



**SOLSTAD OFFSHORE**



# 2<sup>nd</sup> Quarter Report 2021





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# The Company

**Solstad Group (“the Company”) is a world leading owner and operator of offshore service vessels.**

As per June 2021 the Company have 3 500 highly skilled employees with 9 offices globally and operate a versatile fleet of modern offshore vessels.

Solstad has a clear vision of what lies ahead, and it starts with taking care of our most precious recourses, our people and our planet, while sustaining growth and profitability.

# Letter from the CEO

For us who believe there is a bright future for modern vessels, working with both the offshore-wind and oil & gas industries, the last months has been encouraging, with improved bidding activity and several new contracts signed. Offshore-wind clients and oil & gas clients are in many occasions looking for the same vessels and in some vessel segments we already see a shortage of relevant tonnage.

Within oil & gas we see increased activity in several geographical areas that should give new opportunities going forward.

If we combine this with no, or very few, new vessels entering the market in the foreseeable future (except for some purpose built vessels for windfarm support), I will be very surprised if we don't see a positive effect on utilization and thereafter rate levels going forward. It could start already next year and strengthen year by year as the offshore-wind and oil & gas activities continue to increase.

We already experience that new contracts we have signed lately are all on better terms than previous contracts. Also, that clients are willing to commit longer. Not only for seasons or project, but on multi-year contracts.

We expect this trend to continue.

In Solstad we have a positive market view, but we also are very clear that there are at least three focus areas where we have to succeed to continue to be a leading company also in the future.

1. We have to position ourselves to grow our activity within offshore-wind. We are already active in the construction phase of wind farms. This will continue as we also look for profitable opportunities in the operation phase of wind farms.
2. We look for opportunities to consolidate our industry further.
3. We are working actively to reduce emissions from our operations. The Solstad Green Operations program has reduced our emissions with about 20% since 2008. In combination with new technology, such as battery hybrid systems, new fuels and other initiatives we are working towards a target of 50% reduction within 2030.

The Covid-19 pandemic is still causing us operational challenges. Particularly linked to crew changes and logistics. It is a huge burden for our crew and it is costly. We hope that this situation will improve as more of the population gets vaccinated.

Thank you.



**Lars Peder Solstad**  
CEO

# Highlights

- Revenues for the second quarter of 2021 was MNOK 1,264 vs MNOK 1,332 in 2020, while EBITDA adjusted for the second quarter was MNOK 309 vs MNOK 411 in 2020.
- Revenues year to date was MNOK 2,601 vs MNOK 2,535 in 2020 and EBITDA adjusted year to date 2021 was MNOK 741 vs MNOK 694 in 2020.
- The offshore activity is slowly improving, both within oil & gas and offshore-wind and Solstad has signed a number of new contracts, all at improved terms.
- The company's active fleet has been increased from 75 to 80 vessels during the quarter. All reactivations has been done based on new contracts.
- Sold 12 of 37 vessels classified as non-strategic vessels, as of today.



## Key Financials

(NOK 1,000,000)	<b>2021</b> 01.04-30.06	<b>2020</b> 01.04-30.06	<b>2021</b> 01.01-30.06	<b>2020</b> 01.01-30.06	<b>2020</b> 01.01-31.12	<b>2019</b> 01.01-31.12	<b>2018</b> 01.01-31.12
Revenue	1,264	1,332	2,601	2,535	5,026	5,245	4,910
EBITDA adjusted	309	410	741	694	1,282	1,415	1,005
EBIT	-64	-997	-17	-1,133	-2,250	-1,196	-3,987
Profit before Tax	-260	-797	-568	-3,042	7,250	-3,129	-5,888
Cash and equivalents	2,218	1,112	2,218	1,112	2,412	1,134	1,351
Net working capital	-553	-27,792	-553	-27,792	-803	-26,264	-24,654
Equity	3,675	-7,017	3,675	-7,017	4,243	-3,835	-851
Net interest bearing debt*	19,373	31,556	19,373	31,556	19,365	30,990	28,727
Order backlog	4,500	7,959	4,500	7,959	5,236	8,200	6,800

\*Including recognized debt relating to IFRS 16 Leases (Note 9)



# Financial Summary

## Operating income for 2Q 2021 amounted to MNOK 1,264 compared to MNOK 1,332 in 2Q 2020.

- The main driver for the variance relates to the lost revenue generated by Normand Maximus on the Saipem contract that was terminated.
- Operating income year to date 2021 was MNOK 2,601 compared to MNOK 2,535 in 2020.
- Operating expenses in 2Q 2021 amounted to MNOK 1,003 of which MNOK 891 are classified as vessel operating expenses. Compared to 2Q 2020, operating expenses increased by MNOK 34 including an extraordinary one-off restructuring cost of MNOK 27.
- Administrative expenses for 2Q 2021 was MNOK 111 (MNOK 85 Adjusted for restructuring cost), compared to MNOK 88 for 2Q 2020.
- Adjusted for the extraordinary one-off restructuring cost, both vessel operating cost and administrative expenses are on the same level as 2Q 2020.
- Additional cost related to the COVID-19 pandemic amounted to approximately MNOK 30 in the quarter.
- Operating result before depreciation was MNOK 262 in 2Q 2021 compared to MNOK 363 in 2Q 2020.
- Ordinary result before taxes for 2Q 2021 was negative with MNOK 260 compared to negative MNOK 797 for 2Q 2020.
- EBITDA adjusted ended at MNOK 309 in 2Q 2021 compared to MNOK 411 for 2Q 2020. The main driver for the negative EBITDA variance relates to Saipem termination of the Normand Maximus charter contract, net EBITDA effect between 2Q 2021 and 2Q 2020 is MNOK 91.
- As previously reported 2021 numbers includes Normand Maximus termination fee of approx. MNOK 378
- EBITDA adjusted year to date was MNOK 741 compared to MNOK 694 in 2020.
- Total booked equity at the end of the quarter was positive MNOK 3,675.

During 2Q 2021 the currency exchange rate for USD versus NOK has been stable resulting in an immaterial loss. In

addition we have realized currency loss of MNOK 15 relating to account payable and receivable positions being settled.

## Cash Flow & Cash Position year to date

The overall cash position end of 2Q 2021 for the Company was MNOK 2,218 compared to MNOK 1,112 in 2020. The Net cash flow from operations was positive with MNOK 450 year to date. Net cash flow from investments was negative by MNOK 72 mainly related to planned maintenance and regulatory docking- and installation of battery hybrid system on vessels. Net interest paid to lenders was MNOK 266, and net repayment of long-term debt to lenders were MNOK 308.

## Capital Structure

Total current assets at the end of the quarter were MNOK 3,891 (MNOK 2,869 per 2Q 2020), of which cash and cash equivalents amounted to MNOK 2,218 (MNOK 1,112). This includes the unutilized super senior credit facility of MNOK 1,481.

Total current liabilities were NOK 4,444 (MNOK 30,661) including MNOK 3,343 in short term portion of long-term debt, giving net working capital of MNOK -553 (MNOK -27,792). Of the short term debt Normand Maximus amounts to MNOK 2,450.

Total non-current assets at the end of the quarter were MNOK 21,575 (MNOK 25,313). The reduction is explained by ordinary depreciation, divestments and foreign exchange movements.

Net interest-bearing debt was at MNOK -19,373 (MNOK -31,556), with the reduction mainly explained by restructuring effects.

The Group's equity as of 30 June 2021 was MNOK 3,675 (MNOK -7,071), which represents 14% of the total balance sheet (-25% per 31 March 2020).



## Risk

The Company is exposed to market, commercial, operational and financial risks that affect the assets, liabilities, available liquidity and future cash flows. Despite of the difficult market situation within the offshore industry the last years, the Company considers that these risks have decreased slightly as a consequence of the increased demand compared to previous years. There is established a risk mitigation framework based on identifying, assessing and managing the Company risks. The Board monitors the overall risk factors for the Group.

Market and operational risks are changes in demand for and prices of the services provided by the Company, and potential adverse effects of the provision of such services. The market has been under pressure with the impact of COVID-19 virus and affecting all regions where the Group operates. This has negatively impacted the earnings of the Group's fleet. A continuing postponement of a recovery of the market will impact future earnings of the Group's fleet going forward. The Company has implemented measures to minimize the risk to people and operations from the COVID-19 pandemic, including social distancing, travel restrictions, excessive testing of marine crew and working from home. The Company has so far avoided significant COVID-19 disruption related to its operational uptime and will continue to enforce proper measures to minimize the risk level. The Company continually evaluates measures to reduce risk exposure as mentioned above.

The global economy remains impacted by the unprecedented health and economic crisis following the outbreak of the Covid-19 pandemic. The Company continues to monitor the potential operational, market and financial impacts to the Group including the mitigating impacts of the vaccination roll-out in 2021.

The Company is exposed to interest rate and currency risk, primarily through financing and contracts. Interest rate risk is to a certain extent mitigated by hedging contracts and currency risk is reduced by having debt in the same currency as charter agreements.

Normand Maximus Limited continues its dialogue with its financiers, to find a long-term solution for the financing of Normand Maximus following Saipem's early termination of the time charter. These entitle the Company to buy the vessel and/ or exercise other rights and remedies under the lease financing if a solution is not found. Absent a solution, there is a risk in the current markets that the Company as bareboat charterer of the Normand Maximus will not be able to finance such a purchase or other claims. As all obligations of Normand Maximus are guaranteed by Solstad Offshore ASA, this could have a material adverse effect on Solstad Offshore ASA's financial situation.

For further details, reference is made to section "Finance" and Annual Report 2020 Note 1, 2, 4 and 28 and the risk section of the Prospectus from the Company published on 19 October 2020.





## Awards in the quarter

- Normand Starling firmed up for 2 years till April 2023 for Shell Brazil
- Sea Flyer awarded contract to support TAQA's North Sea assets for two years
- Normand Turmalina awarded contract with Enauta Energia S.A for 18 months firm and 2 years option thereafter
- Normand Ocean awarded new contract with DeepOcean AS firm till end 2023 plus one year option. The vessel will be utilized on DeepOcean's IMR and light construction projects in the North Sea.
- Normand Service and Normand Supra has been contracted with a UK client for a period of two years plus two years option thereafter.

## Subsequent Events

### Sale of vessels

The Company has sold the CSV Normand Progress and the AHTS Sea Panther (recycling) resulting in an immaterial accounting effect for 3Q 2021. Delivery of Normand Progress to the new owner took place in 3Q 2021.

### Contracts after quarter end

- Normand Energy awarded a contract with a key client for 13 months firm for subsea operations in West Africa.
- Multiple medium-term contracts and extensions for approximately 1.000 vessel days plus options awarded for the following vessels: Normand Leader, Normand Tortuga, Normand Swift, Normand Sitella, Sea Spear, Sea Spark, Normand Serenade, Normand Arctic and anchor handler trading in the North Sea spot market awarded up to approximately 1,000 vessels days and options to extend contracts further.
- Normand Navigator awarded a contract with an undisclosed client in South East Asia to keep the vessel utilized through 2021.
- Normand Frontier contracts for operations in South Africa for a large international contractor for 100 days firm plus 60 days options excluding mobilization and demobilization to support a ultra-deep subsea project.
- Normand Jarstein awarded a new contract with DeepOcean to support their IMR light construction, offshore renewables and recycling projects. The vessel commence to the contract in 1Q 2022

and have a firm period til end of 2023 with the option to extend the contract till end of 2024.

- Normand Flower to operate for Petrobras for 3 years firm plus 475 days option thereafter to support exploration and production activities in Brazilian continental shelf with commencement within April of 2022.
- Normand Pacific extended her firm period to operate for Prysmian till end of 2022. In addition, Prysmian has the option to extend the contract with an additional 2 years beyond the firm period.

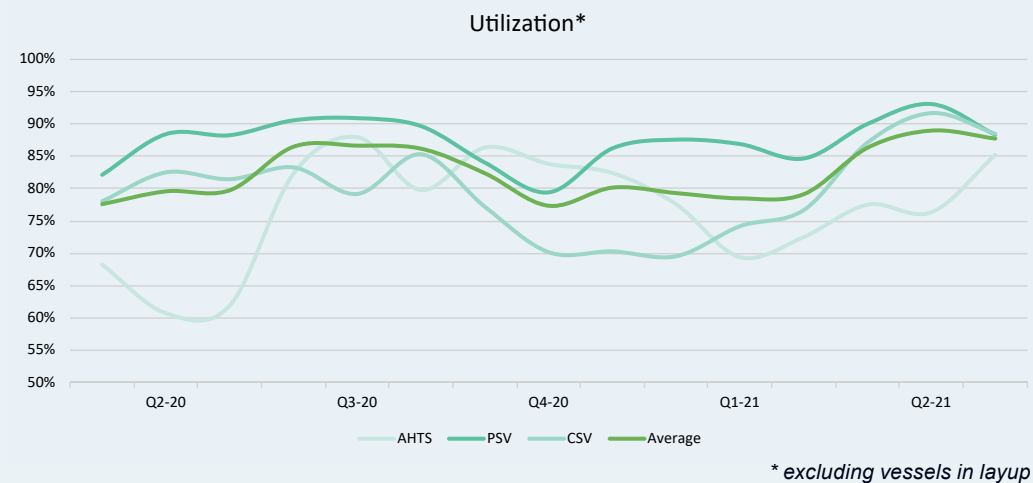


# Operational Update

**Solstad Group (“the Company”) is a world leading owner and operator of offshore service vessels.**

As per June 2021, the Company owns and/or operates a fleet of in total 115 vessels. The overall utilization for the operational fleet in 2Q 2021 was 88% (79% in 2020), the subsea CSV fleet had a utilization of 89% (81%), AHTS fleet 80% (64%) and 90% (86%) for the PSV fleet.

The overall utilization for the fleet in the second quarter was on average higher than last year, however dayrates has on average been slightly lower compared to last year.



## Subsea & Renewable Energy

**During the quarter, the CSV segment had 26 vessels in operation for Clients in the Global markets.**

Bidding activity remains high in both oil & gas and offshore-wind.

Around 30% of the CSV revenues came from Renewable energy in the quarter.

## AHTS & PSV

**During the quarter the AHTS/PSV segment had 54 vessels in operation globally, with the majority of the fleet operating in the strategic key areas North Sea, Australia and Brazil.**

Several contracts has been awarded and bidding activity remains high in all key geographical regions.

Six vessels was re-activated from lay-up to commence new contracts.

## Non-strategic fleet

**Solstad are in the process of selling vessels that are defined as non-strategic and not a part of the future Solstad-fleet.**

In general, these are the oldest and smallest vessels in the fleet. Pr. 30.06.21, 10 of 37 vessels had exited the fleet, while number 12 exited after quarter end.

## Normand Maximus update

In our 1Q 2021 report it was advised that a settlement had been reached with Saipem in relation to the dispute over the early termination fee following the cancellation of the time charter for “Normand Maximus”. The agreed amount was paid when due primo June and the dispute with Saipem is thus finally resolved.

On 3 March 2021, the Company informed that legal proceedings had been initiated related to the financing of the owner of “Normand Maximus”. In the quarter, the Company has received summons from M. Y. F Maximus Limited as one of the claimants in these proceedings. The summons requests that the Company shall be included in the same proceedings. The relief sought is that there is basis for a recourse claim against the Company. The claim is not quantified. No guarantees or contracts are entered into between the Company and the claimant. The Company anticipate the claim to be dismissed.

The status of the lease financing for Normand Maximus remains as previously advised and reference is made to the section “Risk”.



# Market Outlook

## Stable backlog and increased bidding activity.

The positive market trend reported after 1Q 2021 has continued also in 2Q 2021. Bidding activity continue to increase, and the company has been awarded a number of new contracts during the quarter. In total six vessels have been re-activated from lay-up to serve on new contracts awarded.

Despite of a growing demand the competition and the availability of vessels continues to put pressure on rate levels, particularly in the AHTS/PSV segments.

There are signs of further activity increase. This is supported by market update from independent analysts and leading rig-owners see an increased demand for drilling rigs from 2022 and onwards. This might lead to new long-term opportunities for both PSV and AHTS vessel types in the company's main geographical areas.

The CSV segment see gradually higher demand from both oil and gas and renewable operators and are closer to a balanced market.

While the vessel market the last years has been project or season based, there are now more opportunities and contract based on 365 days per year contracts. In addition, the rate levels have started to pick up. Particularly goes for contract commencement in 2022 and onwards.

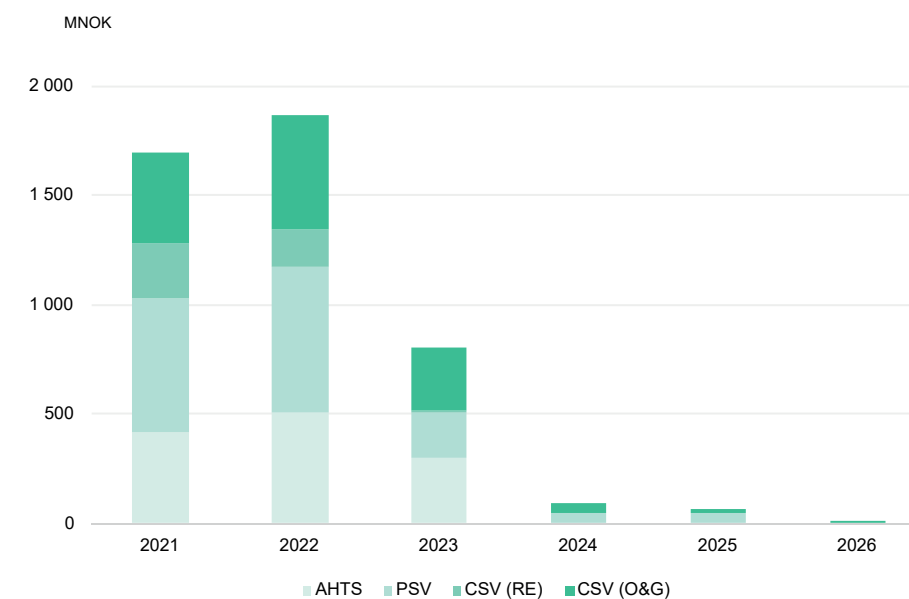


Windfarm developments continue to demand a large number of floating assets, including CSVs. The number of installed wind turbines are estimated to more than double from present level, the coming years. This will increase the demand for existing CSVs and purpose built CSOV/SOVs.

Within Oil & Gas and subsea-market there is also an increase in the activity. The major subsea contractors have had a substantial increase in their backlog, and this will increase their need for third party vessels the coming years.

The Company's backlog is approximately MNOK 4,500 whereof MNOK 2,700 for the next 12 months.

Backlog by year of execution



# Sustainability

**In Solstad we have sustainability as one of our top priorities. By involving all employees, key clients and main suppliers we can jointly work towards a sustainable future.**

Several projects have been kicked off under our sustainability program such as

- Initiatives related to decarbonization of existing fleet and to develop new innovative solutions for new builds are ongoing. In addition to plan for several battery hybrid upgrades (including the 8 in operation today) we are looking in use of new hydrogen based fuels that may provide zero or low emission operations. These new fuel alternatives may be used for powering future fuel cells and/or dual fuel combustion engines. Furthermore more advanced battery concepts are investigated. Our goal is to reduce the fleets emissions by another 30% by 2030 (50% reduction goal vs 2008).
- Eliminating single use plastic bottles onboard our fleet and in all offices. The goal is to stop using single use plastic bottles on our vessels by the end of 2021.
- Women in Solstad, a global initiative where the focus is to increase the number of female seafarers and women in senior positions both onshore and offshore.

## Environment

Solstad has defined a pathway towards zero emissions by 2050. So far, we are on track with 20% reduction in CO<sub>2</sub> emissions achieved since 2008 (adjusted for activity level).

A range of battery hybrid conversion projects are under consideration for the next 6-12 months. The Norwegian PSV and AHTS fleet has already been upgraded with either battery hybrid and/or shore power systems.

Increasing competency and raise awareness on Sustainability is key.

Our internal Sustainable 3-stage digital training program is ongoing and 80% of all employees has now been through this.

## Social

Total Recordable Case Frequency (TRCF) in Q2 2021 was 1.64, still higher than our target which is 1.1.

Increasing TRCF – A stand down for safety was initiated fleet wide ultimo May to increase the focus on safety and to verify if “covid-19 fatigue” could be connected to the negative trend whereof about 50% of the fleet confirmed the concern. Measures to improve has been implemented to eliminate the fatigue and so far Q3 has no occurred recordable incidents.

## Governance

No major governance incidents have been registered during the period.

Due to Covid-19 related restrictions the majority of audits and inspections are done remotely.

## Quarterly ESG indicators

All indicators available on <https://www.solstad.com/sustainability/>

	Unit	Target 2021	2Q	1Q	2020	2019	2018
<b>Environment</b>							
CO <sub>2</sub> , scope 1 (own activity)	tCO <sub>2</sub>	-3 %***	178,746	153,133	696,888	801,578	714,722
Oil spill litres	Litres	0	76	24	349	113	679
Fines for none-compliance of environmental regulations	No.	0	0	0	0	0	0
Single use plastic water bottles on board our vessels	No.	0	44,500	30,407	145,200	184,450	N/A
<b>Social</b>							
TRCF (12-months rolling - Total Recordable Case Frequency)*	No.	1.10	1.64	1.31	1.28	1.65	1.86
Fraction of all employees received sustainability training **	%	100 %	80 %	50 %	43 %	-	-
<b>Governance</b>							
Incidents related to Corruption and Bribery	No.	0	0	0	0	0	0

\* per 1,000,000 hour

\*\* Training started 21.12.2020

\*\*\* Baseline for the efficiency target is an average of each vessel's performance over the past 3 years. The increased


performance comes from operational measures (Solstad Green Operations) and/or technical upgrades such as battery and/or shore power systems. The increase total emissions for Q2 is related to increased activity including more vessels in operation.



## Statement from the Board

We confirm that the consolidated accounts for the period January 1 to June 30, 2021 are to the best of our knowledge, prepared in accordance with IAS 34. The bi-annual report and the figures used for the quarterly reporting give a fair and true value of the enterprise and group's assets, debts, financial position and result which, in its entirety, gives a true overview of the information in accordance with § 5-6 fourth paragraph of the Securities Trading Act.

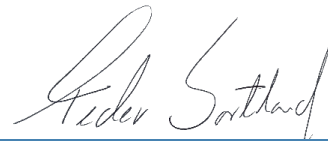
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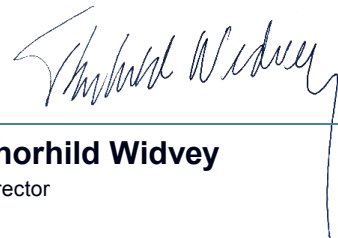
**Harald Espedal**  
Chairman



**Frank O. Reite**  
Director



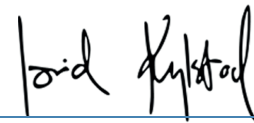
**Peder Sortland**  
Director



**Thorhild Widvey**  
Director



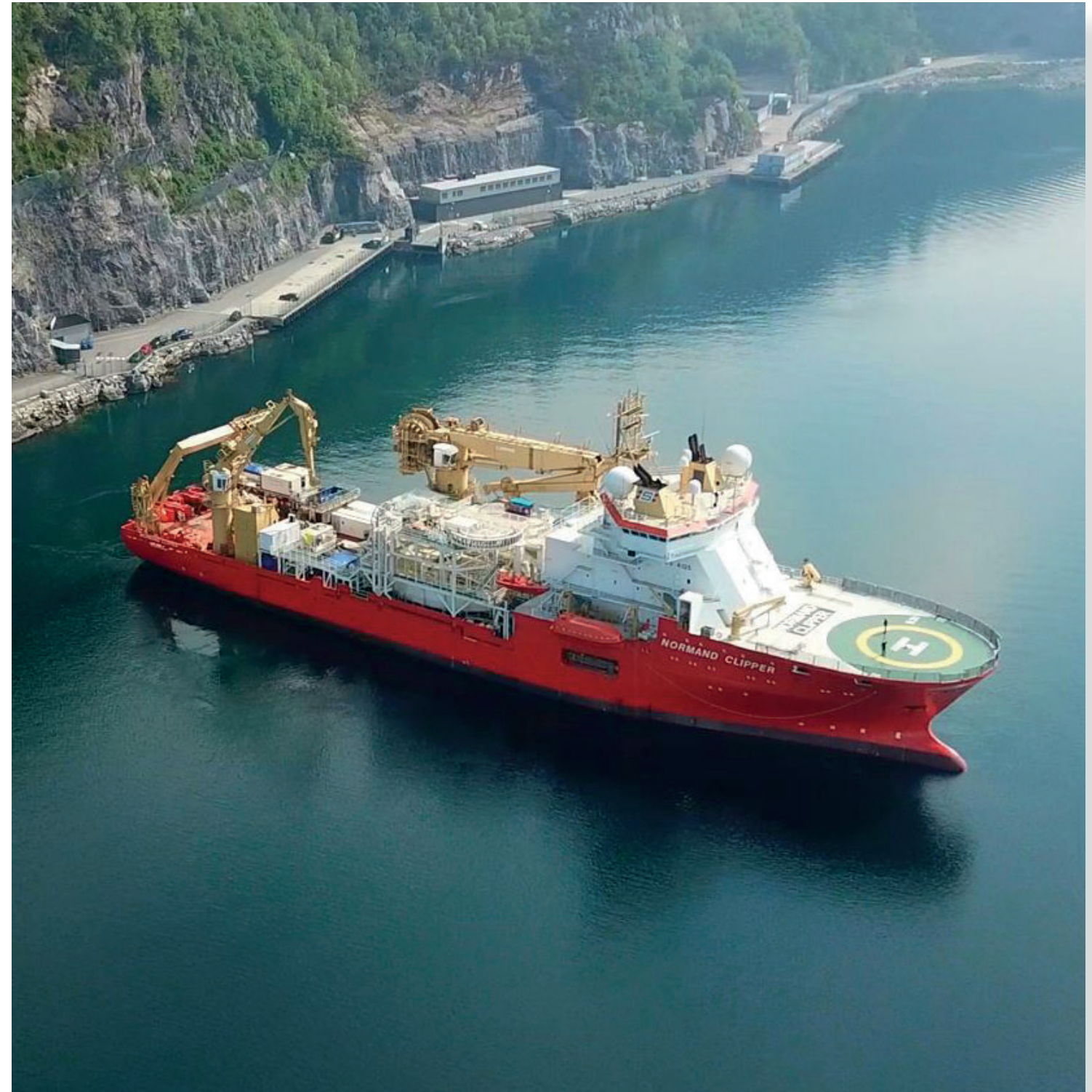
**Ellen Solstad**  
Director



**Ingrid Kylstad**  
Director



**Lars Peder Solstad**  
CEO



# Condensed statement of comprehensive income

(NOK 1,000)

	2021 01.04-30.06	2020 01.04-30.06	2021 01.01-30.06	2020 01.01-30.06	2020 01.01-31.12	Note
<b>Operating income</b>	<b>1,264,377</b>	<b>1,331,544</b>	<b>2,601,149</b>	<b>2,534,930</b>	<b>5,025,630</b>	2,3,4
Vessel operating expenses	-891,168	-881,230	-1,700,817	-1,741,646	-3,516,921	
Administrative expenses	-111,358	-87,576	-215,472	-191,462	-476,829	
<b>Total operating expenses</b>	<b>-1,002,526</b>	<b>-968,806</b>	<b>-1,916,289</b>	<b>-1,933,108</b>	<b>-3,993,750</b>	4
<b>Operating result before depreciations</b>	<b>261,852</b>	<b>362,738</b>	<b>684,860</b>	<b>601,822</b>	<b>1,031,880</b>	3
Ordinary depreciation	-317,276	-369,771	-636,908	-745,139	-1,358,345	5
Impairment	-	-960,496	-45,049	-960,496	-1,895,040	5,6
Net gain/ loss on sale of assets	-8,903	-28,959	-20,215	-28,959	-28,896	
<b>Operating result</b>	<b>-64,327</b>	<b>-996,489</b>	<b>-17,311</b>	<b>-1,132,773</b>	<b>-2,250,402</b>	
Result from Joint Ventures	1,825	18,878	-6,936	27,390	23,975	7
Result from associated companies	45	7,249	168	18,952	41,423	7
<b>Total other items</b>	<b>1,870</b>	<b>26,126</b>	<b>-6,768</b>	<b>46,342</b>	<b>65,398</b>	
Interest income	2,186	5,279	4,315	10,386	6,373	
Realised currency gain/ -loss	15,245	11,842	-5,028	43,743	-240,107	
Unrealised currency gain/ -loss	-90	564,158	-82,330	-828,512	-180,349	
Interest charges	-254,356	-357,745	-499,481	-766,178	-1,437,619	
Net financial charges / -income	38,980	-50,324	38,284	-415,171	11,287,055	
<b>Net financing</b>	<b>-198,036</b>	<b>173,211</b>	<b>-544,241</b>	<b>-1,955,731</b>	<b>9,435,353</b>	
<b>Ordinary result before taxes</b>	<b>-260,493</b>	<b>-797,152</b>	<b>-568,320</b>	<b>-3,042,162</b>	<b>7,250,349</b>	
Taxes ordinary result	-9,415	-7,648	-11,930	-12,378	3,517	9
<b>Result</b>	<b>-269,909</b>	<b>-804,800</b>	<b>-580,250</b>	<b>-3,054,540</b>	<b>7,253,866</b>	
Other comprehensive income:						
Exchange differences on translating foreign operations	44,949	157,736	11,697	-127,224	580,397	
Actuarial gain/ loss	-	-	-	-	5,921	
<b>Other comprehensive income</b>	<b>-224,959</b>	<b>-647,064</b>	<b>-568,553</b>	<b>-3,181,764</b>	<b>7,840,184</b>	
Result attributable to:						
Non-controlling interests	2,614	-401	1,291	5,412	13,122	
Majority share	-272,522	-804,400	-581,541	-3,059,952	7,240,743	
Earnings per share	-3.60	-2.76	-7.75	-10.48	29.13	
Other comprehensive income attributable to:						
Non-controlling interests	2,614	-401	1,291	5,412	13,122	
Majority share	-227,573	-646,663	-569,844	-3,187,176	7,827,062	
Other comprehensive income per share	-3.00	-2.22	-7.59	-10.92	31.48	
<b>EBITDA adjusted</b>	<b>309,141</b>	<b>410,605</b>	<b>741,424</b>	<b>694,306</b>	<b>1,282,208</b>	3,4
Average number of shares (1,000)	74,873	291,407	74,873	291,407	249,042	





# Condensed statement of financial position

(NOK 1,000)

	2021 30.06	2020 30.06	2020 31.12	Note
<b>ASSETS</b>				
<b>Fixed Assets:</b>				
Intangible assets	7,439	23,818	13,079	
Tangible fixed assets	18,938,859	20,726,469	19,509,619	5
Right-of-use assets	2,418,842	3,752,587	2,457,322	6
Investment in associated companies and Joint Ventures	96,959	453,227	111,032	7
Financial fixed assets	112,455	175,372	109,147	4
<b>Total fixed assets</b>	<b>21,574,555</b>	<b>25,131,474</b>	<b>22,200,199</b>	
<b>Current Assets:</b>				
Stocks	154,902	175,810	165,330	
Accounts receivables	1,059,920	1,001,947	839,628	
Other receivables	442,405	574,221	414,011	
Market based shares	15,450	5,513	11,100	
Deposits, cash, etc	2,218,388	1,111,611	2,411,905	8
<b>Total current assets</b>	<b>3,891,066</b>	<b>2,869,102</b>	<b>3,841,974</b>	
Assets held for sale	25,575	-	26,803	5
<b>TOTAL ASSETS</b>	<b>25,491,196</b>	<b>28,000,576</b>	<b>26,068,976</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity:</b>				
Paid-in equity	250,445	4,602,782	250,445	
Other equity	3,406,972	-11,628,070	3,976,816	
Non-controlling interests	17,105	8,103	15,814	
<b>Total equity</b>	<b>3,674,522</b>	<b>-7,017,185</b>	<b>4,243,075</b>	
<b>Liabilities:</b>				
Long-term provisions	37,678	76,462	37,885	
Other long-term debt	2,101	12,224	12,372	8
Debt to credit institutions	17,332,792	4,268,354	17,130,648	8
<b>Total long-term debt</b>	<b>17,372,571</b>	<b>4,357,040</b>	<b>17,180,905</b>	
<b>Current liabilities:</b>				
Current portion of long-term debt	3,342,655	28,322,076	3,499,897	8
Other current liabilities	1,101,448	2,338,645	1,145,099	
<b>Total current liabilities</b>	<b>4,444,103</b>	<b>30,660,721</b>	<b>4,644,996</b>	
<b>Total liabilities</b>	<b>21,816,674</b>	<b>35,017,761</b>	<b>21,825,902</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>25,491,196</b>	<b>28,000,576</b>	<b>26,068,976</b>	



# Statement of cash flow

**(NOK 1,000)**

	2021 30.06	2020 30.06	2020 31.12
<b>CASH FLOW FROM OPERATIONS</b>			
Result before tax	-568,320	-3,042,162	7,250,349
Taxes payable	-14,201	-8,791	-35,649
Ordinary depreciation and write downs	681,957	1,705,636	3,253,386
Gain (-)/ loss long-term assets	22,633	45,146	321,975
Interest income	-4,315	-10,386	-6,373
Interest expense	499,481	766,178	1,437,619
Terminated leases	-	385,536	439,559
Non-cash refinance effects	-	-	-11,713,286
Effect of change in pension assets	-	-1,195	7,695
Change in value of financial instruments	-	-170,549	-170,239
Unrealised currency gain/ -loss	78,957	1,041,813	140,113
Change in short-term receivables and payables	-192,582	210,619	212,570
Change in other accruals	-53,930	-375,825	-361,760
<b>Net cash flow from operations</b>	<b>449,681</b>	<b>546,019</b>	<b>775,960</b>
<b>CASH FLOW FROM INVESTMENTS</b>			
Investment in tangible fixed assets	-34,960	-9,105	-57,385
Payment of periodic maintenance	-105,512	-253,845	-406,800
Consideration sale of fixed assets (vessels)	67,751	1,014,170	1,014,170
Payment of long-term receivables	-3,308	3,337	64,006
Received interests	4,315	6,042	6,243
Realization of shares and holdings	-	36	36
<b>Net cash flow from investments</b>	<b>-71,713</b>	<b>760,636</b>	<b>620,270</b>
<b>CASH FLOW FROM FINANCING</b>			
Paid-in capital	-	-	70,355
Paid leases	-194,237	-274,459	-461,777
Paid interests	-266,427	-98,954	-157,973
Drawdown long-term debt	-	1,051,263	1,467,962
Repayment of long-term debt	-114,194	-2,089,327	-1,077,155
<b>Net cash flow from financing</b>	<b>-574,858</b>	<b>-1,411,477</b>	<b>-158,588</b>
Effect of changes in foreign exchange rates	3,373	82,405	40,236
Net change in cash	-196,890	-104,822	1,237,642
Cash at 01.01	2,411,905	1,134,028	1,134,028
<b>Cash at balance sheet date</b>	<b>2,218,388</b>	<b>1,111,611</b>	<b>2,411,905</b>





# Statement of changes in equity

(NOK 1,000)

	Share capital	Treasury shares	Share premium	Other paid-in capital	Other changes	Other equity	Total majority shares	Non-controlling interests	Total equity
<b>Equity 01.01.2021</b>	<b>74,873</b>	<b>0</b>	<b>175,572</b>	<b>0</b>	<b>981,656</b>	<b>2,995,161</b>	<b>4,227,261</b>	<b>15,814</b>	<b>4,243,075</b>
Result	-	-	-	-	-	-309,019	-309,019	-1,323	-310,341
Translation adjustments	-	-	-	-	11,697	-	11,697	-	11,697
<b>Other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,697</b>	<b>-581,541</b>	<b>-569,844</b>	<b>1,291</b>	<b>-568,553</b>
<b>Equity 30.06.2021</b>	<b>74,873</b>	<b>0</b>	<b>175,572</b>	<b>0</b>	<b>993,353</b>	<b>2,413,620</b>	<b>3,657,417</b>	<b>17,105</b>	<b>3,674,522</b>
<b>Equity 01.01.2020</b>	<b>583,065</b>	<b>-281</b>	<b>3,698,350</b>	<b>321,648</b>	<b>401,259</b>	<b>-8,842,152</b>	<b>-3,838,111</b>	<b>2,691</b>	<b>-3,835,420</b>
Result	-	-	-	-	-	-3,059,952	-3,059,952	5,412	-3,054,540
Translation adjustments	-	-	-	-	-127,224	-	-127,224	-	-127,224
<b>Other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-127,224</b>	<b>-3,059,952</b>	<b>-3,187,176</b>	<b>5,412</b>	<b>-3,181,764</b>
<b>Equity 30.06.2020</b>	<b>583,065</b>	<b>-281</b>	<b>3,698,350</b>	<b>321,648</b>	<b>274,035</b>	<b>-11,902,104</b>	<b>-7,025,288</b>	<b>8,103</b>	<b>-7,017,185</b>
<b>Equity 01.01.2020</b>	<b>583,065</b>	<b>-281</b>	<b>3,698,350</b>	<b>321,648</b>	<b>401,259</b>	<b>-8,842,152</b>	<b>-3,838,111</b>	<b>2,691</b>	<b>-3,835,420</b>
Result	-	-	-	-	-	7,240,743	7,240,743	13,122	7,253,866
Actuarial gain/loss (-)	-	-	-	-	-	-5,921	-5,921	-	-5,921
Translation adjustments	-	-	-	-	580,397	-	580,397	-	580,397
<b>Other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>580,397</b>	<b>7,234,822</b>	<b>7,815,219</b>	<b>13,122</b>	<b>7,828,342</b>
Share capital decrease	-582,773	281	-	-	-	582,492	0	-	0
Transfer of paid-in capital	-	-	-3,698,350	-321,648	-	4,019,999	0	-	0
Share capital increase by conversion of debt	48,075	-	131,723	-	-	-	179,798	-	179,798
Share capital privat placement	26,506	-	43,849	-	-	-	70,355	-	70,355
<b>Equity 31.12.2020</b>	<b>74,873</b>	<b>0</b>	<b>175,572</b>	<b>0</b>	<b>981,656</b>	<b>2,995,161</b>	<b>4,227,261</b>	<b>15,814</b>	<b>4,243,075</b>

# Notes

## Notes to condensed statement of comprehensive income and statement of financial position

(NOK 1,000)

### Note 1 - General

Solstad Offshore ASA (SOFF) has its head office in Skudeneshavn, Norway. The main activities of the company are operation and ownership of offshore service and construction vessels. The Group is listed on Oslo Stock Exchange. The quarterly accounts are prepared using the same accounting principles as last year's accounts and in compliance with IAS 34 Interim Financial Reporting.

The interim accounts are prepared on the assumption of a going concern. The going concern assumption is based on the level of cash and cash equivalents at reporting date, terms and conditions of the banking and borrowing facilities, the forecasted cash flow prognosis for the Group and the backlog position. Based on the information given on "Normand Maximus" related to the bareboat charter, the Board of Directors needs to point out that there is uncertainty related to the going concern assumption of Solstad Offshore ASA.

### Note 2 - Operating income

The Group's revenues mainly derives from offering vessels and maritime personnel to customers world wide. Basically all contracts with customers are contracts with day rate. Contract with day rate is contract where income is eared on a day-by-day basis, based on an agreed day rate with the customer. Revenue from contracts with day rate is recognized accordingly.

The agreed day rate is divided into a service element and a lease element. The service element includes the maritime services provided to navigate the vessel according to the customers requirements, while the lease element is the estimated rental of the vessel (equipment).

Some of the contracts also includes victualling and onshore project management. Victualling is meals and bedding provided to the customers personnel onboard the vessel. The Group also provides ordinary management services, such as technical services, crewing, insurance and commercial management for vessels not owned by the Group. Revenue on services, mentioned above, are recognized over time, as the performance obligation is satisfied over time.

	2021 01.04-30.06	2020 01.04-30.06	2021 01.01-30.06	2020 01.01-30.06	2020 01.01-31.12
Service element from contract with day rate	344,126	580,914	940,955	1,036,522	2,032,598
Management Fee	2,751	6,332	5,257	21,150	27,268
Victualling	30,056	26,117	46,760	43,025	93,111
Project management	-	-	-	4,253	3,329
Other	15,270	-4,359	28,423	1,479	57,896
<b>Revenue from Contracts with cursomers</b>	<b>392,202</b>	<b>609,004</b>	<b>1,021,395</b>	<b>1,106,429</b>	<b>2,214,202</b>
Leasing from contracts with day rate	872,175	722,540	1,579,754	1,428,501	2,811,429
<b>Total operating income</b>	<b>1,264,377</b>	<b>1,331,544</b>	<b>2,601,149</b>	<b>2,534,930</b>	<b>5,025,630</b>

Contract balance	30.06.2021	30.06.2020	31.12.2020
Trade receivables from charters	1,059,920	1,001,947	839,628
Contract assets	-	-	-
Contract liabilities	-	36,835	-



## Note 3 - Reporting per segment

### Q2 2021

	AHTS	PSV	Subsea	Renewable	Total
Revenue from contracts with customers	123,543	167,505	37,129	64,025	392,202
Lease element from contracts with day rate	162,168	175,364	446,227	88,416	872,175
<b>Total operating income</b>	<b>285,711</b>	<b>342,870</b>	<b>483,356</b>	<b>152,441</b>	<b>1,264,377</b>
Crew expenses	141,189	190,045	147,750	38,800	517,784
Other expenses	98,830	126,204	185,496	56,505	467,035
<b>Total operating expenses</b>	<b>240,019</b>	<b>316,249</b>	<b>333,245</b>	<b>95,305</b>	<b>984,819</b>
Bunkers	6,617	6,253	3,470	1,366	17,707
<b>Operating result before depreciations</b>	<b>39,074</b>	<b>20,368</b>	<b>146,640</b>	<b>55,770</b>	<b>261,852</b>
Excess and less values freight contracts	-	-	2,812	-	2,812
Net result from Joint Venture	-	-	-15,696	-	-15,696
<b>Adjusted operating result before depreciations</b>	<b>39,074</b>	<b>20,368</b>	<b>133,756</b>	<b>55,770</b>	<b>248,968</b>

### Q2 2020

	AHTS	PSV	Subsea	Renewable	Total
Revenue from contracts with customers	128,291	179,663	263,428	37,621	609,003
Lease element from contracts with day rate	128,517	181,986	357,881	54,157	722,541
<b>Total operating income</b>	<b>256,808</b>	<b>361,649</b>	<b>621,310</b>	<b>91,777</b>	<b>1,331,544</b>
Crew expenses	145,877	197,815	160,466	24,207	528,365
Other expenses	95,772	112,205	160,024	30,397	398,398
<b>Total operating expenses</b>	<b>241,649</b>	<b>310,020</b>	<b>320,489</b>	<b>54,604</b>	<b>926,763</b>
Bunkers	20,755	7,277	10,542	3,468	42,042
<b>Operating result before depreciations</b>	<b>-5,597</b>	<b>44,352</b>	<b>290,278</b>	<b>33,705</b>	<b>362,739</b>
Excess and less values freight contracts	-	16,319	5,422	-	21,741
Net result from Joint Venture	-	-	18,878	-	18,878
<b>Adjusted operating result before depreciations</b>	<b>-5,597</b>	<b>60,671</b>	<b>314,578</b>	<b>33,705</b>	<b>403,357</b>

Internally the Group reports and monitors its operation in the following segments:

- AHTS, anchorhandling vessels
- PSV, platform supply vessels
- Subsea, construction vessels operating subsea construction contracts
- Renewable, vessels operating renewable contracts

Figures are exclusive share result from Joint Ventures.

Changes in reporting from 2020 Annual Report:

- Reporting on Renewable segment commenced on January 1st 2021
- AHTS and PSV is reported separately from January 1st 2021

### YTD Q2 2021

	AHTS	PSV	Subsea	Renewable	Total
Revenue from contracts with customers	234,456	309,185	363,454	114,300	1,021,395
Lease element from contracts with day rate	298,550	323,962	799,399	157,843	1,579,754
<b>Total operating income</b>	<b>533,006</b>	<b>633,147</b>	<b>1,162,854</b>	<b>272,143</b>	<b>2,601,149</b>
Crew expenses	268,338	349,167	273,767	75,257	966,528
Other expenses	216,382	236,115	361,642	100,954	915,092
<b>Total operating expenses</b>	<b>484,720</b>	<b>585,282</b>	<b>635,408</b>	<b>176,211</b>	<b>1,881,621</b>
Bunkers	14,405	11,862	6,562	1,839	34,668
<b>Operating result before depreciations</b>	<b>33,881</b>	<b>36,003</b>	<b>520,884</b>	<b>94,093</b>	<b>684,860</b>
Excess and less values freight contracts	-	-	5,624	-	5,624
Net result from Joint Venture	-	-	-6,936	-	-6,936
<b>Adjusted operating result before depreciations</b>	<b>33,881</b>	<b>36,003</b>	<b>519,572</b>	<b>94,093</b>	<b>683,549</b>

### YTD Q2 2020

	AHTS	PSV	Subsea	Renewable	Total
Revenue from contracts with customers	256,928	373,895	415,648	59,957	1,106,429
Lease element from contracts with day rate	263,044	384,785	686,746	93,927	1,428,501
<b>Total operating income</b>	<b>519,972</b>	<b>758,680</b>	<b>1,102,394</b>	<b>153,884</b>	<b>2,534,930</b>
Crew expenses	303,760	397,675	291,814	46,423	1,039,673
Other expenses	204,947	238,403	313,277	44,832	801,459
<b>Total operating expenses</b>	<b>508,707</b>	<b>636,078</b>	<b>605,092</b>	<b>91,256</b>	<b>1,841,132</b>
Bunkers	42,149	19,542	26,414	3,872	91,976
<b>Operating result before depreciations</b>	<b>-30,885</b>	<b>103,061</b>	<b>470,888</b>	<b>58,757</b>	<b>601,822</b>
Excess and less values freight contracts	-	33,994	12,148	-	46,142
Net result from Joint Venture	-	-	27,390	-	27,390
<b>Adjusted operating result before depreciations</b>	<b>-30,885</b>	<b>137,055</b>	<b>510,427</b>	<b>58,757</b>	<b>675,354</b>

## Note 4 - EBITDA

	2021 01.04-30.06	2020 01.04-30.06	2021 01.01-30.06	2020 01.01-30.06	2020 01.01-31.12
<b>Total operating Income</b>	<b>1 264 377</b>	<b>1 331 544</b>	<b>2 601 149</b>	<b>2 534 930</b>	<b>5,025,630</b>
<b>Total operating expenses</b>	<b>-1 002 526</b>	<b>-968 806</b>	<b>-1 916 289</b>	<b>-1 933 108</b>	<b>-3,993,750</b>
<b>EBITDA</b>	<b>261 852</b>	<b>362 738</b>	<b>684 860</b>	<b>601 822</b>	<b>1,031,880</b>
Leases	16,033	-	18,533	-	6,465
Restructuring cost	26,574	-	39,174	-	108,887
Excess and less values freight contracts	2,812	21,741	5,624	46,142	62,462
Net result from Joint Venture	1,825	18,878	-6,936	27,390	23,975
Net result from associated companies	45	7,249	168	18,952	41,423
Accrual loss accounts receivable	-	-	-	-	7,115
<b>EBITDA adjusted</b>	<b>309,141</b>	<b>410,605</b>	<b>741,424</b>	<b>283,701</b>	<b>1,282,208</b>

In connection with the merger with Rem Offshore, Farstad Shipping and Deep Sea Supply, the purchase price allocation analysis identified several long-term freight contracts where the daily rates were higher or lower than the market rate at the time of acquisition. A part of the purchase price was thus allocated to these excess / less values and capitalized. In line with the fulfillment and revenue recognition of freight contracts, the capitalized excess / less value is derecognized. The adjustment has no cash effect, and thus comes as an addition to booked freight income when calculating EBITDA.

## Note 5 - Fixed assets

	Vessels	Periodic maintenance	Other	Total
<b>Opening balance 01.01.2021</b>	<b>18,716,131</b>	<b>760,223</b>	<b>33,265</b>	<b>19,509,619</b>
Additions	34,263	101,508	-	135,770
Asset held for sale	-25,575	-	-	-25,575
Disposals	-55,482	-	-	-55,482
Translation adjustment	13,772	-3,089	305	10,988
Depreciation	-452,525	-135,488	-3,400	-591,413
Impairment	-45,049	-	-	-45,049
<b>Closing balance 30.06.2021</b>	<b>18,185,536</b>	<b>723,154</b>	<b>30,170</b>	<b>18,938,859</b>

Vessels are depreciated over 20 years to a residual value equal to 50% of the original cost. Initially residual value is set to 50% of cost price, expected cost of sale deducted, and adjusted for age and changes in broker valuations. The assumption is that the broker values decline by 2.5% per year, until the vessel is 20 years old. Other assets are depreciated at rates of 10-25%.

In 3Q 2021 the Company have sold one CSV the asset is classified as held-for-sale in Condensed Statements of Financial Position. Total book value is MNOK 25.6.

## Note 5 - Fixed assets (continued)

### Impairment testing of vessels

#### Summary

The Company has performed impairment testing of the fleet in accordance with IAS 36. Indicators such as slow market recovery and declining price/ book ratio form, according to IAS 36, the need for revaluation of the Company's assets.

Based on value-in-use-calculations impairment charges recognized in 2Q 2021 was NOK 0. Total impairment of fixed assets recognized year to date 2Q 2021 is MNOK 45.

#### Impairment testing

Impairment testing (value-in-use-calculation) was performed for all vessels where book value exceeds 65% of broker value. Broker value is set as an average of 3 acknowledged, independent brokers. Each vessel is considered a separate cash generating unit. The value-in-use-calculations are based on budget and the long-term forecast for 2021-2025.

The main assumptions used in the computations are charter rates, utilization, escalation of expenses, operational area, interest rate, weighted average cost of capital (WACC) and performance per Q2 2021 compared to forecast.

#### Discounting rate

The discounting rate is based on a common WACC for the Company. The cost of equity is derived from the 10-year interest rate for state bonds (risk-free interest rate), the Company's own market risk premium and an unlevered beta. The debt element of the discounting rate is based on the risk-free interest rate, plus the Company's average margin for secured debt, as well as a premium equivalent to the difference between risk-free interest rate and the bank's lending rates. The discounting rate used for Q2 2021 is 9%.

#### Revenue assumptions

For vessels having firm contracts, revenue is based on the current contracts. For vessels without firm contracts, and for vessels where the firm contract expires during the period, revenue is based on historical data. For the first period it is expected that the day rates for the PSV- and AHTS segment will remain low. From 2026 to 2028 it is assumed a gradual increase of revenue to a level which correspond to the average rates for the past 7-10 years. It is expected that the markets are normalized within 2027.

#### Inflation

Escalation of revenue is expected to be marginal for the coming year. Hence, it is used a low (<1%) or no inflation of revenue in 2021. Operating cost is adjusted for inflation by 2%. Inflation of revenue correspond to cost from 2026.

#### Residual values

Estimated residual values used in the value-in-use-calculations are set using the same principle as for the ordinary depreciations. Initially the value is set to 50% of cost price, expected cost of sale deducted, and adjusted for age and changes in broker valuations. The assumption is that the broker values decline by 2.5% per year, until the vessel is 20 years old.



## Note 6 - Right-of-use assets

	Right-of-use			Lease liabilities
	Vessels	Office	Total	
<b>Opening balance 01.01.2021</b>	<b>2,212,854</b>	<b>244,467</b>	<b>2,457,322</b>	<b>2,814,242</b>
Other adjustments	-	-	-	-
Additions	698	-	-	-
Disposals	-	-	-	-
Translation adjustment	6,633	-315	6,318	6,739
Depreciation	-31,086	-14,408	-45,495	-
Impairment	-	-	-	-
Interest expense	-	-	-	90,654
Lease payments	-	-	-	-194,237
<b>Closing balance 30.06.2021</b>	<b>2,189,098</b>	<b>229,744</b>	<b>2,418,842</b>	<b>2,717,403</b>

### Impairment testing of Right-of-use assets

Based on value-in-use-calculations the Company has not recognized any impairment of Right-of-use assets. Further reference is made to Note 5 Fixed Assets.

### Guarantee

Vessel lease liability is guaranteed by the Parent Company with MNOK 2,450.

The Parent Company has also guaranteed for a put option related to the leased vessel. The put is valued at MUSD 323 as of 30.06.2021.

### Default put option

The lease agreement for Normand Maximus includes a default put option. The Company has received a waiver for the bareboat charter including the default put option of Normand Maximus. Year end 2020 the Company was in a contractual default. As the default was effective within the non-cancellable period and was not exercised at the end of 2Q 2021, the effect is not recognized in the balance sheet.

### Variable lease payments

The Company has two vessels on lease with variable lease payments. The total payments for 2Q 2021 was MNOK 16 (MNOK 0).

## Note 7 - Investment in Associated Companies and Joint Ventures

The Group had the following shares in joint ventures (JV) and associated companies (AC) at balance sheet date:

AC	JV
Solstad Offshore Crewing Service Philippines (25 %)	Normand Installer SA (50 %)

	AC	JV	Total
<b>Opening balance</b>	<b>1,128</b>	<b>113,252</b>	<b>114,380</b>
Share of result year to date	168	-6,936	-6,768
Additions	-	-	-
Disposals	-	-	-
Impairment	-	-	-
Other adjustments	4	-10,656	-10,653
<b>Closing Balance</b>	<b>1,299</b>	<b>95,660</b>	<b>96,959</b>

Other adjustments includes received dividends and currency effects.

## Note 8 - Interest bearing debt

The reinstated debt to credit institutions is recognized at its fair value. The interest rate for the refinanced debt has at initial recognition been compared to current market terms according to IFRS 9. For the reinstated debt the Company concludes that the interest rate is below current market terms. Using the estimated market rate when measuring fair value of the reinstated debt a MNOK 1,066 reduction is observed. The difference between nominal- and fair value will be amortised, and presented as interest expense, over the period until final maturity of the loans. The below table sets out the difference between nominal- and fair value at initial recognition, the amortization for the period and the remaining balance at reporting date.

<b>Initial recognition 20.10.2020</b>	<b>-1,066,639</b>
Amortisation 4Q 2020 (*)	54,615
Amortisation YTD 2Q 2021 (*)	130,386
Unrealised currency loss	67,188
<b>Fair value adjustment 30.06.2021</b>	<b>-814,450</b>

\*Amortised cost is presented as part of Interest charges in the Comprehensive Income Statements

	<b>2021</b> 30.06	<b>2020</b> 30.06	<b>2020</b> 31.12
Long term debt	17,334,893	4,280,578	17,143,021
Current portion of long term debt	3,342,655	28,322,076	3,499,897
Fair Value adjustment	814 450	-	1,012,025
Balance booked finance cost	99,528	65,031	121,870
<b>Total interest bearing debt (*)</b>	<b>21 591 526</b>	<b>32,667,685</b>	<b>21,776,813</b>
<b>Bank deposit</b>	<b>2,218,388</b>	<b>1,111,611</b>	<b>2,411,905</b>
Net interest bearing debt	19 373 138	31,556,074	19,364,908

Long term debt is divided by 33% NOK and 67% USD. At the end of the quarter, fixed interest agreement loans were entered into for around 4% of interest bearing debt.

Current portion of long term debt includes MNOK 2,450 reclassification of lease obligation for Normand Maximus. The Company has received a waiver for the bareboat charter of Normand Maximus.

In 2Q 2020 comparative figures long term debt of about MNOK 25,000 was in accordance with IFRS classified as Current portion of long term debt, due to the standstill agreements with the banks and bond holders where the covenant waiver period was less than 12 months.

\*Inclusive recognized debt relating to IFRS 16 Leases MNOK 2,717 (MNOK 3,882), whereof MNOK 0 (MNOK 592) are leases from related parties, and debt to related parties MNOK 0 (MNOK 1,204).

## Note 9 - Tax expense

The Group's tonnage taxed companies have decided to exit the Norwegian Tonnage Tax Regime with effect from January 1st 2016. Amended tax returns for the period 2016-2018 have been filed with Norwegian Tax Authorities. Based on the tax assessments received the Group has a loss carried forward of about NOK 12 billion. The corresponding deferred tax asset is not recognized in the accounts.

Taxes on ordinary result relates to local taxation outside Norway.

## Note 10 - Subsequent events

The Company has sold the CSV Normand Progress and the AHTS Sea Panther (recycling) resulting in an immaterial accounting effect for 3Q 2021. Delivery of Normand Progress to the new owner took place in 3Q 2021.

## Note 11 - Alternative performance measurement definitions

Solstad Offshore ASA has included the below Alternative Performance Measures (APM), which are commonly used in the business, as they are used internally by management to understand the Group's financial performance. Hence, it is deemed that the APM's also will provide useful information to the reader.

**Operating margin** - Operating result before depreciation in percentages of total operating income

**EBITDA** - Operating result before depreciation.

**EBITDA adjusted** - Operating result before depreciation and impairment adjusted for Joint Ventures, Associated Companies, excess values charter parties from mergers, leases and other non-recurring items

**Adjusted Operating result before depreciations** - Operating result before depreciation adjusted excess values charter parties from mergers and result from Joint Ventures

**Earning on equity** - Result before tax, in percentage of average equity, including minority interests

**Earning on capital employed** - Operating result plus interest income and result from associated company divided by average book shareholders' equity and interest-bearing debt

**Current ratio** - Current assets divided by current liabilities

**Equity ratio** - Booked equity including minority interests in percentage of total assets

**Earnings per share** - Result for the period for the Group divided by weighted average number of shares at the end of the reporting period, adjusted for treasury shares

**Comprehensive income per share** – Comprehensive income for the period for the Group divided by weighted average number of shares at the end of the reporting period, adjusted for treasury shares

**Equity per share** - Shareholders' equity divided by outstanding number of shares at the end of the reporting period

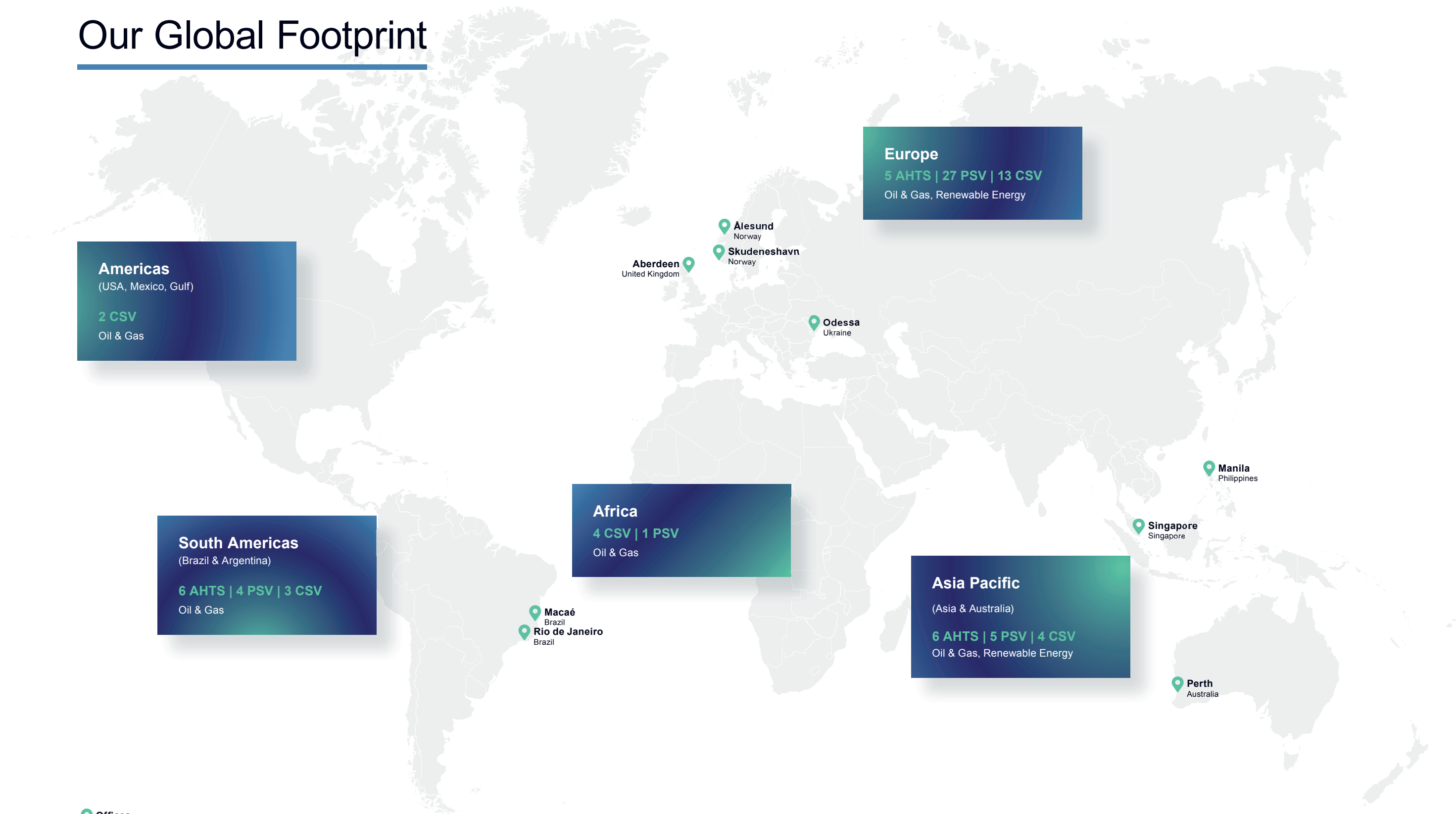
**Working capital** – Current assets less current liabilities, excluding current portion of long-term debt

**Interest-bearing debt** – Current and long-term interest-bearing liabilities

**Net interest-bearing debt** – Interest-bearing liabilities less bank deposits



# Our Global Footprint



 Offices



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