



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 995 635 437
Organisasjonsform: Aksjeselskap
Foretaksnavn: SOLSTAD SUPPLY AS
Forretningsadresse: Skansekaia 4A
6002 ÅLESUND

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

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: Eirik Vikingstad
Dato for fastsettelse av årsregnskapet: 23.06.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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, 02.08.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Revenue	2	79 483 000	77 299 000
Sum inntekter		79 483 000	77 299 000
Kostnader			
Operating costs ship		16 030 000	13 111 000
Crew costs ship	3, 4	42 387 000	40 878 000
Depreciation	5	10 809 000	7 772 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	5	-7 900 000	
Other expenses	3, 4	6 889 000	6 693 000
Sum kostnader		68 214 000	68 454 000
Driftsresultat		11 268 000	8 845 000
Finansinntekter og finanskostnader			
Annen renteinntekt			5 000
Other financial income		14 000	20 511 000
Increase in fair value of financial current assets	5		
Sum finansinntekter		14 000	20 515 000
Annen rentekostnad	4	9 807 000	8 968 000
Other financial expenses		7 951 000	717 000
Sum finanskostnader		17 758 000	9 686 000
Netto finans		-17 744 000	10 830 000
Ordinært resultat før skattekostnad		-6 475 000	19 675 000
Income tax expense	12		
Ordinært resultat etter skattekostnad		-6 475 000	19 675 000
Årsresultat		-6 475 000	19 675 000
Årsresultat etter minoritetsinteresser		-6 475 000	19 675 000
Totalresultat		-6 475 000	19 675 000



Resultatregnskap

Beløp i: NOK	Note	2021	2020
Overføringer og disponeringer			
Transferred from other equity		-6 475 000	19 675 000
Sum overføringer og disponeringer		-6 475 000	19 675 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	12		
Varige driftsmidler			
Vessels	5, 11	246 094 000	228 962 000
Sum varige driftsmidler	5, 11	246 094 000	228 962 000
Finansielle anleggsmidler			
Other long-term receivables		156 000	379 000
Sum finansielle anleggsmidler		156 000	379 000
Sum anleggsmidler		246 250 000	229 341 000
Omløpsmidler			
Varer			
Fordringer			
Accounts receivables	11	7 190 000	10 174 000
Other short-term receivables	6, 7	10 932 000	17 030 000
Konsernfordringer	7, 7		
Sum fordringer		18 123 000	27 204 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	8, 11	45 033 000	43 651 000
Sum bankinnskudd, kontanter og lignende		45 033 000	43 651 000
Sum omløpsmidler		63 156 000	70 855 000
SUM EIENDELER		309 406 000	300 195 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



Balanse

Beløp i: NOK	Note	2021	2020
Innskutt egenkapital			
Share capital	9, 10	345 003 000	345 003 000
Beholdning av egne aksjer	9		
Overkurs	10	52 210 000	52 210 000
Sum innskutt egenkapital	10	397 213 000	397 213 000
Opptjent egenkapital			
Other equity	10	-484 934 000	-478 459 000
Sum opptjent egenkapital	10	-484 934 000	-478 459 000
Sum egenkapital	10	-87 721 000	-81 246 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	12		
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	11		
Langsiktig konserngjeld	11	363 255 000	355 372 000
Sum annen langsiktig gjeld		363 255 000	355 372 000
Sum langsiktig gjeld		363 255 000	355 372 000
Kortsiktig gjeld			
Leverandørgjeld	7	30 265 000	22 530 000
Tax payable	12		
Kortsiktig konserngjeld	7		
Other current liabilities		3 607 000	3 539 000
Sum kortsiktig gjeld		33 872 000	26 069 000
Sum gjeld		397 127 000	381 441 000
SUM EGENKAPITAL OG GJELD		309 406 000	300 195 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 874059

Enheten

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Organisasjonsform: Aksjeselskap
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Bekreftet av representant for selskapet: Eirik Vikingstad
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Brønnøysundregistrene, 16.08.2022



Organisasjonsnr: 995 635 437
SOLSTAD SUPPLY AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Revenue	2	79 483 000	77 299 000
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Kostnader			
Operating costs ship		16 030 000	13 111 000
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Other expenses	3, 4	6 889 000	6 693 000
Sum kostnader		68 214 000	68 454 000
Driftsresultat		11 268 000	8 845 000
Finansinntekter og finanskostnader			
Annen renteinntekt			5 000
Other financial income		14 000	20 511 000
Increase in fair value of financial current assets	5		
Sum finansinntekter		14 000	20 515 000
Annen rentekostnad	4	9 807 000	8 968 000
Other financial expenses		7 951 000	717 000
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Ordinært resultat før skattekostnad			
Income tax expense	12	-6 475 000	19 675 000
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Årsresultat		-6 475 000	19 675 000
Årsresultat etter minoritetsinteresser		-6 475 000	19 675 000
Totalresultat		-6 475 000	19 675 000
Overføringer og disponeringer			
Transferred from other equity		-6 475 000	19 675 000
Sum overføringer og disponeringer		-6 475 000	19 675 000





Organisasjonsnr: 995 635 437
SOLSTAD SUPPLY AS

BALANSE

Beløp i: NOK	Note	2021	2020
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BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

Utsatt skattefordel	12		
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Varige driftsmidler

Vessels	5, 11	246 094 000	228 962 000
Sum varige driftsmidler	5, 11	246 094 000	228 962 000

Finansielle anleggsmidler

Other long-term receivables		156 000	379 000
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Sum finansielle anleggsmidler		156 000	379 000
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Sum anleggsmidler		246 250 000	229 341 000
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Omløpsmidler

Varer

Fordringer

Accounts receivables	11	7 190 000	10 174 000
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Other short-term receivables	6, 7	10 932 000	17 030 000
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Konsernfordringer	7, 7		
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Sum fordringer		18 123 000	27 204 000
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Bankinnskudd, kontanter og lignende

Cash and cash equivalents	8, 11	45 033 000	43 651 000
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Sum bankinnskudd, kontanter og lignende		45 033 000	43 651 000
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Sum omløpsmidler		63 156 000	70 855 000
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SUM EIENDELER		309 406 000	300 195 000
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BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital	9, 10	345 003 000	345 003 000
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Beholdning av egne aksjer	9		
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Overkurs	10	52 210 000	52 210 000
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Sum innskutt egenkapital	10	397 213 000	397 213 000
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Opptjent egenkapital

Other equity	10	-484 934 000	-478 459 000
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Sum opptjent egenkapital	10	-484 934 000	-478 459 000
Sum egenkapital	10	-87 721 000	-81 246 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	12		
Annen langsiktig gjeld			
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kredittinstitusjoner	11		
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Organisasjonsnr: 995 635 437
SOLSTAD SUPPLY AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall aksjer og aksjeeiere

Note

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:
0.00

Omløpsmidler Startdato Sluttdato Endring

Skattemessig fremf.undersk. Startdato Sluttdato Endring

Kortsiktig gjeld Startdato Sluttdato Endring



Skatteetaten

Vår dato 24.06.2022	Din/Deres dato 09.06.2022	Saksbehandler Thor-Petter Sørli
800 80 000 Skatteetaten.no	Din/Deres referanse AR493325299	Telefon 41 33 44 77
Org.nr 974761076	Vår referanse 2022/5543763	Postadresse Postboks 9200 Grønland 0134 OSLO

SOLSTAD SHIPHOLDING AS
Nesavegen 39
4280 SKUDENESHAVN

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.



Annual Report 2021

Solstad Supply AS



Directors' Report

Income statement

Balance sheet

Cash flows

Notes to the Accounts



SOLSTAD SUPPLY AS DIRECTOR'S REPORT 2021

The company is a 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 Supply AS is a vessel owning company and owns two PSV vessels.

The business is run from Ålesund.

The board expects the activity in 2022 to be stable compared to 2021. The vessels, "Normand Server" and "Normand Supporter" are currently on long term contracts with ConocoPhillips.

Market risk

Market and operational risks are changes in demand for and prices of the services provided by the Company, and potential adverse effects of the provision of such services. Short term market risk is considered limited as the vessels are on firm contracts due in January 2026, with options for 3 more years.

Credit risk

The risk of customers not being able to fulfill their liabilities is considered low. The customer is economically solid.

Liquidity risk

Cash and cash equivalents equal approximately MNOK 45 as of 31.12.2021. The liquidity is considered satisfactory considered future obligations.

The company has no employees and therefore no measures regarding gender equality have been implemented or planned. The company's board of directors consist of three men and no women. The company is committed to the group guidelines for work environment and to avoid any form of discrimination related to age, gender, religion, ethnic background etc.

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

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 pr 31.12.2021. The annual accounts are prepared on the assumption of a going concern.

The Solstad Group went through a refinancing in 2020 resulting in positive equity and strengthened liquidity in 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



debt and companies within "Borrower Group" guarantees and has granted security for the debt. Internal loans are provided from relative to underlying debt. The borrower has instruments, including being able to make repayments, should it become necessary to avoid breaches.

The assumption of continued operations is based on the level of cash and cash equivalents at year-end, and terms of the bank and the loan facilities, the estimated cash-flow forecast for "Borrower Group", backlog as of 31 December 2021. The fleet loan in Solstad Shipholding AS includes a working capital facility of MNOK 1,500. There is 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 first installment is due in March 2023. The fleet loan is due in full in March 2024.

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 2021 was a loss of TNOK 6 475, compared to a profit of TNOK 19 675 in 2020. The board proposes the loss be transferred from other equity. Based on this proposed disposition the company's book equity was negative by TNOK 87 721 at year end.

Ålesund, 23.06.2022

Lars Peder Solstad
Chairman of the
board/general manager

Kjetil Ramstad
Member of the board

Giovanni Peditto
Member of the board



Revenue statement

Solstad Supply AS

Values in 1000 NOK

Operating income and operating expenses	Note	2021	2020
Revenue	2	79 483	77 299
Total income		79 483	77 299
Operating costs ship		16 030	13 111
Crew costs ship	3, 4	42 387	40 878
Depreciation	5	10 809	7 772
Impairment	5	-7 900	0
Other expenses	3, 4	6 889	6 693
Total expenses		68 214	68 454
Operating profit		11 268	8 845
Financial income and expenses			
Other interest income		0	5
Other financial income		14	20 511
Other interest expenses	4	9 807	8 968
Other financial expenses		7 951	717
Net financial items		-17 744	10 830
Net profit before tax		-6 475	19 675
Income tax expense	12	0	0
Net profit after tax		-6 475	19 675
Net profit or loss		-6 475	19 675
Attributable to			
Transferred from other equity		6 475	-19 675
Total		-6 475	19 675

Solstad Supply AS

Side 2



Balance sheet

Solstad Supply AS

Values in 1000 NOK

Assets	Note	2021	2020
Non-current assets			
Property, plant and equipment			
Vessels	5, 11	246 094	228 962
Total property, plant and equipment	5, 11	246 094	228 962
Non-current financial assets			
Other long-term receivables		156	379
Total non-current financial assets		156	379
Total non-current assets		246 250	229 341
Current assets			
Debtors			
Accounts receivables	11	7 190	10 174
Other short-term receivables	6, 7	10 932	17 030
Total receivables		18 123	27 204
Cash and cash equivalents	8, 11	45 033	43 651
Total current assets		63 156	70 855
Total assets		309 406	300 195



Balance sheet

Solstad Supply AS

Equity and liabilities	Note	2021	2020
Equity			
Paid-in capital			
Share capital	9, 10	345 003	345 003
Share premium reserve	10	52 210	52 210
Total paid-up equity	10	397 213	397 213
Retained earnings			
Other equity	10	-484 934	-478 459
Total retained earnings	10	-484 934	-478 459
Total equity	10	-87 721	-81 246
Liabilities			
Other non-current liabilities			
Non-current liabilities to group companies	11	363 255	355 372
Total non-current liabilities		363 255	355 372
Current liabilities			
Trade payables	7	30 265	22 530
Tax payable	12	0	0
Other current liabilities		3 607	3 539
Total current liabilities		33 872	26 069
Total liabilities		397 127	381 441
Total equity and liabilities		309 406	300 195

Ålesund, 23.06.2022

The board of Solstad Supply AS

Lars Peder Solstad

chairman of the board/General Manager

Kjetil Ramstad

member of the board

Giovanni Peditto

member of the board



CASH FLOW STATEMENT

Solstad Supply AS

	2021	2020
Cash flow from operations		
+/- Result before tax	-6 475	19 675
+ Depreciation	10 809	7 772
+/- Impairment	-7 900	-
+ Interest expenses	-	2 507
+ Establishment fee long-term debt	-	435
+/- Unrealised currency gain/ -loss	7 747	-20 464
+/- Change in accounts receivable	2 984	1 646
+/- Change in accounts payable	7 734	8 795
+/- Short term loan intra group	9 000	-9 000
+/- Change in other accruals	-2 125	-2 153
= Net cash flow from operations	21 774	9 212
Cash flow from investments		
- Investment in tangible fixed assets	-20 041	-2 108
= Net cash flow from investments	-20 041	-2 108
Cash flow from financing		
+ Proceeds from borrowings (long term)	-	33 014
- Repayment of borrowings	-351	-
= Net cash flow from financing	-351	33 014
= Net change in cash	1 382	40 118
+ Cash at 01.01	43 651	3 533
= Cas at balance sheet date	45 033	43 651



Note 1 Accounting principles

General

The annual accounts are prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. As the company is a fully owned subsidiary of Solstad Offshore ASA, which has business office in Skudeneshavn, it has not prepared consolidated financial statements for Solstad Rederi AS and its subsidiaries in accordance with The Norwegian Accounting Act § 3-7 first paragraph.

The consolidated financial statements for Solstad Offshore ASA can be obtained by contacting the company or retrieved from Solstad Offshore ASA's website, 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 listed 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. Other liabilities are listed as short-term debt. However, first-year payments on long-term debt are classified with other long-term debt to credit institutions. Gains/losses on the sale of vessels are classified as operating income and operating costs respectively, as the sale of vessel is considered part of the company's normal operations.

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 other short-term receivables.

Currency

Cash and cash equivalents in foreign currency are presented at market exchange rates on the date of the balance sheet. Following closing rates is used:

	GBP	USD	EUR	BRL
As of 31.12.20	11,6462	8,5326	10,4703	1,6428
As of 31.12.21	11,8875	8,8194	9,9888	1,5830

Tangible fixed assets and depreciation

Fixed assets are listed in the balance sheet at acquisition cost, including capitalized interest on construction loans. Depreciation is straight-line and adjusted for residual value and any write-downs. Residual value is the estimated amount that is assumed to have been received today in the event of divestment of the asset adjusted for deduction of costs in connection with the divestment and the expected value reflecting the age and condition at the end of the asset's useful life.

Book value on fixed assets in the balance sheet is the cost price with deductions for accumulated depreciation and impairment.

Each part of an operating asset that is significant in relation to the total cost price is identified separately and is depreciated over the component's useful life. The cost of ships are identified separately into the following components; hull, anchor handling, loading and unloading equipment, main and auxiliary motor,



thrusters, DP and lifting equipment and other equipment. Based on the Group's periodic maintenance programme and the ongoing replacement of the ships' main parts, the estimated service life is set at 30 years for all components, with the exception of periodic maintenance.

The assumptions about the residual value and the expected useful life of fixed assets are assessed annually when preparing the annual accounts. In the event of significant changes from previous estimates, depreciation changes accordingly. When estimated useful life changes, depreciation changes prospectively.

The estimated service life of ships affects the accounting depreciation. The service life of the individual components on the ships is based on the nature and gained experience for each component group. The expected service life for the ships are 20 years.

The residual value of ships affects the size of the accounting depreciation. The company use market values/broker estimates as a starting point in the calculation of the ship's residual value. The brokerage estimates, less any sales-related costs, are estimated at a percentage that depends on the age of the ships. The percentage is 50% for a new ship and is increasing to 100% on a 20 year old ship.

Other fixed assets are depreciated based on 10-20 years of useful life. Gains on the sale of ships and construction contracts are recognised as operating revenues, as sales are considered to be part of the company's ordinary business.

If there are indications that values associated with fixed assets are higher than recoverable amounts, calculations of the recoverable amount are carried out. If the recoverable amount of the asset is lower than the book value, impairment is made to the estimated recoverable amount. The recoverable amount is the highest of the net sales value and value in use. Value in use is the present value of the future cash flows that the asset is expected to generate.

Classification and maintenance costs

Ordinary repairs and maintenance are recognised in the profit and loss account as they occur. The cost of dockings, periodic maintenance, and larger modifications of vessels are recognised on the balance sheet and recognised as expenses on a straight-line basis over the period up to the next planned periodic maintenance/docking, normally every 30 months. Upon delivery of new vessels, a portion of the cost of the vessel is valued as deferred maintenance. If a vessel is sold, the capitalised deferred maintenance is deducted from the profit.

Costs of borrowing and debt

Borrowing costs are capitalized and expensed over the loan period. Initial fees are netted against debt to credit institutions. Debt is recognised in the balance sheet at nominal value.

Foreign currency transactions

Receivables in foreign currency are valued at exchange rates at the end of the financial year. Exchange gains and exchange losses related to sales in foreign currencies are recognised as financial items in the income statement. Foreign currency transactions are recognized with the exchange rate at the time of the transaction. Long-term foreign currency debt is valued at the exchange rate on the balance sheet date and unrealized gains/losses are classified as financial items in the income statement.

Revenue recognition

Income and expenses related to the charter parties are accrued based on the number of days the voyage lasts before and after the end of the accounting period.

Tax

Deferred tax/deferred tax assets are calculated according to the debt method by 22% on the basis of temporary differences between book values and tax values that exist at the end of the financial year, and any tax losses carried forward. Tax-increasing and tax-reducing temporary differences are recognised net in the balance sheet. Deferred tax assets is recognized in the balance sheet if the company assumes it will decrease future tax payable. If it is not likely that the company will have taxable income, the deferred tax



assets is omitted in the balance sheet.

Cash flow statement

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

Conditional outcome

Conditional losses that are likely and quantifiable are expensed. Conditional gains are not recognised as income.

Grant/Subsidies

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



Note 2 Revenue

	2021	2020
Freight revenue	79 483	77 299
Other operating income	0	0
Total revenue	79 483	77 299
Segments (ship type and geographical location)		
PSV		
North Sea	79 483	77 299

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

The company has no employees, and is thus not obliged to have an occupational pension scheme. Salary is related to hired staff. There are also no bonus or option programs for members of the board. The general manager and the board are paid by the parent company, Solstad Offshore ASA.

Crew costs have been reduced by NOK 13,324,567 in reimbursements related to the net salary scheme. The refunds are received by Solstad Shipping AS, which is the employer for the employees on board. The corresponding amount for 2020 was 11,979,732

AUDITOR FEES

	2021	2020
Auditing fee	62	79
Tax advisory	0	0
Other services and assistance	62	44
Total audit fee	124	123

The amounts are exclusive of VAT.



Note 4 Related party transactions

The following internal transactions have taken place

Crew cost	2021	2020
Solstad Shipping AS	42 387	40 878
Sum	42 387	40 878

Management fee expense	2021	2020
Solstad Shipping AS	5 487	5 194
Sum	5 487	5 194

Interest expense	2021	2020
Solstad Shipholding AS	9 807	1 952
Sum	9 807	1 952

Note 5 Fixed assets

	Vessel	Capitalized periodic maintenance	Sum
Acquisition cost as at 01.01.2021	755 162	34 919	790 082
Addition of purchased fixed assets	453	19 588	20 041
Acquisition cost 31.12.2021	755 616	54 507	810 122
Accumulated depreciation	-124 894	-34 498	-159 392
Accumulated impairment	-404 637	0	-404 637
Book value 31.12.2021	226 085	20 009	246 094
The year's depreciation	3 108	7 701	10 809
The year's impairment	-7 900	0	-7 900
Depreciation period	20 years	5 years	

The Company owns two vessels and recognized a reversal of impairment on both in 2021 of total NOK 7 900 (2020: NOK 0). Impairment assessment is based on the value in use calculation as of 31.12.21, and changes in expected cash flows from the vessels is the basis for the reversal.



Note 6 Other receivables

Specification of other receivables :

	2021	2020
Earned refunds	4 238	3 748
Reimbursement insurance	2 350	1 054
Stock bunkers, oil and provisions	315	276
Receivables from group companies	750	9 750
Credit VAT	3 200	2 122
Other current receivables	79	80
Sum other financial income	10 932	17 030

Note 7 Inter-company items between companies in the same group

Other receivables	2021	2020	Interest rate
Solstad Management AS	750	750	*
Solstad Rederi AS	0	9 000	*
Total short-term receivables	750	9 750	

Current liabilities	2021	2020	Interest rate
Solstad Shipping AS	-27 308	-22 890	*
Solstad Offshore Crewing Services Ukraine	-53	-65	*
Solstad Construction AS	0	3 700	
Solstad Shipowning Holding AS	-2 808	-2 808	*
Farstad Shipping AS	0	-28	*
Total current liabilities	-30 169	-22 090	

(*) Current balances that are not interest calculated.

Note 8 Bank deposits

Through the refinancing of Solstad Group in 2020, a Super Senior Credit Facility (SSCF) of MNOK 1,500, was made available for Group. SSCF is classified as ordinary bank deposits, and can be deducted if the Group's available liquidity holdings are below NOK 600 million. Solstad Supply AS's proportion 31 December 2021 make up MNOK 33,5.



Note 9 Shareholders

THE SHARE CAPITAL IN SOLSTAD SUPPLY AS AS OF 31.12 CONSISTS OF:

	Total	Face value	Entered
Ordinary shares	345 003	1 000,0	345 003
Total	345 003		345 003

OWNERSHIP STRUCTURE

The largest shareholders in % at year end:

	Ordinary	Owner interest	Share of votes
Solstad Shipowning Holding AS	253 011	73,3	73,3
Vard Group AS	91 992	26,7	26,7
Total number of shares	345 003	100,0	100,0

Note 10 Equity

	Share capital	Share premium	Other equity	Total equity
As at 31.12.2020	345 003	52 210	-478 459	-81 246
Result for the year			-6 475	-6 475
As at 31.12.2021	345 003	52 210	-484 934	-87 721



Note 11 Long-term debt

	31.12.2021	31.12.2020
Debt secured by charges, mortgages and guarantees		
Long-term debt to companies in the same group	-363 255	-355 372
Total	-363 255	-355 372

Book value of charged assets

Vessels	246 094	228 962
Cash and bank deposits	45 033	43 651
Accounts receivables	7 190	10 174
Total	298 317	282 787

Mortgage debt, via Solstad Shipholding AS, in 2021 was distributed with 36% (37%) in NOK and 64% (63%) in USD.

Loan payment profile	2022	2023	2024	2025
Long-term debt via Solstad Shipholding AS	0	35 386	327 869	0

There are covenant obligations on Solstad Shipholding AS's external debt. Solstad Supply AS is similarly committed to loan conditions. As of 31.12 the company fulfilled all the conditions according to covenant agreement.



Note 12 Tax

This year's tax expense	2021	2020
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax assets	0	0
Tax expense on ordinary profit/loss	0	0
Taxable income:		
Ordinary result before tax	-6 475	19 675
Permanent differences	6	-42 131
Changes in temporary differences	-58 225	0
Taxable income	-64 694	-22 456
Payable tax in the balance:		
Payable tax on this year's result	0	0
Total payable tax in the balance	0	0

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

	2021	2020	Difference
Tangible assets	-9 209	-67 449	-58 240
Accounts receivable	0	15	15
Total	-9 209	-67 434	-58 225
Accumulated loss to be brought forward	-503 377	-438 683	64 694
Cut interest deduction	-13 212	-13 212	0
Not included in the deferred tax calculation	525 798	519 329	-6 469
Deferred tax assets (22 %)	0	0	0

Deferred tax not included in the balance sheet.

Note 13 Subsequent events

The company is not aware of any legal disputes of significant importance for the assessment of the company. The company has not been significantly affected by Covid-19 or the ongoing war in Ukraine.

Note 14 Going concern

The annual accounts have been prepared on a going concern basis. Since the completion of the operational and financial restructuring of the majority of the Solstad Offshore Group, the financial position has improved, resulting in positive equity and strengthened liquidity 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 debt,



and companies within "Borrower Group" guarantees and has granted security for the debt. Internal loans are provided from relative to underlying debt. The borrower has instruments, including being able to make repayments, should it become necessary to avoid breaches.

As part of the restructuring, Borrower Group reduced debt to external creditors by about a third. In connection with this, equity transactions were made to strengthen the equity in Solstad Shipholding AS. The corresponding conversion of debt has not been carried out in the ship-owning companies. Solstad Shipholding AS has issued a "support letter" providing financial support to all companies within the "Borrower Group" for a period of 12 months after the date of approval of the financial statements.

The assumption of continued operations is based on the level of cash and cash equivalents at year-end, the terms of the bank and the loan facilities, the estimated cash-flow forecast for "Borrower Group", backlog as of 31 December 2021 and the "support letter" 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 first installment is due in March 2023. The fleet loan is due in full in March 2024. Given the prevailing market conditions, there is a minimum margin requirement over the next 12 months, the requirement for the ships' market value.



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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Solstad Supply AS

Opinion

We have audited the financial statements of Solstad Supply AS (the Company), which comprise balance sheet as at 31 December 2021, revenue statement and cash flow statement 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 2021 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 chief executive officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report 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, 23 juni 2022
ERNST & YOUNG AS

The auditor's report is signed electronically

Øyvind Nore
State Authorised Public Accountant (Norway)

Independent auditor's report - Solstad Supply AS 2021

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Øyvind Nore

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