

Eidesvik Offshore ASA
Report for 2nd Quarter 2020



Your Partner in Shipping

Highlights in 2nd Quarter 2020

In 2nd Quarter 2020 Eidesvik Offshore ASA (“Eidesvik” or the “Group”) generated a consolidated EBITDA of MNOK 33.1, compared to MNOK 96.2 (MNOK 54.5 adjusted for one-off effects) in 2nd Quarter 2019.

Eidesvik was awarded a 4 month contract extension for “Viking Lady” under the Frame Agreement with Aker BP. The extension is for the period from primo September to ultimo December.

Eidesvik was awarded a 4 month contract for the period from primo September to ultimo December for “Viking Prince”. The contract was concluded under the Frame Agreement with Aker BP. The current contract was ended primo June 2020, and Eidesvik traded the vessel in the spot market during the 3 month summer season.

The contract for “Vantage” was cancelled in the start of April 2020. By the end of April 2020 the contract 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.

Eidesvik entered into amendments to its credit facilities with all of the Group’s financial institutions for the period from July 1, 2020, to June 30, 2021. According to the amended agreements, the Group will defer the instalments on all its credit facilities during said period to the end of 2022, amounting to approximately MNOK 100. Interest will be paid as normal during the period. On certain terms, the Group may still pay the deferred instalments should the Group’s liquidity position during the first half of 2021 be better than presumed.

Subsequent events

Aker BP awarded Eidesvik a ship management agreement for two supply vessels in operation on the Norwegian continental shelf.

Results 2nd Quarter 2020

The interim accounts have been prepared in accordance with IAS 34. The interim accounts of 2nd Quarter 2020 and corresponding figures for 2019 have not been audited.

In the 2nd Quarter 2020 Eidesvik had consolidated operating income of MNOK 144.3 (MNOK 209.6 in the corresponding period in 2019, whereof MNOK 38.6 was related to the termination of the contract for “Viking Vanquish”). Operating result before depreciations (EBITDA) was MNOK 33.1 (MNOK 96.2), and operating result (EBIT) was MNOK -41.9 (MNOK 39.2). Result from joint ventures was MNOK 2.2 (MNOK -2.0). Net financial items were MNOK 86.3 (MNOK -9.0). Result after tax amounted to MNOK 44.4 (MNOK 30.2), whereof a positive effect of MNOK 118.3 was due to NOK strengthening against USD, EUR and GBP during the Quarter. For further information, refer to Note 11 to the accounts.

Results per June 30, 2020

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

The Group’s consolidated total operating income per June 30, 2020, was MNOK 281.1 (total operating income per June 30, 2019, was MNOK 363.4, whereof MNOK 38.6 was related to the termination of the contract for “Viking Vanquish”). Operating result before depreciation (EBITDA) was MNOK 61.3 (MNOK 144.8), and operating result was MNOK -60.8 (MNOK 19.2). Result from joint ventures of MNOK 4.7 (MNOK -16.0) are related to operation of the subsea vessel “Seven Viking” (in 2019 the

seismic vessels in the Global Seismic Vessels AS group was included until May 31, 2019 (Note 9)). Net financial items were MNOK -73.8 (MNOK -38.6), whereof MNOK 106.7 of financial income is related to the sale of Global Seismic Shipping AS (“GSS”) and the associated translation differences in the joint venture. This effect is reversed in Comprehensive Income, and has no effect on Total equity. A negative effect of MNOK -104.2 was due to NOK weakening against USD, EUR and GBP. For further information, refer to Note 11 to the accounts.

Result after tax per June 30, 2020, amounted to MNOK -134.7 (MNOK -19.6 per June 30, 2019), whereof MNOK -98.9 (MNOK -14.2) was the result for the shareholders of the parent. This resulted in earnings per share of NOK -1.59 (NOK -0.23).

Balance sheet and liquidity per June 30, 2020

Current assets at June 30, 2020, was MNOK 913.8 (MNOK 701.6 at June 30, 2019), and cash balance was MNOK 374.5 (MNOK 409.8), whereof MNOK 59.3 is restricted cash and MNOK 14.7 is funding restricted to the ammonia project.

Book equity at June 30, 2020, was MNOK 517.0 (MNOK 1,399.7 at June 30, 2019), i.e. an equity ratio of 16% (35%). The total booked equity per share at June 30, 2020 was NOK 8.32 (NOK 22.52). The corresponding market quote at Oslo Stock Exchange closed at NOK 3.44 (NOK 5.74). This represents a market capitalization of MNOK 213.8 (MNOK 356.7).

Value in use calculations of the consolidated fleet indicated impairments of the book value per June 30, 2020, and impairments of MNOK 23.9 have been charged to the accounts. An average fair value assessment conducted by two independent brokers, evaluate the consolidated part of the fleet value free of charter to MNOK 3,396 (MNOK 3,537 at June 30, 2019), which indicates an excess value before tax of MNOK 1,347 (MNOK 792) 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 market values in the current market.

Net interest-bearing debt at June 30, 2020, was MNOK 2,222.2 (MNOK 2,091.5 at June 30, 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 June 30, 2020, amounted to MNOK 100.9 (MNOK 35.9 per June 30, 2019).

Cash flow from investment activities per June 30, 2020, was MNOK -27.1 (MNOK -26.6 per June 30, 2019).

Cash flow from financing activities per June 30, 2020, of MNOK -107.7 (MNOK -115.2 per June 30, 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 June 30, 2020, was MNOK 31.0 (MNOK 15.5 in the corresponding period in 2019), an increase of MNOK 15.5. This is mainly a result of increases in utilization and day rates. In addition, “Viking Athene” was in operation until April versus in lay up in the same period in 2019.

Subsea

The subsea/offshore wind segment including shares of Joint Venture's EBITDA per June 30, 2020, was MNOK 48.8 (MNOK 66.0 in the corresponding period in 2019), a decrease of MNOK 17.1. The decrease is mainly a result of the low activity for "Viking Neptun" in the first Quarter. The consolidated part of the segment had per June 30, 2020, an EBITDA of MNOK 30.4 (MNOK 47.6).

Seismic

The seismic segment's EBITDA per June 30, 2020, was MNOK 1.5 (MNOK 96.4 in the corresponding period in 2019, whereof MNOK 38.6 was related to the termination of the contract for "Viking Vanquish"), a decrease of MNOK 95.0. The decrease is mainly related to "Veritas Viking" being in lay up (in operation in the same period in 2019) and lower income for "Vantage" (lay up from end of April 2020). The segment's EBITDA including shares of Joint Venture in the corresponding period in 2019 was MNOK 157.7. The JV was sold in January 2020.

Financing

The World-wide outbreak of the Covid-19 virus, in combination with the 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 negative development of the market and outlook, Eidesvik entered into amendments to its credit facilities with all of the Group's financial institutions for the period from July 1, 2020, to June 30, 2021. The Group will defer the instalments on all its credit facilities during said period to the end of 2022, amounting to approximately MNOK 100. Interest will be paid as normal during the period. On certain terms, the Group may still pay the deferred instalments should the Group's liquidity position during the first half of 2021 be better than presumed.

The Group is currently working to protect its liquidity and financial position for the medium-term and more longer term. Cost-saving initiatives have been or are under implementation both offshore and onshore. The predictability in the current overall market is expected to impact the timeline leading to a sustainable financial platform for the Group on a medium- to longer term perspective.

Market and future outlook

PSV Market

Low oil price in combination with the COVID-19 situation resulted in a significant drop in drilling activity. Vessel utilization followed and term rates declined by about 40% compared to the same quarter last year. We expect a challenging winter season ahead with vessel owners taking vessels into lay up as they come off charters.

Subsea Market

The North Sea subsea fleet had an active quarter with utilization levels ranging from 60-70% and sustainable rate levels. Short term, as we enter the winter season, there are few outstanding vessel requirements globally, and utilization with related rate levels are expected to drop. Medium term vessel activity level is expected to be challenging as the main subsea entrepreneur companies redeliver third party vessels and report low tendering activity for both SURF and IMR projects. Subsea projects are mainly reported to be deferred rather than cancelled, indicating that the market balance should improve in a longer term perspective.

Seismic Market

The market remains challenging in the near term, however some tender activity for the first half of 2021 and beyond for source vessels has recently been registered. We may expect that some deferred projects from 2020 will materialize in 2021 both for Ocean Bottom Seismic and source vessels. The



market development in 2021 will be dependent on oil price and operational challenges related to Covid-19 restrictions.

Bømlo, August 26, 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

Børre Lindanger
Board Member

Jan Fredrik Meling
CEO

Declaration from the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer have today addressed and adopted the consolidated semi-annual accounts for Eidesvik Offshore ASA per June 30, 2020, and 1st Half of 2020, including the consolidated corresponding figures per June 30, 2019, and 1st Half of 2019.

The semi-annual report is prepared in accordance with IAS 34 Interim Financial Reporting, as provided by the EU and Norwegian additional requirements in the Securities Trading Act.

By the Board of Directors and the Chief Executive Officer opinion the semi-annual accounts are prepared in accordance with current regulations, and the information in the accounts give a true and fair view of the Group's assets, liabilities and financial standing and results as a whole per June 30, 2020, and June 30, 2019. By the Board of Directors and the Chief Executive Officer opinion the semi-annual report give a true and fair view of important events in the accounting period and their influence on the semi-annual accounts. By the Board of Directors and the Chief Executive Officer opinion the description of the most important financial risks the company is faced with in the following accounting period, and the description of related parties material transactions, give a true and fair view.

Bømlo, August 26, 2020

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Board Member

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Board Member

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Board Member

Børre Lindanger
Board Member

Jan Fredrik Meling
CEO

Condensed statement of comprehensive income (NOK 1 000)

	2020 1.4 - 30.6	2019 1.4 - 30.6	2020 1.1 - 30.6	2019 1.1 - 30.6
Operating Income				
Freight income	137 303	171 082	267 011	319 983
Other income (note 4)	6 950	38 554	14 078	43 437
Total operating income	144 253	209 636	281 089	363 420
Operating Expenses				
Personnel expenses	79 375	85 729	153 317	162 080
Other operating expenses	31 784	27 742	66 455	56 526
Total operating expenses	111 158	113 471	219 772	218 606
Operating result before depreciations	33 095	96 165	61 316	144 814
Ordinary depreciation	53 243	54 960	102 858	109 630
Impairment on assets	23 941	0	23 941	0
Operating result before other income and expenses	(44 089)	41 205	(65 483)	35 184
Result from Joint Ventures	2 174	(1 965)	4 651	(16 010)
Operating result	(41 915)	39 240	(60 832)	19 174
Financial Items (note 11)				
Financial income	2 190	3 979	113 143	8 054
Financial expenses	(34 125)	(31 274)	(82 830)	(61 263)
Net agio (disagio)	118 281	18 309	(104 152)	14 583
Net financial items	86 346	(8 986)	(73 839)	(38 626)
Pre-tax result	44 430	30 255	(134 671)	(19 452)
Taxes	0	(104)	(69)	(104)
Result	44 430	30 151	(134 740)	(19 556)
Attributable to				
Equity holders of the parent	27 336	32 393	(98 890)	(14 226)
Non-controlling interests	17 094	(2 242)	(35 850)	(5 330)
Earnings per share	0,44	0,52	(1,59)	(0,23)
Statement of comprehensive income				
Profit	44 430	30 151	(134 740)	(19 556)
Currency translation adjustments Joint Ventures	0	8 660	(106 712)	5 553
Actuarial gain/ loss	0	0	28 409	0
Change in value stocks	(22 833)	0	28 929	0
Comprehensive income	21 597	38 810	(184 114)	(14 003)
Attributable to				
Equity holders of the parent	4 503	41 052	(148 264)	(8 674)
Non-controlling interests	17 094	(2 242)	(35 850)	(5 330)
Total attributed	21 597	38 810	(184 114)	(14 003)

Condensed statement of financial position

(NOK 1 000)

	30.06.2020	30.06.2019	31.12.2019
ASSETS			
Fixed assets:			
Vessels	2 049 417	2 745 143	2 107 637
Other assets	19 894	20 725	20 277
Financial derivatives	0	668	538
Right-of-use asset	57 598	62 198	59 963
Other long-term receivables	88 051	99 339	96 857
Pension fund	127	0	0
Shares in Joint Ventures (note 9)	164 171	153 226	159 520
Shares	1 720	1 720	1 720
Total fixed assets	2 380 979	3 083 021	2 446 513
Current assets:			
Financial investments	292 338	0	0
Account receivables, freight income	160 417	179 865	155 559
Other short-term receivables	78 947	110 626	84 312
Financial derivatives	7 625	1 337	724
Cash and cash equivalents	374 500	409 752	408 319
Total current assets	913 827	701 579	648 914
Assets held for sale			
Assets held for sale (note 9)	0	266 210	264 848
Total assets held for sale	0	266 210	264 848
TOTAL ASSETS	3 294 805	4 050 811	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	28 929	107 279	106 712
Retained earnings	435 766	1 147 761	563 064
Total equity majority shareholders	645 081	1 405 976	821 753
Non-controlling interests	(128 130)	(6 259)	(92 280)
Total equity	516 951	1 399 717	729 474
Long-term liabilities:			
Financial derivatives	22 321	7 117	8 062
Lease liabilities (note 12)	56 167	59 551	57 923
Pension liabilities	0	12 648	6 833
Other long-term liabilities	12 915	0	0
Interest-bearing debt (note 12)	2 537 246	2 346 158	2 341 326
Total long-term liabilities	2 628 650	2 425 474	2 414 143
Short-term liabilities:			
Interest-bearing debt (note 12)	9 281	104 116	105 314
Financial derivatives	20 488	2 945	4 150
Lease liabilities (note 12)	3 256	3 256	3 256
Accounts payable	27 729	27 650	20 716
Tax payable	0	411	790
Other short-term liabilities	88 451	87 242	82 433
Total short-term liabilities	149 205	225 620	216 658
Total liabilities	2 777 854	2 651 094	2 630 801
TOTAL EQUITY AND LIABILITIES	3 294 805	4 050 811	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	-29 034	629	106 712	563 064	821 753	-92 280	729 474
Result in the period	0	0	0	0	0	-98 890	-98 890	-35 850	-134 740
Other adjustments	0	0	28 409	0	28 929	-28 409	28 929	0	28 929
Exchange differences Joint Venture *	0	0	0	0	-106 712	0	-106 712	0	-106 712
Equity as at 30.06.2020	3 108	177 275	-626	629	28 929	435 767	645 081	-128 130	516 951

	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	-14 226	-14 226	-5 330	-19 556
Exchange differences Joint Venture	0	0	0	0	-5 553	0	-5 553	0	-5 553
Equity as at 30.06.2019	3 108	177 275	-30 076	629	107 280	1 147 761	1 405 976	-6 259	1 399 717

	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.

Statement of cash flows

(condensed)

	1.4 - 30.6 2020	1.4 - 30.6 2019	1.1 - 30.6 2020	1.1 - 30.6 2019	1.1 - 31.12 2019
Net cash flow from operations excl. taxes	49 461	24 114	100 942	36 131	172 213
Paid taxes	0	57	(16)	(255)	(236)
Cash flow from operating activity	49 461	24 171	100 926	35 876	171 977
Received insurance settlement	0	2 178	0	3 714	3 714
Payment of long-term receivables (instalments and interests)	16 379	0	41 113	15 074	37 590
Purchase of fixed operating assets	(20 854)	(19 070)	(68 196)	(45 355)	(95 737)
Cash flow from investment activity	(4 475)	(16 892)	(27 083)	(26 567)	(54 433)
Instalment financial lease	(926)	0	(1 755)	0	(3 256)
Repayment of debt	(27 395)	(25 620)	(48 942)	(46 261)	(93 742)
Paid interest	(22 712)	(15 089)	(56 965)	(47 901)	(106 832)
Repayment of debt to JV	0	0	0	(21 000)	(21 000)
Cash flow from finance activity	(51 033)	(40 709)	(107 662)	(115 162)	(224 830)
Changes in cash holdings	(6 047)	(33 431)	(33 819)	(105 853)	(107 286)
Liquid assets at the beginning of the period	380 547	443 183	408 319	515 605	515 605
Liquid assets at the end of the period	374 500	409 752	374 500	409 752	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. The financial investments are valued in USD. 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. 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 charter parties 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 and cap 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 interest swap or fixed interest is 33% for NOK loans and 43% for USD loans per June 30, 2020. The Group has interest cap agreements with start in July 2020. Consequently, the share of loans with interest swap/cap or fixed interest per July 2020 is estimated to be 61% for NOK loans and 76% for USD loans.

Market risk

For 3rd Quarter of 2020 contract coverage for all consolidated vessels and the JV vessel "Seven Viking" (incl. 5 vessels in lay up) is approx. 66%, and for the rest of 2020 the coverage is approx. 58%.

Newbuild risk

The Group has per June 30, 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 interim 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 14.1 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 June 30, 2020. Based on these tests, impairments of MNOK 23.9 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 2nd Quarter of 2020. The Group's debt was restructured in the 1st Quarter 2018 with amendments in the instalment plan. In 2nd Quarter 2020, Eidesvik entered into amendments to its credit facilities with all of the Group's financial institutions for the period from July 1, 2020, to June 30, 2021. 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	
	1.4.-30.6.2020	1.4.-30.6.2019	1.4.-30.6.2020	1.4.-30.6.2019	1.4.-30.6.2020	1.4.-30.6.2019	1.4.-30.6.2020	1.4.-30.6.2019	1.4.-30.6.2020	1.4.-30.6.2019
Segment result										
Operating income	608	28 245	26 451	38 758	45 932	44 746	4 873	6 018	77 864	117 767
Bareboat income	9 557	56 754	40 160	17 826	16 672	17 290	0	0	66 389	91 870
Operating income share from JV*	0	0	8 225	7 309	0	0	0	0	8 225	7 309
Bareboat income from JV*	0	27 179	9 574	9 891	0	0	0	0	9 574	37 070
Total operating income	10 165	112 178	84 410	73 783	62 604	62 036	4 873	6 018	162 052	254 015
Operating expenses	12 624	17 641	35 789	31 274	53 619	51 806	9 124	12 750	111 156	113 471
Operating expenses share from JV*	0	2 519	8 913	8 895	0	0	0	0	8 913	11 415
Total operating expenses	12 624	20 160	44 702	40 169	53 619	51 806	9 124	12 750	120 069	124 885
Depreciations	10 845	13 278	22 589	21 904	18 430	18 426	1 380	1 353	53 244	54 961
Depreciations share from JV*	0	16 300	4 769	4 748	0	0	0	0	4 769	21 048
Writedown on assets	11 194	0	12 748	0	0	0	0	0	23 942	0
Writedown on assets share from JV*	0	0	0	0	0	0	0	0	0	0
Total depreciations/writedown on assets	22 039	29 578	40 106	26 652	18 430	18 426	1 380	1 353	81 955	76 009
Operating profit incl. share from JV*	-24 498	62 439	-398	6 962	-9 445	-8 196	-5 631	-8 085	-39 972	53 120
Net finance and taxes from JV*	0	-11 524	-1 943	-2 355	0	0	0	0	-1 943	-13 880
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	-24 498	50 915	-2 341	4 606	-9 445	-8 196	-5 631	-8 085	-41 915	39 240
Number of ships at end of period (incl. JV)	4	11	4	4	7	7			15	22

Operation segment	Seismic		Subsea		Supply		Other		Total	
	1.1.-30.6.2020	1.1.-30.6.2019	1.1.-30.6.2020	1.1.-30.6.2019	1.1.-30.6.2020	1.1.-30.6.2019	1.1.-30.6.2020	1.1.-30.6.2019	1.1.-30.6.2020	1.1.-30.6.2019
Segment result										
Operating income	6 236	48 060	48 686	73 762	101 015	82 840	9 635	9 261	165 573	213 923
Bareboat income	23 888	81 288	53 611	38 215	38 018	29 994	0	0	115 516	149 497
Operating income share from JV*	0	0	16 792	15 002	0	0	0	0	16 792	15 002
Bareboat income from JV*	0	65 781	19 148	19 704	0	0	0	0	19 148	85 485
Total operating income	30 124	195 129	138 237	146 683	139 033	112 834	9 635	9 261	317 029	463 907
Operating expenses	28 674	32 935	71 862	64 378	108 042	97 378	11 193	23 916	219 771	218 607
Operating expenses share from JV*	0	4 493	17 559	16 351	0	0	0	0	17 559	20 844
Total operating expenses	28 674	37 428	89 421	80 729	108 042	97 378	11 193	23 916	237 330	239 450
Depreciations	21 689	26 071	41 184	43 928	37 238	36 957	2 748	2 674	102 859	109 630
Depreciations share from JV*	0	50 908	9 539	9 449	0	0	0	0	9 539	60 357
Writedown on assets	11 194	0	12 748	0	0	0	0	0	23 942	0
Writedown on assets share from JV*	0	0	0	0	0	0	0	0	0	0
Total depreciations/writedown on assets	32 883	76 979	63 471	53 377	37 238	36 957	2 748	2 674	136 340	169 987
Operating result incl. share from JV*	-31 433	80 723	-14 655	12 577	-6 247	-21 501	-4 306	-17 329	-56 641	54 470
Net finance and taxes from JV*	0	-30 727	-4 191	-4 569	0	0	0	0	-4 191	-35 296
Writedown 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	-31 433	49 995	-18 846	8 008	-6 247	-21 501	-4 306	-17 329	-60 832	19 174
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 June 30, 2020, of the individual joint venture companies:

Company	Assets	Liability	Equity	Revenues	Profit	Ownership	Book value	Result portion
Eidesvik Seven AS	699 061	396 745	302 316	38 296	10 277	50 %	151 178	5 138
Eidesvik Seven Chartering AS	34 306	8 321	25 985	71 880	-974	50 %	12 992	-488
Profit from Joint Ventures							164 171	4 651

Summarized financial information per June 30, 2019 of the individual joint ventures companies:

Company	Assets	Liability	Equity	Revenues	Profit	Ownership	Book value	Result 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*	31 339	27 997	3 342	11 349	520	51 %	1 439	0
Eidesvik Seven AS	725 516	444 450	281 066	39 407	10 817	50 %	140 553	5 409
Eidesvik Seven Chartering AS	73 411	50 943	22 468	69 412	-2 141	50 %	11 234	-1 072
Profit from Joint Ventures							153 226	(16 010)

*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 June 30, 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

	1.4 - 30.6 2020	1.4 - 30.6 2019	1.1 - 30.6 2020	1.1 - 30.6 2019	1.1 - 31.12 2019
Number of Shares (thousands)	62 150	62 150	62 150	62 150	62 150
Earnings pr share, NOK	0,44	0,52	-1,59	-0,23	-9,64
Equity pr share, NOK	8,32	22,52	11,74	22,52	11,74
Financial Equity Ratio	16 %	35 %	22 %	35 %	22 %
EBITDA margin excl. gain on sale	23 %	46 %	22 %	40 %	36 %
EBIT margin excl. gain on sale	-29 %	19 %	-22 %	5 %	-83 %

Note 11- Financial items

	1.4 - 30.6 2020	1.4 - 30.6 2019	1.1 - 30.6 2020	1.1 - 30.6 2019	1.1 - 31.12 2019
Financial income*	2 190	3 979	113 143	8 054	17 089
Impairment long-term receivables	0	0	2 550	0	3 410
Other interest and financial expenses	(32 711)	(31 274)	(63 095)	(61 263)	(121 443)
Interest cost - lease liabilities	(782)	0	(1 547)	0	(3 142)
Change in market value on interest instruments	(633)	0	(20 738)	0	(11 131)
Realized agio on foreign exchange contracts	313	389	384	672	785
Realized agio - others	(4 732)	10 389	(7 740)	8 762	(5 496)
Unrealized agio - on foreign exchange contracts	31 131	(6 538)	(5 865)	(4 836)	2 372
Unrealized agio - loans	91 569	14 069	(90 931)	9 986	(5 865)
Net financial items	86 346	(8 986)	(73 839)	(38 626)	(123 421)

* MNOK 106.7 relates to reversed translation differences due to the sale of Global Seismic Shipping AS in 1st Quarter 2020.

Note 12 - Net interest-bearing debt

	30.06.2020	30.06.2019
Short-term interest-bearing debt	9 281	104 116
Accrued interests	(9 281)	(11 849)
Liabilities related to Assets held for sale	0	0
<i>1st year installment on long-term interest-bearing debt</i>	(0)	92 267
Short-term lease liabilities (IFRS 16)	3 256	3 256
<i>Short-term interest-bearing debt</i>	3 256	95 523
Long-term interest-bearing debt	2 537 246	2 346 158
Long-term lease liabilities (IFRS 16)	56 167	59 551
<i>Long-term interest-bearing debt</i>	2 593 413	2 405 709
Total interest-bearing debt	2 596 669	2 501 231
Cash and cash equivalents	(374 500)	(409 752)
Net interest-bearing debt	2 222 169	2 091 479

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, Bømlø 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 June 30, 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 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
COLORADO EIENDOM AS	0,63 %	NORWAY
SKANDINAVISKA ENSKILDA BANKEN AB	0,58 %	SWEDEN
MELING, JAN FREDRIK	0,54 %	NORWAY
SWEDBANK AB	0,46 %	SWEDEN
CAIANO SHIP AS	0,44 %	NORWAY
DUNVOLD INVEST AS	0,43 %	NORWAY

Note 15 - The financial restructuring

The World-wide outbreak of the Covid-19 virus, in combination with the 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 negative development of the market and outlook, on June 30, 2020, Eidesvik agreed to amendments to its credit facilities with all of the Group's financial institutions for the period from July 1, 2020, to June 30, 2021. The Group will defer the instalments on all its credit facilities during said period to the end of 2022, amounting to approximately MNOK 100. Interest will be paid as normal during the period. On certain terms, the Group may still pay the deferred instalments should the Group's liquidity position during the first half of 2021 be better than presumed.

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 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 and the amendments in 2nd Quarter 2020

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.

The Group is currently working to protect its liquidity and financial position for the medium-term and more longer term. Cost-saving initiatives have been or are under implementation both offshore and onshore. The predictability in the current overall market is expected to impact the timeline leading to a sustainable financial platform for the Group on a medium- to longer term perspective.

Note 16 - Subsequent events

The subsequent events have no consequence for the accounts per June 30, 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.

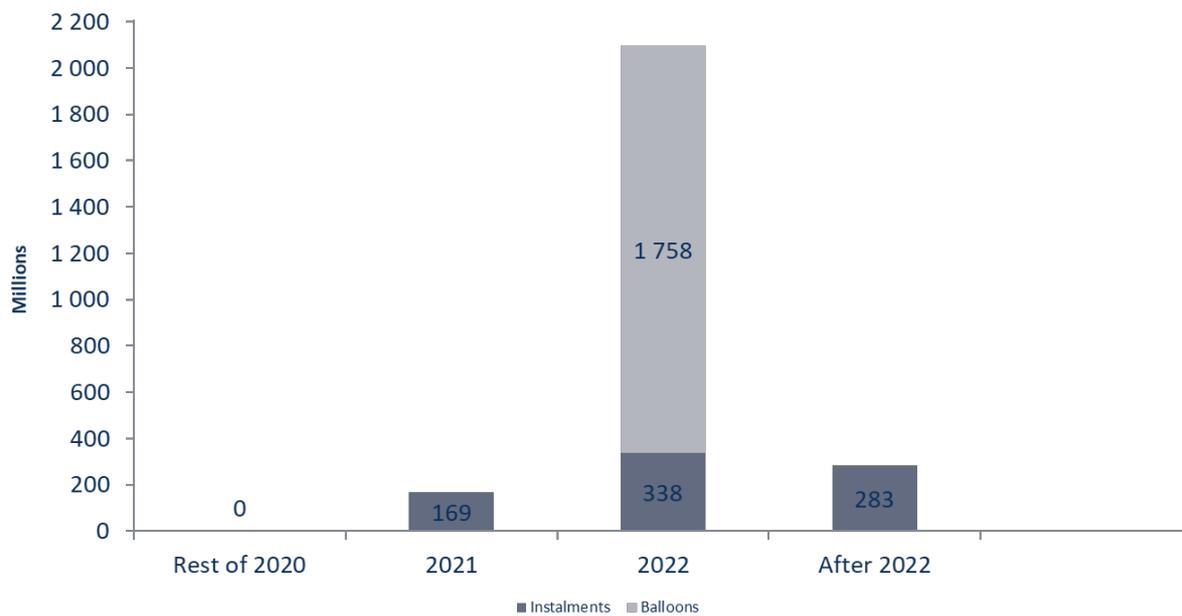
The definitions of these measures are as follows:

- 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 - 30.6	2019 1.1 - 30.6
Total operating income	281 089	363 420
Total operating expenses	(219 772)	(218 606)
EBITDA	61 316	144 814
Ordinary depreciation	(102 858)	(109 630)
Impairment on assets	(23 941)	0
Profit from Joint Ventures	4 651	(16 010)
EBIT	(60 832)	19 174

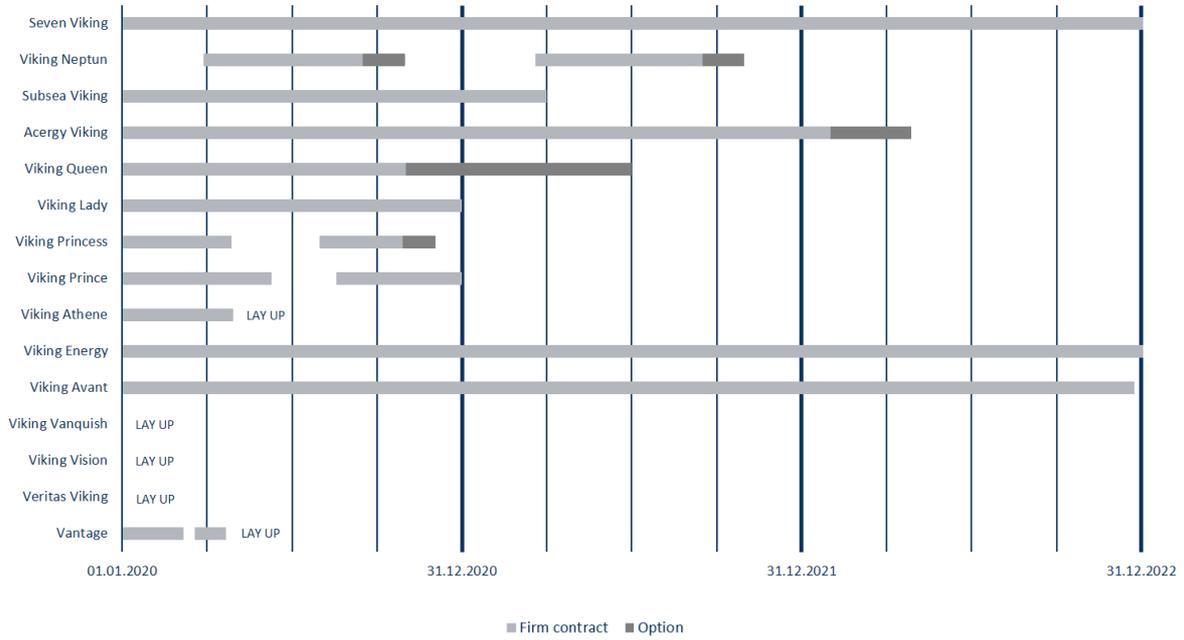
Appendix 2 - Debt maturity profile June 30, 2020:

Debt maturity profile 30.06.2020

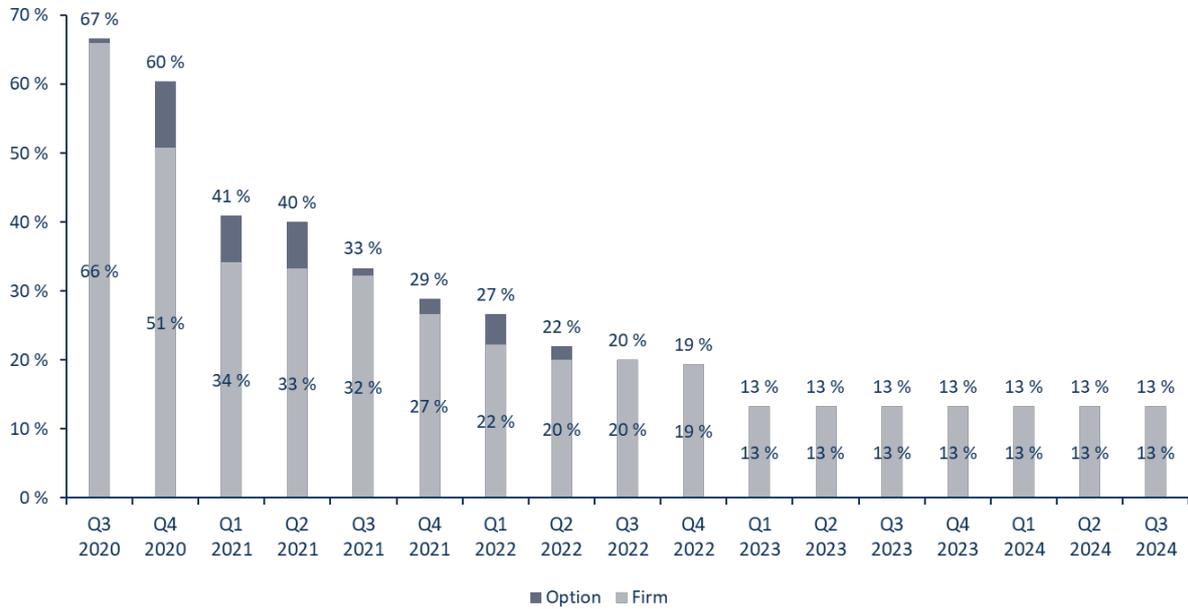


Appendix 3 – Contract status and coverage June 30, 2020:

Contract Status



Contract coverage incl. JV's 30.06.2020



Condensed statement of comprehensive income last 5 Quarters

Consolidated (NOK 1 000)	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2
Operating Income:					
Freight income	137 303	129 708	142 043	170 836	171 082
Other income	6 950	7 128	0	5 260	38 554
Total operating income	144 253	136 835	142 043	176 096	209 636
Operating Expenses:					
Personell expenses	79 375	73 943	71 539	76 790	85 729
Other operating expenses	31 784	34 671	35 453	35 983	27 742
Total operating expenses	111 158	108 614	106 992	112 773	113 471
Operating result before depreciations	33 095	28 221	35 051	63 323	96 165
Ordinary depreciation	53 243	49 615	59 334	59 303	54 960
Writedown on assets	23 941	0	569 700	0	0
Operating result before other income and expenses	(44 089)	(21 394)	(593 983)	4 021	41 205
Result from JV	2 174	2 477	(124)	5 624	(1 965)
Operating result	(41 915)	(18 916)	(594 107)	9 645	39 240
Financial Items:					
Financial income	2 190	110 953	5 066	3 969	3 979
Financial expenses	(34 125)	(48 705)	(28 076)	(35 015)	(37 648)
Net agio (disagio)	118 281	(222 433)	40 289	(71 028)	24 684
Net financial items	86 346	(160 185)	17 279	(102 074)	(8 986)
Pre-tax result	44 430	(179 101)	(576 828)	(92 429)	30 255
Taxes	0	(69)	(1 460)	0	(104)
Result	44 430	(179 171)	(578 288)	(92 429)	30 151
Equity holders of the parent	27 336	(126 226)	(510 162)	(74 535)	32 393
Non-controlling interests	17 094	(52 944)	(68 126)	(17 895)	(2 242)
Earnings per share	0,44	(2,03)	(8,21)	(1,20)	0,52
Statement of comprehensive income					
Currency translation adjustments - Joint Ventures	0	(106 712)	(568)	0	8 660
Actuarial gain/ loss	0	0	1 042	0	0
Change in value stocks	(22 833)	51 762	0	0	0
Comprehensive income	21 597	(234 120)	(577 814)	(92 429)	38 810
Attributable to					
Controlling interests	4 503	(181 176)	(509 688)	(74 535)	41 052
Non-controlling interests	17 094	(52 944)	(68 126)	(17 895)	(2 242)
Total attributed	21 597	(234 120)	(577 814)	(92 429)	38 810

Condensed statement of financial position last 5 Quarters

Consolidated (NOK 1 000)	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2
ASSETS					
Fixed assets:					
Vessels	2 049 417	2 105 562	2 107 637	2 701 453	2 745 143
Other assets	19 894	20 079	20 277	20 523	20 725
Financial derivatives	0	0	538	0	668
Right-of-use asset	57 598	58 793	59 963	61 081	62 198
Other long-term receivables	88 051	102 031	96 857	99 643	99 339
Pension fund	127	127	0	0	0
Shares in Joint Venture	164 171	161 998	159 520	158 850	153 226
Shares	1 720	1 720	1 720	1 720	1 720
Total fixed assets	2 380 979	2 450 310	2 446 513	3 043 269	3 083 021
Current assets:					
Financial investments	292 338	315 171	0	0	0
Account receivables,	160 417	177 308	155 559	211 304	179 865
Other short-term receivables	78 947	90 209	84 312	83 754	110 626
Financial derivatives	7 625	0	724	0	1 337
Cash and cash equivalents	374 500	380 546	408 319	419 783	409 752
Total current assets	913 827	963 235	648 914	714 841	701 579
Assets held for sale	0	0	264 848	266 210	266 210
Total assets held for sale	0	0	264 848	266 210	266 210
TOTAL ASSETS	3 294 805	3 413 544	3 360 275	4 024 321	4 050 811
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)	(626)	(29 034)	(30 076)	(30 076)
Translation differences	28 929	51 762	106 712	107 279	107 279
Retained earnings	435 766	408 430	563 064	1 073 226	1 147 761
Total equity majority shareholders	645 081	640 578	821 753	1 331 441	1 405 976
Non-controlling interests	(128 130)	(145 224)	(92 280)	(24 154)	(6 259)
Total equity	516 951	495 354	729 474	1 307 288	1 399 717
Long-term liabilities:					
Financial derivatives	22 321	34 765	8 062	11 062	7 117
Lease liabilities	56 167	57 094	57 923	58 737	59 551
Pension liabilities	0	0	6 833	12 648	12 648
Other long-term liabilities	12 915	0	0	0	0
Interest-bearing debt	2 537 246	2 580 956	2 341 326	2 411 179	2 346 158
Total long-term liabilities	2 628 650	2 672 815	2 414 143	2 493 626	2 425 474
Short-term liabilities:					
Interest-bearing debt	9 281	107 262	105 314	102 516	104 116
Financial derivatives	20 488	32 343	4 150	7 294	2 945
Lease liabilities	3 256	3 256	3 256	3 256	3 256
Accounts payable	27 729	21 547	20 716	17 910	27 650
Tax payable	0	0	790	411	411
Other short-term liabilities	88 451	80 969	82 433	92 021	87 242
Total short-term liabilities	149 205	245 376	216 658	223 408	225 620
Total liabilities	2 777 854	2 918 191	2 630 801	2 717 033	2 651 094
TOTAL EQUITY AND LIABILITIES	3 294 805	3 413 544	3 360 275	4 024 321	4 050 811



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