

# Q4 2021

Financial Report  
DOF ASA

**DOF**



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Report distribution & webcast  
The Q4 2021 financial report for DOF ASA is to be published on 25<sup>th</sup> of February, 2022. 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](http://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

4<sup>th</sup> Quarter 2021

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## Key figures

	Management reporting		Financial reporting	
(MNOK)	Q4 2021	Q4 2020	Q4 2021	Q4 2020
Operating revenue	1 975	1 680	1 664	1 343
Net gain on sale of tangible assets	5	7	5	7
EBITDA	753	606	584	504
Depreciation and impairment	-489	-941	-410	-887
EBIT	264	-335	174	-383
Net interest costs	-305	-326	-259	-263
Net currency and derivatives	-179	1 056	-166	967
<b>Profit (loss)</b>	<b>-281</b>	<b>238</b>	<b>-281</b>	<b>238</b>
NIBD (Net interest bearing debt)	19 929	19 820	16 675	16 286
NIBD (Net interest bearing debt) excluded effect of IFRS 16	19 754	19 513	16 499	15 980
Equity ratio	-6%	-4%	-7%	-5%

## Operations

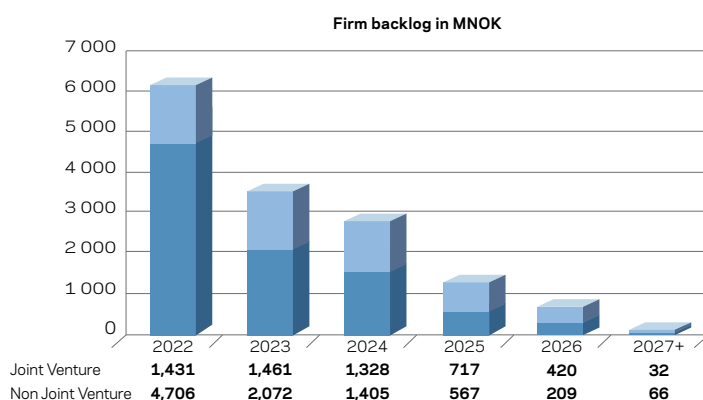
- Average utilisation of the fleet is 82% (68%)
- High utilisation in all segments, but with seasonal variations in some of the regions
- A good performance from the subsea regions has continued in the quarter
- The total fleet includes 59 vessels (eight vessels on management or hired in):
  - › 15 AHTSs, 14 PSVs and 30 Subsea vessels
  - › Two (owned) vessels in lay-up
  - › Two vessels agreed sold (one vessel delivered in January 2022)

## Finance

- The Group's financial position is not sustainable, and a long-term financial solution is necessary to continue as going concern.
- The dialogue with the lenders concerning a robust long-term financial solution has had progress through the quarter and year to date. There are certain issues pending, hence the outcome of the restructuring process is still uncertain.
- The current standstill agreements with the lenders and bondholders mature on the 28th of February.

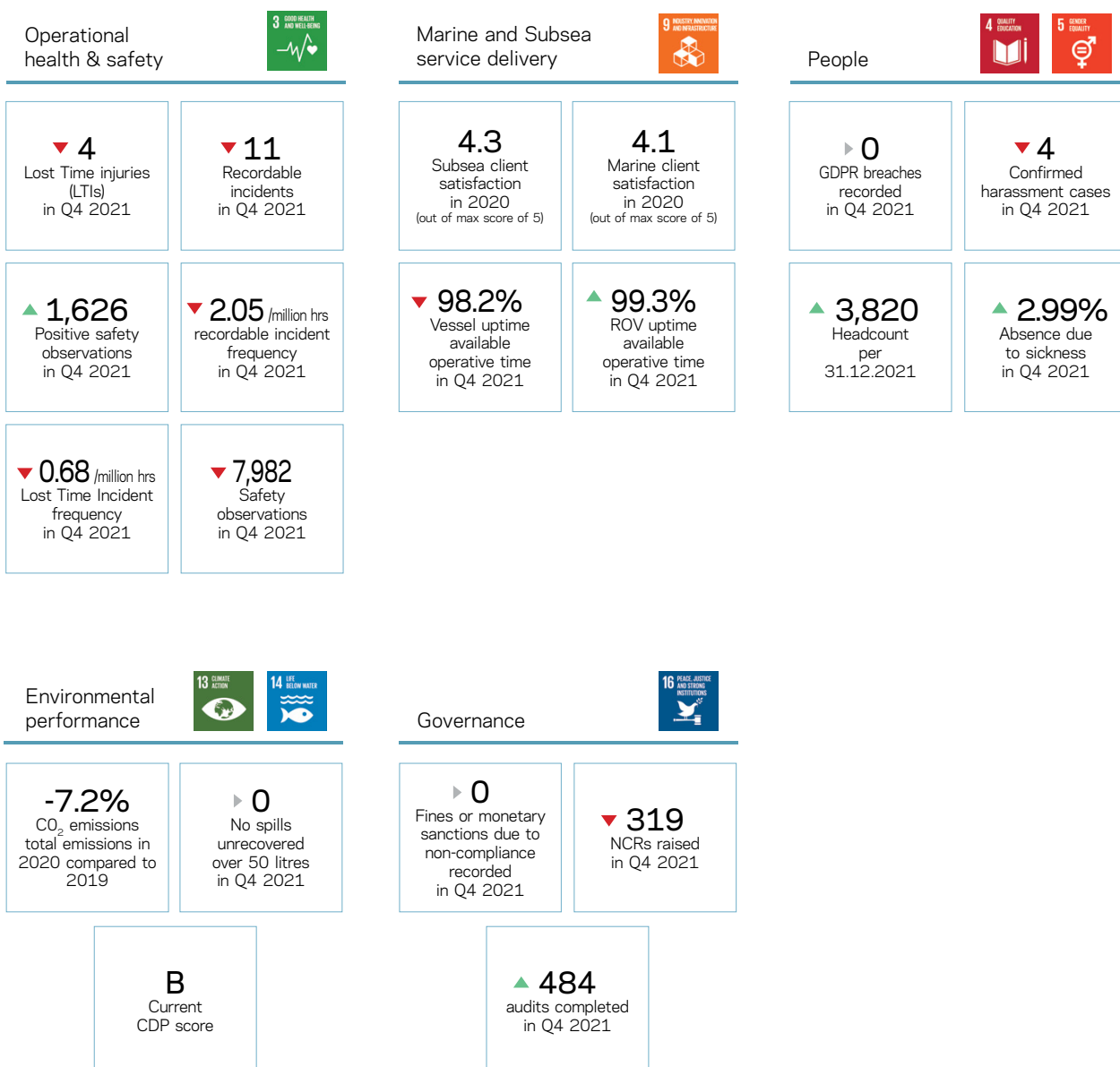
## Backlog

- Order intake NOK 1 billion in the 4th quarter
- Current backlog is NOK 14.4 billion (NOK 15.3 billion), of which joint venture backlog is NOK 5.4 billion (NOK 5.9 billion)



## Key ESG (Environmental, Social, &amp; 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 and quarter over quarter trends are indicated with trend symbols. Read more about how we selected these targets in our integrated annual report 2020.



## Key financial &amp; operational information

## Q4 Operations

The Q4 operational result per segment is as follows;

(MNOK)	PSV	AHTS	Subsea	Total
Operating revenue	113	313	1 549	1 975
Net gain on sale of tangible assets	-	-	5	5
Operating result before depreciation and impairment - EBITDA	15	126	611	753
Depreciation	32	62	276	369
Impairment	57	9	53	119
Operating result - EBIT	-73	55	282	264
EBITDA margin	14%	40%	39%	38%
EBIT margin	-65%	18%	18%	13%

**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 global COVID-19 situation, including travel restrictions and outbreaks onboard vessels, has remained a challenge to the operations of the Group throughout the quarter.**

## PSV &amp; 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 on firm contracts in the North Sea. Three vessels returned from other regions during the quarter of which one vessel went into warm lay-up. The average utilisation for the PSV fleet has been 69% versus 56% in the 4th quarter 2020. By end of the year, two vessels were in lay-up. The North Sea PSV spot market has proven increased demand compared to the same period last year, but the market weakened in December due to seasonal variations. The tender activity in the term market has picked up in December as operators began to secure tonnage for the upcoming 2022 summer drilling season.

The AHTS fleet includes operation of 15 vessels including four vessels on management. The majority of the fleet operates in Brazil, and the remaining fleet (six vessels) are operating in the North Sea or in the Asia-Pacific region. The Brazil market has remained tight through the quarter and Petrobras has tendered for several vessels with both local and international flag. The short-term market in Brazil has also shown increased demand and the Group has achieved high utilisation for the vessel operating in this market. One vessel (Skandi Botafogo) has mobilised for a 3-year contract with Petrobras with start up in the 1st quarter 2022. The North Sea spot market had a short-lived spike at the start of the quarter, but in December the AHTS spot rates softened as the activity slowed seasonally. The average utilisation for the AHTS fleet (owned) has been 87% versus 59% in the 4th quarter 2020.

## SUBSEA

By the end of the quarter, the Group operated a fleet of 30 Subsea vessels, including one vessel on management and

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 86% versus 77% in the 4th quarter 2020. Two vessels have been agreed sold for delivery in 2022; Geosund which was delivered to new owners in January 2022 and Skandi Neptune with planned delivery in the 3rd quarter 2022.

The total revenues from subsea IMR project contracts amounted to NOK 1,024 million (NOK 756 million). Although the utilisation of the project fleet has been impacted by some vessels undertaking main class, the activity has continued to be high in the 4th quarter 2022.

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 been working on various construction and IMR projects, mainly in Australia waters. In the Atlantic region, one vessel has been working as a field support vessel (FSV) offshore Angola, and one vessel has been utilised within the offshore wind industry in the North Sea. The region has further executed projects within decommissioning and IMR work in the North Sea, utilising several vessels in the fleet. In addition, the region has increased the activity related to the Hywind Tampen project that will be executed in the 2nd quarter 2022. The utilisation in the North America region has increased during the quarter and several of the Group's vessels have commenced on IMR and construction projects for key clients in the Gulf of Mexico and in Trinidad and Tobago. The Group has also executed IMR and installation work for Husky Energy in Canada. In the Brazil region, the Group has operated multiple vessels on a survey and inspection project (PIDF) for Petrobras, and a diving vessel and an IMR vessel both on firm contracts with Petrobras. One vessel (Skandi Neptune) has been utilised on a seismic node project in the region.

An important contract award in the quarter is the award of the Beach Energy's Otway Offshore Phase 5 - Transport and Installation Project in Australia. The contract scope includes Project Management, Engineering, Fabrication, Transportation, and Installation Services, and is expected to be completed in the 1st quarter 2023. The project will be executed using DOF Subsea's Construction Support Vessel Skandi Acergy.

After the balance date, the Group has been awarded an extension of the current contract with a key renewable's client for Skandi Acergy in the North Sea and another project in Trinidad and Tobago for the vessel Skandi Constructor. The DOF Subsea Asia-Pacific region has further been awarded a 3-year contract plus 2 x 1- year options to provide a Multi-Purpose Supply Vessel (MPSV) to Esso Australia Pty Ltd.

The PLSV fleet has continued to operate on firm contracts and has achieved a utilisation of 92% (98%) in the quarter. Parts of the fleet have been impacted by COVID-19 in the

quarter. In the DOFCON JV, Skandi Niteroi has commenced on a pre contract phase of the awarded 3-year PLSV contract and Skandi Vitoria has been on contract with TechnipFMC. Both vessels will mobilise and commence on their 3-year contract in the 2nd quarter 2022, both contracts with Petrobras.

#### ESG (Environmental, Social, and Governance) Q4

The Group delivered consistent ESG results in the 4th quarter when compared to previous quarter, with improved results in most areas except a significant negative trend in safety results in the last two months of the year. Occupational health and safety results for 2021, with a total recordable injury rate of 2.05 injuries per million man-hours is a 20% improvement compared with 2020 figures. Within Marine and Subsea service delivery, the operational uptime for vessels was 98.2% in the 4th quarter, and operational uptime for the ROV fleet was 99.3%. Regarding people, the headcount per end of the year was 3,820 and absence rate due to sickness in the quarter was 2.99%. There were no significant data privacy breaches. There were three harassment cases confirmed through investigation in the quarter. Regarding Governance, compared with the previous quarter, there was an increase in total NCRs and completed audits during the 4th quarter, including the global DNV audit for the Group. There was no significant change in environmental performance in the quarter.

The Kongsberg Maritime and DOF R&D project "Intelligent Efficiency" was delivered in the quarter and with promising results. "Intelligent Efficiency" will continue as an industrial project that aim to start implementation on 4-5 vessels in the 3rd quarter 2022. The project started in the 2nd half 2019 and is also supported by the partners; Innovasjon Norge, SINTEF, and NORCE. This predictive, intelligent, and dynamic guidance tool will act as the foundation for the Group to simplify operational complexity with objective measurement, ultimately enabling optimal utilisation and a more sustainable fleet management. With fleet wide implementation of "Intelligent Efficiency", the Group expects significantly higher reduction of CO2 emissions for the Group' fleet in 2022 and thereafter with conservative calculations estimated at a reduction in CO2 emissions of 10%.

#### Financial Reporting Q4 - Highlights

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

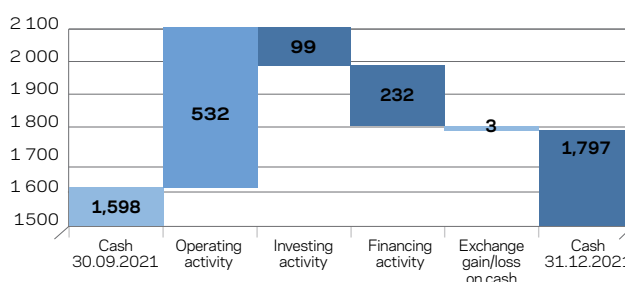
##### Profit or Loss

(MNOK)	Q4 2021	Q4 2020
Operating revenue	1 664	1 343
Net gain on sale of tangible assets	5	7
EBITDA	584	504
EBIT	174	-383
Net interest costs	-259	-263
Net currency and derivatives	-166	967
Profit (loss)	-281	238

The revenue and Ebitda are higher this quarter compared to the 4th quarter 2020. This is mainly due to improved performance and higher project activity in the subsea regions. The net result from the DOFCON JV was NOK 115 million (NOK 188 million). The AHTS segment achieved a better Ebitda mainly due to higher utilisation for the fleet in Brazil. The Ebitda from the PSV segment was lower in the quarter. The net gain from sale of assets represents remaining gain on the sale of Geosund reported in previous quarter. Impairment and depreciation were NOK 410 million (NOK 887 million) in the period, of which impairment represents NOK 119 million (NOK 687 million). The basis for the impairment is updated VIU calculations and broker estimates from two independent companies. The drop in fair market values has stabilised in the quarter with no changes for the PSV fleet and a minor drop in values for the two other segments (2% for the AHTS fleet and 1% for the Subsea fleet).

The net financial costs include net interest costs of NOK -259 million (NOK -263 million) and net loss/gain on currencies and financial instruments of NOK -166 million (NOK 967 million).

##### Cash flow from Q4 2021



The operational cash flow (after payment of interest and taxes) is NOK 532 million (NOK 305 million). The operational cash flow has improved in the quarter due better operational result and positive changes in the working capital which represent normal seasonal variations. Cash flow from the net investments was NOK -99 million (NOK -7 million) and include class dockings and payment from the DOFCON JV. Cash flow from finance activities represent debt service on lease agreements, amortisation on some facilities in DOF Subsea Group and Norskan Offshore Ltda. Restricted cash of NOK 145 million are included in the cash balance of NOK 1,797 million.

## Financial Reporting YTD Q4 - Highlights

Profit or Loss (MNOK)	2021	2020
Operating revenue	6 356	6 212
Net gain on sale of tangible assets	109	19
EBITDA	2 078	2 105
EBIT	636	-2 010
Net interest costs	-673	-994
Net currency and derivatives	-539	-1 803
Profit (loss)	-630	-4 959

When compared to last year, the operating revenue was higher and the Ebitda was slightly lower, resulting in a lower margin. The main reason is higher activity within the subsea projects where the margins are normally lower. The Ebitda in 2020 was further positively impacted by significantly strengthened USD to NOK and BRL in parts of the year and one-off termination fees on contracts. A net gain of NOK 109 million represent sale of five vessels. The net financial costs include net interest costs of NOK -673 million (NOK -994 million), and net losses on currencies (realised and unrealised), and financial instruments of NOK -539 million (NOK -1,803 million). The main portion of the Groups's secured debt is in USD, hence the finance result and balance sheet are exposed to the volatility in FX rates, especially USD towards NOK and BRL.

## BALANCE

(MNOK)	31.12.2021	31.12.2020
Non-current assets	15 074	15 462
Current assets	2 080	1 630
Cash and cash equivalents	1 797	1 880
<b>Total assets</b>	<b>18 951</b>	<b>18 972</b>
Equity	-1 326	-898
Non-current liabilities	255	363
Current liabilities	20 021	19 528
<b>Total equity and liabilities</b>	<b>18 951</b>	<b>18 993</b>
Net interest bearing debt (NIBD)	16 675	16 286
Net interest bearing debt (NIBD) excl. effect IFRS 16	16 499	15 980

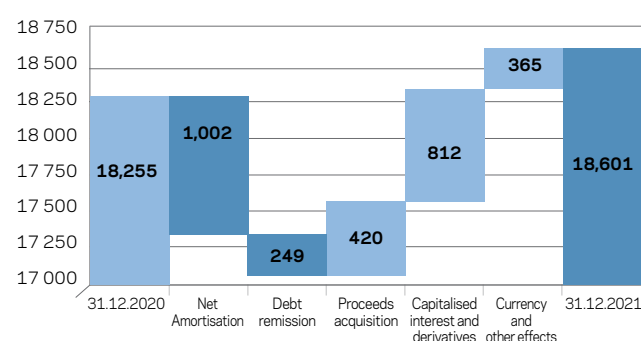
Included in the non-current assets are vessels and subsea equipment at a book value of NOK 12,199 million (NOK 12,844 million) and the shares in the DOFCON JV at a value of NOK 2,730 million (NOK 2,336 million) representing 79% of the Group's total assets. The Group's cash reserve has dropped since year-end even though standstill agreements have been applicable for the majority of the debt. This is mainly due to increased capital expenditure partly due to postponed class dockings from 2020 and higher activity in the subsea regions, which has impacted the working capital. 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 the 2nd quarter 2020. This classification is based on that the standstill agreements with the secured lenders and bondholders are less than 12 months.

## Financing and Capital Structure

The Group's total interest-bearing debt comprises secured debt of NOK 15,622 million (NOK 15,701 million) and unsecured debt/bonds NOK 2,979 million (NOK 2,554 million). The main portion of the debt is drawn in USD.

Total interest bearing debt 31.12.2020 - 31.12.2021



The restructuring of the Group's debt is ongoing and standstill agreements have been agreed until the 28th of February 2022 with 91% of the secured lenders in DOF Rederi AS and DOF ASA, and with 95% of the secured lenders within the DOF Subsea Group. In Norskan Offshore Ltda, a standstill agreement has been agreed for the facilities with the international banks. The BNDES facilities have been served according to refinancing agreements signed in February 2020, which is also applicable for one facility in DOF Subsea Brasil Ltda. The DOF Subsea standstill agreements 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 the end of the year.

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 previously requested repayment of a facility of USD 47 million, and in the 3rd quarter this facility was prepaid at a significant discount. 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 28th of February 2022.

The DOFCON JV is not part of the standstill agreements and serves its debt according to the terms in the relevant loan facilities. Financial covenants related to the Group's 50% guarantee of the DOFCON loan facilities have been waived.



After balance date the subsidiary DOF Subsea AS has sent an offer to the minority shareholders in DOF Installer ASA to buy the remaining 15.08% of this company at a price of NOK 4.35 per share.

The Company is guarantor for the debt in Iceman AS of NOK 444 million, where approximately 50% of the DOF guarantee has been counter guaranteed by other shareholders in Iceman AS. As part of the restructuring of the Group the main shareholders in Iceman and the lenders have signed an agreement on the counter guarantees which has resulted in that the Company has become the majority shareholder of Iceman AS, hence this company was fully consolidated from the 3rd quarter. A refinancing of Iceman is yet to come in place and the current standstill agreement is applicable until 28th of February 2022.

The Group aims to achieve a natural hedge between cash flows and cash outflows and has secured debt funding in equivalent currency as the earnings from firm contracts. The remaining exchange risk has historically been secured through forward FX contracts. The Group further aims to reduce the interest risk and by end of the quarter the portion of debt secured with a fixed rate of interest was approximately 52% of the total debt where the largest portion represents the debt with fixed interest on the BNDES facilities. Due to the Group's financial position, it has become more challenging to secure interest forward contracts (swap contracts) and FX contracts. Hence, the Group's liquidity exposure has increased due to volatility in interest and FX rates.

## Shareholders & the Board

By the year end, the share capital was NOK 316 million divided into 316 million shares. The final outstanding amount of the Subordinated Convertible Bond was converted in to shares on the 7th of July, and the main shareholder Møgster Offshore AS now controls 31.6% of the Company.

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 31st of December 2021 the share price was NOK 0.60/share.

## Outlook

The market has improved, as several regions have seen increased activity in all the Group's segments in the 4th quarter and a high tender activity into 2022. It is however still too early to conclude on a market recovery, hence, future earnings and asset values are difficult to forecast. It is further challenging for the Group to operate in an environment with short-term standstill agreements. If a robust long-term refinancing solution is not achieved, the Group will not continue as going concern, which again will result in additional impairments of the Group's assets.

The 4th quarter financial report is prepared on the assumption of going concern and this assumption is based on agreed standstill agreements with the majority of the

Group's lenders. The debt restructuring currently discussed with the lenders includes conversion of debt to equity, which again will have a significant adverse effect for the current shareholders in the Company. The dialogue with the lenders has continued to be constructive and progress has been made in the quarter and so far into 2022. There are still some issues pending, hence a refinancing solution is not yet in place.

In parallel with the ongoing debt restructuring, the management and Board have continued the 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 has a strong forward-looking focus on developing strategic opportunities and new lines of business utilising the Group's combined fleet, services, and competence.

## IR contacts

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**The Board of Directors of DOF ASA, February 24<sup>th</sup>, 2022**

Hans Olav Lindal  
Chairman

Helge Singelstad  
Deputy Chairman

Marianne Møgster

Kathryn Baker

Mons S. Aase  
CEO

# Accounts

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4<sup>th</sup> Quarter 2021

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## Consolidated statement of profit or loss

(MNOK)	Note	Q4 2021	Q4 2020	2021	2020
Operating revenue	3	1 664	1 343	6 356	6 212
Operating expenses		-1 200	-1 009	-4 652	-4 297
Share of net profit from joint ventures and associates	6	115	163	265	171
Net gain (loss) on sale of tangible assets		5	7	109	19
<b>Operating profit before depreciation and impairment - EBITDA</b>		<b>584</b>	<b>504</b>	<b>2 078</b>	<b>2 105</b>
Depreciation	5	-291	-201	-1 030	-856
Impairment	5	-119	-687	-412	-3 258
<b>Operating profit - EBIT</b>		<b>174</b>	<b>-383</b>	<b>636</b>	<b>-2 010</b>
Financial income		89	6	403	71
Financial costs		-348	-269	-1 076	-1 065
Net realised currency gain (loss)		-104	-44	-268	-635
Net unrealised currency gain (loss)		-69	964	-311	-1 112
Net changes in unrealised gain (loss) on derivatives		7	46	40	-56
<b>Net financial costs</b>		<b>-425</b>	<b>704</b>	<b>-1 212</b>	<b>-2 797</b>
<b>Profit (loss) before taxes</b>		<b>-251</b>	<b>321</b>	<b>-576</b>	<b>-4 806</b>
Taxes income (cost)		-29	-82	-54	-153
<b>Profit (loss) for the period</b>		<b>-281</b>	<b>238</b>	<b>-630</b>	<b>-4 959</b>
<b>Profit attributable to</b>					
Non-controlling interest		-6	-15	-23	-49
Controlling interest		-274	253	-607	-4 909
Earnings per share (NOK)		-0.87	0.80	-1.92	-15.51
Diluted earnings per share (NOK)		-0.87	0.80	-1.92	-15.51

## Consolidated statement of comprehensive income

(MNOK)	Note	Q4 2021	Q4 2020	2021	2020
<b>Profit (loss) for the period</b>		<b>-281</b>	<b>238</b>	<b>-630</b>	<b>-4 959</b>
<b>Items that will be subsequently reclassified to profit or loss</b>					
Currency translation differences		30	103	40	604
Cash flow hedge		9	14	48	59
Share of other comprehensive income of joint ventures	6	22	-233	115	-47
<b>Items that not will be reclassified to profit or loss</b>					
Defined benefit plan actuarial gain (loss)		-	-1	-	-1
<b>Other comprehensive income/loss net of tax</b>		<b>61</b>	<b>-117</b>	<b>202</b>	<b>616</b>
<b>Total comprehensive income/loss</b>		<b>-219</b>	<b>122</b>	<b>-428</b>	<b>-4 343</b>
<b>Total comprehensive income/loss net attributable to</b>					
Non-controlling interest		-6	-14	-23	-49
Controlling interest		-214	136	-405	-4 293



## Consolidated statement of balance sheet

(MNOK)	Note	31.12.2021	31.12.2020
<b>ASSETS</b>			
Tangible assets	5	12 199	12 844
Deferred tax assets		11	12
Investment in joint ventures and associated companies	6	2 730	2 336
Other non-current assets		134	270
<b>Total non-current assets</b>		<b>15 074</b>	<b>15 462</b>
Trade receivables		1 470	1 003
Other current receivables		609	627
<b>Current receivables</b>		<b>2 080</b>	<b>1 630</b>
Restricted deposits		145	183
Unrestricted cash and cash equivalents		1 652	1 697
<b>Cash and cash equivalents</b>	7	<b>1 797</b>	<b>1 880</b>
<b>Current assets</b>		<b>3 877</b>	<b>3 510</b>
Asset held for sale		-	20
<b>Current assets included asset held for sale</b>		<b>3 877</b>	<b>3 531</b>
<b>Total Assets</b>		<b>18 951</b>	<b>18 993</b>
<b>EQUITY AND LIABILITIES</b>			
Paid in equity		316	309
Other equity		-1 733	-1 321
Non-controlling interests		91	114
<b>Total equity</b>		<b>-1 326</b>	<b>-898</b>
Bond loan		-	-
Debt to credit institutions	8	-	-
Lease liabilities		217	301
Other non-current liabilities		38	62
<b>Non-current liabilities</b>		<b>255</b>	<b>363</b>
Current portion of debt	8	18 692	18 301
Trade payable		895	675
Other current liabilities		434	551
<b>Current liabilities</b>		<b>20 021</b>	<b>19 528</b>
<b>Total liabilities</b>		<b>20 276</b>	<b>19 890</b>
<b>Total equity and liabilities</b>		<b>18 951</b>	<b>18 993</b>

## Consolidated statement of cash flows

(MNOK)	Q4 2021	Q4 2020	2021	2020
Operating result	174	-383	636	-2 010
Depreciation and impairment	410	887	1 442	4 115
Gain (loss) on disposal of tangible assets	-5	-	-109	-13
Share of net income from joint ventures and associates	-115	-163	-265	-171
Changes in trade receivable	77	56	-467	197
Changes in trade payable	93	-120	198	-84
Changes in other working capital	-3	70	42	-17
Exchange rate effects on operating activities	-8	-41	20	-4
<b>Cash from operating activities</b>	<b>623</b>	<b>305</b>	<b>1 496</b>	<b>2 013</b>
Interest received	13	4	40	34
Interest and other finance costs paid	-88	-70	-280	-525
Taxes paid	-16	-27	-62	-78
<b>Net cash from operating activities</b>	<b>532</b>	<b>213</b>	<b>1 194</b>	<b>1 445</b>
Payments received for sale of tangible assets	-	8	172	19
Purchase of tangible assets	-218	-58	-612	-219
Purchase of contract costs	1	-80	-135	-80
Payment of acquisition, net of cash	-	-	26	-
Received dividend	-	-	1	-
Net cash from non-current receivables	118	124	267	276
<b>Net cash from investing activities</b>	<b>-99</b>	<b>-7</b>	<b>-280</b>	<b>-3</b>
Proceeds from borrowings	2	-	7	230
Repayment of borrowings	-233	-238	-1 010	-654
<b>Net cash from financing activities</b>	<b>-232</b>	<b>-238</b>	<b>-1 003</b>	<b>-424</b>
<b>Net changes in cash and cash equivalents</b>	<b>202</b>	<b>-32</b>	<b>-89</b>	<b>1 018</b>
Cash and cash equivalents at the start of the period	1 598	1 945	1 880	1 395
Exchange gain/loss on cash and cash equivalents	-3	-33	5	-533
<b>Cash and cash equivalents at the end of the period</b>	<b>1 797</b>	<b>1 880</b>	<b>1 797</b>	<b>1 880</b>

Restricted cash amounts to NOK 145 million (NOK 183 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			-607			-607	-23	-630
Other comprehensive income/loss			115	40	48	202	1	203
<b>Total comprehensive income for the period</b>	-	-	-492	40	48	-405	-23	-427
Converted bond loan	7	-75	67			-7		-
Changes ownership non-controlling interest						-		-
<b>Total transactions with the owners</b>	7	-75	67	-	-	-7	-	-
<b>Balance at 31.12.2022</b>	<b>316</b>	<b>-</b>	<b>-2 436</b>	<b>793</b>	<b>-91</b>	<b>-1 733</b>	<b>91</b>	<b>-1 326</b>
Balance at 01.01.2020	3 194	87	48	206	-254	87	170	3 451
Result (loss) for the period	-2 897		-2 012			-2 012	-49	-4 959
Other comprehensive income/loss			-48	547	116	615	-	615
<b>Total comprehensive income for the period</b>	<b>-2 897</b>	<b>-</b>	<b>-2 060</b>	<b>547</b>	<b>116</b>	<b>-1 396</b>	<b>-50</b>	<b>-4 344</b>
Converted bond loan	12	-12				-12		-
Changes in non-controlling interest						-	-6	-6
<b>Total transactions with the owners</b>	<b>12</b>	<b>-12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-12</b>	<b>-6</b>	<b>-6</b>
<b>Balance at 31.12.2020</b>	<b>309</b>	<b>75</b>	<b>-2 011</b>	<b>754</b>	<b>-139</b>	<b>-1 321</b>	<b>114</b>	<b>-898</b>

## Key figures

		Q4 2021	Q4 2020	2021	2020
EBITDA margin ex net gain on sale of vessel	1	34%	37%	31%	34%
EBITDA margin	2	34%	38%	32%	34%
EBIT margin	3	10%	-29%	10%	-32%
Profit per share	4	-1.04	0.75	-2.15	-15.67
Cashflow per share	5	0.54	0.62	3.43	1.50
Return on net capital	6			-48%	-552%
Equity ratio	7			-7%	-5%
Net interest bearing debt				16 675	16 286
Net interest bearing debt excl. effect of IFRS 16				16 499	15 980
Number of shares				316 456 167	307 762 779
Potential average number of shares				316 456 167	316 456 167
Potential number of shares				316 456 167	316 456 167

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

## 4<sup>th</sup> 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 24th of February 2022. 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.

In accordance with IAS 1.25, the Board of Directors confirms that the financial statements have been prepared under the assumption of 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. The market has improved, as several regions have seen increased activity in all the Group’s segments in the 4th quarter and a high tender activity into 2022. It is however still too early to conclude on a market recovery, hence, future earnings and assets values is difficult to forecast. A continuing weak market will increase the risk of lower earnings for the Group and further strain the Group’s financial position.

Without continued standstill agreement or a robust long-term refinancing solution is not achieved, the Group can no longer present financial statements on the assumption of going concern. If the Group can not be treated as going concern, the valuation of the Groups assets will be further revised and will result in significantly impairment 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 31st of 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	4 <sup>th</sup> Quarter 2021			4 <sup>th</sup> Quarter 2020		
	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
(MNOK)						
Operating revenue	1 975	-311	1 664	1 680	-336	1 343
Operating expenses	-1 228	27	-1 200	-1 055	47	-1 009
Net profit from associated and joint ventures	-	115	115	-25	188	163
Net gain on sale of tangible assets	5	-	5	7	-	7
<b>Operating profit before depreciation and impairment - EBITDA</b>	<b>753</b>	<b>-169</b>	<b>584</b>	<b>606</b>	<b>-102</b>	<b>504</b>
Depreciation	-369	79	-291	-255	54	-201
Impairment	-119	-	-119	-687	-	-687
<b>Operating profit - EBIT</b>	<b>264</b>	<b>-90</b>	<b>174</b>	<b>-335</b>	<b>-48</b>	<b>-383</b>
Financial income	85	4	89	2	4	6
Financial costs	-390	42	-348	-328	59	-269
Net realised gain/loss on currencies	-106	2	-104	-43	-1	-44
Net unrealised gain/loss on currencies	-80	11	-69	1 053	-89	964
Net changes in fair value of financial instruments	7	-	7	46	-	46
<b>Net financial costs</b>	<b>-484</b>	<b>59</b>	<b>-425</b>	<b>730</b>	<b>-27</b>	<b>704</b>
<b>Profit (loss) before taxes</b>	<b>-219</b>	<b>-32</b>	<b>-251</b>	<b>395</b>	<b>-74</b>	<b>321</b>
Taxes	-61	32	-29	-157	74	-82
<b>Profit (loss)</b>	<b>-281</b>	<b>-</b>	<b>-281</b>	<b>238</b>	<b>-</b>	<b>238</b>

RESULT	2021			2020		
	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
(MNOK)						
Operating revenue	7 544	-1 188	6 356	7 582	-1 370	6 212
Operating expenses	-4 850	198	-4 652	-4 545	248	-4 297
Net profit from associated and joint ventures	-13	278	265	-66	237	171
Net gain on sale of tangible assets	109	-	109	19	-	19
<b>Operating profit before depreciation and impairment - EBITDA</b>	<b>2 790</b>	<b>-712</b>	<b>2 078</b>	<b>2 990</b>	<b>-885</b>	<b>2 105</b>
Depreciation	-1 334	304	-1 030	-1 097	241	-856
Impairment	-510	98	-412	-3 665	406	-3 258
<b>Operating profit - EBIT</b>	<b>946</b>	<b>-310</b>	<b>636</b>	<b>-1 771</b>	<b>-239</b>	<b>-2 010</b>
Financial income	376	27	403	25	45	71
Financial costs	-1 234	158	-1 076	-1 338	273	-1 065
Net realised gain/loss on currencies	-273	5	-268	-661	26	-635
Net unrealised gain/loss on currencies	-358	47	-311	-1 120	9	-1 112
Net changes in fair value of financial instruments	40	-	40	-56	-	-56
<b>Net financial costs</b>	<b>-1 449</b>	<b>237</b>	<b>-1 212</b>	<b>-3 150</b>	<b>354</b>	<b>-2 797</b>
<b>Profit (loss) before taxes</b>	<b>-504</b>	<b>-73</b>	<b>-576</b>	<b>-4 921</b>	<b>115</b>	<b>-4 806</b>
Taxes	-126	73	-54	-38	-115	-153
<b>Profit (loss)</b>	<b>-630</b>	<b>-</b>	<b>-630</b>	<b>-4 959</b>	<b>-</b>	<b>-4 959</b>

BALANCE	31.12.2021			31.12.2020		
	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
(MNOK)						
<b>ASSETS</b>						
Tangible assets	18 052	-5 853	12 199	18 657	-5 813	12 844
Deferred taxes	341	-330	11	314	-301	12
Investment in joint ventures and associated companies	6	2 724	2 730	8	2 328	2 336
Other non-current assets	133	0	134	162	108	270
<b>Total non-current assets</b>	<b>18 532</b>	<b>-3 458</b>	<b>15 074</b>	<b>19 141</b>	<b>-3 679</b>	<b>15 462</b>
Receivables	2 190	-111	2 080	1 679	-49	1 630
Cash and cash equivalents	2 266	-469	1 797	2 332	-452	1 880
Asset held for sale	-	-	-	20	-	20
<b>Total current assets included asset held for sale</b>	<b>4 456</b>	<b>-579</b>	<b>3 877</b>	<b>4 031</b>	<b>-500</b>	<b>3 531</b>
<b>Total assets</b>	<b>22 988</b>	<b>-4 037</b>	<b>18 951</b>	<b>23 172</b>	<b>-4 180</b>	<b>18 993</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>	<b>-1 326</b>	<b>-</b>	<b>-1 326</b>	<b>-898</b>	<b>-</b>	<b>-898</b>
Non-current liabilities	3 594	-3 339	255	3 969	-3 606	363
Current liabilities	20 720	-698	20 021	20 101	-573	19 528
<b>Total liabilities</b>	<b>24 314</b>	<b>-4 037</b>	<b>20 276</b>	<b>24 070</b>	<b>-4 180</b>	<b>19 890</b>
<b>Total equity and liabilities</b>	<b>22 988</b>	<b>-4 037</b>	<b>18 951</b>	<b>23 172</b>	<b>-4 180</b>	<b>18 993</b>
Net interest bearing liabilities excluded effect of IFRS 16	19 754	-3 254	16 499	19 513	-3 533	15 980

## Note 3 Segment information - management reporting

4 <sup>th</sup> Quarter 2021	Q4 2021				2021 <sup>*)</sup>			
	PSV	AHTS	Subsea	Total	PSV	AHTS	Subsea	Total
Operating revenue	113	313	1 549	1 975	462	1 117	5 964	7 544
Net gain on sale of tangible assets	-	-	5	5	31	-	78	109
<b>Operating result before depreciation and impairment - EBITDA</b>	<b>15</b>	<b>126</b>	<b>611</b>	<b>753</b>	<b>108</b>	<b>491</b>	<b>2 190</b>	<b>2 790</b>
Depreciation	32	62	276	369	113	216	1 005	1 334
Impairment	57	9	53	119	96	68	346	510
<b>Operation result - EBIT</b>	<b>-73</b>	<b>55</b>	<b>282</b>	<b>264</b>	<b>-100</b>	<b>207</b>	<b>839</b>	<b>946</b>

4 <sup>th</sup> Quarter 2020	Q4 2020				2020			
	PSV	AHTS	Subsea	Total	PSV	AHTS	Subsea	Total
Operating revenue	133	269	1 277	1 680	524	1 224	5 834	7 582
Net gain on sale of tangible assets	-	-	7	7	-	12	7	19
<b>Operating result before depreciation and impairment - EBITDA</b>	<b>27</b>	<b>84</b>	<b>496</b>	<b>606</b>	<b>104</b>	<b>606</b>	<b>2 281</b>	<b>2 990</b>
Depreciation	29	53	173	255	123	245	728	1 097
Impairment	14	32	640	687	252	730	2 682	3 665
<b>Operation result - EBIT</b>	<b>-16</b>	<b>-1</b>	<b>-318</b>	<b>-335</b>	<b>-272</b>	<b>-369</b>	<b>-1 130</b>	<b>-1 771</b>

<sup>\*)</sup> Accumulated figures for 2021 includes reallocation of revenue between the segments related to Q1 and Q2 2021.

## Note 4 Operating revenue

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

Operating revenue	Q4 2021	Q4 2020	2021	2020
Lump sum contracts	17	102	117	337
Day rate contracts	1 647	1 241	6 239	5 875
<b>Total</b>	<b>1 664</b>	<b>1 343</b>	<b>6 356</b>	<b>6 212</b>

## 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	502	258	264	12 845
Addition	888	89	39	2	1 018
Reclassification	-9	17	7		15
Disposal	-139	-2		-1	-142
Depreciation	-797	-125	-59	-49	-1 030
Impairment loss	-393				-393
Currency translation differences	-116			2	-114
<b>Book value at 31.12.2021</b>	<b>11 256</b>	<b>481</b>	<b>245</b>	<b>218</b>	<b>12 199</b>

2020	Vessel and periodical maintenance	ROV	Operating equipment	Asset "Right-of-use"	Total
Book value at 01.01.2020	16 470	661	342	292	17 765
Addition	237	11	26	29	303
Reclassification	-41	20	-58		-79
Disposal				-3	-3
Depreciation	-586	-158	-60	-52	-856
Impairment loss	-3 158		-15		-3 173
Currency translation differences	-1 101	-32	23	-2	-1 113
<b>Book value at 31.12.2020</b>	<b>11 821</b>	<b>502</b>	<b>258</b>	<b>264</b>	<b>12 845</b>

**Disposal**

The vessel Geosund is sold and delivered to new owner in January 2022. The vessel is per Q3 derecognised from tangible asset and classified as financial lease. In addition Skandi Buchan and Skandi Texel was sold and delivered in the first quarter 2021 and Geograph in the second quarter 2021. Skandi Admiral has been sold for recycling. Total gain on sale of tangible assets in 2021 amounts to NOK 109 million.

**Right-of-use asset**

Net booked value of right-of-use assets at the 31st of December 2021 consists of property with NOK 214 million (NOK 256 million) and operating equipment with NOK 4 million (NOK 8 million).

**Impairment**

The drop in fair market values has stabilised for the majority of the fleet during the 4th quarter 2021. 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 Q4 2021 have resulted in an impairment of vessels of NOK 119 million in the 4th quarter 2021 and NOK 412 million in the total year 2021. No impairment has been done in joint ventures in the 4th quarter 2021 and NOK 98 million in the total year 2021.

There are signs of improved markets in several regions and increased demand for offshore vessels within the renewable segment. It is however still too early to conclude on a market recovery. Hence, future earnings and asset values are difficult to forecast. 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 48 million. Negative effect on net future cash flows with 20% will result in an additional impairment of the vessels with approximately NOK 1.3 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 156 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 436 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 31.12.2021;

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%
<b>Associated companies</b>	
Master & Commander	20%
Skandi Aukra AS	34%
Semar AS	42%
Effect of application of IFRS 11 on investments in joint ventures;	31.12.2021
Opening balance 01.01.2021	2 336
Addition	-
Profit (loss)	265
Profit (loss) through OCI	115
Negative value on investments reallocated to receivable	14
<b>Closing balance 31.12.2021</b>	<b>2 730</b>

## Note 7 Cash and cash equivalent

	31.12.2021	31.12.2020
Restricted cash	145	183
Unrestricted cash and cash equivalent	1 652	1 697
<b>Total cash and cash equivalent</b>	<b>1 797</b>	<b>1 880</b>

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 614 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 28th of February 2022 with 91% of the secured lenders within the DOF ASA and DOF Rederi AS and with 95% of the secured lenders within the DOF Subsea Group. In Norskan Offshore Ltda, a standstill agreement has been agreed for the facilities with the international banks. The BNDES facilities have been served according to refinancing agreements signed in February 2020, which is also applicable for one facility in DOF Subsea Brasil Ltda. The DOF Subsea standstill agreements 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 year end. 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 previously requested repayment of approximately USD 47 million and in the 3rd quarter this facility was prepaid at a significant discount. Another secured lender has enforced an account pledge for one loan facility in DOF Subsea.

The bondholders in DOFSUB07, DOFSUB08 and DOFSUB09 have further accepted a standstill until the 28th of February 2022, and an Ad-hoc group of bondholders can extend the standstill until the 28th of February 2022. The DOFCON JV is not part of the standstill agreements and serves its debt according to the terms in the relevant loans facilities.

The Company is guarantor for the debt in Iceman AS of NOK 444 million, where approximately 50% of the DOF guarantee has been counter guaranteed by other shareholders in Iceman AS. As part of the restructuring of the Group the main shareholders in Iceman and the lenders has signed an agreement on the counter guarantees which has resulted in that the Company has become the majority shareholder of Iceman AS, hence this company was fully consolidated from 3rd quarter. A refinancing of Iceman is yet to come in place and the current standstill agreement is applicable until the 28th of February 2022.

The dialogue with the lenders has continued to be constructive and progress has been made in the quarter and so far into 2022. There are still some issues pending, 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 shareholders in the Company.

The Group's secured and unsecured debt are, in accordance with IFRS, classified as current debt at the 31st of December 2021. The classification is based on the Group's financial situation and standstill agreements of debt service with the banks and bondholders.

Restructuring costs related to advisory and legal fees amounts to NOK 76 million in 2021 and are included in the financial costs in the result.

### **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 31st of December 2021 the interest bearing liabilities are as follows;

	31.12.2021	31.12.2020
<b>Non-current interest bearing liabilities</b>		
Bond loan	-	-
Debt to credit institutions	-	-
Lease liabilities (IFRS 16) *)	217	301
<b>Total non-current interest bearing liabilities</b>	<b>217</b>	<b>301</b>
<b>Current interest bearing liabilities</b>		
Bond loan	2 979	2 554
Debt to credit institutions	15 309	15 305
Lease liabilities (IFRS 16) *)	87	94
Overdraft facilities	8	1
<b>Total current interest bearing liabilities</b>	<b>18 383</b>	<b>17 954</b>
<b>Total interest bearing liabilities</b>	<b>18 601</b>	<b>18 255</b>
<b>Net interest bearing liabilities</b>		
Other interest bearing assets (sublease IFRS 16)	129	89
Cash and cash equivalents	1 797	1 880
<b>Total net interest bearing liabilities</b>	<b>16 675</b>	<b>16 286</b>
Net effect of IFRS 16 Lease	176	307
<b>Total net interest bearing liabilities excluded IFRS 16 Lease liabilities</b>	<b>16 499</b>	<b>15 980</b>

\*) 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 of NOK 309 million. Accrued interest expenses are excluded in the figures above. Accrued interest to credit institutions is capitalised on the loans on an ongoing basis. Accrued interest on bond loan was capitalised in Q4 with NOK 379 million.

Loan divided on currency and fixed interest	Share fixed interest	Balance 31.12.2021
NOK	26%	7 533
USD	67%	10 619
CAD	100%	413
GBP	100%	27
BRL	0%	9
<b>Total</b>	<b>52%</b>	<b>18 601</b>

### 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	Cash flows	Acquisition subsidiary	Debt remission	Non-cash changes Capitalisation interest and derivatives	Proceeds lease debt	Amortised loan expenses	Currency and other effects	Balance 31.12.2021
<b>Interest bearing liabilities</b>									
Bond loan	2 554				379		5	42	2 980
Debt to credit institutions	15 305	-919	420	-249	433	46	15	258	15 309
Lease liabilities	395	-90				3		-4	304
Overdraft facilities	1	7							8
<b>Total interest bearing liabilities</b>	<b>18 255</b>	<b>-1 002</b>	<b>420</b>	<b>-249</b>	<b>812</b>	<b>49</b>	<b>20</b>	<b>296</b>	<b>18 601</b>

## Note 9 Acquisition

### **Iceman AS/Iceman IS**

The Company is guarantor for the debt in Iceman AS of NOK 444 million, where approximately 50% of the DOF guarantee is counter guaranteed by other shareholders in Iceman AS. Iceman AS is undergoing a restructuring, and a standstill agreement with the banks is applicable until the 28th of February 2022. One shareholder in Iceman has been released from its counter guarantee by paying a certain amount as partly repayment of the debt. As part of this agreement the Company has increased its shareholding in Iceman from 34.5% to 73.5%. After balance date the main shareholders in Iceman and the lenders has signed an agreement on the counter guarantees which has resulted in that the company has increased its shareholding in Iceman to 93.5%.

Iceman AS/IS is a subsidiary of DOF ASA from 31st of August 2021 and is included in the Groups accounts from 3rd quarter. The purchase price for the share was zero and the Group impaired NOK 20 million related to a goodwill in Q3 2021.

## 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

### **Contract**

DOF Subsea has been awarded an extension of the current contract with a key renewable’s client for Skandi Acergy in the North Sea and another project in Trinidad and Tobago for the vessel Skandi Constructor. The DOF Subsea Asia-Pacific region has further been awarded a 3-year contract plus 2 x 1- year options to provide a Multi-Purpose Supply Vessel (MPSV) to Esso Australia Pty Ltd.

### **Finance**

Each of the companies DOF ASA and DOF Subsea AS have agreed to further extend the principal and interest suspension agreements with, or received extensions of similar concessions from, secured lenders representing in total 91% of the secured debt of DOF ASA and DOF Rederi AS and in total 95% of the secured debt of companies within the DOF Subsea AS group (excluding DOF Subsea Brasil Servicos Ltda.) until the 28th of February 2022, and that DOF Subsea AS has received confirmation from the ad hoc group of bondholders that they have agreed to further extend the suspension, deferral and standstill agreement currently in place for the bond issues to the 28th of February 2022 in accordance with the resolutions of the bondholders’ meeting held on the 30th of September 2021. The extensions of the standstill periods will facilitate the DOF group’s continued dialogue with its secured lenders and the bondholders under the DOF group’s bonds regarding a long-term financial restructuring of the DOF group.

### **Minority interest in DOF Installer ASA**

In 2022 DOF Subsea AS has sent an offer to the minority shareholders in DOF Installer ASA to buy the remaining 15.08% of this company at a price of 4.35 per share.

## Note 12 Share capital and shareholders

## Largest shareholders as of 31.12.2021

Name	No. shares	Shareholding %
MØGSTER OFFSHORE AS	100 007 313	31.60%
BNP PARIBAS SECURITIES SERVICES	9 570 169	3.02%
BRØNMO, BJARTE	6 780 484	2.14%
NORDNET BANK AB	5 063 921	1.60%
BRETTEL INVEST AS	4 000 000	1.26%
HERNESS, BJØRN	3 326 882	1.05%
SOTRA KRAN AS	3 200 000	1.01%
EKREN, GEIR	2 761 760	0.87%
NORDNET LIVSFORSIKRING AS	2 544 409	0.80%
MOLY AS	2 539 308	0.80%
HOLDEN, JIM ØYSTEIN	2 429 747	0.77%
TØRRESEN, HENRY JOHAN	2 055 147	0.65%
AVANZA BANK AB	1 994 794	0.63%
MOCO AS	1 984 419	0.63%
EBB HOLDING AS	1 949 097	0.62%
CHAMANSKI, ALEXANDRE	1 900 000	0.60%
LAWO INVEST AS	1 857 377	0.59%
BERGEN KOMMUNALE PENSJONSKASSE	1 800 000	0.57%
DAHL, TORE	1 744 800	0.55%
DP HOLDING AS	1 633 517	0.52%
Total	159 143 144	50.29%
Total other shareholders	157 313 023	49.71%
Total no of shares	316 456 167	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)	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Operating revenue	1 975	2 052	2 003	1 514	1 680
Operating expenses	-1 228	-1 228	-1 347	-1 047	-1 055
Share of net profit from joint ventures and associates	-	-3	-7	-4	-25
Net gain (loss) on sale of tangible assets	5	44	31	29	7
<b>Operating profit before depreciation and impairment - EBITDA</b>	<b>753</b>	<b>865</b>	<b>680</b>	<b>492</b>	<b>606</b>
Depreciation	-369	-335	-313	-316	-255
Impairment	-119	-42	-218	-131	-687
<b>Operating profit - EBIT</b>	<b>264</b>	<b>488</b>	<b>148</b>	<b>45</b>	<b>-335</b>
Financial income	85	279	6	6	2
Financial costs	-390	-309	-257	-277	-328
Net realised gain (loss) on currencies	-106	-105	-32	-30	-43
Net unrealised gain (loss) on currencies	-80	-548	804	-534	1 053
Net changes in unrealised gain (loss) on derivatives	7	13	11	10	46
<b>Net financial costs</b>	<b>-484</b>	<b>-671</b>	<b>531</b>	<b>-826</b>	<b>730</b>
<b>Profit (loss) before taxes</b>	<b>-219</b>	<b>-182</b>	<b>679</b>	<b>-781</b>	<b>395</b>
Taxes	-61	54	-99	-20	-157
<b>Profit (loss) for the period</b>	<b>-281</b>	<b>-128</b>	<b>580</b>	<b>-801</b>	<b>238</b>

## Consolidated statement of balance sheet

(MNOK)	31.12.2021	30.09.2021	30.06.2021	31.03.2021	31.12.2020
ASSETS					
Tangible assets	18 052	18 312	18 146	17 987	18 657
Deferred tax assets	341	357	341	359	314
Investment in joint ventures and associated companies	6	7	7	8	8
Other non-current assets	133	166	191	170	162
<b>Total non-current assets</b>	<b>18 532</b>	<b>18 842</b>	<b>18 685</b>	<b>18 523</b>	<b>19 141</b>
Receivables and other current asset	2 190	2 256	2 165	1 651	1 699
Cash and cash equivalents	2 266	2 202	2 135	2 257	2 332
<b>Current assets</b>	<b>4 456</b>	<b>4 458</b>	<b>4 299</b>	<b>3 908</b>	<b>4 031</b>
<b>Total Assets</b>	<b>22 988</b>	<b>23 300</b>	<b>22 985</b>	<b>22 432</b>	<b>23 172</b>
EQUITY AND LIABILITIES					
<b>Total equity</b>	<b>-1 326</b>	<b>-1 106</b>	<b>-1 141</b>	<b>-1 480</b>	<b>-898</b>
Non-current liabilities	3 594	3 700	3 757	3 870	3 969
Current liabilities	20 720	20 707	20 369	20 042	20 101
<b>Total liabilities</b>	<b>24 314</b>	<b>24 406</b>	<b>24 126</b>	<b>23 912</b>	<b>24 070</b>
<b>Total equity and liabilities</b>	<b>22 988</b>	<b>23 300</b>	<b>22 985</b>	<b>22 432</b>	<b>23 172</b>
<b>Net interest bearing liabilities excluded effect of IFRS 16</b>	<b>19 754</b>	<b>19 678</b>	<b>19 454</b>	<b>19 436</b>	<b>19 513</b>

## Consolidated statement of cash flows

(MNOK)	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Net cash from operation activities	676	670	395	313	451
Net cash from investing activities	-257	-187	-167	-130	-159
Net cash from financing activities	-352	-410	-414	-224	-325
<b>Net changes in cash and cash equivalents</b>	<b>68</b>	<b>73</b>	<b>-186</b>	<b>-41</b>	<b>-34</b>
Cash and cash equivalents at start of the period	2 202	2 135	2 257	2 332	2 447
Exchange gain/loss on cash and cash equivalents	-5	-5	64	-34	-81
<b>Cash and cash equivalents at the end of the period</b>	<b>2 266</b>	<b>2 202</b>	<b>2 135</b>	<b>2 257</b>	<b>2 332</b>

## Key figures

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
EBITDA margin excluded net gain on sale of tangible assets	37%	40%	32%	31%	36%
EBITDA margin	37%	42%	34%	32%	36%
EBIT margin	13%	24%	7%	3%	-20%
Profit per share (NOK)	-89%	-40%	183%	-253%	75%
Book value equity per share (NOK)	-4,48	-3,80	-3,95	-5,03	-3,20
Net interest bearing debt excluded effect of IFRS 16 (NOK million)	19 754	19 678	19 454	19 436	19 513
Potential average number of shares	316 456 167	316 456 167	316 456 167	316 456 167	316 456 167



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