

Eidesvik Offshore ASA
Report for 2nd Quarter 2021



Your Partner in Shipping

Highlights in 2nd Quarter 2021

In 2nd Quarter 2021 Eidesvik Offshore ASA (“Eidesvik” or the “Group”) generated a consolidated EBITDA of MNOK 53.2, compared to MNOK 33.1 in 2nd Quarter 2020.

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 resulted 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 commenced the bareboat contract in June 2021.

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 of approximately 100 days, with commencement August 2021.

Subsequent events

Eidesvik has been awarded a contract with Havfram AS (“Havfram”) for the CSV “Viking Neptun”. The contract will commence early January 2022 with a firm period towards the end of 3rd Quarter 2022. In addition, Havfram has been granted options for further extension.

Eidesvik has agreed on a term sheet with its financial institutions for refinancing of its debt. Please see the Financing section below for further information.

Results 2nd Quarter 2021

The interim accounts have been prepared in accordance with IAS 34. The interim accounts of 2nd Quarter 2021 and corresponding figures for 2020 have not been audited.

In the 2nd Quarter 2021 Eidesvik had consolidated operating income of MNOK 157.6 (MNOK 144.3 in the corresponding period in 2020). Operating result before depreciations (EBITDA) was MNOK 53.2 (MNOK 33.1). Operating result (EBIT) was MNOK -1.0 (MNOK -41.9). Result from joint ventures was MNOK -1.5 (MNOK 2.2). Net financial items were MNOK -21.3 (MNOK 86.3). Result after tax amounted to MNOK -22.3 (MNOK 44.4).

Results per June 30, 2021

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

The Group’s consolidated total operating income per June 30, 2021, was MNOK 267.2 (total operating income per June 30, 2020, was MNOK 281.1). Operating result before depreciation (EBITDA) was MNOK 66.9 (MNOK 61.3), and operating result was MNOK -75.3 (MNOK 60.8). Result from joint ventures of MNOK -2.8 (MNOK 4.7). Net financial items were MNOK -43.3 (MNOK -73.8).

Result after tax per June 30, 2021, amounted to MNOK -118.7 (MNOK -134.7 per June 30, 2020), whereof MNOK -112.6 (MNOK -98.9) was the result for the shareholders of the parent. This resulted in earnings per share of NOK -1.81 (NOK -1.59).

Balance sheet and liquidity per June 30, 2021

Current assets at June 30, 2021, was MNOK 748.9 (MNOK 913.8 at June 30, 2020), and cash balance was MNOK 536.2 (MNOK 374.5), whereof MNOK 51.0 is restricted cash and MNOK 15.0 is funding restricted to the ammonia project.

Book equity at June 30, 2021, was MNOK 371.8 (MNOK 517.0 at June 30, 2020), i.e. an equity ratio of 13% (16%). The total booked equity per share at June 30, 2021 was NOK 5.98 (NOK 8.32). The corresponding market quote at Oslo Stock Exchange closed at NOK 3.69 (NOK 3.44). This represents a market capitalization of MNOK 229.3 (MNOK 213.8).

Value in use calculations of the consolidated fleet indicated no impairments of the book value per June 30, 2021. An average fair value assessment conducted by two independent brokers, evaluate the consolidated part of the fleet value free of charter to MNOK 2,730 (MNOK 3,396 at June 30, 2020), which indicates an excess value before tax of MNOK 926 (MNOK 1,347) 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, 2021, was MNOK 1,767.6 (MNOK 2,222.2 at June 30, 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 June 30, 2021, amounted to MNOK -18.1 (MNOK 100.9 per June 30, 2020).

Cash flow from investment activities per June 30, 2021, was MNOK 278.4 (MNOK -27.1 per June 30, 2020).

Cash flow from financing activities per June 30, 2021, of MNOK -153.3 (MNOK -107.7 per June 30, 2020) consisted of payments of interest, deferred installments on secured debt, debt on sold vessel and installments.

Variation in the operation of vessels in 2021 compared to 2020

Supply

The supply segment's EBITDA per June 30, 2021, was MNOK 31.3 (MNOK 31.0 in the corresponding period in 2020), an increase of MNOK 0.3.

Subsea

The subsea/offshore wind segment including shares of Joint Venture's EBITDA per June 30, 2021, was MNOK 66.8 (MNOK 48.8 in the corresponding period in 2020), an increase of MNOK 17.9. The main reasons for the increase are that "Viking Neptun" and "Subsea Viking" were on contract during most of the 1st Half in 2021 (versus "Viking Neptun" only on contract in 2nd Quarter 2020, and "Subsea Viking" on standby contract in 2nd Quarter 2020). The consolidated part of the segment had per June 30, 2021, an EBITDA of MNOK 57.4 (MNOK 30.4).

Seismic

The seismic segment's EBITDA per June 30, 2021, was MNOK -4.5 (MNOK 1,5 in the corresponding period in 2020), a decrease of MNOK 6.0. The decrease is mainly related to all vessels being in lay up in 2021 until commencement of the bareboat contract for "Veritas Viking" in June (versus "Vantage" in operation in 1st Quarter 2020).

Financing

On August 27, 2021, Eidesvik announced that it had agreed on a term sheet (“Term Sheet”) with its financial institutions for refinancing of its debt. With a combination of extension of debt maturities and reduced amortization payments, the agreed terms will significantly strengthen the Group’s financial position. Eidesvik and the financial institutions are working on final documentation and expect to have final agreements in place during September 2021.

The agreed terms provide mechanisms for extension of final maturities of debt facilities from the end of 2022 to the end of 2023. This implies that there will be no final maturities until year end 2023. The extension is subject to Eidesvik meeting certain financial and operational triggers.

Fixed amortization payments will be significantly reduced. Upon agreeing and signing final documentation, debt repayments of approximately NOK 309 million will be made. There will be no further fixed debt amortization in 2021. Scheduled fixed amortization for 2022 will be reduced from approximately NOK 311 million to approximately NOK 106 million. For 2023, the fixed amortization will be approximately NOK 71 million. No amendment on interest rates, and interest will be paid as normal during the period.

In addition to fixed amortization, a cash sweep mechanism has been agreed. The cash sweep will be used for additional debt repayment if cash levels are above agreed thresholds, on a facility-by-facility basis. The new facility cash sweep mechanism replaces the current corporate cash sweep mechanism. Please see Note 15 for further information.

Market and future outlook

PSV Market

In the early season, North Sea operators securing term commitments, in combination with multiple pipe laying campaigns, drove vessel demand. The vessel supply side followed with several vessels being taken out of lay-up, consequently impacting rate and utilization levels negatively. Combined, these factors led to utilization levels broadly in line with the same period previous year. The fleet of large PSVs (1000+ m²), of which Eidesvik operates 8 vessels, saw the highest utilization levels for both term and spot work at approx. 80%.

The oil companies’ environmental commitments are taking center stage, and with it an increasing focus on vessel CO₂ footprint and emissions reducing technology. Vessels with emission reducing technology installed are expected to be at the front of the line for securing work in the years to come. As our entire fleet of PSVs by the end of the first quarter next year will have battery hybrid technology installed, Eidesvik is well positioned to benefit from this trend. We maintain our positive outlook for the market for large and modern PSVs in the North Sea fleet.

Subsea and Offshore Wind Markets

The subsea market is improving with an increase in utilization and rate levels year on year in the North Sea region, ending second quarter at a utilization level of approx. 80%. Oil service companies have in general been reporting increased tendering activities and improvements in the tender pricing environment. Based on these reports, Brazil and Norway are expected be busy regions the coming years, with Norwegian operators incentivized by the temporary tax regime to reach Final Investment Decisions on projects prior to end 2022.



Short term we expect rate and utilization levels for next year to be in line with this year. However from 2023, we expect an increase in demand for subsea tonnage. Hence, our mid- to long-term outlook for this segment remains positive.

The activity in the offshore wind market has continued to be high. Several medium to long term SOV requirements were released during the first half of the year. An increasing numbers of owners are building SOVs on speculation to ensure a future position in this growing market. The high interest among owners to enter this market has led to increased competition on the supply-side, resulting in lower day rate levels. The shorter project related Walk-to-Work market was also active, utilizing several subsea vessels during offshore windfarm commissioning campaigns.

Seismic Market

Recently, the ocean bottom seismic companies have been increasing their backlog for 2022. Further, we have seen increasing tender activity in Q2, which has also continued into Q3. The tenders are for several geographical regions.

Bømlo, August 30, 2021

Arne Austreid
Chairman of the Board

Borgny Eidesvik
Board Member

Lars Eidesvik
Board Member

John Egil Stangeland
Board Member

Kristine Elisabeth Skeie
Board Member

Lauritz Eidesvik
Board Member

Bjørg Marit Eknes
Board Member

Tore Hettervik
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, 2021, and 1st Half of 2021, including the consolidated corresponding figures per June 30, 2020, and 1st Half of 2020.

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, 2021, and June 30, 2020. 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 30, 2021

Arne Austreid
Chairman of the Board

Borgny Eidesvik
Board Member

Lars Eidesvik
Board Member

John Egil Stangeland
Board Member

Kristine Elisabeth Skeie
Board Member

Lauritz Eidesvik
Board Member

Bjørg Marit Eknes
Board Member

Tore Hettervik
Board Member

Jan Fredrik Meling
CEO

Condensed statement of comprehensive income (NOK 1 000)

	2021 1.4 - 30.6	2020 1.4 - 30.6	2021 1.1 - 30.6	2020 1.1 - 30.6
Operating Income				
Freight income	153 825	137 303	263 428	267 011
Other income (note 4)	3 804	6 950	3 804	14 078
Total operating income	157 629	144 253	267 231	281 089
Operating Expenses				
Personnel expenses	72 011	79 375	138 009	153 317
Other operating expenses	32 422	31 784	62 343	66 455
Total operating expenses	104 434	111 158	200 351	219 772
Operating result before depreciations	53 195	33 095	66 880	61 316
Ordinary depreciation	52 706	53 243	105 566	102 858
Impairment on assets	0	23 941	33 900	23 941
Operating result before other income and expenses	489	(44 089)	(72 586)	(65 483)
Result from Joint Ventures	(1 517)	2 174	(2 752)	4 651
Operating result	(1 029)	(41 915)	(75 339)	(60 832)
Financial Items (note 11)				
Financial income	2 226	2 190	4 521	113 143
Financial expenses	(17 562)	(34 125)	(36 864)	(82 830)
Net agio (disagio)	(5 914)	118 281	(10 971)	(104 152)
Net financial items	(21 250)	86 346	(43 314)	(73 839)
Pre-tax result	(22 279)	44 430	(118 653)	(134 671)
Taxes	0	0	0	(69)
Result	(22 279)	44 430	(118 653)	(134 740)
Attributable to				
Equity holders of the parent	(22 517)	27 336	(112 594)	(98 890)
Non-controlling interests	239	17 094	(6 059)	(35 850)
Earnings per share	(0,36)	0,44	(1,81)	(1,59)
Statement of comprehensive income				
Profit	(22 279)	44 430	(118 653)	(134 740)
Currency translation adjustments Joint Ventures	0	0	0	(106 712)
Actuarial gain/ loss	0	0	0	28 409
Change in value stocks	0	(22 833)	9 900	28 929
Comprehensive income	(22 279)	21 597	(108 753)	(184 114)
Attributable to				
Equity holders of the parent	(22 517)	4 503	(102 694)	(148 264)
Non-controlling interests	239	17 094	(6 059)	(35 850)
Total attributed	(22 279)	21 597	(108 753)	(184 114)

Condensed statement of financial position

(NOK 1 000)

	30.06.2021	30.06.2020	31.12.2020
ASSETS			
Fixed assets:			
Vessels	1 803 764	2 049 417	1 922 882
Other assets	20 962	19 894	21 445
Financial derivatives	0	0	0
Right-of-use asset	52 855	57 598	55 209
Other long-term receivables	63 520	88 051	64 455
Pension fund	0	127	0
Shares in Joint Ventures (note 9)	151 563	164 171	154 316
Shares	1 720	1 720	1 720
Total fixed assets	2 094 385	2 380 979	2 220 027
Current assets:			
Financial investments	0	292 338	255 978
Account receivables, freight income	155 833	160 417	101 416
Other short-term receivables	54 253	78 947	65 224
Financial derivatives	2 616	7 625	25 284
Cash and cash equivalents	536 158	374 500	429 183
Total current assets	748 861	913 827	877 086
TOTAL ASSETS	2 843 246	3 294 805	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	28 929	-9 900
Retained earnings	298 493	435 766	411 087
Total equity majority shareholders	478 970	645 081	581 664
Non-controlling interests	(107 204)	(128 130)	(101 145)
Total equity	371 766	516 951	480 519
Long-term liabilities:			
Financial derivatives	2 897	22 321	7 158
Lease liabilities (note 12)	53 004	56 167	54 861
Pension liabilities	236	0	236
Other long-term liabilities	12 159	12 915	11 373
Interest-bearing debt (note 12)	1 931 539	2 537 246	2 193 798
Total long-term liabilities	1 999 835	2 628 650	2 267 426
Short-term liabilities:			
Interest-bearing debt (note 12)	324 158	9 281	166 596
Financial derivatives	11 141	20 488	13 442
Lease liabilities (note 12)	3 256	3 256	3 256
Accounts payable	33 031	27 729	48 061
Tax payable	0	0	0
Other short-term liabilities	100 059	88 451	117 813
Total short-term liabilities	471 645	149 205	349 168
Total liabilities	2 471 480	2 777 854	2 616 594
TOTAL EQUITY AND LIABILITIES	2 843 246	3 294 805	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	-112 594	-112 594	-6 059	-118 653
Other adjustments	0	0	0	0	9 900	0	9 900	0	9 900
Equity as at 30.06.2021	3 108	177 275	-535	629	0	298 493	478 964	-107 204	371 766
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	-98 889	-98 889	-35 850	-134 739
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	645 082	-128 130	516 952
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	-134 434
Other adjustments	0	0	0	0	-9 900	-28 409	-38 309	0	-38 309
Exchange differences Joint Venture *	0	0	0	0	-106 712	0	-106 712	0	-106 712
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)

	1.4 - 30.6 2021	1.4 - 30.6 2020	1.1 - 30.6 2021	1.1 - 30.6 2020	1.1 - 31.12 2020
Net cash flow from operations excl. taxes	19 997	49 461	(18 003)	100 942	254 429
Paid taxes	0	0	(128)	(16)	(13)
Cash flow from operating activity	19 997	49 461	(18 131)	100 926	254 416
Sale of fixed assets	23 750	0	23 750	0	0
Sale of other investments	0	0	258 681	0	0
Payment of long-term receivables (instalments and interests)	9 171	16 379	9 171	41 113	67 482
Purchase of fixed operating assets	(5 252)	(20 854)	(13 188)	(68 196)	(144 941)
Cash flow from investment activity	27 669	(4 475)	278 414	(27 083)	(77 459)
Instalment financial lease	(929)	(926)	(1 857)	(1 755)	(3 061)
Repayment of debt	(46 224)	(27 395)	(109 769)	(48 942)	(52 303)
Paid interest	(15 991)	(22 712)	(41 681)	(56 965)	(100 729)
Cash flow from finance activity	(63 144)	(51 033)	(153 307)	(107 662)	(156 093)
Changes in cash holdings	(15 478)	(6 047)	106 976	(33 819)	20 864
Liquid assets at the beginning of the period	551 636	380 547	429 183	408 319	408 319
Liquid assets at the end of the period	536 158	374 500	536 158	374 500	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 35% for NOK loans and 45% for USD loans per June 30, 2021. Including cap agreements, the Group's share of loans with interest swap/cap or fixed interest per June 30, 2021, is 65% for NOK loans and 79% for USD loans.

Market risk

For 3rd Quarter of 2021 contract coverage for all consolidated vessels and the JV vessel "Seven Viking" (incl. 3 vessels in lay up) is approx. 71%, and for the rest of 2021 the coverage is approx. 55%.

Newbuild risk

The Group has per June 30, 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 liquidity position is assessed as satisfactory for the next 12 months considering the agreed refinancing as announced August 27, 2021.

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 are related to the sale of "Viking Athene" and 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.

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, 2021. Based on these tests, no impairments have been charged to the accounts. The average WACC used in the calculations per June 30, 2021, is 8.6%. 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 2nd 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 refinancing.

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 2021	1.4.-30.6 2020	1.4.-30.6 2021	1.4.-30.6 2020	1.4.-30.6 2021	1.4.-30.6 2020	1.4.-30.6 2021	1.4.-30.6 2020	1.4.-30.6 2021	1.4.-30.6 2020
Segment result										
Operating income	1 862	608	35 835	26 451	47 309	45 932	4 308	4 873	89 314	77 864
Bareboat income	1 526	9 557	43 590	40 160	23 198	16 672	0	0	68 314	66 389
Operating income share from JV*	0	0	9 044	8 225	0	0	0	0	9 044	8 225
Bareboat income from JV*	0	0	4 038	9 574	0	0	0	0	4 038	9 574
Total operating income	3 388	10 165	92 507	84 410	70 507	62 604	4 308	4 873	170 710	162 052
Operating expenses	4 052	12 624	38 209	35 789	48 653	53 619	13 518	9 124	104 432	111 156
Operating expenses share from JV*	0	0	8 682	8 913	0	0	0	0	8 682	8 913
Total operating expenses	4 052	12 624	46 891	44 702	48 653	53 619	13 518	9 124	113 114	120 069
Depreciations	8 775	10 845	21 735	22 589	20 778	18 430	1 419	1 380	52 707	53 244
Depreciations share from JV*	0	0	4 599	4 769	0	0	0	0	4 599	4 769
Writedown on assets	0	11 194	0	12 748	0	0	0	0	0	23 942
Writedown on assets share from JV*	0	0	0	0	0	0	0	0	0	0
Total depreciations/writedown on assets	8 775	22 039	26 334	40 106	20 778	18 430	1 419	1 380	57 306	81 955
Operating profit incl. share from JV*	-9 439	-24 498	19 282	-398	1 076	-9 445	-10 629	-5 631	290	-39 972
Net finance and taxes from JV*	0	0	-1 318	-1 943	0	0	0	0	-1 318	-1 943
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	-9 439	-24 498	17 964	-2 341	1 076	-9 445	-10 629	-5 631	-1 029	-41 914
Number of ships at end of period (incl. JV)	4	4	4	4	6	7			14	15

Operation segment	Seismic		Subsea		Supply		Other		Total	
	1.1.-30.6 2021	1.1.-30.6 2020	1.1.-30.6 2021	1.1.-30.6 2020	1.1.-30.6 2021	1.1.-30.6 2020	1.1.-30.6 2021	1.1.-30.6 2020	1.1.-30.6 2021	1.1.-30.6 2020
Segment result										
Operating income	0	6 236	64 895	48 686	86 402	101 015	9 138	9 635	160 435	165 573
Bareboat income	3 247	23 888	64 079	53 611	39 470	38 018	0	0	106 796	115 516
Operating income share from JV*	0	0	17 770	16 792	0	0	0	0	17 770	16 792
Bareboat income from JV*	0	0	8 032	19 148	0	0	0	0	8 032	19 148
Total operating income	3 247	30 124	154 776	138 237	125 872	139 033	9 138	9 635	293 033	317 029
Operating expenses	7 756	28 674	71 572	71 862	94 540	108 042	26 482	11 193	200 350	219 771
Operating expenses share from JV*	0	0	16 490	17 559	0	0	0	0	16 490	17 559
Total operating expenses	7 756	28 674	88 062	89 421	94 540	108 042	26 482	11 193	216 840	237 330
Depreciations	19 216	21 689	42 374	41 184	41 139	37 238	2 837	2 748	105 566	102 859
Depreciations share from JV*	0	0	9 134	9 539	0	0	0	0	9 134	9 539
Writedown on assets	33 900	11 194	0	12 748	0	0	0	0	33 900	23 942
Writedown on assets share from JV*	0	0	0	0	0	0	0	0	0	0
Total depreciations/writedown on assets	53 116	32 883	51 508	63 471	41 139	37 238	2 837	2 748	148 600	136 340
Operating result incl. share from JV*	-57 625	-31 433	15 206	-14 655	-9 807	-6 247	-20 181	-4 306	-72 407	-56 641
Net finance and taxes from JV*	0	0	-2 930	-4 191	0	0	0	0	-2 930	-4 191
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	-57 625	-31 433	12 276	-18 846	-9 807	-6 247	-20 181	-4 306	-75 339	-60 832
Number of ships at end of period (incl. JV)	4	4	4	4	6	7			14	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 June 30, 2021, of the individual joint venture companies:

Company	Assets	Liability	Equity	Revenues	Profit	Ownership	Book value	Result portion
Eidesvik Seven AS	558 613	285 828	272 785	16 063	-8 900	50 %	136 393	-4 450
Eidesvik Seven Chartering AS	59 432	29 090	30 341	51 604	3 395	50 %	15 171	1 698
Profit from Joint Ventures							151 563	(2 752)

Summarized financial information per June 30, 2020 of the individual joint ventures companies:

Company	Assets	Liability	Equity	Revenues	Profit	Ownership	Book value	Profit 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

Note 10 - Financial ratio per share

	1.4 - 30.6 2021	1.4 - 30.6 2020	1.1 - 30.6 2021	1.1 - 30.6 2020	1.1 - 31.12 2020
Number of Shares (thousands)	62 150	62 150	62 150	62 150	62 150
Earnings pr share, NOK	-0,36	0,44	-1,81	-1,59	-1,99
Equity pr share, NOK	5,98	8,32	5,98	11,74	7,73
Financial Equity Ratio	13 %	16 %	13 %	22 %	16 %
EBITDA margin excl. gain on sale	34 %	23 %	25 %	22 %	25 %
EBIT margin excl. gain on sale	-1 %	-29 %	-28 %	-22 %	-38 %

Note 11- Financial items

	1.4 - 30.6 2021	1.4 - 30.6 2020	1.1 - 30.6 2021	1.1 - 30.6 2020	1.1 - 31.12 2020
Financial income*	2 226	2 190	4 521	113 143	116 124
Impairment long-term receivables	1 669	0	1 669	2 550	7 268
Other interest and financial expenses	(18 222)	(32 711)	(37 131)	(63 095)	(105 915)
Interest cost - lease liabilities	(721)	(782)	(1 442)	(1 547)	(3 118)
Change in market value on interest instruments	(287)	(633)	40	(20 738)	(17 521)
Realized agio on foreign exchange contracts	630	313	1 527	384	(7 816)
Realized agio - others	(1 634)	(4 732)	(4 706)	(7 740)	1 038
Unrealized agio - on foreign exchange contracts	(1 233)	31 131	(3 467)	(5 865)	23 108
Unrealized agio - loans	(3 676)	91 569	(4 326)	(90 931)	54 669
Net financial items	(21 250)	86 346	(43 314)	(73 839)	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

	30.06.2021	30.06.2020
Short-term interest-bearing debt	324 158	9 281
Accrued interests	(8 218)	(9 281)
Liabilities related to Assets held for sale	0	0
<i>1st year installment on long-term interest-bearing debt</i>	315 939	(0)
Short-term lease liabilities (IFRS 16)	3 256	3 256
Short-term interest-bearing debt	319 195	3 256
Long-term interest-bearing debt	1 931 539	2 537 246
Long-term lease liabilities (IFRS 16)	53 004	56 167
Long-term interest-bearing debt	1 984 543	2 593 413
Total interest-bearing debt	2 303 738	2 596 669
Cash and cash equivalents	(536 158)	(374 500)
Net interest-bearing debt	1 767 580	2 222 169

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 June 30, 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 INVESTING AS	1,76 %	NORWAY
HJELTEFJORDEN AS	1,56 %	NORWAY
HELGØ FORVALTNING	1,04 %	NORWAY
DUNVOLD INVEST AS	0,85 %	NORWAY
SKANDINAVISKA ENSKILDA BANKEN AB	0,82 %	SWEDEN
HELGØ INVEST AS	0,80 %	NORWAY
HELLAND AS	0,76 %	NORWAY
CALIFORNIA INVEST AS	0,73 %	NORWAY
TVEITÅ, OLAV MAGNE	0,71 %	NORWAY
TVEITÅ, EINAR KRISTIAN	0,64 %	NORWAY
COLORADO EIENDOM AS	0,63 %	NORWAY
MELING, JAN FREDRIK	0,54 %	NORWAY
SKANDINAVISKA ENSKILDA BANKEN AB	0,51 %	SWEDEN
OLAVS HOLDING AS	0,47 %	NORWAY
CAIANO SHIP AS	0,44 %	NORWAY
NORDNET BANK AB	0,44 %	SWEDEN

Note 15 - The refinancing

On August 27, 2021, Eidesvik announced that it had agreed on a term sheet (“Term Sheet”) with its financial institutions for refinancing of its debt. The Company and its financial institutions are working on final documentation and expect to have final agreements in place during September 2021.

The agreed terms provide mechanisms for extension of final maturities of debt facilities from the end of 2022 to the end of 2023. This implies that there will be no final maturities until year end 2023. The extension is subject to Eidesvik meeting certain financial and operational triggers.

Summary of the refinancing

Amortization:

- Facility prepayment of approximately NOK 209 million. This is a combination of prepayment of agreed instalments for H2 2021 and surplus cash on facility levels as per June 30, 2021.
- NOK 100 million in up-front prepayment from corporate cash, distributed pro-rata to the financial institutions based on outstanding debt per Q2 2021, after facility prepayment.
- In 2022, scheduled amortization amounts to approximately NOK 106 million in total for the Group.
- In H1 2023, scheduled amortization amounts to approximately NOK 7 million in total for the Group. Depending on market conditions related to one vessel, additional NOK 24 million may become payable as fixed amortization and distributed pro-rata among the financial institutions during H1 2023 based on the outstanding debt under each facility per January 1, 2023.
- In H2 2023, scheduled amortization amounts to approximately NOK 64 million in total for the Group.
- Cash sweep: During the refinancing period, all excess cash above certain threshold levels with respect to each facilities agreement shall be applied towards repayment of the outstanding debt under that facilities agreement in inverse order of maturity. Excess cash will be measured semi-annually.

Interest rates:

- No amendments.

Financial covenants:

- Minimum free liquidity of NOK 70 million on a consolidated basis.
- Positive working capital (current assets less current liabilities, excluding current portion of long term debt).
- Loan to value: Suspended until the end of the refinancing period.

Other covenants:

- Change of control (no amendments):
 - o If Eidesvik Invest AS or the Eidesvik family controls less than 33.4% of the shares and votes in the Group, or
 - o If someone other than Eidesvik Invest AS gains negative control in the Group

Other conditions:

- Cash pooling: There will be no cash pooling between the subsidiaries in Eidesvik. To the extent necessary, Eidesvik may transfer a subordinated, non-cash interest bearing and assigned intercompany loans for payments of upcoming liabilities in any facility. Any such loan having been received in any facility must be repaid in full to Eidesvik prior to any calculation of excess cash or payment of any cash sweep under the relevant facility.
- Sale of non-core vessels: Eidesvik has identified and classified 4 vessels as non-core. According to the agreement, a plan regulating the sales process for these vessels has been established.

Note 16 - Subsequent events

Please see Note 15 for subsequent event regarding the refinancing.

Other subsequent events have no material consequence for the accounts per June 30, 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	2020
	1.4 - 30.6	1.4 - 30.6
Total operating income	157 629	144 253
Total operating expenses	(104 434)	(111 158)
EBITDA	53 195	33 095
Ordinary depreciation	(52 706)	(53 243)
Impairment on assets	0	(23 941)
Profit from Joint Ventures	(1 517)	2 174
EBIT	(1 029)	(41 915)

Appendix 2 - Debt maturity profile June 30, 2021 ("as is" and after completed refinancing):

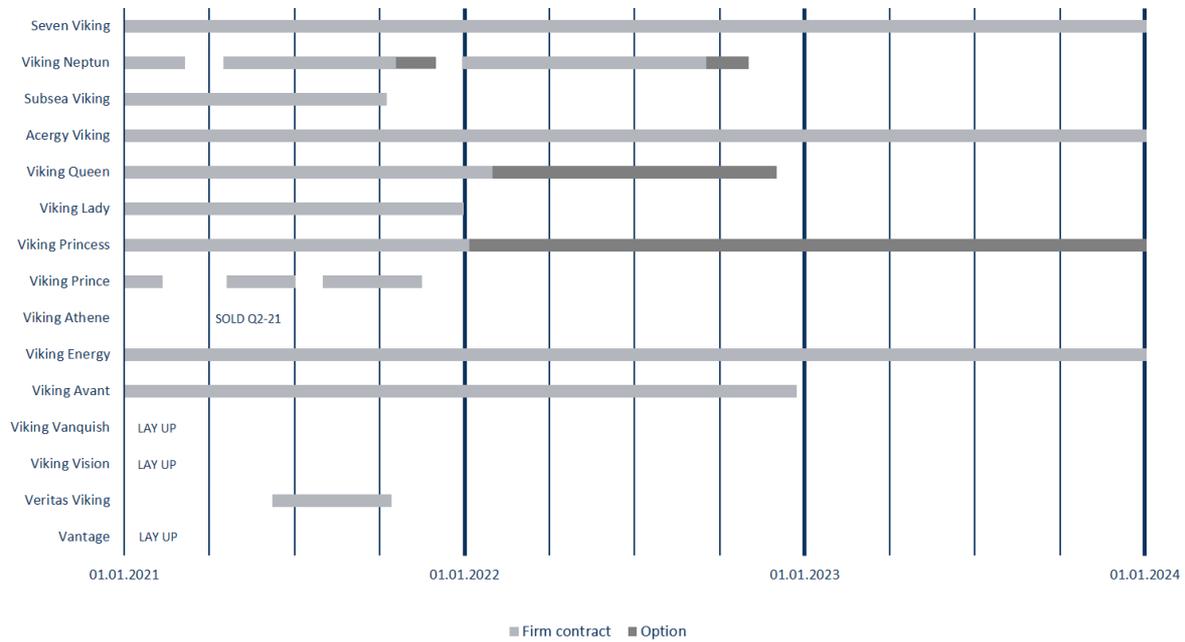
Debt maturity profile 30.6.2021



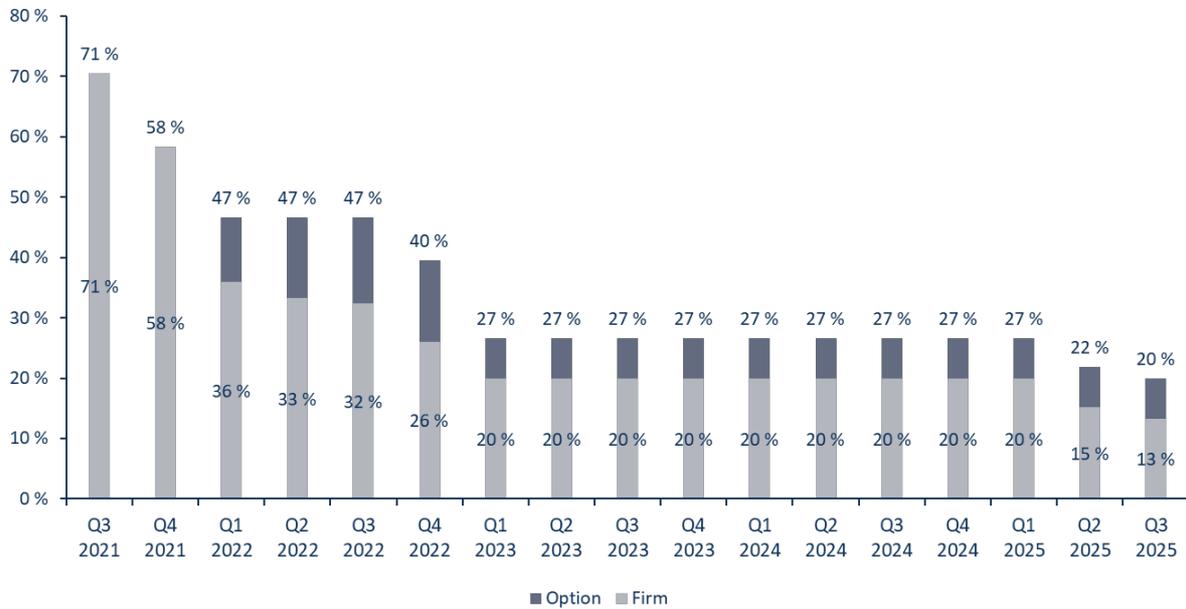
*) Subject to completion of final documentation and meeting triggers for extension.

Appendix 3 – Contract status and coverage June 30, 2021:

Contract Status



Contract coverage incl. JV's 30.6.2021



Condensed statement of comprehensive income last 5 Quarters

Consolidated (NOK 1 000)	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2
Operating Income:					
Freight income	153 825	109 603	100 713	142 721	137 303
Other income	3 804	0	6 237	0	6 950
Total operating income	157 629	109 603	106 950	142 721	144 253
Operating Expenses:					
Personell expenses	72 011	65 997	63 672	55 840	79 375
Other operating expenses	32 422	29 920	33 242	27 120	31 784
Total operating expenses	104 434	95 918	96 914	82 960	111 158
Operating result before depreciations	53 195	13 685	10 036	59 762	33 095
Ordinary depreciation	52 706	52 860	52 230	52 540	53 243
Writedown on assets	0	33 900	96 738	0	23 941
Operating result before other income and expenses	489	(73 075)	(138 933)	7 222	(44 089)
Result from JV	(1 517)	(1 235)	(13 816)	3 960	2 174
Operating result	(1 029)	(74 310)	(152 749)	11 182	(41 915)
Financial Items:					
Financial income	2 226	2 296	(1 107)	4 088	2 190
Financial expenses	(17 562)	(19 302)	(15 986)	(20 470)	(34 125)
Net agio (disagio)	(5 914)	(5 057)	141 850	33 302	118 281
Net financial items	(21 250)	(22 064)	124 757	16 921	86 346
Pre-tax result	(22 279)	(96 374)	(27 992)	28 103	44 430
Taxes	0	0	1 962	233	0
Result	(22 279)	(96 374)	(26 030)	28 336	44 430
Equity holders of the parent	(22 517)	(90 076)	(43 394)	18 715	27 336
Non-controlling interests	239	(6 298)	17 364	9 621	17 094
Earnings per share	(0,36)	(1,45)	(0,70)	0,30	0,44
Statement of comprehensive income					
Currency translation adjustments - Joint Ventures	0	0	0	0	0
Actuarial gain/ loss	0	0	91	0	0
Change in value stocks	0	9 900	(30 933)	(7 896)	(22 833)
Comprehensive income	(22 279)	(86 474)	(56 872)	20 440	21 597
Attributable to					
Controlling interests	(22 517)	(80 176)	(74 236)	10 819	4 503
Non-controlling interests	239	(6 298)	17 364	9 621	17 094
Total attributed	(22 279)	(86 474)	(56 872)	20 440	21 597

Condensed statement of financial position last 5 Quarters

Consolidated (NOK 1 000)	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2
ASSETS					
Fixed assets:					
Vessels	1 803 764	1 849 631	1 922 882	2 010 950	2 049 417
Other assets	20 962	21 204	21 445	21 921	19 894
Right-of-use asset	52 855	54 032	55 209	57 200	57 598
Other long-term receivables	63 520	66 692	64 455	83 634	88 051
Pension fund	0	0	0	127	127
Shares in Joint Venture	151 563	153 081	154 316	168 132	164 171
Shares	1 720	1 720	1 720	1 720	1 720
Total fixed assets	2 094 385	2 146 360	2 220 027	2 343 684	2 380 979
Current assets:					
Financial investments	0	0	255 978	284 442	292 338
Account receivables,	155 833	127 857	101 416	139 457	160 417
Other short-term receivables	54 253	66 309	65 224	72 141	78 947
Financial derivatives	2 616	3 850	25 284	8 733	7 625
Cash and cash equivalents	536 158	551 636	429 183	400 121	374 500
Total current assets	748 861	749 652	877 086	904 895	913 827
TOTAL ASSETS	2 843 246	2 896 012	3 097 113	3 248 579	3 294 805
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)	(535)	(626)	(626)
Translation differences	0	0	(9 900)	21 033	28 929
Retained earnings	298 493	321 011	411 087	454 481	435 766
Total equity majority shareholders	478 970	501 488	581 664	655 900	645 081
Non-controlling interests	(107 204)	(107 443)	(101 145)	(118 509)	(128 130)
Total equity	371 766	394 045	480 519	537 391	516 951
Long-term liabilities:					
Financial derivatives	2 897	4 499	7 158	22 321	22 321
Lease liabilities	53 004	53 932	54 861	55 870	56 167
Pension liabilities	236	236	236	0	0
Other long-term liabilities	12 159	11 373	11 373	7 702	12 915
Interest-bearing debt	1 931 539	2 032 272	2 193 798	2 415 958	2 537 246
Total long-term liabilities	1 999 835	2 102 312	2 267 426	2 501 851	2 628 650
Short-term liabilities:					
Interest-bearing debt	324 158	259 178	166 596	83 435	9 281
Financial derivatives	11 141	12 519	13 442	21 399	20 488
Lease liabilities	3 256	3 256	3 256	3 256	3 256
Accounts payable	33 031	21 117	48 061	25 171	27 729
Tax payable	0	0	0	0	0
Other short-term liabilities	100 059	103 585	117 813	76 076	88 451
Total short-term liabilities	471 645	399 655	349 168	209 337	149 205
Total liabilities	2 471 480	2 501 967	2 616 594	2 711 188	2 777 854
TOTAL EQUITY AND LIABILITIES	2 843 246	2 896 012	3 097 113	3 248 579	3 294 805

