



Eidesvik Offshore ASA
Report for 4th Quarter 2019



Your Partner in Shipping

Main highlights in 2019

In 2019 Eidesvik Offshore ASA («Eidesvik» or the «Group») generated a consolidated EBITDA of MNOK 243.2, compared to MNOK 96.9 in 2018. The Board is pleased to see that the results from operations in 2019 reflect the improved market conditions experienced during 2019 in most of the segments in which the Group operates.

Eidesvik entered into a three year frame agreement with Aker BP for the provision of PSVs. At year end 2019, Eidesvik had «Viking Prince», «Viking Lady» and «Viking Athene» on charter to Aker BP under the frame agreement.

Eidesvik was awarded a 3-year contract for «Viking Avant» from Equinor Energy AS («Equinor»). This enabled the Group to install batteries and hybrid solutions for the vessel. In addition to «Viking Avant», both «Viking Energy» and «Viking Queen» was on charter to Equinor at year end 2019.

From medio July 2019, Eidesvik had all its PSVs on firm contracts throughout 2019.

Eidesvik entered into a long-term Master Time Charter Agreement with Seabed Geosolutions for services of seismic source and node-handling vessels. At year end 2019, «Vantage» and «Subsea Viking» was on charter to Seabed Geosolutions under this agreement.

Siemens Gamesa Renewable Energy extended the charter of «Acergy Viking» by one additional year. The firm period will end January 2022, with options thereafter.

In 2nd Quarter 2019, Eidesvik, CGG Marine Resources Norge AS («CGGN») and CGG agreed on a term sheet for the transaction whereby CGG was contemplating to acquire Eidesvik's 50% ownership share in Global Seismic Shipping AS («GSS»). CGG entered, in turn, into a memorandum of understanding with Shearwater GeoServices Holding AS («Shearwater») for transactions in which a sale of all shares in GSS from CGGN to Shearwater was a part. For further information, see «Subsequent events».

Highlights in 4th Quarter 2019

In 4th Quarter 2019 Eidesvik Offshore ASA («Eidesvik» or the «Group») generated a consolidated EBITDA of MNOK 35.1, compared to MNOK 48.3 in 4th Quarter 2018.

Eidesvik was awarded a one year extension with Ithaca Oil and Gas Limited for «Viking Princess». Commencement was in January 2020, in direct continuation of the previous contract.

Subsequent events

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"). As previously announced, CGG SA 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.

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 will commence in direct continuation of the existing contract expiring 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 will commence in direct continuation of the existing contracts, and both vessels are then booked until ultimo July 2020.

Results 4th Quarter 2019

The interim accounts have been prepared in accordance with IAS 34. The interim accounts of 4th Quarter 2019 and corresponding figures for 2018 have not been audited.

In the 4th Quarter 2019 Eidesvik had consolidated operating income of MNOK 142.0 (MNOK 145.0 in the corresponding period in 2018). Operating profit before depreciations (EBITDA) was MNOK 35.1 (MNOK 48.3), and operating profit (EBIT) was MNOK -47.4 (MNOK -14.3). Profit from joint ventures was MNOK -0.1 (MNOK -8.1). Net financial items were MNOK 17.3 (MNOK -72.8). Profit after tax amounted to MNOK -31.6 (MNOK -88.3).

Results 2019

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

The Group's consolidated total operating income per December 31, 2019, was MNOK 681.6, whereof MNOK 38.6 is related to the termination of the contract for «Viking Vanquish» (total operating income per December 31, 2018 was MNOK 489.2). Operating profit before depreciation (EBITDA) was MNOK 243.2 (MNOK 96.9), and operating profit (EBIT) was MNOK -18.6 (MNOK -176.3). Profits from joint ventures of MNOK -10.5 (MNOK -54.4) 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 -123.4 (MNOK -140.6).

Profit after tax per December 31, 2019, amounted to MNOK -143.6 (MNOK -316.6 per December 31, 2018), whereof MNOK -120.0 (MNOK -283.2) was the result for the shareholders of the parent. This resulted in a profit per share of NOK -1.93 (NOK -4.83).

Balance sheet and liquidity per December 31, 2019

Current assets at December 31, 2019, was MNOK 648.9 (MNOK 721.6 at December 31, 2018), and cash balance was MNOK 408.3 (MNOK 515.6), whereof MNOK 54.2 is restricted cash.

Book equity at December 31, 2019, was MNOK 1,276.2 (MNOK 1,424.8 at December 31, 2018), i.e. an equity ratio of 33% (35%). 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 at December 31, 2019 was NOK 20.53 (NOK 22.93). The corresponding market quote at Oslo Stock Exchange closed at NOK 5.24 (NOK 4.58). This represents a market capitalization of MNOK 325.7 (MNOK 284.6).

Value in use calculations of the consolidated fleet verify the book value per December 31, 2019. An average fair value assessment conducted by two independent brokers, evaluate the consolidated part of the fleet value free of charters to MNOK 3,473 (MNOK 3,676 at December 31, 2018), which indicates an excess value before tax of MNOK 819 (MNOK 867) compared to the book value of the vessels. The Board is aware of the low turnover for the type of vessels Eidesvik owns, and that there is uncertainty regarding the vessels' market values in the current market.

Net interest-bearing debt at December 31, 2019, was MNOK 2,087.9 (MNOK 1,994.1 at December 31, 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 December 31, 2019, was MNOK 2,026.8.

Cash flow from operating activities per December 31, 2019, amounted to MNOK 168.7 (MNOK 90.0 per December 31, 2018).

Cash flow from investment activities per December 31, 2019, was MNOK -54.4 (MNOK -38.9 per December 31, 2018).

Cash flow from financing activities per December 31, 2019, of MNOK -221.6 (MNOK -92.9 per December 31, 2018) consisted of payments of interest and installments on secured debt.

Variation in the operation of vessels in 2019 compared to 2018

Supply

The supply segment's EBITDA in 2019 was MNOK 68.4 (MNOK 15.2 in 2018), an increase of MNOK 53.2. This is mainly a result of increases 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 had all its PSV's on firm contracts throughout 2019.

Subsea

The subsea/offshore wind segment including shares of Joint Venture's EBITDA in 2019 was MNOK 115.6 (MNOK 113.6 in 2018), an increase of MNOK 2.0. The increase is mainly a result of higher income for «Subsea Viking». The consolidated part of the segment had in 2019 an EBITDA of MNOK 75.3 (MNOK 67.5).

Seismic

The seismic segment's EBITDA in 2019, including shares of Joint Venture until May 31, 2019 (Note 9), was MNOK 175.2 (MNOK 166.3 in 2018), an increase of MNOK 8.9. The increase is mainly related to «Veritas Viking» being in operation in over three Quarters in 2019 (lay up in the three first Quarters in 2018), higher income for «Vantage», and termination of the contract for «Viking Vanquish». Share of Joint Venture is significantly decreased due to the reclassification to «Assets held for sale» (note 9). The consolidated part of the segment had in 2019 an EBITDA of MNOK 114.0 (MNOK 34.6).

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 2019 was substantially better than said assumptions. See Note 15 for further information.

Market and future outlook

The oil and gas market, including oil services, has in 2019 been affected by an accelerating global shift and increased awareness of the environmental impact fossil fuels have on the climate and environment. Investors and other capital sources are demanding that companies in the sector take action and implement initiatives that will reduce each companies' impact on the climate. Historically, Eidesvik has been at the forefront of developing new and environmentally friendly solutions for the offshore shipping sector, both LNG and battery hybrid-solutions are worth mentioning. LNG is today widely used as fuel for several vessel-types, and battery hybrid-solutions have become the standard for PSV's in the North Sea. The Board is pleased that the Group appears to be well positioned to take advantage of this shift in sentiment in the sector, demonstrated by our recently announced initiative aiming to install a fuel-cell based on green ammonia onboard Viking Energy - which will be a new World's first project. Our track record of successful innovations is the key factor that has brought the Group to this position, and the Board looks forward to building on our experience to make this yet another successful step forward for Eidesvik and the industry.

The PSV market has seen an increase year on year in both spot and term demand. This has led to improved rates and utilization, in particular for the larger PSVs. The North Sea fleet of large PSVs experienced utilization levels above 90% for the first time in years. However, driven by oversupply of vessels, the overall market remains challenging, but the aforementioned positive signs are noticeable. Thus, we expect an increase in activity levels in the North Sea also for 2020 and we maintain a positive view on the market for large and modern PSVs.

The subsea activity level was volatile throughout 2019. Vessel rates and utilization increased during the summer months, while the winter season has seen a decrease in same, compared to the previous year. A recovery in the subsea market is yet to materialize, though the fundamentals for increased activity are solid; subsea sanction levels continue to rise and the main subsea contractors have reported strong growth in backlog year on year. Subsea prospects in the pipeline for expected award this year support our medium to long term positive outlook for this segment.

After three consecutive years of increased seismic spending and improved pricing, the main seismic operators are guiding for more marginal increases for 2020. This is consistent with our own views for the seismic market in 2020. In addition, there are still opportunities in the ocean bottom seismic segment where we see increased tender activity after a relatively quiet period.

Bømlo, February 25, 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

Jan Fredrik Meling
CEO

Profit and Loss

Consolidated (NOK 1 000)

	2019 1.10 - 31.12	2018 1.10 - 31.12	2019 1.1 - 31.12	2018 1.1 - 31.12
Operating Income				
Freight income	142 043	134 464	632 862	478 725
Other income (note 4)	0	10 504	48 697	10 504
Total operating income	142 043	144 968	681 559	489 229
Operating Expenses				
Personnel expenses	71 539	67 658	310 409	265 254
Other operating expenses	35 453	29 028	127 962	127 057
Total operating expenses	106 992	96 686	438 371	392 310
Operating profit before depreciations	35 051	48 282	243 188	96 919
Ordinary depreciation	59 334	54 546	228 267	218 883
Impairment on assets	23 000	0	23 000	0
Operating profit before other income and expenses	(47 283)	(6 264)	(8 078)	(121 965)
Result from Joint Ventures	(124)	(8 064)	(10 510)	(54 358)
Operating profit	(47 407)	(14 328)	(18 589)	(176 323)
Financial Items (note 11)				
Financial income	5 066	13 247	17 089	24 860
Financial expenses	(28 076)	(26 235)	(132 306)	(109 711)
Net agio (disagio)	40 289	(59 802)	(8 204)	(55 798)
Net financial items	17 279	(72 789)	(123 421)	(140 649)
Pre-tax profit	(30 128)	(87 118)	(142 010)	(316 972)
Taxes	(1 460)	(1 142)	(1 563)	347
Profit	(31 588)	(88 260)	(143 573)	(316 625)
Attributable to				
Equity holders of the parent	(31 286)	(46 053)	(120 047)	(283 244)
Non-controlling interests	(302)	(42 207)	(23 526)	(33 381)
Earnings per share	(0,50)	(0,74)	(1,93)	(4,83)
Statement of comprehensive income				
Profit	(31 588)	(88 260)	(143 573)	(316 625)
Currency translation adjustments Joint Ventures	(568)	17 544	(6 120)	15 083
Actuarial gain/ loss	1 042	7 907	1 042	7 907
Comprehensive income	(31 114)	(62 809)	(148 652)	(293 635)
Attributable to				
Equity holders of the parent	(30 812)	(20 602)	(125 126)	(260 254)
Non-controlling interests	(302)	(42 207)	(23 526)	(33 381)
Total attributed	(31 114)	(62 809)	(148 652)	(293 635)

Balance

Consolidated (NOK 1 000)

	31.12.2019	31.12.2018
ASSETS		
Fixed assets:		
Vessels	2 654 337	2 809 019
Other assets	20 277	21 125
Financial derivatives	538	0
Right-of-use asset	59 963	0
Other long-term receivables	96 857	106 121
Shares in Joint Ventures (note 9)	159 520	440 999
Shares	1 720	1 720
Total fixed assets	2 993 213	3 378 984
Current assets:		
Account receivables, freight income	155 559	160 100
Other short-term receivables	84 312	45 887
Financial derivatives	724	0
Cash and cash equivalents	408 319	515 605
Total current assets	648 914	721 592
Assets held for sale		
Assets held for sale (note 9)	264 848	0
Total assets held for sale	264 848	0
TOTAL ASSETS	3 906 975	4 100 576
EQUITY AND LIABILITIES		
Equity		
Equity attributable to the company's shareholders:		
Share capital	3 108	3 108
Premium fund	177 275	177 275
Other paid-in equity	629	629
Other comprehensive income	(29 034)	(30 076)
Translation differences	106 712	112 832
Retained earnings	1 041 940	1 161 987
Total equity majority shareholders	1 300 629	1 425 755
Non-controlling interests	(24 455)	(930)
Total equity	1 276 174	1 424 825
Long-term liabilities:		
Financial derivatives	8 062	2 147
Lease liabilities (note 12)	57 923	0
Pension liabilities	6 833	12 648
Interest-bearing debt (note 12)	2 341 326	2 416 515
Total long-term liabilities	2 414 143	2 431 310
Short-term liabilities:		
Interest-bearing debt (note 12)	105 314	105 656
Financial derivatives	4 150	1 074
Lease liabilities (note 12)	3 256	0
Debt to suppliers	20 716	32 436
Tax payable	790	704
Other short-term liabilities	82 433	104 571
Total short-term liabilities	216 658	244 440
Total liabilities	2 630 801	2 675 751
TOTAL EQUITY AND LIABILITIES	3 906 975	4 100 576

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	1 425 755	-929	1 424 825
Profit in the period	0	0	0	0	0	-120 047	-120 047	-23 526	-143 573
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	-29 035	629	106 712	1 041 940	1 300 629	-24 455	1 276 174
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 December 31, 2015. Per December 31, 2018, no employees in Eidesvik AS have defined benefit pension scheme.

Cash flow statement

(condensed)

	1.10 - 31.12 2019	1.10 - 31.12 2018	1.1 - 31.12 2019	1.1 - 31.12 2018
Net cash flow from operations excl. taxes	71 325	77 793	168 957	90 312
Paid taxes	19	(96)	(236)	(276)
Cash flow from operating activity	71 344	77 697	168 721	90 036
Received insurance settlement	0	0	3 714	2 825
Payment of long-term receivables (instalments and interests)	2 961	2 700	37 590	18 355
Purchase of fixed operating assets	(34 973)	(5 928)	(95 737)	(60 124)
Cash flow from investment activity	(32 012)	(3 229)	(54 433)	(38 944)
Share issue	0	0	0	148 875
Repayment of debt	(26 378)	(25 648)	(93 742)	(134 711)
Paid interest	(24 418)	(23 449)	(106 832)	(107 092)
Cash flow from finance activity	(50 796)	(49 097)	(221 574)	(92 927)
Changes in cash holdings	(11 464)	25 371	(107 286)	(41 836)
Liquid assets at the beginning of the period	419 783	490 234	515 605	557 440
Liquid assets at the end of the period	408 319	515 605	408 319	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 December 31, 2019. 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 1st Quarter of 2020 contract coverage for all consolidated vessels and the JV vessel «Seven Viking» (incl. 2 vessels in layup) is approx. 71%, and for 2020 the coverage is approx. 57%.

Newbuild risk

The Group has per December 31, 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 per December 31, 2019, of MNOK 48.7 include the termination fee of MNOK 38.6 related to the terminated contract for «Viking Vanquish» in the 2nd Quarter 2019. In addition, MNOK 10.1 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 December 31, 2019. Based on these tests, an impairment of MNOK 23 related to one vessel has 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 4th 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		Total	
	1.10.- 31.12.2019	1.10.-31.12.2018	1.10.- 31.12.2019	1.10.-31.12.2018	1.10.- 31.12.2019	1.10.-31.12.2018	1.10.- 31.12.2019	1.10.-31.12.2018	1.10.- 31.12.2019	1.10.-31.12.2018
Segment result										
Operating income	11 113	23 072	31 434	35 227	47 566	35 897	6 373	4 215	96 486	98 411
Bareboat income	6 537	14 746	11 440	18 679	27 581	13 133	0	0	45 558	46 558
Operating income share from JV*	0	0	6 647	5 287	0	0	0	0	6 647	5 287
Bareboat income from JV*	0	38 838	10 046	13 916	0	0	0	0	10 046	52 754
Total operating income	17 650	76 656	59 567	73 109	75 147	49 030	6 373	4 215	158 737	203 010
Operating expenses	19 004	17 780	33 405	34 109	47 677	40 177	6 908	4 620	106 994	96 686
Operating expenses share from JV*	0	2 496	7 418	8 416	0	0	0	0	7 418	10 912
Total operating expenses	19 004	20 276	40 823	42 525	47 677	40 177	6 908	4 620	114 412	107 598
Depreciations	14 317	12 946	22 062	22 340	21 637	18 953	1 318	307	59 334	54 546
Depreciations share from JV*	0	28 942	4 880	4 796	0	0	0	0	4 880	33 738
Writedown on assets	23 000	0	0	0	0	0	0	0	23 000	0
Writedown on assets share from JV*	0	0	0	0	0	0	0	0	0	0
Total depreciations/writedown on assets	37 317	41 888	26 942	27 136	21 637	18 953	1 318	307	87 214	88 284
Operating profit incl. share from JV*	-38 671	14 493	-8 198	3 448	5 833	-10 100	-1 853	-712	-42 889	7 128
Net finance and taxes from JV*	0	-19 187	-2 285	-2 268	0	0	0	0	-2 285	-21 456
Writedown JV	-2 234	0	0	0	0	0	0	0	-2 234	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	-40 905	-4 695	-10 484	1 179	5 833	-10 100	-1 853	-712	-47 408	-14 328
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		Total	
	1.1.- 31.12.2019	1.1.-31.12.2018	1.1.-31.12.2019	1.1.-31.12.2018	1.1.-31.12.2019	1.1.-31.12.2018	1.1.-31.12.2019	1.1.-31.12.2018	1.1.-31.12.2019	1.1.-31.12.2018
Segment result										
Operating income	66 637	45 201	126 807	135 558	181 849	138 744	21 200	17 019	396 493	336 522
Bareboat income	120 109	40 516	83 290	70 747	81 668	41 444	0	0	285 067	152 707
Operating income share from JV*	0	0	31 258	30 728	0	0	0	0	31 258	30 728
Bareboat income from JV*	65 781	139 649	39 855	46 450	0	0	0	0	105 637	186 099
Total operating income	252 527	225 366	281 211	283 483	263 517	180 188	21 200	17 019	818 455	706 056
Operating expenses	72 796	51 120	134 791	138 787	195 087	164 956	35 698	37 448	438 372	392 311
Operating expenses share from JV*	4 493	7 946	30 838	31 130	0	0	0	0	35 331	39 076
Total operating expenses	77 289	59 066	165 629	169 917	195 087	164 956	35 698	37 448	473 703	431 387
Depreciations	53 339	50 613	88 166	91 470	81 449	75 599	5 313	1 201	228 267	218 883
Depreciations share from JV*	50 908	131 121	19 126	19 227	0	0	0	0	70 034	150 348
Writedown on assets	23 000	0	0	0	0	0	0	0	23 000	0
Writedown on assets share from JV*	0	0	0	0	0	0	0	0	0	0
Total depreciations/writedown on assets	127 247	181 734	107 292	110 697	81 449	75 599	5 313	1 201	321 301	369 231
Operating profit incl. share from JV*	47 992	-15 434	8 289	2 869	-13 019	-60 367	-19 811	-21 630	23 451	-94 562
Net finance and taxes from JV*	-30 727	-72 444	-9 079	-9 317	0	0	0	0	-39 807	-81 761
Writedown JV	-2 234	0	0	0	0	0	0	0	-2 234	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	15 031	-87 878	-790	-6 448	-13 019	-60 367	-19 811	-21 630	-18 589	-176 323
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 December 31, 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	-22 580
CGG Eidesvik Ship Management AS *	63 504	60 682	2 822	20 437	3	51 %	0	0
Eidesvik Seven AS	712 845	420 806	292 039	79 711	21 791	50 %	146 039	10 895
Eidesvik Seven Chartering AS	120 985	94 026	26 959	142 227	2 350	50 %	13 480	1 174
Profit from Joint Ventures							159 520	(10 510)

* 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. 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.

On the date of the term sheet, June 4, 2019, the shares was classified as "held for sale". In Q4, the 51% share Eidesvik owns in CGG Eidesvik Ship Management AS, has also been classified as "held for sale".

The result of the joint venture includes EIOF's share of the result until May 31, 2019, and an impairment of shares in Q4 with MNOK 2.2 to the agreed put option value of US\$ 30 million.

Company	Profit per Q4-19	Ownership	Book value	Profit portion not booked per 31.12.2019
Global Seismic Shipping AS (consolidated)	-90 764	50 %	263 409	-25 035
CGG Eidesvik Ship Management AS	0	51 %	1 439	0
Sum Assets held for sale			264 848	

Summarized financial information per December 31, 2018 of the individual joint ventures companies:

Company	Assets	Liability	Equity	Revenues	Profit	Ownership	Book value	Profit portion
Global Seismic Shipping AS (consolidated)	3 833 620	2 989 569	844 051	279 298	-143 724	50 %	292 110	-71 862
CGG Eidesvik Ship Management AS	34 956	32 055	2 901	20 909	79	51 %	1 439	0
Eidesvik Seven AS	738 780	468 492	270 288	92 900	34 793	50 %	135 144	17 397
Eidesvik Seven Chartering AS	43 054	18 443	24 612	154 356	214	50 %	12 306	107
Profit from Joint Ventures							440 999	(54 358)

Note 10 - Financial ratio per share

	1.10 - 31.12 2019	1.10 - 31.12 2018	1.1 - 31.12 2019	1.1 - 31.12 2018
Number of Shares (thousands)*	62 150	62 150	62 150	58 682
Earnings pr share, NOK*	-0,50	-1,46	-1,93	-4,83
Equity pr share, NOK	20,53	23,98	20,53	22,93
Financial Equity Ratio	33 %	37 %	33 %	35 %
EBITDA margin excl. gain on sale	25 %	18 %	36 %	20 %
EBIT margin excl. gain on sale	-33 %	-40 %	-3 %	-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

	1.10 - 31.12 2019	1.10 - 31.12 2018	1.1 - 31.12 2019	1.1 - 31.12 2018
Financial income	5 066	13 247	17 089	24 860
Impairment long-term receivables	0	4 174	3 410	4 174
Other interest and financial expenses	(29 819)	(30 409)	(124 585)	(113 885)
Change in market value on interest instruments	1 969	(2 111)	(11 131)	(2 111)
Realized agio on foreign exchange contracts	(69)	47	785	98
Realized agio - others	(11 841)	(3 131)	(5 496)	2 124
Unrealized agio - on foreign exchange contracts	4 407	(1 830)	2 372	3 893
Unrealized agio - loans	47 794	(52 776)	(5 865)	(59 802)
Net financial items	17 506	(72 789)	(123 421)	(140 649)

Note 12 - Net interest-bearing debt

	31.12.2019	31.12.2018
Short-term interest-bearing debt	105 314	105 656
Accrued interests	(11 558)	(12 423)
<i>1st year installment on long-term interest-bearing debt</i>	93 756	93 232
Short-term lease liabilities (IFRS 16)	3 256	0
<i>Short-term interest-bearing debt</i>	97 011	93 232
Long-term interest-bearing debt	2 341 326	2 416 515
Long-term lease liabilities (IFRS 16)	57 923	0
<i>Long-term interest-bearing debt</i>	2 399 248	2 416 515
Total interest-bearing debt	2 496 260	2 509 747
Cash and cash equivalents	(408 319)	(515 605)
Net interest-bearing debt	2 087 940	1 994 142
Net interest-bearing debt excl. effect of IFRS 16	2 026 762	1 994 142

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 made to the 2018 annual accounts Note 24.

Note 14 - Shareholders

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

20 largest shareholders per December 31, 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
STANGELAND HOLDING II AS	1,76 %	NORWAY
BERGTOR INVESTERING 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 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 January 31, 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 January 29, 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

The sale of GSS to Shearwater was completed on January 8, 2020. As consideration for Eidesvik's shares in GSS, Eidesvik received shares in Shearwater. 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.

According to IFRS 5.15, assets that are classified as held for sale are measured at the lower of the carrying amount and the fair value less costs to sell. Eidesvik's best estimate of the fair value of the shares is considered to be the put option for Eidesvik at US\$ 30 million, as described above. As a consequence, the shares in GSS have been impaired correspondingly by MNOK 2.2 in as of December 31, 2019.

In Q1 2020, the sum of *Translation differences* recognized in Equity that are related to the shares in GSS as of December 31, 2019,, will have to be recognized as *Financial income* and, with reverse effect, in *Comprehensive Income*. No effect on *Total equity*.

No other subsequent events with consequence for the accounts per December 31, 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.

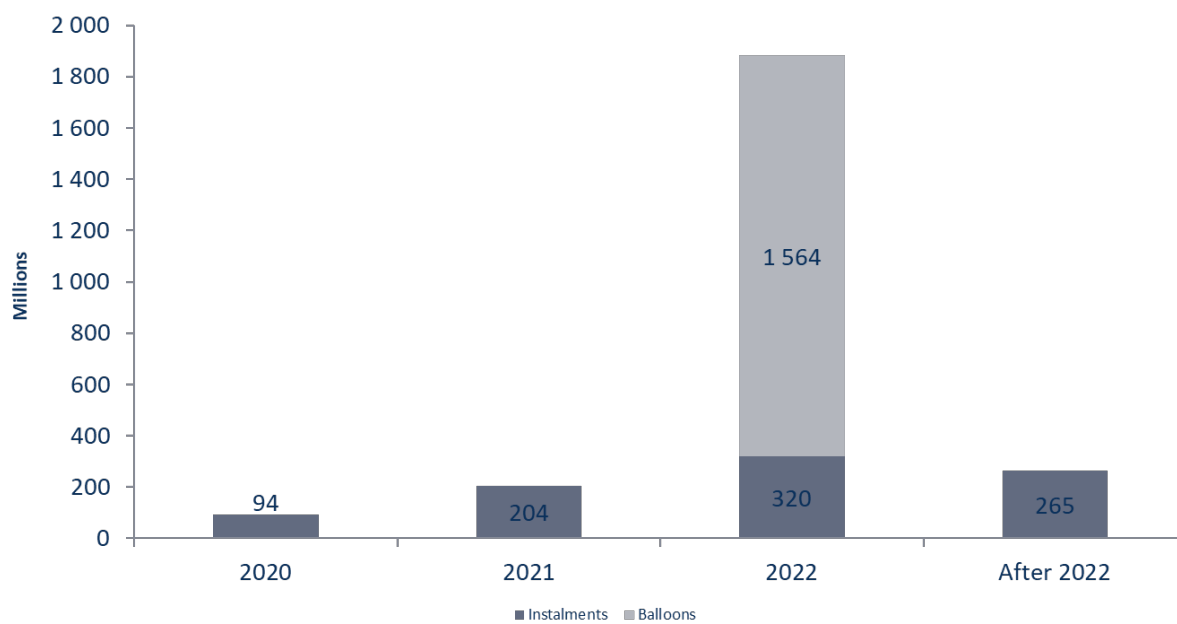
The definitions of these measures are as follows:

- 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 - 31.12	1.1 - 31.12
Total operating income	681 559	489 229
Total operating expenses	(438 371)	(392 310)
EBITDA	243 188	96 919
Ordinary depreciation	(228 267)	(218 883)
Impairment on assets	(23 000)	0
Profit from Joint Ventures	(10 510)	(54 358)
EBIT	(18 589)	(176 323)

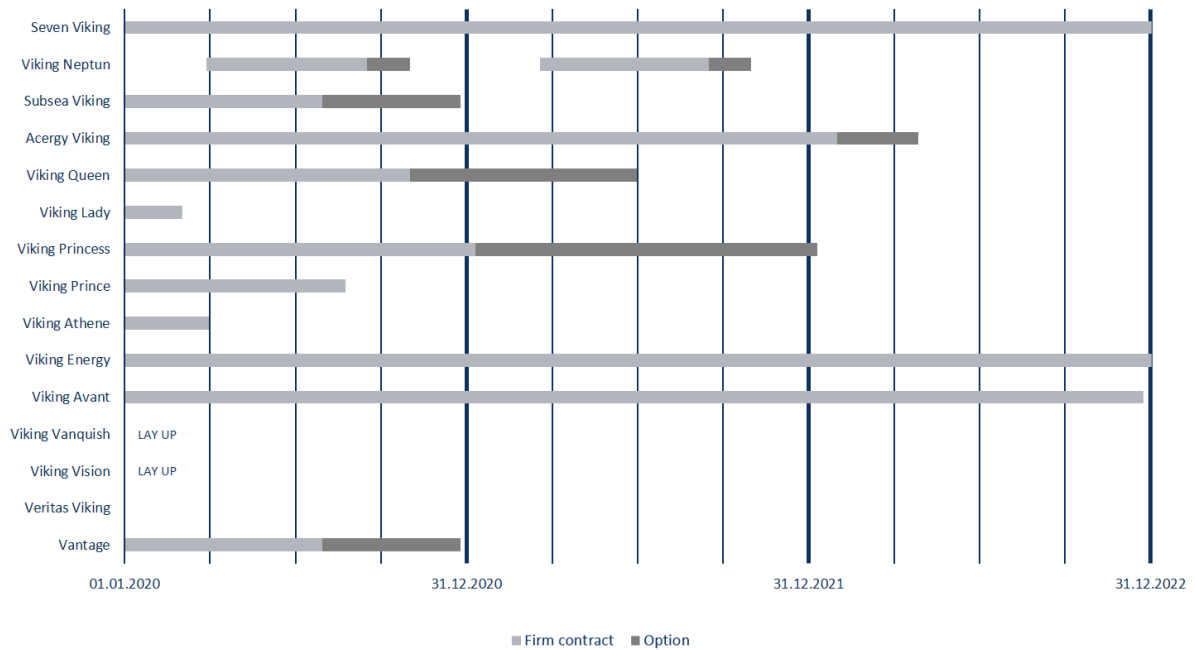
Appendix 2 - Debt maturity profile December 31, 2019:

Debt maturity profile 31.12.2019



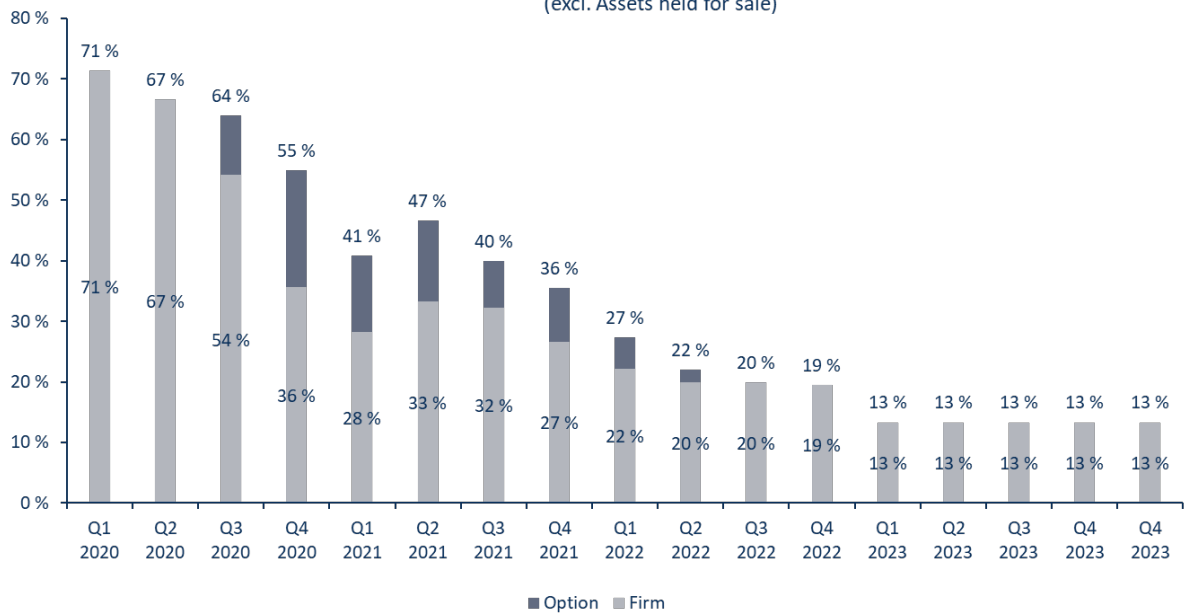
Appendix 3 – Contract status and coverage December 31, 2019:

Contract Status



Contract coverage incl. JV's 31.12.2019

(excl. Assets held for sale)



Profit and Loss last 5 Quarters

Consolidated (NOK 1 000)	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4
Operating Income:					
Freight income	142 043	170 836	171 082	148 900	134 464
Other income	0	5 260	38 554	4 883	10 504
Total operating income	142 043	176 096	209 636	153 783	144 968
Operating Expenses:					
Personell expenses	71 539	76 790	85 729	76 351	67 658
Other operating expenses	35 453	35 983	27 742	28 784	29 028
Total operating expenses	106 992	112 773	113 471	105 135	96 686
Operating profit before depreciations	35 051	63 323	96 165	48 649	48 282
Ordinary depreciation	59 334	59 303	54 960	54 670	54 546
Writedown on assets	23 000	0	0	0	0
Operating profit before other income and expenses	(47 283)	4 021	41 205	(6 021)	(6 264)
Result from JV	(124)	5 624	(1 965)	(14 045)	(8 064)
Operating profit	(47 407)	9 645	39 240	(20 066)	(14 328)
Financial Items:					
Financial income	5 066	3 969	3 979	4 075	13 247
Financial expenses	(28 076)	(35 015)	(37 648)	(31 566)	(26 235)
Net agio (disagio)	40 289	(71 028)	24 684	(2 149)	(59 802)
Net financial items	17 279	(102 074)	(8 986)	(29 640)	(72 789)
Pre-tax profit	(30 128)	(92 429)	30 255	(49 707)	(87 118)
Taxes	(1 460)	0	(104)	0	(1 142)
Profit	(31 588)	(92 429)	30 151	(49 707)	(88 260)
Equity holders of the parent	(31 286)	(74 535)	32 393	(46 619)	(46 053)
Non-controlling interests	(302)	(17 895)	(2 242)	(3 088)	(42 207)
Earnings per share	(0,50)	(1,20)	0,52	(0,75)	(0,74)
Statement of comprehensive income					
Currency translation adjustments - Joint Ventures	(568)	0	8 660	(3 107)	17 544
Actuarial gain/ loss	1 042	0	0	0	7 907
Comprehensive income	(31 114)	(92 429)	38 810	(52 814)	(62 809)
Attributable to					
Controlling interests	(30 812)	(74 535)	41 052	(49 726)	(20 602)
Non-controlling interests	(302)	(17 895)	(2 242)	(3 088)	(42 207)
Total attributed	(31 114)	(92 429)	38 810	(52 814)	(62 809)

Balance Sheet last 5 Quarters

Consolidated (NOK 1 000)	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4
ASSETS					
Fixed assets:					
Vessels	2 654 337	2 701 453	2 745 143	2 780 799	2 809 019
Other assets	20 277	20 523	20 725	20 960	21 125
Financial derivatives	538	0	668	930	0
Right-of-use asset	59 963	61 081	62 198	63 316	0
Other long-term receivables	96 857	99 643	99 339	85 238	106 121
Shares in Joint Venture	159 520	158 850	153 226	423 846	440 999
Shares	1 720	1 720	1 720	1 720	1 720
Total fixed assets	2 993 213	3 043 269	3 083 021	3 376 810	3 378 984
Current assets:					
Account receivables,	155 559	211 304	179 865	147 962	160 100
Other short-term receivables	84 312	83 754	110 626	65 606	45 887
Financial derivatives	724	0	1 337	1 239	0
Cash and cash equivalents	408 319	419 783	409 752	443 183	515 605
Total current assets	648 914	714 841	701 579	657 990	721 592
Assets held for sale	264 848	266 210	266 210	0	0
Total assets held for sale	264 848	266 210	266 210	0	0
TOTAL ASSETS	3 906 975	4 024 321	4 050 811	4 034 799	4 100 576
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	(29 034)	(30 076)	(30 076)	(30 076)	(30 076)
Translation differences	106 712	107 279	107 279	109 725	112 832
Retained earnings	1 041 940	1 073 226	1 147 761	1 115 368	1 161 987
Total equity majority shareholders	1 300 629	1 331 441	1 405 976	1 376 029	1 425 755
Non-controlling interests	(24 455)	(24 154)	(6 259)	(4 017)	(930)
Total equity	1 276 174	1 307 288	1 399 717	1 372 012	1 424 825
Long-term liabilities:					
Financial derivatives	8 062	11 062	7 117	1 581	2 147
Lease liabilities	57 923	58 737	59 551	60 365	0
Other long-term liabilities	6 833	12 648	12 648	12 648	12 648
Interest-bearing debt	2 341 326	2 411 179	2 346 158	2 382 927	2 416 515
Total long-term liabilities	2 414 143	2 493 626	2 425 474	2 457 520	2 431 310
Short-term liabilities:					
Interest-bearing debt	105 314	102 516	104 116	101 443	105 656
Financial derivatives	4 150	7 294	2 945	2 108	1 074
Lease liabilities	3 256	3 256	3 256	3 256	0
Debt to suppliers	20 716	17 910	27 650	27 406	32 436
Tax payable	790	411	411	392	704
Other short-term liabilities	82 433	92 021	87 242	70 664	104 571
Total short-term liabilities	216 658	223 408	225 620	205 268	244 440
Total liabilities	2 630 801	2 717 033	2 651 094	2 662 788	2 675 751
TOTAL EQUITY AND LIABILITIES	3 906 975	4 024 321	4 050 811	4 034 799	4 100 576



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