

Eidesvik Offshore ASA
Report for 1st Quarter 2021



Your Partner in Shipping

Highlights in 1st Quarter 2021

In 1st Quarter 2021 Eidesvik Offshore ASA (“Eidesvik” or the “Group”) generated a consolidated EBITDA of MNOK 13.7, compared to MNOK 28.2 in 1st Quarter 2020.

Eidesvik exercised the PUT-option for its shares in Shearwater GeoServices Holding AS (“Shearwater”) effectively selling all its shares in Shearwater to CGG SA for a total consideration of USD 30 million in cash. The cash settlement was received in January 2021.

Eidesvik was awarded a time charter with Siemens Gamesa Renewable Energy GmbH & Co. KG for “Acergy Viking”. The contract will commence in direct continuation of the current contract extending the firm period until end January 2027.

Eidesvik was awarded a time charter contract with Aker BP ASA for “Viking Prince”. The contract was awarded under the current Frame Agreement for a drilling campaign indicated for a period up to 120 days, with commencement April 2021.

Eidesvik was awarded a new contract by Seabed Geosolutions under the Master Time Charter Agreement for “Subsea Viking”. The new contract will commence in direct continuation of the existing contract. The firm period is approximately 4 months with options for extensions.

Eidesvik was awarded a new contract by Equinor Energy AS for “Viking Queen”. The new contract commenced in April this year, in direct continuation of the existing contract with Equinor. The new firm contract period is 10 months, with options for further extensions.

Subsequent events

Eidesvik has sold the PSV “Viking Athene”. Delivery of the vessel took place April 28, 2021. The vessel will exit the North Sea supply vessel market and be utilized by the new owner as a Farming Service Vessel. The sale of the vessel will result in an immaterial accounting effect for the 2nd Quarter 2021.

Eidesvik entered into a bareboat contract for 130 days including transit with an undisclosed 3rd party operator for “Veritas Viking”. The vessel will be mobilized from its current location at Bømlo in May 2021 and commence the bareboat contract in June 2021.

Results 1st Quarter 2021

The interim accounts have been prepared in accordance with IAS 34. The interim accounts of 1st Quarter 2021 and corresponding figures for 2020 have not been audited.

In the 1st Quarter 2021 Eidesvik had consolidated operating income of MNOK 109.6 (MNOK 136.8 in the corresponding period in 2020). Operating result before depreciations (EBITDA) was MNOK 13.7 (MNOK 28.2). Operating result (EBIT) was MNOK -74.3 (MNOK -18.9). Result from joint ventures was MNOK -1.2 (MNOK 2.5). Net financial items were MNOK -22.1 (MNOK -160.2). Result after tax amounted to MNOK -96.4 (MNOK -179.2).

Balance sheet and liquidity per March 31, 2021

Current assets at March 31, 2021, was MNOK 749.7 (MNOK 963.2 at March 31, 2020), and cash balance was MNOK 551.6 (MNOK 380.5), whereof MNOK 52.9 is restricted cash and MNOK 14.7 is funding restricted to the ammonia project.

Book equity at March 31, 2021, was MNOK 394.0 (MNOK 495.4 at March 31, 2020), i.e. an equity ratio of 14% (15%). The total booked equity per share at March 31, 2021 was NOK 6.34 (NOK 7.97). The corresponding market quote at Oslo Stock Exchange closed at NOK 4.24 (NOK 3.48). This represents a market capitalization of MNOK 263.5 (MNOK 216.3).

Due to observed impairment indicators, the vessels' book values have been tested for impairment per March 31, 2021. Based on these tests, impairments of MNOK 33.9 have been charged to the accounts.

Net interest-bearing debt at March 31, 2021, was MNOK 1,793.0 (MNOK 2,356.5 at March 31, 2020). The decrease in net interest-bearing debt is mainly a result of instalments, the effect from USD depreciation against NOK, and an increase in the cash balance.

Cash flow from operating activities per March 31, 2021, amounted to MNOK -38.1 (MNOK 51.5 per March 31, 2020).

Cash flow from investment activities per March 31, 2021, was MNOK 250.7 (MNOK -22.6 per March 31, 2020).

Cash flow from financing activities per March 31, 2021, of MNOK -90.2 (MNOK -56.6 per March 31, 2020) consisted of payments of interest and deferred instalments on secured debt.

Variation in the operation of vessels in 2021 compared to 2020

Supply

The supply segment's EBITDA per March 31, 2021, was MNOK 9.5 (MNOK 22.0 in the corresponding period in 2020), a decrease of MNOK 12.5. This is a result of decrease in revenues.

Subsea

The subsea/offshore wind segment including shares of Joint Venture's EBITDA per March 31, 2021, was MNOK 21.1 (MNOK 9.1 in the corresponding period in 2020), an increase of MNOK 12.0. The main reason is that Viking Neptun was on contract during most of the Quarter in 2021. The consolidated part of the segment had per March 31, 2021, an EBITDA of MNOK 16.2 (MNOK -0.4).

Seismic

The seismic segment's EBITDA per March 31, 2021, was MNOK -3.8 (MNOK 3.9 in the corresponding period in 2020), a decrease of MNOK 7.8. The decrease is mainly related to all vessels being in lay up in 2021 (versus "Vantage" in operation in 2020).

Financing

In light of the negative development of the market and outlook early in 2020, Eidesvik entered into amendments to its credit facilities with all of the Group's financial institutions in June 2020 for the period from July 1, 2020, to June 30, 2021. The Group deferred the instalments on all its credit facilities during said period to the end of 2022, amounting to approximately MNOK 90. Due to receipt of the cash proceeds from the PUT-option, the unpaid deferred instalments became due in March 2021 and have been paid. The remainder of the deferred instalments are being paid according to the original schedule during the first half of 2021.

Eidesvik is currently negotiating with its lenders aiming to reduce the debt service commitments from the second half of 2021. Even though it is still too early to predict the outcome of the negotiations with the lenders, the Board is optimistic that an agreement can be reached. However, the Board of Directors would like to emphasize that there is material uncertainty related to the going concern assumption.

Market and future outlook

PSV Market

A decent number of term fixtures were concluded on the Norwegian continental shelf (“NCS”) in the 1st Quarter of the year. This had an immediate positive effect on the rate levels in the North Sea spot market. Term rates levels lagged however, as there are few long-term requirements expected on the NCS for the remainder of the year.

There are currently few large, environmentally friendly PSVs available in the market. We see the trend continuing with increasing preference towards this category of vessels from clients. Hence, we have a positive outlook for this specific part of the North Sea PSV fleet.

Subsea and Offshore Wind Markets

Utilisation levels for the North Sea subsea fleet increased to 60% in the end of 1st Quarter. This is the same utilisation level as 1st Quarter last year. This could indicate that the activity level for 2021 will be relatively good.

The main subsea companies reported multiple contract awards during the 1st Quarter, solid backlogs and numerous addressable market opportunities. Consequently, our long term market outlook for this segment remains positive, however the market for 2022 is still uncertain.

The activity within offshore wind continues to increase with numerous contract awards in the 1st Quarter, including the 5-year contract extension for Acergy Viking. We remain positive to this market.

Seismic Market

There is still some tendering activity for source vessels for the second half of 2021, and we experience some tenders for 2022 indicating increased activity in the seismic OBN market beyond 2021.

Bømlo, May 20, 2021

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)

| | 2021 1.1 - 31.3 | 2020 1.1 - 31.3 | 2020 1.1 - 31.12 |
|--|---------------------------|--------------------|---------------------|
| Operating Income | | | |
| Freight income | 109 603 | 129 708 | 510 445 |
| Other income (note 4) | 0 | 7 128 | 20 315 |
| Total operating income | 109 603 | 136 835 | 530 760 |
| Operating Expenses | | | |
| Personnel expenses | 65 997 | 73 943 | 272 829 |
| Other operating expenses | 29 920 | 34 671 | 126 817 |
| Total operating expenses | 95 918 | 108 614 | 399 647 |
| Operating result before depreciations | 13 685 | 28 221 | 131 113 |
| Ordinary depreciation | 52 860 | 49 615 | 207 628 |
| Impairment on assets | 33 900 | 0 | 120 679 |
| Operating result before other income and expenses | (73 075) | (21 394) | (197 194) |
| Result from Joint Ventures | (1 235) | 2 477 | (5 204) |
| Operating result | (74 310) | (18 916) | (202 398) |
| Financial Items (note 11) | | | |
| Financial income | 2 296 | 110 953 | 116 124 |
| Financial expenses | (19 302) | (48 705) | (119 286) |
| Net agio (disagio) | (5 057) | (222 433) | 71 000 |
| Net financial items | (22 064) | (160 185) | 67 838 |
| Pre-tax result | (96 374) | (179 101) | (134 560) |
| Taxes | 0 | (69) | 2 126 |
| Result | (96 374) | (179 171) | (132 434) |
| Attributable to | | | |
| Equity holders of the parent | (90 076) | (126 226) | (123 569) |
| Non-controlling interests | (6 298) | (52 944) | (8 866) |
| Earnings per share | (1,45) | (2,03) | (1,99) |
| Statement of comprehensive income | | | |
| Profit | (96 374) | (179 171) | (132 434) |
| Currency translation adjustments Joint Ventures | 0 | (106 712) | (106 712) |
| Actuarial gain/ loss | 0 | 0 | 28 500 |
| Comprehensive income | (86 474) | (234 120) | (220 546) |
| Attributable to | | | |
| Equity holders of the parent | (80 176) | (181 176) | (211 680) |
| Non-controlling interests | (6 298) | (52 944) | (8 866) |
| Total attributed | (86 474) | (234 120) | (220 546) |

Condensed statement of financial position

(NOK 1 000)

| | 31.03.2021 | 31.03.2020 | 31.12.2020 |
|--|------------------|------------------|------------------|
| ASSETS | | | |
| Fixed assets: | | | |
| Vessels | 1 849 631 | 2 105 562 | 1 922 882 |
| Other assets | 21 204 | 20 079 | 21 445 |
| Financial derivatives | 0 | 0 | 0 |
| Right-of-use asset | 54 032 | 58 793 | 55 209 |
| Other long-term receivables | 66 692 | 102 031 | 64 455 |
| Pension fund | 0 | 127 | 0 |
| Shares in Joint Ventures (note 9) | 153 081 | 161 998 | 154 316 |
| Shares | 1 720 | 1 720 | 1 720 |
| Total fixed assets | 2 146 360 | 2 450 310 | 2 220 027 |
| Current assets: | | | |
| Financial investments | 0 | 315 171 | 255 978 |
| Account receivables, freight income | 127 857 | 177 308 | 101 416 |
| Other short-term receivables | 66 309 | 90 209 | 65 224 |
| Financial derivatives | 3 850 | 0 | 25 284 |
| Cash and cash equivalents | 551 636 | 380 546 | 429 183 |
| Total current assets | 749 652 | 963 235 | 877 086 |
| TOTAL ASSETS | 2 896 012 | 3 413 544 | 3 097 113 |
| 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 | (535) | (626) | (535) |
| Translation differences | 0 | 51 762 | -9 900 |
| Retained earnings | 321 011 | 408 430 | 411 087 |
| Total equity majority shareholders | 501 488 | 640 578 | 581 664 |
| Non-controlling interests | (107 443) | (145 224) | (101 145) |
| Total equity | 394 045 | 495 354 | 480 519 |
| Long-term liabilities: | | | |
| Financial derivatives | 4 499 | 34 765 | 7 158 |
| Lease liabilities (note 12) | 53 932 | 57 094 | 54 861 |
| Pension liabilities | 236 | 0 | 236 |
| Other long-term liabilities | 11 373 | 0 | 11 373 |
| Interest-bearing debt (note 12) | 2 032 272 | 2 580 956 | 2 193 798 |
| Total long-term liabilities | 2 102 312 | 2 672 815 | 2 267 426 |
| Short-term liabilities: | | | |
| Interest-bearing debt (note 12) | 259 178 | 107 262 | 166 596 |
| Financial derivatives | 12 519 | 32 343 | 13 442 |
| Lease liabilities (note 12) | 3 256 | 3 256 | 3 256 |
| Accounts payable | 21 117 | 21 547 | 48 061 |
| Tax payable | 0 | 0 | 0 |
| Other short-term liabilities | 103 585 | 80 969 | 117 813 |
| Total short-term liabilities | 399 655 | 245 376 | 349 168 |
| Total liabilities | 2 501 967 | 2 918 191 | 2 616 594 |
| TOTAL EQUITY AND LIABILITIES | 2 896 012 | 3 413 544 | 3 097 113 |

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 01.01.2021 | 3 108 | 177 275 | -535 | 629 | -9 900 | 411 087 | 581 657 | -101 145 | 480 519 |
| Result in the period | 0 | 0 | 0 | 0 | 0 | -90 076 | -90 076 | -6 298 | -96 374 |
| Other adjustments | 0 | 0 | 0 | 0 | 9 900 | 0 | 9 900 | 0 | 9 900 |
| Equity as at 31.03.2021 | 3 108 | 177 275 | -535 | 629 | 0 | 321 010 | 501 481 | -107 443 | 394 045 |

| | Share capital | Share premium | Other reservers | Other paid-in equity | Translation differences | Other equity | Total | Minority share | Total equity |
|--------------------------------------|---------------|----------------|-----------------|----------------------|-------------------------|----------------|----------------|-----------------|----------------|
| Equity as at 01.01.2020 | 3 108 | 177 275 | -29 035 | 629 | 106 712 | 563 064 | 821 753 | -92 280 | 729 474 |
| Profit in the period | 0 | 0 | 0 | 0 | 0 | -126 225 | -126 225 | -52 944 | -179 170 |
| Other adjustments | 0 | 0 | 28 409 | 0 | 51 762 | -28 409 | 51 762 | 0 | 51 762 |
| Exchange differences Joint Venture * | 0 | 0 | 0 | 0 | -106 712 | 0 | -106 712 | 0 | -106 712 |
| Equity as at 31.03.2020 | 3 108 | 177 275 | -626 | 629 | 51 762 | 408 430 | 640 578 | -145 224 | 495 354 |

| | Share capital | Share premium | Other reservers | Other paid-in equity | Translation differences | Other equity | Total | Minority share | Total equity |
|------------------------------------|---------------|----------------|-----------------|----------------------|-------------------------|----------------|----------------|-----------------|----------------|
| Equity as at 01.01.2020 | 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 | -123 569 | -123 569 | -8 866 | -132 434 |
| Other adjustments | 0 | 0 | 0 | 0 | -9 900 | -28 409 | -38 309 | 0 | -38 309 |
| Exchange differences Joint Venture | 0 | 0 | 28 500 | 0 | -106 712 | 0 | -78 212 | 0 | -78 212 |
| Equity as at 31.12.2020 | 3 108 | 177 275 | -535 | 629 | -9 900 | 411 087 | 581 657 | -101 145 | 480 519 |

* 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)

| | 1.1 - 31.3 2021 | 1.1 - 31.3 2020 | 1.1 - 31.12 2020 |
|--|--------------------|--------------------|---------------------|
| Net cash flow from operations excl. taxes | (38 000) | 51 481 | 254 429 |
| Paid taxes | (128) | (16) | (13) |
| Cash flow from operating activity | (38 128) | 51 465 | 254 416 |
| Sale of other investments | 258 681 | 0 | 0 |
| Payment of long-term receivables (instalments and interests) | 0 | 24 734 | 67 482 |
| Purchase of fixed operating assets | (7 936) | (47 342) | (144 941) |
| Cash flow from investment activity | 250 744 | (22 608) | (77 459) |
| Instalment financial lease | (929) | (829) | (3 061) |
| Repayment of debt | (63 544) | (21 547) | (52 303) |
| Paid interest | (25 690) | (34 253) | (100 729) |
| Cash flow from finance activity | (90 163) | (56 630) | (156 093) |
| Changes in cash holdings | 122 453 | (27 773) | 20 864 |
| Liquid assets at the beginning of the period | 429 183 | 408 319 | 408 319 |
| Liquid assets at the end of the period | 551 636 | 380 546 | 429 183 |

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, 2020.

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 44% for USD loans per March 31, 2021. Including cap agreements, the Group's share of loans with interest swap/cap or fixed interest per March 31, 2021, is 63% for NOK loans and 78% for USD loans.

Market risk

For 2nd Quarter of 2021 contract coverage for all consolidated vessels and the JV vessel "Seven Viking" (incl. 4 vessels in lay up) is approx. 66%, and for the rest of 2021 the coverage is approx. 61%.

Newbuild risk

The Group has per March 31, 2021, 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 current liquidity position of the Group is satisfactory, particularly taking into account the settlement of MUSD 30 from the sale of the shares in Shearwater GeoServices Holding AS. The Group's current projections of cash flow indicate that a revised agreement with its lenders will have to be in place in less than 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 in 2020 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 2020 for further details. No other revenues in 1st Quarter 2021.

Note 5 - Estimates

No changes in estimates materially influencing the interim results or balance have occurred.

Due to observed impairment indicators, the vessels' book values have been tested for impairment per March 31, 2021. Based on these tests, impairments of MNOK 33.9 related to two vessels has been charged to the accounts. The average WACC used in the calculations per March 31, 2021, is 8.8%. For further information about the tests and other estimates, reference is made to the 2020 annual accounts Note 12.

Note 6 - Long-term debt drawn

No new long-term debt was drawn during the 1st Quarter of 2021. 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 2021 (2020: 0) in accordance with the covenants of the financial restructuring.

Note 8 - Operating Segments

Time Charter revenue is based on contracts where the Group delivers a vessel including crew, to a client. The charterer determines, within the contractual limits, how the vessel is to be utilized. A Time Charter contract consists of a Bareboat component and a service component. The Bareboat period starts from the time the vessel is made available to the customer and expires on the agreed return date. The Bareboat component will normally be within the range 20-80% of the total contract value. The Bareboat component is within the scope of IFRS 16. Both the service and the Bareboat are recognized as revenue over the lease period on a straight-line basis. There is no Time Charter revenue when the vessels are off-hire.

| Operation segment | Seismic | | Subsea | | Supply | | Other | | Total | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 1.1.-31.3 2021 | 1.1.-31.3 2020 | 1.1.-31.3 2021 | 1.1.-31.3 2020 | 1.1.-31.3 2021 | 1.1.-31.3 2020 | 1.1.-31.3 2021 | 1.1.-31.3 2020 | 1.1.-31.3 2021 | 1.1.-31.3 2020 |
| Segment result | | | | | | | | | | |
| Operating income | -141 | 5 628 | 29 060 | 22 235 | 39 092 | 55 084 | 4 830 | 4 762 | 72 842 | 87 708 |
| Bareboat income | 0 | 14 331 | 20 489 | 13 451 | 16 273 | 21 345 | 0 | 0 | 36 761 | 49 128 |
| Operating income share from JV* | 0 | 0 | 8 726 | 8 567 | 0 | 0 | 0 | 0 | 8 726 | 8 567 |
| Bareboat income from JV* | 0 | 0 | 3 994 | 9 574 | 0 | 0 | 0 | 0 | 3 994 | 9 574 |
| Total operating income | -141 | 19 959 | 62 269 | 53 827 | 55 365 | 76 429 | 4 830 | 4 762 | 122 323 | 154 977 |
| Operating expenses | 3 704 | 16 050 | 33 363 | 36 073 | 45 887 | 54 423 | 12 964 | 2 069 | 95 918 | 108 615 |
| Operating expenses share from JV* | 0 | 0 | 7 808 | 8 647 | 0 | 0 | 0 | 0 | 7 808 | 8 647 |
| Total operating expenses | 3 704 | 16 050 | 41 171 | 44 720 | 45 887 | 54 423 | 12 964 | 2 069 | 103 726 | 117 262 |
| Depreciations | 20 639 | 10 844 | 10 441 | 18 595 | 20 361 | 18 808 | 1 418 | 1 368 | 52 859 | 49 615 |
| Depreciations share from JV* | 0 | 0 | 4 535 | 4 769 | 0 | 0 | 0 | 0 | 4 535 | 4 769 |
| Writedown on assets | 33 900 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 33 900 | 0 |
| Writedown on assets share from JV* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total depreciations/writedown on assets | 54 539 | 10 844 | 14 976 | 23 364 | 20 361 | 18 808 | 1 418 | 1 368 | 91 294 | 54 384 |
| Operating profit incl. share from JV* | -58 384 | -6 935 | 6 122 | -14 257 | -10 883 | 3 198 | -9 552 | 1 325 | -72 697 | -16 669 |
| Net finance and taxes from JV* | 0 | 0 | -1 612 | -2 247 | 0 | 0 | 0 | 0 | -1 612 | -2 247 |
| Writedown JV | 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 | -58 384 | -6 935 | 4 510 | -16 505 | -10 883 | 3 198 | -9 552 | 1 325 | -74 310 | -18 915 |
| 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 March 31, 2021, of the individual joint venture companies:

| Company | Assets | Liability | Equity | Revenues | Profit | Ownership | Book value | Result portion |
|-----------------------------------|---------|-----------|---------|----------|--------|-----------|----------------|----------------|
| Eidesvik Seven AS | 649 996 | 372 936 | 277 060 | 7 987 | -4 626 | 50 % | 138 530 | -2 313 |
| Eidesvik Seven Chartering AS | 63 563 | 34 460 | 29 102 | 25 440 | 2 156 | 50 % | 14 551 | 1 078 |
| Profit from Joint Ventures | | | | | | | 153 081 | (1 235) |

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

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

Note 10 - Financial ratio per share

| | 1.1 - 31.3 2021 | 1.1 - 31.3 2020 | 1.1 - 31.12 2020 |
|----------------------------------|-----------------|-----------------|------------------|
| Number of Shares (thousands) | 62 150 | 62 150 | 62 150 |
| Earnings pr share, NOK | -1,45 | -2,03 | -1,99 |
| Equity pr share, NOK | 6,34 | 7,97 | 7,73 |
| Financial Equity Ratio | 14 % | 15 % | 16 % |
| EBITDA margin excl. gain on sale | 12 % | 21 % | 25 % |
| EBIT margin excl. gain on sale | -68 % | -14 % | -38 % |

Note 11- Financial items

| | 1.1 - 31.3 2021 | 1.1 - 31.3 2020 | 1.1 - 31.12 2020 |
|---|-----------------|------------------|------------------|
| Financial income* | 2 296 | 110 953 | 116 124 |
| Impairment long-term receivables | 0 | 2 550 | 7 268 |
| Other interest and financial expenses | (18 908) | (30 384) | (105 915) |
| Interest cost - lease liabilities | (721) | (765) | (3 118) |
| Change in market value on interest instruments | 327 | (20 106) | (17 521) |
| Realized agio on foreign exchange contracts | 898 | 71 | (7 816) |
| Realized agio - others | (3 072) | (3 008) | 1 038 |
| Unrealized agio - on foreign exchange contracts | (2 234) | (36 996) | 23 108 |
| Unrealized agio - loans | (650) | (182 500) | 54 669 |
| Net financial items | (22 064) | (160 185) | 67 838 |

* 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

| | 31.03.2021 | 31.03.2020 |
|--|-------------------|-------------------|
| Short-term interest-bearing debt | 259 178 | 107 262 |
| Accrued interests | (4 048) | (11 558) |
| Liabilities related to Assets held for sale | 0 | 0 |
| <i>1st year installment on long-term interest-bearing debt</i> | 255 130 | 95 704 |
| Short-term lease liabilities (IFRS 16) | 3 256 | 3 256 |
| <i>Short-term interest-bearing debt</i> | 258 386 | 98 960 |
| Long-term interest-bearing debt | 2 032 272 | 2 580 956 |
| Long-term lease liabilities (IFRS 16) | 53 932 | 57 094 |
| <i>Long-term interest-bearing debt</i> | 2 086 205 | 2 638 050 |
| Total interest-bearing debt | 2 344 591 | 2 737 010 |
| Cash and cash equivalents | (551 636) | (380 546) |
| Net interest-bearing debt | 1 792 955 | 2 356 463 |

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 and Bømmelfjord AS, no material related-party transactions have been conducted. Reference is made to the 2020 annual accounts Note 24.

*Sold January 8, 2020.

Note 14 - Shareholders

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

20 largest shareholders per March 31, 2021:

| Name | Share | Country |
|----------------------------------|---------|---------|
| EIDESVIK INVEST AS | 59,86 % | 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 |
| TVEITÅ, EINAR KRISTIAN | 1,21 % | NORWAY |
| SKANDINAVISKA ENSKILDA BANKEN AB | 0,82 % | SWEDEN |
| DUNVOLD INVEST AS | 0,77 % | NORWAY |
| HELLAND AS | 0,76 % | NORWAY |
| CALIFORNIA INVEST AS | 0,73 % | NORWAY |
| TVEITÅ, OLAV MAGNE | 0,71 % | NORWAY |
| COLORADO EIENDOM AS | 0,63 % | NORWAY |
| SKANDINAVISKA ENSKILDA BANKEN AB | 0,62 % | SWEDEN |
| NORDNET BANK AB | 0,54 % | SWEDEN |
| MELING, JAN FREDRIK | 0,54 % | NORWAY |
| CAIANO SHIP AS | 0,44 % | NORWAY |
| KEMP, KRISTIAN NEIL | 0,40 % | NORWAY |
| LGJ INVEST AS | 0,40 % | SWEDEN |
| HELGØ INVEST AS | 0,40 % | NORWAY |

Note 15 - The financial restructuring

In light of the negative development of the market and outlook early in 2020, Eidesvik entered into amendments to its credit facilities with all of the Group's financial institutions in June 2020 for the period from July 1, 2020, to June 30, 2021. The Group deferred the instalments on all its credit facilities during said period to the end of 2022, amounting to approximately MNOK 90. Due to receipt of the cash proceeds from the PUT-option, the unpaid deferred instalments became due in March 2021 and have been paid. The remainder of the deferred instalments are being paid according to the original schedule during the first half of 2021.

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 raised 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
 - If someone other than Eidesvik Invest AS gains negative control in the Group

Note 16 - Subsequent events

The subsequent events have no material consequence for the accounts per March 31, 2021.

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.

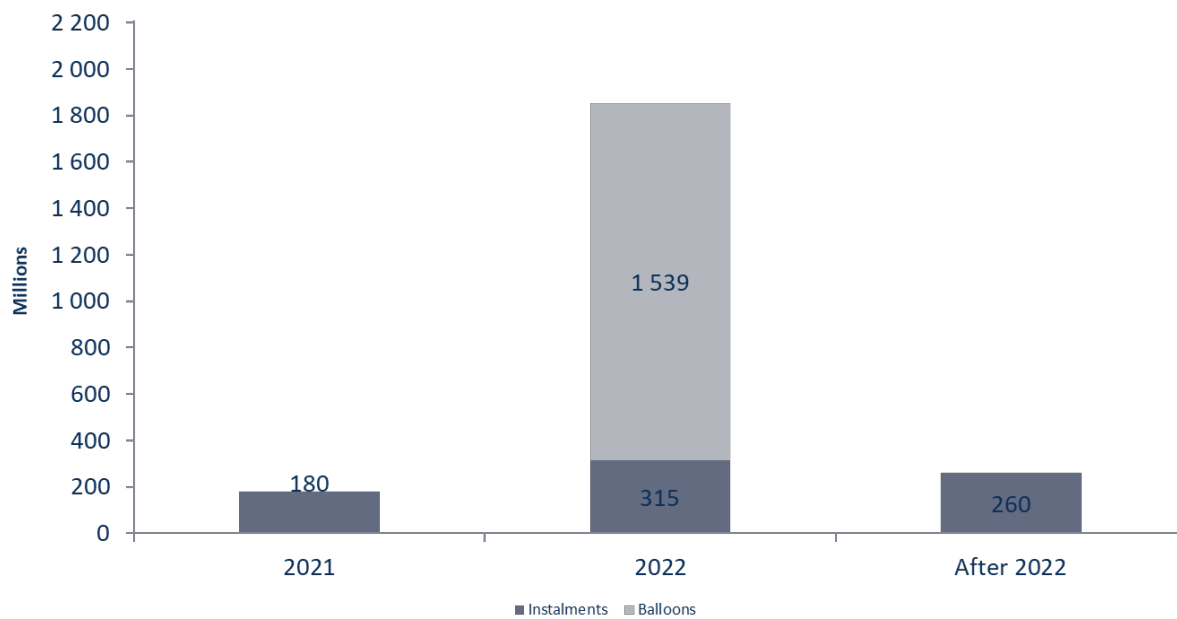
The definitions of these measures are as follows:

- 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.

| | 2021 1.1 - 31.3 | 2020 1.1 - 31.3 |
|---------------------------------|--------------------|--------------------|
| Total operating income | 109 603 | 136 835 |
| Total operating expenses | (95 918) | (108 614) |
| EBITDA | 13 685 | 28 221 |
| Ordinary depreciation | (52 860) | (49 615) |
| Impairment on assets | (33 900) | 0 |
| Profit from Joint Ventures | (1 235) | 2 477 |
| EBIT | (74 310) | (18 916) |

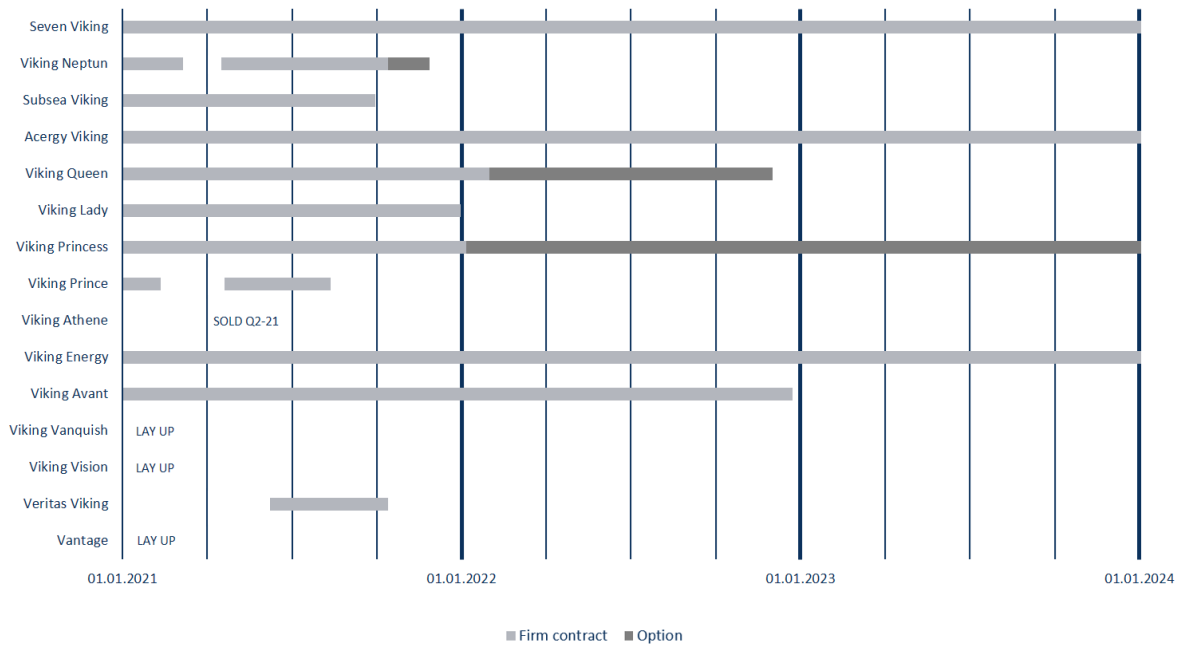
Appendix 2 - Debt maturity profile March 31, 2021:

Debt maturity profile 31.3.2021

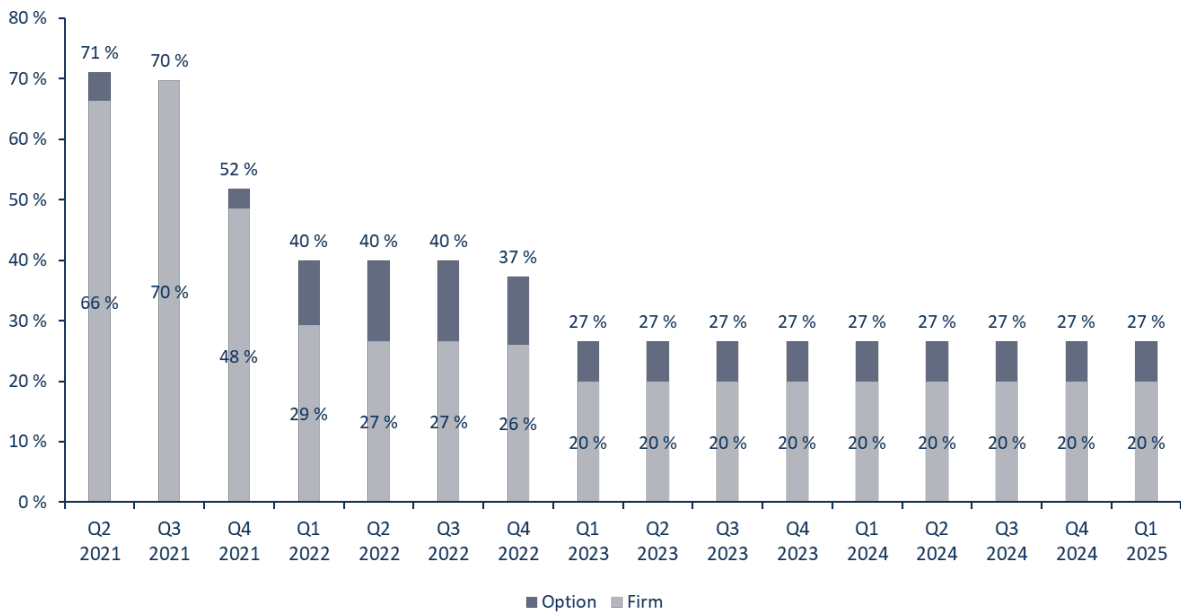


Appendix 3 – Contract status and coverage March 31, 2021:

Contract Status



Contract coverage incl. JV's 31.3.2021



Condensed statement of comprehensive income last 5 Quarters

| Consolidated (NOK 1 000) | 2021 Q1 | 2020 Q4 | 2020 Q3 | 2020 Q2 | 2020 Q1 |
|--|-----------------|------------|------------|------------|------------|
| Operating Income: | | | | | |
| Freight income | 109 603 | 100 713 | 142 721 | 137 303 | 129 708 |
| Other income | 0 | 6 237 | 0 | 6 950 | 7 128 |
| Total operating income | 109 603 | 106 950 | 142 721 | 144 253 | 136 835 |
| Operating Expenses: | | | | | |
| Personell expenses | 65 997 | 63 672 | 55 840 | 79 375 | 73 943 |
| Other operating expenses | 29 920 | 33 242 | 27 120 | 31 784 | 34 671 |
| Total operating expenses | 95 918 | 96 914 | 82 960 | 111 158 | 108 614 |
| Operating result before depreciations | 13 685 | 10 036 | 59 762 | 33 095 | 28 221 |
| Ordinary depreciation | 52 860 | 52 230 | 52 540 | 53 243 | 49 615 |
| Writedown on assets | 33 900 | 96 738 | 0 | 23 941 | 0 |
| Operating result before other income and expenses | (73 075) | (138 933) | 7 222 | (44 089) | (21 394) |
| Result from JV | (1 235) | (13 816) | 3 960 | 2 174 | 2 477 |
| Operating result | (74 310) | (152 749) | 11 182 | (41 915) | (18 916) |
| Financial Items: | | | | | |
| Financial income | 2 296 | (1 107) | 4 088 | 2 190 | 110 953 |
| Financial expenses | (19 302) | (15 986) | (20 470) | (34 125) | (48 705) |
| Net agio (disagio) | (5 057) | 141 850 | 33 302 | 118 281 | (222 433) |
| Net financial items | (22 064) | 124 757 | 16 921 | 86 346 | (160 185) |
| Pre-tax result | (96 374) | (27 992) | 28 103 | 44 430 | (179 101) |
| Taxes | 0 | 1 962 | 233 | 0 | (69) |
| Result | (96 374) | (26 030) | 28 336 | 44 430 | (179 171) |
| Equity holders of the parent | (90 076) | (43 394) | 18 715 | 27 336 | (126 226) |
| Non-controlling interests | (6 298) | 17 364 | 9 621 | 17 094 | (52 944) |
| Earnings per share | (1,45) | (0,70) | 0,30 | 0,44 | (2,03) |
| Statement of comprehensive income | | | | | |
| Currency translation adjustments - Joint Ventures | 0 | 0 | 0 | 0 | (106 712) |
| Actuarial gain/ loss | 0 | 91 | 0 | 0 | 0 |
| Change in value stocks | 9 900 | (30 933) | (7 896) | (22 833) | 51 762 |
| Comprehensive income | (86 474) | (56 872) | 20 440 | 21 597 | (234 120) |
| Attributable to | | | | | |
| Controlling interests | (80 176) | (74 236) | 10 819 | 4 503 | (181 176) |
| Non-controlling interests | (6 298) | 17 364 | 9 621 | 17 094 | (52 944) |
| Total attributed | (86 474) | (56 872) | 20 440 | 21 597 | (234 120) |

Condensed statement of financial position last 5 Quarters

| Consolidated (NOK 1 000) | 2021 Q1 | 2020 Q4 | 2020 Q3 | 2020 Q2 | 2020 Q1 |
|--|------------------|------------------|------------------|------------------|------------------|
| ASSETS | | | | | |
| Fixed assets: | | | | | |
| Vessels | 1 849 631 | 1 922 882 | 2 010 950 | 2 049 417 | 2 105 562 |
| Other assets | 21 204 | 21 445 | 21 921 | 19 894 | 20 079 |
| Financial derivatives | 0 | 0 | 0 | 0 | 0 |
| Right-of-use asset | 54 032 | 55 209 | 57 200 | 57 598 | 58 793 |
| Other long-term receivables | 66 692 | 64 455 | 83 634 | 88 051 | 102 031 |
| Pension fund | 0 | 0 | 127 | 127 | 127 |
| Shares in Joint Venture | 153 081 | 154 316 | 168 132 | 164 171 | 161 998 |
| Shares | 1 720 | 1 720 | 1 720 | 1 720 | 1 720 |
| Total fixed assets | 2 146 360 | 2 220 027 | 2 343 684 | 2 380 979 | 2 450 310 |
| Current assets: | | | | | |
| Financial investments | 0 | 255 978 | 284 442 | 292 338 | 315 171 |
| Account receivables, | 127 857 | 101 416 | 139 457 | 160 417 | 177 308 |
| Other short-term receivables | 66 309 | 65 224 | 72 141 | 78 947 | 90 209 |
| Financial derivatives | 3 850 | 25 284 | 8 733 | 7 625 | 0 |
| Cash and cash equivalents | 551 636 | 429 183 | 400 121 | 374 500 | 380 546 |
| Total current assets | 749 652 | 877 086 | 904 895 | 913 827 | 963 235 |
| TOTAL ASSETS | 2 896 012 | 3 097 113 | 3 248 579 | 3 294 805 | 3 413 544 |
| 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 | (535) | (535) | (626) | (626) | (626) |
| Translation differences | 0 | (9 900) | 21 033 | 28 929 | 51 762 |
| Retained earnings | 321 011 | 411 087 | 454 481 | 435 766 | 408 430 |
| Total equity majority shareholders | 501 488 | 581 664 | 655 900 | 645 081 | 640 578 |
| Non-controlling interests | (107 443) | (101 145) | (118 509) | (128 130) | (145 224) |
| Total equity | 394 045 | 480 519 | 537 391 | 516 951 | 495 354 |
| Long-term liabilities: | | | | | |
| Financial derivatives | 4 499 | 7 158 | 22 321 | 22 321 | 34 765 |
| Lease liabilities | 53 932 | 54 861 | 55 870 | 56 167 | 57 094 |
| Pension liabilities | 236 | 236 | 0 | 0 | 0 |
| Other long-term liabilities | 11 373 | 11 373 | 7 702 | 12 915 | 0 |
| Interest-bearing debt | 2 032 272 | 2 193 798 | 2 415 958 | 2 537 246 | 2 580 956 |
| Total long-term liabilities | 2 102 312 | 2 267 426 | 2 501 851 | 2 628 650 | 2 672 815 |
| Short-term liabilities: | | | | | |
| Interest-bearing debt | 259 178 | 166 596 | 83 435 | 9 281 | 107 262 |
| Financial derivatives | 12 519 | 13 442 | 21 399 | 20 488 | 32 343 |
| Lease liabilities | 3 256 | 3 256 | 3 256 | 3 256 | 3 256 |
| Accounts payable | 21 117 | 48 061 | 25 171 | 27 729 | 21 547 |
| Tax payable | 0 | 0 | 0 | 0 | 0 |
| Other short-term liabilities | 103 585 | 117 813 | 76 076 | 88 451 | 80 969 |
| Total short-term liabilities | 399 655 | 349 168 | 209 337 | 149 205 | 245 376 |
| Total liabilities | 2 501 967 | 2 616 594 | 2 711 188 | 2 777 854 | 2 918 191 |
| TOTAL EQUITY AND LIABILITIES | 2 896 012 | 3 097 113 | 3 248 579 | 3 294 805 | 3 413 544 |



Your Partner in Shipping