



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 977 228 476  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: SOLSTAD SHIPPING AS  
Forretningsadresse: Nesavegen 39  
4280 SKUDENESHAVN

### Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Jostein Fjelland  
Dato for fastsettelse av årsregnskapet: 28.04.2023

### 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, 13.09.2024



### Resultatregnskap

Beløp i: NOK	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Revenue	2	387 363 000	350 219 000
<b>Sum inntekter</b>		<b>387 363 000</b>	<b>350 219 000</b>
<b>Kostnader</b>			
Employee benefits expense	3		
Other expenses	2, 3, 4	388 429 000	369 576 000
<b>Sum kostnader</b>		<b>388 429 000</b>	<b>369 576 000</b>
<b>Driftsresultat</b>		<b>-1 066 000</b>	<b>-19 358 000</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		415 000	76 000
Other financial income		106 000	
<b>Sum finansinntekter</b>		<b>520 000</b>	<b>76 000</b>
Annen rentekostnad		1 228 000	812 000
Other financial expenses		29 810 000	3 032 000
<b>Sum finanskostnader</b>		<b>31 038 000</b>	<b>3 844 000</b>
<b>Netto finans</b>		<b>-30 518 000</b>	<b>-3 768 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-31 583 000</b>	<b>-23 126 000</b>
Income tax expense	5	5 000	57 000
<b>Ordinært resultat etter skattekostnad</b>		<b>-31 589 000</b>	<b>-23 182 000</b>
<b>Årsresultat</b>	6	<b>-31 589 000</b>	<b>-23 182 000</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>-31 589 000</b>	<b>-23 182 000</b>
<b>Totalresultat</b>		<b>-31 589 000</b>	<b>-23 182 000</b>
<b>Overføringer og disponeringer</b>			
Reserve for valuation differences	6		
Transferred from reserve for valuation variances	6		



## Resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
Ordinært utbytte	6		
Tilleggsutbytte	6		
Ekstraordinært utbytte	6		
Konsernbidrag	6, 6		
Udekket tap	6, 6		
Other equity	6		
Transferred from other equity	6	-31 589 000	-23 182 000
<b>Sum overføringer og disponeringer</b>		<b>-31 589 000</b>	<b>-23 182 000</b>



### Balanse

Beløp i: NOK	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	5	10 079 000	10 079 000
<b>Sum immaterielle eiendeler</b>		<b>10 079 000</b>	<b>10 079 000</b>
<b>Varige driftsmidler</b>			
Machinery and equipment		2 165 000	
<b>Sum varige driftsmidler</b>		<b>2 165 000</b>	
<b>Finansielle anleggsmidler</b>			
Investments in shares	7	2 991 000	2 991 000
Other long-term receivables		8 690 000	6 867 000
<b>Sum finansielle anleggsmidler</b>		<b>11 681 000</b>	<b>9 858 000</b>
<b>Sum anleggsmidler</b>		<b>23 925 000</b>	<b>19 936 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Sum varer</b>	8	<b>2 523 000</b>	<b>1 497 000</b>
<b>Fordringer</b>			
Accounts receivables		17 911 000	6 050 000
Other short-term receivables	9	206 443 000	68 476 000
Konsernfordringer	4, 4	589 305 000	716 424 000
<b>Sum fordringer</b>		<b>813 660 000</b>	<b>790 949 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	10	69 683 000	76 606 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>69 683 000</b>	<b>76 606 000</b>
<b>Sum omløpsmidler</b>		<b>885 866 000</b>	<b>869 052 000</b>
<b>SUM EIENDELER</b>		<b>909 791 000</b>	<b>888 988 000</b>



### Balanse

Beløp i: NOK	Note	2022	2021
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	6, 11	10 000 000	10 000 000
Beholdning av egne aksjer	6, 11		
Overkurs	6		
Annen innskutt egenkapital	6	100 000 000	100 000 000
<b>Sum innskutt egenkapital</b>		<b>110 000 000</b>	<b>110 000 000</b>
<b>Opptjent egenkapital</b>			
Reserve for valuation variances	6		
Other equity	6	-128 167 000	-96 579 000
<b>Sum opptjent egenkapital</b>		<b>-128 167 000</b>	<b>-96 579 000</b>
<b>Sum egenkapital</b>	12	<b>-18 167 000</b>	<b>13 421 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	5		
<b>Annen langsiktig gjeld</b>			
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	4	787 433 000	692 010 000
Tax payable	5	7 000	7 000
Public duties payable		58 995 000	61 651 000
Other current liabilities		81 524 000	121 899 000
<b>Sum kortsiktig gjeld</b>		<b>927 958 000</b>	<b>875 567 000</b>
<b>Sum gjeld</b>		<b>927 958 000</b>	<b>875 567 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>909 791 000</b>	<b>888 988 000</b>



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## **Annual Report 2022**

### **Solstad Shipping AS**



**Directors' Report**

**Income statement**

**Balance sheet**

**Cash flows**

**Notes to the Accounts**



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## SOLSTAD SHIPPING AS

### DIRECTORS REPORT - 2022

The company is a wholly owned subsidiary of the publicly traded holding company Solstad Offshore ASA. The group's objective is to conduct integrated shipping operations with advanced vessels in its market segments, utilizing owned or chartered vessels. The operations are primarily the provision of maritime services to the oil and gas and renewable energy industries.

Solstad Shipping AS is a management company, acting as a business manager and providing administrative services related to commercial, crewing, technical, procurement and accounting/finance to other group companies. The Company's main activity is to provide the Group's vessels with crew and operate and administer offshore services for these vessels. The business is run from Skudeneshavn, Karmøy.

At year end, the Company had 958 employees, all of whom were sailing. The land-based part of the management business is carried out by the sister company Solstad Management AS. The Company purchases administrative services from its sister company. The board consists of three men and no women.

The Company's HSE system is in accordance with international rules and standards, the ISM code (IMO's International Safety Management Code), ISO 14001, ISO 9001, ISO 45001 og ISPS (International Ship and Port Facility Security Code). All vessels and the administration are ISM certified by Det Norske Veritas or the relevant flag state. Crews on board are trained in the ISM Code and changes in requirements of STCW-10 (Seafarers Training, Certification and Watchkeeping Code). During the year, internal audits were carried out on all vessels.

In 2022, approximately 37 000 (34,000 in 2021) HSE reports were processed in the Company's HSEQ system. The reports are registered, processed, and analyzed in a database to form a good basis for preventive measures and areas of improvement to avoid future accidents and incidents.

The working environment is satisfactory and work environment surveys are performed bi-annually. Sick leave in 2022 was 6,1% compared to 6% in 2021. There were three lost time incidents in both 2022 and 2021. The goal of zero absenteeism injuries remains unchanged.

Of the 958 employees, 41 were women (4,3%). There were no women in senior officer positions. The pay gap statistics is at 71% a reduction from 72% last year, which is affected by low number of women in all categories. The company works continuously to recruit women in all positions, with high focus on apprentices and cadets, to give them an opportunity for a career in the Company.

Temporary employees were 24 on average, 5 women (21%). The Company did not have anyone employed part time. No women were on parental leave and the paternity leave was at an average of 21,7 weeks.

The Company is committed to the principles of non-discrimination and equal opportunity, regardless of gender, nationality, or other factors as per "Aktivitets og redegjørelsesplikten" in law of "Likestillingsloven" § 26. The diversity work is performed with the 4-step plan of identifying risk of discrimination, analyzing, and assessing the risks, plan of mitigation work and evaluating the result in accordance with § 26 a – d. The risks associated to discrimination or obstacles for hindering diversity is connected to industry factors with male dominated maritime culture, work related factors with shift rotations and potential challenging physical work on some positions and further risk associated with potential biases on recruitment, competence development and promotions.

Gender balance and youth education are important criteria for the Company and are monthly reported as key performance indicators. The supply of female sailing personnel has traditionally been limited. The Company has for many years had training programs for cadets and is involved in the work of getting Norwegian youth to take maritime education. Religion, sexual orientation, ethnicity, and several other factors are not identified by the company as such and there is no recorded cases of malpractice in 2022. With health and safety requirements onboard there are limitations to facilitating several types of disabilities. Flexibility on life-family situations are also challenging to accommodate due shift work. The company do work towards an open and inclusive working environment and the bi-annual working environment survey was performed in 2022. The crewing department plans to include diversity and inclusion factors in next survey to follow potential issues and progress closer.



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The activities for promoting an inclusive and diverse workplace is being administered through a group of dedicated personnel. The Group has both offshore and onshore personnel and includes senior management, HR positions and HSEQ position. This work is performed for the Group as a whole, also including jurisdictions outside of Norway.

Activities performed to prevent risk for discrimination and increase diversity is mandatory training on inclusion and diversity for all employees including harassment and channels for reporting malpractice, marketing and visibility of women onboard on social media and other communication platforms that the company administrate, activities related to school presentations where career opportunities are marketed and an increased focus on digitalization of competence work and promotion opportunities. There is a need for further measures to achieve the targets for the Company. Focus for development is connected to recruitment of seafarers and cadets, continued social media presence and further utilizing the competence and training system to reduce risk of unconscious biases.

When hiring the company has a clear policy that gender, nationality, religion, disability and the like shall not affect the hiring process. The main criterion in all employment is that professional qualification, possibly combined with previous experience, is present, and that the candidates' references and other documentation substantiate sufficient prerequisites for performing the relevant work. 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.

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.

Main goal for the Group as a whole has been defined and is worked towards. For further information, refer to the Groups "Sustainability Report" page 40 to 50. This report can be found on the Company's website or at the website to Oslo Stock Exchange under ticker SOFF, published March 30 2023.

The company's operations have not polluted the environment beyond what is considered normal during operation.

As a business manager for other group companies, the activity and risks for the company will be dependent on the Groups activity.

In the Board's opinion, the presented income statement and balance sheet with accompanying notes and cash flow statement give a true and fair view of the financial position of the Company per 31.12.2022.

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 due end-March 2024. The fleet-loan agreement includes a mechanism for deferring 2023-installments.

The Group has seen continued strengthening of the market 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 market in the coming period. Due to the macroeconomic environment, we see increases in expenses due to inflation and increased interest expenses for the Group.

The loan facilities in the restructured group ("Borrower Group") is combined in a total fleet loan with a repayment plan that reflects current market conditions. Solstad Shipholding AS is the debtor for the new debt,



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and companies within "Borrower Group" guarantees and has granted security for the debt. Internal loans are provided from Solstad Shipholding AS to subsidiaries within "Borrower Group". The fleet loan in Solstad Shipholding AS includes a working capital facility of MNOK 1,500. There is a free flow of liquidity within the companies in "Borrower Group". In addition, there are restrictions in the loan agreement to Solstad Shipholding AS where companies are not allowed to guarantee ship-owning companies in Solstad Offshore ASA that are outside the "Borrower 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.

The directors and officers are covered under a "Director and Officer Liability Insurance". The insurance covers personal legal liabilities including defense and legal expense. The cover also includes employees in managerial positions or employees who serves as Directors in non-subsidiaries to safeguard the interest of the Company.

The result in 2022 was a loss of TNOK 31 589, compared to a loss of NOK 23 182 in 2021. The board proposes the loss be transferred to other equity. Based on this proposed disposition, the company's book equity was negative by TNOK 18 167 at year end.

Skudeneshavn, 28.04.2023

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Lars Peder Solstad  
Chairman of the  
board/managing director

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Kjetil Ramstad  
Member of the board

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Eivind Kvilhaug  
Member of the board



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## Income statement

Solstad Shipping AS

Values in 1000 NOK	Note	2022	2021
<b>Operating income and operating expenses</b>			
Revenue	2	387 363	350 219
<b>Total income</b>		<b>387 363</b>	<b>350 219</b>
Other expenses	2, 3, 4	388 429	369 576
<b>Total expenses</b>		<b>388 429</b>	<b>369 576</b>
<b>Operating profit</b>		<b>-1 066</b>	<b>-19 358</b>
<b>Financial income and expenses</b>			
Other interest income		415	76
Other financial income		106	0
Other interest expenses		1 228	812
Other financial expenses		29 810	3 032
<b>Net financial items</b>		<b>-30 518</b>	<b>-3 768</b>
Net profit before tax		-31 583	-23 126
Income tax expense	5	5	57
<b>Net profit or loss</b>	<b>6</b>	<b>-31 589</b>	<b>-23 182</b>
<b>Attributable to</b>			
Transferred from other equity	6	31 589	23 182
<b>Total</b>		<b>-31 589</b>	<b>-23 182</b>

Solstad Shipping AS

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## Balance sheet

Solstad Shipping AS

Values in 1000 NOK	Note	2022	2021
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Deferred tax assets	5	10 079	10 079
<b>Total intangible assets</b>		<b>10 079</b>	<b>10 079</b>
Machinery and equipment		2 165	0
<b>Total property, plant and equipment</b>		<b>2 165</b>	<b>0</b>
<b>Non-current financial assets</b>			
Investments in shares	7	2 991	2 991
Other long-term receivables		8 690	6 867
<b>Total non-current financial assets</b>		<b>11 681</b>	<b>9 858</b>
<b>Total non-current assets</b>		<b>23 925</b>	<b>19 936</b>
<b>Current assets</b>			
Inventories	8	2 523	1 497
<b>Debtors</b>			
Accounts receivables		17 911	6 050
Accounts receivables group companies	4	589 305	616 424
Other short-term receivables	9	206 443	68 476
Receivables from group companies	4	0	100 000
<b>Total receivables</b>		<b>813 660</b>	<b>790 949</b>
Cash and cash equivalents	10	69 683	76 606
<b>Total current assets</b>		<b>885 866</b>	<b>869 052</b>
<b>Total assets</b>		<b>909 791</b>	<b>888 988</b>



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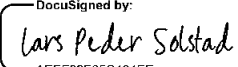
## Balance sheet

Solstad Shipping AS

Values in 1000 NOK	Note	2022	2021
<b>Equity and liabilities</b>			
<b>Equity</b>			
<b>Paid-in capital</b>			
Share capital	6, 11	10 000	10 000
Other paid-up equity	6	100 000	100 000
<b>Total paid-up equity</b>		<b>110 000</b>	<b>110 000</b>
<b>Retained earnings</b>			
Other equity	6	-128 167	-96 579
<b>Total retained earnings</b>		<b>-128 167</b>	<b>-96 579</b>
<b>Total equity</b>	<b>12</b>	<b>-18 167</b>	<b>13 421</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables		264 704	183 602
Trade creditors group companies	4	522 729	508 408
Tax payable	5	7	7
Public duties payable		58 995	61 651
Other current liabilities		81 524	121 899
<b>Total current liabilities</b>		<b>927 958</b>	<b>875 567</b>
<b>Total liabilities</b>		<b>927 958</b>	<b>875 567</b>
<b>Total equity and liabilities</b>		<b>909 791</b>	<b>888 988</b>

Skudeneshavn, 28.04.2023

The board of Solstad Shipping AS

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AEEF99E05C424EF  
Lars Peder Solstad

chairman of the board/General Manager

DocuSigned by:  
  
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Kjetil Ramstad

member of the board

DocuSigned by:  
  
EDEF0EB38ADA47E  
Eivind Kvilhaug

member of the board



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## Indirect cash flow

Solstad Shipping AS

	2022	2021
<b>Cash flows from operating activities</b>		
Profit/loss before tax	-31 583	-23 126
Taxation paid	0	57
Change in inventory	-1 026	642
Change in accounts receivable and accounts payable	110 681	-48 562
Change in other accrual items	-81 006	26 603
<b>Net cash flows from operating activities</b>	<b>-2 935</b>	<b>-44 499</b>
<b>Cash flows from investment activities</b>		
Proceeds from the sale of fixed assets	-2 165	0
<b>Net cash flows from investment activities</b>	<b>-2 165</b>	<b>0</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issuance of new current liabilities	-1 823	5 164
<b>Net cash flows from financing activities</b>	<b>-1 823</b>	<b>5 164</b>
Net change in cash and cash equivalents	-6 923	-39 335
Cash and cash equivalents at the start of the period	76 606	115 941
<b>Cash and cash equivalents at the end of the period</b>	<b>69 683</b>	<b>76 606</b>



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## Note 1 Accounting principles

### General

The financial statement is prepared in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Principles in Norway. As the company is included in the consolidated accounts of Solstad Offshore ASA, which has business office in Skudeneshavn. The consolidated financial statements for Solstad Offshore ASA can be received by contacting Company or Retrieved from [www.solstad.com](http://www.solstad.com).

The main accounting principles are described below.

### Use of estimates

Financial statements in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway requires that management uses estimates and assumptions that affect the profit and loss account and the valuation of assets and liabilities, as well as information on uncertain assets and liabilities on the balance sheet date.

### Classification of items in the balance sheet and income statement

Assets intended for permanent ownership or use, and receivables due later than one year from the end of the financial year, are shown as fixed assets. Other assets are classified as short-term and listed as current assets. Debt due later than one year after the end of the financial year is listed as long-term debt. However, first year payments on long-term debt are classified together with other long-term debt to credit institutions.

Receivables are valued at face value with a deduction for expected losses. Bunkers and lubricants owned by the company are accrued in the balance sheet at acquisition cost and classified as inventories.

### Currency

Cash and cash equivalents in foreign currency are calculated with the exchange rates at the date of the financial year. Following closing rates are used:

	GBP	USD	EUR	BRL
As of 31.12.21	11,8875	8,8194	9,9888	1,5830
As of 31.12.22	11,8540	9,8573	10,5140	1,8646

### Tangible fixed assets and depreciation

Fixed assets are recognized in the balance sheet at acquisition cost less accumulated depreciation. Depreciation is straight-line and is determined on the basis of an assessment of the remaining fixed assets of the individual fixed assets. If there are indications of lower values related to fixed assets, calculations of the recoverable amount are carried out. If the recoverable amount of the fixed asset is lower than the book value, a write-down is made to the recoverable amount.

The recoverable amount is the higher of net sales value and value in use. Value in use is the present value of the future cash flows that the asset will generate.

### Financial fixed assets

Long-term investments in shares and other investments are valued at the lower of acquisition cost and estimated fair value, if the fall in fair value is not considered temporary.

### Treatment of leased fixed assets

The company separates financial lease and operational lease. In the case of an operating lease, the annual lease amount is entered on an ongoing basis as an operating cost. Financial leases are shown as operating assets and liabilities, and annual leasing amounts are entered as interest and installments.

### Tax



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Deferred tax/deferred tax assets are calculated according to the debt method by 22% on the basis of temporary differences between accounting and tax values that exist at the end of the financial year, and tax deficits for performance. Tax-increasing and tax-reducing temporary differences have been settled and recognised net.

Balancing deferred tax assets if the company assumes that this benefit can be used to offset future tax payable. If future tax payable is not likely, the balancing of deferred tax assets is omitted.

#### **Classification of assets and liabilities**

Assets intended for permanent ownership or use and receivables maturing later than one year from the end of the financial year are listed as fixed assets. Other assets are classified as current assets.

Debts that fall due later than one year after the end of the financial year are listed as long-term debt. With the exception of the first year's installments on mortgage debt and leasing obligations, other debt is classified as current liabilities.

#### **Conditional outcomes**

Conditional loss that are likely and quantifiable is expensed. Conditional gains/income is not recognised as income.

#### **Pension obligations**

The company has a defined benefit pension scheme for seafarers. The company's debt related to the pension scheme is the present value of the pension obligation on the balance sheet date, less the fair value of paid-in pension funds, adjustments for actuarial gains and losses and administration costs. The pension obligation is calculated by an independent actuary based on the liner accrual model, and is measured at the present value of estimated future cash payments. The present value is calculated based on the interest rate for government bonds with comparable maturity as the liability.

The pension cost is charged to the result on a straight-line basis over the average time period until the employees have obtained an unconditional right to the benefits. Actuarial gains and losses are recognized in other income and expenses in the period in which they arise.

#### **Revenue recognition**

Revenues, such as commissions, commissions and management fees, are recognized in the period the service is performed.

#### **Grant/Subsidies**

Subsidies relating to the net salary scheme and the reimbursement scheme for seafarers are accounted for as a cost reduction.

#### **Cash flow statement**

The company uses the indirect model when presenting the cash flow statement. Cash and cash equivalents include cash and bank deposits.



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## Note 2 Transactions with related parties

The company acts as a management company, and has entered into management agreements with several other companies in the group. The company does not have its own employees in the administration, and therefore hires the services from other management companies in the group.

Income from management services with related parties was NOK 376 499 in 2022.

Expenses related to management services with related parties was NOK 366 663 in 2022.

## Note 3 Note Salary costs and benefits, remuneration to the chief executive, board and auditor

<b>Salary costs</b>	<b>2022</b>	<b>2021</b>
Salaries	702 054	606 936
Employment tax	112 238	114 449
Pension costs	24 065	24 801
Other benefits	2 410	286
Hired personnel, travel costs and other personnel costs	64 064	47 007
<b>Total</b>	<b>904 831</b>	<b>793 479</b>

Salary cost has been reduced to NOK 10 928 in reimbursements related to the net salary scheme.

The corresponding amount in 2021 was NOK 140 674

Most of the group's employees are employed by Solstad Shipping AS. Costs relating to sailing personnel are re-invoiced to the group's ship-owning company, and are expensed net in the company's income statement. The company has a statutory pension scheme in accordance with the Act on Mandatory Occupational Pensions.

<b>Auditor fees</b>	<b>2022</b>	<b>2021</b>
Auditing fee	373	206
Other services	218	607
<b>Sum</b>	<b>591</b>	<b>813</b>

The amounts are exclusive of VAT.

The general manager and the board are paid by the parent company, Solstad Offshore ASA. No loan has been granted to senior executives.

Average number of employees **2022:958 (2021:1,042)**



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## Note 4 Inter-company items between companies in the same group

Tables below specify net balances with group companies above MNOK 10.

<b>Receivables</b>	<b>2022</b>	<b>2021</b>
Deep Sea Supply Navegaca Maiyima	13 527	0
Solstad Construction AS	14 804	20 942
Farstad Shipping Pte Ltd	31	19 291
Farstad Shipping Ltda	36 281	15 812
Farstad Supply AS	0	104 042
Normand Chartering AS	36 138	16 628
Normand Maximus Ltd	4	19 793
Progress Offshore Limited Partnership	0	25 989
Normand Ships AS	11 034	22 217
Solstad Supply AS	46 319	27 308
Sofo Tonjer AS	7 571	22 725
Solstad Offshore ASA	29 110	31 225
Solstad Offshore Singapore Pte Ltd	83 450	31 071
Solstad Rederi AS	46 016	96 606
Solstad Shipholding AS	208 859	100 421
Other group companies	56 161	62 354
<b>Total</b>	<b>589 305</b>	<b>616 424</b>

<b>Debt</b>	<b>2022</b>	<b>2021</b>
Deep Sea Supply Management Singapore Pte Ltd	15 007	14 981
Farstad Supply AS	11 560	0
Normand Drift AS	67 401	153 699
Normand Installer AS	44 887	0
Pioneer Offshore Limited Partnership		45 773
Solship Invest 4 AS	21 463	21 505
Solstad Cable UK Ltd		46 761
Solstad Management AS	27 078	24 353
Solstad Management Holding AS	24 687	25 148
Solstad Offshore Asia Pacific Pte	90 048	74 153
Solstad Offshore Crewing Services Pte	31 904	15 835
Solstad Offshore UK Ltd	163 147	72 633
Solstad Rederi AS	0	0
Other group companies	25 545	13 568
<b>Total</b>	<b>522 728</b>	<b>508 408</b>

The balance consists of current accounts receivable and accounts payable, which are not interest calculated. No group receivables or group debt fall due later than five years after the end of the financial year

### Other operating expense:

Solstad Shipping AS performs administrative services for all ships in the shipping company's fleet. After 1 January 2007, the company has not had its own employees in the administration, and thus purchases these services, at arm's length prices, from other management companies in the group. Provisions for losses on receivables have been made based on a specific assessment of the individual counterparty. In the annual accounts for 2022 there is a booked loss on receivables of NOK 447



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## Note 5 Tax

<b>This year's tax expense</b>	<b>2022</b>	<b>2021</b>
Entered tax on ordinary profit/loss:		
Payable tax	5	57
Changes in deferred tax assets	0	0
<b>Tax expense on ordinary profit/loss</b>	<b>5</b>	<b>57</b>
Taxable income:		
Result before tax	-31 583	-23 126
Permanent differences	8 551	3 301
Changes in temporary differences	447	17 884
<b>Taxable income</b>	<b>-22 586</b>	<b>-1 941</b>
Payable tax in the balance:		
Payable tax on this year's result	7	7
<b>Total payable tax in the balance</b>	<b>7</b>	<b>7</b>

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences

	<b>2022</b>	<b>2021</b>	<b>Difference</b>
Accounts receivable	-125 304	-124 857	447
<b>Total</b>	<b>-125 304</b>	<b>-124 857</b>	<b>447</b>
Accumulated loss to be brought forward	-70 338	-47 753	22 586
Not included in the deferred tax calculation	149 828	126 737	-23 091
<b>Basis for deferred tax assets</b>	<b>-45 814</b>	<b>-45 873</b>	<b>-59</b>
<b>Deferred tax assets (22 %)</b>	<b>-10 079</b>	<b>-10 092</b>	<b>-13</b>

## Note 6 Equity capital

	<b>Share capital</b>	<b>Other paid-in equity capital</b>	<b>Other equity</b>	<b>Total equity</b>
As at 31.12.2021	10 000	100 000	-96 579	13 421
Changes posted against equity			0	0
<b>As at 01.01.2022</b>	<b>10 000</b>	<b>100 000</b>	<b>-96 579</b>	<b>13 421</b>
Result for the year			-31 589	-31 589
<b>As at 31.12.2022</b>	<b>10 000</b>	<b>100 000</b>	<b>-128 167</b>	<b>-18 167</b>

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 due end-March 2024. The fleet-loan agreement includes a mechanism for deferring 2023-installments. The Company did not settle the first instalment of the fleet-loan at 31 March 2023.

The Group has seen continued strengthening of the marked during the year despite of a challenging



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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 loan facilities in the restructured group ("Borrower Group") is combined in a total fleet loan. Solstad Shipholding AS is the debtor for the debt, and companies within "Borrower Group" guarantees and has granted security for the debt. Internal loans are provided from Solstad Shipholding AS to subsidiaries within "Borrower Group". The fleet loan in Solstad Shipholding AS includes a working capital facility of MNOK 1,500. There is a free flow of liquidity within the companies in "Borrower Group". In addition, there are restrictions in the loan agreement to Solstad Shipholding AS where companies are not allowed to guarantee ship-owning companies in Solstad Offshore ASA that are outside the "Borrower 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.

Solstad Shipholding AS has issued "support letter" to some companies within the Borrower Group providing financial support for the period from the date of approval of the financial statements to 31.03.2024.

## Note 7 Shares in other companies

Company	Business Office	Owner share	No. shares	Share Capital	Acquisition cost	Book value
Bleivik SIM Holding AS	Haugesund	29,54 %	29 541	10 000	2 991	2 991

## Note 8 Inventory

The company's inventory in 2022 consists exclusively of provisions.

## Note 9 Receivables

	2022	2021
<b>Specification of other short term receivables</b>		
Reimbursement insurance	145 158	19 884
Prepaid expenditure	1 490	108
Other short term receivables	59 796	48 484
<b>Total</b>	<b>206 444</b>	<b>68 476</b>



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## Note 10 Bank deposits

Funds standing on the tax deduction account (restricted funds) are NOK 30 374.

## Note 11 Shareholders

The share capital in Solstad Shipping AS as of 31.12 consists of:

	Total	Face value	Entered
Ordinary shares	10 000	1 000,0	10 000
<b>Total</b>	<b>10 000</b>		<b>10 000</b>

### Ownership structure

Shareholders in % at year end:

	Ordinary	Owner interest	Share of votes
Solstad Management Holding AS	10 000	100,00	100,00

## Note 12 Going concern

The annual accounts have been prepared on a going concern basis.

## Note 13 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 Company is not aware of any legal disputes of material importance for the assessment of the financial statements.

The company has not been significantly affected by Covid-19 or the ongoing war in Ukraine.



Statsautoriserte revisorer  
Ernst & Young AS

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## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Solstad Shipping AS

### Opinion

We have audited the financial statements of Solstad Shipping AS (the Company), which comprise balance sheet as at 31 December 2022, income statement and indirect cash flow 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 and 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.

### 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 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.

### 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 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 contains the information required by 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 there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains 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 in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the



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going concern basis of accounting unless management either intends to liquidate the Company 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 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 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 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.

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.

Bergen, 28 April 2023  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Øyvind Nore  
State Authorised Public Accountant (Norway)

Independent auditor's report - Solstad Shipping AS 2022

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## Øyvind Nore

Statsautorisert revisor

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Skatteetaten

Vår dato  
24.06.2022

Din/Deres dato  
09.06.2022

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Skatteetaten.no

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## Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk

Vi viser til deres søknader om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk for følgende selskap:

995 635 437 Solstad Supply AS  
825 100 822 Solstad Subsea Holding AS  
817 921 442 Solstad Superior AS  
977 228 476 Solstad Shipping AS  
925 101 192 Solstad Shipowning Holding AS  
824 826 692 Solstad Shipholding AS  
977 228 212 Solstad Rederi AS  
925 101 087 Solstad Operations Holding AS  
995 542 692 Solstad Mexico AS  
925 100 765 Solstad Management Holding AS  
982 184 371 Solstad Management AS  
925 100 773 Solstad Brasil Holding AS  
982 790 077 Solstad Brasil AS  
925 101 214 Solship Invest 4 AS  
917 635 242 Solship AS  
925 369 217 Normand Ships Operations AS  
925 369 330 Nordmand Ships AS  
939 170 154 Nordmand Chartering AS

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapene dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.



Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller 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 søknadene siteres:

«Begrunnelse for ønske om dispensasjon er at selskapets virksomhet er holdingselskap med datterselskap som driver innenfor internasjonal bransje (shipping), hvor kommunikasjon går på engelsk. Samtidig benytter det vesentlige av kunder, leverandører og andre forretningsforbindelser i selskapet og datterselskap engelsk som forretningsspråk.

Ultimat morselskap (Solstad Offshore A SA) har dispensasjon til å utarbeide åregnskap og årsberetning på engelsk.»

## Skattekontorets 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 mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

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, kunder og lokalsamfunnet.

Det er etter skattekontorets 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.



Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I dette tilfellet er det opplyst at kommunikasjon med de fleste av kunder og leverandører skjer på engelsk. En vesentlig andel av selskapenes foretningsforbindelser er engelskspråklige og vil ikke ha mulighet for å forstå årsregnskap og årsberetning på norsk. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lene Bjørkevoll  
underdirektør  
Innsats, storbedrift  
Skatteetaten

Thor-Petter Sørli

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.*