



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 979 213 336
Organisasjonsform: Aksjeselskap
Foretaksnavn: FARSTAD INTERNATIONAL AS
Forretningsadresse: Skansekaia 4A
6002 ÅLESUND

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Leif Henning Stave
Dato for fastsettelse av årsregnskapet: 31.08.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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, 26.10.2021



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Freight Income	2		
Profit/loss on sale of fixed assets	3		
Kostnader			
Crewing expenses vessels		409 000	818 000
Depreciation and impairment	9		
Nedskrivning av varige driftsmidler og immaterielle eiendeler		5 684 000	
Other operating expenses vessels	10	114 482 000	1 766 000
Administration	2	1 482 000	1 611 000
Sum kostnader		122 058 000	4 195 000
Driftsresultat		-122 058 000	-4 195 000
Finansinntekter og finanskostnader			
Annen renteinntekt		-895 000	-2 000
Financial income		2 874 000	5 830 000
Sum finansinntekter		1 979 000	5 828 000
Annen rentekostnad		74 000	155 000
Financial expenses		1 994 000	2 978 000
Sum finanskostnader		2 068 000	3 132 000
Netto finans		-89 000	2 696 000
Ordinært resultat før skattekostnad		-122 147 000	-1 499 000
Tax	8		1 138 000
Ordinært resultat etter skattekostnad		-122 147 000	-2 637 000
Årsresultat		-122 147 000	-2 637 000
Årsresultat etter minoritetsinteresser		-122 147 000	-2 637 000
Totalresultat		-122 147 000	-2 637 000
Overføringer og disponeringer			
Allocated to other equity	6	-122 147 000	-2 637 000



Resultatregnskap

Beløp i: NOK	Note	2020	2019
Sum overføringer og disponeringer		-122 147 000	-2 637 000



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Vessels and other fixed assets	9	7 459 000	13 143 000
Sum varige driftsmidler		7 459 000	13 143 000
Finansielle anleggsmidler			
Investering i annet foretak i samme konsern	10		111 000 000
Sum finansielle anleggsmidler			111 000 000
Sum anleggsmidler		7 459 000	124 143 000
Omløpsmidler			
Varer			
Sum varer			444 000
Fordringer			
Account receivables, freight income		4 000	
Other short-term receivables	10	60 000	5 268 000
Sum fordringer		63 000	5 268 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents		2 443 000	151 000
Sum bankinnskudd, kontanter og lignende		2 443 000	151 000
Sum omløpsmidler		2 507 000	5 863 000
SUM EIENDELER		9 966 000	130 006 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital



Balanse

Beløp i: NOK	Note	2020	2019
Share capital	6, 7	100 000	100 000
Overkurs	6	50 809 000	50 809 000
Sum innskutt egenkapital		50 909 000	50 909 000
Opptjent egenkapital			
Other equity	6	-120 824 000	1 322 000
Sum opptjent egenkapital		-120 824 000	1 322 000
Sum egenkapital	11, 12	-69 916 000	52 231 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld	3, 4, 5		
Other long term liabilities	10	69 029 000	
Sum annen langsiktig gjeld		69 029 000	
Sum langsiktig gjeld		69 029 000	0
Kortsiktig gjeld			
Current portion of interest-bearing debt	3, 4, 5		64 525 000
Tax payable	8	1 138 000	1 138 000
Other current liabilities	10	9 714 000	12 112 000
Sum kortsiktig gjeld		10 852 000	77 775 000
Sum gjeld		79 881 000	77 775 000
SUM EGENKAPITAL OG GJELD		9 966 000	130 006 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Journalnummer: 2021 861628

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6002 ÅLESUND

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Brønnøysundregistrene, 25.10.2021



Organisasjonsnr: 979 213 336
FARSTAD INTERNATIONAL AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Freight Income	2		
Profit/loss on sale of fixed assets	3		
Kostnader			
Crewing expenses vessels		409 000	818 000
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Totalresultat		-122 147 000	-2 637 000
Overføringer og disponeringer			
Allocated to other equity	6	-122 147 000	-2 637 000
Sum overføringer og disponeringer		-122 147 000	-2 637 000



Organisasjonsnr: 979 213 336
FARSTAD INTERNATIONAL AS

BALANSE

Beløp i: NOK	Note	2020	2019
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BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

Varige driftsmidler

Vessels and other fixed assets

9

7 459 000

13 143 000

Sum varige driftsmidler

7 459 000

13 143 000

Finansielle anleggsmidler

Investering i annet foretak i samme konsern

10

111 000 000

Sum finansielle anleggsmidler

111 000 000

Sum anleggsmidler

7 459 000

124 143 000

Omløpsmidler

Varer

Sum varer

444 000

Fordringer

Account receivables, freight income

4 000

Other short-term receivables

10

60 000

5 268 000

Sum fordringer

63 000

5 268 000

Bankinnskudd, kontanter og lignende

Cash and cash equivalents

2 443 000

151 000

Sum bankinnskudd, kontanter og lignende

2 443 000

151 000

Sum omløpsmidler

2 507 000

5 863 000

SUM EIENDELER

9 966 000

130 006 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital

6, 7

100 000

100 000

Overkurs

6

50 809 000

50 809 000

Sum innskutt egenkapital

50 909 000

50 909 000

Opptjent egenkapital



Other equity	6	-120 824 000	1 322 000
Sum opptjent egenkapital		-120 824 000	1 322 000
Sum egenkapital	11, 12	-69 916 000	52 231 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
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Sum langsiktig gjeld		69 029 000	0
Kortsiktig gjeld			
Current portion of			
interest-bearing debt	3, 4, 5		64 525 000
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Other current liabilities	10	9 714 000	12 112 000
Sum kortsiktig gjeld		10 852 000	77 775 000
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SUM EGENKAPITAL OG GJELD		9 966 000	130 006 000



Organisasjonsnr: 979 213 336
FARSTAD INTERNATIONAL AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:
0.00



Skattedirektoratet

Saksbehandler Geir Johannessen	Deres dato 26.11.2014	Vår dato 16.12.2014
Telefon 22 07 73 25/22 66 11 14	Deres referanse Vivian Larsgård- Ingebrigtsen	Vår referanse 2014/882574

FARSTAD INTERNATIONAL AS
Postboks 1301 sentrum
6001 ÅLESUND

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Farstad International AS, org.nr. 979 213 336

- Vi viser til deres brev av 26. november 2014, samt tilleggsopplysninger i e-post, der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Farstad International AS.

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

Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

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

Bakgrunn

Farstad International AS er heleid av Farstad Shipping ASA gjennom Farstad Supply AS. Selskapet eier skip gjennom partrederiet International Offshore Services. Aktivitetene er konsentrert til markedene i Australia og Asia. Med bakgrunn i at selskapet og konsernet opererer i et internasjonalt marked, med internasjonale kunder og med internasjonale eksterne kredittinstitusjoner, er det ønskelig å kunne utarbeide årsregnskapet og årsberetningen på engelsk. Forretningsspråket til morselskapet i konsernet er engelsk. All kommunikasjon med kunder og kredittinstitusjoner foregår i hovedsak på engelsk. Med bakgrunn i dette søkes det om at årsregnskapet og årsberetningen utarbeides på engelsk.

Skattedirektoratets vurdering

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

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

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



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

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet er 100 % indirekte eiet av morselskapet i konsernet som benytter engelsk som forretningspråk. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle vesentlige aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
Seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Geir Johannessen

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



Statsautoriserte revisorer
Ernst & Young AS

Thormøhlens gate 53 D, NO-5006 Bergen
Postboks 6163, NO-5892 Bergen

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Farstad International AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Farstad International AS, which comprise the balance sheet as at 31 December 2020, and the income 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 have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations 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.

Responsibilities of management for the financial statements

The Board of Directors (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 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (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 law, regulations and generally accepted auditing principles in Norway, including 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



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- 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 those charged with governance 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.

Report on other legal and regulatory requirements

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Bergen, 9 September 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Øyvind Nore
State Authorised Public Accountant (Norway)

Pennco Dokumentnøkkel: 20XBN-FF3ZO-NFX57-MVEK6-ZFY58-OY5XL



PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur".
De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Øyvind Nore

Oppdragsansvarlig partner

På vegne av: Ernst & Young AS

Serienummer: 9578-5994-4-485745

IP: 88.90.xxx.xxx

2021-09-09 19:22:15 UTC



Øyvind Nore

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: 9578-5994-4-485745

IP: 88.90.xxx.xxx

2021-09-09 19:22:15 UTC



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PROFIT AND LOSS


FARSTAD INTERNATIONAL AS (NOK 1 000)

	Note	2020	2019
Operating income:			
Operating expenses:			
Crewing expenses vessels		409	818
Write-downs of tangible and intangible assets		5 684	0
Other operating expenses vessels	10	114 482	1 766
Administration	2	1 482	1 611
Total operating expenses		122 058	4 195
Operating profit before depreciations (EBITDA)		-122 058	-4 195
Operating result (EBIT)		-122 058	-4 195
Financial items:			
Financial income		2 874	5 830
Financial expenses		1 994	2 978
Realised agio (disagio)		-895	-2
Unrealised agio (disagio)		-74	-155
Net financial income and expenses		89	-2 696
Tax and results:			
Pre tax profit		-122 147	-1 499
Tax	8	0	1 138
Profit for the year		-122 147	-2 637
Annual net profit		-122 147	-2 637
Allocated to other equity	6	-122 147	-2 637
Net brought forward		-122 147	-2 637

**BALANCE SHEET**

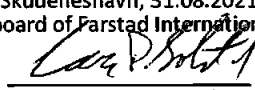
FARSTAD INTERNATIONAL AS (NOK 1 000)

	Note	2020	2019
ASSETS			
FIXED ASSETS			
Vessels and other fixed assets	9	7 459	13 143
Loans to group companies	10	0	111 000
Total fixed assets		7 459	124 143
CURRENT ASSETS			
Account receivables, freight income		4	0
Inventories		0	444
Other short-term receivables	10	60	5 268
Cash and cash equivalents		2 443	151
Total current assets		2 507	5 863
Total assets		9 966	130 006
EQUITY AND LIABILITIES			
EQUITY			
Share capital	6, 7	100	100
Share premium reserve	6	50 809	50 809
Other equity	6	-120 824	1 322
Total equity	11, 12	-69 916	52 231
Other long term liabilities	10	69 029	0
Total non-current liabilities		69 029	0
CURRENT DEBT			
Tax payable	8	1 138	1 138
Other current liabilities	10	9 714	12 112
Current portion of interest-bearing debt	3, 4, 5	0	64 525
Total current liabilities		10 852	77 775
Total equity and liabilities		9 966	130 006




Kjetil Ramstad
member of the board

Skudeneshavn, 31.08.2021
The board of Farstad International AS



Lars Peder Solstad
chairman of the board



Eivind Kvilhaug
member of the board



NOTES TO THE ACCOUNTS (NOK 1 000)

FARSTAD INTERNATIONAL AS

NOTE 1: ACCOUNTING PRINCIPLES

The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted for small companies in Norway.

The company owns 50% of P/R International Offshore Services ANS (IOS). IOS is incorporated using the proportional consolidated method.

Estimates

Areas that involve judgement or complexity, or areas where assumptions and estimates are significant to the annual accounts are residual values for vessels, the useful life of vessels, impairment of vessels, tax, the capitalisation and depreciation of deferred maintenance, average settlements and loss on receivables.

Costs and income recognition

The group's vessels are mainly leased on time charters (TC). The TC contracts comprise payment for factors such as crew hire. Income from the lease of vessels is recognised on a straight-line basis during the lease period. The lease period starts on the date the vessel is made available to the leaser, and terminates on the agreed date for return of the vessel. Crew hire and payments to cover other operating expenses are reported as income according to the straight-line method for the duration of the agreement. Income and costs associated with charter parties are recognised in the accounts on the basis of the number of days the contract lasts. Interest income is recorded as interest accrues.

Pension

IOS is hiring all crew and crew related duties from other companies within the Solstad Offshore ASA Group. In connection with this, all crew related expenses are charged to the company, including pension expenses.

The company has according to NRS 6 Pension costs declared the option to use IAS 19 for the recognition of the defined benefit plan. The current service cost and net interest income/costs are recognised immediately. The service cost is recognised in the vessels crew cost and administration cost in the income statement. Changes in estimates, both in assets and liabilities are recognised through retained earnings.

Sale of vessels

Gains from the sale of vessels are recognised as operating income since the sale of vessels is deemed part of the company's ordinary activities. Income from sales of vessels is recognised through profit or loss upon delivery to the new owner.

Depreciations of vessels and other fixed assets

The vessels are decomposed into vessel and deferred maintenance. Vessels are included in the balance sheet at their cost price with deductions of the year's and previous years' ordinary depreciation. The vessels are depreciated on a straight-line basis over defined period of use of 20 years, taking into account an estimated residual value of the vessels upon expiry of their period of use. Residual values are reviewed on an annual basis. These residual values are based on a best estimate of what we believe the vessels can be sold for when they are 20 years old. The depreciation of vessels in the fleet older than 20 years old are reassessed based on the estimated residual value.

Depreciation of other fixed assets is calculated on a straight-line basis over estimated useful life.

Impairment of fixed assets

The booked values of vessels and other fixed assets are reviewed for impairment when events or changes in circumstances indicate that booked value may not be recoverable. If any such indications exist and where the booked value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount which, for fixed assets, is the greater of the net selling price and value in use. As an approach to net selling price for the vessels, the value estimates obtained from two independent Norwegian shipbrokers are used. The brokers' estimates assume the vessels are without any charter contracts, available for immediate sale on the market and there being a willing seller and a willing buyer. Due to the declining market and higher uncertainty in the broker's estimates, the company is careful to rely only on the values estimated by the brokers in the impairment test. Because of this, value in use have been estimated for all vessels by calculating net present value of estimated future cash flows using weighted average cost of capital as discounting rate.

Maintenance costs

Ordinary repairs and maintenance are recognised in the profit and loss account. The cost of dockings and periodic maintenance on vessels are recognised in the balance sheet and recognised as expenses on a straight-line basis over the period up to the next periodic maintenance/docking, normally every 60 months. The costs are recognised through depreciation. Upon delivery of new vessels, a portion of the cost of the vessel is valued as deferred maintenance. If a vessel is sold, the capitalized deferred maintenance is deducted from the profit.

Taxes

Deferred tax is calculated using the liability method at 22% of all temporary differences between the taxable value of assets and liabilities and their booked amounts at the end of the accounting year. Any temporary differences that may increase or decrease tax are offset and recorded as a net figure.

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



NOTES TO THE ACCOUNTS (NOK 1 000)

FARSTAD INTERNATIONAL AS

Subsequent events

New information on the company's positions at the balance sheet date is taken into account in the annual financial statements. Events after the balance sheet date that do not affect the company's position at the balance sheet date, but will affect the company's position in the future, are stated if significant.

NOTE 2 SALARIES, NUMBER OF EMPLOYEES AND MANAGEMENT AGREEMENTS WITH CLOSELY RELATED PARTIES

Farstad International AS has no employees, - thus no wages or directors fee have been paid in 2020. The company is not obligated to have mandatory pension agreement.

Farstad International AS share of the management of the vessels in IOS, handled by Solstad Shipping AS according to management agreements was MNOK 1.5 (in 2019 MNOK 1.4).

Expensed audit fee	2020	2019
Statutory audit	46	20
Tax advisory fee	-	-
Total audit fees	46	20

VAT is not included in the audit fee.

NOTE 3 MORTGAGES

The arrangement fees are presented as net amount together with the debt and is expenced over the expected term of the loan.

	2020	2019
Share of interest bearing debt	-	65 562
Interest bearing current assets and loan to group companies	-	37 500
Net interest bearing debt	-	28 062
Capitalized arrangement fee	-	107
Capitalized interest relief from restructuring 2017	-	930

The long-term debt was distributed in 74 % in NOK and 26 % in AUD in 2019.

The interest-bearing debt had a floating interest rate. The interest rate was calculated using the market rate (NIBOR/LIBOR), plus a fixed margin charged by the banks.



NOTES TO THE ACCOUNTS (NOK 1 000)

FARSTAD INTERNATIONAL AS

NOTE 4 MORTGAGES AND GURANTEE LIABILITIES

	2020	2019
Liabilities secured by mortgage		
The company's share of interestbearing mortgage debt (gross)	-	65 562
The company's share of accrued interest on mortgage debt	-	2 428
Total secured mortgage debt	-	67 988
Balance sheet value of assets placed as security:		
Vessels' book values	7 459	13 143
Total	7 459	13 143

Also, additional guarantee was in 2019 provided through insurance settlements.
During 2020, all debt related to financing of vessels was settled and replaced with internal loans from Solstad Shipholding AS, ref note 10.

NOTE 5 SOLIDARY OBLIGATION

	2020	2019
The company has a solidary obligation for IOS's total debt.		
The solidary obligation not included in Farstad International AS balance by 31.12. is amounting	78 743	77 674

NOTE 6 EQUITY

	Share capital	Share Premium Reserve	Other equity	Total
Equity changes in the year				
Equity 01.01.	100	50 809	1 322	52 231
Loss for the year	-	-	-122 147	-122 147
Equity 31.12.	100	50 809	-120 825	-69 916

NOTE 7 SHARE CAPITAL

The share capital of TNOK 100 consists of 100 shares with nominal value of NOK 1.001. All shares are owned by Farstad Supply AS.

The ultimate parent company Solstad Offshore ASA has its registered offices in Nesavegen 39, 4280 Skudeneshavn, where the consolidated accounts including this company can be obtained.

NOTE 8 TAXES

	2020	2019
Calculation of deferred tax/deferred tax benefit		
Temporary differences		
Fixed assets	-	-
Other temporary differences	-114 067	-
Net temporary differences	-114 067	-
Uncovered interests carried forward	-	-
Tax losses carried forward	-164 178	-178 936
Basis for deferred tax	-278 245	-178 936
Deferred tax	-61 214	-39 366
Deferred tax benefit not shown in the balance sheet	61 214	39 366
Deferred tax in the balance sheet	-	-
Basis for income tax expense, changes in deferred tax and tax payable	2020	2019
Basis for payable taxes in the income statement		
Taxable financial result	-	5 175
Interest deduction limitation rule	-	-
Taxable profit	-	5 175
Components of the income tax expense	2020	2019
Corporate Taxes accrued	-	1 138
Change in deferred tax	-	-
Tax expense	-	1 138
Payable taxes in the balance sheet		
Payable tax abroad	-	1 138
Payable tax in the balance sheet	-	1 138

Deferred tax asset is not recognized as it is not likely the the Company will be in a tax paying position in the near future.



NOTES TO THE ACCOUNTS (NOK 1 000)

FARSTAD INTERNATIONAL AS

NOTE 9 VESSELS AND OTHER FIXED ASSETS

	Directly owned Vessels 2020	Directly owned Vessels 2019
Purchase cost pr. 01.01.	263 522	263 522
Additions	-	-
Disposals sale	-	-
Purchase cost pr. 31.12.	263 522	263 522
Accumulated depreciation and impairment 01.01	250 379	250 379
Depreciation in the year	-	-
Disposals sale	-	-
Impairment	5 684	-
Accumulated depreciation and impairment 31.12.	256 063	250 379
Recognized value deferred maintenance	-	-
Net book value at 31.12.	7 459	13 143

Depreciation of vessels and other fixed assets

The vessels are decomposed in vessel and deferred maintenance. The vessels are depreciated over defined period of use on a best estimated of what we believe the vessels can be sold for when they are 20 years old. Changes in depreciation on the basis of the annual reviewing of residual values are spread over the remaining period of use.

Deferred maintenance is capitalized and depreciated normally on a straight-line basis over the period up to next planned deferred maintenance/docking, normally over 60 months.

Fixture and fittings, vehicles and office machinery etc are depreciated linearly over 3-5 years.

Impairment

Due to the current market conditions, as well as uncertainty related to vessels future earnings, the company has performed individual impairment tests of all vessels. Impairments have been performed where the recoverable amount is lower than the recognized value for the vessels/assets. The recoverable amount for each vessel is based on a value in use calculation from cash flow before financial items and tax. The cash flow calculations have been discounted with an average cost of capital after tax (WACC) for the Solstad Offshore group of 9.0% (9.0 % in 2019). The cash flow per vessel is calculated until vessel reaches an age of 20 years.

For vessels having firm contracts, revenue is based on the current contracts. For vessels without firm contracts, and for vessels where the firm contract expires during the period, revenue is based on historical data. For the first period it is expected that the day rates for the PSV- and AHTS segment will remain low. From 2025 to 2027 it is assumed a gradual increase of revenue to a level which correspond to the average rates for the past 7-10 years. It is expected that the markets are normalized within 2027.

Bases on value-in-use calculations P/R International Offshore Services ANS has recognized an impairment at year-end 2020 of MNOK 11.4.



NOTES TO THE ACCOUNTS (NOK 1 000)

FARSTAD INTERNATIONAL AS

NOTE 10 BALANCE WITH GROUP COMPANIES, ETC.

	2020	2019
Other short-term receivables		
Farstad Shipping AS	-	4 951
Total	-	4 951

The Company had MNOK 114,1 in accruals of bad inter company debt at year-end 2020.

	2020	2019
Other current liability		
Farstad Offshore AS	100	-
Solstad Shipping AS	1 294	-
Farstad Shipping Pte. Ltd.	7 920	-
Farstad Marine AS	75	-
Farstad Shipping Crewing Services Pte Ltd	240	-
Solstad Australia Pty Ltd	28	-
Solstad Offshore Crewing Services Pte Ltd	6	-
Total	9 664	-

	2020	2019
Long term loan to group companies		
Farstad Shipping AS *)	-	101 000
Share of loan to Farstad Supply AS **)	-	10 000
Total	-	111 000

	2020	2019
Long term debt		
Solstad Shipholding AS	69 029	-
Total	69 029	-

*) Interest 3 months NIBOR + 3.00 % margin.

***) Interest 3 months NIBOR + 3.75 % margin.



NOTES TO THE ACCOUNTS (NOK 1 000)

FARSTAD INTERNATIONAL AS

NOTE 11 GOING CONCERN

The Financial Statements have been prepared on the going concern basis. After the completion of the operational and financial restructuring of a main part of Solstad Offshore Group, the Group's financial situation have improved resulting in positive equity and strengthened liquidity. The borrowing facilities in the restructured Group (Borrower Group) have been combined into one new fleet loan, with repayment terms that reflects the current market conditions. Solstad Shipholding AS is the registered borrower for this reinstated debt and companies within Borrower Group are guarantors and security providers. Internal loans are provided from Solstad Shipholding AS to subsidiaries within Borrower Group. This fleet loan agreement includes MNOK 1,500 in new working capital facility. There is free float of liquidity between the companies in the restructured group (Borrower Group). There are restrictions in the Solstad Shipholding AS fleet loan agreement to provide financial support to the ship owning entities outside Borrower Group, but part of Solstad Offshore ASA Group.

Amortization reliefs are given until 31.03.2023. The fleet loan matures in March 2024. Given the prevailing market conditions, the fleet loan's covenant with greatest associated uncertainty over the next 12 month's period, is the collateral vessels fair market values tested against the underlying vessel debt. Remedies are however available for borrowers through partial down payment of relevant loan tranches.

As part of the restructuring one third of Borrower Group's debt to credit institutions have been reduced. Related to this, equity transactions were done to strengthen equity in Solstad Shipholding. Similar conversions have not been done in shipowning companies. Based on this and development throughout the year, the equity in Farstad International AS is still negative. Solstad Shipholding AS has issued a support letter that states their financial support for all entities within the restructured Group (Borrower Group) for a period of 12 months from the date of approval of the balance sheet.

The going concern assumption is based on the level of cash and cash equivalents at year end, terms and conditions of the banking and borrowing facilities, the forecasted cash flow prognosis for Borrower Group, the backlog position at 31 December 2020 and the issued support letter from Solstad Shipholding AS.

NOTE 12 SUBSEQUENT EVENTS

P/R International Offshore Services ANS has sold the AHTS Lady Astrid and Lady Caroline.