

Eidesvik Offshore ASA
Report for 3rd Quarter 2020



Your Partner in Shipping

Highlights in 3rd Quarter 2020

In 3rd Quarter 2020 Eidesvik Offshore ASA (“Eidesvik” or the “Group”) generated a consolidated EBITDA of MNOK 59.8 (MNOK 55.0 adjusted for one-off effects), compared to MNOK 63.3 in 3rd Quarter 2019.

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

Eidesvik was awarded a 12 month contract extension for “Viking Lady” under the Frame Agreement with Aker BP. The new contract will commence in primo January 2021 in direct continuation of the existing contract.

Subsequent events

Eidesvik was awarded a time charter contract with Wintershall Dea Norge AS for “Viking Princess”. The contract is scheduled to commence in December 2020. The firm contract period is 12 months plus options for extensions.

Eidesvik secured a contract with DEME Offshore NL BV for a fixed period of 84 days for “Viking Neptun”, with options for extensions. Commencement of the contract was primo November 2020.

Results 3rd Quarter 2020

The interim accounts have been prepared in accordance with IAS 34. The interim accounts of 3rd Quarter 2020 and corresponding figures for 2019 have not been audited.

In the 3rd Quarter 2020 Eidesvik had consolidated operating income of MNOK 142.7 (MNOK 176.1 in the corresponding period in 2019). Operating result before depreciations (EBITDA) was MNOK 59.8 (MNOK 63.3), whereof MNOK 4.8 was related to one-off effects. Operating result (EBIT) was MNOK 11.2 (MNOK 9.6). Result from joint ventures was MNOK 4.0 (MNOK 5.6). Net financial items were MNOK 16.9 (MNOK -102.1). Result after tax amounted to MNOK 28.3 (MNOK -92.4), whereof a positive effect of MNOK 33.3 was mainly due to NOK strengthening against USD during the Quarter. For further information, refer to Note 11 to the accounts.

Results per September 30, 2020

The interim accounts have been prepared in accordance with IAS 34. The interim accounts per September 30, 2020, and corresponding figures for 2019 have not been audited.

The Group’s consolidated total operating income per September 30, 2020, was MNOK 423.8 (total operating income per September 30, 2019, was MNOK 539.5, whereof MNOK 38.6 was related to the termination of the contract for “Viking Vanquish”). Operating result before depreciation (EBITDA) was MNOK 121.1 (MNOK 208.1), and operating result (EBIT) was MNOK -49.7 (MNOK 28.8). Result from joint ventures of MNOK 8.6 (MNOK -10.4) 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 -56.9 (MNOK -140.7), 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 -70.9 was due to NOK weakening against USD, EUR and GBP. For further information, refer to Note 11 to the accounts.

Result after tax per September 30, 2020, amounted to MNOK -106.4 (MNOK -112.0 per September 30, 2019), whereof MNOK -80.2 (MNOK -88.8) was the result for the shareholders of the parent. This resulted in earnings per share of NOK -1.29 (NOK -1.43).

Balance sheet and liquidity per September 30, 2020

Current assets at September 30, 2020, was MNOK 904.9 (MNOK 714.8 at September 30, 2019), and cash balance was MNOK 400.1 (MNOK 419.8), whereof MNOK 53.5 is restricted cash and MNOK 14.7 is funding restricted to the ammonia project.

Book equity at September 30, 2020, was MNOK 537.4 (MNOK 1,307.3 at September 30, 2019), i.e. an equity ratio of 17% (32%). The total booked equity per share at September 30, 2020 was NOK 8.65 (NOK 21.03). The corresponding market quote at Oslo Stock Exchange closed at NOK 2.34 (NOK 5.58). This represents a market capitalization of MNOK 145.4 (MNOK 346.8).

Net interest-bearing debt at September 30, 2020, was MNOK 2,154.0 (MNOK 2,148.9 at September 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 September 30, 2020, amounted to MNOK 163.6 (MNOK 97.4 per September 30, 2019).

Cash flow from investment activities per September 30, 2020, was MNOK -34.2 (MNOK -22.4 per September 30, 2019).

Cash flow from financing activities per September 30, 2020, of MNOK -137.6 (MNOK -170.8 per September 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 September 30, 2020, was MNOK 48.7 (MNOK 41.0 in the corresponding period in 2019), an increase of MNOK 7.7. This is mainly a result of increase in revenues.

Subsea

The subsea/offshore wind segment including shares of Joint Venture's EBITDA per September 30, 2020, was MNOK 100.6 (MNOK 96.8 in the corresponding period in 2019), an increase of MNOK 3.7. The increase is mainly a result of increase in day rates. The consolidated part of the segment had per September 30, 2020, an EBITDA of MNOK 71.9 (MNOK 65.8).

Seismic

The seismic segment's EBITDA per September 30, 2020, was MNOK 0.9 (MNOK 115.3 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 114.4. The decrease is mainly related to the termination fee for "Viking Vanquish" in 2019, "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 176.6. The Joint Venture 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 implemented both offshore and onshore. New initiatives will be evaluated in light of the recent market situation. Further, the Group has initiated a process to establish a financial platform which is robust enough to withstand a prolonged weak market.

Market and future outlook

The general market continues to be negatively impacted by low activity and low spending level from the oil & gas companies. The operational challenges caused by the Covid-19 pandemic are still present and impact the Group negatively both in terms of extraordinary operational expenses, and restrictions on global mobility of both vessels and personnel, which in turn have an adverse effect on revenue generation from pending contracts for work outside the Norwegian Continental Shelf.

PSV Market

The North Sea spot market experienced a volatile quarter with utilization levels ranging from 40% to 100% and corresponding fluctuations in day rates. Number of fixtures concluded in the term market, including outstanding requirements, was down 60% compared to same quarter last year. Short term we expect supply to remain above demand, hence some challenging winter months ahead are expected. Medium term we expect a gradual market improvement in 2021 based on an expected increase in rig activity, mainly on the Norwegian Continental Shelf.

Subsea Market

The third quarter was an active quarter for the North Sea subsea fleet with utilization levels above 70% for the entire period. Entering the winter season vessel availability is increasing with few near-term subsea requirements in the market. The renewable market remains active and will yet again utilize part of the advanced North Sea subsea fleet over the winter months.

Due to publicly announced subsea project deferrals we do not expect any incremental increase in the subsea activity levels short term. Vessel utilization could however improve already next year, also positively impacted by activity in the offshore wind market. We maintain our positive outlook for this segment in a long term perspective.

Seismic Market

The market remains unpredictable in the near term, tender activities reported in the 2nd quarter have not materialized into firm contracts. We maintain a more optimistic view longer term, especially towards Ocean Bottom Seismic activity.



Bømlo, November 17, 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

Condensed statement of comprehensive income

(NOK 1 000)

	2020 1.7 - 30.9	2019 1.7 - 30.9	2020 1.1 - 30.9	2019 1.1 - 30.9
Operating Income				
Freight income	142 721	170 836	409 732	490 819
Other income (note 4)	0	5 260	14 078	48 697
Total operating income	142 721	176 096	423 810	539 516
Operating Expenses				
Personnel expenses	55 840	76 790	209 157	238 870
Other operating expenses	27 120	35 983	93 575	92 509
Total operating expenses	82 960	112 773	302 732	331 379
Operating result before depreciations	59 762	63 323	121 078	208 137
Ordinary depreciation	52 540	59 303	155 398	168 932
Impairment on assets	0	0	23 941	0
Operating result before other income and expenses	7 222	4 021	(58 261)	39 204
Result from Joint Ventures	3 960	5 624	8 612	(10 386)
Operating result	11 182	9 645	(49 650)	28 819
Financial Items (note 11)				
Financial income	4 088	3 969	117 231	12 023
Financial expenses	(20 470)	(35 015)	(103 299)	(104 229)
Net agio (disagio)	33 302	(71 028)	(70 850)	(48 493)
Net financial items	16 921	(102 074)	(56 919)	(140 700)
Pre-tax result	28 103	(92 429)	(106 568)	(111 881)
Taxes	233	0	164	(104)
Result	28 336	(92 429)	(106 404)	(111 985)
Attributable to				
Equity holders of the parent	18 715	(74 535)	(80 175)	(88 761)
Non-controlling interests	9 621	(17 895)	(26 229)	(23 224)
Earnings per share	0,30	(1,20)	(1,29)	(1,43)
Statement of comprehensive income				
Profit	28 336	(92 429)	(106 404)	(111 985)
Currency translation adjustments Joint Ventures	0	0	(106 712)	5 553
Actuarial gain/ loss	0	0	28 409	0
Change in value stocks	(7 896)	0	21 033	0
Comprehensive income	20 440	(92 429)	(163 674)	(106 433)
Attributable to				
Equity holders of the parent	10 819	(74 535)	(137 445)	(83 208)
Non-controlling interests	9 621	(17 895)	(26 229)	(23 224)
Total attributed	20 440	(92 429)	(163 674)	(106 433)

Condensed statement of financial position (NOK 1 000)

	30.09.2020	30.09.2019	31.12.2019
ASSETS			
Fixed assets:			
Vessels	2 010 950	2 701 453	2 107 637
Other assets	21 921	20 523	20 277
Financial derivatives	0	0	538
Right-of-use asset	57 200	61 081	59 963
Other long-term receivables	83 634	99 643	96 857
Pension fund	127	0	0
Shares in Joint Ventures (note 9)	168 132	158 850	159 520
Shares	1 720	1 720	1 720
Total fixed assets	2 343 684	3 043 269	2 446 513
Current assets:			
Financial investments	284 442	0	0
Account receivables, freight income	139 457	211 304	155 559
Other short-term receivables	72 141	83 754	84 312
Financial derivatives	8 733	0	724
Cash and cash equivalents	400 121	419 783	408 319
Total current assets	904 895	714 841	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	3 248 579	4 024 321	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	21 033	107 279	106 712
Retained earnings	454 481	1 073 226	563 064
Total equity majority shareholders	655 900	1 331 441	821 753
Non-controlling interests	(118 509)	(24 154)	(92 280)
Total equity	537 391	1 307 288	729 474
Long-term liabilities:			
Financial derivatives	22 321	11 062	8 062
Lease liabilities (note 12)	55 870	58 737	57 923
Pension liabilities	0	12 648	6 833
Other long-term liabilities	7 702	0	0
Interest-bearing debt (note 12)	2 415 958	2 411 179	2 341 326
Total long-term liabilities	2 501 851	2 493 626	2 414 143
Short-term liabilities:			
Interest-bearing debt (note 12)	83 435	102 516	105 314
Financial derivatives	21 399	7 294	4 150
Lease liabilities (note 12)	3 256	3 256	3 256
Accounts payable	25 171	17 910	20 716
Tax payable	0	411	790
Other short-term liabilities	76 076	92 021	82 433
Total short-term liabilities	209 337	223 408	216 658
Total liabilities	2 711 188	2 717 033	2 630 801
TOTAL EQUITY AND LIABILITIES	3 248 579	4 024 321	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	-80 175	-80 175	-26 229	-106 404
Other adjustments	0	0	28 409	0	21 033	-28 409	21 033	0	21 033
Exchange differences Joint Venture *	0	0	0	0	-106 712	0	-106 712	0	-106 712
Equity as at 30.09.2020	3 108	177 275	-626	629	21 033	454 482	655 900	-118 509	537 391

	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	-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

	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)

	1.7 - 30.9 2020	1.7 - 30.9 2019	1.1 - 30.9 2020	1.1 - 30.9 2019	1.1 - 31.12 2019
Net cash flow from operations excl. taxes	62 701	64 277	163 643	97 632	172 213
Paid taxes	0	0	(16)	(255)	(236)
Cash flow from operating activity	62 701	64 277	163 627	97 377	171 977
Received insurance settlement	0	0	0	3 714	3 714
Payment of long-term receivables (instalments and interests)	8 948	16 779	50 061	34 629	37 590
Purchase of fixed operating assets	(16 100)	(15 409)	(84 295)	(60 764)	(95 737)
Cash flow from investment activity	(7 152)	1 370	(34 234)	(22 421)	(54 433)
Instalment financial lease	(297)	0	(2 052)	0	(3 256)
Repayment of debt	(3 113)	(21 103)	(52 055)	(67 364)	(93 742)
Paid interest	(26 518)	(34 513)	(83 483)	(82 414)	(106 832)
Repayment of debt to JV	0	0	0	(21 000)	(21 000)
Cash flow from finance activity	(29 928)	(55 616)	(137 591)	(170 778)	(224 830)
Changes in cash holdings	25 621	10 031	(8 198)	(95 822)	(107 286)
Liquid assets at the beginning of the period	374 500	409 753	408 319	515 605	515 605
Liquid assets at the end of the period	400 121	419 783	400 121	419 783	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 September 30, 2020. Including cap agreements, the Group's share of loans with interest swap/cap or fixed interest per September 30, 2020, is 61% for NOK loans and 76% for USD loans.

Market risk

For 4th Quarter of 2020 contract coverage for all consolidated vessels and the JV vessel "Seven Viking" (incl. 5 vessels in lay up) is approx. 61%, and for 2021 the coverage is approx. 45%.

Newbuild risk

The Group has per September 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 September 30, 2020. Based on these tests, no impairments have been charged to the accounts. The average WACC used in the calculations per September 30, 2020, is 8,0%. 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 3rd 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	
	1.7.-30.9 2020	1.7.-30.9 2019	1.7.-30.9 2020	1.7.-30.9 2019	1.7.-30.9 2020	1.7.-30.9 2019	1.7.-30.9 2020	1.7.-30.9 2019	1.7.-30.9 2020	1.7.-30.9 2019
Segment result										
Operating income	1 730	24 265	35 601	29 476	41 676	51 443	4 209	5 566	83 216	110 751
Bareboat income	1 052	15 483	37 139	25 770	21 315	24 093	0	0	59 506	65 345
Operating income share from JV*	0	0	8 310	9 609	0	0	0	0	8 310	9 609
Bareboat income from JV*	0	0	9 679	10 106	0	0	0	0	9 679	10 106
Total operating income	2 782	39 748	90 729	74 960	62 991	75 536	4 209	5 566	160 711	195 810
Operating expenses	3 358	20 857	31 302	37 008	45 288	50 032	3 015	4 874	82 963	112 771
Operating expenses share from JV*	0	0	7 667	7 070	0	0	0	0	7 667	7 070
Total operating expenses	3 358	20 857	38 969	44 078	45 288	50 032	3 015	4 874	90 630	119 841
Depreciations	11 794	12 951	22 317	22 176	17 755	22 855	671	1 321	52 537	59 303
Depreciations share from JV*	0	0	4 817	4 796	0	0	0	0	4 817	4 796
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	11 794	12 951	27 134	26 972	17 755	22 855	671	1 321	57 354	64 099
Operating profit incl. share from JV*	-12 370	5 940	24 626	3 911	-52	2 649	523	-629	12 727	11 870
Net finance and taxes from JV*	0	0	-1 546	-2 225	0	0	0	0	-1 546	-2 225
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	-12 370	5 940	23 080	1 686	-52	2 649	523	-629	11 181	9 645
Number of ships at end of period (incl. JV)	4	4	4	4	7	7			15	15

Operation segment	Seismic		Subsea		Supply		Other		Total	
	1.1.-30.9 2020	1.1.-30.9 2019	1.1.-30.9 2020	1.1.-30.9 2019	1.1.-30.9 2020	1.1.-30.9 2019	1.1.-30.9 2020	1.1.-30.9 2019	1.1.-30.9 2020	1.1.-30.9 2019
Segment result										
Operating income	7 966	55 524	84 287	95 373	142 691	134 283	13 844	14 827	248 789	300 008
Bareboat income	24 940	113 572	90 750	71 850	59 333	54 087	0	0	175 022	239 508
Operating income share from JV*	0	0	25 102	24 611	0	0	0	0	25 102	24 611
Bareboat income from JV*	0	65 781	28 828	29 810	0	0	0	0	28 828	95 591
Total operating income	32 906	234 877	228 967	221 643	202 024	188 370	13 844	14 827	477 741	659 718
Operating expenses	32 032	53 792	103 164	101 386	153 330	147 410	14 208	28 790	302 734	331 378
Operating expenses share from JV*	0	4 493	25 226	23 420	0	0	0	0	25 226	27 913
Total operating expenses	32 032	58 285	128 390	124 806	153 330	147 410	14 208	28 790	327 960	359 291
Depreciations	33 483	39 022	63 501	66 104	54 993	59 812	3 419	3 995	155 396	168 933
Depreciations share from JV*	0	50 908	14 356	14 245	0	0	0	0	14 356	65 153
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	44 677	89 930	90 605	80 349	54 993	59 812	3 419	3 995	193 694	234 086
Operating result incl. share from JV*	-43 803	86 663	9 971	16 488	-6 299	-18 852	-3 783	-17 958	-43 914	66 340
Net finance and taxes from JV*	0	-30 727	-5 736	-6 794	0	0	0	0	-5 736	-37 521
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	-43 803	55 935	4 235	9 694	-6 299	-18 852	-3 783	-17 958	-49 650	28 819
Number of ships at end of period (incl. JV)	4	4	4	4	7	7			15	15

* 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 September 30, 2020, of the individual joint venture companies:

Company	Assets	Liability	Equity	Revenues	Profit	Ownership	Book value	Result portion
Eidesvik Seven AS	692 819	384 144	308 675	57 655	16 636	50 %	154 338	8 298
Eidesvik Seven Chartering AS	34 804	7 216	27 588	107 859	630	50 %	13 794	314
Profit from Joint Ventures							168 132	8 612

Summarized financial information per September 30, 2019 of the individual joint ventures 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

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 September 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

	1.7 - 30.9 2020	1.7 - 30.9 2019	1.1 - 30.9 2020	1.1 - 30.9 2019	1.1 - 31.12 2019
Number of Shares (thousands)	62 150	62 150	62 150	62 150	62 150
Earnings pr share, NOK	0,30	-1,20	-1,29	-1,43	-9,64
Equity pr share, NOK	8,65	21,03	8,65	21,03	11,74
Financial Equity Ratio	17 %	32 %	17 %	32 %	22 %
EBITDA margin excl. gain on sale	42 %	36 %	29 %	39 %	36 %
EBIT margin excl. gain on sale	8 %	5 %	-12 %	5 %	-83 %

Note 11- Financial items

	1.7 - 30.9 2020	1.7 - 30.9 2019	1.1 - 30.9 2020	1.1 - 30.9 2019	1.1 - 31.12 2019
Financial income*	4 088	3 969	117 231	12 023	17 089
Impairment long-term receivables	2 486	1 882	5 037	3 410	3 410
Other interest and financial expenses	(23 560)	(31 748)	(86 654)	(94 539)	(121 443)
Interest cost - lease liabilities	(261)	0	(1 808)	0	(3 142)
Change in market value on interest instruments	864	(5 149)	(19 874)	(13 100)	(11 131)
Realized agio on foreign exchange contracts	0	182	384	854	785
Realized agio - others	(1 635)	(2 416)	(9 375)	6 346	(5 496)
Unrealized agio - on foreign exchange contracts	3 983	(5 150)	(1 882)	(2 035)	2 372
Unrealized agio - loans	30 955	(63 645)	(59 976)	(53 659)	(5 865)
Net financial items	16 921	(102 074)	(56 919)	(140 700)	(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

	30.09.2020	30.09.2019
Short-term interest-bearing debt	83 435	102 516
Accrued interests	(4 443)	(6 978)
Liabilities related to Assets held for sale	0	0
1st year installment on long-term interest-bearing debt	78 992	95 538
Short-term lease liabilities (IFRS 16)	3 256	3 256
Short-term interest-bearing debt	82 248	98 794
Long-term interest-bearing debt	2 415 958	2 411 179
Long-term lease liabilities (IFRS 16)	55 870	58 737
Long-term interest-bearing debt	2 471 828	2 469 916
Total interest-bearing debt	2 554 076	2 568 709
Cash and cash equivalents	(400 121)	(419 783)
Net interest-bearing debt	2 153 955	2 148 926

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 September 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 AS	1,76 %	NORWAY
BERGTOR INVESTERING AS	1,76 %	NORWAY
HJELTEFJORDEN AS	1,63 %	NORWAY
AGASØSTER INVEST AS	1,48 %	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	0,45 %	SWEDEN
ROGNE, HELGE	0,45 %	NORWAY
NORDNET BANK AB	0,45 %	SWEDEN

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 September 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.

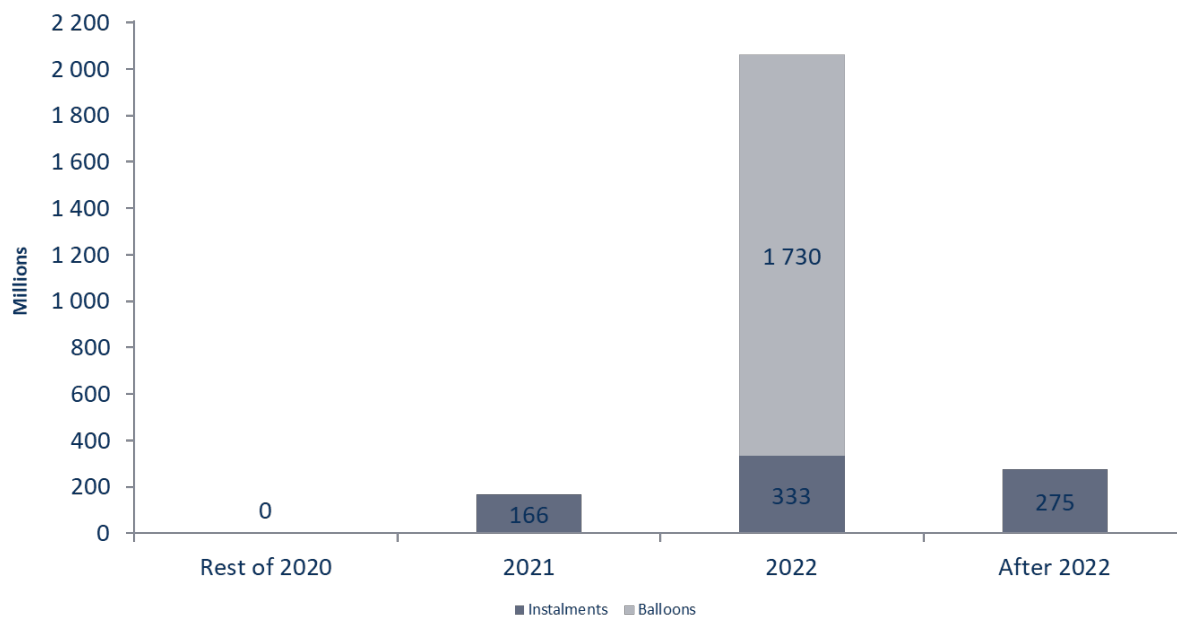
The definitions of these measures are as follows:

- 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	2019
	1.1 - 30.9	1.1 - 30.9
Total operating income	423 810	539 516
Total operating expenses	(302 732)	(331 379)
EBITDA	121 078	208 137
Ordinary depreciation	(155 398)	(168 932)
Impairment on assets	(23 941)	0
Profit from Joint Ventures	8 612	(10 386)
EBIT	(49 650)	28 819

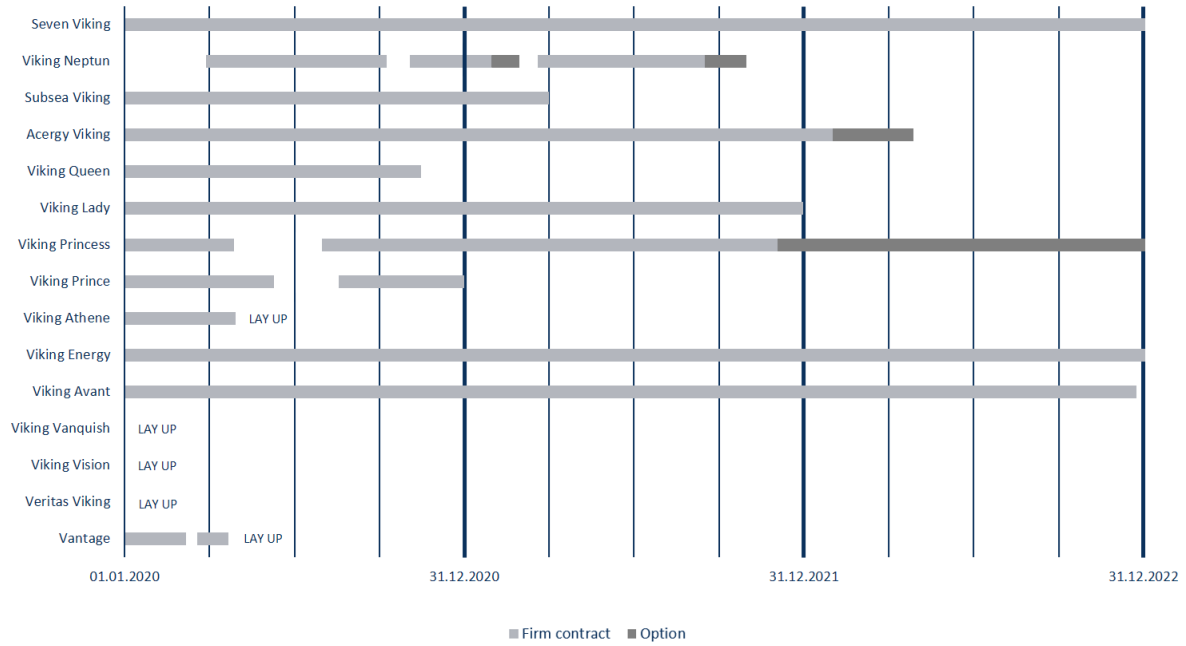
Appendix 2 - Debt maturity profile September 30, 2020:

Debt maturity profile 30.09.2020

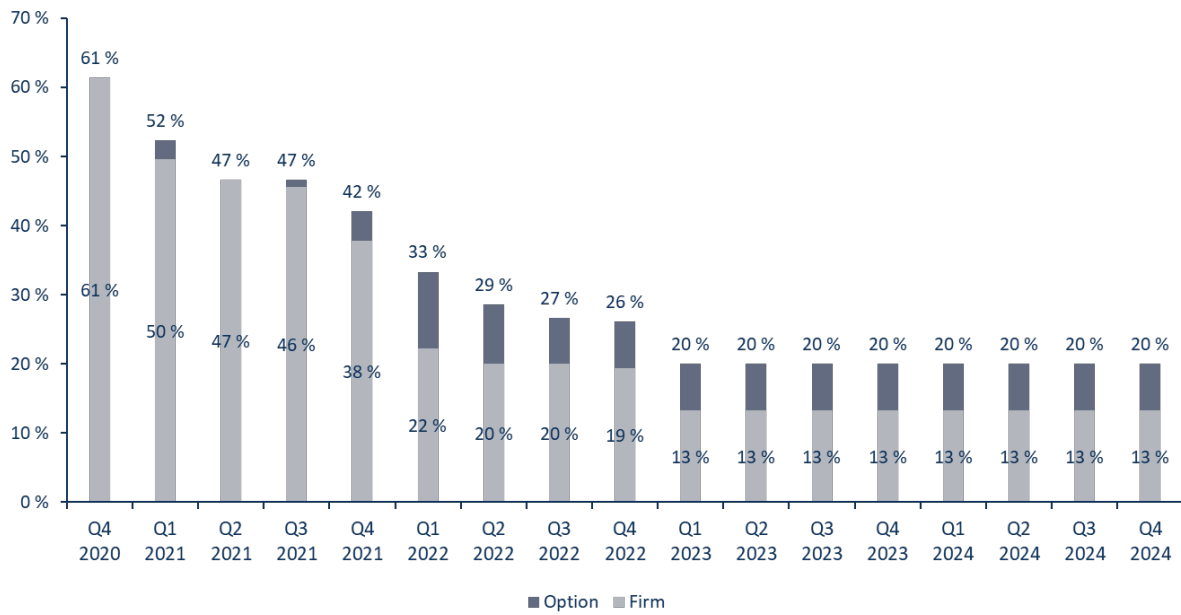


Appendix 3 – Contract status and coverage September 30, 2020:

Contract Status



Contract coverage incl. JV's 30.09.2020



Condensed statement of comprehensive income last 5 Quarters

Consolidated (NOK 1 000)	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3
Operating Income:					
Freight income	142 721	137 303	129 708	142 043	170 836
Other income	0	6 950	7 128	0	5 260
Total operating income	142 721	144 253	136 835	142 043	176 096
Operating Expenses:					
Personell expenses	55 840	79 375	73 943	71 539	76 790
Other operating expenses	27 120	31 784	34 671	35 453	35 983
Total operating expenses	82 960	111 158	108 614	106 992	112 773
Operating result before depreciations	59 762	33 095	28 221	35 051	63 323
Ordinary depreciation	52 540	53 243	49 615	59 334	59 303
Writedown on assets	0	23 941	0	569 700	0
Operating result before other income and expenses	7 222	(44 089)	(21 394)	(593 983)	4 021
Result from JV	3 960	2 174	2 477	(124)	5 624
Operating result	11 182	(41 915)	(18 916)	(594 107)	9 645
Financial Items:					
Financial income	4 088	2 190	110 953	5 066	3 969
Financial expenses	(20 470)	(34 125)	(48 705)	(28 076)	(35 015)
Net agio (disagio)	33 302	118 281	(222 433)	40 289	(71 028)
Net financial items	16 921	86 346	(160 185)	17 279	(102 074)
Pre-tax result	28 103	44 430	(179 101)	(576 828)	(92 429)
Taxes	233	0	(69)	(1 460)	0
Result	28 336	44 430	(179 171)	(578 288)	(92 429)
Equity holders of the parent	18 715	27 336	(126 226)	(510 162)	(74 535)
Non-controlling interests	9 621	17 094	(52 944)	(68 126)	(17 895)
Earnings per share	0,30	0,44	(2,03)	(8,21)	(1,20)
Statement of comprehensive income					
Currency translation adjustments - Joint Ventures	0	0	(106 712)	(568)	0
Actuarial gain/ loss	0	0	0	1 042	0
Change in value stocks	(7 896)	(22 833)	51 762	0	0
Comprehensive income	20 440	21 597	(234 120)	(577 814)	(92 429)
Attributable to					
Controlling interests	10 819	4 503	(181 176)	(509 688)	(74 535)
Non-controlling interests	9 621	17 094	(52 944)	(68 126)	(17 895)
Total attributed	20 440	21 597	(234 120)	(577 814)	(92 429)

Condensed statement of financial position last 5 Quarters

Consolidated (NOK 1 000)	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3
ASSETS					
Fixed assets:					
Vessels	2 010 950	2 049 417	2 105 562	2 107 637	2 701 453
Other assets	21 921	19 894	20 079	20 277	20 523
Financial derivatives	0	0	0	538	0
Right-of-use asset	57 200	57 598	58 793	59 963	61 081
Other long-term receivables	83 634	88 051	102 031	96 857	99 643
Pension fund	127	127	127	0	0
Shares in Joint Venture	168 132	164 171	161 998	159 520	158 850
Shares	1 720	1 720	1 720	1 720	1 720
Total fixed assets	2 343 684	2 380 979	2 450 310	2 446 513	3 043 269
Current assets:					
Financial investments	284 442	292 338	315 171	0	0
Account receivables,	139 457	160 417	177 308	155 559	211 304
Other short-term receivables	72 141	78 947	90 209	84 312	83 754
Financial derivatives	8 733	7 625	0	724	0
Cash and cash equivalents	400 121	374 500	380 546	408 319	419 783
Total current assets	904 895	913 827	963 235	648 914	714 841
Assets held for sale	0	0	0	264 848	266 210
Total assets held for sale	0	0	0	264 848	266 210
TOTAL ASSETS	3 248 579	3 294 805	3 413 544	3 360 275	4 024 321
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)	(626)	(29 034)	(30 076)
Translation differences	21 033	28 929	51 762	106 712	107 279
Retained earnings	454 481	435 766	408 430	563 064	1 073 226
Total equity majority shareholders	655 900	645 081	640 578	821 753	1 331 441
Non-controlling interests	(118 509)	(128 130)	(145 224)	(92 280)	(24 154)
Total equity	537 391	516 951	495 354	729 474	1 307 288
Long-term liabilities:					
Financial derivatives	22 321	22 321	34 765	8 062	11 062
Lease liabilities	55 870	56 167	57 094	57 923	58 737
Pension liabilities	0	0	0	6 833	12 648
Other long-term liabilities	7 702	12 915	0	0	0
Interest-bearing debt	2 415 958	2 537 246	2 580 956	2 341 326	2 411 179
Total long-term liabilities	2 501 851	2 628 650	2 672 815	2 414 143	2 493 626
Short-term liabilities:					
Interest-bearing debt	83 435	9 281	107 262	105 314	102 516
Financial derivatives	21 399	20 488	32 343	4 150	7 294
Lease liabilities	3 256	3 256	3 256	3 256	3 256
Accounts payable	25 171	27 729	21 547	20 716	17 910
Tax payable	0	0	0	790	411
Other short-term liabilities	76 076	88 451	80 969	82 433	92 021
Total short-term liabilities	209 337	149 205	245 376	216 658	223 408
Total liabilities	2 711 188	2 777 854	2 918 191	2 630 801	2 717 033
TOTAL EQUITY AND LIABILITIES	3 248 579	3 294 805	3 413 544	3 360 275	4 024 321



Your Partner in Shipping