Q4 2023

Financial Report
DOF Installer ASA



DOF Installer ASA
Alfabygget
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Financial Report 4th quarter 2023

Headlines

During the 4th quarter 2023, Skandi Hercules, Skandi Skansen and Skandi Vinland have been on charter contracts to the DOF Subsea Group. Skandi Hercules has been hired by DOF Subsea Asia Pacific and has operated on various projects in the Asia Pacific region. Skandi Skansen has been hired by DOF Subsea USA and has operated on a projects in North America region. Skandi Vinland has continued its operation on a long-term IMR charter contract with Cenovus in Canada.

Statement of comprehensive income

The operating revenue for the 4th quarter of 2023 was NOK 104 million (NOK 84 million in 4th quarter of 2022). The EBITDA was NOK 62 million (NOK 62 million), whilst the EBIT was NOK 354 million (NOK 134 million) after depreciation and impairment of NOK 292 million (NOK 223 million). Net financial profit was NOK 11 million (NOK 139 million), and the profit after tax was NOK 361 million (NOK 268 million).

The market has developed very positively resulting in increased fair market values and earnings estimates of the fleet, hence NOK 316 million has been reversed from previous impairments of the vessels.

Statement of financial position

Total assets were NOK 2 232 million (NOK 2 391 million), where non-current assets amounted to NOK 1 712 million (NOK 1 472 million). Current assets amounted to NOK 520 million (NOK 919 million), of which NOK 379 million (NOK 709 million) was cash and cash equivalents.

Total equity was NOK 652 million (NOK 598 million). Current liabilities were NOK 159 million (NOK 1 793 million). Long term liabilities have increased from nil to NOK 1 421 million due to new refinanced loan facilities with maturity longer than 12 months.

Statement of cash flows

Net cash flow from operating activities for the 4th quarter of 2023 was NOK 53 million (NOK 40 million). Cash flow from investing activities was negative NOK 5 million (NOK 1 million). Cash flow from financing activities was negative NOK 17 million (nil) and included installments on debt to group companies and dividend payment. Cash and cash equivalents at the end of the period were NOK 379 million (NOK 709 million).

Finance and Capital Structure

The DOF Group completed a financial restructuring in 1st quarter including a new fleet loan in DOF Subsea Group where the Company participated with USD 171 million. The main terms of the new loan facility include an interest of SOFR + 2,26%, cash sweep mechanism and reduced amortisation. The loan has maturity in January 2026. The new fleet loan is drawn in the holding company DOF Subsea AS with corresponding loan to DOF Installer. DOF Installer pays quarterly installments on the loan.

Per 31.12.2023, the first year installments were NOK 80 million and is presented as current debt to group companies.

For further information about the refinancing see note 1 in the DOF Integrated Annual Report 2022 and the 4th quarter 2023 report for DOF Group ASA.

Shareholders

The number of outstanding shares is 33 931 000, with a book value of NOK 19.21 per share. DOF Subsea AS owns 85.15% of the shares. The remaining 14.85% of the shares is held by 30 shareholders, see note 6.

In June and July 2023 the Company paid dividends in total of NOK 250 million to the shareholders.

Outlook

The Company's fleet is secured with a high backlog based upon firm commitments from the DOF Subsea regions for most of 2024 and into 2025. This gives a good visibility on the earnings for 2024.

DOF Installer ASA
March 11th 2024

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Amounts in NOK million

March 11th 2024
The Board of Directors of DOF Installer ASA

Mons Svendal Aase
Chairman

Hilde Drønen
Director

Marianne Møgster
Director

Michael Steensland-Brun
Director

Martin Lundberg
Managing Director

Amounts in NOK million

Financial statements 4th quarter 2023

Statement of comprehensive income

	Note	4Q 2023	4Q 2022	YTD 2023	YTD 2022
Operating revenue		104	84	405	262
Operating expenses		-42	-22	-135	-42
Operating profit before depreciation and impairment (EBITDA)		62	62	270	220
Depreciation and impairment	3	292	72	223	5
Operating profit (EBIT)		354	134	493	225
Financial income	2	4	5	20	17
Financial expenses	2	-48	-28	-145	-106
Realised gain / loss on financial instruments	2	-7	-3	-311	-46
Unrealised gain / loss on financial instruments	2	62	165	248	-147
Net financial income / loss		11	139	-188	-281
Profit / loss before tax		365	273	305	-56
Tax expense		-4	-5	-14	-5
Profit / loss for the period		361	268	291	-62

Amounts in NOK million

Statement of financial position

Assets	Note	31.12.2023	31.12.2022
Tangible assets	3	1 712	1 472
Total non-current assets		1 712	1 472
Current receivables from group companies		136	207
Other current receivables		5	3
Current receivables		141	210
Unrestricted cash and cash equivalents		379	709
Cash and cash equivalents	4	379	709
Total current assets		520	919
Total assets		2 232	2 391

Equity and liabilities	Note	31.12.2023	31.12.2022
Paid-in equity	6	410	598
Other equity	6	242	-
Total equity		652	598
Debt to group companies	4	1 421	-
Non-current liabilities		1 421	-
Current portion of debt	4	-	1 746
Trade payables		9	1
Current liabilities to group companies	4	143	40
Tax payable		7	6
Current liabilities		159	1 793
Total liabilities		1 580	1 793
Total equity and liabilities		2 232	2 391

Amounts in NOK million

Statement of cash flows

	Note	4Q 2023	4Q 2022	2023	2022
Operating profit (EBIT)		354	134	493	225
Depreciation and impairment	3	-293	-72	-223	-5
Change in trade payables		2	-3	8	-17
Changes in other working capital		42	-7	113	-59
Exchange rate effect on operating activities		-7	-6	1	2
Cash flow from operating activities		98	46	392	146
Interest received		4	5	19	13
Interest and other financial expense paid		-46	-12	-211	-12
Tax paid		-3	1	-13	-
Net cash flow from operating activities		53	40	187	147
Purchase of tangible assets	3	-5	1	-17	4
Cash flow from investing activities		-5	1	-17	4
Installments on debt to group companies		-17	-	-251	-
Installments on other non-current liabilities		-	-	-	-6
Dividends		-	-	-250	-
Cash flow from financing activities		-17	-	-501	-6
Net change in cash and cash equivalents		31	41	-331	145
Cash and cash equivalents at beginning of period		353	670	709	563
Exchange rate gain / loss on cash and cash equivalents		-5	-2	1	1
Cash and cash equivalents at end of period		379	709	379	709

The refinancing of the Company`s debt was completed in March 2023. As part of the refinancing external debt in DOF Installer ASA was reinstated in DOF Subsea AS and internal loans between the companies were established. Change in creditor from external parties to internal debt did not have cash flow effect.

Amounts in NOK million

Statement of changes in equity

Changes in equity	Share capital	Share premium	Paid-in equity	Other equity	Total equity
Equity at 01.01.2023	34	626	720	-122	598
Profit / loss for the period	-	-	-	291	291
Total comprehensive income for the period	-	-	-	291	291
Dividends	-	-	-250	-	-250
Refinancing effects *	-	-	-60	73	13
Equity at 31.12.2023	34	626	410	242	652

* As part of the refinancing interest cost not claimed by the lenders with NOK 13 million was recognised against equity.

Changes in equity	Share capital	Share premium	Paid-in equity	Other equity	Total equity
Equity at 01.01.2022	34	626	660	-	660
Profit / loss for the period	-	-	-62	-	-62
Total comprehensive income for the period	-	-	-	-	-62
Equity at 31.12.2022	34	626	598	-	598

Amounts in NOK million

Notes to the financial statements

Note 1 General

Skandi Hercules, Skandi Skansen and Skandi Vinland are hired out under charter contracts to the DOF Subsea Group or third-party charterers.

This Financial Report has been prepared in accordance with the standard for interim reporting (IAS 34). The Financial Report does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company`s annual report for 2022.

Note 2 Financial income and expenses

	4Q 2023	4Q 2022	YTD 2023	2022
Interest income	4	5	20	13
Other financial income	-	-	-	4
Financial income	4	4	20	17
Interest expenses	-32	-32	-129	-105
Reversal impairment of loans to Group companies	-	15	-	15
Other financial expenses	-16	-11	-16	-16
Financial expenses	-48	-28	-145	-106
Realised net gain / loss on derivative instruments and currency position	-7	-3	-311	-46
Unrealised net gain / loss on derivative instruments and currency position	62	165	248	-147
Net financial income / loss	11	139	-188	-281

Amounts in NOK million

Note 3 Tangible assets

31.12.2023	Vessels	Periodic maintenance	Total
Net booked value 01.01.	1 420	52	1 472
Additions	-	17	17
Depreciation	-80	-13	-93
Impairment reversal	316	-	316
Net booked value 31.12.	1 656	56	1 712

31.12.2022	Vessels	Periodic maintenance	Total
Net booked value 01.01.	1 398	71	1 469
Additions	-	-2	-2
Depreciation	-72	-17	-89
Impairment reversal	94	-	94
Net booked value 31.12.	1 420	52	1 472

The impairment test is based upon operational performance, contract backlog and improved market. The impairment test performed per 31 December 2023 has resulted in impairment reversal of impairment of NOK 316 million in Q4 2023.

Note 4 Net interest-bearing debt

Financial covenants

After completion of the financial restructuring of the Group and the Company, new loan facilities have been established including changes in the financial covenants. There are no financial covenants at company level for DOF Installer ASA. Applicable covenants are on DOF Subsea Group consolidated level. The most important financial covenants in the new loan agreements concerning DOF Subsea Group (excluding DOF Subsea Brasil Ltda.) are as followed:

- 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 June 23-Dec 23, 2.0x, 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.
- Testing date is set to be thew last day in each quarter.

For further information about financial covenants in the Group see the 4th quarter report for DOF Group ASA.

	31.12.2023	31.12.2022
Debt to group companies	1 421	-
Total non-current interest-bearing debt	1 421	-
Debt to credit institutions	-	1 737
Debt to group companies	80	-
Total current interest-bearing debt	80	1 737
Total non-current and current interest-bearing debt	1 501	1 737
Cash and cash equivalents	379	709
Interest-bearing receivables from Group companies	-	90
Total net interest-bearing debt	1 122	938

Amounts in NOK million

Note 5 Transactions with related parties

As part of the refinancing in March 2023 external debt has been reinstated in DOF Subsea AS and new loans between DOF Subsea AS and DOF Installer ASA were established. There are no other new types of transactions with related paries this quarter. Transactions with related parties are described in the Annual Report for 2022.

Note 6 Shareholder information

Shareholders at 30.09.2023	No. Shares	Shareholding and voting shares
DOF SUBSEA AS	28 893 335	85.15%
Euroclear Bank S.A./N.V.	1 501 800	4.43%
METEVA AS	630 000	1.86%
MP PENSJON PK	508 190	1.50%
AS CLIPPER	366 100	1.08%
AS STRAEN	364 915	1.08%
EUROMAR AS	331 900	0.98%
PROFOND AS	321 380	0.95%
AS AUDLEY	225 750	0.67%
SUNDT AS	140 000	0.41%
SNIPTIND INVEST AS	129 560	0.38%
LANDE EIENDOM INVEST AS	75 000	0.22%
BARQUE AS	56 500	0.17%
BYGGEVIRKSOMHET AS	56 000	0.17%
LEIF INGE SLETTHEI AS	50 708	0.15%
Total	33 651 138	99.18%
Other shareholders	279 862	0.82%
Total number of shares	33 931 000	100%

Note 7 Events after period end

There are no significiant events after 4th quarter.

Amounts in NOK million

Note 8 Alternative performance measurement and other definitions

Alternative performance measurements

The Company presents alternative performance measurements (APM) that are regularly reviewed by management and aim to enhance the understanding of the Company's performance. APMS are calculated consistently over time and are based on financial data presented in accordance with IFRS and other operational data as described in the table below.

Measure	Description	Reason for including
Operating profit before depreciation (EBITDA)	EBITDA is defined as operating profit, including profit from sale of non-current assets, and amortisation of contract costs before impairment of tangible and intangible assets, depreciation of tangible assets. EBITDA represents earnings before interest, tax, depreciation and amortisation, and is a key financial parameter for the Company.	This measure is useful in evaluating operating profitability on a more variable cost basis as it excludes depreciation and impairment. EBITDA shows operating profitability regardless of capital structure and tax situations with the purpose of simplifying comparison in the same industry.
EBITDA margin	EBITDA margin presented is defined as EBITDA divided by operating revenue.	Enables comparability of profitability relative to operating revenue.
Operating profit (EBIT)	EBIT represents earnings before interest and tax.	EBIT shows operating profitability regardless of capital structure and tax situations.
EBIT margin	EBIT margin presented is defined as EBIT divided by operating revenue.	Enables comparability of profitability relative to operating revenue.
Net interest-bearing debt	Net interest-bearing debt consists of both current and non-current interest-bearing liabilities less interest bearing financial assets, cash and cash equivalents. Non-current receivables from joint ventures are not included in net interest-bearing debt. Cash and cash equivalents will include restricted cash. Current interest-bearing debt includes interest-bearing debt related to asset held for sale.	Net interest-bearing debt is a measure of the Company's net indebtedness that provides an indicator of the overall statement. It measures the Company's ability to pay all interest-bearing liabilities within available interest bearing financial assets, cash and cash equivalents, if all debt matured on the day of the calculation. It is therefore a measurement of the risk related to the Company's capital structure.
Return on net capital	Profit / loss for the period divided by equity.	Return on net capital represents the total return on equity capital and shows the Company's ability to turn assets into profits.
Equity ratio	Equity divided by assets at the reporting date.	Measure capital contributed by shareholders to fund the Company's assets.
Book value equity per share	Equity divided by number of shares outstanding.	Measures the Company's net asset value on a per-share basis.

Other definitions

Measure	Description
Market value	Calculated average vessel value between several independent brokers' estimates based on the principle of "willing buyer and willing seller".

Amounts in NOK million

Supplemental information

Statement of comprehensive income 5 last quarters

	4Q 2023	3Q 2023	2Q 2023	1Q 2023	4Q 2022
Operating revenue	104	95	104	103	84
Operating expenses	-42	-28	-28	-37	-22
Operating profit before depreciation and impairment (EBITDA)	62	67	76	66	62
Depreciation	-24	-23	-23	-23	-22
Impairment	316	-	-	-	94
Operating profit (EBIT)	354	44	53	43	134
Financial income	4	4	6	6	5
Financial expenses	-48	-32	-32	-33	-28
Realised gain / loss on financial instruments	-7	-1	7	-310	-3
Unrealised gain / loss on financial instruments	62	22	-49	213	165
Net financial income / loss	11	-7	-68	-124	139
Profit / loss before tax	365	37	-15	-81	273
Tax expense	-4	-	-10	-	-5
Profit / loss for the period	361	37	-25	-81	267

Amounts in NOK million

Statement of financial position 5 last quarters

Assets	4Q 2023	3Q 2023	2Q 2023	1Q 2023	4Q 2022
Tangible assets	1 712	1 414	1 428	1 450	1 472
Total non-current assets	1 712	1 414	1 428	1 450	1 472
Other current receivables	141	162	172	161	209
Cash and cash equivalents	379	353	411	611	709
Total current assets	520	515	583	772	919
Total assets	2 232	1 929	2 011	2 221	2 391

Equity and liabilities	4Q 2023	3Q 2023	2Q 2023	1Q 2023	4Q 2022
Equity	652	291	254	530	598
Total equity	652	291	254	530	598
Debt to Group companies	1 421	1 505	1 596	1 572	-
Non-current liabilities	1 421	1 505	1 596	1 572	-
Debt to credit institutions	-	-	-	-	1 746
Other current liabilities	159	134	161	119	47
Current liabilities	159	134	161	119	1 793
Total liabilities	1 580	1 638	1 757	1 692	1 793
Total equity and liabilities	2 232	1 929	2 011	2 221	2 391

Key figures

	4Q 2023	3Q 2023	2Q 2023	1Q 2023	4Q 2022
Profit per share (NOK)	10.64	1.09	-0.74	-2.39	7.87
EBITDA margin	60%	71%	73%	64%	74%
EBIT margin	340%	46%	51%	42%	160%
Return on net capital	55.39%	12.7%	-10.5%	-15.3%	44.7%
Book value equity per share (NOK)	19.21	8.57	7.49	15.62	17.62
Net interest-bearing debt	1 122	1 152	1 269	953	938

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