

Eidesvik Offshore ASA
Report for 3rd Quarter 2019



Your Partner in Shipping

Highlights in 3rd Quarter 2019

In 3rd Quarter 2019 Eidesvik Offshore ASA («Eidesvik» or the «Group») generated a consolidated EBITDA of MNOK 63.3, compared to MNOK 20.9 in 3rd Quarter 2018.

Eidesvik was awarded a 3-year contract for «Viking Avant» from Equinor Energy AS in direct continuation of the current contract expiring end December 2019. This enables the Group to install batteries and hybrid solutions for the vessel, and it will be the 6th Eidesvik vessel with batteries and hybrid solutions.

Equinor Energy AS awarded Eidesvik a contract for «Viking Queen». The firm contract period is 6 months, and commenced in direct continuation of the ongoing contract that expired ultimo August 2019.

Results 3rd Quarter 2019

The interim accounts have been prepared in accordance with IAS 34. The interim accounts of 3rd Quarter 2019 and corresponding figures for 2018 have not been audited.

In the 3rd Quarter 2019 Eidesvik had consolidated operating income of MNOK 176.1 (MNOK 118.3 in the corresponding period in 2018). Operating profit before depreciations (EBITDA) was MNOK 63.3 (MNOK 20.9), and operating profit (EBIT) was MNOK 9.6 (MNOK -47.8). Profit from joint ventures was MNOK 5.6 (MNOK -12.9). Net financial items were MNOK -102.1 (MNOK -25.4). Profit after tax amounted to MNOK -92.4 (MNOK -71.7).

Results per 30.09.2019

The interim accounts have been prepared in accordance with IAS 34. The interim accounts per 30.09.2019 and corresponding figures for 2018 have not been audited.

The Group's consolidated total operating income per 30.09.2019 was MNOK 539.5, whereof MNOK 38.6 is related to the termination of the contract for «Viking Vanquish» (total operating income per 30.09.2018 was MNOK 344.3). Operating profit before depreciation (EBITDA) was MNOK 208.1 (MNOK 48.6), and operating profit was MNOK 28.8 (MNOK -162.0). Profits from joint ventures of MNOK -10.4 (MNOK -46.3) are mainly related to operation of the subsea vessel «Seven Viking», and seismic vessels in the Global Seismic Vessels AS group until May 31, 2019 (Note 9). Net financial items were MNOK -140.7 (MNOK -67.9).

Profit after tax per 30.09.2019 amounted to MNOK -112.0 (MNOK -228.4 per 30.09.2018), whereof MNOK -88.8 (MNOK -237.2) was the result for the shareholders of the parent. This resulted in a profit per share of NOK -1.43 (NOK -4.12).

The Board is pleased to see that the result from operations in 3rd Quarter 2019 continues to reflect the improved market conditions experienced during 2019 in most of the segments in which the Group operates.

Balance sheet and liquidity per 30.09.2019

Current assets at 30.09.2019 was MNOK 714.8 (MNOK 684.6 at 30.09.2018), and cash balance was MNOK 419.8 (MNOK 490.2), whereof MNOK 51.3 is restricted cash.

Book equity at 30.09.2019 was MNOK 1,307.3 (MNOK 1,490.1 at 30.09.2018), i.e. an equity ratio of 32% (37%). 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 21.03 (NOK 23.98). The corresponding market quote at Oslo Stock Exchange closed at NOK 5.58 (NOK 6.30). This represents a market capitalization of MNOK 346.8 (MNOK 391.5).

Net interest-bearing debt at 30.09.2019 was MNOK 2,148.9 (MNOK 1,969.9 at 30.09.2018). The increase in net interest-bearing debt is mainly a result of the effect from IFRS 16 (lease liabilities), USD appreciation against NOK, and a decrease in the cash balance. Net interest-bearing debt excluding lease liabilities at 30.09.2019 was MNOK 2,086.9.

Cash flow from operating activities per 30.09.2019 amounted to MNOK 97.4 (MNOK 15.2 per 30.09.2018).

Cash flow from investment activities was MNOK -22.4 (MNOK -38.5 per 30.09.2018).

Cash flow from financing activities of MNOK -170.8 (MNOK -43.8 per 30.09.2018) 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's EBITDA per 30.09.2019, including shares of Joint Venture until May 31, 2019 (Note 9), was MNOK 176.6 (MNOK 109.9 in the corresponding period in 2018), an increase of MNOK 66.7. 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», termination of the contract for «Viking Vanquish», and the vessel «Geo Caribbean» in the Joint Venture was taken out of layup in 2nd Quarter 2018. The consolidated part of the segment had per 30.09.2019 an EBITDA of MNOK 115.3 (MNOK 14.6).

Subsea

The subsea/offshore wind segment including shares of Joint Venture's EBITDA per 30.09.2019 was MNOK 96.8 (MNOK 83.0 in the corresponding period in 2018), an increase of MNOK 13.9. The increase is mainly a result of higher income for «Subsea Viking». The consolidated part of the segment had per 30.09.2019 an EBITDA of MNOK 65.8 (MNOK 47.7).

Supply

The supply segment's EBITDA per 30.09.2019 was MNOK 41.0 (MNOK 6.4 in the corresponding period in 2018), an increase of MNOK 34.6. This is mainly a result of an increase in utilization and day rates. In addition, «Viking Lady» was taken out of lay up in the end of 1st Quarter 2018, and «Viking Athene» was taken out of lay up in the start of 3rd Quarter 2019. From medio July 2019, Eidesvik has all its PSV's on firm contracts throughout 2019.

Financing

In the 1st 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 1st Quarter 2018. The results and cash flow for the three first Quarters in 2019 was substantially better than said assumptions. See Note 15 for further information.

Market and future outlook

As we enter the winter season the PSV segment experiences a decrease in rates and utilization. We still find the market less volatile in the 3rd Quarter compared to previous years, and note a high number of term fixtures concluded in the 3rd Quarter. While the global PSV fleet still is subject to over-supply, the availability for large modern PSVs remains tight.

The subsea segment experienced a decrease in both rates and utilization in the 3rd Quarter and we do not expect any changes in demand during the coming winter months. The Walk-to-Work market has also been slow, with few charters concluded and a high number of vessels with gangway available. In the short term, we expect the subsea charters to be project and seasonal oriented, with vessel availability remaining high. The main subsea and field development companies continue to build solid backlog and their fleet utilisation is improving year on year. As these projects are expected to go into execution phase, vessel demand is also expected to increase, and we maintain our positive outlook for this segment in a medium to long term perspective.

The main seismic operators have reported increased earnings, gradual market recovery and significant improvement in pricing year on year. The ocean bottom seismic market is taking a larger share of the seismic overall spending, and ocean bottom seismic is increasingly being used for exploration seismics. Thus, we maintain our positive view for the seismic market.

Bømlo, November 20, 2019

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)

	2019 1.7 - 30.9	2018 1.7 - 30.9	2019 1.1 - 30.9	2018 1.1 - 30.9
Operating Income				
Freight income	170 836	118 332	490 819	344 261
Other income (note 4)	5 260	0	48 697	0
Total operating income	176 096	118 332	539 516	344 261
Operating Expenses				
Personnel expenses	76 790	65 421	238 870	197 596
Other operating expenses	35 983	31 979	92 509	98 029
Total operating expenses	112 773	97 400	331 379	295 625
Operating profit before depreciations	63 323	20 932	208 137	48 636
Ordinary depreciation	59 303	55 819	168 932	164 337
Impairment on assets	0	0	0	0
Operating profit before other income and expenses	4 021	(34 888)	39 204	(115 701)
Result from Joint Ventures	5 624	(12 948)	(10 386)	(46 294)
Operating profit	9 645	(47 836)	28 819	(161 995)
Financial Items (note 11)				
Financial income	3 969	4 080	12 023	11 613
Financial expenses	(35 015)	(29 106)	(104 229)	(83 476)
Net agio (disagio)	(71 028)	(352)	(48 493)	4 004
Net financial items	(102 074)	(25 378)	(140 700)	(67 859)
Pre-tax profit	(92 429)	(73 214)	(111 881)	(229 854)
Taxes	0	1 489	(104)	1 489
Profit	(92 429)	(71 725)	(111 985)	(228 365)
Attributable to				
Equity holders of the parent	(74 535)	(90 874)	(88 761)	(237 191)
Non-controlling interests	(17 895)	19 149	(23 224)	8 825
Earnings per share	(1,20)	(1,46)	(1,43)	(4,12)
Statement of comprehensive income				
Profit	(92 429)	(71 725)	(111 985)	(228 365)
Currency translation adjustments Joint Ventures	0	833	5 553	(2 460)
Actuarial gain/ loss	0	0	0	0
Comprehensive income	(92 429)	(70 892)	(106 433)	(230 826)
Attributable to				
Equity holders of the parent	(74 535)	(90 041)	(83 208)	(239 651)
Non-controlling interests	(17 895)	19 149	(23 224)	8 825
Total attributed	(92 429)	(70 892)	(106 433)	(230 826)

Balance

Consolidated (NOK 1 000)

	30.9.2019	30.6.2018	31.12.2018
ASSETS			
Fixed assets:			
Vessels	2 701 453	2 858 155	2 809 019
Other assets	20 523	20 607	21 125
Right-of-use asset	61 081	0	0
Other long-term receivables	99 643	82 187	106 121
Shares in Joint Ventures (note 9)	158 850	431 527	440 999
Shares	1 720	1 720	1 720
Total fixed assets	3 043 269	3 394 196	3 378 984
Current assets:			
Account receivables, freight income	211 304	153 771	160 100
Other short-term receivables	83 754	39 922	45 887
Financial derivatives	0	721	0
Cash and cash equivalents	419 783	490 234	515 605
Total current assets	714 841	684 647	721 592
Assets held for sale			
Assets held for sale (note 9)	266 210	0	0
Total assets held for sale	266 210	0	0
TOTAL ASSETS	4 024 321	4 078 843	4 100 576
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	-30 076	-37 983	-30 076
Translation differences	107 279	95 288	112 832
Retained earnings	1 073 226	1 210 461	1 161 987
Total equity majority shareholders	1 331 441	1 448 778	1 425 755
Non-controlling interests	-24 154	41 277	-930
Total equity	1 307 288	1 490 055	1 424 825
Long-term liabilities:			
Financial derivatives	11 062	0	2 147
Lease liabilities (note 12)	58 737	0	0
Pension liabilities	12 648	16 841	12 648
Interest-bearing debt (note 12)	2 411 179	2 369 771	2 416 515
Total long-term liabilities	2 493 626	2 386 613	2 431 310
Short-term liabilities:			
Interest-bearing debt (note 12)	102 516	97 235	105 656
Financial derivatives	7 294	0	1 074
Lease liabilities (note 12)	3 256	0	0
Debt to suppliers	17 910	29 419	32 436
Tax payable	411	0	704
Other short-term liabilities	92 021	75 520	104 571
Total short-term liabilities	223 408	202 175	244 440
Total liabilities	2 717 033	2 588 788	2 675 751
TOTAL EQUITY AND LIABILITIES	4 024 321	4 078 843	4 100 576

Statement of changes in equity

(condensed)

	Share capital	Share premium	Other reserves	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
Profit in the period	0	0	0	0	0	-88 761	-88 761	-23 224	-111 985
Exchange differences Joint Venture	0	0	0	0	-5 553	0	-5 553	0	-5 553
Equity as at 30.09.2019	3 108	177 275	-30 076	629	107 280	1 073 226	1 331 441	-24 154	1 307 288
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	-237 191	-237 191	8 825	-228 365
Share issue*	1 600	177 275	0	0	0	0	178 875	0	178 875
Exchange differences Joint Venture	0	0	0	0	-2 460	0	-2 460	0	-2 460
Equity as at 30.09.2018	3 108	177 275	-37 983	629	95 289	1 210 460	1 448 777	41 277	1 490 055
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
Equity as at 31.12.2018	3 108	177 275	-30 076	629	112 832	1 161 987	1 425 755	-929	1 424 825

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

Cash flow statement

(condensed)

	1.7 - 30.9 2019	1.7 - 30.9 2018	1.1 - 30.9 2019	1.1 - 30.9 2018	1.1 - 31.12 2018
Net cash flow from operations excl. taxes	64 277	14 778	97 632	15 345	90 312
Paid taxes	0	(136)	(255)	(180)	(276)
Cash flow from operating activity	64 277	14 642	97 377	15 165	90 036
Received insurance settlement	0	0	3 714	0	2 825
Payment of long-term receivables (instalments and interests)	16 779	10 394	34 629	15 656	18 355
Purchase of fixed operating assets	(15 409)	(21 193)	(60 764)	(54 196)	(60 124)
Cash flow from investment activity	1 370	(10 799)	(22 421)	(38 540)	(38 944)
Share issue	0	0	0	148 875	148 875
Repayment of debt	(21 103)	(20 459)	(67 364)	(109 063)	(134 711)
Paid interest	(34 513)	(32 916)	(82 414)	(83 643)	(107 092)
Repayment of debt to JV*	0	0	(21 000)	0	0
Cash flow from finance activity	(55 616)	(53 375)	(170 778)	(43 831)	(92 927)
Changes in cash holdings	10 031	(49 532)	(95 822)	(67 206)	(41 836)
Liquid assets at the beginning of the period	409 753	539 766	515 605	557 440	557 440
Liquid assets at the end of the period	419 783	490 234	419 783	490 234	515 605

* 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 29% for USD loans per 30.09.2019. The Group has entered into 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 4th Quarter of 2019 contract coverage for all consolidated vessels and the JV vessel «Seven Viking» (incl. 2 vessels in layup) is approx. 77%, and for 2020 the coverage is approx. 33%.

Newbuild risk

The Group has per 30.09.2019 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 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 5.3 recognized in the 3rd Quarter 2019 are related to reversal of 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.

Sum of Other revenues per 30.09.2019 also include the termination fee of MNOK 38.6 related to the terminated contract for «Viking Vanquish» in the 2nd Quarter 2019. In addition, MNOK 4.9 related to reversal of previous write-down of paid installments on receivables from Oceanic Seismic Vessels AS are included. 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 30.09.2019. 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 2018 annual accounts Note 12.

Note 6 - Long-term debt drawn

No new long-term debt was drawn during the 3rd Quarter of 2019. 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 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.

Operation segment	Seismic		Subsea		Supply		Other		Consolidated	
	1.7.-30.9.2019	1.7.-30.9.2018	1.7.-30.9.2019	1.7.-30.9.2018	1.7.-30.9.2019	1.7.-30.9.2018	1.7.-30.9.2019	1.7.-30.9.2018	1.7.-30.9.2019	1.7.-30.9.2018
Segment result										
Operating income	24 265	7 716	29 476	37 706	51 443	40 837	5 566	4 138	110 751	90 398
Bareboat income	15 483	8 025	25 770	7 908	24 093	12 001	0	0	65 345	27 933
Operating income share from JV*	0	0	9 609	8 614	0	0	0	0	9 609	8 614
Bareboat income from JV*	0	37 893	10 106	10 964	0	0	0	0	10 106	48 856
Total operating income	39 748	53 634	74 960	65 192	75 536	52 838	5 566	4 138	195 810	175 802
Operating expenses	20 857	12 926	37 008	34 296	50 032	41 947	4 874	8 232	112 771	97 401
Operating expenses share from JV*	0	1 440	7 070	7 031	0	0	0	0	7 070	8 471
Total operating expenses	20 857	14 366	44 078	41 327	50 032	41 947	4 874	8 232	119 841	105 872
Depreciations	12 951	12 115	22 176	25 115	22 855	18 351	1 321	238	59 303	55 819
Depreciations share from JV*	0	36 337	4 796	4 802	0	0	0	0	4 796	41 139
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
Total depreciations/writedown on assets	12 951	48 452	26 972	29 917	22 855	18 351	1 321	238	64 099	96 958
Operating profit incl. share from JV*	5 940	-9 185	3 911	-6 052	2 649	-7 460	-629	-4 332	11 870	-27 029
Net finance and taxes from JV*	0	-18 449	-2 225	-2 360	0	0	0	0	-2 225	-20 808
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
Operating profit	5 940	-27 633	1 686	-8 412	2 649	-7 460	-629	-4 332	9 645	-47 837
Number of ships at end of period (incl. JV, excl. Assets held for sale)	4	11	4	4	7	7			15	22

Operation segment	Seismic		Subsea		Supply		Other		Consolidated	
	1.1.-30.9.2019	1.1.-30.9.2018	1.1.-30.9.2019	1.1.-30.9.2018	1.1.-30.9.2019	1.1.-30.9.2018	1.1.-30.9.2019	1.1.-30.9.2018	1.1.-30.9.2019	1.1.-30.9.2018
Segment result										
Operating income	55 524	22 129	95 373	100 331	134 283	102 847	14 827	12 804	300 008	238 111
Bareboat income	113 572	25 770	71 850	52 068	54 087	28 311	0	0	239 508	106 149
Operating income share from JV*	0	0	24 611	25 441	0	0	0	0	24 611	25 441
Bareboat income from JV*	65 781	100 811	29 810	32 534	0	0	0	0	95 591	133 345
Total operating income	234 877	148 710	221 643	210 374	188 370	131 158	14 827	12 804	659 718	503 046
Operating expenses	53 792	33 340	101 386	104 678	147 410	124 779	28 790	32 828	331 378	295 625
Operating expenses share from JV*	4 493	5 450	23 420	22 714	0	0	0	0	27 913	28 164
Total operating expenses	58 285	38 790	124 806	127 392	147 410	124 779	28 790	32 828	359 291	323 789
Depreciations	39 022	37 667	66 104	69 130	59 812	56 646	3 995	894	168 933	164 337
Depreciations share from JV*	50 908	102 179	14 245	14 431	0	0	0	0	65 153	116 611
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
Total depreciations/writedown on assets	89 930	139 846	80 349	83 561	59 812	56 646	3 995	894	234 086	280 948
Operating profit incl. share from JV*	86 663	-29 926	16 488	-579	-18 852	-50 267	-17 958	-20 918	66 340	-101 690
Net finance and taxes from JV*	-30 727	-53 257	-6 794	-7 049	0	0	0	0	-37 521	-60 306
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
Operating profit	55 935	-83 183	9 694	-7 628	-18 852	-50 267	-17 958	-20 918	28 819	-161 996
Number of ships at end of period (incl. JV, excl. Assets held for sale)	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 30.09.2019 of the individual joint venture companies:

Company	Assets	Liability	Equity	Revenues	Profit	Ownership	Book value	Profit portion
Global Seismic Shipping AS (consolidated)*	3 480 890	2 881 130	599 760	131 563	-40 694	50 %	0	-20 347
CGG Eidesvik Ship Management AS	36 866	33 686	3 181	16 511	359	51 %	1 439	0
Eidesvik Seven AS	719 363	432 579	286 784	59 619	16 535	50 %	143 412	8 267
Eidesvik Seven Chartering AS	93 294	65 298	27 996	18 841	3 387	50 %	13 998	1 692
Profit from Joint Ventures							158 850	(10 386)

* Assets held for sale

One June 4, 2019, Eidesvik and CGG Marine Resources Norge AS and CGG agreed on a term sheet for a transaction whereby CGG is contemplating to acquire Eidesvik's 50% ownership share in Global Seismic Shipping AS. Reference is made to Eidesvik's disclosure to Oslo Stock Exchange June 4, 2019.

The sale of the shares is considered more probable than not, and the assets are therefore classified as «held for sale» from the date of the term sheet. As a consequence, the results of the joint venture only includes Eidesvik's share of the result until May 31, 2019.

Company	Profit per Q3-19	Ownership	Book value	Profit portion not booked per 30.09.2019
Global Seismic Shipping AS (consolidated)	-8 135	50 %	266 210	-2 368

Summarized financial information per 30.09.2018 of the individual joint ventures companies:

Company	Assets	Liability	Equity	Revenues	Profit	Ownership	Book value	Profit portion
Global Seismic Shipping AS (consolidated)	3 660 047	2 842 786	817 261	201 621	-120 151	50 %	286 353	-60 075
CGG Eidesvik Ship Management AS	34 956	32 055	2 901	20 909	79	51 %	1 439	0
Eidesvik Seven AS	731 390	480 643	250 747	65 069	21 347	50 %	125 373	10 673
Eidesvik Seven Chartering AS	44 343	7 634	36 708	115 950	6 216	50 %	18 362	3 108
Profit from Joint Ventures							431 528	(46 294)

Note 10 - Financial ratio per share

	1.7 - 30.9 2019	1.7 - 30.9 2018	1.1 - 30.9 2019	1.1 - 30.9 2018	1.1 - 31.12 2018
Number of Shares (thousands)	62 150	62 150	62 150	62 150	62 150
Earnings pr share, NOK*	-1,20	-1,46	-1,43	-4,12	-4,83
Equity pr share, NOK	21,03	23,98	21,03	28,77	22,93
Financial Equity Ratio	32 %	37 %	32 %	40 %	35 %
EBITDA margin excl. gain on sale	36 %	18 %	39 %	14 %	20 %
EBIT margin excl. gain on sale	5 %	-40 %	5 %	-47 %	-36 %

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

Note 11- Financial items

	1.7 - 30.9 2019	1.7 - 30.9 2018	1.1 - 30.9 2019	1.1 - 30.9 2018	1.1 - 31.12 2018
Financial income	3 969	4 080	12 023	11 613	24 860
Impairment long-term receivables	1 882	0	3 410	0	4 174
Other interest and financial expenses	(31 748)	(29 106)	(94 539)	(83 476)	(113 885)
Change in market value on interest instruments	(5 149)	0	(13 100)	0	(2 111)
Realized agio on foreign exchange contracts	182	0	854	52	98
Realized agio - others	(2 416)	(1 712)	6 346	5 255	2 124
Unrealized agio - on foreign exchange contracts	(5 150)	831	(2 035)	5 723	3 893
Unrealized agio - loans	(63 645)	530	(53 659)	(7 025)	(59 802)
Net financial items	(102 074)	(25 378)	(140 700)	(67 859)	(140 649)

Note 12 - Net interest-bearing debt

	30.09.2019	30.09.2018
Short-term interest-bearing debt	102 516	97 235
Accrued interests	(6 978)	(6 916)
1st year installment on long-term interest-bearing debt	95 538	90 319
Short-term lease liabilities (IFRS 16)	3 256	0
Short-term interest-bearing debt	98 794	90 319
Long-term interest-bearing debt	2 411 179	2 369 771
Long-term lease liabilities (IFRS 16)	58 737	0
Long-term interest-bearing debt	2 469 916	2 369 771
Total interest-bearing debt	2 568 709	2 460 091
Cash and cash equivalents	(419 783)	(490 234)
Net interest-bearing debt	2 148 926	1 969 856
Net interest-bearing debt excl. effect of IFRS 16	2 086 933	1 969 856

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, Bømlo Skipservice AS, Evik AS, Bømmelfjord AS and Viking Dynamic AS, no material related-party transactions have been conducted. Reference is made to filings of notifiable tradings.

Note 14 - Shareholders

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

20 largest shareholders per 30.09.2019:

Name	Share	Country
EIDESVIK INVEST AS	59,86 %	NORWAY
PARETO AKSJE NORGE VERDIPAPIRFOND	5,02 %	NORWAY
JAKOB HATTELAND HOLDING AS	4,93 %	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	1,22 %	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
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 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 subsequent events with consequence for the accounts per September 30, 2019.

Appendix 1 – Alternative performance measures definitions

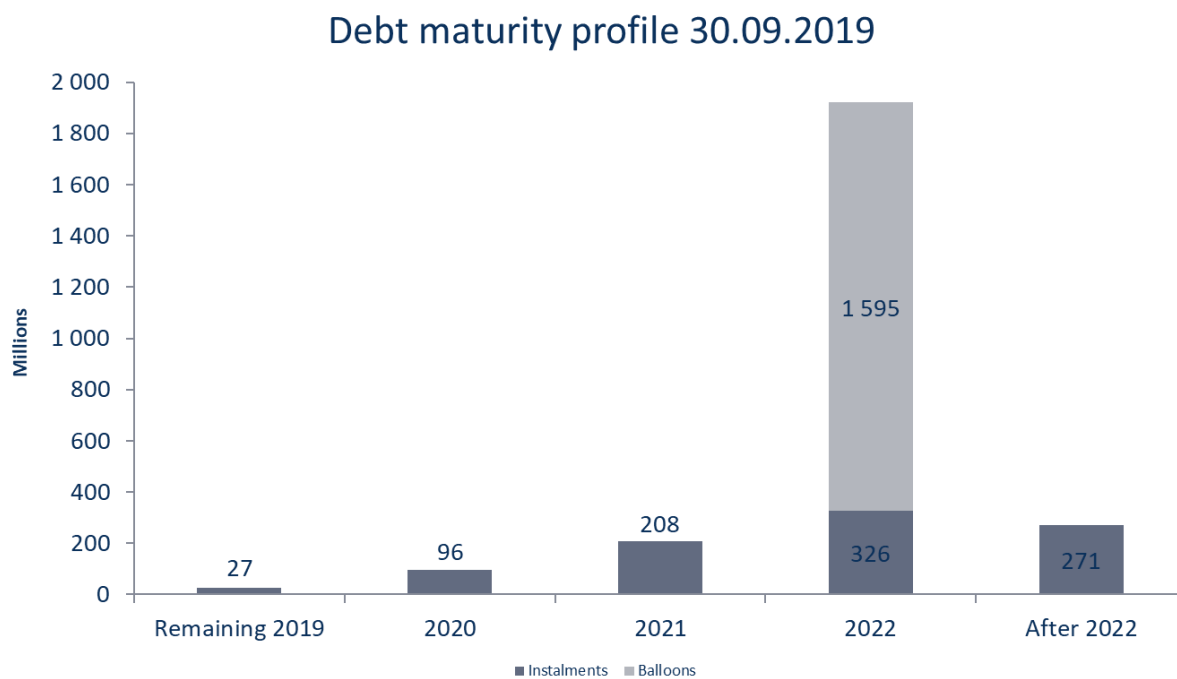
The Group's financial information is prepared in accordance with international financial reporting standards (IFRS). In addition, the Group discloses alternative performance measures as a supplement to the financial statement prepared in accordance with IFRS. Such performance measures are used to provide 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 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.

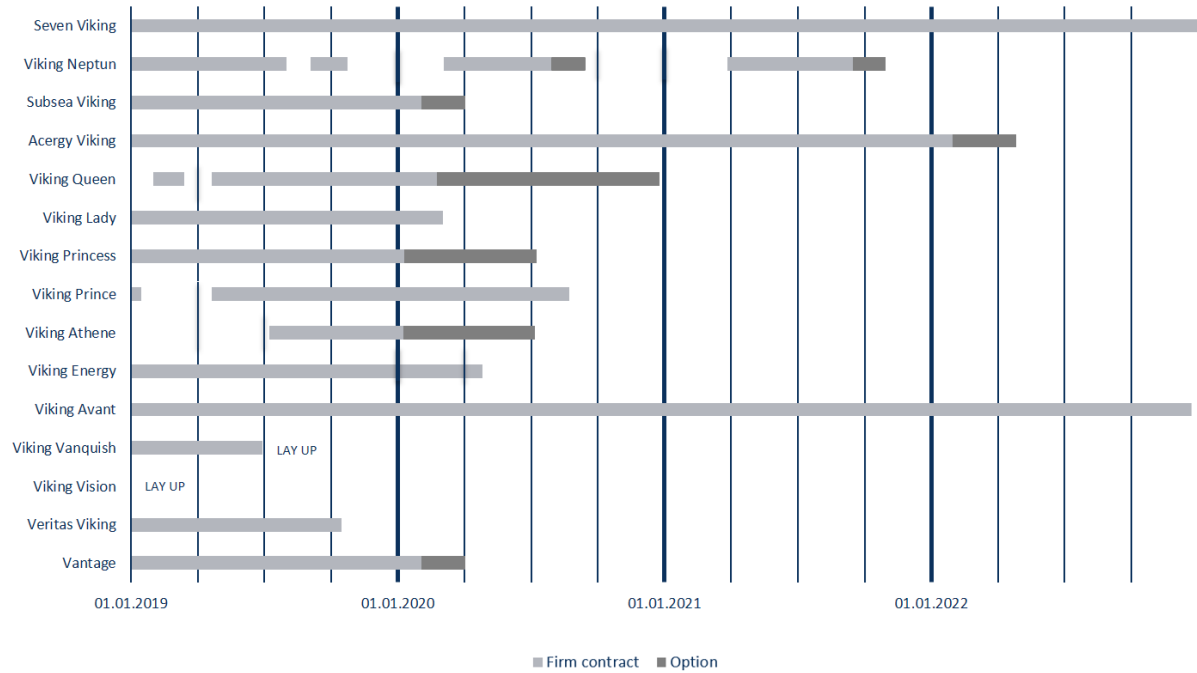
	2019	2018
	1.1 - 30.09	1.1 - 30.09
Total operating income	539 516	344 261
Total operating expenses	(331 379)	(295 625)
EBITDA	208 138	48 636
Ordinary depreciation	(168 932)	(164 337)
Impairment on assets	0	0
Profit from Joint Ventures	(10 386)	(46 294)
EBIT	28 819	(161 995)

Appendix 2 - Debt maturity profile 30.09.2019:



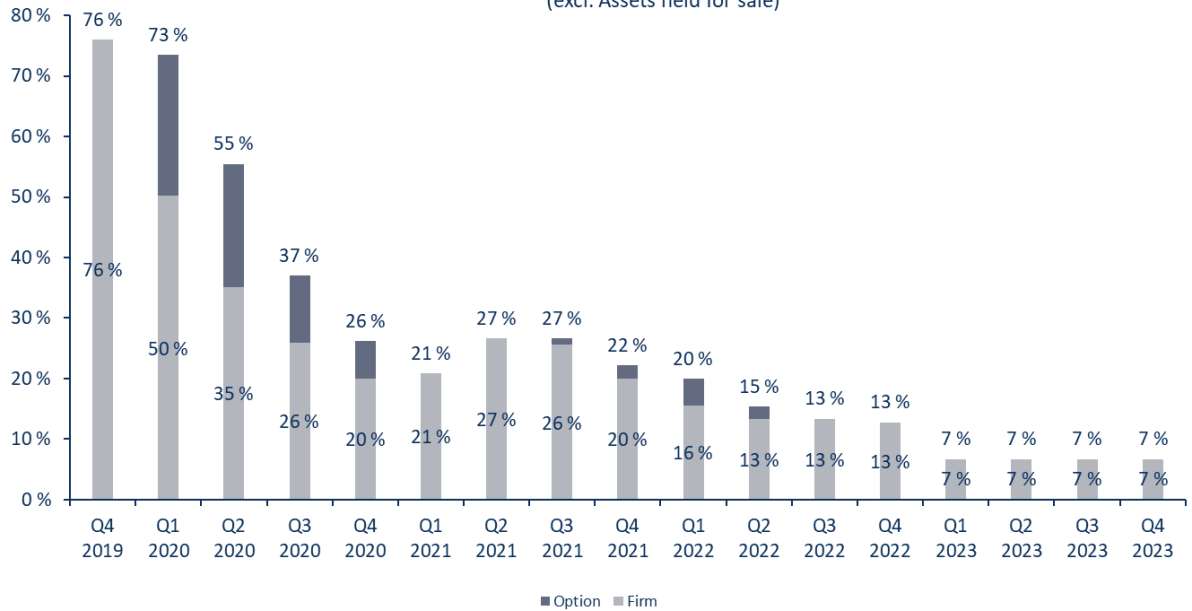
Appendix 3 – Contract status and coverage 30.09.2019:

Contract Status



Contract coverage incl. JV's 30.09.2019

(excl. Assets held for sale)



Profit and Loss last 5 Quarters

Consolidated (NOK 1 000)	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3
Operating Income:					
Freight income	170 836	171 082	148 900	134 464	118 332
Other income	5 260	38 554	4 883	10 504	0
Total operating income	176 096	209 636	153 783	144 968	118 332
Operating Expenses:					
Personell expenses	76 790	85 729	76 351	67 658	65 421
Other operating expenses	35 983	27 742	28 784	29 028	31 979
Total operating expenses	112 773	113 471	105 135	96 686	97 400
Operating profit before depreciations	63 323	96 165	48 649	48 282	20 932
Ordinary depreciation	59 303	54 960	54 670	54 546	55 819
Writedown on assets	0	0	0	0	0
Operating profit before other income and expenses	4 021	41 205	(6 021)	(6 264)	(34 888)
Result from JV	5 624	(1 965)	(14 045)	(8 064)	(12 948)
Operating profit	9 645	39 240	(20 066)	(14 328)	(47 836)
Financial Items:					
Financial income	3 969	3 979	4 075	13 247	4 080
Financial expenses	(35 015)	(37 648)	(31 566)	(26 235)	(29 106)
Net agio (disagio)	(71 028)	24 684	(2 149)	(59 802)	(352)
Net financial items	(102 074)	(8 986)	(29 640)	(72 789)	(25 378)
Pre-tax profit	(92 429)	30 255	(49 707)	(87 118)	(73 214)
Taxes	0	(104)	0	(1 142)	1 489
Profit	(92 429)	30 151	(49 707)	(88 260)	(71 725)
Equity holders of the parent	(74 535)	32 393	(46 619)	(46 053)	(90 874)
Non-controlling interests	(17 895)	(2 242)	(3 088)	(42 207)	19 149
Earnings per share	(1,20)	0,52	(0,75)	(0,74)	(1,46)
Statement of comprehensive income					
Currency translation adjustments - Joint Ventures	0	8 660	(3 107)	17 544	833
Actuarial gain/ loss	0	0	0	7 907	0
Comprehensive income	(92 429)	38 810	(52 814)	(62 809)	(70 892)
Attributable to					
Controlling interests	(74 535)	41 052	(49 726)	(20 602)	(90 041)
Non-controlling interests	(17 895)	(2 242)	(3 088)	(42 207)	19 149
Total attributed	(92 429)	38 810	(52 814)	(62 809)	(70 892)

Balance Sheet last 5 Quarters

Consolidated (NOK 1 000)	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3
ASSETS					
Fixed assets:					
Vessels	2 701 453	2 745 143	2 780 799	2 809 019	2 858 155
Other assets	20 523	20 725	20 960	21 125	20 607
Financial derivatives	0	668	930	0	0
Right-of-use asset	61 081	62 198	63 316	0	0
Other long-term receivables	99 643	99 339	85 238	106 121	82 187
Shares in Joint Venture	158 850	153 226	423 846	440 999	431 527
Shares	1 720	1 720	1 720	1 720	1 720
Total fixed assets	3 043 269	3 083 021	3 376 810	3 378 984	3 394 196
Current assets:					
Account receivables,	211 304	179 865	147 962	160 100	153 771
Other short-term receivables	83 754	110 626	65 606	45 887	39 922
Financial derivatives	0	1 337	1 239	0	721
Cash and cash equivalents	419 783	409 752	443 183	515 605	490 234
Total current assets	714 841	701 579	657 990	721 592	684 647
Assets held for sale	266 210	266 210	0	0	0
Total assets held for sale	266 210	266 210	0	0	0
TOTAL ASSETS	4 024 321	4 050 811	4 034 799	4 100 576	4 078 843
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	(30 076)	(30 076)	(30 076)	(30 076)	(37 983)
Translation differences	107 279	107 279	109 725	112 832	95 288
Retained earnings	1 073 226	1 147 761	1 115 368	1 161 987	1 210 461
Total equity majority shareholders	1 331 441	1 405 976	1 376 029	1 425 755	1 448 778
Non-controlling interests	(24 154)	(6 259)	(4 017)	(930)	41 277
Total equity	1 307 288	1 399 717	1 372 012	1 424 825	1 490 055
Long-term liabilities:					
Financial derivatives	11 062	7 117	1 581	2 147	0
Lease liabilities	58 737	59 551	60 365	0	0
Other long-term liabilities	12 648	12 648	12 648	12 648	16 841
Interest-bearing debt	2 411 179	2 346 158	2 382 927	2 416 515	2 369 771
Total long-term liabilities	2 493 626	2 425 474	2 457 520	2 431 310	2 386 613
Short-term liabilities:					
Interest-bearing debt	102 516	104 116	101 443	105 656	97 235
Financial derivatives	7 294	2 945	2 108	1 074	0
Lease liabilities	3 256	3 256	3 256	0	0
Debt to suppliers	17 910	27 650	27 406	32 436	29 419
Tax payable	411	411	392	704	0
Other short-term liabilities	92 021	87 242	70 664	104 571	75 520
Total short-term liabilities	223 408	225 620	205 268	244 440	202 175
Total liabilities	2 717 033	2 651 094	2 662 788	2 675 751	2 588 788
TOTAL EQUITY AND LIABILITIES	4 024 321	4 050 811	4 034 799	4 100 576	4 078 843



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