



# 3<sup>rd</sup> Quarter Report 2022



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# The Company

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

As per September 2022 the Company has approximately 3,600 highly skilled employees, nine offices globally and operates a versatile fleet of modern offshore vessels.

Solstad has a clear vision of what lies ahead, and it starts with taking care of our most precious recourses, our people and our planet, while sustaining growth and profitability.

## Letter from the CEO

It has been another quarter with further improvements. Revenue and EBITDA are “all time high” and the outlook for our industry continue to strengthen. Energy prices, security and transition are driving the demand for our services and looking at our client’s investment plans, there are good reasons to believe in an active offshore market going forward.

The net result for the quarter is significantly impacted by currency fluctuations. This is none-cash and a consequence of having 70% of our debt nominated in USD.

We continue to build backlog, and this was another quarter with book-to build of more than 1, giving a firm backlog of MNOK 7,600 and MNOK 15,500 when options are included. This positive trend has continued into 4Q as well with several new contracts announced. We are entering the North Sea winter-season with a better contract coverage than we have had for many years.

The commercial terms in new contracts continue to improve and, on some contracts, we also add services like ROV’s, Walk to Work-systems, tooling, and other project services. With the Windstaller Alliance, the newly established Remota AS, other external partners and inhouse resources, we will develop this service further. Especially linked to our Subsea Construction Vessels (CSV) and Anchor Handling Vessels (AHTS).

Since 2015, the markets have been challenging and commercial terms have on most occasions been below sustainable levels. Now, finally, this is improving. Terms on new contracts are improving and clients are willing to commit longer on healthier levels. There are also a flip side to this, as cost level also goes up and interest rates are increasing, but all in all, it looks like we are about to start on a period that could be positive to our industry.

Thank you.

**Lars Peder Solstad**  
CEO



# Highlights

- A quarter with high utilization and improved commercial terms across all geographical regions and vessel segments.
- The market continue to strengthen despite a challenging macroeconomic environment.
- Revenues for 3Q 2022 increased by 24 percent to MNOK 1,861 vs MNOK 1,500 in 3Q 2021.
- EBITDA adjusted increased by 44 percent to MNOK 721 vs MNOK 500 in 3Q 2021. The highest quarterly EBITDA adjusted result in the Company's history.
- Continued weakening in NOK against USD is materially impacting unrealized currency loss in quarter.
- The positive order intake continues in 3Q 2022 with new contracts signed for approximately BNOK 2,3.
- During the quarter, 80 vessels have been in operation at an average utilization of 92 percent.



## Key Financials

(NOK 1,000,000)	<b>2022</b> 01.07-30.09	<b>2021</b> 01.07-30.09	<b>2022</b> 01.01-30.09	<b>2021</b> 01.01-30.09	<b>2021</b> 01.01-31.12	<b>2020</b> 01.01-31.12	<b>2019</b> 01.01-31.12
Revenue	1,861	1,500	4,857	4,101	5,418	5,026	5,245
EBITDA adjusted	721	500	1,542	1,241	1,534	1,282	1,415
EBIT	801	152	1,238	135	-7	-2,185	-1,196
Profit before Tax	-466	-144	-1,535	-712	-1,110	7,250	-3,129
Cash and equivalents	2,158	2,343	2,158	2,343	2,459	2,412	1,134
Net working capital	-1,573	-325	-1,573	-325	-119	-803	-26,264
Equity	953	3,414	953	3,414	3,083	4,243	-3,835
Net interest bearing debt*	21,904	19,440	21,904	19,440	18,259	19,365	30,990
Order backlog	7,600	5,000	7,600	5,000	5,600	5,200	8,200

\*Including recognized debt relating to IFRS 16 Leases (Note 6)



# Operational Update

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

## HSE

In 3Q 2022, the company reported a TRCF (Total Recordable Case Frequency) of 1,18 over the last 12 months (target of 1,1). The recordable incidents are limited to medical treatment and restricted work cases.

During the quarter one Lost Time Incident (LTI) was reported (July) and over the last 12 months a total of three LTIs were reported. Incidents are related to hand and leg injuries, and the Company focus remains high on turning the trend.

## Operations

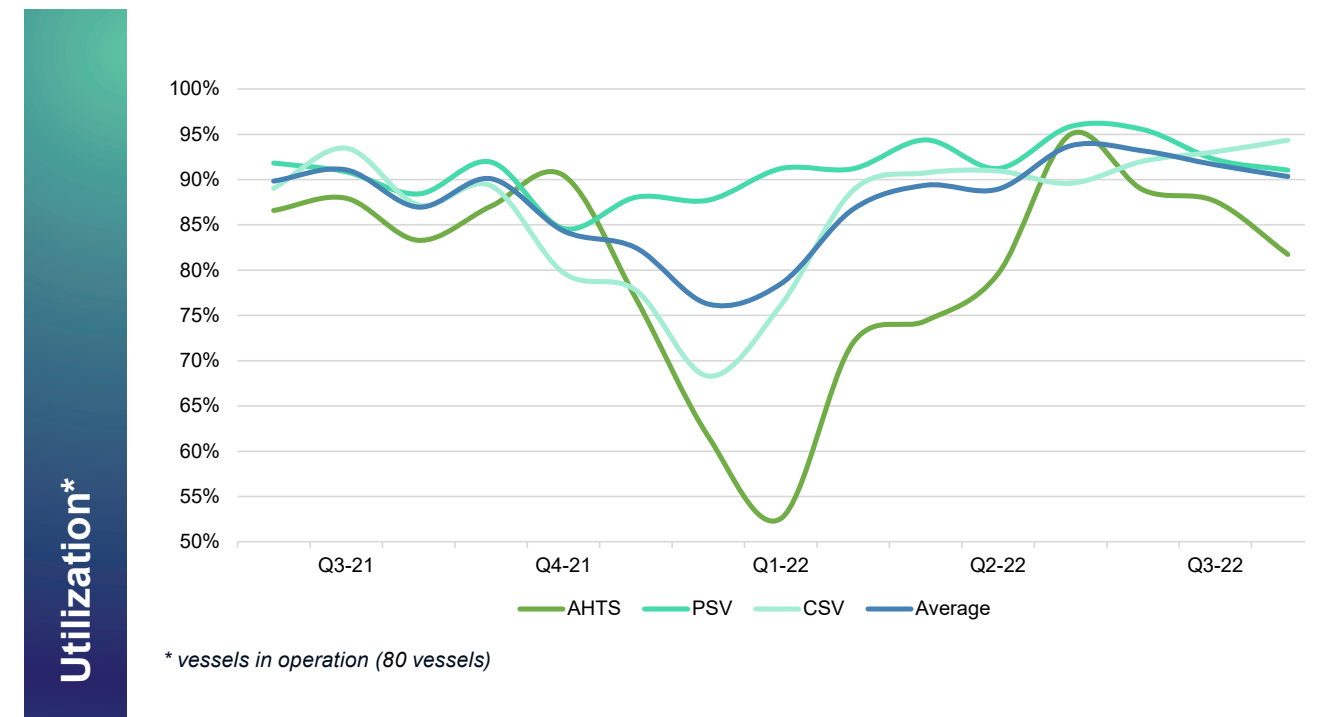
The total number of seafarers remains relatively stable around 3,300 with a retention rate of about 95%.

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

3Q 2022 has been relatively busy in terms of planned maintenance and dry-dockings whilst the activity will slow down towards the end of the year.

## Utilization

As per 30 September 2022, the Company owned and/or operated a total fleet of 86 vessels, of which 80 were in operation: 26 CSVs, 15 AHTS' & 39 PSVs. The overall utilization for the operational fleet in 3Q22 was 92% (89% in 3Q 2021). The CSV fleet had a utilization of 93% (90%), AHTS fleet 86% (86%) and PSV fleet 93% (90%).



# Financial Summary

## Operating income for 3Q 2022 amounted to MNOK 1,861 compared to MNOK 1,500 in 3Q 2021.

- The main revenue drivers are higher day rates, more sale of additional services and better fleet utilization.
- Operating expenses in 3Q 2022 amounted to MNOK 1,173, of which MNOK 1,060 is classified as vessel operating expenses. Compared to 3Q 2021, total operating expenses increased by MNOK 148 mainly driven by general cost inflation and more sale of additional services.
- Administrative expenses in 3Q 2022 was MNOK 112 compared to MNOK 97 in 3Q 2021.
- Operating result before depreciation and impairment was MNOK 689 in 3Q 2022 compared to MNOK 475 in 3Q 2021.
- Unrealized currency loss in 3Q 2022 was negative MNOK 944 compared to negative MNOK 91 in 3Q 2021 due to high portion of debt nominated in USD.
- Ordinary result before taxes in 3Q 2022 was negative MNOK 466 compared to negative MNOK 144 in 3Q 2021.
- EBITDA adjusted was MNOK 721 in 3Q 2022 compared to MNOK 500 for 3Q 2021.
- Total liquidity for the group was MNOK 2,158 per 3Q 2022 compared to MNOK 2,343 in 3Q 2021.
- Total booked equity at the end of the quarter was MNOK 953.

During 3Q 2022, currency exchange fluctuations resulted in an unrealized loss of MNOK 944. In addition, the company has a realized currency gain of MNOK 36 related to account payable and receivable positions being settled.

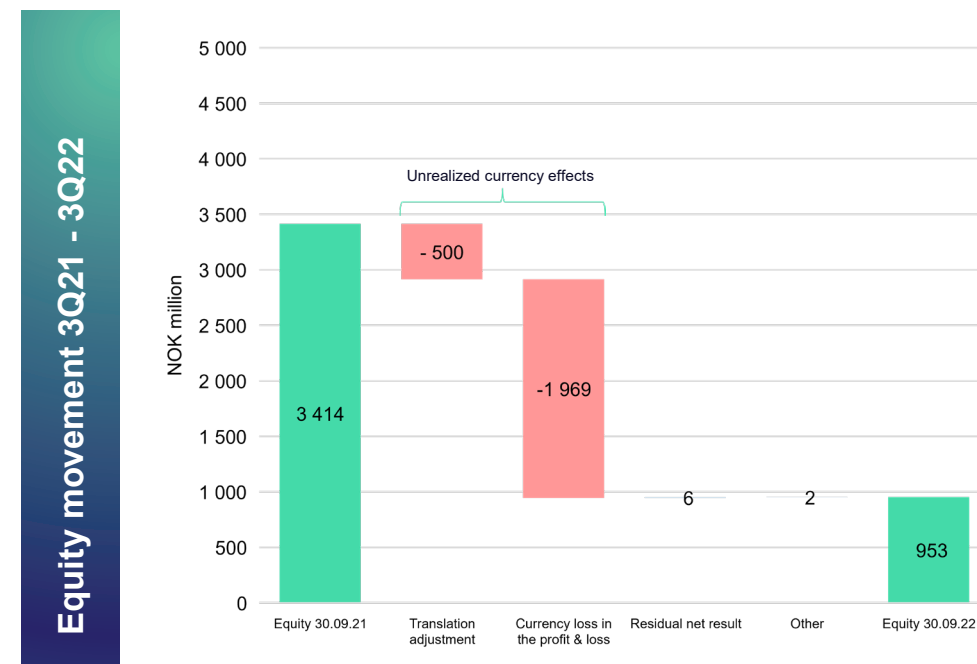
The continued weakening in NOK against USD throughout 2022 has materially impacted

the net result- and the booked equity.

The USD/NOK exchange rate as per 3Q 2022 (10.8574) compared to 3Q 2021, has resulted in a unrealized currency loss during the twelve month period of MNOK 1,969 with a corresponding reduction in the Company's booked equity.

## Cash Flow & Cash Position

The overall cash position at the end of 3Q 2022 was MNOK 2,158 compared to MNOK 2,343 in 3Q 2021. The net cash flow from operations was positive by MNOK 436 for 3Q 2022. Net cash flow from investments was positive by MNOK 77, mainly related to proceeds from sale of vessels partly offset by planned maintenance and regulatory dockings and installation of a battery hybrid system. Net interest paid to lenders was MNOK 250 and net repayment of long-term debt to lenders were MNOK 196 in 3Q 2022.



## Capital Structure

Total current assets at the end of 3Q 2022 were MNOK 4,556 (MNOK 3,983 per 3Q 2021), of which cash and cash equivalents amounted to MNOK 2,158 (MNOK 2,343). This includes the unused super senior credit facility of MNOK 1,496.

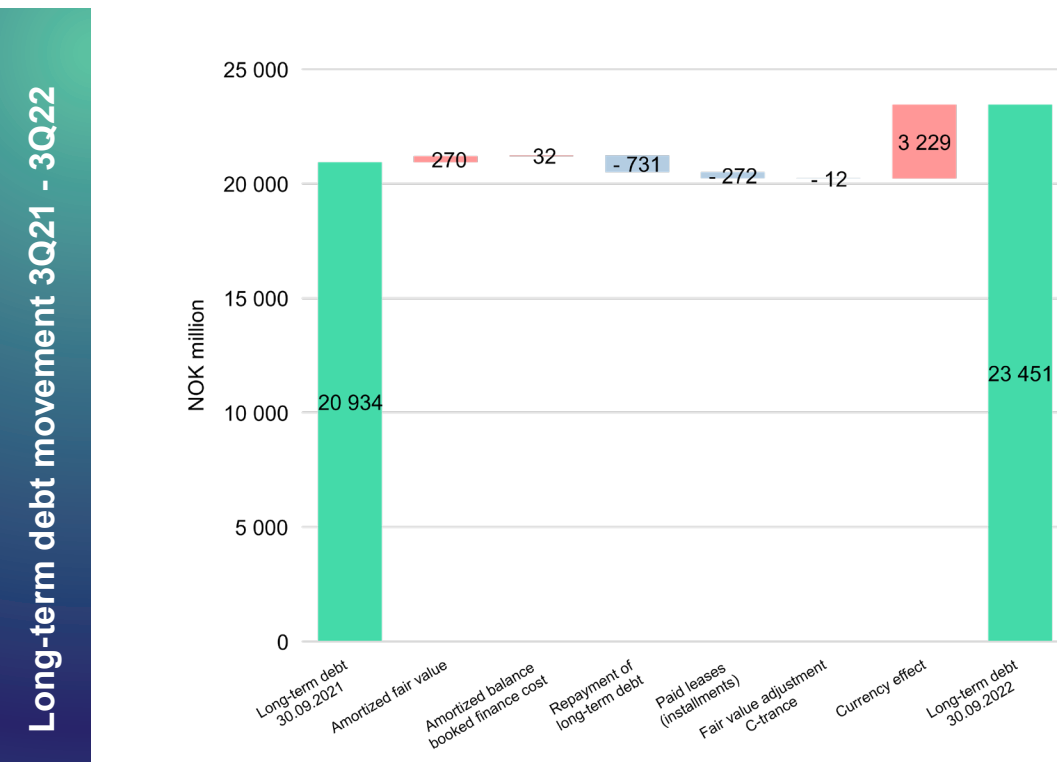
Total current liabilities were MNOK 6,130 (MNOK 4,307) including MNOK 4,470 in short term portion of long-term debt, giving net working capital of negative MNOK 1,573 (negative MNOK 325). Short term debt related to CSV Normand Maximus is MNOK 2,795. Liquidity is “ring-fenced” in separate structure.

Total non-current assets at the end of the quarter were MNOK 21,539 (MNOK 21,361). The increase is mainly due foreign exchange movements and reversal of prior period impairment, partly offset by ordinary depreciation and divestments.

Net interest-bearing debt was at MNOK 21,904 negative (MNOK 19,582 negative), with the net increase mainly explained by foreign exchange movements.

The Company's equity as of 30 September 2022 was MNOK 953 (MNOK 3,414), which represents 3.7% of the total balance sheet (13.4% per 30 September 2021). Main driver for the decrease compared to 31 December 2021 is unrealized currency effects.

Balance sheet is sensitive to currency movements, particularly reporting currency NOK to USD. Illustrated in charts on next page.



## Normand Maximus update

Reference is made to the Company's 2nd quarter report, section Financial summary and Note 6. The transaction whereby the Company's leased vessel, the CSV Normand Maximus was sold from its owner Maximus Limited to American Shipping Company ASA (AMSC) was completed in the 4th quarter and the vessel delivered to its new owner.

Consequently the residual claim against the Company's subsidiary Normand Maximus Limited has been finally determined and matures 31 March 2024. The residual claim is in the amount of MUSD 161. The residual claim is guaranteed by the Company.

The residual claim needs to be refinanced within the maturity date. As the residual claim is guaranteed by the Company, a failure to refinance the residual claim will have a material adverse effect for the Company.

For further information on the general refinancing risk of the SOFF group's debt, see item 2 of the prospectus issued on 19 October 2020.

Further, the vessel has been delivered to a subsidiary of the Company under a bareboat agreement for a 5 year firm period and options for further 10 years with a subsidiary of AMSC. The group thus maintains operational control of the CSV Normand Maximus.

The changes to the leasing arrangement for Normand Maximus is accounted for under IFRS 16. It is assessed as a modification of previous bareboat charter contract on the effective date of the new contract (18 October 2022) in accordance with the requirements in the standard. The residual claim is included in the lease obligation. The change in lease obligation, and corresponding increase in right of use asset results in an impairment of approximately MUSD 10 to be reflected in the 4th quarter.

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

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

Market and operational risks are changes in the demand and prices of the services provided by the Company, and potential adverse effects of the provision of such services. The market has steadily improved during 2022 from the weak startingpoint, despite Covid-19 still affecting regions where Solstad operates. The Company has avoided significant operational disruptions caused by Covid-19.

The outcome of the invasion of Ukraine remains uncertain. None of the Company's vessels have been forced to offhire due to the situation, but there is a risk that crew changes and crew availability will be challenging as long as the war persists. The management team is handling the event and its development proactively, including sanctions and direct and indirect impacts. The ongoing war in Ukraine could potentially lead to increased risk of cyber-attacks. Cyber security risk has increased compared to 2021.

Political tension between China and Taiwan could potentially entail increased risk for the company's operations in the region. The Company is monitoring the situation, and operations are currently not affected.

For further details, refer to section 9 in Board of Director's report in the Annual Report for 2021.

## Risk

The company is exposed to market, commercial, operational, and financial risks 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 freight rates, vessel values and consequently profitability. Freight rates have increased during the year, after a long period of suppressed rates due to market imbalance. Factors affecting this is partly outside Solstad's control and influence.

Operational risks such as technical breakdown, grounding and malfunction of equipment are mitigated by insurance. In addition, there are operational risks out of the company's control such as Covid-19 and the war in Ukraine.

The main portion of Solstad's external debt will mature by 1Q 2024 and therefore it is an inherent refinancing risk. A refinancing is dependent on how the market develops and other factors such as developments in oil and gas prices. This may lead to a need for adjustments of the capital structure.

Solstad is exposed to interest rate and currency risk, primarily through financing and contracts. Interest rate







# Sustainability

**Sustainability is a high priority for the company. Solstad will continuously strive to meet expectations from its stakeholders.**

- The company's key safety factor TRCF is 1.18 by the end of September 2022 (target 1.10).
- The total fleet CO2 emissions increased from 188 kton in 2Q to 194 kton in 3Q, due to higher vessel activity.
- Solstad launched a new software called 'CORE' to track the company's decarbonization progress over time versus the 2030 and 2050 goals.
- Improved internal processes implemented to strengthen focus on clean-hull and propellers to reduce fuel emissions. First two vessels painted with underwater silicone based anti-fouling in Brazil to reduce fuel consumption and emissions.

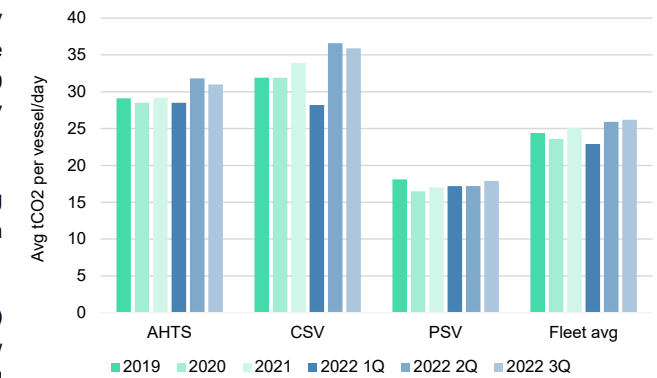
## Environment

Solstad reports carbon intensity numbers for the fleet and by segment. In 3Q 2022, the average fleet carbon emissions were 26,2 tons (tCO2/vessel/day). This is a minor increase from 25,9 tCO2/vessel/day in 2Q and reflects the activity-level in the CSV and AHTS segments.

A total of 15 litres of oil spills were registered going to sea during the quarter. This was all related to three incidents with broken hoses on hydraulic equipment.

Solstad's project to minimize the use of single use plastic (SUP) water bottles continues and more than 50% of the vessels are now SUP free. From Jan 1st 2023 SUP will not be available onboard Solstad vessels exceptionally for contracts where this is required by the client.

The company currently work on several pilot projects to investigate the use of new green fuels for fuel cell technology and multi-fuel solutions for internal combustion engines. Furthermore, Solstad aims to introduce the use of Liquefied Biogas (LBG) as a replacement for fossil LNG on the dual-fuel vessels. All these initiatives are an important part of the company's ambition to reach the 50% emission reduction goal by 2030 and the net zero goal by 2050.



## NOxDIGITAL

After more than two years of development the 'NOxDIGITAL' software is finished. This software was originally a Solstad idea but will now be available for all ship-owners as a commercial product. 'NOxDIGITAL' provides automatic registering of correct NOx-emission tax in Norway based on satellite tracking and saves conservable administrative burden for both crew and office staff.

This innovative software has now been commercialized by our key supplier Yxney Maritime AS

## Social

The TRCF has increased to 1.18 by the end of 3Q 2022 (compared to 0.97 by the end 2Q 2022). The KPI target is 1,1. There was one LTI incident in the quarter and a total of 3 LTIs over the last 12 months, which is encouraging even though all three could have been avoided as all other incidents according to SIFO (Solstad Incidents Free Operations / zero incidents programme). The main cause for injuries is hand incidents in galley and on deck. An internal task force lead by the COO is currently focusing on these incidents.

## Governance

The Norwegian Transparency Act (Norwegian: "Åpenhetsloven") came into force July 1st 2022. The work to assess all aspects of our operations with respect to human rights and decent working conditions is ongoing. The company's assessment will be published on our web portal within time limits stated in the act (mid-2023 at the latest).

No material governance incidents have been concluded during the quarter.

A total of 101 internal and external audits, vetting's, class surveys, and port state controls have been completed during 3Q 2022, resulting in only minor findings.

# Market Outlook

## The outlook for offshore energy activities continue to strengthen.

Increased energy prices, energy security and energy transition are all drivers for an active offshore market going forward. In Oil & Gas and in Offshore Wind. The investment programs are at a high level and will require a large amount of vessels, equipment, and people to execute all the projects.

Tender activity continues to be high for all vessel segments, with some geographical areas still more active than others.

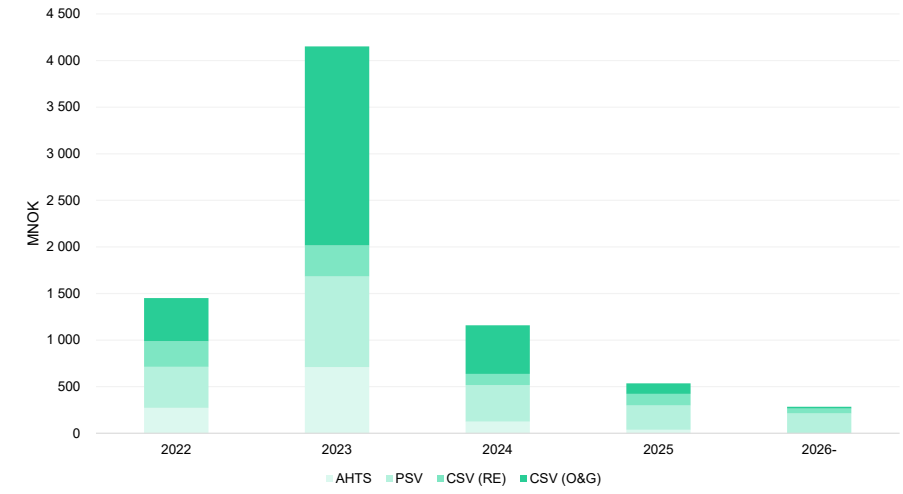
With a limited number of new vessels under construction, there are reasons to believe that the supply/demand balance will further improve going forward. Consequently, clients are willing to commit to longer contracts and commercial terms are improving.

The CSV-segment has so far been the strongest, as there is demand from both oil & gas and offshore wind activities. In the coming quarters, seasonal activity changes might give reduced utilization, but still expected at a higher level than the corresponding seasons.

In the AHTS-segment, the North Sea spot market are volatile, while term markets in Brazil and Australia are more stable. Bidding activity for project work in 2023 is high.

For the PSV-segment, clients are willing to commit longer at improving rates. Particularly, this goes for Norway, UK, and Brazil, while tender activity is also increasing in other regions.

### Backlog by year of execution\*

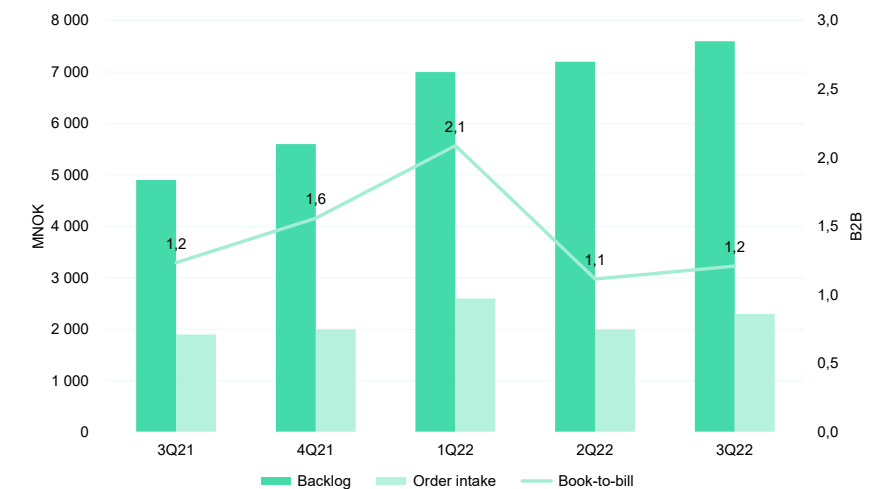


\*per 3Q 2022

## Events Subsequent to the Quarter

- The PSV, Normand Titus, is fixed fixed to Trident Energy do Brasil Ltda for one year firm plus one year option.
- The PSV's, Far Symphony, Far Spica, Normand Serenade and Normand Tantalus, awarded new contracts and extensions for with a combined firm duration of 850 days supporting various clients in the UK and Dutch sectors.
- The CSVs, Normand Baltic and Normand Navigator, awarded a contracts will work towards renewable energy projects in North Europe and Asia for a combined firm utilization of 310 days.
- The PSV, Normand Falnes, awarded a contract with TotalEnergies UK for five years and is one of the first long-term contracts awarded in the UK North Sea for a battery-hybrid installed PSV.
- The CSV, Normand Vision, was awarded a new contract with Havfram AS for a period of three years firm plus option for additional two years with commencement January 2024.
- The CSV, Normand Ocean, has been awarded an extension and a new contract with DeepOcean AS for a total period of 2 years firm from January 2024 plus option for additional 1 year thereafter.
- The CSV, Normand Pioneer, has received a Letter of Intent from a major energy company in South America for a period of 14 months plus an additional one year option.

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



Skudeneshavn 17.11.2022

**Harald Espedal**  
Chairman

**Frank O. Reite**  
Director

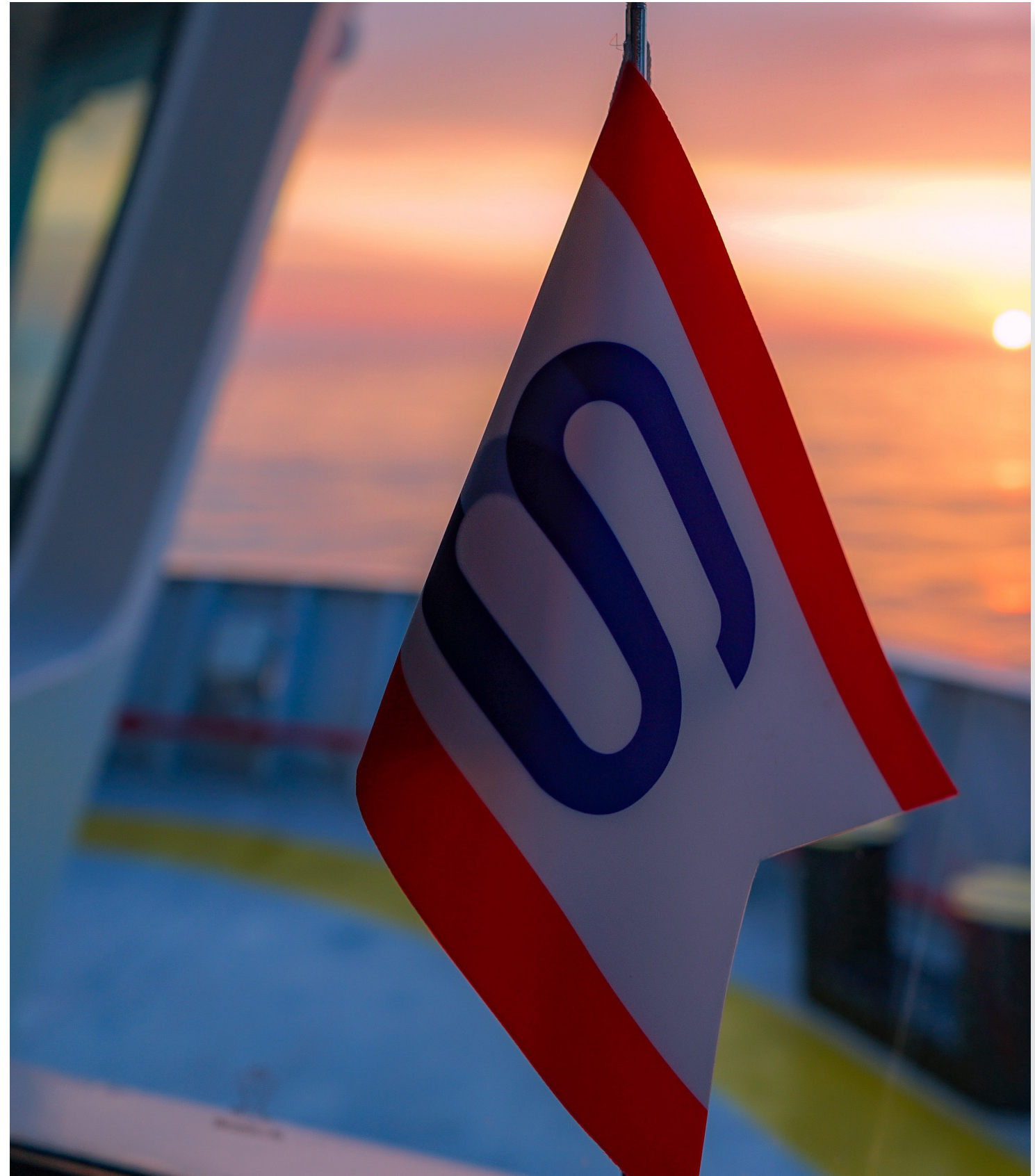
**Peder Sortland**  
Director

**Thorhild Widvey**  
Director

**Ellen Solstad**  
Director

**Ingrid Kylstad**  
Director

**Lars Peder Solstad**  
CEO



# Condensed statement of comprehensive income

**(NOK 1,000)**

	2022 01.07-30.09	2021 01.07-30.09	2022 01.01-30.09	2021 01.01-30.09	2021 01.01-31.12	Note
<b>Operating income</b>	<b>1,861,492</b>	<b>1,500,032</b>	<b>4,856,702</b>	<b>4,101,181</b>	<b>5,417,500</b>	2,3,4
Vessel operating expenses	-1,060,482	-927,944	-3,049,916	-2,628,761	-3,566,468	
Administrative expenses	-112,346	-97,178	-340,626	-312,650	-449,509	
<b>Total operating expenses</b>	<b>-1,172,828</b>	<b>-1,025,122</b>	<b>-3,390,542</b>	<b>-2,941,411</b>	<b>-4,015,978</b>	4
<b>Operating result before depreciations</b>	<b>688,665</b>	<b>474,910</b>	<b>1,466,160</b>	<b>1,159,770</b>	<b>1,401,523</b>	3
Ordinary depreciation	-324,829	-314,774	-931,491	-951,682	-1,264,151	5
Impairment	322,887	-	546,547	-45,049	-45,049	5,6
Net gain/-loss on sale of assets	114,515	-8,124	156,448	-28,339	-99,730	
<b>Operating result</b>	<b>801,237</b>	<b>152,012</b>	<b>1,237,664</b>	<b>134,700</b>	<b>-7,406</b>	
Result from Joint Ventures	9,227	3,932	21,127	-3,004	247	7
Result from associated companies	315	-80	613	88	108	7
<b>Total other items</b>	<b>9,542</b>	<b>3,852</b>	<b>21,740</b>	<b>-2,916</b>	<b>355</b>	
Interest income	3,894	3,634	7,930	7,950	10,295	
Realised currency gain/-loss	36,050	9,112	71,855	4,083	7,932	
Unrealised currency gain/-loss	-944,349	-90,524	-1,938,483	-172,854	-283,562	
Interest charges	-371,568	-251,061	-938,909	-750,542	-1,003,543	
Net financial charges/-income	-920	29,459	3,690	67,742	165,530	
<b>Net financing</b>	<b>-1,276,893</b>	<b>-299,380</b>	<b>-2,793,917</b>	<b>-843,620</b>	<b>-1,103,347</b>	
<b>Ordinary result before taxes</b>	<b>-466,114</b>	<b>-143,516</b>	<b>-1,534,513</b>	<b>-711,836</b>	<b>-1,110,398</b>	
Taxes ordinary result	-8,259	-4,686	-21,507	-16,616	-25,664	9
<b>Result</b>	<b>-474,373</b>	<b>-148,202</b>	<b>-1,556,020</b>	<b>-728,452</b>	<b>-1,136,062</b>	
Other comprehensive income:						
Exchange differences on translating foreign operations	-167,237	-126,451	-579,615	-114,754	-34,851	
Actuarial gain/-loss	-	-	-	-	-3,971	
<b>Other comprehensive income</b>	<b>-641,610</b>	<b>-274,653</b>	<b>-2,135,635</b>	<b>-843,206</b>	<b>-1,174,885</b>	
Result attributable to:						
Non-controlling interests	-2,931	-755	-5,738	536	-33,613	
Majority share	-471,441	-147,447	-1,550,281	-728,988	-1,102,449	
Earnings per share	-6.14	-1.96	-20.26	-9.71	-15.13	
Other comprehensive income attributable to:						
Non-controlling interests	-2,931	-755	-5,738	536	-33,613	
Majority share	-638,678	-273,898	-2,129,896	-843,742	-1,141,272	
Other comprehensive income per share	-8.30	-3.65	-27.80	-11.24	-15.64	
<b>EBITDA adjusted</b>	<b>720,838</b>	<b>500,002</b>	<b>1,541,518</b>	<b>1,241,426</b>	<b>1,533,961</b>	3,4
Average number of shares (1,000)	77,309	75,090	76,809	75,007	75,107	

# Condensed statement of financial position

(NOK 1,000)

	2022 30.09	2021 30.09	2021 31.12	Note
<b>ASSETS</b>				
<b>Fixed Assets:</b>				
Intangible assets	14,457	5,565	14,497	
Tangible fixed assets	18,240,320	18,692,910	18,090,328	5
Right-of-use assets	2,988,335	2,447,921	2,561,186	6
Investment in associated companies and Joint Ventures	167,153	96,160	92,407	7
Financial fixed assets	128,672	118,381	106,957	4
<b>Total fixed assets</b>	<b>21,538,937</b>	<b>21,360,936</b>	<b>20,865,374</b>	
<b>Current Assets:</b>				
Stocks	252,079	174,538	173,041	
Accounts receivables	1,254,042	977,989	816,745	
Other receivables	872,993	471,494	421,094	
Market based shares	18,850	15,250	15,200	
Deposits, cash, etc	2,158,225	2,343,262	2,459,027	8
<b>Total current assets</b>	<b>4,556,189</b>	<b>3,982,533</b>	<b>3,885,107</b>	
Assets held for sale	-	71,488	187,200	5
<b>TOTAL ASSETS</b>	<b>26,095,126</b>	<b>25,414,957</b>	<b>24,937,682</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity:</b>				
Paid-in equity	257,696	251,630	252,536	
Other equity	705,648	3,133,074	2,835,545	
Non-controlling interests	-10,338	29,549	-4,599	
<b>Total equity</b>	<b>953,006</b>	<b>3,414,254</b>	<b>3,083,481</b>	
<b>Liabilities:</b>				
Long-term provisions	31,556	30,159	43,180	
Other long-term debt	1,036	2,021	1,917	8
Debt to credit institutions	18,979,954	17,661,093	17,804,706	8
<b>Total long-term debt</b>	<b>19,012,546</b>	<b>17,693,273</b>	<b>17,849,803</b>	
<b>Current liabilities:</b>				
Current portion of long-term debt	4,470,211	3,271,120	2,912,913	8
Other current liabilities	1,659,363	1,036,310	1,091,485	
<b>Total current liabilities</b>	<b>6,129,574</b>	<b>4,307,430</b>	<b>4,004,397</b>	
<b>Total liabilities</b>	<b>25,142,119</b>	<b>22,000,703</b>	<b>21,854,200</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>26,095,126</b>	<b>25,414,957</b>	<b>24,937,682</b>	



# Statement of cash flow

(NOK 1,000)

	2022 30.09	2021 30.09	2021 31.12
<b>CASH FLOW FROM OPERATIONS</b>			
Result before tax	-1,534,513	-711,836	-1,110,398
Taxes payable	-5,899	-13,319	-18,917
Ordinary depreciation and write downs	384,944	996,731	1,309,199
Gain (-)/ loss long-term assets	-181,838	4,143	95,274
Interest income	-7,930	-7,950	-10,295
Interest expense	938,909	750,542	1,003,543
Non-cash refinance effects	-10,948	-	-91,102
Effect of change in pension assets	-	-	400
Unrealised currency gain/ -loss	1,872,940	167,484	275,136
Change in short-term receivables and payables	-236,857	-124,513	34,843
Change in other accruals	-392,946	-171,576	-103,931
<b>Net cash flow from operations</b>	<b>825,862</b>	<b>889,706</b>	<b>1,383,754</b>
<b>CASH FLOW FROM INVESTMENTS</b>			
Investment in tangible fixed assets	-94,810	-48,207	-72,654
Payment of periodic maintenance	-357,918	-165,497	-252,192
Consideration sale of fixed assets (vessels)	450,268	113,747	290,215
Payment of long-term receivables	-20,344	-9,234	820
Received interests	7,930	7,950	10,295
<b>Net cash flow from investments</b>	<b>-14,874</b>	<b>-101,240</b>	<b>-23,515</b>
<b>CASH FLOW FROM FINANCING</b>			
Paid leases	-116,708	-292,828	-389,671
Paid interests	-551,354	-393,997	-531,847
Repayment of long-term debt	-509,271	-175,654	-397,541
<b>Net cash flow from financing</b>	<b>-1,177,333</b>	<b>-862,479</b>	<b>-1,319,059</b>
Effect of changes in foreign exchange rates	65,543	5,370	5,942
Net change in cash	-366,345	-74,013	41,180
Cash at 01.01	2,459,027	2,411,905	2,411,905
<b>Cash at balance sheet date</b>	<b>2,158,225</b>	<b>2,343,262</b>	<b>2,459,027</b>

# Statement of changes in equity

(NOK 1,000)

	Share capital	Treasury shares	Share premium	Other paid-in capital	Other changes	Other equity	Total majority shares	Non-controlling interests	Total equity
<b>Equity 01.01.2022</b>	<b>75,609</b>	<b>0</b>	<b>176,927</b>	<b>0</b>	<b>946,805</b>	<b>1,888,740</b>	<b>3,088,081</b>	<b>-4,599</b>	<b>3,083,481</b>
Result	-	-	-	-	-	-1,550,281	-1,550,281	-5,738	-1,556,020
Translation adjustments	-	-	-	-	-579,615	-	-579,615	-	-579,615
<b>Other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-579,615</b>	<b>-1,550,281</b>	<b>-2,129,896</b>	<b>-5,738</b>	<b>-2,135,635</b>
Share capital increase by conversion of debt	1,700	-	3,460	-	-	-	5,160	-	5,160
<b>Equity 30.09.2022</b>	<b>77,309</b>	<b>0</b>	<b>180,387</b>	<b>0</b>	<b>367,190</b>	<b>338,459</b>	<b>963,345</b>	<b>-10,337</b>	<b>953,006</b>
<b>Equity 01.01.2021</b>	<b>74,873</b>	<b>0</b>	<b>175,572</b>	<b>0</b>	<b>981,656</b>	<b>2,995,161</b>	<b>4,227,261</b>	<b>15,814</b>	<b>4,243,075</b>
Result	-	-	-	-	-	-728,988	-728,988	536	-728,452
Translation adjustments	-	-	-	-	-114,754	-	-114,754	-	-114,754
<b>Other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-114,754</b>	<b>-728,988</b>	<b>-843,742</b>	<b>536</b>	<b>-843,206</b>
Share capital increase by conversion of debt	417	-	768	-	-	-	1,186	-	1,186
Equity contribution	-	-	-	-	-	-	-	13,200	13,200
<b>Equity 30.09.2021</b>	<b>75,290</b>	<b>0</b>	<b>176,340</b>	<b>0</b>	<b>866,902</b>	<b>2,266,173</b>	<b>3,384,705</b>	<b>29,549</b>	<b>3,414,254</b>
<b>Equity 01.01.2021</b>	<b>74,873</b>	<b>0</b>	<b>175,572</b>	<b>0</b>	<b>981,656</b>	<b>2,995,161</b>	<b>4,227,261</b>	<b>15,814</b>	<b>4,243,075</b>
Result	-	-	-	-	-	-1,102,449	-1,102,449	-33,613	-1,136,062
Actuarial gain/loss(-)	-	-	-	-	-	-3,971	-3,971	-	-3,971
Translation adjustments	-	-	-	-	-34,851	-	-34,851	-	-34,851
<b>Other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-34,851</b>	<b>-1,106,420</b>	<b>-1,141,272</b>	<b>-33,613</b>	<b>-1,174,885</b>
Share capital increase by conversion of debt	736	-	1,355	-	-	-	2,091	-	2,091
Equity contribution	-	-	-	-	-	-	-	13,200	13,200
<b>Equity 31.12.2021</b>	<b>75,609</b>	<b>0</b>	<b>176,927</b>	<b>0</b>	<b>946,805</b>	<b>1,888,740</b>	<b>3,088,081</b>	<b>-4,599</b>	<b>3,083,481</b>

# Notes

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

(NOK 1,000)

### Note 1 - General

Solstad Offshore ASA's (SOFF) head office is in Skudeneshavn, Norway. The company's main activities are operation and ownership of offshore service and construction vessels. The company is listed on Oslo Stock Exchange. The quarterly accounts are prepared using the same accounting principles as last year's accounts and in compliance with IAS 34 Interim Financial Reporting.

The interim accounts are prepared on the assumption of a going concern. The going concern assumption is based on the level of cash and cash equivalents at reporting date, terms and conditions of the banking and borrowing facilities, the forecasted cash flow prognosis for the Group and the backlog position.

### Note 2 - Operating Income

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

The agreed day rate is divided into a service element and a lease element. The service element includes the maritime services provided to navigate the vessel according to the customers' requirements, while the lease element is the estimated rental of the vessel (equipment).

Some of the contracts also 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, insurance 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.

Operating income	Q3 2022				
	AHTS	PSV	Subsea	Renewable	Total
Service element from contracts with day rate	172,602	228,771	194,162	75,129	670,664
Management fees	723	1,366	1,226	-	3,316
Victualling	2,187	908	19,907	27,760	50,762
Additional crew and other services	1,159	2,591	8,606	-	12,357
Income from contracts with customers	176,671	233,636	223,902	102,889	737,098
Lease element from contracts with day rate	280,653	239,526	413,898	190,318	1,124,395
<b>Total operating income</b>	<b>457,324</b>	<b>473,162</b>	<b>637,800</b>	<b>293,207</b>	<b>1,861,492</b>

Operating income	Q3 2021				
	AHTS	PSV	Subsea	Renewable	Total
Service element from contracts with day rate	108,637	288,204	199,650	25,463	621,954
Management fees	293	354	1,023	-	1,670
Victualling	1,414	479	23,409	6,223	31,525
Additional crew and other services	44,377	1,471	49,458	12,340	107,645
Income from contracts with customers	154,721	290,508	273,541	44,026	762,795
Lease element from contracts with day rate	208,256	138,925	289,578	100,478	737,237
<b>Total operating income</b>	<b>362,977</b>	<b>429,433</b>	<b>563,119</b>	<b>144,504</b>	<b>1,500,032</b>





Operating income	YTD Q3 2022				
	AHTS	PSV	Subsea	Renewable	Total
Service element from contracts with day rate	443,108	663,038	524,150	233,210	1,863,506
Management fees	1,024	1,667	3,815	201	6,708
Victualling	6,561	1,750	66,351	52,425	127,087
Additional crew and other services	4,703	7,267	27,057	702	39,729
Income from contracts with customers	455,396	673,722	621,374	286,538	2,037,030
Lease element from contracts with day rate	696,605	638,250	1,016,208	468,610	2,819,672
<b>Total operating income</b>	<b>1,152,002</b>	<b>1,311,972</b>	<b>1,637,581</b>	<b>755,147</b>	<b>4,856,702</b>

Operating income	YTD Q3 2021				
	AHTS	PSV	Subsea	Renewable	Total
Service element from contracts with day rate	328,357	595,174	512,102	127,275	1,562,909
Management fees	1,213	1,470	4,244	-	6,927
Victualling	3,512	1,190	58,131	15,453	78,286
Additional crew and other services	56,094	1,859	62,517	15,598	136,068
Income from contracts with customers	389,177	599,693	636,995	158,326	1,784,190
Lease element from contracts with day rate	506,806	462,887	1,088,977	258,321	2,316,991
<b>Total operating income</b>	<b>895,983</b>	<b>1,062,580</b>	<b>1,725,972</b>	<b>416,647</b>	<b>4,101,181</b>

## Note 3 - Reporting per Segment

	Q3 2022				
	AHTS	PSV	Subsea	Renewable	Total
Revenue from contracts with customers	176,671	233,636	223,902	102,889	737,098
Other income	-	-	-	-	0
Lease element from contracts with day rate	280,653	239,526	413,898	190,318	1,124,395
<b>Total operating income</b>	<b>457,324</b>	<b>473,162</b>	<b>637,800</b>	<b>293,207</b>	<b>1,861,492</b>
Crew expenses	145,698	229,555	150,094	65,004	590,352
Other expenses	124,996	121,704	195,108	89,093	530,901
<b>Total operating expenses</b>	<b>270,694</b>	<b>351,259</b>	<b>345,202</b>	<b>154,097</b>	<b>1,121,252</b>
Bunkers	18,438	12,555	14,842	5,741	51,576
<b>Operating result before depreciations</b>	<b>168,191</b>	<b>109,348</b>	<b>212,456</b>	<b>198,669</b>	<b>688,664</b>
Leases	20,177	-	-	-	20,177
Restructuring cost	675	569	634	689	2,567
Net result from Joint Ventures	-	-	9,227	-	9,227
Net result from associated companies	76	82	101	56	315
Accrued loss on accounts receivables	-33	-19	-17	-44	-113
<b>EBITDA Adjusted</b>	<b>189,087</b>	<b>109,980</b>	<b>222,400</b>	<b>199,370</b>	<b>720,836</b>

	Q3 2021				
	AHTS	PSV	Subsea	Renewable	Total
Revenue from contracts with customers	154,721	290,508	273,541	44,026	762,795
Other income	-	-	-	-	-
Lease element from contracts with day rate	208,256	138,925	289,578	100,478	737,237
<b>Total operating income</b>	<b>362,977</b>	<b>429,433</b>	<b>563,118</b>	<b>144,503</b>	<b>1,500,032</b>
Crew expenses	153,323	200,537	119,475	54,972	528,307
Other expenses	103,540	127,235	152,182	54,719	437,677
<b>Total operating expenses</b>	<b>256,862</b>	<b>327,772</b>	<b>271,658</b>	<b>109,692</b>	<b>965,984</b>
Bunkers	6,029	1,310	41,176	10,623	59,138
<b>Operating result before depreciations</b>	<b>100,086</b>	<b>100,350</b>	<b>250,284</b>	<b>24,188</b>	<b>474,910</b>
Leases	12,321	-	-	-	12,321
Restructuring cost	2,070	2,440	1,938	597	7,045
Excess and less values freight contracts	-	-	1,875	-	1,875
Net result Joint Ventures	-	-	3,932	-	3,932
Net result from associated companies	-15	-18	-38	-9	-80
<b>EBITDA Adjusted</b>	<b>114,462</b>	<b>102,772</b>	<b>257,991</b>	<b>24,777</b>	<b>500,003</b>

Internally the Company reports and monitors its operation in the following segments:

- AHTS: anchorhandling vessels
- PSV: platform supply vessels
- Subsea: construction vessels operating subsea construction contracts
- Renewable: vessels operating renewable contracts

	YTD Q3 2022				
	AHTS	PSV	Subsea	Renewable	Total
Revenue from contracts with customers	455,396	673,722	621,374	286,538	2,037,030
Other income	-	-	-	-	0
Lease element from contracts with day rate	696,605	638,250	1,016,208	468,610	2,819,672
<b>Total operating income</b>	<b>1,152,002</b>	<b>1,311,972</b>	<b>1,637,581</b>	<b>755,147</b>	<b>4,856,702</b>
Crew expenses	445,335	667,883	433,997	177,699	1,724,915
Other expenses	350,916	385,440	576,713	217,959	1,531,029
<b>Total operating expenses</b>	<b>796,252</b>	<b>1,053,324</b>	<b>1,010,710</b>	<b>395,659</b>	<b>3,255,943</b>
Bunkers	45,407	19,452	59,829	9,911	134,599
<b>Operating result before depreciations</b>	<b>310,343</b>	<b>239,196</b>	<b>567,043</b>	<b>349,578</b>	<b>1,466,160</b>
Leases	39,726	-	-	-	39,726
Restructuring cost	3,593	4,092	5,108	2,355	15,148
Accrued loss on accounts receivables	-298	-339	-424	-195	-1,256
Net result from Joint Ventures	-	-	21,127	-	21,127
Net result from associated companies	145	166	207	95	613
<b>EBITDA Adjusted</b>	<b>353,509</b>	<b>243,114</b>	<b>593,061</b>	<b>351,833</b>	<b>1,541,517</b>

## YTD Q3 2021

	AHTS	PSV	Subsea	Renewable	Total
Revenue from contracts with customers	389,177	599,693	636,995	158,326	1,784,190
Other income	-	-	-	-	-
Lease element from contracts with day rate	506,806	462,887	1,088,977	258,321	2,316,991
<b>Total operating income</b>	<b>895,983</b>	<b>1,062,580</b>	<b>1,725,972</b>	<b>416,646</b>	<b>4,101,181</b>
Crew expenses	421,661	549,704	393,242	130,229	1,494,835
Other expenses	319,922	363,350	513,824	155,673	1,352,769
<b>Total operating expenses</b>	<b>741,582</b>	<b>913,054</b>	<b>907,066</b>	<b>285,903</b>	<b>2,847,605</b>
Bunkers	20,434	13,172	47,738	12,462	93,806
<b>Operating result before depreciations</b>	<b>133,967</b>	<b>136,353</b>	<b>771,168</b>	<b>118,281</b>	<b>1,159,770</b>
Leases	30,854	-	-	-	30,854
Restructuring cost	10,097	11,975	19,451	4,695	46,219
Excess and less values freight contracts	-	-	7,499	-	7,499
Net result from Joint Ventures	-	-	-3,004	-	-3,004
Net result from associated companies	19	23	37	9	88
<b>EBITDA Adjusted</b>	<b>174,938</b>	<b>148,351</b>	<b>795,151</b>	<b>122,986</b>	<b>1,241,426</b>

## Note 4 - EBITDA

	2022 01.07-30.09	2021 01.07-30.09	2022 01.01-30.09	2021 01.01-30.09	2021 01.01-31.12
<b>Total operating income</b>	<b>1,861,492</b>	<b>1,500,032</b>	<b>4,856,702</b>	<b>4,101,181</b>	<b>5,417,500</b>
<b>Total operating expenses</b>	<b>-1,172,828</b>	<b>-1,025,122</b>	<b>-3,390,542</b>	<b>-2,941,411</b>	<b>-4,015,978</b>
<b>EBITDA</b>	<b>688,665</b>	<b>474,910</b>	<b>1,466,160</b>	<b>1,159,770</b>	<b>1,401,523</b>
Leases	20,177	12,321	39,726	30,854	44,625
Restructuring cost	2,567	7,045	15,148	46,219	61,372
Excess and less values freight contracts	-	1,875	-	7,499	7,499
Net result from Joint Venture	9,227	3,932	21,127	-3,004	247
Net result from associated companies	315	-80	613	88	108
Accrual loss accounts receivable	-113	-	-1,256	-	18,589
<b>EBITDA adjusted</b>	<b>720,838</b>	<b>500,002</b>	<b>1,541,518</b>	<b>1,241,426</b>	<b>1,533,961</b>

In connection with the merger with Rem Offshore, Farstad Shipping and Deep Sea Supply, the purchase price allocation analysis identified several long-term freight contracts where the daily rates were higher or lower than the market rate at the time of acquisition. A part of the purchase price was thus allocated to these excess / less values and capitalized. In line with the fulfilment and revenue recognition of freight contracts, the capitalized excess / less value is derecognized. The adjustment has no cash effect, and thus comes as an addition to booked freight income when calculating EBITDA.

## Note 5 - Fixed Assets

	Vessels	Periodic maintenance	Other	Total
<b>Opening balance 01.01.2022</b>	<b>17,386,500</b>	<b>677,518</b>	<b>26,309</b>	<b>18,090,327</b>
Additions	93,257	304,855	-	398,112
Asset held for sale	-65,214	-	-	-65,214
Disposals	-20,771	-4,005	-	-24,776
Translation adjustment	103,909	16,337	5,490	125,736
Depreciation	-610,671	-215,839	-3,901	-830,412
Impairment	546,547	-	-	546,547
<b>Closing balance 30.09.2022</b>	<b>17,433,556</b>	<b>778,866</b>	<b>27,897</b>	<b>18,240,320</b>

Vessels are depreciated over 20 years to a residual value equal to 50% of the original cost. Initially residual value is set to 50% of cost price, expected cost of sale deducted, and adjusted for age and changes in broker valuations. The assumption is that the broker values decline by 2.5% per year, until the vessel is 20 years old. Other assets are depreciated at rates of 10-25%.

### Impairment Testing of Vessels

#### Summary

The Company has performed impairment testing of the fleet in accordance with IAS 36. Indicators such as movement in market and increase in market interest rates form, according to IAS 36, the need for revaluation of the Company's assets.

Based on value-in-use-calculations the Company has recognized a net reversal of impairment of MNOK 323 in 3Q 2022.

#### Impairment Testing

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

The main assumptions used in the computations are charter rates, utilization, escalation of expenses, operational area, weighted average cost of capital (WACC) and performance per 3Q 2022 compared to forecast.

#### Discounting Rate

The discounting rate is based on a weighted average of capital cost (WACC) for the Company. The cost of equity is derived from the 10-year interest rate for state bonds (risk-free interest rate), market risk premium and an unlevered beta (Damodaran for Western Europe). The debt element of the discounting rate is based on the risk-free interest rate, plus a premium equivalent to the difference between risk-free rate and market rates. The discounting rate used for 3Q 2022 is 11.0% compared to 9.5% as of 31.12.2021.

#### Revenue 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 prognosis period, revenue is based on expected utilization and charter dayrates over the prognosis period. Dayrates are expected to gradually increase over the prognosis period. Market uncertainty is reflected in the assumptions, based on managements assessment and market analysis provided from independent third parties.

#### Inflation

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

#### Residual Values

Estimated residual values used in the value-in-use calculations are set using the same principle as for the ordinary depreciations. Initially the value is set to 50 percent of cost price, expected cost of sale deducted, and adjusted according to changes in broker

valuations. The assumption is that the broker value decline by 2,5 percent per year, until the vessel is 20 years old. It is assumed that the vessels are disposed after 20 years in operations. Average age of the core fleet is 11 years, with respectively 12 years average for the CSV and AHTS vessels and 9 years for the PSV vessels.

## Note 6 - Right-of-use Assets

	Right-of-use			Lease liabilities
	Vessels	Office	Total	
<b>Opening balance 01.01.2022</b>	<b>2,349,503</b>	<b>211,683</b>	<b>2,561,186</b>	<b>2,744,284</b>
Other adjustments	-	-	-	1,136
Additions	1,554	-	1,554	-
Disposals	-	-	-	-
Translation adjustment	525,568	1,107	526,675	555,586
Depreciation	-79,690	-21,390	-101,079	-
Impairment	-	-	-	-
Interest expense	-	-	-	141,539
Lease payments	-	-	-	-343,996
<b>Closing balance 30.09.2022</b>	<b>2,796,935</b>	<b>191,400</b>	<b>2,988,335</b>	<b>3,098,549</b>

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

Based on value-in-use-calculations the Company has not recognized any impairment of Right-of-use assets. Further reference is made to Note 5 Fixed Assets.

### Variable lease payments

The Company has two vessels on lease with variable lease payments. The total payments for 3Q 2022 were MNOK 20,2 (MNOK 12,3).

### Normand Maximus - Lease obligations

Reference is made to note 10.

## Note 7 - Investment in Associated Companies and Joint Ventures

The Group had the following shares in joint ventures (JV) and associated companies (AC) at balance sheet date:

AC	JV		Total
	AC	JV	
Solstad Offshore Crewing Service Philippines (25 %)		Normand Installer SA (50 %)	
	<b>1,279</b>	<b>91,127</b>	<b>92,406</b>
Share of result year to date	613	21,127	21,740
Additions	-	-	0
Disposals	-	-	0
Impairment	-	-	0
Other adjustments	310	52,697	53,007
<b>Closing Balance</b>	<b>2,202</b>	<b>164,951</b>	<b>167,153</b>

Other adjustments includes received dividends and currency effects.

## Note 8 - Interest-bearing Debt

The reinstated debt to credit institutions is recognized at its fair value. The interest rate for the refinanced debt has at initial recognition been compared to current market terms according to IFRS 9. For the reinstated debt the Company concludes that the interest rate is below current market terms. Using the estimated market rate when measuring fair value of the reinstated debt a MNOK 1,066 reduction is observed. The difference between nominal- and fair value will be amortised, and presented as interest expense, over the period until final maturity of the loans. The below table sets out the difference between nominal- and fair value at initial recognition, the amortization for the period and the remaining balance at reporting date.

<b>Initial recognition 20.10.2020</b>	<b>-1,066,639</b>
<b>Fair value adjustment 01.01.2022</b>	<b>-690,311</b>
Amortisation YTD 3Q 2022 (*)	222,409
Unrealised currency loss	-84,139
<b>Fair value adjustment 30.09.2022</b>	<b>-552,041</b>

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

	2022 30.09	2021 30.09	2021 31.12
Long term debt	18,980,990	17,663,114	17,804,706
Current portion of long term debt	4,470,211	3,271,120	2,912,913
Fair Value adjustment	552,041	882,866	690,311
Balance booked finance cost	58,879	108,213	82,404
<b>Total interest bearing debt (*)</b>	<b>24,062,121</b>	<b>21,925,313</b>	<b>20,717,619</b>
<b>Bank deposit</b>	<b>2,158,225</b>	<b>2,343,262</b>	<b>2,459,027</b>
Net interest bearing debt	21,903,896	19,582,051	18,258,592

Long term debt, nominated in NOK, is divided by 26% NOK and 74% USD. At the end of the 3Q 2022, fixed interest agreement loans were entered into for around 4% of interest bearing debt.

Current portion of long term debt includes MNOK 2,795 reclassification of lease obligation for Normand Maximus.

\*Inclusive recognized debt relating to IFRS 16 Leases MNOK 3,099 (MNOK 2,714)

## Note 9 - Tax Expense

Solstad's tonnage taxed companies have decided to exit the Norwegian Tonnage Tax Regime with effect from January 1st 2016. Amended tax returns for the period 2016-2018 have been filed with Norwegian Tax Authorities. Based on the tax assessments received the Company has a loss carried forward of about NOK 18,8 billion. The corresponding deferred tax asset is not recognized in the accounts.

Taxes on ordinary result relates to local taxation outside Norway.

## Note 10 - Subsequent Events

Reference is made to the Company's 2nd quarter report, section Financial summary. The transaction whereby the Company's leased vessel, the CSV Normand Maximus was sold from its owner Maximus Limited to American Shipping Company ASA (AMSC) was completed in the 4th quarter and the vessel delivered to its new owner.

Consequently the residual claim against the Company's subsidiary Normand Maximus Limited has been finally determined and matures 31 March 2024. The residual claim is in the amount of MUSD 161. The residual claim is guaranteed by the Company.

The residual claim needs to be refinanced within the maturity date. As the residual claim is guaranteed by the Company, a failure to refinance the residual claim will have a material adverse effect for the Company.

For further information on the general refinancing risk of the SOFF group's debt, see item 2 of the prospectus issued on 19 October 2020.

Further, the vessel has been delivered to a subsidiary of the Company under a bareboat agreement for a 5 year firm period and options for further 10 years with a subsidiary of AMSC. The group thus maintains operational control of the CSV Normand Maximus.

The changes to the leasing arrangement for Normand Maximus is accounted for under IFRS 16. It is assessed as a modification of previous bareboat charter contract on the effective date of the new contract (18 October 2022) in accordance with the requirements in the standard. The residual claim is included in the lease obligation. The change in lease obligation, and corresponding increase in right of use asset results in an impairment of approximately MUSD 10 to be reflected in the 4th quarter.

## Note 11 - Alternative Performance Measurement Definitions

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

**Operating margin** - Operating result before depreciation in percentages of total operating income

**EBITDA** - Operating result before depreciation.

**EBITDA adjusted** - Operating result before depreciation and impairment adjusted for Joint Ventures, Associated Companies, excess values charter parties from mergers, leases and other non-recurring items

**Adjusted operating result before depreciations** - Operating result before depreciation adjusted excess values charter parties from mergers and result from Joint Ventures

**Earning on equity** - Result before tax, in percentage of average equity, including minority interests

**Earning on capital employed** - Operating result plus interest income and result from associated company divided by average book shareholders' equity and interest-bearing debt

**Current ratio** - Current assets divided by current liabilities

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

**Earnings per share** - Result for the period for the Group divided by weighted average number of shares at the end of the reporting period, adjusted for treasury shares

**Comprehensive income per share** - Comprehensive income for the period for the Group divided by weighted average number of shares at the end of the reporting period, adjusted for treasury shares

**Equity per share** - Shareholders' equity divided by outstanding number of shares at the end of the reporting period

**Working capital** - Current assets less current liabilities, excluding current portion of long-term debt

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

**Net interest-bearing debt** - Interest-bearing liabilities less bank deposits

**B2B** - Book to bill, backlog less billed in period



# Our Global Footprint

Vessels in operation during quarter

**Americas**  
(USA, Mexico, Gulf)

**2 AHTS | 1 CSV**  
Oil & Gas

**South Americas**  
(Brazil & Argentina)

**5 AHTS | 5 PSV | 7 CSV**  
Oil & Gas

**Africa**

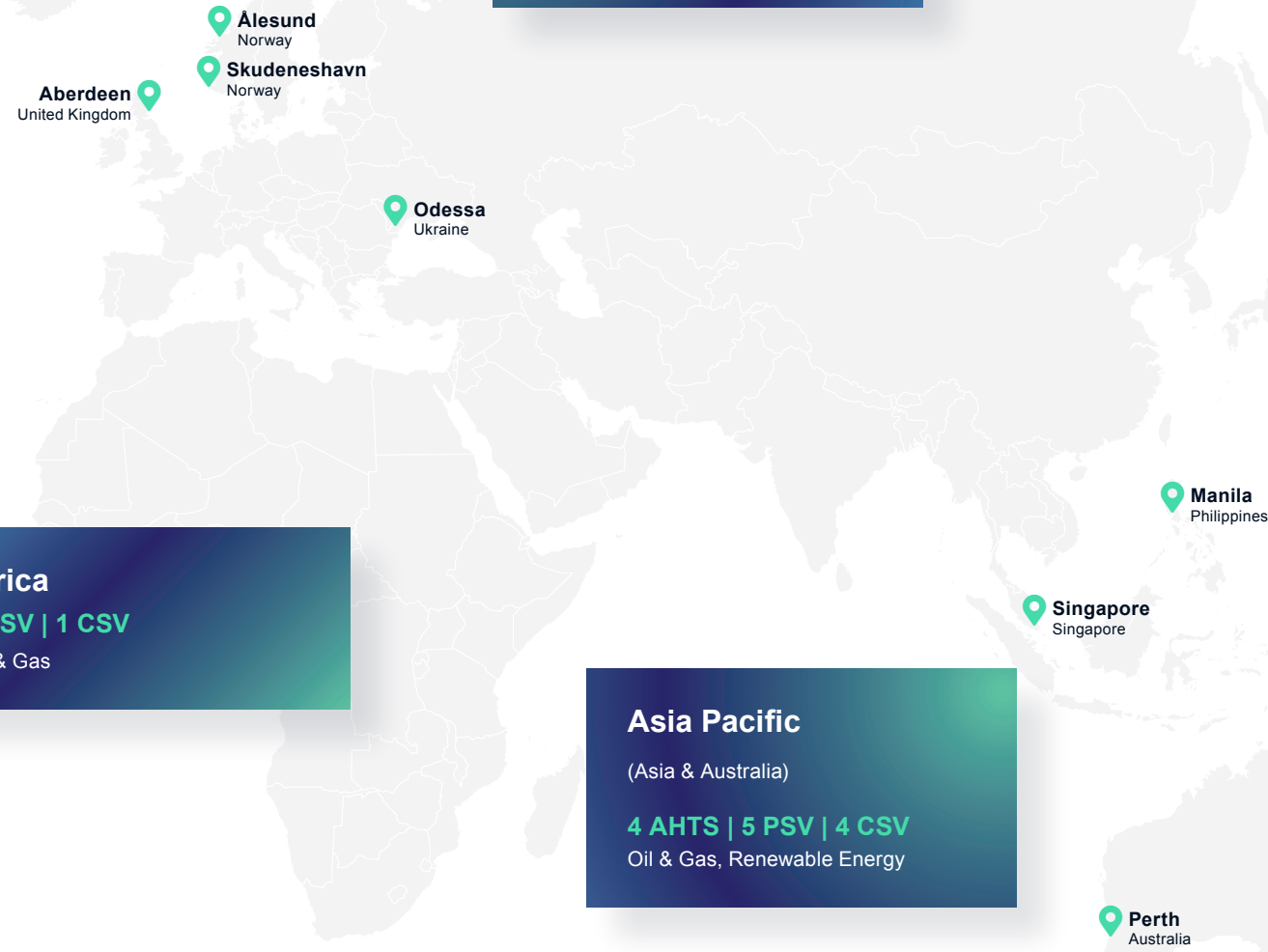
**3 PSV | 1 CSV**  
Oil & Gas

**Europe**

**4 AHTS | 26 PSV | 13 CSV**  
Oil & Gas, Renewable Energy

**Asia Pacific**  
(Asia & Australia)

**4 AHTS | 5 PSV | 4 CSV**  
Oil & Gas, Renewable Energy



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