2nd Quarter Report 2023

Contents

The Company

Solstad Offshore ("the Company" and "Solstad") 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 resources; our people and our planet, while sustaining growth and profitability.

Letter from the CEO

The record high 2Q numbers, with a 49% EBITDA margin, is a result of strong operational performance from our on- and offshore teams. In an active market, we have experienced increasing demand for our services and achieved high utilization on our vessels.

If we take a closer look at what our oil & gas companies and subsea contractors reports on new field developments, E&P spendings, backlogs and marked view, combined with the global ambitions to develop fixed and floating wind, there are reasons to believe that we have some busy years ahead of us.

After the exit from the PSV-segment, that was concluded 5th July, the remaining fleet of CSVs and AHTSs are all relevant for both oil & gas and renewable energy activities and as such crucial for the ongoing energy transition.

It is very encouraging that in 2Q, 31% of our EBITDA was generated from renewable energy activities. This shows that there is a great potential to utilize vessels, originally built for oil & gas, into offshore wind and other sustainable activities.

Going forward we will continue to serve all types of offshore energy activities through our vessels and services. Jointly with partners we are building a fleet of WROVs that will be mobilized to our vessels. We have established Remota to be able to remotely operate some of the offshore functions and workscopes, and with the Windstaller Alliance we offer solutions for the floating wind industry and others.

We see very exiting times ahead of us. With our fleet, our people, and our global presence, we will continue to chase opportunities in the global offshore energy markets.

Thank you.

Lars Peder Solstad
CEO

Highlights

- Solstad delivered the strongest quarter in the Company's history in terms of Operating Income and EBITDA, and achieving a strong EBITDA margin at 49%.
- CSV segment concluded a quarter with high utilization and improved commercial terms across geographical region.
- AHTS segment contributed improved commercial terms in the quarter. Spot utilisation primarily in the North Sea turned out weaker compared to 2Q 2022.
- Operating income from continued operations for 2Q 2023 increased by 44 percent to MNOK 1,914 compared to MNOK 1,325 in 2Q 2022.
- EBITDA adjusted from continued operations increased by 77 percent to MNOK 934 compared to MNOK 528 in 2Q 2022.
- High utilization during the quarter at 89 percent for vessels in operation.
- The agreement with Tidewater for the sale of 37 PSVs was closed on 5 July 2023. 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.
- Order intake of MNOK 2,100 in 2Q 2023, equivalent to a book-to-bill ratio of 1.1.

Key Financials

(NOK 1,000,000)	**2023** 01.04-30.06	**2022** 01.04-30.06	**2023** 01.01-30.06	**2022** 01.01-30.06	**2022** 01.01-31.12	**2021** 01.01-31.12	**2020** 01.01-31.12
Operating income **	1,914	1,325	3,277	2,207	4,778	5,418	5,026
EBITDA adjusted (Note 5) **	934	528	1,517	707	1,650	1,534	1,282
EBIT **	630	552	1,549	493	1,357	-7	-2,185
Profit before tax **	174	-317	457	-450	-205	-1,110	7,250
Cash and equivalents	1,782	2,063	1,782	2,063	2,170	2,459	2,412
Net working capital	-17,753	-1,153	-17,753	-1,153	320	-119	-803
Equity	1,861	1,595	1,861	1,595	1,753	3,083	4,243
Net interest bearing debt *	21,722	20,867	21,722	20,867	21,117	18,259	19,365
Order backlog **	6,500	5,100	6,500	5,100	6,400	5,600	5,200

* 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 2020 to 2021 remains unaltered (AHTS, CSV, PSV)

Discontinued operations

Strategic sale of PSV-fleet

The Company signed an agreement with Tidewater for the sale of 37 PSVs for a total amount of USD 580 million. The transaction was closed on 5 July 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.

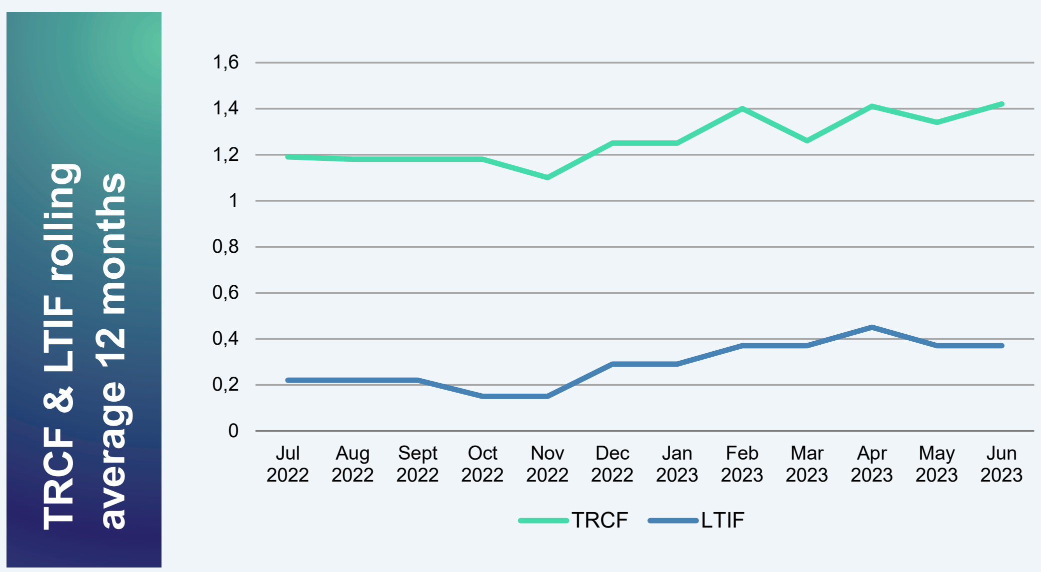
Refer to note 2 for details on Discontined Operations

Operational Update*

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

HSE

In 2Q 2023, the company reported a Total Recordable Case Frequency (TRCF) of 1.42 over the last 12 months, which exceeds the target of 1.1. One Lost Time Incident (LTI) was reported in April, with a total of five LTIs reported over the last 12 months.



A campaign for our number one focus area "Solstad's approach to our Safety Culture" was implemented in 2Q 2023 to further improve our safety culture and HSE performance by reinforcing a workplace culture that is committed to eliminating incidents and injuries. Focus was on safety mindset, how we approach the way we work, and how we build on the understanding that all incidents can be prevented. The Solstad Incident Free Operations ('SIFO') is to 'Look Out for Each Other' and 'Speak Up,' and to take action when you see potentially unsafe actions or behavior. This program promoted an attitude of 'choosing' to follow the rules and procedures.

Another campaign for focus area number two "Speak Up" and "Stop the Job if you see something Unsafe" will be run for the next six months.

Operations

Crewing has been stable in 2Q 2023 with a steady workforce (94 percent retention rate year-to-date) and a total volume of about 3,100 seafarers (same as 1Q 2023).

Crew administration of the seafarers has very much been related to the preparations for the sale of the 37 PSVs to Tidewater. More than 1,100 seafarers are transferred to Tidewater as a result of the sale. A major job has been done by the crewing department before the closing on 5 July. Majority of the sold PSV vessels will remain under Solstad's Management until 4Q 2023.

There is still an increasing and high risk for cyber-attacks targeting the maritime industry. The Company experienced no major cyber incidents in 2Q, 2023 but around six million attempts targeting Solstad infrastructure and emails were blocked. As part of 'Watertight Operations' we have run various campaigns throughout the company increasing our awareness for digital security. Solstad is running several digitalization pilots to improve its operational efficiency. Digital signatures, vessel video conferencing, permit to work system and digital checklists are examples of projects that will optimize our digital workplace. Throughout 2Q 2023 we have piloted Starlink by SpaceX on a selected group of vessels. This is a LEO satellite communication service that provides high speed internet connectivity in all regions globally. The feedback from vessels and crew is immensely positive, and Starlink

* Operational reporting is including vessels on Management. Tidewater transaction contains a transition plan with transfer of Management for 37 PSV vessels from closing into 4Q 2023.

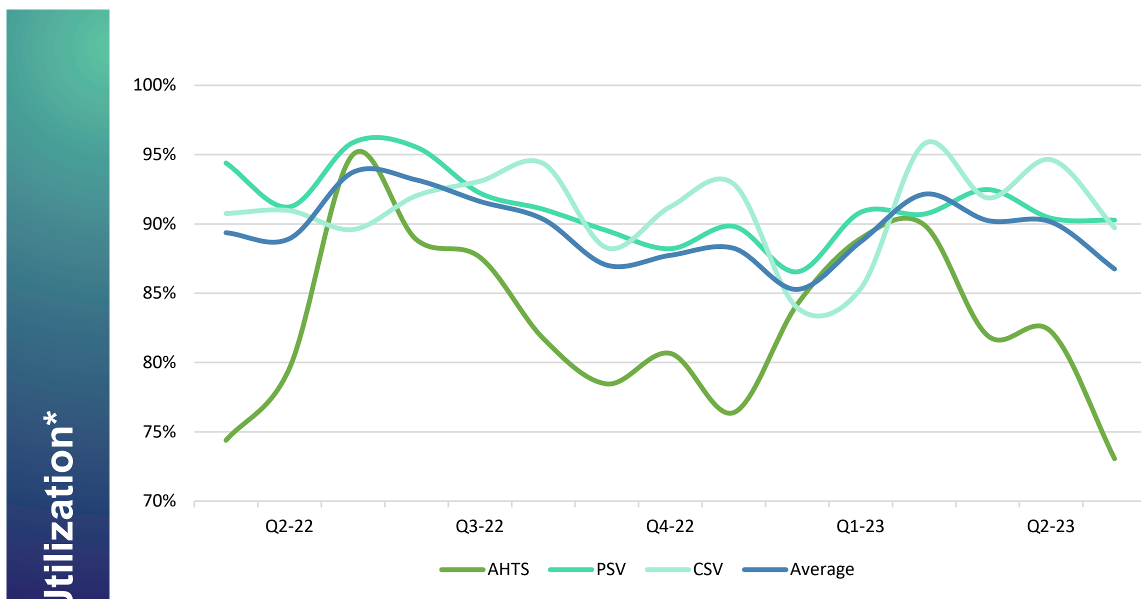
and similar emerging technologies, has the potential of being a game changer for the connectivity within the maritime industry.

2Q 2023 has been relatively busy in terms of planned maintenance and dry-dockings. In total seven dry-dockings and one maintenance stop were conducted. The average technical uptime was 98.9 percent.

Utilization

As of 30 June 2023, the Company owned and/or operated a total fleet of 83 vessels, of which 78 were in operation: 26 CSVs, 15 AHTSs, and 37 PSVs.

The overall utilization for the operational fleet in 2Q 2023 was 89 percent compared to 91 percent in 2Q 2022. The CSV fleet had utilization of 92 percent (90 percent), the AHTS fleet 79 percent (83 percent), and the PSV fleet 91 percent (94 percent). Spot utilisation in the AHTS sement, primarily in the North Sea, turned out weaker compared to 2Q 2022.



** vessels in operation (78 vessels)*

Financial Summary

Operating income from continued operations* for 2Q 2023 amounted to MNOK 1,914 compared to MNOK 1,325 in 2Q 2022.

- Operating income year to date (1H 2023) was MNOK 3,277 compared to MNOK 2,207 in 2022.
- The main operating income drivers are improved commercial terms and more sales of additional services.
- Operating expenses for continued operations in 2Q 2023 amounted to MNOK 1,011, of which MNOK 936 is classified as vessel operating expenses. Compared to 2Q 2022, total operating expenses increased by MNOK 188 mainly driven by cost inflation and increased sale of additional services. Year to date the cost was MNOK 1,849 compared to MNOK 1,543 in 2022.
- Administrative expenses for continued operations in 2Q 2023 were MNOK 75 compared to MNOK 49 in 2Q 2022. Year to date the cost was MNOK 163 compared to MNOK 129 in 2022. Increase mainly due to professional fees in relation to the PSV divestment.
- The operating result before depreciation and impairment for continued operations was MNOK 903 in 2Q 2023 compared to MNOK 552 in 2Q 2022. Year to date the result was MNOK 1,965 compared to MNOK 705 in 2022. MNOK 495 of the increase is related to the gain on the sale of assets.
- Unrealized currency loss for continued operations in 2Q 2023 was MNOK 32 compared to a loss of MNOK 669 in 2Q 2022 due to debt nominated in USD. Year to date the currency loss was MNOK 314 compared to MNOK 550 in 2022.
- Ordinary result before taxes from continued operations in 2Q 2023 was MNOK 174 compared to negative MNOK 317 in 2Q 2022. Year to date the result was MNOK 457 compared to negative MNOK 450 in 2022.
- EBITDA adjusted from continued operations was MNOK 934 in 2Q 2023 compared to MNOK 528 for 2Q 2022. Year to date the EBITDA adjusted was MNOK 1,517 compared to MNOK 707 in 2022.
- Total liquidity for the group was MNOK 1,782 in 2Q 2023 compared to MNOK 2,063 in 2Q 2022.
- Total booked equity at the end of the quarter was MNOK 1,861.

**Reference to Note 2*

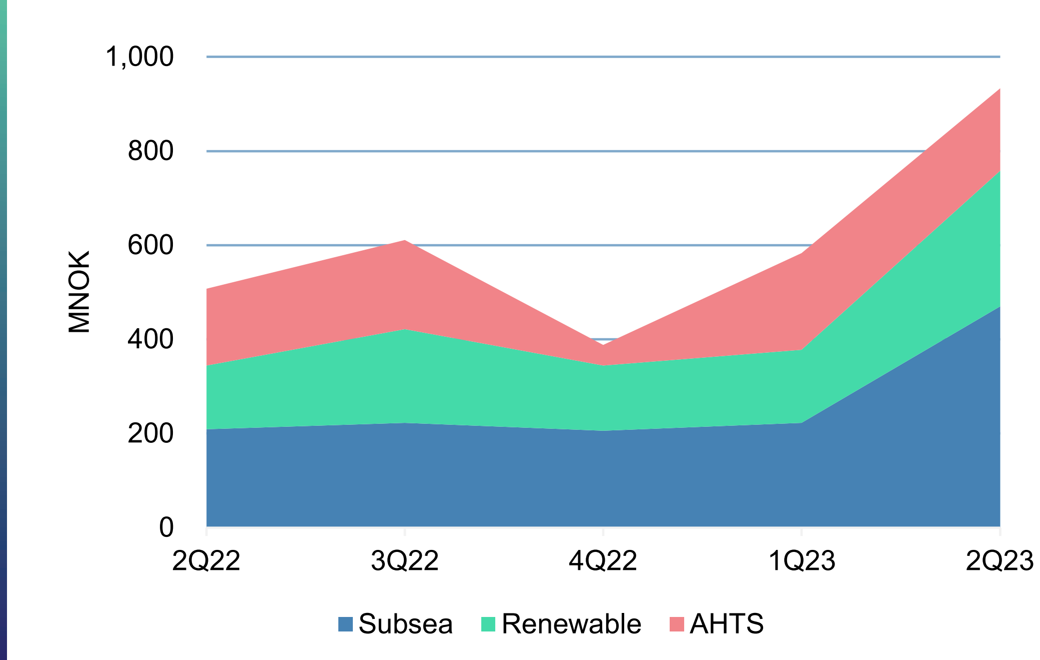
Cash Flow & Cash Position

The overall cash position at the end of 2Q 2023 was MNOK 1,782 compared to MNOK 2,063 in 2Q 2022. The net cash flow from operations was positive by MNOK 708 for 2Q 2023. Net cash flow from investments was negative by MNOK 272, mainly related to planned maintenance. Net interest paid to lenders was MNOK 350 and net repayment of long-term debt to lenders was MNOK 465 in 2Q 2023.

During 2Q 2023, currency exchange fluctuations resulted in an unrealized currency loss of MNOK 32. In addition, the company has a realized currency loss of MNOK 12 related to accounts payable and receivable positions being settled (continued and discontinued results).

The USD to NOK exchange rate as per 2Q 2023 of 10.7712 compared to 9.9629 on 2Q 2022, has resulted in an unrealized currency loss during the twelve-month period of MNOK 661 with a corresponding reduction in the Company's booked equity.

EBITDA Adjusted development by Segment



Capital Structure

Total current assets at the end of 2Q 2023 were MNOK 4,613, compared to MNOK 4,313 per 2Q 2022. Of the total current assets, cash and cash equivalents amounted to MNOK 1,782 compared to MNOK 2,063 in the same quarter last year.

Total current liabilities were MNOK 22,366, compared to MNOK 5,467 in 2Q 2022. The total current liabilities include MNOK 20,602 in short-term portion of long-term debt, giving net negative working capital of MNOK 17,753 compared to negative MNOK 1,153 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.

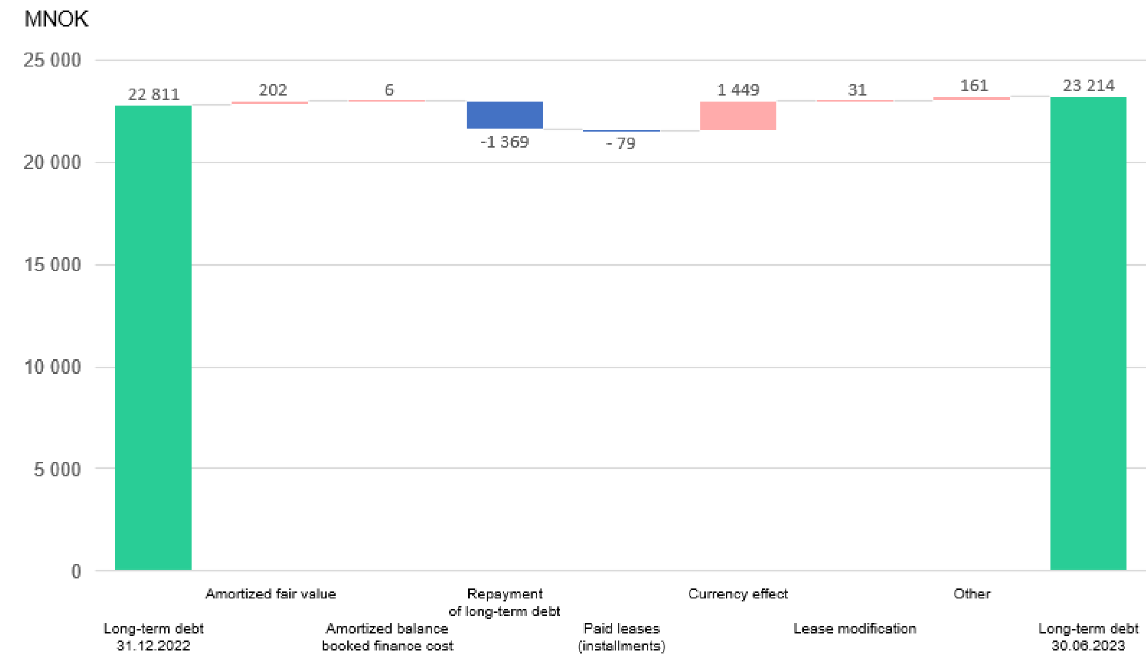
Total non-current assets at the end of the quarter were MNOK 15,954, compared to MNOK 21,166 in the same quarter last year. The decrease mainly relates to the sale of vessels in the period, and the transfer of vessels to assets held for sale.

Net interest-bearing debt was at MNOK 21,722 with the net increase of MNOK 855 mainly explained by foreign exchange movements and an increase in the lease liability of Normand Maximus, partly offset by repayment. In 2Q 2022, the net interest-bearing debt was at MNOK 20,867.

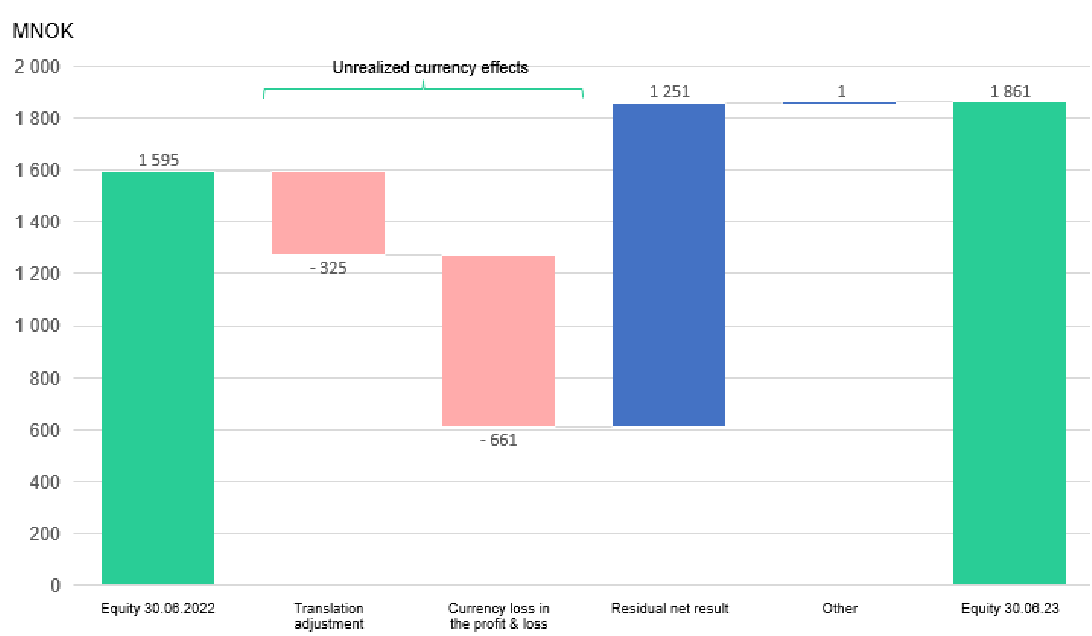
The Company's equity as of 30 June 2023 was MNOK 1,861 which represents 6.9 percent of the total balance sheet. On 30 June 2022, the equity was MNOK 1,595 equivilant to 6.2 percent of the balance sheet. The main driver for the increase from 30 June 2022 is positive operating results on vessels, gain on the sale of assets, reversal of prior period impairments, partly offset by unrealized negative currency effects and net finance.

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

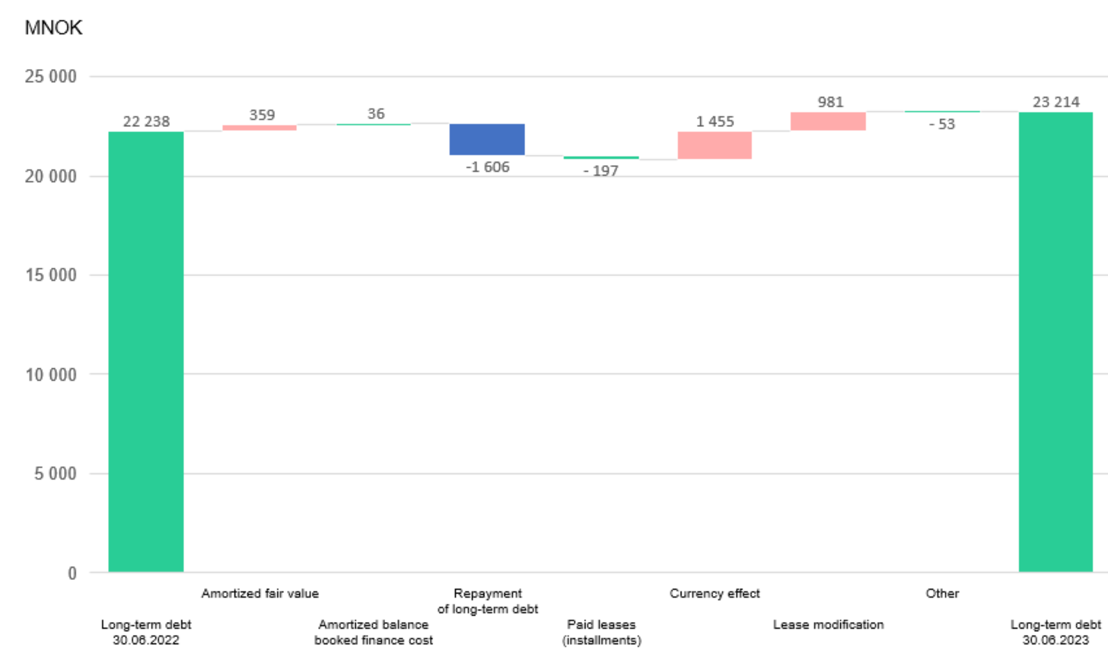
Long-term debt movement year-to-date 2023



Equity movement last 12 months

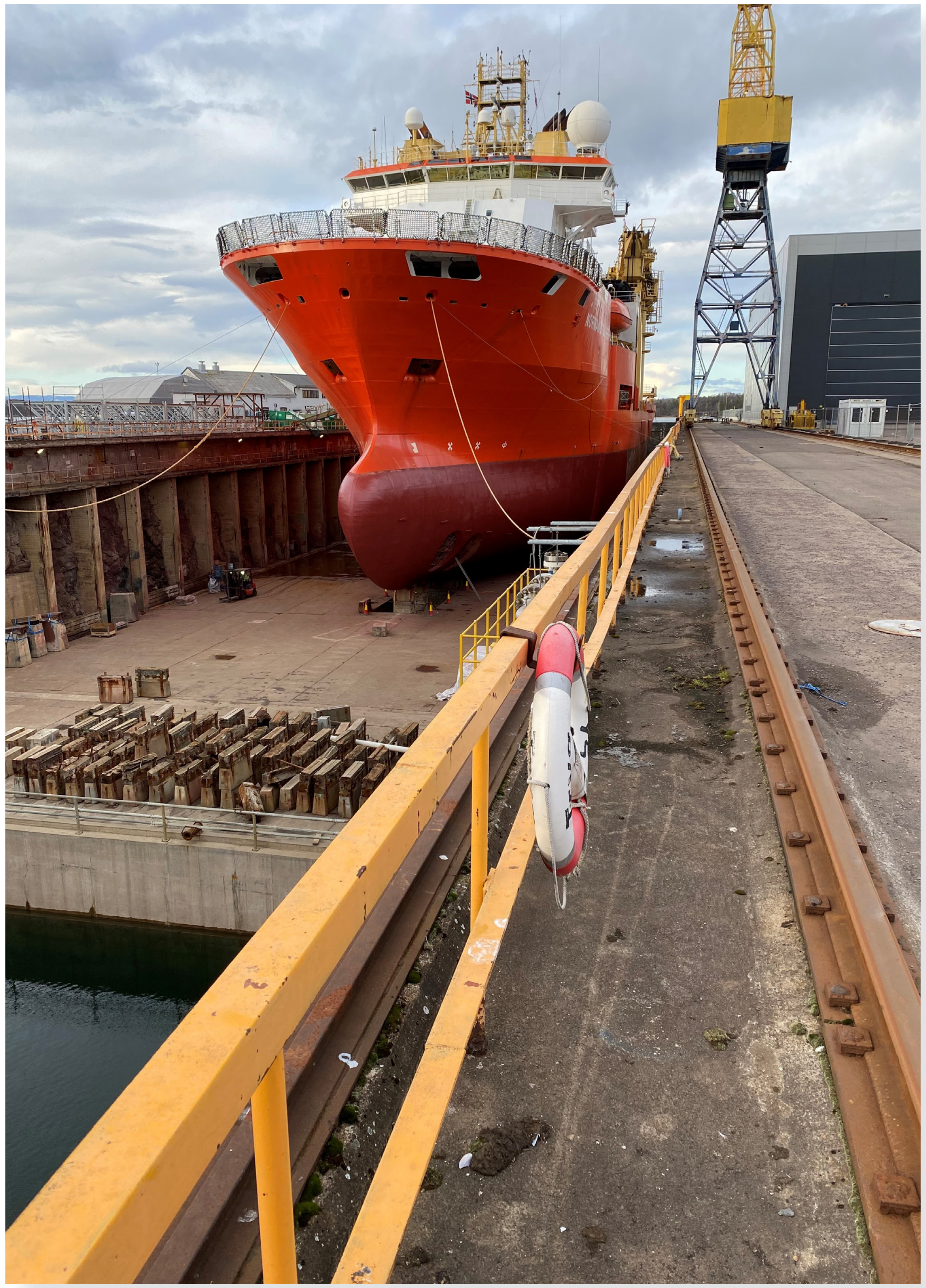


Long-term debt movement last 12 months



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 throughout 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 relate 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 with reference to 'Company Refinancing' summary box below.

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 that affect the Company. The board of Solstad monitors the overall risk factors for the Company.

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 169 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, inter ali 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.

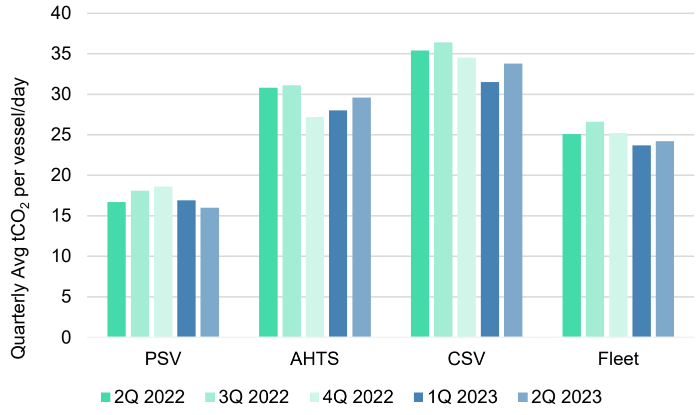
Sustainability

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

- The total fleet CO2 emissions in 2Q 2023 was 168 kton which was about 10 percent lower than in 2Q 2022 (188 kton) despite a higher activity level.
- The number of fuel saving operational measures called Solstad Green Operations (SGO's) conducted this quarter was 20.5 which is higher than the minimum goal of 20 per vessel per month.
- Together with the offshore shipping companies DOF, Solstad, and Eidesvik, the Norwegian Shipowners' Association has commissioned, SINTEF Ocean to conduct an analysis of alternative fuels. The study will analyze and provide recommendations for three specific cases: PSV, AHTS and CSV.

Environment

With 78 vessels in operation, the total fleet emissions were 168 kton in 2Q 2023, in which is at the same level as previous quarter, and about 10 percent lower than same quarter last year. The carbon intensity per vessel in 2Q 2023 was 24.2 tons (tCO2/vessel/day). This is about the same level as the previous quarter.



Early 2023, Solstad launched a campaign to specifically target fuel consumption on long transits. During 2Q 2023 a total of nine transits have been registered with considerable fuel savings. A new software tool for this purpose have been co-developed by Solstad (MARESS TransitPal).

A total of 24 liters of oil spill were registered during 2Q 2023 (16 liters in 2Q 2022). The spills were mainly related to incidents with issues with auxiliary equipment such as ROV's and various client deck tools.

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 ('Account of due diligence') is public and can be downloaded at our website.

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

A total of 139 internal and external audits, vetting, class surveys, and port state controls have been completed during 2Q 2023, resulting in only minor findings. This is an average level for the last two years (142 in 2Q 2022 and 122 in 1Q 2023).

Market Outlook

The outlook for offshore energy activities continue to strengthen.

The offshore activity has been high during 2Q 2023 and this is expected to continue the coming quarters. The activity is within all types of offshore segments, including exploration, production, field development and decommissioning, in addition to offshore wind projects. However, it was temporary challenging in 2Q and Summer season due to certain projects being postponed.

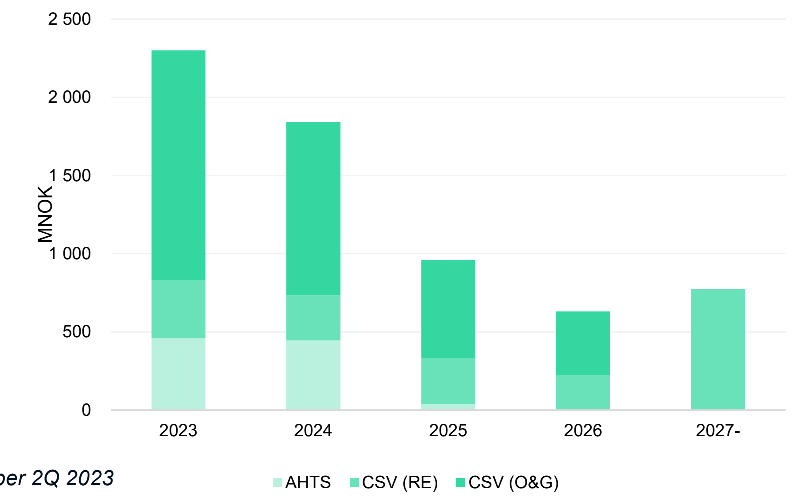
Several rigs have left, or will leave, the North Sea for contracts in other regions such as Namibia, Brazil, and Australia. This has given lower rig-move activity in the North Sea but will increase activity in the mentioned areas. The project mooring market has also been active and is expected to be so in the second half of 2023 too. West-Africa, Brazil, US Gulf of Mexico and the North Sea are all regions with upcoming projects that could provide high utilization for vessels that are targeting these markets.

The CSVs are in demand from both renewable energy and oil & gas clients. Hence, there has in periods been shortage of vessels, as activity level is very high in both segments.

Geographically, Europe and Taiwan are the busiest areas within offshore-wind, while oil and gas has high activity in Brazil, Guyana and the North Sea.

The tender activity continues to be high. As an example, Petrobras is in the market for pipelaying vessels (PLSV) and AHTSs for long-term contracts.

Backlog by year of execution*

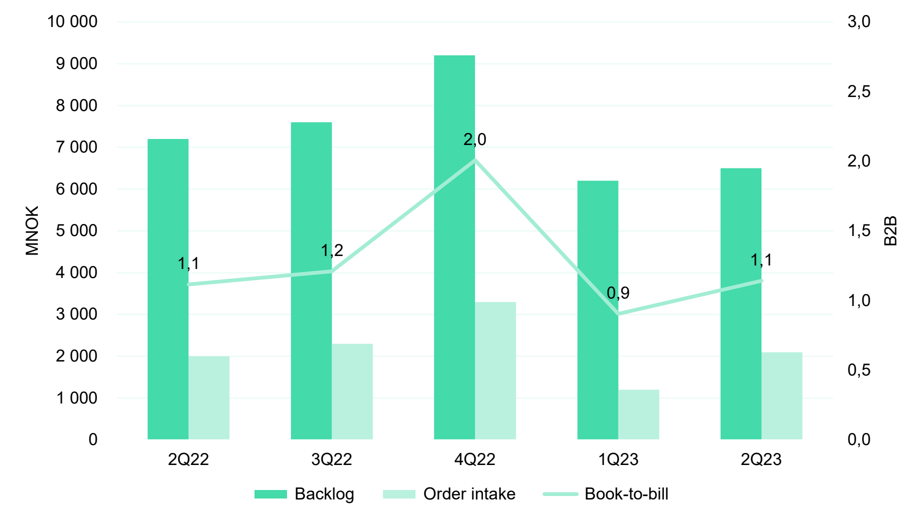


**per 2Q 2023*

Events Subsequent to the Quarter

- Reference is made to the announcement 7 March 2023 on the sale of the Solstad PSV fleet to Tidewater for the price of MUSD 580. The transaction was closed 5 July with all 37 vessels being delivered to Tidewater. This will reduce Solstads interest-bearing debt with approximately NOK 6 billion. During 1H 2023 a reversal of impairment of MNOK 614 has been booked in Result from discontinued operations directly related to this transaction. The transaction will have a negative accounting effect of approximately MNOK 70 to be reflected in 3Q 2023 mainly relating to foreign exchange movement from 30 June 2023 to 5 July 2023 effecting the net selling price.
- CSV Normand Pioneer has been awarded an extension of its charter contract with the Brazilian oil company PRIO for a period of 18 months to August 2025. The vessel will support PRIO's E&P activities in Brazilian waters.
- Solstad and Equinor Brazil have entered into an agreement to convert the PSV Normand Carioca to a Well Stimulation Vessel (WSV) and extend the present contract until December 2027. The cost of the conversion is covered by the Client. Normand Carioca, that has been under contract with Equinor Brazil since 2017, will commence its new scope of work in 3Q 2023 and will support the drilling activities at the Bacalhau field.
- The AHTS Elang Laut 1 was sold on 3 July, 2023. The sale of the vessel will result in an immaterial accounting effect.

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



**PSV segment excluded effective 1Q23*

Statement from the Board

We confirm that the consolidated accounts for the period January 1 to June 30, 2023 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.

Skudeneshavn 24.08.2023

Harald Espedal
Chairman

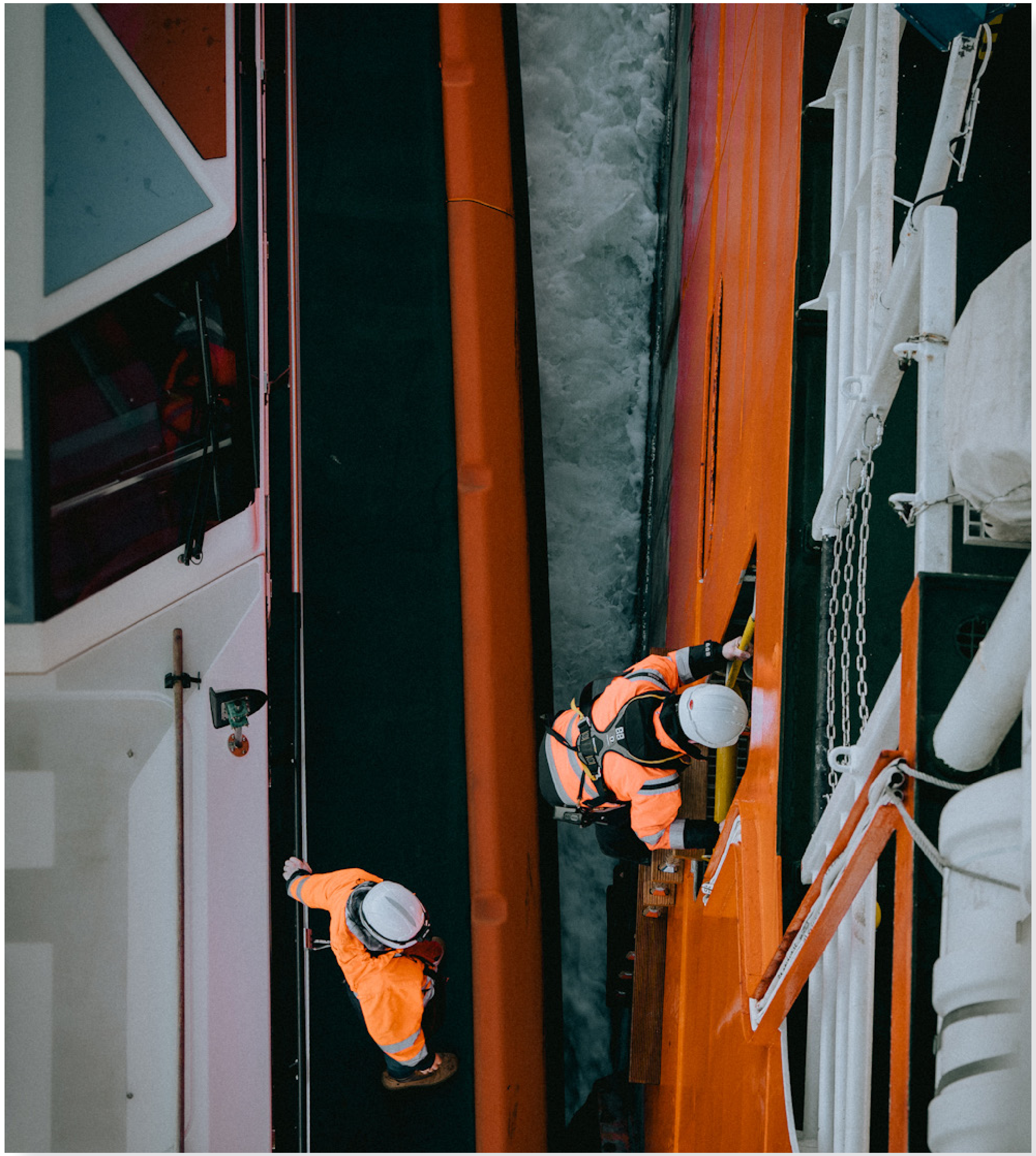
Frank O. Reite
Director

Peder Sortland
Director

Ingrid Kylstad
Director

Ellen Solstad
Director

Lars Peder Solstad
CEO



Condensed statement of comprehensive income

(NOK 1,000)

	2023 01.04-30.06	2022 01.04-30.06	2023 01.01-30.06	2022 01.01-30.06	2022 01.01-31.12	Note
Continued operations:						
Operating income	**1,914,312**	**1,324,880**	**3,276,888**	**2,206,759**	**4,778,283**	3,4,5
Vessel operating expenses	-936,136	-773,810	-1,685,299	-1,414,299	-2,871,984	
Administrative expenses	-75,296	-49,416	-163,485	-128,967	-286,921	
Total operating expenses	**-1,011,432**	**-823,226**	**-1,848,784**	**-1,543,266**	**-3,158,905**	**5**
Net gain/-loss on sale of assets	**15**	**50,101**	**537,136**	**41,933**	**152,490**	**6**
Operating result before depreciations	**902,895**	**551,756**	**1,965,239**	**705,425**	**1,771,868**	**4**
Ordinary depreciation	-322,933	-229,103	-612,660	-448,272	-1,019,267	6,7
Impairment	37,284	223,660	185,370	223,660	584,183	6,7
Result from Joint Ventures	12,371	5,444	11,174	11,900	20,418	8
Operating result	**629,617**	**551,756**	**1,549,123**	**492,714**	**1,357,202**	
Result from associated companies	114	166	-354	298	722	8
Total other items	**114**	**166**	**-354**	**298**	**722**	
Interest income	14,564	1,980	22,902	4,023	41,850	
Realised currency gain/-loss	-11,699	46,748	57,476	37,191	37,303	
Unrealised currency gain/-loss	-32,202	-668,839	-314,066	-549,962	-567,322	
Interest charges	-424,849	-246,838	-853,661	-439,569	-1,063,228	
Net financial charges/-income	-1,768	-1,787	-4,139	4,995	-11,689	
Net financing	**-455,954**	**-868,736**	**-1,091,489**	**-943,321**	**-1,563,086**	
Ordinary result before taxes	**173,777**	**-316,815**	**457,280**	**-450,310**	**-205,161**	
Taxes ordinary result	-18,850	191	-50,201	-11,185	-98,061	10
Result from continued operations	**154,927**	**-316,624**	**407,079**	**-461,495**	**-303,222**	
Discontinued operations:						
Result from discontinued operations	181,386	-533,043	218,992	-620,152	-814,582	2
Result	**336,314**	**-849,667**	**626,070**	**-1,081,647**	**-1,117,803**	
Other comprehensive income:						
Exchange differences on translating foreign operations	-202,112	-331,600	-518,492	-412,378	-218,660	
Actuarial gain/-loss	-	-	-	-	947	
Total comprehensive income	**134,202**	**-1,181 267**	**107,579**	**-1,494,025**	**-1,335,516**	

Condensed statement of comprehensive income (continued)

(NOK 1,000)

	2023 01.04-30.06	2022 01.04-30.06	2023 01.01-30.06	2022 01.01-30.06	2022 01.01-31.12	Note
Total comprehensive income	**134,202**	**-1,181,267**	**107,579**	**-1,494,025**	**-1,335,516**	
Result of continued operations attributable to:						
Non-controlling interests	2,747	4,255	3,596	6,120	5,222	
Majority share	152,180	-320,879	403,483	-467,615	-308,444	
Result of discontinued operations attributable to:						
Non-controlling interests	-1,913	-8,794	-6,305	-8,927	-10,009	
Majority share	183,299	-524,249	225,297	-611,225	-804,573	
Earnings per share	4.35	-11.02	8.10	-14.13	-14.53	
Total comprehensive income attributable to:						
Non-controlling interests	834	-4,539	-2,709	-2,807	-4,788	
Majority share	133,368	-1,176,728	110,288	-1,491,218	-1,330,728	
Total comprehensive income per share	1.74	-15.33	1.39	-19.52	-17.38	
EBITDA adjusted from continued operations	**933,616**	**527,904**	**1,516,848**	**706,678**	**1,649,537**	3,4
Average number of shares (1,000)	77,309	77,079	77,309	76,555	76,935	

Condensed statement of financial position

(NOK 1,000)

	2023 30.06	2022 30.06	2022 31.12	Note
ASSETS				
Fixed Assets:				
Intangible assets	4,411	14,458	4,351	
Tangible fixed assets	12,305,893	18,076,804	17,632,103	5
Right-of-use assets	3,301,093	2,793,702	3,345,812	6
Investment in assosiated companies and Joint Ventures	211,054	143,905	158,559	7
Financial fixed assets	131,179	137,116	116,357	4
Total fixed assets	**15,953,630**	**21,165,985**	**21,257,181**	
Current Assets:				
Stocks	158,713	186,917	228,197	
Accounts receivables	1,722,990	1,266,458	1,232,487	
Other receivables	929,859	779,219	698,141	
Market based shares	18,550	17,650	21,000	
Deposits, cash, etc	1,782,441	2,062,827	2,170,072	9
Total current assets	**4,612,553**	**4,313,071**	**4,349,897**	
Assets held for sale	6,295,830	65,214	412,052	2,6
TOTAL ASSETS	**26,862,013**	**25,544,270**	**26,019,130**	
EQUITY AND LIABILITIES				
Equity:				
Paid-in equity	257,696	257,696	257,696	
Other equity	1,615,104	1,344,327	1,504,816	
Non-controlling interests	-12,096	-7,407	-9,387	
Total equity	**1,860,704**	**1,594,616**	**1,753,125**	
Liabilities:				
Long-term provisions	23,409	28,901	32,806	
Other long-term debt	1,046	1,036	1,046	9
Debt to credit institutions	578,462	18,188,637	16,637,362	9
Leasing liabilities	2,032,449	264,560	3,564,963	7
Total long-term debt	**2,635,366**	**18,483,134**	**20,236,177**	
Current liabilities:				
Current portion of long-term debt	18,539,564	1,114,749	2,460,689	9
Current leasing liabilities	2,062,355	2,668,570	147,113	7
Other current liabilities	1,764,024	1,683,201	1,422,026	
Total current liabilities	**22,365,943**	**5,466,520**	**4,029,828**	
Total liabilities	**25,001,309**	**23,949,654**	**24,266,005**	
TOTAL EQUITY AND LIABILITIES	**26,862,013**	**25,544,270**	**26,019,130**	

Statement of cash flow

(NOK 1,000)

	2023 30.06	2022 30.06	2022 31.12
CASH FLOW FROM OPERATIONS			
Result before tax from continued operations	**457,280**	**-450,310**	**-205,161**
Result before tax from discontinued operations	**221,765**	**-618,089**	**-807,964**
Taxes payable	-28,831	-3,998	-31,561
Ordinary depreciation and write downs	-134,296	383,002	780,990
Gain (-)/ loss long-term assets	-534,332	-64,581	-179,919
Interest income	-22,596	-4,037	-42,566
Interest expense	1,106,897	567,340	1,404,972
Non-cash refinance effects	1,193	-6,544	-16,691
Effect of change in pension assets	68	-	-1,043
Unrealised currency gain/ -loss	611,762	957,204	938,084
Change in short-term receivables and payables	-274,846	-159,120	-214,025
Change in other accruals	-47,720	-211,482	-174,719
Net cash flow from operations	**1,356,344**	**389,385**	**1,450,398**
CASH FLOW FROM INVESTMENTS			
Investment in tangible fixed assets	-42,980	-73,876	-124,912
Payment of periodic maintenance	-443,216	-264,094	-488,011
Consideration sale of fixed assets (vessels)	945,182	267,206	450,268
Payment of long-term receivables	-14,823	-28,788	-8,029
Received interests	22,596	4,037	42,566
Investments in other shares/ interests	-46,000	-	-
Net cash flow from investments	**420,760**	**-95,516**	**-128,118**
CASH FLOW FROM FINANCING			
Paid leases	-192,171	-98,672	-261,767
Paid interests	-673,642	-319,160	-839,280
Repayment of long-term debt	-1,368,674	-309,168	-546,117
Net cash flow from financing	**-2,234,487**	**-727,000**	**-1,647,164**
Effect of changes in foreign exchange rates	69,752	36,931	35,929
Net change in cash	-457,384	-433,131	-324,884
Cash at 01.01	2,170,072	2,459,027	2,459,027
Cash at balance sheet date	**1,782,441**	**2,062,827**	**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**	**-**	**180,387**	**-**	**728,128**	**776,672**	**1,762,512**	**-9,387**	**1,753,125**
Result	-	-	-	-	-	628,779	628,779	-2,709	620,070
Acturial gain/loss(-)	-	-	-	-	-	-	-	-	-
Translation adjustments	-	-	-	-	-518,492	-	-518,492	-	-518,492
Other comprehensive income	**-**	**-**	**-**	**-**	**-518,492**	**628,779**	**110,288**	**-2,709**	**107,579**
Share capital increase by conversion of debt	-	-	-	-	-	-	-	-	-
Equity 30.06.2023	**77,309**	**-**	**180,387**	**-**	**209,563**	**1,405,451**	**1,872,800**	**-12,096**	**1,860,704**
Equity 01.01.2022	**75,609**	**-**	**176,927**	**-**	**946,805**	**1,888,740**	**3,088,081**	**-4,599**	**3,083,481**
Result	-	-	-	-	-	-1,078,840	-1,078,840	-2,807	-1,081,647
Acturial gain/loss(-)	-	-	-	-	-	-	-	-	-
Translation adjustments	-	-	-	-	-412,378	-	--412,378	-	-412,378
Other comprehensive income	**-**	**-**	**-**	**-**	**-412,378**	**-1,078,840**	**-1,491,218**	**-2,807**	**-1,494,025**
Share capital increase by conversion of debt	1,700	-	3,460	-	-	-	5,160	-	5,160
Equity 30.06.2022	**77,309**	**-**	**180,387**	**-**	**534,427**	**809,900**	**1,602,023**	**-7,406**	**1,594,616**
Equity 01.01.2022	**75,609**	**-**	**176,927**	**-**	**946,805**	**1,888,740**	**3,088,081**	**-4,599**	**3,083,481**
Result	-	-	-	-	-	-1,113,016	-1,113,016	-4,788	-1,117,803
Acturial gain/loss(-)	-	-	-	-	-	947	947	-	947
Translation adjustments	-	-	-	-	-218,660	-	-218,660	-	-218,660
Other comprehensive income	**-**	**-**	**-**	**-**	**-218,660**	**-1,112,068**	**-1,330,728**	**-4,788**	**-1,335,516**
Share capital increase by convertion of debt	1,700	-	3,460	-	-	-	5,160	-	5,160
Equity 31.12.2022	**77,309**	**-**	**180,387**	**-**	**728,145**	**776,672**	**1,762,512**	**-9,387**	**1,753,125**

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Notes

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

(NOK 1,000)

Note 1 - General

Solstad Offshore ASA's (OSE ticker: 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 30 June 2023.

The Company has seen continued strengthening of the market despite a challenging macroeconomic environment. With an expected continued strong energy market, and the high focus on energy transition, we also expect an active offshore market 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 the 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 half of 2023, totaling MNOK 300, followed by MNOK 150 drawdown in month of July 2023. 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. However, the Company settled second instalment of the fleet-loan 30 June 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 third instalment of the fleet-loan 30 September 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 1 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:	**2023** 01.04-30.06	**2022** 01.04-30.06	**2023** 01.01-30.06	**2022** 01.01-30.06	**2022** 01.01-31.12
Operating result before depreciations	15	50,101	537,136	41,933	152,490
Operating result	12,371	5,444	11,174	11,900	20,418
Total other items	-12,371	-5,444	-11,174	-11,900	-20,418
Result	-	-	-	-	-

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 their classification as held for sale.

Discontinued operations are 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 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.

Charter parties subjected to necessary consent from the charterer has 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 was closed on 5 July 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 MUSD 580 million. The transaction was closed on 5 July 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 PSV operations have been determined to constitute discontinued operations, and the net result for the operation is presented on a single line in the Condensed statement of comprehensive income effective 1Q 2023. Comparative periods have been restated.

Net result for discontinued operations as of 30 June 2023:	2023 01.04-30.06	2022 01.04-30.06	2023 01.01-30.06	2022 01.01-30.06	2022 01.01-31.12	Note
Discontinued operations: **Operating income**	**549,623**	**425,567**	**1,037,086**	**788,451**	**1,721,848**	
Vessel operating expenses	-289,240	-274,335	-610,748	-575,134	-1,263,226	
Administrative expenses	-71,900	-66,110	-142,283	-99,313	-170,553	
Total operating expenses	**-361,140**	**-340,445**	**-753,031**	**-674,448**	**-1,433,779**	
Net gain/-loss on sale of assets	-	-	-	-	-	
Operating result before depreciations	**188,483**	**85,123**	**284,055**	**114,003**	**288,069**	
Ordinary depreciation	-1,378	-80,107	-52,248	-158,390	-317,682	
Impairment	251,335	-	613,834	-	-28,225	6
Result from Joint Ventures	-	-	-	-	-	
Operating result	**438,440**	**5,015**	**845,641**	**-44,387**	**-57,838**	
Result from associated companies	-	-	-	-	-	
Total other items	**-**	**-**	**-**	**-**	**-**	
Interest income	323	-	-305	14	716	
Realised currency gain/-loss	-1,402	-2,083	-2,231	-1,386	-1,342	
Unrealised currency gain/-loss	-124,413	-471,809	-367,448	-444,172	-406,692	
Interest charges	-129,728	-62,434	-253,235	-127,772	-341,744	
Net financial charges/-income	-328	-70	-656	-386	-1,064	
Net financing	**-255,548**	**-536,396**	**-623,876**	**-573,702**	**-750,125**	
Ordinary result before taxes	**182,893**	**-531,381**	**221,765**	**-618,089**	**-807,964**	
Taxes ordinary result	-1,506	-1,662	-2,773	-2,063	-6,618	
Result from discontinued operations	**181,386**	**-533,043**	**218,992**	**-620,152**	**-814,582**	

Specification of Assets Held for Sale as of 30 June 2023:	Continuing operations	Disontinuing operations	2023 30.06
ASSETS			
Fixed Assets:			
Tangible fixed assets	**69,936**	**6,201,808**	6,271,744
Total fixed assets	**69,936**	**6,201,808**	**6,271,744**
Current Assets:			
Stocks	**-**	**24,085**	24,085
Total current assets	**-**	**24,085**	**24,085**
TOTAL ASSETS CLASSIFIED AS HELD FOR SALE	**69,936**	**6,225,893**	**6,295,830**

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	2Q 2023			
	AHTS	Subsea*	Renewable	Total
Service element from contracts with day rate	145,116	186,942	96,590	428,648
Management fees	449	1,742	94	2,285
Victualling	3,105	30,999	14,381	48,485
Additional crew and other services	4,858	13,699	-	18,557
Income from contracts with customers	153,528	233,383	111,065	497,976
Lease element from contracts with day rate	308,356	746,569	361,411	1,416,336
Total operating income	**461,884**	**979,952**	**472,476**	**1,914,312**

*Subsea 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	2Q 2022			
	AHTS	Subsea*	Renewable	Total
Service element from contracts with day rate	155,908	186,654	113,922	456,484
Management fees	239	1,396	159	1,794
Victualling	3,701	41,578	18,123	63,403
Additional crew and other services	1,697	5,782	702	8,181
Income from contracts with customers	161,545	235,410	132,906	529,861
Lease element from contracts with day rate	282,792	319,172	193,055	795,019
Total operating income	**444,337**	**554,582**	**325,961**	**1,324,880**

*Subsea 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.

Operating income	YTD 2Q 2023			
	AHTS	Subsea*	Renewable	Total
Service element from contracts with day rate	306,015	389,845	205,077	900,938
Management fees	941	3,360	234	4,535
Victualling	4,279	51,441	26,252	81,972
Additional crew and other services	10,037	27,034	567	37,638
Income from contracts with customers	321,272	471,680	232,130	1,025,082
Lease element from contracts with day rate	574,861	1,123,856	553,088	2,251,805
Total operating income	**896,133**	**1,595,537**	**785,218**	**3,276,888**

*Subsea 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	YTD 2Q 2022			
	AHTS	Subsea*	Renewable	Total
Service element from contracts with day rate	270 506	356 409	158 080	784 996
Management fees	301	2 589	201	3 091
Victualling	4 373	46 444	24 665	75 482
Additional crew and other services	3 544	18 451	702	22 698
Income from contracts with customers	278 725	423 893	183 649	886 267
Lease element from contracts with day rate	415 952	626 247	278 292	1 320 492
Total operating income	**694 678**	**1 050 141**	**461 941**	**2 206 759**

*Subsea 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 — **2Q 2023**

	AHTS	Subsea*	Renewable	Total
Operating income from contracts with customers	153,528	233,383	111,065	497,976
Other income	-	-	-	-
Lease element from contracts with day rate	308,356	746,569	361,411	1,416,336
Total operating income	**461,884**	**979,952**	**472,476**	**1,914,312**
Crew expenses	151,127	194,619	53,140	398,885
Other expenses	121,615	305,817	124,165	551,597
Total operating expenses	**272,742**	**500,436**	**177,305**	**950,482**
Net gain/ loss (-) on sale of assets	15	-	-	15
Bunkers	25,531	26,564	8,854	60,949
Operating result before depreciations	**163,626**	**452,952**	**286,317**	**902,895**
Leases	10,969	-	-	10,969
Restructuring cost /other non-recurring events	3,521	7,874	3,775	15,171
Net gain/ loss (-) on sale of assets **	-15	-	-	-15
Net result from Joint Ventures	-	12,371	-	12,371
Net result from associated companies	37	63	15	115
Accrued loss on accounts receivables	-2,846	-3,307	-1,737	-7,889
EBITDA Adjusted	**175,291**	**469,954**	**288,371**	**933,616**

*Subsea 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.

EBITDA Adjusted — **2Q 2022**

	AHTS	Subsea*	Renewable	Total
Operating income from contracts with customers	161,545	235,410	132,906	529,861
Other income	-	-	-	-
Lease element from contracts with day rate	282,792	319,172	193,055	795,019
Total operating income	**444,337**	**554,582**	**325,961**	**1,324,880**
Crew expenses	150,355	148,017	73,593	371,964
Other expenses	127,119	185,572	101,439	414,130
Total operating expenses	**277,473**	**333,589**	**175,032**	**786,094**
Net gain/ loss (-) on sale of assets**	-35,221	85,322	-	50,101
Bunkers	17,384	19,302	448	37,133
Operating result before depreciations	**114,259**	**287,011**	**150,486**	**551,756**
Leases	11,739	-	-	11,739
Restructuring cost /other non-recurring events	2,407	5,972	1,663	10,043
Net gain/ loss (-) on sale of assets**	35,221	-85,322	-	-50,101
Net result Joint Ventures	-	5,444	-	5,444
Net result from associated companies	43	92	32	166
Accrued loss on accounts receivables	-360	-544	-239	-1,143
EBITDA Adjusted	**163,310**	**212,653**	**151,941**	**527,904**

*Subsea 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 gain of sale of assets of MNOK 86 related to sold PSVs (continued operations).

EBITDA Adjusted — **YTD 2Q 2023**

	AHTS	Subsea*	Renewable	Total
Operating income from contracts with customers	321,272	471,680	232,130	1,025,082
Other income	-	-	-	-
Lease element from contracts with day rate	574,861	1,123,856	553,088	2,251,805
Total operating income	**896,133**	**1,595,537**	**785,218**	**3,276,888**
Crew expenses	299,300	362,358	104,107	765,765
Other expenses	224,977	532,304	234,049	991,329
Total operating expenses	**524,277**	**894,662**	**338,156**	**1,757,094**
Net gain/ loss (-) on sale of assets**	29,758	507,378	-	537,136
Bunkers	42,508	36,697	12,484	91,690
Operating result before depreciations	**359,106**	**1,171,556**	**434,578**	**1,965,239**
Leases	41,541	-	-	41,541
Restructuring cost /other non-recurring events	7,945	14,146	6,962	29,053
Net gain/ loss (-) on sale of assets **	-29,758	-507,378	-	-537,136
Net result from Joint Ventures	-	11,174	-	11,174
Net result from associated companies	-74	-216	-64	-354
Accrued loss on accounts receivables	2,005	3,570	1,757	7,332
EBITDA Adjusted	**380,766**	**692,851**	**443,232**	**1,516,848**

*Subsea 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).

EBITDA Adjusted — **YTD 2Q 2022**

	AHTS	Subsea*	Renewable	Total
Operating income from contracts with customers	278,725	423,893	183,649	886,267
Other income	-	-	-	-
Lease element from contracts with day rate	415,952	626,247	278,292	1,320,492
Total operating income	**694,678**	**1,050,141**	**461,941**	**2,206,759**
Crew expenses	299,637	294,060	125,567	719,264
Other expenses	225,920	370,642	153,883	750,446
Total operating expenses	**525,557**	**664,702**	**279,450**	**1,469,709**
Net gain/ loss (-) on sale of assets**	-21,409	63,342	-	41,933
Bunkers	26,969	42,029	4,560	73,557
Operating result before depreciations	**120,742**	**406,752**	**177,931**	**705,425**
Leases	19,549	-	-	19,549
Restructuring cost /other non-recurring events	2,918	7,723	1,940	12,581
Net gain/ loss (-) on sale of assets**	21,409	-63,342	-	-41,933
Net result Joint Ventures	-	11,900	-	11,900
Net result from associated companies	69	183	46	298
Accrued loss on accounts receivables	-360	-544	-239	-1,143
EBITDA Adjusted	**164,328**	**362,672**	**179,678**	**706,678**

*Subsea 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 gain of sale of assets of MNOK 57 related to sold PSV (continued operations).

Note 5 - EBITDA from continued operations

	2023 01.04-30.06	2022 01.04-30.06	2023 01.01-30.06	2022 01.01-30.06	2022 01.01-31.12
Total operating Income	**1,914,312**	**1,324,880**	**3,276,888**	**2,206,759**	**4,778,283**
Total operating expenses	**-1,011,432**	**-823,226**	**-1,848,784**	**-1,543,266**	**-3,158,905**
Net gain/-loss on sale of assets	15	50,101	537,136	41,933	152,490
EBITDA	**902,895**	**551,756**	**1,965,239**	**705,425**	**1,771,868**
Leases	10,969	11,739	41,541	19,549	50,238
Restructuring cost /other non-recurring events	15,171	10,043	29,053	12,581	14,184
Net gain/-loss on sale of assets	-15	-50,101	-537,136	-41,933	-152,490
Net result from Joint Venture	12,371	5,444	11,174	11,900	20,418
Net result from associated companies	114	166	-354	298	722
Accrual loss accounts receivable	-7,889	-1,143	7,332	-1,143	-55,404
EBITDA adjusted from continued operations	**933,616**	**527,904**	**1,516,848**	**706,678**	**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	63,607	466,126	5,586	535,318
Asset held for sale	-5,757,893	-513,852	-	-6,271,744
Disposals	-	-	-7,524	-7,524
Translation adjustment	14,077	24,593	3,258	41,929
Depreciation	-298,040	-139,332	-3,022	-440,395
Impairment	816,206	-	-	816,206
Closing balance 30.06.2023	**11,652,141**	**627,072**	**26,680**	**12,305,893**

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 30 June 2023, 38 vessels (all 1 AHTS and 37 PSVs) are classified as held for sale in the Condensed Statements of Financial Position, we refer to note 2 for information regarding the PSVs. The vessels were valued at the lower carrying value and fair value less cost to sell. A net reversal of impairment of MNOK 614 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 was sold during 1Q 2023, and a net gain of MNOK 537 was booked in the Net gain/-loss on the sale of assets. No vessels were sold in 2Q 2023.

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 54 in 2Q 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 306 is recognized in 2Q 2023. In addtion an impairment of MNOK 17 is recognized in 2Q 2023 on Right of use-offices, which gives a net reversal of MNOK 289 for the quarter.

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 2Q 2023 is 11.5 percent.

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 30 June 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	23,012	7,938	30,950	30,950
Additions	2,138	3,625	5,763	3,625
Disposals	-	-	-	-
Translation adjustment	158,928	1,155	160,083	323,829
Depreciation	-207,786	-16,727	-224,513	-
Impairment	-	-17,002	-17,002	-
Interest expense	-	-	-	216,127
Lease payments	-	-	-	-192,171
Closing balance 30.06.2023	**3,136,215**	**164,878**	**3,301,093**	**4,094,435**

Impairment Testing of Right-of-use Assets

Based on value-in-use-calculations the Company has recognized an impairment of MNOK 17 on Right-of-use offices in 2Q 2023. Further reference is made to Note 6 Fixed Assets.

Lease obligations

Vessel lease liability of MNOK 4,094 includes Normand Maximus residual claim of MNOK 1,834, which finally matures on 31 March 2024. We refer to Note 1 Going Concern for further details.

Variable lease payments

The Company has two vessels on lease with variable lease payments. The total payments for 2Q 2023 were MNOK 11 (MNOK 12).

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 %)
	Remota Holding AS (33 %)

	AC	JV	Total
Opening Balance	**2,323**	**156,235**	**158,559**
Share of result year to date	-354	11,174	**10,820**
Additions	46,000	-	**46,000**
Disposals	-	-	**-**
Impairment	-	-	**-**
Other adjustments	139	-4,463	**-4,324**
Closing Balance	**48,108**	**162,946**	**211,054**

Other adjustments includes received dividends and currency effects. Addition of 46 MNOK is related to Remota Holding AS.

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 amortized, 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**
Amortization YTD 1Q 2023 (*)	202,287
Unrealized currency loss	-22,809
Fair value adjustment 30.06.2023	**-260,167**

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

	2023 30.06	2022 30.06	2022 31.12
Long term debt	2,611,957	18,454,233	20,203,371
Current portion of long term debt	20,601,919	3,783,319	2,607,802
Fair Value adjustment	260,167	619,252	439,645
Balance booked finance cost	30,181	73,503	36,585
Total interest bearing debt (*)	**23,504,225**	**22,930,308**	**23,287,404**
Bank deposit	**1,782,441**	**2,062,827**	**2,170,072**
Net interest bearing debt	21,721,784	20,867,481	21,117,332

*Inclusive recognized debt relating to IFRS 16 Leases MNOK 4,094 (MNOK 2,933)

Long term debt, nominated in NOK, is divided by 26 percent NOK and 74 percent USD. At the end of 2Q 2023, fixed interest agreement loans were entered into for around 3 percent of interest-bearing debt.

Current portion of long-term debt includes MNOK 18,372 of the Company’s fleet loan and approx. MNOK 1,834 of the Normand Maximus residual claim that fully mature on 31 March 2024. We refer to Note 1 Going Concern for further details.

Note 10 - Tax Expense

Solstad's tonnage taxed companies decided to exit the Norwegian Tonnage Tax Regime with effect from 1 January 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

- Reference is made to the announcement 7 March 2023 on the sale of the Solstad PSV fleet to Tidewater for the price of MUSD 580. The transaction was closed 5 July with all 37 vessels being delivered to Tidewater. This will reduce Solstads interest-bearing debt with approximately NOK 6 billion. During 1H 2023 a reversal of impairment of MNOK 614 has been booked in Result from discontinued operations directly related to this transaction. The transaction will have a negative accounting effect of approximately MNOK 70 to be reflected in 3Q 2023 mainly relating to foreign exchange movement from 30 June 2023 to 5 July 2023 effecting the net selling price.
- CSV Normand Pioneer has been awarded an extension of its charter contract with the Brazilian oil company PRIO for a period of 18 months to August 2025. The vessel will support PRIO's E&P activities in Brazilian waters.
- Solstad and Equinor Brazil have entered into an agreement to convert the PSV Normand Carioca to a Well Stimulation Vessel (WSV) and extend the present contract until December 2027. The cost of the conversion is covered by the Client. Normand Carioca, that has been under contract with Equinor Brazil since 2017, will commence its new scope of work in Q3 2023 and will support the drilling activities at the Bacalhau field.
- The AHTS Elang Laut 1 was sold on 3 July, 2023. The sale of the vessel will result in an immaterial accounting effect.

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, including current interest bearing liabilities

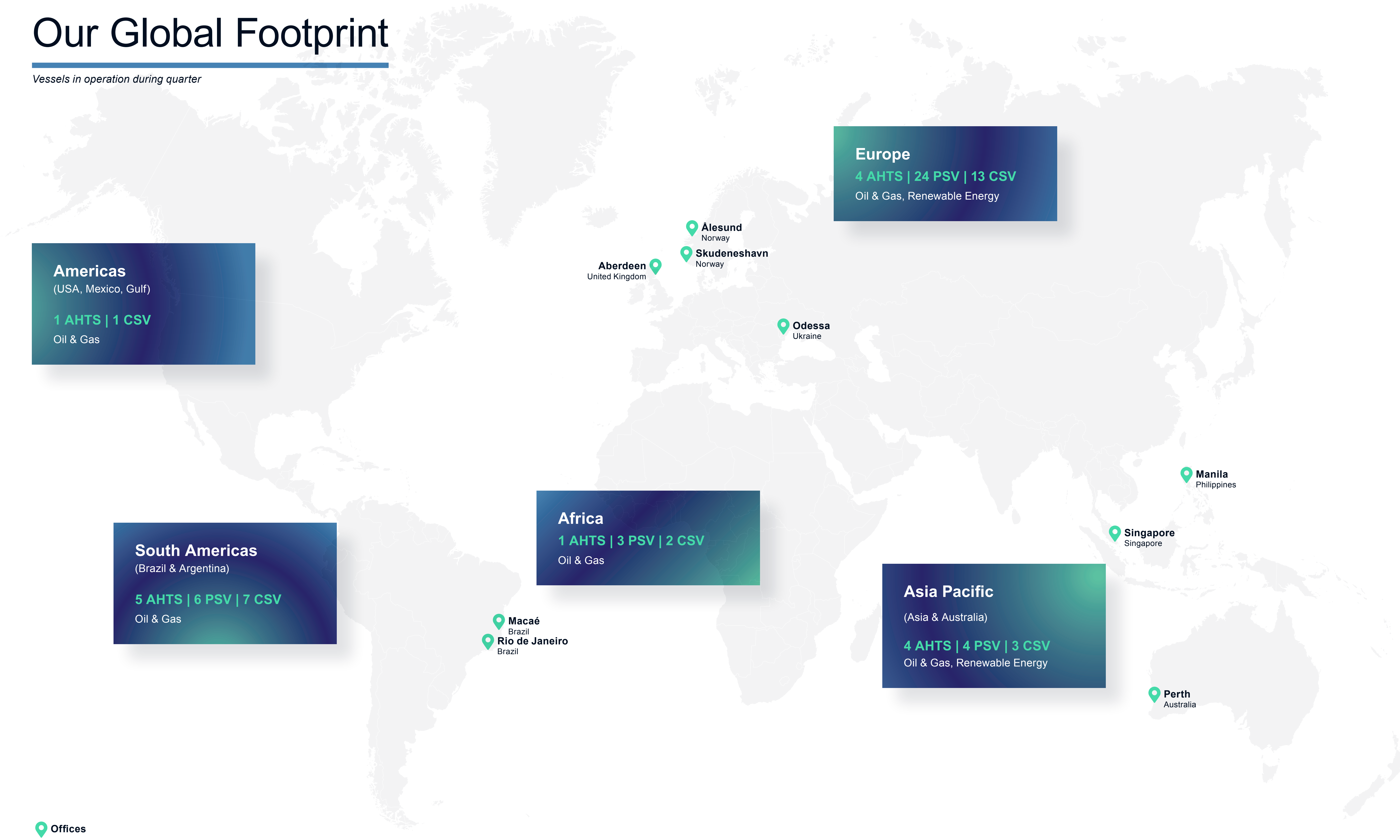
Interest-bearing debt – Current and long-term interest-bearing liabilities, adjusted for fair value and balance booked finance cost

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



Solstad Offshore ASA

Nesavegen 39
4280 Skudeneshavn
Norway

Postal address:
P.O. Box 13
4297 Skudeneshavn
Norway

Telephone: +47 52 85 65 00
Email: contact@solstad.com

www.solstad.com