



# Q4 2023

Financial Report





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**Report distribution & webcast:**  
The Q4 2023 financial report for DOF Group ASA is to be presented on 23<sup>rd</sup> of February 2024. A financial webcast will be held at 08:30 (CET) and will be available on the Company website: [www.dof.com](http://www.dof.com). All materials, including an investor presentation, will be available on the same website.

The interim consolidated financial statements have not been subject to audit or review.

# Directors' report

## Q4 2023

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# Statement from the CEO

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**We deliver another solid quarter and are experiencing continued strong markets within all fleet segments, and I am especially pleased to see an increasing activity in the Asia-Pacific region.**

The Group has again achieved a high score in the Petrobras Peotram audit which is a confirmation of the high quality of our operations in Brazil. We expect the backlog to continue to grow due to several ongoing tenders. We see increased activity within the AHTS segment and expect more firm contracts going forward. The current backlog for the Group is 84% for 2024 which gives good visibility of the earnings in 2024.

The EBITDA guiding for 2024 is in the range of USD 470-520 million.



**Mons S. Aase**  
CEO



# Key highlights

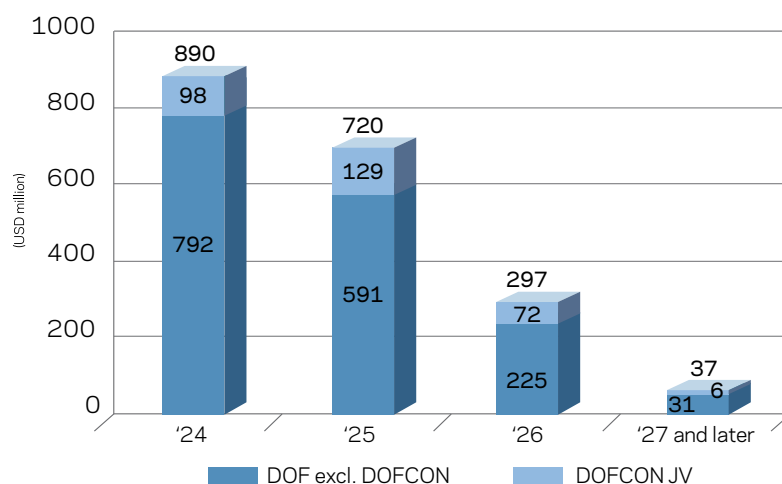
KEY FIGURES (MNOK)	Management reporting		Financial reporting	
	Q4 2023	Q4 2022	Q4 2023	Q4 2022
Operating revenue	3 449	3 204	3 205	2 827
EBITDA	1 241	1 125	1 034	1 051
EBIT	2 215	1 548	2 128	1 504
Profit (loss)	2 768	1 806	2 768	1 806
NIBD (Net interest bearing debt)	13 883	19 915	11 309	16 631
EBITDA margin	36%	35%	32%	37%
Equity ratio	34%	1%	39%	2%

- Another strong quarter where the Group achieved an EBITDA of NOK 1,241 million (NOK 1,125 million) and a cash flow from operating activities of NOK 1,111 million (NOK 1,553 million).
- The annual EBITDA was NOK 4,949 million (NOK 3,764 million) and the cash flow from operating activities was NOK 4,090 million (NOK 3,777 million).
- By end of the year the equity ratio was 34% (1%) and NIBD/EBITDA 2.8 (5.4).
- The average utilisation of the owned fleet was 91% (88%) in the quarter.
- The markets in the Group's regions are good and the activity in Asia-Pacific has particularly increased towards end of the year.
- The Group has chartered in the subsea vessel Maersk Installer on a 2-year firm charter to serve the increased demand in the subsea project segment.
- Three PSVs, Skandi Caledonia (built 2003), Skandi Barra (built 2005) and Skandi Captain (built 2003), have been sold in the quarter.
- The total current fleet includes 57 vessels (incl. 12 vessels on management or hired in):
  - 16 AHTSs, 11 PSVs and 30 Subsea vessels.
- In January, the DOF Group was ranked among the best companies with the 2nd highest score in the Petrobras PEOTRAM 2023 audit and retained its A- score on the CDP Climate Change 2023.

Note: all numbers above are based on management reporting



- The order intake in 4th quarter is USD 147 million.
- Firm backlog by end December is USD 1,946 million (USD 2,141 million).
- DOF Group Backlog (end quarter):



Note: all numbers above are based on management reporting



# ESG



DOF has reported in the areas of sustainability to the GRI standards measuring economic, environment, and social aspects since 2014. This, along with our participation in Carbon Disclosure Project over the last twelve years, has driven engagement with stakeholder groups and improved management and performance in these areas.

## Q4 summary

- The Group ESG results in 4th quarter 2023 improved in some areas when compared to the previous quarter (3rd quarter 2023). Occupational health and safety results for the quarter, with a total recordable injury rate of 0.73 (0.84) per million man-hours is down from previous quarter. The lost-time injury frequency rate of 0.21 (0.00) per million man-hours is an increase from previous quarter. All incidents with a low risk factor and no permanent disabilities. Within Marine and Subsea service delivery, the operational uptime for the fleet was 98.5% in the quarter, and operational uptime for ROV was 99.0%. Regarding Governance, the number of NCRs and audits are stable, although there are small variations. There have been no fines or non-monetary sanctions due to non-compliance.
- In January, the DOF Group was ranked among the best companies with the 2nd highest score in the PEOTRAM 2023 audit, which included 27 companies reviewed by Petrobras. In February, the Group retained an A- on the CDP Climate Change 2023 score.
- There were no significant spills above 50 litres in the quarter.
- Regarding people, the headcount per end of quarter was 4,108 (4,022) and absence rate due to sickness was 2.30% (2.26%). There were no data privacy breaches. There are ongoing reviews connected to harassment cases reported in Ethical helpline. In the quarter one case has been concluded as confirmed harassment case.



## Key ESG (Environmental, Social, & Governance) information

The ESG figures, where appropriate, are shown in comparison with previous year, as rolling average, or as running numbers. The dashboard contains results from key, non-financial, targets established in DOF and quarter over quarter trends are indicated with trend symbols. Read more about how we selected these targets in our integrated annual report 2022.

### Operational health & safety



▼ <b>2</b> Lost Time injuries (LTIs) in Q4 2023	▼ <b>3</b> Recordable incidents in Q4 2023	▲ <b>3,865</b> Positive safety observations in Q4 2023	▲ <b>0.73</b> /million hrs recordable case frequency in Q4 2023	▼ <b>0.21</b> /million hrs Lost Time Incident frequency (12-month rolling avg.)	▲ <b>11,285</b> Safety observations in Q4 2023
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### People



► <b>0</b> GDPR breaches recorded in Q4 2023	► <b>3</b> Confirmed harassment cases in 2023	► <b>4,108</b> Headcount per 31.12.2023	► <b>2.3%</b> Absence due to sickness in Q4 2023
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### Environmental performance



These results are reported on an annual basis

► <b>0</b> Number of spills unrecovered over 50 litres in Q4 2023	<div> <b>-1.3%</b> Emissions from fuel consumption in 2022 compared to 2021 (Scope 1 and Scope 3 vessels)         </div> <div> <b>A-</b> Current CDP score (for year 2023)         </div>
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### Governance



► <b>0</b> Fines or monetary sanctions due to non-compliance recorded in Q4 2023	► <b>340</b> NCRs raised in Q4 2023	► <b>1,125</b> audits and inspections completed in Q4 2023
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### Marine and Subsea service delivery



► <b>98.5%</b> Vessel uptime available operative time in Q4 2023	▼ <b>99.0%</b> ROV uptime available operative time in Q4 2023	<div> <b>4.1</b> Subsea client satisfaction in 2022 (out of max score of 5)         </div> <div> <b>4.2</b> Marine client satisfaction in 2022 (out of max score of 5)         </div>
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#### KEY

The trend markers are in relation to the previous quarter. See DOF Group ASA financial report Q3 2023 to compare figures.

▲ Positive trend in result   ▼ Negative trend in result   ► No significant change in result

# Operations

THE Q4 OPERATIONAL RESULT PER SEGMENT IS AS FOLLOWS;

Amount in NOK mill	DOF Subsea	Norskan	DOF Rederi	Corporate/ management	Group
Operating revenue	2 594	765	285	124	3 449
Net gain on sale of tangible assets	22	-	44	-	66
<b>Operating result before depreciation and impairment - EBITDA</b>	<b>819</b>	<b>250</b>	<b>165</b>	<b>12</b>	<b>1 241</b>
Depreciation	-381	-68	-58	-7	-506
Impairment (-)/Reversal of impairment	1 040	-	439	-	1 479
<b>Operating result - EBIT</b>	<b>1 478</b>	<b>182</b>	<b>547</b>	<b>6</b>	<b>2 215</b>
EBITDA margin	32%	33%	58%	10%	36%
EBIT margin	57%	24%	192%	5%	64%

1) Norskan include both ship owning and vessel management activities.

2) Internal transactions adjusted in the Group numbers.

The segment reporting, implemented from the 1st quarter, reflects the Group's operational performance from the main subsidiaries of the Company. The four segments are: DOF Subsea Group (incl. the 50% share in the DOFCON JV), DOF Rederi AS (incl. Iceman AS), Norskan Offshore Ltda., and Corporate & Vessel Management.

The main part of the Group's fleet owned by DOF Rederi and Norskan operates on firm time charter (TC) contracts or in the spot market, while the fleet owned by DOF Subsea partly operates on time charter contracts, project contracts, frame agreements, or lump sum contracts with various duration. The scope executed by the Group's subsea vessels and parts of the AHTS fleet varies from survey, IMR, construction, mooring, decommissioning, and SURF both with clients operating in the O&G markets and in the renewable markets. The majority of the Group's AHTS fleet is equipped with ROVs owned by DOF Subsea.

## DOF Subsea Group

DOF Subsea Group ("DOF Subsea") owns 22 subsea vessels (including the DOFCON fleet) and has additional four vessels hired in from external owners on term contracts. The overall utilisation of the DOF Subsea fleet was 89% versus 91% in the same period last year.

The total revenues from Subsea IMR project contracts represented 81% of DOF Subsea's revenue and totals NOK 2,096 million (NOK 1,990 million) in the quarter. The DOF Subsea's operations are managed from four regions: The Atlantic Region, The Asia-Pacific Region, The North America Region, and the South America Region (mainly Brazil).

The activity in the **Atlantic region** has been high in the quarter. One vessel has continued working as a field support vessel (FSV) offshore Angola and this contract was extended with one year from November 2023. The region has further utilised the Skandi Acergy and Skandi Skansen on projects in the North Sea and in West-Africa and the Skandi Hera has for parts of the period been utilised on various projects in the North Sea. The region was in November awarded a contract with Subsea7 for the Skandi Acergy at a value of USD 85-105 million. The contract has a duration of a minimum of 18 months with start up in 1st quarter 2025. To support the region's project activity, the Maersk Installer has been chartered in for a period of two years with commencement by end of 1st quarter 2024. Maersk Installer is a state-of-the-art vessel equipped with a 400-ton crane. The region has further secured a decommissioning project in the North Sea with start up in 3rd quarter 2024 utilising up to four vessels including parts of the Group's AHTS fleet.

The **Asia-Pacific region** has during the quarter secured high utilisation of its subsea project vessels. The Skandi Hercules has operated on various projects in Australian waters and the Skandi Singapore on a frame contract with Chevron. The Skandi Hawk and Skandi Darwin have operated on firm contracts with Prime Energy and Esso Australia. The region has in the quarter been awarded several project contracts for the Skandi Hercules including decommissioning work and subsea services and added utilisation for the vessel in 2024 and 2025. After balance date the region was awarded an extension of the contract for the Skandi Hawk with Prime Energy at the Philippines until end of 2027 at better terms than the existing contract.

In the **North America region**, the performance has been good under the contract with Esso in Guyana utilising the Havila Phoenix and the Skandi Constructor. The region has executed IMR services on a firm contract with Cenovus in Canada utilising the Skandi Vinland and IMR and



survey services for clients in Gulf of Mexico. To support the activity in gulf, the Jones Act vessel Connor Bordelon has been chartered in for a period of 1+1 year with expected commencement in March 2024.

The **Brazil region** has continued on the PIDF contract utilising multiple vessels on this survey and inspection project. A new PIDF contract was awarded in third quarter and this contract started in December last year. The chartered in vessel, Stril Explorer, in addition to two to three of the Group's subsea vessels will operate on the new PIDF contract. The region further operates the Skandi Achiever (diving vessel), the Skandi Salvador (IMR vessel), and three RSV vessels, all on firm contracts with Petrobras.

The **DOFCON fleet** has achieved a utilisation of 82% (99%) in the quarter and all vessels are committed on firm contracts with Petrobras.

The Skandi Buzios has been off hire the entire quarter due to a fire incident in June last year. The vessel is currently in Norway to do the repairs. The progress of the repairs is good, and the vessel is expected to be back in operation during 2nd half 2024. The vessel is insured including a Loss of Hire insurance coverage for the first 90 days. There is an ongoing dialog with Petrobras, on when the vessel will return to its contract. Petrobras is currently on a new tender for several PLSVs, with 3- or 4-years firm duration, which reinforces that the market for this type of tonnage is strong.

DOF Subsea Group further owns the PLSV Skandi Africa and the diving vessel Skandi Patagonia. The vessels are committed on firm contracts with TechnipFMC and Total respectively.

### **Norskan Offshore**

Norskan owns nine AHTS vessels all built in Brazil and is the vessel manager for the Group's fleet operating in Brazil which currently represent 22 vessels. Norskan achieved an average utilisation for its owned fleet of 96% (85%) in the quarter and the performance has been good. Eight vessels are operating on firm contracts with Petrobras and one vessel has operated on a 90 + 90-day contract with Enauta during the quarter. Petrobras is currently out with a tender for several AHTS vessels where Norskan has bid three vessels.

### **DOF Rederi & Iceman**

The DOF Rederi fleet comprises eight PSVs, two AHTS, and four CSVs, and has achieved a utilisation of 90% (87%) in the quarter. The performance of the PSV fleet was good. The CSV fleet includes one vessel operating in the North Sea and three RSV vessels on firm contracts in Brazil. In October the Group agreed to acquire three "non-core" vessels from the lenders of which all

have now been sold. Two of the vessels, Skandi Caledonia (built 2003) and Skandi Barra (built 2005), were sold and delivered to new owners during the quarter. The third vessel, Skandi Captain (built 2003), was agreed sold in December and will be delivered to the new owner in 1st quarter 2024 after completion of a 20-year class docking. The above transactions have resulted in a net contribution of approximately NOK 85 million for DOF Rederi. After the balance date the Skandi Iceman has been awarded a 3-year firm contract plus 3x1 year option for Equinor Energy with start up in 2nd quarter 2024. Skandi Kvitsøy has been awarded 2-year firm plus 2 years options with an international oil company in Australia. The contract terms reflect the improved markets.



# Financial summary

## Financial reporting Q4 - Highlights

The below figures represent the Group's consolidated accounts based on Financial Reporting.

### PROFIT OR LOSS

Q4 2023 (MNOK)	Q4 2023	Q4 2022
Operating revenue	3 205	2 827
Operating expenses	-2 274	-2 081
Share of net profit from joint ventures	37	305
Net gain on sale of tangible assets	66	-
<b>EBITDA</b>	<b>1 034</b>	<b>1 051</b>
Depreciation	-385	-234
Impairment/reversal of impairment	1 479	687
<b>EBIT</b>	<b>2 128</b>	<b>1 504</b>
Net interest income and costs	-214	-492
Net currency and derivatives	380	756
<b>Profit before taxes</b>	<b>2 295</b>	<b>1 767</b>
Taxes	474	39
<b>Profit</b>	<b>2 768</b>	<b>1 806</b>

The revenue is higher within all the segments versus last year. However, the off hire of the Skandi Buzios is the main reason for a reduction of the net profit from the DOFCON JV of NOK 268 million. The DOF Subsea operations excluding the DOFCON JV as well as DOF Rederi and Norskan have achieved a better EBITDA versus last year. This is due to a high utilisation and higher day rates for the fleet and good performance from the project activity. The EBIT was NOK 2,128 million (NOK 1,504 million) and has been highly impacted by reversal of impairment of NOK 1,479 million (NOK 687 million). The DOFCON JV has not noted any impairment indicators due to the Skandi Buzios other than temporary, and thus no impairment has been recorded on the vessel.

The net interest costs of NOK -214 million (NOK -492 million) are lower than last year, reflecting reduced debt and lower margins on new loan facilities after the financial restructuring in March. The net gain from currency and derivatives was NOK 380 million (NOK 756 million) and reflects the strengthened NOK and BRL towards USD. The secured loan facilities in DOF Subsea and Norskan are drawn in USD and the loan in DOF Rederi is drawn in NOK. The DOF Subsea convertible bond loan is drawn in NOK.

The tax costs are positive due to NOK 565 million booked as reversal of previous impaired tax assets. Other tax costs of NOK 91 million mainly represent withholding tax and corporate tax.

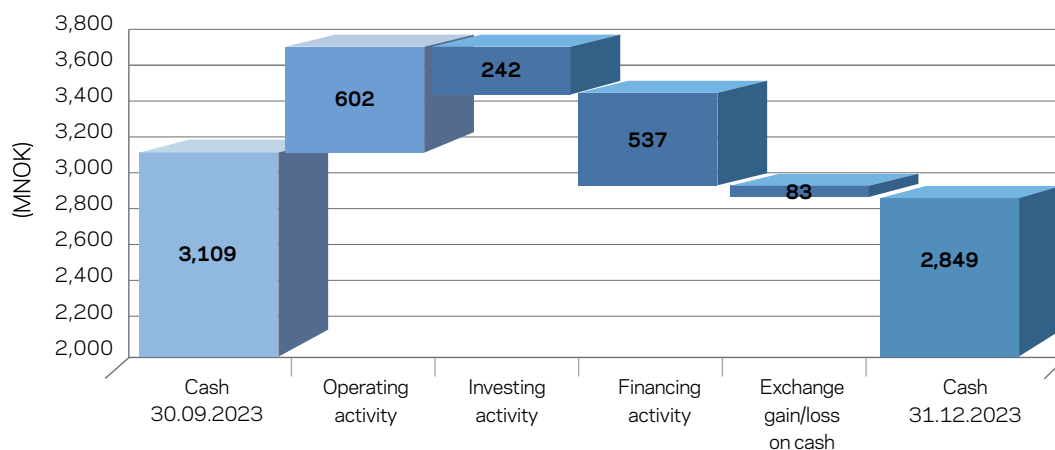


## CASH FLOW FROM OPERATING ACTIVITIES

(MNOK)	Q4 2023	Q4 2022
Operating result	2 128	1 502
Depreciation and amortisation	-1 094	-451
Gain (loss) on disposal of tangible assets	-66	-
Share of net income from associates and joint ventures	-37	-305
Received dividend	30	123
Amortisation of contract costs	46	96
Changes in working capital	-34	432
Exchange rate effects on operating activities	-57	-98
<b>Cash from operating activities</b>	<b>917</b>	<b>1 298</b>
Net interest and finance cost, and taxes paid	-314	-140
<b>Net cash from operating activities</b>	<b>602</b>	<b>1 158</b>

The cash flow from the operating activities was NOK 917 million (NOK 1,298 million) and the main reason why the cash flow is lower versus last year is prepayment of receivables in 4th quarter in 2022. The working capital has further been impacted by higher activity in 2023. The interest payments are higher due to the standstill agreements (no payment of interest) on several of the Group's loan facilities in fourth quarter in 2022.

## CASH FLOW Q4 2023



The net cash flow from investments of NOK 242 million represents the cash impact after the sale of two vessels, NOK 271 million, and class docking /mobilisations of NOK -525 million. The net cash flow from financing activities normal amortisation of NOK 254 million and prepayment and cash sweep of NOK 283 million.

## Financial reporting YTD 2023 - Highlights

### PROFIT OR LOSS

2023 (MNOK)	2023	2022
Operating revenue	11 929	9 257
Net gain on sale of tangible assets	77	70
<b>EBITDA</b>	<b>4 110</b>	<b>3 129</b>
Depreciation	-1 270	-1 037
Impairment/reversal of impairment	1 919	594
<b>EBIT</b>	<b>4 759</b>	<b>2 685</b>
Net interest income and costs	-911	-1 465
Net currency and derivatives	174	-295
<b>Profit before taxes</b>	<b>4 022</b>	<b>933</b>
Taxes	164	-80
<b>Profit</b>	<b>4 185</b>	<b>854</b>

The revenue and EBITDA growth is approximately 30%, mainly related to a high activity on subsea project contracts, improved terms on new contracts and a general high utilisation of the fleet through the year. The market has developed very positively resulting in increased fair market values and earnings estimates of the fleet, hence NOK 1,919 million has been reversed from previous impairments of the vessels. The interest costs are lower mainly due to the lower debt after the debt conversion by end March. The taxes are positive because parts of the deferred tax losses have been booked as assets in the balance sheet in the fourth quarter.

### BALANCE

(MNOK)	31.12.2023	31.12.2022
Non-current assets	20 668	16 787
Current assets	3 754	2 690
Cash and cash equivalents	2 849	2 825
<b>Total assets</b>	<b>27 270</b>	<b>22 303</b>
Equity	10 522	364
Non-current liabilities	13 426	278
Current liabilities	3 322	21 660
<b>Total equity and liabilities</b>	<b>27 270</b>	<b>22 303</b>
Net interest bearing debt (NIBD)	11 309	16 631
Net interest bearing debt (NIBD) excl. effect IFRS 16	10 855	16 374

The Group has by 31 December 2023 a sustainable balance sheet with an equity ratio of 39% (0%) and a NIBD (net interesting bearing debt) of NOK 11,309 million (NOK 16,631 million). The balance sheet has been significantly strengthened after the completion of the financial restructuring in March, and a strong result in 2023.

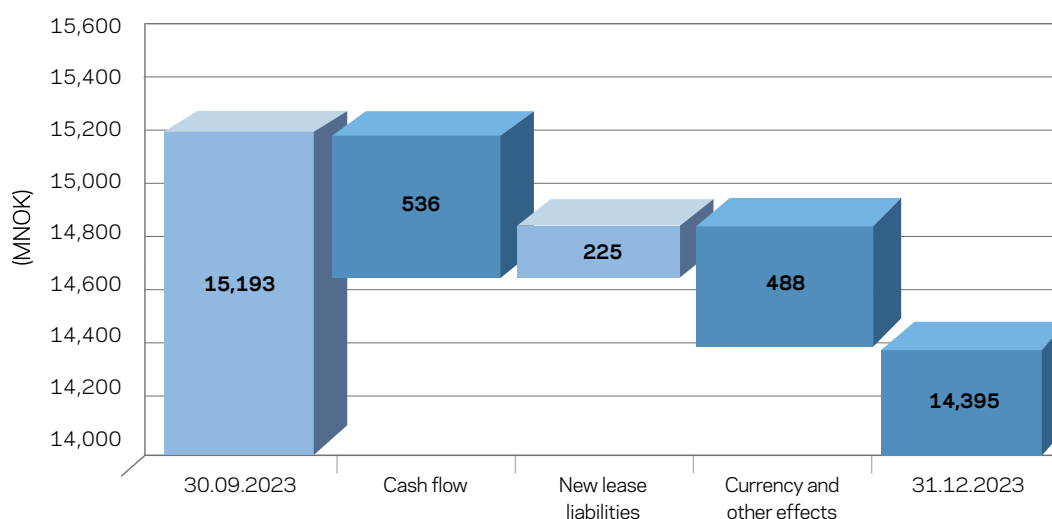
The non-current assets include vessels and subsea equipment of NOK 15,203 million (NOK 12,838 million), the shares in JVs (mainly DOFCON) of NOK 3,215 million (NOK 3,571 million), other receivables of NOK 1,561 million (NOK 275 million) and deferred tax assets NOK 689 million (NOK 103 million). The increase in non-current assets is related to the acquisition of two vessels and reversal of previous impairment. The sale of four vessels through the year has had limited impact on the book value of non-current assets. The increase in other receivables represent a long-term shareholder loan to the DOFCON JV booked in 3rd quarter, sub-lease of third-party vessels and contract costs. The main change in cash position is the increased restricted cash of NOK 811 million (NOK 209 million) which mainly represent cash deposits in DOF Subsea Group which was netted against the debt before the financial restructuring.

The current portion of debt, NOK 989 million (NOK 19,456 million) represents normal amortisation for the next 12 months. Net working capital (excl. cash) is NOK 1,420 million (NOK 486 million).

## Financing and Capital Structure

The Group's total interest-bearing debt at the end of the quarter is NOK 14,394 million (NOK 19,548 million) of which NOK 12,972 million represent secured debt to credit institutions, NOK 733 million is the remaining bond debt in DOF Subsea and NOK 690 million as lease debt (partly related to right-of-use assets and sub leases). Approximately 80% of the Group's debt is drawn in USD and the remaining debt is drawn in NOK.

### TOTAL INTEREST BEARING DEBT 30.09.2023 - 31.12.2023



After completion of the restructuring new facilities have been drawn in DOF Subsea Group, DOF Rederi and Norskan. The main terms in the new facilities include low interest (~2% margin above NIBOR/SOFR) and low amortisation and a cash sweep mechanism. The new facilities mature in January 2026. The Company guarantees 100% of the DOF Rederi facility and 70% of the outstanding Norskan facilities.

In Norskan the BNDES portion of the secured debt represents 84% and matures in the period from 2030-2033 and a low amortisation profile has been agreed until end of 2025. The BNDES facilities have fixed interest rates in the range of 3.9 to 4.9% during the entire duration of the loans.



The convertible bond loan in DOF Subsea matures in December 2027 and includes interest (PIK) of NIBOR+ 2%. The bond loan can be converted to equity on maturity in December 2027.

The debt in the DOFCON JV was not part of the restructuring and this fleet has been funded by BNDES and Eksfin with maturity after 2026. Any dividend payments from DOFCON JV will be utilised to repay the secured debt (2/3) and the bond debt (1/3) in DOF Subsea.

The Skandi Hera, Skandi Darwin and Skandi Iceman has been financed by three new loan facilities at normal market terms and 5-year duration. This financing is non-recourse.

## Shareholders

The Company's current share capital is NOK 441,623,045 divided into 176,649,218 ordinary shares with nominal value of NOK 2.50.

In October the B-shares of in total 123,276,652 was converted to ordinary shares and as such there is only one class of shares in the Company.

By 31st of December 2023 the share price was NOK 56.71/share and at the date of this report the share price is NOK 62.70/share. See further details on the 20 largest shareholders in Note 14 to the accounts.

## Subsequent events

The Group has been awarded several new contracts after balance date:

- The contract with Prime Energy Resources for the Skandi Hawk has been extended to the end of 2027 and includes vessel and subsea services at the Malampaya gas field offshore the Philippines.
- The Skandi Iceman has been awarded a 3- year firm contract plus 3x1 year option periods for Equinor Energy to support the operations in the North Sea.
- The Skandi Kvitsøy has been awarded a 2-year firm contract with an international oil company. The vessel will operate in Australian waters.
- The Group has been awarded a project contract by Altera Infrastructure to install one FPSO at the Baleine field in Cote d'Ivoire, West-Africa. The contract has a duration of 130 days, the Skandi Skansen will be mobilised on the project.
- TechnipFMC has exercised the option for the Skandi Africa and the vessel is firm until January 2026.

The Group CFO, Hilde Drønen, has decided to step down from her role by end of 2024 and Martin Lundberg, Head of Investor Relations will be appointed as the new CFO.

# Outlook

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The markets have continued to improve for all types of services and the Group is well positioned towards expected increased demand for the Group's assets both within the O&G and the Renewable markets.

The Group further expects an increased demand for AHTS tonnage similar to what we have seen for the Subsea and PSV tonnage. Longer term the Group is well positioned towards an expected increase in the renewable markets due to its fleet and subsea and mooring competence. The Group has secured a backlog of the existing fleet of approximately 84% for 2024 and has a good visibility on the operational earnings for 2024.

The Group's balance sheet is now sustainable, and the Group is well positioned to support further growth and to deliver on the Group's strategy. The expected operational EBITDA for 2024 is in the range of USD 470-520 million.

The Group has a global operation with the main currency in USD, hence the reporting from 2024 and onwards will be in USD.

**DOF Group ASA,  
February 22<sup>nd</sup>, 2024**

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# Accounts

Q4 2023

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## Consolidated statement of profit or loss

(MNOK)	Note	Q4 2023	Q4 2022	2023	2022
Operating revenue	3	3 205	2 827	11 929	9 257
Operating expenses	6	-2 274	-2 081	-8 303	-6 802
Share of net profit from joint ventures and associates	7	37	305	407	604
Net gain (loss) on sale of tangible assets		66	-	77	70
<b>Operating profit before depreciation and impairment - EBITDA</b>		<b>1 034</b>	<b>1 051</b>	<b>4 110</b>	<b>3 129</b>
Depreciation	5	-385	-234	-1 270	-1 037
Impairment (-)/reversal of impairment	5	1 479	687	1 919	594
<b>Operating profit - EBIT</b>		<b>2 128</b>	<b>1 504</b>	<b>4 759</b>	<b>2 685</b>
Financial income		84	35	283	98
Financial costs		-298	-527	-1 194	-1 564
Net realised currency gain (loss)		24	-292	-1 065	-120
Net unrealised currency gain (loss)		356	1 048	1 239	-175
Net changes in unrealised gain (loss) on derivatives		-	-	-	9
<b>Net financial costs</b>		<b>166</b>	<b>263</b>	<b>-737</b>	<b>-1 751</b>
<b>Profit (loss) before taxes</b>		<b>2 295</b>	<b>1 767</b>	<b>4 022</b>	<b>933</b>
Taxes income (cost)	5	474	39	164	-80
<b>Profit (loss) for the period</b>		<b>2 768</b>	<b>1 806</b>	<b>4 185</b>	<b>854</b>
Profit attributable to					
Non-controlling interest		54	38	46	-11
Controlling interest		2 715	1 769	4 139	865
Diluted earnings per share (NOK)	13	15.37	11.18	24.64	5.46

## Consolidated statement of comprehensive income

(MNOK)	Note	Q4 2023	Q4 2022	2023	2022
<b>Profit (loss) for the period</b>		<b>2 768</b>	<b>1 806</b>	<b>4 185</b>	<b>854</b>
<b>Items that will be subsequently reclassified to profit or loss</b>					
Currency translation differences		-74	224	-311	-355
Cash flow hedge		-4	13	17	10
Share of other comprehensive income of joint ventures	8	-136	-343	187	361
<b>Items that not will be reclassified to profit or loss</b>					
Defined benefit plan actuarial gain (loss)		-	-	-	-
<b>Other comprehensive income/loss net of tax</b>		<b>-214</b>	<b>-106</b>	<b>-106</b>	<b>16</b>
<b>Total comprehensive income/loss</b>		<b>2 554</b>	<b>1 701</b>	<b>4 079</b>	<b>870</b>
<b>Total comprehensive income/loss net attributable to</b>					
Non-controlling interest		54	38	49	-11
Controlling interest		2 500	1 663	4 030	880

## Consolidated statement of balance sheet

(MNOK)	Note	31.12.2023	31.12.2022
ASSETS			
Tangible assets	6	15 203	12 838
Deferred tax assets		689	103
Investment in joint ventures and associated companies	8	3 215	3 571
Other non-current assets	7	1 561	275
<b>Total non-current assets</b>		<b>20 668</b>	<b>16 787</b>
Trade receivables		2 940	2 106
Receivable DOF ASA		-	-
Other current receivables		813	584
<b>Current receivables</b>		<b>3 754</b>	<b>2 690</b>
Restricted deposits		811	209
Unrestricted cash and cash equivalents		2 038	2 616
<b>Cash and cash equivalents</b>	9	<b>2 849</b>	<b>2 825</b>
<b>Current assets</b>		<b>6 603</b>	<b>5 516</b>
<b>Total Assets</b>		<b>27 270</b>	<b>22 303</b>
EQUITY AND LIABILITIES			
Share capital		412	-
Other equity		10 015	284
Non-controlling interests		95	81
<b>Total equity</b>		<b>10 522</b>	<b>364</b>
Bond loan		733	-
Debt to credit institutions	10	12 222	-
Lease liabilities	10	469	274
Other non-current liabilities		3	4
<b>Non-current liabilities</b>		<b>13 426</b>	<b>278</b>
Current portion of debt	10	989	19 456
Debt to DOF ASA		-	-
Trade payable		1 589	1 406
Other current liabilities		745	798
<b>Current liabilities</b>		<b>3 322</b>	<b>21 660</b>
<b>Total liabilities</b>		<b>16 749</b>	<b>21 939</b>
<b>Total equity and liabilities</b>		<b>27 270</b>	<b>22 303</b>

## Consolidated statement of cash flows

(MNOK)	Q4 2023	Q4 2022	2023	2022
Operating result	2 128	1 502	4 759	2 685
Depreciation and impairment	-1 094	-451	-649	444
Gain (loss) on disposal of tangible assets	-66	-	-77	-70
Share of net income from associates and joint ventures	-37	-305	-407	-604
Dividend received from joint ventures	30	123	30	123
Amortisation of contract costs	46	96	124	96
Changes in trade receivable	-186	70	-834	-646
Changes in trade payable	20	260	182	464
Changes in other working capital	132	102	-285	175
Exchange rate effects on operating activities	-57	-98	21	61
<b>Cash from operating activities</b>	<b>917</b>	<b>1 298</b>	<b>2 864</b>	<b>2 727</b>
Interest received	39	37	140	72
Interest and other finance costs paid	-285	-132	-1 329	-412
Taxes paid	-68	-45	-301	-102
<b>Net cash from operating activities</b>	<b>602</b>	<b>1 158</b>	<b>1 374</b>	<b>2 285</b>
Payments received for sale of tangible assets	271	2	417	137
Purchase of tangible assets	-432	-191	-1 039	-576
Purchase of contract costs	-93	-96	-289	-144
Payment of acquisition, net of cash	-	-	25	-
Payment received on sale of shares	-	9	11	9
Net cash from non-current receivables	12	5	87	310
<b>Net cash from investing activities</b>	<b>-242</b>	<b>-271</b>	<b>-788</b>	<b>-265</b>
Proceeds from borrowings	244	-	244	-
Repayment of borrowings	-781	-27	-2 075	-573
Restricted cash net of debt	-	-105	893	-410
Changes cash pool DOF	-	188	-	188
Payout of non-controlling interest	-	-	-152	-
Share issue	-	-	457	-
Dividend paid	-	-33	-37	-33
<b>Net cash from financing activities</b>	<b>-537</b>	<b>23</b>	<b>-670</b>	<b>-828</b>
<b>Net changes in cash and cash equivalents</b>	<b>-177</b>	<b>910</b>	<b>-84</b>	<b>1 192</b>
Cash and cash equivalents at the start of the period	3 109	1 999	2 825	1 561
Exchange gain/loss on cash and cash equivalents	-83	-84	108	72
<b>Cash and cash equivalents at the end of the period</b>	<b>2 849</b>	<b>2 825</b>	<b>2 849</b>	<b>2 825</b>

Restricted cash amounts to NOK 811 million (NOK 209 million) and is included in the cash.

Restricted cash, previously offset against debt to credit institutions has been reclassified to cash in March 2023. The cash effects of the reclassification is reflected in the financing activities.

For further information, please see note 9 “Cash and cash equivalents”.

## Consolidated statement of equity

(MNOK)	Share capital	Other contributed capital	Other equity - Retained earnings	Other equity - Currency translation differences	Other equity - Cash flow hedge	Total other equity	Non-controlling interest	Total equity
Balance at 01.01.2023	-		-74	438	-81	283	81	364
Result (loss) for the period			4 139			4 139	46	4 185
Other comprehensive income/loss			187	-314	17	-109	3	-106
<b>Total comprehensive income for the period</b>	-	-	<b>4 326</b>	<b>-314</b>	<b>17</b>	<b>4 030</b>	<b>49</b>	<b>4 079</b>
Debt conversion	396	5 424				5 424		5 820
Payout of non-controlling interest *)			-152			-152		-152
Share issues	46	411				411		457
Dividend to non-controlling interest						-	-37	-37
Other adjustment			-11			-11	2	-9
<b>Total transactions with the owners</b>	<b>441</b>	<b>5 835</b>	<b>-163</b>	<b>-</b>	<b>-</b>	<b>5 672</b>	<b>-35</b>	<b>6 079</b>
<b>Balance at 31.12.2023</b>	<b>442</b>	<b>5 835</b>	<b>4 090</b>	<b>124</b>	<b>-64</b>	<b>9 986</b>	<b>95</b>	<b>10 522</b>
*) Related to exercised option shares in Iceman								
Balance at 01.01.2022			-1 396	793	-91	-693	91	-602
Result (loss) for the period			865			865	-11	854
Other comprehensive income/loss			361	-355	10	16	-	16
<b>Total comprehensive income for the period</b>	-	-	<b>1 226</b>	<b>-355</b>	<b>10</b>	<b>880</b>	<b>-11</b>	<b>870</b>
Share issues	-					-		-
Dividend paid			-33			-33		-33
Effect contribution in kind			129			129		129
<b>Total transactions with the owners</b>	-	-	<b>96</b>	<b>-</b>	<b>-</b>	<b>96</b>	<b>-</b>	<b>96</b>
<b>Balance at 31.12.2022</b>	-	-	<b>-74</b>	<b>438</b>	<b>-81</b>	<b>283</b>	<b>81</b>	<b>364</b>

## Key figures

		Q4 2023	Q4 2022	2023	2022
EBITDA margin ex net gain on sale of vessel	1	30%	37%	34%	33%
EBITDA margin	2	32%	37%	34%	34%
EBIT margin	3	66%	53%	40%	29%
Profit per share	4	15.37	11.18	24.64	5.46
Return on net capital	5			-40%	-234%
Equity ratio	6			39%	2%
Net interest bearing debt				11 309	16 631
Net interest bearing debt excl. effect of IFRS 16				10 855	16 374
Average number of shares in the period		176 649 218	158 250 596	168 021 488	158 250 596
Outstanding number of shares period end				176 649 218	158 250 596

- 1) Operating profit before depreciation excluded net gain on sale of vessel in percent of operating income.
- 2) Operating profit before depreciation in percent of operating income.
- 3) Operating profit in percent of operating income.
- 4) Result /potential average no. of shares.
- 5) Result incl non-controlling interest/total equity.
- 6) Total equity/total balance.



# Notes to the accounts

## Q4 2023

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### Note 1 General

DOF Group ASA (the “Company”) and its subsidiaries (together, the “Group”) own and operate a fleet of PSV, AHTS, subsea vessels and service companies offering services to the subsea market worldwide.

The Company is domiciled in Norway. The head office is located at Storebø in the municipality of Austevoll, Norway.

These condensed interim financial statements have not been audited.

#### **Basis 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 disclosure required in the annual financial statements, and should be read in conjunction with the Group’s Annual Report for 2022. The accounting principles is the same as applied in the Annual report for 2022, and in addition application of accounting principles in relation to the refinancing of the Group described in note 10.

#### **Estimates and judgements**

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31st of December 2022, with the exception of changes in estimates that are required in determining the provision for income taxes, and the judgements done and application of accounting principles in relation to the refinancing of the Group, that are described in note 10.

## Note 2 Management reporting

The reporting below is presented according to internal management reporting, based on the proportional consolidation method of accounting of jointly controlled companies. The bridge between the management reporting and the figures reported in the financial statement is presented below.

RESULT (MNOK)	4 <sup>th</sup> Quarter 2023			4 <sup>th</sup> Quarter 2022		
	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
Operating revenue	3 449	-244	3 205	3 204	-378	2 827
Operating expenses	-2 274	-	-2 274	-2 080	-1	-2 081
Net profit from associated and joint ventures	1	36	37	-	305	305
Net gain on sale of tangible assets	66	-	66	-	-	-
<b>Operating profit before depreciation and impairment - EBITDA</b>	<b>1 241</b>	<b>-207</b>	<b>1 034</b>	<b>1 125</b>	<b>-74</b>	<b>1 051</b>
Depreciation	-506	121	-385	-325	91	-234
Impairment (-)/reversal of impairment	1 479	-	1 479	748	-61	687
<b>Operating profit - EBIT</b>	<b>2 215</b>	<b>-86</b>	<b>2 128</b>	<b>1 548</b>	<b>-44</b>	<b>1 504</b>
Financial income	58	26	84	34	1	35
Financial costs	-318	20	-298	-564	37	-527
Net realised gain/loss on currencies	27	-3	24	-294	2	-292
Net unrealised gain/loss on currencies	372	-16	356	1 047	1	1 048
Net changes in fair value of financial instruments	-	-	-	-	-	-
<b>Net financial costs</b>	<b>139</b>	<b>27</b>	<b>166</b>	<b>223</b>	<b>41</b>	<b>263</b>
<b>Profit (loss) before taxes</b>	<b>2 354</b>	<b>-59</b>	<b>2 295</b>	<b>1 771</b>	<b>-4</b>	<b>1 767</b>
Taxes	414	59	474	35	4	39
<b>Profit (loss)</b>	<b>2 768</b>	<b>-</b>	<b>2 768</b>	<b>1 806</b>	<b>-</b>	<b>1 806</b>

RESULT (MNOK)	2023			2022		
	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
Operating revenue	13 365	-1 436	11 929	10 702	-1 446	9 257
Operating expenses	-8 492	189	-8 303	-7 009	207	-6 802
Net profit from associated and joint ventures	-1	408	407	-	604	604
Net gain on sale of tangible assets	77	-	77	70	-	70
<b>Operating profit before depreciation and impairment - EBITDA</b>	<b>4 949</b>	<b>-839</b>	<b>4 110</b>	<b>3 764</b>	<b>-635</b>	<b>3 129</b>
Depreciation	-1 651	381	-1 270	-1 376	338	-1 037
Impairment (-)/reversal of impairment	1 919	-	1 919	655	-61	594
<b>Operating profit - EBIT</b>	<b>5 217</b>	<b>-458</b>	<b>4 759</b>	<b>3 043</b>	<b>-358</b>	<b>2 685</b>
Financial income	260	23	283	88	10	98
Financial costs	-1 342	148	-1 194	-1 744	180	-1 564
Net realised gain/loss on currencies	-1 060	-5	-1 065	-119	-1	-120
Net unrealised gain/loss on currencies	1 241	-2	1 239	-149	-26	-175
Net changes in fair value of financial instruments	-	-	-	9	-	9
<b>Net financial costs</b>	<b>-902</b>	<b>165</b>	<b>-737</b>	<b>-1 915</b>	<b>163</b>	<b>-1 751</b>
<b>Profit (loss) before taxes</b>	<b>4 315</b>	<b>-294</b>	<b>4 022</b>	<b>1 128</b>	<b>-195</b>	<b>933</b>
Taxes	-130	294	164	-275	195	-80
<b>Profit (loss)</b>	<b>4 185</b>	<b>-</b>	<b>4 185</b>	<b>854</b>	<b>-</b>	<b>854</b>

BALANCE (MNOK)	31.12.2023			31.12.2022		
	Management reporting	Reconciliation to equity method	Financial reporting	Management reporting	Reconciliation to equity method	Financial reporting
<b>ASSETS</b>						
Tangible assets	21 735	-6 532	15 203	19 382	-6 544	12 838
Deferred taxes	751	-62	689	353	-250	103
Investment in joint ventures and associated companies	4	3 211	3 215	5	3 566	3 571
Other non-current assets	730	831	1 561	379	-104	275
<b>Total non-current assets</b>	<b>23 220</b>	<b>-2 553</b>	<b>20 668</b>	<b>20 119</b>	<b>-3 332</b>	<b>16 787</b>
Receivables	4 083	-330	3 754	2 937	-247	2 690
Cash and cash equivalents	3 590	-741	2 849	3 221	-396	2 825
<b>Total current assets</b>	<b>7 673</b>	<b>-1 071</b>	<b>6 603</b>	<b>6 158</b>	<b>-643</b>	<b>5 516</b>
<b>Total assets</b>	<b>30 894</b>	<b>-3 623</b>	<b>27 270</b>	<b>26 277</b>	<b>-3 975</b>	<b>22 303</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>	<b>10 522</b>	<b>-</b>	<b>10 522</b>	<b>364</b>	<b>-</b>	<b>364</b>
Non-current liabilities	16 304	-2 878	13 426	3 524	-3 245	278
Current liabilities	4 068	-745	3 322	22 390	-729	21 660
<b>Total liabilities</b>	<b>20 372</b>	<b>-3 623</b>	<b>16 749</b>	<b>25 913</b>	<b>-3 975</b>	<b>21 939</b>
<b>Total equity and liabilities</b>	<b>30 894</b>	<b>-3 623</b>	<b>27 270</b>	<b>26 277</b>	<b>-3 975</b>	<b>22 303</b>
Net interest bearing liabilities excluded effect of IFRS 16	13 429	-2 574	10 855	19 658	-3 284	16 374

## Note 3 Segment information - management reporting

A new segment reporting has been implemented from 01.01.2023 to better reflect the Group's operational strategy and to better present the performance from the subsidiaries of the Group. The new segments are the following:

- \* DOF Subsea Group (including the 50% share in the DOFCON JV) - subsea engineering and shipowning
- \* DOF Rederi (including a SPC owning one vessel, Skandi Iceman) - shipowning
- \* Norskan Offshore Ltda - shipowning and vessel management
- \* Corporate and vessels management

The segment is based on the management reporting, see note 2.

4 <sup>th</sup> Quarter 2023	DOF Subsea	Norskan	DOF Rederi	Corporate/ management	Group
Operating revenue	2 594	765	285	124	3 449
Operating expenses	-1 793	-515	-163	-112	-2 274
Share of net income of joint ventures	-3				1
Gain/loss of on sale of tangible assets	22		44		66
<b>Operating profit before depreciation and impairment - EBITDA</b>	<b>819</b>	<b>250</b>	<b>165</b>	<b>12</b>	<b>1 241</b>
Depreciation	-381	-68	-58	-7	-506
Impairment (-) /reversal of impairment	1 040		439		1 479
<b>Operating profit - EBIT</b>	<b>1 478</b>	<b>182</b>	<b>547</b>	<b>6</b>	<b>2 215</b>

4 <sup>th</sup> Quarter 2022	DOF Subsea	Norskan	DOF Rederi	Corporate/ management	Group
Operating revenue	2 537	598	250	107	3 204
Operating expenses	-1 644	-448	-169	-108	-2 077
Share of net income of joint ventures	-2	-	-	-2	-2
Gain/loss of on sale of tangible assets	-	-	-	-	-
<b>Operating profit before depreciation and impairment - EBITDA</b>	<b>891</b>	<b>150</b>	<b>81</b>	<b>-2</b>	<b>1 125</b>
Depreciation	-219	-53	-48	-5	-325
Impairment (-) /reversal of impairment	736	-	12	-	748
<b>Operating profit - EBIT</b>	<b>1 408</b>	<b>97</b>	<b>44</b>	<b>-7</b>	<b>1 548</b>

Total year 2023	DOF Subsea	Norskan	DOF Rederi	Corporate/ management	Group
Operating revenue	10 261	2 635	1 149	464	13 365
Operating expenses	-6 533	-1 952	-683	-459	-8 492
Share of net income of joint ventures	2				-1
Gain/loss of on sale of tangible assets	33		44		77
<b>Operating profit before depreciation and impairment - EBITDA</b>	<b>3 763</b>	<b>683</b>	<b>510</b>	<b>5</b>	<b>4 949</b>
Depreciation	-1 158	-246	-235	-20	-1 651
Impairment (-) /reversal of impairment	1 326		593		1 919
<b>Operating profit - EBIT</b>	<b>3 931</b>	<b>437</b>	<b>868</b>	<b>-15</b>	<b>5 217</b>

Total year 2022	DOF Subsea	Norskan	DOF Rederi	Corporate/ management	Group
Operating revenue	8 302	2 099	936	336	10 702
Operating expenses	-5 392	-1 623	-652	-312	-7 006
Share of net income of joint ventures	-1	-	-	-2	-2
Gain/loss of on sale of tangible assets	27	-	43	-	70
<b>Operating profit before depreciation and impairment - EBITDA</b>	<b>2 935</b>	<b>476</b>	<b>327</b>	<b>22</b>	<b>3 764</b>
Depreciation	-973	-198	-186	-19	-1 376
Impairment (-) /reversal of impairment	736	-93	12	-	655
<b>Operating profit - EBIT</b>	<b>2 698</b>	<b>185</b>	<b>154</b>	<b>3</b>	<b>3 043</b>

## Note 4 Operating revenue

The Group's revenue from contracts with customers has been disaggregated and presented in the table below;

Operating revenue	Q4 2023	Q4 2022	2023	2022
Lump sum contracts	94	129	433	385
Day rate contracts	3 111	2 698	11 496	8 872
<b>Total</b>	<b>3 205</b>	<b>2 827</b>	<b>11 929</b>	<b>9 257</b>

## Note 5 Tax

Improved market with high activity and new contracts has resulted in better visibility in future earnings and the impairment testing has resulted in recognition of deferred tax assets of NOK 689 million at year-end 2023. In total NOK 565 million is recognised as changes in deferred taxes in the profit or loss statement.

## Note 6 Tangible assets

2023	Vessel and periodical maintenance	ROV	Operating equipment	Asset "Right-of-use"	Total
Book value at 01.01.2023	11 893	491	239	215	12 838
Addition	1 294	147	56	265	1 762
Disposal	-361	-36	-30	-6	-433
Depreciation	-1 018	-124	-48	-80	-1 270
Impairment loss	-69				-69
Reversal of impairment	1 988				1 988
Currency translation differences	372	-1	3	13	387
<b>Book value at 31.12.2023</b>	<b>14 099</b>	<b>477</b>	<b>220</b>	<b>407</b>	<b>15 203</b>

2022	Vessel and periodical maintenance	ROV	Operating equipment	Asset "Right-of-use"	Total
Book value at 01.01.2022	11 255	480	246	217	12 199
Addition	452	121	56	45	674
Reclassification					-
Disposal	-118	-	-7	-3	-128
Depreciation	-827	-100	-60	-51	-1 038
Impairment loss	-93	-13		-4	-111
Reversal of impairment	705				705
Currency translation differences	518	4	4	10	536
<b>Book value at 31.12.2022</b>	<b>11 892</b>	<b>491</b>	<b>239</b>	<b>214</b>	<b>12 838</b>

### Disposal

The vessels Skandi Barra and Skandi Caledonia are sold and delivered to new owners in Q4 2023. In addition two ROV's are sold in the period. Total gain in sale of tangible assets amounts to NOK 77 million in 2023.

### Right-of-use asset

Net booked value of right-of-use assets at the 31.12.2023 consists of vessels with NOK 201 million, property with NOK 204 million (NOK 211 million) and operating equipment with NOK 2 million (NOK 4 million).

### Impairment/reversal of impairment

The impairment test is based on operational performance, contract backlog and improved market and the nominal WACC used in the value in use calculation are ranging from 9.2% - 11.2%.

The impairment test performed per 31st of December 2023 has resulted in impairment of NOK 68 million and reversal of impairment of NOK 1,548 million in Q4 2023. In total the Group has reversed impairment of NOK 1,988 million in 2023.



## Note 7 Contract costs

	31.12.2023	31.12.2022
Net booked value 01.01.	184	126
Additions	293	143
Amortisation	-124	-96
Currency translation differences	16	11
Net booked value closing balance	369	184

## Note 8 Investment in joint ventures and associates

The Company's investment in joint ventures and associates as of 31.12.2023;

Joint ventures	Ownership
DOFCON Brasil AS with subsidiaries	50%
KDS JV AS	50%
<b>Associated companies</b>	
Master & Commander under liquidation	20%
Semar AS	42%

Effect of application of IFRS 11 on investments in joint ventures;	31.12.2023	31.12.2022
Opening balance 01.01	3 571	2 730
Addition	-	-
Profit (loss)	407	604
Profit (loss) through OCI	187	360
Dividend	-950	-123
Closing balance	3 215	3 571

## Note 9 Cash and cash equivalent

	31.12.2023	31.12.2022
Restricted cash	811	209
Unrestricted cash and cash equivalent	2 038	2 616
<b>Total cash and cash equivalent</b>	<b>2 849</b>	<b>2 825</b>

Restricted cash consist of cash only available for specific purposes. A portion of this cash serves as security for outstanding debt following enforcements of account pledges.

In the stand-still period the restricted cash towards lenders was presented net of debt to credit institutions and included in the repayment of debt in the cash flow statement. At the completion of the refinancing the restricted cash is reclassified to cash and cash equivalent. The reclassification amounts to NOK 893 million.

### Cash pool arrangement

The Group has cash pooling arrangements whereby cash surpluses and overdrafts residing in the Group companies bank accounts are pooled together to create a net surplus. The liquidity is made available through the cash pooling for the Companies in the Group to meet their obligations. The bank accounts in the cash pool consists of accounts in various currencies that on a currency basis can be in surplus or overdraft. Only the master accounts, (nominated in NOK) in each of the cash pools hierarchies are classified as bank deposits and included in the table above. The total cash pool can never be in net overdraft. No overdraft facilities are connected to the cash pools.

Surplus cash transferred to the Group's cash pool will be available at all times to meet the Group's financial obligations at any time. Some subsidiaries are not part of the cash pool structure. Surplus cash in these companies will be available for the rest of the Group through loans or dividends. Total cash in these subsidiaries are NOK 379 million and are included in unrestricted cash and cash equivalents.

## Note 10 Interest bearing liabilities

### Financing

The Group completed a comprehensive refinancing in March 2023, where approximately NOK 5.2 billion of the Group's debt was converted into equity, while most of the remaining debt settled by issuance of new debt instruments with substantially modified terms.

#### Management has applied two critical assumptions when determining the accounting effects of the refinancing:

The issuance of shares in the debt restructuring represented a final settlement of the defined amounts of principal and accrued unpaid interest according to the original loan agreements, and any interest that the creditors had not claimed but was included in the measurement of the financial liabilities. An alternative approach would be to allocate the unclaimed interest on a prorata basis between the portion of the debt that was converted to equity, and the portion of the debt that was settled by the issuance of new debt. The alternative approach would lead to a gain in profit and loss for the share of debt that was settled with issuance of new debt instruments. This judgment does not have any impact on the measurement of the financial liabilities or equity at the end of the reporting period. Total recognised unclaimed interest was NOK 317 million before the refinancing.

The terms of the new debt reflects the current market terms for debt issued by the Group, considering strengthening of the financial position achieved through the refinancing, the security provided, market outlook for the industry and the credit market in general. This assumption is supported by the process that led to the new financing structure. To reach an agreement, there has been negotiations covering the percentage of the liabilities that would be converted to equity, the conversion rate for the different loans, and the terms of the new financing. Because of the differences between the loans and different creditors, all the involved parties had incentives to reach an agreement with fair terms for both conversion percentage, conversion rate and terms of the new financing. The consequence of this assumption is that the fair value at initial recognition is equal to the defined amounts of the principal and any accrued unpaid interest of the old loans, and consequently that there is no gain or loss on extinguishment. If the terms of the new debt was considered favorable (unfavorable), the fair value at initial recognition would be lower (higher) with a corresponding gain (loss) in profit and loss. The effective interest rate in future periods would consequently be higher (lower).

The most important covenants in the new loan agreements are summarised below:

#### Financial covenants in the loan agreements

After completion of the financial restructuring of the Group, new loan facilities have been established including changes in the financial covenants. The most important financial covenants in the new loan agreements are the following:

##### *DOF Subsea Group (excluding DOF Subsea Brasil Ltda.)*

- The 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 the last day in each quarter.

##### *DOF Rederi AS*

- DOF Rederi AS shall have available cash of at least NOK 175 million.
- DOF Rederi AS shall have positive working capital (current assets less current liabilities excluded current portion of debt to credit institutions), on each testing date.
- DOF Rederi AS 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, 2.50x, from Mars-24-Dec 24, 3.50x and from Mars 25-Dec 25, 5.0x.
- 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 the last day in each quarter.

##### *Norskan Offshore Ltda.*

- Norskan Offshore shall have available cash of at least USD 1.5 million until June 23, USD 3.5 million until Sep 23, USD 7 million until Dec 23 and from Jan 24 USD 16 million.
- Norskan 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 24 1.25x, from Mars-25 to June 25, 1.5x and from June 25-Dec 25, 1.75x.
- Fair value (based on 2 brokers valuations) for the vessels shall be at least in range of 63% to 77% of the total outstanding loans related to the vessels.
- Testing date is set to be the last day in each quarter.

The new loan facilities for the Skandi Hera and the Skandi Darwin include financial covenants related to minimum cash and minimum book equity in the borrower.

## Note 10 Interest bearing liabilities (continued)

*The DOF Subsea Group has further the following financial covenants as guarantor for two facilities in the joint venture with TechnipFMC*

- The DOF Subsea Group shall have value adjusted equity to value adjusted assets of at least 30%.
- The DOF Subsea Group shall have a minimum book equity of NOK 3,000 million.
- The DOF Subsea Group shall have positive working capital at all times, excl. current portion of debt to credit institutions.
- The DOF Subsea Group shall have free cash of minimum NOK 500 million.

**At 31st of December 2023 the interest bearing liabilities are as follows;**

	31.12.2023	31.12.2022
<b>Non-current interest bearing liabilities</b>		
Bond loan	733	-
Debt to credit institutions	12 222	-
Lease liabilities (IFRS 16) *)	469	274
<b>Total non-current interest bearing liabilities</b>	<b>13 423</b>	<b>274</b>
<b>Current interest bearing liabilities</b>		
Bond loan		3 661
Debt to credit institutions	750	15 528
Lease liabilities (IFRS 16) *)	221	75
Overdraft facilities		10
<b>Total current interest bearing liabilities</b>	<b>971</b>	<b>19 273</b>
<b>Total interest bearing liabilities</b>	<b>14 394</b>	<b>19 548</b>
<b>Net interest bearing liabilities</b>		
Other interest bearing assets (sublease IFRS 16)	236	92
Cash and cash equivalents	2 849	2 825
<b>Total net interest bearing liabilities</b>	<b>11 309</b>	<b>16 631</b>
Net effect of IFRS 16 Lease	454	257
<b>Total net interest bearing liabilities excluded IFRS 16 Lease liabilities</b>	<b>10 855</b>	<b>16 374</b>

\*) Lease liabilities are related to right-of-use assets and sub-leases.

Current interest bearing debt in the balance sheet included accrued interest expenses of NOK 18 million. Accrued interest expenses are excluded in the figures above.

### Reconciliation changes in borrowings

Changes in total liabilities over a period consists of both cash effects (proceeds and repayments) and non-cash effects (amortisations and currency translations effects). The following are the changes in the Group's borrowings:

	Balance 31.12.2022	Cash flows *)	Non-cash changes				Balance 31.12.2023
			Conversion to equity **)	Acquisition subsidiary ***)	New lease liabilities	Currency and other effects	
<b>Interest bearing liabilities</b>							
Bond loan	3 661		-3 025			98	734
Debt to credit institutions	15 528	-767	-2 756	407	5	553	12 970
Lease liabilities	349	-161		-68	578	-8	690
Overdraft facilities	10	-10					-
<b>Total interest bearing liabilities</b>	<b>19 548</b>	<b>-938</b>	<b>-5 781</b>	<b>339</b>	<b>583</b>	<b>643</b>	<b>14 394</b>

\*) During the stand-still period in the Group, a restricted cash amount of NOK 893 million was booked as net of debt to credit institutions in the balance and presented as repayment of debt in the cash flow statement. At completion of the financial restructuring in March 2023 this cash amount has been booked as restricted cash under current assets, hence the long term debt to credit institutions has been increased with the same amount. As such the cash flow statement in 2023 present the actual cash amount utilised to repay debt. See note 8 'Cash and cash equivalent'

\*\*) The conversion of equity in the above table does not include accrued interest, which have not been interest bearing, and therefore this amount differs from the amount in the consolidated statement of equity.

\*\*\*) Loan related to purchase of Skandi Darwin and Skandi Hera.

### Loan divided on currency

At the 31st of December 2023 the liabilities is divided on currencies;

	NOK	Ratio %
NOK	2 612	18%
USD	11 741	80%
Other currencies	241	2%
<b>Total</b>	<b>14 594</b>	<b>100%</b>

## Note 11 Transaction with related parties

Transactions with related parties are governed by market terms and conditions in accordance with the “arm’s length principle”. The transactions are described in the Annual report for 2022.

There are no major changes in the type of transactions between related parties except for transactions with the lenders in relation to the refinancing of the Group. A majority of the Group’s lenders is assessed as related parties as they are now the owners of the Company. Please refer to note 9 for a further description of transactions with lenders, and the Consolidated Statement of Equity to see the effect on the Group’s equity.

## Note 12 Subsequent events

### Contracts

The Group has been awarded several new contracts after balance date:

- The contract with Prime Energy Resources for the Skandi Hawk has been extended to the end of 2027 and includes vessel and subsea services at the Malampaya gas field offshore the Philippines.
- The Skandi Iceman has been awarded a 3-year firm contract plus 3x1 year option periods for Equinor Energy to support the operations in the North Sea.
- The Skandi Kvitsøy has been awarded a 2-year firm contract with an international oil company. The vessel will operate in Australian waters.
- The Group has been awarded a project contract by Altera Infrastructure to install one FPSO at the Baleine field in Cote d’Ivoire, West-Africa. The contract has a duration of 130 days, the Skandi Skansen will be mobilised on the project.
- TechnipFMC has exercised the option for the Skandi Africa and the vessel is firm until January 2026.

### General

The Group has a global operation with the main currency in USD, hence the reporting from 2024 and onwards will be in USD.

## Note 13 Earnings per share

Earnings per share are calculated based on the number of shares after conversion of debt to equity approved in the General Meeting at the 22nd of March 2023. This number of shares has been used as demonitor, as the formal number of shares in the period, does not give relevant information. No adjustments has been made for interest expenses on debt that has subsequently been converted to equity.

Basis for calculation of earning per share	Q4 2023	Q4 2022	2023	2022
Profit (loss) for the year after non-controlling interest (NOK million)	2 715	1 769	4 139	865
Earnings per share for parent company shareholders (NOK)	15.37	11.18	24.64	5.46
Diluted average number of shares	176 649 218	158 250 596	168 021 488	158 250 596



## Note 14 Share capital and shareholders

### Largest shareholders as of 31.12.2023

Name	No. shares	Shareholding %
EKSPORTFINANSIERING NORGE	15 467 777	8.76%
CROSS OCEAN PARTNERS	14 421 128	8.16%
GEVERAN TRADING COMPANY, LTD.	10 528 571	5.96%
CITIBANK EUROPE PLC	8 208 101	4.65%
ODIN FORVALTNING AS	7 932 174	4.49%
SEB ENSKILDA EQUITIES	7 687 214	4.35%
SONGA CAPITAL AS	7 075 744	4.01%
DNB MARKETS	5 426 538	3.07%
DEUTSCHE BANK AG	5 078 541	2.87%
DNB ASSET MANAGEMENT AS	5 015 543	2.84%
LUNDBECKFOND INVEST	4 931 333	2.79%
MP PENSJON	4 127 825	2.34%
MØGSTER OFFSHORE AS	3 822 757	2.16%
INTERACTIVE BROKERS, L.L.C.	3 072 067	1.74%
STATE STREET BANK & TRUST CO	2 664 356	1.51%
ALFRED BERG KAPITALFORVALTNING AS	2 588 085	1.47%
SURFSIDE HOLDING AS	2 506 006	1.42%
IF P&C INSURANCE LTD (PUBL)	2 453 042	1.39%
INTERMARKET CORPORATION	2 313 846	1.31%
HEIMDAL FORVALTNING AS	2 250 000	1.27%
Total	117 570 648	66.56%
Total other shareholders	59 078 570	33.44%
Total no of shares	176 649 218	100.00%

The above table is obtained through a third-party analysis of beneficial ownership. Although reasonable efforts have been made to verify the data, the Company cannot guarantee its accuracy.

## Performance measurements definitions

The Group's financial information is prepared in accordance with international financial reporting standards (IFRS). In addition the Group discloses alternative performance measures as a supplement to the financial statement prepared in accordance with IFRS. Such performance measures are used to provide an enhanced insight into the operating performance, financing and future prospects of the company and are frequently used by securities analysts, investors and other interested parties.

The definitions of these measures are as follows:

**Financial reporting** – Financial Reporting according to IFRS.

**Management reporting** – Investments in joint ventures (JV) is consolidated on gross basis in the income statement and the statement of financial position. See the Groups note 2 for presentation of the bridge between the management reporting and the financial reporting.

**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.

**Interest bearing debt** – Total of current and non-current borrowings.

**Net interest bearing debt** – Is defined as Interest bearing debt less current and non-current interest-bearing receivables and cash and cash equivalents. The use of the term “net debt” does not necessarily mean cash included in the calculation are available to settle debts if included in the term. See the Groups Accounts note 10 for presentation of net interest bearing debt.

Net interest-bearing debt is a non-IFRS measure for the financial leverage of the Group, a financial APM the Group intends to apply in relation to its capacity for dividend distribution and/or for doing investments, when and if the Group will be able to carry out its dividend distribution and/or investments policy.

**Debt ratio** – Net interest bearing debt divided on total equity and debt.

In addition the Group has the following indications;

**Utilisation** – Utilisation of vessel numbers is based on actual available days including days at yard for periodical maintenance, upgrading, transit or idle time between contracts.

**Contract coverage** – Number of future sold days compared with total actual available days excluded options.

**Contract Backlog** – Sum of undiscounted revenue related to secured contracts in the future and optional contract extensions as determined by the client. Contract coverage related to master service agreements (MSA's) within the CSV segment, includes only confirmed purchase order.

# Supplemental information

## Reporting last five quarters

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The supplemental information below is presented according to management reporting, based on the proportionate consolidation method. Proportionate consolidation method implies full consolidation for subsidiaries, and consolidation of 50% of the comprehensive income and financial position for the joint ventures.

### Consolidated statement of profit or loss

(MNOK)	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Operating revenue	3 449	3 372	3 524	3 020	3 204
Operating expenses	-2 274	-2 088	-2 175	-1 954	-2 080
Share of net profit from joint ventures and associates	1	-	-	-2	-
Net gain (loss) on sale of tangible assets	66	12	-	-	-
<b>Operating profit before depreciation and impairment - EBITDA</b>	<b>1 241</b>	<b>1 295</b>	<b>1 349</b>	<b>1 064</b>	<b>1 125</b>
Depreciation	-506	-406	-377	-363	-325
Impairment (-)/reversal of impairment	1 479	0	440	0	748
<b>Operating profit - EBIT</b>	<b>2 215</b>	<b>889</b>	<b>1 412</b>	<b>701</b>	<b>1 548</b>
Financial income	58	67	101	34	34
Financial costs	-318	-330	-275	-420	-564
Net realised gain (loss) on currencies	27	-39	39	-1 088	-294
Net unrealised gain (loss) on currencies	372	-249	87	1 032	1 047
Net changes in unrealised gain (loss) on derivatives	-	-	-	-	-
<b>Net financial costs</b>	<b>139</b>	<b>-551</b>	<b>-48</b>	<b>-442</b>	<b>223</b>
<b>Profit (loss) before taxes</b>	<b>2 354</b>	<b>338</b>	<b>1 364</b>	<b>259</b>	<b>1 771</b>
Taxes	414	-53	-224	-267	35
<b>Profit (loss) for the period</b>	<b>2 768</b>	<b>285</b>	<b>1 140</b>	<b>-8</b>	<b>1 806</b>
<b>Profit attributable to</b>					
Non-controlling interest	54	9	-4	-13	38
Controlling interest	2 715	276	1 144	5	1 768

## Consolidated statement of balance sheet

(MNOK)	31.12.2023	30.09.2023	30.06.2023	31.03.2023	31.12.2022
<b>ASSETS</b>					
Tangible assets	21 735	20 640	21 301	20 016	19 382
Deferred tax assets	751	235	288	364	353
Investment in joint ventures and associated companies	4	3	3	3	5
Other non-current assets	730	739	749	658	379
<b>Total non-current assets</b>	<b>23 220</b>	<b>21 616</b>	<b>22 342</b>	<b>21 041</b>	<b>20 119</b>
Receivables and other current asset	4 083	3 776	3 907	3 264	2 937
Cash and cash equivalents	3 590	3 939	3 628	3 325	3 221
<b>Current assets</b>	<b>7 673</b>	<b>7 714</b>	<b>7 535</b>	<b>6 589</b>	<b>6 158</b>
<b>Total Assets</b>	<b>30 894</b>	<b>29 331</b>	<b>29 877</b>	<b>27 631</b>	<b>26 277</b>
<b>EQUITY AND LIABILITIES</b>					
Share capital	442	442	437	396	-
Other equity	9 985	7 473	7 330	5 725	283
Non-controlling interests	95	40	42	83	81
<b>Total equity</b>	<b>10 522</b>	<b>7 955</b>	<b>7 809</b>	<b>6 204</b>	<b>364</b>
Non-current liabilities	16 304	17 212	18 125	17 784	3 524
Current liabilities	4 068	4 163	3 943	3 643	22 390
<b>Total liabilities</b>	<b>20 372</b>	<b>21 376</b>	<b>22 068</b>	<b>21 427</b>	<b>25 913</b>
<b>Total equity and liabilities</b>	<b>30 894</b>	<b>29 331</b>	<b>29 877</b>	<b>27 631</b>	<b>26 277</b>
<b>Net interest bearing liabilities excluded effect of IFRS 16</b>	<b>13 429</b>	<b>14 316</b>	<b>15 275</b>	<b>15 066</b>	<b>19 658</b>

## Consolidated statement of cash flows

(MNOK)	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Net cash from operation activities	753	1 107	471	68	1 390
Net cash from investing activities	-306	-83	-315	-256	-377
Net cash from financing activities	-679	-668	73	96	-118
<b>Net changes in cash and cash equivalents</b>	<b>-232</b>	<b>355</b>	<b>229</b>	<b>-92</b>	<b>895</b>
Cash and cash equivalents at start of the period	3 939	3 628	3 325	3 221	2 446
Exchange gain/loss on cash and cash equivalents	-117	-44	73	196	-120
<b>Cash and cash equivalents at the end of the period</b>	<b>3 590</b>	<b>3 939</b>	<b>3 628</b>	<b>3 325</b>	<b>3 221</b>

## Key figures

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
EBITDA margin excluded net gain on sale of tangible assets	34%	38%	38%	35%	35%
EBITDA margin	36%	38%	38%	35%	35%
EBIT margin	64%	26%	40%	23%	48%
Profit per share (NOK)	15.37	1.56	7.03	0.03	11.17
Book value equity per share (NOK)	59.03	44.81	47.72	38.68	1.79
Net interest bearing debt excluded effect of IFRS 16 (NOK million)	13 429	14 316	15 275	15 066	19 658
Potential average number of shares	176 649 218	176 649 218	162 771 300	158 250 596	158 250 596



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