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DOF intends to apply for a listing on Oslo Børs

Austevoll, 1 June 2023: DOF Group ASA (the "Company" or "DOF", and together with its subsidiaries, the "Group") today announces its intention to launch an offering of shares in the Company and to apply for a listing on Oslo Børs (the "IPO").

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 high-quality services to its customers. The Group's global footprint and excellent customer relations, combined with its deep industry knowledge, high-quality vessels, and strong safety culture are central to future success in an evolving market. Over the last decade, the Company has invested in key regions such as the Atlantic, South America, North America, and Asia-Pacific. DOF has a unique ability to utilise people and assets from across the marine and subsea organisations to seamlessly deliver multi-discipline services from a single company.

The Group reports in four segments related to the offshore services market, strategically defined by activities and vessel types: DOF Subsea Group (including the 50% share in the DOFCON JV), DOF Rederi (including a SPC owning one vessel, Skandi Ice-man) and Norskan Offshore Ltda. In addition, corporate and vessel management are presented as a fourth segment. As of the end of the first quarter 2023, the Group had a global workforce of 4,037 people, including hired personnel, and a total fleet of 55 vessels (incl. 9 vessels on management or hired in).

For the year ended 31 December 2022, the Group's revenues (management reporting) were NOK 10,702 million and EBITDA¹ was NOK 3,764 million. For the three months ended 31 March 2023, the Group's revenues (management reporting) were NOK 3,020 million and EBITDA¹ was NOK 1,064 million.

The Company was established in September 2022 as part of a restructuring agreement for DOF ASA dated 21 June 2022, as amended from time to time (the "**Restructuring Agreement**"). In November 2022, as part of the Restructuring Agreement, a drop-down of most of the assets, rights, liabilities, and obligations of DOF ASA to its wholly owned subsidiary DOF Group ASA was completed. Bankruptcy proceedings of the parent DOF ASA were opened on 2 February 2023 in Hordaland Tingrett. As agreed in the Restructuring Agreement, all the operations in the subsidiaries of the Group continued as normal and were thus unaffected by the bankruptcy proceedings in DOF ASA. The financial restructuring of the Group was completed on 22 March 2023 and created a stable financial platform for DOF through a substantial conversion of debt to equity with attractive terms and tenor on the remaining debt. Following the aforementioned events, the new shareholders in the Company (after the restructuring, but prior to the IPO) are the financial creditors of the Group, with an ownership split of 55.55% for the bondholders and 44.45% for the secured lenders (the "**Shareholders**").

The IPO is expected to consist of a private placement and public offering to investors in Norway and a private placement to certain institutional investors internationally. Prior to launch of bookbuilding, the current shareholders will conclude on the number of secondary shares offered for sale (if any). In addition, in order to secure an orderly establishment of a market price and to allow for a broadening of the shareholder base to satisfy the requirements for a main market listing, the Company may issue primary shares within the current authorisation of 10% of the existing share capital granted to the Company's board of directors. Launch of the IPO is subject to approval of a listing and offering prospectus by the Norwegian Financial Supervisory Authority, while completion of the IPO is subject to customary conditions such as relevant corporate resolutions, approval of the listing by Oslo Børs, fulfilment of the listing criteria, as well as prevailing equity capital market conditions. Further announcements relating to the IPO will be made in due course.

¹ For definitions of alternative performance measures please refer to "Notes to the financial highlights" below.

Mons Aase, CEO, commented:

“With our high-end fleet of vessels, strong team, track-record and truly global presence, the DOF Group is very well positioned to take part in a strong market for offshore and subsea services going forward. We are happy to put behind us the restructuring, leaving the group with a solid foundation for our operations and a basis to continue deleveraging and delivering long term value creation to a wider group of stakeholders.”

Svein Harald Øygaard, Chairperson, commented:

“After the restructuring the DOF Group has established a stable financial platform with medium-duration debt, modest interest rates and a fully invested and employed fleet. This provides a basis for increased equity value through fast deleveraging of the Group’s debt, thus yielding benefit to the shareholders”.

Company highlights

- **Attractive market fundamentals: Rebounding demand and limited new capacity**
 - Strong tailwind from improving market fundamentals, consistent and growing energy demand and year-long underinvestment in the offshore energy sector
 - Ageing global fleet and few newbuilds imply a tightening market for subsea vessels, benefitting DOF with its large high-quality asset base
 - Large untapped potential in the offshore floating wind market, with high expected offshore wind activity requiring significant new vessel capacity
- **Global provider of integrated offshore services with ~4,000 employees, experienced management team and a clear ESG strategy**
 - Built on >30 years of operational history and a management team with deep industry knowledge, DOF is a value-driven organization underpinned by respect, integrity, teamwork, excellence and safety which ensure consistent focus to achieve success
 - Organisational structure and leadership designed to support sustainable development: Innovation, technology, digitalisation, and new markets – matching existing assets and the skills and potential of DOF’s people to future market demand
 - Growing exposure to renewable energy markets such as offshore floating wind: just completed the installation of Hywind Tampen – one of the world’s largest floating offshore wind farms
- **Modern high-end fleet, 100% active and operational**
 - Total current fleet includes 55 vessels (incl. vessels on management or hired in) – secures access to equipment and is an important competitive advantage
 - Diversified, advanced and relatively young fleet with an average age of ~12 years, securing strong and longer-lasting future cash flows
- **Solid backlog of NOK ~22.1bn mainly with oil majors and Tier 1 clients**
 - Recurring longer-term ‘cost-plus’ contracts (not lump sum) yield high cash flow visibility and through-cycle protection via material backlog (NOK ~22.1 billion at the end of March 2023)
 - Tier 1 investment grade counterparties (working directly with large oil companies)
- **Strong cash conversion enables accelerated debt reduction ahead of 2026 maturities: NOK ~15.4bn net debt at attractive terms, middle point of 2023 EBITDA guidance of NOK 4.2-4.7bn² expected to yield debt reduction capacity of NOK >2 bn per year³**

² Guided EBITDA for DOF in 2023. Order backlog and net debt per 31 March 2023. EBITDA was NOK 1.12bn in Q4’22 and NOK 1.06bn in Q1’23.

³ Assuming NOK 0.9bn in maintenance capex, NOK 1.0bn in interest cost and NOK 1.3bn in mandatory amortization

- On current earnings, the Company's cash flow will substantially reduce net debt year-over-year
- Strong cash flow will go towards reducing debt during the first years – hence the Company expects to be well positioned for potential additional refinancing by year-end 2025

Financial highlights

Management reporting ⁴	Year ended 31 December		Three months ended 31 March		
	2022	2021	2023	2022	2021
<i>Amounts in NOK million</i>					
Operating revenue	10,702	7,533	3,020	2,149	1,514
Net gain on sale of tangible assets	70	109	0	20	29
EBITDA⁵	3,764	2,793	1,064	756	492
Depreciation	(1,376)	(1,334)	(363)	(353)	(316)
Impairment	655	(510)	-	(93)	(131)
EBIT³	3,043	(949)	701	311	45
Net interest income and costs	(1,656)	(893)	(386)	(377)	(272)
Net currency and derivatives	(259)	(579)	(56)	1,053	(554)
Profit (loss)	854	(650)	(8)	815	801

The financial information above is presented according to management reporting, based on the proportionate consolidation method⁵.

Advisers

ABG Sundal Collier ASA, Carnegie AS, DNB Markets, a part of DNB Bank ASA, and Pareto Securities AS are acting as Joint Global Coordinators and Joint Bookrunners in the IPO (the "**Managers**").

Lazard is acting as financial adviser to the Company.

Advokatfirmaet Thommessen AS is acting as legal counsel to the Company. Advokatfirmaet Wiersholm AS is acting as legal counsel to the Managers.

Subject to receipt of relevant approvals from Oslo Børs and the Financial Supervisory Authority of Norway, as well as prevailing equity capital market conditions, the Company is expected to have a first day of trading on Oslo Børs in Q2 2023. Further announcements relating to the IPO will be made in due course.

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Notes to the financial highlights

Description of alternative performance measures:

⁴ For definitions of alternative performance measures please refer to "Notes to the financial highlights" below.

⁵ More information about the Company's management reporting can be found in the "Notes to the financial highlights" and in the Company's latest financial reports published on www.DOF.com.

Management reporting - investments in joint ventures (JV) is consolidated on proportional basis in the income statement and the statement of financial position. See note 2 in the Group's latest annual report for presentation of the bridge between the management reporting and the financial reporting. Proportionate consolidation method implies full consolidation for subsidiaries, and consolidation of 50% of the comprehensive income and financial position for the joint ventures.

Financial reporting - financial reporting according to IFRS.

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.

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The IPO may be influenced by a range of circumstances, such as market conditions, and there is no guarantee that the IPO will proceed and that the listing will occur.

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