

# 1Q 2023 Presentation

w/ Lars Peder Solstad, CEO  
and Kjetil Ramstad, CFO



# Disclaimer

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# Financial highlights – *Continued operations*

*Continued operations:  
excludes the PSV fleet*

1	Revenue	MNOK 1,363 (MNOK 882)	MNOK 6,200 backlog (MNOK 4,800)
2	EBITDA adj.	MNOK 583 (MNOK 179)	43% EBITDA margin (20%)
3	EBIT	MNOK 920 (MNOK -59)	68% EBIT margin (-7%)
4	Assets	MNOK 16,077 fixed assets* (MNOK 20,773)	MNOK 2,209 cash (MNOK 2,099)
5	Equity & Liabilities	MNOK 15,210 NIBD* (MNOK 19,100)	MNOK 1,986* equity (MNOK 2,774)

\*Balance sheet figures as per quarterly report are amended by reducing the debt with the USD 577 million in PSV sales consideration. Corresponding amendments are made to assets held for sale and equity.



## **Business update:** *Positioning the company further for the ongoing energy transition*

- 1** The company signed an agreement with Tidewater Inc. for sale of 37 PSVs for a total amount of USD 577 million. Closing of the transaction is expected in 2nd half of June 2023.

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- 2** The transaction positions Solstad as one of the main global owners and operators of high-end AHTS and CSVs that are essential to realize the energy transition.

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- 3** It enables Solstad to further increase its presence in the renewable energy market and expand its service offering, which includes ROV services, tooling and project support in cooperation with strategic partners.

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- 4** 1Q was a quarter with high utilization, despite extensive drydocking activity. 80 vessels were operational in the quarter, with an average utilization of 88 percent (81 percent).

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- 5** EBITDA adjusted, from continued operations, increased by 226 percent to MNOK 583 compared to MNOK 179 in 1Q 2022. 27 percent of the quarterly EBITDA was generated from Renewable Energy activities.

## Market update: *The high-end offshore market has recovered*

- 1 Demand for high-end offshore services, from both from Oil & Gas and Renewable Energy activities, continue to improve.
- 2 Tender activity remains at a high level with improved commercial terms and increased willingness from clients to make longer commitments to secure capacity in a tight market.
- 3 Supply/demand balance is becoming tight, giving increased rates and utilization also in the low season. It is unlikely that significant additional capacity will enter the market the coming few years.
- 4 There is a global increase in vessel demand from improved rig activity, field developments and a continued busy offshore wind market.

## Examples of new orders: *Year to date*



*AHTS - Multiple new contracts and extensions.*

- Several new contracts and contract extensions for various AHTS vessels supporting clients in the global markets.



*CSV Normand Maximus*

- Letter of Intent from an undisclosed subsea contractor for hire of the CSV Normand Maximus for a period of minimum 490 days with commencement first quarter 2024.

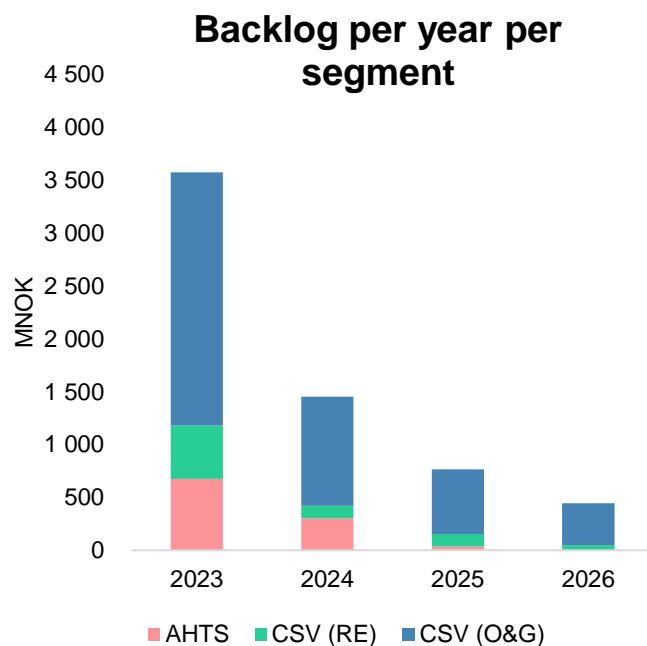


*Long-term contract within renewable energy*

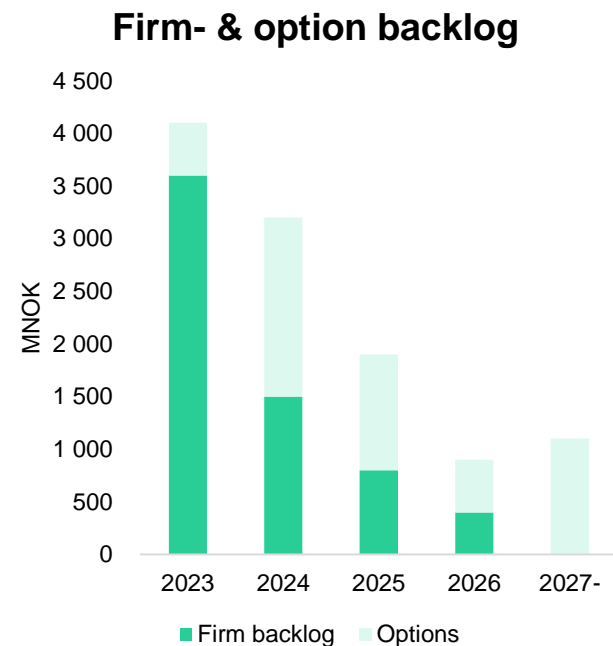
- Signed a new 7-year contract with Prysmian Powerlink Srl ("Prysmian") for the CSV Normand Pacific. The contract is firm until 31 December 2030. In addition, Prysmian has the option to extend the contract with 2 x 2 years and 1 x 1 year beyond the firm period.

# Backlog: ~x0.9 Book-to-Bill in 1Q 2023\*

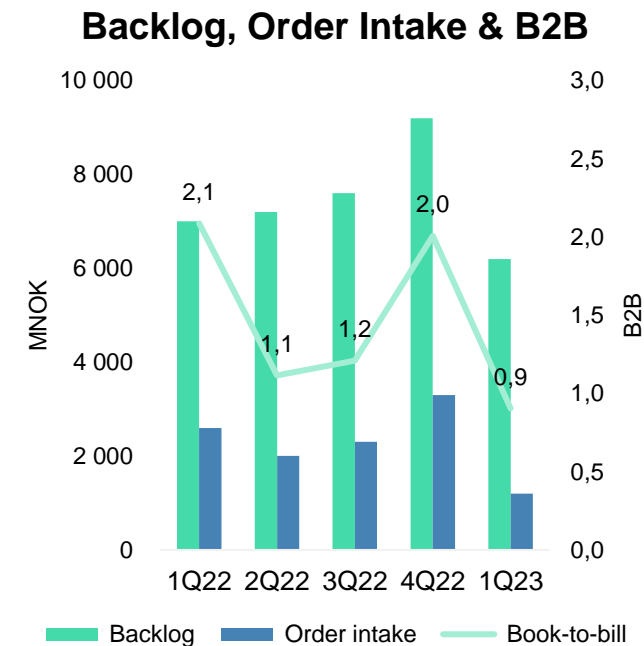
Excl. the PSV-fleet



**MNOK 6,200 in firm backlog per 1Q23.**



**Combined firm and options backlog of approx. MNOK 11,200 per 1Q23.**

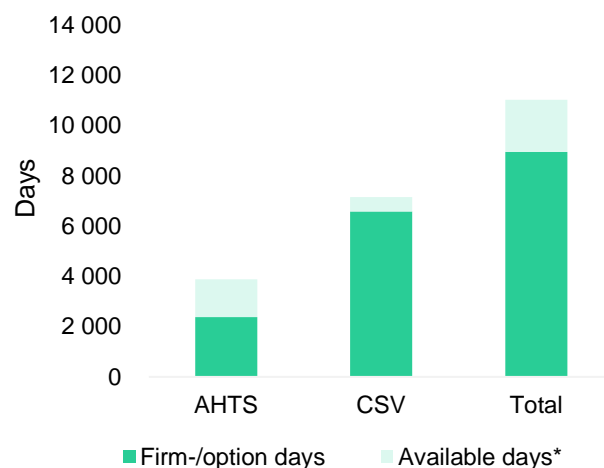


**All new contracts signed are at improved commercial terms.**

\*1Q23 figures for continuing operations.

# Backlog: Considerable earnings potential on top of present backlog

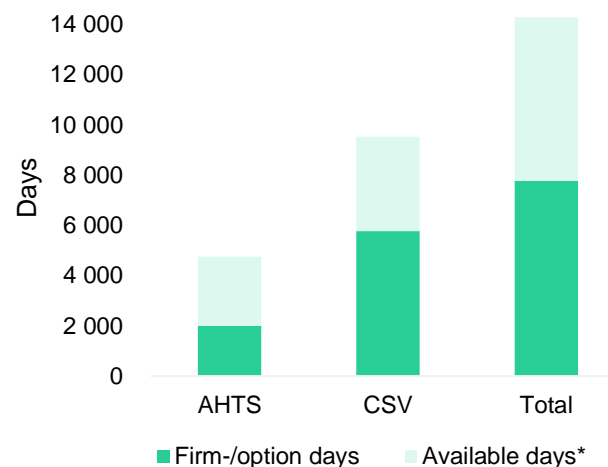
**Firm-/option days per year  
per segment – YTG 2023**



\*operational vessels

**Solid backlog in combination with  
approx. 20% available vessel days.**

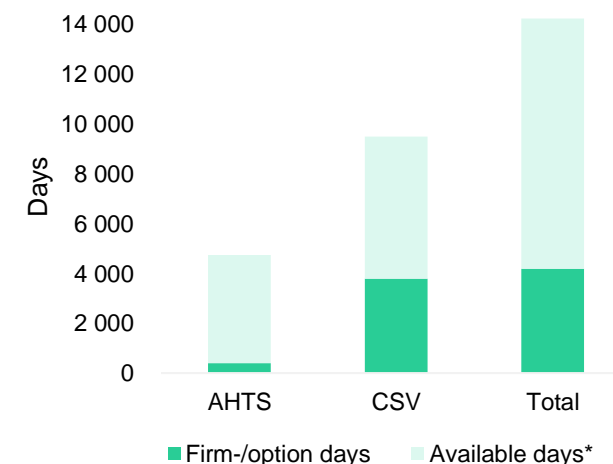
**Firm-/option days per year  
per segment - 2024**



\*operational vessels

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

**Firm-/option days per year  
per segment - 2025**



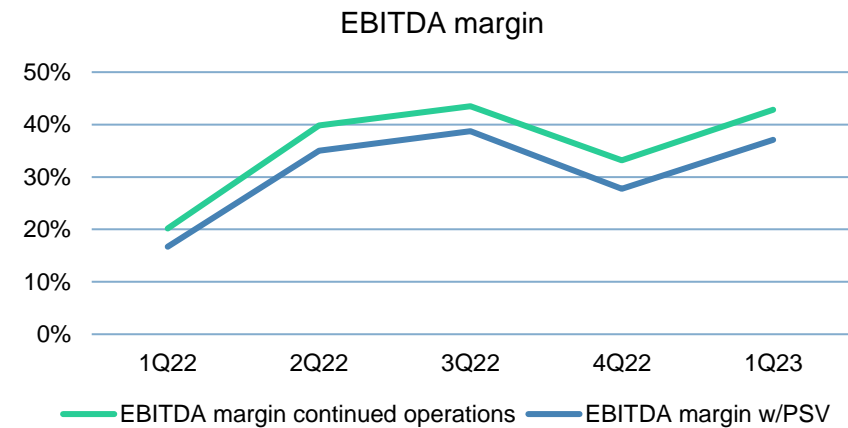
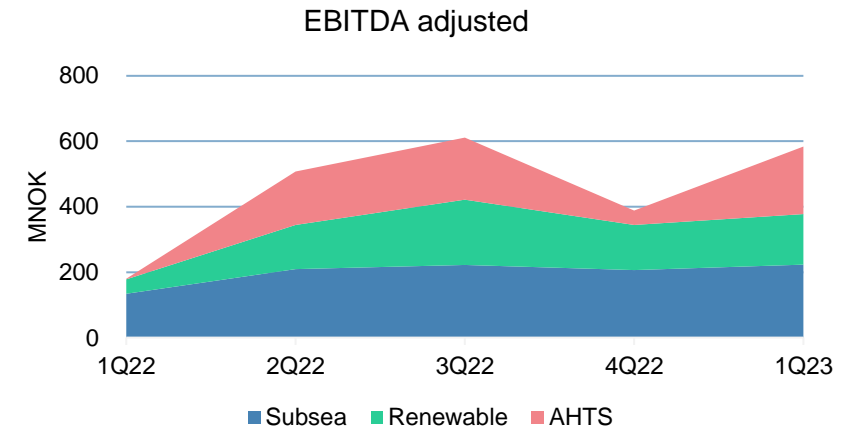
\*operational vessels

**Firm-/option backlog of BNOK 1,9 with  
potential for significant order intake in a  
continued strong market.**



# Income statement

MNOK	2023 1.1-31.03	2022 1.1-31.03	2022 1.1-31.12
<b>Continuing operations:</b>			
<b>Operating income</b>	<b>1,363</b>	<b>882</b>	<b>4,778</b>
Vessel operating expenses	(749)	(640)	(2,872)
Administrative expenses	(88)	(80)	(287)
<b>Total operating expenses</b>	<b>(837)</b>	<b>(720)</b>	<b>(3,159)</b>
Net gain/ loss on sale of assets	537	(8)	152
<b>Operating result before depreciations</b>	<b>1,062</b>	<b>154</b>	<b>1,772</b>
Ordinary depreciation	(290)	(219)	(1,019)
Impairment	148	-	584
Result Joint Ventures	(1)	6	20
<b>Operating result</b>	<b>920</b>	<b>(59)</b>	<b>1,357</b>
<b>Total other items</b>	<b>(0)</b>	<b>0</b>	<b>1</b>
<b>Net financing</b>	<b>(636)</b>	<b>(75)</b>	<b>(1,563)</b>
<b>Ordinary result before taxes</b>	<b>284</b>	<b>(133)</b>	<b>(205)</b>
Taxes ordinary result	(31)	(11)	(98)
<b>Result from continuing operations</b>	<b>252</b>	<b>(145)</b>	<b>(303)</b>
<b>Discontinued operations:</b>			
<b>Result from discontinued operations</b>	<b>38</b>	<b>(87)</b>	<b>(815)</b>
<b>RESULT</b>	<b>290</b>	<b>(232)</b>	<b>(1,118)</b>
<b>EBITDA adjusted from continuing operations</b>	<b>583</b>	<b>179</b>	<b>1,650</b>



# Balance sheet – pro forma balance sheet continued operations\*

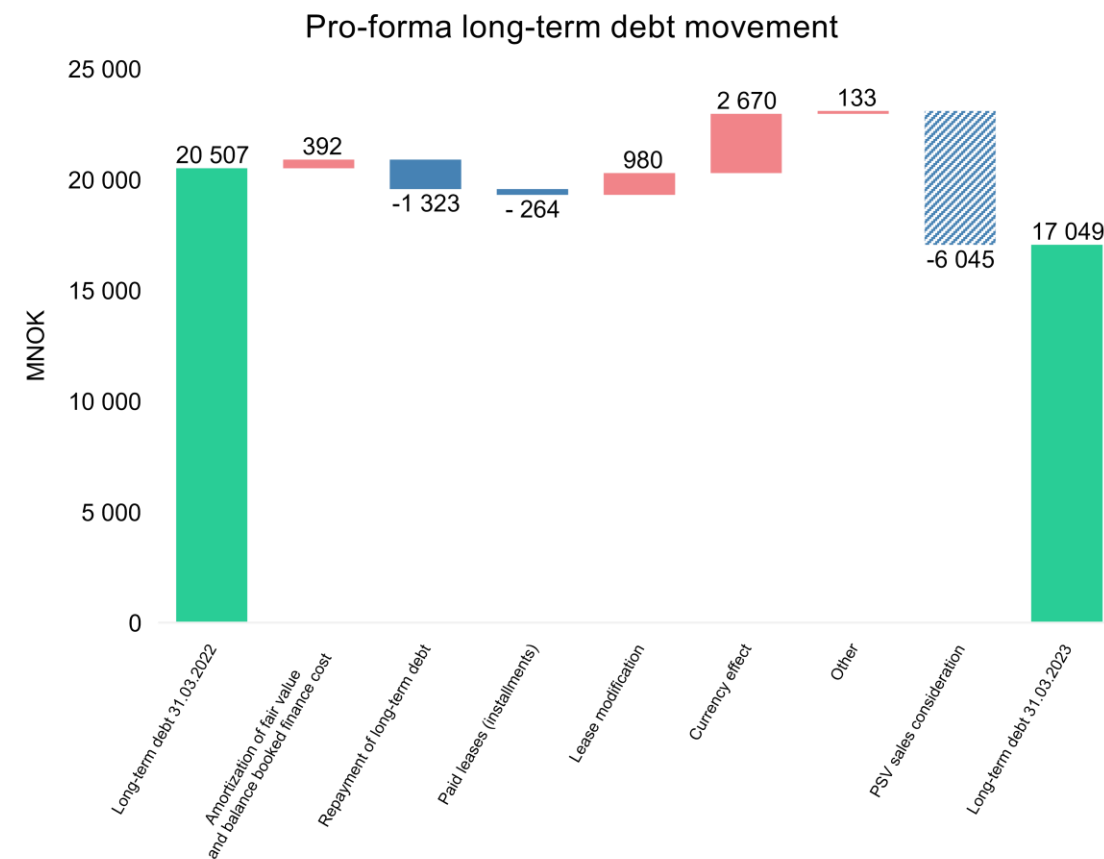
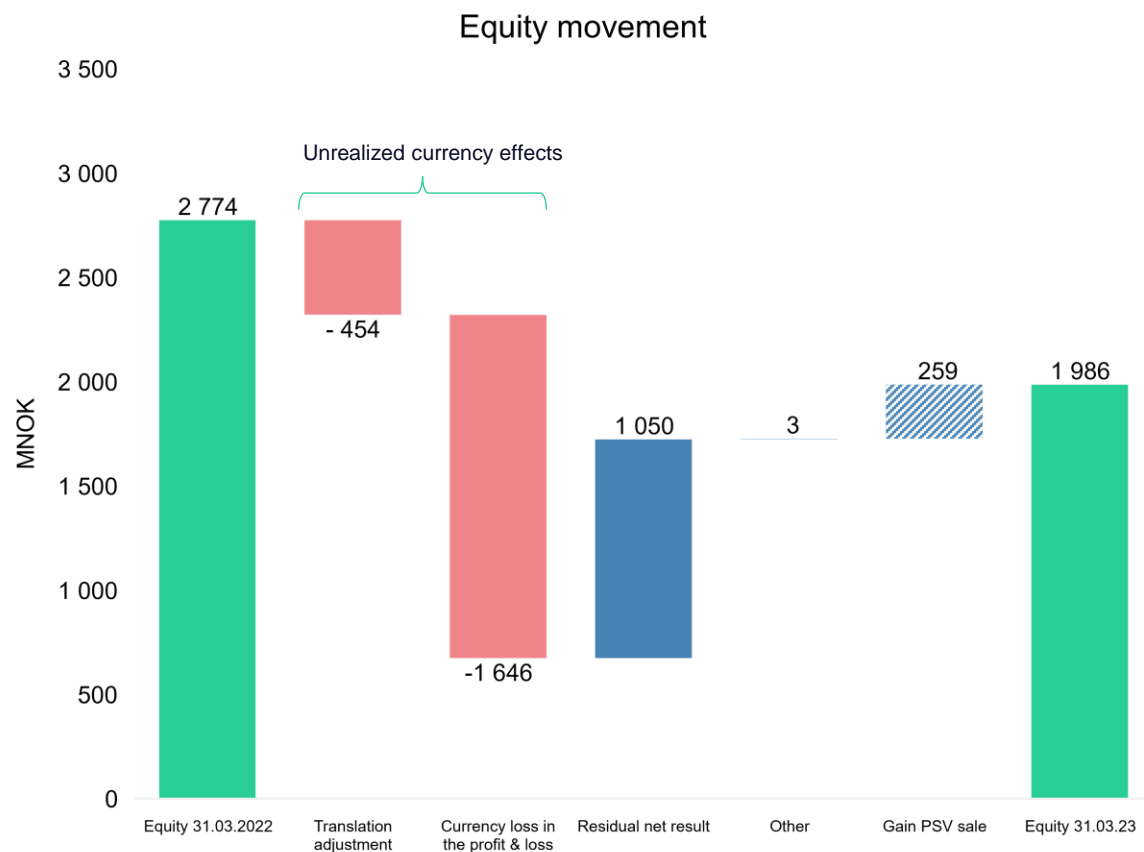
MNOK	2023 31.03*	2022 31.03	2022 31.12
<b>ASSETS</b>			
<b>Fixed Assets</b>			
Intangible assets	4	14	4
Tangible fixed assets	12,428	18,017	17,632
Right-of-use assets	3,349	2,514	3,346
Investment in associated companies and JV's	161	98	159
Financial fixed assets	134	130	116
<b>Total fixed assets</b>	<b>16,077</b>	<b>20,773</b>	<b>21,257</b>
<b>Current Assets</b>			
Stocks	196	170	228
Accounts receivables	1,178	877	1,232
Other receivables	960	649	698
Market based shares	21	22	21
Deposits, cash, etc	2,209	2,099	2,170
<b>Total current assets</b>	<b>4,564</b>	<b>3,818</b>	<b>4,350</b>
Assets held for sale	56	49	412
<b>TOTAL ASSETS</b>	<b>20,697</b>	<b>24,641</b>	<b>26,019</b>

MNOK	2023 31.03*	2022 31.03	2022 31.12
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Paid-in equity	258	256	258
Other equity	1,742	2,521	1,505
Non-controlling interests	(14)	(3)	(9)
<b>Total equity</b>	<b>1,986</b>	<b>2,774</b>	<b>1,753</b>
<b>Liabilities</b>			
Long-term provisions	24	29	33
Other long-term debt	1	1	1
Debt to credit institutions	490	17,137	16,637
Leasing liabilities	2,018	268	3,565
<b>Total long-term debt</b>	<b>2,532</b>	<b>17,435</b>	<b>20,236</b>
<b>Current liabilities</b>			
Current portion of long-term debt	12,582	704	2,461
Current leasing liabilities	1,959	2,397	147
Other current liabilities	1,638	1,330	1,422
<b>Total current liabilities</b>	<b>16,179</b>	<b>4,431</b>	<b>4,030</b>
<b>Total liabilities</b>	<b>18,711</b>	<b>21,867</b>	<b>24,266</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>20,697</b>	<b>24,641</b>	<b>26,019</b>
<b>Equity ratio</b>	<b>9.6%</b>	<b>11.3%</b>	<b>6.7%</b>

\*Balance sheet figures as per quarterly report are amended by reducing the debt with the USD 577 million in PSV sales consideration. Corresponding amendments are made to assets held for sale and equity.

# Equity & liabilities development

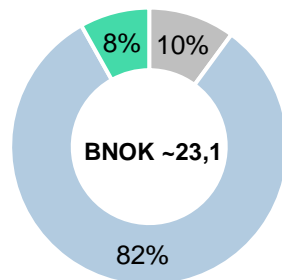
Balance sheet is sensitive to currency movements, particularly reporting currency NOK to USD.



# Refinancing & debt structure

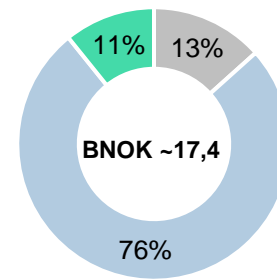
- **Fleet loan & Super Senior Facility:** Maturity in 1Q24 financing 36 vessels per 1Q23 following the PSV transaction (71 before). Will be reduced by approximately BNOK 5,7 following the PSV transaction.
- **Normand Maximus:** Commenced 5 years firm bareboat agreement with 5+5 years options with AMSC ASA in 4Q22. The Maximus Residual Claim of MUS\$ 161 from the previous bareboat agreement matures 31.03.2024. The claim is guaranteed by SOFF ASA and will have to be refinanced.
- **BNDES (Brazil):** Financing of 4 vessels with maturity dates in 2026-2031. Not guaranteed by SOFF ASA.
- **Vessel SPVs:** Separate entities with stand-alone financing of 4 vessels in total per 1Q23 whereof two which are debt free will be sold in the PSV transaction. Remaining vessels are Normand Tonjer which is owned through a bareboat lease and Normand Superior which debt matures in 1Q24.
- Refinancing discussions are initiated with the secured lenders, other stakeholders and advisers are engaged.

Debt Maturity



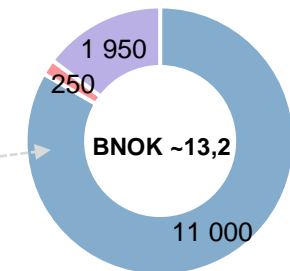
■ Before 1Q24\* ■ 1Q24 ■ After 1Q24

Debt Maturity ex. PSV



■ Before 1Q24\* ■ 1Q24 ■ After 1Q24

Debt Maturity 1Q24



■ Fleet Loan  
■ Superior Group  
■ Maximus Residual Claim

\*Debt amortization and lease payments next 12 months.

# Summary

- The closing of the PSV-transaction is expected last part of June. The exit from the PSV segment will reduce the company's debt significantly and reposition the company for the high-end AHTS and CSV segments that are essential to realize the energy transition.
- The first quarter reporting is based on Continued Operation of the high-end AHTS and CSV fleet after the sale of 37 PSVs.
- The company had its best 1Q ever, with effect from-executing on new backlog with improved margins, high utilization and further improved commercial terms. Especially the AHTS segment has improved compared to last year.
- Expect a favorable market for high-end offshore vessels in the years to come.
- 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