



## **DOF ASA: Court requested to open bankruptcy proceedings. Insolvency will not be contested by Board. Financial restructuring continues, ensuring continued operation of all other DOF group companies**

Reference is made to DOF ASA's (the "**Company**", "**DOF ASA**" or "**DOF**", and together with its subsidiaries the "**Group**") previous announcements regarding (i) the agreement reached with a substantial group of financial creditors and certain other stakeholders (the "**Restructuring Agreement**") on a comprehensive financial restructuring (the "**Restructuring**"), (ii) the opening of reconstruction proceedings resolved by Hordaland district (the "**Reconstruction**") on 2 December 2022 and (iii) the last proposal for a restructuring plan made by the board of directors of DOF (the "**Board**") on 27 January 2023 (the "**Final Proposal**").

The Board worked with alternative refinancing plans for the Group, including recommending the issuance of equity and warrants, in order to enable existing shareholders to maintain a higher ownership in the restructured company through additional investment. Feedback from the Creditors was clear that only alternatives within the limits of the restructuring plan agreed with the former board of DOF ASA would be considered. As a result, the current Board had no alternative but to adjust its proposal to the Final Proposal within the limits of the Restructuring Agreement.

Following the Final Proposal, the financial creditors made it clear that they only would consider the Final Proposal if the Board was able to obtain sufficient shareholder support for the proposal to make it likely that it would be approved by an extraordinary general meeting of the Company. The Board met persistent opposition from a group of shareholders and was not able to obtain such sufficient support. The Board then informed the reconstructor and the financial creditors accordingly.

On this basis, the financial creditors have requested that the reconstruction committee reports to the court that there is no basis for a reconstruction and thus request the court to open bankruptcy proceedings in DOF ASA, cf. the reconstruction act (*Norw: rekonstruksjonsloven*) Section 58 (1) no. 1. The financial creditors have at the same time confirmed that they are ready to enter into an agreement with the bankruptcy estate to acquire DOF Services AS and its subsidiaries and thereby facilitate that (i) the Restructuring will be implemented as planned and (ii) the other companies in the Group than DOF ASA will remain unaffected by the bankruptcy in DOF ASA. As a result of said agreement the bankruptcy of DOF ASA will be limited solely to such company and will not affect any other company in the Group. The agreement is expected to allow for a short period between signing and completion for the administrator of the bankruptcy estate of DOF ASA to ascertain that the Restructuring is the most attractive offer for the Group creditors and other stakeholders.

As described in the stock exchange announcement of DOF on 13 October 2022, the Restructuring will upon completion of the agreement with the financial creditors be implemented as planned for this scenario and such alternative implementation of the Restructuring has been structured to avoid any interruption to the ongoing operations of the Group and to avoid losses for the Group's customers, suppliers and other trade creditors. Consequently, no other creditors than the financial creditors, nor any of the employees of the Group, are to be affected by such alternative implementation of the Restructuring.

The implementation of the Restructuring with DOF Services AS as the new parent company of the Group is subject to approval by the bondholders' meetings in each of DOF Subsea AS' bond loans, DOFSUB07, DOFSUB08 and DOFSUB09. If the bondholders' meetings do not give their approval, the new parent company will instead be a new Norwegian holding company to be incorporated by the financial creditors. Consequently, the matter to be considered by the bondholders will only comprise the identity of the new parent company in the group. The new holding company of the group will be applied for listing on Oslo Børs in due course.

As communicated in the stock exchange announcement on 27 January 2023, the new Board of DOF has, in addition to seeking alternative solutions to the Restructuring, assessed the solvency of DOF ASA in a bankruptcy scenario. The Board has in this respect obtained and assessed independent valuations of the Group's vessels. The shipbrokers Fearnleys and Clarkson have assessed the value of the Group's vessels. The advisory firm Deloitte has reviewed these and assessed them against the company's debt, other liabilities and available liquid assets in an insolvency liquidation analysis (i.e. a bankruptcy scenario). Deloitte has also assessed the value of the Group's other activities, including the shares in DOFCON and the engineering services, also in an insolvency liquidation analysis. The final report from Deloitte has now been obtained and the Board has on this basis concluded that, even though there is likely positive value in DOF ASA in a going concern scenario, there is no basis to contest that DOF ASA will be insolvent in event of a bankruptcy.

Upon a bankruptcy in DOF ASA, the share capital of the Company will be lost and there will not be any value left to the shareholders. The Board highly regrets this result. However, although the bankruptcy will result in shareholder losses, the process that will follow is structured to avoid any interruption to the ongoing operations of the Group and

to avoid losses for the Group's customers, suppliers and other trade creditors.

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This information is considered to be inside information pursuant to the EU Market Abuse Regulation, and is subject to the disclosure requirements pursuant to Section 5-12 of the Norwegian Securities Trading Act. The stock exchange announcement was published by Hilde Drønen, CFO, DOF ASA.

With a multi-national workforce of about 3,800 personnel, DOF ASA is an international group of companies which owns and operates a fleet of modern offshore/subsea vessels, and engineering capacity to service both the offshore and subsea market. With over 40 years in the offshore business, the group has a strong position in terms of experience, innovation, product range, technology and capacity. DOF's core businesses are vessel ownership, vessel management, project management, engineering, vessel operations, survey, remote intervention and diving operations primarily for the oil and gas sector. From PSV charter to Subsea engineering, DOF offers a full spectrum of top quality offshore services to facilitate an ever-growing and demanding industry.

The company's main operation centers and business units are located in Norway, the UK, the USA, Singapore, Brazil, Argentina, Canada, Angola, and Australia. DOF ASA is listed on the Oslo Exchange since 1997.