# DOF Group ASA

## Q2 2024 Financial Report

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Report distribution & webcast:
The Q2 2024 financial report for DOF Group ASA is to be presented on 21st of August 2024. A financial webcast will be held at 14:00 (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.

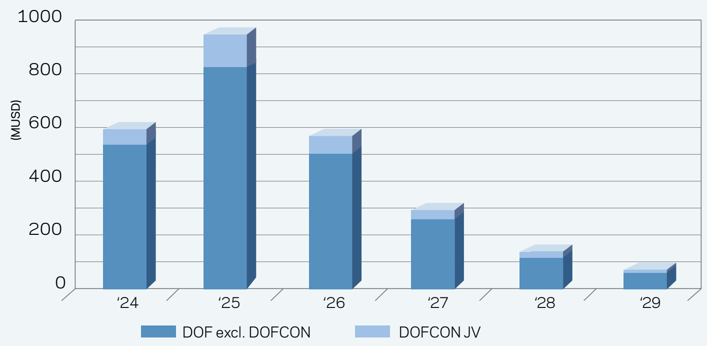
# Key highlights



## Key figures

| AMOUNT IN USD MILLION | Management reporting Q2 2024 | Management reporting Q2 2023 | Financial reporting Q2 2024 | Financial reporting Q2 2023 |
|---|---|---|---|---|
| Operating revenue | 361 | 330 | 332 | 292 |
| EBITDA | 122 | 121 | 123 | 98 |
| EBIT | 111 | 128 | 93 | 113 |
| Profit (loss) | 6 | 103 | 6 | 103 |
| NIBD (Net interest bearing debt) | 1 286 | 1 444 | 969 | 1 076 |
| EBITDA margin | 34% | 37% | 37% | 34% |
| Equity ratio | 35% | 26% | 39% | 30% |

- The Group has on 2nd of July signed an agreement to acquire all the shares in Maersk Supply Service A/S. The acquisition will be settled partly in cash representing USD 577 million and partly in shares representing 25% ownership for MSSH.
- As part of the transaction the Company completed a private placement of in total USD 75 million in July.
- The Group achieved an EBITDA of USD 122 million (USD 121 million).
- The net profit of USD 6 million (USD 100 million) has been impacted by an unrealised currency loss of USD -62 million (USD 8 million). This is a non-cash accounting effect primarily due to consolidation of the BRL accounts in Norskan affected by a weakening BRL to USD in the quarter.
- The Group's cash flow from operating activities was USD 119 million (USD 75 million) in the quarter.
- The equity ratio has improved from 26% to 35%. The Net interest-bearing debt (NIBD) has been reduced from USD 1,444 million to USD 1,286 million and the NIBD/LTM EBITDA by end June is 2.7x (3.3x).
- The average utilisation of the fleet was 89% (88%) in the quarter.
- The performance has been good in the APAC and the Atlantic regions, but lower in Brazil due to class dockings, planned maintenance and mobilisation to new contracts in the quarter.
- The total current fleet consists of 57 vessels (incl. 14 vessels on management or hired in):
  - 16 AHTSs, 10 PSVs and 31 Subsea vessels.
- The order intake in 2nd quarter was USD 1.05 billion.
- Firm backlog by end June is USD 2.6 billion (USD 1.9 billion). Order intake after balance date is approximately USD 400 million.
- Updated EBITDA guidance for the year is USD 500-520 million.
- DOF Group Backlog (end quarter):



# Statement from the CEO

The MSS transaction marks a strategic milestone for the Group and under the DOF brand we will create a leading offshore services provider and strengthen our global position through the combined company. With the world's largest fleet of CSVs and high-end AHTS vessels, we will enhance the customer experience through increased scale, global reach, and industry-leading services, combining the strong capabilities and experience of DOF and Maersk Supply Service. I look forward to further developing the DOF Group together with my new and existing colleagues, ensuring the continued delivery of world-class services to our customers and further appreciate A.P. Møller Holding becoming a major shareholder.

The order intake has been high so far this year which gives good visibility on earnings in the next 24 months. We expect improved earnings in second half compared to first half due to i.a. Skandi Buzios being back on hire, Skandi Amazonas commencing a new 3-year contract after being partly off-hire, higher project activity in several regions, and certain one-off effects which impacted first half earnings. The updated EBITDA guiding is USD 500-520 million.

**Mons S. Aase**
CEO

# This is DOF

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

DOF is a leading provider of integrated subsea and marine services to the global offshore energy market. Established in Austevoll in 1981, DOF has continued a proud tradition of delivering safe and quality services to our customers.


USD **2.6** billion backlog as of Q2'24

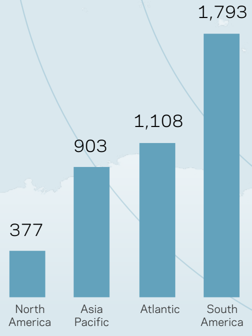
**57**[1] vessels in fleet

**6** operating continents

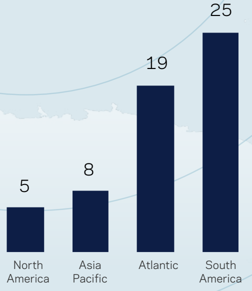
**4,181** employees

**Norway** headquartered

**+40** years operational history




Employees per region




Vessel per region

[1] 43 owned vessels, 5 vessels hired in and 9 vessels under management

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# ESG


DOF has reported in the areas of sustainability to the GRI standards measuring economic, environment, and social aspects since 2014. This, along with our participation in Carbon Disclosure Project over the last thirteen years, has driven engagement with stakeholder groups and improved management and performance in these areas.

**Q2 summary**

During the quarter, there has been an increased number of incidents compared to last quarter. The total recordable injury rate of 1.72 (1.03) per million man-hours is up from last quarter. There were four Medical Treatment Cases and one Restricted Workday Case in the quarter. There were two Lost Time Injuries in the quarter and the lost-time injury frequency rate of 0.51 (0.31) per million man-hours is up from previous quarter. Despite increased number of incidents, the incidents are with a low risk factor and no permanent disabilities.

Regarding Governance, the number of NCRs and audits are stable, although there are small variations. There have been no fines or non-monetary sanctions due to non-compliance.

There were no significant spills above 50 litres in the quarter.

Regarding people, the headcount per end of quarter was 4,181 (4,192) and absence rate due to sickness was 3.4% (1.4%). There were no data privacy breaches. There are ongoing reviews connected to harassment cases reported in Ethics Helpline. In the quarter one case has been concluded as confirmed harassment case.

# Report of the Board of Directors



## Operations

*The Q2 operational result per segment is as follows;*

| AMOUNT IN MUSD | DOF Subsea | Norskan | DOF Rederi | Corporate/ management | Group |
|---|---|---|---|---|---|
| Operating revenue | 277 | 61 | 32 | 12 | 361 |
| Net gain on sale of tangible assets | 0 | - | 1 | - | 1 |
| **Operating result before depreciation and impairment - EBITDA** | **102** | **9** | **13** | **-2** | **122** |
| Depreciation | -37 | -6 | -5 | -0 | -47 |
| **Operating result - EBIT** | **96** | **8** | **9** | **-2** | **111** |
| | | | | | |
| EBITDA margin | 37% | 15% | 39% | -17% | 34% |
| EBIT margin | 35% | 13% | 27% | -19% | 31% |

1) Norskan include both ship owning and vessel management activities.
2) Internal transactions adjusted in the Group numbers.

The segment reporting reflects the Group's operational performance from the main subsidiaries of the Company. The four segments are: DOF Subsea Group (incl. the 50% share in the DOFCON JV), DOF Rederi AS (incl. Iceman AS), Norskan Offshore Ltda., and Corporate & Vessel Management.

The main part of the Group's fleet owned by DOF Rederi and Norskan operates on firm time charter (TC) contracts or in the spot market, while the fleet owned by DOF Subsea (excl. the DOFCON fleet) partly operates on time charter contracts, project contracts, frame agreements, or lump sum contracts with various durations. The scope executed by the Group's subsea vessels and parts of the AHTS fleet includes among others survey, IMR, construction, mooring, decommissioning, and SURF in the oil & gas markets and renewable markets. The majority of the Group's AHTS fleet is equipped with ROVs owned by DOF Subsea.

*DOF Subsea Group*

DOF Subsea Group ("DOF Subsea") owns 22 subsea vessels (including the DOFCON fleet) and has in the quarter hired in five vessels from external owners on term contracts. The overall utilisation of the DOF Subsea fleet has been 89% (92%) in the quarter.

The total revenues from Subsea project contracts represented 77% of DOF Subsea's revenue and totals USD 212 million (USD 202 million) in the quarter. The DOF Subsea's operations are managed from four regions: The Atlantic Region, The Asia-Pacific Region, The North America Region, and the South America Region (mainly Brazil).

The activity in the **Atlantic region** has been high in the quarter driven by a project contract for the Skandi Acergy at the Tortue field in West-Africa and a FSV contract for the Skandi Seven in Angola. Maersk Installer was included as project vessel late April and thereafter operated in the North Sea and achieved good utilisation in May and June. Skandi Skansen sailed from West-Africa to support a project contract with Subsea 7 in the North Sea.

The region has been awarded multiple contracts in the quarter where the most prominent contract was a 3 + 3-year contract with Equinor for delivery of IMR activities throughout Equinor assets in the North Sea. The region has chartered in the Rem Inspector for the IMR contract, and the vessel will be equipped with a module handling system (owned by DOF Subsea) and ROVs to support the Equinor contract. The offshore start up is assumed in April 2025. The region has further been awarded a 2-year contract renewal for the Skandi Seven as FSV vessel in Angola. The new contract will start in 4th quarter 2024 and in direct continuation of the existing contract. Finally, the region has been awarded a T&I (construction, transport and installation) contract in West-Africa securing close to full utilisation of the Maersk Installer for the rest of the year.

The positive trend in **Asia-Pacific region** has continued in 2nd quarter and the region has secured utilisation close to 100% of its four subsea vessels. Skandi Singapore and Skandi Hercules have operated on project contracts with Chevron and Woodside offshore Australia, and Skandi Hawk and Skandi Darwin have continued operating on firm contracts at the Philippines and in Australia. Skandi Darwin completed the installation of a new W2W (walk to work system) in April.

In the **North America region**, the main projects are the contract with Esso in Guyana utilising the Havila Phoenix and the Skandi Constructor and contract with Cenovus in Canada utilising the Skandi Vinland. The region has in addition operated two JAC vessels on various subsea- and survey contracts in the Gulf of Mexico where the performance has been good, and the utilisation has been high.

The **Brazil region** has continued on the PIDF contract utilising multiple vessels on this survey and inspection project including the chartered in vessel, Stril Explorer. Skandi Carla and partly Geoholm have been utilised on the PIDF project. The utilisation on the PIDF project in Brazil has been impacted by planned maintenance on several vessels and that Skandi Salvador has completed a 15-year class docking. The RSV fleet has achieved stable utilisation in the quarter and Skandi Achiever has operated in the short-term market.

Skandi Salvador was in July awarded a 180-day contract with a Tier 1 SURF contractor in Brazil with immediate start up. Geoholm will operate as a front runner until Skandi Salvador has been redelivered on the existing contract with Petrobras in August.

The region has further won two 3-year contracts with Petrobras for two large AHTS vessels owned by external owners. The new contracts are scheduled to start in 2nd or 3rd quarter in 2025.

DOF Subsea Group further owns and operate the PLSV Skandi Africa and the diving vessel Skandi Patagonia. Skandi Africa has after balance date been extended with 2 years and is firm until May 2028.

The **DOFCON JV fleet** has achieved a utilisation of 82% (90%) in the quarter and all vessels are committed on firm contracts with Petrobras.

The Skandi Buzios has been off hire the entire quarter due to the fire incident in June last year. The vessel arrived in Brazil early July and went on hire on the existing contract on the 1st of August.  Skandi Vitoria and Skandi Niteroi have been awarded two 3-year contracts with Petrobras, both commencing in 2025. Skandi Acu has been awarded an extension on the existing contract until mid 2025 and a new 3-year contract with start up in 3rd quarter 2025. After these awards and that Skandi Buzios is back in operation, DOFCON is expected to have stable operations going forward and at higher earnings when the new contracts have materialised.

*Norskan Offshore*
Norskan owns nine AHTS vessels all built in Brazil and is the vessel manager for the Group's fleet operating in Brazil which currently represent 22 vessels. Norskan achieved an average utilisation for its owned fleet of 78% (75%) in the quarter and the operations have been impacted by planned and preventative maintenance. Skandi Amazonas has partly been off-hire and mobilised for a new 3-year contract with Petrobras which started in June. Norskan has further been awarded two 4-year contracts for the Skandi Rio and Skandi Botafogo with estimated commencement in 4th quarter 2024 and 1st quarter 2025. Both vessels will be equipped with ROVs.

*DOF Rederi & Iceman*
The DOF Rederi fleet currently includes six PSVs, two AHTS, and four CSVs, and has achieved a utilisation of 95% (90%) in the quarter. The entire DOF Rederi fleet is currently on firm contracts. Skandi Iceman has started on its contract with Equinor and Skandi Kvitsøy started on a 2-year contract with Esso, both in April.

## Financial summary

*Financial reporting Q2 - Highlights*
The Group has a global operation with the main currency in USD, hence the presentation currency is in USD. Most of the Norwegian companies in the Group have adjusted the functional currency to USD accordingly and for the Brazilian companies (excluding the DOFCON JV) the functional currency is in BRL.

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

| **Q2 2024** (MUSD) | Q2 2024 | Q2 2023 |
|---|---|---|
| Operating revenue | 332 | 292 |
| Operating expenses | -231 | -201 |
| Share of net profit from joint ventures | 21 | 7 |
| Net gain on sale of tangible assets | 1 | 0 |
| EBITDA | 123 | 98 |
| Depreciation | -38 | -26 |
| Impairment/reversal of impairment | 8 | 41 |
| EBIT | 93 | 113 |
| Net interest income and costs | -22 | -10 |
| Net currency and derivatives | -58 | 9 |
| Profit before taxes | 13 | 112 |
| Taxes | -7 | -9 |
| Profit | 6 | 103 |

The revenue and EBITDA versus the same period last year have in sum improved slightly in DOF Subsea and DOF Rederi, and is lower in Norskan. The variance in Norskan is mainly due to a positive one-off last year and partly mobilisation maintenance costs on a few vessels. The positive change in share of net profit from joint ventures (DOFCON) represent reversal of impairment of two PLSVs due to increased earnings in new contracts. Net gain on sale is related to the delivery of Skandi Gamma. The depreciations are slightly higher than last year mainly due to higher booked values of tangible assets after reversal of impairments in 2023. The reversal of impairment in the quarter is related to the impact of improved earnings in new contract awards in Norskan.

The variance in the net interest costs of USD -22 million (USD -10 million) is due reversal of financial costs of in total USD 10 million in 2023. The net currency loss/gain of USD -58 million (USD 9 million) mainly represent the strengthened USD to BRL on the Norskan debt. The secured loan facilities in DOF Subsea and Norskan are drawn in USD while the loan facility in DOF Rederi and the DOF Subsea convertible bond loan are drawn in NOK.

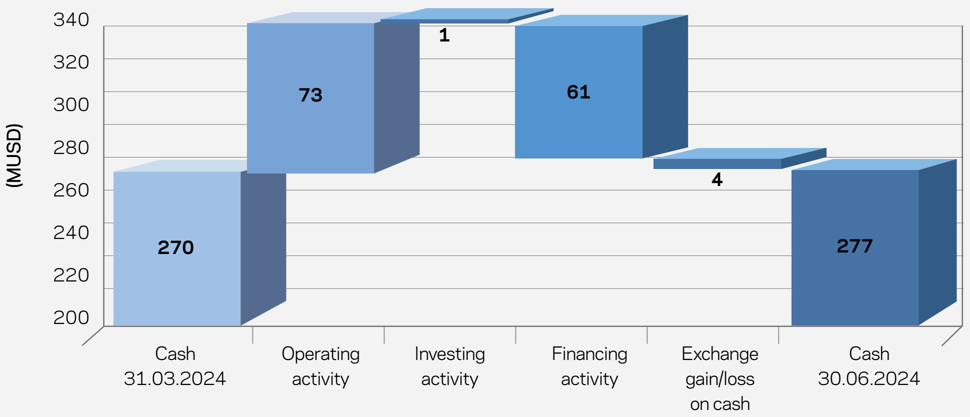
The tax costs mainly include withholding tax on contracts in certain regions and corporate tax.

*Cash flow from operating activities*

| **Q2 2024** (MUSD) | Q2 2024 | Q2 2023 |
|---|---|---|
| Operating result | 93 | 113 |
| Depreciation and amortisation | 30 | -15 |
| Gain (loss) on disposal of tangible assets | -1 | 0 |
| Share of net income from associates and joint ventures | -21 | -7 |
| Amortisation of contract costs | 4 | 3 |
| Changes in working capital | -2 | -55 |
| Cash from operating activities | 104 | 39 |
| Net interest and finance cost, and taxes paid | -31 | -27 |
| Net cash from operating activities | 73 | 13 |

The improved operating cash flow is mainly due to better cash flow from the operations and a positive development in the net working capital.

*Cash flow Q2 2024*




The cash flow from investing activities are net proceeds from sale of assets of USD 27 million and the capex of USD -24 million mainly represent maintenance capex. Financing activities include USD -50 million as repayment of the Group's secured debt and lease payments of USD -10 million. Leases are payments to external vessel owners and include contractual commitment on three long-term lease contracts.

*Balance sheet*

| **Q2 2024** (MUSD) | 30.06.2024 | 30.06.2023 |
|---|---|---|
| Non-current assets | 1 973 | 1 785 |
| Current assets | 407 | 341 |
| Cash and cash equivalents | 277 | 270 |
| Total assets | 2 658 | 2 396 |
| | | |
| Equity | 1 045 | 725 |
| Non-current liabilities | 1 243 | 1 376 |
| Current liabilities | 369 | 295 |
| Total equity and liabilities | 2 658 | 2 396 |
| | | |
| Net interest bearing debt (NIBD) | 969 | 1 076 |
| Net interest bearing debt (NIBD) excl. effect IFRS 16 | 891 | 1 050 |

The Group's balance sheet by end June 2024 has an equity ratio of 39% (30%) and a reduction in the Net interest-bearing debt of USD 107 million.

The non-current assets include vessels and subsea equipment, contract cost, the JV investment and long-term assets. Total tangible assets represent in total USD 1,419 million (USD 1,326 million), and the contract costs represent USD 37 million (USD 27 million). The contract costs are mainly mobilisation capex on contracts in Brazil and are amortised during the contract period. The JV investment of USD 340 million (USD 298 million) is the shares in DOFCON JV. Other long-term assets of USD 115 million (USD 119 million) mainly comprise a shareholder loan to DOFCON JV of USD 92 million. The change in current assets is related to increased activity, especially within subsea projects.

The equity has increased due to a strong result during the last 12 months.

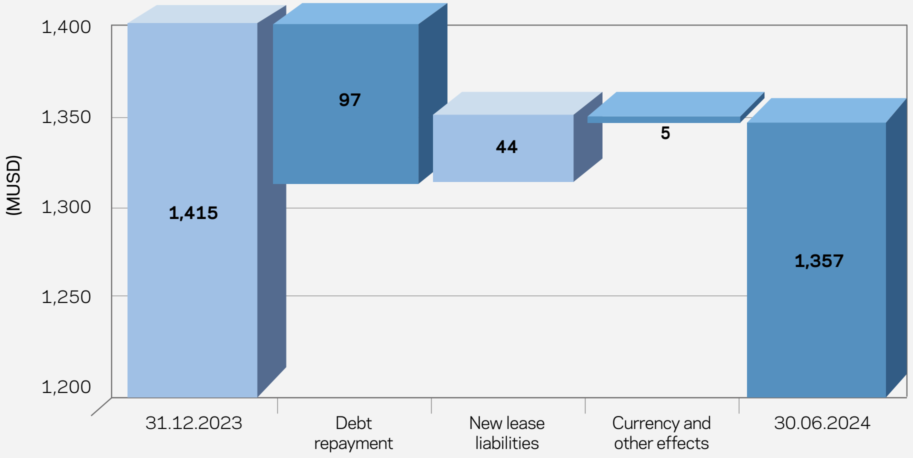
The non-current liabilities include secured liabilities of USD 1,117 million (USD 1,267 million), bond loan of USD 71 million (USD 66 million) and lease liabilities of USD 53 million (USD 40 million) and others USD 2 million (USD 4 million). Lease liabilities are mainly related to vessels hired in from external owners. Of the short-term liabilities USD 118 million (USD 91 million) represent amortisation the next 12 months split in debt payments of USD 74 million and lease payments of USD 44 million. Other short-term debt has increased due to higher activity.

The net working capital (excl. cash and short portion NIBD) by the end of June is USD 156 million (USD 137 million).

## Financing and Capital Structure

The Group's total interest-bearing debt at the end of the quarter is USD 1,357 million (USD 1,460 million) of which USD 1,190 million represent secured debt to credit institutions, USD 71 million as bond debt in DOF Subsea and USD 96 million as lease debt (related to right-of-use assets and sub leases). Approximately 85% of the Group's debt is drawn in USD and the remaining debt is mainly drawn in NOK.

Total interest bearing debt 31.12.2023 - 30.06.2024




The main terms in the facilities drawn in March last year include low interest (~2% margin above NIBOR/SOFR) and low amortisation and a cash sweep mechanism and all these facilities mature in January 2026. The Company guarantees 100% of the DOF Rederi loan facility and 70% of the Norskan loan facilities.

In Norskan the BNDES portion of the secured debt represents 85%. The BNDES debt matures in the period from 2030-2033 and has a low amortisation profile and cash sweep until maturity of the facilities. The BNDES facilities have fixed interest rates in the range of 3.9 to 4.9% during the entire duration of the loans.

The convertible bond loan in DOF Subsea matures in December 2027 and includes interest (PIK) of NIBOR+ 2%. The bond loan may be converted to equity on maturity in December 2027.

The debt in the DOFCON JV's fleet has mainly been funded by BNDES and Eksportfinans Norge (Eksfin) and these facilities matures after 2026. As part of the refinancing in March last year any dividend payments from DOFCON JV will be utilised to repay the secured debt (2/3) and the bond debt (1/3) in DOF Subsea.

The Skandi Hera, Skandi Darwin and Skandi Iceman has been financed by three new loan facilities at normal market terms and 5-year duration. This financing is non-recourse.

## Shareholders

The Company's share capital by end June was NOK 441,623,045 divided into 176,649,218 ordinary shares with nominal value of NOK 2.50.

After the balance date the share capital has increased to NOK 461,772,477.50 after completion of a private placement of 8,059,773 new shares in the Company. See further details in note 13.

By end June the share price was NOK 96.75 per share and at the date of this report the share price is NOK 99.75 per share. See further details on the 20 largest shareholders in Note 14 to the accounts.

## Subsequent events

Through an incorporated subsidiary the Company has entered into an agreement with a subsidiary of A.P. Møller Holding A/S, Maersk Supply Holding AS ("MSSH"), to acquire all the shares in Maersk Supply A/S ("MSS"). The acquisition will be paid partly in cash and partly in new shares to be issued by the Company, representing a price of approximately USD 1,112 billion (as of close on 28.06.2024). After issuance of new shares MSSH will hold 25% of the share capital in the Company. MSS will at the time of completion of the transaction own 22 high-quality subsea and AHTS vessels, following a carve-out of certain entities, vessels, assets and liabilities.

In consideration for the shares in MSS and subject to closing of the transaction, A.P. Moller Holding's subsidiary MSSH shall at completion of the transaction receive a combination of USD 577 million in cash (to be adjusted based on the locked-box accounts and subject to further adjustments at closing) and 58,883,073 new shares in the Company, leading MSSH to hold 25% of the share capital in the Company after issuance of the consideration shares.

The financing of the cash portion of the purchase will be done through a combination of a new debt facility of USD 500 million and an equity raise of USD 125 million of which MSSH has undertaken to subscribe 25% of the new shares.

Tranche 1 of private placement representing a subscription of approximately NOK 798 million (equivalent USD 75 million) was successfully placed on the 3rd of July and the tranche 2 of approximately NOK 266 million (equivalent USD 25 million) towards MSSH will be completed on a successful closing of the MSS transaction. The board has proposed a repair offering of approximately 2 million shares which will be directed to the shareholders in the Company as of 2nd of July 2024 not participating in the private placement.

In an extraordinary shareholder meeting on the 26th of July the MSS transaction was approved including the issuance of new share towards MSSH including new chair of the Nomination committee and election of two new board members representing MSSH in the Company. The changes in the Nomination Committee and the Board of the Company will be applicable after closing of the MSS transaction.

Further details (news and announcements) on the above transactions are available on the Company's website: www.dof.com

The Group has been awarded several new contracts after balance date. See further details in note 13.

## Outlook

The DOF Group will, following the acquisition of MSS, comprise a workforce of more than 5,400 employees with 78 modern offshore/subsea vessels, (65 owned), and engineering capacity, and will strengthen the Group's integrated service offering and position, towards a strong oil & gas market and a growing offshore wind market.

DOF and MSS' current operations are both strategically and geographically complementary, and future growth ambitions are strongly aligned. Hence the combined group will become a leading offshore service provider with comprehensive scale and a wide range of services across all continents. For DOF this is an immediate fleet expansion without need for substantial newbuild lead time, and with significantly lower per vessel investment requirement.

The MSS transaction is expected to be closed during the 4th quarter conditional on a successful competition filing in certain countries.

The markets have continued to improve especially within the subsea and AHTS segment and the Group is well positioned towards an expected increased demand for the Group's assets and services both in the oil and gas market and the renewable markets.

DOF Group ASA,
20th of August 2024

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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 2024, 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 2024 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.

Storebø, 20th of August 2024
The Board of Directors of DOF Group ASA

| | | |
|---|---|---|
| Svein Harald Øygard<br>Chair | Harald Thorstein<br>Director | Christine Morris<br>Director |
| Daniela Davila<br>Director | Adrian Geelmuyden<br>Director | Mons S. Aase<br>CEO |

# Accounts
# **Q2 2024**

## Consolidated Statement of Profit or Loss

| AMOUNTS IN USD MILLION | Note | Q2 2024 | Q2 2023 | Acc Q2 2024 | Acc Q2 2023 | 2023 |
|---|---|---|---|---|---|---|
| Operating revenue | 3 | 332 | 292 | 636 | 549 | 1 129 |
| Operating expenses | 7 | -231 | -201 | -442 | -387 | -791 |
| Share of net profit from joint ventures and associates | 8 | 21 | 7 | 24 | 20 | 39 |
| Net gain (loss) on sale of tangible assets | | 1 | - | 1 | - | 7 |
| Operating profit before depreciation and impairment - EBITDA | | 123 | 98 | 218 | 182 | 384 |
| Depreciation | 6 | -38 | -26 | -72 | -53 | -119 |
| Impairment (-) / Reversal of impairment | 6 | 8 | 41 | 8 | 41 | 181 |
| Operating profit - EBIT | | 93 | 113 | 154 | 170 | 446 |
| Financial income | | 6 | 14 | 13 | 18 | 27 |
| Financial costs | | -28 | -24 | -55 | -62 | -112 |
| Net realised currency gain (loss) | | -3 | 3 | -7 | -100 | -101 |
| Net unrealised currency gain (loss) | | -55 | 6 | -74 | 97 | 118 |
| Net financial costs | | -80 | -1 | -125 | -47 | -69 |
| Profit (loss) before taxes | | 13 | 112 | 30 | 123 | 377 |
| Tax income (cost) | | -7 | -9 | -17 | -21 | 15 |
| Profit (loss) for the period | | 6 | 103 | 12 | 102 | 392 |
| Profit attributable to | | | | | | |
| Non-controlling interest | | - | - | - | -2 | 4 |
| Controlling interest | | 6 | 104 | 12 | 104 | 389 |
| Earnings and diluted earnings per share (USD) | 5 | 0.04 | 0.65 | 0.07 | 0.65 | 2.31 |

## Consolidated Statement of Comprehensive Income

| | Note | Q2 2024 | Q2 2023 | Acc Q2 2024 | Acc Q2 2023 | 2023 |
|---|---|---|---|---|---|---|
| Profit (loss) for the period | | 6 | 103 | 12 | 102 | 392 |
| Items that will be subsequently reclassified to profit or loss | | | | | | |
| Currency translation differences | | 16 | -7 | 4 | -5 | 23 |
| Cash flow hedge | | 1 | 2 | 1 | 1 | 2 |
| Share of other comprehensive income of joint ventures | 9 | 1 | 1 | 1 | 1 | 3 |
| Other comprehensive income/loss net of tax | | 17 | -5 | 6 | -2 | 27 |
| Total comprehensive income/loss net of tax | | 24 | 99 | 19 | 100 | 419 |
| Total comprehensive income/loss net attributable to | | | | | | |
| Non-controlling interest | | - | -1 | - | -2 | 4 |
| Controlling interest | | 24 | 99 | 19 | 102 | 415 |

## Consolidated Balance Sheet

| AMOUNTS IN USD MILLION | Note | 30.06.2024 | 30.06.2023 | 31.12.2023 |
|---|---|---|---|---|
| ASSETS | | | | |
| Tangible assets | 6 | 1 419 | 1 326 | 1 495 |
| Contract costs | 7 | 37 | 27 | 36 |
| Deferred tax assets | | 63 | 15 | 68 |
| Investments in joint ventures and associated companies | 8 | 340 | 298 | 316 |
| Other non-current receivables | | 115 | 119 | 117 |
| Total non-current assets | | 1 973 | 1 785 | 2 032 |
| Trade receivables | | 307 | 275 | 290 |
| Other current assets | | 100 | 66 | 79 |
| Current assets | | 407 | 341 | 369 |
| Restricted deposits | | 76 | 114 | 80 |
| Unrestricted cash and cash equivalents | | 201 | 156 | 200 |
| Cash and cash equivalents | 9 | 277 | 270 | 280 |
| Total current assets | | 684 | 611 | 649 |
| Total assets | | 2 658 | 2 396 | 2 681 |
| EQUITY AND LIABILITIES | | | | |
| Share capital | | 42 | 42 | 42 |
| Other equity | | 1 002 | 678 | 983 |
| Non-controlling interests | | 1 | 5 | 9 |
| Total equity | | 1 045 | 725 | 1 034 |
| Bond loan | | 71 | 66 | 72 |
| Debt to credit institutions | 10 | 1 117 | 1 267 | 1 201 |
| Lease liabilities | 10, 11 | 53 | 40 | 46 |
| Other non-current liabilities | | 2 | 4 | - |
| Non-current liabilities | | 1 243 | 1 376 | 1 320 |
| Current portion of debt | 10 | 74 | 75 | 75 |
| Current portion lease liabilities | 10, 11 | 44 | 16 | 22 |
| Trade payables | | 181 | 136 | 156 |
| Other current liabilities | | 71 | 68 | 73 |
| Current liabilities | | 369 | 295 | 327 |
| Total liabilities | | 1 612 | 1 671 | 1 646 |
| Total equity and liabilities | | 2 658 | 2 396 | 2 681 |

## Consolidated Statement of Cash Flows

| AMOUNTS IN USD MILLION | Q2 2024 | Q2 2023 | Acc Q2 2024 | Acc Q2 2023 | 2023 |
|---|---|---|---|---|---|
| Operating result | 93 | 113 | 154 | 170 | 446 |
| Depreciation and impairment | 30 | -15 | 64 | 12 | -62 |
| Gain (loss) on disposal of tangible assets | -1 | - | -1 | - | -7 |
| Share of net income from associates and joint ventures | -21 | -7 | -24 | -20 | -39 |
| Dividend received from joint ventures | - | - | - | - | 3 |
| Amortisation of contract costs | 4 | 3 | 10 | 4 | 12 |
| Changes in trade receivable | 3 | -46 | -18 | -52 | -76 |
| Changes in trade payable | 4 | 6 | 25 | - | 14 |
| Changes in other working capital | -9 | -14 | -24 | -42 | -32 |
| Cash from operating activities | 104 | 39 | 185 | 73 | 257 |
| Interest received | 2 | 3 | 6 | 6 | 13 |
| Interest cost and finance costs paid | -25 | -22 | -48 | -71 | -128 |
| Taxes paid | -8 | -8 | -16 | -16 | -28 |
| Net cash from operating activities | 73 | 13 | 127 | -9 | 115 |
| Payments received for sale of tangible assets | 27 | - | 37 | - | 39 |
| Purchase of tangible assets | -17 | -27 | -42 | -43 | -97 |
| Purchase of contract costs | -7 | -5 | -13 | -11 | -27 |
| Payment of acquisition, net of cash | - | - | - | - | 2 |
| Payment received on sale of shares | - | - | - | - | 1 |
| Purchase of shares | -7 | 2 | -9 | 2 | - |
| Net cash from non-current receivables | 2 | 3 | 5 | 4 | 8 |
| Net cash from investing activities | -1 | -26 | -22 | -47 | -74 |
| Proceeds from borrowings | - | - | - | - | 23 |
| Repayment of debt to financial institutions | -50 | -17 | -80 | -80 | -172 |
| Repayment of lease liabilities | -10 | -4 | -17 | -6 | -16 |
| Restricted cash net of debt | - | - | - | 91 | 91 |
| Payout of non-controlling interest | - | - | - | - | -14 |
| Share issue | - | 40 | - | 40 | 43 |
| Dividend paid | - | - | - | - | -4 |
| Net cash from financing activities | -61 | 20 | -97 | 46 | -49 |
| Net changes in cash and cash equivalents | 11 | 6 | 8 | -10 | -8 |
| Cash included restricted cash at the start of the period | 270 | 267 | 280 | 287 | 287 |
| Exchange gain/loss on cash and cash equivalents | -4 | -2 | -11 | -7 | 1 |
| Cash included restricted cash at the end of the period | 277 | 270 | 277 | 270 | 280 |

Restricted cash amounts to USD 76 million (USD 114 million) and is included in the cash.

Restricted cash, previously offset against debt to credit institutions has been reclassified to cash in March 2023. The cash effects of the reclassification is reflected in the financing activities.

For further information, please see note 9 "Cash and cash equivalents".

## Consolidated Statement of Equity

| AMOUNTS IN USD MILLION | Share capital | Other equity -contributed capital | Other equity - Cash flow hedge | Other equity | Total other equity | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|
| Balance at 01.01.2024 | 42 | 555 | -7 | 435 | 984 | 9 | 1 034 |
| Result (loss) for the period | | | | 12 | 12 | - | 12 |
| Other comprehensive income/loss | | | 1 | 5 | 6 | - | 6 |
| Total comprehensive income for the period | - | - | 1 | 18 | 19 | - | 19 |
| Dividend paid | | | | | - | -1 | -1 |
| Changes in non-controlling interest | | | | - | - | -7 | -7 |
| Total transactions with the owners | - | - | - | - | - | -8 | -8 |
| | | | | | | | - |
| Balance at 30.06.2024 | 42 | 555 | -5 | 453 | 1 003 | 1 | 1 045 |
| Balance at 01.01.2023 | - | | -8 | 37 | 29 | 8 | 37 |
| Result (loss) for the period | | | | 104 | 104 | -1 | 103 |
| Other comprehensive income/loss | | | - | -4 | -4 | - | -4 |
| Total comprehensive income for the period | - | - | - | 100 | 100 | -2 | 98 |
| Debt conversion | 38 | 516 | | | 516 | | 553 |
| Share issues | 4 | 35 | | | 35 | | 38 |
| Dividend paid | | | | | - | -3 | -3 |
| Other adjustment | | | | -1 | -1 | 1 | - |
| Total transactions with the owners | 42 | 550 | - | -1 | 549 | -2 | 588 |
| Balance at 30.06.2023 | 42 | 550 | -8 | 136 | 678 | 5 | 725 |
| Balance at 01.01.2023 | - | | -8 | 37 | 29 | 8 | 37 |
| Result (loss) for the period | | | | 389 | 389 | 4 | 392 |
| Other comprehensive income/loss | | | 2 | 25 | 26 | 1 | 27 |
| Total comprehensive income for the period | - | - | 2 | 413 | 415 | 4 | 419 |
| Debt conversion | 38 | 517 | | | 517 | | 554 |
| Payout of non-controlling interest *) | | | | -14 | -14 | | -14 |
| Share issues | 4 | 38 | | | 38 | | 43 |
| Dividend paid | | | | | - | -3 | -3 |
| Other adjustment | | | | -1 | -1 | - | -1 |
| Total transactions with the owners | 42 | 555 | - | -16 | 539 | -3 | 578 |
| Balance at 31.12.2023 | 42 | 555 | -7 | 434 | 983 | 10 | 1 034 |

*) Related to exercised option share Iceman.

# Key Figures

| AMOUNTS IN USD MILLION | | Q2 2024 | Q2 2023 | Acc Q2 2024 | Acc Q2 2023 | 2023 |
|---|---|---|---|---|---|---|
| EBITDA margin ex net gain on sale of vessel | 1 | 37% | 34% | 34% | 33% | 33% |
| EBITDA margin | 2 | 37% | 34% | 34% | 33% | 34% |
| EBIT margin | 3 | 28% | 39% | 24% | 31% | 40% |
| Profit per share (USD) | 4 | 0.04 | 0.65 | 0.07 | 0.65 | 2.31 |
| Return on net capital | 5 | | | -1% | -14% | -38% |
| Equity ratio | 6 | | | 39% | 30% | 39% |
| Net interest bearing debt | | | | 969 | 1 076 | 1 023 |
| Net interest bearing debt excl. effect of IFRS 16 | | | | 891 | 1 050 | 979 |
| Average number of shares in the period | | 176 649 218 | 160 239 925 | 176 649 218 | 159 250 756 | 168 021 488 |
| Outstanding number of shares period end | | 176 649 218 | 176 649 218 | 176 649 218 | 176 649 218 | 176 649 218 |

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) Result incl non-controlling interest/total equity
6) Total equity/total balance

# Notes to the Accounts
# **Q2 2024**

## Note 1 General

DOF Group ASA (the “Company”) and its subsidiaries (together, the “Group”) own and operate a fleet 24.

Comparable accounts fthe year 2023 are restated to USD.

### Estimates and judgements

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 2023, 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.

| **Statement of Profit or Loss** (MUSD) | Q2 2024 Management reporting | Q2 2024 Reconciliation to equity method | Q2 2024 Financial reporting | Q2 2023 Management reporting | Q2 2023 Reconciliation to equity method | Q2 2023 Financial reporting |
|---|---|---|---|---|---|---|
| Operating revenue | 361 | -29 | 332 | 330 | -38 | 292 |
| Operating expenses | -240 | 10 | -231 | -209 | 8 | -201 |
| Net profit from joint ventures and associates | - | 21 | 21 | - | 7 | 7 |
| Net gain on sale of tangible assets | 1 | - | 1 | - | - | - |
| Operating profit before depreciation and impairment - EBITDA | 122 | 1 | 123 | 121 | -23 | 98 |
| Depreciation | -47 | 9 | -38 | -34 | 8 | -26 |
| Impairment (-)/reversal of impairment | 36 | -28 | 8 | 41 | - | 41 |
| Operating profit - EBIT | 111 | -17 | 93 | 128 | -15 | 113 |
| Financial income | 5 | 1 | 6 | 15 | - | 14 |
| Financial costs | -32 | 4 | -28 | -29 | 5 | -24 |
| Net realised gain/loss on currencies | -2 | - | -3 | 3 | - | 3 |
| Net unrealised gain/loss on currencies | -62 | 7 | -55 | 8 | -2 | 6 |
| Net financial costs | -91 | 11 | -80 | -4 | 2 | -1 |
| Profit (loss) before taxes | 20 | -6 | 13 | 124 | -12 | 112 |
| Taxes | -13 | 6 | -7 | -21 | 12 | -9 |
| Profit (loss) | 6 | - | 6 | 103 | - | 103 |

| **Statement of Profit or Loss** (MUSD) | Acc Q2 2024 Management reporting | Acc Q2 2024 Reconciliation to equity method | Acc Q2 2024 Financial reporting | Acc Q2 2023 Management reporting | Acc Q2 2023 Reconciliation to equity method | Acc Q2 2023 Financial reporting |
|---|---|---|---|---|---|---|
| Operating revenue | 692 | -56 | 636 | 625 | -76 | 549 |
| Operating expenses | -457 | 15 | -442 | -400 | 12 | -387 |
| Net profit from joint ventures and associates | - | 23 | 24 | - | 20 | 20 |
| Net gain on sale of tangible assets | 1 | - | 1 | - | - | - |
| Operating profit before depreciation and impairment - EBITDA | 236 | -18 | 218 | 225 | -43 | 182 |
| Depreciation | -91 | 19 | -72 | -69 | 17 | -53 |
| Impairment (-)/reversal of impairment | 36 | -28 | 8 | 41 | - | 41 |
| Operating profit - EBIT | 181 | -26 | 154 | 196 | -26 | 170 |
| Financial income | 10 | 2 | 13 | 18 | - | 18 |
| Financial costs | -63 | 7 | -55 | -70 | 8 | -62 |
| Net realised gain/loss on currencies | -7 | - | -7 | -99 | - | -100 |
| Net unrealised gain/loss on currencies | -83 | 8 | -74 | 105 | -8 | 97 |
| Net changes in fair value of financial instruments | - | - | - | - | - | - |
| Net financial costs | -143 | 18 | -125 | -47 | - | -47 |
| Profit (loss) before taxes | 38 | -8 | 30 | 149 | -26 | 123 |
| Taxes | -26 | 8 | -17 | -47 | 26 | -21 |
| Profit (loss) | 12 | - | 12 | 102 | - | 102 |

| **Balance sheet** (MUSD) | Balance 30.06.2024 Management reporting | Balance 30.06.2024 Reconciliation to equity method | Balance 30.06.2024 Financial reporting | Balance 30.06.2023 Management reporting | Balance 30.06.2023 Reconciliation to equity method | Balance 30.06.2023 Financial reporting |
|---|---|---|---|---|---|---|
| ASSETS | | | | | | |
| Tangible assets | 2 076 | -657 | 1 419 | 1 978 | -652 | 1 326 |
| Contract costs | 41 | -5 | 37 | 35 | -9 | 27 |
| Deferred taxes | 63 | - | 63 | 27 | -12 | 15 |
| Investments in joint ventures and associated companies | - | 340 | 340 | - | 298 | 298 |
| Other non-current receivables | 23 | 92 | 115 | 34 | 85 | 119 |
| Total non-current assets | 2 203 | -230 | 1 973 | 2 074 | -289 | 1 785 |
| Receivables and other current assets | 429 | -22 | 407 | 363 | -22 | 341 |
| Cash and cash equivalents | 355 | -77 | 277 | 337 | -67 | 270 |
| Total current assets | 784 | -100 | 684 | 700 | -89 | 611 |
| Total assets | 2 987 | -329 | 2 658 | 2 774 | -378 | 2 396 |
| | | | | | | |
| EQUITY AND LIABILITIES | | | | | | |
| Equity | 1 045 | - | 1 045 | 725 | - | 725 |
| Non-current liabilities | 1 502 | -259 | 1 243 | 1 683 | -307 | 1 376 |
| Current liabilities | 440 | -71 | 369 | 366 | -71 | 295 |
| Total liabilities | 1 941 | -329 | 1 612 | 2 049 | -378 | 1 671 |
| Total equity and liabilities | 2 987 | -329 | 2 658 | 2 774 | -378 | 2 396 |
| | | | | | | |
| Net interest bearing liabilities | 1 286 | -317 | 969 | 1 444 | -368 | 1 076 |

## Note 3 Segment information - management reporting

**Business segment**

A new segment reporting has been implemented from 01.01.2023 to better reflect the Group's operational strategy and to better present the performance from the subsidiaries of the Group. The new segments are the following:

- DOF Subsea Group (including the 50% share in the DOFCON JV) - subsea engineering and shipowning
- DOF Rederi (including a SPC owning one vessel, Skandi Iceman) - shipowning
- Norskan Offshore Ltda - shipowning and vessel management
- Corporate and vessels management

The segment is based on the management reporting, see note 2.

| Q2 2024 | DOF Subsea | Norskan | Q2 2024 DOF Rederi | Corporate/ management | Group |
|---|---|---|---|---|---|
| Operating revenue | 277 | 61 | 32 | 12 | 361 |
| Operating expenses | -175 | -51 | -20 | -14 | -240 |
| Share of net income of joint ventures and associates | - | - | - | - | - |
| Gain (loss) on sale of tangible assets | - | - | 1 | - | 1 |
| Operating profit before depreciation and impairment - EBITDA | 102 | 9 | 13 | -2 | 122 |
| Depreciation | -37 | -6 | -5 | - | -47 |
| Impairment (-)/Reversal of impairment | 30 | 5 | 1 | - | 36 |
| Operating profit - EBIT | 96 | 8 | 9 | -2 | 111 |

| Acc Q2 2024 | DOF Subsea | Norskan | Q2 2024 DOF Rederi | Corporate/ management | Group |
|---|---|---|---|---|---|
| Operating revenue | 525 | 130 | 58 | 22 | 692 |
| Operating expenses | -336 | -102 | -36 | -25 | -457 |
| Share of net income of joint ventures and associates | - | - | - | - | - |
| Gain (loss) on sale of tangible assets | - | - | 1 | - | 1 |
| Operating profit before depreciation and impairment - EBITDA | 189 | 28 | 23 | -3 | 236 |
| Depreciation | -70 | -12 | -10 | -1 | -91 |
| Impairment (-)/Reversal of impairment | 30 | 5 | 1 | - | 36 |
| Operating profit - EBIT | 149 | 21 | 14 | -3 | 181 |

| Q2 2023 | DOF Subsea | Norskan | Q2 2023 DOF Rederi | Corporate/ management | Group |
|---|---|---|---|---|---|
| Operating revenue | 255 | 62 | 31 | 11 | 330 |
| Operating expenses | -162 | -48 | -17 | -10 | -209 |
| Share of net income of joint ventures and associates | - | - | - | - | - |
| Gain (loss) on sale of tangible assets | - | - | - | - | - |
| Operating profit before depreciation and impairment - EBITDA | 93 | 14 | 14 | - | 121 |
| Depreciation | -23 | -6 | -5 | -1 | -34 |
| Impairment (-)/Reversal of impairment | 26 | - | 14 | - | 41 |
| Operating profit - EBIT | 97 | 9 | 23 | - | 128 |

| Acc Q2 2023 | DOF Subsea | Norskan | Q2 2023 DOF Rederi | Corporate/ management | Group |
|---|---|---|---|---|---|
| Operating revenue | 487 | 117 | 56 | 22 | 625 |
| Operating expenses | -310 | -90 | -34 | -22 | -400 |
| Share of net income of joint ventures and associates | - | - | - | - | - |
| Gain (loss) on sale of tangible assets | - | - | - | - | - |
| Operating profit before depreciation and impairment - EBITDA | 177 | 27 | 22 | - | 225 |
| Depreciation | -48 | -11 | -10 | -1 | -69 |
| Impairment (-)/Reversal of impairment | 26 | - | 14 | - | 41 |
| Operating profit - EBIT | 155 | 16 | 26 | -1 | 196 |

| Total year 2023 | DOF Subsea | Norskan | 2023 DOF Rederi | Corporate/ management | Group |
|---|---|---|---|---|---|
| Operating revenue | 971 | 249 | 109 | 44 | 1 265 |
| Operating expenses | -624 | -185 | -65 | -43 | -809 |
| Share of net income of joint ventures and associates | - | - | - | - | - |
| Gain (loss) on sale of tangible assets | 3 | - | 4 | - | 7 |
| Operating profit before depreciation and impairment - EBITDA | 351 | 65 | 48 | 1 | 463 |
| Depreciation | -108 | -23 | -22 | -2 | -155 |
| Impairment (-)/Reversal of impairment | 125 | - | 56 | - | 181 |
| Operating profit - EBIT | 368 | 41 | 82 | -1 | 489 |

## Note 4 Operating Revenue

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

| Operating Revenue | Q2 2024 | Q2 2023 | Acc Q2 2024 | Acc Q2 2023 | 2023 |
|---|---|---|---|---|---|
| Lump sum contracts | 6 | 15 | 11 | 30 | 41 |
| Day rate contracts | 326 | 277 | 625 | 519 | 1 081 |
| Other revenue | | | | | 7 |
| Total | 332 | 292 | 636 | 549 | 1 129 |

## Note 5 Earnings per share

Earnings per share are calculated based on the number of shares after conversion of debt to equity approved in the General Meeting at the 22nd of March 2023. This number of shares has been used as demonitor, as the formal number of shares in the period, does not give relevant information. No adjustments has been made for interest expenses on debt that has subsequently been converted to equity.

| Basis for calculation of earning per share | Q2 2024 | Q2 2023 | Acc Q2 2024 | Acc Q2 2023 | 2023 |
|---|---|---|---|---|---|
| Profit (loss) for the year after non-controlling interest (USD million) | 6 | 104 | 12 | 104 | 389 |
| Earnings per share for parent company shareholders (USD) | 0.04 | 0.65 | 0.07 | 0.65 | 2.31 |
| Diluted average number of shares | 176 649 218 | 160 239 925 | 176 649 218 | 159 250 756 | 168 021 488 |

## Note 6 Tangible assets

| 2024 | Vessels and periodic maintenance | ROV | Operating equipment | Right of use assets | Total |
|---|---|---|---|---|---|
| Book value at 01.01.2024 | 1 386 | 47 | 22 | 40 | 1 495 |
| Addition | 25 | 10 | 5 | 45 | 85 |
| Disposal | -33 | | | -1 | -34 |
| Depreciation | -27 | -3 | -1 | -3 | -35 |
| Impairment loss | | | | | - |
| Reversal of impairment | 5 | | 3 | | 8 |
| Currency translation differences | -86 | -4 | -1 | -8 | -99 |
| Book value at 30.06.2024 | 1 271 | 50 | 27 | 72 | 1 419 |

| 2023 | Vessels and periodic maintenance | ROV | Operating equipment | Right of use assets | Total |
|---|---|---|---|---|---|
| Book value at 01.01.2023 | 1 207 | 50 | 24 | 22 | 1 302 |
| Addition | 73 | 7 | 2 | 3 | 85 |
| Disposal | | | | - | - |
| Depreciation | -43 | -4 | -3 | -3 | -53 |
| Impairment loss | | | | | - |
| Reversal of impairment | 41 | | | | 41 |
| Currency translation differences | -44 | -5 | -1 | - | -50 |
| Book value at 30.06.2023 | 1 233 | 49 | 22 | 22 | 1 326 |

***Disposal***
The following vessels are sold and delivered to new owners first half 2024; Skandi Captain in Q1 2024 and Skandi Gamma in Q2 2022. Total gain in sale of tangible assets amounts to USD 1 million acc Q2 2024.

***Right-of-use asset***
Net booked value of right-of-use assets at the 30.06.2024 consists of vessels with USD 53 million and property with USD 19 million.

***Reversal of impairment***
An indicator test has been carried out for Q2 2024 which shows that changes in the assumptions used as a basis for the impairment model have not changed significatly and a new impairment assessement has not been carried out. The minor changes that can be observed over a short period, based on short contracts and individual events etc, must be given a character of a certain stability and duration before the Group concludes that there is a significant change that would require a new impairment asssessment.

When a vessel entered into a new long-term contract in the reporting period with significantly higher/lower rates the Group conclude that there are indications of significant changes in value for the specific vessel. Future cash flows in the impairment model for the vessel are then updated in line with the new contract. At the end of Q2 2024 this was the case for two vessels with a reversal of USD 5 million. In addition a reversal of USD 3 million is recognised on operating equipment.

***Value in use***
The Group uses "value in use" as recoverable amount in the impairment assessments. "Value in use" was used as recoverable amount in the annual report for 2023 and the same model has been used for calculation at end of Q2 2024. As described in the annual report for 2023, the value-in-use calculations are calculated based on the budget for the coming year and forecasts for four further years, approved by the board in December each year. After year 5, the basis is a normalized earnings for the remaining lifetime of the vessels. The normalized earnings are based on the last year of the forecast period.

## Note 7 Contract Cost

| MUSD | 30.06.2024 | 30.06.2023 | 31.12.2023 |
|---|---|---|---|
| Net booked value 01.01. | 36 | 19 | 19 |
| Additions | 13 | 11 | 27 |
| Amortisation | -9 | -4 | -12 |
| Currency translation differences | -3 | 1 | 2 |
| Net booked value closing balance | 37 | 27 | 36 |

## Note 8 Investment in Joint Ventures and Associated companies

The Company's investment in joint venture and associates as of 30.06.2024;

| **Joint ventures** | Ownership |
|---|---|
| DOFCON Brasil AS with subsidiaries | 50% |
| KDS JV AS | 50% |

| **Associated companies** | |
|---|---|
| Semar AS | 42% |

| **Effect of application of IFRS 11 on investments in joint ventures** | 30.06.2024 | 30.06.2023 | 31.12.2023 |
|---|---|---|---|
| Opening balance 01.01 | 316 | 362 | 362 |
| Addition | - | - | - |
| Profit (loss) | 24 | 20 | 39 |
| Profit (loss) through OCI | 1 | 1 | 3 |
| Dividend | | -85 | -88 |
| Closing balance | 340 | 299 | 316 |

Reversal of impairment is recognised in Q2 2024 with USD 28 million.

## Note 9 Cash and Cash Equivalents

| MUSD | 30.06.2024 | 30.06.2023 | 31.12.2023 |
|---|---|---|---|
| Restricted cash | 76 | 114 | 80 |
| Unrestricted cash and cash equivalent | 201 | 156 | 200 |
| Total cash and cash equivalent | 277 | 270 | 280 |

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.

### 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.

Directors' report

Accounts

Notes to the accounts

Supplemental information



# Note 10 Interest bearing debt

## Financial covenants in loan agreements

After completion of the financial restructuring of the Group, new loan facilities have been established including changes in the financial covenants. The most important financial covenants in the new loan agreements are the following:

***DOF Subsea Group (excluding DOF Subsea Brasil Ltda.)***

- The DOF Subsea Group shall have available cash of at least NOK 600 million on each testing date.
- DOF Subsea Group shall have positive working capital (current assets less current liabilities excluded current portion of debt to credit institutions), on each testing date.
- DOF Subsea Group`s Interest Coverage Ratio (EBITDA / interest payable in period) shall be no less than the level set out that period. The Interest coverage ratios are the following: From Marc 24-Dec 24, 2.50x and from March 25-Dec 25, 3.25x.
- Fair value (based on 2 brokers valuations) for the vessels shall be at least 100% of the total outstanding loans related to the vessels. From March 2024 105% and from March 2025 110%.
- Testing date is set to be the last day in each quarter.

***DOF Rederi AS***

- DOF Rederi AS shall have available cash of at least NOK 175 million.
- DOF Rederi AS shall have positive working capital (current assets less current liabilities excluded current portion of debt to credit institutions), on each testing date.
- DOF Rederi AS Interest Coverage Ratio (EBITDA / interest payable in period) shall be no less than the level set out that period. The interest coverage ratios are the following: From March-24-Dec 24, 3.50x and from Mars 25-Dec 25, 5.0x.
- Fair value (based on 2 brokers valuations) for the vessels shall be at least 100% of the total outstanding loans related to the vessels. From March 2024 105% and from March 2025 110%.
- Testing date is set to be the last day in each quarter.

***Norskan Offshore Ltda.***

- Norskan Offshore shall have available cash of at least USD 7 million until Aug 24, from Sep 24 USD 16 million.
- Norskan Interest Coverage Ratio (EBITDA / interest payable in period) shall be no less than the level set out that period. The interest coverage ratios are the following: From June 23-Dec 24 1.25x, from March-25 to June 25, 1.5x and from June 25-Dec 25, 1.75x.
- Fair value (based on 2 brokers valuations) for the vessels shall be at least in range of 63% to 77% of the total outstanding loans related to the vessels.
- Testing date is set to be the last day in each quarter.

The main financial covenants for the loan facilities for the Skandi Hera, the Skandi Darwin and the Skandi Iceman are minimum cash, fair value of the vessels and minimum equity ratio of the borrower.

The DOF Subsea Group has further the following financial covenants as guarantor for two facilities in the joint venture with TechnipFMC:

- The DOF Subsea Group shall have value adjusted equity to value adjusted assets of at least 30%.
- The DOF Subsea Group shall have a minimum book equity of NOK 3,000 million.
- The DOF Subsea Group shall have positive working capital at all times, excl. current portion of debt to credit institutions.
- The DOF Subsea Group shall have free cash of minimum NOK 500 million.

At 30th of June 2024 the interest bearing liabilities are as follows:

| **Non current interest bearing liabilities** | 30.06.2024 | 30.06.2023 | 31.12.2023 |
|---|---|---|---|
| Bond loan | 71 | 66 | 72 |
| Debt to credit institutions | 1 117 | 1 267 | 1 201 |
| Lease liabilities *) | 53 | 40 | 46 |
| Total non current interest bearing liabilities | 1 241 | 1 373 | 1 320 |
| | | | |
| Current interest bearing liabilities | | | |
| Bond loan | | - | - |
| Debt to credit institutions | 72 | 72 | 74 |
| Lease liabilities *) | 44 | 16 | 22 |
| Total current interest bearing liabilities | 116 | 88 | 95 |
| | | | |
| Total interest bearing liabilities | 1 357 | 1 460 | 1 415 |
| | | | |
| Receivable sub-lease | 19 | 29 | 23 |
| Other interest bearing receivables | 92 | 85 | 88 |
| Cash and cash equivalents | 277 | 270 | 280 |
| Total net interest bearing liabilities | 969 | 1 076 | 1 023 |
| | | | |
| Net effect of IFRS 16 Lease | 78 | 26 | 45 |
| Total net interest bearing liabilities excluded IFRS 16 Lease | 891 | 1 050 | 979 |

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

Current interest bearing debt in the balance sheet included accrued interest expenses of USD 3 million. Accrued interest expenses are excluded in the figures above.

## Reconciliation changes in borrowings

Changes in total liabilites over a period consists of both cash effects (proceeds and repayments) and non-cash effects (amortisations and currency translations effects). The following are the changes in the Group's borrowings:

| | | | Non-cash changes | | | |
|---|---|---|---|---|---|---|
| | Balance 31.12.2023 | Cash flows | New lease liabilities | Amortised loan expenses | Currency and other effects | Balance 30.06.2024 |
| Interest bearing liabilities | | | | | | |
| Bond loan | 72 | | | | -1 | 71 |
| Debt to credit institutions | 1 275 | -81 | | - | -5 | 1 190 |
| Lease liabilities | 68 | -17 | 44 | | 1 | 96 |
| Total interest bearing liabilities | 1 415 | -97 | 44 | - | -5 | 1 357 |

## Loan divided on currency

At the 30th of June 2024 the liabilites are divided on currencies:

| | USD | Ratio % |
|---|---|---|
| USD | 1 158 | 85% |
| NOK | 180 | 13% |
| Other currencies | 18 | 1% |
| Total | 1 357 | 100% |

## Note 11 Lease Liabilities

The Group has in the quarter hired in five vessels where three vessels are on long-term contracts.

At end of June total financial lease liabilities amounts to USD 96 million which is realted to lease of three vessels and offices.

| MUSD | | | 30.06.2024 | 30.06.2023 | 31.12.2023 |
|---|---|---|---|---|---|
| Financial lease vessels | | | 72 | 28 | 38 |
| Havila Phoenix | 3-year contract | from Apr 2023 | | | |
| Stril Explorer | 3-year contract | from Oct 2023 | | | |
| Maersk Inspector | 2-year contract | from Mar 2024 | | | |
| Financial lease offices and equipment | | | 24 | 28 | 29 |
| Total lease liabilities | | | 96 | 56 | 68 |

## Note 12 Transactions 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 2023.

## Note 13 Subsequent Events

### Contracts

DOF has been awarded multiple contracts with Petrobras in Brazil for Skandi Jupiter and Skandi Mercury, both on management contracts with DOF. Both with three year duration plus options and schedule to start by Q2 or Q3 2025.

DOF Subsea Brasil has been awarded 180 day contract for a 1st Tier EPCI-SURF Contractor in Brazil for Skandi Salvador, with additional Survey Service contracts.

In addition to a contract extension, DOF has been awarded a new contract with Petrobras in Brazil for PLSV Skandi Açu. The existing contract has been extended to mid-2026 and the extension will be followed by the new 3-year contract ending mid-2029.

DOF Subsea annonunced the extension for the vessel Skandi Africa which will now run until May 2028 and will commence in direct continuation with the current commitment.

### Transactions

On the 2nd of July the following agreement was published:

Through an incorporated subsidiary, DOF Offshore Holding Denmark ApS, the Company entered into an agreement with a subsidiary of A.P. Møller Holding A/S, Maersk Supply Holding AS (“MSSH”), to acquire all the shares in Maersk Supply A/S (“MSS”). The acquisition will be paid partly in cash and partly in new shares to be issued by the Company, representing a price of approximately USD 1,112 billion (as of close on 28.06.2024). After issuance of the consideration shares MSSH will hold 25% of the share capital in the Company. MSS will at the time of completion of the transaction own 22 high-quality subsea and AHTS vessels, following a carve-out of certain entities, vessels, assets and liabilities.

The transaction structure, governance, conditions and completion timetable prior to closing of the transaction, certain entities, vessels, assets and liabilities will be transferred out of the MSS structure and not be acquired by DOF. The offshore wind installation business has already been carved out of Maersk Supply Service and further, the transaction does not include MSS’ operations in Brazil.

In consideration for the shares in MSS and subject to closing of the transaction, A.P. Møller Holding’s subsidiary MSSH shall at completion of the transaction receive a combination of USD 577 million in cash (to be adjusted based on the locked-box accounts and subject to further adjustments at closing) and 58,883,073 new shares in the Company, leading MSSH to hold 25% of the share capital in the Company after issuance of the consideration shares.

The financing of the cash portion of the purchase will be done through a combination of a new debt facility of USD 500 million to be provided by DNB, Danske Bank, Danmarks Skibskredit and Deutsche Bank and an equity raise of USD 125 million of which MSSH has undertaken to subscribe 25% of the new shares.

Closing of the transaction is among others subject to clearance by certain regulatory authorities, approval of a prospectus for listing of the consideration shares, completion of the above mentioned carve-out in MSS and approvals by the Company’s shareholders including changes of the board.

Tranche 1 of private placement at a price NOK 99 per share representing a subscription of approximately NOK 798 million (equivalent USD 75 million) was successfully placed on the 3rd of July and the tranche 2 of approximately NOK 266 million (equivalent USD 25 million) towards MSSH will be completed after a successful closing of the MSS transaction. The board has proposed a repair offering of approximately 2 million shares which will be directed to the shareholders in the Company as 2nd of July 2024 not participating in the private placement. The repair offering has been fully underwritten by the shareholder, Geveran Trading Co Limited.

In an extraordinary shareholder meeting (EGM) on the 26th of July the following increase of the Company’s share capital was approved:

In total up to NOK 155,603,280.50 through the issue of in total 62,241,312 shares to MSSH;

In total up to NOK 5,037,357.50 through the issue of 2,014,943 new shares in the subsequent offering;

In total up to NOK 46,177,250 as a new general authorisation to the Board replacing the authorisation granted to the Board by the AGM on 23rd of May 2024.

Erik Bergöö, as vice chairperson of the board and Kristin Holth (new board member) was approved as new board members and Martin Larsen as the new chair of the nomination committee.

The new members of the board and the new chairperson of the nomination committee will accede their positions at the time of completion of the Transaction.

Further details on the above is available at the Company’s website: www.dof.com

## Note 14 Share capital and share information

| Shareholders at 30.06.2024 | No of shares | Shareholding |
|---|---|---|
| THE BANK OF NEW YORK MELLON | 14 766 363 | 8.36% |
| FOLKETRYGDFONDET | 13 625 617 | 7.71% |
| GEVERAN TRADING COMPANY LTD | 12 592 873 | 7.13% |
| VERDIPAPIRFOND ODIN NORGE | 7 932 174 | 4.49% |
| SIEM INDUSTRIES S.A | 7 687 214 | 4.35% |
| SONGA CAPITAL AS | 7 106 304 | 4.02% |
| STATE STREET BANK AND TRUST COMP | 6 242 873 | 3.53% |
| EUROCLEAR BANK S.A./N.V. | 5 847 055 | 3.31% |
| DNB BANK ASA | 5 016 535 | 2.84% |
| CITIBANK EUROPE PLC | 4 208 101 | 2.38% |
| MØGSTER OFFSHORE AS | 3 822 757 | 2.16% |
| MP PENSJON PK | 3 144 194 | 1.78% |
| CACEIS INVESTOR SERVICES BANK S.A. | 2 336 232 | 1.32% |
| DANSKE BANK A/S | 2 274 423 | 1.29% |
| MAGNUS LEONARD ROTH | 2 153 866 | 1.22% |
| VERDIPAPIRFONDET DNB NORGE | 2 131 166 | 1.21% |
| INTERACTIVE BROKERS LLC | 2 039 471 | 1.15% |
| STRANDSOL AS | 2 000 000 | 1.13% |
| MORGAN STANLEY & CO. LLC | 1 729 033 | 0.98% |
| VERDIPAPIRFONDET KLP AKSJENORGE IN | 1 716 832 | 0.97% |
| Total | 108 373 083 | 61.35% |
| Other shareholders | 68 276 135 | 38.65% |
| Total no of shares | 176 649 218 | 100% |

## Performance measurements definitions

The Group's financial information is prepared in accordance with international financial reporting standards (IFRS). In addition the Group 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. See the Groups note 2 for presentation of the bridge between the management reporting and the financial reporting.

**EBITDA** – Is defined as profit (loss) before depreciation, impairment, amortisation of financial items, net financial costs and tax income (cost). EBITDA is measure which is useful for assessing the profitability of its operations, as it is based on variable costs and excludes depreciation, impairment and amortise costs of financial items. Ebitda is also important in evaluating performance relative to competitors.

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

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

**Net interest bearing debt** – Is defined as Interest bearing debt less 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. See the Groups Accounts note 10 for presentation of net interest bearing debt.

Net interest-bearing debt is a non-IFRS measure for the financial leverage of the Group, a financial APM the Group intends to apply in relation to its capacity for dividend distribution and/or for doing investments, when and if the Group will be able to carry out its dividend distribution and/or investments policy.

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

In addition the Group has the following performance indicators:

**Utilisation of vessel** – 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 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 five 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

| AMOUNTS IN USD MILLION | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| Operating revenue | 361 | 330 | 319 | 322 | 330 |
| Operating expenses | -240 | -217 | -210 | -199 | -209 |
| Share of net profit of joint ventures and associates | - | - | - | - | - |
| Net gain (loss) on sale of tangible assets | 1 | 1 | 6 | 1 | - |
| Operating profit before depreciation and impairment - EBITDA | 122 | 114 | 115 | 123 | 121 |
| Depreciation | -47 | -44 | -47 | -39 | -34 |
| Impairment (-) / Reversal of impairment | 36 | - | 140 | - | 41 |
| Operating profit - EBIT | 111 | 70 | 208 | 85 | 128 |
| Finance income | 5 | 5 | 5 | 2 | 15 |
| Finance costs | -32 | -31 | -29 | -26 | -29 |
| Net realised gain (loss) on currencies | -2 | -5 | 2 | -4 | 3 |
| Net unrealised gain (loss) on currencies | -62 | -21 | 37 | -24 | 8 |
| Net financial costs | -91 | -52 | 15 | -52 | -3 |
| Profit (loss) before taxes | 20 | 18 | 223 | 32 | 124 |
| Taxes | -13 | -13 | 40 | -5 | -21 |
| Profit (loss) for the period | 6 | 6 | 263 | 27 | 103 |
| Profit attributable to | | | | | |
| Non-controlling interest | - | - | 4 | 1 | - |
| Controlling interest | 6 | 6 | 258 | 26 | 104 |

## Key Figures

| AMOUNTS IN USD MILLION | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| EBITDA margin excluded net gain on sale of tangible assets | 34% | 34% | 34% | 38% | 37% |
| EBITDA margin | 34% | 35% | 36% | 38% | 37% |
| EBIT margin | 31% | 21% | 65% | 26% | 39% |
| Profit per share | 0.04 | 0.03 | 1.46 | 0.15 | 0.64 |
| Book value equity per share (USD) | 5.91 | 5.77 | 5.80 | 4.22 | 4.43 |
| Net interest bearing debt excluded effect of IFRS 16 (USD million) | 1 208 | 1 273 | 1 320 | 1 348 | 1 418 |
| Potential average number of shares | 176 649 218 | 176 649 218 | 176 649 218 | 176 649 218 | 162 771 300 |

## Consolidated Balance Sheet

| AMOUNTS IN USD MILLION | 30.06.2024 | 31.03.2024 | 31.12.2023 | 30.09.2023 | 30.06.2023 |
|---|---|---|---|---|---|
| ASSETS | | | | | |
| Tangible assets | 2 076 | 2 124 | 2 137 | 1 943 | 1 978 |
| Contract costs | 41 | 42 | 43 | 38 | 35 |
| Deferred tax assets | 63 | 68 | 74 | 22 | 27 |
| Investments in joint ventures and associated companies | - | - | - | - | - |
| Other non-current receivables | 23 | 27 | 29 | 32 | 34 |
| Total non-current assets | 2 203 | 2 261 | 2 283 | 2 035 | 2 074 |
| Receivables and other current assets | 429 | 421 | 401 | 355 | 363 |
| Cash and cash equivalents | 355 | 350 | 353 | 371 | 337 |
| Current assets | 784 | 771 | 754 | 726 | 700 |
| Total assets | 2 987 | 3 032 | 3 037 | 2 761 | 2 774 |
| EQUITY AND LIABILITIES | | | | | |
| Share capital | 42 | 42 | 42 | 42 | 42 |
| Other equity | 1 002 | 978 | 983 | 703 | 679 |
| Non-controlling interests | 1 | 9 | 9 | 4 | 4 |
| Total equity | 1 045 | 1 029 | 1 034 | 749 | 725 |
| Non-current liabilities | 1 502 | 1 573 | 1 603 | 1 620 | 1 683 |
| Current liabilities | 440 | 430 | 400 | 392 | 366 |
| Total liabilities | 1 941 | 2 003 | 2 003 | 2 012 | 2 049 |
| Total equity and liabilities | 2 987 | 3 032 | 3 037 | 2 761 | 2 774 |
| Net interest bearing liabilities excluded effect of IFRS 16 | 1 208 | 1 273 | 1 320 | 1 348 | 1 418 |

## Consolidated Statement of Cash Flows

| AMOUNTS IN USD MILLION | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| Net cash from operating activities | 84 | 78 | 57 | 106 | 44 |
| Net cash from investing activities | -2 | -26 | -22 | -14 | -29 |
| Net cash from financing activities | -74 | -48 | -56 | -63 | 7 |
| Net changes in cash and cash equivalents | 8 | 4 | -22 | 30 | 22 |
| Cash and cash equivalents at start of the period | 350 | 353 | 371 | 337 | 317 |
| Exchange gain (loss) on cash and cash equivalents | -4 | -7 | 4 | 4 | -3 |
| Cash included restricted cash at the end of the period | 355 | 350 | 353 | 371 | 337 |

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