1st Quarter Report 2023

The Contents

The Company

Solstad Offshore ("the Company") is a world-leading owner and operator of offshore service 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

The main event in 1Q 2023 has been the announcement of the agreement to sell our PSV fleet to Tidewater. We expect to conclude the transaction during 2Q 2023 as earlier announced. Please note that our P&L accounts are reported excluding the PSV fleet, while the debt related to the PSVs are still included.

There are both industrial and financial rationales for this sale. Industrially, we are exiting a segment with pure oil and gas exposure. Instead, we are building the company around the CSV and AHTS segments that are in demand from both oil and gas and renewable energy clients. We are positioning the company further for the ongoing energy transition. In parallel we are increasing our service offerings, like ROVs, survey, and project support, meaning that clients can get extended deliveries from us on top of the traditional time-charters. The increased service offering has been well received by our clients. The financial rationale of the PSV transaction is the ability to reduce the Company's debt by about one-third through a sale, and will as such strengthen our balance sheet, debt service ability and liquidity. We have engaged with the lenders, creditors and advisers to address the refinancing. The outcome of the refinancing cannot be guaranteed at this stage.

1Q has seen reasonably high market activity, but also a high drydocking activity. Still, we have had a significant improvement in both operating income and EBITDA in the quarter compared to the same quarter in previous years. 1Q is normally our weakest quarter and we already see higher activity in 2Q and beyond. We continue to sign new contracts and, without exemption, at improved commercial terms. Book-to-Bill for continued operations (refer to defenition on page 7) came in at 0.9x. The total backlog for continued operations in 1Q was MNOK 6,200, and a total of MNOK 11,200 including options. In addition to a solid backlog for 2023, we have the available capacity to take on new contracts both for AHTSs and CSVs, which are both favorable in a strengthening market.

Through the closing of the PSV sale and with a modern fleet of CSVs and AHTSs, Solstad is well-positioned for a promising market outlook ahead.

Thank you!

Lars Peder Solstad
CEO

Highlights

- A quarter with high utilization and improved commercial terms across all geographical regions and vessel segments.
- The market continues to strengthen despite a challenging macroeconomic environment.
- Operating income from continued operations for 1Q 2023 increased by 55 percent to MNOK 1,363 compared to MNOK 882 in 1Q 2022.
- EBITDA adjusted from continued operations increased by 226 percent to MNOK 583 compared to MNOK 179 in 1Q 2022.
- The quarter experienced a negative impact on equity following the weakening of NOK against USD, offset by gain on the sale of assets and reversal of impairments.
- High utilization during the quarter at 88 percent for vessels in operation, historically strong for the winter-season.
- The CSV Normand Jarl was sold in February 2023 at a gain of MNOK 450.
- The Company has signed an agreement with Tidewater Inc., dated 7 March 2023, for the sale of 37 PSVs. The transaction is considered a strategic repositioning of the Company as one of the main global owners and operators of high-end tonnage of AHTS and subsea vessels.

Key Financials

(NOK 1,000,000)	2023 01.01-31.03	2022 01.01-31.03	2022 01.01-31.12	2021 01.01-31.12	2020 01.01-31.12	2019 01.01-31.12
Operating income **	1,363	882	4,778	5,418	5,026	5,245
EBITDA adjusted (Note 5) **	583	179	1,650	1,534	1,282	1,415
EBIT **	920	-59	1,357	-7	-2,185	-1,196
Profit before tax **	284	-133	-205	-1,110	7,250	-3,129
Cash and equivalents	2,209	2,099	2,170	2,459	2,412	1,134
Net working capital	-17,660	-613	320	-119	-803	-26,264
Equity	1,727	2,774	1,753	3,083	4,243	-3,835
Net interest bearing debt *	21,255	19,101	21,117	18,259	19,365	30,990
Order backlog ***	6,200	7,000	9,200	5,600	5,200	8,200

* Including recognized debt relating to IFRS 16 Leases (Note 7 and 9)

** Continued operations reported for 2023 and 2022 (AHTS, CSV), while historical figures for 2019 to 2021 remains unaltered (AHTS, CSV, PSV)

*** Continued operations reported for 2023 (AHTS, CSV), while historical figures for 2019 to 2022 remains unaltered (AHTS, CSV, PSV)

Discontinued operations

Strategic sale of PSV-fleet

The Company signed an agreement with Tidewater Inc., dated 7 March 2023, for the sale of 37 PSVs for a total amount of USD 577 million. The expected closing of the transaction is in 2Q 2023. Assets included in the transaction are classified as held for sale. The assets have been included in the PSV segment in accordance with IFRS 8. The sale is considered to be discontinued operations, and the net result for the operation is presented on a single line in the Condensed statement of comprehensive income from 1Q 2023. Comparative periods have been restated.

Continued operations consist of CSV and AHTS segments. These segments are in demand from both oil and gas and renewable energy clients.

Refer to note 2 for details on Discontined Operations

Operational Update

Solstad is a world-leading owner and operator of offshore service vessels.

HSE

In 1Q 2023, the company reported a TRCF (Total Recordable Case Frequency) of 1,26 over the last 12 months (target of 1,1). One LTI (lost time incidents) was reported in February and four have been reported during the last 12 months. The majority of incidents are related to hand and finger injuries, and the focus remains high on turning the trend.

Operations

The total number of seafarers (CSV, AHTS and PSV fleet) remained relatively stable around 3,100 with a retention rate of 95%.

From a procurement and logistics perspective, challenges remain due to pressure on the global supply chain. The lead time on a certain number of critical spares has changed significantly. Planning and evaluation of critical spares will therefore be an important factor to avoid down-time.

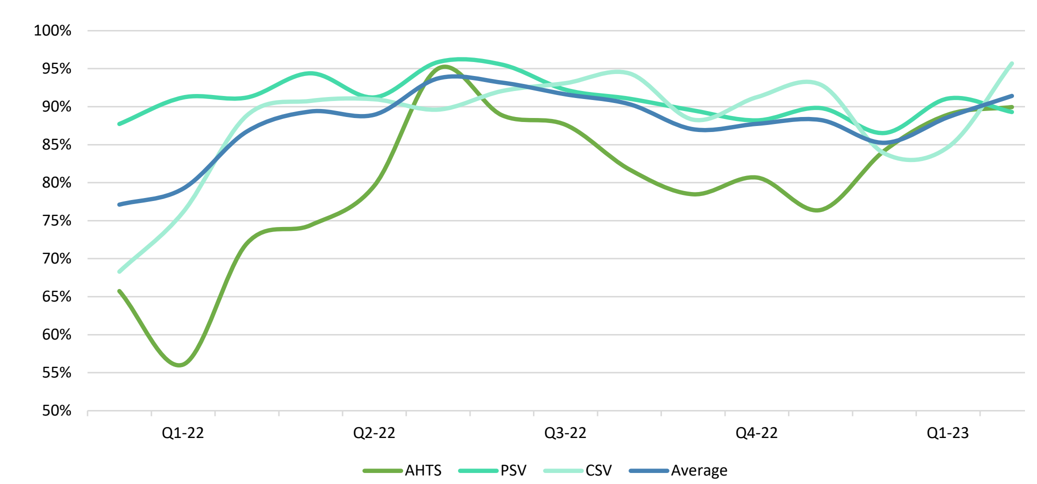
1Q 2023 has been relatively busy in terms of planned maintenance and dry-dockings whereof eight dry-dockings and four maintenance stops.

Utilization

As of 31 March 2023, the Company owned and/or operated a total fleet of 83 vessels, of which 78 were in operation: 25 CSVs, 15 AHTSs, and 38 PSVs.

The overall utilization for the operational fleet in 1Q 2023 was 88 percent compared to 81 percent in 1Q 2022. The CSV fleet had utilization of 88 percent (78 percent), the AHTS fleet 88 percent (65 percent), and the PSV fleet 89 percent (90 percent).

Utilization*



** vessels in operation (78 vessels)*

Financial Summary

Operating income from continued operations* for 1Q 2023 amounted to MNOK 1,363 compared to MNOK 882 in 1Q 2022.

- The main operating income drivers are higher utilization and dayrates, and more sales of additional services.
- Operating expenses for continued operations in 1Q 2023 amounted to MNOK 837, of which MNOK 749 is classified as vessel operating expenses. Compared to 1Q 2022, total operating expenses increased by MNOK 109 mainly driven by cost inflation and increased sale of additional services.
- Administrative expenses for continued operations in 1Q 2023 were MNOK 88 compared to MNOK 80 in 1Q 2022.
- The operating result before depreciation and impairment for continued operations was MNOK 1,062 in 1Q 2023 compared to MNOK 154 in 1Q 2022. MNOK 545 of the increase is related to the gain on the sale of assets.
- Unrealized currency loss for continued operations in 1Q 2023 was MNOK 282 compared to a gain of MNOK 119 in 1Q 2022 due to debt nominated in USD.
- Ordinary result before taxes from continued operations in 1Q 2023 was MNOK 284 compared to negative MNOK 133 in 1Q 2022.
- EBITDA adjusted from continued operations was MNOK 583 in 1Q 2023 compared to MNOK 179 for 1Q 2022.
- Total liquidity for the group was MNOK 2,209 in 1Q 2023 compared to MNOK 2,099 in 1Q 2022.
- Total booked equity at the end of the quarter was MNOK 1,727.

Reference to Note 2

Cash Flow & Cash Position

The overall cash position at the end of 1Q 2023 was MNOK 2,209 compared to MNOK 2,099 in 1Q 2022. The net cash flow from operations was positive by MNOK 648 for 1Q 2023. Net cash flow from investments was positive by MNOK 692, mainly related to sale of three vessels (MNOK 945), partly offset by planned maintenance. Net interest paid to lenders was MNOK 324 and net repayment of long-term debt to lenders were MNOK 904 in 1Q 2023.

During 1Q 2023, currency exchange fluctuations resulted in an unrealized loss of MNOK 525. In addition, the company has a realized currency gain of MNOK 68 related to account payable and receivable positions being settled (continued and discontinued results).

The USD to NOK exchange rate as per 1Q 2023 of 10.4772 compared to 1Q 2022 of 8.7479 has resulted in an unrealized currency loss during the twelve-month period of MNOK 1,646 with a corresponding reduction in the Company's booked equity.

Capital Structure

Total current assets at the end of 1Q 2023 were MNOK 4,564, compared to MNOK 3,818 per 1Q 2022. Of the total current assets, cash and cash equivalents amounted to MNOK 2,209 compared to MNOK 2,099 in the same quarter last year. This includes the unused super senior credit facility of MNOK 1,212.

Total current liabilities were MNOK 22,224, compared to MNOK 4,431 in 1Q 2022. The total current liabilities include MNOK 20,586 in short-term portion of long-term debt, giving net negative working capital of MNOK 17,660 compared to negative MNOK 613 in the same quarter last year. The short-term debt mainly relates to the fleet loan and residual claim of CSV Normand Maximus which finally matures on 31 March 2024.

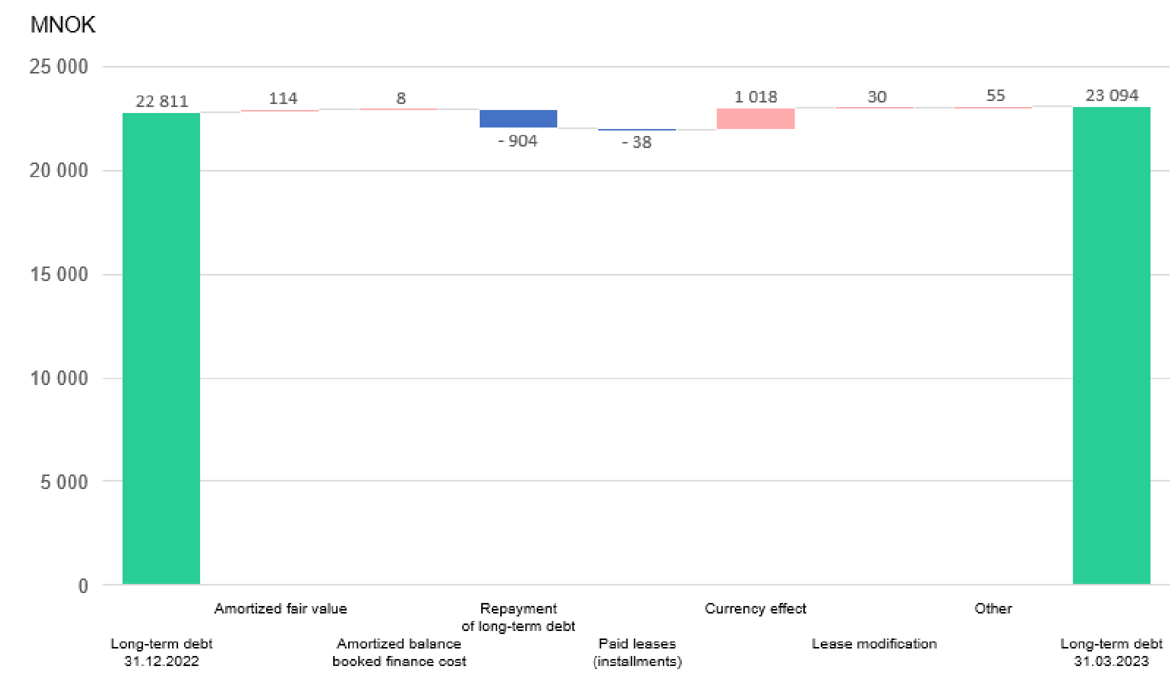
Total non-current assets at the end of the quarter were MNOK 16,076, compared to MNOK 20,773 in the same quarter last year. The decrease mainly relates to the sale of vessels in the period, and the transfer of vessels to assets held for sale.

Net interest-bearing debt was at MNOK 21,255 with the net increase mainly explained by foreign exchange movements and an increase in the lease liability of Normand Maximus, partly offset by repayment. In 1Q 2022, the net interest-bearing debt was at MNOK 19,101.

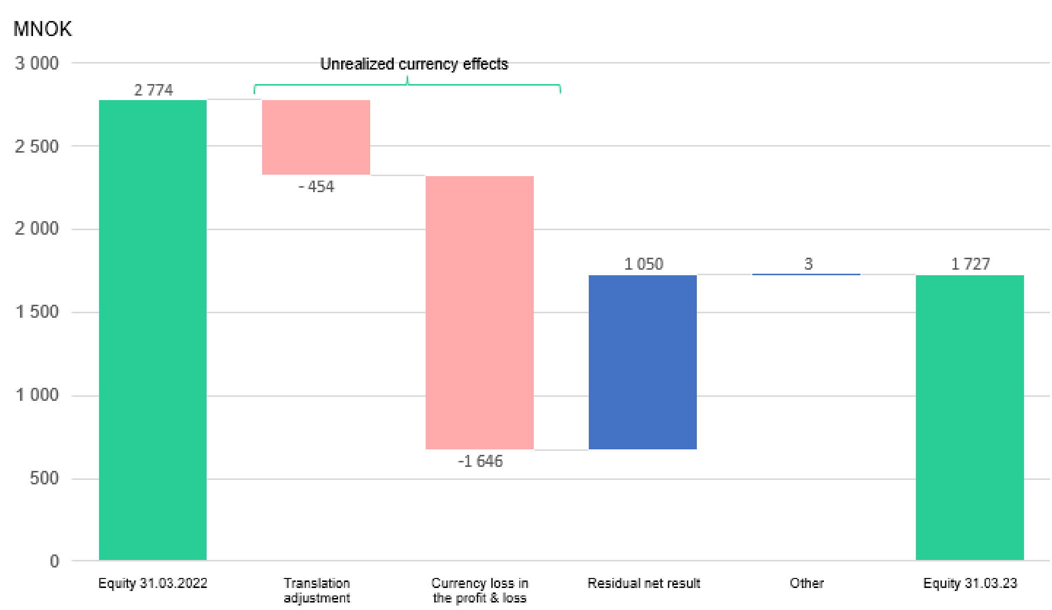
The Company's equity as of 31 March 2023 was MNOK 1,727, which represents 7.1 percent of the total balance sheet. On 31 March 2022, the equity was MNOK 2,774 and represented 11.3 percent of the balance sheet. The main driver for the decrease compared to 31 March 2022 is unrealized currency effects, partly offset by positive operating results on vessels, gains on the sale of assets, and reversal of prior period impairments.

The balance sheet is sensitive to currency movements, particularly reporting currency NOK to USD. Illustrated in charts below and next page.

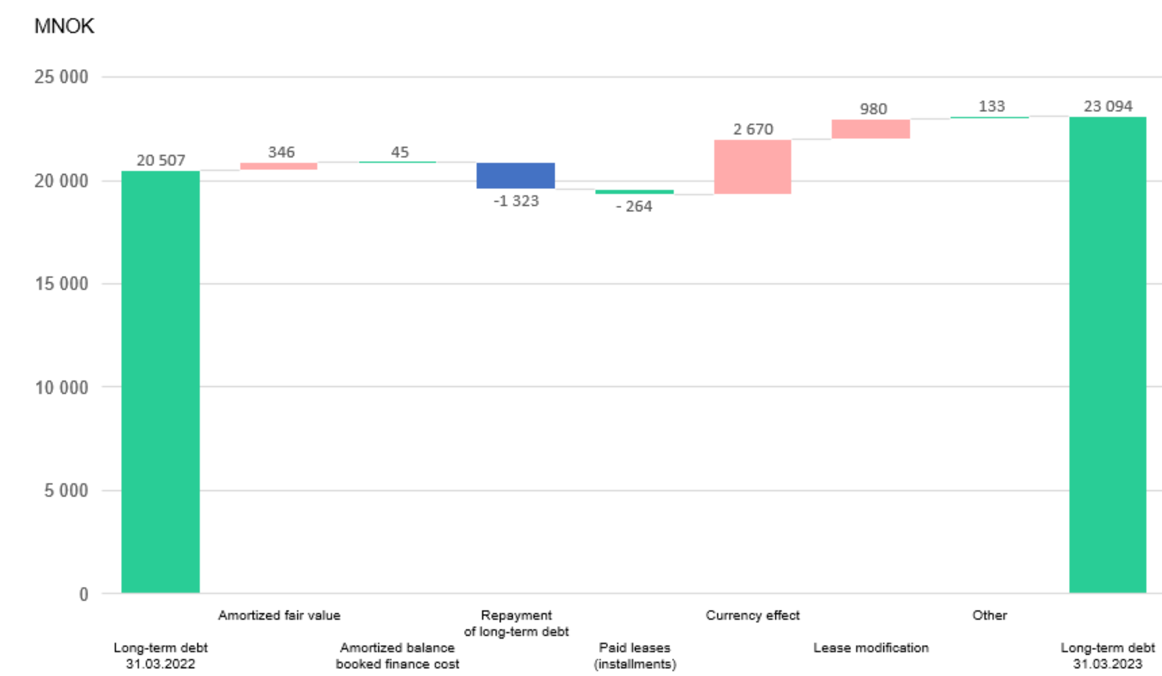
Long-term debt movement year-to-date 2023



Equity movement last 12 months



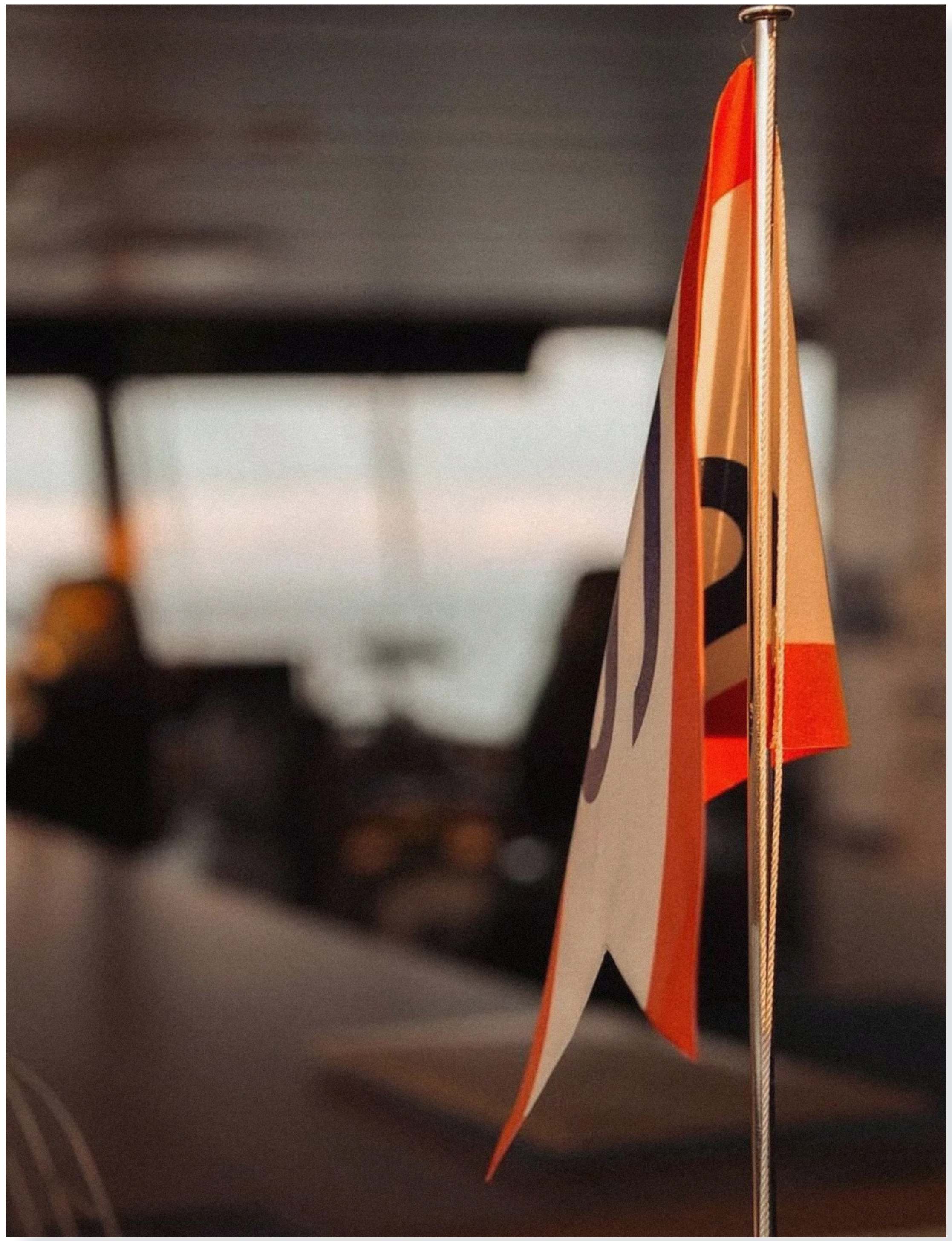
Long-term debt movement last 12 months



Risk

The Company is exposed to market, commercial, operational, regulatory, and financial risks that affect the assets, liabilities, available liquidity, and future cash flows. In addition, there is an inherent refinancing risk.

One of the key commercial risks for Solstad is the cyclical oil and gas markets that the company operates in, with high volatility in charter rates, vessel values, and consequently profitability. Charter rates have increased over time in 2022 and 2023, after a long period of suppressed rates due to market imbalance. Factors affecting this are partly outside Solstad's control and influence.



Operational risks such as technical breakdown, grounding, and malfunction of equipment are partly mitigated by insurance. In addition, there are operational risks out of the Company's control such as the effects of pandemics and the war in Ukraine.

Procurement and logistic risk relates to pressure on the global supply chain. The lead time on a certain number of critical spares has increased significantly. Planning and evaluation of critical spares will therefore be an important factor to avoid down-time.

The main portion of Solstad's external debt will mature in March 2024, which is an inherent refinancing risk. Refinancing is dependent on how the OSV market and the oil and gas prices develop and other factors such as financing capacity for the OSV segment. The Maximus residual claim also needs to be refinanced within the maturity date, March 2024. The residual claim is guaranteed by the Company.

Solstad is exposed to interest rate and currency risk, primarily through financing and contracts. Interest rate risk is mainly due to long-term debt with floating interest. With a substantial portion of the mortgaged debt in USD, currency exchange fluctuations can have a significant effect on the company's profit and loss, debt, and consolidated booked equity.

A risk mitigation framework has been established based on identifying, assessing, and managing risks affecting the Company. The board of Solstad monitors the overall risk factors for the Company.

Market and operational risks are changes in the demand and prices of the services provided by the Company and potential adverse effects of the provision of such services. The market has steadily improved during 2022 and 2023, from a weak starting point due to Covid-19. The company has avoided significant operational disruptions caused by Covid-19.

Cyber security risk in general has increased, partly driven by the war in Ukraine.

For further details, refer to section 9 in the Board of Directors' report in the Annual Report for 2022.

Company Refinancing

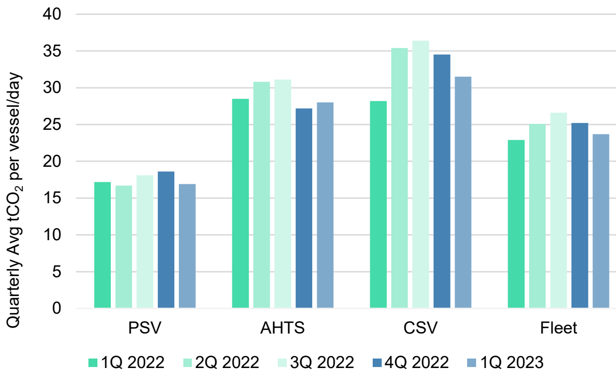
The main portion of the Group's external debt which includes the Group's secured debt which is guaranteed by the Company, and the residual claim of MUSD 161 guaranteed by the Company related to the former Normand Maximus lease arrangement, matures 31 March 2024. The Company has engaged with the lenders, creditors and advisers to address the refinancing. No guarantees can at this stage be given that a refinancing of the maturing debt can be achieved. A refinancing is dependent on many factors such as a continued uplift in the OSV market, the development in the oil and gas prices and financing capacity for the OSV segment. A refinancing may i.a. require new equity and be dilutive to shareholder values. A failure to refinance by the end of March 2024 will have a material adverse effect on the Group and Company.

Sustainability

Sustainability is a high priority for the Company. Solstad continuously strives to meet and exceed expectations from its stakeholders.

- The Company's key safety factor TRCF was 1.26 by end 1Q 2023, with a target of 1.10.
- The total fleet CO2 emissions increased from 156 kton in 1Q 2022 to 168 kton in 1Q 2023, mainly due to higher activity.
- Solstad won the Norwegian annual 'Maritime Training Company of the year' award and the international Offshore Support Journal's annual 'ESG Award'.
- Two major multi-year R&D projects started this quarter where Solstad is partner: The EU funded project 'NEMOSHIP' and the Norwegian 'OceanCharger'.
- 'Account of due diligence' related to the Norwegian Transparency act has been published.

Environment



With 78 vessels in operation, the total fleet emissions were 168 kton in 1Q 2023, which is a 6 percent decrease from the previous quarter. The carbon intensity per vessel in 1Q was 23.7 tons (tCO2/vessel/day). This is also a 6 percent decrease from the previous quarter, mainly due to lower activity in the AHTS segment during winter months.

The company is participating in a new EU-funded project called 'New electrical architecture and digital platform for optimizing large battery systems on ships' or 'NEMOSHIP'. This 11.8 MEUR four-year project started in 1Q 2023 and will focus on improving the design and use of a large maritime battery with a Solstad vessel as one of the two demonstrators. The project is managed by CEA in France

Another project called 'OceanCharger' kicked off in 1Q 2023. This is a 38 MNOK three-year project where the goal is to develop and demonstrate a system for offshore electrical charging. The project is headed by Vard Design.

In 2023, Solstad launched a campaign to specifically target fuel consumption on long transits. During the quarter we were able to save more than 500 tons of fuel related to four long transits. This is typically 20-25 percent less fuel compared to normal long transits.

A total of 741 liters of oil spill were registered during the quarter. The spills were mainly related to incidents with broken hoses or other issues with hydraulic equipment. The single worst incident came from a hydraulic pipe that broke on deck on a vessel during a planned yard stay resulting in an oil spill on deck and about 700 liters spilled between the vessel and quayside to sea. The vessel's oil spill sesponse seam mustered and recovered all oil on deck and as the vessel was moored at a yard, recovery trucks came quickly to assist and recovered most of the oil from the sea.

Social

The TRCF has increased to 1.26 by the end of 1Q 2023, compared to 1.24 by the end of 4Q 2022. The KPI target is 1.10. Unfortunately, there was one LTI in the quarter and a total of five LTIs over the previous 12 months, which is higher than average over the previous years. The main category of injuries is hand and foot incidents typically occurring on or below deck. A mandatory 'Stand down for Safety' was announced to all vessels in February to ensure all crew members review and reflect on the specific incidents and what could have been done to avoid them – including a recap on the SIFO principles.

In 1Q 2023, Solstad won the Norwegian annual 'Maritime Training Company of the Year' award. In Solstad, there is a tradition of offering training to young people pursuing a maritime career, with a large number of apprentices and cadets joining us every year. With competence development in focus, Solstad started an Ordinary Seaman program targeting adults. In the program, we offer 18-month training to people with different backgrounds and ages, and at the end of their practice, they are fully qualified to work as seafarer in our industry.

Governance

The Norwegian Transparency Act (Norwegian: "Åpenhetsloven") came into force in 2022. The assessment of aspects of our operations with respect to human rights and decent working conditions has now been completed. The 'Account of due diligence' is public and can be downloaded at: https://www.solstad.com/investors/corporate-social-governance/.

No new material governance incidents have been registered during the quarter.

A total of 122 internal and external audits, vetting, class surveys, and port state controls have been completed during the quarter, resulting in only minor findings.

Market Outlook

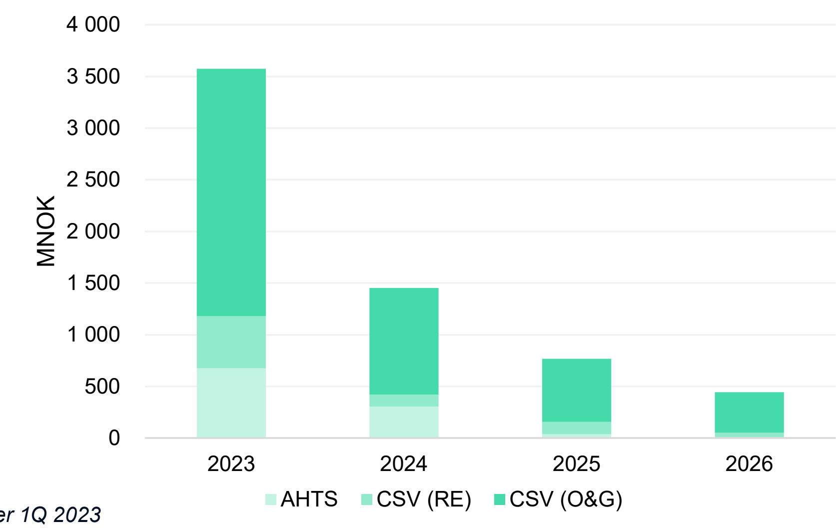
The outlook for offshore energy activities continue to strengthen.

Compared with 1Q 22, this quarter has seen a strong improvement. Most of Solstad's clients have a high activity either within offshore wind or oil and gas. A sign of a strengthening market is not only higher rates, but better utilization and more activity in the "low-season" quarters.

As we are looking into the coming quarters, the same trend continues. We see a global increase in vessel demand from a more robust rig activity, driven by the oil and gas activity, large subsea projects, and a continued busy offshore wind market. In addition, there is an increase in mobilization of vessels between regions which shows that the global supply and demand balance continues to improve, seen from a shipowner's perspective.

Except for purpose-built vessels for offshore wind support, there are close to no new offshore vessels entering the market the next few years. This, in combination with higher offshore activity, should give healthy market conditions going forward.

Backlog by year of execution*

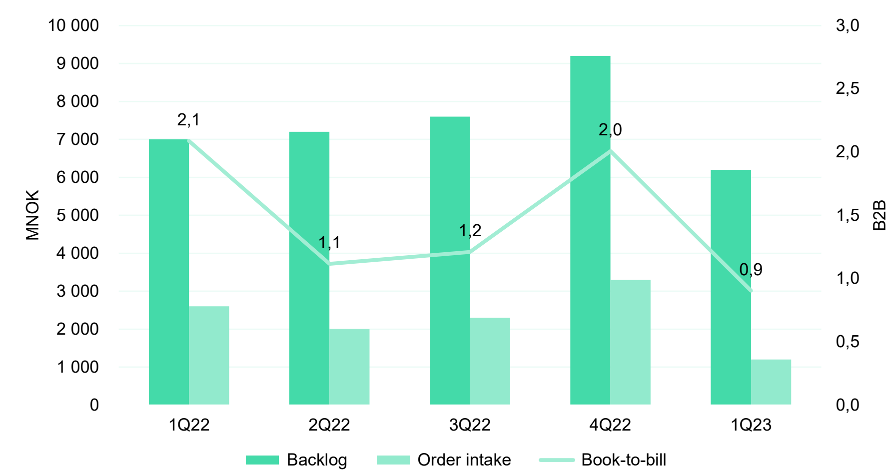


per 1Q 2023

Events Subsequent to the Quarter

- The Company announced that it has received a Letter of Intent (LoI) for the hire of the CSV Normand Maximus for a period of a minimum of 490 days with commencement in 1Q 2024.
- The CSV Normand Pacific has entered into a seven-year contract with Prysmian Powerlink Srl. The contract is firm until 31 December 2030. In addition, Prysmian has the option to extend the contract with two times two years and one year beyond the firm period.

Backlog, Order intake & Book-to-bill development*



PSV segment excluded in 1Q23

Skudeneshavn 01.06.2023

Harald Espedal
Chairman

Frank O. Reite
Director

Peder Sortland
Director

Ingrid Kylstad
Director

Ellen Solstad
Director

Lars Peder Solstad
CEO

Condensed statement of comprehensive income

(NOK 1,000)

	2023 01.01-31.03	2022 01.01-31.03	2022 01.01-31.12	Note
Continued operations:				
Operating income	**1,362,576**	**881,878**	**4,778,283**	3,4,5
Vessel operating expenses	-749,163	-640,490	-2,871,984	
Administrative expenses	-88,189	-79,550	-286,921	
Total operating expenses	**-837,353**	**-720,040**	**-3,158,905**	**5**
Net gain/-loss on sale of assets	**537,121**	**-8,168**	**152,490**	**6**
Operating result before depreciations	**1,062,345**	**153,670**	**1,771,868**	**4**
Ordinary depreciation	-289,727	-219,168	-1,019,267	6,7
Impairment	148,085	-	584,183	6,7
Result from Joint Ventures	-1,197	6,456	20,418	8
Operating result	**919,506**	**-59,042**	**1,357,202**	
Result from associated companies	-469	132	722	8
Total other items	**-469**	**132**	**722**	
Interest income	8,338	2,043	41,850	
Realised currency gain/-loss	69,175	-9,557	37,303	
Unrealised currency gain/-loss	-281,864	118,877	-567,322	
Interest charges	-428,813	-192,731	-1,063,228	
Net financial charges/-income	-2,370	6,783	-11,689	
Net financing	**-635,534**	**-74,585**	**-1,563,086**	
Ordinary result before taxes	**283,503**	**-133,496**	**-205,161**	
Taxes ordinary result	-31,351	-11,376	-98,061	10
Result from continued operations	**252,151**	**-144,872**	**-303,222**	
Discontinued operations:				
Result from discontinued operations	37,605	-87,109	-814,582	2
Result	**289,757**	**-231,980**	**-1,117,803**	
Other comprehensive income:				
Exchange differences on translating foreign operations	-316,380	-80,778	-218,660	
Actuarial gain/-loss	-	-	947	
Total comprehensive income	**263,133**	**-312,758**	**-1,335,516**	

Condensed statement of comprehensive income (continued)

(NOK 1,000)

	2023 01.01-31.03	2022 01.01-31.03	2022 01.01-31.12	Note
Total comprehensive income	**263,133**	**-312,758**	**-1,335,516**	
Result of continued operations attributable to:				
Non-controlling interests	849	1,865	5,222	
Majority share	251,302	-146,737	-308,444	
Result of discontinued operations attributable to:				
Non-controlling interests	-4,392	-133	-10,009	
Majority share	41,997	-86,976	-804,573	
Earnings per share	3.75	-3.04	-14.53	
Total comprehensive income attributable to:				
Non-controlling interests	849	1,732	-4,788	
Majority share	262,284	-314,490	-1,330,728	
Total comprehensive income per share	3.40	-4.10	-17.38	
EBITDA adjusted from continued operations	**583,232**	**178,774**	**1,649,537**	3,4
Average number of shares (1,000)	77,309	76,233	76,935	

Condensed statement of financial position

(NOK 1,000)

	2023 31.03	2022 31.03	2022 31.12	Note
ASSETS				
Fixed Assets:				
Intangible assets	4,401	14,497	4,351	
Tangible fixed assets	12,428,369	18,016,718	17,632,103	5
Right-of-use assets	3,349,325	2,513,907	3,345,812	6
Investment in assosiated companies and Joint Ventures	161,116	98,081	158,559	7
Financial fixed assets	133,630	130,267	116,357	4
Total fixed assets	**16,076,840**	**20,773,470**	**21,257,181**	
Current Assets:				
Stocks	196,265	169,997	228,197	
Accounts receivables	1,178,000	877,493	1,232,487	
Other receivables	960,182	648,955	698,141	
Market based shares	21,000	22,400	21,000	
Deposits, cash, etc	2,209,026	2,099,235	2,170,072	9
Total current assets	**4,564,473**	**3,818,080**	**4,349,897**	
Assets held for sale	5,841,736	49,252	412,052	2,6
TOTAL ASSETS	**26,483,048**	**24,640,802**	**26,019,130**	
EQUITY AND LIABILITIES				
Equity:				
Paid-in equity	257,696	256,066	257,696	
Other equity	1,482,517	2,521,054	1,504,816	
Non-controlling interests	-13,712	-2,867	-9,387	
Total equity	**1,726,502**	**2,774,253**	**1,753,125**	
Liabilities:				
Long-term provisions	24,005	29,437	32,806	
Other long-term debt	1,046	1,171	1,046	9
Debt to credit institutions	489,548	17,136,904	16,637,362	9
Leasing liabilities	2,017,760	267,922	3,564,963	7
Total long-term debt	**2,532,359**	**17,435,434**	**20,236,177**	
Current liabilities:				
Current portion of long-term debt	18,626,963	703,827	2,460,689	9
Current leasing liabilities	1,959,169	2,397,255	147,113	7
Other current liabilities	1,638,056	1,330,034	1,422,026	
Total current liabilities	**22,224,188**	**4,431,116**	**4,029,828**	
Total liabilities	**24,756,547**	**21,866,550**	**24,266,005**	
TOTAL EQUITY AND LIABILITIES	**26,483,048**	**24,640,802**	**26,019,130**	

Statement of cash flow

(NOK 1,000)

	2023 31.03	2022 31.03	2022 31.12
CASH FLOW FROM OPERATIONS			
Result before tax from continued operations	**283,503**	**-133,496**	**-205,161**
Result before tax from discontinued operations	**38,872**	**-86,708**	**-807,964**
Taxes payable	-16,651	-7,492	-31,561
Ordinary depreciation and write downs	-169,987	297,451	780,990
Gain (-)/ loss long-term assets	-535,456	416	-179,919
Interest income	-7,710	-2,056	-42,566
Interest expense	552,321	258,069	1,404,972
Non-cash refinance effects	-590	-802	-16,691
Effect of change in pension assets	-106	0	-1,043
Unrealised currency gain/ -loss	505,429	-151,384	938,084
Change in short-term receivables and payables	141,619	53,224	-214,025
Change in other accruals	-143,381	-155,854	-174,719
Net cash flow from operations	**647,863**	**71,367**	**1,450,398**
CASH FLOW FROM INVESTMENTS			
Investment in tangible fixed assets	-27,875	-59,001	-124,912
Payment of periodic maintenance	-215,272	-113,581	-488,011
Consideration sale of fixed assets (vessels)	945,182	123,766	450,268
Payment of long-term receivables	-17,274	-21,940	-8,029
Received interests	7,710	2,056	42,566
Net cash flow from investments	**692,471**	**-68,699**	**-128,118**
CASH FLOW FROM FINANCING			
Paid leases	-93,217	-104,968	-261,767
Paid interests	-324,016	-136,108	-839,280
Repayment of long-term debt	-903,618	-126,254	-546,117
Net cash flow from financing	**-1,320,851**	**-367,330**	**-1,647,164**
Effect of changes in foreign exchange rates	19,470	4,870	35,929
Net change in cash	19,484	-364,662	-324,884
Cash at 01.01	2,170,072	2,459,027	2,459,027
Cash at balance sheet date	**2,209,026**	**2,099,235**	**2,170,072**

Statement of changes in equity

(NOK 1,000)

	Share capital	Treasury shares	Share premium	Other paid-in capital	Other changes	Other equity	Total majoirty shares	Non-controlling interests	Total equity
Equity 01.01.2023	**77,309**	**0**	**180,387**	**0**	**728,128**	**780,609**	**1,766,432**	**-9,387**	**1,757,045**
Result	-	-	-	-	-	293,300	293,300	-3,543	289,757
Acturial gain/loss(-)	-	-	-	-	-	-	-	-	-
Translation adjustments	-	-	-	-	-316,380	-	-316,380	-	-316,380
Other comprehensive income	**0**	**0**	**0**	**0**	**-316,380**	**293,300**	**-23,081**	**-3,543**	**-26,624**
Share capital increase by conversion of debt	-	-	-	-	-	-	-	-	-
Equity 31.03.2023	**77,309**	**0**	**180,387**	**0**	**411,765**	**1,069,971**	**1,739,432**	**-12,929**	**1,726,502**
Equity 01.01.2022	**75,609**	**0**	**176,927**	**0**	**946,805**	**1,888,740**	**3,088,081**	**-4,599**	**3,083,481**
Result	-	-	-	-	-	-232,712	-233,712	1,732	-231,980
Acturial gain/loss(-)	-	-	-	-	-	-	-	-	-
Translation adjustments	-	-	-	-	-80,778	-	-80,778	-	-80,778
Other comprehensive income	**0**	**0**	**0**	**0**	**-80,778**	**-233,712**	**-314,490**	**1,732**	**-312,758**
Share capital increase by conversion of debt	1,165	-	2,364	-	-	-	3,530	-	3,530
Equity 31.03.2022	**76,774**	**0**	**179,292**	**0**	**866,027**	**1,655,028**	**2,777,121**	**-2,867**	**2,774,253**
Equity 01.01.2022	**75,609**	**0**	**176,927**	**0**	**946,805**	**1,888,740**	**3,088,081**	**-4,599**	**3,083,481**
Result	-	-	-	-	-	-1,109,079	-1,109,079	-4,788	-1,113,866
Acturial gain/loss(-)	-	-	-	-	-	947	947	-	947
Translation adjustments	-	-	-	-	-218,677	-	-218,677	-	-218,677
Other comprehensive income	**0**	**0**	**0**	**0**	**-218,677**	**-1,108,131**	**-1,326,808**	**-4,788**	**-1,331,596**
Share capital increase by convertion of debt	1,700	-	3,460	-	-	-	5,160	-	5,160
Equity 31.12.2022	**77,309**	**0**	**180,387**	**0**	**728,128**	**780,609**	**1,766,432**	**-9,387**	**1,757,045**

Notes

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

(NOK 1,000)

Note 1 - General

Solstad Offshore ASA's (SOFF) head office is in Skudeneshavn, Norway. The Company's main activities are operation and ownership of offshore service and construction vessels. The Company 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.

Going Concern

The interim accounts are prepared on the assumption of a going concern. The going concern assumption until end of March 2024 is based on the level of cash and cash equivalents and equity at reporting date, terms and conditions of the banking and borrowing facilities, the forecasted cash flow prognosis for the Company and the solid backlog position as of 31 March 2023.

The Company has seen continued strengthening of the marked despite of a challenging macroeconomic environment. With an expected continued strong energy market, and the high focus on energy transition, we also expect an active offshore marked in the coming period. Due to the macroeconomic environment, we see increase in expenses due to inflation and increased interest expenses for the Company.

The Company has started the process with refinancing and this process will continue in the coming period until maturity of the main portion of the external debt. The strategic move of divesting PSV business line strengthens Solstad's balance sheet, debt service ability and liquidity. A failure to refinance by the end of March 2024 will have a material adverse effect on the financial situation of the Company. Dependent on the outcome of the refinancing process, this may lead to a need for adjustments of the capital structure.

The Company made drawdowns under the Super Senior loan facility during first quarter of 2023, totaling NOK 300 million. Additionally, the mechanism in the fleet-loan agreement for deferring 2023-installments was utilized in first quarter, thus no installment was made for the fleet-loan per 31 March 2023.

Estimates show that there is sufficient liquidity in the Company to support operational activities until final maturity of the fleet loan and Maximus residual claim due end-March 2024. The Company intends to settle second instalment of the fleet-loan 30 June 2023.

Change of principle

The Company has reassessed its classification of Net gain/-loss on sale of assets in the Condensed statement of comprehensive income. From 01 January 2023 the Net gain/-loss on sale of assets is classified in the Operating result before depreciations. It has previously been classified in the operating result. The Company believes that the current classification provides more relevant information to the users of its financial statements, and is more aligned to practices adopted by its peers.

Effect of change of accounting principles:	**2021** 01.10-31.12	**2022** 01.01-31.12	**2021** 01.01-31.12
Operating result before depreciations	537,121	-8,168	537,121
Operating result	-1,197	6,456	-1,197
Total other items	1,197	-6,456	1,197
Result	0	0	0

The Company has also changed the classification of Results from Joint Ventures in the quarterly reporting as of 01 January 2023 to align with the classification in the Annual report. In Quarterly reports this has been classified as Total other items, while in the Annual report it was classified in the Operating Result. From 01 January 2023 Results from Joint Ventures is classified in Operating Result. The Company believes that the current classification provides more relevant information to the users of its financial statements as the JV operates in the same business as the Company.

The change of classifications has no effect on the Results or Equity reported in prior periods. Comparative periods have been restated.

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Assets Held for Sale and Discontinued Operations

Non-current assets held for sale consist of vessels and related assets (fuel, spare parts, etc.) that have been decided to be disposed of, by sale or otherwise, and the sale is considered highly probable. If a group of assets is sold together in a single transaction, these are considered a disposal group. Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and their fair value less expenses of disposal. Any excess of the carrying amount over the fair value less expenses of disposal is recognized as an impairment loss. For a disposal group the measurement is done for the group as a whole. Depreciation of such assets is stopped as from the their classification as held for sale.

Discontinued operations is presented as a single amount in the statement of comprehensive income, comprising the net result of the discontinued operation and net gain or loss related to the measurement of the asset or disposal group constituting the disposal group. An analysis of the amounts is given in the notes. The consolidation principles has not changed, and internal transactions is eliminated.

Significant Judgements, Accounting Estimates and Assessments

Divestments of PSV's

An agreement for the sale of 37 PSVs was signed on 7 March 2023, and an assessment regarding classification as Held for Sale has been performed by the Company. The Company has concluded that the Highly probable criteria were met at the time of signing the contract. At this time a binding agreement has been entered into between independent parties, the banks have approved the transaction, and the risk regarding competition authorities approval has been considered low.

Ongoing charter parties will, subject to the necessary consent from the charterer, be transferred/novated to Tidewater. Absent such consents in time for completion of the Transaction, the economic interest in the charter party will be transferred to Tidewater until the necessary consents are given or the charter party expires. The transaction is expected to be completed in the second quarter of 2023.

An assessment regarding classification as the discontinued operation has also been performed. The Company has concluded that the PSVs represent a component of the entity that can be clearly distinguished from the rest of the company, both operationally and for financial reporting purposes. The component also represents a separate major line of business and should be presented as discontinued operations.

Note 2 - Discontinued operations

The Company signed an agreement with U.S.-based Tidewater Inc., dated 7 March 2023, for the sale of 37 PSVs for a total amount of USD 577 million. The expected closing of the transaction is in 2Q 2023. Assets included in the transaction are classified as held for sale. The assets have been included in the PSV segment in accordance with IFRS 8. The sale is considered to be discontinued operations, and the net result for the operation is presented on a single line in the Condensed statement of comprehensive income from 1Q 2023. Comparative periods have been restated.

Net result for discontinued operations as of 31 March 2023:	2023 01.01-31.03	2022 01.01-31.03	2022 01.01-31.12	Note
Discontinued operations:				
Operating income	**487,463**	**362,883**	**1,721,848**	
Vessel operating expenses	-321,508	-300,799	-1,263,226	
Administrative expenses	-70,383	-33,204	-170,553	
Total operating expenses	**-391,891**	**-334,003**	**-1,433,779**	
Net gain/-loss on sale of assets	-	-	-	
Operating result before depreciations	**95,572**	**28,880**	**288,069**	
Ordinary depreciation	-50,870	-78,282	-317,682	
Impairment	362,499	-	-28,225	6
Result from Joint Ventures	-	-	-	
Operating result	**407,201**	**-49,402**	**-57,838**	
Result from associated companies	-	-	-	
Total other items	**-**	**-**	**-**	
Interest income	-628	14	716	
Realised currency gain/-loss	-829	697	-1,342	
Unrealised currency gain/-loss	-243,035	27,637	-406,692	
Interest charges	-123,508	-65,338	-341,744	
Net financial charges/-income	-328	-316	-1,064	
Net financing	**-368,329**	**-37,306**	**-750,125**	
Ordinary result before taxes	**38,872**	**-86,708**	**-807,964**	
Taxes ordinary result	-1,267	-401	-6,618	
Result from discontinued operations	**37,605**	**-87,109**	**-814,582**	

Specification of Assets Held for Sale as of 31 March 2023:	2023 31.03
ASSETS	
Fixed Assets:	
Tangible fixed assets	5,786,073
Total fixed assets	**5,786,073**
Current Assets:	
Stocks	55,662
Total current assets	**55,662**
TOTAL ASSETS CLASSIFIED AS HELD FOR SALE	**5,841,736**

Note 3 - Operating Income

The Company's operating income mainly derive from offering vessels and maritime personnel to customers world wide. Predominantly all contracts with customers are day rate-based contracts. Such day rate-based contracts are recognized by income being earned on a day-to-day basis.

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 include victualling and onshore project management. Victualling is meals and bedding provided to the customer's 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. Operating income on services, mentioned above, is recognized over time, as the performance obligation is satisfied over time. Mobilization and demobilization fees are amortized over the contract period.

Operating income	Q1 2023			
	AHTS	Subsea*	Renewable	Total
Service element from contracts with day rate	160,900	202,903	108,487	472,290
Management fees	492	1,618	140	2,249
Victualling	1,174	20,442	11,871	33,487
Additional crew and other services	5,179	13,335	567	19,081
Income from contracts with customers	167,744	238,298	121,065	527,107
Lease element from contracts with day rate	266,505	377,287	191,677	835,469
Total operating income	**434,249**	**615,585**	**312,742**	**1,362,576**

*Subsesa segment includes results from one remaining PSV after the discontinuing of the PSV segment. The remaining one PSV is intended modified to a CSV type vessel in 2023. Comparative numbers has been restated.

Operating income	Q1 2022			
	AHTS	Subsea*	Renewable	Total
Service element from contracts with day rate	114,598	169,756	44,159	328,512
Management fees	62	1,193	41	1,297
Victualling	672	4,865	6,542	12,080
Additional crew and other services	1,847	12,669	-	14,516
Income from contracts with customers	117,180	188,483	50,742	356,406
Lease element from contracts with day rate	133,160	307,076	85,235	525,471
Total operating income	**250,341**	**495,559**	**135,977**	**881,878**

*Subsesa segment includes results from one remaining PSV after the discontinuation of the PSV segment. The remaining PSV is intended modified to a CSV-type vessel in 2023. Comparative numbers have been restated.

Note 4 - Reporting per Segment

Internally the Company reports and monitors it's operation in the following segments:

- AHTS: anchorhandling vessels
- PSV: platform supply vessels - discontinued from 07 March 2023
- Subsea: construction vessels operating subsea construction contracts
- Renewable: vessels operating renewable contracts

EBITDA Adjusted	Q1 2023			
	AHTS	Subsea*	Renewable	Total
Operating income from contracts with customers	167,744	238,298	121,065	527,107
Other income	-	-	-	-
Lease element from contracts with day rate	266,505	377,287	191,677	835,469
Total operating income	**434,249**	**615,585**	**312,742**	**1,362,576**
Crew expenses	148,173	167,739	50,968	366,880
Other expenses	103,362	226,486	109,884	439,732
Total operating expenses	**251,535**	**394,226**	**160,851**	**806,612**
Net gain/ loss (-) on sale of assets**	29,743	507,378	-	537,121
Bunkers	16,977	10,134	3,630	30,741
Operating result before depreciations	**195,481**	**718,604**	**148,260**	**1,062,345**
Leases	30,572	-	-	30,572
Restructuring cost /other non-recurring events	4,424	6,272	3,186	13,882
Net gain/ loss (-) on sale of assets **	-29,743	-507,378	-	-537,121
Net result from Joint Ventures	-	-1,197	-	-1,197
Net result from associated companies	-110	-280	-79	-469
Accrued loss on accounts receivables	4,851	6,877	3,494	15,221
EBITDA Adjusted	**205,475**	**222,897**	**154,861**	**583,232**

*Subsesa segment includes results from one remaining PSV after the discontinuation of the PSV segment. The remaining PSV is intended modified to a CSV-type vessel in 2023. Comparative numbers have been restated.
** Subsea segment includes a gain of the sale of assets of MNOK 58 related to sold PSV (continued operations).

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EBITDA Adjusted	Q1 2022			
	AHTS	Subsea*	Renewable	Total
Operating income from contracts with customers	117,180	188,483	50,742	356,405
Other income	-	-	-	-
Lease element from contracts with day rate	133,160	307,076	85,235	525,471
Total operating income	**250,341**	**495,561**	**135,977**	**881,878**
Crew expenses	149,282	146,044	51,974	347,300
Other expenses	98,801	185,070	52,444	336,315
Total operating expenses	**248,084**	**331,113**	**104,418**	**683,615**
Net gain/ loss (-) on sale of assets**	13,812	-21,980	-	-8,168
Bunkers	9,585	22,727	4,113	36,425
Operating result before depreciations	**6,483**	**119,741**	**27,446**	**153,670**
Leases	7,810	-	-	7,810
Restructuring cost /other non-recurring events	510	1,750	277	2,538
Net gain/ loss (-) on sale of assets**	-13,812	21,980	-	8,168
Net result Joint Ventures	-	6,456	-	6,456
Net result from associated companies	27	91	14	132
Accrued loss on accounts receivables	-	-	-	-
EBITDA Adjusted	**1,018**	**150,019**	**27,738**	**178,774**

*Subsesa segment includes results from one remaining PSV after the discontinuing of the PSV segment. The remaining one PSV is intended modified to a CSV type vessel in 2023. Comparative numbers has been restated.
** Subsea segment include a loss of sale of assets of MNOK 28 related to sold PSV (continued operations).

Note 5 - EBITDA from continued operations

	2023 01.01-31.03	2022 01.01-31.03	2022 01.01-31.12
Total operating Income	**1,362,576**	**881,878**	**4,778,283**
Total operating expenses	**-837,353**	**-720,040**	**-3,158,905**
Net gain/-loss on sale of assets	537,121	-8,168	152,490
EBITDA	**1,062,345**	**153,670**	**1,771,868**
Leases	30,572	7,810	50,238
Restructuring cost /other non-recurring events	13,882	2,538	14,184
Net gain/-loss on sale of assets	-537,121	8,168	-152,490
Net result from Joint Venture	-1,197	6,456	20,418
Net result from associated companies	-469	132	722
Accrual loss accounts receivable	15,221	-	-55,404
EBITDA adjusted from continued operations	**583,232**	**178,774**	**1,649,537**

Note 6 - Fixed Assets

	Vessels	Periodic maintenance	Other	Total
Opening balance 01.01.2023	**16,814,184**	**789,537**	**28,382**	**17,632,103**
Additions	47,073	235,026	1,848	283,947
Asset held for sale	-5,430,481	-355,592	-	-5,786,073
Disposals	-	-	-	-
Translation adjustment	12,985	7,640	3,097	23,722
Depreciation	-158,213	-76,378	-1,324	-235,915
Impairment	510,584	-	-	510,584
Closing balance 31.03.2023	**11,796,132**	**600,233**	**32,003**	**12,428,369**

Vessels are depreciated over 20 years to a residual value equal to 50 percent of the original cost. Initially, residual value is set to 50 percent 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 percent per year until the vessel is 20 years old. Other assets are depreciated at rates of 10-25 percent.

As of 31 March 2022, 37 vessels (all PSVs) are classified as held for sale in the Condensed Statements of Financial Position, we refer to note 2. The vessels were valued at the lower carrying value and fair value less cost to sell. A net reversal of impairment of MNOK 363 has been recognized, mainly due to an increased NOK/USD rate since 31 December 2022, which increases the estimated selling price. Considering the sale price is nominated in USD, fluctuations in USD/NOK will lead to variations in the reported NOK-accounts up until closing.

Three vessels booked as held for sale at the beginning of the year have been sold during 1Q 2023. A net gain of MNOK 537 has been booked in the Net gain/-loss on the sale of assets.

Impairment Testing of Vessels

Summary

The Company has performed impairment testing of the fleet (vessels owned and Right-of-use vessels) in accordance with IAS 36. Indicators such as movement in market, volatility of exchange rates and increase in market interest rates form, according to IAS 36, the need for revaluation of the Company's assets.

Based on value-in-use-calculations the Company has recognized a reversal of impairment of MNOK 148 in 1Q 2023 for the CSV segment. Including the valuation of assets transferred to Assets held for sale during the quarter, a total reversal of impairment of MNOK 511 is recognized in 1Q 2023.

Impairment Testing

Impairment testing (value-in-use-calculation) was performed for all vessels, except for vessels classified as Assets held for sale where valuation was done based on selling price less cost to sell. Each vessel is considered a separate cash generating unit. The value-in-use-calculations are based on budget and the long-term forecast. For a majority of the vessels, value-in-use was the basis for the recoverable amount. Broker values are considered as part of the the impairment assessment, where the average broker value based on three acknowledged independent brokers is used as a basis.

The main assumptions used in the computations are charter rates, utilization, escalation of expenses, operational area and weighted average cost of capital (WACC).

Discounting Rate

The discounting rate is based on a weighted average of capital cost (WACC) for the Company. The cost of equity is derived from the 10-year interest rate for state bonds (risk-free interest rate), market risk premium and an unlevered beta (Damodaran for Western Europe). The debt element of the discounting rate is based on the risk-free interest rate, plus a premium equivalent to the difference between risk-free rate and market rates. The discounting rate used for 1Q 2023 is 11.0 percent.

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Operating income assumptions

For vessels having firm contracts, operating income is based on the current contracts. For vessels without firm contracts, and for vessels where the firm contract expires during the prognosis period, operating income is based on expected utilization and charter dayrates over the prognosis period. Dayrates are expected to gradually increase over the prognosis period. Market uncertainty is reflected in the assumptions, based on managements assessment and market analysis provided from independent third parties.

Inflation

Inflation used in the prognosis period is based on expectations for the geographical regions the company operates.

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 percent of cost price, expected cost of sale deducted, and adjusted according to changes in broker valuations. The assumption is that the broker value decline by 2,5 percent per year, until the vessel is 20 years old. It is assumed that the vessels are disposed after 20 years in operations. Average age of the core fleet is 14 years, with respectively 14 years average for both the CSV and AHTS vessels.

Climate-related matters

The Company constantly monitors the latest regulatory changes in relation to climate-related matters. Regulatory changes in climate requirements may impact future cash inflows for the Company, but based on the managements judgements as of 31 March 2023 no material effects are identified for the prognosis period.

Changes in environmental requirements may impact the residual value, and economical lifetime in the future. For short term sustainability goals to be achieved conversion to battery hybrid and installation of shore power is the most important ongoing initiatives. Forecasts for the vessels and segments include green investments, and as such these are included in the assessments of impairment and reversal of impairment.

For long term sustainability goals to be achieved newbuild programs or new technology has to be implemented. There is currently limited newbuild-programs, and the technology is not available, thus it is unlikely that significant additional capacity will be added in the market in short term. Based on this, the Company assess that residual values and economic lifetime of existing vessels are not materially reduced in today's market. This could however change in the future. The Company will adjust the key assumptions used in value-in-use calculations and sensitivities to assumptions should changes occur.

Note 7 - Right-of-use Assets

	Right-of-use			
	Vessels	**Office**	**Total**	**Lease liabilities**
Opening balance 01.01.2023	**3,159,923**	**185,888**	**3,345,812**	**3,712,076**
Other adjustments	22,384	7,938	30,322	30,322
Additions	1,428	3,557	4,985	3,557
Disposals	-	-	-	-
Translation adjustment	71,926	962	72,888	219,731
Depreciation	-100,534	-4,148	-104,682	-
Impairment	-	-	-	-
Interest expense	-	-	-	104,459
Lease payments	-	-	-	-93,217
Closing balance 31.03.2023	**3,155,127**	**194,197**	**3,349,325**	**3,976,929**

Impairment Testing of Right-of-use Assets

Based on value-in-use-calculations the Company has not recognized impairment of Right-of-use assets in 1Q 2023. Further reference is made to Note 6 Fixed Assets.

Lease obligations

Vessel lease liability of MNOK 3,977 includes Normand Maximus residual claim of MNOK 1,734 (MUSD 161), which finally matures on 31 March 2024. We refer to Note 1 Going Conern for further details.

Variable lease payments

The Company has two vessels on lease with variable lease payments. The total payments for 1Q 2023 were MNOK 31 (MNOK 8).

Note 8 - 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 %)
Windstaller Alliance (33 %)	Omega Subsea Robotics (50 %)

	AC	JV	Total
Opening Balance	**2,323**	**156,235**	**158,559**
Share of result year to date	-469	-1,197	**-1,665**
Additions	-	-	**-**
Disposals	-	-	**-**
Impairment	-	-	**-**
Other adjustments	95	4,128	**4,223**
Closing Balance	**1,949**	**159,167**	**161,116**

Other adjustments includes received dividends and currency effects.

Note 9 - 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.

Initial recognition 20.10.2020	**-1,066,639**
Fair value adjustment 01.01.2023	**-439,645**
Amortisation YTD 1Q 2023 (*)	113,905
Unrealised currency loss	-15,539
Fair value adjustment 31.03.2023	**-341,279**

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

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	2023 31.03	2022 31.03	2022 31.12
Long term debt	2,508,354	17,405,997	20,203,371
Current portion of long term debt	20,586,132	3,101,082	2,607,802
Fair Value adjustment	341,279	619,252	439,645
Balance booked finance cost	28,090	73,503	36,585
Total interest bearing debt (*)	**23,463,855**	**21,199,834**	**23,287,404**
Bank deposit	**2,209,026**	**2,099,235**	**2,170,072**
Net interest bearing debt	21,254,829	19,100,599	21,117,332

*Inclusive recognized debt relating to IFRS 16 Leases MNOK 3,977 (MNOK 2,665)

Long term debt, nominated in NOK, is divided by 26 percent NOK and 74 percent USD. At the end of the 1Q 2023, fixed interest agreement loans were entered into for around 3 percent of interest bearing debt.

Current portion of long term debt includes MNOK 18,394 of the Company's fleet loan and MNOK 1,734 of the Normand Maximus residual claim that fully mature on 31 March 2024. We refer to Note 1 Going Conern for further details.

Note 10 - Tax Expense

Solstad's tonnage taxed companies 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 Company has a loss carried forward of about NOK 21,1 billion. The corresponding deferred tax asset is not recognized in the accounts.

Taxes on ordinary result relates to local taxation outside Norway.

Note 11 - Subsequent Events

- The Company announced that they have received a Letter of Intent for hire of the CSV Normand Maximus for a period of minimum 490 days with commencement 1Q 2024.
- The CSV Normand Pacific has entered into a seven-year contract with Prysmian Powerlink Srl. The contract is firm until 31 December 2030. In addition, Prysmian has the option to extend the contract with two times two years and one year beyond the firm period.

Note 12 - 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 Solstad'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, Net gain/-loss on sale of assets, 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 Company is 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 Solstad 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, adjusted for fair value and balance booked finance cost

Net interest-bearing debt – Interest-bearing liabilities less cash and bank deposits

B2B – Book to bill, backlog less billed in period

Our Global Footprint

Vessels in operation during quarter

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