

# 1Q 2022 Presentation

Lars Peder Solstad, CEO and Kjetil Ramstad, CFO



# Disclaimer

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# Financial highlights

1	Revenue	MNOK 1,245 (MNOK 1,337 & 959 ex term.fee)	MNOK 7,000 backlog (MNOK 4,500)
2	Adj. EBITDA	MNOK 208 (MNOK 432 & 54 ex term.fee)	17% EBITDA margin (32%)
3	EBIT	MNOK -115 (MNOK 47 & -331 ex term.fee)	-9% EBIT margin (4%)
4	Assets	MNOK 20,773 fixed assets (MNOK 21,790)	MNOK 2,099 cash (MNOK 2,129)
5	Equity & Liabilities	MNOK 19,101 NIBD (MNOK 19,536)	MNOK 2,774 equity (MNOK 3,899)

\*1Q2021 in brackets. 1Q21 includes termination fee related to Normand Maximus of approx. MNOK 378

## Market update: *Outlook for Solstad's services continues to improve*

- 1 The tragic invasion of Ukraine increases focus on energy security and could lead to more investments in offshore energy.
- 2 Global demand for offshore vessels continues to improve. Due to limited new supply of vessels, supply/demand balance is tightening.
- 3 North Sea and Brazil have high and increasing activity. Activity in other regions is also improving.
- 4 Continued high tendering activity from all offshore energy segments, some vessel types might be in shortage already in 2022.

## Business update: *Improved offshore energy markets drives utilization and backlog*

- 1 Solstad booked more than MNOK 2,600 of new backlog in 1Q 2022, which is the fourth consecutive quarter with a book-to-bill ratio of more than 1x.
- 2 On average, 78 vessels were operational in 1Q 2022, with an average utilization of 81% (79%).
- 3 A large number of drydockings have been completed during 1Q 2022.
- 4 Harsh weather conditions in January/February postponed several operations and resulted in low utilization on the North Sea spot-fleet.
- 5 Supply/demand balance and commercial terms continue to improve.  
Ship values to follow.

## Fleet update: *Modernization continues*

- 1 The Solstad fleet consist of 89 vessels serving offshore energy clients globally.
- 2 78 active vessels at the end of the 1Q 2022  
2 more vessels in operation during 2Q
- 3 Solstad has in 2021 and 2022 finalized the sales of 36 non-strategic vessels, which concluded the earlier announced sale of the “non-strategic” fleet.  
The divestments have, in total, reduced the Company’s debt with NOK 778 mill.
- 4 Continue to upgrade the fleet with new technology to reduce fuel consumption and bring emissions down in accordance with the Company’s targets.
- 5 Offer a wider scope of services to Clients through Windstaller Alliance and other partners.

## New orders in 1Q: *Some highlights*



*Three PSVs for ConocoPhillips*

- Signed new 5-year contracts with ConocoPhillips Scandinavia for the PSVs Normand Server, Normand Supporter and Normand Fortune
- Solstad – ConocoPhillips (Phillips Petroleum) relation goes back to 1974



*Windstaller Alliance*

- Windstaller Alliance was awarded its first project that involves Solstad Offshore, Aker Solutions and DeepOcean to execute maintenance and upgrades for SalMar Aker Ocean on Ocean Farm 1.
- Disconnection and tow to Verdal completed in April

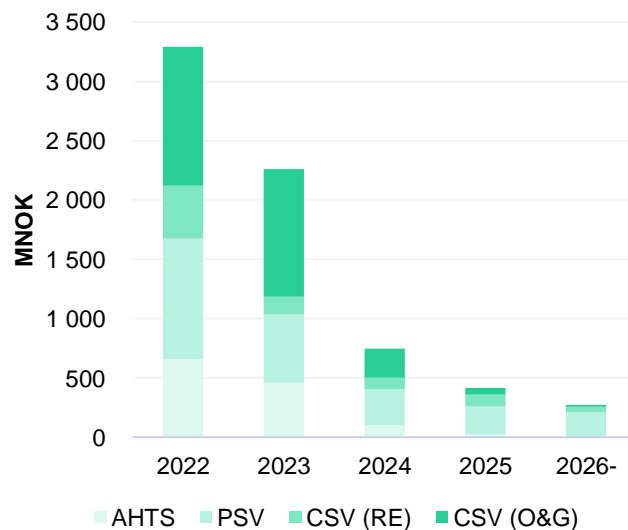


*Normand Clipper with Global Marine*

- CSV Normand Clipper had its contract with Global Marine extended to 2026
- Global Marine will utilize the vessel for installation of fiberoptic networks

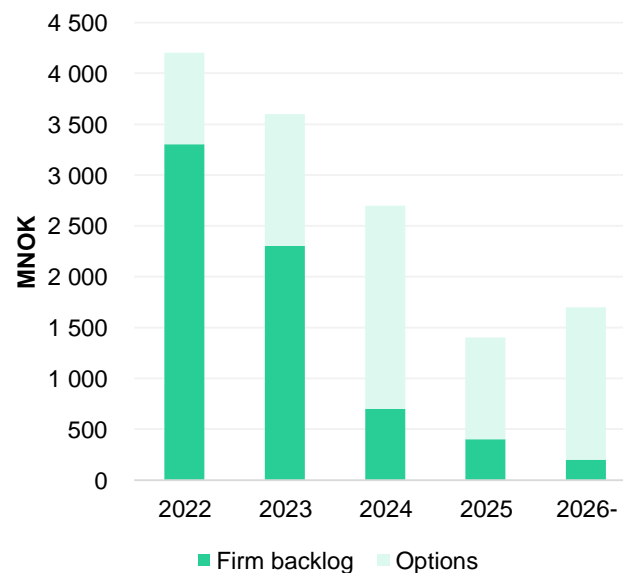
# Backlog: ~x2.1 Book-to-Bill in 1Q 2022

### Backlog per year per segment



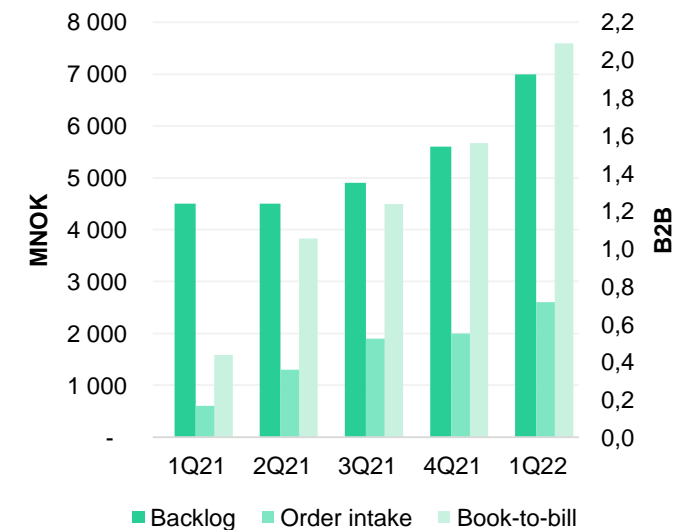
**MNOK 7,000 in firm backlog per 1Q22**

### Firm & option backlog



**Combined firm and option backlog of approx. MNOK 13,700 per 1Q22**

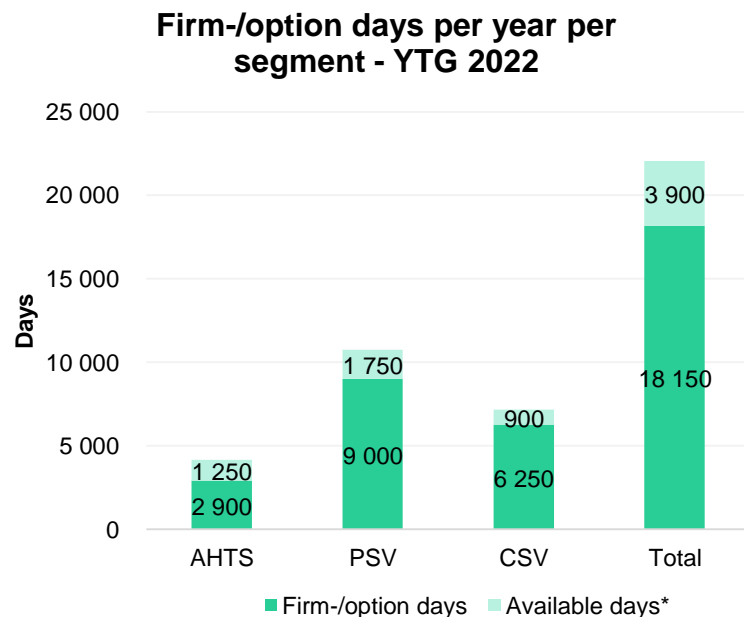
### Backlog, order intake & Book-to-bill (B2B) development



**Fourth consecutive quarter with increasing backlog, order intake and B2B**

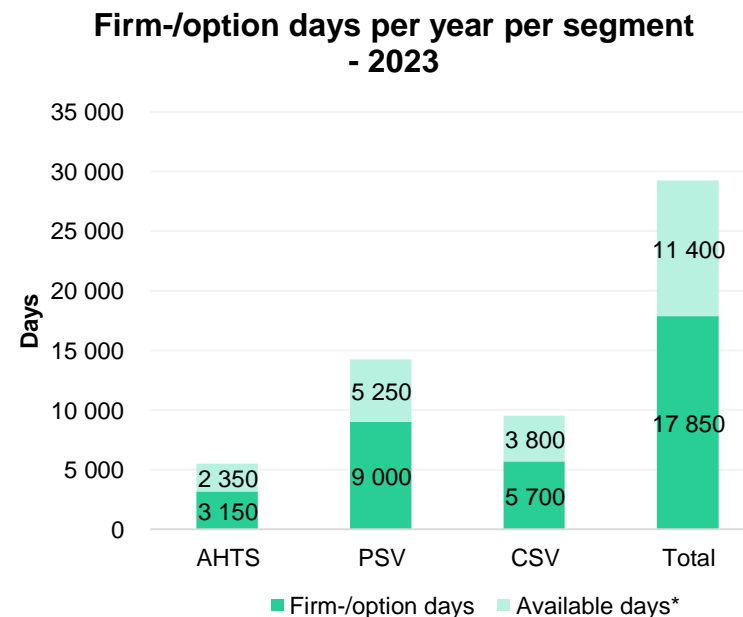


# Considerable earnings potential on top of present backlog



*\*operational vessels*

**Considerable backlog in-hand for the year, but with still high earnings potential.**



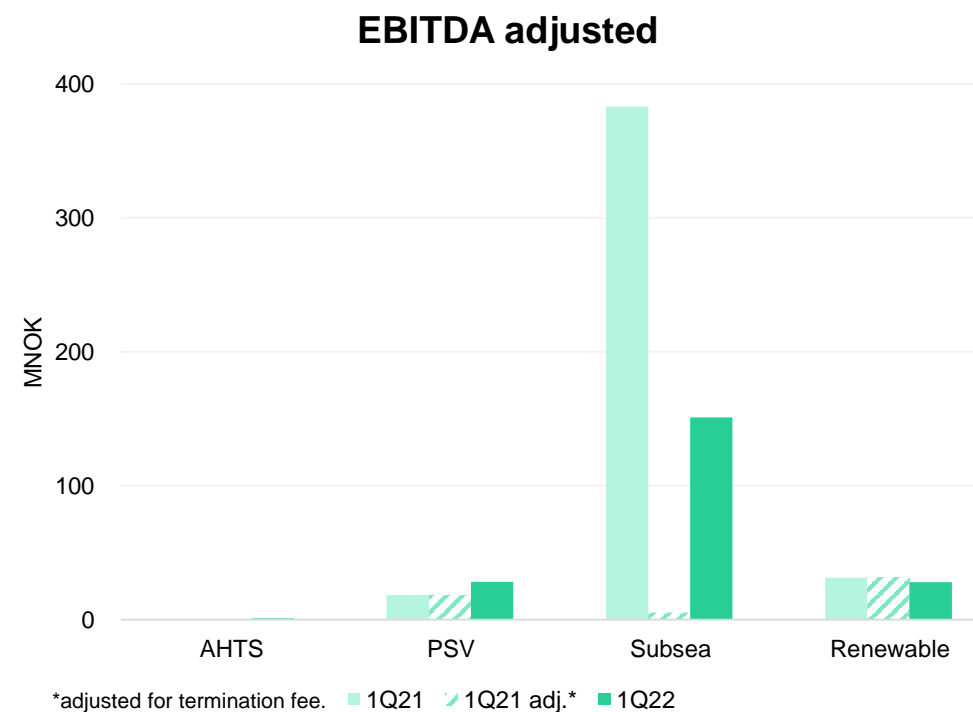
*\*operational vessels*

**Solid backlog in combination with approx. 40% available capacity.**

# Income statement

MNOK	2022 1.1-31.03	2021 1.1-31.03	2021 adj.* 1.1-31.03
<b>Operating income</b>	<b>1,245</b>	<b>1,337</b>	<b>959</b>
Vessel operating expenses	(941)	(810)	(810)
Administrative expenses	(113)	(104)	(104)
<b>Total operating expenses</b>	<b>(1,054)</b>	<b>(914)</b>	<b>(914)</b>
<b>Operating result before depreciations</b>	<b>191</b>	<b>423</b>	<b>45</b>
Ordinary depreciation	(297)	(320)	(320)
Impairment	-	(45)	(45)
Net gain/ loss on sale of assets	(8)	(11)	(11)
<b>Operating result</b>	<b>(115)</b>	<b>47</b>	<b>(331)</b>
Result Joint Ventures	6	(9)	(9)
Result associated companies	0	0	0
<b>Total other items</b>	<b>7</b>	<b>(9)</b>	<b>(9)</b>
<b>Net financing</b>	<b>(112)</b>	<b>(346)</b>	<b>(346)</b>
<b>Ordinary result before taxes</b>	<b>(220)</b>	<b>(308)</b>	<b>(686)</b>
Taxes ordinary result	(12)	(3)	(3)
<b>RESULT</b>	<b>(232)</b>	<b>(310)</b>	<b>(688)</b>
<b>EBITDA adjusted</b>	<b>208</b>	<b>432</b>	<b>54</b>

\*adjusted for Normand Maximus termination fee of MNOK 378.



# Balance sheet

MNOK	2022 31.03	2021 31.03	2021 31.12
<b>ASSETS</b>			
<b>Fixed Assets</b>			
Intangible assets	14	10	14
Tangible fixed assets	18,017	19,143	18,090
Right-of-use assets	2,514	2,432	2,561
Investment in associated companies and JVs	98	95	92
Financial fixed assets	130	111	107
<b>Total fixed assets</b>	<b>20,773</b>	<b>21,790</b>	<b>20,865</b>
<b>Current Assets</b>			
Stocks	170	161	173
Accounts receivables	877	1,195	817
Other receivables	649	490	421
Market based shares	22	16	15
Deposits, cash, etc	2,099	2,129	2,459
<b>Total current assets</b>	<b>3,818</b>	<b>3,991</b>	<b>3,885</b>
Assets held for sale	49	-	187
<b>TOTAL ASSETS</b>	<b>24,641</b>	<b>25,781</b>	<b>24,938</b>

MNOK	2022 31.03	2021 31.03	2021 31.12
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Paid-in equity	256	250	253
Other equity	2,522	3,635	2,836
Non-controlling interests	(4)	14	(5)
<b>Total equity</b>	<b>2,774</b>	<b>3,899</b>	<b>3,083</b>
<b>Liabilities</b>			
Long-term provisions	29	28	43
Other long-term debt	1	12	2
Debt to credit institutions	17,405	17,227	17,805
<b>Total long-term debt</b>	<b>17,435</b>	<b>17,268</b>	<b>17,850</b>
<b>Current liabilities</b>			
Current portion of long-term debt	3,101	3,433	2,913
Other current liabilities	1,330	1,180	1,091
<b>Total current liabilities</b>	<b>4,431</b>	<b>4,614</b>	<b>4,004</b>
<b>Total liabilities</b>	<b>21,867</b>	<b>21,882</b>	<b>21,854</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>24,641</b>	<b>25,781</b>	<b>24,938</b>
<b>Equity ratio</b>	<b>11.3%</b>	<b>15.1%</b>	<b>12.4%</b>

# Summary

- Entering a multi-year period with high and increasing activity level for offshore energy.
- As it looks, limited amount of additional vessels will enter the market for several years.
- Very high tender activity globally in the offshore energy markets.
- Commercial terms continue to improve.
- Vessel utilization, EBITDA and ship values expected to gradually improve.





# Q&A