



# 3<sup>rd</sup> Quarter Report 2023



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# The Company

**Solstad Offshore (“the Company” or “Solstad”) is a world-leading owner and operator of offshore service vessels**

Solstad has a 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.

We have approximately 2,000 employees globally, plus a fleet of 41 CSVs and AHTSs in operation, all of which are essential in the ongoing energy transition.



# Letter from the CEO

Third quarter has been another eventful period for Solstad Offshore. We concluded the sale of our PSV fleet in July. This strengthened our position in the ongoing energy transition, as the vessel segment with 100% oil and gas industry exposure was divested. Our remaining fleet of CSVs and AHTSs are in demand from both renewable energy and oil and gas clients. Moreover, the sale of the PSV fleet reduced the company's debt significantly and thereby laid the foundation for a new long term financing of Solstad, which was announced after quarter end.

As part of this refinancing, the Aker group is taking a stronger position in our business, by investing a significant amount of equity. Aker has been a strong partner for us since they first invested in Solstad in 2016.

The refinancing of Solstad is done with strong support from Aker, DNB and Eksfin. After closing, a total of NOK 4 billion will be injected as new equity into Solstad NewCo ("Solstad Maritime"). This also includes the shares in the company that owns our flagship vessel Normand Maximus thus bringing her back as part of the owned fleet.

Based on this equity injection as a solid fundament, DNB and Eksfin has fully underwritten a new, long-term debt financing refinancing a majority of the Group's secured debt. This is a solid long-term solution for Solstad. As a result, we can approach the years ahead, where the markets look promising, with a strong balance sheet and with one of the finest fleets in the industry. I would like to thank Aker, DNB and Eksfin who made this refinancing possible.

Going forward, Solstad Offshore ASA will have 27% direct ownership in Solstad Maritime. In addition, the remaining business will consist of seven high-end AHTS' and CSV vessels. Refer to section Company Refinancing for further details.

Although structural changes are being made, for employees, suppliers and clients we will continue with the same organization, management, business culture, and maintain both operational and commercial management of the fleet.

In addition, we are building a Service division that enables us to offer other services to our clients, such as ROVs, tooling, project personnel, engineering support etc. We foresee a significant service offering growth in the years ahead.

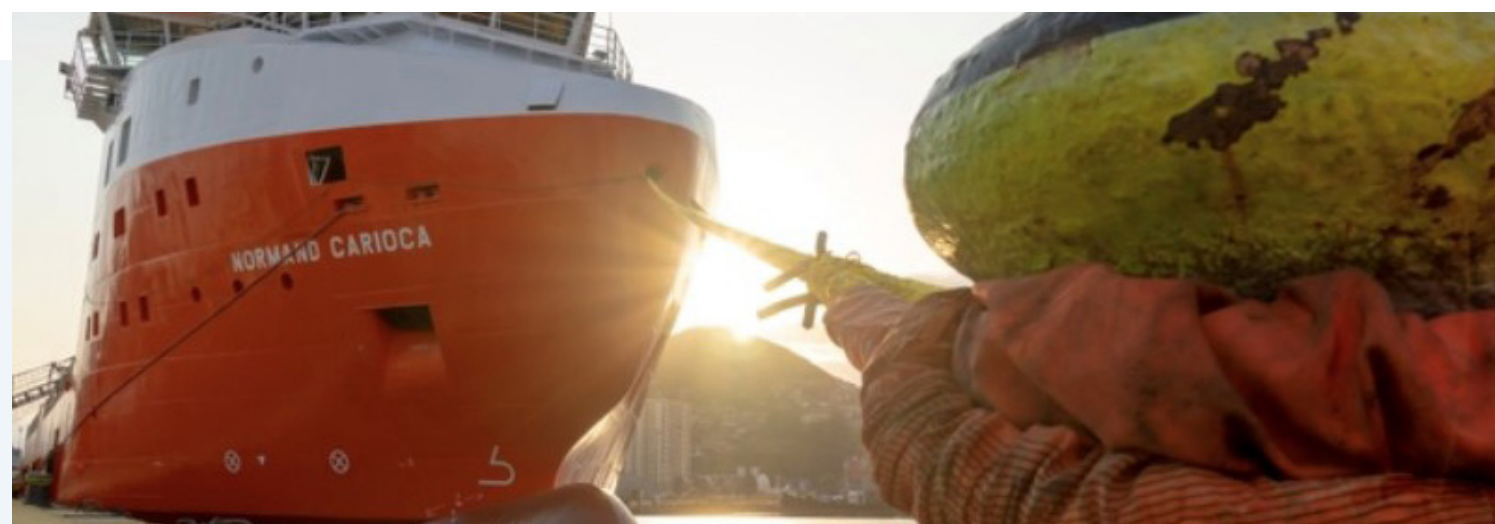
Solstad is very well positioned for an offshore energy market that represent opportunities going forward. We have a strong industrial partner in Aker. We will operate a fleet that can work both within oil and gas and renewable energy. We have very competent people onboard the vessels and in the onshore organization. Last, but not least, we have a strong balance sheet and support from lenders and shareholders. All in all, the future looks very exciting!

**Lars Peder Solstad**  
CEO



# Highlights

- Solstad delivered another strong quarter in terms of operating income and EBITDA, and achieved a solid EBITDA margin at 49%.
- The CSV segment concluded a quarter with high utilization and improved commercial terms across geographical regions.
- Operating income from continued operations for 3Q 2023 increased by 17 percent to MNOK 1,624 compared to MNOK 1,387 in 3Q 2022.
- EBITDA adjusted from continued operations increased by 31 percent to MNOK 797 compared to MNOK 606 in 3Q 2022.
- High utilization of 90 percent for vessels in operation during the quarter.
- The agreement with Tidewater for the sale of 37 PSVs was closed on 5 July 2023.
- Order intake of MNOK 3,800 in 3Q 2023, equivalent to a book-to-bill ratio of 2.3.
- Solstad is building a Service division that enables us to offer additional services, such as ROVs, tooling, project personnel, engineering support etc.
- The Company has been in dialogue with its creditors and other stakeholders to explore the possibilities for the refinancing of the Group within the maturity date. On 23 October 2023 a financing solution supported by Aker Capital AS, AMSC ASA, DNB Bank ASA and Eksportfinans Norge AS was announced (the "Refinancing"). Solstad Offshore ASA will have 27% direct ownership of Solstad Maritime. Solstad Maritime will be reflected as an investment in associates and accounted for using the equity method in line with IAS 28.



## Key Financials

(NOK 1,000,000)	2023 01.07-30.09	2022 01.07-30.09	2023 01.01-30.09	2022 01.01-30.09	2022 01.01-31.12	2021 01.01-31.12	2020 01.01-31.12
Operating income **	1,624	1,387	4,901	3,594	4,778	5,418	5,026
EBITDA adjusted (Note 5) **	797	606	2,313	1,313	1,650	1,534	1,282
EBIT **	389	610	1,938	1,102	1,196	-7	-2,185
Profit before tax **	73	-226	530	-677	-366	-1,110	7,250
Cash and equivalents	1,927	2,158	1,927	2,158	2,170	2,459	2,412
Net working capital	-11,093	-1,573	-11,093	-1,573	320	-119	-803
Equity	1,902	953	1,902	953	1,753	3,083	4,243
Net interest bearing debt *	15,083	21,904	15,083	21,904	21,117	18,259	19,365
Order backlog **	8,600	5,400	8,600	5,400	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 on 7 March 2023 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 was classified as held for sale up until date of transaction. 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 Discontinued Operations



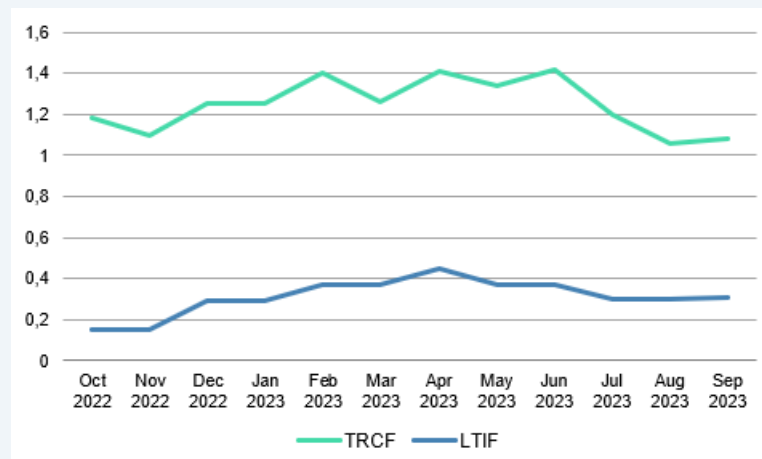
# Operational Update\*

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

## HSE

In 3Q 2023, the Company reported a Total Recordable Case Frequency (TRCF) of 1.08 over the last 12 months, which is below the target of 1.1. No recordable personal injuries were reported in 3Q 2023, and we registered the best TRCF result ever.

TRCF & LTIF rolling average 12 months



This year's Company-wide HSE campaign is focusing on our safety culture behaviour program, "Solstad Incident Free Operations" (SIFO). We do this to further improve our HSE performance by reinforcing a workplace culture that is committed to eliminating incidents and injuries. Focus is on safety mindset, how we approach the way we work, and how we build on the understanding that all incidents can be prevented.

## Operations

While the sale of the PSVs was concluded 5 July, ship management remained with Solstad. Throughout third quarter, we have gradually transferred management of vessels to Tidewater, and this transition will continue into 4Q 2023. The seafarers who were part of the Norway-registered PSVs had their employment transferred on 5 July 2023, but the majority of the remaining seafarers were employed by Solstad until 1 November 2023. The total number of seafarers affected by the sale is approximately 1,100.

For the remaining seafarers, the retention rate is 94%, same as 2Q.

Despite the high-risk landscape and extensive cyber-attack activities that target the maritime industry, we are fortunate to report no major cyber incidents this quarter. We have focus on awareness and training on how to navigate this landscape, and by that reducing company risk. In parallel we are also focusing on being as prepared as possible if and when an intrusion happens. There are several ongoing digitalization projects to improve our operational efficiency. Fleet data (bringing vessel data ashore), digital signatures, vessel conferencing and Microsoft 365 to fleet (boosting collaboration) are examples of such projects.

Two planned dry-dockings and two planned maintenance stops were reported in 3Q 2023. The average technical uptime (YTD

\* 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.

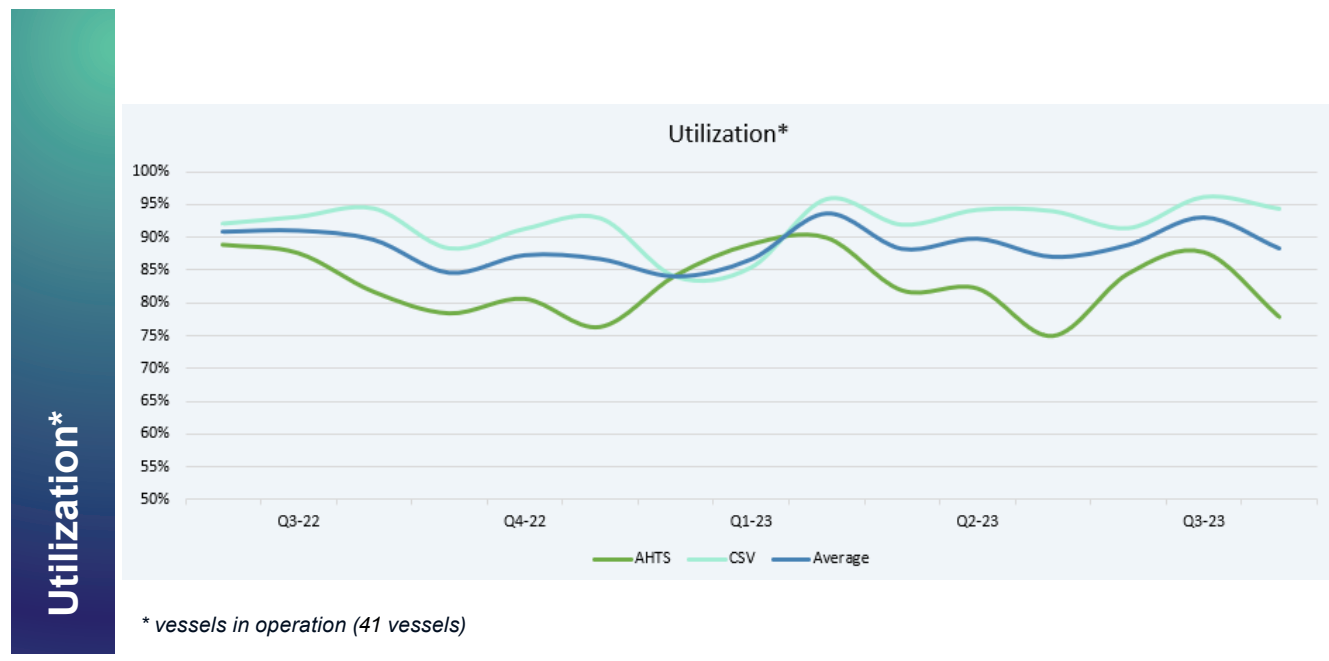
incl. PSV) was 98.33% vs a target of 98.5%. The average technical uptime for 3Q 2023 isolated was 98.07% (excl. PSV).

### Utilization

As of 30 September 2023, the Company owned and/or operated a total fleet of 45 vessels, of which 41 were in operation: 26 CSVs and 15 AHTSs. In addition, the Company has provided management services for the PSVs sold to Tidewater.

The overall utilization for the operational fleet in 3Q 2023 was 90 percent compared to 91 percent in 3Q 2022.

The CSV fleet had utilization of 94 percent (93 percent) and the AHTS fleet 83 percent (86 percent).





# Financial Summary

## Operating income from continued operations\* for 3Q 2023 amounted to MNOK 1,624 compared to MNOK 1,387 in 3Q 2022.

- The main operating income drivers are improved commercial terms and increased sales of additional services.
- Operating expenses for continued operations in 3Q 2023 amounted to MNOK 871, of which MNOK 767 is classified as vessel operating expenses. Compared to 3Q 2022, total operating expenses increased by MNOK 27 mainly driven by cost inflation and increased sale of additional services.
- Administrative expenses for continued operations in 3Q 2023 were MNOK 104 compared to MNOK 73 in 3Q 2022.
- The operating result before depreciation and impairment for continued operations was MNOK 694 in 3Q 2023 compared to MNOK 523 in 3Q 2022.
- Unrealized currency gain for continued operations in 3Q 2023 was MNOK 102 compared to a loss of MNOK 593 in 3Q 2022 due to debt nominated in USD.
- Ordinary result before taxes from continued operations in 3Q 2023 was MNOK 73 compared to negative MNOK 226 in 3Q 2022.
- EBITDA adjusted from continued operations was MNOK 797 in 3Q 2023 compared to MNOK 606 for 3Q 2022.
- Total liquidity for the group was MNOK 1,927 in 3Q 2023 compared to MNOK 2,158 in 3Q 2022.
- Total booked equity at the end of the quarter was MNOK 1,902.

\*Reference to Note 2

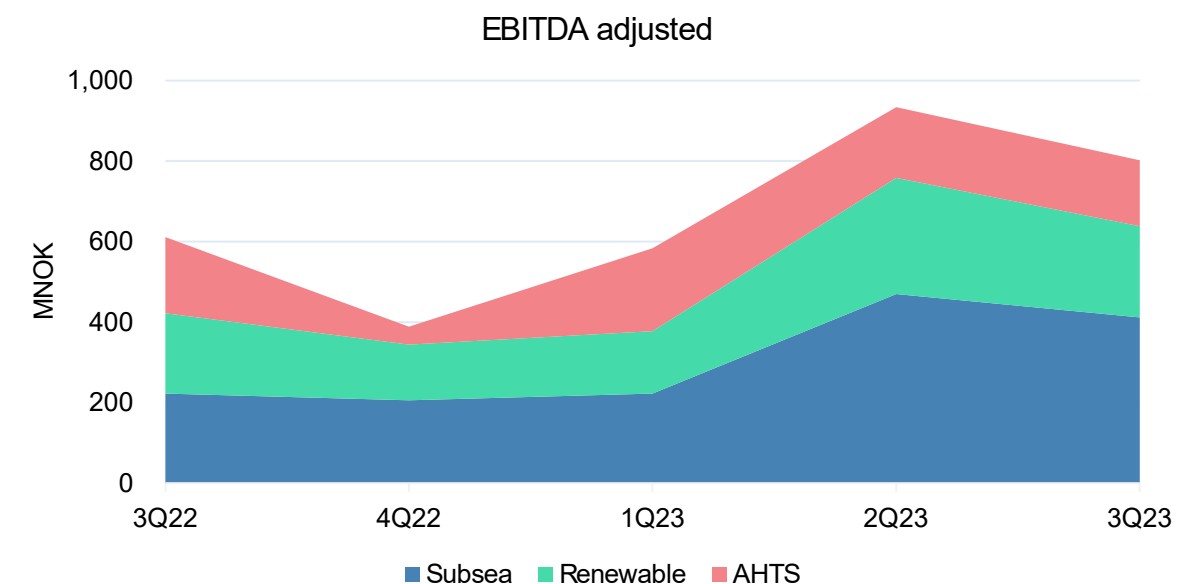
## Cash Flow & Cash Position

The overall cash position at the end of 3Q 2023 was MNOK 1,927 compared to MNOK 2,158 in 3Q 2022. The net cash flow from operations was positive by MNOK 515 for 3Q 2023. Net cash flow from investments was positive by MNOK 6,194, mainly related to sale of the PSV fleet. Net interest paid to lenders was MNOK 241 and net repayment of long-term debt to lenders was MNOK 6,284 in 3Q 2023.

During 3Q 2023, currency exchange fluctuations resulted in an unrealized currency loss of MNOK 19. In addition, the company has a realized currency loss of MNOK 540 related to repayment of long term debt following the sale of the PSV fleet, and accounts payable and receivable positions being settled (continued and discontinued results).

The USD to NOK exchange rate as per 3Q 2023 of 10.6225 compared to 10,8574 on 3Q 2022, has resulted in an unrealized currency gain during the twelve-month period of MNOK 849 with a corresponding increase in the Company's booked equity.

### EBITDA Adjusted development by Segment



## Capital Structure

Total current assets at the end of 3Q 2023 were MNOK 4,255, compared to MNOK 4,556 per 3Q 2022. Of the total current assets, cash and cash equivalents amounted to MNOK 1,927 compared to MNOK 2,158 in the same quarter last year.

Total current liabilities were MNOK 15,348, compared to MNOK 6,130 in 3Q 2022. The total current liabilities include MNOK 14,226 in short-term portion of long-term debt, giving net negative working capital of MNOK 11,093 compared to negative MNOK 1,573 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.

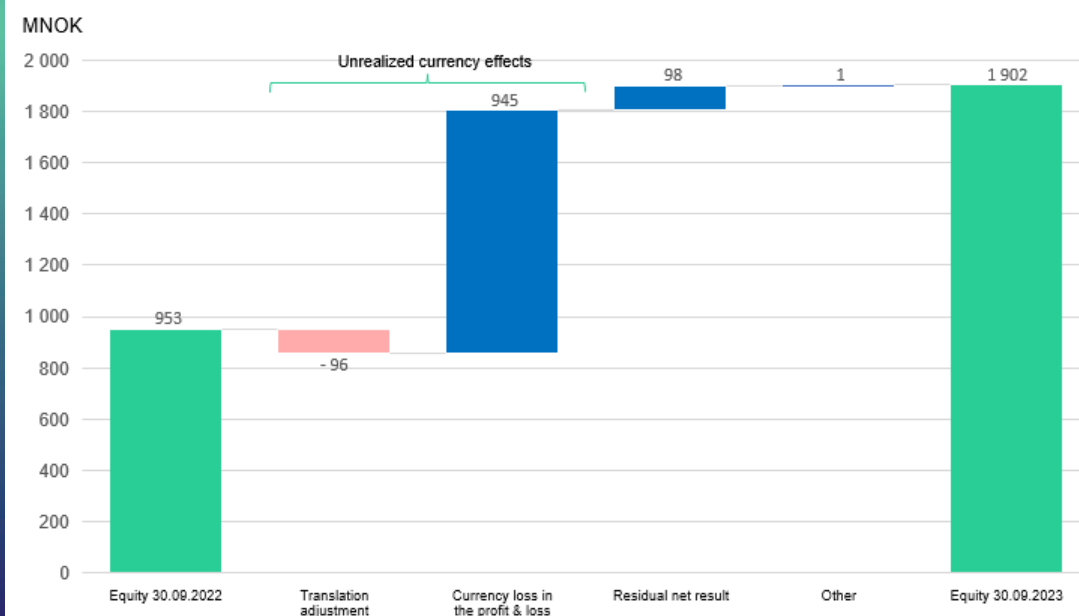
Total non-current assets at the end of the quarter were MNOK 15,600, compared to MNOK 21,539 in the same quarter last year. The decrease mainly relates to the sale of vessels in the period (mainly the PSV-fleet), and the transfer of a vessel to assets held for sale.

Net interest-bearing debt was at MNOK 15,083 with the net decrease of MNOK 6,821 mainly explained by repayment following the PSV sale and foreign exchange movements, partly offset by an increase in the lease liability of Normand Maximus. In 3Q 2022, the net interest-bearing debt was at MNOK 21,904.

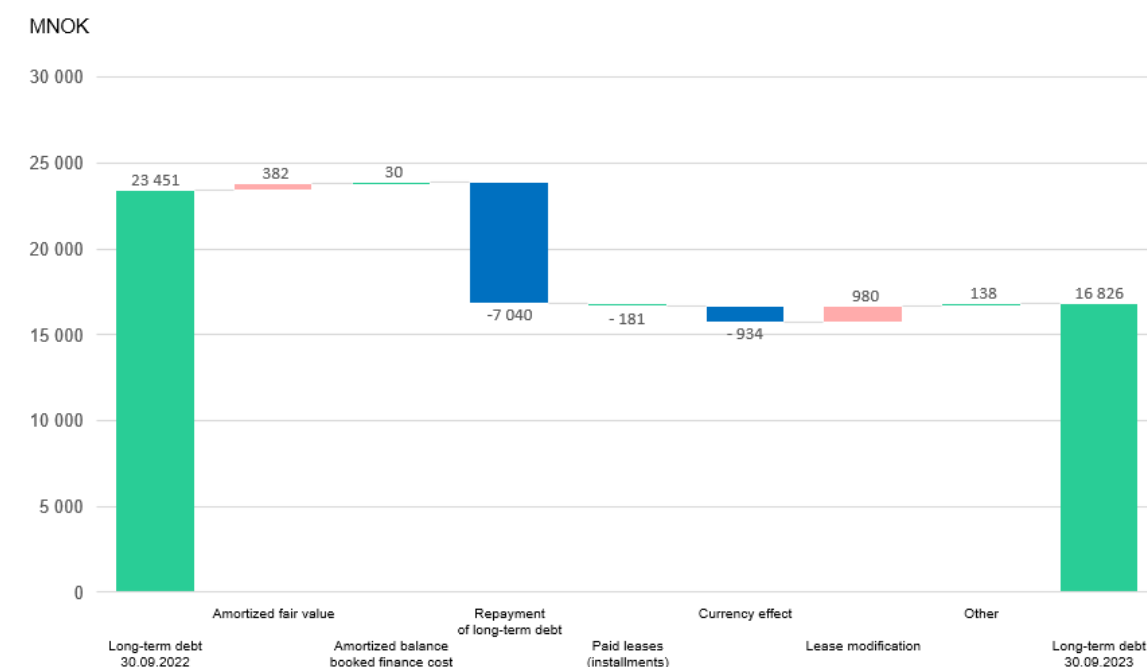
The Company's equity as of 30 September 2023 was MNOK 1,902 which represents 9.6 percent of the total balance sheet. On 30 September 2022, the equity was MNOK 953 equivalent to 3.7 percent of the balance sheet. The main driver for the increase from 30 September 2022 is unrealized positive currency effects.

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.

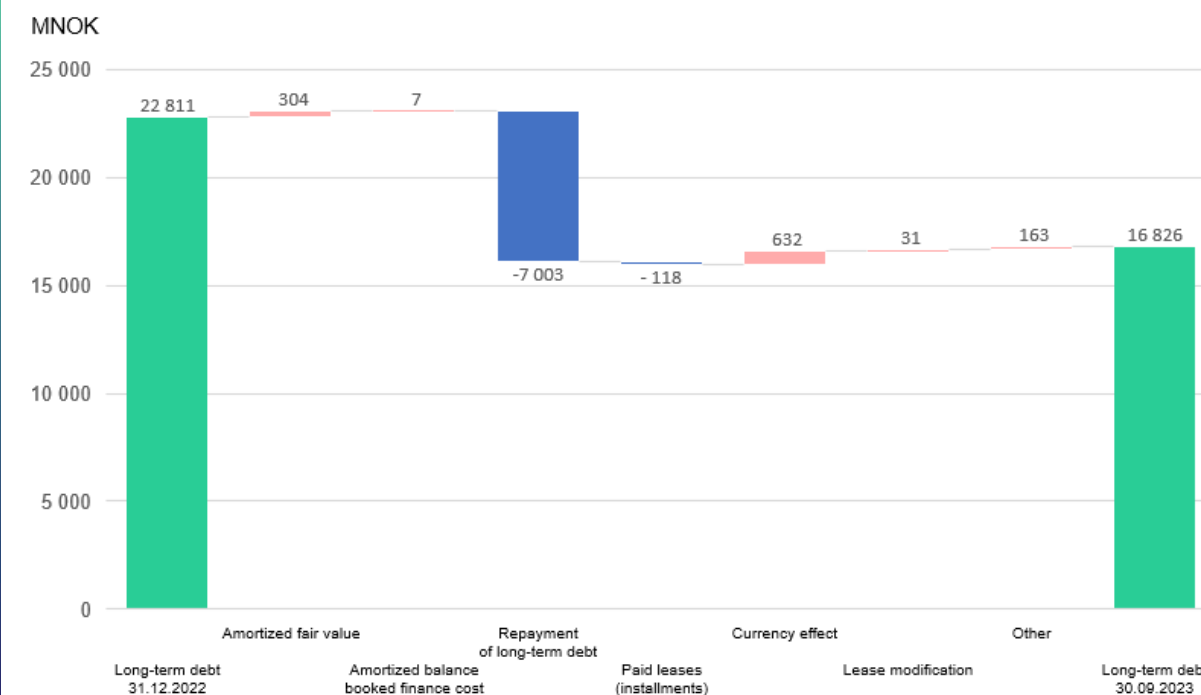
### Equity movement last 12 months



### Long-term debt movement last 12 months



### Long-term debt movement year-to-date 2023







## Risk

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

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.

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.

### Refinancing update standalone financing structures

The Group is engaging in discussions with the lenders to the "Normand Superior" which is not included in the Refinancing in order to refinance the secured debt for Normand Superior prior to its maturity 31 March 2024.

Normand Tonjer IS will exercise its purchase option under current BB agreement for the vessel "Normand Tonjer" (currently 56% owned by Company). Purchase of the vessel will be financed through equity and delivery is expected ultimo 4th quarter 2023.

## Maximus residual claim status

The residual claim against the Company's subsidiary Normand Maximus Limited remains in full force and effect notwithstanding the Refinancing. The residual claim is in the amount of approximately approx. MNOK 1,861 and is guaranteed by the Company. It is however a condition for the refinancing that the maturity date of the residual claim is extended to correspond with the maturity of the new credit facilities. As the residual claim is guaranteed by the Company, a failure to refinance the residual claim will have a material adverse effect on the Company's financial situation.

## Company Refinancing

Refer to Company's press release on 23 October 2023 'Refinancing of Solstad Offshore'.

The main portion of the Group's external debt matures 31 March 2024. This includes the Group's secured debt which is guaranteed by the Company, and the residual claim of approx. MNOK 1,861 guaranteed by the Company related to the former Normand Maximus lease arrangement.

As communicated earlier, the Company has been in dialogue with its creditors and other stakeholders to explore opportunities for the refinancing of the Group within the maturity date.

On 23 October 2023 a financing solution supported by Aker Capital AS, AMSC ASA, DNB Bank ASA and Eksportfinans Norge AS was announced (the "Refinancing").

### The key features of the Refinancing are:

- The majority of the Company's subsidiaries and fleet (the "Borrower Group") will be injected into a newly established company ("Solstad Maritime").
- The shareholding in Solstad Maritime will be held via a holding company (tbn. Solstad Maritime Holding AS) with approximately 41% by Aker Capital, 18% by AMSC, 27% by the Company's subsidiary, Solstad Shipholding AS and 14% by SOFFs existing shareholders (provided that they subscribe to shares in Solstad Maritime Holding AS as set out below).
- The shareholdings in Solstad Maritime will be obtained by:
  - In the case of Aker Capital AS, a cash contribution to Solstad Maritime of 2.25 BnNOK.
  - In the case of AMSC, a contribution in kind to Solstad Maritime of the owner of the vessel Normand Maximus, valued at 1 BnNOK. This includes the bareboat charter agreement with Solstad Offshore ASA subsidiary Normand Maximus AS.
  - In the case of Solstad Shipholding AS, a contribution in kind to Solstad Maritime of the Borrower Group, valued at 1.5 BnNOK.
  - In the case of Solstad's existing shareholders, a cash contribution to Solstad Maritime of up to 0.75 BnNOK. The placement of shares to these shareholders have been underwritten by Aker Capital AS. This private placement will be directed towards all other existing shareholders in Solstad as of 27 October 2023. The shares in Solstad was traded ex the rights to receive such Subscription Rights as of 30 October 2023.

Solstad Maritime will procure the repayment of all of Solstad Shipholding's secured debt obligations (in the approximate amount of 12 BnNOK), without recourse to Solstad Shipholding or the Company.

Such repayment will be financed in part by the cash contributions, in part by the cash reserves of the Borrower Group, and in part by a new loan underwritten by DNB Bank ASA and Eksportfinansiering Norge AS in the amount of up to approximately USD equivalent of NOK 9.7 billion (NOK 10.4 billion incl. Super Senior Revolving Credit Facility). The new loan includes the refinancing of Normand Maximus of approx. MUS\$ 90 debt.

The maturity date for the new secured loan will be 3 years from drawdown with possible extension subject to lenders consent for 1+1 year. The Refinancing also includes an extension of the residual claim related to Normand Maximus for the same period of time. Solstad Shipholding AS will also if certain conditions materialise, be granted an option to purchase the claim. Completion of the Refinancing is subject to closing conditions and is expected to take place around year-end 2023 if the conditions are successfully satisfied.

### Solstad Offshore ASA post refinancing and restructuring agreement:

Refer to Company's press release and its enclosed presentation on 25 October 2023 'Refinancing of Solstad Offshore'.

The following vessels will remain as part of Solstad Offshore ASA:

CSV Normand Carioca and AHTS vessels Normand Topazio, Normand Turquesa and Normand Turmalina. CSV Normand Superior. The CSV Normand Tonjer is owned 56% by SOFF ASA. The Normand Installer joint venture together with SBM split 50% ownership. CSV Normand Maximus on bareboat from Solstad Maritime.

# Sustainability

## Sustainability is a high priority for Solstad. We continuously strive to meet and exceed expectations from our stakeholders

- The total fleet CO2 emissions in 3Q 2023 was 168 kton that was about 13 percent lower than in 3Q 2022 (194 kton). This includes remaining PSV's under management for new owner Tidewater.
- The average vessel GHG emissions per day for the Solstad owned vessels (CSV and AHTS vessels) have decreased by 3% over the last twelve months.
- The number of fuel saving operational measures called Solstad Green Operations (SGO's) conducted this quarter was 20 which is at the set goal per vessel per month.
- Two of our CSV's ended up as number 1 and 2 for DP vessels in the VPS MARESS fuel saving campaign. This friendly competition is arranged for the first time and included about 130 vessels from key major offshore ship owners.

## Environment

With 73 vessels in operation in July down to 57 by end September, the total fleet emissions were 168 kton in 3Q 2023, in which is the same as previous quarter, but about 13 percent lower than same quarter last year. This includes emissions from vessels that have been sold, but are still operated by Solstad. The main reason for the gradual reduction is the PSV fleet following the sale and handover to the buyer.

For the first time we present an average fleet emission graph for the last twelve months. The new calculation used here is the average CO2 emission per vessel in operation/at sea (emissions from vessels in port not included). The calculation includes only Solstad owned CSV and AHTS vessels in operation (PSV's excluded). We have seen that this gives a good track for the vessel efficiency over time. Since 2010 the emissions per Solstad CSV and AHTS vessel in operation have decreased by about 22% and the numbers show a 3% decrease over the last twelve months period. Both numbers are very encouraging and demonstrate high focus on energy efficiency over long time.

A total of 10 liters of oil spill were registered during 3Q 2023 (10 liters in 3Q 2022). The spills were mainly related to incidents with hydraulic equipment.

Average emission per operational day  
AHTS and CSV



**In the picture:** Our Sustainability Advisor Svein Erik Isaksen, Simen Sanna from VPS, Chief Officer Vegard Stangeland and Captain Sigmund Landa.

## Governance

No new material governance incidents have been registered during 3Q 2023.

A total of 87 internal and external audits, vettings, class surveys, and port state controls have been completed during 3Q 2023, resulting in only minor findings. This is slightly lower than in the previous quarters (139 in 2Q 2023 and 122 in 1Q 2023).



# Market Outlook

## The outlook for offshore energy activities continue to strengthen

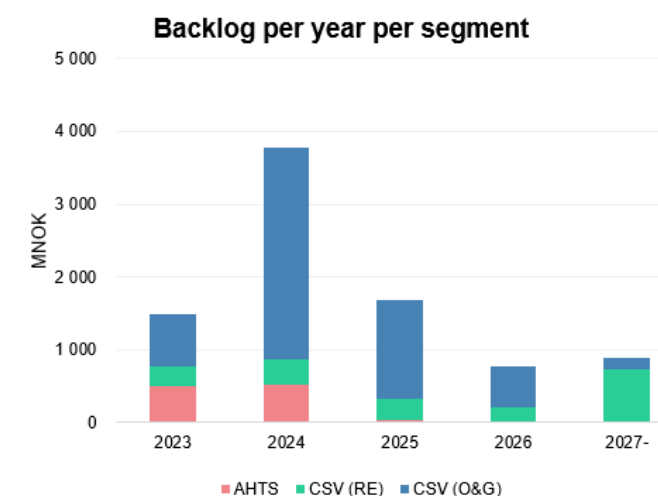
The activity-level within offshore oil and gas and renewable energy continues to be high, with high fleet utilization and tender activity.

The demand for offshore services within oil and gas is driven by high energy prices, with active exploration, production and field development activity worldwide. To name a few examples, clients in Brazil have large tenders for AHTS, PSVs and pipelayers to support their investment programs. In Australia, rig activity is increasing with new activity expected from 2024 onwards. Clients operating offshore Guyana, South America, have tenders for subsea vessels on long-term contracts and for projects, while the project market in West-Africa remains busy. In the North Sea, activity linked to the “tax incentive projects” announced a few years back, will see increased offshore activity from 2024.

The offshore renewables energy market continues to see high activity, mainly linked to development of offshore wind farms, with the North Sea and Taiwan as the most active areas. However, there is some uncertainty of timing of certain projects partly because of increased cost levels.

Except for purpose-built support vessels for offshore-wind farms, there are very few new vessels under construction. With a high investment level both within oil and gas and renewable energy, this can give a tight supply/demand balance going forward.

Backlog by year of execution\*

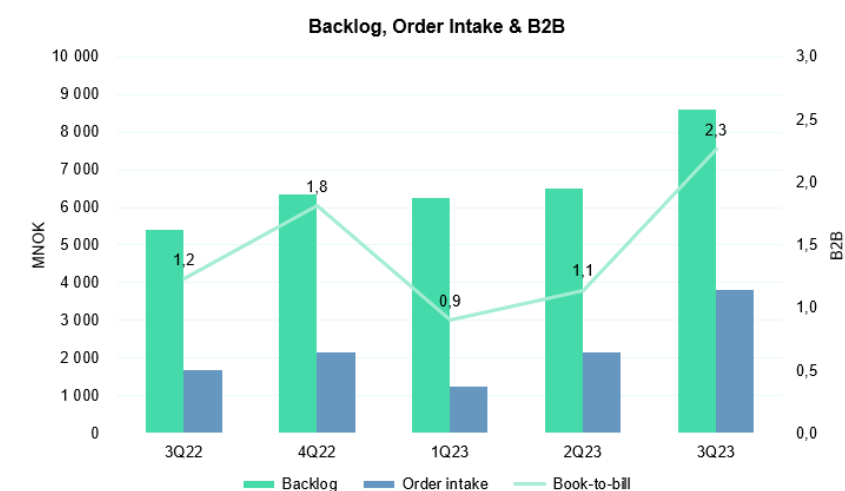


\*per 3Q 2023

## Events Subsequent to the Quarter

- With reference to Company's stock exchange message on 23 October 2023 'Refinancing of Solstad Offshore', a financing solution supported by Aker Capital AS, AMSC ASA, DNB Bank ASA and Eksportfinans Norge AS was announced (the "Refinancing"). Solstad Offshore ASA will have 27% direct ownership of Solstad Maritime. Solstad Maritime will be reflected as an investment in associates and accounted for using the equity method in line with IAS 28. The transaction is expected to result in possible neutral equity effect for Solstad Offshore ASA as at the date of this publishing, impact to be reassessed and reflected in 4Q23 accounts.
- The AHTS Nor Spring was sold on 1 November, 2023. The sale of the vessel will result in an approximately accounting effect of MNOK 50.
- The bareboat charters for Normand Statesman and Far Senator have ended in November 2023, and the vessels have been redelivered to the owner
- CSV "Normand Australis", has been contracted by a subsea contractor for a minimum of 150-days firm, with options to extend thereafter. The contract will commence during Q4 2023. Solstad Maritime vessel.
- AHTS "Normand Sirius", has been contracted by an international energy company for a minimum period of 160-days to support a drilling campaign offshore Western Australia. The contract will commence in Q2 2024, and the client has options to extend the contract by further 250 days beyond the firm contract period. Solstad Maritime vessel.

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 September 30, 2023 are to the best of our knowledge, prepared in accordance with IAS 34. The 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 30.11.2023

**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 01.07-30.09	2022 01.07-30.09	2023 01.01-30.09	2022 01.01-30.09	2022 01.01-31.12	Note
<b>Continued operations:</b>						
<b>Operating income</b>	<b>1,624,475</b>	<b>1,386,790</b>	<b>4,901,362</b>	<b>3,593,549</b>	<b>4,778,283</b>	3,4,5
Vessel operating expenses	-767,205	-739,923	-2,452,504	-2,154,223	-2,871,984	
Administrative expenses	-104,215	-72,555	-267,700	-201,522	-286,921	
<b>Total operating expenses</b>	<b>-871,420</b>	<b>-812,478</b>	<b>-2,720,204</b>	<b>-2,355,744</b>	<b>-3,158,905</b>	4,5
Net gain/-loss on sale of assets	-59,360	-51,383	477,776	-9,450	-8,637	6
<b>Operating result before depreciations</b>	<b>693,695</b>	<b>522,929</b>	<b>2,658,934</b>	<b>1,228,354</b>	<b>1,610,741</b>	4,5
Ordinary depreciation	-316,104	-245,503	-928,764	-693,775	-1,019,267	6,7
Impairment	-425	322,894	184,944	546,553	584,183	6,7
Result from Joint Ventures	11,470	9,227	22,644	21,127	20,418	8
<b>Operating result</b>	<b>388,636</b>	<b>609,547</b>	<b>1,937,758</b>	<b>1,102,260</b>	<b>1,196,075</b>	
Result from associated companies	93	315	-261	613	722	8
<b>Total other items</b>	<b>93</b>	<b>315</b>	<b>-261</b>	<b>613</b>	<b>722</b>	
Interest income	26,457	3,830	49,358	7,853	41,850	
Realised currency gain/-loss	-59,800	35,633	-2,324	72,824	37,303	
Unrealised currency gain/-loss	101,578	-592,968	-212,489	-1,142,930	-567,322	
Interest charges	-363,510	-282,054	-1,217,171	-721,623	-1,063,228	
Net financial charges/-income	-20,837	-604	-24,976	4,391	-11,689	
<b>Net financing</b>	<b>-316,112</b>	<b>-836,163</b>	<b>-1,407,601</b>	<b>-1,779,484</b>	<b>-1,563,086</b>	
<b>Ordinary result before taxes</b>	<b>72,616</b>	<b>-226,301</b>	<b>529,896</b>	<b>-676,611</b>	<b>-366,288</b>	
Taxes ordinary result	-7,860	-7,328	-58,061	-18,513	-98,061	10
<b>Result from continued operations</b>	<b>64,756</b>	<b>-233,628</b>	<b>471,835</b>	<b>-695,124</b>	<b>-464,349</b>	
<b>Discontinued operations:</b>						
Result from discontinued operations	-85,221	-240,744	133,771	-860,896	-653,455	2
<b>Result</b>	<b>-20,465</b>	<b>-474,373</b>	<b>605,606</b>	<b>-1,556,020</b>	<b>-1,117,803</b>	
Other comprehensive income:						
Exchange differences on translating foreign operations	61,377	-167,237	-457,115	-579,615	-218,660	
Actuarial gain/-loss	0	0	0	0	947	
<b>Total comprehensive income</b>	<b>40,912</b>	<b>-641,610</b>	<b>148,491</b>	<b>-2,135,635</b>	<b>-1,335,516</b>	



# Condensed statement of comprehensive income (continued)

(NOK 1,000)

	2023 01.07-30.09	2022 01.07-30.09	2023 01.01-30.09	2022 01.01-30.09	2022 01.01-31.12	Note
<b>Total comprehensive income</b>	<b>40,912</b>	<b>-641,610</b>	<b>148,491</b>	<b>-2,135,635</b>	<b>-1,335,516</b>	
<b>Result of continued operations attributable to:</b>						
Non-controlling interests	1,253	4,086	4,849	10,206	5,222	
Majority share	63,503	-237,714	466,986	-705,330	-469,571	
<b>Result of discontinued operations attributable to:</b>						
Non-controlling interests	2,777	-7,017	-3,528	-15,944	-10,009	
Majority share	-87,998	-233,727	137,299	-844,952	-643,445	
Earnings per share	-0.26	-6.14	7.83	-20.26	-14.53	
<b>Total comprehensive income attributable to:</b>						
Non-controlling interests	4,030	-2,931	1,321	-5,738	-4,788	
Majority share	36,883	-638,678	147,170	-2,129,896	-1,330,728	
Total comprehensive income per share	0.53	-8.30	1.92	-27.80	-17.38	
<b>EBITDA adjusted from continued operations</b>	<b>796,626</b>	<b>606,485</b>	<b>2,313,473</b>	<b>1,313,163</b>	<b>1,649,537</b>	4, 5
Average number of shares (1,000)	77,309	77,309	77,309	76,809	76,935	





# Condensed statement of financial position

(NOK 1,000)

	2023 30.09	2022 30.09	2022 31.12	Note
<b>ASSETS</b>				
<b>Fixed Assets:</b>				
Intangible assets	4,964	14,457	4,351	
Tangible fixed assets	12,087,708	18,240,32,	17,632,103	6
Right-of-use assets	3,147,500	2,988,335	3,345,812	7
Investment in associated companies and Joint Ventures	220,562	167,153	158,559	8
Financial fixed assets	138,972	128,672	116,357	
<b>Total fixed assets</b>	<b>15,599,708</b>	<b>21,538,937</b>	<b>21,257,181</b>	
<b>Current Assets:</b>				
Stocks	171,330	252,079	228,197	
Accounts receivables	1,372,278	1,254,042	1,232,487	
Other receivables	760,949	872,993	698,141	
Market based shares	23,100	18,850	21,000	
Deposits, cash, etc	1,927,407	2,158,225	2,170,072	9
<b>Total current assets</b>	<b>4,255,064</b>	<b>4,556,189</b>	<b>4,349,897</b>	
Assets held for sale	15,455	-	412,052	2,6
<b>TOTAL ASSETS</b>	<b>19,870,226</b>	<b>26,095,126</b>	<b>26,019,130</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity:</b>				
Paid-in equity	257,696	257,696	257,696	
Other equity	1,651,986	705,648	1,504,816	
Non-controlling interests	-8,066	-10,338	-9,387	
<b>Total equity</b>	<b>1,901,616</b>	<b>953,006</b>	<b>1,753,125</b>	
<b>Liabilities:</b>				
Long-term provisions	20,741	31,556	32,806	
Other long-term debt	1,046	1,036	1,046	9
Debt to credit institutions	629,377	18,715,394	16,637,362	9
Leasing liabilities	1,969,786	264,560	3,564,963	7
<b>Total long-term debt</b>	<b>2,620,951</b>	<b>19,012,546</b>	<b>20,236,177</b>	
<b>Current liabilities:</b>				
Current portion of long-term debt	12,142,015	1,801,641	2,460,689	9
Current leasing liabilities	2,083,963	2,668,570	147,113	7
Other current liabilities	1,121,681	1,659,363	1,422,026	
<b>Total current liabilities</b>	<b>15,347,659</b>	<b>6,129,574</b>	<b>4,029,828</b>	
<b>Total liabilities</b>	<b>17,968,610</b>	<b>25,142,119</b>	<b>24,266,005</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>19,870,226</b>	<b>26,095,126</b>	<b>26,019,130</b>	



# Statement of cash flow

(NOK 1,000)

	2023 30.09	2022 30.09	2022 31.12	Note
<b>CASH FLOW FROM OPERATIONS</b>				
Result before tax from continued operations	529,896	-676,611	-366,288	
Result before tax from discontinued operations	136,544	-857,902	-646,836	
Taxes payable	-37,468	-5,899	-31,561	
Ordinary depreciation and write downs	186,450	384,944	780,990	
Gain (-)/ loss long-term assets	-506,670	-181,838	-179,919	
Interest income	-49,053	-7,930	-42,566	
Interest expense	1,568,305	938,909	1,404,972	
Non-cash refinance effects	-2,738	-10,948	-16,691	
Effect of change in pension assets	240	0	-1,043	
Unrealised currency gain/ -loss	544,579	1,872,940	938,084	
Change in short-term receivables and payables	-407,312	-236,857	-214,025	
Change in other accruals	-91,874	-392,946	-174,719	
<b>Net cash flow from operations</b>	<b>1,870,899</b>	<b>825,862</b>	<b>1,450,398</b>	
<b>CASH FLOW FROM INVESTMENTS</b>				
Investment in tangible fixed assets	-54,729	-94,810	-124,912	
Payment of periodic maintenance	-468,478	-357,918	-488,011	
Consideration sale of fixed assets (vessels)	7,157,558	450,268	450,268	2
Payment of long-term receivables	-22,616	-20,344	-8,029	
Received interests	49,053	7,930	42,566	
Investments in other shares/ interests	-46,000	-	-	
<b>Net cash flow from investments</b>	<b>6,614,788</b>	<b>-14,874</b>	<b>-128,118</b>	
<b>CASH FLOW FROM FINANCING</b>				
Paid leases	-287,840	-116,708	-261,767	
Paid interests	-914,976	-551,354	-839,280	
Repayment of long-term debt	-7,652,305	-509,271	-546,117	
<b>Net cash flow from financing</b>	<b>-8,855,121</b>	<b>-1,177,333</b>	<b>-1,647,164</b>	
Effect of changes in foreign exchange rates	126,770	65,543	35,929	
Net change in cash	-369,434	-366,345	-324,884	
Cash at 01.01	2,170,072	2,459,027	2,459,027	
<b>Cash at balance sheet date</b>	<b>1,927,408</b>	<b>2,158,225</b>	<b>2,170,072</b>	





# Statement of changes in equity

(NOK 1,000)

	Share capital	Treasury shares	Share premium	Other paid-in capital	Other changes	Other equity	Total majority shares	Non-controlling interests	Total equity
<b>Equity 01.01.2023</b>	<b>77,309</b>	<b>-</b>	<b>180,387</b>	<b>-</b>	<b>728,145</b>	<b>776,672</b>	<b>1,762,512</b>	<b>-9,387</b>	<b>1,753,125</b>
Result	-	-	-	-	-	604,285	604,285	1,321	605,606
Acturial gain/loss(-)	-	-	-	-	-	-	-	-	-
Translation adjustments	-	-	-	-	-457,115	-	-457,115	-	-457,115
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-457,115</b>	<b>604,285</b>	<b>147,170</b>	<b>1,321</b>	<b>148,491</b>
Share capital increase by conversion of debt	-	-	-	-	-	-	-	-	-
<b>Equity 30.09.2023</b>	<b>77,309</b>	<b>-</b>	<b>180,387</b>	<b>-</b>	<b>271,031</b>	<b>1,380,956</b>	<b>1,909,683</b>	<b>-8,066</b>	<b>1,901,616</b>
<b>Equity 01.01.2022</b>	<b>75,609</b>	<b>-</b>	<b>176,927</b>	<b>-</b>	<b>946,805</b>	<b>1,888,740</b>	<b>3,088,081</b>	<b>-4,599</b>	<b>3,083,481</b>
Result	-	-	-	-	-	-1,550,281	-1,550,281	-5,738	-1,556,020
Acturial gain/loss(-)	-	-	-	-	-	-	-	-	-
Translation adjustments	-	-	-	-	-579,615	-	-579,615	-	-579,615
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-579,615</b>	<b>-1,550,281</b>	<b>-2,129,896</b>	<b>-5,738</b>	<b>-2,135,635</b>
Share capital increase by conversion of debt	1,700	-	3,460	-	-	-	5,160	-	5,160
<b>Equity 30.09.2022</b>	<b>77,309</b>	<b>-</b>	<b>180,387</b>	<b>-</b>	<b>367,190</b>	<b>338,459</b>	<b>963,345</b>	<b>-10,337</b>	<b>953,006</b>
<b>Equity 01.01.2022</b>	<b>75,609</b>	<b>-</b>	<b>176,927</b>	<b>-</b>	<b>946,805</b>	<b>1,888,740</b>	<b>3,088,081</b>	<b>-4,599</b>	<b>3,083,481</b>
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
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-218,660</b>	<b>-1,112,068</b>	<b>-1,330,728</b>	<b>-4,788</b>	<b>-1,335,516</b>
Share capital increase by conversion of debt	1,700	-	3,460	-	-	-	5,160	-	5,160
<b>Equity 31.12.2022</b>	<b>77,309</b>	<b>-</b>	<b>180,387</b>	<b>-</b>	<b>728,145</b>	<b>776,672</b>	<b>1,762,512</b>	<b>-9,387</b>	<b>1,753,125</b>

# 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 is based on the level of cash and cash equivalents and equity at reporting date, terms and conditions of the refinancing and restructuring agreement dated 23 October 2023 with banking and borrowing facilities, the forecasted cash flow prognosis for the Company and the backlog position as of 30 September 2023. The main portion of the Group's external debt which includes the Group's secured debt, and the residual claim of approx. MNOK 1,861 guaranteed by the Company related to the former Normand Maximus lease arrangement, matures 31 March 2024.

As communicated earlier, the Company has been in dialogue with its creditors and other stakeholders to explore the possibilities for the refinancing of the Group within the maturity date. On 23 October 2023 Solstad Offshore ASA announced that an agreement with Aker Capital AS, AMSC ASA, DNB Bank ASA and Eksportfinans Norge AS for an overall refinancing plan was signed (the "Refinancing"). Completion of the Refinancing is subject to closing conditions and is expected to take place around year-end 2023 if the conditions are successfully satisfied.

Completion of the Refinancing will secure the position as a going concern. A failure to refinance will have a material adverse effect on the financial situation of the Company.

Refer to section Company Refinancing.

### 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.

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

Effect of change of accounting principles:	2023 01.07-30.09	2022 01.07-30.09	2023 01.01-30.09	2022 01.01-30.09	2022 01.01-31.12
Operating result before depreciations	-59,360	-51,383	477,776	-9,450	-8,637
Operating result	11,470	9,227	22,644	21,127	20,418
Total other items	-11,470	-9,227	-22,644	-21,127	-20,418
Result	-	-	-	-	-

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.

### Assets Held for Sale and Discontinued Operations

Non-current assets held for sale consist of one vessel 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 the previous carrying amount and the 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 was performed by the Company. The Company concluded that the highly probable criteria were met at the time of signing the contract. At this time a binding agreement had been entered into between independent parties, the banks had approved the transaction, and the risk regarding competition authorities approval was considered low.

Charter parties subjected to necessary consent from the charterer had be transferred/novated to Tidewater. Absent such consents in time for completion of the Transaction, the economic interest in the charter party would be transferred to Tidewater until the necessary consents was given or the charter party expires. The transaction was closed on 5 July 2023.

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

#### The Refinancing and loss of control

An agreement for the refinancing of the fleet loan and residual claim was signed on 23 October 2023 (Reference to Note 1 Going concern and Company Refinancing). The refinancing involves contribution of equity in exchange for new shares in Solstad Maritime, which will lead to Solstad Offshore ASA holding less than 50 percent of the shares. In accordance with the requirements in IFRS 5, the Company has made an assessment regarding the classification as Held for Sale. The Company has concluded that the 'highly probable' criteria were met at the time of signing the term sheet on 12 October 2023, whereas at this date a binding agreement was entered into between independent parties. The assets and liabilities of Solstad Maritime will be classified as Held for sale from this date. Completion of the Refinancing is subject to closing conditions and is expected to take place around year-end 2023 if the conditions are successfully satisfied.

## 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 were 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.

A net loss of MNOK 30 has been booked in the Net gain/loss on the sale of assets in the P&L in 3Q. In addition a net reversal of impairment of MNOK 586 has been booked in Impairment in the P&L in 2022 and 2023 related to the transaction.

Net result for discontinued operations as of 30 September 2023:	2023 01.07-30.09	2022 01.07-30.09	2023 01.01-30.09	2022 01.01-30.09	2022 01.01-31.12	Note
<b>Discontinued operations:</b>						
<b>Operating income</b>	<b>72,705</b>	<b>474,703</b>	<b>1,109,791</b>	<b>1,263,153</b>	<b>1,721,848</b>	
Vessel operating expenses	-104,968	-320,558	-715,716	-895,693	-1,263,226	
Administrative expenses	-3,266	-39,791	-145,549	-139,105	-170,553	
<b>Total operating expenses</b>	<b>-108,234</b>	<b>-360,350</b>	<b>-861,265</b>	<b>-1,034,797</b>	<b>-1,433,779</b>	
Net gain/-loss on sale of assets	27,055	165,897	27,055	165,897	161,127	
<b>Operating result before depreciations</b>	<b>-8,474</b>	<b>280,250</b>	<b>275,581</b>	<b>394,253</b>	<b>449,196</b>	
Ordinary depreciation	-4,216	-79,326	-56,464	-237,716	-317,682	
Impairment	-	-6	613,834	-6	-28,225	6
Result from Joint Ventures	-	-	-	-	-	
<b>Operating result</b>	<b>-12,690</b>	<b>200,917</b>	<b>832,951</b>	<b>156,531</b>	<b>103,289</b>	
Result from associated companies	-	-	-	-	-	
<b>Total other items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Interest income	-	63	-305	77	716	
Realised currency gain/-loss	-535,572	417	-537,804	-969	-1,342	
Unrealised currency gain/-loss	560,940	-351,381	193,493	-795,553	-406,692	
Interest charges	-97,899	-89,514	-351,134	-217,286	-341,744	
Net financial charges/-income	-	-316	-656	-702	-1,064	
<b>Net financing</b>	<b>-72,531</b>	<b>-440,731</b>	<b>-696,407</b>	<b>-1,014,433</b>	<b>-750,125</b>	
<b>Ordinary result before taxes</b>	<b>-85,221</b>	<b>-239,813</b>	<b>136,544</b>	<b>-857,902</b>	<b>-646,836</b>	
Taxes ordinary result	-	-931	-2,773	-2,994	-6,618	
<b>Result from discontinued operations</b>	<b>-85,221</b>	<b>-240,744</b>	<b>133,771</b>	<b>-860,896</b>	<b>-653,455</b>	

Net cash flows generated/(incurred) by discontinued operations:	2023 01.01-30.09	2022 01.01-30.09
Operating	-39,564	208,676
Investing	5,985,555	161,019
Financing	-5,945,991	-369,695
<b>Net cash inflow/outflow</b>	<b>-</b>	<b>-</b>

Net cash flows generated/(incurred) from the sale of discontinued operations:	
Cash received from sale of the discontinued operations	6,172,838
Cash sold as part of discontinued operations	-
<b>Net cash inflow on date of disposal</b>	<b>6,172,838</b>



Specification of Assets Held for Sale as of 30 September 2023:			2023 30.09
	Continuing operations	Discontinuing operations	
<b>ASSETS</b>			
<b>Fixed Assets:</b>			
Tangible fixed assets	15,455	-	15,455
<b>Total fixed assets</b>	<b>15,455</b>	<b>-</b>	<b>15,455</b>
<b>Current Assets:</b>			
Stocks	-	-	-
<b>Total current assets</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS CLASSIFIED AS HELD FOR SALE</b>	<b>15,455</b>	<b>-</b>	<b>15,455</b>

## 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	3Q 2023				
	AHTS	Subsea*	Renewable	Other**	Total
Service element from contracts with day rate	153,973	131,112	130,451	-	415,535
Management fees	491	-2,585	4,367	21,394	23,667
Victualling	1,452	49,318	4,078	-	54,848
Additional crew and other services	-492	8,994	-	-	8,502
Income from contracts with customers	155,423	186,839	138,896	21,394	502,552
Lease element from contracts with day rate	262,490	506,001	353,433	-	1,121,924
<b>Total operating income</b>	<b>417,913</b>	<b>692,840</b>	<b>492,328</b>	<b>21,394</b>	<b>1,624,476</b>

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

\*\* Reference Note 4 for definition

Operating income	3Q 2022				
	AHTS	Subsea*	Renewable	Other	Total
Service element from contracts with day rate	172,602	292,810	75,129	-	440,541
Management fees	723	1,226	-	-	1,949
Victualling	2,187	19,907	27,760	-	49,854
Additional crew and other services	1,159	8,606	-	-	9,765
Income from contracts with customers	176,671	222,550	102,889	-	502,110
Lease element from contracts with day rate	280,653	413,710	190,318	-	884,680
<b>Total operating income</b>	<b>457,324</b>	<b>636,259</b>	<b>293,205</b>	<b>-</b>	<b>1,386,790</b>

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

Operating income	YTD 3Q 2023				
	AHTS	Subsea*	Renewable	Other**	Total
Service element from contracts with day rate	459,988	520,957	335,528	-	1,316,473
Management fees	1,432	775	4,601	21,394	28,202
Victualling	5,731	100,759	30,330	-	136,820
Additional crew and other services	9,544	36,028	567	-	46,140
Income from contracts with customers	476,695	658,519	371,025	21,394	1,527,635
Lease element from contracts with day rate	837,351	1,629,857	906,521	-	3,373,729
<b>Total operating income</b>	<b>1,314,046</b>	<b>2,288,376</b>	<b>1,277,546</b>	<b>21,394</b>	<b>4,901,363</b>

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

\*\* Reference Note 4 for definition

Operating income	YTD 3Q 2022				
	AHTS	Subsea*	Renewable	Other	Total
Service element from contracts with day rate	443,108	549,219	233,210	-	1,225,537
Management fees	1,024	3,815	201	-	5,040
Victualling	6,561	66,351	52,425	-	125,337
Additional crew and other services	4,703	27,057	702	-	32,463
Income from contracts with customers	455,396	646,443	286,538	-	1,388,377
Lease element from contracts with day rate	696,605	1,039,957	468,610	-	2,205,172
<b>Total operating income</b>	<b>1,152,002</b>	<b>1,686,400</b>	<b>755,147</b>	<b>-</b>	<b>3,593,549</b>

\*Subsea segment includes results from one remaining PSV after the discontinuing of the PSV segment. The remaining one PSV has been modified to a CSV type vessel in 2023. Comparative numbers has 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, presented as discontinued operations with effect from 1Q 2023 (Reference Note 2). Comparative numbers have been restated.
- Subsea: construction vessels operating subsea construction contracts
- Renewable: vessels operating renewable contracts
- Other: management fee and cost related to management of vessels for Tidewater following the sale of the PSV's



## EBITDA Adjusted

## 3Q 2023

	AHTS	Subsea*	Renewable	Other	Total
Operating income from contracts with customers	155,423	186,838	138,896	21,394	502,551
Other income	-	-	-	-	-
Lease element from contracts with day rate	262,490	506,001	353,433	-	1,121,924
<b>Total operating income</b>	<b>417,913</b>	<b>692,839</b>	<b>492,328</b>	<b>21,394</b>	<b>1,624,475</b>
Crew expenses	150,658	123,721	87,064	-	361,442
Other expenses	114,344	165,214	170,193	21,394	471,146
<b>Total operating expenses</b>	<b>265,002</b>	<b>288,935</b>	<b>257,257</b>	<b>21,394</b>	<b>832,588</b>
Net gain/ loss (-) on sale of assets	-1,715	-57,645	-	-	-59,360
Bunkers	19,733	9,338	9,761	-	38,832
<b>Operating result before depreciations</b>	<b>131,463</b>	<b>336,921</b>	<b>225,310</b>	<b>-</b>	<b>693,695</b>
Leases	29,392	-	-	-	29,392
Restructuring cost /other non-recurring events	-996	-2,044	-205	-	-3,244
Net gain/ loss (-) on sale of assets	1,715	57,645	-	-	59,360
Net result from Joint Ventures	-	11,470	-	-	11,470
Net result from associated companies	16	68	9	-	93
Accrued loss on accounts receivables	1,547	2,616	1,696	-	5,859
<b>EBITDA Adjusted</b>	<b>163,138</b>	<b>406,677</b>	<b>226,810</b>	<b>-</b>	<b>796,626</b>

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

## EBITDA Adjusted

## 3Q 2022

	AHTS	Subsea*	Renewable	Other	Total
Operating income from contracts with customers	176,671	222,550	102,889	-	502,110
Other income	-	-	-	-	-
Lease element from contracts with day rate	280,653	413,710	190,318	-	884,680
<b>Total operating income</b>	<b>457,324</b>	<b>632,260</b>	<b>293,206</b>	<b>-</b>	<b>1,386,790</b>
Crew expenses	145,698	162,609	52,133	-	360,440
Other expenses	124,996	221,226	64,076	-	410,298
<b>Total operating expenses</b>	<b>270,694</b>	<b>383,835</b>	<b>116,209</b>	<b>-</b>	<b>770,738</b>
Net gain/ loss (-) on sale of assets	6,085	-57,468	-	-	-51,383
Bunkers	18,438	17,951	5,352	-	41,742
<b>Operating result before depreciations</b>	<b>174,277</b>	<b>177,005</b>	<b>171,647</b>	<b>-</b>	<b>522,929</b>
Leases	20,177	-	-	-	20,177
Restructuring cost /other non-recurring events	675	1,477	415	-	2,567
Net gain/ loss (-) on sale of assets	-6,085	57,468	-	-	51,838
Net result Joint Ventures	-	9,227	-	-	9,227
Net result from associated companies	76	189	49	-	315
Accrued loss on accounts receivables	-43	-46	-24	-	-113
<b>EBITDA Adjusted</b>	<b>189,077</b>	<b>245,321</b>	<b>172,088</b>	<b>-</b>	<b>606,485</b>

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

## EBITDA Adjusted

## YTD 3Q 2023

	AHTS	Subsea*	Renewable	Other	Total
Operating income from contracts with customers	476,695	658,518	371,025	21,394	1,527,634
Other income	-	-	-	-	-
Lease element from contracts with day rate	837,351	1,629,857	906,521	-	3,373,729
<b>Total operating income</b>	<b>1,314,046</b>	<b>2,288,375</b>	<b>1,277,546</b>	<b>21,394</b>	<b>4,901,362</b>
Crew expenses	449,958	486,079	191,171	-	1,127,207
Other expenses	339,321	697,517	404,242	21,394	1,462,475
<b>Total operating expenses</b>	<b>789,279</b>	<b>1,183,596</b>	<b>595,413</b>	<b>21,394</b>	<b>2,589,683</b>
Net gain/ loss (-) on sale of assets	28,043	449,733	-	-	477,776
Bunkers	62,241	46,035	22,246	-	130,522
<b>Operating result before depreciations</b>	<b>490,569</b>	<b>1,508,477</b>	<b>659,888</b>	<b>-</b>	<b>2,658,934</b>
Leases	70,933	-	-	-	70,933
Restructuring cost /other non-recurring events	6,949	12,102	6,756	-	25,808
Net gain/ loss (-) on sale of assets	-28,043	-449,733	-	-	-477,776
Net result from Joint Ventures	-	22,644	-	-	22,644
Net result from associated companies	-57	-148	-55	-	-261
Accrued loss on accounts receivables	3,552	6,185	3,453	-	13,190
<b>EBITDA Adjusted</b>	<b>543,903</b>	<b>1,099,528</b>	<b>670,042</b>	<b>-</b>	<b>2,313,473</b>

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

## EBITDA Adjusted

## YTD 3Q 2022

	AHTS	Subsea*	Renewable	Other	Total
Operating income from contracts with customers	455,396	646,443	286,538	-	1,388,377
Other income	-	-	-	-	-
Lease element from contracts with day rate	696,605	1,039,957	468,610	-	2,205,172
<b>Total operating income</b>	<b>1,152,002</b>	<b>1,686,400</b>	<b>755,147</b>	<b>-</b>	<b>3,593,549</b>
Crew expenses	445,335	456,669	177,699	-	1,079,704
Other expenses	350,916	591,868	217,959	-	1,160,744
<b>Total operating expenses</b>	<b>796,252</b>	<b>1,048,537</b>	<b>395,659</b>	<b>-</b>	<b>2,240,447</b>
Net gain/ loss (-) on sale of assets	-15,324	5,874	-	-	-9,450
Bunkers	45,407	59,979	9,911	-	115,298
<b>Operating result before depreciations</b>	<b>295,019</b>	<b>583,757</b>	<b>349,578</b>	<b>-</b>	<b>1,228,354</b>
Leases	39,726	-	-	-	39,726
Restructuring cost /other non-recurring events	3,593	9,200	2,355	-	15,148
Net gain/ loss (-) on sale of assets	15,324	-5,874	-	-	9,450
Net result Joint Ventures	-	21,127	-	-	21,127
Net result from associated companies	145	372	95	-	613
Accrued loss on accounts receivables	-403	-590	-264	-	-1,256
<b>EBITDA Adjusted</b>	<b>353,404</b>	<b>607,993</b>	<b>351,764</b>	<b>-</b>	<b>1,313,163</b>

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

## Note 5 - EBITDA from continued operations

	2023 01.07-30.09	2022 01.07-30.09	2023 01.01-30.09	2022 01.01-30.09	2022 01.01-31.12
<b>Total operating Income</b>	<b>1,624,475</b>	<b>1,386,790</b>	<b>4,901,362</b>	<b>3,593,549</b>	<b>4,778,283</b>
<b>Total operating expenses</b>	<b>-871,420</b>	<b>-812,478</b>	<b>-2,720,204</b>	<b>-2,355,744</b>	<b>-3,158,905</b>
Net gain/-loss on sale of assets	-59,360	-51,383	477,776	-9,450	-8,637
<b>EBITDA</b>	<b>693,695</b>	<b>522,929</b>	<b>2,658,934</b>	<b>1,228,354</b>	<b>1,610,741</b>
Leases	29,393	20,177	70,933	39,726	50,238
Restructuring cost /other non-recurring events	-3,244	2,567	25,808	15,148	14,184
Net gain/-loss on sale of assets	59,360	51,383	-477,776	9,450	8,637
Net result from Joint Venture	11,470	9,227	22,644	21,127	20,418
Net result from associated companies	93	315	-261	613	722
Accrual loss accounts receivable	5,859	-113	13,190	-1,256	-55,404
<b>EBITDA adjusted from continued operations</b>	<b>796,626</b>	<b>606,485</b>	<b>2,313,473</b>	<b>1,313,163</b>	<b>1,649,537</b>

## Note 6 - Fixed Assets

	Vessels	Periodic maintenance	Other	Total
<b>Opening balance 01.01.2023</b>	<b>16,814,184</b>	<b>789,537</b>	<b>28,382</b>	<b>17,632,103</b>
Additions	63,030	472,541	6,846	542,418
Asset held for sale	-5,778,639	-505,548	-	-6,284,187
Disposals	-	-	-7,624	-7,624
Translation adjustment	22,599	15,815	1,332	39,747
Depreciation	-441,028	-203,559	-5,942	-650,529
Impairment	816,206	-	-425	815,780
<b>Closing balance 30.09.2023</b>	<b>11,496,353</b>	<b>568,786</b>	<b>22,569</b>	<b>12,087,708</b>

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 September 2023, 1 vessel (1 AHTS) is classified as held for sale in the Condensed Statements of Financial Position. The vessel is valued at the lower of carrying value and fair value less cost to sell.

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. 37 PSV's and 1 AHTS was sold in 3Q 2023. A net loss of MNOK 32 has been booked in the Net gain/-loss on the sale of assets in 3Q, whereof MNOK 30 relates to discontinued operations and the sale of the PSV's.

Specification of changes in Assets held for sale:	Total
<b>Opening balance 01.01.2023</b>	<b>412,052</b>
Additions (Fixed Assets, Stocks)	6,308,272
Sales	-6,704,869
<b>Closing balance 30.09.2023</b>	<b>15,455</b>

## 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 not recognized any impairment or reversal of impairment in 3Q 2023 for the vessels or right of use assets.

### 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 impairment assessment, where the average broker value based on three acknowledged independent brokers is used as a basis. The agreement with Aker ASA, AMSC AS and banks with regards to the refinancing of the fleet loan (reference note 1 Going concern) has valued Solstad Maritime at an amount in line with booked equity, and this has also been taken into consideration in the impairment testing.

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 3Q 2023 is 12 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 September 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			Lease liabilities
	Vessels	Office	Total	
<b>Opening balance 01.01.2023</b>	<b>3,159,923</b>	<b>185,888</b>	<b>3,345,812</b>	<b>3,712,076</b>
Other adjustments	22,694	7,938	30,632	30,632
Additions	2,495	3,498	5,994	3,498
Disposals	-	-	-	-
Translation adjustment	115,601	1,164	116,764	270,551
Depreciation	-310,931	-23,768	-334,700	-
Impairment	-	-17,002	-17,002	-
Interest expense	-	-	-	324,168
Lease payments	-	-	-	-287,840
<b>Closing balance 30.06.2023</b>	<b>2,989,783</b>	<b>157,718</b>	<b>3,147,500</b>	<b>4,053,085</b>

### Impairment Testing of Right-of-use Assets

Based on value-in-use-calculations the Company has not recognized any impairment on Right-of-use assets in 3Q 2023. Further reference is made to Note 6 Fixed Assets.

### Lease obligations

Vessel lease liability of MNOK 4,053 includes Normand Maximus residual claim of MNOK 1,861, 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 3Q 2023 were MNOK 29 (MNOK 20).

## 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
<b>Opening Balance</b>	<b>2,323</b>	<b>156,235</b>	<b>158,559</b>
Share of result year to date	-261	22,644	22,383
Additions	46,000	-	46,000
Disposals	-	-	-
Impairment	-	-	-
Other adjustments	117	-6,496	-6,379
<b>Closing Balance</b>	<b>48,178</b>	<b>172,384</b>	<b>220,562</b>

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.

<b>Initial recognition 20.10.2020</b>	<b>-1,066,639</b>
<b>Fair value adjustment 01.01.2023</b>	<b>-439,645</b>
Amortization YTD 3Q 2023 (*)	303,842
Unrealized currency loss	-19,176
<b>Fair value adjustment 30.09.2023</b>	<b>-154,980</b>

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

	2023 30.09	2022 30.09	2022 31.12
Long term debt	2,600,210	18,980,990	20,203,371
Current portion of long term debt	14,225,978	4,470,211	2,607,802
Fair Value adjustment	154,980	552,041	439,645
Balance booked finance cost	29,334	58,879	36,585
<b>Total interest bearing debt (*)</b>	<b>17,010,501</b>	<b>24,062,121</b>	<b>23,287,404</b>
<b>Bank deposit</b>	<b>1,927,407</b>	<b>2,158,225</b>	<b>2,170,072</b>
Net interest bearing debt	15,083,094	21,903,896	21,117,332

\*Inclusive recognized debt relating to IFRS 16 Leases MNOK 4,053 (MNOK 3,099).

Long term debt, nominated in NOK, is divided by 25 percent NOK and 75 percent USD. At the end of 3Q 2023, fixed interest agreement loans were entered into for around 5.5 percent of interest-bearing debt.

Current portion of long-term debt includes MNOK 11,954 of the Company's fleet loan and approx. MNOK 1,861 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

- With reference to Company's stock exchange message on 23 October 2023 'Refinancing of Solstad Offshore', a financing solution supported by Aker Capital AS, AMSC ASA, DNB Bank ASA and Eksportfinans Norge AS was announced (the "Refinancing"). Solstad Offshore ASA will have 27% direct ownership of Solstad Maritime. Solstad Maritime will be reflected as an investment in associates and accounted for using the equity method in line with IAS 28. The transaction is expected to result in possible neutral equity effect for Solstad Offshore ASA as at the date of this publishing, impact to be reassessed and reflected in 4Q23 accounts.
- The AHTS Nor Spring was sold on 1 November, 2023. The sale of the vessel will result in an approximately accounting effect of MNOK 50.
- The bareboat charters for Normand Statesman and Far Senator have ended in November 2023, and the vessels have been redelivered to the owner.
- CSV "Normand Australis", has been contracted by a subsea contractor for a minimum of 150-days firm, with options to extend thereafter. The contract will commence during Q4 2023. Solstad Maritime vessel.
- AHTS "Normand Sirius", has been contracted by an international energy company for a minimum period of 160-days to support a drilling campaign offshore Western Australia. The contract will commence in Q2 2024, and the client has options to extend the contract by further 250 days beyond the firm contract period. Solstad Maritime vessel.

## 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



Offices





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