SOLSTAD OFFSHORE


# Annual report 2023

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### Financial Calendar

Preliminary dates for quarterly reports and ordinary General Meeting in Solstad are:

| | |
|---|---|
| Annual Report 2023: | April 30th, 2024 |
| 1Q Report 2024: | May 15th, 2024 |
| Ordinary General Meeting: | May 30th, 2024 |
| 2Q Report 2024: | July 16th, 2024 |
| 3Q Report 2024: | November 5th, 2024 |

# Solstad Group* in Brief

OUR VISION

**To deliver industry-leading sustainable operations to the global offshore energy market.**

## Our values

**SAFE**
Safety is our main priority. Solstad vessels carry out operations all over the world, sometimes in extreme conditions. We recognize all employees as our most valuable asset, and we will never compromise on their safety.

**COMPETENT**
All employees in Solstad are key personnel. We aim not only to fulfill our clients' demands, but to deliver a service beyond their expectations. We ensure that our personnel are constantly learning to have the right competence and knowledge required at all times. Our operational knowledge shall be developed in close interaction between the marine crew and the onshore organizations.

**RELIABLE**
We focus on quality in all parts of our services. We shall always be trusted to treat everyone fairly and respectfully, and we keep our promises. With a vast fleet and a competent organization, our clients shall trust us to perform all operations in a safe manner and with focus on quality and efficiency in all stages of our service.

**RESPONSIBLE**
We care about people, assets and the environment. Our company is global, but also local in the areas we operate. We conduct our business in a responsible manner, respecting the law and universal human rights to benefit the communities where we work. We are aware of our environmental footprint and take measurable steps towards a better environment with the Solstad Green Operations program.

*Solstad Group is defined as Solstad Offshore ASA and Solstad Maritime Holding AS combined

## Our global footprint*


**Asia Pacific**
Asia & Australia
**3 AHTS | 3 CSV**
Oil & Gas, Renewable Energy

**Europe**
**1 AHTS | 14 CSV**
Oil & Gas, Renewable Energy

**South America**
Brazil & Argentina
**4 AHTS | 7 CSV**
Oil & Gas

**AFRICA**
**5 AHTS | 2 CSV**
Oil & Gas

**Total**
**13 AHTS | 26 CSV**

* As of 31 December 2023

# Refinancing

On 23 October 2023, Solstad Offshore ASA, Aker Capital AS, and AMSC ASA announced that an agreement for the refinancing of the Solstad Offshore ASA group had been entered into between Aker Capital AS, Solstad Offshore ASA's subsidiary Solstad Shipholding AS and AMSC ASA (the "Refinancing"), which included the establishment of Solstad Maritime Holding AS and subsidiaries (the "Solstad Maritime Group").

The Refinancing secured new equity of NOK 4 billion and refinancing of a majority of the Solstad Offshore ASA group's outstanding secured debt of about NOK 11.9 billion (the "Refinanced Debt"), by a new long-term financing of about NOK 9.7 to the Solstad Maritime Group.
Prior to the Refinancing, Solstad Offshore ASA, via its wholly owned subsidiary, Solstad Shipholding AS held 100% of the shares in each of Solstad Shipowning Holding AS, Solstad Operations Holding AS and Solstad Management Holding AS (the "Target Companies"). Solstad Shipowning Holding AS owns a fleet of 35 AHTS and CSV vessels.

Pursuant to the Refinancing, the Target Companies were contributed from Solstad Shipholding AS to Solstad Maritime Holding AS as contribution in kind.
The major part of the Refinancing was completed on 16 January 2024. On 16 January 2024, Solstad Maritime Holding AS completed a private placement directed towards Aker Capital AS, raising gross proceeds of NOK 2.25 billion in cash against issuance of new shares in Solstad Maritime Holding AS, and a private placement directed towards AMSC AS where the shares in the company owning the CSV "Normand Maximus", were contributed in-kind against issuance of NOK 1.0 billion equivalent of new shares in Solstad Maritime Holding AS. Simultaneously with these private placements, the Refinanced Debt was repaid and about NOK 9.7 billion in new financing was extended to the Solstad Maritime Group.

The outstanding part of the Refinancing is a share issue towards eligible shareholders in Solstad Offshore ASA in the amount of up to NOK 750 million, which is contemplated to be completed within 2Q 2024.

Following completion of this share issue, Solstad Maritime Holding AS will be owned (ownership at the date hereof in brackets) approximately 41% (47%) by Aker Capital, 18% (21%) by AMSC AS, 27% (32%) by Solstad Shipholding AS and if they subscribe in the share issue, 14% by Solstad Offshore ASA's shareholders. The second share issue is underwritten by Aker Capital AS.

In addition to the refinancing of the Refinanced Debt, the Refinancing also included an agreement whereby the maturity of the NOK 1.8 billion legacy claim related to the former leasing arrangements for Normand Maximus was deferred until 2027. In addition Solstad Shipholding AS is granted an option to purchase this claim for NOK 200 million in certain circumstances related to legal proceedings involving the former owners of Normand Maximus.

After completion of the Refinancing, the structure of the Solstad group is reflected on the following page.


* In addition, 1 AHTS vessel in lay up held for sale.

CEO LETTER

# Sailing in the Right Direction

2023 is now behind us, and I am pleased to say that the Solstad that exited 2023 is in much better shape than we were at the beginning of the year. Key enablers were the exit from the PSV segment and the Refinancing of Solstad. A supportive offshore market has also played an important role in our positive development.

Financially, 2023 showed progress. Compared to 2022, we increased our operating income with approximately 45 percent, to NOK 7.0 bn, for our continued operations. This resulted in an adjusted EBITDA of NOK 3.3 bn, which was compared to the prior year (NOK 1.7 bn). EBIT from continued operations ended at NOK 1.9 bn, which was also a significant improvement on the prior year (NOK 1.2 bn). However, net interest expenses increased from NOK 1,000 million to NOK 1,550 million as a consequence of an increased market interest rates.

I like to say that the financial results are the consequence of thousands of operational decisions. If we make smart choices operationally, the financial results are also likely to improve. In 2023, the main operating income drivers were improved commercial terms, improved vessel utilization and increased sales of additional services. At year-end, we owned and/or operated a total fleet of 42 vessels (including three vessels in lay-up and held for sale). On average, the overall utilization for the operational fleet was 90 percent in 2023, compared to 84 percent in 2022, reflecting both our competitive edge and improved market conditions.

## Safe and Sustainable Operations

Good health and safety standards coupled with sustainable operations are part of our license to operate. In 2023, we reported a total recordable case frequency (TRCF) of 1.25 over the last 12 months, which is on the same level as 2022 (1.24). Three LTIs (lost time incidents) were reported in 2023, down from four in 2022. HSE remains a top priority, and throughout 2023 we have had a continuous focus on our safety culture behavior program “Solstad Incident Free Operations”. The objective is to further improve HSE performance by reinforcing a workplace culture that is committed to eliminating incidents and injuries. Focus is on safety mindset, how work is approached, and how to build on the understanding that all incidents can be prevented.

With a reduction in vessels in operation throughout the year, our total fleet emissions were significantly lower in 2023 than the prior year. However, the average fleet emissions per vessel over the last twelve months increased by two percent. This was primarily related to a higher utilization on our fleet and several mobilizations of vessels between regions.

## Boosting Competitiveness

We are making continuous efforts and investments into making our fleet more sustainable and competitive. Our program to drive fuel-saving operational measures, called Solstad Green Operations, will be strongly emphasized in 2024 too. In addition, we are increasing our ambitions within services. We have recently ordered six new Workclass ROVs, bringing our total fleet of ROVs up to 12 units, that will be mobilized onboard our vessels. Our main focus will remain on being an owner and operator of offshore vessels, but by introducing our Service segment we are able to offer our clients a more complete offering.

We also have ongoing digitalization projects that aim to further improve our operational efficiency. A major game changer, and well received project, is the Starlink roll-out, bringing high speed internet to and from the entire fleet.

## A Future-Proof Solstad

In addition to the above-mentioned operational improvements, we have during 2023 taken major structural and financial measures to develop a more future-proof Solstad.
In March, we signed an agreement for the sale of 37 PSVs for a total amount of USD 580 million. The transaction was closed on 5 July 2023. The sale of the PSVs represented a shift in our strategy in a changing market. While the PSVs mainly support the oil and gas industry, our AHTSs and CSVs can service all offshore energy sectors, including oil and gas and renewables. The move was therefore in line with our strategy of being a key enabler in the energy transition, offering our clients high-end offshore vessels. Further, the transaction reduced Solstad’s interest-bearing debt with approximately NOK 6 billion, which was a key enabler for our successful refinancing later in the year.

As previously communicated Solstad Offshore was subject to material refinancing risk and majority of the Companys debt maturing in March 2024. In October 2023, we announced a planned refinancing of Solstad. In short, the Refinancing includes NOK 4 billion in new equity and a successful refinancing of Solstad Group’s NOK 11.2 billion secured debt maturing 31 March 2024, as well as postponed maturity for a NOK 1.8 bn residual claim linked to a former leasing arrangement. The major part of the Refinancing was completed on 16 January 2024.

In sum, these measures have preserved shareholder values and helped create a robust industrial platform for value-creation for all shareholders going forward.

Subsequent to year end, as a consequence of the above-mentioned refinancing, Solstad has been divided into two separate shareholding structures. Solstad Offshore ASA consists of seven high-end AHTS and CSVs and 50 percent ownership in the Normand Installer joint venture, while Solstad Maritime Holding holds 35 high-end AHTS and CSVs. Solstad Offshore ASA owns 27 percent of the shares in Solstad Maritime Holding. Both structures are served by the same management company and operate under the same brand: Solstad Offshore. Hence, our clients, suppliers, cooperation partners and employees relate to Solstad Offshore in the same way as before.

## Improved Demand for Our Vessels

We exited 2023 with an order backlog of NOK 7.5 bn, which provides strong visibility for 2024 and beyond. Moreover, we are pleased to see that demand for high-end offshore vessels in the markets we operate within – offshore renewable energy and offshore oil and gas – continues to improve. Increased global E&P offshore spending, substantial development of offshore wind, backed by governmental support to escalate production of renewable energy, remain key demand drivers for the CSV and AHTS segments.

It is predicted that a significant number of new offshore energy systems will be installed in the coming years. This will create further demand for vessels. Except for purpose-built support vessels for offshore windfarms, there are few new vessels under construction. This can give a tighter supply/demand balance going forward. However, such predictions are sensitive to project delays, project costs and development in energy prices.

Thankfully, we have a flexible fleet that can work across oil and gas and renewable energy, we have highly competent people onboard the vessels and in our onshore organization. Following the Refinancing we can for the first time in many years say that we have a strong balance sheet. In total, this makes Solstad well positioned for an offshore energy market that represents many exciting opportunities.

## A Healthy 60-Year-Old

Finally, I would like to thank my colleagues for their unwavering commitment and efforts throughout 2023. We entered 2024 in a better shape than we have been for many, many years. In 2024, Solstad will celebrate our 60th anniversary. Nothing would please me more than to show our employees, clients, shareholders, suppliers and other stakeholders that a 60-year-old Solstad is in good shape and ready for future opportunities.

**Lars Peder Solstad**
CEO

# Highlights

→ The major part of the Refinancing, and the new group and ownership structure, was completed on 16 January 2024.

→ Solstad has been building a service division that enables an offering of additional services such as ROVs, tooling, project personnel, engineering support.

→ At year-end 2023, the Company owned and/or operated a total fleet of 42 vessels, of which 39 were in operation: 26 CSVs and 13 AHTSs.

→ Tender activity increased steadily throughout 2023. The Company saw solid order intake during the year, resulting in a backlog of MNOK 7,500 at year-end.

→ Operating income (continued operations) increased with 46 % to MNOK 6,979 vs MNOK 4,778 in 2022. Key drivers were improved utilization, higher day rates, and strengthened sales of additional services in line with the Company's strategy towards the high-end market.

→ Adjusted EBITDA increased to MNOK 3,294 vs MNOK 1,650 in 2022. EBIT increased from MNOK 1,219 to MNOK 1,944 in 2022.

→ Net interest expense increased as a consequense of higher market rates from approximately MNOK 1,000 to MNOK 1,550 in 2022.

→ Liquidity decreased to MNOK 1,883 at year-end 2023, compared to year-end cash position of MNOK 2,170 in 2022 as a consequence of CAPEX and debt amortization.

→ Solstad Offshore ASA recognized an impairment of MNOK 578 connected to the disposal group Solstad Maritime. Approximately 1/3 of the impairment refers to each of the items 1) removal of deprecation of vessels since AHFS, 2) unrealized gain on debt in foreign currency and 3) net result from operations.

→ Following increased focus on Solstad Green Operations and fuel efficiency, the average CO2 emission per vessel decreased by 3%.

→ The Company signed an agreement on 7 March 2023 with Tidewater for the sale of 37 PSVs for a total amount of MUSD 580. The transaction was closed on 5 July 2023.

## Key Financials

| NOK million | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| Income ** | 6,979 | 4,778 | 5,418 | 5,026 |
| Adjusted EBITDA ** | 3,294 | 1,650 | 1,534 | 1,282 |
| EBIT ** | 1,944 | 1,219 | -7 | -2,185 |
| Profit before Tax ** | 345 | -344 | -1,110 | 7,250 |
| Cash and equivalents *** | 1,883 | 2,170 | 2,459 | 2,412 |
| Working capital *** | -10,611 | 320 | -119 | -803 |
| Equity | 1,825 | 1,753 | 3,083 | 4,243 |
| Net interest bearing debt * | -14,097 | -21,117 | -18,257 | -18,219 |
| Order backlog ** | 7,500 | 6,400 | 5,600 | 5,200 |

** Including recognized debt relating to IFRS 16 Leases (Note 8 and 10). Includes assets and liabilities held for sale as of 31 December 2023 (Note 5)*
*** Continued operations reported for 2023 and 2022 (AHTS, CSV), while historical figures for 2020 to 2021 remains unaltered (AHTS, CSV, PSV)*
**** Includes assets and liabilities held for sale as of 31 December 2023 (Note 5)*

### Assets Held For Sale
Solstad Offshore and Solstad Maritime

The Company announced a financing solution on 23 October 2023 supported by Aker Capital AS, AMSC ASA, DNB Bank ASA and Eksportfinans Norge AS (the "Refinancing"). The major part of the Refinancing was completed on 16 January 2024. Assets included in the financing solution were classified as held for sale up until this date, 16 January 2024, and were subject to year-end 2023 impairment testing. Solstad Offshore ASA will have 27% direct ownership of Solstad Maritime Holding AS ("Solstad Maritime"). Solstad Maritime will be reflected as an investment in associates and accounted for using the equity method in line with IAS 28. In the Condensed statement of financial position and related notes Solstad Maritime is presented as Asset held for sale.

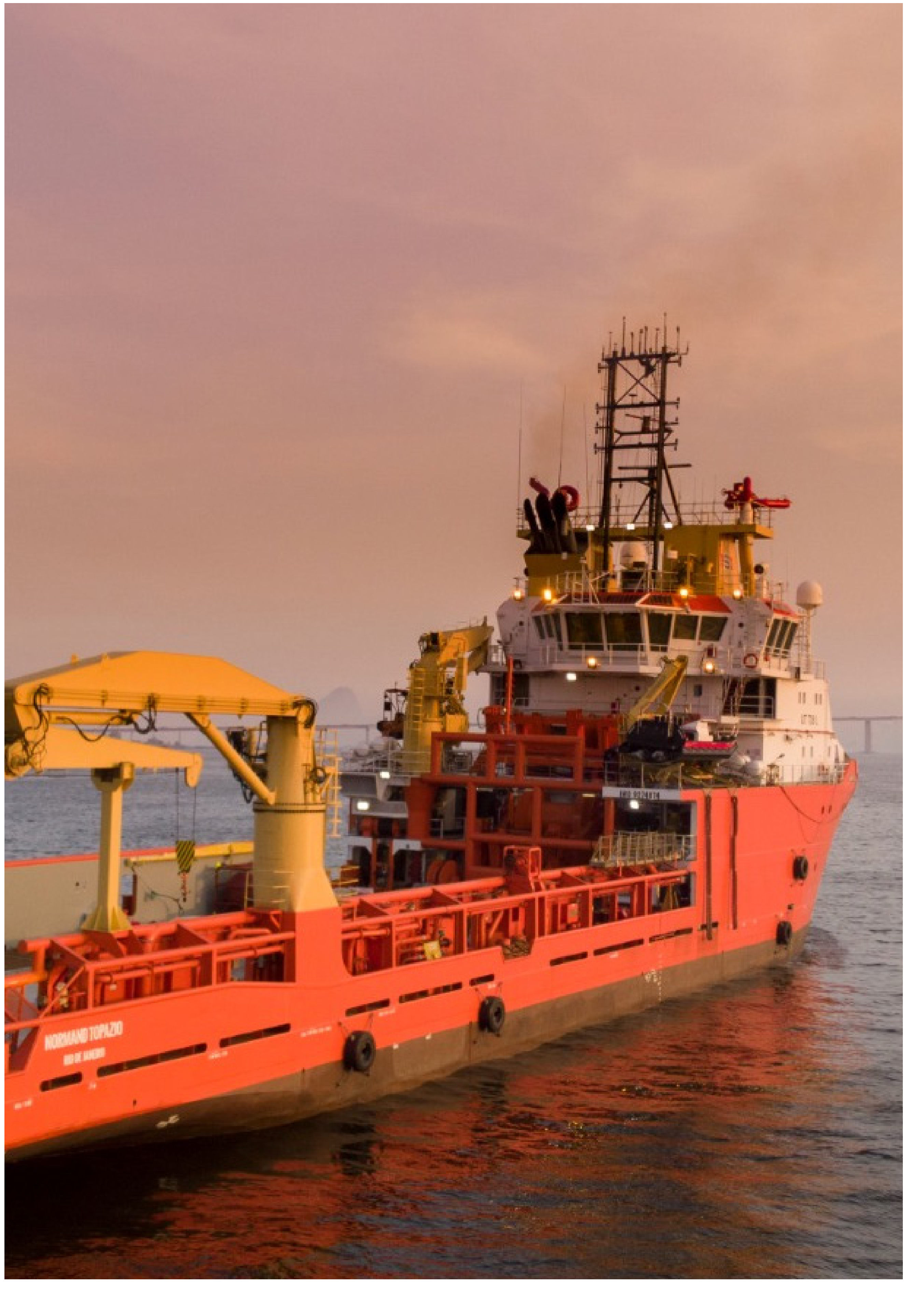
### Discontinued Operations
Strategic sale of PSV fleet

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.

## EBITDA

| | 2023 | 2022 |
|---|---|---|
| Total operating income | 6,978,977 | 4,778,283 |
| Total operating costs | -4,172,429 | -3,158,905 |
| Net gain/loss on sale of assets | 517,567 | -8,637 |
| **Operating result before depreciations and impairment (EBITDA)** | **3,324,115** | **1,610,741** |
| | | |
| Leases | 68,890 | 50,238 |
| Accrued loss on accounts receivables | 19,427 | -55,404 |
| Operational restructuring cost | 72,276 | 14,184 |
| Net gain/loss on sale of assets | -517,567 | 8,637 |
| Result Joint Ventures | 19,935 | 20,418 |
| Result associates | -4,824 | 722 |
| VAT adjustment* | 312,118 | - |
| **Adjusted EBITDA** | **3,294,370** | **1,649,537** |

** Reference* Note 29 *Contingent Liabilities, Assets and Provisions*



# Financial Summary

| (MNOK) | 2023 | 2022 | 2021 | 2020 | Ref |
|---|---|---|---|---|---|
| **PROFIT AND LOSS*** | | | | | |
| Charter income | 6,730 | 4,583 | 5,128 | 4,844 | |
| Other operating income | 249 | 195 | 289 | 182 | |
| Operating result before depreciation and impairment | 3,324 | 1,611 | 1,402 | 1,032 | |
| Operating result | 1,944 | 1,219 | -7 | -2,226 | |
| Net financial items | -1,599 | -1,562 | -1,103 | 9,477 | |
| Ordinary result before tax | 345 | -344 | -1,110 | 7,250 | |
| Net result for the year | 407 | -1,118 | -1,136 | 7,254 | |
| Hereof majority's share | 400 | -1,113 | -1,102 | 7,241 | |
| **BALANCE SHEET** | | | | | |
| Defered tax asset | 2 | 4 | 14 | 6 | |
| Non-current assets | 4,391 | 21,257 | 20,865 | 22,204 | |
| Current assets | 1,386 | 4,350 | 4,072 | 3,869 | |
| Assets held for sale | 13,858 | 412 | - | - | |
| Total assets | 19,635 | 26,019 | 24,938 | 26,069 | |
| Equity | 1,825 | 1,753 | 3,083 | 4,243 | |
| Non-current liabilities and provisions | 2,434 | 20,236 | 17,850 | 17,181 | |
| Current liabilities | 13,893 | 4,030 | 4,004 | 4,645 | |
| Interest bearing liabilities | 15,980 | 23,287 | 20,718 | 20,631 | 8 |
| Liabilities directly associated with the assets held for sale (Note 5) | 1,484 | - | - | - | |
| Bank overdraft | - | - | - | - | |
| Free and restricted bank deposits | 1,883 | 2,170 | 2,459 | 2,412 | |
| Net interest-bearing liabilities | 14,097 | 21,117 | 18,259 | 18,219 | 9 |
| **PROFITABILITY** | | | | | |
| Operating margin | 48% | 34% | 26 % | 21 % | 1 |
| Earning on equity | 19.3% | -14 % | -30 % | 3.557 % | 2 |

| (MNOK) | 2023 | 2022 | 2021 | 2020 | Ref |
|---|---|---|---|---|---|
| **LIQUIDITY **** | | | | | |
| Liquid assets | 1,883 | 2,170 | 2,459 | 2,412 | 6 |
| Working capital | -10,611 | 320 | -119 | -803 | 7 |
| Adjusted EBITDA | 3,294 | 1,650 | 1,534 | 1,282 | 3 |
| Current ratio | 0.1 | 1.1 | 1.0 | 0.8 | 4 |
| **CAPITAL** | | | | | |
| Total assets | 19,635 | 26,019 | 24,938 | 26,069 | |
| Equity | 1,825 | 1,753 | 3083 | 4,243 | |
| Equity ratio | 9% | 7 % | 12 % | 16 % | 5 |

** Continued operations reported for 2023 and 2022 (AHTS, CSV), while historical figures for 2020 to 2021 remains unaltered (AHTS, CSV, PSV)*
*** Includes assets and liabilities held for sale as of 31 December 2023 (Note 5)*

## References and Definitions

1. Operating result before depreciation and impairment in percentages of total operating income
2. Result before tax, in percentage of average equity including non-controlling interests
3. Operating result before depreciation and impairment adjusted for joint ventures, excess values charter parties from mergers, operating leases and other non-cash related items
4. Current assets divided by current liabilities
5. Booked equity including non-controlling interests in percentage of total assets
6. Cash and bank deposits (free and restricted)
7. Total current assets less total current liabilities (including current interest bearing liabilities)
8. Interest bearing liabilities is the total of the accounting lines “Interest bearing liabilities”, “Current interest bearing liabilities” and “Leasing obligations”, adjusted for IFRS 9 adjustment and balance booked borrowing costs
9. Net interest bearing liabilities is interest bearing liabilities (8) less cash and bank deposits (6)

Solstad Offshore ASA has included the above Alternative Performance Measures (APM), which are commonly used in the business, as they are used internally by management to understand the Group’s financial performance. Hence, it is deemed that the APMs will provide useful information to external readers too.

# Board of Directors

## Harald Espedal

(B. 1972)

Harald Espedal is a graduate from The Norwegian School of Economics (NHH) in economics with additional studies in auditing. Today he is the Chairman of Lyse AS, Sandnes Sparebank, Espedal & CO AS, Deputy Chair in Stavanger Concert Hall, and Board member in Aspelin Ramm and The Norwegian School of Economics.

Espedal has a long career within the finance and investment industry including as CEO and Investment Director for SKAGEN and Investment Director for Vesta.

SHARES IN SOLSTAD OFFSHORE ASA*
656,687

## Frank O. Reite

(B. 1970)

Frank O. Reite first joined Aker in 1995 and was CFO in Aker ASA from August 2015 until August 2019. He came from the position of President & CEO of Akastor. Reite holds several board positions including the position as vice chairman in Aker ASA, chairman in Solstad Maritime Holding AS and a board member in AMSC ASA.

Frank O. Reite has experience from banking and has served as Director in Paine & Partners. Frank O. Reite holds a B.A. in business administration from Handelshøyskolen BI in Oslo.

SHARES IN SOLSTAD OFFSHORE ASA*
356,509

## Ingrid Kylstad

(B. 1985)

Ingrid Kylstad is VP, Head of Market Manager and Strategy in Torvald Klaveness. Before joining Klaveness in 2021, Kylstad was COO in Katapult Ocean, a seed stage investor within ocean technology. Prior to that she worked for the Norwegian Shipowners Association and spent several years in Brussels working on policy and regulatory issues. She is a board member in GC Rieber Salt and observer at the board of Solstad Maritime Holding AS.

Kylstad holds an MSc in European Studies from London School of Economics and Political Science and a BSc in Liberal Arts from Maastricht University. She has also completed a management program at the Solvay Brussels School of Economics and Management.

SHARES IN SOLSTAD OFFSHORE ASA*
0

*Further details refer to note 9 in section Parent Company.*



## Ellen Solstad

(B. 1974)

Mrs. Solstad holds a bachelor's degree from BI Norwegian Business School. She has previous work experience from R.G Hagland AS and Solstad Offshore UK Ltd. Mrs. Solstad is currently Chairman of Solstad Family Office and a board member of Solvang ASA and Karmsund Interkommunale Havnevesen IKS.

SHARES IN SOLSTAD OFFSHORE ASA*
0

## Peder Sortland

(B. 1963)

Peder Sortland, currently the CEO of North Sea Infrastructure AS (NSI) and Norsk Havvid AS, has 30 years' experience from the oil and gas industry. Prior to NSI, Sortland held roles as the CEO of Global Maritime Group, Apply Group and Ross Offshore/Subsea Technology Group and as Regional Vice President for Subsea 7 in Norway. Sortland spent 18 years in Equinor up to Senior Vice President level, predominantly in areas of business development, commercial negotiations and strategy work. Today Sortland is chairman in Sharecat Solutions AS and a board member of Solstad Maritime Holding AS.

Sortland has a business education on MBA level from University of Wyoming and is a Fullbright Scholar.

SHARES IN SOLSTAD OFFSHORE ASA*
0

# Board of Directors' Report

Solstad Offshore ASA ("the Company" or "Solstad") is an owner and operator of offshore service vessels (OSVs), offering maritime services to the global offshore energy industry. Per year-end 2023 the Company* had approximately 2,300 highly skilled employees and seven offices globally. The Company owned and operated a flexible fleet of modern offshore vessels which consists of CSVs (construction service vessels) and AHTS' (anchor handling tug support vessels).

In 2023 the Company's CSV fleet supported subsea and renewable energy projects world-wide and was partly working on contracts and partly utilized for seasonal activities. The CSVs on contracts served the IMR (inspection, maintenance and repair) and the SURF (subsea, umbilicals, risers and flowlines) markets, or supported installation and maintenance work related to the offshore renewable energy industry. AHTS vessels supported oil field operators as well as development and exploration activities.

2023 experienced a challenging macroeconomic environment. This continued to benefit the oil and gas industry, while the ambitions to increase energy production from renewable energy sources continue as before. The combination resulted in high activity in the offshore service industry.

The oil price was above USD 70 per barrel most of the year, giving incentives for the oil companies to continue investing. In addition, the number of offshore wind projects under evaluation increased further. The Company was well positioned for both oil and gas and renewable energy activities. About 25% of 2023's operating result before depreciations and impairment came from renewable energy activities, and the Company expects to increase this activity further in the coming years.

The operating income increased by about 46%, to MNOK 6,979 in 2023, compared to MNOK 4,778 in 2022. Operational expense in 2023 was MNOK 4,172 compared to MNOK 3,159 in 2022. EBITDA Adjusted for the year increased by 100% to MNOK 3,294 from MNOK 1,650 in 2022. The operating result in 2023 was MNOK 1,944 compared to MNOK 1,219 in 2022. The result after tax was MNOK 288 compared to MNOK -442 in 2022. The booked equity for year end was MNOK 1,825.

The major part of the Refinancing of Solstad, which was announced on 23 October 2023, was completed on 16 January 2024. Refer to Company Refinancing on page 25.

## 1. Vision and Values

Solstad Offshore's vision is to deliver industry-leading sustainable operation to the global offshore energy market. The four core values of the Company were Safe – Reliable – Competent – Responsible. These values are tools to create a common culture and define how the Company operates and interacts with clients, suppliers, partners, and colleagues.

## 2. The Company's Activities

Solstad Offshore's activities were primarily directed towards the offshore markets for oil and gas and renewable energy. During 2023, the operation has been organized in three business areas: AHTS, Subsea Construction and Renewable Energy worldwide. The Company's headquarter was located in Skudeneshavn, Norway, with offices in Rio de Janeiro, Macae, Perth, Singapore, Manila and Aberdeen.

The Company's operating income in 2023 was divided into 71% (2022: 69%) from CSVs and 29% (31) from AHTS. Furthermore, the regional split of the income was 35% (38) from the North Sea, 26% (25) from South America, 16% (8) from Africa, 2% (6) from North and Central America, 9% (5) from the Mediterranean part of Europe, 5% (7) from Australia, and 7% (9) from Asia.

As per 31 December 2023, the Company owned and/or operated a total fleet of 42 vessels, of which 39 were in operation: 26 CSVs and 13 AHTSs. The overall utilization for the continued operational fleet in 2023 was 90% (84% in 2022). The CSV fleet had a utilization of 93% (88%) and the AHTS fleet 85% (78%).

### Subsea Construction and Renewable Energy

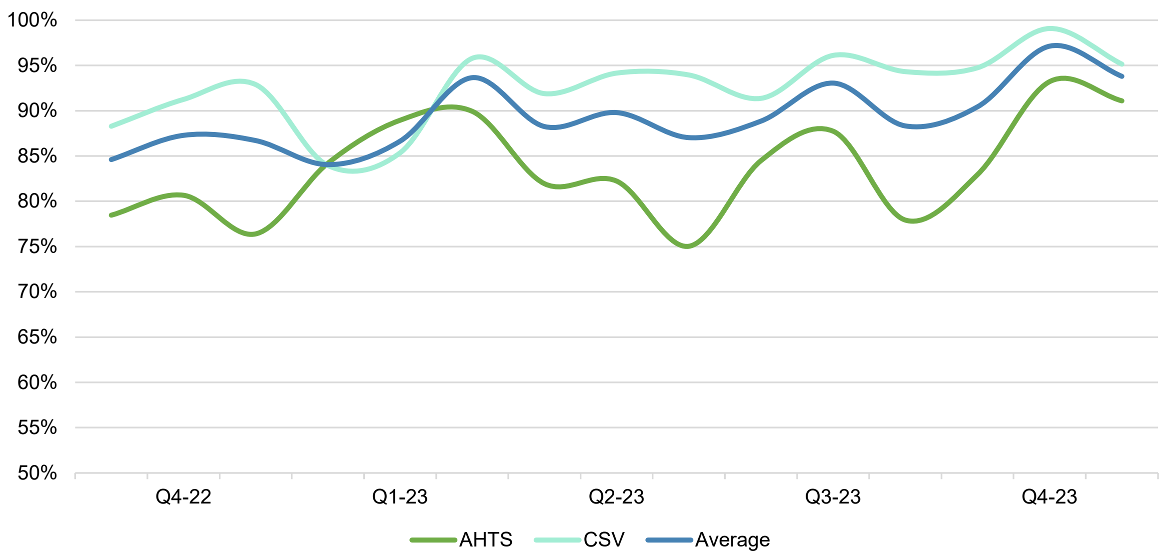
The CSV segment included 26 vessels, all operational in 2023. The CSV vessels are designed and equipped to support a wide range of offshore services within oil and gas and renewable energy projects. During 2023, the fleet was successfully involved in projects both within renewable energy and oil and gas. This included geotechnical work, walk to work-services, grouting, SURF operations, cable laying and repair, trenching and burial, ROV support, installation of subsea equipment, survey work, IMR operations, node seismic operations, diving, and topside maintenance work. Geographical areas of operation included Asia, South America, West and North Africa, Europe including Mediterranean, and Gulf of Mexico. In 2023, renewable energy projects represented 36% of the CSVs revenue, 64% of the revenue originated from oil and gas activity. The client portfolio for the CSV fleet included a mix of energy companies such as subsea construction companies, wind turbine manufacturers, cable companies and seismic companies.

### AHTS

The majority of the AHTS fleet's operation took place in the North Sea, Australia, Brazil and West Africa, with a mix of projects, spot, medium and term contracts. Activities within

* Refer to page 6 and 7.

Fleet Utilization




oil and gas remained the most important activity for AHTSs. However, the Company was also involved in projects with renewable energy and fish farming. It is expected that work related to renewable energy offshore will become more important going forward for these types of vessels.

### Technical & Projects

Throughout the year, 27 planned dry-dockings and maintenance stops were completed. In addition, Solstad was overseeing the building supervision of the USV (unmanned surface vessel) on behalf of the USV AS joint venture. The technical uptime for the year was 98.23% (2022: 98.84%).

### HSE & HR

HSE results ended with a TRCF at 1.25 (1.24 in 2022). This was above the 1.10 TRCF target for the year.

By the end of the year, total number of seafarers counted 2,124. Retention rate per region / nationality was relatively stable and corporate retention was at 94% (2022: 94%).

The working environment, onshore and onboard the ships, was considered satisfactory. Sick leave onshore was 1.3% in 2023, down from 1.8% in 2022.

### Vessel Divestment in 2023

A total of 42 vessels were sold during 2023. Three of which were classified as held for sale in 2022 (One PSV, one AHTS and one CSV). In addition, the group sold 37 PSVs in the Tidewater transaction, and two additional AHTSs during the year.

**Strategic Sale of the PSV Fleet**

Solstad signed an agreement with U.S. based Tidewater Inc, on 7 March 2023, for the sale of 37 PSVs for a total amount of USD 580 million. The closing of the sale was 5 July 2023.

## 3. The Market

### Oil and Gas

Demand for vessels continued to increase throughout the year, with increased energy prices and a continued attention to energy security driving the demand on a global basis. With a stable supply side, the utilization grade for the vessels increased and commercial terms improved.

With a given supply side and increasing offshore energy activity, there was a tendency towards that clients will secure access to vessels and are therefore willing to commit to longer contracts than the Company has seen in recent years.

Oil and gas clients accounted for about 75 % of Solstad's revenue. As this industry is expected to be active going forward, it is likely that the majority of Solstad's revenue will continue to come from oil and gas. This being said, the Company's vessels are also suitable for development of offshore wind, mainly relevant for the CSVs, but as floating wind develops, this might also extend to the AHTS fleet.

Solstad's main geographical oil and gas markets were the North Sea, Brazil, and Australia. However, the Company also experienced increased activity in regions like West-Africa and Guyana.

### Renewable Energy

The renewable energy market, and in particular offshore wind, continued its growth momentum in 2023, with Europe and South-East Asia as the main markets.The market is driven by political ambitions to increase energy production from renewable sources to reduce carbon emissions.

The Company's fleet and competence will be central in the energy transition. Both the CSV and the AHTS fleet intends to be utilized in the floating wind market. Solstad can take on a wider scope of work through the Windstaller Alliance or by doing more traditional timecharter contracts.

In 2023, about 25 percent of operating income came from renewable energy projects versus 22 percent in 2022.

## 4. Corporate Particulars

As of 31 December 2023, the number of shareholders were 9,832 whereof total international shareholding was approximately 13%. The largest shareholders, Aker Capital AS, Kistefos AS and Jarsteinen AS, held 32.90%, 13.69% and 10.00% respectively.

## 5. Corporate Governance and Management

Solstad Offshore ASA's governance and management adheres to the Company's vision and values. The Company is listed on the Oslo Stock Exchange and is subject to the Norwegian companies act, accounting act and stock exchange listing and securities trading legislation. Solstad Offshore ASA seeks to comply with the Norwegian Code of Practice for Corporate Governance, which was last revised on 14 October 2021. More information on corporate governance is given in a separate chapter in the annual report and on www.solstad.com.

The directors and officers of Solstad Offshore ASA are covered under a "Director and Officer Liability Insurance". The insurance covers personal legal liabilities including defence and legal expense. The officers and directors of the parent company and all subsidiaries globally are covered by the insurance. The cover also includes employees in managerial positions or employees who serves as directors in non-subsidiaries to safeguard the interest of the Company.

## 6. Financial Position and Development - the Group

The financial statements for the Company for 2023 have been prepared in accordance with IFRS® Accounting Standards as adobted by the EU.

Operating income in 2023 was MNOK 6,979 compared to MNOK 4,778 in 2022. The increase from 2022 was mainly driven by improved utilization, higher day rates, and strengthened sales of additional services in line with the Company's strategy towards the high-end market.

Operating expenses in 2023 amounted to MNOK 4,172 compared to MNOK 3,159 in 2022. Operating result before depreciations and impairment for the year was MNOK 3,324 compared to MNOK 1,611 in 2022. Operating result before financial items and tax was MNOK 1,944 compared to MNOK 1,219 in 2022, including net-impairments of fixed assets of MNOK 297 compared to MNOK -584 (reversal) in 2022.

Cash inflows from operating activities amounted to MNOK 2,676. Operating result before depreciation and impairment amounted to MNOK 3,324. The difference was mainly related to timing and accounting gain on sale of assets. Cash inflow from investing activities amounts to MNOK 6,640. Sale of vessels secured the net cash inflow from investments with MNOK 7,213. Investments were mainly related to periodic maintenance, the excercised call option following purchase of Normand Tonjer, and general upgrades of equipment on board vessels. Cash outflow from financing activities amounts to MNOK 9,666. This was mainly related to repayment of loan following sales of vessels and interest payments.

Company net result for 2023 was MNOK 407 (MNOK -1,118 in 2022). Net financial items for 2023 were MNOK -1,599 (MNOK -1,562 in 2022). The movement from 2022 to 2023 was mainly due to increased interest rate levels partly offset by reduced unrealised foreign exchange effects.

Earnings per share (majority) were NOK 5.11 (NOK -14.47 in 2022). Operating result before depreciation and impairment amounted to 48% of income compared to 34% in 2022. Booked equity per 31.12.2023 was MNOK 1,825 (MNOK 1,753 in 2022) i.e. NOK 22.16 per share (NOK 22.68 per share in 2022). Interest bearing debt as of 31.12.2023 was MNOK 15,980 (MNOK 23,287 in 2022), whereof MNOK 13,452 (MNOK 2,608 in 2022) was classified as current liabilities. The interest-bearing debt had the following currency split: 26% (27) NOK and 74% (73) in USD. Overview and details of amounts, interest rates, maturity and main covenants are included in the account note 7 and 8. At year end, the Company held MNOK 1,883 in cash deposits (MNOK 2,170 at year-end 2022). The cash at year-end included a MNOK 1,502 (MNOK 1,494 at year-end 2022) working capital facility provided as a part of the 2020 restructuring agreement.

## 7. Health, Environment, Safety and Quality Assurance

The Company operates in accordance with international regulations and standards and is certified to ISM, ISO 14001:2015, ISO 9001:2015, ISO 45001:2018, ISO 50001:2018, MLC (Maritime Labor Convention) and ISPS (International Ship and Port Facility Security). The crews are trained according to the Company's procedures and approved pursuant to the requirements of the STCW 10 (Seafarers Training, Certification and Watchkeeping Code). Internal audits are carried out on all ships and offices on an annual basis. The common management system (Solstad Internal Management System - SIMS) includes overall objectives and policies for the Company. Further, it describes the various processes and activities to be performed and each employee's responsibilities/roles related to these.

A vital part to understand and improve safety is to focus on preventative measures to avoid injuries and operational accidents or interruptions. In 2023, 33,074 HSE reports (37,786 in 2022) were recorded and processed at different levels in the organization. Conclusions from analyses are used as basis for further preventative measures to avoid future accidents. Overall, the Company had three work-related lost-time injuries that resulted in a LTIF (Lost time incident frequency per 1 million working hours) of 0.25 for 2023 (0.29 in 2022). The goal of no lost-time incidents is maintained for 2024, and the Company focuses on the evaluation, facilitation, planning and preventative work to avoid all kinds of personnel-related injuries and incidents with adverse effect on the environment. Based on positive experience, the Company continues to develop and improve the safety behavior culture program "Solstad Incident Free Operations" (SIFO). Since the program was implemented in 2019, the number of incidents have been reduced by actively involving the crew and increasing their focus on safety in their daily work.

Solstad Green Operations is a cornerstone of the Company's fuel and emission reduction program. Crew support is still high, and the Company reached its KPI level of 20 green operations per vessel per month in 2023 (2022: 20.2). For 2024 the KPI level has been increased to 22. The daily emissions per vessel in operation were on average 3% lower than for the previous year.

In 2023, no green technical upgrade projects were completed, however two major technology projects were started. One was the four-year EU-funded "NEMOSHIP" project and the second was the Innovation Norway-funded project "OceanCharger". Both projects aim to improve use of batteries in ships in the future. NEMOSHIP will investigate how batteries can be made cheaper and more customized including testing of a prototype. In the OceanCharger project, a concept for an offshore battery charging station will be made and demonstrated.

The fleet had 748 litres of oil spills to the environment during 2023. Most of this related to one spill incident. The goal is zero spill to the outer environment.

The Company has a program for sorting and reporting of all waste, covering both ship and onshore organizations. A program has been implemented to reduce the use of single use items such as plastic water bottles, cutlery, plastic cups etc.

The Company's onshore administration consisted of 147 men (62%) and 90 women (38%). Out of a total of 2,124 marine crew at year-end, 158 were women (7%). The Company focuses on diversity and has equal opportunities for all employees, regardless of their gender, ethnic background, nationality, descent, color, language, religion and lifestyle.

| Top 10 as of 31.12.2023 | Number of shares | Ownership |
|---|---|---|
| AKER CAPITAL AS | 27,089,493 | 32.9 % |
| KISTEFOS AS | 11,275,000 | 13.7 % |
| JARSTEINEN AS | 8,235,966 | 10.0 % |
| Interactive Brokers LLC | 4,297,550 | 5.2 % |
| KISTEFOS INVESTMENT AS | 3,601,000 | 4.4 % |
| MAGNUS LEONARD ROTH | 1,500,000 | 1.8 % |
| SONGA CAPITAL AS | 1,411,040 | 1.7 % |
| OLYMPIC GROUP AS | 871,224 | 1.1 % |
| ESPEDAL & CO AS | 656,687 | 0.8 % |
| NESTTUN INVEST AS | 600,000 | 0.8 % |

## 8. Market Outlook

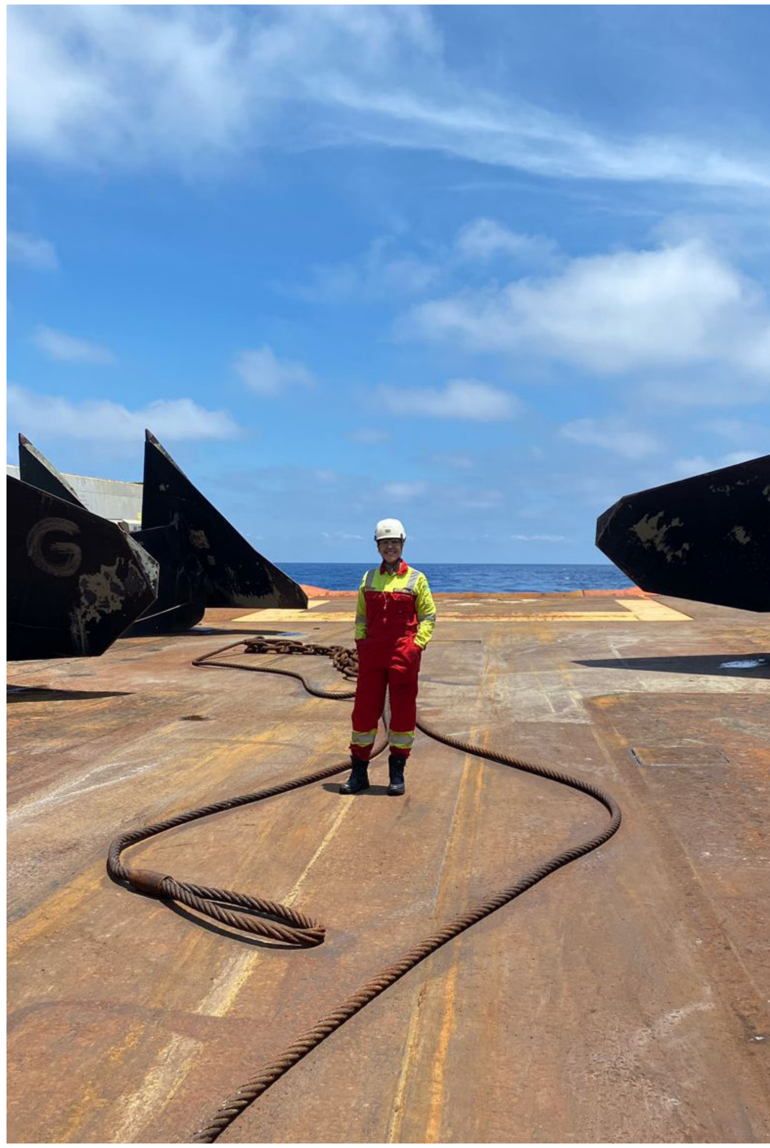
The short to medium term outlook for offshore energy activities continues to be positive.

The year 2023 showed improvement across all regions and vessel segments compared to the year before.The market fundamentals are strong with an increasing global E&P offshore spending, and a high backlog for the subsea contractors. In parallel, there is a substantial development of offshore wind, backed by governmental support to escalate production of renewable energy.

The CSVs and AHTSs were both working within the oil and gas and renewable energy industries. The activity in both industries remains at a high level, which should continue to give high fleet utilization also the coming year.

It is predicted that a number of new offshore energy systems will be installed going forward. Wind turbines, FPSOs and subsea production systems tied to existing infrastructure are examples that will create demand for vessels in the global markets. This applies to the project market and for longer-term contracts as the number of available vessels can be limited and clients would like to secure capacity.

However, there is always a schedule and cost risk associated with such large energy projects. Project



execution are also sensitive to energy prices.

## 9. Risk

The Company is exposed to market, commercial, operational, regulatory, tax, 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.

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. Recent events in the Red Sea mainly implies risk to shipping costs and price of goods.

### Market Risk

Market and operational risks are changes in the demand and prices of the services provided by the Company, and potential adverse effects of the provision of such services. In addition, the supply side can be negatively affected if too many newbuilt vessels are introduced to the market. The market demand has steadily improved during 2023 and very few newbuild vessels have been announced.

### Safety and Environmental risks

There are inherent safety and security risks related to operations at sea. As one of Solstad's core values, safety is always in front of mind for all employees. This is materialized through the Solstad Incident Free Operations (SIFO) program. The Company focuses on evaluation, facilitation, planning and preventive work to avoid all type of personnel related injuries and incidents that have an adverse effect on the environment.

The environmental risks mainly relates to the vessels and includes risks such as oil spillage.

Key performance indicators are monitored, and cause analysis performed with mitigating responses if possible undesired events are identified.

For further information, reference is made to the Sustainability Report.

### Climate Risk

The Company's business and results of operations could be adversely affected by climate change and the adoption of new climate change laws, policies, and regulations. Growing concerns about climate change and greenhouse gas emissions have led to the adoption of various regulations and policies, including the Paris Agreement negotiated at the 2015 United Nations Conference on Climate Change (COP 21).

Climate risk is part of the Company's risk universe, and the Company is exposed to a variety of climate risks. These risks vary from regulatory, transitional, market, technology to reputational risk. Short and medium-term climate change issues are not expected to have any significant effect on Solstad's OPEX. Higher fuel price due to $CO_2$ levies or the cost of green fuels will for the most part be forwarded to the Company's clients. Solstad focus mainly on reduction of carbon emissions from the fleet and to grow and pursue new business opportunities within the renewable segments. Risks and opportunities are classified as short, medium or long term based on how effects of climate change affect the Company, and required actions consequently planned. The Company's own initiatives to improve energy efficiency and installation of battery hybrid and shore power systems are important steps towards a net zero target in 2050. At the same time, the Company must acknowledge that the targets require access to technology still under development, and extensive investments in both existing vessels and in fleet renewal. A fast decrease in the market demand for the existing type of vessels may pose a risk to Solstad, but as there are very limited newbuilds or other alternatives available globally in the short and medium term, this risk is considered to be limited.

The Company aims to be transparent in its sustainability reporting and work continuously on public ESG communication to ensure that all stakeholders understand that the ongoing transition is under control and to mitigate the risk for any negative publicity and/or liability issues.

For further information, reference is made to the Sustainability Report.

### Refinancing Risk and Update

Since the restructuring in 2020, the Group has communicated that there was a significant refinancing risk related to the Group's secured debt and the residual claim related to the leasing arrangements for "Normand Maximus". The Company Refinancing (refer to note 2 and 5) means that the Company has succeeded in partly mitigating this risk. By securing the required financing, the Company is released from all guarantee liabilities from the 2020 fleet loan agreement, and the maturity for the Normand Maximus claim has been postponed by a minimum of three years.

**Standalone Financing Structures**

The Company is in the process of refinancing the mortgage debt towards "Normand Superior". The maturity under the current financing has been extended to 30 June 2024.

Normand Tonjer IS exercised its option under current BB agreement to purchase the CSV "Normand Tonjer" from Norwegian Mpsv AS at a net amount of USD 4 million, whereof 56% of this was contributed by Solstad Offshore, equal to Solstad Offshore's ownership share in the owning company of the vessel. The purchase of the vessel was concluded 20 December 2023. Refer to the Company's stock exchange announcement the same day.
Further details refer to note 2, 3, 5 and 8.

**The Maximus Residual Claim**

In connection with the Refinancing, agreements were entered into between i.a the Company and Maximus Limited, amending the agreement regarding the residual claim relating to the former leasing agreement for the CSV "Normand Maximus". Firstly, the agreement governing the terms of the Residual Claim originally entered into on 12 May 2022, between Maximus Limited, subsidiaries of the Company and the Company was amended so that the maturity of the Residual Claim was postponed from 31 March 2024 to the date corresponding to the maturity date of the new facility agreement which was entered into between Solstad Maritime AS and a bank syndicate as part of the Refinancing. This means that the maturity of the Residual Claim is postponed until 16 January 2027, with possible 1+ 1 year extensions if the financing to Solstad Maritime AS is extended (at the discretion of the bank syndicate). The latest maturity date of the Residual Claim is 16 January 2029. The Residual Claim is guaranteed by the Company, and needs to be refinanced within the new maturity date. In addition, an agreement was entered into between Solstad Shipholding AS, the Company, Maximus Limited and the lenders to Maximus Limited. Pursuant to this agreement, the parties have agreed that Solstad Shipholding AS at certain conditions, is granted a right and obligation to purchase the Residual Claim against payment of NOK 200 million.

This right and obligation come into force in the event that the lenders to Maximus Limited prevail in litigation in Norway and Cayman Island on the right to ownership to the shares in Maximus Limited. The Company does not have a view on the likely outcome of the litigation and the chances of the option becoming exercisable and no assurances can be given in that regard. The Residual Claim remains guaranteed by the Company and carries interest at 9.5% payable in kind at the maturity date in accordance with the original agreement entered into on 12 May 2022.

### Company Refinancing

The major part of the Refinancing of Solstad, which was announced on 23 October 2023, was completed on 16 January 2024. For further information on the details of the Refinancing, please refer to the stock exchange announcements 23 and 25 October 2023, the 3Q and 4Q 2023 reports, and the stock exchange notice dated 16 January 2024 with attachments. The Refinancing involved repayment of the outstanding BNOK 11.2 under the secured loan agreement that was entered into in connection with the 2020 restructuring of the group. The Company is thus released of all guarantee obligations for the 2020 facility agreement. After the Refinancing Solstad Offshore ASA will have 27% direct ownership of Solstad Maritime. The Refinancing implements a new group and ownership structure presented on page 94 and 95.

**The Outstanding Part of the Refinancing:**

As of 16 January 2024, Aker Capital AS owns 47.4%, AMSC ASA owns 21%, and the Company owns 31.6% of Solstad Maritime Holding AS. The outstanding part of the Refinancing is the implementation of an offering that the board of Solstad Maritime Holding AS has been authorised to complete towards shareholders in the Company (other than Aker) as of 27 October 2023 (as registered with VPS in 31 October 2023). The offering will raise gross proceeds of MNOK 750. The offering has been fully underwritten by Aker Capital AS and is expected to be completed during 2Q 2024, subject to the publication of an offering prospectus. Fully subscribed this tranche will own 13.6% of Solstad Maritime Holding AS, and the Company will own 27.3% directly of Solstad Maritime Holding AS. Aker Capital AS will own 40.9% and AMSC ASA will own 18.2%. For each share in the Company, 1 (one) subscription right will be granted, giving the right to subscribe for 1 (one) new share in Solstad Maritime Holding AS at a subscription price of NOK 11.82 per share. Oversubscription or subscription without subscription rights will not be permitted. The subscription rights will be issued in VPS and delivered to eligible investors' VPS accounts in due time before the commencement of the subscription period. The subscription rights will be included on Oslo Børs' Norwegian Over The Counter (NOTC) list.

**Solstad Offshore ASA Post Refinancing and Restructuring Agreement:**
Refer to Company's stock exchange announcement and its enclosed presentation on 25 October 2023 'Refinancing of Solstad Offshore'. The following vessels will remain as part of Solstad Offshore ASA:

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

## 10. Finance - Parent Company

The result for Solstad Offshore ASA in 2023 was MNOK 0 (MNOK 252 in 2022). Net financial result of MNOK 0 (MNOK 251 in 2022). Operating result was also of MNOK 0 (MNOK 1 in 2022).

The Company's assets are mainly related to the value of shares in subsidiaries. Booked equity at year end was MNOK 849 (MNOK 679 in 2022). The long term debt at the same date was MNOK 1 (MNOK 1 in 2022).

## 11. Going Concern

The annual accounts are prepared on the assumption of a going concern. The major part of the financing solution supported by Aker Capital AS, AMSC ASA, DnB Bank ASA and Eksportfinans Norge AS that was announced in October 2023 (the 'Refinancing') was completed on 16 January 2024 (Reference Note 2). 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 agreement with banking and borrowing facilities, the forecasted cash flow prognosis for the Company and the backlog position as of 31 December 2023. The main portion of the Group's external debt which includes the Group's secured debt, and the residual claim of approx. MNOK 1,883 guaranteed by the Company related to the former Normand Maximus lease arrangement, matures in 2027

The Group has seen continued strengthening of the market during 2023 despite of a challenging macroeconomic environment. With an expected continued positive outlook in the energy market, and the high focus on energy transition, the Company also expects an active offshore marked in the coming period. Due to the macroeconomic environment, Solstad saw an increase in expenses due to inflation and increased interest expenses for the Group.

There is no significant uncrtainty with respect to going concern.

## 12. Subsequent events

**Refinancing**



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"). The major part of the Refinancing was completed on 16 January 2024. Solstad Offshore ASA will have 27% direct ownership of Solstad Maritime. Refer to note 2, 3, 5 and 8.

The Company is also in the process of refinancing the mortgage debt towards "Normand Superior". The maturity under the current financing has been extended to 30 June 2024.

## 13. Profit & loss allocation

The Board proposed that the following distribution is made for the parent company:

| | | |
|---|---|---|
| Transfer from other equity | NOK | 413,827 |
| Net applied/transferred | NOK | 413,827 |

## Affirmation by the Board and Managing Director

We hereby affirm that, to the best of understanding, the Annual Accounts for the period 1st January to 31st December 2023 have been prepared in accordance with current accounting standards; and that the information in the accounts represents a true and fair view of the Company's and the consolidated group's assets, liabilities, financial position and overall performance. We further affirm that the Annual Report provides a true and fair view of the development, earnings and standing of the Company and the consolidated group; outlining the most important risk factors and uncertainties facing the group.

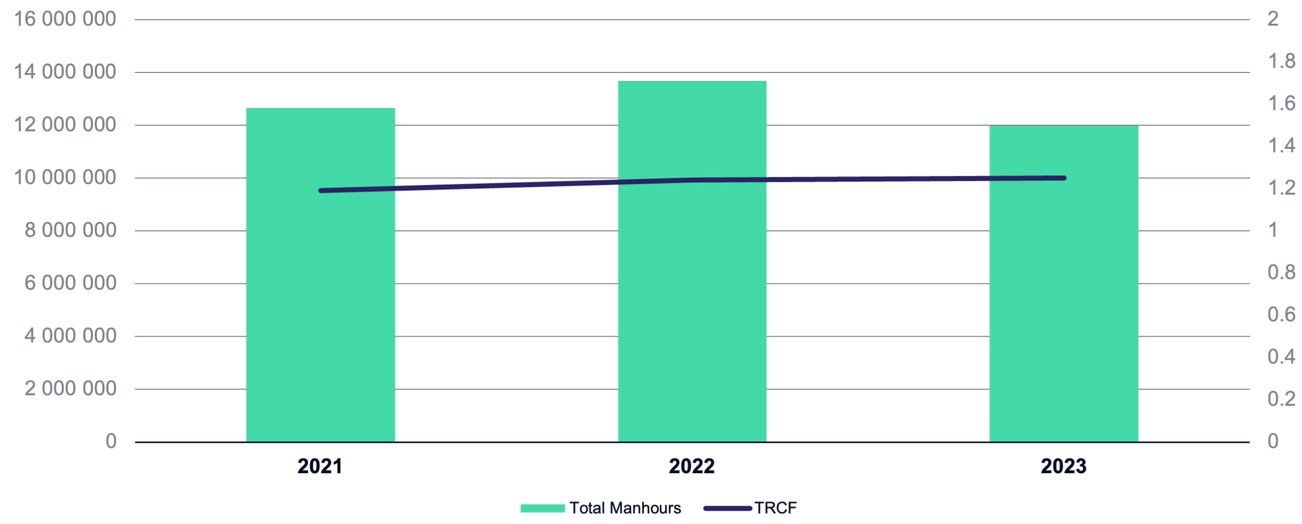
Board of Director in Solstad Offshore ASA
Skudeneshavn 30 April 2024

| | | |
|---|---|---|
| **Harald Espedal**<br>Chairman | **Frank O. Reite**<br>Director | **Peder Sortland**<br>Director |
| **Ingrid Kylstad**<br>Director | **Ellen Solstad**<br>Director | **Lars Peder Solstad**<br>CEO |

# Sustainability Highlights 2023

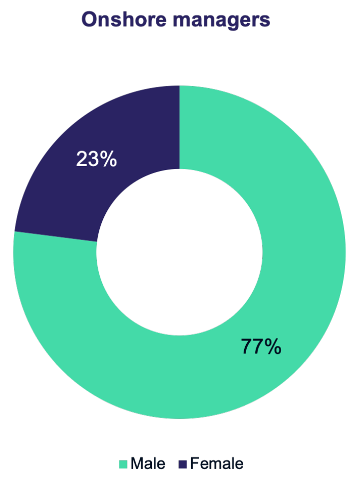
## Safety

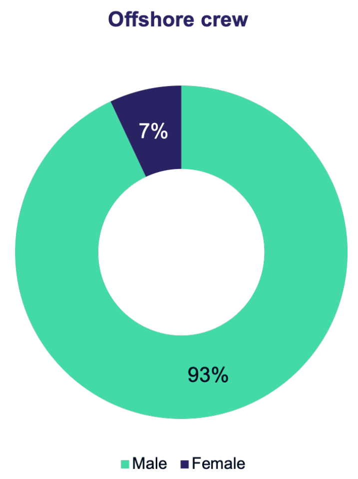
At Solstad, our goal is to have zero injuries. In 2023, the Total Recordable Cases Frequency (TRCF) was 1.25, and three Lost Time Incidents (LTI) were recorded.




## Diversity and Inclusion

By end 2023 we had an increase in the share of female seafarers to 7%, compared to 6% in 2022. For the onshore organization, the total of female managers was at 23%, with a target to reach 30% by 2030.



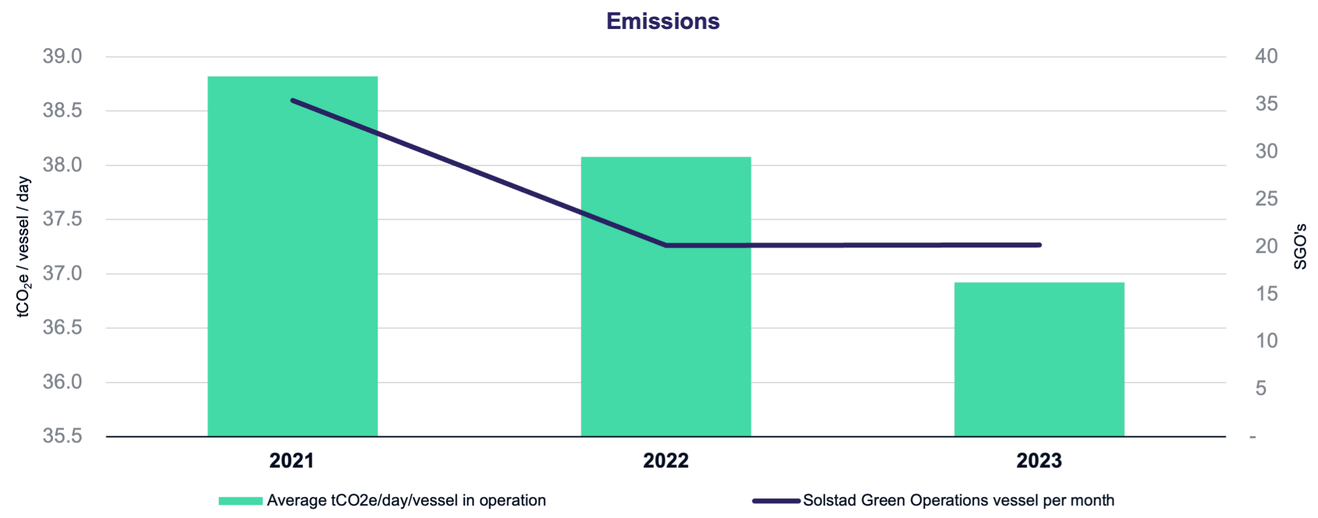




## Emissions

The total fleet direct vessel CO2 emissions decreased by 19% in 2023 to 582.280 compared to 720,101 tons tons in 2022 (includes both Scope 1 and 3). The decrease was mainly due to the sale of the PSV fleet, but also better fuel efficiency on the remaining fleet.

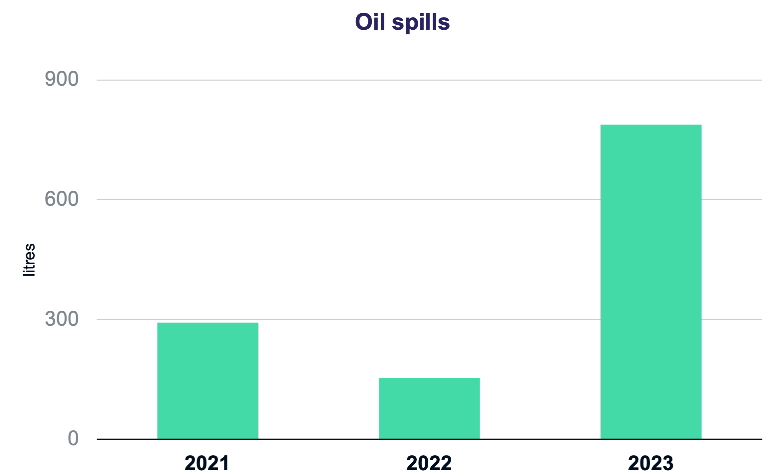
To align with new EU CSRD reporting requirements, vessel emission reporting has now split into two parts: Scope 1 emissions – emissions from vessels where Solstad pays for the fuel, and Scope 3 - indirect emissions where the client pays for the fuel and have "operational control". The direct Scope 1 emissions was reduced by 56% from 2022 to 2023 due to the vessel sale and increased fuel efficiency.

For the remaining fleet (CSV and AHTS vessels) the average fleet CO2 emissions per operational vessel day was reduced in 2023 compared to 2022 by a record high 3% improvement, even with a higher activity level. To ensure high vessel fuel efficiency and reduced emissions, our key focus is on Solstad Green Operations (SGO). The operational vessel days includes all CO2 emissions from the vessels during the year excluding idle periods such as port and yard stays. The KPI of 20 SGOs per day per vessels was achieved in 2023 (result 20,2 with 24.964 SGO's done).




## Oil Spills

Our goal is to have zero oil spills to the environment. In 2023, we had an increase in the numbers and volume of oil spills to the environment. Most of the volume came from a single spill incident. We had 788 liters of spills in 2023, compared to 153 liters and 292 liters of spills in 2022 and 2021, respectively.



## Sustainability Highlights 2023
Continued

### Emissions and Environment

The average CO2 emissions per vessel in operation had a considerable reduction by year end of 3%.

The total company Scope 1 emission were reduced by 56% compared to 2022, mainly due to the PSV fleet sale.

The average Solstad Green Operations (SGO) per vessel per month were 20,2 in 2023, above the KPI for all vessels which is to achieve 20 SGO's every month.

The reduction of single-use water bottles was about 100.000 from 2022 to 2023.

### Future-Ready

In 2023, we joined several international projects to support our road to have net-zero emissions by 2050.

- The new modular electrical architecture and digital platform to optimize large battery systems on ships (NEMOSHIP)
- The OceanCharger R&D project to develop an electrical offshore ship battery charging station
- A study together with SINTEF, two competitors, and NSA to cooperate on identifying the most promising green technologies and fuels for offshore vessels

### Business Transformation

In 2023, the revenue from taxonomy-aligned activities was 22%. The revenue for non-oil and gas-related activities was 25%.



# Corporate Governance

The Board of Directors (the "Board") of Solstad Offshore ASA ("Solstad" or "the Company") is responsible for ensuring that the Company is organized, managed and controlled in an appropriate manner in compliance with applicable laws and regulations. It is the Board of Directors' view that compliance with generally accepted corporate governance guidelines is important as it contributes towards reduced risk, desired conduct, and fair treatment of all stakeholders.

The Board of Directors therefore considers compliance with generally accepted corporate governance guidelines as an important prerequisite for long-term value creation. The company strives to ensure that its internal control mechanisms, organisation and management structures comply with good corporate governance principles.

Solstad seeks to comply with the Norwegian Code of Practice for Corporate Governance the "Corporate Governance Code" or "the Code"), last revised 14 October 2021, which is available at the Norwegian Corporate Governance Committee's website www.nues.no. The principal purpose of the Corporate Governance Code is to ensure (i) that listed companies implement corporate governance that clarifies the respective roles of shareholders, the board of directors and executive management more comprehensively than what is required by legislation and (ii) effective management and control over activities with the aim of securing the greatest possible value creation over time in the best interest of companies, shareholders, employees and other parties concerned.

The following statement explains how Solstad addresses the 15 topics defined in the Corporate Governance Code.

## 1. Implementation and Reporting

The Board is aware of its responsibility for implementation of internal procedures and regulations to ensure that the Company and its subsidiaries comply with applicable principles for good corporate governance in line with Norwegian and applicable international standards. Good corporate governance is an integral part of the decision-making process in matters dealt with by the Board. Governing structures and controls help to ensure that the policy is enacted upon. The work of the Board of Directors is based on defined division of roles and responsibilities between the shareholders, the Board and management. Solstad has implemented specific set of rules and procedures for the Board of Directors, constituting the governance structure and administrative procedures for their work.

According to Solstad's own evaluation, the Company deviates from the Corporate Governance Code on the following points:

→ Section 6: Solstad deviates from the recommendation to have all Board members present at the General Meeting as the company deemed it satisfactory to require the presence of the chairperson of the Board, the chairperson of the nomination committee, the auditor, and the CEO. Solstad also deviates from the recommendation to establish routines for appointment of an independent person to chair the General Meeting, however the General Meeting's agenda allows shareholders to nominate an independent chair.

→ Section 14: Due to the unpredictable nature of a take-over situation, the Company has decided not to implement detailed guidelines on take-over situations. In the event of a take-over, the board of directors will consider the relevant recommendations in the Corporate Governance Code and whether the situation entails that the recommendations in the Corporate Governance Code can be complied with or not. In a potential bid-situation, the Board of Directors will work to inform shareholders and allow time to decide on the offer. Furthermore, the Board of Directors will issue a statement to the shareholders with an assessment of the bid and a recommendation of whether to accept it or not.



## 2. Business

Solstad is a world leading owner and operator of offshore service vessels (OSVs), offering maritime services to the global offshore oil and gas and renewable energy industries. Solstad is a public limited liability company organized under the laws of Norway and subject to the provisions of the Norwegian Public Limited Liability Companies Act.

The Company's objective, as defined in its Articles of Association, is shipping activities and any other associated business, including the ownership of shares and stakes in companies engaged in corresponding or related business activities.

Solstad's operations are based on cross border trade, and interaction with people from many countries and different cultures. The Company aims to be a socially responsible operator and partner wherever it conducts its business. It has adopted guidelines for corporate social responsibility ("CSR"), based on the principles of the UN Global Compact about CSR related to human rights, labour rights, social concern, environment and climate issues, and anti-corruption.

In addition, Solstad annually publishes a sustainability report where it presents the main environmental, social and societal (ESG), challenges the Company faces, and how it approaches them. The defined material topics and ESG priorities are integrated with the company's business strategy, and specific goals have been identified to improve Solstad's performance within these areas.

To discuss and evaluate goals, strategy and risk profile, the Board of Directors conducts an annual strategy meeting, where the main purpose is to set the long-term direction for the company.

A further description of Solstad's operations, goals, strategy, and risk profile is provided in the Company's annual report, which shows how its operations and strategies are aligned with objectives defined in the Articles of Association.

## 3. Equity and Dividends

The Company's solidity is continuously assessed. At year-end 2023, the Company's equity amounted to MNOK 1,825 and total assets were MNOK 19,635 – providing an equity-to-asset ratio of 9.3 percent.

The Annual General Meeting determines the annual dividend, based on the Board of Directors' proposal. The Company will not pay dividends for the 2023 financial year.

At the Annual General Meeting, held on 15 May 2023, no authorization was given to the Board of Directors to increase the Company's share capital.

## 4.Equal Treatment of Shareholders

Equal treatment of all shareholders of Solstad Offshore ASA is a core governance principle. Solstad has one class of shares and is listed on Oslo Stock Exchange under the ticker "SOFF". All shares have equal rights, and each share carries one vote at the General Meeting.

In situations where normal preferential rights shall be deviated from, the Company's Board of Directors is proposed to prepare grounds for such a decision in accordance with the Norwegian Code of Practice for Corporate Governance and shall present these to the General Meeting.

An authorization to the Board of Directors to acquire treasury shares is normally contingent to take place at Oslo Stock Exchange.

## 5. Shares and Negotiability

All shares in Solstad Offshore ASA are freely tradable. The Company's Articles of Association set no limitations on transactions.

## 6. General Meeting

The interest of the Company's shareholders is exercised at the General Meetings. The Annual General Meeting is normally held in the month of May or June. The 2023 Annual General Meeting is scheduled for 30 May 2024. All shareholders with known address registered in the Norwegian Central Securities Depository (VPS) will receive an invitation to the General Meeting. According to the Articles of Association, the notice and related documents should be posted on the Company's website and www.newsweb.no no later than three weeks in advance. The Company endeavours to ensure that the documents contain all necessary information to enable shareholders to vote on all matters. In line with article 7 of Solstad's

Articles of Association, shareholders should register their attendance at least two workdays prior to the General Meeting.

The Chairperson of the Board of Directors and chairperson of the Nomination Committee take part in the General Meeting, as does the Company's Auditor. Board members participate at the General Meetings when specifically required. Solstad has not deemed it necessary to require the presence of all members of the Board of Directors at the General Meeting.

The Chairperson of the Board opens the General Meeting. The General Meeting elects a person to chair the meeting. Normally the chairperson of Solstad Offshore ASA is nominated to chair the General Meeting, however the General Meeting's agenda allows shareholders to nominate an independent chair. In case particular items on the agenda require such measures, the Board of Directors will also consider nominating an independent chairperson to lead the General Meeting.

Shareholders who cannot attend the General Meeting, may be represented by proxy and the procedures for voting by proxy are described in the notice. The proxy authorization form is designed to allow shareholders to vote on individual items and individual candidates for election or re-election. The agenda is determined by the Board of Directors, according to article 6 of Solstad's Articles of Association. The minutes of the General Meeting are published as a Stock Exchange notice and on the Company's website.

## 7. Nomination Committee

The Articles of Associations states that the Company shall have a Nomination Committee of 2-3 members, the final number to be decided by the General Meeting.

The Nomination Committee shall propose candidates to the Board of Directors and to the Nomination Committee, and propose remuneration of the Board of Directors and members of the Nomination Committee. A justification for a new candidate up for election will include information on the candidate's competence, capacity and independence.

As part of its nomination process, the Nomination Committee has contact with major shareholders, the Board of Directors and the Company's executive management to ensure that the process takes both the Board of Directors' and the Company's needs into consideration.

The General Meeting will elect the members of the Nomination Committee, including the chairperson, set their remuneration, and set the guidelines for the committee's work.

The guidelines for Solstad's Nomination Committee stipulates that the majority of the committee should be independent of the Board of Directors and the Company's executive personnel. None of the members of the Nomination Committee should simultaneously be a member of the Company's day-to-day management or the Company's Board of Directors.

The current members of the Nomination Committee are Rune Lande (chair), Toril Eidesvik and Owe Høines. The majority of the members are independent of the Board of Directors and the Company's executive management.

The guidelines for the Nomination Committee, and its contact details, are available on Solstad's website.

## 8. Board of Directors, Composition, and Independence

Pursuant to Solstad's Articles of Association, the company's Board of Directors shall consist of three to seven members. The current Board of Directors consists of five members, who have been elected by the General Meeting.

Solstad strives to ensure that the Board of Directors has a composition necessary to safeguard the interest of the shareholders. The Board of Directors considers its composition to be diverse and competent with respect to expertise, capacity, gender and diversity adapted to the Company's objectives, main challenges and the common interest of all shareholders. The Board of Directors emphasizes the importance of efficiency as a collegial body. The Board of Directors consists of three men and two women.

The Board should be composed of Directors who act independently of special interests, and the majority of the Directors should be independent of any major shareholder. As of 31 December 2023, Solstad's Board of Directors consists of Harald Espedal (chair), Ingrid Kylstad, Frank O. Reite, Ellen Solstad and Peder Sortland. The majority of the members of the Board of Directors are independent of the Company's executive personnel and material business contacts. Harald Espedal, Ingrid Kylstad and Peder Sortland are independent of the Company's large shareholders.



The Board of Directors does not include executive personnel.

The Chairperson of the Board of Directors is elected by the General Meeting.

Directors are elected for a two-year term. See the annual report for a presentation of the Directors.

As of 31 December 2023, three of the five Directors (Harald Espedal, indirectly, Ellen Solstad, indirectly and Frank O. Reite, indirectly) owns shares in Solstad.

## 9. Work of the Board of Directors

The Board of Director has the overall responsibility to oversee the organization, operation and management of Solstad, whilst the CEO is responsible for day-to-day management. Both the Board of Directors and the CEO conduct their work through established procedures where responsibilities and administrative procedures are outlined. The procedures also state how the Board of Directors and Executive Management shall handle agreements with related parties, including whether an independent valuation must be obtained. The Board of Directors should also present any such agreements in their annual directors' report.

The rules and procedures describe how the board is responsible for reviewing and approving the organization's purpose, value or mission statements, strategies, policies and goals related to sustainable development, and delegate implementation of such matters to the company's management. The procedures also include stipulations to ensure that the company has the necessary due diligence and other processes in place to identify and manage its impacts on the economy, environment and people, and ensure that the management of the company engages with relevant stakeholders to support these processes. At least annually, the Board reviews the company's sustainability performance, including key performance indicators and priorities going forward.

The Company maintains rules to ensure that the Board of Directors and Executive Management report to the Board in case of any direct or indirect material interest in any contract signed by the Company. If the chairman of the Board of Directors is, or has been, personally involved in matters of a material character, the Board's consideration of such matters will be chaired by another member of the board.

In accordance with the Public Companies Act, Solstad has an Audit Committee that is elected by the Board of Directors. As of 31 December 2023, Solstad's Audit Committee consists of Frank O. Reite (chair), Ingrid Kylstad and Peder Sortland. All Audit Committee members are considered independent of the Company.

The Board of Directors has considered but not established a remuneration committee. Instead, the Board of Directors resolves matters relating to compensation paid to the executive personnel. As a large majority of the Board members are independent of the Company's executive personnel, it is the Board of Directors' view that it is a suitable body to help ensure a thorough and independent preparation of matters relating to compensation paid to the executive personnel.

The Board of Directors evaluates its own performance and expertise on an annual basis, including its performance in overseeing the management of the organization's impacts on the economy, environment and people. The evaluation is submitted to the Nomination Committee.

## 10. Risk Management and Internal Control

The Board of Directors seeks through its work to ensure that the Company maintains good standards and further improvements of internal control and appropriate systems of risk management, considering the scope and nature of the Company's business, and the provisions that govern the business. The Company has established a system of operation and administration that relies on work procedures and job descriptions. The system also covers social responsibility and ethical guidelines. There is a commitment to quality assurance. The Board of Directors receives information about operational, administrative, and financial developments in monthly reports. The Board reviews the corporate strategy and the business plan annually, including analysis of the Company's risk exposure. Exposure is monitored monthly through the reports from the Administration. Procedures for internal control is exercised according to the adopted guidelines and reviewed with the auditor and Board of Directors on an annual basis.

## 11. Remuneration of Directors

The remuneration of the Board of Directors is determined by the General Meeting, based on recommendation from the Nomination Committee. The recommendation is normally linked to the directors' responsibilities, competence and time commitment, taking the company's size and complexity into consideration. The remuneration is in line with comparable companies in the industry. The amounts involved are reported in the annual report.

The remuneration of the Board of Directors is not linked to the Company's performance. The directors do not have share options.

In cases where directors of the Board should undertake significant additional work for the Company, all directors will be informed and fees shall be approved by the Board of Directors. The fees are reported in the financial statements. All transactions between directors or employees (or companies that they represent or are associated with) on the one hand, and the Company on the other, are implemented in accordance with the arm's length doctrine.

## 12. Remuneration to Executive Management

The remuneration of the CEO is determined by the Board of Directors. The guidelines for remuneration of the Executive Management are presented to the General Meeting and remuneration guidelines can be found on the Company website. A Remuneration Report, which details remuneration figures and principles for the Company's Executive Management, is published on Solstad's website annually. Executive Management remuneration consists of three elements: Base salary, pension contribution, and variable pay – bonus.

The company's executive bonus system is designed to promote performance in line with the company's strategy. The variable salary is determined by the Company's performance on a pre-defined set of key performance indicators and is linked to the Company's priorities, defining clear deliverables that are critical for the company's future success. The final executive bonus outcome is specifically reserved as a matter for the Board of Directors. The variable salary is limited to a specific percentage share of the base salary.

## 13. Information and Communication

The Company has a policy of treating all shareholders and other market participants equally, communicating relevant information on significant developments of the Company´s business and standing in a timely manner.

All information distributed to the Company's shareholders, including financial reports, is published on Oslo Stock Exchange's website (www.newsweb.no) and the Company's website simultaneously. A financial calendar and other shareholder information is available on the Company's website.

The Board of Directors has established guidelines for the Company's contact with shareholders other than through general meetings. These guidelines – the "IR policy" – is available at Solstad's website.

The Company seeks to adhere to the Oslo Børs Code of Practice for Investor Relations.

## 14. Take-overs

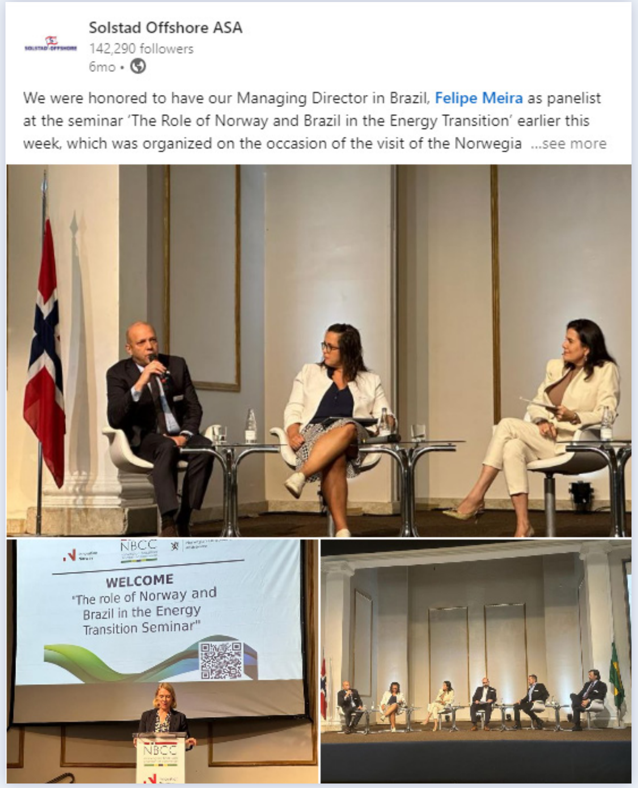
The shares in the Company are freely tradable, and the Articles of Association do not hold specific defense mechanisms against take-over situations. In a potential bid-situation, the Board will work to inform Shareholders and allow time to decide on the offer. Furthermore, the Board will issue a statement to the shareholders with an assessment of the bid and a recommendation of whether to accept it or not.

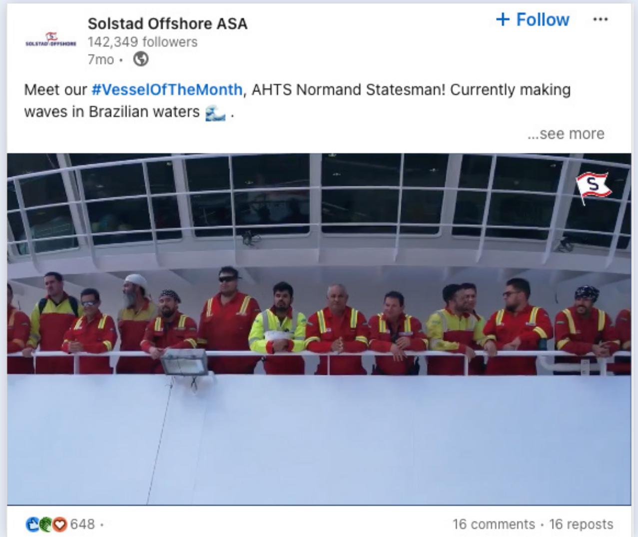
## 15. Auditor

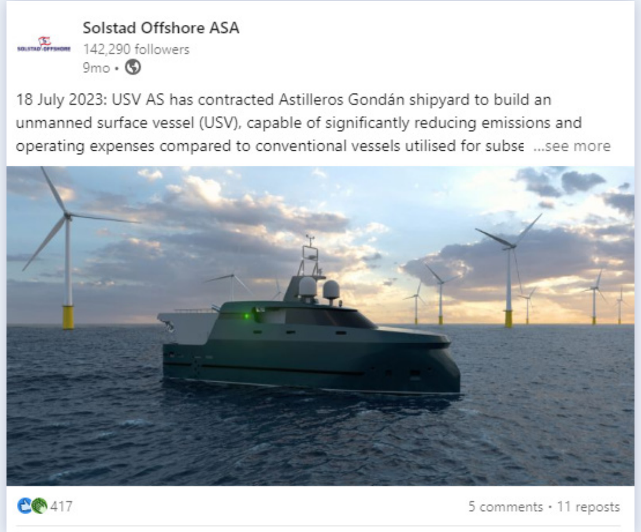
The Auditor of the Company is elected at the Annual General Meeting, which also approves the Auditor's remuneration. The Auditor sets out the highlights of the audit plan to the audit committee annually. The auditor also presents a report with its views and observations regarding the accounting principles, risk areas, internal control routines, and other aspects. Furthermore, the Auditor will each year deliver a written report to affirm its compliance with certain impartiality and objectivity standards. The Auditor attends Board Meetings to discuss the financial statements for the year and attends the Annual General Meeting.

Important consultancy work performed by the Auditor requires prior approval by the Board of Directors. The remuneration to the auditor is reported in the financial statements. Once a year, the Board of Directors meets with the Auditor for discussions without the CEO or other representatives from the administration present.

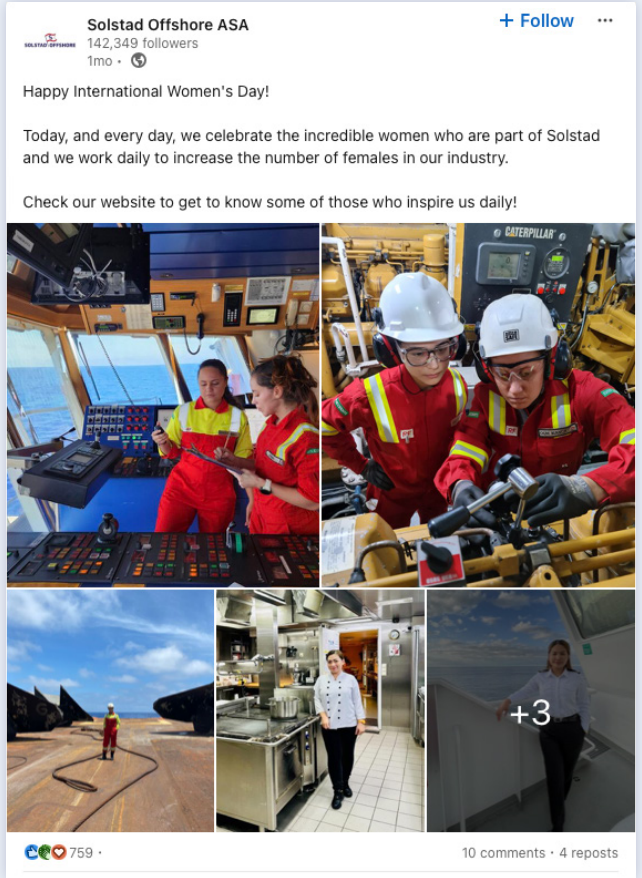
# Social Media Highlights 2023



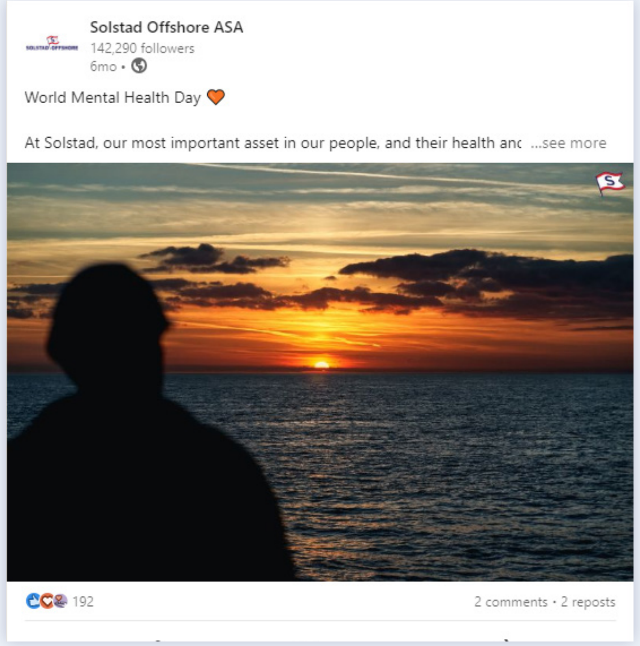



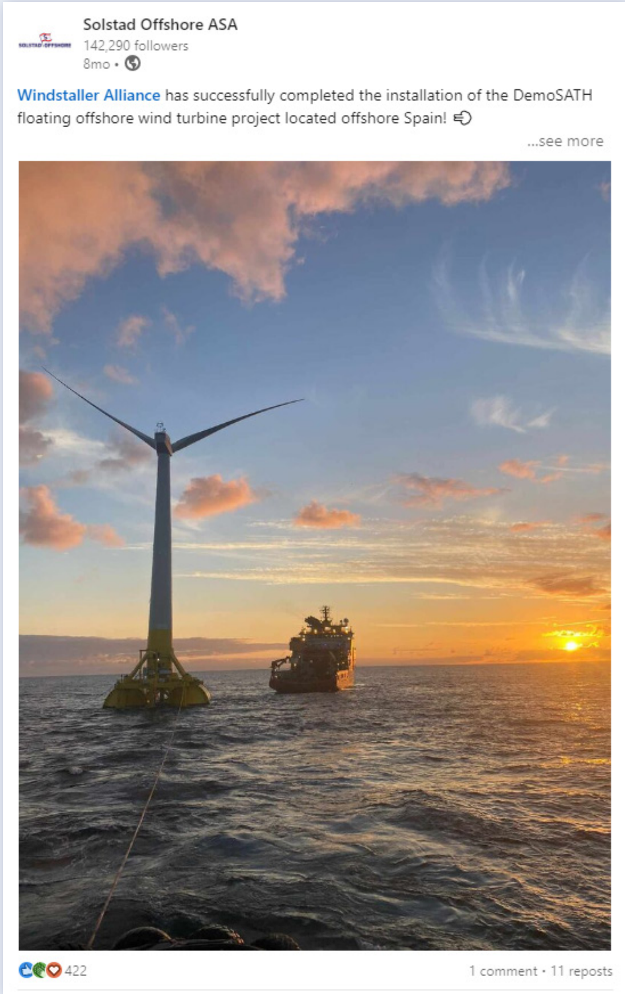











# Annual Accounts 2023

## Consolidated Statement of Comprehensive Income

*Amounts in NOK 1,000*

| | 2023 | 2022 | Note |
|---|---|---|---|
| **Continuing operations** | | | |
| Charter income | 6,730,333 | 4,582,973 | 6 |
| Other operating income | 248,644 | 195,310 | 6 |
| **Total operating income** | **6,978,977** | **4,778,283** | |
| Personnel expenses | -1,592,920 | -1,447,967 | 12,13,21 |
| Administrative expenses | -762,330 | -273,077 | 29 |
| Other operating expenses | -1,817,179 | -1,437,861 | 12 |
| **Operating expenses** | **-4,172,429** | **-3,158,905** | |
| Net gain/-loss on sale of assets | 517,567 | -8,637 | 6,9 |
| **Operating result before depreciation and impairment** | **3,324,115** | **1,610,741** | |
| Depreciation | -918,101 | -802,025 | 9,10 |
| Depreciation capitalised periodic maintenance | -185,174 | -194,604 | 9 |
| Impairment and reversal of impairment | -296,983 | 584,183 | 9,10 |
| Income from investment in joint ventures | 19,935 | 20,418 | 15 |
| **Operating result** | **1,943,792** | **1,218,713** | |
| Income from investments in associates | -4,824 | 722 | 15 |
| Interest income | 131,700 | 46,436 | 11 |
| Other financial income | 2,400 | 12,113 | 11 |
| Interest charges | -1,683,318 | -1,063,228 | 11 |
| Other financial expenses | -44,771 | -558,406 | 11 |
| **Net financial items** | **-1,598,813** | **-1,562,363** | |
| **Result before taxes from continuing operations** | **344,979** | **-343,650** | |
| Tax on result | -56,641 | -98,061 | 20 |
| **Net result from continuing operations** | **288,337** | **-441,711** | |
| **Discontinued operations** | | | |
| Net result from discontinued operations | 118,799 | -676,092 | 4 |
| **Net result** | **407,136** | **-1,117,803** | |
| **Comprehensive income:** | | | |
| Translation adjustments foreign currency | -348,547 | -218,660 | |
| **Comprehensive income that may be creclassified in subsequent periods** | **-348,547** | **-218,660** | |
| Acturial gain /(loss) | -1,272 | 947 | 21 |
| **Comprehensive income that may not be reclassified in subsequent periods** | **-1,272** | **947** | |
| **Total comprehencive income** | **57,317** | **-1,335,516** | |

| | 2023 | 2022 | Note |
|---|---|---|---|
| **Net result of continued operations attributable to:** | | | |
| Non-controlling interests | 3,186 | 5,222 | |
| Equity holders of the parent | 285,152 | -446,933 | |
| **Net result of discontinued operations attributable to:** | | | |
| Non-controlling interests | 3,521 | -10,009 | |
| Equity holders of the parent | 115,278 | -666,083 | |
| **Comprehensive income attributable to:** | | | |
| Non-controlling interests | 6,707 | -4,788 | |
| Equity holders of the parent | 50,610 | -1,330,728 | |
| **Comprehensive income** | **57,317** | **-1,335,516** | |
| Earning per share for continuing operations (basic and diluted) - majority (NOK) | 3.64 | -5.81 | 18 |
| Earning per share for discontinuing operations (basic and diluted) - majority (NOK) | 1.47 | -8.66 | 18 |



# Consolidated Statement of Financial Position

*Amounts in NOK 1,000*

| ASSETS | 2023 | 2022 | Note |
|---|---|---|---|
| Non-current assets | | | |
| Deferred tax assets | 2,117 | 4,351 | 20 |
| Vessels | 1,180,806 | 16,814,184 | 9 |
| Right-of use-assets | 2,789,345 | 3,345,812 | 10 |
| Capitalized periodic maintenance | 116,737 | 789,537 | 9 |
| Other tangible fixed assets | 17,709 | 28,382 | 9 |
| Investment in joint ventures | 188,655 | 156,235 | 15 |
| Loans to associates and joint ventures | 63,141 | 55,829 | 17,19 |
| Investments in associates | 581 | 2,323 | 15 |
| Investments in shares | - | 2,991 | 15 |
| Non-current receivables | 32,179 | 57,536 | 25 |
| **Total non-current assets** | **4,391,271** | **21,257,181** | |
| Current assets | | | |
| Inventory | 23,095 | 228,197 | 27 |
| Account receivables | 312,428 | 1,232,487 | 7,26 |
| Contract assets | 319,617 | 222,193 | 26 |
| Other current receivables | 229,906 | 475,948 | 26 |
| Market based shares | - | 21,000 | 15 |
| Cash and cash equivalents | 501,014 | 2,170,072 | 7,22 |
| **Total current assets** | **1,386,060** | **4,349,897** | |
| **Assets held for sale** | **13,858,010** | **412,052** | **5,9** |
| **TOTAL ASSETS** | **19,635,341** | **26,019,130** | |

| EQUITY AND LIABILITIES | 2023 | 2022 | Note |
|---|---|---|---|
| **Equity** | | | |
| **Paid-in equity** | | | |
| Share capital (82,346,796 a 1,-) | 82,347 | 77,309 | 17 |
| Treasury shares | - | - | 17 |
| Share premium | 189,457 | 180,387 | |
| **Total paid-in equity** | **271,804** | **257,696** | |
| **Retained earnings** | | | |
| Other equity | 1,555,427 | 1,504,816 | |
| **Total retained equity** | **1,555,427** | **1,504,816** | |
| Non-controlling interests | -2,680 | -9,387 | 15 |
| **Total equity** | **1,824,550** | **1,753,125** | |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Pension liabilities | 5,158 | 20,381 | 21 |
| Other financial liabilities | 1,121 | 12,425 | |
| Interest bearing liabilities | 630,587 | 16,637,362 | 7,8 |
| Leasing liabilities | 1,795,630 | 3,564,963 | 7,8,10 |
| Other non-current liabilities | 1,046 | 1,046 | 8 |
| **Total non-current liabilities** | **2,433,542** | **20,236,177** | |
| **Current liabilities** | | | |
| Accounts payable | 138,762 | 694,564 | 7 |
| Taxes payable | 24,715 | 228,409 | 20 |
| Contract liabilities | - | 3,597 | 28 |
| Current interest bearing liabilities | 11,380,520 | 2,460,689 | 7,8 |
| Current leasing liabilities | 1,965,474 | 147,113 | 7,8,10 |
| Other current liabilities | 383,963 | 495,456 | 28 |
| **Total current liabilities** | **13,893,433** | **4,029,828** | |
| **Liabilities directly associated with the assets held for sale** | **1,483,816** | **-** | |
| **Total liabilities** | **17,810,791** | **24,266,005** | |
| **TOTAL EQUITY AND LIABILITIES** | **19,635,341** | **26,019,130** | |

**Harald Espedal**
Chairman

**Frank O. Reite**
Director

**Peder Sortland**
Director

**Ingrid Kylstad**
Director

**Ellen Solstad**
Director

**Lars Peder Solstad**
CEO



## Consolidated Statement of Changes in Equity

*Amounts in NOK 1,000*

| | Share capital | Treasury shares | Share premium | Translation adjustments | Other equity | Total majoirty shares | Non-controlling interests | Total equity | Note |
|---|---|---|---|---|---|---|---|---|---|
| **Equity 01.01.2023** | **77,309** | **-** | **180,387** | **728,145** | **776,672** | **1,762,512** | **-9,387** | **1,753,125** | |
| Result | - | - | - | - | 400,430 | 400,430 | 6,707 | 407,136 | 18 |
| Actuarial gain/ loss (-) | - | - | - | - | -1,272 | -1,272 | - | -1,272 | 21 |
| Translation adjustments | - | - | - | - 348,547 | - | - 348,547 | - | - 348,547 | |
| **Total comprehensive income** | **-** | **-** | **-** | **- 348,547** | **399,157** | **50,610** | **6,707** | **57,317** | |
| Capital increase private placement | 5,038 | - | 9,070 | - | - | 14,108 | - | 14,108 | 17 |
| **Equity 31.12.2023** | **82,347** | **-** | **189,457** | **379,598** | **1,175,829** | **1,827,231** | **- 2,680** | **1,824,550** | |
| **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 | 18 |
| Actuarial gain/ loss (-) | - | - | - | - | 947 | 947 | - | 947 | 21 |
| Translation adjustments | - | - | - | -218,660 | - | -218,660 | - | -218,660 | |
| **Total comprehensive income** | **-** | **-** | **-** | **-218,660** | **-1,112,068** | **-1,330,728** | **-4,788** | **-1,335,516** | |
| Capital increase by convertion of debt | 1,700 | - | 3,460 | - | - | 5,160 | - | 5,160 | 17 |
| **Equity 31.12.2022** | **77,309** | **-** | **180,387** | **728,145** | **776,672** | **1,762,512** | **-9,387** | **1,753,125** | |

Retained earnings is included in Other equity.

## Consolidated Statement of Cash Flow

*Amounts in NOK 1,000*

| | 2023 | 2022 | Note |
|---|---|---|---|
| **Cash flow from operations** | | | |
| **Result before tax from continuing operations** | **344,979** | **-343,650** | |
| **Result before tax from discontinuing operations** | **121,572** | **-669,474** | |
| Taxes payable | -93,072 | -31,561 | 20 |
| Depreciation, impairments, and reversal of impairments | 838,672 | 780,990 | 9,10 |
| Gain (-)/ loss non-current assets | -526,686 | -179,919 | 9 |
| Interest income | -131,394 | -47,152 | |
| Interest expense | 2,034,452 | 1,404,972 | |
| Non-cash refinance effects | -4,392 | -16,691 | |
| Effect of change in pension assets | -2,427 | -1,043 | |
| Unrealised currency gain/ -loss | 156,948 | 938,084 | |
| Change in current receivables and payables | -366,472 | -269,181 | |
| Change in other accruals | 303,399 | -119,563 | |
| **Net cash flow from operations** | **2,675,578** | **1,445,813** | |
| **Cash flow from investments** | | | |
| Investment in PP&E | -106,033 | -124,912 | 9 |
| Payment of periodic maintenance | -524,289 | -488,011 | 9 |
| Proceeds from sale of PP&E (vessels) | 7,213,025 | 450,268 | 4,9 |
| Payment of non-current receivables | 6,377 | -8,029 | |
| Received interests | 131,394 | 47,152 | |
| Investments in other shares/interests | -79,995 | - | 15 |
| **Net cash flow from investments** | **6,640,479** | **-123,532** | |
| **Cash flow from financing** | | | |
| Paid-in capital | 14,108 | - | |
| Lease interests paid | -233,664 | -233,521 | 8 |
| Lease instalments | -148,075 | -28,246 | 8 |
| Paid interests | -1,152,457 | -839,280 | 8 |
| Repayment of non-current debt | -8,146,167 | -546,117 | 8 |
| **Net cash flow from financing** | **-9,666,255** | **-1,647,164** | |
| Effect of changes in foreign exchange rates | 63,097 | 35,929 | |
| Net change in cash and cash equivalents | -350,198 | -324,884 | |
| Cash and cash equivalents at 01.01 | 2,170,072 | 2,459,027 | 22 |
| **Cash and cash equivalents at balance sheet date** | **1,882,971** | **2,170,072** | **22** |



# Notes

Notes to condensed statement of comprehensive income and statement of financial position. All figures in NOK 1,000 unless otherwise stated.

## Note 1: Accounting Policies Information

**Corporate information**
The Group, Solstad Offshore ASA ("SOFF" or "the Company"), operates a shipping business from its head office in Nesavegen 39, 4280 Skudeneshavn, Norway, and its main activities are the operation of offshore service and construction vessels. The Group is listed on Oslo Stock Exchange.

Solstad Offshore ASA Group includes Solstad Offshore ASA, subsidiaries incorporated in several countries (see Note 14 for an overview of consolidated companies), and our share of investments in joint ventures and associates (see Note 15).

The Group 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. The transaction was closed on 5 July 2023. Assets included in the transaction were assessed to be Assets held for sale during this period. The sale marked an exit for SOFF from the PSV operations, and the PSV segment has been determined to constitute discontinued operations, see Note 2 and Note 4 for further information

On October 23, 2023, the Group, through its subsidiary Solstad Shipholding AS signed an agreement with Aker Capital AS (Aker) and AMSC ASA (AMSC) for a refinancing of parts of Solstad Shipholdings activity, together with DNB Bank ASA and Export Finance Norway. The agreement would refinance the fleet loan that would mature 31 March 2024. The Refinancing resulted in an ownership of 31.6% of the now new sub-parent company Solstad Maritime Holding AS (Solstad Maritime), thought the capital injection from Aker and AMSC into Solstad Maritime. The capital injection was completed 16 January 2024. The sub-group Solstad Maritime has been classed as Asset held for sale. See Note 2 and Note 5 for further information.

The financial statements were approved by the Board of Directors on 30 April 2024 and will be presented for approval by the Annual General Meeting.

### Statement of Compliance and Basis for Preparation

The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as adobted by the EU. The consolidated financial statements have been prepared on a historical cost basis, except for debt related to non-core vessels and shares that have been measured at fair value. The consolidated financial statement are presented in Norwegian Kroner. Throughout the Notes all figures are stated in NOK thousand unless clearly stated otherwise.

Enumerated amounts presented in tables and statements may not always agree with the calculated sum of the related line item due to rounding differences. The aim is for each line item to agree with its source and therefore there may be rounding differences affecting the total when adding up the presented line items.

### Going Concern

The annual accounts are prepared on the assumption of a going concern. The major part of the financing solution supported by Aker Capital AS, AMSC ASA, DNB Bank ASA and Eksportfinans Norge AS that was announced in October 2023 (the "Refinancing") was completed on 16 January 2024 (Reference Note 2). 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 agreement with banking and borrowing facilities, the forecasted cash flow prognosis for the Company and the backlog position as of 31 December 2023. The main portion of the Group's external debt which includes the Group's secured debt, and the residual claim of in total approx. MNOK 1,883 guaranteed by the Company related to the former Normand Maximus lease arrangement, matures in 2027.

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

There is no significant uncertainty with respect to going concern.

## Summary of Material Accounting Policies

### Changes in Accounting Policies

The Group has not implemented any new accounting standards or otherwise made any significant changes to accounting policies during 2023.

The following updates were implemented:

- Amendments to IAS 8 Accounting policies, changes in Accounting Estimates and Errors; Definition of Accounting Estimates.
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statements 2: Disclosure of accounting Policies

The implementation did not have any impact on the valuation or recognition and/or derecognition in the financial statements, however it did for presentation and definitions in the financial statements. Other changes to IFRS are not expected to have any significant impact on recognition and measurements.

*Issued, not yet effective IFRS standards and amendments not yet implemented*
IFRS standards and amendments not yet implemented may have an impact on the Group's financial reporting. However, the current updates and changes to the issued standards and amendments not yet implemented, have been assessed to currently not significantly impact the financial statement

**Change of Presentation of Net Gain/Loss on Sale of Assets**
The Company has reassessed its presentation of Net gain/-loss on sale of assets in the Consolidated Statement of Comprehensive Income. From 1 January 2023 the Net gain/-loss on sale of assets is presented in the Operating result before depreciations and impairments. It has previously been presented after Operating result before depreciations and impairments, within the operating result. The Company believes that the current classification provides more relevant information to the users of its financial statements as selling vessels at the end of their useful lifespan is part of the ordinary operations of the Group, and it is also more aligned to practices adopted by its peers.

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

Effect on change of accounting principle:

| | 2022 |
|---|---|
| As presented | 1,619,378 |
| Net gain/loss on sale of assets | -8,637 |
| Restated | 1,610,741 |

### Consolidation

The consolidated financial statements comprise of the financial statements of Solstad Offshore ASA and its subsidiaries as of 31 December each year. Any deviating accounting policies are adjusted for in this consolidation.

The Group accounts present the total profit or loss and each component of OCI and financial position of Solstad Offshore ASA and its subsidiaries as one. The consolidated accounts include companies in which Solstad Offshore ASA has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Generally, there is a presumption that ownership of more than 50 percent of the voting shares results in control. Subsidiaries are consolidated 100 percent line by line in the group accounts. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. The Group has concluded that there is one investment, Maximus Limited, that is not consolidated, even though the ownership is 100 percent. The reasons is that Maximus Limited is a non-controlling interest due to the current financing agreement, giving lenders control and return on the entity.

Acquisitions of business are accounted for using the acquisition method of accounting. The consideration transferred is measured at fair value at acquisition date. The purchase price is allocated to identifiable assets and liabilities from the subsidiary and is recognized at fair value in the consolidated accounts at the acquisition date.

All inter-company transactions, receivables, liabilities and unrealized profits, as well as intra-group profit distributions, are eliminated.

The non-controlling interest in equity is reported separately in the consolidated financial statements. The Group has chosen to use fair value on assets and liabilities for the initial recognition of non-controlling interests.

### Investments in Associates and Joint Ventures

The Group's investment in its associates and joint ventures are accounted for under the equity method of accounting. An associate is an entity in which the Group has significant influence, but which is not a subsidiary. A joint venture is an entity in which the Group has joint control through entering into an agreement of joint control, requiring unanimous consent in strategic decisions (decisions relating to relevant activities).

The Group holds an interest in two joint ventures, Normand Installer SA and Omega Subsea Robotics AS, and an interest in the following associates, Solstad Offshore Crewing Services Philippines, Windstaller Alliance AS, Remota Holding AS and Maximus Limited. The financial statements of the joint ventures and associates are prepared for the same reporting period as the Group. The accounting policies of the companies are aligned with those of the Group.

Investments in an associate and joint ventures are recorded in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate or joint venture, less any impairment in value. The profit or loss from investments in associates and joint ventures are presented as separate line items in the Consolidated Statement of Comprehensive income. Changes recorded directly in the associates' or joint ventures' comprehensive income or equity, are recognized pro-rata in the Group accounts, and are, where applicable, presented in OCI or equity.

### Non-Current Assets Held for Sale and Discontinued Operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense. The group has concluded that the sub-group Solstad Maritime Holding group should be presented as held for sale as of year-end 2023. Additional disclosures are provided in Note 5 Assets Held for Sale.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss. Additional disclosures are provided in Note 4 Discontinued Operations. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

The Group has assessed that the sale of the PSV fleet was a discontinued operation. The sale of the subgroup Solstad Maritime Holding and its subsidiaries in January 2024 are assessed to be held for sale as at 31 December 2023, however not as discontinued operations. See Note 2 for further information on key accounting matters.

### Financial Assets

The Group's financial assets are trade receivables, lease receivables other current assets (such as contract assets), other non-current assets and cash and cash equivalents.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Groups' model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Entity initially measures its trade receivables at its fair value plus transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15.

The Group classifies its financial assets in two categories:
- Financial assets at amortized cost - all financial assets except for investments in shares
- Financial assets at fair value through profit or loss (FVTPL) - investments in shares

**Impairment of Financial Assets**
For trade and other receivables, lease receivables and other non-current assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime Estimated Credit Losses (ECLs) at each reporting date, based on its historical credit loss experience.

Further disclosures relating to impairment of financial assets are also provided in Note 2 Significant judgements, Accounting Estimates and Assessments and Note 9 Property, Plant and Equipment.

**Contract Assets**
A contract asset is initially recognised for revenue earned from work performed where the receipt of consideration is conditional on successful completion or acceptance of the customer. Upon completion of the work and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

## Financial Liabilities
The Group initially recognizes financial liabilities at fair value less transaction cost, that are subsequently measured at amortized cost except for financial liabilities at fair value through profit or loss (FVTPL). Debt related to non-core vessels are subsequently measured at FVTPL, the value of debt was directly linked to the value of the vessel. Debt measured at FVTPL were repaid/derecognized in 2022. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. The Group has also had loan assessed to be below market interest rate at initial recognition. The difference has been recognized and amortized as interest expense over the period until maturity of the debt. Interest expense is recognized in profit or loss. Any gain or loss on derecognition is also recognized in the statement of profit or loss.

**Derecognition of Financial Liabilities**
The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Group also derecognizes a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different in which case a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount and the consideration paid is recognized in the statement of profit or loss.

**Contract Liability**
A contract liability is recognised if a payment is received, or a payment is due (whichever is earlier) from a customer before the Group transfers the related services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related services to the customer).

## Classification of Items in the Balance Sheet
Current assets and current liabilities are items which mature within one year of the balance sheet date as well as any items relating to the normal operating cycle. The current portion of the non-current debt and other liabilities for which there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period are classified as current liabilities. Investments in shares, not considered as strategic, are classified as current assets. Cash and cash equivalents are classified as current assets, unless restricted from being used during the following 12 months. All other assets and liabilities are classified as non-current assets and liabilities.

## Foreign Currency Translation
The functional currency for Solstad Offshore ASA and the presentation currency for the Group is Norwegian Kroner (NOK). Transactions in foreign currencies are recorded at the currency rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the balance sheet date. Differences arising on settlement or translation of monetary items are recognized in profit or loss. Non-monetary items such as vessels that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of initial transaction.

**Group Companies**
On consolidation, assets and liabilities of Companies with a functional currency other than NOK is translated at the rate of exchange at the balance sheet date. The statement of profit and loss are translated at exchange rates at the date of the initial transaction. The exchange differences arising on translation for consolidation are recognized in OCI. The Group has operations through-out the world, however the main sources of translation difference is through USD, AUD and BRL.



The Group's most used currencies had the following exchange rates at the balance sheet date:

| | GBP | USD | EUR | BRL | AUD |
|---|---|---|---|---|---|
| **Per 31.12.23** | 12.934 | 10.172 | 11.241 | 2.096 | 6.912 |
| **Per 31.12.22** | 11.854 | 9.857 | 10.514 | 1.865 | 6.700 |

## Segment Information
The Group reports internally to the executive management on operating- and geographical segments. The executive management group is the Chief Operating Decision maker (CODM) and monitors the operating results of its business units separatly for the purpose of making decisions about resource allocation and performance assessment. The operating segments are divided into the following four segments:
- AHTS: Anchorhandling vessels
- Subsea
- Renewable
- Discontinued segment in 2023 - PSV: Platform Supply Vessels

The Group owns and operates AHTS and CSV vessels. The different types of vessels operate in different markets and management reviews operational results within these markets.The Group focuses on the renewable market, and as a consequence vessels operating renewable contracts has been deemed as a separat segment for SOFF group, included to the AHTS and Subsea segments. The previous PSV segment has been classified as discontinued operations. The segments coincide with the operational structure of the Company, being three departments responsible for each segment.

Any other activities, including vessels under construction, are included in a separate segment. Overhead expenses are apportioned between the segments based on the share of operating expenses. All accounting policies applied in the segment reporting are the same as used in the Group reporting.

The Group presents activities by geographical markets in the segment note based on the location of the Group's vessels and operations throughout the year.

## Property, Plant and Equipment - Impairment Charges and Depreciation
Property, plant and equipment acquired by Group companies are stated at historical cost, except the assets of acquired subsidiaries that are stated at the fair value at the date of acquisition. Depreciation is calculated on a straight-line basis and adjusted for residual value and impairment, if any. Residual value is the current estimated amount that would be obtained from disposal of the asset, after deducting the estimated cost of disposal, as if the asset were already of the age and in the condition anticipated at the end of its useful lifespan. The book value of the property, plant and equipment on the balance sheet represents the cost less accumulated depreciation and any impairment. Refer to Note 2 Significant Judgements, Accounting Estimates and Asserssments, and Note 29 Contingent Liabilities, Assets and Provisions for further information.

The residual value and expected useful lifetime assumptions of long-lived assets are reviewed at each balance sheet date, and where they differ significantly from previous estimates, depreciation charges are amended accordingly.

The business segments are the Group's strategic units of control. However, while determining the recoverable amount, each vessel is treated as one cash-generating unit. Gains and losses on disposal are determined by comparing the disposal proceeds with the carrying value and any gain or loss is included in operating profit.

## Leases
*Right-of-use-assets*
Right-of-use-assets are recognized at cost at the commence date. The cost of right of use assets included the amount of lease liabilities recognised. After initial recognition, the right of use asset is recognised to cost, less depreciation and impairment losses at the commencement of the lease. The cost of the assets includes the recognized lease liabilities, initial direct expenses, and lease payments made prior to commencement.

*Lease liabilities*
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include both fixed and variable lease payments that depend on index or rate, and amounts expected to be paid under residual value guarantees.

When calculating present value of the lease the incremental borrowing rate at the beginning of the lease is used, if the implicit rate is unavailable. The incremental borrowing rate (IBR) for vessels are set using an assessment around lessors cost of capital, interest rate based on the Group's weighted average cost of capital and adjusting for the term length. For offices the IBR is set through a reference interest free rate and including margin for similar-currency loan for the Group and the equivalent property yield in similar market on offices. Subsequently, the amount of the lease liability is increased to reflect the accretion of interest and reduced for lease payments made. The liability is remeasured if modifications or changes to the lease terms occur.

**Cash and Cash Equivalents**

Cash and cash equivalents comprise of cash in hand, current deposits and other short-term highly liquid investments with maturity dates of less than three months. Bank overdrafts are included within borrowings in current liabilities on the balance sheet. Restricted bank deposits are funds on separate bank accounts for tax deductions.

### Inventories

Inventories consist mainly of bunkers onboard the vessels.

### Provisions

A provision is recognised when the Group has an obligation to fullfil as a result of a previous event. The main provision for the Group is towards foreign tax, either as corporate income tax or value added taxes/import taxes, see Note 29 Contingent Liabilities, Assets and Provisions, for further details.

### Tax

Tax payable is based on taxable profit for the year and calculated using tax rates that have been enacted as of the balance sheet date.

Deferred tax is calculated using the liability method at tax rate expected to be applied of all temporary differences between the taxable value of assets and liabilities and their booked amounts at the end of the accounting year. Any temporary differences that may increase or decrease tax are offset and recorded as a net figure.

### Pension Obligations

The Group has a defined benefit plan for seafarers and administrative personnel, and a contribution plan for administrative personnel hired after 1 January 2007. Cost for contribution plans is recognized in profit and loss when incurred.

The liability of the defined benefit pension plan is the present value of the defined benefit liability at the balance sheet date minus the fair value of plan assets. The defined benefit liability is calculated by independent actuaries using the projected unit credit method and is measured as the present value of the estimated future cash outflows using interest rates of government securities that have terms maturing at the same time as the liability.

### Revenue from Contracts with Customers - Charter Income

Income and expenses relating to charter contracts are apportioned according to the number of days for each contract occurring before and after the end of the accounting period. The contract begins when the vessel is "delivered" to the charterer and ends when the vessel is "redelivered" to SOFF. Charter revenue is recorded net after deduction for direct, contract-related charter expenses. Any loss on contracts is accrued when a loss is probable. Revenue from bareboat agreements is regulated by IFRS 16. The time charter contracts contain both a lease component that is regulated by IFRS 16 and a service component that is regulated by IFRS 15. Both the lease component and the service component are recognized together as revenue in operating income (Reference Note 6 Operating Income, Reporting by Segments and Geographical Markets for split).

Leases, in which a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Lease income for the leasing of vessels is recognized as operating leases and recognized in the income statement on a straight-line basis over the lease period. The lease period commences from the time the vessel is made available to the tenant and terminates upon agreed return.

Mobilization and demobilization fees are related to the period before the delivery of the vessel, and after the redelivery of the vessel. No performance obligation is fulfilled at that time, and the fees are classified as prepayments and amortized over the contract period. Related mobilization cost and expected demobilization costs, and other costs incurred to be able to fulfil a contract, are also amortized over the contract period.

### Revenue from Contracts with Customers - Other Income

Other income, such as victualling and management fees, are recognized in the period in which the performance obligations are being satisfied. The Group has mainly delivery over time on the other income. The largest components are connected to victualling and other crew, where the performance obligation is assessed to be on a daily basis and the revenue is derived through the agreed contract day rates.

### Government Grants

Grants related to the net tax agreement and crew subsides are recorded as a reduction in expeses.

### Insurance Claims

For damage on the Group's vessels and equipment, resulting in payments (averages) from insurance companies, compensation is presented net with the corresponding expense. Reimbursable and expenses are recognized and classified in accordance with the type of expenses, while compensation is presented separately as a reduction in expenses.

### Cash Flow

The Group applies the indirect method. Investment in shares and other liquid assets with maturity over three months are not included under cash equivalents.

## Note 2: Significant Judgements, Accounting Estimates and Assessments

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income, expenses, and financial items during the reporting periods. Accounting estimates are employed in the financial statements to determine reported amounts. These estimates are based on management's best judgement and conditions considered to be realistic. Situations or changes may occur in the market which may result in changes to the estimates, thereby impacting the Group's assets, liabilities, equity and result.

Assessments, estimates and assumptions which have a significant effect on the accounts are summarized below:

## Significant Judgements

### Assets Held for Sale

The classification as asset held for sale is based on management's judgement of an assessment of assets available for immediate sale, and where the Group is actively marketing the vessels for sale. Sale is considered highly probable before a reclassification to asset held for sale is done. The Group's strategy will impact the judgement, as well as the current market conditions.

**Divestments of PSVs**

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 that 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. 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. All vessels are seen as separate cash generating units, and the PSV vessels have been reported as a segment in accordance with IFRS 8. The component thus represented a separate major line of business and should be presented as discontinued operations. The net result for the operation is presented on a single line in the Consolidated statement of comprehensive income. Comparative periods have been restated.

**Refinancing and Loss of Control**

With reference to the agreement signed 23 October 2023 (Reference to Note 1), Solstad Maritime Holding AS has in 2024 received equity contribution from Aker Capital and AMSC. The impact of the equity contribution is that Solstad Offshore ASA has today a stake of 31.6% in Solstad Maritime Holding Group ('Solstad Maritime'), which will be reduced to 27% as a result of the equity contribution from Solstad Offshore ASAs shareholders, (which is fully guaranteed by Aker Capital), expected to be completed in Q2 2024. Solstad Offshore ASA will derecognize the Solstad Maritime Group as of transaction date 16 January 2024, and recognize an investment of associate at the same time.

In accordance with the requirements in IFRS 5, the company has made an assessment regarding the classification of Solstad Maritime group as Held for sale. The Company concluded that the "Highly probable" criteria were met at the time of signing the term sheet on 12 October 2023. At that time a term sheet had been entered into between independent parties proiding a refinancing solution that would be in the interest of the involved parties. The assets and liabilities of Solstad Maritime is classified as Held for sale from this date. The Company has also stopped depreciations from this date. At the date of initial recognition as asset held for sale, a measurement of the assets and liabilites book value against fair value less cost to sell was performed, and a subsequent measurement of book value against fair value less cost to sell was also performed as of 31 December 2023. The loss is allocated to non-current assets (Reference to Note 5 Assets Held for Sale).

The fair value less cost to sell is set for the group of assets and liabilities in Solstad Maritime group. Based on judgement, the fair value less cost to sell was based on the SOFF Group's portion of Solstad Maritime after the equity contributions and loss of control (27 percent). The estimate is supported by valuation report and corroborating valuation assessments. Furthermore, the transaction agreement was included in this valuation as this is a binding contract for the Group (Reference to Note 5 Assets Held for Sale).

The Company has made an assessment regarding classifiying Solstad Maritime as discontinued operations. Solstad Maritime was not considered a separate major line of business or geographical area of operations in accordance with IFRS 5, and is not presented as discontinued operations. The operations in Solstad Maritime is not related to a specific segment. Solstad did not dispose of a separate major line of business or geographical area of operation, only parts of major line of business. The share of revenues, fixed assets and number of vessels in Solstad Maritime in proportion to the Group is assessed not to be "major". Furthermore, Solstad Maritime was operationally (and for CODM decision making purposes) not clearly distinguishable from the rest of Solstad Group.

Solstad Maritime currently has four vessels on bareboat charters to Solstad Offshore ASA. Solstad Offshore ASA has assessed if there should be recognized an impact in terms of IFRS 16 as a sale-leaseback transaction. There is little guidance on derecognition of subsidiaries and subsequent recognition of leasing transaction in IFRS. Solstad Offshore has assessed and concluded to not recognize any sale-leaseback accounting and established a policy to use IFRS 10.25 (derecognition/sale of subsidiary) for these types of transactions, and not include a sale-leaseback in the impact assessment of the disposal group. The leases will be recognized as a new lease as of transaction date.

Solstad Offshore has assessed that as per 31.12.2023 debt to credit institutions is not part of liabilities directly associated with the assets held for sale. Debt to credit institutions for vessels owned by Solstad Maritime as of year-end was held by the parent company Solstad Shipholding AS, with intercompany balances towards Solstad Maritime. The new financing is held by Solstad Maritime, which in term was used to extinguish the financing that was in place as of 31.12.2023.

## Accounting Estimates

### Vessel

The carrying amount of the Group's vessels represents 75 percent of the total balance. Consequently, judgements and estimates linked to the vessels have a significant impact on the Group's financial statements. Depreciation is calculated on a straight-line basis over the useful life of the asset. Depreciable amount equals historical cost less residual value.

**Useful Life of Vessels**

The depreciation depends on the estimated useful life of the vessel. The Group's policy is that useful life is 20 years. This is based on strategy, experience and knowledge of the types of vessels under the Group's control. For some vessels useful life may be considered higher or lower than 20 years, dependent on the specific plan for the vessel. This is subject for management's judgement.

**Residual Value**

The level of depreciation depends on the residual value of the vessel. Assumptions concerning residual value are made based on knowledge of the market for secondhand vessels. The estimate of residual value is based on a market value of a charter free vessel less sales related expenses. Fair values are based on estimates obtained from three independent brokers and updated annualy. Further adjustments are made to account for age of the vessel, with a factor starting from 50% and increasing to 100% as the vessels age increase to useful life. Changes in environmental requirements may impact the residual value, and economical lifetime, but the Group has implemented several measures to ensure the fleet will be in compliance with changes in such requirements. Wear and tear, technical and commercial obsolescence and environmental requirements are factors affecting the assessment of the useful life To maintain the residual value, vessels are modified to be competitive in the market, and maintain secondhand price.

### Impairment test of Vessels

For the purpose of assessing impairment for vessels, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units, CGU). Each vessel together with associated contracts is considered a separate CGU.

Test for impairment is performed for all vessels based on value in use-calculations. For vessels in the category "Divestment" in the forecasts, a simplified impairment test is performed, based on broker values. Brokers value is set as an average of three acknowledge and independent brokers. The brokers estimates are based on their judgement of the market, "willing buyer and willing seller". The assumptions used in the broker estimates, and the estimated values, are assessed by management. Assets held for sale are measured at the lower of its book value and fair value less costs to sell at the time of reclassification.

**Value in Use**
Estimated cash flows are based on next year's budgets per vessel and forecasted earnings going forward. For each vessel, a budget and five years plan are prepared. The budget process is detailed and includes approvement up to the board of directors. Estimated future cash flows are based on historical performance per vessel, in combination with current market situation and future expectations. For the period after the five-year plan, internal and external analyses together with historical performance serve as a decision basis for managements judgements. Critical assumptions in the assessment are related to WACC and income rates/utilization. Reference Note 9 Property, Plant and Equipment.

For vessels on firm contracts over the period, the assumption is that the contracts run up until expiry. Customer's execution of options is weighted to include uncertainty in the expected cash flow. For vessels without contract, assumptions derived from comparable vessels and contracts in combination with other market information are considered when estimating future income. Management's assumption is that markets are normalized to historical rates, with a gradual increase over the remaining period.

**Discounting Rate**
The discounting rate is based on a weighted average cost of capital (WACC) for the Group. The cost of equity is derived from the ten-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 interest rate and market rates. The discounting rate used for 2023 is 11.5%.

### Climate and Regulatory Risks
The entity constantly monitors the latest regulatory changes in relation to climate-related matters. Regulatory changes in climate requirements may impact future cash inflows for the Entity, but based on the managements judgements as of 31 December 23 no material effects are identified for the prognosis period.

Please also refer to Note 9 Property, Plant and Equipment.



## Note 3: Major Transactions / Events

### Major Transactions / Events in 2023
**Strategic sale of the PSV fleet**
All 38 vessels within the PSV-fleet were sold in 2023. The Group signed an agreement with U.S. based Tidewater Inc, dated 7 March 2023, for the sale of 37 Platform Supply Vessels (PSV) for a total amount of USD 580 million. The closing of the sale was 5 July 2023. In addition, 1 vessel was sold in a separate transaction in February 2023.

**Company Refinancing**
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 agreement involves:
- Successful refinancing of Solstad's fleet loan maturing 31 March 2024
- Aker Capital will contribute minimum NOK 2.25 billion in equity in a new entity to be established ("Solstad Maritime Holding") below SOFF
- AMSC will contribute 100 percent of the shares in the entity owning the CSV Normand Maximus valued at NOK 1.0 billion against receiving new shares in Solstad Maritime Holding
- Shareholders in SOFF will be offered to subscribe new shares in Solstad Maritime Holding to raise gross proceeds of NOK 750 million
- A new fleet loan of NOK 9.7 billion underwritten by DNB and Eksfin
- Maturity of the residual claim relating to the CSV Normand Maximus extended similarly to the maturity of the new credit facilities
- The Solstad Group continues to operate as today with no effect on employees and clients

The major part of the Refinancing was completed on 16 January 2024, outstanding item is the implementation of an offering of gross proceeds of MNOK 750 that the board of Solstad Maritime Holding has been authorised to complete towards shareholders in the Company (Solstad Offshore ASA) (other than Aker Capital) as of 27 October 2023 (as registered with VPS in 31 October 2023). Aker Capital has guaranteed for the MNOK 750 offering. After the Refinancing Solstad Offshore ASA will have a direct ownership of Solstad Maritime Holding of 27 percent.

### Major Transactions / Events in 2022
**Sale of vessels**
During the year, the Group disposed of the remaining 13 vessels classified as non-strategic, in addition three core vessels were sold.

**Fleet Renewal**
The Company has since 2017 installed battery hybrid solutions to reduce emissions to the environment. During 2022 another two vessels were upgraded so per year end 2022 the company had a total of ten battery hybrid vessels. In addition, another nine vessels have shore power installed.

**Normand Maximus**
In October 2022 a new lease agreement was executed for Normand Maximus, securing the vessel being a part of the Solstad Group. The transaction was accounted for as a modification of a lease according to IFRS 16. Refer to note 2, 8 and 10 for further details on the transaction.

**Additional Services**
Strengthened the Company's strategic presence in the offshore services market by establishing JV partnetships with Østensjø and DeepOcean (Remota JV), and Omega (Omega JV).

**The War in Ukraine**
In February 2022, Russian armed forces invaded Ukraine. The Group was present in Ukraine with an office managing crewing services within the Group, and employes approx. 400 ukrainian crew. None of the Group's offshore operations were affected of the outbreak of the war. Management has throughout the year handled the development proactively, including sanctions and direct and indirect impacts. The onshore services performed in Ukraine was forced to be performed outside Ukraine. Subsequent, Ukraine operation was divested as a part of the PSV transaction.

## Note 4: 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 in prior periods. The PSV operations have been determined to constitute discontinued operations as all PSVs were disposed of in the transaction, 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.

In the profit and loss statement for discontinued operations a net loss of MNOK 44 was booked in the Net gain/loss on the sale of assets related to the Tidewater transaction in 2023. In addition a net reversal of impairment of MNOK 614 has been booked on Impairment fixed assets related to the transaction due to subsequent measurement of carrying value of assets held for sale against fair value less cost to sell (Refer to Note 9 Property, Plant and Equipment).The loss of MNOK 44 is due to currency effects from the last subsequent measurement of carrying value against fair value less cost to sell on 30 June 2023 to the closing of the transaction on 5 July 2023.

Below is the Net result for discontinued operations presented. The full Net result for discontinued operations in 2022 and 2023 relates to the PSV segment.

*Amounts in NOK 1,000*

| | 2023 | 2022 |
|---|---|---|
| **Discontinuing operations** | | |
| Charter income | 1,133,833 | 1,712,348 |
| Other operating income | 14,369 | 9,500 |
| **Total operating income** | **1,148,202** | **1,721,848** |
| Personnel costs | -446,431 | -840,643 |
| Administrative expenses | -147,173 | -184,397 |
| Other operating expenses | -310,918 | -408,739 |
| **Operating expenses** | **-904,522** | **-1,433,779** |
| Net gain/-loss on sale of assets | 12,713 | 161,127 |
| **Operating result before depreciation and impairment** | **256,393** | **449,196** |
| Depreciation | -23,696 | -242,914 |
| Depreciation capitalised periodic maintenance | -28,552 | -97,405 |
| Impairment fixed assets | 613,834 | -28,225 |
| Income from investment in joint ventures | - | - |
| **Operating result** | **817,979** | **80,651** |
| Income from investments in associates | - | - |
| Interest income | -305 | 716 |
| Other financial income | - | - |
| Interest charges | -351,134 | -341,744 |
| Other financial expenses | -344,967 | -409,097 |
| **Net financial items** | **-696,407** | **-750,125** |
| **Result before taxes** | **121,572** | **-669,474** |
| Tax on result | -2,773 | -6,618 |
| **Net result from discontinuing operations** | **118,799** | **-676,092** |

Net cash flows generated/(incurred) by discontinuing operations:

*Amounts in NOK 1,000*

| | 2023 | 2022 |
|---|---|---|
| Operating | 160,916 | 191,637 |
| Investing | -279,422 | -151,763 |
| Financing | -603,090 | -224,754 |
| **Net cash inflow/outflow** | **-721,596** | **-184,880** |

Net cash flows generated/(incurred) from the sale of discontinued operations:

*Amounts in NOK 1,000*

| | 2023 |
|---|---|
| Cash received from sale of the discontinued operations* | 6,172,838 |
| Cash sold as part of discontinued operations | - |
| **Net cash flow from discontinued operations** | **6,172,838** |

** Cash related to Tidewater transaction*

## Note 5: Assets Held for Sale

Assets held for sale as of 31 December 2023 are assets and liabilites related to Solstad Maritime (Reference to Note 2). Intercompany balances between Solstad Maritime and the remaining Solstad Offshore Group have been eliminated, and is not reflected in the balances in accordance with IFRS 5. The interest-bearing debt as of 31 December 2023 related to the vessels owned by the Solstad Maritime will be held in the remaining Solstad Offshore Group through subsidiary Solstad Shipholding AS. The debt was repaid when the major part of the Refinancing in Solstad Maritime was completed on 16 January 2024 through settlement of intercompany balances (Reference Note 8 Mortage Debt and Other Liabilities).

At the date of initial recognition as asset held for sale (on 12 October 2023), a measurement of the assets and liabilites book value against fair value less cost to sell was performed, with no loss recognized. This measurement was reperformed as of 31 December 2023. As of 31 December 2023, the carrying value of Solstad Maritime, before adjusting for the transaction, was MNOK 2,198. It was assessed that the transaction agreement should also be included in the valuation as part of the disposal group, as the contract would give restrictions to a potential new owner of the Solstad Maritime group. The fair value of the Solstad Maritime including the transaction agreement would be the value after the capital injections, and is estimated at MNOK 1,620 (reflecting the Solstad Offshore group share of 27%). This is the value that will be recognized as the carrying value of the associate at the date of the initial recognition in January 2024.

Solstad Offshore group recognized an impairment of NOK 578 million on Solstad Maritime in 4Q 2023. Approximately 1/3 of the impairment refers to each of the items 1) removal of deprecation of vessels since AHFS, 2) unrealized gain on debt in foreign currency and 3) net result from operations. The impairment is recognized against non-current assets included as part of assets held for sale.

Below is a specification of the balances that constitue the Assets held for sale and Liabilites directly associated with the assets held for sale in the Consolidated statement of Financial Position:

*Amounts in NOK 1,000*

| ASSETS | 2023 | 2022 | Note |
|---|---|---|---|
| **Non-current assets** | | | |
| Deferred tax assets | 4,000 | | |
| Vessels | 9,898,380 | 402,979 | 9 |
| Right-of use-assets | 116,724 | - | 10 |
| Capitalized periodic maintenance | 512,819 | 9,073 | 9 |
| Other tangible fixed assets | 6,433 | - | 9 |
| Investments in associates | 42,906 | - | 15 |
| Investments in stocks and shares | 2,991 | - | 15 |
| Other non-current receivables | 11,669 | - | 25 |
| **Total non-current assets** | **10,595,921** | **412,052** | |
| **Current assets** | | | |
| Inventory | 77,730 | - | 27 |
| Account receivables | 1,193,804 | - | 26 |
| Contract assets | 221,002 | - | 26 |
| Other current receivables | 365,096 | - | 26 |
| Market based shares | 22,500 | - | 15 |
| Cash and cash equivalents | 1,381,956 | - | 22 |
| **Total current assets** | **3,262,089** | **-** | |
| **TOTAL ASSETS** | **13,858,010** | **412,052** | |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Pension liabilities | 15,577 | - | 21 |
| Other financial liabilities | 1,669 | - | |
| Interest bearing liabilities | - | - | 8 |
| Leasing liabilities | 100,513 | - | 7,10 |
| **Total non-current liabilities** | **117,759** | **-** | |
| **Current liabilities** | | | |
| Accounts payable | 335,704 | - | |
| Taxes payable | 152,335 | - | 20,29 |
| Contract liabilities | 11,560 | - | 28 |
| Other current liabilities | 844,399 | - | 28 |
| Current leasing liabilities | 22,059 | - | 7,10 |
| **Total current liabilities** | **1,366,058** | **-** | |
| **Total liabilities** | **1,483,816** | **-** | |

| Amounts included in accumulated OCI | 2023 | 2022 | Note |
|---|---|---|---|
| Acturial gain/loss (-) | 1,944 | - | |
| Translation adjustments | -614,469 | - | |
| **Reserve classified as held for sale** | **-612,525** | **-** | |

The major classes of assets, liabilities and comprehensive income effects for Solstad Maritime Group are presented below. Intercompany transactions between Solstad Group and Solstad Maritime Group is eliminated in Solstad Group.

*Amounts in NOK 1,000*

| | 2023 | 2022 |
|---|---|---|
| **Balance sheet:** | | |
| Cash and cash equivalents | 1,381,956 | 1,909,280 |
| Current assets | 2,300,952 | 2,271,732 |
| Non-current assets | 10,891,703 | 16,229,726 |
| Current liablilities | -12,398,486 | -16,053,121 |
| Non-current financial liabilities | -117,759 | -3,154,991 |
| **Net assets** | **2,058,366** | **1,202,626** |
| **Profit and loss:** | | |
| **Continuing operations:** | | |
| Revenues | 5,096,266 | 4,972,193 |
| Operating expense | -2,789,497 | -3,422,893 |
| Net gain/loss on sale of assets | 76,351 | 152,528 |
| Depreciations | -699,356 | -,1,022,368 |
| Impairment | 189,848 | 642,596 |
| Net financial items | -1,389,305 | -,2,168,150 |
| Result before taxes | 484,307 | -846,094 |
| Taxes | -57,075 | -32,182 |
| Net result continuing operations | **427,232** | **-878,276** |
| **Discontinued operations:** | | |
| Net result discontinuing operations | **195,140** | **-** |
| **Net result** | **622,372** | **- 878,276** |
| **Comprehensive income:** | | |
| Translation adjustments foreign currency | -333,285 | -138,829 |
| Acturial gain/ (loss) | 1,944 | 604 |
| Comprehensive income | -331,341 | -138,225 |
| **Total comprehensive income** | **291,031** | **-1,016,501** |

# Note 6: Operating Income, Reporting by Segments and Geographical Markets

## Operating Income

The Group's revenues mainly derive from offering vessels and maritime personnel to customers world wide. Basically all contracts with customers are contracts with day rate. Contracts with day rate are contracts where income is earned on a day-by-day basis, based on an agreed day rate with the customer. Revenue from contracts with day rate is recognized accordingly.

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). Refer to Note 10 for more information related to the lease element.

Some of the contracts also includes victualling and onshore project management. Victualling is meals and bedding provided to the customers personnel onboard the vessel. The Group also provides ordinary management services, such as technical services, crewing, incurance and commercial management for vessels not owned by the Group. Revenue on services, mentioned above, are recognized over time, as the performance obligation is satisfied over time.

*For the year ended 31.12.2023*

| Operating income | AHTS | Subsea* | Renewable | Other** | Total |
|---|---|---|---|---|---|
| Service element from contracts with day rate | 620,064 | 757,206 | 441,656 | - | 1,818,926 |
| Management fees | 2,243 | 474 | 6,135 | 27,202 | 36,054 |
| Victualling | 10,361 | 120,959 | 61,377 | - | 192,698 |
| Additional crew and other services | 4,780 | 34,662 | 567 | - | 40,009 |
| **Revenue from contracts with customers** | **637,448** | **913,301** | **509,735** | **27,202** | **2,087,686** |
| Lease element from contracts with day rate (Note 10) | 1,356,638 | 2,279,222 | 1,255,432 | - | 4,891,292 |
| **Total operating income** | **1,994,086** | **3,192,523** | **1,765,167** | **27,202** | **6,978,977** |

** 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.*
*** See below under Reporting by Segments and Geographical Markets for definition*

*For the year ended 31.12.2022*

| Operating income | AHTS | Subsea* | Renewable | Other | Total |
|---|---|---|---|---|---|
| Service element from contracts with day rate | 564,958 | 714,630 | 331,622 | - | 1,611,211 |
| Management fees | 1,337 | 5,383 | 230 | - | 6,950 |
| Victualling | 7,752 | 87,476 | 65,363 | - | 160,592 |
| Additional crew and other services | 8,043 | 30,385 | 567 | - | 38,995 |
| **Revenue from contracts with customers** | **582,091** | **837,874** | **397,782** | **-** | **1,817,747** |
| Lease element from contracts with day rate (Note 10) | 880,533 | 1,405,678 | 674,326 | - | 2,960,536 |
| **Total operating income** | **1,462,625** | **2,243,551** | **1,072,107** | **-** | **4,778,283** |

** 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.*

| | | 2023<br>Assets held for sale | 2022 |
|---|---|---|---|
| Trade recieveables from charters (Note 5) | 312,428 | 1,193,804 | 1,232,487 |
| Contract assets | 319,617 | 221,002 | 222,193 |
| Contract liabilities | - | 11,560 | 3,597 |
| Costs to fulfill a contract | - | 17,334 | 70,477 |

For the majority of contracts, payment is generally due within 30-60 days after the end of each month or 30-60 days after the service is completed. Payment terms for all other services is normally 30 days after services is invoiced.

Revenue recognised in 2023 that was included in the contract liability balance at the beginning of the year amounts to MNOK 3.6 (MNOK 0 in 2022).

The Group had three customers with more than 10% of total revenue in 2023. The group had one customer with more than 10% of the revenue in 2022.

## Operating Lease

Some of the Group's vessels are rented out on long-term charter parties. Income from these vessels is recognized as operational leases.

| | 31.12.2023 | | 31.12.2022 | |
|---|---|---|---|---|
| | Minimum payment | Present value minimum payment | Minimum payment | Present value minimum payment |
| Next year | 4,245,780 | 4,142,224 | 5,252,748 | 5,124,632 |
| Year 2 | 1,648,757 | 1,569,311 | 1,756,227 | 1,671,602 |
| Year 3 | 757,611 | 703,517 | 1,176,172 | 1,092,192 |
| Year 4 | 310,896 | 281,657 | 815,972 | 739,230 |
| Year 5 | 182,126 | 160,973 | 236,184 | 208,752 |
| Over 5 years | 386,468 | 333,250 | - | - |
| Finance cost | - | 340,707 | - | 400,893 |
| **Total minimum lease payment** | **7,531,639** | **7,531,639** | **9,237,303** | **9,237,303** |

Backlog figures per 31 December 2023 are reflecting the group structure as per 31 December 2023. Approximately MNOK 2,050 of the firm backlog is related to vesels 100 percent owned by the Group after the Refinancing (Reference Note 8 Mortage Debt and Other Libilities)

## Reporting by Segments and Geographical Markets

The Group's main activity is to offer ships and maritime personnel in all geographical regions.

Internally the Company reports and monitors it's operation in the following segments
- AHTS: Anchorhandling vessels
- PSV: Platform supply vessels - Discontinued segment in 2023 (Reference Note 4 Discontinued operations)
- Subsea: Construction vessels operating subsea construction contracts
- Renewable: Vessels operating renewable contracts
- Other: Income and cost not related to identified segments. In 2023 it is management fee and cost related to management of vessels for Tidewater following the sale of the PSVs. It also includes adjustment of VAT accrual for foreign operations (Reference Note 29 Contingent Liabilities, Assets and Provisions)

Figures are exclusive share result from joint ventures.

| | AHTS | | Subsea (4) | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Revenue from contracts with customers | 637,448 | 582,091 | 913,301 | 837,874 |
| Lease element from contracts with day rate | 1,356,638 | 880,533 | 2,279,222 | 1,405,678 |
| **Total operating income** | **1,994,086** | **1,462,625** | **3,192,523** | **2,243,551** |
| Crew expenses | 614,033 | 581,911 | 675,950 | 611,452 |
| Other expenses | 549,442 | 465,054 | 982,355 | 789,095 |
| **Total operating expenses** | **1,163,474** | **1,046,964** | **1,658,305** | **1,400,547** |
| Net gain/loss on sale of assets | 67,901 | -7,108 | 449,666 | -1,530 |
| Bunkers | 104,047 | 73,422 | 53,473 | 51,558 |
| **Operating result before depreciations and impairment (1)** | **794,464** | **335,130** | **1,930,410** | **789,917** |
| **Assets and liabilities** | | | | |
| Fixed assets | 3,558,686 | 3,733,753 | 7,538,254 | 9,873,967 |
| Investments in JV and associates | 12,455 | - | 208,625 | 156,235 |
| **Total assets** | **3,571,141** | **3,733,753** | **7,746,879** | **10,030,202** |
| Segment liabilities | 3,702,527 | 4,174,484 | 8,644,277 | 10,125,891 |
| **Total liabilities** | **3,702,527** | **4,174,484** | **8,644,277** | **10,125,891** |
| **Other segment information** | | | | |
| Investment in tangible fixed assets | 11,164 | 17,163 | 22,311 | 53,401 |
| Addition of periodic maintenance | 97,158 | 182,254 | 144,998 | 114,504 |
| Depreciations and write-downs (2) | 257,640 | 285,277 | 542,449 | 44,577 |



| | Renewable | | Other | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Revenue from contracts with customers | 509,735 | 397,782 | 27,202 | - |
| Lease element from contracts with day rate | 1,255,432 | 674,326 | - | - |
| **Total operating income** | **1,765,167** | **1,072,107** | **27,202** | **-** |
| Crew expenses | 239,656 | 233,427 | - | - |
| Other expenses | 588,774 | 334,953 | 339,320 | - |
| **Total operating expenses** | **828,430** | **568,379** | **339,320** | **-** |
| Net gain/loss on sale of assets | - | - | - | - |
| Bunkers | 25,379 | 18,035 | - | - |
| **Operating result before depreciations and impairment (1)** | **911,358** | **485,693** | **-312,118** | **-** |
| **Assets and liabilities** | | | | |
| Fixed assets | 3,273,941 | 1,963,627 | - | - |
| Investments in JV and associates | 11,042 | - | - | - |
| **Total assets** | **3,284,983** | **1,963,627** | **-** | **-** |
| Segment liabilities | 3,332,252 | 2,164,030 | - | - |
| **Total liabilities** | **3,332,252** | **2,164,030** | **-** | **-** |
| **Other segment information** | | | | |
| Investment in tangible fixed assets | 14,467 | 36,157 | - | - |
| Addition of periodic maintenance | 18,726 | 33,420 | - | - |
| Depreciations and write-downs (2) | 162,498 | 2,181 | - | - |

| | Total | |
|---|---|---|
| | 2023 | 2022 |
| Revenue from contracts with customers | 2,087,686 | 1,817,747 |
| Lease element from contracts with day rate | 4,891,292 | 2,960,536 |
| **Total operating income** | **6,978,977** | **4,778,283** |
| Crew expenses | 1,529,638 | 1,426,789 |
| Other expenses | 2,459,891 | 1,589,102 |
| **Total operating expenses** | **3,989,530** | **3,015,891** |
| Net gain/loss on sale of assets | 517,567 | -8,637 |
| Bunkers | 182,900 | 143,014 |
| **Operating result before depreciations and impairment (1)** | **3,324,115** | **1,610,741** |
| **Assets and liabilities** | | |
| Fixed assets | 14,370,880 | 15,571,347 |
| Investments in JV and associates | 232,123 | 156,235 |
| Unallocated assets (3) | 5,032,338 | 10,291,548 |
| **Total assets** | **19,635,341** | **26,019,130** |
| Segment liabilities | 15,679,056 | 16,464,405 |
| Unallocated liabilities (3) | 2,131,735 | 7,801,599 |
| **Total liabilities** | **17,810,791** | **24,266,005** |
| **Other segment information** | | |
| Investment in tangible fixed assets | 47,942 | 106,721 |
| Addition of periodic maintenance | 260,882 | 330,178 |
| Depreciation and writedowns (2) | 962,587 | 332,035 |

*(1) The segment result is presented exclusive gain/ loss sale of assets, interests, currency gain/ loss and other financial items.*
*(2) Depreciation includes both ordinary depreciation and depreciation of periodic maintenance.*
*(3) The discontinued PSV segment is included in unallocated assets and liabilites with MNOK 5,683 in assets and MNOK 6,493 in liability in 2022*
*(4) The 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 with a net effect on Total operating income of MNK 61, Total operating expenses om MNOK 48 and operating result before depreciations of MNOK 13 for the Subsea segment in 2022.*

**Reconciliation of Profit**

| | 2023 | 2022 |
|---|---|---|
| Operating segment result before depreciations and impairment (1) | 3,324,115 | 1,610,741 |
| Depreciation | -918,101 | -802,025 |
| Depreciation capitalised periodic maintenance | -185,174 | -194,604 |
| Impairment fixed assets | -296,983 | 584,183 |
| Income from investment in joint ventures | 19,935 | 20,418 |
| Income from investment in associates | -4,824 | 722 |
| Interest income | 131,700 | 46,436 |
| Other financial income | 2,400 | 12,113 |
| Interest charges | -1,683,318 | -1,063,228 |
| Other finance expenses | -44,771 | -558,406 |
| **Result before tax** | **344,979** | **-343,651** |

The Group's vessels operate in several geographical areas during a year. Allocation between the different areas is based in charter income.

Revenues are allocated to the following areas:

| | | 2023 | | 2022 |
|---|---|---|---|---|
| North Sea | 35 % | 2,431,579 | 38 % | 1,831,096 |
| North- and Central America | 2 % | 131,203 | 6 % | 288,249 |
| Mediterranean / remaining part of Europe | 9 % | 615,419 | 5 % | 250,417 |
| Africa | 16 % | 1,124,306 | 8 % | 391,027 |
| South America | 26 % | 1,785,798 | 25 % | 1,213,327 |
| Australia | 5 % | 376,306 | 7 % | 351,571 |
| Asia | 7 % | 514,366 | 9 % | 452,596 |
| Total | 100 % | 6,978,977 | 100 % | 4,778,283 |

The Group's vessels generally operate in more than one geographic region during the year. Therefore assets cannot be allocated per segment in accordance with IFRS 8.

# Note 7: Financial Market Risk, Financial Instruments

## General

The Group is exposed to several types of financial risks through its operations. Financial market risks, such as currency rates, interest rates and charter rates, influence the value of the Group's financial assets, liabilities and future cash flows. Management monitors the financial market risks. When a risk factor is identified, action should be taken to reduce this risk. The main strategy to reduce financial market risk has been the use of financial derivatives, both for the specific exposure and for the net exposure of the Group. Where financial derivatives are appropriate, only conventional derivatives are used. Given the Group's financial position during the period, the Group has had limited possibility to enter into new financial derivatives.

Derivatives would only be used to manage the risk to fluctuations in interest and currency rates. The Group does not use financial derivatives to achieve financial income if no underlying exposure exists.

Management performs a continuous evaluation of the effect of financial instruments on the accounts with a view to hedge accounting. Based on this evaluation, hedge accounting is not used. The use of financial instruments is not significant when compared to the Group's level of activity, revenues and equity.

## Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Group operates in a cyclical business, where exposure to losses on trade fluctuates. The business has recovered over the last years, and no material losses have been recognized. Due to the nature of the business concentration risk is present to some degree. Counterparties are concentrated in few industry sectors, and even though the Group operates worldwide, there is a consentration of counterparties in specific geographical markets. Management continously review and assess mitigating responses to limit the concentration risk.

Status for accounts receivables is shown in the table below. Based on the composition of the customers, the Group applies an individual assessment for expected loss on trade receivables.

The Group is also exposed through guarantees issued on behalf of subsidiaries, joint ventures and associates. As the value of the assets placed as security for the guaranteed mortgages exceeds the loans, the credit risk related to the guarantees is considered to be acceptable. However, a potential forced sale situation could have a significant impact on the value of the mortgaged vessels. For further details refer to note 8.

The following table shows the ageing of account receivables:

| per 31.12.2023 | Not yet due | 0 -1 month over due | 1 - 3 months over due | Older than 3 months | Total |
|---|---|---|---|---|---|
| Net carrying amount | 1,141,981 | 259,685 | 49,923 | 54,642 | 1,506,232 |
| Net carrying amount classified as Asset held for sale | -862,067 | -227,182 | -49,923 | -54,631 | -1,193,804 |
| **Net carrying amount** | **279,914** | **32,503** | **-** | **11** | **312,428** |

| per 31.12.2022 | Not yet due | 0 -1 month over due | 1 - 3 months over due | Older than 3 months | Total |
|---|---|---|---|---|---|
| Net carrying amount | 1,029,375 | 119,317 | 40,589 | 43,206 | 1,232,487 |

Set out below is the movement in the allowance for expected credit losses of trade receivables:

| | 2023 | 2022 |
|---|---|---|
| **As at 1 January** | **27 275** | **75,223** |
| Provision for expected credit losses | -24 026 | -56,565 |
| Foreign exchange movement | -1 626 | 8,617 |
| Assets held for sale | -2 482 | - |
| **As at 31 December** | **-858** | **27,275** |

## Interest Risk

Interest rate risk is the risk that the fair value of future cashflows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to changes in interest rates relates primarily to the Group's non-current loans and leasing obligations with floating interest rates. To mitigate exposure to interest rate fluctuations the Group previously entered into fixed interest rate contracts for parts of the non-current liabilities.

As of 31.12.2023 and 31.12.2022 there are no fixed-interest contracts.

Following the restructuring of the Group in 2020, the majority of its loan agreements with fixed interest rates through CIRR financing was refinanced through a new senior reinstated multicurrency term loan facility. As per 31.12.2023, 5.3% (2022 3%) of the of the Group's loan agreements consisted of fixed interest rates through CIRR financing. The remaining debt had floating interest rates. Per 31.12.2023 and 31.12.2022 the Group had no exposure in neither interest swaps nor currency swap agreements.

The following table shows the sensitivity of the Group's result before taxes at a reasonable change in the interest rate, while all other variables are unchanged:

| Increase / decrease in basis points | | Effect on result before tax |
|---|---|---|
| + / - 300 | 2023 | + / - 342,644 |
| + / - 300 | 2022 | + / - 565,977 |

## Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Group's presentation currency is NOK. Revenues are earned in NOK, USD, BRL, AUD, GBP and EUR. The Group's future charter revenues are partly hedged using foreign currency loans. This hedging reduces the effect of fluctuation in currency rates on the profit and loss account.

The following table shows the sensitivity of the Group's profit and loss before tax due to changes in USD, GBP, AUD, EUR and BRL versus NOK. All other variables remain unchanged. These variations are mainly due to changes in the Group's charter income.

| Change in all currencies | | Effect |
|---|---|---|
| + / - 10% | 2023 | + / - 352,486 |
| + / - 10% | 2022 | + / - 254,349 |

| Change in USD | | Effect |
|---|---|---|
| + / - 10% | 2023 | + / - 161,297 |
| + / - 10% | 2022 | + / - 91,571 |

| Change in GBP | | Effect |
|---|---|---|
| + / - 10% | 2023 | + / - 27,432 |
| + / - 10% | 2022 | + / - 23,019 |

| Change in AUD | | Effect |
|---|---|---|
| + / - 10% | 2023 | + / - 37,035 |
| + / - 10% | 2022 | + / - 36,238 |

| Change in EUR | | Effect |
|---|---|---|
| + / - 10% | 2023 | + / - 33,835 |
| + / - 10% | 2022 | + / - 39,541 |

| Change in BRL | | Effect |
|---|---|---|
| + / - 10% | 2023 | + / - 92,888 |
| + / - 10% | 2022 | + / - 63,980 |

The Group's non-current debt has the following allocation as at 31 December 2023; NOK 26% and USD 74%. The corresponding allocation for 2022 was NOK 27% and USD 73%.

With a reasonable change in the currency of USD versus NOK of 10 % the effect on equity and result before tax would have been MNOK 0,874 in 2023 (MNOK 1,394 in 2022) (excluding liabilities directly associated with the assets held for sale).

## Liquidity Risk

Liquidity risk is the risk that the Group will be unable to fulfill its operational- and financial obligations as they fall due.

The Refinancing of Solstad, which was announced on 23 October 2023, involved repayment of the outstanding BNOK 11.2 under the secured loan agreement that was entered into in connection with the 2020 restructuring of the Group. The main portion of the Group's external debt which includes the Group's secured debt, and the residual claim of approx. MNOK 1,883 guaranteed by the Company related to the former Normand Maximus lease arrangement, matures in 2027. The Group monitors its available cash through a continued evaluation of its liquidity position combined with a rolling medium and long term cash flow forecast of its operational activities.



The following table shows the maturity of the Group's financial obligations based on contractual, undiscounted cash flows:

| per 31.12.2023 | Less than 3 months | 3 to 12 months | 2 to 3 years | 4 to 5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|
| Interest bearing liabilities (1) | 11,427,604 | 24,096 | 93,146 | 202,610 | 343,898 | 12,091,355 |
| Lease obligations (2) | 1,864,794 | 100,679 | 310,154 | 1,423,634 | 61,842 | 3,761,103 |
| Account payables | 138,762 | - | - | - | - | 138,762 |
| Interest payments | 338,524 | 174,475 | 414,530 | 143,967 | 39,523 | 1,111,019 |
| Liabilities directly associated with the assets held for sale | 341,051 | 16,712 | 47,546 | 26,175 | 26,792 | 458,276 |
| | **14,110,735** | **315,962** | **865,377** | **1,796,386** | **472,054** | **17,560,514** |

| per 31.12.2022 | Less than 3 months | 3 to 12 months | 2 to 3 years | 4 to 5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|
| Interest bearing liabilities | 440,751 | 2,019,584 | 15,906,804 | 832,251 | 370,745 | 19,570,136 |
| Lease obligations (2) | 34,547 | 109,335 | 1,909,138 | 1,563,391 | 95,665 | 3,712,076 |
| Account payables | 694,564 | - | - | - | - | 694,564 |
| Interest payments | 368,566 | 1,067,673 | 719,156 | 118,672 | 41,763 | 2,315,829 |
| | **1,538,428** | **3,196,593** | **18,535,098** | **2,514,314** | **508,173** | **26,292,606** |

(1) Interest bearing liabilities classified as current in 2023 includes BNOK 11.2 of the fleet loan, and MNOK 246 related to the Superior loan, both falling due on 31 March 2024. Reference to Note 8 Mortage Debt and Other Liabilities.
(2) Lease obligation for Normand Maximus of MNOK 1,950 is classified as current liability in 2023 (MNOK 101 in 2022). MNOK 1.833 is related to the Resiual Claim which is falling due on 31 March 2024. Reference to Note 8 Mortage Debt and Other Liabilities.

## Capital Structure and Equity

The governing principle for the Group is that the company should have a solid balance sheet and liquidity reserves sufficient to support its business, future liabilities and maximize shareholder value at all times. Equity ratio increased in 2023, mainly due to ithe sale of the PSV fleet, partly offset by increasing interests and weakened NOK versus USD.

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Total equity | 1,824,550 | 1,753,125 |
| Total assets | 19,635,341 | 26,019,130 |
| Equity ratio | 9% | 7% |

## Financing Risk

The following table shows the total mortgage loan based on existing financing and their maturity dates as per 31.12.2023:

| | Drawn | Maturity interval | | Interest interval | | Average interest |
|---|---|---|---|---|---|---|
| Loan, fixed interest | 669,491 | 10/11/2026 | 10/03/2031 | 3.64% | 6.30% | 4.86% |
| Loan, floating interest | 11,421,459 | 31/03/2024 | 10/12/2027 | 4.50% | 13.33% | 7.19% |

The following table shows the total mortgage loan based on existing financing and their maturity dates as per 31.12.2022:

| | Drawn | Maturity interval | | Interest interval | | Average interest |
|---|---|---|---|---|---|---|
| Loan, fixed interest | 704,225 | 10/11/2026 | 10/03/2031 | 3.63% | 6.10% | 4.87% |
| Loan, floating interest | 18,865,911 | 30/06/2023 | 07/03/2029 | 3.80% | 13.04% | 4.24% |

## Fair Value

Estimated market values on financial instruments nominated in other currencies than NOK are determined using the currency rate at the balance sheet date. Fair value of the Groups interest- and interest-/currency swaps are determined using the currency and interest rate at the balance sheet date. Nominal value of cash and loan obligations is normally a reasonable estimate of the items' market value. The estimated fair value of the Group's non-current loan obligations is based on the estimated market interest level at the balance sheet date. The fair value of shares in non-listed companies are estimated based on the relevant company's financial report, focusing on the Group's share of its booked equity, and therefore a thorough evaluation is required prior to estimating the market value.

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values (e.g. accounts receivable and accounts payable):

| Financial assets | | 2023 | | 2022 | |
|---|---|---|---|---|---|
| | Note | Carrying amounts | Fair value | Carrying amounts | Fair value |
| Cash to bank | 22 | 501,014 | 501,014 | 2,170,072 | 2,170,072 |
| Investments in shares (non-current) | 15 | 581 | 581 | 5,315 | 5,315 |
| Other non-current receivables | | 32,179 | 32,179 | 57,536 | 57,536 |
| **Total financial assets** | | **533,774** | **533,774** | **2,232,923** | **2,232,923** |
| Classifed as Assets held for sale | | 1,436,531 | 1,436,531 | - | - |

| Financial liabilities | | 2023 | | 2022 | |
|---|---|---|---|---|---|
| | Note | Carrying amounts | Fair value | Carrying amounts | Fair value |
| Mortgage loan with floating interests | 8 | 15,102,719 | 15,102,719 | 22,105,902 | 22,105,902 |
| Mortgage loan with fixed interests | 8 | 669,491 | 669,491 | 704,225 | 704,225 |
| **Total financial liabilities** | | **15,772,210** | **15,772,210** | **22,810,127** | **22,810,127** |
| Hereof current part of non-current debt | | 11,380,520 | 11,380,520 | 2,460,689 | 2,460,689 |
| Classified as Liabilities directly associated with the assets held for sale | | 122,572 | 122,572 | - | - |



## Fair Value Hierarchy

The Group use the following hierarchy for valuation and presentation of financial instruments:

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs which have significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques which use inputs which have significant effect on the recorded fair value that are not based on observable market data

The Group's level 1 includes shares in listed companies, refer to note 13 for further details. Level 2 includes fixed interest contracts, interest and currency swap contracts, currency contracts and mortgage debt, refer above for further details. Level 3 includes non-registered shares, refer to note 13 for further details.

The following methods and assumptions were used to estimate the fair values:

- Nominal value of cash and loan obligations is normally a reasonable estimate of the items' market value.
- The fair value of listed shares are based on market value.
- The fair value of shares in non-listed companies are estimated based on the relevant company's financial report, focusing on the Group's share of its booked equity, and therefore a thorough evaluation is required prior to estimating the market value.

Ending 2021 a certain part of the Group's financial liability was linked to vessels deemed to be "non core". Debt not covered by sales proceed from these vessel have been settled by warrants during 2022. The debt related to these non core vessels was measured to fair value at each accounting period. Fair value was set based on expected sales price of the vessels and share price of Solstad Offshore ASA at the end of the accounting period. Expected sales prices end of 2021 were based on actual sale prices for those vessels sold in 1Q22. Ending 2022 all vessels, except for one, which has been reclassified to core vessel, are sold.

The following table show book value of financial instruments according to the hierarchy above:

| | | | 2023 | | | 2022 |
|---|---|---|---|---|---|---|
| Current financial assets | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Investment in listed shares | - | - | - | 21,000 | - | - |
| Total per level | - | - | - | 21,000 | - | - |
| **Total all levels** | **-** | | | **21,000** | | |
| Classified as assets held for sale | 22,500 | | | | | |

| | | | 2023 | | | 2022 |
|---|---|---|---|---|---|---|
| Non current financial assets | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Investment in shares | - | - | - | - | - | 2,991 |
| Total per level | - | - | - | - | - | 2,991 |
| **Total all levels** | **-** | | | **2,991** | | |
| Classified as assets held for sale | | | 2,991 | | | |

| | | | 2023 | | | 2022 |
|---|---|---|---|---|---|---|
| Current financial liabilities | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Debt to credit institutions | - | - | 139,501 | - | - | 147,416 |
| Total per level | - | - | 139,501 | - | - | 147,416 |
| **Total all levels** | **139,501** | | | **147,416** | | |

Financial assets and financial liabilities measured at amortized cost, but for which fair value is disclosed, are valued at level 2 (Cash to bank and Mortage loans) and level 3 (Investments in shares and Other long term receivables).

| 31.12.2023 | Derivatives not designated as hedging instruments - fair value through profit or loss | Financial assets and liabilities at fair value through profit or loss | Financial instruments at fair value through OCI | Financial instruments at amortized cost | Total | Hereof classified as Assets held for sale |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| **Equity instruments** | | | | | | |
| Market based shares* | - | 22,500 | - | - | 22,500 | 22,500 |
| Investments in stocks and shares* | - | 2,991 | - | - | 2,991 | 2,991 |
| **Debt instruments** | | | | | | |
| Other non-current receivables | - | - | - | - | - | - |
| Loans to joint ventures | - | - | - | 63,141 | 63,141 | |
| Accounts receivable | - | - | - | 1,506,232 | 1,506,232 | 1,193,804 |
| Cash and cash equivalents | - | - | - | 1,882,971 | 1,882,971 | 1,381,956 |
| **Total Financial assets** | **-** | **25,491** | **-** | **3,452,343** | **3,477,835** | **2,601,252** |
| **Liabilities** | | | | | | |
| Interest bearing loans and borrowings | - | - | - | - | - | - |
| Interest bearing liabilities | - | 139,501 | - | 11,871,605 | 12,011,106 | - |
| Other non-current liabilities | - | - | - | 1,046 | 1,046 | - |
| **Other financial liabilities** | | | | | | |
| Trade and other payables | - | - | - | 474,465 | 474,465 | 335,704 |
| **Total financial liabilities** | **-** | **139,501** | **-** | **12,347,116** | **12,486,618** | **335,704** |

**Classified as Assets held for sale*

| 31.12.2022 | Derivatives not designated as hedging instruments - fair value through profit or loss | Financial assets and liabilities at fair value through profit or loss | Financial instruments at fair value through OCI | Financial instruments at amortized cost | Total |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| **Equity instruments** | | | | | |
| Market based shares | - | 21,000 | - | - | 21,000 |
| Investments in stocks and shares | - | 2,991 | - | - | 2,991 |
| **Debt instruments** | | | | | |
| Other non-current receivables | - | - | - | 29,572 | 29,572 |
| Loans to joint ventures | - | - | - | 55,829 | 55,829 |
| Accounts receivable | - | - | - | 1,232,487 | 1,232,487 |
| Cash and cash equivalents | - | - | - | 2,170,072 | 2,170,072 |
| **Total Financial assets** | **-** | **23,991** | **-** | **3,487,960** | **3,511,951** |
| **Liabilities** | | | | | |
| Interest bearing loans and borrowings | | | | | |
| Interest bearing liabilities | - | 147,416 | - | 18,771,953 | 19,098,051 |
| Other non-current liabilities | - | - | - | 1,046 | 1,046 |
| **Other financial liabilities** | | | | | |
| Trade and other payables | - | - | - | 694,564 | 694,564 |
| **Total financial liabilities** | **-** | **147,416** | **-** | **19,646,245** | **19,793,661** |

## Note 8: Mortgage Debt and Other Liabilities

| | 2023 | 2022 |
|---|---|---|
| Interest bearing liabilities | 630,587 | 16,637,362 |
| Other non-current liabilities | 1,046 | 1,046 |
| Leasing liabilities | 1,795,630 | 3,564,963 |
| **Total non-current debt** | **2,427,263** | **20,203,371** |
| Current portion of non-current debt | 13,345,993 | 2,607,802 |
| Non-current debt classified as Libailities directly associated with the Assets held for sale | 122,572 | - |

For maturity profile reference is made to Note 7 Financial market risk, financial instruments.

**Reclassification of Non-Current Liabilities to Current Liabilities**
Current portion of non-current debt includes the Group's fleet loan of MNOK 11,173 and the Normand Maximus residual claim of MNOK 1,833, which both had matured on 31 March 2024, but was refinanced on 16 January 2024. In addition it includes the secured debt for the Normand Superior of MNOK 246, which originally matured 31 March 2024. The Company is in discussions with the lenders in order to refinance the vessel and has been granted an extension until 30 June 2024.

In 2020 the reinstated debt to credit institutions was recognized at its fair value. The interest rate for the refinanced debt was at initial recognition compared to current market terms according to IFRS 9. For the reinstated debt, the Group concluded that the interest rate was below market terms. Using the estimated market rate when measuring fair value of the reinstated debt a MNOK 1,066 reduction was observed. The difference between nominal- and fair value has been amortized, and presented as interest expense, over the period until the 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 2023 | 377,508 |
| Unrealised currency loss | -15,212 |
| **Fair value adjustment 31.12.2023*** | **-77,350** |

** Classified as current interst bearing liabilities*

**Normand Maximus**
In connection with the Refinancing, agreements were entered into between i.a the Company and Maximus Limited, amending the agreement regarding the residual claim relating to the former leasing agreement for the CSV Normand Maximus.

Firstly, the agreement governing the terms of the Residual Claim originally entered into on 12 May 2022, between Maximus Limited, subsidiaries of the Company and the Company was amended so that the maturity of the Residual Claim was postponed from 31 March 2024 to the date corresponding to the maturity date of the new facility agreement which was entered into between Solstad Maritime AS and a bank syndicate as part of the Refinancing.

This means that the maturity of the Residual Claim has been postponed until 16 January 2027, with possible 1+1 year extensions if the financing to Solstad Maritime AS is extended (at the discretion of the bank syndicate). The latest maturity date of the Residual Claim is 16 January 2029. The Residual Claim is guaranteed by the Company, and needs to be refinanced within the new maturity date.



In addition, an agreement was entered into between Solstad Shipholding AS, the Company, Maximus Limited and the lenders to Maximus Limited. Pursuant to this agreement, the parties have agreed that Solstad Shipholding AS is granted a right and obligation to purchase the Residual Claim against payment of NOK 200 million.

This right and obligation come into force in the event that the lenders to Maximus Limited prevail in litigation in Norway and Cayman Island on the right to ownership to the shares in Maximus Limited. The Company does not have a view on the likely outcome of the litigation and the chances of the option becoming exercisable and no assurances can be given in that regard.

The Residual Claim remains guaranteed by the Company and carries interest at 9.5% payable in kind at the maturity date in accordance with the original agreement entered into on 12 May 2022.

The group maintains operational control over the vessel under a bareboat agreement for a 5 year firm period until October 2027 and options for further 10 years with a subsidiary of Solstad Maritime Holding AS. The Company has an option to purchase the vessel after 5 or 10 years. The agreement includes a profit split-element, whereby the owner of the vessel will be entitled to 50% of the net profit if the vessel is sold less than 12 months after the purchase option date.

Total lease obligation for Normand Maximus amounts to MNOK 3,625 (MNOK 3,424 in 2022). MNOK 1,833 is related to the residual claim from the leasing agreement with Maximus Limited, and MNOK 1,792 is related to the new leasing agreement.

| Book value of pledged assets: | 2023 | 2022 |
|---|---|---|
| Bank deposits and cash equivalents | 501,014 | 2,170,072 |
| Account receivables | 312,428 | 1,232,487 |
| Vessels | 1,297,543 | 17,603,721 |
| Pledged assets included as held for sale | 12,474,140 | 402,979 |
| **Total carrying value** | **14,585,126** | **21,409,259** |

All owned vessels are placed as security for the mortgages.

### Covenants
Solstad Offshore ASA is subject to various financial covenants under its prevailing financing agreements. These are divided into two structures: One common set of covenants for the reinstated multicurrency term loan facility (including the "Super senior term loan") that was subject to the restructuring in 2020, with Solstad Shipholding AS as the registered borrower ("Solstad Shipholding") and separate covenants applicable to the remaining vessel owning companies in the Group.

In connection with the restructuring in 2020, the Group completed an organizational corporate restructuring with a view to dissolve the former silo structure of the Group, which was a result of the combinations with the REM Offshore, Solstad Ålesund AS (previously Farstad Shipping AS) and Deep Sea Supply groups during recent years. The purpose of the corporate restructuring was to create a new simplified group structure, which also reflected the requirements under the Group's new financing structure. The restructuring also reduced the complexity in the daily operations and cash management in the Group. There is free float of liquidity between the companies in the structure that was subject to debt-to-equity conversion in the restructuring. Solstad Shipholding AS is the registered borrower for this reinstated debt. Cash flow in the remaining part of the Group is subject to ring-fencing within each borrower entity. There are restrictions in the Solstad Shipholding AS loan agreement to provide financial support to the other ship owning entities in the Group. Vessels owned by both Normand Ships AS and Solstad Superior AS were subject to refinancing during the restructuring process with amended terms and conditions including extension of maturity dates to correspond to the term of the reinstated fleet loan facility in Solstad Shipholding AS, March 2024. The maturity date for the underlying vessel financing in NISA Ltd was in 2023 extended until 15 December 2026. The Group's financing of four vessels financed with the Brazilian development bank, BNDES, was not part of the restructuring, but amendments to these financings to meet the market conditions were concluded during 2022. The exposure under these loan agreements is not guaranteed by the Company.

The loan agreements include customary security provisions including cross-collateralized mortgaged over relevant vessels, assignment of insurances and earnings, pledges over shares, assignment of any relevant intra-group loans, assignment over any monetary claims under any hedging agreements (if relevant), pledge over bank accounts, step-in rights/direct agreements with respect to management agreements and such other security as reasonably required by the banks. Of the Group's senior secured facilities, the loan agreements in Solstad Shipholding AS, Normand Ships AS and Solstad Superior AS are guaranteed by the Company. The loan agreement in Solstad Shipholding AS ended on 16 January 2024 through the refinancing (referance to Note 3). The loan agreement for Normand Superior matured on 31 March 2023, but extentions are given to 30 June 2024 (reference Note 30). The loan agreements in Normand Ships AS ended in 2023 through sale of all vessels in the entity. The loan agreements entered into in subsidiaries of Solstad Brasil Holding AS, Solstad Shipping Ltda and Solstad Navegacao Maritimos Ltda, is guaranteed by Solstad Ålesund AS and Solship Invest 3 AS respectively. The loan agreements in NISA Ltd is not guaranteed. The Residual Claim agreements have restrictive covenants on the Company for i.a material adverse effect. Dividend from the Company is restricted and requires consent from Maximus Limited in accordance with the original agreement for the Residual Claim.

**Solstad Shipholding AS**
1. Positive working capital
2. Min free liquidity: Available Cash min MNOK 500
3. Interest Coverage ratio > 1.0x (applicable from 01.07.2022 and first tested 30.09.2022).
4. Positive MVC

**Normand Superior AS**
1. Positive working capital
2. Min free liquidity MNOK 5 (from 01.01.2022) and MNOK 15 from 01.07.2022.
3. Positive MVC

**NISA Ltd (50.1%)**
1. Positive working capital
2. Min free liquidity MUSD 0.25
3. Min MVC 200%

**Solstad Shipping Ltda**
1. No applicable financial covenants

**Normand Maximus Limited (BB Charterer)**
Company to covenant that Solstad Shipholding AS maintains:
1. Positive working capital
2. Min free liquidity: Available Cash min MNOK 500
3. Interest Coverage ratio > 1.0x (applicable from 01.07.2022 and first tested 30.09.2022).

**Solstad Navegacao Maritimos Ltda**
1. No applicable financial covenants

There are no financial covenants linked to the BNDES loan agreement in Brazil, however there is a cash sweep mechanism in the loan agreement, in which the Company is closely monitoring.

In addition to the financial covenants the loan agreements include customary provisions related to operational aspects related to acceptable ship registries, bareboat registrations, class requirements, information undertakings, sanctions provisions and such other requirements as reasonably required under bank financing agreements.

The Company is in compliance with all the covenants related to bank loan agreements at year end 2023.

| Borrowing cost and interest relief: | 2023 | 2022 |
|---|---|---|
| Capitalization borrowing cost | 7,022 | 36,585 |
| Capitalized borrowing costs included in Liabilities directly associated with the Assets held for sale | - | - |

Borrowing cost is presented net with the loans and is amortized until maturity of the loan. Borrowing costs of MNOK 74 has been incurred during 2023, relating to the Refinancing of the fleet loan in Solstad Maritime Holding AS and the Normand Maximus residual claim. The cost is booked as prepayment and will be reclassified to borrowing cost when the Refinancing is completed in 2024.

**Other non-current liabilities**
Other non-current liabilities of NOK 1 million (NOK 1 million in 2022) are mainly convertible loans from shareholders.

Solstad Offshore ASA has issued a Parent Company Guarantee of MNOK 13,217.

**Changes in liabilities arising from financing activities**

| | 1 January 2023 | Fair value adjustment | Cash flows* | Other** | Included as Liabilites directly associated with the assets held for sale | 31 December 2023 |
|---|---|---|---|---|---|---|
| Current interest bearing liabilities | 2,460,689 | - | -8,146,167 | 17,065,998 | - | 11,380,520 |
| Non-current interest bearing liabilities | 16,637,362 | - | - | -16,006,775 | - | 630,587 |
| Current leasing obligations | 147,113 | - | -148,075 | 1,988,495 | -22,059 | 1,965,474 |
| Non-current leasing obligations | 3,564,963 | - | - | -1,668,820 | -100,513 | 1,795,630 |
| Other non-current liabilities | 1,046 | - | - | - | - | 1,046 |
| **Total liabilities from financing activities** | **22,811,173** | **-** | **-8,294,242** | **1,378,897** | **-122,572** | **15,773,256** |

**Changes in cash flow related to current and non-current interest bearing liabilities is presented in aggregate in cash flow line Repayment of non-current debt*
*** For leasing liabilities, other changes includes additions, currency effects and change in portion classified as non-current. It also includes intrests on Maximus residual claim which are not paid.*
*For interest bearing liabilities, other changes includes amortisation of debt recognized in 2020 at fair value, currency changes and change in portion classified as non-current.*

| | 1 January 2022 | Fair value adjustment | Cash flows* | Other** | 31 December 2022 |
|---|---|---|---|---|---|
| Current interest bearing liabilities | 446,592 | - | -294,993 | 2,309,089 | 2,460,689 |
| Non-current interest bearing liabilities | 17,523,945 | - | -251,125 | -635,459 | 16,637,362 |
| Current leasing obligations | 2,466,321 | - | -204,979 | -2,114,228 | 147,113 |
| Non-current leasing obligations | 280,761 | - | - | 3,284,202 | 3,564,963 |
| Other non-current liabilities | 1,917 | - | - | -871 | 1,046 |
| **Total liabilities from financing activities** | **20,719,536** | **-** | **-751,096** | **2,842,734** | **22,811,173** |

## Note 9: Property, Plant and Equipment

| | Vessel | Other assets | Total |
|---|---|---|---|
| Acquisition cost 01.01.2023 | 30,094,706 | 212,130 | 30,306,836 |
| Acc. depreciation/ impairment 01.01.2023 | -13,280,522 | -183,747 | -13,464,269 |
| Carrying value 01.01.2023 | 16,814,184 | 28,383 | 16,842,567 |
| Additions | 157,512 | 9,123 | 166,636 |
| Disposals | - | -7,624 | -7,624 |
| Transfer to asset held for sale | -15,677,019 | -6,433 | -15,683,451 |
| Translation differences | 12,775 | 1,403 | 14,178 |
| Cost price 31.12.2023 | 14,587,974 | 208,600 | 14,796,574 |
| Acc. depreciations/ impairment 31.12.2023 | -13,407,168 | -190,890 | -13,598,058 |
| Carrying value 31.12.2023 | 1,180,806 | 17,709 | 1,198,515 |
| | | | |
| Depreciation current period | -487,644 | -6,717 | -494,361 |
| Impairment current period | 360,998 | -425 | 360,572 |

| | Vessel | Other assets | Total |
|---|---|---|---|
| Acquisition cost 01.01.2022 | 30,427,908 | 205,135 | 30,633,043 |
| Acc. depreciation/ impairment 01.01.2022 | -13,041,408 | -178,826 | -13,220,234 |
| Carrying value 01.01.2022 | 17,386,500 | 26,309 | 17,412,809 |
| Additions | 124,912 | 7,282 | 132,194 |
| Disposals | -20,771 | - | -20,771 |
| Transfer to asset held for sale | -471,725 | - | -471,725 |
| Translation differences | 34,383 | -288 | 34,095 |
| Cost price 31.12.2022 | 30,094,706 | 212,130 | 30,306,836 |
| Acc. depreciations/ impairment 31.12.2022 | -13,280,522 | -183,747 | -13,464,269 |
| Carrying value 31.12.2022 | 16,814,184 | 28,383 | 16,842,567 |
| | | | |
| Depreciation current period | -835,881 | -4,921 | -840,803 |
| Impairment current period | 596,768 | - | 596,768 |

| Capitalized periodic maintenance | 2023 | 2022 |
|---|---|---|
| Capitalized periodic maintenance at 01.01 | 789,537 | 677,518 |
| Additions this year | 573,458 | 408,131 |
| Disposal this year | - | -13,077 |
| Transfer to asset held for sale | -1,018,367 | - |
| Depreciation this year | -213,726 | -292,009 |
| Impairment this year | -26,719 | - |
| Translation differences | 12,555 | 8,974 |
| **Capitalized periodic maintenance at 31.12** | **116,737** | **789,537** |



Spesification of change in Assets held for sale for tangible fixed assets (Reference Note 5 Assets held for sale):

| | Vessels | Capitalized periodic maintenance | Other assets | Total |
|---|---|---|---|---|
| **Opening balance 01.01.2023** | **402,979** | **9,073** | **-** | **412,052** |
| Additions PSV - Tidewater transaction | 5,693,248 | 505,548 | - | 6,198,796 |
| Additions Solstad Maritime | 9,898,380 | 512,819 | 6,433 | 10,417,631 |
| Additions other vessels | 85,391 | - | - | 85,391 |
| Sale PSV - Tidewater transaction | -5,693,248 | -505,548 | - | -6,198,796 |
| Sale other vessels | -488,370 | -9,073 | - | -497,443 |
| **Closing balance 31.12.2023** | **9,898,380** | **512,819** | **6,433** | **10,417,631** |

Each part of a fixed asset that is significant to the total expence of the item are separately identified and depreciated over that component's useful lifetime. Assumed physical lifetime for all categories are 30 years, while estimated useful life is 20 years. Estimation of residual value are based on market values/ brokers values in the beginning of the year. The brokers' values, sales related expenses deducted, are multiplied with a factor dependent on the vessels age. The factor is 50% for a new build, increasing to 100% for a 20 year old vessel. Periodic maintenance is depreciated over the period until the next planned interimand main docking takes place, respectively. The normal interval is five years for both interims- and main docking. The depreciation rate for other equipment is 3 to 10 years. Vessels with a book value of MNOK 11,763, including vessels classified as held for sale, (MNOK 17,604 in 2022) are held as a guarantee for the Group's loans, see note 8 Mortage Debt and Other Liabilities.

There is no capitalized interest in 2023 or 2022.

### Impairment Valuation of Fixed Assets

Quarterly, the Group assesses whether there is any impairment indicators of the fixed assets, or if there are indicators that prior period impairment loss no longer exists or have decreased. If such indicators exist the recoverable amount of the assets are estimated.The current market shows improved commercial terms, especially in the CSV/renewable segment, but at the same time high inflation rates give increased cost levels. These factors indicate need for revaluation of the vessels.

The recoverable amount is the highest of an assets calculated value in use or fair value less cost to sell. The recoverable amount was calculated for all vessels. Fair value is calculated using broker values unless there are available estimates for sales values. Broker value is set as an average of three acknowledged, independent brokers. Each vessel is considered a separate cash generating unit. The value in use-calculations are based on budget and long-term forecast (5 years). For a majority of the vessels, value in use was the basis for the recoverable amount.

A valuation of the disposal group related to Solstad Maritime has also been done based on fair value less cost to sell against the equity for the group.The impairment has been allocated to non-current assets (mainly vessels) in accordance with IFRS 5.

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 cost of capital (WACC) for the Group. 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 interest rate and market rates. The rate is a pre-tax rate. The discounting rate used for 2023 is 11.5 %.

## Income Assumptions
For vessels having firm contracts, revenue is based on the current contracts. For vessels without firm contracts, and for vessels where the firm contract expires during the period, revenue is based on expected utilization and charter day rates over the prognosis period. Dayrates are expected to gradually increase over the prognosis periode. Market rates after year end gives support to estimated rate levels in the early prognosis periode. Market uncertainty is reflected in the assumptions, based on managements assessment and market analysis provided from independant third parties.

## Inflation
No inflation of income in 2024, while operating expense is adjusted for inflation by 2%. This is consistent throughout the prognosis period.

## Residual Values
Estimated residual values used in the value in use calculations are set using the same principle as for the ordinally depreciations. Initially the value is set to 50% of cost price, expected cost of sale deducted, and adjusted according to changes in broker valuations. The assumption is that the broker values decline by 2.5% per year, until the vessel is 20 years old. It is assumed that the vessels are disposed after 20 years in operation. Average life of the core fleet is 14 years, with respectively 14 years average for both the CSV and AHTS vessels.

## Impairment Testing
The Group recognized total net impairments of MNOK 297 in Impairment of fixed assets for continuing operations, and a total net reversal of impairment of MNOK 614 for discontiuing operations in 2022.

| | Continuing operations | Discontinuing operations |
|---|---|---|
| Leased premisis - Right of use asset (1) | 17,002 | - |
| CSV - vessels (2) | -298,398 | - |
| PSV - vessels (4) | - | -613,834 |
| Solstad Maritime - Vessels (3) | 551,234 | - |
| Solstad Maritime - Capitalized periodic maintenance (3) | 26,719 | - |
| Other impairments - Other assets | 425 | - |
| **Total impairment /reversal of impairment (-)** | **296,983** | **-613,834** |

(1) Impairment of MNOK 17 from continuing operations is related to leased premisis, further reference is made to Note 10 Right-of-use assets.

(2) An impairment reversal of MNOK 298 has been booked for vessels related to the CSV segment in continuing operations. The market has continued to show improved commercial terms and high utilization during 2023. For the CSVs this is assessed as an indicator of reversal of impairment, and a reversal of MNOK 298 on 10 CSVs has been taken based on value in use-calculations.

(3) An impairment of 578 MNOK has been booked on the Solstad Maritime group and the related assets held for sale. The impairment was allocated to non-current assets with MNOK 551 on vessels and MNOK 27 on periodic maintenance.

(4) The net reversal of imairment of MNOK 614 from discontinuing operations is related to the 37 PSVs in the Tidewater transaction. The vessels were valued at the lower of book value and fair value less cost to sell, and prior year impairments were reversed.

## Sensitivity and Scenario Calculations
The sensitivity of the value-in-use-calculations for the vessels with impairment or reversal of privously impaired assets, is analyzed by altering the key assumptions; discounting rate, utilization and day rates. A change of discounting rate by +1% point and +2% points indicates a potential reduction in reversals of impairment of MNOK 17 and MNOK 69. A yearly change in utilization for the prognosis periode bringing the income down by 3-6%, indicates a potential reduction in reversals of impairment of MNOK 26 and MNOK 64, and an impairment of 11 MNOK. The group has recognized significant impairments on the vessels during the last years, but due to improved market conditions, significant reversals has been taken in 2022 and 2023 for the CSV fleet. If rates/utilization increases more rapidly than Group’s expectations the vessel values are sensitive to further reversals of previous year’s impairment, referance made to Note 2.

## 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. It is however not expected to have any significant effect on the Groups opex, as higher fuel prices due to $CO_2$ levies or the cost of green fuels will for the most part be forwarded to our clients. Based on the management’s judgements as of 31 December 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. To effectively meet short-term sustainability goals, implementing measures to enhance operational energy efficiency stands out as the optimal solution for curbing emissions. Transitioning to green technologies, battery hybrid and/or shore power upgrade proves currently to be the most advantageous. It is expected that certain charterers will demand green investments in vessels for future contracts in the medium term (2-5 years), but this is expected to be supported by increased charter rates as well. The forecasts for the vessels do not include any green investments as of 31 December 2023.

Long-term sustainability goals require newbuild programs and new technology to be in place. There are currently limited newbuild programs, but certain green technology has become available. It is assessed unlikely that significant additional capacity will be added in the market in short term. Rebuilding existing vessels to decarbonize and building new low-emission vessels come at an increased financial cost. We need support from our clients including long-term commitments to install new green technology for us and them to reach future emission reduction targets.

The Group’s vessels are high-end, large offshore vessels, and an increasingly worsened climate and weather are not expected to affect the usability of the existing fleet.

Based on this, the Company assesses 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 relevant parameters should changes occur (Reference Note 2).

### Assets Held for Sale and Gain/Loss on Sale of Assets

Assets held for sale consist of the Solstad Maritime group as of 31 December 2023, which will be booked as an associates as of 16 January 2023. The balance of Solstad Maritime group includes a balance of MNOK 148 related to two AHTSs classified as held for sale. No impairment or reversal of impairment has been recognized for the two vessels in 2023.
An impairment of 578 MNOK has been booked on the Solstad Maritime group and the related assets held for sale. The impairment was allocated to non-current assets with MNOK 551 on vessels and MNOK 27 on periodic maintenance (reference Note 2).

The Group has sold three vessels in 2023, that was classified as held for sale in 2022 (One PSV, one AHTS and one CSV). In addition the group has sold 37 PSVs in the Tidewater transaction, and two additional AHTS during the year. A net gain of MNOK 518 has been booked to Net gain/-loss sale of assets for continuing operations. A gain of MNOK 13 has been booked in Net gain/loss in sale of assets for discontinuing operations in 2023, whereof a net loss of MNOK 44 is related to the Tidewater transaction.



## Note 10: Right-of-use assets

| | Right-of-use asstes | | | |
|---|---|---|---|---|
| | **Vessels** | **Office** | **Total** | **Lease liabilities** |
| **Opening balance 01.01.2023** | **3,159,924** | **185,889** | **3,345,813** | **3,712,076** |
| Other adjustments | 23,958 | 7,938 | 31,896 | 31,896 |
| Additions | 58,240 | 7,736 | 65,976 | 65,268 |
| Disposals | -68,788 | - | -68,788 | -74,322 |
| Translation differences | -4,790 | 462 | -4,328 | 91,838 |
| Depreciation | -420,354 | -27,142 | -447,496 | - |
| Impairment | - | -17,002 | -17,002 | - |
| Interest expense | - | - | - | 438,658 |
| Lease payments | - | - | - | -381,739 |
| Transferred to assets held for sale and/or liabilities directly associated with the assets held for sale | -49,159 | -67,565 | -116,724 | -122,572 |
| **Closing balance 31.12.2023** | **2,699,030** | **90,317** | **2,789,346** | **3,761,103** |

| | Right-of-use asstes | | | |
|---|---|---|---|---|
| | **Vessels** | **Office** | **Total** | **Lease liabilities** |
| **Opening balance 01.01.2022** | **2,349,503** | **211,683** | **2,561,187** | **2,744,284** |
| Other adjustments | 695,921 | -1,516 | 694,405 | 950,555 |
| Additions | 2,076 | - | 2,076 | - |
| Disposals | - | - | - | - |
| Translation differences | 321,864 | 3,127 | 324,991 | 222,216 |
| Depreciation | -176,731 | -27,406 | -204,137 | - |
| Impairment | -32,710 | - | -32,710 | - |
| Interest expense | - | - | - | 233,521 |
| Lease payments | - | - | - | -438,500 |
| **Closing balance 31.12.2022** | **3,159,924** | **185,889** | **3,345,813** | **3,712,076** |

| The following are the amounts recognised in profit or loss: | 2023 | 2022 |
|---|---|---|
| Depreciation expense of right-of-use assets | 447,496 | 204,137 |
| Interest expense on lease liabilities | 438,658 | 233,521 |
| Variable lease payments expensed in the period* | 68,890 | 50,238 |
| Operating expenses in the period related to current leases | 225 | 214 |
| **Total lease expenses included in other operating expenses** | **955,270** | **488,110** |

**The Group has two vessels on lease with variable lease payments.*

The Group had total cash outflows for leases of MNOK 382 in 2023 (MNOK 262 in 2022).

The disposal of right of use vessel of MNOK 69 is related to Normand Tonjer, where the purchase option in the leasing agreement was exercised in December 2023. The vessel is classified as tangible fixed assets and vessels as of 31 December 2023.

**Impairment Testing of Right-of-Use Assets**
Based on value-in-use-calculations an impairment of MNOK 17 was recognised in 2023 (impariment of MNOK 33 in 2022). The impairment is related to leased offices in Ålesund, and is due to reduced forecasts for sublease revenues. Further reference is made to Note 9 Property, Plant and Equipment.

**Normand Maximus**
The right of use asset for Maximus is MNOK 2,699 (MNOK 3,099 in 2022) and lease liability MNOK 3,625 (MNOK 3,424 in 2022). The residual claim is included in the lease obligation with MNOK 1,833 (MNOK 1,586 in 2022).

**Guarantee**
Vessel lease liability related to the residual claim is guaranteed by the Parent Company with MUSD 161 pluss accumulated intersts, further reference is made to Note 8 - Mortage Debt and Other Liabilities.

**Variable Lease Payments**
The Company has two vessels on lease with variable lease payments. The total payments for 2023 was MNOK 68.9 (MNOK 50.2 in 2022).

**Group as a Lessor**
As mentioned in note 6, the agreed day rate invoiced to customers 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).

For the future minimum rentals receivable under non-cancellable operating leases, see Note 6 Operating Income, Reporting by Segments and Geographical Markets.



## Note 11: Financial items

| Financial items | 2023 | 2022 |
|---|---|---|
| Interest expense | -1,683,318 | -1,063,228 |
| Interest income | 131,700 | 46,436 |
| Net currency loss | -31,554 | -529,863 |
| Income from investment in associates | -4,824 | 722 |
| Gain/ loss (-) financial derivatives | 1,500 | 5,800 |
| Impairment of shares | - | -86 |
| Dividends | 900 | 900 |
| | | |
| Gain fair value recognition of debt | - | 3,945 |
| Other financial income/ -expenses (-) | -13,218 | -26,988 |
| **Net financial items** | **-1,598,813** | **-1,562,363** |

Other financial expenses of MNOK 45 consits of net currency loss of MNOK 32 and other financial income/expenses of MNOK 13.

Currency gain and -loss is mainly related to unrealized currency gain and -loss on assets and liabilities in foreign currency, change in currency rates in the period from posting of invoices and actual timing of payments, and realised currency gain and -loss related to repayment of loan.

Gain fair value of warrants relates to the part of the refinanced debt specifically allocated to the non-core part of the fleet. Warrants are issued for this debt. The warrants are measured at the end of each accounting period.

## Note 12: Other expenses, wages, employees and distinctive contributions

| Other operating expenses: | 2023 | 2022 |
|---|---|---|
| Technical expenses | 435,049 | 379,450 |
| Bunker and lube oil | 172,948 | 144,424 |
| Insurance | 110,074 | 84,999 |
| Project expenses | 912,377 | 617,920 |
| IT, communications and other expenses | 186,730 | 211,068 |
| **Total other operating expenses** | **1,817,179** | **1,437,861** |
| | | |
| Wages and personnel expenses: | | |
| Employees, vessels | 1,592,920 | 1,447,967 |
| Employees, administration | 330,718 | 281,778 |
| **Total employee expenses** | **1,923,638** | **1,729,745** |
| | | |
| Wages and employee expenses: | | |
| Wages | 1,358,883 | 1,205,835 |
| Social security | 237,362 | 167,954 |
| Pension expenses | 31,209 | 42,434 |
| Other benefits | 65,662 | 53,806 |
| Traveling expenses, courses and other personnel expenses | 230,520 | 259,717 |
| **Total employee expenses** | **1,923,638** | **1,729,745** |
| | | |
| Average number of FTEs continuing operations | 2,135 | 2,239 |
| Average number of FTEs discontinuing operations (not reflected in numbers above) | 730 | 1,301 |

**Renumeration to Directors, Managing Director and Auditors**

| 2023 | Wages | Bonus | Other benefits | Pension cost |
|---|---|---|---|---|
| Lars Peder Solstad (CEO) | 5,458 | 2,729 | 210 | 122 |
| Kjetil Ramstad (CFO) | 2,429 | 2,429 | 17 | 116 |
| Tor Johan Tveit (COO) | 2,079 | 2,079 | 17 | 117 |
| Hans Knut Skår (CCO) | 1,042 | 1,042 | 8 | 61 |
| | 11,008 | 8,279 | 252 | 416 |

| 2022 | Wages | Bonus | Other benefits | Pension cost |
|---|---|---|---|---|
| Lars Peder Solstad (CEO) | 5,818 | 1,582 | 167 | 117 |
| Kjetil Ramstad (CFO) | 2,320 | 1,392 | 14 | 111 |
| Tor Johan Tveit (COO) | 1,955 | 1,173 | 14 | 112 |
| | 10,093 | 4,147 | 194 | 340 |



There are no distinctive agreements regarding remuneration for the Chairman of the Board and neither are there any distinctive bonus or option programmes for any Board Member. No loans have been given to the company management.

The Company's executive bonus system is designed to promote performance in line with the Company's strategy, and is determined by the Company's key performance indicators (KPIs) linked to the Company Priorities, defining clear annual deliverables that are critical for the Company's future.

In October 2023, Jarsteinen AS, a company which is a close associate of the Chief Executive Officer, exercised its right to subscribe 5,038,187 shares in the Company at exercise price NOK 2.80 per share and issue price of NOK 26.90 per share. CEO owns 60 percent of Jarsteinen AS' shares. Refer to remuneration report for further details.There are no active warrants programs in the Company per 31 December 2023.

The Chief Executive Officer has a six-month mutual termination period.

| Payments to Board of Directors: | 2023 | 2022 |
|---|---|---|
| Harald Espedal | 622 | 592 |
| Frank O. Reite | 440 | 419 |
| Ellen Solstad | 325 | 309 |
| Peder Sortland | 411 | 441 |
| Ingrid Kylstad | 411 | 392 |
| Thorhild Widwey | 325 | 260 |

| | 2023 | | 2022 |
|---|---|---|---|
| Auditors EY | Continuing operation | Discontinuing operations | |
| Statutory audit | 13,553 | 8,319 | 11,823 |
| Other assurance services | 3,836 | 2,222 | 2,839 |
| Other non-audit services | 9,714 | 1,416 | 12,966 |
| **Total** | **27,103** | **11,957** | **27,629** |

Audit fees relates to statutory audit of accounts. Other assurance services relates to services required by law. Other non-audit services are fee for compliance services and restructuring process.

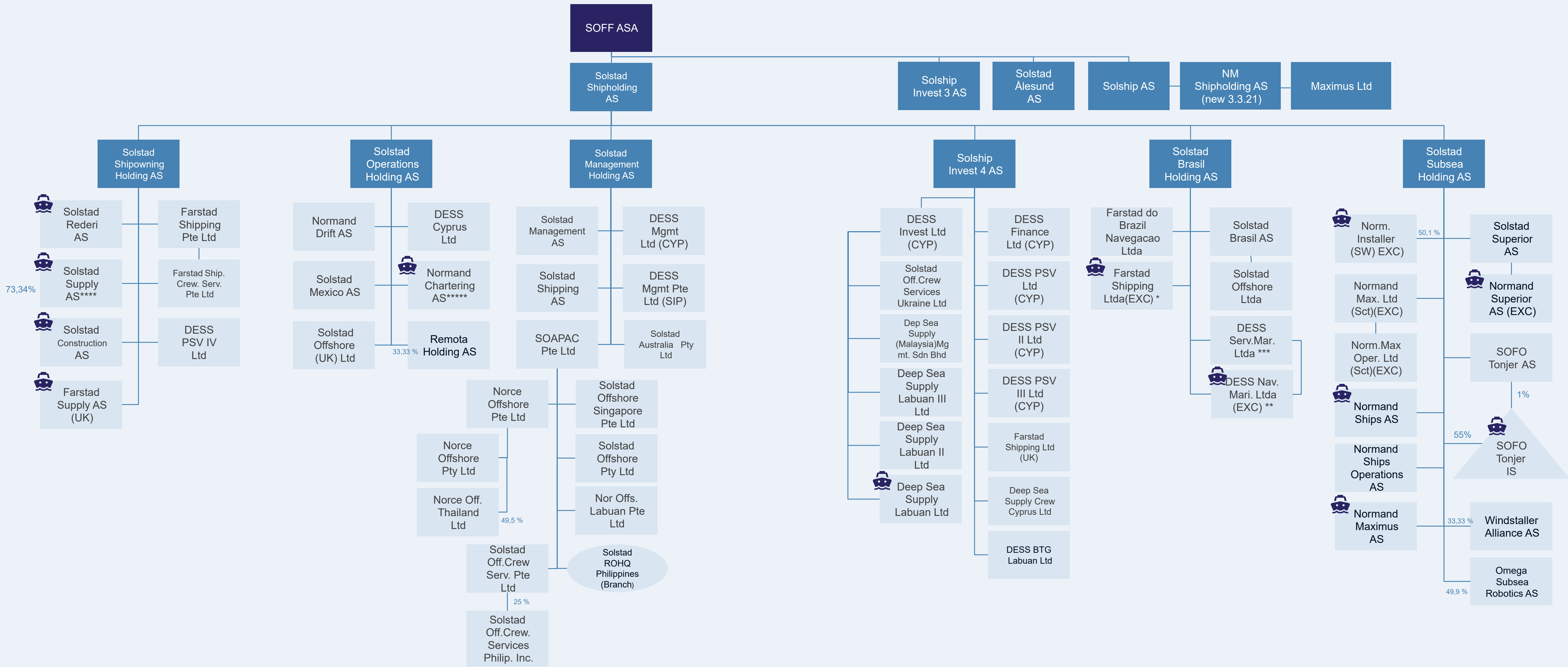
## Note 13: Government Grants

| | 2023 | 2022 |
|---|---|---|
| Net pay scheme at NOR-vessels | 138,430 | 180,805 |
| Grants for environmental measures (ENOVA) | - | 16,952 |
| **Government grants*** | **138,430** | **197,757** |

** Continued and discontinued operations*

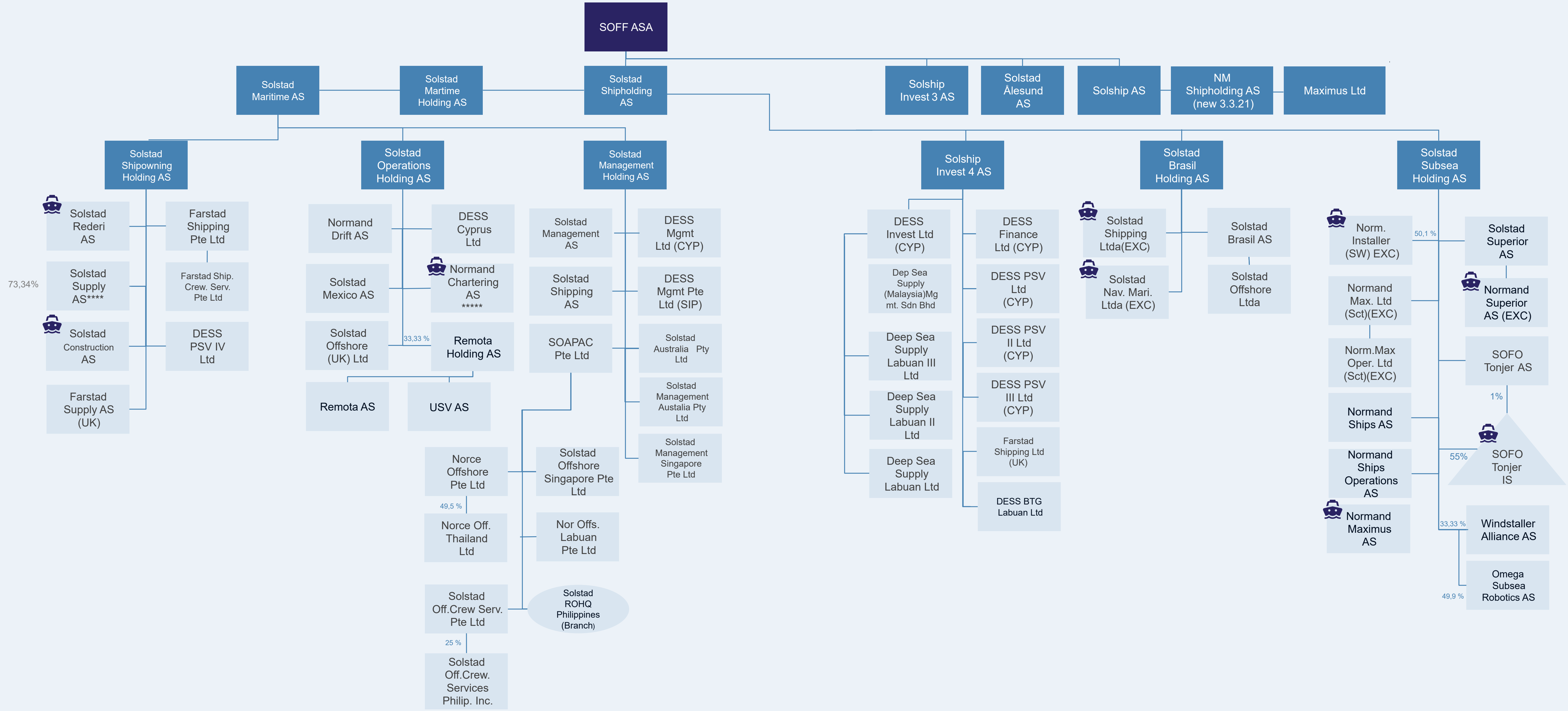
## Note 14: Share in subsidiaries

### As of 31.12.2022

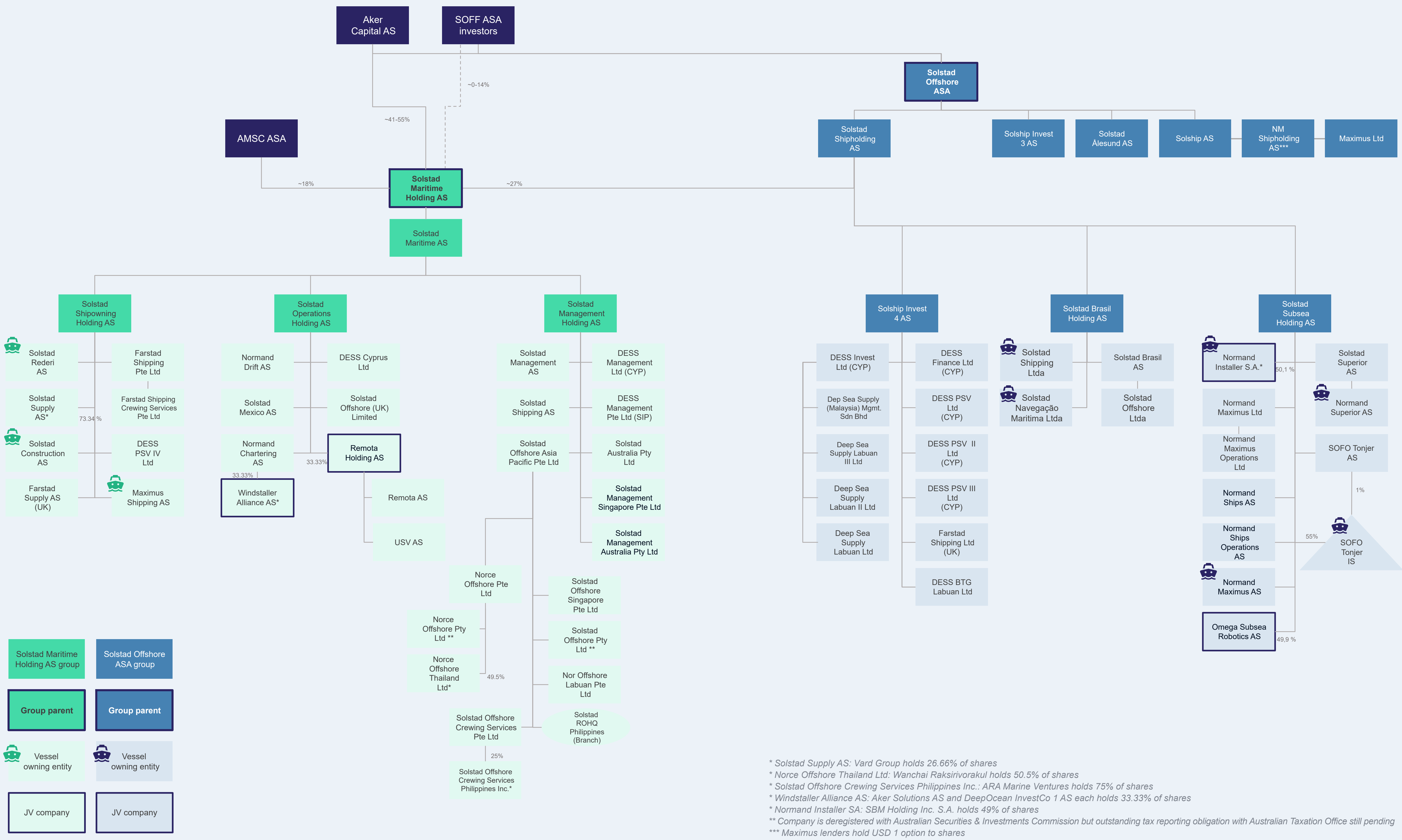



*Note: Condensed organization chart of Solstad Offshore ASA exclusive of dormant companies per 31.12.2022. Unless stated otherwise owner share is 100%.*
** Felipe Meira holds one share*
*** Deep Sea Servicos Maritimos Ltda holds one share*
**** Deep Sea Supply Navegacao Maritima Ltda holds one share*
***** Solstad Supply AS: Vard Group 26,66%*
****** Normand Skarven AS: re-named Normand Chartering AS (OCY-leases)*

**As of 31.12.2023**



## The Refinancing implements a new group and ownership structure




** Solstad Supply AS: Vard Group holds 26.66% of shares*
** Norce Offshore Thailand Ltd: Wanchai Raksirivorakul holds 50.5% of shares*
** Solstad Offshore Crewing Services Philippines Inc.: ARA Marine Ventures holds 75% of shares*
** Windstaller Alliance AS: Aker Solutions AS and DeepOcean InvestCo 1 AS each holds 33.33% of shares*
** Normand Installer SA: SBM Holding Inc. S.A. holds 49% of shares*
*** Company is deregistered with Australian Securities & Investments Commission but outstanding tax reporting obligation with Australian Taxation Office still pending*
**** Maximus lenders hold USD 1 option to shares*

## Note 15: Share in Join Ventures, Associates and Other Investments

The Group accounts consists of the following shares in joint ventures (JV) and associates (AC):

| | | Place of Business | Ownership | Date of Financial statement |
|---|---|---|---|---|
| Normand Installer SA (NISA) | JV | Marly, Sveits | 50% | 31/12/2023 |
| Omega Subsea Robotics AS (OSRAS)* | JV | Ølen, Norway | 50% | 31/12/2023 |
| Solstad Offshore Crewing Services Philippines (SOCS) | AC | Manilla, Philippines | 25% | 31/12/2023 |
| Windstaller Alliance AS (WAAS)*** | AC | Oslo, Norway | 33% | 31/12/2023 |
| Remota Holding AS (REMO) | AC | Haugesund, Norway | 33% | 31/12/2023 |
| Maximus Limited | AC | Caymen Islands | 100%** | 31/12/2022 |

** included from December 2022. Hence, no share of result in 2022.*
*** Non-controlling interests*

Normand Installer SA owns one contruction service vessel hired on time charter to a company associated with the other part of the joint venture. Omega Subsea Robitics AS is a lessor of ROVs and other equipment for subsea operations. Solstad Offshore Crewing Services Philippines deliver crewing services to the Group. Windstaller Alliance AS is a company performing industrial activities in the renewable energy market. Remota Holding AS is a company investing in unmanned vessels for offshore operations. Maximus Limited is the former owner of Normand Maximus, and is the owner of the Residual claim.

All the above investments are strategic for the Group. Solstad Offshore Crewing Services Philippines and Remota Holding AS is classified as Assets held for sale as part of the Solstad Maritime group. Windstaller Alliance AS moved from Solstad Offshore to Solstad Maritime in January 2024, refer to page 94.

| Joint ventures | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | NISA | OSRAS | Total | NISA | OSRAS | Total |
| Cost price 01.01. | 1,631 | 7,484 | 9,115 | 1,631 | - | 1,631 |
| Acc result and adjustments | 147,120 | - | 147,120 | 89,496 | - | 89,496 |
| Book value 01.01. | 148,751 | 7,484 | 156,235 | 91,127 | - | 91,127 |
| Share of result | 20,924 | -989 | 19,935 | 20,418 | - | 20,418 |
| Other adjustments | -21,510 | 33,995 | 12,485 | 37,206 | 7,484 | 44,690 |
| **Book value 31.12.** | **148,164** | **40,490** | **188,655** | **148,751** | **7,484** | **156,235** |
| **Balance sheet:** | | | | | | |
| Bank deposit and cash equivalents | 22,958 | 69,539 | 92,497 | 20,563 | 14,969 | 35,532 |
| Current assets | 46,835 | 4,628 | 51,464 | 86,969 | 1,147 | 88,116 |
| Non-current assets | 539,654 | 50,216 | 589,871 | 552,930 | 62,250 | 615,180 |
| Current liabilities | -78,062 | -3,362 | -81,424 | -23,747 | -14,102 | -37,849 |
| Non-current financial liabilities | -235,057 | -40,000 | -275,057 | -339,214 | -50,000 | -389,214 |
| Net Assets | 296,329 | 81,022 | 377,351 | 297,502 | 14,265 | 311,767 |
| Share of balance sheet: | 148,165 | 40,511 | 188,675 | 148,751 | 7,132 | 155,883 |

| | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | NISA | OSRAS | Total | NISA | OSRAS | Total |
| **Revenues and profit:** | | | | | | |
| Revenues | 177,709 | 32,497 | 210,206 | 166,115 | 1,147 | 167,262 |
| Operating expense | -71,608 | -18,294 | -89,902 | -67,314 | -38 | -67,352 |
| Depreciations | -36,907 | -12,861 | -49,768 | -37,335 | -1,055 | -38,390 |
| Financial income | 1,970 | 271 | 2,241 | 1,295 | - | 1,295 |
| Interest expense | -32,019 | -3,418 | -35,437 | -21,925 | -759 | -22,684 |
| Result before tax | 39,145 | -1,805 | 37,340 | 40,835 | -705 | 40,130 |
| Result | 41,847 | -1,408 | 40,439 | 40,835 | -705 | 40,130 |
| Share of revenues and profit: | 20,924 | -704 | 20,220 | 20,418 | - | 20,418 |

| Associates | 2023 | | | |
|---|---|---|---|---|
| | SOCS | WAAS | REMO | Total |
| Cost price 01.01. | 385 | 164 | - | 549 |
| Acc result and adjustments | 1,727 | 47 | - | 1,774 |
| Book value 01.01. | 2,112 | 212 | - | 2,323 |
| Share of result | 271 | 369 | -5,202 | -4,563 |
| Other adjustments | -274 | - | 46,001 | 45,726 |
| **Book value 31.12.** | **2,108** | **581** | **40,798** | **43,487** |
| **Balance sheet:** | | | | |
| Current assets | 5,143 | 359 | 3,036 | 8,538 |
| Non-current assets | 692 | - | 45,970 | 46,662 |
| Current liablilities | -4,234 | -152 | -7,622 | -12,008 |
| Non-current financial liabilities | - | - | - | - |
| Net assets | 1,601 | 207 | 41,384 | 43,192 |
| **Share of revenues and profit:** | | | | |
| Revenues | 3,566 | 19,201 | 2,733 | 25,500 |
| Operating expense | -3,173 | -18,707 | -7,979 | -29,859 |
| Financial income | 2 | -21 | -108 | -126 |
| Result before tax | 395 | 473 | -5,354 | -4,486 |
| Taxes | -152 | -104 | 152 | -104 |
| Result | 243 | 369 | -5,202 | -4,590 |

| Associates | 2022 | | |
|---|---|---|---|
| | SOCS | WAAS | Total |
| Cost price 01.01. | 385 | - | 385 |
| Acc result and adjustments | 894 | - | 894 |
| Book value 01.01. | 1,279 | - | 1,279 |
| Share of result | 675 | 47 | 722 |
| Other adjustments | 158 | 164 | 322 |
| Book value 31.12. | 2,112 | 212 | 2,323 |
| **Balance sheet:** | | | |
| Current assets | 6,435 | 359 | 6,435 |
| Non-current assets | 373 | - | 373 |
| Current liablilities | -5,692 | -152 | -5,692 |
| Non-current financial liabilities | -4 | - | -4 |
| Net assets | 1,112 | 207 | 1,112 |
| **Share of revenues and profit:** | | | |
| Revenues | 3,198 | 174 | 3,372 |
| Operating expense | -2,576 | -113 | -2,689 |
| Financial income | 296 | - | 296 |
| Result before tax | 918 | 61 | 978 |
| Taxes | -235 | -13 | -249 |
| Result | 682 | 47 | 729 |

| Financial assets at fair value - non-current | 2023 | | 2022 | |
|---|---|---|---|---|
| Unlisted shares | Share | Book value | Share | Book value |
| Bleivik SIM Holding AS (Classified as assets held for sale) | 29,54 % | 2,991 | 29.54% | 2,991 |
| Hafast AS (Classified as assets held for sale) | 2,64 % | - | 2.64% | - |
| **Total** | | **2,991** | | **2,991** |

Based on, amongst others, no board representation, the Group does not have significant influence on the above mentioned companies.

The shares in Hafast AS was written down to NOK 1 in 2019.

| Investments in shares - current | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| Listed shares | Cost price | Share | Book value | Cost price | Share | Book value |
| Reach Subsea ASA (Classified as assets held for sale) | 10 000 | 5,48 % | 22,500 | 10,000 | 5.48% | 21,000 |
| **Total** | | | **22,500** | | | **21,000** |

Investments available for sale are shares which have no fixed maturity or return.

Shares are valued at fair value at year end. See note 7 Financial Market Risk, Financial Instruments for more information.



## Subsidiaries with Significant Non-Controlling Interests

The Group have two subsidiaries with significant non-controlling interests (NCI) as of 31th Desember 2022. Information regarding these is as follows (NOK 1,000):

| 2023 Name | Country | NCI | Result allocated to NCI | Accumulated NCI | Paid dividend |
|---|---|---|---|---|---|
| Solstad Supply AS (classified as Asset held for sale) | Norway | 27% | 3,521 | -29,737 | - |
| SOFO Tonjer IS | Norway | 44% | 3,185 | 27,056 | - |

| 2022 Name | Country | NCI | Result allocated to NCI | Accumulated NCI | Paid dividend |
|---|---|---|---|---|---|
| Solstad Supply AS | Norway | 27% | -10,010 | -33,258 | - |
| SOFO Tonjer IS | Norway | 44% | 5,222 | 23,871 | - |

Capital has been called upon in SOFO Tonjer IS in 2023, with MNOK 41.58. MNOK 27.4 is contributed by minority interest.

2023

| Condensed financial statement | Solstad Supply AS | SOFO Tonjer IS |
|---|---|---|
| Non-current assets | - | 80,016 |
| Current assets | 88,111 | 39,481 |
| **Total assets** | **88,111** | **119,497** |
| Non-current liabilities | 813 | - |
| Current debt | 42,078 | 16,824 |
| **Total liabilities** | **42,891** | **16,824** |
| Income | 21,708 | 51,238 |
| **Result after tax** | **13,233** | **7,009** |

2022

| Condensed financial statement | Solstad Supply AS | SOFO Tonjer IS |
|---|---|---|
| Non-current assets | 256,873 | 30,210 |
| Current assets | 62,744 | 31,960 |
| **Total assets** | **309,406** | **62,170** |
| Non-current liabilities | 391,349 | - |
| Current debt | 53,709 | 8,128 |
| **Total liabilities** | **445,058** | **8,128** |
| Income | 87,964 | 39,667 |
| **Result after tax** | **-37,545** | **11,866** |

## Note 16: Insurance Settlements

When damages occur to vessels or equipment that are reported as insurance cases, the Group pays for the repairs in advance. The following compensation has been received from the insurance companies (Continued and discontinued operations):

| | 2023 | 2022 |
|---|---|---|
| Received compensation | 75,447 | 63,625 |

Insurance deductible per damage is included in Other operating expenses. Charter revenue includes recognition of Loss of Hire-revenues of MNOK 75 and MNOK 62 for the two last years respectively.

## Note 17: Share Capital, Shareholders and Treasury Shares

| | Shares | Share capital | Treasury |
|---|---|---|---|
| **01/01/2023** | **77,308,609** | **77,309** | **-** |
| Capital increase privat placement | 5,038,187 | 5,038 | - |
| **31/12/2023** | **82,346,796** | **82,347** | **-** |
| | | | |
| **01/01/2022** | **75,608,658** | **75,609** | **-** |
| Capital increase by convertion of debt | 1,699,951 | 1,700 | - |
| **31/12/2022** | **77,308,609** | **77,309** | **-** |

Capital increase by private placement is related to the Chief Executive Officer exercice off warrants to purchase 5,038,187 shares, through Jarsteinen AS. In connection with the Restructuring in 2020, and on the basis of a resolution by the Company's shareholders' meeting, the Company's CEO, Lars Peder Solstad, and the Company entered into a warrant agreement whereby Lars Peder Solstad received 5,038,187 standalone rights to subscribe new shares in the Company. The warrants were exercised on 20 October 2023, increasing share capital to 82,346,796. Refer to statement of changes in equity and stock exchange announcement dated 24 October 2023.

As part of the Refinancing agreement with Aker, Solstad Offshore has as of contract agreement, October 2023, issued warrants through its subsidiaries that were transferred to Solstad Maritime Group as a requirement for completion of the transaction. These warrants were only possible to exercise until the major part of the the Refinancing was completed on 16 January 2024, and are no longer possible to exercise. They will therefore not impact the equity or results of Solstad Offshore ASA and are not recognized by Solstad Offshore ASA.

As of 31 December 2023 there are still warrants that could be exercised for any unsettled debt after disposal of vessels held for sale. As of 16 January 2024 all remaining debt on these vessels were repaid.



At 31.12.23 the Company's share capital represents 82,346,796 shares at NOK 1.
At 31.12.22 the Company's share capital represents 77,308,609 shares at NOK 1.

The number of shareholders at 31.12.23 was 9,832.
The number of shareholders at 31.12.22 was 10,919.

The Chief Executive Officer holds 8,235,966 shares through Jarsteinen AS.

As at 31.12.2023 and 31.12.2022 the Group had 139 treasury shares with cost price of MNOK 9.6.

| Top 10 as of 31.12.2023 | Number of shares | Ownership |
|---|---|---|
| Aker Capital AS | 27,089,493 | 32.90 % |
| Kistefos AS | 11,275,000 | 13.69 % |
| Jarsteinen AS | 8,235,966 | 10.00 % |
| Interactive Brokers LLC | 4,297,550 | 5.22 % |
| Kistefos Investment AS | 3,601,000 | 4.37 % |
| Magnus Leonard Roth | 1,500,000 | 1.82 % |
| Songa Capital AS | 1,411,040 | 1.71 % |
| Olymic Group AS | 871,224 | 1.06 % |
| Espedal & Co AS | 656,687 | 0.80 % |
| Nesttun Invest AS | 600,000 | 0.73 % |
| Minority shareholders | 22,808,836 | 27.70 % |
| | **82,346,796** | **100 %** |

## Note 18: Earnings per Share

Earnings per share are calculated by dividing the Group majority result by the average number of shares as of 31.12, adjusted for the average stock of treasury shares. There are no dilutive instruments as of 31 December 2023.

| | 2023 | 2022 |
|---|---|---|
| Majority result from net profit for continuing operations for the year | 285,152 | -446,933 |
| Majority result from net profit for discontinuing operations for the year | 115,278 | -666,083 |
| Majority result from net profit for the year | 400,430 | -1,113,016 |
| Result from net profit for the year | 407,136 | -1,117,803 |
| | | |
| Average number of shares | 78,302,443 | 76,935,022 |
| Average number of Treasury shares | 139 | 139 |
| Average number of shares to calculate earnings per share | 78,302,304 | 76,934,883 |
| | | |
| Earnings per share (basic and diluted) from continuing operations - majority (NOK) | 3.64 | -5.81 |
| Earnings per share (basic and diluted) from discontinuing operations - majority (NOK) | 1.47 | -8.66 |
| **Earnings per share (basic and diluted) - majority (NOK)** | **5.11** | **-14.47** |

## Note 19: Transactions with Related Parties

In addition to general management services, the Group has the following transactions with related parties:

| | Income | | Expenses | | Receivables | | Payables | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Joint venture companies | | | | | | | | |
| Normand Installer SA | - | - | - | - | 63,453 | 56,141 | - | - |
| Omega Subsea Robotics AS | - | - | 14,615 | - | - | - | 3,435 | - |
| | | | | | | | | |
| Other related parties | | | | | | | | |
| Ivan Eiendom | - | - | 11,272 | 11,684 | - | - | - | - |
| American Shipping Company | - | - | 320,730 | 77,772 | - | - | - | 75,957 |
| Windstaller | 25,654 | - | - | - | 273 | - | - | - |

### The Group's Affiliation with Related Parties:

Normand Installer SA is a joint venture company in which the Group has a 50% share. Receivable relates to a shareholders loan.

The Group leases 2 ROVs from Omega Subsea Robotics. a joint venture company.

The Group leases offices and a warehouse at market price from om a company controlled by a related party.

The Group also has one vessel on bareboat from American Shipping Company ("AMSC")(company owned 19.1% by one of the larger shareholders).

The Group is part of the Windstaller alliance, and vessels utilized on contracts have revenues on time charter contracts with the alliance.

From time to time, the Group has business relationship with Aker BP ASA, a company affiliated with one of the larger shareholders.

Board Members and the Company's Management are considered as related parties. There are no management agreements with related parties outside the Group that charge management fees.

Transactions with related parties are completed at normal market prices. Interests are not calculated on outstanding balances with related parties considered to be normal accounts receivable or payable. Current assets are included in the ordinary evaluation of bad debt.



## Note 20: Taxes

| | 2023 | 2022 |
|---|---|---|
| Taxes payable | 57,180 | 56,896 |
| Under/over accrual of tax payable | - | 37,637 |
| Change in deferred taxes | 2,234 | 10,146 |
| | | |
| Tax on result from continuing operations | 56,641 | 104,679 |
| Tax on result from discontinued operations | 2,773 | - |
| **Tax on ordinary result** | **59,414** | **104,679** |
| | | |
| **Apportionment of tax on ordinary result** | | |
| Norwegian tax | 2,234 | 10,146 |
| Foreign | 57,180 | 94,533 |
| **Total tax** | **59,414** | **104,679** |
| | | |
| **Temporary differences:** | | |
| Fixed assets (vessels and other non-current assets) | 3,992,764 | 5,205,848 |
| Receivables (current assets) | -700,414 | -31,144 |
| Other current assets | - | - |
| Other accruals | 626,799 | -22,790 |
| Pension | -19,763 | -20,381 |
| Tax position related to sold assets | 1,826,543 | -718,640 |
| Shares/ownership (current assets) | 684 | - |
| Interest deductions carried forward | -1,338,902 | -1,338,246 |
| Unrecovered loss carried forward | -21,616,171 | -21,100,343 |
| **Total temporary differences** | **-17,229,829** | **-18,025,696** |
| | | |
| **Tax effect of temporary differences:** | | |
| Fixed assets (vessels and other non-current assets) | 878,408 | 1,145,287 |
| Receivables (current assets) | -154,091 | -6,852 |
| Other current assets | - | - |
| Other accruals | 137,896 | -5,014 |
| Pension | -4,348 | -4,484 |
| Tax position related to sold assets | 401,839 | -158,101 |
| Interest deductions carried forward | -294,558 | -294,414 |
| Unrecovered loss carried forward | -4,755,558 | -4,642,075 |
| Deferred tax asset not recognised | 3,784,445 | 3,961,302 |
| Tax on result from continuing operations | -2,117 | -4,351 |
| Tax on result from discontinued operations | -4,000 | - |
| **Net deferred tax/ deferred tax asset (-)** | **-6,117** | **-4,351** |

| | 2023 | 2022 |
|---|---|---|
| **Changes in deferred tax in the balance sheet** | | |
| Opening balance deferred tax | -4,351 | -14,497 |
| Booked to profit and loss | 2,234 | 10,146 |
| Charged to equity (change pension) | - | - |
| Translation adjustment | - | - |
| **End balance deferred tax/ deferred tax asset (-)** | **-2,117** | **-4,351** |
| **Payable tax in the balance sheet consist of** | | |
| Other payable corporation tax | 24,715 | 228,409 |
| Other payable corporation tax recognized in Assets held for sale | 152,335 | - |
| **Total payable tax in the balance sheet** | **177,050** | **228,409** |
| **Analysis of effective tax rate** | | |
| 22% of pre-tax result | 102,641 | -222,887 |
| Effect of deferred tax asset not recognised | -176,857 | 149,107 |
| Correction of previous years | 0 | 37,637 |
| Differential in tax rates foreign entities | 29,498 | -1,094 |
| Permanent differences | 104,132 | 141,916 |
| **Estimated tax** | **59,414** | **104,679** |

Deferred tax asset is based on a tax rate of 22%.

Deferred tax on deviating values in associates with foreign partnerships has been included in the Group accounts. Further, deferred tax is calculated on scenarios where a future realization will lead to a tax liability.

Deferred tax assets from losses carried forward are recognized under the assumption that companies under the ordinary tax regime will have taxable income in the future. This taxable income is related to ordinary income, gain from sale of fixed assets and taxable financial income.

The Group has an international business. The taxable treatment of transactions, operations and structures in foreign countries may be challenged by local tax authorities, and may result in future tax obligations. Contingent liabilities are recognized in the accounts if they are more likely than not to occur. The accounts reflect the Groups best estimate for contingent liabilities at the end of the year.

At year end the Entity has included accrual for expected taxes related to operations in foreign waters. The accounts reflects the Entity's best estimate for contingent liabilities at the end of the year. Se note 29 for further information.

In total an amount of 288 million in non-deducted interest carried forward has not been recognized. Expiration date for 14 million is in 2027, 7 million in 2028, 19 million in 2029, 54 million in 2030, 64 million in 2031 and 130 million in 2032.

Unrecorded loss carry forward amounts to NOK 21.6 billion per year end 2023 (NOK 21.1 billion in 2022). The loss carry forward does not have any expiration date.



## Note 21: Pension

The Group has defined benefit pension plans for seafaring personnel in United Kingdom and for some of the administrative personnel in Norway. The pension plans are insurance based. As at December 31, 2023, the pension plans have six active and 99 pensioners as members.

The Group has a contribution plan for the majority of the seafaring personnel in Norway and administrative staff. The Group's pension scheme meets the requirements of the Norwegian law of Occupational pension.

| The following assumptions are used: | UK 2023 | UK 2022 | NORWAY 2023 | NORWAY 2022 |
|---|---|---|---|---|
| Discounted interest | 4.50 % | 4.85% | 3.10 % | 3.00% |
| Expected return | | | 3.10 % | 3.00% |
| Regulation of salaries | 3.35 % | 3.45% | 3.50 % | 3.50% |
| Regulation of base amount | | | 3.25 % | 3.25% |
| Regulation of pension | 2.85 % | 2.85% | 3.25 % | 2.00% |

| Changes in pension obligation: | 2023 | 2022 |
|---|---|---|
| **Estimated liability at beginning of the year** | **213,354** | **252,393** |
| Interest expense | 8,378 | 4,567 |
| Annual pension earnings | 1,458 | 1,464 |
| Curtailment / settlement | - | - |
| Payroll tax employer contribution, assets | -1,107 | -709 |
| Benefits paid | -15,595 | -13,823 |
| Past service cost | 2,422 | 877 |
| Actuarial (gain) / loss on the obligation | 4,804 | -31,416 |
| **Estimated liability at year end** | **213,715** | **213,354** |
| **Changes in plan assets:** | | |
| Opening value of plan assets | 192,973 | 226,529 |
| Expected return | 7,553 | 3,779 |
| Curtailment / settlement | - | - |
| Payroll tax of employer contribution, assets | -164 | -156 |
| Contributions by employer | 7,849 | 5,026 |
| Benefits paid | -13,471 | -11,629 |
| Actuarial gain / (loss) | -890 | -30,576 |
| **Estimated plan assets at year end** | **193,850** | **192,973** |

| Net plan assets/liabilities: | 2023 | 2022 |
|---|---|---|
| Pension liabilities | 213,715 | 213,354 |
| Plan assets | 193,850 | 192,973 |
| **Net plan assets/ (liabilities) incl social security** | **-19,865** | **-20,381** |
| Social security | -2,455 | -2,519 |
| Net plan assets/(liabilities) incl social security classified as Liabilities directly associated with the Assets held for sale | -15,577 | - |
| | | |
| **Pension cost:** | | |
| Present value of pension obligation | 1,057 | 1,014 |
| Interest expenses on obligation | 8,378 | 4,567 |
| Expected return on plan assets | -7,553 | -3,779 |
| Administration expense | 565 | 607 |
| Recognition of past service cost | 2,422 | 877 |
| Settlement/curtailmen of net obligation | - | - |
| **Pension cost** | **4,869** | **3,286** |
| | | |
| Payment on contribution plan | 26,340 | 46,581 |
| **Total pension cost** | **31,209** | **49,867** |
| | | |
| Actual return on plan assets | -6,663 | 26,797 |
| | | |
| **Acturial gain and loss (-)** | | |
| Total acturial gain / loss | -2,427 | 840 |
| Currency | - | - |
| Tax effect | 1,155 | 107 |
| **Acturial gain / loss booked on Other comprehensive income** | **-1,272** | **947** |

Pension liability for 2023 and 2022 is based on table K2013 for Norway and S2IA for UK.

**Individual Pension Agreements**
From the merger with Farstad the Group has an individual pension obligation for four former employees and one former Chairman of the Board. A total liability of NOK 0 million is included in the net liability above (NOK 2.1 million in 2022).

Plan assets are invested in a wide portfolio by an external insurance company. The insurance company is responsible for total administration of the pension plan.

For both years the “Norwegian Covered Bonds Market”-interest rate is used as basis for determination of the discounting rate.



## Note 22: Cash and Cash Equivalents

| | 2023 | 2022 |
|---|---|---|
| Cash and cash equivalents | 501,014 | 2,170,072 |
| Cash and cash equivalents classified as Assets held for sale | 1,381,956 | - |
| Total cash and cash equivalents | 1,882,971 | 2,170,072 |

The Group’s tied deposits total MNOK 29 (MNOK 37 in 2022) of which all is employee tax withheld.The tied deposits are classified as Assets held for sale.

As part of the restructuring of the Group’s debt effective from 20 October 2020, the total bank deposits are pledged.

As a part of the restructuring on 20 October 2020, a MNOK 1,500 Super Senior Credit Facility (SSCF) was made available for the Group. Available funds under the SSCF is classified as ordinary bank deposits. Per 31 December 2023 the SSCF was fully repaid through vessel sales during the year. Per 31 December 2022 the available funds under the SSCF bank deposits was MNOK 1,502 and the outstanding credit facility was MNOK 1,302.

The Group can not be in any event of continuing default before, or as a result of, any use of the funds under the SSCF.

## Note 23: Environmental Conditions

All of the company’s vessels comply with current environmental requirements. In 2023, none of the company’s vessels had conditions imposed on them for upgrading or improving technical equipment or any other measures necessary to satisfy current environmental standards.

The company’s HSE and ISPS system complies with international regulations (IMO’s International Safety Management Code). All vessels and our administration hold ISM certification from Det Norske Veritas or relevant Flag State. The company’s Quality Assurance system is certified in accordance to NS-EN ISO 9001:2000.

Reference is made to note 2 Significant Judgements, Accounting Estimates and Assessments.

## Note 24: Paid out and Proposed Dividend

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| **Approved and paid out during the year:** | | | |
| Ordinary dividend | - | - | - |
| | | | |
| **Proposed dividend at general meeting:** | | | |
| Ordinary dividend | - | - | - |
| Per share (NOK) | - | - | - |

## Note 25: Non-Current Receivables

| | 2023 | 2022 |
|---|---|---|
| Sellers credit* | - | 29,572 |
| Loan to other companies | - | 536 |
| Other receivables | 32,179 | 27,429 |
| **Total other non-current assets** | **32,179** | **57,536** |
| **Classified as Assets held for sale** | **11,669** | **-** |

** Reference Note 7 Financial Market Risk, Financial Instruments*

## Note 26: Accounts Receivable and Other Current Receivables

| | 2023 | 2022 |
|---|---|---|
| Accounts receivable | 312,428 | 1,228,901 |
| Receivable from associates and joint venture companies | - | 3,586 |
| **Total accounts receivable** | **312,428** | **1,232,487** |
| **Classified as assets held for sale*** | 1,193,804 | **-** |
| ** MNOK 55 is receivables from associates and joint venture companies.* | | |
| | | |
| **Contract assets** | **319,617** | **222,193** |
| **Classified as assets held for sale** | 221,002 | **-** |
| | | |
| Prepaid expenses | 23,443 | 143,611 |
| VAT/ WHT receivable | 86,415 | 19,946 |
| Costs to fulfil a contract | - | 70,477 |
| Other current receivables | 120,048 | 241,914 |
| Receivable from associates and joint venture companies | - | - |
| **Total current receivables** | **229,906** | **475,948** |
| **Classified as Assets held for sale** | 365,096 | **-** |

Contract assets are earned, not invoiced revenues. Costs to fulfill a contract are costs incurred in advance of a contract to be abel to fulfill performance obligations under the contract. The costs are recorded over the contract period. Other current receivables are mainly refundable insurance claims, government grants and prepaid docking expenses. Other current receivables included in assets held for sale consists of prepayments of MNOK 28, VAT/WHT receivables of MNOK 32, costs for fulfill a contract of MNOK 45, prepaid borrowing costs of MNOK 73, prepaid equity cost of MNOK 18 and other items of MNOK 169.

## Note 27: Inventory

Stock consists of provisions, bunkers and lube oil on the Group's vessels:

| | 2023 | 2022 |
|---|---|---|
| Bunkers | 14,454 | 104,426 |
| Lube oil | 8,223 | 40,638 |
| Other | 417 | 83,133 |
| **Total inventory** | **23,095** | **228,197** |
| Classified as asset held for sale | 77,730 | - |

Other stocks is mainly critical spare parts and dry docking work-in-progres. From 2023 this is classified as fixed assets.

## Note 28: Other Current Liabilites

| | 2023 | 2022 |
|---|---|---|
| **Contract liabilites** | **-** | **3,597** |
| Classified as Liabilities directly associated to the Assets held for sale | 11,560 | - |
| | | |
| Accrued salaries, related taxes and VAT payable | 155,486 | 293,720 |
| Costs to fulfill a contract | - | - |
| Other current liabilities | 228,477 | 201,736 |
| **Total current liabilities** | **383,963** | **495,456** |
| Classified as Liabilities directly associated to the Assets held for sale | 844,399 | - |

Contract liabilites are invoiced revenues, but where the performance obligation is not fulfilled.

Other current liabilities consist mainly of incurred operational expenses and performed planned periodic maintenance not yet invoiced at year end.

Total other current liabilites included in liabilities directly associated with the assets held for sale consists of accrued salaries, related taxes and VAT with MNOK 207, costs to fulfill a contract with MNOK 28 and other current liabilites of MNOK 609.

## Note 29: Contingent Liabilities, Assets and Provisions

Contingent liabilities are recognized in the accounts if they are more likely than not to occur. The accounts reflect the Companys's best estimate for contingent liabilities at the end of the year.

The Company has an international business. The taxable treatment of transactions, operations and structures in foreign countries may be challenged by local tax authorities and may result in future tax obligations.

**Tax Claims in Brazil**
Chartering of non-Brazilian built tonnage in Brazil require application for tax exemption for temporary importation of vessels and spare parts through Brazilian Oil & Gas tax regime (REPETRO). There are several cases where Brazilian Tax Authorities claim to have identified procedural error, and where large fines are imposed.

The Company's subsidiaries in Brazil; Solstad Shipping Ltda., Solstad Navegacão Marítima Ltda. and Solstad Offshore Ltda. have all received claims ralated to importation of vessels and spare parts during the period 2008-2018. The claims relates to customs duties, notices of infringement and fines. The claims are annually adjusted according to market interest rate.

All claims are handled by the Company's lawyers in Brazil. The majority of the claims are rejected and chances to succeed are considered high. Although most claims are rejected, they represent liabilities which, in Management's assessment, can lead to release of financial resources in the future, or may need a legal deposit if the case goes to Judicial level. Management also believes some liabilities can be measured and estimated realiably.

The total potential claim amounts to approximately MNOK 365 (MNOK 290). The increase in 2023 is due to currency MNOK 40 and interest and surcharges MNOK 35. Based on an individual assessment of each case the Group's total recognized accrual is MNOK 17.6 (MNOK 15.9 in 2022). Legal fees are expensed as incurred.

**VAT Claim Thailand (Related to Assets Held for Sale)**
The provision included at year end of MNOK 461 (MNOK 200 in 2022) relates to claims on VAT, corporate income taxes and associated interests and penalty claims from legacy operations in Thai waters in the period between 2016 and 2020. The Thai revenue department has notified the Thailand branch of Solstad Offshore Asia Pacific Pte Ltd of claims which at the date hereof is calculated to an amount corresponding to the provision. The Group is in a process of analyzing the claim and obtaining an understanding of all relevant matters associated with the legacy operations, including appeals and negotiations with the revenue department. Due to the uncertainty, complexity and recent claim updates from foreign state, the Group has no current understanding of when possible cash outflow may occour, and is working closely with adviseres on this matter. The claim does not have recourse to other companies in the Group other than Solstad Offshore Asia Pacific Pte Ltd. The Group has currently no operations in these foreign waters. The increase of MNOK 261 is based on the recent claim updates, and a reclassification from Corporate income tax to Value added tax (reclassified from tax on ordinary result to Administrative costs in the profit & loss) has also been done in 2023 to better reflect the basis of the claim.

| | Value added tax | Corporate income tax | Other claims | Total |
|---|---|---|---|---|
| Contingent liability 01.01.2023 | - | 200,000 | 15,873 | 215,873 |
| Increase in contingent liability | 324,800 | -63,800 | 1,757 | 262,757 |
| **Contingent liability 31.12.2023** | **324,800** | **136,200** | **17,630** | **478,630** |
| whereof classified as Liability directly associated with the Asset held for sale | 324,800 | 136,200 | - | 461,000 |

**Normand Maximus**
Reference is made to note 8 regarding information about Normand Maximus.

**Insurance Claims**
The Company receives compensation for costs of repairs on damages on vessels and equipment, and loss of hire-revenues for damages where the vessel is off-hire for a period of time related to the insurance case. The revenues and cost reimbursement is booked as a provision at the time the claim is sent to the insurance company, and is assessed to be virtually certain. The total insurance claim recoverable as of 31 December 2023 was MNOK 124.

**Kistefos AS**
On 7 December 2023, Kistefos AS ('Kistefos') as shareholder in Solstad Offshore ASA called for an extraordinary shareholders meeting. Kistefos required that Solstad Offshore ASA should bring legal actions against several companies and persons for i.a unlawful distributions in connection with the Refinancing of Solstad Offshore ASA announced 23 October 2023. The request for an extraordinary shareholders meeting was withdrawn on 31 January 2024, and no claim has been notified against Solstad Offshore ASA or its subsidiaries as at the date hereof. On 1 March 2024 Kistefos informed the Board Members and CEO of Solstad Offshore ASA that Kistefos is considering initiating a lawsuit against the board members and the CEO to claim compensation for the alleged loss incurred by Kistefos as a result of the Refinancing that was announced by the Company on 23 October 2023. It is not assessed as probable that the disagreement between the shareholders and the board and CEO will lead to a liability or significant costs for the Company, and no provision for any liability has been made in the financial statements.

## Note 30: 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"). The major part of the Refinancing was completed on 16 January 2024. 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. During 4Q 2023 impairments of MNOK 578 has been booked against non-current assets held for sale following the Refinancing. The transaction is exposed to and will be impacted by revaluation of debt in foreign currency and net result from operations from 1 January 2024 to 16 January 2024, to be reflected in 1Q 2024.
- The Company is in the process of refinancing the mortgage debt towards "Normand Superior". The maturity under the current financing has been extended to 30 June 2024.

# Alternative Performance Measures

In addition to reporting measures required under IFRS, the Company also uses the following alternative performance measures in the annual reports

**Equity Ratio**
Booked equity including minority interests in percentage of total assets

**Earnings per Share**
Result for the period for the Group divided by weighted average number of shares for the reporting period, adjusted for treasury shares

**Adjusted EBITDA**
Operating result before depreciations and impairments adjusted for joint ventures, operating leases, net gain/loss on sale of assets, restructuring costs and other non-cash related items

# Corporate accounts for Solstad Offshore ASA

## Parent Company

## Profit or Loss Account

*Amounts in NOK 1,000*

| | 2023 | 2022 | Note |
|---|---|---|---|
| Other operating income | 15,700 | 12,912 | |
| **Total operating income** | **15,700** | **12,912** | |
| | | | |
| Personnel costs | -3,153 | -3,115 | 4 |
| Other operating expenses | -12,226 | -8,763 | 4 |
| **Total operating expenses** | **-15,379** | **-11,878** | |
| | | | |
| **Operating loss** | **321** | **1,034** | |
| | | | |
| Other interest income | 130 | 6 | |
| Other financial income | - | 257,680 | 5 |
| Other interest charges | - | - | |
| Other financial charges | -38 | -7,145 | 5,7 |
| **Net financial items** | **93** | **250,540** | |
| | | | |
| **Ordinary result before taxes** | **414** | **251,574** | |
| Tax on ordinary result | - | - | 8 |
| **Net result for the year** | **414** | **251,574** | |
| | | | |
| Transfer and disposable income | | | |
| Transfer to/from other equity | 414 | 251,574 | 9 |
| **Total transfer and disposable income** | **414** | **251,574** | |

## Balance Sheet

*Amounts in NOK 1,000*

| | 2023 | 2022 | Note |
|---|---|---|---|
| ASSETS | | | |
| FIXED ASSETS | | | |
| FINANCIAL FIXED ASSETS: | | | |
| Investment in subsidaries | 830,082 | 830,082 | 6 |
| **TOTAL FINANCIAL FIXED ASSETS** | **830,082** | **830,082** | |
| **TOTAL FIXED ASSETS** | **830,082** | **830,082** | |
| CURRENT ASSETS | | | |
| RECEIVABLES: | | | |
| Other current receivables | 43,218 | 36,633 | 7 |
| **Total receivables** | **43,218** | **36,633** | |
| Bank deposits and cash equivalents | 14,719 | 719 | |
| **TOTAL CURRENT ASSETS** | **57,937** | **37,352** | |
| **TOTAL ASSETS** | **888,020** | **867,434** | |

| | 2023 | 2022 | Note |
|---|---|---|---|
| EQUITY & LIABILITIES: | | | |
| EQUITY | | | |
| RESTRICTED EQUITY: | | | |
| Share capital (82,346,796 a 1,-) | 82,347 | 77,309 | |
| Share premium | 189,456 | 180,387 | |
| **TOTAL RESTRICTED EQUITY** | **271,803** | **257,696** | **9** |
| EARNED EQUITY: | | | |
| Other equity | 577,255 | 420,993 | 11 |
| **TOTAL EARNED EQUITY** | **577,255** | **420,993** | |
| **TOTAL EQUITY** | **849,057** | **678,689** | **9** |
| LIABILITIES | | | |
| OTHER NON-CURRENT LIABILITIES: | | | |
| Other non-current liabilities | 1 046 | 1,046 | 13 |
| **TOTAL NON-CURRENT LIABILITIES** | **1 046** | **1,046** | |
| CURRENT LIABILITIES: | | | |
| Accounts payable | 32,589 | 185,210 | 7 |
| Other current liabilities | 5,327 | 2,489 | |
| **Total current liabilities** | **37,916** | **187,699** | |
| **TOTAL CURRENT LIABILITIES** | **38,962** | **188,745** | |
| **TOTAL EUQUITY AND LIABILITIES** | **888,020** | **867,434** | |

Board of Director in Solstad Offshore ASA
Skudeneshavn April 30, 2024

**Harald Espedal**
Chairman

**Frank O. Reite**
Director

**Peder Sortland**
Director

**Ingrid Kylstad**
Director

**Ellen Solstad**
Director

**Lars Peder Solstad**
CEO

## Statement of Cash Flow

*Amounts in NOK 1,000*

| | 2023 | 2022 |
|---|---|---|
| **CASH FLOW FROM OPERATIONS** | | |
| Profit / loss before taxes | 414 | 251,574 |
| Impariment of financial assets | - | - |
| Interest income | -130 | -6 |
| Interest expense | - | - |
| Non-cash refinance effects | - | -250,565 |
| Unrealised currency gain/ -loss | - | - |
| Change in current receivables and payables | 3,227 | 4,035 |
| Change in other accruals | -3,748 | 3,366 |
| **Net cash flow from operations** | **-237** | **334** |
| | | |
| **Cash flow from investments** | | |
| Investments in shares | - | - |
| Pamynet of non-current receivables | - | - |
| Deposal of shares | - | - |
| **Net cash flow from investments** | **-** | **-** |
| | | |
| **CASH FLOW FROM FINANCING** | | |
| Paid-in capital | 14,107 | - |
| Interest reiveiced | 130 | 6 |
| Interest paid | - | - |
| New / repayment of (-) debt | - | - |
| **Net cash flow from financing** | **14,237** | **6** |
| | | |
| Net change in cash and cash equivalents | 14,000 | 340 |
| Cash and cash equivalents at 01.01 | 719 | 379 |
| **Cash and cash equivalents at 31.12** | **14,719** | **719** |



# Notes

Notes to the Parent Company Financial Statements.
All figures in NOK 1,000 unless otherwise stated.

## Note 1: Accounting Principles

**General**
The annual accounts have been prepared in accordance with the Accounting Act and best practice accounting principles in Norway. The most important accounting principles are described below.

**Use of Estimates**
In the preparation of the accounts, estimates and assumptions are used which affect the accounts. Actual figures may differ slightly from the estimates.

**Foreign Currency**
Monetary items in foreign currency are converted at the exchange rate at the balance sheet date.

The following exchange rates have been used in the accounts:

| | GBP | USD | EUR |
|---|---|---|---|
| Per 31.12.23 | 12.934 | 10.172 | 11.241 |
| Per 31.12.22 | 11.854 | 9.857 | 10.513 |

**Cost of Borrowing**
The cost of borrowing is capitalized at the time of borrowing and the cost is charged over the maturity period of the loan. Evaluation and presentation of current assets Stocks are valued as the lowest of either the acquisition or the estimated sales value. Receivables are ecorded at face value with deduction for anticipated loss.

**Financial Fixed Assets**
Non-current investment in shares and other investments are valued at the lowest of either the acquisition cost or the estimated sales value if the reduction in the sales value is not considered temporary.

**Taxes / Deferred Tax**
Deferred tax/ deferred tax assets are calculated, using the liability method, at 22 percent based on temporary differences between the accounting and tax-related values existing at the end of the financial year and any tax deficits are carried forward. Temporary tax increases and decreases are recorded in the balance sheet as net figures.

**Classification of Items in the Accounts**
Assets determined for long-term ownership or use and receivables which are due more than one year after the expiry of the financial year are recorded as fixed assets. Any remaining assets are classified as current assets. Liability which is due more than one year after the expiry of the financial year is recorded as non-current debt.

**Contingencies**
Contingent losses that are probable and quantifiable are recorded to the accounts, whilst contingent gain/income is not.

**Shares and Holdings in Other Companies**
Current investments related to shares are not treated as a trading portfolio and are valued at the lowest of cost price and market value.

**Shares in Subsidiaries, Associates and Jointly-Owned Companies**
Shares in subsidiaries, associates and jointly-owned companies are recorded in the parent company accounts at cost and written down to the extent that there is a significant deficit value which is not considered temporary.

**Treasury Shares**
Treasury shares are recorded as a nominal value under the item “share capital”. The difference between nominal and acquisition cost is entered as “other equity”.

**Cash Flow**
The Group applies the indirect method. Investment in shares and other liquid assets with maturity over three months are not included under cash equivalents.

## Note 2: Major Transactions/Events

Reference is made to Note 3 in the Group Annual Report for further information.

## Note 3: Financial Risk

The Company is exposed to various financial risks in its activities. Financial risk is the risk incurred from any changes in currency and interest rates together with counterparties ability to pay, and which impacts the value of the company’s assets, liabilities and future cash flows.

Reference is made to Note 7 in the Group Annual Report for further information.



## Note 4: Other Expenses, Wages, Employees and Distinctive Contributions

| | 2023 | 2023 |
|---|---|---|
| Wages and director fee | 2,738 | 2,579 |
| Employer’s National Insurance | 369 | 351 |
| Pension costs | - | - |
| Other benefits | - | 1 |
| Travelling costs, courses and other personnel costs | 47 | 184 |
| **Total employee cost** | **3,153** | **3,114** |
| | | |
| Average number of FTEs | 0 | 0 |

### Remuneration to Directors, Managing Director and Auditors

The Company had no employees in 2023 and 2022.

| Payments to Board of Directors: | 2023 | 2022 |
|---|---|---|
| Harald Espedal | 622 | 592 |
| Frank O. Reite | 440 | 419 |
| Ellen Solstad | 325 | 309 |
| Peder Sortland | 411 | 441 |
| Ingrid Kylstad | 411 | 392 |
| Thorhild Widvey | 325 | 260 |

| Auditors EY | 2023 | 2022 |
|---|---|---|
| Statutory audit | 2,203 | 2,132 |
| Other assurance services | 649 | 927 |
| Other non-audit services | 1,579 | 627 |
| **Total** | **4,431** | **3,686** |

Audit fees relates to statutory audit of accounts. Other assurance services relates to services required by law. Other non-audit services are fee for compliance services and restructuring process. Amounts are exclusive VAT.

There are no distinctive agreements regarding remuneration for the Chairman of the Board and nor are there any distinctive bonus or option programmes for any Board Member.

## Note 5: Financial Items

Other financial income of MNOK 251 in 2022 relates to convertion of debt to equity.

Other financial costs of TNOK 38 relates to currency loss and bank charges. Comparable figures for 2022 of MNOK 7 relates to impairment of shares in subsidiary.

## Note 6: Shares in Subsidiaries

| 31.12.2023 | Place of business | Owner- / voting shares | Number of shares | Nominal value | Share capital | Cost price / book value |
|---|---|---|---|---|---|---|
| Solstad Shipholding AS | Skudeneshavn | 100 % | 30 000 | 10 | 300 | 830 052 |
| Solstad Ålesund AS | Skudeneshavn | 100 % | 30 000 | 1 | 30 | - |
| Solship Invest 3 AS | Skudeneshavn | 100 % | 30 000 | 1 | 30 | - |
| Solship AS | Skudeneshavn | 100 % | 30 000 | 1 | 30 | 30 |
| **Total** | | | | | | **830 082** |

| 31.12.2022 | Place of business | Owner- / voting shares | Number of shares | Nominal value | Share capital | Cost price / book value |
|---|---|---|---|---|---|---|
| Solstad Shipholding AS | Skudeneshavn | 100 % | 30 000 | 10 | 300 | 830 052 |
| Solstad Ålesund AS | Skudeneshavn | 100 % | 30 000 | 1 | 30 | - |
| Solship Invest 3 AS | Skudeneshavn | 100 % | 30 000 | 1 | 30 | - |
| Solship AS | Skudeneshavn | 100 % | 30 000 | 1 | 30 | 30 |
| **Total** | | | | | | **830 082** |

## Note 7: Interompany Group

Solstad Offshore ASA had the following debt to companies in the Group:

| | 31.12.2023 | 31.12.2022 | Interest |
|---|---|---|---|
| Solstad Shipholding AS | 36,633 | 36,633 | |
| Solstad Rederi AS | 3,623 | - | |
| **Other current receivables** | **40,256** | **36,633** | |
| | | | |
| Solstad Shipping AS | 32,589 | 113,251 | |
| Solstad Australia Pty Ltd | - | 225 | |
| Solstad Management AS | - | 29,750 | |
| Normand Drift AS | - | 41,984 | |
| **Account payable** | **32,589** | **185,210** | |

## Note 8: Taxes

| | 2023 | 2022 |
|---|---|---|
| **Taxable income** | | |
| Result before tax | 414 | 251,574 |
| Changes in tempoary diferrences | - | - |
| Permanent differences | 155,848 | -243,450 |
| Gain sale of shares | | - |
| Transferred to/from loss carry forward | -156,261 | -8,124 |
| **Taxable income** | **-** | **-** |
| | | |
| Change in deferred taxes | - | - |
| **Tax on ordinary result** | **-** | **-** |
| | | |
| Current receivables | -2,000 | -2,000 |
| Unrecovered interest carried forward | - | - |
| Unrecovered loss carried forward | -1,642,475 | -1,793,621 |
| **Total temporart differences** | **-1,644,475** | **-1,795,621** |
| | | |
| Cuculated deferred tax asset | 361,784 | 394,597 |
| Unrecognized part of deferred tax asset | -361,784 | -394,597 |
| **Booked deferred tax asset** | **-** | **-** |
| | | |
| **Analysis of effective tax rate:** | | |
| 22 % of Profit before Tax | 91 | 55,346 |
| Tax effect of dividends and gain/loss sale of shares | - | 321,204 |
| Deferred tax asset not recognised | -34,378 | -324,778 |
| Tax effect of permanent differences | 34,286 | -53,559 |
| **Estimated tax** | **-** | **-** |

## Note 9: Equity, Shareholders and Treasury Shares

| | Share capital | Share premium | Other equity | Total equity |
|---|---|---|---|---|
| **Equity 31.12.2022** | **77,309** | **180,387** | **420,993** | **678,689** |
| Share capital privat placement | 5,038 | 9,069 | - | 14,107 |
| Share capital increase by debt forgiveness | - | - | 155,848 | 155,848 |
| Annual result | - | - | 414 | 414 |
| **Equity 31.12.2023** | **82,347** | **189,456** | **577,255** | **849,057** |

At 31.12.23 the Company’s share capital represents 82,346,796 shares at NOK 1.
At 31.12.22 the Company’s share capital represents 77,308,609 shares at NOK 1.
The number of shareholders at 31.12.22 was 9,832 (10,919 at 31.12.22).

Shareholders with more than 1 % holding at 31.12.2023

| | Number of shares | Ownership |
|---|---|---|
| Aker Capital AS | 27,089,493 | 32.90 % |
| Kistefos AS | 11,275,000 | 13.69 % |
| Jarsteinen AS | 8,235,966 | 10.00 % |
| Interactive Brokers LLC | 4,297,550 | 5.22 % |
| Kistefos Investments AS | 3,601,000 | 4.37 % |
| Magnus Leonard Roth | 1,500,000 | 1.82 % |
| Songa Capital AS | 1,411,040 | 1.71 % |
| Olympic Group AS | 871,224 | 1.06 % |
| Espedal & Co AS | 656,687 | 0.80 % |
| Nesttun Invest AS | 600,000 | 0.73 % |
| | **59,537,960** | **72.30 %** |

In accordance with the definition in corporate law, the Directors had the following holdings at 31.12.2023

| | Number of shares |
|---|---|
| Harald Espedal | 656,687 |
| Frank O. Reite | 356,509 |
| Ellen Solstad * | - |
| Peder Sortland | - |
| Ingrid Kylstad | - |

** Shares held through Jarsteinen AS, which is a company owned by an investment company of CEO Lars Peder Solstad (60% ownership) and an investment company of Ellen Solstad (20% ownership).*

The Managing Director Lars Peder Solstad controlled 8,235,960 shares at 31.12.2023.

Per 31.12.2023 the company holds 124 treasury shares at a cost price of MNOK 9.6.
Per 31.12.2022 the company holds 124 treasury shares at a cost price of MNOK 9.6.

As part of the Refinancing agreement with Aker, Solstad Offshore has as of contract agreement, October 2023, issued warrants through its subsidiaries that were transferred to Solstad Maritime Group as a requirement for completion of the transaction. These warrants were only possible to exercise until the major part of the Refinancing was completed on 16 January 2024, and are no longer possible to exercise. They will therefore not impact the equity or results of Solstad Offshore ASA and are not recognized by Solstad Offshore ASA.

## Note 10: Earnings per Share

In 2023 earnings per share was NOK 0.01. The equivalent value in 2022 was NOK 3.27. Earnings per share is calculated by dividing the company's result by the average number of shares, adjusted for the stock of treasury shares. There are no instruments that prevents the possibility of dilution.

## Note 11: Transactions with Related Parties

Related parties are considered to be Board Members (including associates) and the company management.
There are no management agreements with related parties outside the Group that charge management fees.

## Note 12: Guarantees

Solstad Offshore ASA has issued a Parent Company Guarantee of MNOK 13,217.

## Note 13: Other Non-Current Liabilities

As part of the refinancing in 2020 Aker, Hemen and Jarsteinen issued convertible loans as an instrument to avoid dilution.

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Aker Capital AS | 882,693 | 882,693 |
| Hemen Holding Ltd | - | - |
| Jarsteinen AS | 163,439 | 163,439 |
| | **1,046,132** | **1,046,132** |

## Note 14: Additional Information Related to Cash Flow

The Group utilizes the indirect method. Investment in stocks and shares with a maturity of more than three months are not included in the cash equivalents.

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Medlemmer av Den norske Revisorforening

**INDEPENDENT AUDITOR'S REPORT**

To the Annual Shareholders' Meeting of Solstad Offshore ASA

# Report on the audit of the financial statements

## Opinion

We have audited the financial statements of Solstad Offshore ASA (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the balance sheet as at 31 December 2023, the profit or loss account, the statement of cash flow for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company since the listing in 1997, for more than 26 years from the election by the general meeting of the shareholders.

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## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

### Assets held for sale – Solstad Maritime Holding AS (Solstad Maritime)

*Basis for the key audit matter*
The company entered into an agreement in October 2023 regarding the subsidiaries in Solstad Maritime which led to loss of control subsequent in 2024 when the transaction was completed. Solstad Maritime was presented as held for sale in 2023 group financial statement and the company recorded an impairment on non-current assets of 578 MNOK based on the fair value less cost to sell.

Management assessed the accounting of the transaction and judgement was required to assess the classification and presentation according to IFRS 5. Management further used significant judgement evaluating the fair value less cost to sell which was determined based on the terms in the agreement and supported with a valuation report and corroborating valuations.

Based on the impact of the agreement and management's judgement this was considered as a key audit matter.

*Our audit response*
We obtained and reviewed the transaction agreement and discussed with management to understand the key terms in the agreement. We evaluated management's assessment of the accounting classification and presentation, and the valuation. The evaluation included an assessment of the methodology, assumptions and valuation models used. We further assessed the mathematical accuracy of the calculations and corroborated assumptions used towards agreements and other available information. We involved valuation specialists to assist in evaluating the key assumptions and methodology. We assessed the presentation in the statement of financial position and notes.

We refer to notes 2 and 5 of the consolidated financial statements.

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**Impairment evaluation of vessels and right of use asset (vessels)**

*Basis for the key audit matter*
Management identified indicators of changes in vessel values and tested recoverable amounts of the Group's vessels (including right of use assets vessels). The Group has taken an impairment reversal for vessels related to the CSV segment in continuing operations of MNOK 298 based on value in use-calculations.

Each individual vessel was assessed as a separate cash generating unit.

When estimating value in use, management applied budget and long-term forecast (5 years) Key estimates for the value in use calculation were future day rates, utilization rates, and discount rate.

Considering the extent of estimates and assumptions applied in the impairment evaluation, and management's involvement and significant judgement in establishing them, we assess impairment evaluation of vessels as a key audit matter.

*Our audit response*
Our audit procedures related to value in use included, among others, an evaluation of the cash flows through comparing assumptions for revenue projections to budget and long-term forecast for continuing operations, current contracts, and market analysis from third-party. For operating expenditures, we compared the estimates to approved budgets, historical data and external long-term forecasts. We performed an assessment of management's forecast through a review of actual performance against previous forecasts and the consistence of valuation methodology applied.

We involved an internal valuation specialist in testing of the mathematical accuracy of the value in use calculation, in the assessment of the model and the discount rate applied. We performed sensitivity analysis of management's assumptions. Furthermore, we compared management's value in use calculations with third-party broker valuation reports obtained by management.

We refer to note 2, note 9 and note 10 of the consolidated financial statements.

## Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and chief executive officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that the other information is materially inconsistent with the financial statements, there is a material misstatement in this other information or that the information required by applicable legal requirements is not included in the board of directors' report, the statement on corporate governance or the statement on corporate social responsibility, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility are consistent with the financial statements and contain the information required by applicable legal requirements.

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## Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial

statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# Report on other legal and regulatory requirement

## Report on compliance with regulation on European Single Electronic Format (ESEF)

*Opinion*

As part of the audit of the financial statements of Solstad Offshore ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 5967007LIEEXZXHGO849-2023-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

*Management's responsibilities*

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

*Auditor's responsibilities*

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Bergen, 30 April 2024
ERNST & YOUNG AS

Øyvind Nore
State Authorised Public Accountant (Norway)