

DOF ASA and its subsidiaries

Att: The boards of the relevant entities

Sent only by e-mail to: [hli@thommessen.no](mailto:hli@thommessen.no), with a copy to [hma@thommessen.no](mailto:hma@thommessen.no)

3 November 2022

## **DOF Restructuring**

Dear board members,

We write in our capacity as legal advisers to (i) the lenders listed in Appendix 1, and (ii) Nordic Trustee AS as bond trustee with respect to the bonds issued by, certain entities within the DOF group of companies.

Reference is made to DOF ASA's notice of the extraordinary general meeting to take place on 11 November 2022.

The purpose of the extraordinary general meeting is to approve the financial restructuring (the "**Restructuring**") of DOF ASA and its subsidiaries ("**DOF**"), as agreed between DOF and the vast majority of its financial creditors (the "**Creditors**") pursuant to the restructuring agreement announced on 22 June 2022 (the "**Restructuring Agreement**"). As you are aware, the holders of the bonds issued by DOF Subsea AS will, at bondholders' meetings to be held on 7 November 2022, be asked to provide the requisite approvals to complete the Restructuring. We are expecting such approval, and if obtained, all major conditions to implementation of the Restructuring will have been obtained other than shareholder approval.

We understand that some of DOF's shareholders have expressed their intention to vote against the Restructuring. In light of this, we are writing to you to emphasise the position of the Creditors. We would encourage you to share this position with the relevant shareholders so that they are under no illusions about where financial creditors stand in response to their expressed intention to prevent the Restructuring.

DOF's financial creditors hold claims against DOF equivalent to approximately NOK 23 billion. With few exceptions, no interest or amortisation has been paid on such claims for the last 30 months. DOF ASA's equity and parts of DOF's secured and unsecured debt is lost. The Restructuring therefore provides for creditors to convert an aggregate amount of approximately NOK 6.2 billion into equity in DOF. Notwithstanding the fact that the debt claims that will be converted rank senior to the shareholders' equity, and hence such equity is lost, the Restructuring provides for DOF's shareholders to retain a 4% stake in DOF in return for their co-operation. The proposal to the shareholders is therefore by all accounts fair and equitable.

It is critical that shareholders understand that achieving agreement on the terms of the Restructuring has been an extremely challenging task. DOF, the Creditors and other key stakeholders have since June 2019 negotiated to find a solution to DOF's financial difficulties. After three years of negotiations, in

June 2022 a solution was finally found on the terms of the Restructuring that was capable of achieving creditor support.

**There is no other option for DOF's continued future at this stage but to implement the Restructuring. The Restructuring is the only solution to solve DOF's financial issues absent repayment in full of all DOF's financial debts, and the Restructuring therefore must and will occur, with or without the support of DOF's shareholders.**

In light of this, in October 2022 DOF and the Creditors also agreed on how to implement the Restructuring without shareholder support through alternative implementation steps. If the Restructuring is not approved by the extraordinary general meeting, these steps allow for one last opportunity for DOF ASA to approve the Restructuring via reconstruction proceedings. In this event the alternative implementation agreement provides the existing shareholders with a fully diluted shareholding of only 1% in the restructured DOF ASA.

If DOF fails to carry out a successful reconstruction, DOF ASA will have no option but to enter into bankruptcy and the Creditors will take steps to assume control over the remaining DOF through that bankruptcy proceeding without disturbing the ongoing business operations within the DOF Group. In this event, the existing shareholders will lose all of their values. Consequently, the existing shareholders must approve the Restructuring in the extraordinary general meeting to take place on 11 November 2022 in order to maximise the value of their shares.

**Significant time and expense has been spent by DOF and the Creditors to save DOF's business and its many thousand employees, and there can and will be no renegotiation of the terms of the Restructuring.**

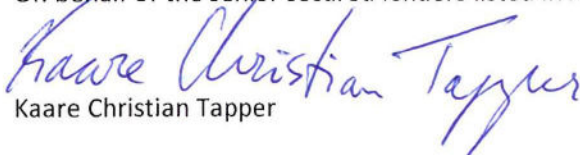
We kindly ask that the above is brought to the attention of the relevant shareholders in good time before the extraordinary general meeting on 11 November 2022.

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On behalf of the Creditors as set out below,

**Wikborg Rein Advokatfirma AS,**

On behalf of the senior secured lenders listed in Appendix 1

  
Kaare Christian Tapper

AND

**Advokatfirmaet Wiersholm AS,**

  
Ståle Gjengset

**Akin Gump LLP**



James Terry

Each on behalf of Nordic Trustee AS, as  
bond trustee

## **Appendix 1    Senior secured lenders**

ABN AMRO Bank N.V.

BNP Paribas

Various Cross Ocean funds and entities

CVC European Credit Opportunities (no. 8) S.à r.l.

CVC Credit Partners Global Special Situations Holdings, L.P

Danmarks Skibskredit A/S

Danske Bank, Norwegian Branch

Deutsche Bank AG

DNB Bank ASA

Eksportfinansiering Norge

Nordea Bank Abp, filial i Norge

Sculptor Investments S.a.r.l

Sparebanken Møre

SpareBank 1 SR-Bank ASA

Sparebanken Vest