

# 4Q 2022 Presentation

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# Disclaimer

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# Financial highlights

1	Revenue	MNOK 1,637 (MNOK 1,303)	MNOK 9,200 backlog (MNOK 5,600)
2	EBITDA adj.	MNOK 454 (MNOK 291)	28% EBITDA margin (22%)
3	EBIT	MNOK 45 (MNOK -143)	3% EBIT margin (-11%)
4	Assets	MNOK 21,285 fixed assets (MNOK 20,865)	MNOK 2,170 cash (MNOK 2,459)
5	Equity & Liabilities	MNOK 21,117 NIBD (MNOK 18,258)	MNOK 1,757 equity (MNOK 3,083)



## **Business update:** *Record high order intake and EBITDA improves further*

- 1 A quarter with high utilization and improved commercial terms across all geographical regions and vessel segments.
- 2 EBITDA adjusted increased by 56 percent to MNOK 454 from MNOK 291 in 4Q 2021. 25% of the 2022 EBITDA is generated from Renewable Energy activities.
- 3 80 vessels were operational in 4Q 2022, with an average utilization of 88% (86%).
- 4 Solid order intake continues in 4Q 2022 with new contracts signed for approximately BNOK 3,3. The highest quarterly order intake in the Company's history.
- 5 Global inflation and supply chain bottlenecks impacts operational cost.
- 6 The sale of CSV Normand Jarl in 1Q 2023 indicates increasing ship values.

## Market update: *Strong outlook for the offshore energy market*

- 1 Demand for offshore services improves further, both from Oil & Gas and Renewable Energy activities.
- 2 Tender activity and contract awards remains at a high level with improved commercial terms and increased willingness from Clients to make longer commitments.
- 3 Supply/demand balance is becoming tight, especially within the CSV segment. It is unlikely that significant additional capacity will be added to the market in short term.
- 4 Clients have ambitious investment plans in 2023 and beyond, indicating high offshore activity.

## New orders in 4Q: *Some examples*



*Long-term contracts for CSVs*

- Normand Vision was awarded a new contract with Ocean Installer AS for a period of 3 years firm plus option for additional 2 years. The contract will commence January 2024, in direct continuation of present agreement with Ocean Installer.
- Normand Ocean was awarded an extension and a new contract with DeepOcean AS for a total period of 2 years firm from January 2024, plus option for additional 1 year thereafter, in direct continuation of present contract with DeepOcean.



*Long-term contracts for PSVs with battery-hybrid solutions*

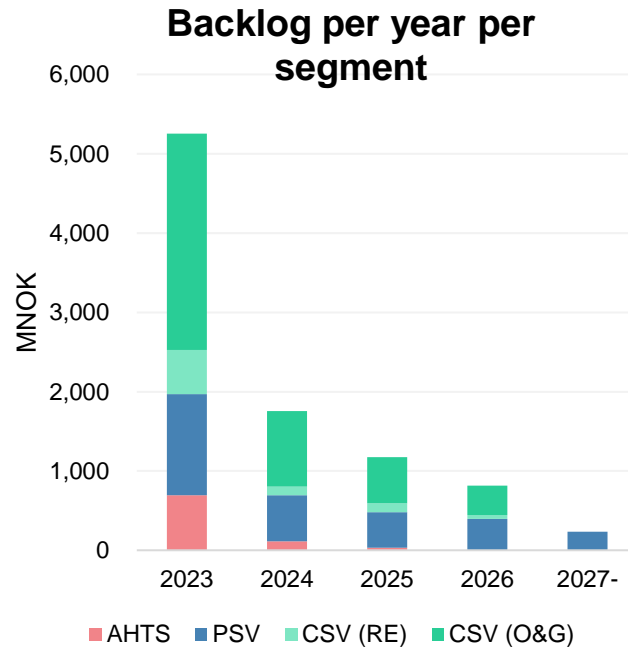
- Normand Naley and Sea Frost was awarded five-year contracts by Equinor UK Limited from January 2023. The contracts include options for further extensions.
- Awarded a five years firm, plus options, contract with TotalEnergies UK for Normand Falnes.



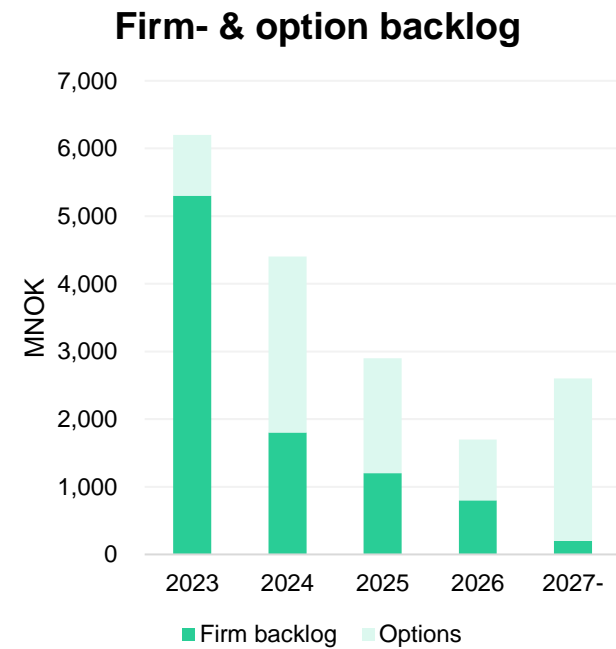
*CSV Normand Maximus*

- Received Letters of Award from two different subsea contractors for hire of the CSV Normand Maximus for execution of projects during 2023. The projects have a combined duration of minimum 200 days, and the value of the firm part is approx. NOK 500 million.

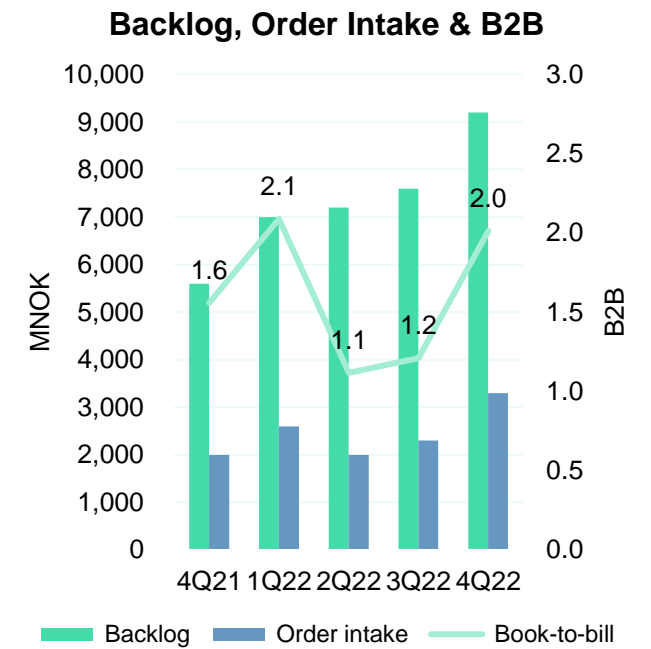
# Backlog: ~x2.0 Book-to-Bill in 4Q 2022



**MNOK 9,200 in firm backlog per 4Q22.**



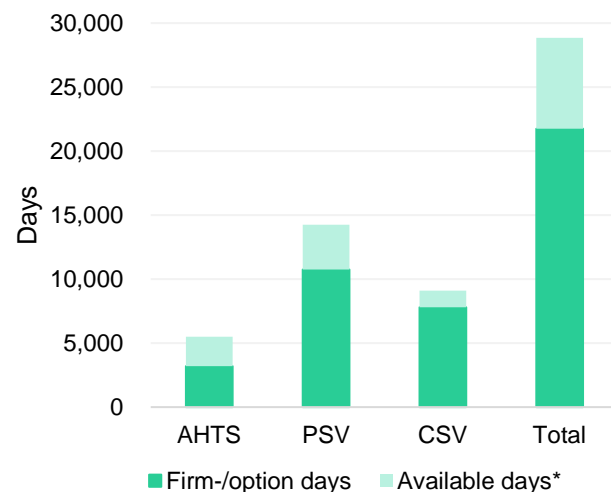
**Combined firm and option backlog of approx. MNOK 17,700 per 4Q22.**



**Seventh consecutive quarter with B2B above 1x.**

# Considerable earnings potential on top of present backlog

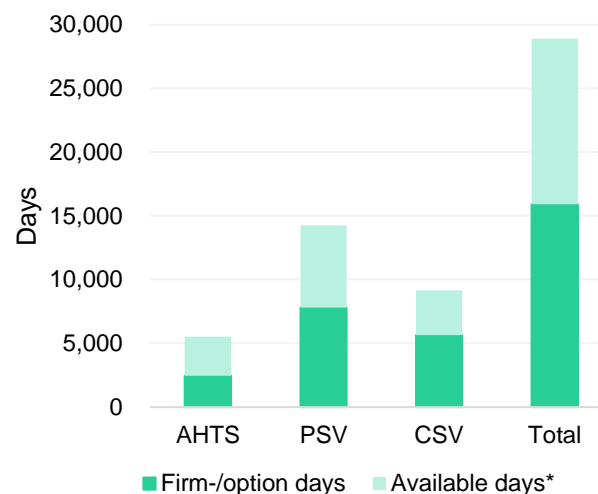
Firm-/option days per year  
per segment - 2023



\*operational vessels

**Solid backlog in combination with approx. 25% available vessel days.**

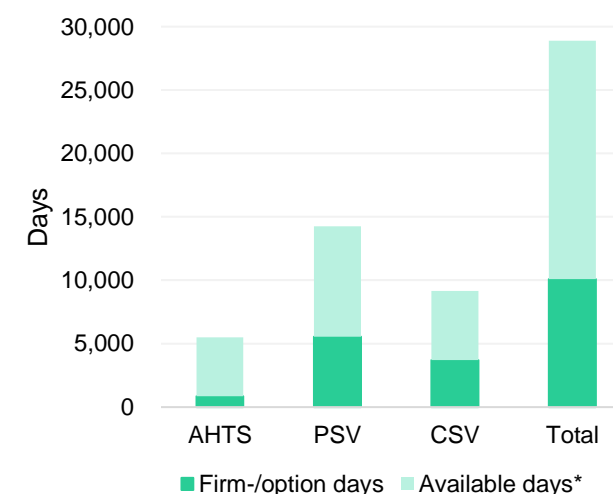
Firm-/option days per year  
per segment - 2024



\*operational vessels

**Comfortable backlog in combination with approx. 45% available vessel days.**

Firm-/option days per year  
per segment - 2025



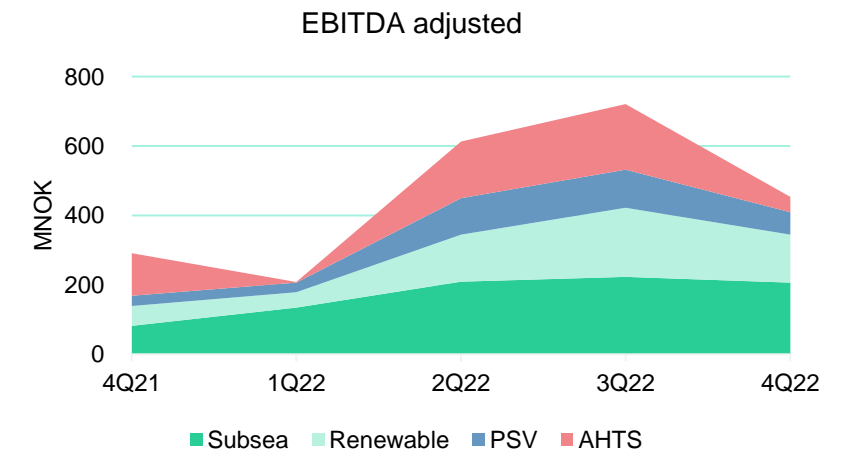
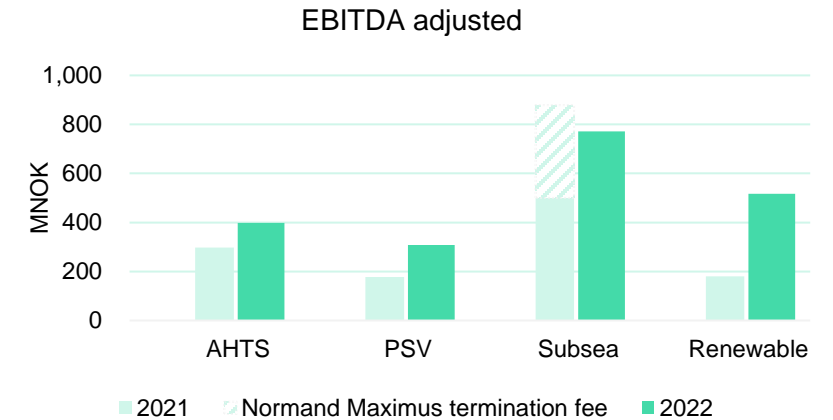
\*operational vessels

**Firm-/option backlog of BNOK 2,9 with potential for significant order intake on increasing market terms.**



# Income statement

MNOK	2022 1.10-31.12	2021 1.10-31.12	2022 1.1-31.12	2021 1.1-31.12
<b>Operating income</b>	<b>1,637</b>	<b>1,303</b>	<b>6,493</b>	<b>5,418</b>
Vessel operating expenses	(1,084)	(940)	(4,134)	(3,566)
Administrative expenses	(107)	(123)	(448)	(450)
<b>Total operating expenses</b>	<b>(1,192)</b>	<b>(1,062)</b>	<b>(4,582)</b>	<b>(4,016)</b>
<b>Operating result before depreciations</b>	<b>445</b>	<b>241</b>	<b>1,911</b>	<b>1,402</b>
Ordinary depreciation	(405)	(312)	(1,337)	(1,264)
Impairment	9	(0)	556	(45)
Net gain/ loss on sale of assets	(4)	(71)	152	(100)
<b>Operating result</b>	<b>45</b>	<b>(143)</b>	<b>1,283</b>	<b>(7)</b>
<b>Total other items</b>	<b>(1)</b>	<b>3</b>	<b>21</b>	<b>0</b>
<b>Net financing</b>	<b>481</b>	<b>(255)</b>	<b>(2,313)</b>	<b>(1,103)</b>
<b>Ordinary result before taxes</b>	<b>525</b>	<b>(396)</b>	<b>(1,009)</b>	<b>(1,110)</b>
Taxes ordinary result	(83)	(7)	(105)	(26)
<b>RESULT</b>	<b>442</b>	<b>(402)</b>	<b>(1,114)</b>	<b>(1,136)</b>
<b>EBITDA adjusted</b>	<b>454</b>	<b>291</b>	<b>1,995</b>	<b>1,534</b>



# Balance sheet

MNOK	2022 31.12	2021 31.12
<b>ASSETS</b>		
<b>Fixed Assets</b>		
Intangible assets	4	14
Tangible fixed assets	17,632	18,090
Right-of-use assets	3,346	2,561
Investment in associated companies and JVs	159	92
Financial fixed assets	116	107
<b>Total fixed assets</b>	<b>21,257</b>	<b>20,865</b>
<b>Current Assets</b>		
Stocks	228	173
Accounts receivables	1,179	817
Other receivables	794	421
Market based shares	21	15
Deposits, cash, etc	2,170	2,459
<b>Total current assets</b>	<b>4,392</b>	<b>3,885</b>
Assets held for sale	412	187
<b>TOTAL ASSETS</b>	<b>26,061</b>	<b>24,938</b>

MNOK	2022 31.12	2021 31.12
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Paid-in equity	258	253
Other equity	1,509	2,836
Non-controlling interests	(9)	(5)
<b>Total equity*</b>	<b>1,757</b>	<b>3,083</b>
<b>Liabilities</b>		
Long-term provisions	33	43
Other long-term debt	1	2
Debt to credit institutions*	20,202	17,805
<b>Total long-term debt</b>	<b>20,236</b>	<b>17,850</b>
<b>Current liabilities</b>		
Current portion of long-term debt*	2,608	2,913
Other current liabilities	1,460	1,091
<b>Total current liabilities</b>	<b>4,068</b>	<b>4,004</b>
<b>Total liabilities</b>	<b>24,304</b>	<b>21,854</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>26,061</b>	<b>24,938</b>
	<b>6.7%</b>	<b>12.4%</b>

\*Refer to next slide for details on movement.

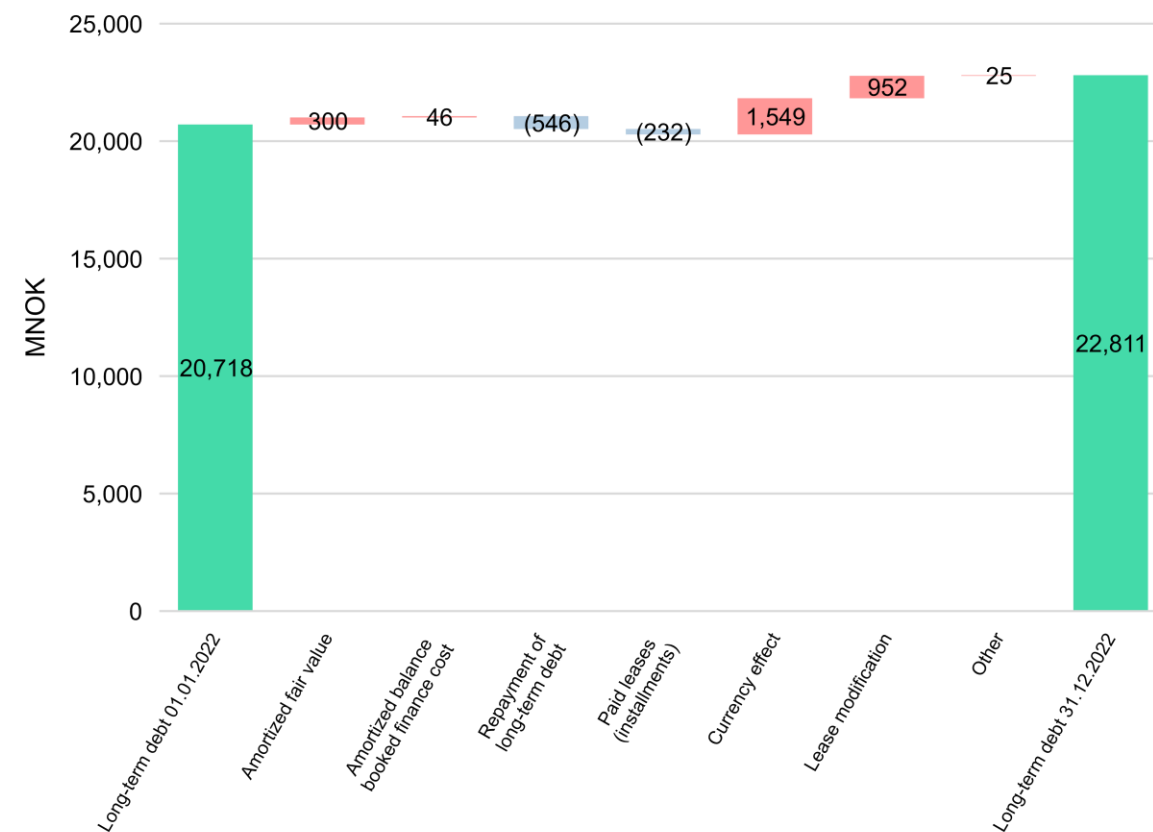
# Equity & liabilities development

Balance sheet is sensitive to currency movements, particularly reporting currency NOK to USD.

Equity movement 2022



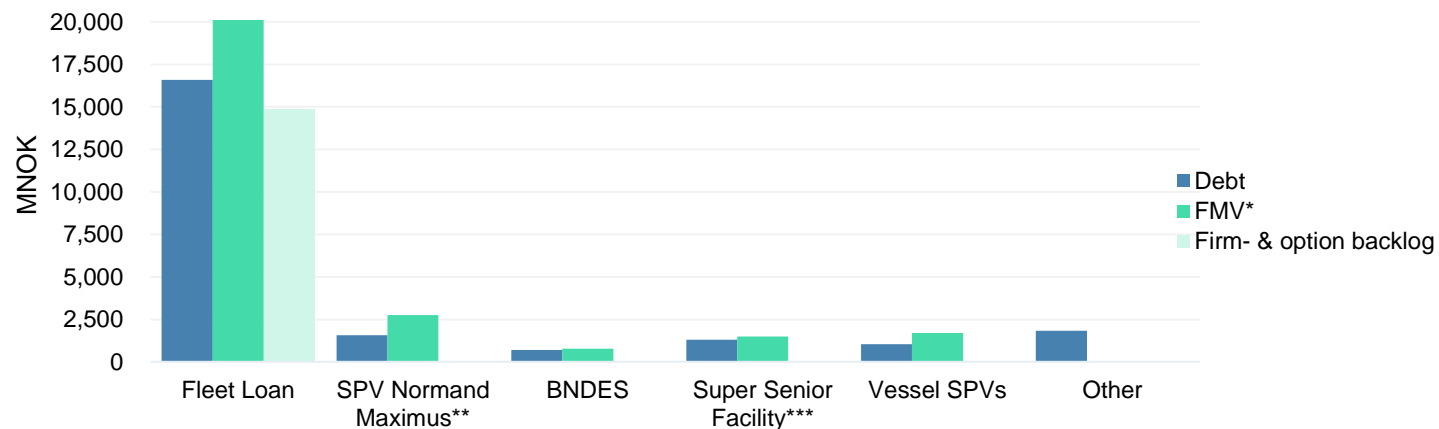
Long-term debt movement 2022



# Debt structure

- **Fleet loan:**
  - Maturity in 1Q24 financing 73 vessels per 4Q22. Refinancing process with lenders has begun with different possibilities being assessed.
  - BNOK ~15 backlog (incl. options) per 4Q22.
- **Normand Maximus:** Commenced 5 years firm bareboat agreement with 5+5 years options with AMSC ASA in 4Q22.
- **BNDES (Brazil):** Financing of 4 vessels with maturity dates in 2026-2031. Not guaranteed by SOFF ASA.
- **Super Senior Facility:** Scheduled repayment 1Q24. The facility is undrawn per 4Q22.
- **Vessel SPVs:** Separate entities with stand-alone financing of 5 vessels in total per 4Q22.

Debt &amp; FMV

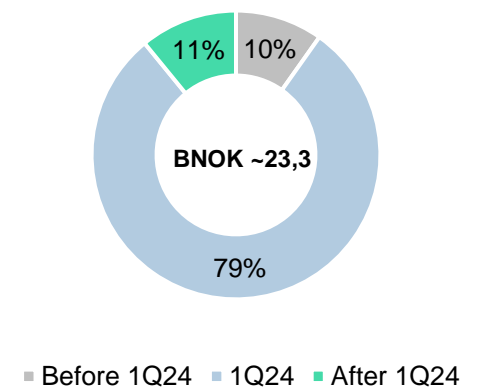


\*Per 4Q22 from three independent brokers. On average, broker values has increased by approx. 11% the past 12 months.

\*\*Leasing obligation as per 4Q22.

\*\*\*Cash collateral.

Debt Maturity



# Summary

- Despite being in the low-season, a strong quarter with high utilization and improved commercial terms across all geographical regions and vessel segments.
- A record high order intake of BNOK 3,3, giving the seventh consecutive quarter with B2B >1.
- Effect from the new backlog continue to materialize in terms of improved margins.
- Offshore energy activity increases while number of vessels are stable. Will over time give a favorable supply/demand balance.
- With high energy prices, focus on energy security and energy transition, it is expected that both Oil & Gas and Renewable energy activity will continue at a high level going forward.





# Q&A