include agreement on the counter guarantees is currently being discussed with the secured lenders.

For further information please see the Annual report 2020 note 29 Guarantee.

Note 10 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 2020.

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

Note 11 Subsequent events

Contracts

The vessel Skandi Paraty has been awarded an 1-year contract extension with Petrobras until July 2022 and the vessel Skandi Iguaçu is on-hire with Equinor on a spot contract, utilisation in July and August, 2021.

The joint venture between DOF Subsea and Aker Solutions, KDS JV AS, has been awarded a subsea decommissioning contract for DNO at the Norwegian Continental Shelf, with planned execution in Q1 2022 using Skandi Acergy.

The Atlantic region has been awarded a 6-month contract extension for integrated FSV services. The project will continue to use Skandi Seven throughout the extended duration.

The APAC region has secured multiple contract awards providing significant utilisation for resources and vessels in the region for Q3 and Q4 2021 and securing solid backlog into the first half of 2022. Collectively, these contract awards secure in excess of 8 months vessel utilisation and include the provision of project management, engineering and all associated fabrication (subcontracted), subsea and marine services.

Petrobras has awarded the pipelay support vessels (PLSVs) Skandi Vitória and Skandi Niteroi a 3 years firm plus option contract for each vessel, via JV partner TechnipFMC and via Norskan Offshore Ltda (a fully owned DOF ASA Company) respectively. Both vessels are Brazilian-built and flagged and owned by DOFCOM Navegação Ltda., a joint venture between DOF Subsea (50%) and TechnipFMC (50%).

Share capital

At the 7th of July 2021 the share capital of the Company has been increased with NOK 7,493,388 by issuance of 7,493,388 new shares, each with a nominal value of NOK 1, at the conversion price of NOK 10.00 per share. Following the share capital increase, the Company’s share capital is NOK 316,456,167, divided into 316,456,167 shares, each with a nominal value of NOK 1. The new shares will be registered on the respective bondholders’ VPS accounts and be tradable on the Oslo Stock Exchange from and including the 8th of July 2021.

Note 12 Share capital and shareholders

Largest shareholders as of 30.06.2021

Name	No. shares	Shareholding %
MØGSTER OFFSHORE AS	100 007 313	32.37%
BNP PARIBAS SECURITIES SERVICES	9 570 169	3.10%
NORDNET BANK AB	4 358 816	1.41%
BRØNMO, BJARTE	4 059 543	1.31%
BRETEL INVEST AS	3 400 000	1.10%
SOTRA KRAN AS	3 200 000	1.04%
MOLY AS	3 007 749	0.97%
AVANZA BANK AB	2 598 033	0.84%
DRAGESUND INVEST AS	2 360 000	0.76%
HOLDEN, JIM ØYSTEIN	2 337 997	0.76%
NORDNET LIVSFORSIKRING AS	2 224 925	0.72%
MOCO AS	1 984 419	0.64%
EBB HOLDING AS	1 949 097	0.63%
LAWO INVEST AS	1 857 377	0.60%
DANSKE BANK A/S	1 854 425	0.60%
BERGEN KOMMUNALE PENSJONSKASSE	1 800 000	0.58%
KLIPA AS	1 728 047	0.56%
SWEDBANK AB	1 726 572	0.56%
DAHL, TORE	1 682 029	0.54%
MORGAN STANLEY & CO. INT. PLC.	1 659 185	0.54%
Total	153 365 696	49.64%
Total other shareholders	155 597 083	50.36%
Total no of shares	308 962 779	100.00%

Note 13 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.

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

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

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

Net interest bearing debt – Interest bearing debt minus current and non-current interest-bearing receivables and cash and cash equivalents. The use of the term “net debt” does not necessarily mean cash included in the calculation are available to settle debts if included in the term.

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

Utilisation – Utilisation of vessel numbers is based on actual available days including days at yard for periodical maintenance, upgrading, transit or idle time between contracts.

Contract coverage – Number of future sold days compared with total actual available days excluded options.

Contract Backlog – Sum of undiscounted revenue related to secured contracts in the future and optional contract extensions as determined by the client. Contract coverage related to master service agreements (MSA's) within the CSV segment, includes only confirmed purchase order.

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.

Consolidated statement of profit or loss

(MNOK)	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Operating revenue	2 003	1 514	1 680	2 027	1 802
Operating expenses	-1 347	-1 047	-1 055	-1 159	-1 074
Net profit from associated and joint ventures	-7	-4	-25	-1	-26
Net gain on sale of tangible assets	31	29	7	12	-
Operating profit before depreciation and impairment - EBITDA	680	492	606	879	701
Depreciation	-313	-316	-255	-258	-277
Impairment	-218	-131	-687	-667	-779
Operating profit - EBIT	148	45	-335	-46	-354
Financial income	6	6	2	5	6
Financial costs	-257	-277	-328	-307	-368
Net realised gain/loss on currencies	-32	-30	-43	-55	-35
Net unrealised gain/loss on currencies	804	-534	1 053	-33	-38
Net changes in fair value of financial instruments	11	10	46	46	100
Net financial costs	531	-826	730	-343	-335
Profit (loss) before taxes	679	-781	395	-389	-689
Taxes	-99	-20	-157	-17	14
Profit (loss) for the period	580	-801	238	-406	-675

Consolidated statement of balance sheet

(MNOK)	30.06.2021	31.03.2021	31.12.2020	30.09.2020	30.06.2020
ASSETS					
Tangible assets	18 146	17 987	18 657	20 237	21 507
Deferred tax assets	341	359	314	364	399
Investment in associated companies and joint ventures	7	8	8	5	6
Other financial assets	191	170	162	186	185
Total non-current assets	18 685	18 523	19 141	20 792	22 097
Receivables and other current asset	2 165	1 651	1 699	1 729	1 645
Cash and cash equivalents	2 135	2 257	2 332	2 447	1 902
Current assets	4 299	3 908	4 031	4 176	3 546
Total Assets	22 985	22 432	23 172	24 968	25 643
EQUITY AND LIABILITIES					
Total equity	-1 141	-1 480	-898	-1 014	-728
Non-current liabilities	3 757	3 870	3 969	4 490	4 616
Current liabilities	20 973	20 042	20 101	21 492	21 755
Total liabilities	24 730	23 912	24 070	25 982	26 371
Total equity and liabilities	23 589	22 432	23 172	24 968	25 643
Net interest bearing liabilities	19 454	19 436	19 513	21 221	22 328

Consolidated statement of cash flows

(MNOK)	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Net cash from operation activities	395	313	451	779	595
Net cash from investing activities	-167	-130	-159	-53	-17
Net cash from financing activities	-414	-224	-325	-145	-176
Net changes in cash and cash equivalents	-186	-41	-34	582	402
Cash and cash equivalents at start of the period	2 257	2 332	2 447	1 902	1 606
Exchange gain/loss on cash and cash equivalents	64	-34	-81	-37	-106
Cash and cash equivalents at the end of the period	2 135	2 257	2 332	2 447	1 902

Key figures

	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
EBITDA margin excluded net gain on sale of tangible assets	32%	31%	36%	43%	39%
EBITDA margin	34%	32%	36%	43%	39%
EBIT margin	7%	3%	-20%	-2%	-20%
Profit per share (NOK)	183%	-253%	75%	-128%	-213%
Book value equity per share (NOK)	-3,95	-5,03	-3,20	-3,63	-2,72
Net interest bearing debt excl. effect of IFRS 16 (NOK million)	19 454	19 436	19 513	21 221	22 328
Potential average number of shares	316 456 168	316 456 168	316 456 168	316 456 168	316 456 168

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