Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	945 883 294
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	SOLSTAD OFFSHORE ASA
Forretningsadresse:	Nesavegen 39 4280 SKUDENESHAVN

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Jostein Fjelland
Dato for fastsettelse av årsregnskapet:	15.05.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 11.09.2024

Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Annen driftsinntekt		12 912 000	12 951 000
Sum inntekter		**12 912 000**	**12 951 000**
Kostnader			
Lønnskostnad	4	3 115 000	2 212 000
Annen driftskostnad	4	8 763 000	10 523 000
Sum kostnader		**11 878 000**	**12 735 000**
Driftsresultat		**1 034 000**	**216 000**
Finansinntekter og finanskostnader			
Annen renteinntekt		6 000	
Annen finansinntekt	5	257 679 000	97 948 000
Sum finansinntekter		**257 685 000**	**97 948 000**
Annen finanskostnad	5,7	7 145 000	6 351 000
Sum finanskostnader		**7 145 000**	**6 351 000**
Netto finans		**250 540 000**	**91 597 000**
Ordinært resultat før skattekostnad		**251 574 000**	**91 813 000**
Skattekostnad på ordinært resultat	8		
Ordinært resultat etter skattekostnad		**251 574 000**	**91 813 000**
Årsresultat		**251 574 000**	**91 813 000**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital	9	251 574 000	91 813 000
Sum overføringer og disponeringer		**251 574 000**	**91 813 000**

Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	6	830 082 000	575 228 000
Sum finansielle anleggsmidler		**830 082 000**	**575 228 000**
Sum anleggsmidler		**830 082 000**	**575 228 000**
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer	7	36 633 000	40 033 000
Sum fordringer		**36 633 000**	**40 033 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		719 000	379 000
Sum bankinnskudd, kontanter og lignende		**719 000**	**379 000**
Sum omløpsmidler		**37 352 000**	**40 412 000**
SUM EIENDELER		**867 434 000**	**615 640 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		77 309 000	75 609 000
Overkurs		180 387 000	176 927 000
Sum innskutt egenkapital	9	**257 696 000**	**252 536 000**
Opptjent egenkapital			
Annen egenkapital	11	420 993 000	169 420 000

Balanse

Beløp i: NOK	Note	2022	2021
Sum opptjent egenkapital		**420 993 000**	**169 420 000**
Sum egenkapital		**678 689 000**	**421 956 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Øvrig langsiktig gjeld	13	1 046 000	1 917 000
Sum annen langsiktig gjeld		**1 046 000**	**1 917 000**
Sum langsiktig gjeld		**1 046 000**	**1 917 000**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	7	185 210 000	189 243 000
Annen kortsiktig gjeld		2 489 000	2 524 000
Sum kortsiktig gjeld		**187 699 000**	**191 767 000**
Sum gjeld		**188 745 000**	**193 684 000**
SUM EGENKAPITAL OG GJELD		**867 434 000**	**615 640 000**

Konsernets resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	4,28	6 295 321 000	5 128 173 000
Annen driftsinntekt	4	204 810 000	289 327 000
Sum inntekter		**6 500 131 000**	**5 417 500 000**
Kostnader			
Administrasjonskostnader		457 474 000	449 509 000
Lønnskostnad	10,11, 19	2 288 609 000	2 044 482 000
Ordinære avskrivninger	7,8	1 044 940 000	993 053 000
Avskrivning periodisk vedlikehold	7,8	292 009 000	271 098 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	7,8	-555 958 000	45 049 000
Annen driftskostnad	10	1 846 600 000	1 521 986 000
Gevinst tap salg av eiendeler	7	-152 490 000	99 730 000
Inntekt fra joint ventures	13	-20 418 000	-247 000
Sum kostnader		**5 200 766 000**	**5 424 660 000**
Driftsresultat		**1 299 365 000**	**-7 160 000**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	13	722 000	108 000
Annen renteinntekt		47 152 000	10 295 000
Annen finansinntekt		12 113 000	173 405 000
Sum finansinntekter		**59 987 000**	**183 808 000**
Annen rentekostnad		1 404 972 000	1 003 543 000
Annen finanskostnad		967 504 000	283 504 000
Sum finanskostnader		**2 372 476 000**	**1 287 047 000**
Netto finans	9	**-2 312 489 000**	**-1 103 239 000**
Ordinært resultat før skattekostnad		**-1 013 124 000**	**-1 110 399 000**
Skattekostnad på ordinært resultat		104 679 000	25 664 000
Ordinært resultat etter skattekostnad		**-1 117 803 000**	**-1 136 063 000**

Konsernets resultatregnskap

Beløp i: NOK	Note	2022	2021
Årsresultat		**-1 117 803 000**	**-1 136 063 000**
Minoritetsinteresser		-4 788 000	-33 613 000
Årsresultat etter minoritetsinteresser		**-1 113 015 000**	**-1 102 450 000**
Omregningsdifferanse		-218 660 000	-34 851 000
Aktuariell gevinst	19	947 000	-3 971 000
Sum resultatkomponenter for IFRS-foretak		-217 713 000	-38 822 000
Totalresultat		**-1 330 728 000**	**-1 141 272 000**

Konsernets balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	18	4 351 000	14 497 000
Sum immaterielle eiendeler		**4 351 000**	**14 497 000**
Varige driftsmidler			
skip	7	16 814 184 000	17 386 500 000
Bruksrett skip	8	3 345 812 000	2 561 186 000
Periodisk vedlikehold	7	789 537 000	677 518 000
Annleggsmidler holdt for salg	7	412 052 000	187 200 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	7	28 382 000	26 309 000
Sum varige driftsmidler		**21 389 967 000**	**20 838 713 000**
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap	13	2 323 000	1 279 000
Lån til tilknyttet selskap og felles kontrollert virksomhet	17	55 829 000	47 506 000
Investering i JV	13	156 235 000	91 127 000
Incestering i andre aksjer	13	2 991 000	2 991 000
Andre fordringer	23	57 536 000	56 460 000
Sum finansielle anleggsmidler		**274 914 000**	**199 363 000**
Sum anleggsmidler		**21 669 232 000**	**21 052 573 000**
Omløpsmidler			
Varer			
Varer	25	228 197 000	173 041 000
Sum varer		**228 197 000**	**173 041 000**
Fordringer			
Kundefordringer	5,24	1 232 487 000	816 745 000
Andre fordringer	24	698 141 000	421 094 000
Sum fordringer		**1 930 628 000**	**1 237 839 000**
Investeringer			
Markedsbaserte aksjer	9,13	21 000 000	15 200 000

Konsernets balanse

Beløp i: NOK	Note	2022	2021
Sum investeringer		**21 000 000**	**15 200 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	5,20	2 170 072 000	2 459 027 000
Sum bankinnskudd, kontanter og lignende		**2 170 072 000**	**2 459 027 000**
Sum omløpsmidler		**4 349 897 000**	**3 885 107 000**
SUM EIENDELER		**26 019 129 000**	**24 937 680 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	15	77 309 000	75 609 000
Overkurs		180 387 000	176 927 000
Sum innskutt egenkapital		**257 696 000**	**252 536 000**
Opptjent egenkapital			
Annen egenkapital		1 504 816 000	2 835 545 000
Minoritetsinteresser	13	-9 387 000	-4 599 000
Sum opptjent egenkapital		**1 495 429 000**	**2 830 946 000**
Sum egenkapital		**1 753 125 000**	**3 083 482 000**
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	19	20 381 000	25 864 000
Andre avsetninger for forpliktelser		12 425 000	17 316 000
Sum avsetninger for forpliktelser		**32 806 000**	**43 180 000**
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	5,6	16 637 362 000	17 523 945 000
Leasinggjeld	5,6,8	3 564 963 000	280 761 000
Annen langsiktig gjeld		1 046 000	1 917 000
Sum annen langsiktig gjeld		**20 203 371 000**	**17 806 623 000**
Sum langsiktig gjeld		**20 236 177 000**	**17 849 803 000**

Konsernets balanse

Beløp i: NOK	Note	2022	2021
Kortsiktig gjeld			
Leverandørgjeld		694 564 000	552 077 000
Betalbar skatt	18	228 409 000	176 767 000
Annen langsiktig gjeld	26	499 053 000	362 640 000
Korts del langsiktig gjeld	5,6	2 460 689 000	446 592 000
Korts del leasinggjeld	5,6,8	147 113 000	2 466 321 000
Sum kortsiktig gjeld		**4 029 828 000**	**4 004 397 000**
Sum gjeld		**24 266 005 000**	**21 854 200 000**
SUM EGENKAPITAL OG GJELD		**26 019 130 000**	**24 937 682 000**

Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer:	2023 466477

Enheten

Organisasjonsnummer:	945 883 294
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	SOLSTAD OFFSHORE ASA
Forretningsadresse:	Nesavegen 39 4280 SKUDENESHAVN

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Jostein Fjelland
Dato for fastsettelse av årsregnskapet:	15.05.2023

Grunnlag for avgivelse

År 2022: Årsregnskap er elektronisk innlevert.
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022.

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 20.06.2023

Brønnøysundregistrene
Postadresse: Postboks 900, 8910 Brønnøysund
Telefon: 75 00 75 00
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673

Organisasjonsnr: 945 883 294
SOLSTAD OFFSHORE ASA

RESULTATREGNSKAP

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Annen driftsinntekt		12 912 000	12 951 000
Sum inntekter		**12 912 000**	**12 951 000**
Kostnader			
Lønnskostnad	4	3 115 000	2 212 000
Annen driftskostnad	4	8 763 000	10 523 000
Sum kostnader		**11 878 000**	**12 735 000**
Driftsresultat		**1 034 000**	**216 000**
Finansinntekter og finanskostnader			
Annen renteinntekt		6 000	
Annen finansinntekt	5	257 679 000	97 948 000
Sum finansinntekter		**257 685 000**	**97 948 000**
Annen finanskostnad	5,7	7 145 000	6 351 000
Sum finanskostnader		**7 145 000**	**6 351 000**
Netto finans		**250 540 000**	**91 597 000**
Ordinært resultat før skattekostnad		**251 574 000**	**91 813 000**
Skattekostnad på ordinært resultat	8		
Ordinært resultat etter skattekostnad		**251 574 000**	**91 813 000**
Årsresultat		**251 574 000**	**91 813 000**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital	9	251 574 000	91 813 000
Sum overføringer og disponeringer		**251 574 000**	**91 813 000**

Organisasjonsnr: 945 883 294
SOLSTAD OFFSHORE ASA

BALANSE

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	6	830 082 000	575 228 000
Sum finansielle anleggsmidler		**830 082 000**	**575 228 000**
Sum anleggsmidler		**830 082 000**	**575 228 000**
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer	7	36 633 000	40 033 000
Sum fordringer		**36 633 000**	**40 033 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		719 000	379 000
Sum bankinnskudd, kontanter og lignende		**719 000**	**379 000**
Sum omløpsmidler		**37 352 000**	**40 412 000**
SUM EIENDELER		**867 434 000**	**615 640 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		77 309 000	75 609 000
Overkurs		180 387 000	176 927 000
Sum innskutt egenkapital	**9**	**257 696 000**	**252 536 000**
Opptjent egenkapital			
Annen egenkapital	11	420 993 000	169 420 000
Sum opptjent egenkapital		**420 993 000**	**169 420 000**
Sum egenkapital		**678 689 000**	**421 956 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Øvrig langsiktig gjeld	13	1 046 000	1 917 000

Sum annen langsiktig gjeld		**1 046 000**	**1 917 000**
Sum langsiktig gjeld		**1 046 000**	**1 917 000**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	7	185 210 000	189 243 000
Annen kortsiktig gjeld		2 489 000	2 524 000
Sum kortsiktig gjeld		**187 699 000**	**191 767 000**
Sum gjeld		**188 745 000**	**193 684 000**
SUM EGENKAPITAL OG GJELD		**867 434 000**	**615 640 000**

Organisasjonsnr: 945 883 294
SOLSTAD OFFSHORE ASA

KONSERNRESULTATREGNSKAP

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	4,28	6 295 321 000	5 128 173 000
Annen driftsinntekt	4	204 810 000	289 327 000
Sum inntekter		**6 500 131 000**	**5 417 500 000**
Kostnader			
Administrasjonskostnader		457 474 000	449 509 000
Lønnskostnad	10,11,19	2 288 609 000	2 044 482 000
Ordinære avskrivninger	7,8	1 044 940 000	993 053 000
Avskrivning periodisk vedlikehold	7,8	292 009 000	271 098 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	7,8	-555 958 000	45 049 000
Annen driftskostnad	10	1 846 600 000	1 521 986 000
Gevinst tap salg av eiendeler	7	-152 490 000	99 730 000
Inntekt fra joint ventures	13	-20 418 000	-247 000
Sum kostnader		**5 200 766 000**	**5 424 660 000**
Driftsresultat		**1 299 365 000**	**-7 160 000**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	13	722 000	108 000
Annen renteinntekt		47 152 000	10 295 000
Annen finansinntekt		12 113 000	173 405 000
Sum finansinntekter		**59 987 000**	**183 808 000**
Annen rentekostnad		1 404 972 000	1 003 543 000
Annen finanskostnad		967 504 000	283 504 000
Sum finanskostnader		**2 372 476 000**	**1 287 047 000**
Netto finans	**9**	**-2 312 489 000**	**-1 103 239 000**
Ordinært resultat før skattekostnad		**-1 013 124 000**	**-1 110 399 000**
Skattekostnad på ordinært resultat		104 679 000	25 664 000
Ordinært resultat etter skattekostnad		**-1 117 803 000**	**-1 136 063 000**
Årsresultat		**-1 117 803 000**	**-1 136 063 000**
Minoritetsinteresser		-4 788 000	-33 613 000
Årsresultat etter minoritetsinteresser		**-1 113 015 000**	**-1 102 450 000**

Omregningsdifferanse		-218 660 000	-34 851 000
Aktuariell gevinst	19	947 000	-3 971 000
Sum resultatkomponenter for IFRS-foretak		-217 713 000	-38 822 000
Totalresultat		**-1 330 728 000**	**-1 141 272 000**

Organisasjonsnr: 945 883 294
SOLSTAD OFFSHORE ASA

KONSERNBALANSE

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	18	4 351 000	14 497 000
Sum immaterielle eiendeler		**4 351 000**	**14 497 000**
Varige driftsmidler			
skip	7	16 814 184 000	17 386 500 000
Bruksrett skip	8	3 345 812 000	2 561 186 000
Periodisk vedlikehold	7	789 537 000	677 518 000
Annleggsmidler holdt for salg	7	412 052 000	187 200 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	7	28 382 000	26 309 000
Sum varige driftsmidler		**21 389 967 000**	**20 838 713 000**
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap	13	2 323 000	1 279 000
Lån til tilknyttet selskap og felles kontrollert virksomhet	17	55 829 000	47 506 000
Investering i JV	13	156 235 000	91 127 000
Incestering i andre aksjer	13	2 991 000	2 991 000
Andre fordringer	23	57 536 000	56 460 000
Sum finansielle anleggsmidler		**274 914 000**	**199 363 000**
Sum anleggsmidler		**21 669 232 000**	**21 052 573 000**
Omløpsmidler			
Varer			
Varer	25	228 197 000	173 041 000
Sum varer		**228 197 000**	**173 041 000**
Fordringer			
Kundefordringer	5,24	1 232 487 000	816 745 000
Andre fordringer	24	698 141 000	421 094 000
Sum fordringer		**1 930 628 000**	**1 237 839 000**
Investeringer			
Markedsbaserte aksjer	9,13	21 000 000	15 200 000
Sum investeringer		**21 000 000**	**15 200 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	5,20	2 170 072 000	2 459 027 000

Sum bankinnskudd, kontanter og lignende		**2 170 072 000**	**2 459 027 000**
Sum omløpsmidler		**4 349 897 000**	**3 885 107 000**
SUM EIENDELER		**26 019 129 000**	**24 937 680 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	15	77 309 000	75 609 000
Overkurs		180 387 000	176 927 000
Sum innskutt egenkapital		**257 696 000**	**252 536 000**
Opptjent egenkapital			
Annen egenkapital		1 504 816 000	2 835 545 000
Minoritetsinteresser	13	-9 387 000	-4 599 000
Sum opptjent egenkapital		**1 495 429 000**	**2 830 946 000**
Sum egenkapital		**1 753 125 000**	**3 083 482 000**
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	19	20 381 000	25 864 000
Andre avsetninger for forpliktelser		12 425 000	17 316 000
Sum avsetninger for forpliktelser		**32 806 000**	**43 180 000**
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	5,6	16 637 362 000	17 523 945 000
Leasinggjeld	5,6,8	3 564 963 000	280 761 000
Annen langsiktig gjeld		1 046 000	1 917 000
Sum annen langsiktig gjeld		**20 203 371 000**	**17 806 623 000**
Sum langsiktig gjeld		**20 236 177 000**	**17 849 803 000**
Kortsiktig gjeld			
Leverandørgjeld		694 564 000	552 077 000
Betalbar skatt	18	228 409 000	176 767 000
Annen langsiktig gjeld	26	499 053 000	362 640 000
Korts del langsiktig gjeld	5,6	2 460 689 000	446 592 000
Korts del leasinggjeld	5,6,8	147 113 000	2 466 321 000
Sum kortsiktig gjeld		**4 029 828 000**	**4 004 397 000**
Sum gjeld		**24 266 005 000**	**21 854 200 000**
SUM EGENKAPITAL OG GJELD		**26 019 130 000**	**24 937 682 000**

Organisasjonsnr: 945 883 294
SOLSTAD OFFSHORE ASA

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
1

Regnskapsprinsipper
Se vedlegg.

Note
4

Antall årsverk i regnskapsåret
0.00

Sum	Beløp

Balanseført verdi 31.12.	Varige driftsmidler	Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - felles kontrollert virksomhet	Årets	Fjorårets

Pantstillelse	Beløp

Beholdning av egne aksjer	Antall	Pålydende	Andel av aksjek.

Organisasjonsnr: 945 883 294
SOLSTAD OFFSHORE ASA

NOTEOPPLYSNINGER - KONSERN - alle poster oppgitt i hele tall

Note
1

Regnskapsprinsipper
Se vedlegg

Note

Spesifisering av resultatregnskapet

Lønnkostnader

Lønn	Årets	Fjorårets
	1882105000.00	1673436000.00

Folketrygdavgift	Årets	Fjorårets
	232760000.00	212344000.00

Pensjonskostnader	Årets	Fjorårets
	49867000.00	41018000.00

Andre ytelser	Årets	Fjorårets
	451527000.00	401317000.00

Sum lønnskostnader	Årets	Fjorårets
	2616259000.00	2328115000.00

Note

Ekstraordinære inntekter og kostnader

Sum	Beløp

Balanseført verdi 31.12.	Varige driftsmidler	Immaterielle eiend.

Samlet beløp - tilknyttet selskap	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - felles kontrollert virksomhet	Årets	Fjorårets

Pantstillelse	Beløp

Beholdning av egne aksjer	Antall	Pålydende	Andel av aksjek.

Annual Report 2022

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Financial Calendar

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

Annual Report 2022:	March 30th, 2023
Result 1. quarter 2023:	May 11th, 2023
Ordinary General Meeting:	May 11th, 2023
Result 2. quarter 2023:	August 18th, 2023
Result 3. quarterly 2023:	November 17th, 2023

Our Vision

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

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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.

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.

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.

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.

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Letter from the CEO

Since 2014, significant changes have occurred in our industry, including the emergence of new companies and the disappearance of others. Numerous vessels have either been sold out of the offshore market or recycled, and the list of vessels currently under construction is limited. In 2014, when the downturn started, offshore renewable energy was a relatively small market segment. Today, this has evolved into a substantial and rapidly expanding market.

As we look towards the future with improved market conditions, we acknowledge that the energy transition process requires time and that the oil and gas market will continue to co-exist with the renewables market for a considerable amount of time. The increased focus on energy security following the tragic invasion of Ukraine indicates that we are heading towards a phase with increased investments in all types of offshore energy. At the same time, the supply side appears to be relatively stable, which points to a promising outlook for the offshore energy sector in the years ahead.

How do we maneuver in this changing landscape? As many readers may be aware of, in March 2023 we announced plans to divest our PSV fleet. Some may question how this aligns with a more favorable market outlook. However, the choice to depart from the PSV segment is based on a two-sided rationale:

- The first rationale behind this decision is financial. Our company's debt level was high and we saw an opportunity to improve our financial flexibility in an improving offshore market. By selling our PSV fleet, Solstad is better positioned to seize potential opportunities that may arise and possibly facilitate fleet renewal. Our forthcoming process to refinance the company will also potentially be easier with a reduced debt load, thereby enabling us to negotiate improved terms.
- The second rationale is industrial and transitional. The CSV segment is already generating a large portion of its revenue from the renewable energy market, while the AHTS segment will follow as floating wind further develops. These vessel categories are well-positioned for the energy transition, given their potential to cater to various offshore energy markets. In contrast, the PSV segment is nearly entirely dependent on the oil and gas industry and is likely to remain so in the foreseeable future. Additionally, the PSV segment possesses the lowest operating margins and the highest drydocking costs in the coming years.

Moving forward, Solstad will focus all our efforts on the CSV and AHTS segment and associated endeavors. We will build up a service division that enables us to offer a more extensive range of services beyond our conventional offerings. We have already begun providing clients with ROVs, tooling, and project support, and we plan to expand these services further, either independently or in collaboration with strategic partners. Windstaller Alliance is well-established and is working on exciting opportunities within offshore wind, while Remota AS is developing remote operation services that currently look very promising.

Looking back at 2022 two more topics are worth mentioning.

Although the pace of the energy transition is accelerating, the decarbonization of our own operations remains a challenging task. While we eagerly anticipate the technological advancements necessary for complete decarbonization, we remain dedicated to enhancing operational efficiency in any way we can.

Additionally, I would like to acknowledge the dedication demonstrated by our crew and especially our Ukrainian employees during a challenging year.

The offshore industry is changing, as it has always done. As a company, we must constantly adjust to ensure we remain as relevant in the future as we have been in the past. I am proud that we have successfully executed a significant strategic transaction that enables us to do precisely that.

The years ahead looks very encouraging.

Thank you!

Lars Peder Solstad
CEO

Contents

Key Figures and Highlights

- The Company has completed a year with significant growth despite the global geopolitical uncertainty.
- Tender activity has steadily increased throughout the year. The Company has seen all time high order intake in the second half of the year, ending on a backlog of MNOK 9,200 at year-end.
- Strengthened the presence within remotely managed offshore services by establishing Remota AS together with DeepOcean Group and Østensjø Group.
- At year-end, the Company operated and managed a fleet of 86 vessels; 27 CSV, 20 AHTS and 39 PSV.
- Liquidity is MNOK 2,170 at year-end 2022, compared to MNOK 2,459 in 2021.
- Operating income increased with 20 percent to MNOK 6,500 vs MNOK 5,418 in 2021. Key drivers were improved utilization, higher day rates, and strengthened sales of additional services.
- Adjusted EBITDA increased with 26 percent to MNOK 1,938 vs MNOK 1,534 in 2021.
- The Company has per year-end 2022 installed battery hybrid solutions to reduce emissions on ten vessels and an additional nine vessels have been fitted with shore power. The Company received the annual Offshore Support Journal's 'ESG Award'.
- The agreement to divest the PSV segment in 2023 implies a strategic repositioning of the Company as one of the main global owner and operator of high-end tonnage of AHTS and Subsea vessels (CSVs).

Key Financials

(MNOK)	2022 01.01-31.12	2021 01.01-31.12	2020 01.01-31.12	2019 01.01-31.12
Income	6,500	5,418	5,026	5,245
Adjusted EBITDA	1,938	1,534	1,282	1,411
EBIT	1,299	-7	-2,185	-1,196
Profit before Tax	-1,013	-1,110	7,250	-2,971
Cash and equivalents	2,170	2,459	2,412	1,134
Working capital	320	-119	-803	-26,264
Equity	1,753	3,083	4,243	-3,835
Net interest bearing debt*	-21,117	-18,257	-18,219	-30,983
Order backlog	9,200	5,600	5,200	8,200

*Including recognized debt relating to IFRS 16 Leases

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Financial Summary

(MNOK)	2022	2021	2020	2019	Ref
PROFIT AND LOSS					
Freight income	6,295	5,128	4,844	5,016	
Other operating income	205	289	182	228	
Operating result before depreciation and impairment	1,907	1,402	1,032	1,274	
Operating result	1,299	-7	-2,226	-1,237	
Net financial items	-2,312	-1,103	9,477	-1,734	
Ordinary result before tax	-1,013	-1,110	7,250	-2,971	
Net result for the year	-1,118	-1,136	7,254	-3,129	
Hereof majority's share	-1,113	-1,102	7,241	-3,130	
BALANCE SHEET					
Defered tax asset	4	14	6	-	
Long term assets	21,257	20,865	22,204	27,003	
Current assets	4,762	4,072	3,869	2,830	
Total assets	26,019	24,938	26,069	29,833	
Equity	1,753	3,083	4,243	-3,835	
Deferred tax	-	-	-	17	
Long-term liabilities and provisions	20,236	17,850	17,181	4,574	
Current liabilities	4,030	4,004	4,645	29,094	
Interest bearing liabilities	23,287	20,718	20,631	32,117	8
Bank overdraft	-	-	-	-	
Free and restricted bank deposits	2,170	2,459	2,412	1,134	
Net interest-bearing liabilities	21,117	18,259	18,219	30,983	9
PROFITABILITY					
Operating margin	29%	26 %	21 %	24 %	1
Earning on equity	-42 %	-30 %	3.557 %	128 %	2
LIQUIDITY					
Liquid assets	2,170	2,459	2,412	1,134	6
Working capital	320	-119	-803	-26,264	7
Adjusted EBITDA	1,938	1,534	1,282	1,411	3
Current ratio	1.1	1.0	0.8	0.1	4
CAPITAL					
Total assets	26,019	24,938	26,069	29,883	
Equity	1,753	3083	4,243	-3,835	
Equity ratio	7 %	12 %	16 %	-13 %	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 also will provide useful information to the reader. For further definitions, refer to page 86.

The 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 posistion as vice chairman in Aker ASA and as 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: 0
(Further details refer to note 9)

INGRID KYLSTAD (b. 1985)

Ingrid Kylstad is Sustainability Lead in ZeroLab by 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.

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

ELLEN SOLSTAD (b. 1974)

Mrs. Solstad holds a bachelor's degree from BI. 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
(Further details refer to note 9)

THORHILD WIDVEY (b. 1956)

Thorhild Widvey har held various positions in the Norwegian Ministries in the period between 2002 to 2015. Prior to this she was a member of Parliament (Storting) from 1989 to 1997, representing Høyre, the conservative party of Norway.

Ms Widvey is chair of the Board of Statkraft AS/SF and Vår Energi ASA. She has previously held a number of board positions both in private and stock listed companies. She has been a board member of Kværner ASA (2016-2020) and continued as member of board of Aker Solutions after the merger with Kværner(2020) until 2022.

She holds several board positions in private businesses and foundations.

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

SHARES IN SOLSTAD OFFSHORE ASA: 0

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Board of Directors' Report

Solstad Offshore ASA ("the Company" or "Solstad") is a world leading owner and operator of offshore service vessels (OSVs), offering maritime services to the global offshore energy industry.

Per year-end 2022 the Company has 3,400 highly skilled employees and nine offices globally. The Company owns and operates a flexible fleet of modern offshore vessels which consist of PSVs (platform supply vessels), AHTS' (anchor handling tug support vessels) and CSVs (construction service vessels).

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

The tragic invasion of Ukraine has resulted in more focus on energy security, benefiting the oil and gas industry, while the ambitions to increase energy production from renewable sources continue as before. The combination gives higher activity, and after several years with weak market conditions, 2022 could be the turning point for the offshore service industry.

The oil price has been above USD 80 per barrel most of the year, giving incentives for the oil companies to continue investing. Further, the number of offshore wind projects under evaluation has increased further.

The Company is positioned for both oil and gas and renewable energy activities. About 25% of the EBITDA Adjusted in 2022 came from renewable energy activities, and the Company expect to increase this activity further the coming years.

The operating income increased by about 20%, to MNOK 6,500 in 2022, compared to MNOK 5,418 in 2021. Operational expense in 2022 was MNOK 4,593 compared to MNOK 4,016 in 2021. EBITDA Adjusted for the year increased by 26% to MNOK 1,938 from MNOK 1,534 in 2021. The operating result in 2022 was MNOK 1,299 compared to a negative result of MNOK -7 in 2021. The result after tax was MNOK -1,118 compared to MNOK -1,136 in 2021. The booked equity for year end is MNOK 1,753.

1. Vision and Values

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

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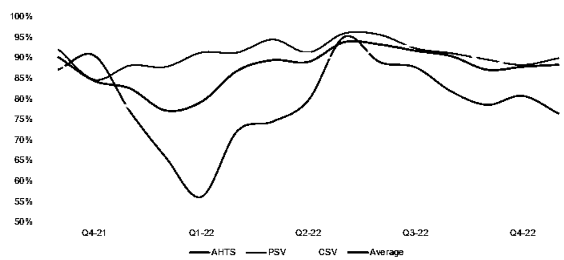
Fleet Utilisation



partners, and colleagues.

2. The Company's Activities

Solstad Offshore's activities are primarily directed towards the offshore markets for oil and gas and renewable energy. During 2022, the operation has been organized in four business areas; PSV, AHTS, Subsea Construction and Renewable Energy worldwide. The Company's headquarter is located in Skudeneshavn, Norway with offices in Ålesund, Aberdeen, Rio de Janeiro, Macae, Perth, Singapore, Manila and Odessa.

The Company's operating income in 2022 was divided into 34 percent (2021: 39 percent) from Subsea Constrution, 16 percent (11 percent) from Renewable Energy, 27 percent (27 percent) from PSV and 23 percent (23 percent) from AHTS. Furthermore, the regional split of the income was 49 percent (45) from the North Sea, 21 percent (6) from South America, 7 percent (12) from Africa, 4 percent (3) from North and Central America, 4 percent (4) from the Mediterranean part of Europe, 10 percent (23) from Australia, and 6 percent (8) from Asia.

As per 31 December 2022, the Company owned and/or operated a total fleet of 86 vessels, of which 80 were in operation: 26 CSVs, 15 AHTS' and 39 PSVs. The overall utilization for the operational fleet in 2022 was 88% (85% in 2021). The CSV fleet had a utilization of 88% (84%), AHTS fleet 78% (81%) and PSV fleet 92% (89%).

Subsea Construction and Renewable Energy

The CSV segment includes 26 vessels, whereof one vessel was in layup at year-end 2022. The CSV vessels are designed and equipped to support a wide range of offshore services within oil and gas and renewable energy projects. During 2022, the fleet has successfully been involved in projects both within renewable energy and oil and gas. This includes 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 include Asia, South America, West and East Africa, North Africa, Europe including Mediterranean and Gulf of Mexico. In 2022 renewable energy projects represented 33% of the CSV revenue, 67% of the revenue originate from oil and gas activity. The company has also signed new contracts for the CSV segment in most of the aforementioned areas. The client portfolio for the CSV fleet includes a mix of energy companies such as subsea construction companies, wind turbine manufacturers, cable companies and seismic companies.

AHTS & PSV

The fleet of AHTS' counts 20 vessels of which 15 are operational and 5 in layup. The PSV fleet includes 39 vessels, all in operation. The majority of the fleet's operation is taking place in the North Sea, Australia, Brazil and West Africa, with a mix of projects, spot, medium and term contracts. The local presence in the most important hubs for OSVs, combined with the size of the fleet, gives Solstad flexibility and ability to locate and re-locate vessels between the various markets. Activities within oil and gas remains the most important activity for AHTS' and PSVs. However, the Company has also been 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, which in combination with high activity within oil and gas gives Solstad strong reasons to expect a period with high activity for the fleet going forward.

Technical & Projects

Throughout the year, 16 dry-dockings and 16 larger maintenance stops were completed. The largest project in 2022 was the conversion of Normand Clipper back to cable layer. Two vessels were reactivated from long time layup. Two vessels were installed with battery. A total of ten vessels are now equipped with batteries. The technical uptime for the year was 98,84%.

HSE & HR

HSE results ended with a TRCF at 1.24 (1.19 in 2021). This is above the 1.10 TRCF target for the year.

By the end of the year, total number of seafarers counted 3,079. Retention rate per region / nationality is relatively stable and corporate retention was at 94% affected by some lower retention on Nordic crew. Post Q1 2022, the Covid-19 impact on both seafarers and the crewing department reduced.

The working environment, onshore and onboard the ships, is considered satisfactory. Sick leave onshore was 1.8% in 2022, up from 1.6% in 2021.

Vessel Divestment in 2022

In 2022, Solstad Offshore completed divestment of 16 vessels, primarily the smallest and less modern vessels: 7 PSVs and 9 AHTSs. Thirteen vessels were divested in line with the restructuring plan for the company, in addition to three strategic vessels. The sale of the 13 vessels concludes the divestment of non-strategic vessels whereof one of the 37 non-strategic vessels has been put into operation. Warrants are exercised in accordance to the restructuring agreement 20 October 2020.

3. The Market

Oil and Gas

Demand for vessels continued to increase throughout the year, with new projects driving the demand on a global basis. With a fairly stable supply side, the utilization grade for the vessels has increased and by that also the commercial terms.

There is a tendency towards that clients will secure access to vessels and thereby are willing to offer longer contracts than we have seen the last years.

Oil and gas clients account for about 84% of the revenue in Solstad. As this industry is expected to be active going forward, it is also likely that the main part of the revenue in Solstad will 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.

The main geographical oil and gas market for Solstad are still the North Sea, Brazil and Australia.

Renewable Energy

The renewable market, and in particular offshore wind, continued its growth momentum in 2022, with Europe, USA 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 will 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 2022 about 16% of operating income came from renewable energy projects versus 11% in 2021.

4. Corporate Particulars

As of 31 December 2022, the number of shareholders was 10,919 whereof total international shareholding was approximately 14%. The largest shareholders, Aker Capital AS, DNB Markets Aksjehandel/-analyse and Interactive Brokers LLC AS, held 24.84%, 9.55% and 5.89% respectively.

Top 10 as of 31.12.2022	Number of shares	Ownership
Aker Capital AS	19,206,002	24.84 %
DNB Markets Aksjehandel/-analyse	7,379,541	9.55 %
Interactive Brokers LLC	4,550,647	5.89 %
Skandinaviska Enskilda Banken AB	3,750,000	4.85 %
Jarsteinen AS	3,197,779	4.14 %
Magne Hystad	1,235,000	1.60 %
The Export-Import Bank of China	1,139,842	1.47 %
Nordnet Livsforsikring AS	1,057,775	1.37 %
Sparebanken Møre	978,598	1.27 %
Morten Østdahl	788,526	1.02 %
Minority shareholders (<1 %)	34,024,899	44.01 %
	77,308,609	**100 %**

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 adheres to the Norwegian Code of Practice for Corporate Governance, which was last revised on 14 October 2021. More information on corporate governance is given in the 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 2022 are prepared in accordance with International Financial Reporting Standards "IFRS", as adopted by the European Union.

Operating income in 2022 was MNOK 6,500 compared to MNOK 5,418 in 2021. The increase from 2021 is 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 2022 amounted to MNOK 4,593 compared to MNOK 4,016 in 2021. Adjusted EBITDA for the year was MNOK 1,938 compared to MNOK 1,534 in 2021. Operating result before financial items and tax was MNOK 1,299 compared to MNOK -7 in 2021, including net-impairments of fixed assets of MNOK -556 (reversal) compared to MNOK 45 in 2021.

Cash flows from operating activities amounted to MNOK 1,446. Operating result amounted to MNOK 1,907. The difference is mainly related to timing. Cash flow from investing activities amounts to negative MNOK 123. Sale of vessels has reduced the net cash outflow from investments with MNOK 450. Investments are mainly related to periodic maintenance and installation of battery packages, and minor investments done to be able to fulfil a contract with customers. Cash flow from financing activities amounts to negative MNOK 1,647. This is mainly related to interest payments and repayment of loan following sales of vessels.

Company result after tax for 2022 was MNOK -1,118 (MNOK -1,136 in 2021). Net financial items for 2022 were MNOK -2,312 (MNOK -1,103 in 2021). The change from 2021 to 2022 is mainly due to unrealised foreign exchange effects and increased interest rate levels.

Net earnings per share were NOK -14.53 (NOK -15.13 in 2021). Operating result before depreciation and impairment amounted to 29% of income compared to 26% in 2021. Booked equity per 31.12.2022 was MNOK 1,753 (MNOK 3,083 in 2021) i.e. NOK 22.68 per share (NOK 40.78 per share in 2021). Interest bearing debt as of 31.12.2022 was MNOK 23,287 (MNOK 20,718 in 2021), whereof MNOK 2,608 (MNOK 2,913 in 2021) is classified as current liabilities. The interest-bearing debt has the following currency split, 27% (31) NOK and 73% (69) in USD. Overview and details of amounts, interest rates, maturity and main covenants are included in the account notes 5 and 6. At year-end, the Company held MNOK 2,170 in cash deposits (MNOK 2,459 at year-end 2021). The cash at year-end includes an MNOK 1,494 (MNOK 1,496 at year-end 2021) working capital facility provided as a part of the 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 2022, 37,786 HSE reports 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 four work-related lost-time injuries that provide an TRCF (Total Recordable Case Frequency, recordable injuries per 1 million working hours) of 1.24 for 2022 (1.19 in 2021). The goal of no incidents is maintained for 2023, 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 continue to develop and improve the safety behaviour and culture program "Solstad Incident Free Operations" (SIFO). Over the period that the program has been implemented the number of incidents was reduced by involving the crew and increasing their focus on safety in their daily work. SIFO is a long-term program and it will realistically take 2-3 years to get properly implemented.

A cornerstone on the Company's fuel and emission reduction programme is Solstad Green Operations. Crew support is still high and reached the KPI level of 20 operations per vessel per month. In 2022, one of our main goals was to upgrade three vessels with battery hybrid systems. We managed to upgrade two vessels - Solitaire and Ocean - both with good results and very positive feedback from our clients. A total of ten vessels have now been upgraded with battery and additionally another nine vessels with shore power. Another goal for the year was to start using liquified bio gas (LBG) on one vessel, but this did not materialize due to a combination of lack of available gas and the associated cost level.

The fleet had 147 litres of oil spills to the environment during the year. Even though the goal is zero spill this is one of the best annual results.

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

A major milestone during the year was that the Company managed to join an international consortium and win a large EU grant for the development of improved marine battery systems (MEUR 2.6 in funding to Solstad).

The Company's onshore administration consists of 193 men (58%) and 138 women (42%). Out of a total of 3,079 marine crew at year-end, only 187 were women (6%). The Company focuses on diversity and has equal opportunities for all employees, regardless of their ethnic background, nationality, descent, color, language, religion, lifestyle or gender. The Company will select and appoint the most suitable person for a position based on their attitude, skills and qualifications. The Company takes part in recruitment and training of cadets/trainees and participates in measures towards encouraging young people to involve in maritime education. The Company received an award as "Maritime Training Company of the Year 2022" in Norway, due to its focus on competence including the successful adult training program launched during this year.

8. Market Outlook

The outlook for offshore energy activities continue to strengthen. Driven by energy prices, energy security issues and bold ambitions to increase energy production from renewable energy sources, the offshore energy markets ended 2022 strongly with both high tender activity and a substantial amount of contract awards. The demand for Solstad's services continues to increase and the company enters 2023 with a good balance between secured backlog and available capacity.

Even though Solstad's CSVs were originally built for the oil and gas markets, the vessels are already in demand from renewable energy clients and as floating wind continue to develop, it is expected that the AHTSs also will be a central part of the installation of offshore wind parks. Except for vessels dedicated to offshore wind support, there are few new vessels under construction, meaning that all activity increase has to be supported by the vessels that already in operation. This should give a continued positive effect on utilization and commercial terms for the high-end-fleet during the coming year.

In some regions, there are seasonal variations in activity. The North Sea is one example where less planned work is conducted during the winter months. As global activity continues to improve, these seasonal variations could be less going forward.

9. Risk

The company is exposed to market, commercial, operational, regulatory and financial risks that affect the assets, liabilities, available liquidity, and future cash flows. In addition there is a inherent refinancing with maturity of the main portion of the external debt end of March 2024.

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 during the year, after a long period of suppressed rates due to market imbalance. Factors affecting this are partly outside Solstad's control and influence.

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

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

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

Market 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. The market has steadily improved during 2022 from the weak starting point, despite Covid-19 still affecting regions where Solstad operates. The Company has avoided significant operational disruptions caused by Covid-19.

Risk Related to the Ongoing Invasion of Ukraine
In February 2022, Russian armed forces invaded Ukraine. The Company is present in Ukraine with an office that manages crewing services and employs approximately 400 Ukrainian crew. The outcome of the invasion of Ukraine remains uncertain. None of the Company's vessels have been forced to off-hire 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. Cyber security risk has increased compared to 2021, partly driven by the war in Ukraine.

Safety and Environmental risks
There are inherent safety and security risks related to operations at sea. As one of our core values, safety is always in front of mind for all employees, which 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 CO2 levies or the cost of green fuels will for the most part be forwarded to our 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 are important towards reaching the 50% emission reduction target, and net zero in 2050. At the same time we 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 newbuild or other alternatives available globally over the next five to eight years, this risk will be limited.

The Company aims to be transparent in its sustainability reporting and work continuously on public ESG communication to ensure that all stakeholders understands 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.

Financing Risks
The main portion of Solstad's external debt will mature March 2024 and therefore it is an inherent refinancing risk. A refinancing is dependent on how the OSV market- and the oil and gas prices develops and other factors such as financing capacity for the OSV segment. The Company has engaged a consulting firm to facilitate an independent analysis of Solstad's debt service ability. A failure to refinance by the end of March 2024 will have a material adverse effect on the financial situation of the Group and Company. Dependent on the outcome of the refinancing process and the Company's debt service ability, this may lead to a need for adjustments of the capital structure.

Normand Maximus
Reference is made to the Company's 2Q 2022 report, section Financial Summary. The transaction whereby the Company's leased vessel, the CSV Normand Maximus was sold from its owner Maximus Limited to AMSC ASA was completed in the 4Q 2022 and the vessel was delivered to its new owner. Consequently, the residual claim against the Company's subsidiary Normand Maximus Limited has been finally determined and matures on 31 March 2024. The residual claim amounts to MUSD 161, and is included in the lease liability, with an annual interest rate of 9.5%. 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 on Solstad Offshore ASA's financial situation. Further, the vessel has been delivered to a subsidiary of the Company under

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a bareboat agreement for a five-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.

Further details refer to note 6 and 8.

10. Finance - Parent Company

The result for Solstad Offshore ASA in 2022 was MNOK 252 (MNOK 92 in 2021). The net financial result of MNOK 251 (MNOK 92 in 2021) is mainly related to effects from the financial restructuring of the Company. Operating result was of MNOK 1 (MNOK 0.2 in 2021).

The Company's assets are mainly related to the value of shares in subsidiaries. Booked equity at year end was MNOK 679 (MNOK 422 in 2021). The long term debt at the same date was MNOK 1 (MNOK 2 in 2021).

11. Going Concern

The annual accounts are prepared on the assumption of a going concern. The going concern assumption until end of March 2024 is based on the level of cash and cash equivalents and equity at year end 2022, terms and conditions of the banking and borrowing facilities, the forecasted cash flow prognosis for the Group and the solid backlog position as of 31 December 2022.

Estimates shows that there is sufficient liquidity in the Company until final maturity of the fleet loan and Maximus residual claim due end-March 2024. The fleet-loan agreement includes a mechanism for deferring 2023-installments. The Company does not expect to settle first instalment of the fleet-loan 31 March 2023.

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

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

12. Subsequent events

Contracts
The Company has increased its order intake with approximately MNOK 1,300 during 1Q 2023. The new contracts are from all business segments.

Sale of Vessels
The sale of CSV, Normand Jarl, in February 2023 resulted in a gain of approximately MNOK 450. In addition two vessels classified as strategic in 2023 were sold, one PSV and one AHTS resulting in minor positive accounting effects.

Divestment
The Company has signed an agreement with U.S. based Tidewater Inc., dated 7 March 2023, for the sale of 37 PSVs. The transaction is considered a strategic repositioning of the Company as one of the main global owner and operators of high-end tonnage of AHTS and subsea vessels. Refer to Note 29.

Redelivery of bareboat
The Company has since October 2020 chartered the vessels "Far Senator" and "Normand Statesman" on bareboat terms. Ocean Yield ASA has exercised its right under the bareboat charters to have the vessels redelivered. The vessels will thus be redelivered to their owner at the end of their current commitments.

13. Profit & loss allocation

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

Transfer from other equity	NOK	251,573,743
Net applied/transferred	NOK	251,573,743

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 2022 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 March 2023

Harald Espedal
Chairman

Frank O. Reite
Director

Peder Sortland
Director

Thorhild Widvey
Director

Ellen Solstad
Director

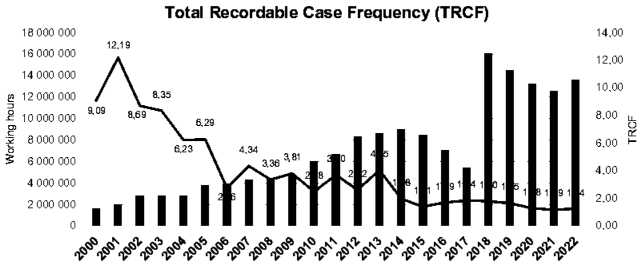
Ingrid Kylstad
Director

Lars Peder Solstad
CEO

Sustainability highlights 2022

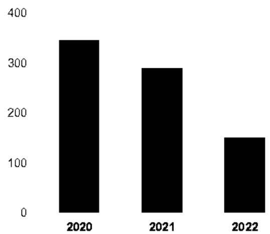
Safety

At Solstad, our goal is to have zero injuries. In 2022, the Total Recordable Cases Frequency (TRCF) was record low with 1.24, and of four Lost Time Incidents (LTI) were recorded.



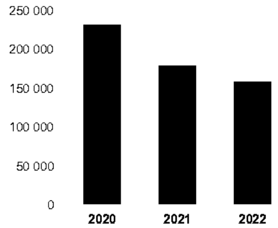
Oil Spills

In Solstad, our goal is to have zero spills. In 2022, we saw a decrease the numbers and volume om oil spills to the environment despite increased operational activity. We had 153 liters of spills in 2022, compared to 293 liters and 348 liters of spills in 2021 and 2020, respectively.



Plastic Bottles

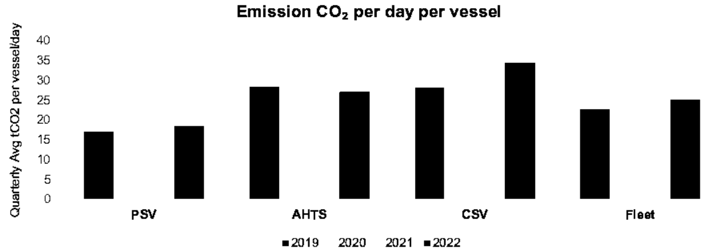
The reduction of single-use water plastic bottles in 2022 ended at 31%, corresponding to 72,000 bottles, which lead to a CO2 reduction of 9.1 tons. From 2023, these items have been removed from the provisions ordering lists and are now only used in special operations.



Emissions

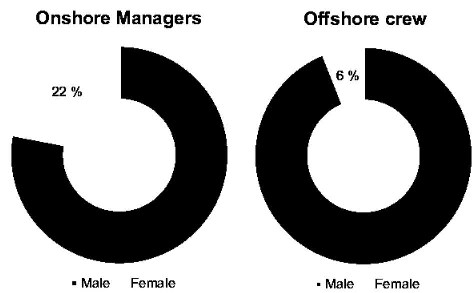
The total fleet CO2 emissions increased by 1% in 2022 to 720,101 tons compared to 711,552 tons in 2021. The increase was mainly due to higher operational activity and more vessels in operation.

The average fleet CO2 emissions per vessel day was on the same level in 2022 as in 2021. Even though higher activity is seen as positive, this often results in longer transits for some vessels between regions, less days idle, and more demanding dynamic positioning (DP) work for the CSV and AHTS vessels. The result is higher total net CO2 emissions, and it is key that our vessels focus on Solstad Green Operations (SGO) to limit fuel consumption. The KPI of 20 SGO's per day per vessels was achieved in 2022.



Diversity and Inclusion

Currently, 6% of Solstad's seafarers are women, compared to 5% in 2020, and we had a 44% increase in the number of female seafarers during the year. For the onshore organization, the total of female managers is at 22%, with a target to reach 35% by 2030.



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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 2022, the Company's equity amounted to MNOK 1,753 and total assets were MNOK 26,019 – providing an equity-to-asset ratio of 6.8 percent.

The Annual General Meeting determines the annual dividend, based on the Board of Directors' proposal. The Company will not pay dividends for the 2022 financial year.

At the Annual General Meeting, held on 30 May 2022, 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 May 11th, 2023.

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 Association 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 six 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 three 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 2022, Solstad's Board of Directors consists of Harald Espedal (chair), Ingrid Kylstad, Frank O. Reite, Ellen Solstad, Peder Sortland and Thorhild Widvey. 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, Peder Sortland and Thorhild Widvey 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 2022, two of the six Directors (Harald Espedal, directly and Ellen Solstad, 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 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 2022, 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. 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 does 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 its 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 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.

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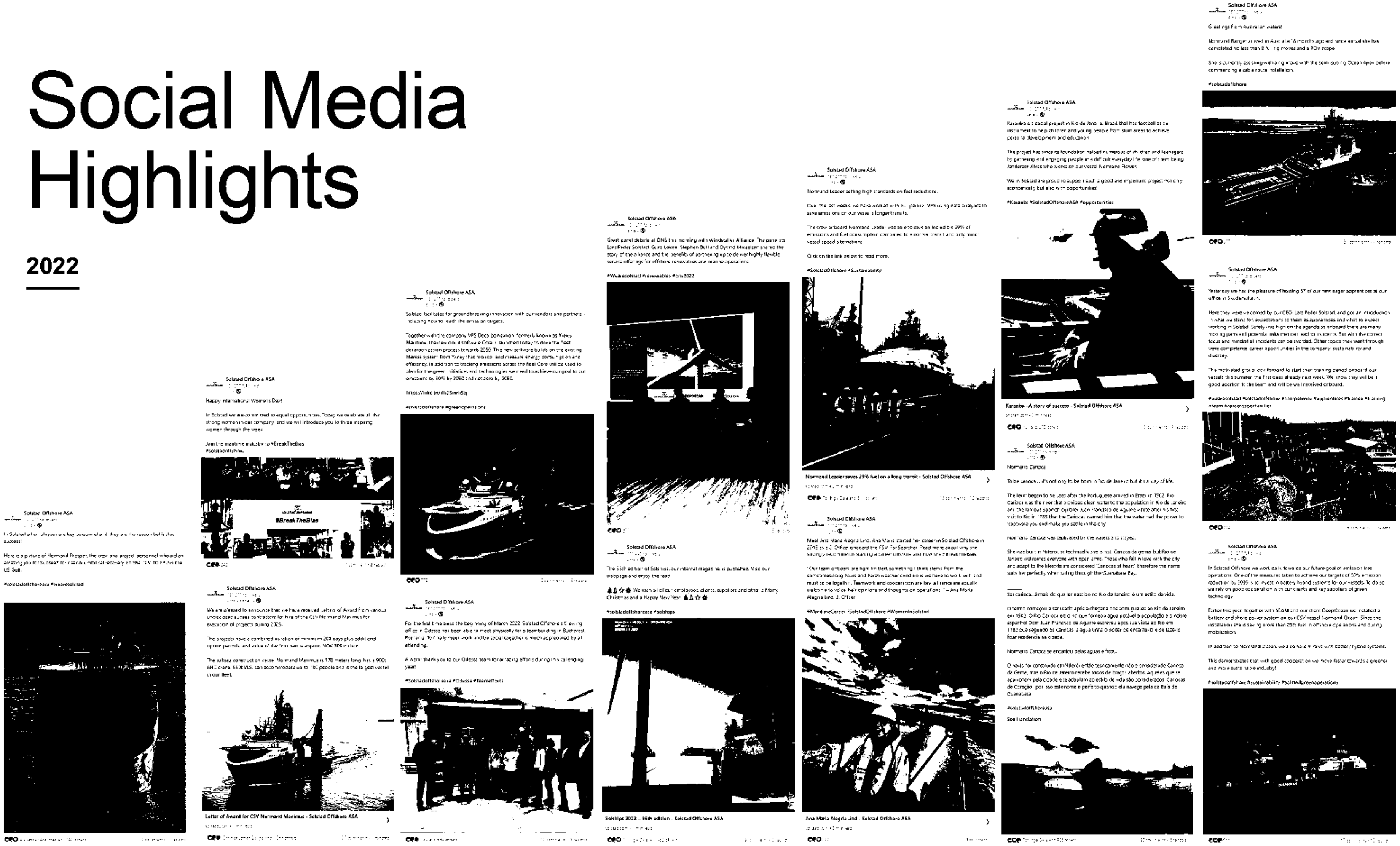
Social Media Highlights

2022



Maritime Training Company of 2022

Solstad was honored to win the prize as Årets Maritime Lærebedrift 2022 (Maritime Training Company of 2022) as awarded by Stiftelsen Norsk Maritim Kompetanse.

Solstad has a tradition of offering training to young people pursuing a maritime career, with a large number of apprentices and cadets joining us every year. With competence development in focus we started an Ordinary Seaman program targeting adults. In the program we offer 18-month training to people with different backgrounds and ages, and at the end of their practice they are fully qualified to work as an able seaman in our industry. We hope many can experience all the opportunities our industry provides for all ages and genders. Through our project "Women in Solstad" we also work systematically in getting more women to join our Company!

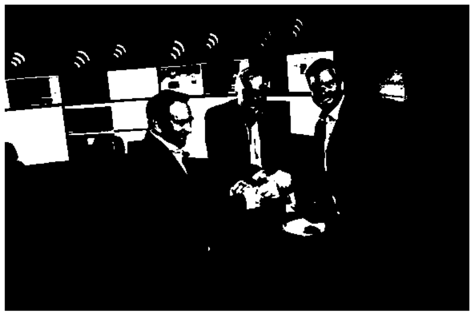
In the picture you can see our HR Director Per Stange and Training Manager Liv Bente Mevik accepting the prize on behalf of Solstad at the 29th National Maritime Summit in Haugesund

Solstad Offshore, DeepOcean and Østensjø team up in remote operations venture

On 15th June 2022 Solstad decided to join forces with DeepOcean and Østensjø Rederi to fast track the adoption of remotely managed services!

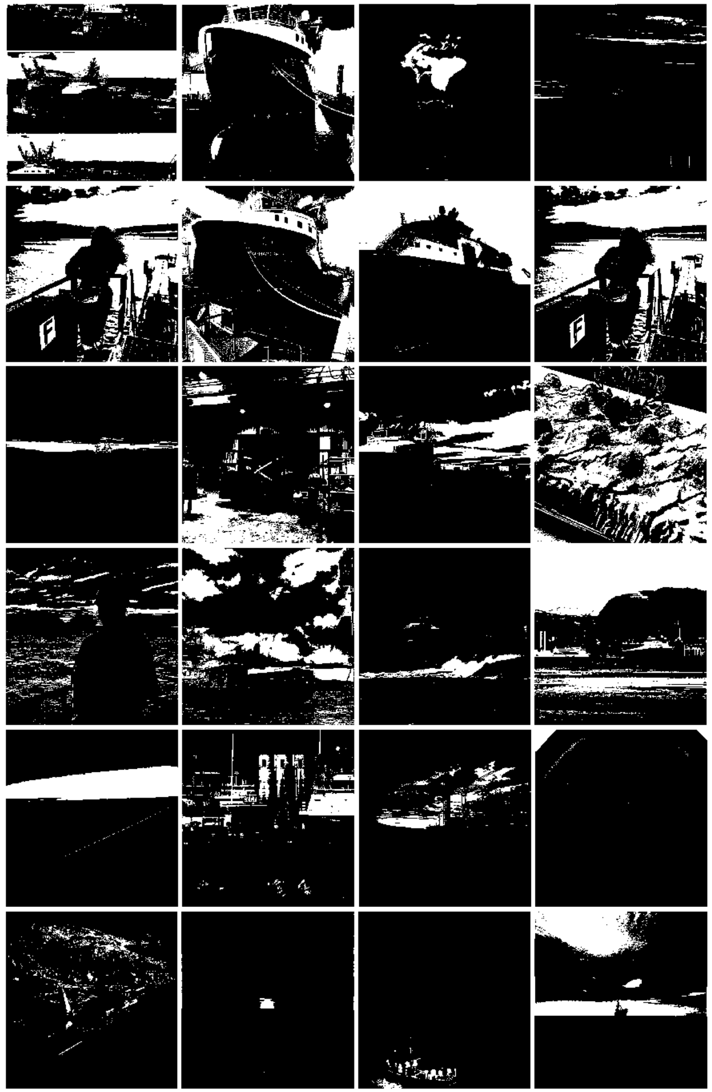
Together we have established two joint ventures (JVs) that will drive down operating costs and emissions for the marine and offshore industries.

Remota AS will own and operate advanced Remote Operations Centers, while the other JV will develop, own and operate unmanned surface vehicles (USVs).



Solstad, DeepOcean and Østensjø already have the technologies, competence and assets in place, but teaming up will further enhance the capacity, growth prospects and market penetration of our remote operations offering. Operators of offshore energy assets have challenged the supplier industry to deliver even more cost-efficient services. This is our response," says Lars Peder Solstad, CEO of Solstad Offshore.

#solstadoffshore #wearesolstad #womeninsolstad #SIFO



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Consolidated Statement of Comprehensive Income

Group Accounts (NOK 1,000)

	2022 01.01-31.12	2021 01.01-31.12	Note
Freight income	**6,295,321**	**5,128,173**	4,28
Other operating income	204,810	289,327	4
Total operating income	**6,500,131**	**5,417,500**	
Personnel costs	-2,288,609	-2,044,482	10,11,19
Administrative expenses	-457,474	-449,509	
Other operating expenses	-1,846,600	-1,521,986	10
Operating expenses	**-4,592,684**	**-4,015,978**	
Operating result before depreciation and impairment	**1,907,447**	**1,401,523**	
Depreciation	-1,044,940	-993,053	7,8
Depreciation capitalised periodic maintenance	-292,009	-271,098	7,8
Impairment fixed assets	555,958	-45,049	7,8
Net gain/loss on sale of assets	152,490	-99,730	7
Income from investment in joint ventures	20,418	247	13
Operating result	**1,299,364**	**-7,159**	
Income from investments in associated companies	722	108	13
Interest income	47,152	10,295	
Other financial income	12,113	173,405	
Interest charges	-1,404,972	-1,003,543	
Other financial costs	-967,504	-283,504	
Net financial items	**-2,312,489**	**-1,103,239**	**9**
Result before taxes	**-1,013,124**	**-1,110,398**	
Tax on ordinary result	-104,679	-25,664	18
Net result	**-1,117,803**	**-1,136,062**	
Comprehensive income:			
Translation adjustments foreign currency	-218 660	-34,851	
Comprehensive income that may be creclassified in subsequent periods	**-218 660**	**-34,851**	
Acturial gain /(loss)	947	-3,971	19
Comprehensive income that may not be reclassified in subsequent periods	**947**	**-3,971**	
Total comprehencive income	**-1,335,516**	**-1,174,885**	
Net result attributable to:			
Non-controlling interests	-4,788	-33,613	
Equity holders of the parent	-1,113,016	-1,102,449	
Comprehensive income attributable to:			
Non-controlling interests	-4,788	-33,613	
Equity holders of the parent	-1,330,728	-1,141,272	
Earnings per share (NOK)	-14.53	-15.13	16

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Consolidated Statement of Financial Position

(NOK 1,000)

	2022 31.12	2021 31.12	Note
ASSETS			
LONG-TERM ASSETS:			
INTANGIBLE ASSETS:			
Deferred tax assets	4,351	14,497	18
Contracts	-	-	28
TOTAL INTAGIBLE FIXED ASSETS	**4,351**	**14,497**	
LONG-TERM FIXED ASSETS:			
Vessels and new build contracts	16,814,184	17,386,500	7
Right-of use-assets	3,345,812	2,561,186	8
Capitalized periodic maintenance	789,537	677,518	7
Other tangible fixed assets	28,382	26,309	7
TOTAL LONG-TERM FIXED ASSETS	**20,977,915**	**20,651,513**	
FINANCIAL ASSETS:			
Investment in joint ventures	156,235	91,127	13
Loans to associated companies and joint ventures	55,829	47,506	17
Investments in associated companies	2,323	1,279	13
Investments in shares	2,991	2,991	13
Other long-term receivables	57,536	56,460	23
TOTAL FINANCIAL ASSETS	**274,915**	**199,364**	
TOTAL LONG-TERM ASSETS	**21,257,181**	**20,865,374**	
CURRENT ASSETS:			
Inventory	228,197	173,041	25
Receivables:			
Account receivables	1,232,487	816,745	5,24
Other short-term receivables	698,141	421,094	24
Total receivables	**1,930,628**	**1,237,839**	
Investments:			
Market based shares	21,000	15,200	9,13
Bank deposits and cash equivalents	2,170,072	2,459,027	5,20
TOTAL CURRENT ASSETS	**4,349,897**	**3,885,107**	
Assets held for sale	**412,052**	**187,200**	7
TOTAL ASSETS	**26,019,130**	**24,937,682**	

Consolidated Statement of Financial Position

(NOK 1,000)

	2022 31.12	2021 31.12	Note
EQUITY & LIABILITIES:			
EQUITY:			
PAID-IN EQUITY:			
Share capital (77,308,609 a 1,-)	77,309	75,609	15
Treasury shares	-	-	15
Other paid-in capital	-	-	
Share premium	180,387	176,927	
TOTAL PAID-IN EQUITY	**257,696**	**252,536**	
RETAINED EARNINGS:			
Other equity	1,504,816	2,835,545	
TOTAL RETAINED EQUITY	**1,504,816**	**2,835,545**	
Non-controlling interests	-9,387	-4,599	13
Total Equity	**1,753,125**	**3,083,481**	
LIABILITIES			
LONG-TERM LIABILITIES:			
Deferred tax	-	-	
Pension liabilities	20,381	25,864	19
Other financial liabilities	12,425	17,316	
Other long-term liabilities	1,046	1,917	
Interest bearing liabilities	16,637,362	17,523,945	5,6
Leasing liabilities	3,564,963	280,761	5,6,8
TOTAL LONG-TERM LIABILITIES	**20,236,177**	**17,849,803**	
CURRENT LIABILITIES			
Accounts payable	694,564	552,077	
Taxes payable	228,409	176,767	18
Other current liabilities	499,053	362,640	26
Current interest bearing liabilities	2,460,689	446,592	5,6
Current leasing liabilities	147,113	2,466,321	5,6,8
TOTAL CURRENT LIABILITIES	**4,029,828**	**4,004,397**	
TOTAL LIABILITIES	**24,266,005**	**21,854,200**	
TOTAL EQUITY AND LIABILITIES	**26,019,130**	**24,937,682**	

Board of Director in Solstad Offshore ASA
Skudeneshavn March 30, 2023

Harald Espedal
Chairman

Frank O. Reite
Director

Ingrid Kylstad
Director

Thorhild Widvey
Director

Ellen Solstad
Director

Peder Sortland
Director

Lars Peder Solstad
CEO

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Consolidated Statement of Changes in Equity

(NOK 1,000)

	Share capital	Treasury shares	Share premium	Other paid-in capital	Translation adjust-ments	Other equity	Total majoirty shares	Non-controlling interests	Total equity
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
Actuarial gain/ loss (-)	-	-	-	-	-	947	947	-	947
Translation adjustments	-	-	-	-	-218,660	-	-218,660	-	-218,660
Total comprehensive income	**-**	**-**	**-**	**-**	**-218,660**	**-1,112,068**	**-1,330,728**	**-4,788**	**-1,335,516**
Share capital increase by convertion of debt	1,700	-	3,460	-	-	-	5,160	-	5,160
Equity 31.12.2022	**77,309**	**-**	**180,387**	**-**	**728,145**	**776,672**	**1,762,512**	**-9,387**	**1,753,125**

	Share capital	Treasury shares	Share premium	Other paid-in capital	Translation adjust-ments	Other equity	Total majoirty shares	Non-controlling interests	Total equity
Equity 01.01.2021	**74,873**	**-**	**175,572**	**-**	**981,656**	**2,995,161**	**4,227,261**	**15,814**	**4,243,075**
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
Total comprehensive income	**-**	**-**	**-**	**-**	**-34,851**	**-1,106,420**	**-1,141,272**	**-33,613**	**-1,174,885**
Share capital increase by convertion of debt	736	-	1,355	-	-	-	2,091	-	2,091
Share capital privat placement	-	-	-	-	-	-	-	13,200	13,200
Equity 31.12.2021	**75,609**	**-**	**176,927**	**-**	**946,805**	**1,888,740**	**3,088,081**	**-4,599**	**3,083,481**

Consolidated Statement of Cash Flow

(NOK 1,000)

	2022 31.12	2021 31.12	Note
CASH FLOW FROM OPERATIONS			
Result before tax	**-1,013,124**	**-1,110,398**	
Taxes payable	-31,561	-18,917	18
Ordinary depreciation and write downs	780,990	1,309,199	7,8
Gain (-)/ loss long-term assets	-179,919	95,274	7
Interest income	-47,152	-10,295	
Interest expense	1,404,972	1,003,543	
Terminated leases	-	-	
Non-cash refinance effects	-16,691	-91,102	
Effect of change in pension assets	-1,043	400	
Change in value of financial instruments	-	-	
Unrealised currency gain/ -loss	938,084	275,136	
Change in short-term receivables and payables	-269,181	34,843	
Change in other accruals	-119,563	-103,931	
Net cash flow from operations	**1,445,813**	**1,383,754**	
CASH FLOW FROM INVESTMENTS			
Investment in tangible fixed assets	-124,912	-72,654	7
Payment of periodic maintenance	-488,011	-252,192	7
Consideration sale of fixed assets (vessels)	450,268	290,215	
Payment of long-term receivables	-8,029	820	
Received interests	47,152	10,295	
Realization of shares and holdings	-	-	
Net cash flow from investments	**-123,532**	**-23,515**	
CASH FLOW FROM FINANCING			
Paid-in capital	-	-	
Lease interests paid	-233,521	-176,480	6
Lease instalments	-28,246	-213,191	6
Paid interests	-839,280	-531,847	
Drawdown long-term debt	-	-	
Repayment of long-term debt	-546,117	-397,541	6
Net cash flow from financing	**-1,647,164**	**-1,319,059**	
Effect of changes in foreign exchange rates	35,929	5,942	
Net change in cash	-324,884	41,180	
Cash at 01.01	2,459,027	2,411,905	
Cash at balance sheet date	**2,170,072**	**2,459,027**	

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Notes

Notes to the Consolidated Financial Statements (NOK 1,000)

Note 1 - Accounting Principles

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. The financial statements were approved by the Board of Directors on 30 March 2023 and will be presented for approval in the Annual General Meeting.

Statement of Compliance and Basis for Preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations by the International Accounting Standards Board (IASB) which have been approved by the European Union (EU).

The consolidated financial statements have been prepared on a historical expences basis, except for debt related to non core vessels and shares that have been measured at fair value and are presented in Norwegian Kroner. Throughout the Notes all figures are stated in NOK thousand unless clearly stated otherwise.

Going Concern

The annual accounts are prepared on the assumption of a going concern. The going concern assumption until end of March 2024 is based on the level of cash and cash equivalents and equity at year end 2022, terms and conditions of the banking and borrowing facilities, the forecasted cash flow prognosis for the Group and the solid backlog position as of 31 December 2022.

Estimates shows that there is sufficient liquidity in the Company until final maturity of the fleet loan and Maximus residual claim due end-March 2024. The fleet-loan agreement includes a mechanism for deferring 2023-installments. The Company does not expect to settle first instalment of the fleet-loan 31 March 2023.

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

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

Changes in Accounting Principles

The Group has not implemented or early adopded any new accounting standards or otherwise made any significant changes to account principles during 2022.

Approved IFRS and IFRIC Interpretations not yet Implemented

Amendments to IAS 1 and IFRS Practice Statement 2 - Accounting policy disclosure

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to IAS 1 to clarify the requirements for classifying liabilities as current or non-current. The amendments clarified how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances. The amendments to IAS 1 are effective for reporting periods beginning on or after 1 January 2024. The amendments are applied retrospectively in accordance with IAS 8 and earlier application is permitted.

Consolidation

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

The Group accounts present the total profit & loss 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

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its power over the investee. Generally, there is a presumption that ownership of more than 50 percent of the voting shares results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee including: contractual arrangements with other vote holders of the investee, rights arising from other contractual arrangements, and the Group's voting rights and potential voting rights.

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.

Acquisitions of subsidiaries are accounted for using the acquisition method of accounting. 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. Any excess expences of acquisition over the fair value of the net identifiable assets of the subsidiary acquired calculated at the date of handover, will be recognized as goodwill. If the expences of the acquisition is less than the fair value of the net assets of the subsidiary acquired calculated at the date of handover, a day-one-gain will be recognized as income.

All inter-company transactions, receivables, liabilities and unrealized profits, as well as intra-group profit distributions, are eliminated. In the consolidation, the profit and loss accounts of foreign subsidiaries, not using NOK as functional currency, are translated using the exchange rate on the day of transaction. The balance sheet is translated using the balance sheet date exchange rate. The exchange differences arising on translation for consolidation are recognized in other comprehensive income (OCI).

The non-controlling interest in equity is reported separately in the consolidated financial statements.

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 reporting dates of the associates, joint venture and the Group are the same and the same accounting principles are applied.

Investments in an associate and joint ventures are recorded in the balance sheet at expence 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 and loss for the Group reflects the associates' share under finance, and joint ventures' share of profits under operating expences. 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.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

The Group's financial assets are derivatives, trade and lease receivables 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 Group's business model for managing them. Except for trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, (in the case of a financial asset not at fair value through profit or loss), transaction expences. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers.

The Group classifies its financial assets in two categories:

- Financial assets at amortized expences
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortized expences

The Group measures financial assets at amortized expences if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized expences are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized expences includes trade and other receivables, lease receivables and other non-current assets.

Financial assets at fair value through profit or loss

Derivatives at fair value are carried in the statement of financial position at fair value with net changes in fair value through profit or loss. The category includes foreign exchange contracts and interest rate swaps.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  a. the Group has transferred substantially all the risks and rewards of the asset, or
  b. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when the Group has no reasonable expectations of recovering the contractual cash flows. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. This assessment is based on historical experience of recoveries of similar assets. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Financial Liabilities

Financial liabilities are initially recognized at fair value and subsequently measured at amortized expences except for financial liabilities at fair value through profit of loss (FVTPL). Such liabilities, including debt related to non core vessels shall be subsequently measured at fair value. Other financial liabilities are subsequently measured at amortized expences using the effective interest method. Interest expense is recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Derivatives are financial liabilities when the fair value is negative, accounted for similarly as derivatives as assets.

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 profit or loss.

Classification of Items in the Balance Sheet

Current assets and short-term debt are items which mature within one year of the balance sheet date as well as any items relating to the normal operating cycle. The short-term portion of the long-term 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 hold for trading, not considered as strategic, or are expected to be disposed 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 long-term assets and liabilities.

Foreign Currency Translation

The functional and presentation currency of Solstad Offshore ASA 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. Differenves araising 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 expences 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 profit and loss statement is translated at exchange rates at the date of the inital transaction. Any translation adjustments are included in comprehensive income.

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

	GBP	USD	EUR	BRL	AUD
Per 31.12.21	11.888	8.819	9.989	1.583	6.397
Per 31.12.22	11.854	9.857	10.514	1.865	6.700

Segment Information

The Group reports internally on operating- and geographical segments. The operating segments are divided into the following four segments:

- AHTS: anchor handling vessels
- PSV: platform supply vessels
- Subsea
- Renewable

The Group has extended reporting segments as a response to the Group's strategy. The Group owns and operates AHTS, PSV and CSV vessels. The different types of vessels operate in different markets, and management review operating results within these markets. The Group focuses on the renewable market, and as a consequence vessel operating renewable contracts has been highlighted as a separate segment. The segments coincide with the operational structure of the Company, being four departments responsible for each segment. Comparative figures have been restated.

Any other activities, including vessels under construction, are included in a separate segment. Overhead expences 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 expences, 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 expences 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 expences less accumulated depreciation and any impairment.

Each part of a fixed asset that is significant to the total expences of the item are separately identified and depreciated over that component's useful lifetime. Based on the Group's periodic maintenance program and running replacement the vessels vital parts, the expected lifetime of the assets is set to 20 years for all of the components, except for planned periodic maintenance.

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.

Ordinary repairs and maintenance expences are charged to the income statement in the period in which they are incurred. The expences of major conversions and periodic maintenance of vessels is capitalized and depreciated over the useful lifespan of the parts replaced. The useful lifespan of periodic maintenance will normally be the period until the next interim- or main classification of the vessel, which usually is five years.

The book values of plant and equipment are reviewed for impairment if events or changes in circumstances indicate that the booked value may not be recoverable. If any such indications exist and where the book value exceeds the estimated recoverable amount, the asset or cash-generating units are depreciated to their recoverable amount. The recoverable amount of plant and equipment is the greater of the net selling price and the value in use. When determining value in use, estimated future cash flows are discounted to their current value using a pre-tax discount rate that reflects current market assessments of the monetary value and the specific risk to the asset. For an asset that does not generate cash inflow, a recoverable amount is calculated for the cash-generating unit to which the asset belongs. Any previously calculated and recognized impairment write-downs are reversed if there are any changes to the estimates of recoverable amount. Reversals of previous impairments are limited to the book value of the asset if its value had not been impaired.

The business segments are the Group's strategic units of control. However, while calculating 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 book value and any profit or loss is included in operating profit.

New Build Contracts
Instalments on new build contracts are recorded in the balance sheet as fixed assets. Expences related to the on-site supervision and other pre-delivery construction expences including construction loan interest are capitalized per vessel. The depreciation starts from when a new build is delivered from the yard.

Leases
Right-of-use-assets
Right-of-use-assets are recognized at expences, less depreciation and impairment losses at the commencement of the lease. The expences of the assets includes the recognized lease liabilities, initial direct expences, and lease payments made prior to commencement. Straight-line depreciations over the lease term are used, unless the Company is reasonably certain to obtain ownership of the assets at the end of the leasing period, in which case straight-line depreciations over the estimated economic life of the assets are used. The assets are subject to impairment assessments under the same principles as other assets.

The Group primarily leases vessels, but also has lease contracts related to various offices used in its operations.

Lease liabilities
Lease liabilities are recognized at the commencement of the lease measured at the present value of lease payments over the lease period. The lease payments include both fixed and variable lease payments. If a purchase option is likely to be exercised, the option price is included. Variable lease payments that do not depend on an index are recognized as expense in the period when the payment trigger occurs.

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. 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.

Contracts with renewal options
The Company determines the lease term as the non-cancellable part of the lease. In addition, any periods covered by an option for extended lease that is reasonably certain to be exercised are included.

Cash and cash equivalents
Cash and cash equivalents comprise of cash in hand, short-term 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.

Assets Held for Sale
Non-current assets held for sale consist of vessels that have been decided to be disposed of, by sale or otherwise, and the sale is considered highly probable. Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and their fair value less expences of disposal. Any excess of the carrying amount over the fair value less expences of disposal is recognized as an impairment loss. Depreciation of such assets is discontinued as from their classification as held for sale.

Treasury Shares
The nominal value of treasury shares held is deducted from registered share capital. Any differences between the nominal value and the acquisition price of treasury shares, together with any gains or losses on transactions therein, are recorded directly to reserves.

Provisions
Provisions are made in the financial statements if the Group considers it more likely than not, based on the legal provisions or business liabilities of past events, that an outflow of resources will be required to cover its liabilities and if the amount can be accurately estimated. All provisions are reviewed at balance sheet date and adjusted, if necessary, to reflect best estimate. In instances where the timeframe may be of significance, a provision is made for the current value of future payments to cover liabilities.

Excess Values Contracts
Identified excess values in charter contracts acquired through business combinations are classified as intangible fixed assets and are amortized over the remaining duration of each charter contract.

Tax
Tax consists of tax payable and changes in deferred 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.

Operations on foreign continental shelves are, in a number of cases, taxable to the state of operation. In such cases the tax is computed according to the tax legislation of the current state, combined with any double taxation avoidance agreement between the state where the ship owner is registered and the state where the operation is performed. Income tax based on a net result is classified as income tax. Other taxes are classified as contract related expenses.

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.

Deferred tax is calculated for assets and liabilities for which future realization will lead to tax payable.

The recognized amount of deferred tax assets is reviewed at each balance sheet date. If it is no longer likely that adequate taxable profit will be generated, then the deferred tax asset will be reduced. Anticipated utilization of tax losses are not discounted when calculating the deferred tax asset.

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, which 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.

The expence of providing pensions is charged to profit and loss to spread the regular expence over the working lives of the employees. Actuarial gains and losses are recognized in comprehensive income in the period they occur.

Income from Contracts with Customers - Charter Rental 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". Freight income is recorded net after deduction for direct, contract-related charter expence. Any loss on contracts is accrued when a loss is probable. Income from bareboat agreements is regulated by IFRS 16. The time charter contracts contains 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 income in operating income (ref. note 4 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 ship 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.

Dividends
Dividends are recognized when the shareholder's right to receive the payment is established (by resolution at the general meeting).

Other Income
Other income, such as commissions and management fees, are recognized in the period in which the performance obligations are being satisfied.

Government Grants
Grants related to the net tax agreement and crew subsidiaries are recorded as a reduction in expences.

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

Related Party Transactions
All transactions and agreements with related parties are on an "arm's length" basis in the same way as transactions with third parties.

Inventories
Inventories consists mainly of bunkers onboard the vessels. Inventories are valued at the lower of cost price and net realizable value. First-in-first-out method is used.

Earnings Per Share
The calculation of basic earnings per share is based on the majority's share of the result using number of shares outstanding at the end of the year after deduction of the average number of treasury shares held over the period.

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:

Assets Held for Sale
Management's judgement based on an assessment of assets available for immediate sale, and where the Group is actively marketing for sale. Sale is also considered highly probable. The Group's strategy will impact the judgement, as well as the current market conditions.

Divestment of PSVs
The Company performed an assessment regarding a possible PSV segment calssification as Held for Sale per year end 2022. The PSV vessels have not been marketed in an open market. Negotiations had been ongoing for a longer period of time. If the negotiations between the Company and current buyer would not lead to a transaction, it was not considered probable that the sale could be completed with another party within one year. Management and the Board have through the process and until February 2023 considered two possible outcomes in the decision-making, including and excluding the transaction. The transaction was subject to lender approval, in which was concluded in 2023. There was also uncertainty regarding approval from certain charterers.

As of 31.12.22 there were still a lot of uncertainty and the "Highly probable"-requirement is not met, thus the vessels are not classified as held for sale.

The Company signed an agreement for the sale of the PSV segment in March 2023. Expected closing of the transaction is in 2Q 2023.

Consolidation
IFRS 10 contains a definition of control that is to be used when assessing whether investments are to be consolidated in the consolidated financial statements. Assessment of control involves the use of facts and judgment. Since 2021, this has been relevant in connection with ownership in Maximus Limited. The Group holds 100 percent of the shares in the entity but is not represented in the board and has not control over the relevant activities. The shares are plegded which gives the creditors far-reaching authorizations already from day one. Based on an overall assessment, where all relevant factors have been considered, the conclusion is that the investments do not represent control in accordance with IFRS 10. The company is therefore not consolidated and accounted for as investment in shares.

Determining the Lease Term of Contracts with Renewal and Termination Options
When entering into new lease agreements, management assesses the probability that options will be executed. The result will impact the lease period and installments, which in turn impacts the lease liability, right-of-use asset and period lease interests. This judgement is based on the Group strategy, market conditions and a set of alternative scenarios.

Lease Classification – Group as Lessor
The Company's income mainly derive from offering vessels and maritime personnel to customers worldwide. Contracts with customer is based on a day rate for hire of the vessel. Management assesses whether a contract is to be recognized as a financial lease or an operational lease. This judgement is based on terms and conditions, including length of the contract and applicable contractual risks for the Group. The Group has no contracts recognized as financial lease as of 31. December 2022.

Vessel
The carrying amount of the Group's vessels represents 80 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 managements judgement. Incentives to prolong the useful life, in respect of possible future changes in environmental requirements, is a continuously process.

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. Further adjustments are made to account for age of the vessel,

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with a factor starting from 50 percent and increasing to 100 percent 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. 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. 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". 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.

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 rate is a pre-tax rate. The discounting rate used for 2022 is 11 percent.

Financial Liabilities
Financial liabilities are initially recognized at fair value. The methodologies applied for fair value calculations include assessments and estimations based on available market data, such as the level of interest rates, interest rate margins and credit spreads at the date of recognition. These estimates are based on Management's knowledge combined with advice obtained from professional external specialists. Please also refer to Note 9.

Provisions
Provision for liabilities of uncertain timing or amount is based on collating information on a case by case basis. The probability of a contingent liability occurring which would affect the provision is evaluated. The discounting rate used for liabilities is based on a risk-free interest rate, adjusted to the maturity date.

Climate and Regulatory Risks
In preparing the financial statement, the Group, has considered the impact of regulatory changes in particular in the context in climate change risks. The considerations did not impact our judgement and estimates in the current year. When preparing financial statements future cashflow impact of climate risks are also considered.

The most important key assumptions and sources of uncertainties identified are:

- Usefull life of vessels
- Residual value of vessels
- Cash flow from operations
- Short term and long term investments

Please also refer to Note 7.

Maximus Lease
When entering into new lease agremments the group assesses whether the new lease should be accounted for as a seperate lease contract or if it is a modification of the existing lease. For this assessment the substance of the agreements should be considered, and the Group has concluded that the combination of the two contracts would lead to a more faithful presentation of the transaction. Solstad maintained operational control of the vessel throughout the process, and related contracts were negotiated in contemplation of each other such that the overall economic effect cannot be understood without reference to the series of transactions. Based on this the new lease has been accounted for as a modification of the existing lease in accordance with the priniciples in IFRS 16.
In determining the lease term, management considered all facts and circumstances that created an economic incentive to exercise an purchase option or an extension option. For the new lease for Maximus the Group assessed and found the purchase option in year 5 to be reasonably certain to be exercised and thus included this purchase option in the lease calculation.
The incremental borrowing rate on commencement date was considered to be 11 %.
Refer to note 1, section "Leases" for further details on accounting principles. Refer to note 6 and 8 for further details on the transaction and accounting effects.

Note 3 - Major Transactions / Events

Major Transactions / Events in 2022

Sale of vessels
During the year, the Group has disposed of the remaining 13 vessels classified as non-strategic, in addition three core vessels has been 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 has 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, 6 and 8 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 Groups offshore operations was 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 foreced to be performed outside Ukraine.

Major transactions / events in 2021

Windstaller Alliance
Togheter with our partners in Aker Solutions and DeepOcean, Windstaller Alliance was launched in October 2021. The partnership aims to provide the world's most cost-efficient and complete product supply, fabrication and marine services offering within offshore wind. The alliance will also pursue other offshore renewable segments, and hence strenghten Solstads presence furter within offshore wind.

Sale of Vessels
Throughout the year, the Group has disposed of 23 out of 37 vessels classified as non-strategic. As of year end 2021, a total of 25 of 37 vessels classified as non-strategic has been disposed. Two vessels were sold in 2020.

Fleet Renewal
The Company has per year end 2021 installed battery hybrid or shore power solutions to reduce emissions to the environment on 11 vessels and plan to increase this substantially with the new investment program being the leading Company in Green Operations

Normand Maximus
In May 2021, full settelement was agreed with Saipem on the termination fee, MUSD 44.3, for "Normand Maximus" charter.

The financing of the vessel has entered into standstill pending the ongoing refinancing.

Covid
COVID-19 has been a challenge for the majority of 2021 as it has affected both the market and the operational aspect of our industry. Crew changes have in some cases been impacted significantly due to travel restrictions and in some cases, vessels have been infected by the virus which has caused down time and subsequent cost for crew changes and cleaning. The impact has been limited to a minimum as the Company has proactively worked on preventive measures since the early start of the pandemic.

Note 4 - Operating Income, Reporting by Segments and Geographical Markets

Operating Income

The Group's revenues mainly derives from offering vessels and maritime personnel to customers world wide. Basically all contracts with customers are contracts with day rate. Contracts with day rate is contracts where income is eared 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 8 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.

Operating income — **For the year ended 31.12.2022**

	AHTS	PSV	Subsea	Renewable	Total
Service element from contracts with day rate	564,958	807,128	686,475	331,622	2,390,183
Management fees	1,337	2,254	5,383	230	9,204
Victualling	7,752	2,559	87,476	65,363	163,151
Project management	-	-	-	-	-
Additional crew and other services	8,043	8,540	30,385	567	47,535
Income from contracts with customers	582,091	820,482	809,718	397,782	2,610,073
Lease element from contracts with day rate (Note 8)	880,533	962,552	1,372,647	674,326	3,890,058
Total operating income	**1,462,625**	**1,783,034**	**2,182,365**	**1,072,107**	**6,500,131**

Operating income — **For the year ended 31.12.2021**

	AHTS	PSV	Subsea	Renewable	Total
Service element from contracts with day rate	550,376	718,427	666,587	186,331	2,121,722
Management fees	1,571	1,903	5,495	-	8,969
Victualling	4,793	1,624	79,349	21,093	106,860
Project management	-	-	-	-	-
Additional crew and other services	44,591	1,478	49,697	12,399	108,164
Income from contracts with customers	601,331	723,432	801,128	219,824	2,345,715
Lease element from contracts with day rate (Note 8)	659,111	702,690	1,300,824	343,827	3,006,452
Other operating income*	16,792	20,201	22,307	6,034	65,333
Total operating income	**1,277,234**	**1,446,323**	**2,124,259**	**569,684**	**5,417,500**

	2022	2021
Trade receivables from charters (Note 5)	1,232,487	816,745
Contract liabilities	-3,597	-
Costs to fulfil a contract	70,477	-

*Other operating income includes distribution from Den Norske Krigsforsikring for Skib with MNOK 52,4 in 2021.

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 2022 that was included in the contract liability balance at the beginning of the year amounts to MNOK 0 (MNOK 0 in 2021).

The Group had no customer with more than 10% of total revenue in 2022 or 2021.

EBITDA

	2022	2021
Freight income	6,295,321	5,128,173
Other operating income	204,810	289,327
Total operating income	**6,500,131**	**5,417,500**
Personnel costs	-2,288,609	-2,044,482
Administrative expenses	-457,474	-449,509
Other operating expenses	-1,846,600	-1,521,986
Total operating costs	**-4,592,684**	**-4,015,978**
Operating result before depreciations and impairment (EBITDA)	**1,907,447**	**1,401,523**
Leases	50,238	44,625
Accrued loss on accounts receivables	-55,404	18,589
Operational restructuring cost	14,184	61,372
Excess and less values freigth contracts	-	7,499
Result Joint Ventures	20,418	247
Result associated companies	722	108
Adjusted EBITDA	**1,937,605**	**1,533,961**

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.

	31.12.2022		31.12.2021	
	Minimum payment	Present value minimum payment	Minimum payment	Present value minimum payment
Next year	5,252,748	5,124,632	3,515,665	3,429,917
Year 2	1,756,227	1,671,602	1,585,905	1,509,488
Year 3	1,176,172	1,092,192	392,557	364,529
Year 4	815,972	739,230	122,525	111,002
Year 5	236,184	208,752	15,508	13,707
Over 5 years				
Finance cost		400,893		203,519
Total minimum lease payment	**9,237,303**	**9,237,303**	**5,632,161**	**5,632,161**

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
- Subsea: construction vessels operating subsea construction contracts
- Renewable: vessels operating renewable contracts

Figures are exclusive share result from joint ventures.

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	AHTS		PSV	
	2022	2021	2022	2021
Income from contracts with customers	582,091	601,331	820,482	723,432
Other income	-	16,792	-	20,201
Lease element from contracts with day rate	881,125	659,111	962,552	702,690
Total operating income	**1,463,216**	**1,277,234**	**1,783,034**	**1,446,323**
Crew expenses	581,911	574,382	889,671	771,097
Other expenses	465,054	444,492	559,162	497,261
Total operating expenses	**1,046,964**	**1,018,874**	**1,448,833**	**1,268,358**
Bunkers	73,422	24,403	33,238	21,810
Operating result before depreciations and impairment (1)	**342,238**	**233,957**	**300,963**	**156,155**
Assets and liabilities				
Fixed assets	3,733,753	4,280,619	5,683,023	6,061,491
Total assets	**3,733,753**	**4,280,619**	**5,683,023**	**6,061,491**
Segment liabilities	4,174,484	4,287,163	6,493,692	6,375,384
Total liabilities	**4,174,484**	**4,287,163**	**6,493,692**	**6,375,384**
Other segment information				
Investment in tangible fixed assets	17,163	3,380	18,188	26,671
Addition of periodic maintenance	182,254	34,071	157,833	103,746
Depreciations and write-downs (2)	285,277	310,590	371,190	373,731

	CSV		Renewable	
	2022	2021	2022	2021
Revenue from contracts with customers	809,718	801,128	397,782	219,824
Other income	-	22,307	-	6,034
Lease element from contracts with day rate	1,372,647	1,300,824	674,326	343,827
Total operating income	**2,182,365**	**2,124,259**	**1,072,107**	**569,684**
Crew expenses	583,554	519,844	233,427	181,138
Other expenses	769,049	701,634	334,953	201,877
Total operating expenses	**1,352,603**	**1,221,478**	**568,379**	**383,014**
Bunkers	51,210	63,813	18,035	14,226
Operating result before depreciations and impairment (1)	**778,552**	**838,968**	**485,693**	**172,444**
Assets and liabilities				
Fixed assets	9,490,058	8,832,516	1,963,627	1,411,744
Investments in JV and associated companies	156,235	91,127	-	-
Total assets	**9,646,293**	**8,923,644**	**1,963,627**	**1,411,744**
Segment liabilities	9,858,694	9,313,623	2,164,030	1,694,265
Unallocated liabilities				
Total liabilities	**9,858,694**	**9,313,623**	**2,164,030**	**1,694,265**
Other segment information				
Investment in tangible fixed assets	53,401	24,691	36,157	17,914
Addition of periodic maintenance	114,504	84,093	33,420	30,995
Depreciations and write-downs (2)	14,114	424,724	2,181	172,720

	Total	
	2022	2021
Revenue from contracts with customers	2,610,073	2,345,715
Other income	-	65,333
Lease element from contracts with day rate	3,890,058	3,006,452
Total operating income	**6,500,131**	**5,417,500**
Crew expenses	2,288,562	2,046,461
Other expenses	2,128,217	1,845,263
Total operating expenses	**4,416,779**	**3,891,724**
Bunkers	175,905	124,253
Operating result before depreciations and impairment (1)	**1,907,447**	**1,401,523**
Assets and liabilities		
Fixed assets	20,763,645	20,413,522
Investments in JV and associated companies	158,559	92,407
Unallocated assets	5,096,926	4,431,753
Total assets	**26,019,130**	**24,937,682**
Segment liabilities	22,690,900	21,670,435
Unallocated liabilities	1,575,104	183,766
Total liabilities	**24,266,005**	**21,854,200**
Other segment information		
Investment in tangible fixed assets	124,910	6,448
Addition of periodic maintenance	488,011	225,936
Depreciation and writedowns (2)	672,763	1,383,233

(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.

Reconciliation of profit

	2022	2021
Operating segment result before depreciations and impairment (1)	1,907,447	1,401,523
Depreciation	-1,044,940	-993,053
Depreciation capitalised periodic maintenance	-292,009	-271,098
Impairment fixed assets	555,958	-45,049
Net gain/ loss on sale of assets	152,490	-99,730
Income from investment in joint ventures	20,418	247
Income from investment in associated companies	722	108
Interest income	47,152	10,295
Other financial income	12,113	173,405
Interest charges	-1,404,972	-1,003,543
Other finance costs	-967,504	-283,504
Result before tax	**-1,013,124**	**-1,110,398**

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

Revenues are allocated to the following areas:

	2022		2021	
North Sea	49%	3,205,056	44%	2,379,439
North- and Central America	4%	275,796	3%	171,601
Mediterranean / remaining part of Europe	4%	230,333	4%	234,640
Africa	7%	437,778	12%	649,323
South America	21%	1,335,618	6%	340,430
Australia	10%	639,050	23%	1,223,186
Asia	6%	369,824	8%	435,853
Total	100%	6,493,454	100%	5,434,472

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 5 - 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 is taken to reduce this risk. The main strategy to reduce financial market risk is 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 its current financial position, the Group has limited possibility to enter into new financial derivatives.

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 associated companies. 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 6.

The following table shows the ageing of account receivables:

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

per 31.12.2021	Not yet due	0 -1 month over due	1 - 3 months over due	Older than 3 months	Total
Net carrying amount	588,436	109,138	31,390	87,781	816,745

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

	2022	2021
As at 1 January	**75,223**	**105,086**
Provision for expected credit losses	-56,565	1,613
Write-off		-34,458
Foreign exchange movement	8,617	2,982
As at 31 December	**27,275**	**75,223**

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 long-term 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 long-term liabilities.

As of 31.12.2022 and 31.12.2021 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 31.12.2022 and 31.12.2021 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 31.12.2022 and 31.12.2021 the Group had no exposure in neither interest swaps nor currency swap agreements.

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

Increase / decrease in basis points		Effect on equity and result before tax
+ / - 100	2022	+ / - 188,659
+ / - 100	2021	+ / - 183,333

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 equity and 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 and interest expenses, but does not include unrealized currency effects relateing to long term debt which is shown in separat

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Change in all currencies		Effect on equity and result before tax
+ / - 10%	2022	+ / - 543,232
+ / - 10%	2021	+ / - 436,326

Change in USD		Effect on equity and result before tax
+ / - 10%	2022	+ / - 289,339
+ / - 10%	2021	+ / - 235,757

Change in GBP		Effect on equity and result before tax
+ / - 10%	2022	+ / - 77,619
+ / - 10%	2021	+ / - 60,666

Change in AUD		Effect on equity and result before tax
+ / - 10%	2022	+ / - 57,914
+ / - 10%	2021	+ / - 57,206

Change in EUR		Effect on equity and result before tax
+ / - 10%	2022	+ / - 43,801
+ / - 10%	2021	+ / - 34,136

Change in BRL		Effect on equity and result before tax
+ / - 10%	2022	+ / - 73,211
+ / - 10%	2021	+ / - 43,476

paragraph below.

The Group's long-term debt has the following allocation as at December 31, 2022; NOK 27% and USD 73%. The corresponding allocation for 2021 was NOK 31% and USD 69%.

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 1,394 in 2022 (MNOK 1,240 in 2021).

Liquidity Risk

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

Liquidity risk has been reduced after the financial restructuring of the Company was completed, October 2020. Following the restructuring interest-bearing debt was reduced significantly, among others amortization relief has been given for a period of time and the Company has in place a working capital facility ref paragraph below. 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.

Pursuant to a senior secured facilities agreement that refinanced the restructured Group, certain banks made an additional super senior term loan facility up to MNOK 1,494 available to Solstad Shipholding AS for general corporate and working capital purposes ("Super senior term loan"). This has super senior status to all other liabilities under the facility and represents a non-amortizing bullet loan with maturity 31.03.2024. As per 31.12.2022 this facility was undrawn. The funds made available under the "Super senior term loan" facility is freely available for the restructured part of the Group subject that free cash in this group of companies is minimum MNOK 600.

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 (1)	34,547	109,335	1,909,138	1,563,391	95,665	3,712,076
Other long-term liabilities	-	-	-	-	-	-
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**

per 31.12.2021	Less than 3 months	3 to 12 months	2 to 3 years	4 to 5 years	Over 5 years	Total
Interest bearing liabilities	311,199	91,753	17,387,122	270,230	949,872	19,010,176
Lease obligations (1)	2,451,228	31,943	75,540	80,382	121,741	2,760,834
Other long-term liabilities	-	-	-	-	-	-
Account payables	552,077	-	-	-	-	552,077
Interest payments	180,298	581,858	1,031,279	109,442	71,166	1,974,043
	3,494,802	**705,554**	**18,493,941**	**460,054**	**1,142,779**	**24,297,130**

Reclassification of long-term liabilities to current liabilities
(1) Lease obligation for Normand Maximus of MNOK 101 is classified as current liability in 2022. Total lease liability, MNOK 2,424, was reclassified to current portion of long term debt in 2021, due to a contractual default with a covenant waiver, given in 2021, that could be revoked at any time by the Finance Parties. Reference is made to note 6 and 8.

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

Capital Structure and Equity

The governing principle for the Group is that the company should have a solid balance sheet and liquidity reserves sufficient

	31.12.2022	31.12.2021
Total equity	1,753,125	3,083,481
Total assets	26,019,130	24,937,682
Equity ratio	7%	12%

Financing Risk

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%

The following table shows the total mortgage loan based on existing financing and their maturity dates as per 31.12.2021:

	Drawn	Maturity interval		Interest interval		Average interest
Loan, fixed interest	676,833	10/11/2026	10/03/2031	3.61%	6.07%	5.39%
Loan, floating interest	18,333,343	30/06/2023	07/03/2029	2.36%	10.85%	3.34%

The main portion of Solstad's external debt will mature March 2024 and therefore it is an inherent refinancing risk. A refinancing is dependent on how the OSV market- and the oil and gas prices develops and other factors such as financing capacity for the OSV segment. The Company has engaged a consulting firm to facilitate an independent analysis of Solstad's debt service ability. A failure to refinance by the end of March 2024 will have a material adverse effect on the financial situation of the Group and Company. Dependent on the outcome of the refinancing process and the Company's debt service ability, this may lead to a need for adjustments of the capital structure.

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to support its business, future liabilities and maximize shareholder value at all times. The 2-3 years prior to the restructuring of the Company the equity ratio was at a very critical level. After the successful restructuring the equity ratio improved due to conversion of debt to equity. Equity ratio declined in 2022, mainly due to increasing interest and weakened NOK vs USD.

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 any interest- and interest-/currency swaps are determined using the currency - and interest rate at the balance sheet date. Nominal value of cash is normally a reasonable estimate of the items' market value. The estimated fair value of the Group's long-term 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		2022		2021	
	Note	Carrying amounts	Fair value	Carrying amounts	Fair value
Cash to bank	20	2,170,072	2,170,072	2,459,027	2,459,027
Investments in shares (long-term)	13	5,315	5,315	4,271	4,271
Other long-term receivables		57,536	57,536	56,460	56,460
Total financial assets		**2,232,923**	**2,232,923**	**2,519,758**	**2,519,758**

Financial liabilities		2022		2021	
	Note	Carrying amounts	Fair value	Carrying amounts	Fair value
Mortgage loan with floating interests	6	22,105,902	22,105,902	20,040,786	20,040,786
Mortgage loan with fixed interests	6	704,225	704,225	676,833	676,833
Total financial liabilities		**22,810,127**	**22,810,127**	**20,717,619**	**20,717,619**
Hereof short-term part of long-term debt		2,460,689	2,460,689	446,592	446,592

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 11 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 11 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:

	2022			2021		
Current financial assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investment in listed shares	21,000	-	-	15,200	-	-
Total per level	**21,000**	**-**	**-**	**15,200**	**-**	**-**
Total all levels	**21,000**			**15,200**		

	2022			2021		
Non current financial assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investment in shares	-	-	2,991	-	-	2,991
Total per level	**-**	**-**	**2,991**	**-**	**-**	**2,991**
Total all levels	**2,991**			**2,991**		

	2022			2021		
Current financial liabilities	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Debt to credit institutions	-	-	147,416	-	-	326,312
Total per level	**-**	**-**	**147,416**	**-**	**-**	**326,312**
Total all levels	**147,416**			**326,312**		

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

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 long-term 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	-	18,950,635	19,098,051
Other long-term 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**

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31.12.2021	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	-	15,200	-	-	15,200
Investments in stocks and shares	-	2,991	-	-	2,991
Debt instruments					
Other long-term receivables	-	-	-	26,458	26,458
Loans to joint ventures	-	-	-	47,506	47,506
Accounts receivable	-	-	-	816,745	816,745
Cash and cash equivalents	-	-	-	2,459,027	2,459,027
Total Financial assets	**-**	**18,191**	**-**	**3,349,736**	**3,367,928**
Liabilities					
Interest bearing loans and borrowings					
Interest bearing liabilities	-	326,312	-	17,644,225	17,970,538
Other long-term liabilities	-	-	-	1,917	1,917
Other financial liabilities					
Trade and other payables	-	-	-	552,077	552,077
Total financial liabilities	**-**	**326,312**	**-**	**18,198,219**	**18,524,532**

Note 6 - Mortgage Debt and Other Liabilities

	2022	2021
Interest bearing liabilities	16,637,362	17,523,945
Other long-term liabilities	1,046	1,917
Leasing liabilities	3,564,963	280,761
Total long-term debt	**20,203,371**	**17,806,623**
Current portion of long-term debt	2,607,802	2,912,913

For maturity profile reference is made to Note 5.

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

Initial recognition 20.10.2020	**-1,066,639**
Fair value adjustment 01.01.2022	**-690,311**
Amortisation YTD 4Q 2022 (*)	300,430
Unrealised currency loss	-49,764
Fair value adjustment 31.12.2022	**-439,645**

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

Normand Maximus

The Company's leased vessel, the CSV Normand Maximus was sold from its owner Maximus Limited to American Shipping Company ASA (AMSC) in the 4th quarter 2022. This transaction crystallized a residual claim from the former leasing arrangements for the Normand Maximus against a subsidiary of the Company. The residual claim is in the amount of MUSD 161, with an annual interest rate of 9,5%, and falls due for payment on 31 March 2024. 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 on Solstad Offshore ASA's financial situation.
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.

The group maintains operational control over the vessel under a bareboat agreement for a 5 year firm period and options for further 10 years with a subsidiary of AMSC. The Company has an option to purchase the vessel after 5 or 10 years. For the new lease the Group assessed and found the purchase option in year 5 to be reasonably certain to be exercised and thus included this purchase option in the lease calculation. 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 externally less than 12 months after the purchase option date.

Total lease obligation for Normand Maximus amounts to MNOK 3,424 (MNOK 2,424 in 2021). MNOK 1,586 is related to the residual claim from the leasing agreement with Maximus Limited, and MNOK 1,838 is related to the new leasing agreement.

Reference is made to note 8 – Right-of-use-assets for the accounting treatment of the new lease.

Reclassification of long-term liabilities to current liabilities
Total lease obligation for Normand Maximus amounts to MNOK 3,424 (MNOK 2,424 in 2021). In 2021 the total lease obligation was classified as current liabilities due to a contractual default with a covenant waiver that could be revoked at any time by the Finance Parties.

Short term portion of long-term debt includes a MNOK 147 (MNOK 326 in 2021) loan trance for non-core vessels. Remaining portion relates to non-core vessel being reclassified as core vessel, thus no longer held for sale. The reduction in amount from 2021 relates to vessel sales in 2022 and warrants exercised accordingly.

Book value of pledged assets:	2022	2021
Bank deposits and cash equivalents	2,170,072	2,459,027
Account receivables	1,232,487	816,745
Vessels	17,603,721	18,064,019
Total booked value	**21,006,280**	**21,339,791**

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 reflects 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 was 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. Termination date for the underlying vessel financing in NISA Ltd is March 31, 2023. 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 was completed in 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 Groups senior secured facilities, the loan agreements in Solstad Shipholding AS, Normand Ships AS and Solstad Superior AS are guaranteed by the Company. The loan agreements entered into in subsidiaries of Solstad Brasil Holding AS, Farstad Shipping Ltda and Deep Sea Navegacao Maritimos Ltda, is guaranteed by Solstad Ålesund AS and Solship Invest 3 AS respectively. The loan agreements in NISA Ltd is not guaranteed.

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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%

Farstad Shipping Ltda

1. No applicable financial covenants

Normand Ships AS

1. Positive working capital
2. Min free liquidity MNOK 10
3. Positive MVC

SOFO Tonjer AS (BB Charterer)

1. Min free liquidity > MUSD 0,75
2. No payment of dividend, capital repayments or other form of capital distribution to its shareholders.

Deep Sea 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.

Given the prevailing market conditions, the covenant with greatest associated uncertainty over the prevailing next 12 month period, is the collateral vessels fair market values tested against the underlying vessel debt. Remedies are however available for borrowers through partial down payment of relevant loan trances. Both the Group's working capital- and liquidity status has developed positive after the restructuring in 2020.

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 2022.

Borrowing cost and interest relief:	2022	2021
Capitalization borrowing cost	36,585	82,404

Borrowing cost is presented net with the loans and is amortized until maturity of the loan.

Other long-term liabilities

Other long-term liabilities of NOK 1 million (NOK 2 million in 2021) are mainly convertible loans from shareholders.

Solstad Offshore ASA has issued a Parent Company Guarantee of MNOK 20,454.

Changes in liabilities arising from financing activities

	1 January 2022	Refinance effect	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 long-term liabilities	1,917	-	-	-	-871	1,046
Total liabilities from financing activities	20,719,536	-	-	-751,096	2,842,734	22,811,173

*Changes in cash flow related to current and non-current interest bearing liabilities is presented in aggretage in cash flow line Repayment of long-term debt

** For leasing liabilities, other changes includes additions, currency effects and change in portion classified as non-current.

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 2021	Refinance effect	Fair value adjustment	Cash flows	Other	31 December 2021
Current interest bearing liabilities	940,944	-	-71,200	-255,163	-167,989	446,592
Non-current interest bearing liabilities	16,875,360	-	-	-142,379	790,964	17,523,945
Current leasing obligations	2,558,953	-	-	-213,191	120,558	2,466,321
Non-current leasing obligations	255,288	-	-	-	25,473	280,761
Other long-term liabilities	12,372	-	-	-10,456	-	1,917
Total liabilities from financing activities	20,642,918	-	-71,200	-621,188	769,006	20,719,536

Note 7 - Tangible Fixed Assets

	Vessel	Fixture	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
Book value 01.01.2022	17,386,500	26,309	17,412,809
Additions	124,912	7,282	132,194
Disposals	-20,771	-	-20,771
Transferred	-	-	-
Transfer to asset held for sale	-471,725	-	-471,725
Disposal of acc. depreciations/ impairment	-	-	-
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

Contents

	Vessel	Fixture	Total
Acquisition cost 01.01.2021	32,277,692	205,255	32,482,947
Acc. depreciation/ impairment 01.01.2021	-13,561,561	-171,990	-13,733,551
Book value 01.01.2021	18,716,131	33,265	18,749,396
Additions	71,157	-	71,157
Disposals	-1,835,095	-90	-1,835,185
Transferred	-	-	-
Transfer to asset held for sale	-172,313	-	-172,313
Disposal of acc. depreciations/ impairment	1,478,706	-	1,478,706
Translation differences	86,467	-30	86,437
Cost price 31.12.2021	30,427,908	205,135	30,633,043
Acc. depreciations/ impairment 31.12.2021	-13,041,408	-178,826	-13,220,234
Carrying value 31.12.2021	17,386,500	26,309	17,412,809
Depreciation current period	-893,504	-6,836	-900,340
Impairment current period	-65,049	-	-65,049

Capitalized periodic maintenance	**2022**	**2021**
Capitalized periodic maintenance at 01.01	677,518	760,223
Additions this year	408,131	221,392
Disposal this year	-13,077	-25,789
Transfer to asset held for sale	-	-4,221
Depreciation this year	-292,009	-271,098
Impairment this year	-	-
Translation differences	8,974	-2,989
Capitalized periodic maintenance at 31.12	**789,537**	**677,518**

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 marked 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 percent for a new build, increasing to 100 percent 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 15-25 percent. Vessels with a book value of MNOK 17,604 (MNOK 18,064 in 2021) are held as a guarantee for the Group's loans, see note 6.

There is no capitalized interest in 2022 or 2021.

Impairment valuation of fixed assets

Quarterly, the Group assess 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 3 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. For a majority of the vessels, value in use was the basis for the recoverable amount.

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 discounting rate used for 2022 is 11 %.

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 2023, while operating expense is adjusted for inflation by 2 percent. 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 percent 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 percent 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 12 years, with respectively 13 years average for the CSV and AHTS vessels and 10 years for the PSV vessels.

Impairment testing

The Group recognized a total net reversal of impairment of MNOK 556 in 2022 in Impairment of fixed assets. Impairment of MNOK 33 is related to Normand Maximus, further reference is made to Note 8 – Right-of-use assets, and impairment of MNOK 8 is related to impairment of inventory.

The impairment reversal of MNOK 597 for tangible fixed assets is related to two segments, CSVs and PSVs. The market has shown improved commercial terms and high utilization during 2022. For the CSVs this is assessed as an indicator of reversal of impairment, and a reversal of MNOK 679 on 13 CSV has been taken based on value in use-calculations. One CSV is impaired with MNOK 54 due to reduced earnings in the forecasts. Following the sale of the majority of the PSV-fleet, the recoverable amount for the vessels involved in the transaction was calculated at estimated fair market value less cost to sell. This resulted in an impairment of MNOK 566 for 19 of the vessels and a reversal of impairment of MNOK 538 of 11 vessels.

Sensitivity and scenario calculations

The sensitivity of the value-in-use-calculations for the vessels 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 potential additional impairment of MNOK 16 and MNOK 219, respectively. A yearly change in dayrates or utilization for the prognosis periode bringing the income down by 3-6%, indicates potential addional impairment by MNOK 19-118. 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 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.

Climate-related matters

The Group constantly monitors the latest regulatory changes in relation to climate-related matters.

Regulatory changes in climate requirements may impact future cash inflows for the Company, but based on the managements judgements as of 31.12.22 no material effects are identified for the prognosis periode. Short and medium-term change issues are not expected to have any significant effect on Solstad's OPEX. Higer fuel price due to CO2 levels or the cost of green fuels will for the most part be forwardedto out clients.

For short term sustainability goals to be met conversion to battery hybrid and installation of shore power is the most important initiatives. Forecasts for the vessels and segments include green investments, and as such these are included in the assessments of impairment and reversal of impairment.

For long term sustainability goals to be met newbuild programs or new technology has to be implemented. There is limited newbuild-programs, and the technology is not available, and it is unlikely that significant additional capacity will be added in the market in short term. Based on this the Group assess that residual values and economic lifetime of existing vessels are not materially reduced in todays market. This could however change in the future. The Group will adjust the key assumptions used in value-in-use calculations and sensitivity to changes in assumptions should a change be required. Reference is also made to Note 21.

Gain/loss on sale of assets

The Group has disposed 16 vessels in 2022, where 13 was classified as "non-strategic" and in line with the restructuring plan for the Company. The net gain of 152.5 booked in Net gain/loss on sale of assets is mainly related to the three core vessels sold.

Assets held for sale

Assets held for sale comprise of 3 vessels which the Group has sold in 2023 (1 CSV, 1 AHTS, 1PSV). The sales were considered highly probable at year end 2022 as MoA was signed for two of the vessels, and for the third vessel the negotiations was close to finilazitaion. Carrying value at year end is MNOK 412.1, which is the lower of carrying value and fair value less cost to sell. No impairment or reversal of prior year impairment has been recognized for the vessels in 2022.

The Group has sold 13 vessels in 2022, that was classified as Held for sale in 2021. A loss of MNOK 9 has been booked in net gain/loss on sale of assets in 2022 related to these transactions.

Note 8 - Right-of-Use Assets

	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**

	Right-of-use asstes			
	Vessels	Office	Total	**Lease liabilities**
Opening balance 01.01.2021	**2,212,854**	**244,468**	**2,457,322**	**2,814,242**
Other adjustments	-	-	-	-10,839
Additions	107,855	-	107,855	75,558
Disposals	-	-	-	-332
Translation differences	72,953	-4,230	68,722	78,845
Depreciation	-64,158	-28,554	-92,712	-
Impairment	20,000	-	20,000	-
Interest expense	-	-	-	176,480
Lease payments	-	-	-	-389,671
Closing balance 31.12.2021	**2,349,503**	**211,683**	**2,561,187**	**2,744,284**

The following are the amounts recognised in profit or loss:	**2022**	**2021**
Depreciation expense of right-of-use assets	204,137	92,712
Interest expense on lease liabilities	233,521	176,480
Variable lease payments expensed in the period*	50,238	44,625
Operating expenses in the period related to short-term leases	214	60
Total lease expenses included in other operating expenses	488,110	313,877

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

The Group had total cash outflows for leases of MNOK 312 in 2022 (MNOK 434 in 2021).

Impairment testing of Right-of-use assets

Based on value-in-use-calculations an impairment of MNOK 33 was recognised in 2022 (reversal of impariment of MNOK 20 in 2021). Further reference is made to Note 7 Tangible Fixed Assets, and Normand Maximus paragraph below.

Normand Maximus

Reference is made to note 6 – Mortgage Debt and Other Liabilites. The changes to the leasing arrangement for Normand Maximus is accounted for under IFRS 16. It is assessed as a modification of the bareboat charter contract on the effective date of the new contract (18 October 2022) in accordance with the requirements in the standard. This resulted in an increase in the leasing obligation of MNOK 952 (including a reclassification of trade payables to leasing obligation of MNOK 251), and a corresponding increase in right of use asset of MNOK 695. The residual claim is included in the lease obligation. An impairment assesment was performed, and the value-in-use calculation resulted in an impairment of MNOK 138 in October 2022. Based on the value in use calculation as of year end 2022 MNOK 105 of the impairment was reversed due to new contracts, and net impairment in 2022 is MNOK 33. The right of use asset for Maximus is MNOK 3,099 (MNOK 2,274 in 2021) and lease liability MNOK 3,424 (MNOK 2,424 in 2021).

Guarantee

Vessel lease liability related to the residual claim is guaranteed by the Parent Company with MNOK 1,586, further reference is made to Note 6 - Mortage Debt and Other Liabilites.

Variable lease payments

The Company has two vessels on lease with variable lease payments. The total payments for 2022 was MNOK 50.2 (MNOK 44.6 in 2021).

Group as a lessor

As mentioned in note 4, 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 4.

Note 9 - Financial Items

Financial items	**2022**	**2021**
Interest expense	-1,404,972	-1,003,543
Interest income	47,152	10,295
Net currency loss	-937,897	-275,629
Income from investment in associated companies	722	108
Gain sale of shares	-	4,932
Gain/ loss (-) financial derivatives	5,800	-7,875
Impairment of shares	-86	-
Dividends	900	750
Restructuring effects:		
Fair value of reinstated debt	5,413	111,589
Other financial income/ -expenses (-)	-29,521	56,134
Net financial items	**-2,312,489**	**-1,103,239**

Other financial costs of MNOK 968 consits of Net currency loss of MNOK 938 and Other financial income/expenses of MNOK -30.

Net currency loss is mainly relating 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 refinancing of loan.

Gain on fair value recognition of debt is relating to gain on exercised warrants.

Note 10 - Other Expenses, Wages, Employees and Distinctive Contributions

Other operating expenses:	2022	2021
Technical cost	556,651	492,179
Bunker and lube oil	176,519	144,171
Insurance	121,765	107,643
IT, communications and other costs	991,664	777,993
Total other operating expenses	**1,846,600**	**1,521,986**
Wages and personnel costs:		
Employees, vessels	2,288,609	2,044,482
Employees, administration	327,649	283,633
Total employee cost	**2,616,259**	**2,328,115**
Wages and employee cost:		
Wages	1,882,105	1,673,436
Social security	232,760	212,344
Pension costs	49,867	41,018
Other benefits	59,532	44,044
Traveling costs, courses and other personnel costs	391,995	357,273
Total employee cost	**2,616,259**	**2,328,115**
Average number of FTEs	3,539	3,478

Renumeration to Directors, Managing Director and Auditors

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**

2021	Wages	Bonus	Other benefits	Pension cost
Lars Peder Solstad (CEO)	5,313	1,430	157	109
Kjetil Ramstad (CFO)	2,245	1,318	12	104
Tor Johan Tveit (COO)	1,609	965	12	105
	9,167	**3,714**	**181**	**318**

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.

The Chief Executive Officer has an agreement securing 6 months salary.

Payments to Board of Directors:	2022	2021
Harald Espedal	592	600
Frank O. Reite	419	406
Ellen Solstad	309	196
Peder Sortland	441	246
Ingrid Kylstad	392	246
Thorhild Widvey	260	196
Merete Haugli (until Q2 2020)		104
Anders Onarheim		25
Toril Eidesvik (until Q2 2020)		138

Auditors EY	2022	2021
Statutory audit	11,823	16,160
Other assurance services	2,839	1,660
Other non-audit services	12,966	16,629
Total	**27,629**	**34,449**

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 11 - Government Grants

	2022	2021
Net pay scheme at NOR-vessels	180,805	250,542
Grants for environmental measures (ENOVA)	16,952	-
Government grants	**197,757**	**250,542**

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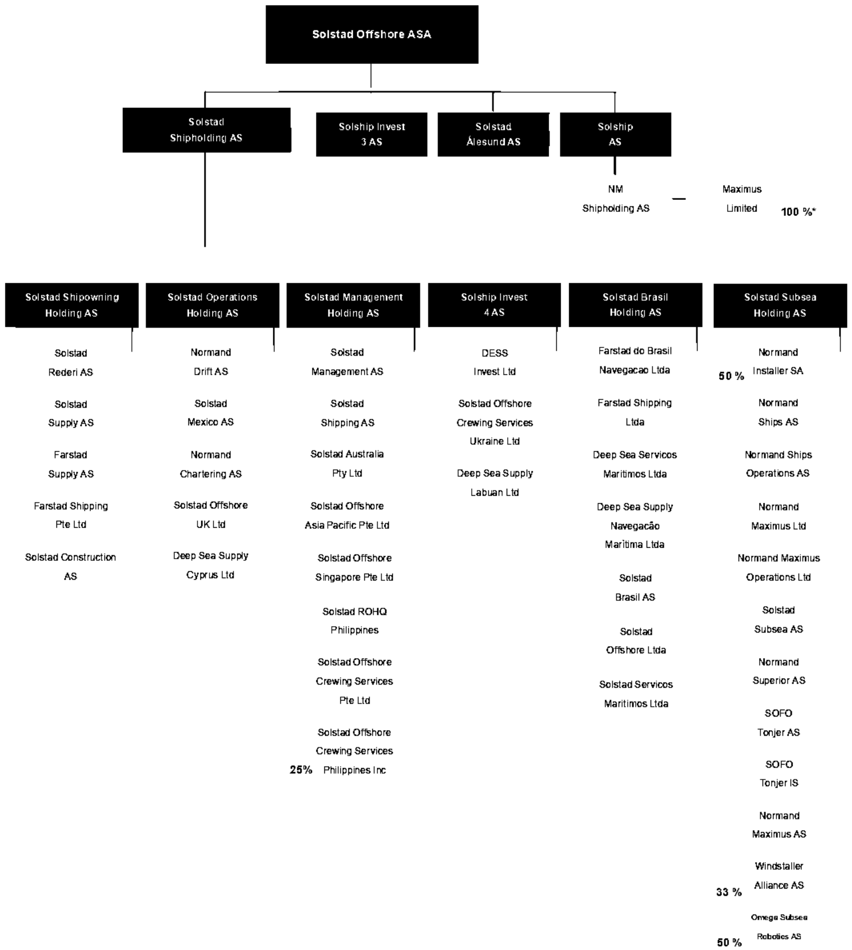
Note 12 - Share in Subsidaries

Condensed organization chart of Solstad Offshore ASA exclusive of dormant companies per 31.12.2022.

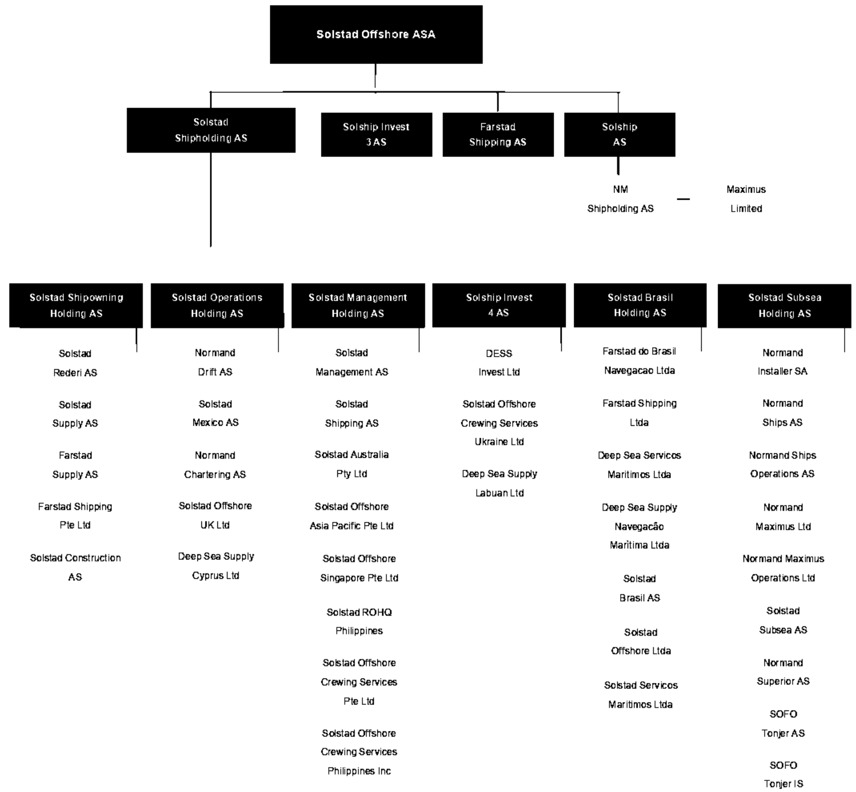
Unless stated otherwise owner share is 100%



* Further details refer to note 13

Condensed organization chart of Solstad Offshore ASA exclusive of dormant companies per 31.12.2021.

Unless stated otherwise owner share is 100%



Note 13 - Share in Joint Ventures, Associated Companies and Other Investments

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

		Place of Business	Ownership	Date of Financial statement
Normand Installer SA (NISA)	JV	Marly, Sveits	50%	31/12/2022
Omega Subsea Robotics AS (OSRAS)*	JV	Ølen, Norway	50%	31/12/2022
Solstad Offshore Crewing Services Philippines	AC	Manila, Philippines	25%	31/12/2022
Windstaller Alliance AS (WAAS)	AC	Oslo, Norway	33%	31/12/2022
Maximus Limited	AC	Cayman 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 ROV's 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.

All the above investments are strategic for the Group.

Joint ventures	2022			2021	
	NISA	OSRAS	Total	NISA	Total
Cost price 01.01.	**1,631**	**-**	**1,631**	**1,631**	**1,631**
Acc result and adjustments	89,496	-	**89,496**	108,273	108,273
Book value 01.01.	**91,127**	**-**	**91,127**	**109,904**	**109,904**
Share of result	20,418	-	**20,418**	247	247
Other adjustments	37,206	7,484	**44,690**	-19,024	-19,024
Book value 31.12.	**148,751**	**7,484**	**156,235**	**91,127**	**91,127**
Balance sheet:					
Bank deposit and cash equivalents	20,563	14,969	**35,532**	20,881	20,881
Current assets	86,969	1,147	**88,116**	245	245
Long-term assets	552,930	62,250	**615,180**	529,152	529,152
Short-term liabilities	-23,747	-14,102	**-37,849**	-77,914	-77,914
Long-term financial liabilities	-339,214	-50,000	**-389,214**	-290,108	-290,108
Net Assets	297,502	14,265	**311,767**	182,255	182,255
Share of balance sheet:	148,751	7,132	**155,883**	91,127	91,127
Revenues and profit:					
Revenues	166,115	1,147	**167,262**	128,032	128,032
Operating expense	-67,314	-38	**-67,352**	-67,616	-67,616
Depreciations	-37,335	-1,055	**-38,390**	-40,033	-40,033
Financial income	1,295	-	**1,295**	726	726
Interest expense	-21,925	-759	**-22,684**	-20,615	-20,615
Result before tax	40,835	-705	**40,130**	494	494
Result	40,835	-705	**40,130**	494	494
Share of revenues and profit:	20,418	-	**20,418**	247	247

Associated companies	2022			2021	
	SOCS	WAAS	Total	SOCS	Total
Cost price 01.01.	385	-	**385**	385	**385**
Acc result and adjustments	894	-	**894**	742	**742**
Book value 01.01.	**1,279**	**-**	**1,279**	**1,128**	**1,128**
Share of result	675	47	**722**	108	**108**
Other adjustments	158	164	**322**	44	**44**
Book value 31.12.	**2,112**	**212**	**2,323**	**1,279**	**1,279**
Balance sheet:					
Current assets	6,435	359	**6,435**	5,391	**5,391**
Long-term assets	373	-	**373**	476	**476**
Short-term liabilities	-5,692	-152	**-5,692**	-5,492	**-5,492**
Long-term financial liabilities	-4	-	**-4**	-5	**-5**
Net assets	**1,112**	**207**	**1,112**	**370**	**370**
Share of revenues and profit:					
Revenues	3,198	174	**3,372**	2,391	**2,391**
Operating expense	-2,576	-113	**-2,689**	-2,158	**-2,158**
Financial income	296	-	**296**	-108	**-108**
Result before tax	**918**	**61**	**978**	**125**	**125**
Taxes	**-235**	**-13**	**-249**	**-17**	**-17**
Result	682	47	**729**	**108**	**108**

Financial assets at amortized cost - long term	2022		2021	
Unlisted shares	Share	Book value	Share	Book value
Bleivik SIM Holding AS	29.54%	2,991	29.54%	2,991
Hafast AS	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	2022			2021		
Listed shares	Cost price	Share	Book value	Cost price	Share	Book value
Reach Subsea ASA	10,000	5.48%	21,000	10,000	5.48%	15,200
Total			**21,000**			**15,200**

Investments available for sale are shares which have no fixed maturity or return.
Shares are valued at fair value at year end. See note 5 for more information.

Subsidiaries with Significant and 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):

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	-

2021 Name	Country	NCI	Result allocated to NCI	Accumulated NCI	Paid dividend
Solstad Supply AS	Norway	27%	-1,726	-23,248	-
SOFO Tonjer IS	Norway	44%	-34,526	18,649	-

Capital has been called upon in SOFO Tonjer IS in 2021, with MNOK 30. MNOK 13,2 is contributed by minority interest.

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**
Long term liabilities	391,349	-
Short term debt	53,709	8,128
Total liabilities	**445,058**	**8,128**
Income	87,964	39,667
Result after tax	**-37,545**	**11,866**

2021

Condensed financial statement	Solstad Supply AS	SOFO Tonjer IS
Non-current assets	246,250	26,543
Current assets	63,156	40,272
Total assets	**309,406**	**66,815**
Long term liabilities	363,255	0
Short term debt	33,873	24,638
Total liabilities	**397,128**	**24,638**
Income	73,996	52,826
Result after tax	**-6,475**	**-78,469**

Note 14 - 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:

	2022	2021
Received compensation	63,625	66,782

Insurance deductible per damage is included in Other operating expenses.
Freight revenue includes recognition of Loss of Hire-revenues of MNOK 62 and MNOK 36 for the two last years respectively.

Note 15 - Share Capital, Shareholders and Treasury Shares

	Shares	Share capital	Treasury
01/01/2022	**75,608,658**	**75,609**	-
Share capital increase by convertion of debt	1,699,951	1,700	
31/12/2022	**77,308,609**	**77,309**	-
01/01/2021	**74,872,682**	**74,873**	-
Share capital increase by convertion of debt	735,976	736	
31/12/2021	**75,608,658**	**75,609**	-

Capital increases by convertion of debt is through exercise of warrants issued by decision of the Company's general meeting held on 20 October 2020. Warrants will be excersised for any unsettled debt after disposal of vessels held for sale.

At 31.12.22 the Company's share capital represents 77,308,609 shares at NOK 1.
At 31.12.21 the Company's share capital represents 75,608,658 shares at NOK 1.

The number of shareholders at 31.12.22 was 10,919
The number of shareholders at 31.12.21 was 7,482.

The Chief Executive Officer holds 3,197,779 shares through Jarsteinen AS in addition to a right to subscribe 5,038,187 shares in the Company with a nominal value of NOK 1 per share. The subscription right expires 20.10.2023

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

Top 10 as of 31.12.2022	Number of shares	Ownership
Aker Capital AS	19,206,002	24.84 %
DNB Markets Aksjehandel/-analyse	7,379,541	9.55 %
Interactive Brokers LLC	4,550,647	5.89 %
Skandinaviska Enskilda Banken AB	3,750,000	4.85 %
Jarsteinen AS	3,197,779	4.14 %
Magne Hystad	1,235,000	1.60 %
The Export-Import Bank of China	1,139,842	1.47 %
Nordnet Livsforsikring AS	1,057,775	1.37 %
Sparebanken Møre	978,598	1.27 %
Morten Østdahl	788,526	1.02 %
Minority shareholders	34,024,899	44.01 %
	77,308,609	**100 %**

Note 16 - Earnings Per Share

Earnings per share are calculated by dividing the Group result by the average number of shares as of 31.12, adjusted for the average stock of treasury shares. There are no instruments limiting the possibility of dilution.

	2022	2021
Majority result from net profit for the year	-1,113,016	-1,102,449
Result from net profit for the year	-1,117,803	-1,136,062
Average number of shares	76,935,022	75,106,684
Average number of Treasury shares	139	139
Average number of shares to calculate earnings per share	76,934,883	75,106,545
Earnings per share (NOK) - majority	-14.47	-14.68
Earnings per share (NOK)	-14.53	-15.13

Note 17 - Transactions with Related Parties

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

	Income		Expenses		Receivables		Payables	
	2022	2021	2022	2021	2022	2021	2022	2021
Joint venture companies								
Normand Installer SA	-	-	-	-	56,141	47,506	-	-
Other related parties								
Ivan Eiendom	-	-	11,684	11,975	-	-	-	-
Ocean Yield	-	-	50,205	44,625	-	-	-	-
American Shipping Company	-	-	77,772	-	-	-	75,957	-

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 offices and a warehose at market price from om a company controlled by a related party.

The Group has two vessels on bareboat from Ocean Yield (company controlled by one of the larger shareholders). (Aker Capital AS, a wholly owned subsidiary of Aker ASA, sold it's entire shareholding in Ocean Yield in December 2021).

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

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 18 - Taxes

	2022	2021
Taxes payable	56,896	24,424
Under/over accrual of tax payable	37,637	1,241
Change in deferred taxes	10,146	-
Tax on ordinary result	**104,679**	**25,665**
Apportionment of tax on ordinary result		
Norwegian tax	10,146	-89
Foreign	94,533	25,854
Total tax	**104,679**	**25,665**
Temporary differences:		
Fixed assets (vessels and other non-current assets)	5,205,848	2,903,778
Receivables (current assets)	-31,144	-29,140
Other current assets	-	-106,444
Other accruals	-22,790	-22,680
Pension	-20,381	-25,864
Tax position related to sold assets	-718,640	-555,297
Interest deductions carried forward	-1,338,246	-2,109,997
Unrecovered loss carried forward	-21,100,343	-17,448,411
Total temporary differences	**-18,025,696**	**-17,394,055**
Tax effect of temporary differences:		
Fixed assets (vessels and other non-current assets)	1,145,287	638,831
Receivables (current assets)	-6,852	-6,411
Other current assets	-	-23,418
Other accruals	-5,014	-4,990
Pension	-4,484	-5,690
Tax position related to sold assets	-158,101	-122,165
Interest deductions carried forward	-294,414	-464,199
Unrecovered loss carried forward	-4,642,075	-3,838,650
Deferred tax asset not recognised	3,961,302	3,812,195
Net deferred tax/ deferred tax asset (-)	**-4,351**	**-14,497**
Changes in deferred tax in the balance sheet		
Opening balance deferred tax	-14,497	-5,581
Booked to profit and loss	10,146	-
Charged to equity (change pension)	-	-8,932
Translation adjustment	-	16
End balance deferred tax/ deferred tax asset (-)	**-4,351**	**-14,497**
Payable tax in the balance sheet consist of		
Other payable corporation tax	228,409	176,767
Total payable tax in the balance sheet	**228,409**	**176,767**
Analysis of effective tax rate		
22% of pre-tax result	-222,887	-244,287
Effect of deferred tax asset not recognised	149,107	211,889
Correction of previous years	37,637	1,241
Differential in tax rates foreign entities	-1,094	5,249
Permanent differences	141,916	51,574
Estimated tax	**104,679**	**25,665**

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

Deferred tax on deviating values in associated companies 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. At the end of the year the Group has included an MNOK 199 accural for expected taxes related to operations in foreign waters. The accounts reflect the Groups best estimate for contingent liabilities at the end of the year.

Exit from the Norwegian tonnage tax regime was performed in 2020. The exit had effect from January 1st, 2016. An unrecorded loss carry forward of NOK 10 billion was claimed for the period from 2016 to 2018.

Note 19 - 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, 2022, the pension plans have 7 active and 98 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 **2022**	UK **2021**	NORWAY **2022**	NORWAY **2021**
Discounted interest	4.85%	1.90%	3.00%	1.90%
Expected return			3.00%	1.90%
Regulation of salaries	3.45%	3.70%	3.50%	2.75%
Regulation of base amount			3.25%	2.50%
Regulation of pension	2.85%	3.00%	2.00%	2.50%

Changes in pension obligation:	**2022**	**2021**
Estimated liability at beginning of the year	252,393	256,580
Interest expense	4,567	1,548
Annual pension earnings	1,464	3,306
Curtailment / settlement	-	-
Payroll tax employer contribution, assets	-709	-613
Benefits paid	-13,823	-13,014
Past service cost	877	-
Actuarial (gain) / loss on the obligation	-31,416	4,586
Estimated liability at year end	**213,354**	**252,393**
Changes in plan assets:		
Opening value of plan assets	226,529	231,565
Expected return	3,779	2,611
Curtailment / settlement	-	-
Payroll tax of employer contribution, assets	-156	-149
Contributions by employer	5,026	4,344
Benefits paid	-11,629	-11,219
Actuarial gain / (loss)	-30,576	-623
Estimated plan assets at year end	**192,973**	**226,529**

Net plan assets/liabilities:	**2022**	**2021**
Pension liabilities	213,354	252,393
Plan assets	192,973	226,529
Net plan assets/ (liabilities) incl social security	**-20,381**	**-25,864**
Social security	-2,519	-3,196
Pension cost:		
Present value of pension obligation	1,014	1,132
Interest expenses on obligation	4,567	3,306
Expected return on plan assets	-3,779	-2,611
Administration expense	607	565
Recognition of past service cost	877	-
Settlement/curtailmen of net obligation	-	-
Pension cost	**3,286**	**2,392**
Payment on contribution plan	46,581	38,627
Total pension cost	**49,867**	**41,018**
Actual return on plan assets	26,797	1,988
Acturial gain and loss (-)		
Total acturial gain / loss	840	-5,209
Currency	-	-
Tax effect	107	1,237
Acturial gain / loss booked on Other comprehensive income	**947**	**-3,971**

Pension liability for 2022 and 2021 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 2.1 million is included in the net liability above (NOK 4.3 million in 2021).

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 20 - Bank Deposits

The Group's tied deposits total NOK 37.0 million (NOK 38.8 million in 2021) of which all is employee tax withheld.

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

As a part of the refinancing a MNOK 1,500 Super Senior Credit Facility (SSCF) was made available for the Group. Per December 31, 2022 deposit amount was MNOK 1,494. (MNOK 1,494 in 2021). The SSCF is classified as an ordinary bank deposit. The SSCF can only be utilized if Group's available cash is less than MNOK 600.

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.

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Note 21 - Environmental Conditions

All of the company's vessels comply with current environmental requirements. In 2022, 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.

Note 22 - Paid Out and Proposed Dividend

	2022	2021	2020
Approved and paid out during the year:			
Ordinary dividend	-	-	-
Proposed dividend at general meeting:			
Ordinary dividend	-	-	-
Per share (NOK)	-	-	-

Note 23 - Other Long-Term Receivables

	2022	2021
Sellers credit (note 5)	29,572	26,458
Loan to other companies	536	718
Other receivables	27,429	29,284
Total other long-term assets	**57,536**	**56,460**

Other receivables consist of advance travel card deposits and deposits for public taxes.

Note 24 - Accounts Receivable and Other Short-Term Receivables

	2022	2021
Accounts receivable	1,228,901	815,182
Receivable from associated and joint venture companies	3,586	1,564
Total accounts receivable	**1,232,487**	**816,745**
Prepaid expenses	143,611	47,348
Earned, not invoiced revenues	153,347	89,192
VAT/ WHT receivable	19,946	64,450
Project cost for amortizing	70,477	-
Other short-term receivables	310,759	220,104
Receivable from associated and joint venture companies	-	-
Total short-term receivables	**698,141**	**421,094**

Other short-term receivables are mainly refundable insurance claims, government grants and prepaid docking expenses.

Note 25 - Inventory

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

	2022	2021
Bunkers	104,426	84,128
Lube oil	40,638	33,312
Other	83,133	55,600
Total inventory	**228,197**	**173,041**

Other stock is mainly critical spare parts and dry docking work-in-progress.

Note 26 - Other Current Liabilities

	2022	2021
Accrued salaries, related taxes and VAT payable	293,720	249,277
Other current liabilities	205,333	113,363
Total short-term liabilities	**499,053**	**362,640**

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

Note 27 - Contingent Liabilities, Assets and Provisions

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 and 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; Farstad Shipping Ltda., Deep Sea Supply Navegacão Maritima 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 290 (MNOK 220). The increase in 2022 is due to currency MNOK 40 and interest and surcharges MNOK 30. Based on an individual assessment of each case the Group's total recognized accrual is MNOK 15.9 (MNOK 13.3 in 2021). Legal fees are expensed as incurred.

Reference is made to note 6 regarding information about Normand Maximus.

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Note 28 - Deferred Income and Excess Value Contracts

Excess Values Contracts

As a part of the purchase price allocation from the mergers of Rem Offshore, Farstad Shipping and Deep Sea Supply, long-term charter contracts with excess values, contracted versus current market day rates, were identified. The excess values are classified as intangble fixed assets, and are amortised over the remaining duration of each charter contract.

	2022	2021
Book value as per 01.01.	-	7,499
Amortised	-	-7,499
Book value as per 31.12.	**-**	**-**

Note 29 - Subsequent Events

- The Group has signed an agreement with U.S. based Tidewater Inc., dated 7th March 2023, for the sale of 37 Platform Supply Vessels for a total amount of USD 577 mill. Expected closing of the transaction is in 2Q2023. The divestment reflects an exit from the PSV business line segment, in which is both capital intensive and is operating at the lowest margins (mainly logistics/freight operations within oil & gas sector). The rationale is a strategic repositioning of the Group as one of the main global owner and operator of high-end tonnage of AHTS and Subsea vessels, in which is essential to realize the energy transition. Additionally, the transaction will substantially reduce the Group's debt and thereby strengthen Solstad's financial position. The effect is reduction of the Group's debt by approximately NOK 6 billion, compared to approximately NOK 21 billion of the Group's consolidated net interest-bearing debt, thus considerably strengthens Solstad's balance sheet, debt service ability and liquidity position.The divestment also enables Solstad to increase its presence in the renewable energy segment, and expand its service offering, including ROV services, tooling and project support, in cooperation with strategic partners. Furthermore, exiting the PSV segment will significantly reduce Solstad's capex program.
- The Group has sold the CSV Normand Jarl in February 2023. The sale has resulted in a gain of approximately MNOK 450.
- The Group has since October 2020 chartered the vessels "Far Senator" and "Normand Statesman" on bareboat terms. Ocean Yield ASA has exercised its right under the bareboat charters to have the vessels redelivered. The vessels will thus be redelivered to their owner at the end of their current commitments.

Alternative Performance Measurements Definitions

In addition to reporting measures required under IFRS, the Company also use the following alternative performance measures in the interim- and annual reports

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

EBITDA - Operating result before depreciation and impairment adjusted for excess values charter parties from mergers and operating leases

Adjusted EBITDA - Operating result before depreciation and impairment adjusted excess values charter parties from mergers, operating leases and other non-cash related items

Adjusted Operating result before depreciations - Operating result before depreciation and impairment adjusted excess values charter parties from mergers, operating leases and net 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 for 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, including current portion of long-term debt

Interest-bearing debt - Current and long-term interest-bearing liabilities

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

B2B - Book to bill, backlog less billed in period

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Corporate Accounts for Solstad Offshore ASA

Parent Company (NOK 1,000)

PROFIT OR LOSS ACCOUNT	2022 01.01-31.12	2021 01.01-31.12	Note
Other operating income	12 912	12 951	
Total operating income	**12 912**	**12 951**	
Personnel costs	-3 115	-2 212	4
Other operating expenses	-8 763	-10 523	4
Total operating expenses	**-11 878**	**-12 735**	
Operating result	**1 034**	**216**	
Other interest income	6		
Other financial income	257 680	97 948	5
Other interest charges	-	-	
Other financial charges	-7 145	-6 351	5,7
Net financial items	**250 540**	**91 598**	
Ordinary result before taxes	**251 574**	**91 813**	
Tax on ordinary result	-	-	8
Net result for the year	**251 574**	**91 813**	
Transfer and disposable income			
Transfer to/from other equity	251 574	91 813	9
Total transfer and disposable income	**251 574**	**91 813**	

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Balance Sheet

Parent Company (NOK 1,000)

	2022 31.12	2021 31.12	Note
ASSETS			
FIXED ASSETS			
FINANCIAL FIXED ASSETS:			
Investment in subsidiaries	830 082	575 228	6
TOTAL FINANCIAL FIXED ASSETS	**830 082**	**575 228**	
TOTAL FIXED ASSETS	**830 082**	**575 228**	
CURRENT ASSETS			
RECEIVABLES:			
Other short-term receivables	36 633	40 033	7
Total receivables	**36 633**	**40 033**	
Bank deposits and cash equivalents	719	379	
TOTAL CURRENT ASSETS	**37 352**	**40 412**	
TOTAL ASSETS	**867 434**	**615 640**	

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Balance Sheet

Parent Company (NOK 1,000)

	2022 31.12	2021 31.12	Note
EQUITY & LIABILITIES:			
EQUITY			
RESTRICTED EQUITY:			
Share capital (75,608,658 a 1,-)	77 309	75 609	
Shared premium	180 387	176 927	
TOTAL RESTRICTED EQUITY	**257 696**	**252 536**	**9**
EARNED EQUITY:			
Other equity	420 993	169 420	11
TOTAL EARNED EQUITY	**420 993**	**169 420**	
TOTAL EQUITY	**678 689**	**421 956**	**9**
LIABILITIES			
OTHER LONG-TERM LIABILITIES:			
Other long-term liabilities	1 046	1 917	13
TOTAL LONG-TERM LIABILITIES	**1 046**	**1 917**	
CURRENT LIABILITIES:			
Accounts payable	185 210	189 245	7
Other current liabilities	2 489	2 524	
Total current liabilities	**187 699**	**191 768**	
TOTAL CURRENT LIABILITIES	**188 745**	**193 685**	
TOTAL EUQUITY AND LIABILITIES	**867 434**	**615 640**	

Board of Director in Solstad Offshore ASA
Skudeneshavn Mars 30, 2023

Harald Espedal
Chairman

Frank O. Reite
Director

Ingrid Kylstad
Director

Thorhild Widvey
Director

Ellen Solstad
Director

Peder Sortland
Director

Lars Peder Solstad
CEO

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Statement of Cash Flow

Parent Company (NOK 1,000)

	2022 31.12	2021 31.12
CASH FLOW FROM OPERATIONS		
Profit / loss before taxes	**251 574**	**91 813**
Impariment of financial assets	-	-
Interest income	-6	-
Interest expense	-	-
Non-cash refinance effects	-250 565	-116 347
Unrealised currency gain/ -loss	-	-
Change in short-term receivables and payables	-4 035	228
Change in other accruals	3 366	18 126
Net cash flow from operations	**334**	**-6 179**
CASH FLOW FROM INVESTMENTS		
Investments in shares	-	-
Pamynet of long-term receivables	-	-
Deposal of shares	-	-
Net cash flow from investments	**-**	**-**
CASH FLOW FROM FINANCING		
Paid-in capital	-	-
Interest reiveiced	6	-
Interest paid	-	-
New / repayment of (-) long-term debt	-	-
Net cash flow from financing	**6**	**-**
Net change in cash and cash equivalents	340	-6 179
Cash and cash equivalents at 01.01	379	6 558
Cash and cash equivalents at 31.12	**719**	**379**

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Notes

Notes to the Parent Company Financial Statements

(NOK 1,000)

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 31.12.22	11.854	9.857	10.513
Per 31.12.21	11.888	8.819	9.989

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
Long-term 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% 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 long-term 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
Short-term 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, associated companies and jointly-owned companies
Shares in subsidiaries, associated 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 2 in the 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 counter parties ability to pay, and which impacts the value of the company's assets, liabilities and future cash flows.

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Note 4 - Other Expenses, Wages, Employees and Distinctive Contributions

	2022	2021
Wages and director fee	2 579	1,894
Employer's National Insurance	351	311
Pension costs		
Other benefits	1	2
Travelling costs, courses and other personnel costs	184	5
Total employee cost	3 114	2,212
Average number of FTEs	0	0

Renumeration to Directors, Managing director and Auditors

The Company had no employees in 2022 and 2021.

Board of Directors fee:	**2022**	**2021**
Harald Espedal	592	600
Frank O. Reite	419	406
Ellen Solstad	309	196
Peder Sortland	441	246
Ingrid Kylstad	392	246
Thorhild Widvey	260	196
Merete Haugli (until Q2 2020)		104
Anders Onarheim		25
Toril Eidesvik (until Q2 2020)		138

Auditors EY	**2022**	**2021**
Statutory audit	2,132	4,894
Other assurance services	927	-
Other non-audit services	627	6,285
Total	**3,686**	**11,179**

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 (MNOK 98) relates to convertion of debt to equity.

Other financial costs of MNOK 7 realtes to impairment of shares in subsidiary. Coparable figures for 2021 of MNOK 6 relates to loss on receivables converted to shares in subsidiaries.

Note 6 - Shares in Subsidiaries

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**

The investment in Solstad Shipholding AS increased by MNOK 255 from convertion of debt to equity.

The investment in Solship Invest 3 AS was increased by MNOK 7 from convertion of debt to equity.

The investment in Solship Invest 3 AS was written down by MNOK 7 in 2022.

31.12.2021	Place of business	Owner- / voting shares	Number of shares	Nominal value	Share capital	Cost price / book value
Solstad Shipholding AS	Skudeneshavn	100 %	30,000	6,66	200	575,198
Solship Invest 1 AS	Skudeneshavn	100 %	30,000	1	30	-
Solship Invest 3 AS	Skudeneshavn	100 %	30,000	1	30	-
Solstad Ålesund AS	Skudeneshavn	100 %	30,000	1	30	-
Solship AS	Skudeneshavn	100 %	30,000	1	30	30
Total						**575,228**

The investment in Solstad Shipholding AS increased by MNOK 118 from convertion of debt to equity.

Note 7 - Inter Company Group

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

	31.12.2022	31.12.2021	Interest
Solstad Shipholding AS	36 633	40 033	
Solstad Rederi AS			
Other current assets	**36 633**	**40 033**	
Solstad Shipping AS	113 251	117 281	
Solstad Australia Pty Ltd	225	229	
Solstad Management AS	29 750	29 750	
Normand Drift AS	41 984	41 984	
Account payable	**185 210**	**189 245**	

Note 8 - Taxes

	2022	2021
Taxable income		
Result before tax	251,574	91,813
Changes in tempoary diferrences	-	-
Permanent differences	-243,450	-91,593
Gain sale of shares	-	-1
Transferred to/from loss carry forward	-8,124	-219
Taxable income	-	-
Change in deferred taxes	-	-
Tax on ordinary result	-	-
Short-term receivables	-2,000	-2,000
Unrecovered interest carried forward	-	-
Unrecovered loss carried forward	-1,791,621	-1,799,745
Total temporart differences	**-1,793,621**	**-1,801,745**
Calculated deferred tax asset	394,597	396,384
Unrecognized part of deferred tax asset	-394,597	-396,384
Booked deferred tax asset	-	-
Analysis of effective tax rate:		
22 % of Profit before Tax	55,346	20,199
Tax effect of dividends and gain/loss sale of shares	-324,778	-
Deferred tax asset not recognised	-322,991	-48
Tax effect of permanent differences	-53,559	-20,151
Estimated tax	-	-

Provisions for deferred tax are posted for accounting position where a future realization will result in payable taxes.

Note 9 - Equity, Shareholders and Treasury Shares

	Share capital	Share premium	Other equity	Total equity
Equity 31.12.2021	**75,609**	**176,927**	**169,420**	**421,956**
Share capital increase by conversion of debt	1,700	3,460	-	5,160
Annual result	-	-	251,574	251,574
Equity 31.12.2022	**77,309**	**180,387**	**420,993**	**678,689**

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

At 31.12.21 the Company's share capital represents 75,609,658 shares at NOK 1.

The number of shareholders at 31.12.22 was 10,919 (7,248 at 31.12.21).

Shareholders with more than 1 % holding at 31.12.2022

	Number of shares	Ownership
Aker Capital AS	19,206,002	24.84 %
DNB Markets	7,379,541	9.55 %
Interactive Brokers LLC	4,550,647	5.89 %
Skandinaviska Enskilda Banken AB	3,750,000	4.85 %
Jarsteinen AS	3,197,779	4.14 %
Hystad	1,235,000	1.60 %
The Export-Import Bank of China	1,139,842	1.47 %
Nordnet Livsforsikring AS	1,057,775	1.37 %
Sparebanken Møre	978,598	1.27 %
Østdahl	788,526	1.02 %
	43,283,710	**55.99 %**

In accordance with the definition in corporate law, the Directors had the following holdings at 31.12.2022

	Number of shares
Harald Espedal	656,687
Frank Ove Reite	-
Ellen Solstad	-*
Thorhild Widvey	-
Ingrid Kylstad	-
Peder Sortland	-

*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 Chief Executive Officer holds 3,197,779 shares at 31.12.2022 through Jarsteinen AS in addition to a right to subscribe 5,038,187 shares in the Company with a nominal value of NOK 1 per share. The subscription right expires 20.10.2023.

Fausken Invest AS, a company controlled by Frank O. Reite has entered into a put/call agreement with Aker Capital AS for a total of 356,509 shares in SOFF. Fausken Invest AS does not own shares directly.

Per 31.12.2022 the company holds 124 treasury shares at a cost price of MNOK 9.6.
Per 31.12.2021 the company holds 124 treasury shares at a cost price of MNOK 9.6.

Note 10 - Earnings Per Share

In 2022, earnings per share were NOK 3.27. The equivalent value in 2021 was NOK 1.22. 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 associated companies) 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 20,454.

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Note 13 - Other Long-Term Liabilities

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

	31.12.2022	31.12.2021
Aker Capital AS	882,693	1,244,782
Hemen Holding Ltd	-	441,367
Jarsteinen AS	163,439	230,484
	1,046,132	**1,916,633**

Note 14 - Other Long-Term Liabilities

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.

Solstad's Global Footprint

Americas
(USA, Mexico, Gulf)
Oil & Gas

South Americas
(Brazil & Argentina)
Oil & Gas

Europe
Oil & Gas, Renewable Energy, Cable

Asia Pacific
Oil & Gas

Asia Pacific
Oil & Gas, Renewable Energy, Cable

Ålesund Norway
Skudeneshavn Norway
Aberdeen United Kingdom
Odessa Ukraine
Limassol Cyprus
Macaé Brazil
Rio de Janeiro Brazil
Manila Philippines
Singapore Singapore
Perth Australia

Offices

Contents

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Email: contact@solstad.com

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www.ey.no
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 2022, the profit or loss account, the statement of cash flows 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 2022, the consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

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 2022 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 2022 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting 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 25 years from the election by the general meeting of the shareholders.

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 2022. 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.

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

Basis for the key audit matter
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.

Management identified indicators of changes in vessel values and tested recoverable amounts of the Group's vessels (includes right of use assets vessels). Each individual vessel was assessed as a separate cash generating unit, and management estimated recoverable amounts by comparing the carrying amount to the highest of fair value less costs of disposal and value in use.

For a majority of the CSV and AHTS vessels, value in use was the basis for the recoverable amount. Following the agreement for sale of the majority of the PSV fleet in 2023, the recoverable amount for these vessels were calculated at estimated fair market value less cost to sell. As per 31 December 2022 three vessels (a CSV, PSV and AHTS) were classified as held for sale and recognized at the agreed amount less cost to sell.

As per 31 December 2022 book value of the Group's vessels amounted to NOK 20 763,7 million, representing 80% of the Group's total assets. The Group recognized impairment of NOK 620 million and reversal of NOK 1 217 million related to owned vessels. Furthermore, an impairment of NOK 33 million related to right of use asset vessel was recognized.

When estimating value in use, management applied budget and long-term strategic plans approved by the Board of Directors, including assumptions regarding future market and economic conditions. 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,

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 strategic plans approved by the Board of Directors, 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 the reliability 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. With support from our internal valuation specialist, 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 Accounting estimates and assessments, note 7 Tangible fixed assets and note 8 Right of use assets

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and management's involvement and significant judgement in establishing them, we assess impairment evaluation of vessels as a key audit matter.

Accounting impacts from Solstad Group related to changes in lease arrangement for CSV Normand Maximus

Basis for the key audit matter
Solstad Group has since 2016 rented CSV Normand Maximus on a bareboat charter contract from vessel owner (lessor). Related right of use asset and lease liability are material parts of the group's total assets and liabilities. In May 2022 the lessor sold CSV Normand Maximus and the lessor and Solstad Group entered an agreement related to outstanding liabilities under the bareboat charter contract ("residual claim"). As part of the sale of CSV Normand Maximus, the new vessel owner and Solstad Group signed a bareboat charter contract and Solstad Group maintained operational control of the vessel.

Management assessed the accounting impacts for Solstad Group of the changes to the lease arrangement for CSV Normand Maximus and concluded it was to be accounted for as a modification of a lease contract. Key judgements were related to the substance in the arrangement, amongst others whether related contracts were negotiated in contemplation of each other such that the overall economic effect cannot be understood without reference to the series of transactions.

Considering the complexity, judgement and assumptions applied by management in the accounting assessment of the lease changes, together with its impact on the group's statement of comprehensive income and statement of financial position, we evaluated the assessment of whether this was a lease modification or separate leases as a key audit matter.

Our audit response
We assessed management's evaluation of substance in the lease arrangement and accounting principles applied. As part of this we inspected related contracts and we performed inquiries to management and its external lawyer. We inspected Solstad Group's board documents and minutes from board meetings. We refer to note 2,6 and 8 of the consolidated financial statements.

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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 the general manager) 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.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and 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 5967007LIEEXZXHGO849-2022-12-31-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.

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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 March 2023
ERNST & YOUNG AS

Øyvind Nore
State Authorised Public Accountant (Norway)

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Jeanette Munkvold Skovholt	03.01.2018	10.01.2018
Telefon	Deres referanse	Vår referanse
90076012	Leif Henning Stave	2018/19888

SOLSTAD FARSTAD ASA
Postboks 13
4297 SKUDENESHAVN

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Solstad Farstad ASA, org.nr. 945 883 294

Vi viser til deres brev av 3. januar 2018 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Solstad Farstad ASA.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Solstad Farstad ASA dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn
Fra søknaden gjengis:

> *Solstad Farstad ASA (org. nr. 945 883 294) med datterselskaper tilbyr tjenester innen rederivirksomhet. Med bakgrunn i at selskapet og konsernet opererer i et internasjonalt marked, med internasjonale kunder og med internasjonale eksterne kredittinstitusjoner er det ønskelig å kunne utarbeide årsregnskapet, konsernregnskapet og årsberetningen på engelsk. Forretningsspråket til morselskapet, Solstad Farstad ASA, er engelsk. All kommunikasjon med kunder og kredittinstitusjoner foregår i hovedsak på engelsk. Solstad Farstad har aktiviteter i markedene i Nordvest— Europa, Afrika, Australia, Asia, Brasil og Mexico. Solstad Farstad ASA har fått tillatelse fra Oslo Børs til å bruke engelsk språk på pliktig informasjon til børsen.*

En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering
Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Postadresse	Besøksadresse:	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org.nr: 996250318	Telefaks
	E-post: skatteetaten.no/sendepost	22 17 08 60

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet allerede har dispensasjon fra kravet til å rapportere på norsk språk fra Oslo Børs. Selskapet opererer i en internasjonal bransje. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. Det anses at ingen andre mulige regnskapsbrukere blir vesentlig negativt berørt av at årsregnskapet og årsberetningen utarbeides på engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jeanette Munkvold Skovholt

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer

Notes

Notes to the Consolidated Financial Statements (NOK 1,000)

Note 1 - Accounting principles

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. The financial statements were approved by the Board of Directors on 30 March 2023 and will be presented for approval in the Annual General Meeting.

Statement of compliance and basis for preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations by the International Accounting Standards Board (IASB) which have been approved by the European Union (EU).

The consolidated financial statements have been prepared on a historical expences basis, except for debt related to non core vessels and shares that have been measured at fair value and are presented in Norwegian Kroner. Throughout the Notes all figures are stated in NOK thousand unless clearly stated otherwise.

Going concern

The annual accounts are prepared on the assumption of a going concern. The going concern assumption until end of March 2024 is based on the level of cash and cash equivalents and equity at year end 2022, terms and conditions of the banking and borrowing facilities, the forecasted cash flow prognosis for the Group and the solid backlog position as of 31 December 2022.

There is sufficient liquidity in the Company until final maturity of the fleet loan and Maximus residual claim due end-March 2024. The fleet-loan agreement includes a mechanism for deferring 2023-installments. The Company does not expect to settle first instalment of the fleet-loan 31 March 2023.

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

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

Changes in accounting principles

The Group has not implemented any new accounting standards or otherwise made any significant changes to account principles during 2022.

Approved IFRS and IFRIC interpretations not yet implemented

None of the issued, not yet effective, accounting standards or amendments to such standards are expected to have significant effect for the Group's financial reporting. Nor does issued IFRIC interpretations expect to significantly change the Group's accounting policies or practices.

Consolidation

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

The Group accounts present the total profit & loss 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. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee including: contractual arrangements with other vote holders of the investee, rights arising from other contractual arrangements, and the Group's voting rights and potential voting rights.

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.

Acquisitions of subsidiaries are accounted for using the acquisition method of accounting. 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. Any excess expences of acquisition over the fair value of the net identifiable assets of the subsidiary acquired calculated at the date of handover, will be recognized as goodwill. If the expences of the acquisition is less than the fair value of the net assets of the subsidiary acquired calculated at the date of handover, a day-one-gain will be recognized as income.

All inter-company transactions, receivables, liabilities and

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unrealized profits, as well as intra-group profit distributions, are eliminated. In the consolidation, the profit and loss accounts of foreign subsidiaries, not using NOK as functional currency, are translated using the exchange rate on the day of transaction. The balance sheet is translated using the balance sheet date exchange rate. The exchange differences arising on translation for consolidation are recognized in other comprehensive income (OCI).

The non-controlling interest in equity is reported separately in the consolidated financial statements.

Investment 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 reporting dates of the associates, joint venture and the Group are the same and the same accounting principles are applied.

Investments in an associate and joint ventures are recorded in the balance sheet at expence 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 and loss for the Group reflects the associates' share under finance, and joint ventures' share of profits under operating expences. 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.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Group's financial assets are derivatives, trade- and lease receivables 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 Group's business model for managing them. Except for trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, (in the case of a financial asset not at fair value through profit or loss), transaction expences. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers.

The Group classifies its financial assets in two categories:

- Financial assets at amortized expences
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortized expences

The Group measures financial assets at amortized expences if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized expences are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized expences includes trade and other receivables, lease receivables and other non-current assets.

Financial assets at fair value through profit or loss

Derivatives at fair value are carried in the statement of financial position at fair value with net changes in fair value through profit or loss. The category includes foreign exchange contracts and interest rate swaps.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

  a. the Group has transferred substantially all the risks and rewards of the asset, or

  b. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when the Group has no reasonable expectations of recovering the contractual cash flows. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. This assessment is based on historical experience of recoveries of similar assets. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Financial liabilities

Financial liabilities are initially recognized at fair value and subsequently measured at amortized expences except for financial liabilities at fair value through profit of loss (FVTPL). Such liabilities, including debt related to non core vessels shall be subsequently measured at fair value. Other financial liabilities are subsequently measured at amortized expences using the effective interest method. Interest expense is recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.
Derivatives are financial liabilities when the fair value is negative, accounted for similarly as derivatives as assets.

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 profit or loss.

Classification of items in the balance sheet

Current assets and short-term debt are items which mature within one year of the balance sheet date as well as any items relating to the normal operating cycle. The short-term portion of the long-term 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 hold for trading, not considered as strategic, or are expected to be disposed 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 long-term assets and liabilities.

Foreign currency translation

The functional and presentation currency of Solstad Offshore ASA 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. Differenves araising 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 expences 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 profit and loss statement is translated at exchange rates at the date of the inital transaction. Any translation adjustments are included in comprehensive income.

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

	GBP	USD	EUR	BRL	AUD
Per 31.12.21	11.888	8.819	9.989	1.583	6.397
Per 31.12.22	11.854	9.857	10.514	1.865	6.700

Segment information

The Group reports internally on operating- and geographical segments. The operating segments are divided into the following four segments:

- AHTS: anchor handling vessels
- PSV: platform supply vessels
- Subsea
- Renewable

The Group has extended reporting segments as a response to the Group's strategy. The Group owns and operates AHTS, PSV and CSV vessels. The different types of vessels operate in different markets, and management review operating results within these markets. The Group focuses on the renewable market, and as a consequence vessel operating renewable contracts has been highlighted as a separate segment. The segments coincide with the operational structure of the Company, being four departments responsible for each segment. Comparative figures have been restated.

Any other activities, including vessels under construction, are included in a separate segment. Overhead expences 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 expences, 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 expences 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 expences less accumulated depreciation

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and any impairment.

Each part of a fixed asset that is significant to the total expences of the item are separately identified and depreciated over that component's useful lifetime. Based on the Group's periodic maintenance program and running replacement the vessels vital parts, the expected lifetime of the assets is set to 20 years for all of the components, except for planned periodic maintenance.

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.

Ordinary repairs and maintenance expences are charged to the income statement in the period in which they are incurred. The expences of major conversions and periodic maintenance of vessels is capitalized and depreciated over the useful lifespan of the parts replaced. The useful lifespan of periodic maintenance will normally be the period until the next interim- or main classification of the vessel, which usually is five years.

The book values of plant and equipment are reviewed for impairment if events or changes in circumstances indicate that the booked value may not be recoverable. If any such indications exist and where the book value exceeds the estimated recoverable amount, the asset or cash-generating units are depreciated to their recoverable amount. The recoverable amount of plant and equipment is the greater of the net selling price and the value in use. When determining value in use, estimated future cash flows are discounted to their current value using a pre-tax discount rate that reflects current market assessments of the monetary value and the specific risk to the asset. For an asset that does not generate cash inflow, a recoverable amount is calculated for the cash-generating unit to which the asset belongs. Any previously calculated and recognized impairment write-downs are reversed if there are any changes to the estimates of recoverable amount. Reversals of previous impairments are limited to the book value of the asset if its value had not been impaired.

The business segments are the Group's strategic units of control. However, while calculating 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 book value and any profit or loss is included in operating profit.

New build contracts

Instalments on new build contracts are recorded in the balance sheet as fixed assets. Expences related to the on-site supervision and other pre-delivery construction expences including construction loan interest are capitalized per vessel. The depreciation starts from when a new build is delivered from the yard.

Leases

Right-of-use-assets

Right-of-use-assets are recognized at expences, less depreciation and impairment losses at the commencement of the lease. The expences of the assets includes the recognized lease liabilities, initial direct expences, and lease payments made prior to commencement. Straight-line depreciations over the lease term are used, unless the Company is reasonably certain to obtain ownership of the assets at the end of the leasing period, in which case straight-line depreciations over the estimated economic life of the assets are used. The assets are subject to impairment assessments under the same principles as other assets.

The Group primarily leases vessels, but also has lease contracts related to various offices used in its operations.

Lease liabilities

Lease liabilities are recognized at the commencement of the lease measured at the present value of lease payments over the lease period. The lease payments include both fixed and variable lease payments. If a purchase option is likely to be exercised, the option price is included. Variable lease payments that do not depend on an index are recognized as expense in the period when the payment trigger occurs.

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. 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.

Contracts with renewal options

The Company determines the lease term as the non-cancellable part of the lease. In addition, any periods covered by an option for extended lease that is reasonably certain to be exercised are included.

Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, short-term 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.

Assets held for sale

Non-current assets held for sale consist of vessels that have been decided to be disposed of, by sale or otherwise, and the sale is considered highly probable. Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and their fair value less expences of disposal. Any excess of the carrying amount over the fair value less expences of disposal is recognized as an impairment loss. Depreciation of such assets is discontinued as from their classification as held for sale.

Treasury shares

The nominal value of treasury shares held is deducted from registered share capital. Any differences between the nominal value and the acquisition price of treasury shares, together with any gains or losses on transactions therein, are recorded directly to reserves.

Provisions

Provisions are made in the financial statements if the Group considers it more likely than not, based on the legal provisions or business liabilities of past events, that an outflow of resources will be required to cover its liabilities and if the amount can be accurately estimated. All provisions are reviewed at balance sheet date and adjusted, if necessary, to reflect best estimate. In instances where the timeframe may be of significance, a provision is made for the current value of future payments to cover liabilities.

Excess values contracts

Identified excess values in charter contracts acquired through business combinations are classified as intangible fixed assets and are amortized over the remaining duration of each charter contract.

Tax

Tax consists of tax payable and changes in deferred 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.

Operations on foreign continental shelves are, in a number of cases, taxable to the state of operation. In such cases the tax is computed according to the tax legislation of the current state, combined with any double taxation avoidance agreement between the state where the ship owner is registered and the state where the operation is performed. Income tax based on a net result is classified as income tax. Other taxes are classified as contract related expenses.

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.

Deferred tax is calculated for assets and liabilities for which future realization will lead to tax payable.

The recognized amount of deferred tax assets is reviewed at each balance sheet date. If it is no longer likely that adequate taxable profit will be generated, then the deferred tax asset will be reduced. Anticipated utilization of tax losses are not discounted when calculating the deferred tax asset.

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, which 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.

The expence of providing pensions is charged to profit and loss to spread the regular expence over the working lives of the employees. Actuarial gains and losses are recognized in comprehensive income in the period they occur.

Income from contracts with customer - charter and rental 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". Freight income is recorded net after deduction for direct, contract-related freight expence. Any loss on contracts is accrued when a loss is probable. Income from bareboat agreements is regulated by IFRS 16. The time charter contracts contains 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 income in operating income (ref. note 4 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 ship 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.

Dividends

Dividends are recognized when the shareholder's right to receive the payment is established (by resolution at the general meeting).

Other income

Other income, such as commissions and management fees, are recognized in the period in which the performance obligations are being satisfied.

Government grants

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

Insurance claims

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

Related party transactions

All transactions and agreements with related parties are on an "arm's length" basis in the same way as transactions with third parties.

Inventories

Inventories consists mainly of bunkers onboard the vessels. Inventories are valued at the lower of cost price and net realizable value. First-in-first-out method is used.

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:

Assets held for sale

Management's judgement based on an assessment of assets available for immediate sale, and where the Group is actively marketing for sale. Sale is also considered highly probable. The Group's strategy will impact the judgement, as well as the current market conditions.

Consolidation

IFRS 10 contains a definition of control that is to be used when assessing whether investments are to be consolidated in the consolidated financial statements. Assessment of control involves the use of facts and judgment. Since 2021, this has been relevant in connection with ownership in Maximus Limited. The Group holds 100 percent of the shares in the entity but is not represented in the board and has not control over the relevant activities. The shares are pledged which gives the creditors far-reaching authorizations already from day one. Based on an overall assessment, where all relevant factors have been considered, the conclusion is that the investments do not represent control in accordance with IFRS 10. The company is therefore not consolidated and accounted for as investment in shares.

Determining the lease term of contracts with renewal and termination options

When entering into new lease agreements, management assesses the probability that options will be executed. The result will impact the lease period and installments, which in turn impacts the lease liability, right-of-use asset and period lease interests. This judgement is based on the Group strategy, market conditions and a set of alternative scenarios.

Lease classification – Group as lessor

The Company's income mainly derive from offering vessels and maritime personnel to customers worldwide. Contracts with customer is based on a day rate for hire of the vessel. Management assesses whether a contract is to be recognized as a financial lease or an operational lease. This judgement is based on terms and conditions, including length of the contract and applicable contractual risks for the Group. The Group has no contracts recognized as financial lease as of 31. December 2022.

Vessel

The carrying amount of the Group's vessels represents 80 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 managements judgement. Incentives to prolong the useful life, in respect of possible future changes in environmental requirements, is a continuously process.

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. Further adjustments are made to account for age of the vessel, with a factor starting from 50 percent and increasing to 100 percent 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. 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. 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". 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.

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 2022 is 11 percent.

Financial liabilities

Financial liabilities are initially recognized at fair value. The methodologies applied for fair value calculations include assessments and estimations based on available market data, such as the level of interest rates, interest rate margins and credit spreads at the date of recognition. These estimates are based on Management's knowledge combined with advice obtained from professional external specialists. Please also refer to Note 9.

Provisions

Provision for liabilities of uncertain timing or amount is based on collating information on a case by case basis. The probability of a contingent liability occurring which would affect the provision is evaluated. The discounting rate used for liabilities is based on a risk-free interest rate, adjusted to the maturity date.

Climate and regulatory risks

In preparing the financial statement, the Group, has considered the impact of regulatory changes in particular in the context in climate change risks. The considerations did not impact our judgement and estimates in the current year. When preparing financial statements future cashflow impact of climate risks are also considered.

The most important key assumptions and sources of uncertainties identified are:

- Usefull life of vessels
- Residual value of vessels
- Cash flow from operations
- Short term and long term investments

Please also refer to Note 7.

Maximus lease

When entering into new lease agremments the group assesses whether the new lease should be accounted for as a seperate lease contract or if it is a modification of the existing lease. For this assessment the substance of the agreements should be considered, and the Group has concluded that the combination of the two contracts would lead to a more faithful presentation of the transaction. Based on this the new lease has been accounted for as a modification of the existing lease in accordance with the priniciples in IFRS 16.