



**Eidesvik Offshore ASA**  
*Report for 1<sup>st</sup> Quarter 2019*



Your Partner in Shipping

## Highlights in 1st Quarter 2019:

In 1<sup>st</sup> Quarter 2019 Eidesvik Offshore ASA («Eidesvik» or the «Group») generated a consolidated EBITDA of MNOK 48.6 compared to MNOK 7.1 in 1<sup>st</sup> Quarter 2018.

Contract awarded by CNOOC for «Viking Prince». Duration is approx. 3-5 months, and the contract commenced in April 2019.

Eidesvik entered into a Frame Agreement with Aker BP for the provision of Platform Supply Vessels (PSV). The duration of the Frame Agreement is initially for three years, with the options of two additional periods of two years each.

Eidesvik was awarded a contract for «Viking Lady» under the three year frame agreement with Aker BP. The firm contract duration is for 12 months and commenced in 1<sup>st</sup> Quarter 2019. The contract may be extended beyond the fixed period.

## Subsequent events:

Eidesvik was awarded a contract for the subsea construction vessel «Viking Neptun» with Ocean Installer for a period exceeding two months with further options. The contract will commence in 3<sup>rd</sup> Quarter 2019.

Eidesvik was awarded a contract for «Viking Prince» under the three year frame agreement with Aker BP. The firm contract duration is for 12 months with commencement in 3<sup>rd</sup> Quarter 2019.

Eidesvik entered into an agreement with Equinor for the vessel «Viking Queen». The contract period is firm for 4 months with further options. Contract commencement was in late April 2019.

Eidesvik entered into a long-term Master Time Charter Agreement with Seabed Geosolutions. The Master Time Charter Agreement includes services for seismic source and node-handling vessels. As a first call off under this agreement, Eidesvik was awarded new contracts by Seabed Geosolutions for the seismic source vessel «Vantage» and the node-handling vessel «Subsea Viking». The new contracts are in direct continuation of the existing contracts, and the duration is approximately 3 months with further options.

Eidesvik has received a letter of award from Magseis Fairfield for the use of «Veritas Viking» as a source vessel for an upcoming ocean bottom survey in the North Sea. Commencement is expected medio/ultimo July 2019 in direct continuation of the ongoing survey for «Veritas Viking». The firm contract period is approximately 2-3 months with options to extend.

## Results per 31.03.2019:

The interim accounts have been prepared in accordance with IAS 34. The interim accounts of 1<sup>st</sup> Quarter 2019 and corresponding figures for 2018 have not been audited.

The Group's consolidated total operating income per 31.03.2019 was MNOK 153.8 (total operating income per 31.03.2018 was MNOK 100.9). Operating profit before depreciation (EBITDA) was MNOK 48.6 (MNOK 7.1), and operating profit was MNOK -20.1 (MNOK -71.3). Profits from joint ventures of MNOK -14.0 (MNOK -22.6) are mainly related to operation of seismic vessels in the Global Seismic Vessels AS group, and the subsea vessel «Seven Viking». Net financial items were MNOK -29.6 (MNOK 20.2).



Profit after tax per 31.03.2019 amounted to MNOK -49.7 (MNOK 51.1 per 31.03.2018), whereof MNOK -46.6 (MNOK -54.6) was the result for the shareholders of the parent. This resulted in a profit per share of NOK -0.75 (NOK -1.14).

## **Balance sheet and liquidity per 31.03.2019:**

Current assets at 31.03.2019 was MNOK 658.0 (MNOK 741.9 at 31.03.2018), and cash balance was MNOK 443.2 (MNOK 565.8), whereof MNOK 48.1 is restricted cash.

Book equity at 31.03.2019 was MNOK 1,372.0 (MNOK 1,651.8 at 31.03.2018), i.e. an equity ratio of 34 % (39 %). During January 2018, as part of the financial restructuring, the Group completed a private placement of MNOK 120 and a conversion of shareholder loan of MNOK 30. A subsequent share offering of MNOK 30 was fully subscribed and completed in March 2018. The total booked equity per share was NOK 22.08 (NOK 26.58). The corresponding market quote at Oslo Stock Exchange closed at NOK 5.65 (NOK 5.70). This represents a market capitalization of MNOK 351.1 (MNOK 354.3).

Net interest-bearing debt at 31.03.2019 was MNOK 2,032.4 (MNOK 1,880.8 at 31.03.2018). The increase in net interest-bearing debt is mainly a result of USD appreciation against NOK and a decrease in the cash balance.

Cash flow from operating activities per 31.03.2019 amounted to MNOK 11.7 (MNOK -35.9 per 31.03.2018).

Cash flow from investment activities was MNOK -9.7 (MNOK -11,4 per 31.03.2018).

Cash flow from financing activities of MNOK -74.4 (MNOK 55.7 per 31.03.2018, share issue of total MNOK 148.9 and an extraordinary debt installment) consisted of payments of interest and installments on secured debt.

## **Variation in the operation of vessels in 2019 compared to 2018:**

### Seismic

The seismic segment including shares of Joint Venture's EBITDA per 31.03.2019 was MNOK 65.7 (MNOK 27.4 in the corresponding period in 2018), an increase of MNOK 38.3. The increase is mainly related to «Veritas Viking» being in operation in 2019 (lay up in the same period in 2018), higher income for «Vantage», and the vessel «Geo Caribbean» in the Joint Venture was taken out of layup in 2<sup>nd</sup> Quarter 2018. The consolidated part of the segment had per 31.03.2019 an EBITDA of MNOK 29.1 (MNOK 3.9).

### Subsea

The subsea/offshore wind segment including shares of Joint Venture's EBITDA per 31.03.2019 was MNOK 32.3 (MNOK 26.3 in the corresponding period in 2018), an increase of MNOK 6.0. The increase is mainly a result of higher income for «Subsea Viking». The consolidated part of the segment had per 31.03.2019 an EBITDA of MNOK 22.3 (MNOK 16.7).

### Supply

The supply segment's EBITDA per 31.03.2019 was MNOK 5.2 (MNOK -5.8 in the corresponding period in 2018), an increase of MNOK 11.0. This is mainly a result of higher utilization and day rates. In addition, «Viking Lady» was taken out of lay up in the end of 1<sup>st</sup> Quarter 2018.

## Financing:

In 1<sup>st</sup> Quarter 2018, the Group entered into agreements with its lenders securing changes in the repayment terms of the Group's loans. The financial results and cash flow delivered by the Group in 2018 were somewhat better than the assumptions at which the agreement with the Group's lenders was based upon in the 1<sup>st</sup> Quarter 2018. The results and cash flow for 1<sup>st</sup> Quarter 2019 are substantially better than said assumptions. See Note 15 for further information.

## Market and future outlook:

In the 1<sup>st</sup> Quarter of 2019 the market for PSVs in the North Sea experienced a welcome increase in both rate and utilization levels. This was the case in both the spot and term market, and we see signs of improvements for parts of the PSV market. We remain cautiously optimistic for the market for large PSVs.

Also, the subsea segment shows signs of market improvement with the major subsea contractors reporting solid backlog building and positive market outlooks. The increase in activity level going forward has already resulted in rate increases for the subsea fleet. We remain positive to this segment in both medium and long term.

We remain positive to the seismic segment in general.

**Bømlo, May 14, 2019**

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## Profit and Loss

### Consolidated (NOK 1 000)

	<b>2019</b>	2018	2018
	<b>1.1 - 31.3</b>	1.1 - 31.3	1.1 - 31.12
<b>Operating Income</b>			
Freight income	<b>148 900</b>	100 948	478 725
Other income (note 4)	<b>4 883</b>	0	10 504
<b>Total operating income</b>	<b>153 783</b>	100 948	489 229
<b>Operating Expenses</b>			
Personnel expenses	<b>76 351</b>	62 400	265 254
Other operating expenses	<b>28 784</b>	31 468	127 057
<b>Total operating expenses</b>	<b>105 135</b>	93 868	392 310
<b>Operating profit before depreciations</b>	<b>48 649</b>	7 080	96 919
Ordinary depreciation	<b>54 670</b>	55 811	218 883
Impairment on assets	<b>0</b>	0	0
<b>Operating profit before other income and expenses</b>	<b>(6 021)</b>	(48 731)	(121 965)
Result from Joint Ventures	<b>(14 045)</b>	(22 566)	(54 358)
<b>Operating profit</b>	<b>(20 066)</b>	(71 297)	(176 323)
<b>Financial Items</b> (note 11)			
Financial income	<b>4 075</b>	6 048	24 860
Financial expenses	<b>(29 989)</b>	(28 355)	(109 711)
Net agio (disagio)	<b>(3 726)</b>	42 530	(55 798)
<b>Net financial items</b>	<b>(29 640)</b>	20 223	(140 649)
<b>Pre-tax profit</b>	<b>(49 707)</b>	(51 074)	(316 972)
Taxes	<b>0</b>	0	347
<b>Profit</b>	<b>(49 707)</b>	(51 074)	(316 625)
<b>Attributable to</b>			
Equity holders of the parent	<b>(46 619)</b>	(54 640)	(283 244)
Non-controlling interests	<b>(3 088)</b>	3 566	(33 381)
Earnings per share	<b>(0,75)</b>	(1,14)	(4,83)
<b>Statement of comprehensive income</b>			
Profit	<b>(49 707)</b>	(51 074)	(316 625)
Currency translation adjustments Joint Ventures	<b>(3 107)</b>	(17 998)	15 083
Actuarial gain/ loss	<b>0</b>	0	7 907
<b>Comprehensive income</b>	<b>(52 814)</b>	(69 072)	(293 635)
Attributable to			
Equity holders of the parent	<b>(49 726)</b>	(72 639)	(260 254)
Non-controlling interests	<b>(3 088)</b>	3 566	(33 381)
<b>Total attributed</b>	<b>(52 814)</b>	(69 072)	(293 635)

## Balance

Consolidated (NOK 1 000)

	31.3.2019	31.03.2018	31.12.2018
<b>ASSETS</b>			
<b>Fixed assets:</b>			
Vessels	2 780 799	2 923 710	2 809 019
Other assets	20 960	20 760	21 125
Financial derivatives	930	0	0
Right-of-use asset	63 316	0	0
Other long-term receivables	85 238	83 997	106 121
Shares in Joint Ventures (note 9)	423 846	439 717	440 999
Shares	1 720	1 720	1 720
<b>Total fixed assets</b>	<b>3 376 810</b>	<b>3 469 905</b>	<b>3 378 984</b>
<b>Current assets:</b>			
Account receivables, freight income	147 962	142 515	160 100
Other short-term receivables	65 606	33 582	45 887
Financial derivatives	1 239	0	0
Cash and cash equivalents	443 183	565 795	515 605
<b>Total current assets</b>	<b>657 990</b>	<b>741 892</b>	<b>721 592</b>
<b>TOTAL ASSETS</b>	<b>4 034 799</b>	<b>4 211 797</b>	<b>4 100 576</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity attributable to the company's shareholders:			
Share capital	3 108	3 108	3 108
Premium fund	177 275	177 275	177 275
Other paid-in equity	629	629	629
Other comprehensive income	-30 076	-37 983	-30 076
Translation differences	109 725	79 750	112 832
Retained earnings	1 115 368	1 393 011	1 161 987
<b>Total equity majority shareholders</b>	<b>1 376 029</b>	<b>1 615 791</b>	<b>1 425 755</b>
Non-controlling interests	-4 017	36 018	-930
<b>Total equity</b>	<b>1 372 012</b>	<b>1 651 809</b>	<b>1 424 825</b>
<b>Long-term liabilities:</b>			
Financial derivatives	1 581	0	2 147
Lease liabilities	60 365	0	0
Pension liabilities	12 648	16 841	12 648
Interest-bearing debt (note 12)	2 382 927	2 356 134	2 416 515
<b>Total long-term liabilities</b>	<b>2 457 520</b>	<b>2 372 975</b>	<b>2 431 310</b>
<b>Short-term liabilities:</b>			
Interest-bearing debt (note 12)	101 443	100 675	105 656
Financial derivatives	2 108	2 458	1 074
Lease liabilities	3 256	0	0
Debt to suppliers	27 406	15 119	32 436
Tax payable	392	0	704
Other short-term liabilities	70 664	68 761	104 571
<b>Total short-term liabilities</b>	<b>205 268</b>	<b>187 012</b>	<b>244 440</b>
<b>Total liabilities</b>	<b>2 662 788</b>	<b>2 559 988</b>	<b>2 675 751</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4 034 799</b>	<b>4 211 797</b>	<b>4 100 576</b>



## Statement of changes in equity

(condensed)

	Share capital	Share premium	Other reservers	Other paid-in equity	Translation differences	Other equity	Total	Minority share	Total equity
Equity as at 01.01.2019	3 108	177 275	-30 076	629	112 832	1 161 987	1 425 762	-929	1 424 825
Profit in the period	0	0	0	0	0	-46 619	-46 619	-3 088	-49 707
Exchange differences Joint Venture	0	0	0	0	-3 107	0	-3 107	0	-3 107
<b>Equity as at 31.03.2019</b>	<b>3 108</b>	<b>177 275</b>	<b>-30 076</b>	<b>629</b>	<b>109 725</b>	<b>1 115 361</b>	<b>1 376 036</b>	<b>-4 017</b>	<b>1 372 012</b>
Equity as at 01.01.2018	1 508	0	-37 983	629	97 749	1 447 651	1 509 554	32 452	1 542 006
Profit in the period	0	0	0	0	0	-54 640	-54 640	3 566	-51 074
Share issue*	1 600	177 275	0	0	0	0	178 875	0	178 875
Exchange differences Joint Venture	0	0	0	0	-17 998	0	-17 998	0	-17 998
<b>Equity as at 31.03.2018</b>	<b>3 108</b>	<b>177 275</b>	<b>-37 983</b>	<b>629</b>	<b>79 751</b>	<b>1 393 011</b>	<b>1 615 790</b>	<b>36 018</b>	<b>1 651 809</b>
Equity as at 01.01.2018	1 508	0	-37 983	629	97 749	1 447 651	1 509 554	32 452	1 542 006
Profit in the period	0	0	0	0	0	-283 244	-283 244	-33 381	-316 625
Share issue*	1 600	177 275	0	0	0	0	178 875	0	178 875
Dismantled of the defined benefit pension scheme in Eidesvik AS (booked OCI 2016 and 2017)**	0	0	2 413	0	0	-2 413	0	0	0
Exchange differences Joint Venture	0	0	0	0	15 083	0	15 083	0	15 083
Actuarial loss	0	0	5 494	0	0	0	5 494	0	5 494
<b>Equity as at 31.03.2018</b>	<b>3 108</b>	<b>177 275</b>	<b>-30 076</b>	<b>629</b>	<b>112 832</b>	<b>1 161 994</b>	<b>1 425 762</b>	<b>-929</b>	<b>1 424 825</b>

\*During Q1 2018, a private placement, conversion of shareholder loan and a subsequent offer were completed. Reference is made to Note 15 for further information.

\*\* The defined benefit pension scheme was dismantled for the majority of onshore employees in December 2015 (Eidesvik AS). A defined contribution pension scheme replaced it from 31 December 2015. Per 31 December 2018 no employees in Eidesvik AS have defined benefit pension scheme.

## Cash flow statement

(condensed)

	1.1 - 31.3 2019	1.1 - 31.3 2018	1.1 - 31.12 2018
Net cash flow from operations excl. taxes	12 017	(35 877)	90 312
Paid taxes	(312)	(44)	(276)
<b>Cash flow from operating activity</b>	<b>11 705</b>	<b>(35 921)</b>	<b>90 036</b>
Received insurance settlement	1 536	0	2 825
Payment of long-term receivables	15 074	0	18 355
Purchase of fixed operating assets	(26 285)	(11 378)	(60 124)
<b>Cash flow from investment activity</b>	<b>(9 675)</b>	<b>(11 378)</b>	<b>(38 944)</b>
Share issue	0	148 875	148 875
Repayment of debt	(20 640)	(63 676)	(134 711)
Paid interest	(32 812)	(29 545)	(107 092)
Repayment of debt to JV (*)	(21 000)	0	0
<b>Cash flow from finance activity</b>	<b>(74 452)</b>	<b>55 654</b>	<b>(92 927)</b>
Changes in cash holdings	(72 422)	8 355	(41 836)
Liquid assets at the beginning of the period	515 605	557 440	557 440
<b>Liquid assets at the end of the period</b>	<b>443 183</b>	<b>565 795</b>	<b>515 605</b>

(\*) The repayment of debt to JV of MNOK 21, is in the 2018 Cashflow statement included in "Net cash flow from operations excl. taxes"

## Notes to the accounts

### Note 1 - Accounting principles

The accounts have been prepared in accordance with IAS 34 Interim Financial Reporting.

From January 1, 2019, the IFRS 16 Leases replaced the earlier standard IAS 17 Leases and related interpretations. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The news of this standard is that almost all rental agreements are capitalized. The exception is short-term and insignificant leases. At the commencement date of a lease, a lessee recognises a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees are required to separately recognise the interest expense on the lease liability and the depreciation expense on the right to use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases, operational and financial leases.

IFRS 16 Leases redefines financial key figures such as debt ratio and EBITDA. The standard affect primarily the accounting for Eidesvik Offshore ASA's («Eidesvik» or the «Group») operating leases. There is no significant impact on the financial statements for leases in which the Group is a lessor. The Group elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. Please see note 27 in the Group's annual consolidated financial statements for the year ended December 31, 2018 for further information of the impact.

Except for IFRS 16, there are no changes in accounting policies adopted in the preparation of the interim condensed consolidated financial statements compared with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2018.

## **Note 2 - Financial risk**

### Interest and foreign exchange risk

The Group has its income mainly in NOK, USD and EUR, while the material operating expenses are in NOK. Therefore, the Group is considerably exposed to fluctuations in the exchange rate of USD/NOK and EUR/NOK. To reduce this risk a considerable share of the Group's debt is drawn in USD, and parts of the liquidity surplus in foreign exchange is sold forward. One of the joint ventures have USD as functional currency. This implies that fluctuations in USD also results in accounted fluctuations as these assets have to be converted to NOK before recognized in the Group's accounts. Currency translation adjustments have to be recorded as the Group uses the equity method for recognizing these activities in the accounts. In the period following the balance date a weaker foreign exchange rate will result in reported foreign exchange gains related to debt and forward contracts in foreign exchange, but will also result in reduced value of long term charterparties in USD (not recognized in the accounts).

The Group has debt in USD and NOK and is exposed to changes in interest rate levels. The Group's interest rate risk is managed through interest swap derivatives and fixed-rate loans. As a consequence of this, the financial risk of high interest payments is reduced. The following quarters an increased interest level will result in increased interest expenses, but will also result in increased market value of fixed interest loans. The share of loans with fixed interest is 33 % for NOK loans and 16 % for USD loans per 31.03.2019.

### Market risk

For 2<sup>nd</sup> Quarter of 2019 contract coverage for all vessels (incl. 5 vessels in layup, whereof 3 vessels in JV's) is approx. 77 %, and for the rest of 2019 the coverage is approx. 75 %.

### Newbuild risk

The Group has per 31.03.2019 no vessels under construction.

### Credit risk

The Group's customers are mainly relatively solid companies with ability to meet contractual commitments. For most contract parties the risk for not fulfilling their commitments is considered low.

### Liquidity risk

The liquidity position is assessed as satisfactory the next 12 months.

## **Note 3 - Seasonal variations**

The interrim accounts are moderately influenced by seasonal variations. Reference is made to the chapter «Market and future outlook» and the «Contract status».

## **Note 4 - Special transactions**

Other revenues of MNOK 4.9 are related to reversal of previous write-down of paid installments on receivables from Oceanic Seismic Vessels AS. See note 5 in the Annual Accounts for 2018 for further details.

## **Note 5 - Estimates**

No changes in estimates materially influencing the interim results or balance have occurred.

Due to observed impairment indicators, the vessels' book values have been tested for impairment per 31.03.2019, and based on these tests, no impairments have been charged to the accounts. Incidentally, reference is made to the 2018 annual accounts Note 12 for further information about the tests and other estimates.

## **Note 6 - Long-term debt drawn**

No new long-term debt was drawn during the 1<sup>st</sup> Quarter of 2019. The Group's debt was restructured in the 1<sup>st</sup> Quarter 2018 with amendments in the instalment plan. Reference is made to Note 15 for further information.



## Note 7 - Dividends

No dividend has been paid in 2019 (2018: 0) in accordance with the covenants of the financial restructuring.

## Note 8 - Operating Segments

Time Charter revenue is based on contracts where the Group delivers a vessel including crew, to a client. The charterer determines, within the contractual limits, how the vessel is to be utilized. A Time Charter contract consists of a Bareboat component and a service component. The Bareboat period starts from the time the vessel is made available to the customer and expires on the agreed return date. The Bareboat component will normally be within the range 20-80% of the total contract value. The Bareboat component is within the scope of IFRS 16. Both the service and the Bareboat are recognized as revenue over the lease period on a straight-line basis. There is no Time Charter revenue when the vessels are off-hire.

\*The JV's income, expenses and depreciation are included in the table with a share corresponding to the Group's ownership share in the JVs.

Operation segment	Seismic		Subsea		Supply		Other		Consolidated	
	1.1 - 31.3 2019	1.1 - 31.3 2018	1.1 - 31.3 2019	1.1 - 31.3 2018	1.1 - 31.3 2019	1.1 - 31.3 2018	1.1 - 31.3 2019	1.1 - 31.3 2018	1.1 - 31.3 2019	1.1 - 31.3 2018
<b>Segment result</b>										
Operating income	19 815	5 649	35 005	31 141	38 093	25 005	3 243	3 942	96 156	65 737
Bareboat income	24 534	8 187	20 388	19 594	12 705	7 430	0	0	57 627	35 211
Operating income share from JV*	0	0	7 694	7 029	0	0	0	0	7 694	7 029
Bareboat income from JV*	38 603	26 276	9 813	10 726	0	0	0	0	48 416	37 002
<b>Total operating income</b>	<b>82 952</b>	<b>40 112</b>	<b>72 900</b>	<b>68 490</b>	<b>50 798</b>	<b>32 435</b>	<b>3 243</b>	<b>3 942</b>	<b>209 892</b>	<b>144 979</b>
Operating expenses	15 294	9 979	33 104	34 051	45 572	38 225	11 165	11 613	105 135	93 868
Operating expenses share from JV*	1 973	2 756	7 455	8 124	0	0	0	0	9 429	10 881
<b>Total operating expenses</b>	<b>17 267</b>	<b>12 735</b>	<b>40 559</b>	<b>42 175</b>	<b>45 572</b>	<b>38 225</b>	<b>11 165</b>	<b>11 613</b>	<b>114 564</b>	<b>104 749</b>
Depreciations	12 793	13 996	22 024	21 859	18 531	19 623	1 321	333	54 669	55 811
Depreciations share from JV*	34 608	32 150	4 701	4 744	0	0	0	0	39 309	36 894
Writedown on assets	0	0	0	0	0	0	0	0	0	0
Writedown on assets share from JV*	0	0	0	0	0	0	0	0	0	0
<b>Total depreciations/writedown on assets</b>	<b>47 401</b>	<b>46 146</b>	<b>26 725</b>	<b>26 603</b>	<b>18 531</b>	<b>19 623</b>	<b>1 321</b>	<b>333</b>	<b>93 978</b>	<b>92 705</b>
<b>Operating profit incl. share from JV*</b>	<b>18 283</b>	<b>-18 769</b>	<b>5 615</b>	<b>-289</b>	<b>-13 305</b>	<b>-25 413</b>	<b>-9 243</b>	<b>-8 004</b>	<b>1 351</b>	<b>-52 475</b>
Net finance and taxes from JV*	-19 203	-16 561	-2 213	-2 260	0	0	0	0	-21 417	-18 822
Writedown JV	0	0	0	0	0	0	0	0	0	0
Profit from associated companies	0	0	0	0	0	0	0	0	0	0
Profit from other JV	0	0	0	0	0	0	0	0	0	0
<b>Operating profit</b>	<b>-920</b>	<b>-35 331</b>	<b>3 402</b>	<b>-2 549</b>	<b>-13 305</b>	<b>-25 413</b>	<b>-9 243</b>	<b>-8 004</b>	<b>-20 066</b>	<b>-71 297</b>
Number of ships at end of period (incl. AC and JV)	11	11	4	4	7	7			22	22

## Note 9 - Joint venture

Summarized financial information per 31.03.2019 of the individual joint venture companies:

Company	Assets	Liability	Equity	Revenues	Profit	Ownership	Book value	Profit portion
Global Seismic Shipping AS (consolidated) (1)	3 726 054	2 925 311	800 743	77 206	-34 364	50 %	271 821	-17 182
CGG Eidesvik Ship Management AS	48 013	44 897	3 116	5 773	294	51 %	1 439	0
Eidesvik Seven AS	732 194	456 426	275 768	19 625	5 480	50 %	137 864	2 720
Eidesvik Seven Chartering AS	57 049	31 602	25 447	35 013	835	50 %	12 722	416
<b>Profit from Joint Ventures</b>							<b>423 846</b>	<b>(14 045)</b>

(1) In November 2018 CGG presented a new strategic roadmap for 2021, where the company announced that they intend to reduce their exposure to the acquisition business and reduce the number of ships they have in operation. This may impact Global Seismic Shipping AS, the JV owned 50/50 by Eidesvik Offshore ASA and CGG. Until CGG presents a proposal acceptable to Eidesvik Offshore ASA on how to realize their new strategy, the operation in the JV continues as normal.

Summarized financial information per 31.03.2018 of the individual joint ventures companies:

Company	Assets	Liability	Equity	Revenues	Profit	Ownership	Book value	Profit portion
Global Seismic Shipping AS (consolidated)	3 606 292	2 762 313	843 979	52 552	-50 383	50 %	305 698	-25 192
CGG Eidesvik Ship Management AS	20 595	17 294	3 302	7 205	480	51 %	1 439	0
Eidesvik Seven AS	740 535	503 961	236 574	21 451	7 147	50 %	118 273	3 573
Eidesvik Seven Chartering AS	39 314	7 401	31 913	35 510	-1 895	50 %	14 307	-947
<b>Profit from Joint Ventures</b>							<b>439 717</b>	<b>(22 566)</b>

## Note 10 - Financial ratio per share

	1.1 - 31.3 2019	1.1 - 31.3 2018	1.1 - 31.12 2018
Number of Shares (thousands)*	62 150	62 150	62 150
Earnings pr share, NOK*	-0,75	-1,14	-4,83
Equity pr share, NOK	22,08	26,58	22,93
Equity Ratio	34 %	39 %	35 %
EBITDA margin excl. gain on sale	32 %	7 %	20 %
EBIT margin excl. gain on sale	-13 %	-71 %	-36 %

\*Number of shares are changed due to share issue in 1st Quarter 2018. Earnings per share is based on the average number of shares in the period.

## Note 11- Financial items

	1.1 - 31.3 2019	1.1 - 31.3 2018	1.1 - 31.12 2018
Financial income	4 075	3 566	24 860
Impairment long-term receivables	0	0	(4 174)
Other interest and financial expenses	(29 989)	(25 873)	(105 537)
Realized agio on foreign exchange contracts	282	0	98
Realized agio - others	(1 627)	637	2 124
Unrealized agio - on foreign exchange contracts	1 702	2 545	1 782
Unrealized agio - loans	(4 083)	39 348	(59 802)
<b>Net financial items</b>	<b>(29 640)</b>	<b>20 223</b>	<b>(140 649)</b>

## Note 12 - Net interest-bearing debt

	31.03.2019	31.03.2018
Short-term debt to credit institutions	101 443	100 675
Accrued interests	(8 829)	(10 199)
1st year installment on long term interest-bearing debt	92 614	90 476
Long term interest-bearing debt	2 382 927	2 356 134
<b>Total interest-bearing debt</b>	<b>2 475 541</b>	<b>2 446 610</b>
Cash and cash equivalents	443 183	565 795
<b>Net interest-bearing debt</b>	<b>2 032 358</b>	<b>1 880 815</b>

## Note 13 - Related-party transactions

The ordinary operating related transactions with the joint ventures Global Seismic Shipping AS, Oceanic Seismic Vessels AS, CGGVeritas Eidesvik Ship Management AS, Eidesvik Seven AS and Eidesvik Seven Chartering AS, and the related companies Eidesvik Invest AS, Langevåg Senter AS, Bømlø Skipsservice AS, Evik AS, Bømmelfjord AS and Viking Dynamic AS, no material related-party transactions have been conducted. Reference is incidentally made to filings of notifyable tradings.

## Note 14 - Shareholders

No major changes in the shareholder positions have occurred in the period.

20 largest shareholders per 31.03.2019:

Name	Share	Country
EIDESVIK INVEST AS	59,82 %	NORWAY
PARETO AKSJE NORGE VERDIPAPIRFOND	5,02 %	NORWAY
JAKOB HATTELAND HOLDING AS	4,09 %	NORWAY
VINGTOR INVEST AS	2,31 %	NORWAY
BERGTOR INVESTERING AS	1,76 %	NORWAY
STANGELAND HOLDING AS	1,76 %	NORWAY
HJELTEFJORDEN AS	1,63 %	NORWAY
AGASØSTER INVEST AS	1,53 %	NORWAY
TVEITÅ, EINAR KRISTIAN	1,19 %	NORWAY
GEMSCO AS	0,84 %	NORWAY
PARETO INVEST AS	0,83 %	NORWAY
SKANDINAVISKA ENSKILDA BANKEN AB	0,82 %	SWEDEN
HELLAND AS	0,76 %	NORWAY
CALIFORNIA INVEST AS	0,73 %	NORWAY
TVEITÅ, OLAV MAGNE	0,71 %	NORWAY
RICHARD INVESTERINGSSKAP AS	0,64 %	NORWAY
COLORADO EIENDOM AS	0,63 %	NORWAY
TRI PLUS AS	0,62 %	NORWAY
SKANDINAVISKA ENSKILDA BANKEN AB	0,58 %	SWEDEN
MELING, JAN FREDRIK	0,54 %	NORWAY

## Note 15 - The financial restructuring

In the 1<sup>st</sup> Quarter of 2018, the Group agreed on an amendment to its loan agreements with its lenders to reduce amortisation of its secured loans to facilitate for a runway through 2022. A condition for the financial restructuring was, amongst others, that the Group obtained at least MNOK 120 in new equity and that the Group's MNOK 30 shareholder loan was converted to equity. In addition, a subsequent offer of MNOK 30 was fulfilled and completed in 1<sup>st</sup> Quarter 2018.

Summary of the restructuring

Amortization:

- 72.5% reduction in amortizations until 30 June 2021 (compared to original amortization schedule)
- Certain repayments up-front: 75% of the proceeds from sale of tradeable CGG bonds will be applied to reduce secured debt (remaining 25% to be applied for instalments in 2018-2020)
- Cash sweep:
  - Cash in the cash sweep calculations exceeding the following thresholds will be swept:
    - MNOK 490 per year-end 2018
    - MNOK 350 per year-end 2019
    - MNOK 245 at 30 June 2021 and 30 June 2022

Interest rates:

- No amendments

Financial covenants:

- Minimum free liquidity of NOK 125 million
- Positive working capital (current assets less current liabilities and 50% of short-term portion of long-term liabilities, excluding balloons)
- Loan to value:
  - Suspended through 2021
  - Thereafter (2022) maximum 100% per vessel

Other covenants

- Change of control: If Eidesvik Invest AS or the Eidesvik family controls less than 33.4% of the shares and votes in the Group, or
- Someone other than Eidesvik Invest AS gains negative control in the Group

Private and subsequent placement, debt conversion

The conditions required for completion of the Group's refinancing was fulfilled and that the refinancing was completed 31.01.2018. Consequently, and in accordance with the resolutions made by the EGM 29.01.2018, the Group registered the private placement of 24,000,000 new shares in the Group (the «Private Placement») and the conversion of a MNOK 30 shareholder loan resulting in the issue of another 2,000,000 new shares in the Group (the «Debt Conversion»), with the Norwegian Register of Business Enterprises.

At the EGM 29.01.2018 it was resolved to issue a subsequent offer for consideration of equal treatment of the shareholders. The subsequent offer was not a condition in the agreement with the lenders. The offer was set up to 6 000 000 shares, each share with par value of NOK 0,05 (the same par value as for the private placement). The subscription period ended in medio March 2018, and was fully subscribed and completed. The proceeds were MNOK 30. The proceeds from the subsequent offer are free of use to investments, and are not subject to the cash sweep.

Consequently, the Group's share capital was increased by NOK 1,600,000 through the issue of 32,000,000 new shares, each share with a par value of NOK 0.05. The new registered share capital in the Group is NOK 3,107,500 divided into 62,150,000 shares, each share with a par value of NOK 0.05 and representing one vote at the Group's general meetings.

Consequences of the financial restructuring

The Group, through the amended agreements with its lenders, reduced the planned annual instalments with approx. MNOK 220 towards July 2021. At the same time, the liquidity position in the Group was strengthened with a total of MNOK 150 in the private and subsequent placement, and converted the shareholder loan of MNOK 30 to equity. An extraordinary instalment on MNOK 54 was paid as part of the new agreement with the lenders. The revised debt maturity plan and strengthened liquidity position provides the Group with ability to withstand a weaker market for a prolonged period, and the financial covenants are structured in a manners which has lower risk of not being in compliance with them.

**Note 16 - Subsequent events**

No significant events with consequence for the accounts of 31st March 2019.

## Appendix 1 - Performance measurements definitions

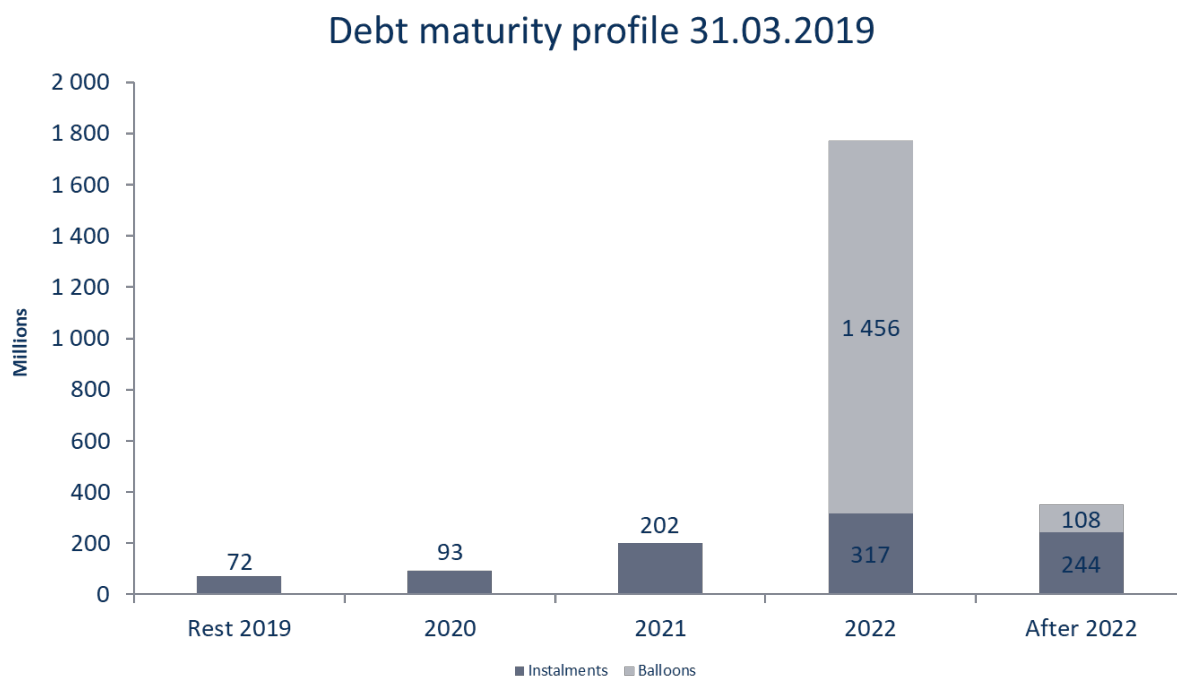
The Group's financial information is prepared in accordance with international financial reporting standards (IFRS). In addition, the Group discloses alternative performance measures as a supplement to the financial statement prepared in accordance with IFRS. Such performance measures are used to provide better insight into the operating performance, financing and future prospects of the Group and are frequently used by securities analysts, investors and other interested parties.

The definitions of these measures are as follows:

- Contract coverage: Number of future sold days compared with total actual available days (incl. vessels in layup), excluding options.
- Backlog: Sum of undiscounted revenue related to secured contracts in the future.
- Utilization: Actual days with revenue divided by total actual available days.
- Equity Ratio: Equity divided by total assets
- Net interest bearing debt: Interest bearing debt less current and non-current interest bearing receivables and cash and cash equivalents. The use of term «net debt» does not necessarily mean cash included in the calculation are available to settle debt if included in the term. Reference is made to Note 12.
- EBITDA: Operating profit (earnings) before depreciation, impairment, amortisation, net financial costs and taxes is a key financial parameter. The term is useful for assessing the profitability of operations, as it is based on variable costs and excludes depreciation, impairment and amortised costs related to investments. EBITDA is also important in evaluating performance relative to competitors. See table below for matching to the accounts.
- EBIT: Operating profit (earnings) before net financial costs and taxes. See table below for matching to the accounts.
- Working capital: Current assets less short-term liabilities.
- Minimum market value clause: Booked value of an asset shall not be lower than a given ratio compared to outstanding debt on the same asset.

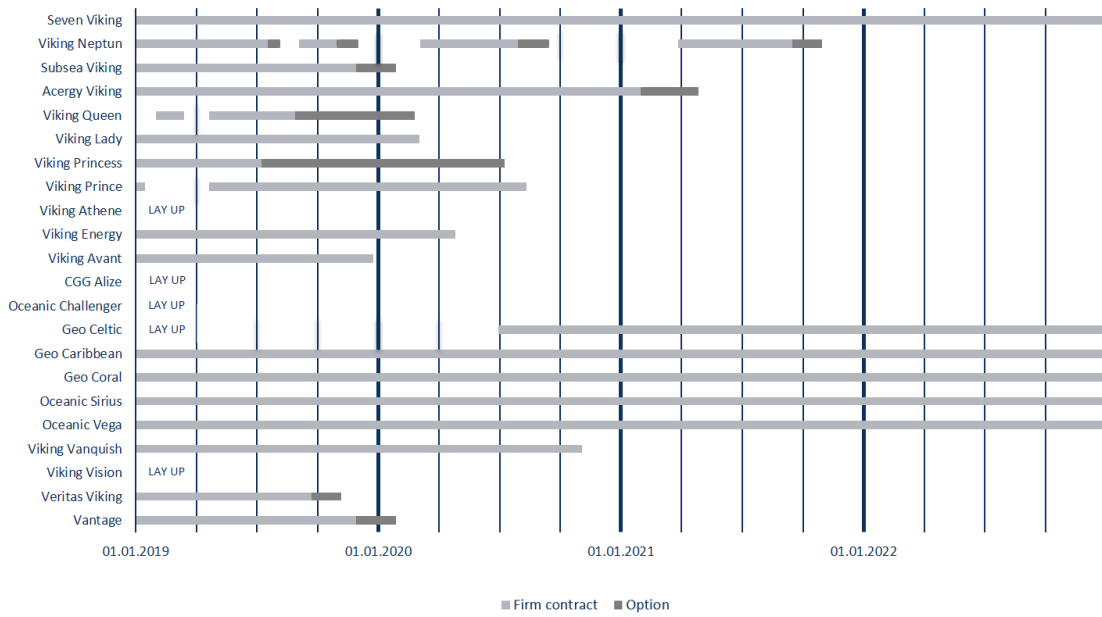
	2019 1.1 - 31.03	2018 1.1 - 31.03
<b>Total operating income</b>	<b>153 783</b>	100 948
<b>Total operating expenses</b>	<b>(105 135)</b>	(93 868)
<b>EBITDA</b>	<b>48 649</b>	7 080
Ordinary depreciation	(54 670)	(55 811)
Impairment on assets	0	0
Profit from Joint Ventures	(14 045)	(22 566)
<b>EBIT</b>	<b>(20 066)</b>	<b>(71 297)</b>

Appendix 2 - Debt maturity profile 31.03.2019:

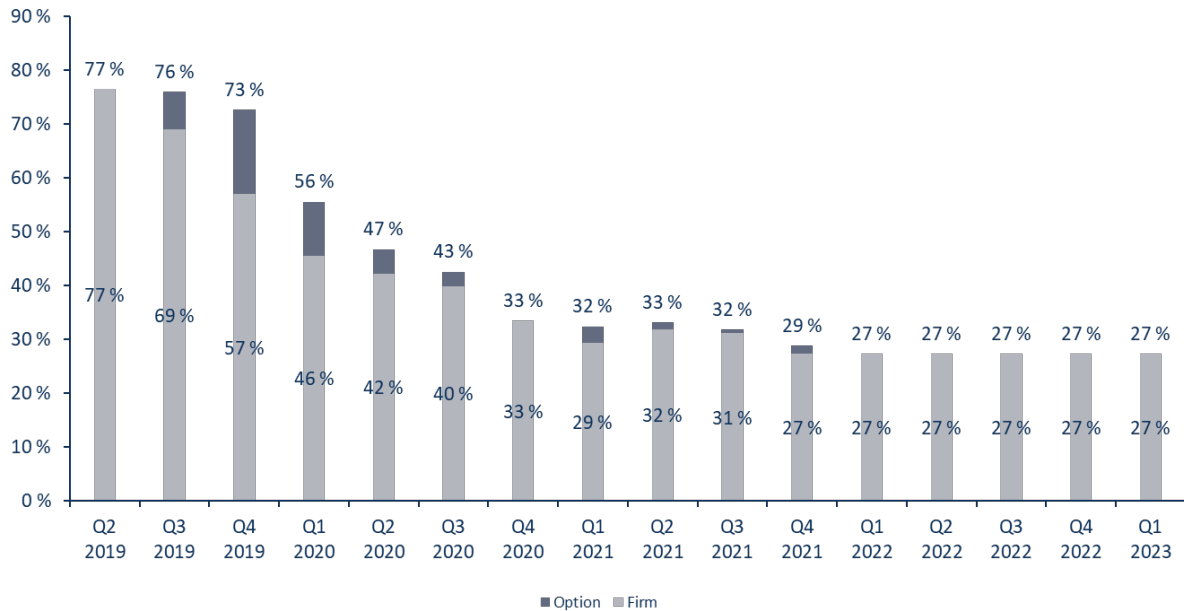


**Appendix 3 - Backlog 31.03.2019:**

**Contract Status**



**Contract coverage incl JV's 31.03.2019**



## Profit and Loss last 5 quarters

Consolidated (NOK 1 000)	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1
<b>Operating Income:</b>					
Freight income	148 900	134 464	118 332	124 981	100 948
Other income	4 883	10 504	0	0	0
<b>Total operating income</b>	<b>153 783</b>	144 968	118 332	124 981	100 948
<b>Operating Expenses:</b>					
Personell expenses	76 351	67 658	65 421	69 775	62 400
Other operating expenses	28 784	29 028	31 979	34 581	31 468
<b>Total operating expenses</b>	<b>105 135</b>	96 686	97 400	104 356	93 868
<b>Operating profit before depreciations</b>	<b>48 649</b>	48 282	20 932	20 624	7 080
Ordinary depreciation	54 670	54 546	55 819	52 706	55 811
Writedown on assets	0	0	0	0	0
<b>Operating profit before other income and expenses</b>	<b>(6 021)</b>	(6 264)	(34 888)	(32 082)	(48 731)
Result from JV	(14 045)	(8 064)	(12 948)	(10 780)	(22 566)
<b>Operating profit</b>	<b>(20 066)</b>	(14 328)	(47 836)	(42 863)	(71 297)
<b>Financial Items:</b>					
Financial income	4 075	13 247	4 080	1 485	6 048
Financial expenses	(29 989)	(26 235)	(29 106)	(26 016)	(28 355)
Net agio (disagio)	(3 726)	(59 802)	(352)	(38 173)	42 530
<b>Net financial items</b>	<b>(29 640)</b>	(72 789)	(25 378)	(62 704)	20 223
<b>Pre-tax profit</b>	<b>(49 707)</b>	(87 118)	(73 214)	(105 567)	(51 074)
Taxes	0	(1 142)	1 489	0	0
<b>Profit</b>	<b>(49 707)</b>	(88 260)	(71 725)	(105 567)	(51 074)
Equity holders of the parent	(46 619)	(46 053)	(90 874)	(91 677)	(54 640)
Non-controlling interests	(3 088)	(42 207)	19 149	(13 890)	3 566
Earnings per share	(0,75)	(0,74)	(1,46)	(1,48)	(1,14)
<b>Statement of comprehensive income</b>					
Currency translation adjustments - Joint Ventures	(3 107)	17 544	833	14 705	(17 998)
Actuarial gain/ loss	0	7 907	0	0	0
<b>Comprehensive income</b>	<b>(52 814)</b>	(62 809)	(70 892)	(90 862)	(69 072)
Attributable to					
Controlling interests	(49 726)	(20 602)	(90 041)	(76 972)	(72 639)
Non-controlling interests	(3 088)	(42 207)	19 149	(13 890)	3 566
<b>Total attributed</b>	<b>(52 814)</b>	(62 809)	(70 892)	(90 862)	(69 072)

## Balance Sheet last 5 quarters

Consolidated (NOK 1 000)	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1
<b>ASSETS</b>					
Fixed assets:					
Vessels	2 780 799	2 809 019	2 858 155	2 892 543	2 923 710
Other assets	20 960	21 125	20 607	20 845	20 760
Financial derivatives	930	0	0	0	0
Right-of-use asset	63 316	0	0	0	0
Other long-term receivables	85 238	106 121	82 187	92 581	83 997
Shares in Joint Venture	423 846	440 999	431 527	443 642	439 717
Shares	1 720	1 720	1 720	1 720	1 720
<b>Total fixed assets</b>	<b>3 376 810</b>	<b>3 378 984</b>	<b>3 394 196</b>	<b>3 451 332</b>	<b>3 469 905</b>
Current assets:					
Account receivables,	147 962	160 100	153 771	144 998	142 515
Other short-term receivables	65 606	45 887	39 922	57 244	33 582
Financial derivatives	1 239	0	721	0	0
Cash and cash equivalents	443 183	515 605	490 234	539 766	565 795
<b>Total current assets</b>	<b>657 990</b>	<b>721 592</b>	<b>684 647</b>	<b>742 008</b>	<b>741 892</b>
<b>TOTAL ASSETS</b>	<b>4 034 799</b>	<b>4 100 576</b>	<b>4 078 843</b>	<b>4 193 340</b>	<b>4 211 797</b>
<b>EQUITY AND LIABILITIES</b>					
Equity attributable to the company's shareholders:					
Share capital	3 108	3 108	3 108	3 108	3 108
Premium fund	177 275	177 275	177 275	177 275	177 275
Other paid-in equity	629	629	629	629	629
Other comprehensive income	(30 076)	(30 076)	(37 983)	(37 983)	(37 983)
Translation differences	109 725	112 832	95 288	94 455	79 750
Retained earnings	1 115 368	1 161 987	1 210 461	1 301 334	1 393 011
<b>Total equity majority shareholders</b>	<b>1 376 029</b>	<b>1 425 755</b>	<b>1 448 778</b>	<b>1 538 819</b>	<b>1 615 791</b>
Non-controlling interests	(4 017)	(930)	41 277	22 128	36 018
<b>Total equity</b>	<b>1 372 012</b>	<b>1 424 825</b>	<b>1 490 055</b>	<b>1 560 947</b>	<b>1 651 809</b>
<b>Long-term liabilities:</b>					
Financial derivatives	1 581	2 147	0	0	0
Lease liabilities	60 365	0	0	0	0
Other long-term liabilities	12 648	12 648	16 841	16 841	16 841
Interest-bearing debt	2 382 927	2 416 515	2 369 771	2 389 130	2 356 134
<b>Total long-term liabilities</b>	<b>2 457 520</b>	<b>2 431 310</b>	<b>2 386 613</b>	<b>2 405 971</b>	<b>2 372 975</b>
<b>Short-term liabilities:</b>					
Interest-bearing debt	101 443	105 656	97 235	102 219	100 675
Financial derivatives	2 108	1 074	0	110	2 458
Lease liabilities	3 256	0	0	0	0
Debt to suppliers	27 406	32 436	29 419	38 107	15 119
Tax payable	392	704	0	0	0
Other short-term liabilities	70 664	104 571	75 520	85 985	68 761
<b>Total short-term liabilities</b>	<b>205 268</b>	<b>244 440</b>	<b>202 175</b>	<b>226 421</b>	<b>187 012</b>
<b>Total liabilities</b>	<b>2 662 788</b>	<b>2 675 751</b>	<b>2 588 788</b>	<b>2 632 393</b>	<b>2 559 988</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4 034 799</b>	<b>4 100 576</b>	<b>4 078 843</b>	<b>4 193 340</b>	<b>4 211 797</b>











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