



Eidesvik Offshore ASA
Report for 1st Quarter 2020



Your Partner in Shipping

Highlights in 1st Quarter 2020

In 1st Quarter 2020 Eidesvik Offshore ASA («Eidesvik» or the «Group») generated a consolidated EBITDA of MNOK 28.2 (including a positive actuarial effect of MNOK 6.9), compared to MNOK 48.6 in 1st Quarter 2019.

The sale of Global Seismic Shipping AS («GSS») was completed on January 8, 2020. As consideration for Eidesvik's shares in GSS, Eidesvik received shares in Shearwater GeoServices Holding AS (the "Consideration Shares").

Equinor Energy AS («Equinor») awarded Eidesvik a five year contract for «Viking Energy», plus options for extensions in Equinor's favor. The new contract will commence in direct continuation of the current contract ending April 2020.

In relation to the five year contract for «Viking Energy», Eidesvik announced a zero emission shipping solution. «Viking Energy» will be part of a full scale research program using fuel cell technology in combination with ammonia aiming for a zero emission propulsion solution. Equinor and Eidesvik are the main pillars in the industry cooperation together with Wartsila Norway AS, Wartsila Gas Solutions AS, Prototech AS and NCE Maritime Clean Tech. The five year research project receives support from EU and aims to have 2MW fuel cell capacity installed onboard «Viking Energy» in 2024.

Eidesvik was awarded a new contract by Equinor for the PSV «Viking Queen». The new contract commenced in direct continuation of the existing contract in end February 2020. The firm period of the new contract is 8 months, with options for further extensions.

Eidesvik was awarded new contracts under the Master Time Charter Agreement with Seabed Geosolutions for the seismic source vessel «Vantage» and the node-handling vessel «Subsea Viking». The new contracts were planned to commence in direct continuation of the existing contracts.

Aker BP awarded Eidesvik a contract for Viking Lady under the framework agreement between the parties. The firm period is six months and commenced in direct continuation of the existing contract in start of March 2020.

Eidesvik received in March 2020 notice of early redelivery of «Viking Princess», and the vessel was redelivered in April 2020.

Subsequent events

The contract mentioned above for «Vantage» was cancelled in the start of April 2020. By the end of April 2020 the contract mentioned above for «Subsea Viking» was amended to a stand-by period limited to April 2021 for the vessel, pending commencement of operations as planned for under the original contract.

Results 1st Quarter 2020

The interim accounts have been prepared in accordance with IAS 34. The interim accounts of 1st Quarter 2020 and corresponding figures for 2019 have not been audited.

In the 1st Quarter 2020 Eidesvik had consolidated operating income of MNOK 136.8 (MNOK 153.8 in the corresponding period in 2019). Operating result before depreciations (EBITDA) was MNOK 28.2 (MNOK 48.6), and operating result (EBIT) was MNOK -18.9 (MNOK -20.1). Result from joint ventures was MNOK 2.5 (MNOK -14.0). Net financial items were MNOK -160.2 (MNOK -29.6), whereof MNOK

106.7 of financial income was related to the sale of GSS and the associated translation differences in the joint venture. This effect is reversed in Comprehensive Income, and has no effect on Total equity. Result after tax amounted to MNOK -179.2 (MNOK -49.7), whereof a negative effect of MNOK -222.4 was due to NOK weakening against USD, EUR and GBP, though partly offset by the above mentioned MNOK 106.7 in translation differences. For further information, refer to Note 11 to the accounts.

Balance sheet and liquidity per March 31, 2020

Current assets at March 31, 2020, was MNOK 963.2 (MNOK 658.0 at March 31, 2019), and cash balance was MNOK 380.5 (MNOK 443.2), whereof MNOK 59.4 is restricted cash.

Book equity at March 31, 2020, was MNOK 495.4 (MNOK 1,372.0 at March 31, 2019), i.e. an equity ratio of 15% (34%). The total booked equity per share at March 31, 2020 was NOK 7.97 (NOK 22.08). The corresponding market quote at Oslo Stock Exchange closed at NOK 3.48 (NOK 5.60). This represents a market capitalization of MNOK 216.3 (MNOK 348.0).

Due to observed impairment indicators, the vessels' book values have been tested for impairment per March 31, 2020. Based on these tests, no impairments have been charged to the accounts.

Net interest-bearing debt at March 31, 2020, was MNOK 2,356.5 (MNOK 2,096.0 at March 31, 2019). The increase in net interest-bearing debt is mainly a result of the effect from USD appreciation against NOK, and a decrease in the cash balance.

Cash flow from operating activities per March 31, 2020, amounted to MNOK 51.5 (MNOK 12.5 per March 31, 2019).

Cash flow from investment activities per March 31, 2020, was MNOK -22.6 (MNOK -9.7 per March 31, 2019).

Cash flow from financing activities per March 31, 2020, of MNOK -56.6 (MNOK -75.3 per March 31, 2019) consisted of payments of interest and installments on secured debt.

Variation in the operation of vessels in 2020 compared to 2019

Supply

The supply segment's EBITDA per March 31, 2020, was MNOK 22.0 (MNOK 5.2 in the corresponding period in 2019), an increase of MNOK 16.8. This is mainly a result of increases in utilization and day rates. In addition, «Viking Athene» was in operation in the Quarter versus in lay up in the same period in 2019.

Subsea

The subsea/offshore wind segment including shares of Joint Venture's EBITDA per March 31, 2020, was MNOK 9.1 (MNOK 32.3 in the corresponding period in 2019), a decrease of MNOK 23.2. The decrease is mainly a result of the low activity for «Viking Neptun» in the Quarter. The consolidated part of the segment had per March 31, 2020, an EBITDA of MNOK -0.4 (MNOK 22.3).

Seismic

The seismic segment's EBITDA per March 31, 2020, was MNOK 3.9 (MNOK 65.7 including shares of Joint Venture in the corresponding period in 2019), a decrease of MNOK 61.8. The decrease is mainly related to «Veritas Viking» being in warm lay up in the Quarter (in operation in the same period in 2019), lower income for «Vantage», and the sale of the JV GSS. The consolidated part of the segment had per March 31, 2020, an EBITDA of MNOK 3.9 (MNOK 29.1).

Financing

The recent World-wide outbreak of the Covid-19 virus, in combination with an unprecedented decline in demand for oil and thus dramatic drop in oil prices, have led oil companies to implement cost and capex saving measures that reduce demand for oil services. In light of the recent negative development of the market and outlook, the Group will initiate processes in order to protect its liquidity and financial position both short term and longer term.

Market and future outlook

PSV Market

The combination of COVID-19 and a significant decline in oil prices has resulted in a sharp market decline for PSVs. Operators reduce capex spending with cutbacks on drilling activity and an increased focus on opex reductions. This have already resulted in a number of rig cancellations with negative consequences for vessel utilization and day rate levels. Vessel owners are laying up tonnage and, again we expect challenging times ahead both in the short and medium term perspective. Medium term outlook is subject to change depending on the effect of the Norwegian Government's support package for the Norwegian Oil & Gas industry.

Subsea Market

The significant decline in oil prices has had severe impact on the subsea market as well. Oil and Gas Companies' capex cuts and opex reductions are leading to subsea projects delays and cancellations for both brownfield and greenfield projects World-wide. The subsea field-development companies prepare for a dramatic drop in expected activity level and also a significantly lower backlog building in the year ahead. We expect a reduction in vessel demand for both IMR and SURF vessels in the shorter term, and with significant uncertainty for demand medium to long term.

Seismic Market

The significant decline in oil prices has led to operators postponing or cancelling several seismic projects that were both planned and very near commencement in 2020. There has been a significant decline in new tenders from March, and consequently we expect a challenging market for seismic vessels short term.

Due to the high uncertainty in all markets wherein the Group operates, Eidesvik has decided to initiate processes to align the organization and adjust capacity to reflect the current market environment.

Bømlo, May 13, 2020

Kolbein Rege
Chairman of the Board

Borgny Eidesvik
Board Member

Lars Eidesvik
Board Member

John Egil Stangeland
Board Member

Synne Syrrist
Board Member

Kristine Elisabeth Skeie
Board Member

Lauritz Eidesvik
Board Member

Petter Lønning
Board Member

Jan Fredrik Meling
CEO

Profit and Loss

Consolidated (NOK 1 000)

	2020 1.1 - 31.3	2019 1.1 - 31.3	2019 1.1 - 31.12
Operating Income			
Freight income	129 708	148 900	632 862
Other income (note 4)	7 128	4 883	48 697
Total operating income	136 835	153 783	681 559
Operating Expenses			
Personnel expenses	73 943	76 351	310 409
Other operating expenses	34 671	28 784	127 962
Total operating expenses	108 614	105 135	438 371
Operating result before depreciations	28 221	48 649	243 188
Ordinary depreciation	49 615	54 670	228 267
Impairment on assets	0	0	569 700
Operating result before other income and expenses	(21 394)	(6 021)	(554 778)
Result from Joint Ventures	2 477	(14 045)	(10 510)
Operating result	(18 916)	(20 066)	(565 289)
Financial Items (note 11)			
Financial income	110 953	4 075	17 089
Financial expenses	(48 705)	(29 989)	(132 306)
Net agio (disagio)	(222 433)	(3 726)	(8 204)
Net financial items	(160 185)	(29 640)	(123 421)
Pre-tax result	(179 101)	(49 707)	(688 710)
Taxes	(69)	0	(1 563)
Result	(179 171)	(49 707)	(690 273)
Attributable to			
Equity holders of the parent	(126 226)	(46 619)	(598 923)
Non-controlling interests	(52 944)	(3 088)	(91 350)
Earnings per share	(2,03)	(0,75)	(9,64)
Statment of comprehensive income			
Profit	(179 171)	(49 707)	(690 273)
Currency translation adjustments Joint Ventures	(106 712)	(3 107)	(6 120)
Actuarial gain/ loss	0	0	1 042
Change in value stocks	51 762	0	0
Comprehensive income	(234 120)	(52 814)	(695 352)
Attributable to			
Equity holders of the parent	(181 176)	(49 726)	(604 001)
Non-controlling interests	(52 944)	(3 088)	(91 350)
Total attributed	(234 120)	(52 814)	(695 352)

Balance

Consolidated (NOK 1 000)

	31.03.2020	31.03.2019	31.12.2019
ASSETS			
Fixed assets:			
Vessels	2 105 562	2 780 799	2 107 637
Other assets	20 079	20 960	20 277
Financial derivatives	0	930	538
Right-of-use asset	58 793	63 316	59 963
Other long-term receivables	102 031	85 238	96 857
Shares in Joint Ventures (note 9)	161 998	423 846	159 520
Shares	1 720	1 720	1 720
Total fixed assets	2 450 310	3 376 810	2 446 513
Current assets:			
Financial investments	315 171	0	0
Account receivables, freight income	177 308	147 962	155 559
Other short-term receivables	90 209	65 606	84 312
Financial derivatives	0	1 239	724
Cash and cash equivalents	380 546	443 183	408 319
Total current assets	963 235	657 990	648 914
Assets held for sale			
Assets held for sale (note 9)	0	0	264 848
Total assets held for sale	0	0	264 848
TOTAL ASSETS	3 413 544	4 034 799	3 360 275
EQUITY AND LIABILITIES			
Equity			
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	(626)	(30 076)	(29 034)
Translation differences	51 762	109 725	106 712
Retained earnings	408 430	1 115 368	563 064
Total equity majority shareholders	640 578	1 376 029	821 753
Non-controlling interests	(145 224)	(4 017)	(92 280)
Total equity	495 354	1 372 012	729 474
Long-term liabilities:			
Financial derivatives	34 765	1 581	8 062
Lease liabilities (note 12)	57 094	60 365	57 923
Pension liabilities	0	12 648	6 833
Interest-bearing debt (note 12)	2 580 956	2 382 927	2 341 326
Total long-term liabilities	2 672 815	2 457 520	2 414 143
Short-term liabilities:			
Interest-bearing debt (note 12)	107 262	101 443	105 314
Financial derivatives	32 343	2 108	4 150
Lease liabilities (note 12)	3 256	3 256	3 256
Debt to suppliers	21 547	27 406	20 716
Tax payable	0	392	790
Other short-term liabilities	80 969	70 664	82 433
Total short-term liabilities	245 376	205 268	216 658
Total liabilities	2 918 191	2 662 788	2 630 801
TOTAL EQUITY AND LIABILITIES	3 413 544	4 034 799	3 360 275

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 01.01.2020	3 108	177 275	-29 035	629	106 712	563 064	821 753	-92 280	729 474
Result in the period	0	0	0	0	0	-126 226	-126 226	-52 944	-179 171
Other adjustments	0	0	28 409	0	51 762	-28 409	51 762	0	51 762
Exchange differences Joint Venture *	0	0	0	0	-106 712	0	-106 712	0	-106 712
Equity as at 31.03.2020	3 108	177 275	-626	629	51 762	408 430	640 578	-145 224	495 354

	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	1 425 755	-929	1 424 825
Result 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
Equity as at 31.03.2019	3 108	177 275	-30 076	629	109 725	1 115 368	1 376 029	-4 017	1 372 012

	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	1 161 994	1 425 762	-929	1 424 825
Result in the period	0	0	0	0	0	-598 923	-598 923	-91 350	-690 273
Exchange differences Joint Venture	0	0	0	0	-6 120	0	-6 120	0	-6 120
Actuarial loss	0	0	1 042	0	0	0	1 042	0	1 042
Equity as at 31.12.2019	3 108	177 275	-29 034	629	106 712	563 064	821 753	-92 280	729 474

* As the sale of Global Seismic Shipping AS to Shearwater was completed January 8, 2020, the Translation differences recognized in Equity have been recognized as financial income, and with reverse effect in Comprehensive income. See Note 9 and 11 for further information.

Cash flow statement

(condensed)

	1.1 - 31.3 2020	1.1 - 31.3 2019	1.1 - 31.12 2019
Net cash flow from operations excl. taxes	51 481	12 831	172 213
Paid taxes	(16)	(312)	(236)
Cash flow from operating activity	51 465	12 519	171 977
Received insurance settlement	0	1 536	3 714
Payment of long-term receivables (instalments and interests)	24 734	15 074	37 590
Purchase of fixed operating assets	(47 342)	(26 285)	(95 737)
Cash flow from investment activity	(22 608)	(9 675)	(54 433)
Instalment financial lease	(829)	(814)	(3 256)
Repayment of debt	(21 547)	(20 640)	(93 742)
Paid interest	(34 253)	(32 812)	(106 832)
Repayment of debt to JV	0	(21 000)	(21 000)
Cash flow from finance activity	(56 630)	(75 266)	(224 830)
Changes in cash holdings	(27 773)	(72 422)	(107 286)
Liquid assets at the beginning of the period	408 319	515 605	515 605
Liquid assets at the end of the period	380 546	443 183	408 319

Notes to the accounts

Note 1 - Accounting principles

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

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, 2019.

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 30% for USD loans per March 31, 2020. The Group has an interest swap agreement with forward start in June 2020. Consequently, the share of loans with fixed interest per June 2020 is estimated to be 33% for NOK loans and 43% for USD loans.

Market risk

For 2nd Quarter of 2020 contract coverage for all consolidated vessels and the JV vessel «Seven Viking» (incl. 3 vessels in lay up) is approx. 65%, and for the rest of 2020 the coverage is approx. 52%.

Newbuild risk

The Group has per March 31, 2020, 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 relatively low.

Liquidity risk

The liquidity position is assessed as satisfactory for 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 7.1 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 2019 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 March 31, 2020. Based on these tests, no impairments have been charged to the accounts. For further information about the tests and other estimates, reference is made to the 2019 annual accounts Note 12.

Note 6 - Long-term debt drawn

No new long-term debt was drawn during the 1st Quarter of 2020. The Group's debt was restructured in the 1st 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 2020 (2019: 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.

Operation segment	Seismic		Subsea		Supply		Other		Total	
	1.1.-31.03.2020	1.1.-31.03.2019	1.1.-31.03.2020	1.1.-31.03.2019	1.1.-31.03.2020	1.1.-31.03.2019	1.1.-31.03.2020	1.1.-31.03.2019	1.1.-31.03.2020	1.1.-31.03.2019
Segment result										
Operating income	5 628	19 815	22 235	35 005	55 084	38 093	4 762	3 243	87 708	96 156
Bareboat income	14 331	24 534	13 451	20 388	21 345	12 705	0	0	49 128	57 627
Operating income share from JV*	0	0	8 567	7 694	0	0	0	0	8 567	7 694
Bareboat income from JV*	0	38 603	9 574	9 813	0	0	0	0	9 574	48 416
Total operating income	19 959	82 952	53 827	72 900	76 429	50 798	4 762	3 243	154 977	209 892
Operating expenses	16 050	15 294	36 073	33 104	54 423	45 572	2 069	11 165	108 615	105 135
Operating expenses share from JV*	0	1 973	8 647	7 455	0	0	0	0	8 647	9 429
Total operating expenses	16 050	17 267	44 720	40 559	54 423	45 572	2 069	11 165	117 262	114 564
Depreciations	10 844	12 793	18 595	22 024	18 808	18 531	1 368	1 321	49 615	54 669
Depreciations share from JV*	0	34 608	4 769	4 701	0	0	0	0	4 769	39 309
Write-down on assets	0	0	0	0	0	0	0	0	0	0
Write-down on assets share from JV*	0	0	0	0	0	0	0	0	0	0
Total depreciations/write-down on assets	10 844	47 401	23 364	26 725	18 808	18 531	1 368	1 321	54 384	93 978
Operating result incl. share from JV*	-6 935	18 283	-14 257	5 615	3 198	-13 305	1 325	-9 243	-16 669	1 351
Net finance and taxes from JV*	0	-19 203	-2 247	-2 213	0	0	0	0	-2 247	-21 417
Write-down JV	0	0	0	0	0	0	0	0	0	0
Result from associated companies	0	0	0	0	0	0	0	0	0	0
Result from other JV	0	0	0	0	0	0	0	0	0	0
Operating result	-6 935	-920	-16 505	3 402	3 198	-13 305	1 325	-9 243	-18 917	-20 066
Number of ships at end of period (incl. JV)	4	11	4	4	7	7			15	22

* 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.

Note 9 - Joint venture

Summarized financial information per March 31, 2020, of the individual joint venture companies:

Company	Assets	Liability	Equity	Revenues	Profit	Ownership	Book value	Result portion
Eidesvik Seven AS	705 530	408 844	296 686	19 148	4 646	50 %	148 363	2 323
Eidesvik Seven Chartering AS	52 346	25 079	27 268	36 282	309	50 %	13 635	153
Profit from Joint Ventures							161 998	2 477

Summarized financial information per March 31, 2019 of the individual joint ventures companies:

Company	Assets	Liability	Equity	Revenues	Profit	Ownership	Book value	Result portion
Global Seismic Shipping AS (consolidated)	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
Profit from Joint Ventures							423 846	(14 045)

Assets held for sale

Eidesvik and CGG Marine Resources Norge AS and CGG S.A. ("CGG") agreed June 4, 2019 on a term sheet for a transaction whereby CGG was contemplating to acquire Eidesvik's 50% ownership share in Global Seismic Shipping AS ("GSS"). The sale of GSS to Shearwater GeoServices Holding AS ("Shearwater") was completed January 8, 2020. As consideration for Eidesvik's shares in GSS, Eidesvik received shares in Shearwater, and these are classified as "Financial investments" in the balance sheet per March 31, 2020. As previously announced, CGG and Eidesvik have agreed on a put option for Eidesvik at US\$ 30 million for the Consideration Shares exercisable in a period of up to 36 months after closing of the transaction. For further information, reference is made to announcement made on Oslo Stock Exchange June 4, 2019, and January 8, 2020.

Note 10 - Financial ratio per share

	1.1 - 31.3 2020	1.1 - 31.3 2019	1.1 - 31.12 2019
Number of Shares (thousands)	62 150	62 150	62 150
Earnings pr share, NOK	-2,03	-0,75	-9,64
Equity pr share, NOK	7,97	22,08	11,74
Financial Equity Ratio	15 %	34 %	22 %
EBITDA margin excl. gain on sale	21 %	32 %	21 %
EBIT margin excl. gain on sale	-14 %	-13 %	-14 %

Note 11- Financial items

	1.1 - 31.3 2020	1.1 - 31.3 2019	1.1 - 31.12 2019
Financial income*	110 953	4 075	17 089
Impairment long-term receivables	2 550	0	3 410
Other interest and financial expenses	(30 384)	(29 203)	(121 443)
Interest cost - lease liabilities	(765)	(786)	(3 142)
Change in market value on interest instruments	(20 106)	(3 688)	(11 131)
Realized agio on foreign exchange contracts	71	282	785
Realized agio - others	(3 008)	(1 627)	(5 496)
Unrealized agio - on foreign exchange contracts	(36 996)	5 390	2 372
Unrealized agio - loans	(182 500)	(4 083)	(5 865)
Net financial items	(160 185)	(29 640)	(123 421)

* MNOK 106.7 relates to reversed translation differences due to the sale of Global Seismic Shipping AS.

Note 12 - Net interest-bearing debt

	31.03.2020	31.03.2019
Short-term interest-bearing debt	107 262	101 443
Accrued interests	(11 558)	(8 829)
Liabilities related to Assets held for sale	0	0
<i>1st year installment on long-term interest-bearing debt</i>	95 704	92 614
Short-term lease liabilities (IFRS 16)	3 256	3 256
<i>Short-term interest-bearing debt</i>	98 960	95 870
Long-term interest-bearing debt	2 580 956	2 382 927
Long-term lease liabilities (IFRS 16)	57 094	60 365
<i>Long-term interest-bearing debt</i>	2 638 050	2 443 291
Total interest-bearing debt	2 737 010	2 539 161
Cash and cash equivalents	(380 546)	(443 183)
Net interest-bearing debt	2 356 463	2 095 978

Note 13 - Related-party transactions

The ordinary operating related transactions with the joint ventures *Global Seismic Shipping AS, *Oceanic Seismic Vessels AS, *CGG Eidesvik Ship Management AS, *CGG Eidesvik Crewing I AS, Eidesvik Seven AS and Eidesvik Seven Chartering AS, and the related companies Eidesvik Invest AS, Langevåg Senter AS, Bømlo Skipsservice AS, Evik AS, Bømmelfjord AS and Viking Dynamic AS, no material related-party transactions have been conducted. Reference is made to the 2019 annual accounts Note 24.

*Sold January 8, 2020.

Note 14 - Shareholders

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

20 largest shareholders per March 31, 2020:

Name	Share	Country
EIDESVIK INVEST AS	59,86 %	NORWAY
PARETO AKSJE NORGE VERDIPAPIRFOND	5,03 %	NORWAY
JAKOB HATTELAND HOLDING AS	4,93 %	NORWAY
VINGTOR INVEST AS	2,31 %	NORWAY
STANGELAND HOLDING II AS	1,76 %	NORWAY
BERGTOR INVESTING AS	1,76 %	NORWAY
HJELTEFJORDEN AS	1,63 %	NORWAY
AGASØSTER INVEST AS	1,53 %	NORWAY
TVEITÅ, EINAR KRISTIAN	1,22 %	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
PARETO INVEST AS	0,64 %	NORWAY
RICHARD INVESTERINGSSKAP AS	0,64 %	NORWAY
COLORADO EIENDOM AS	0,63 %	NORWAY
SKANDINAVISKA ENSKILDA BANKEN AB	0,58 %	SWEDEN
MELING, JAN FREDRIK	0,54 %	NORWAY
CAIANO SHIP AS	0,44 %	NORWAY
DUNVOLD INVEST AS	0,43 %	NORWAY

Note 15 - The financial restructuring

In the 1st 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 1st Quarter 2018.

Summary of the restructuring

Amortization:

- 72.5% reduction in amortizations until June 30, 2021 (compared to original amortization schedule)
- Certain repayments up-front: 75% of the proceeds from sale of tradeable CGG bonds was 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

Consequences of the financial restructuring

The revised debt maturity plan and strengthened liquidity position provided the Group with ability to withstand a weaker market for a prolonged period, and the financial covenants was structured in a manner which had lower risk of not being in compliance with them.

Recent developments in the energy markets have increased uncertainty in all our market segments and it is currently too early to have a clear view on the longer term market development. Due to this increased uncertainty, the Group is considering to initiate processes in order to protect its liquidity and financial position both short term and longer term.

Note 16 - Subsequent events

The subsequent events have no consequence for the accounts per March 31, 2020.

Appendix 1 – Alternative performance measures 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.

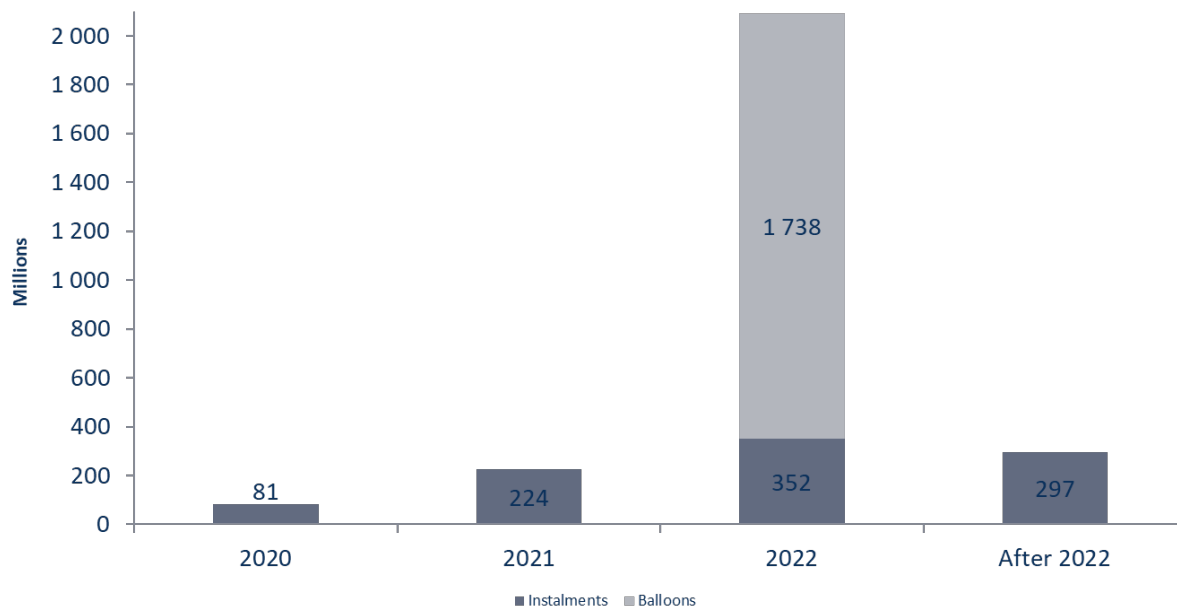
The definitions of these measures are as follows:

- 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 result (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 result (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.

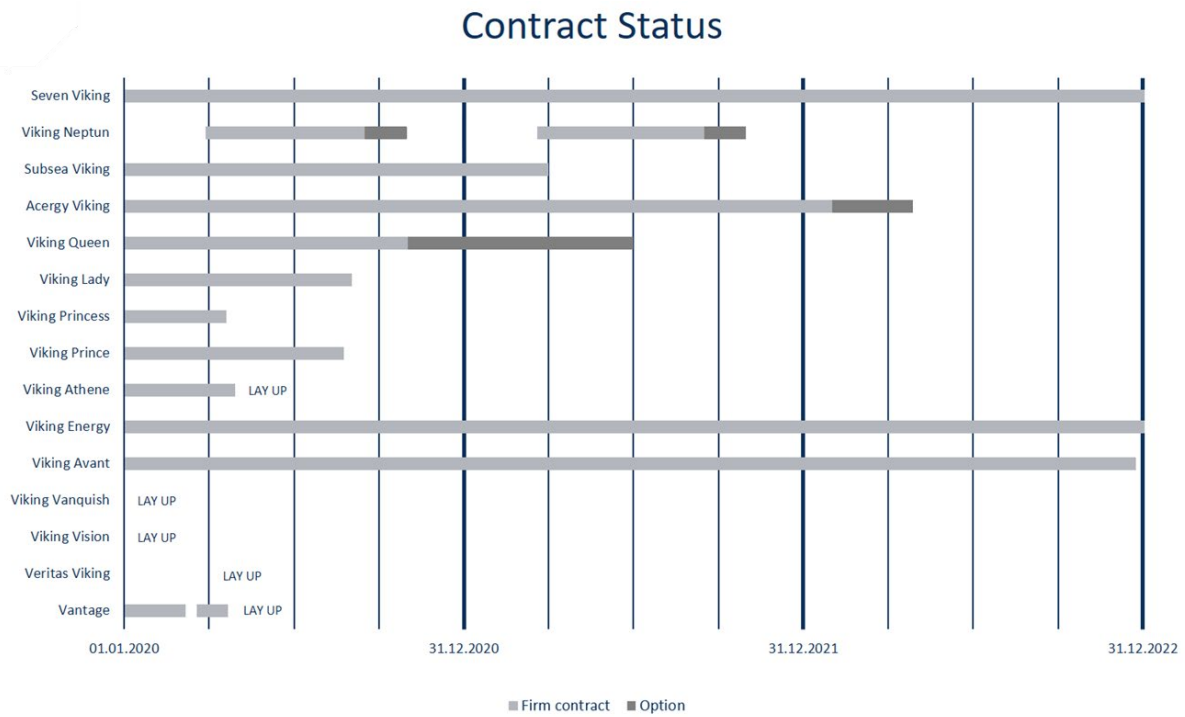
	2020 1.1 - 31.3	2019 1.1 - 31.3
Total operating income	136 835	153 783
Total operating expenses	(108 614)	(105 135)
EBITDA	28 221	48 649
Ordinary depreciation	(49 615)	(54 670)
Impairment on assets	0	0
Profit from Joint Ventures	2 477	(14 045)
EBIT	(18 916)	(20 066)

Appendix 2 - Debt maturity profile March 31, 2020:

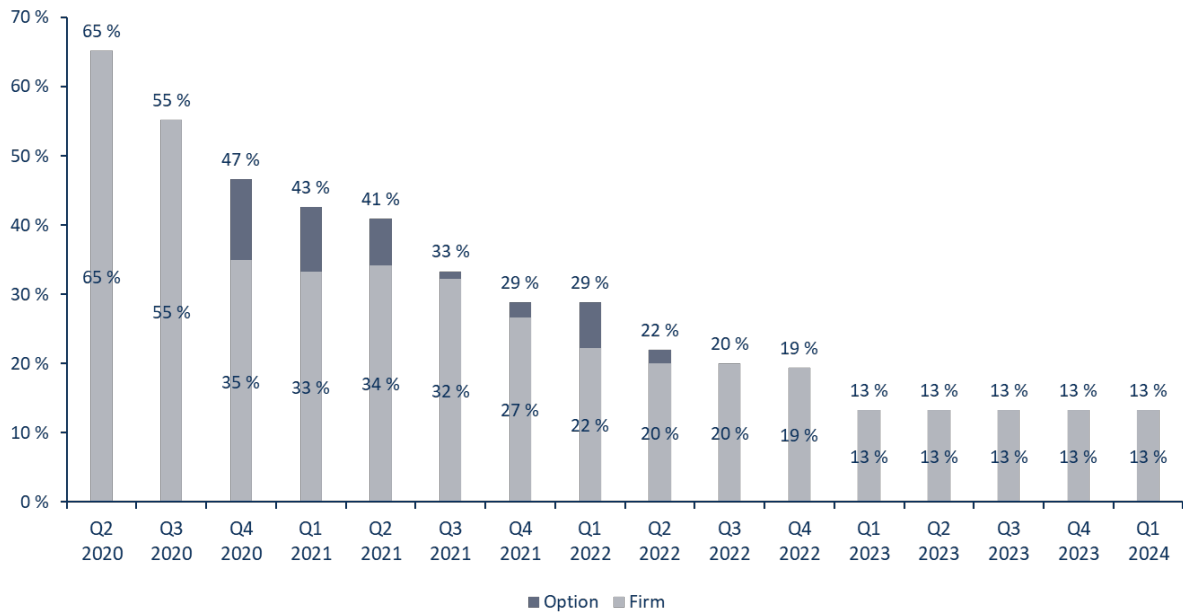
Debt maturity profile 31.03.2020



Appendix 3 – Contract status and coverage March 31, 2020:



Contract coverage incl. JV's 31.03.2020



Profit and Loss last 5 Quarters

Consolidated (NOK 1 000)	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1
Operating Income:					
Freight income	129 708	142 043	170 836	171 082	148 900
Other income	7 128	0	5 260	38 554	4 883
Total operating income	136 835	142 043	176 096	209 636	153 783
Operating Expenses:					
Personell expenses	73 943	71 539	76 790	85 729	76 351
Other operating expenses	34 671	35 453	35 983	27 742	28 784
Total operating expenses	108 614	106 992	112 773	113 471	105 135
Operating result before depreciations	28 221	35 051	63 323	96 165	48 649
Ordinary depreciation	49 615	59 334	59 303	54 960	54 670
Writedown on assets	0	569 700	0	0	0
Operating result before other income and expenses	(21 394)	(593 983)	4 021	41 205	(6 021)
Result from JV	2 477	(124)	5 624	(1 965)	(14 045)
Operating result	(18 916)	(594 107)	9 645	39 240	(20 066)
Financial Items:					
Financial income	110 953	5 066	3 969	3 979	4 075
Financial expenses	(48 705)	(28 076)	(35 015)	(37 648)	(31 566)
Net agio (disagio)	(222 433)	40 289	(71 028)	24 684	(2 149)
Net financial items	(160 185)	17 279	(102 074)	(8 986)	(29 640)
Pre-tax result	(179 101)	(576 828)	(92 429)	30 255	(49 707)
Taxes	(69)	(1 460)	0	(104)	0
Result	(179 171)	(578 288)	(92 429)	30 151	(49 707)
Equity holders of the parent	(126 226)	(510 162)	(74 535)	32 393	(46 619)
Non-controlling interests	(52 944)	(68 126)	(17 895)	(2 242)	(3 088)
Earnings per share	(2,03)	(8,21)	(1,20)	0,52	(0,75)
Statement of comprehensive income					
Currency translation adjustments - Joint Ventures	(106 712)	(568)	0	8 660	(3 107)
Actuarial gain/ loss	0	1 042	0	0	0
Change in value stocks	51 762	0	0	0	0
Comprehensive income	(234 120)	(577 814)	(92 429)	38 810	(52 814)
Attributable to					
Controlling interests	(181 176)	(509 688)	(74 535)	41 052	(49 726)
Non-controlling interests	(52 944)	(68 126)	(17 895)	(2 242)	(3 088)
Total attributed	(234 120)	(577 814)	(92 429)	38 810	(52 814)

Balance Sheet last 5 Quarters

Consolidated (NOK 1 000)	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1
ASSETS					
Fixed assets:					
Vessels	2 105 562	2 107 637	2 701 453	2 745 143	2 780 799
Other assets	20 079	20 277	20 523	20 725	20 960
Financial derivatives	0	538	0	668	930
Right-of-use asset	58 793	59 963	61 081	62 198	63 316
Other long-term receivables	102 031	96 857	99 643	99 339	85 238
Shares in Joint Venture	161 998	159 520	158 850	153 226	423 846
Shares	1 720	1 720	1 720	1 720	1 720
Total fixed assets	2 450 310	2 446 513	3 043 269	3 083 021	3 376 810
Current assets:					
Financial investments	315 171	0	0	0	0
Account receivables,	177 308	155 559	211 304	179 865	147 962
Other short-term receivables	90 209	84 312	83 754	110 626	65 606
Financial derivatives	0	724	0	1 337	1 239
Cash and cash equivalents	380 546	408 319	419 783	409 752	443 183
Total current assets	963 235	648 914	714 841	701 579	657 990
Assets held for sale	0	264 848	266 210	266 210	0
Total assets held for sale	0	264 848	266 210	266 210	0
TOTAL ASSETS	3 413 544	3 360 275	4 024 321	4 050 811	4 034 799
EQUITY AND LIABILITIES					
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	(626)	(29 034)	(30 076)	(30 076)	(30 076)
Translation differences	51 762	106 712	107 279	107 279	109 725
Retained earnings	408 430	563 064	1 073 226	1 147 761	1 115 368
Total equity majority shareholders	640 578	821 753	1 331 441	1 405 976	1 376 029
Non-controlling interests	(145 224)	(92 280)	(24 154)	(6 259)	(4 017)
Total equity	495 354	729 474	1 307 288	1 399 717	1 372 012
Long-term liabilities:					
Financial derivatives	34 765	8 062	11 062	7 117	1 581
Lease liabilities	57 094	57 923	58 737	59 551	60 365
Other long-term liabilities	0	6 833	12 648	12 648	12 648
Interest-bearing debt	2 580 956	2 341 326	2 411 179	2 346 158	2 382 927
Total long-term liabilities	2 672 815	2 414 143	2 493 626	2 425 474	2 457 520
Short-term liabilities:					
Interest-bearing debt	107 262	105 314	102 516	104 116	101 443
Financial derivatives	32 343	4 150	7 294	2 945	2 108
Lease liabilities	3 256	3 256	3 256	3 256	3 256
Debt to suppliers	21 547	20 716	17 910	27 650	27 406
Tax payable	0	790	411	411	392
Other short-term liabilities	80 969	82 433	92 021	87 242	70 664
Total short-term liabilities	245 376	216 658	223 408	225 620	205 268
Total liabilities	2 918 191	2 630 801	2 717 033	2 651 094	2 662 788
TOTAL EQUITY AND LIABILITIES	3 413 544	3 360 275	4 024 321	4 050 811	4 034 799



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