Q1 2024

Financial Report

DOF Installer ASA



DOF Subsea

DOF Installer ASA

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NORWAY

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Financial Report 1st quarter 2024

Headlines

As part of the ongoing efforts of DOF Installer ASA ('the Company') to align with industry standards, the Company transited its financial reporting and functional currency from Norwegian Krone (NOK) to United States Dollar (USD) for the fiscal year 2024. Recognised globally as a standard currency for financial reporting across our industry, the move will reduce uncertainty regarding exchange rates and increase transparency on the Company's operational results.

Operations

During the 1st quarter 2024, Skandi Hercules, Skandi Skansen and Skandi Vinland have been on charter contracts to the DOF Subsea Group or third-party charterers.

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 in the Atlantic region to support the operation in West-Africa.

Skandi Vinland has continued its operation on a long-term IMR charter contract with Cenovus in Canada.

Statement of profit or loss

The operating revenue for the 1st quarter of 2024 was USD 9 million (USD 10 million in 1st quarter of 2023). The EBITDA was USD 6 million (USD 6 million), whilst the EBIT was USD 4 million (USD 4 million) after depreciation and impairment of USD -3 million (USD -2 million). Net financial loss was USD -4 million (USD -11 million), and the profit after tax was USD zero million (USD -7 million).

Balance sheet

Total assets were USD 214 million (USD 212 million), where non-current assets amounted to USD 165 million (USD 138 million). Current assets amounted to USD 49 million (USD 74 million), of which USD 39 million (USD 58 million) was cash and cash equivalents.

Total equity was USD 65 million (USD 51 million). Non-current liabilities were USD 138 million (USD 150 million). Current liabilities were USD 13 million (USD 11 million).

Statement of cash flows

Net cash flow from operating activities for the 1st quarter of 2024 was USD 5 million (USD 4 million). Cash flow from financing activities was USD -2 million (USD -14 million). Cash and cash equivalents at the end of the period were USD 39 million (USD 58 million).

Finance and capital structure

After the financial restructuring, the Company has delivered a sustainable balance sheet enabling the Company to capture new opportunities and to grow in an evolving market.

The Company's net interest bearing debt as of 31.03.2024 was USD 107 million (USD 94 million as of 31.03.2023). The Company pays quarterly instalments on the loan, with the annual instalment of USD 8 million presented as current debt to Group companies.

Shareholders

The number of outstanding shares is 33 931 000 with a book value of USD 1.90 per share. DOF Subsea AS owns 85.15% of the shares. The remaining 14.85% of the shares are held by 31 shareholders, see the finacial statements note 6 'Shareholder information'.

Outlook

The Company has a high back log for 2024 and 2025 based upon firm commitments from the DOF Subsea regions. This gives a good visibility on the earnings for 2024.

DOF Installer ASA
June 7th 2024

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June 7th 2024
The Board of Directors of DOF Installer ASA

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Chair

Hilde Drønen
Director

Marianne Møgster
Director

Michael Steensland-Brun
Director

Martin Lundberg
Managing Director

DOF Installer ASA

Amounts in USD million

Financial statements 1st quarter 2024

Statement of profit or loss

	Note	1Q 2024	1Q 2023	YTD 2023
Operating revenue		**9**	**10**	**38**
Operating expenses		-3	-4	-13
Operating profit before depreciation and impairment (EBITDA)		**6**	**6**	**26**
Depreciation and impairment	3	-3	-2	21
Operating profit (EBIT)		**4**	**4**	**47**
Financial income	2	-	1	2
Financial expenses	2	-3	-2	-14
Realised gain / loss on financial instruments	2	-2	-29	-29
Unrealised gain / loss on financial instruments	2	-	20	23
Net financial income / loss		**-4**	**-11**	**-18**
Profit / loss before tax		-	-7	29
Tax expense		-	-	-1
Profit / loss for the period		**-**	**-7**	**27**
Other comprehensive income net of tax				
Currency translation differences (CTA)		-	-2	-2
Other comprehensive income/loss net of tax		**-**	**-10**	**-25**

DOF Installer ASA

Amounts in USD million

Balance sheet

	Note	31.03.2024	31.03.2023	31.12.2023
Assets				
Tangible assets	3	165	138	168
Total non-current assets		**165**	**138**	**168**
Current receivables from Group companies		9	15	14
Other current receivables		1	-	-
Current receivables		**10**	**15**	**14**
Unrestricted cash and cash equivalents	4	39	58	37
Cash and cash equivalents		**39**	**58**	**37**
Total current assets		**49**	**74**	**51**
Total assets		**214**	**212**	**219**

Equity and liabilities	Note	31.03.2024	31.03.2023	31.12.2023
Paid-in equity		40	51	40
Other equity		24	-	24
Total equity		**64**	**51**	**64**
Debt to Group companies	4	138	150	140
Non-current liabilities		**138**	**150**	**140**
Current liabilities to Group companies	4	12	10	14
Trade payables		-	1	1
Tax payable		1	1	1
Current liabilities		**13**	**11**	**16**
Total liabilities		**151**	**161**	**155**
Total equity and liabilities		**214**	**212**	**219**

DOF Installer ASA

Amounts in USD million

Statement of cash flows

	Note	1Q 2024	1Q 2023	2023
Operating profit (EBIT)		4	4	47
Depreciation and impairment	3	3	2	-21
Change in trade payables		-1	-	1
Changes in other working capital		2	7	10
Cash flow from operating activities		**7**	**13**	**37**
Interest received		-	1	2
Interest and other financial expense paid		-3	-10	-20
Tax paid		-	-	-1
Net cash flow from operating activities		**5**	**4**	**18**
Purchase of tangible assets	3	-	-	-2
Cash flow from investing activities		**-**	**-**	**-2**
Instalments on debt to Group companies		-2	-14	-24
Dividends		-	-	-24
Cash flow from financing activities		**-2**	**-14**	**-48**
Net change in cash and cash equivalents		**3**	**-10**	**-32**
Cash and cash equivalents at beginning of period		**37**	**72**	**72**
Exchange rate gain / loss on cash and cash equivalents		-1	-4	-3
Cash and cash equivalents at end of period		**39**	**58**	**37**

DOF Installer ASA

Amounts in USD million

Statement of changes in equity

Changes in equity	Share capital	Share premium	Paid-in equity	Other equity	Total equity
Equity at 01.01.2024	3	37	40	24	64
Profit / loss for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-
Equity at 31.03.2024	3	37	40	24	64

Changes in equity	Share capital	Share premium	Paid-in equity	Other equity	Total equity
Equity at 01.01.2023	3	61	64	-3	61
Profit / loss for the period	-	-	-	-7	-7
Other comprehensive income for the period	-	-	-	-2	-2
Total comprehensive income for the period	-	-	-	-10	-10
Equity at 31.03.2023	3	61	64	-13	51

Changes in equity	Share capital	Share premium	Paid-in equity	Other equity	Total equity
Equity at 01.01.2023	3	61	64	-3	61
Profit / loss for the period	-	-	-	27	27
Other comprehensive income for the period	-	-	-	-2	-2
Total comprehensive income for the period	-	-	-	25	25
Dividends	-	-24	-24	-	-24
Refinancing effects*	-	-	-	1	1
Equity at 31.12.2023	3	37	40	24	64

* As part of the refinancing interest cost not claimed by the lenders with USD 1 million was recognised against equity

DOF Installer ASA

Amounts in USD 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.

Basic of preparation

This Financial Report has been prepared in accordance with IAS 34, 'Interim financial reporting'. 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 2023.

Functional currency changed from NOK to USD for year 2024

The Company has a global operation with the main currency in USD and from 2024 the functional currency is changed from NOK to USD. Comparable accounts for the year 2023 have been restated to USD.

Note 2 Financial income and expenses

	1Q 2024	1Q 2023	2023
Interest income	-	1	2
Other financial income	-	-	-
Financial income	-	1	2
Interest expenses	-3	-2	-12
Other financial expenses	-	-	-2
Financial expenses	-3	-2	-14
Realised net gain / loss on derivative instruments and currency position	-2	-29	-29
Unrealised net gain / loss on derivative instruments and currency position	-	20	23
Net financial loss	-4	-11	-18

DOF Installer ASA

Amounts in USD million

Note 3 Tangible assets

31.03.2024	Vessels	Periodic maintenance	Total
Net booked value 01.01	163	5	168
Additions	-	-	-
Depreciation	-2	-	-3
Net booked value 31.03	161	4	165

31.03.2023	Vessels	Periodic maintenance	Total
Net booked value 01.01	135	5	141
Additions	-	-	-
Depreciation	-2	-	-2
Net booked value 31.03	133	5	138

Impairment/reversal of impairment

The Company's expectation to utilisation of the vessels, the cost and the revenue going forward, is in line with the expectations in the Q4 2023 impairment model. There are therefore no significant changes in the assumptions and the recoverable amounts by end of the first quarter of 2024.

DOF Installer ASA

Amounts in USD million

Note 4 Net interest-bearing debt

	31.03.2024	31.03.2023	31.12.2023
Debt to Group companies	138	150	140
Total non-current interest-bearing debt	**138**	**150**	**140**
Debt to Group companies	8	8	8
Total current interest-bearing debt	**8**	**8**	**8**
Total non-current and current interest-bearing debt	**146**	**158**	**148**
Cash and cash equivalents	39	58	37
Interest-bearing receivables from Group companies	-	6	-
Total net interest-bearing debt	**107**	**94**	**111**

Financial covenants

There are no financial covenants at company level for DOF Installer ASA.

Applicable covenants are on the DOF Subsea Group consolidated level. The most important financial covenants in the 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 March 24-December 24, 2.50x and from March 25-December 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.

Further information regarding financial covenants for the DOF Subsea Group can be found in the DOF Group ASA Annual Report for 2023, published at www.dof.com.

Note 5 Transactions with related parties

Transactions with related parties are described in the Company`s Annual Report for 2023.

DOF Installer ASA

Amounts in USD million

Note 6 Shareholder information

Shareholders at 31.03.2024	No. of 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 significant events after 1st quarter.

DOF Installer ASA

Amounts in USD 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.

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".	
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.

DOF Installer ASA

Amounts in USD million

Supplemental information

Statement of profit or loss last 5 quarters

	1Q 2024	4Q 2023	3Q 2023	2Q 2023	1Q 2023
Operating revenue	9	10	9	10	10
Operating expenses	-3	-4	-3	-3	-4
Operating profit before depreciation and impairment (EBITDA)	**6**	**6**	**6**	**7**	**6**
Depreciation and impairment	-3	28	-2	-2	-2
Operating profit (EBIT)	**4**	**34**	**4**	**5**	**4**
Financial income	-	-	-	1	1
Financial expenses	-3	-5	-3	-4	-2
Realised gain / loss on financial instruments	-2	-1	-	1	-29
Unrealised gain / loss on financial instruments	-	6	2	-5	20
Net financial income / loss	**-4**	**-**	**-1**	**-7**	**-11**
Profit / loss before tax	-	34	3	-2	-7
Tax expense	-	-	-	-1	-
Profit / loss for the period	**-**	**34**	**3**	**-3**	**-7**

DOF Installer ASA

Amounts in USD million

Balance sheet last 5 quarters

	1Q 2024	4Q 2023	3Q 2023	2Q 2023	1Q 2023
Assets					
Tangible assets	165	168	133	133	138
Total non-current assets	**165**	**168**	**133**	**133**	**138**
Other current receivables	10	14	15	16	15
Cash and cash equivalents	39	37	33	38	58
Total current assets	**49**	**51**	**49**	**54**	**74**
Total assets	**214**	**219**	**182**	**187**	**212**
Equity and liabilities					
Paid-in equity	40	40	27	24	51
Other equity	24	24	-	-	-
Total equity	**64**	**64**	**27**	**24**	**51**
Debt to Group companies	138	140	142	148	150
Non-current liabilities	**138**	**140**	**142**	**148**	**150**
Other current liabilities	13	16	13	15	11
Current liabilities	**13**	**16**	**13**	**15**	**11**
Total liabilities	**151**	**155**	**154**	**163**	**161**
Total equity and liabilities	**214**	**219**	**182**	**187**	**212**

Key figures

	1Q 2024	4Q 2023	3Q 2023	2Q 2023	1Q 2023
Profit per share	-0.03	10.19	0.94	-0.63	-2.16
EBITDA margin	71%	60 %	67 %	70 %	60 %
EBIT margin	40 %	340 %	44 %	46 %	42%
Return on net capital	-0.2 %	53.1 %	11 %	-12.7 %	-13.8 %
Book value equity per share	1.90	1.89	0.81	0.70	1.49
Net interest-bearing debt	107	111	116	118	94

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