

Eidesvik Offshore ASA
Report for 4th Quarter 2021



Your Partner in Shipping

Highlights in 4th Quarter 2021

In 4th Quarter 2021 Eidesvik Offshore ASA (“Eidesvik” or the “Group”) generated a consolidated EBITDA of MNOK 30.3, compared to MNOK 10.0 in 4th Quarter 2020.

Eidesvik and the technology group Wärtsilä signed a landmark cooperation agreement aimed at converting an offshore supply vessel to operate with an ammonia-fuelled combustion engine with required fuel supply and safety system. The “Apollo” project will be the first of its kind ever in the world, and has a provisional completion target of mid 2024.

Wintershall Dea declared options to extend the contract for the supply vessel “Viking Princess” from January 2022 in direct continuation of the current contract, extending the firm period to January 2023.

After more than 16 years as CEO and President of Eidesvik, Jan Fredrik Meling retired from his position on December 31, 2021. The Group’s CCO Gitte Gard Talmo was appointed to replace Meling in October 2021.

Eidesvik entered into a Memorandum of Understanding with Aker BP and Alma, a venture by Clara Venture Labs (under name change from Prototech AS) to explore opportunities for retrofit installation of Alma’s ammonia fuel cell technology on two offshore support vessels, Eidesvik’s “Viking Lady” and Aker BP-owned “NS Frayja” (currently under Eidesvik’s management).

Equinor Energy AS declared options to extend the contract for the supply vessel “Viking Queen” from end of January 2022 in direct continuation of the current contract, extending the firm period to end of May 2022.

Main highlights in 2021

In 2021 Eidesvik Offshore ASA (“Eidesvik” or the “Group”) generated a consolidated EBITDA of MNOK 178.7, compared to MNOK 131.1 in 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 commenced in direct continuation of the current contract extending the firm period until end January 2027. “Acergy Viking” will during the ongoing yard stay be renamed to “Viking Wind Power”.

Eidesvik sold the PSV “Viking Athene”, and delivery of the vessel took place in April 2021. The vessel went out of the North Sea supply vessel market and is now utilized by the new owner as a Farming Service Vessel.

Eidesvik was awarded a contract with Havfram AS (“Havfram”) for the CSV “Viking Neptun”. The contract commenced in early January 2022 with the firm period expiring by the end of 3rd Quarter 2022. In addition, Havfram was granted options for further extension.

Eidesvik was awarded a 3-year time charter contract with Aker BP ASA (“Aker BP”) for the PSV “Viking Lady”. The contract was awarded in direct continuation of the current charter under the companies’ frame agreement. The contract commenced in January 2022, and Aker BP was granted options for further extension.



Eidesvik reached an agreement with its financial institutions for refinancing of its debt. With a combination of extension of debt maturities and reduced amortization payments, the agreed terms significantly strengthen the Group's financial position. The agreed terms provide mechanisms for extension of final maturities of debt facilities from the end of 2022 to the end of 2023, and there will be no final maturities until year end 2023. The extension is subject to Eidesvik meeting certain financial and operational triggers.

Subsequent events

On January 12, 2022, Eidesvik Neptun AS, a subsidiary of Eidesvik, entered into a Memorandum of Agreement ("MoA") with Dredging, Environmental and Marine Engineering NV ("DEME"), for the sale of the CSV "Viking Neptun", following a letter of intent being entered into between DEME and Eidesvik on December 23, 2021. The MoA is expected to complete in the 4th Quarter of 2022, post completion of the ongoing contract with Havfram.

Based on the terms of the MoA, Eidesvik has reversed MNOK 220.7 in previous impairments on the vessel in the 4th Quarter 2021 accounts. Further, at completion of the MoA in the 4th Quarter of 2022, Eidesvik expects to book a gain from the sale of approximately MNOK 170. In total, the expected reversal of previous impairments and expected gain from the sale will significantly increase shareholders' equity in the consolidated accounts when the vessel is delivered to the buyer. In addition, Eidesvik maintains full rights to all earnings from the vessel until delivery to DEME is scheduled to take place in the 4th Quarter of 2022. At completion of the MoA, Eidesvik's liquidity position is expected to improve by approximately MNOK 330 from the sale.

Results 4th Quarter 2021

The interim accounts have been prepared in accordance with IAS 34. The interim accounts of 4th Quarter 2021 and corresponding figures for 2020 have not been audited.

In the 4th Quarter 2021 Eidesvik had consolidated operating income of MNOK 145.7 (MNOK 106.9 in the corresponding period in 2020). Operating result before depreciations (EBITDA) was MNOK 30.3 (MNOK 10.0). Operating result (EBIT) was MNOK 183.0 (MNOK -152.7), whereof MNOK 220.7 is related to the reversed impairments on "Viking Neptun". Result from joint ventures and associated companies was MNOK -3.1 (MNOK -13.8). Net financial items were MNOK 1.1 (MNOK 124.8). Result after tax amounted to MNOK 184.1 (MNOK -26.0).

Results 2021

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

The Group's consolidated total operating income for 2021 was MNOK 587.8 (total operating income for 2020 was MNOK 530.8). Operating result before depreciation (EBITDA) was MNOK 178.7 (MNOK 131.1), and operating result was MNOK 108.6 (MNOK -202.4), whereof MNOK 220.7 is related to the reversed impairments on "Viking Neptun". Result from joint ventures and associated companies of MNOK -5.9 (MNOK -5.2). Net financial items were MNOK -77.9 (MNOK 67.8).

Result after tax for 2021 amounted to MNOK 30.7 (MNOK -132.4 for 2020), whereof MNOK -15.7 (MNOK -123.6) was the result for the shareholders of the parent. This resulted in earnings per share of NOK -0.25 (NOK -1.99).

Balance sheet and liquidity per December 31, 2021

Current assets at December 31, 2021, was MNOK 530.9 (MNOK 877.1 at December 31, 2020), and cash balance was MNOK 330.4 (MNOK 429.2), whereof MNOK 9.4 is restricted cash and MNOK 17.9 is funding restricted to the ShipFC ammonia project.

Assets held for sale at December 31, 2021, was MNOK 1,022.5 (MNOK 0 at December 31, 2020).

Book equity at December 31, 2021, was MNOK 521.1 (MNOK 479.0 at December 31, 2020), i.e. an equity ratio of 19% (16%). The total booked equity per share at December 31, 2021 was NOK 8.38 (NOK 7.73). The corresponding market quote at Oslo Stock Exchange closed at NOK 4.07 (NOK 3.04). This represents a market capitalization of MNOK 253.0 (MNOK 188.9).

Value in use calculations of the consolidated fleet indicated impairments of the book value per December 31, 2021, and impairments of MNOK 14.7 have been charged to the accounts. Due to entered sale agreement for "Viking Neptun", previous impairments of MNOK 220.7 related to the vessel have been reversed. An average fair value assessment conducted by two independent brokers, evaluates the consolidated part of the fleet value free of charter, to MNOK 2,812 (MNOK 2,727 at December 31, 2020), which indicates an excess value before tax of MNOK 881 (MNOK 804) 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 December 31, 2021, was MNOK 1,695.6 (MNOK 1,980.5 at December 31, 2020). The decrease in net interest-bearing debt is mainly a result of instalments.

Cash flow from operating activities per December 31, 2021, amounted to MNOK 177.1 (MNOK 254.4 per December 31, 2020).

Cash flow from investment activities per December 31, 2021, was MNOK 228.5 (MNOK -77.5 per December 31, 2020).

Cash flow from financing activities per December 31, 2021, of MNOK -504.4 (MNOK -156.1 per December 31, 2020) consisted of payments of interest, deferred installments on secured debt, debt on sold vessel, and prepayment related to the refinancing of the Group.

Variation in the operation of vessels in 2021 compared to 2020

Supply

The supply segment's EBITDA in 2021 was MNOK 67.0 (MNOK 55.9 in the corresponding period in 2020), an increase of MNOK 11.1. This is mainly a result of decrease in operating expenses.

Subsea

The subsea/offshore wind segment including shares of Joint Venture's EBITDA in 2021 was MNOK 145.9 (MNOK 114.1 in the corresponding period in 2020), an increase of MNOK 31.8. The main reasons for the increase are that "Viking Neptun" and "Subsea Viking" were on contract during most of the year (versus "Viking Neptun" only on contract from 2nd Quarter 2020, and "Subsea Viking" on standby contract from 2nd Quarter 2020). In 2021, the consolidated part of the segment recorded an EBITDA of MNOK 128.4 (MNOK 76.3).

Seismic

The seismic segment's EBITDA in 2021 was MNOK 7.7 (MNOK 4.1 in the corresponding period in 2020), an increase of MNOK 3.6. The main reason for the increase is related to the 130 days bareboat contract for "Veritas Viking" (versus in warm lay up most of the 1st Half of 2020, and lay up rest of 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 significantly strengthened the Group’s financial position. On September 10, 2021, the final agreements and documentation were in place and the new terms for the Group’s financing became effective.

The agreed terms provide mechanisms for extension of final maturities of debt facilities from the end of 2022 to the end of 2023, and 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 were significantly reduced. On the date of agreeing and signing final documentation, debt repayments of approximately NOK 309 million were made. There were no further fixed debt amortization in 2021. Scheduled fixed amortizations for 2022 were reduced from approximately NOK 320 million to approximately NOK 112 million. For 2023, the fixed amortization is approximately NOK 80 million. No changes to interest margins were made, and interest will be paid as normal during the period.

In addition to fixed amortization, a cash sweep mechanism was 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 replaced the previous corporate cash sweep mechanism. Please see Note 15 for further information.

Market and future outlook

PSV Market

The number of large PSV’s (900+ m²) trading in the North Sea market has been stable throughout 2021. The demand increased slightly, affecting the utilization levels positively with an increase from approximately 70% to approximately 78% over the year. The underlying drivers for PSV demand are positive, with strong oil and gas prices and an expected increase in rig activity. The latter is expected to lead to a moderately higher demand and higher utilization- and rate levels in 2022, followed by a further increase in demand in 2023 and beyond.

As stricter requirements for environmentally friendly operations are imposed on both vessel operators and clients, our medium to long term outlook for large environmentally friendly PSV’s remains optimistic. We expect this to be positive for Eidesvik’s fleet of PSVs.

Subsea and Offshore Wind Markets

The subsea segment experienced increase in both rate and utilization levels during 2021. The subsea contractors continued to grow their backlog through the year with multiple contract awards reported.

The offshore wind market had an active year, and by start of the summer season, vessel availability was limited. The increased activity in the subsea market, in combination with higher activity in the offshore wind market, is expected to put further pressure on vessel availability. Also for the offshore wind market, rate and utilization have improved year on year. Several long-term SOV contracts were awarded in this growing market. Our outlook for this segment remains positive. We expect activity and vessel demand to increase in the coming years.

Seismic Market

The ocean bottom seismic market continues to improve, with the main companies reporting improved outlooks. We are positive that we will secure more work for our vessels in this segment this year.

Bømlo, February 24, 2022

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

Johnny Olson
Board Member

Gitte Gard Talmo
CEO

Condensed statement of comprehensive income

(NOK 1 000)

	2021 1.10 - 31.12	2020 1.10 - 31.12	2021 1.1 - 31.12	2020 1.1 - 31.12
Operating Income				
Freight income	138 330	100 713	569 481	510 445
Other income (note 4)	7 419	6 237	18 317	20 315
Total operating income	145 749	106 950	587 798	530 760
Operating Expenses				
Personnel expenses	71 490	63 672	273 072	272 829
Other operating expenses	43 923	33 242	136 014	126 817
Total operating expenses	115 413	96 914	409 086	399 647
Operating result before depreciations	30 335	10 036	178 712	131 113
Ordinary depreciation	50 249	52 230	207 961	207 628
Impairment on assets (note 5)	(205 992)	96 738	(143 797)	120 679
Operating result before other income and expenses	186 078	(138 933)	114 549	(197 194)
Result from Joint Ventures and associated companies	(3 074)	(13 816)	(5 916)	(5 204)
Operating result	183 005	(152 749)	108 633	(202 398)
Financial Items (note 11)				
Financial income	3 893	(1 107)	10 502	116 124
Financial expenses	432	(15 986)	(50 805)	(119 286)
Net agio (disagio)	(3 258)	141 850	(37 610)	71 000
Net financial items	1 067	124 757	(77 912)	67 838
Pre-tax result	184 072	(27 992)	30 720	(134 560)
Taxes	16	1 962	16	2 126
Result	184 088	(26 030)	30 737	(132 434)
Attributable to				
Equity holders of the parent	130 494	(43 394)	(15 746)	(123 569)
Non-controlling interests	53 595	17 364	46 482	(8 866)
Earnings per share	2,10	(0,70)	(0,25)	(1,99)
Profit	184 088	(26 030)	30 737	(132 434)
Currency translation adjustments Joint Ventures	0	0	0	(106 712)
Actuarial gain/ loss	(55)	91	(55)	28 500
Change in value stocks	0	(30 933)	9 900	(9 900)
Comprehensive income	184 033	(56 872)	40 581	(220 546)
Attributable to				
Equity holders of the parent	130 438	(74 236)	(5 901)	(211 680)
Non-controlling interests	53 595	17 364	46 482	(8 866)
Total attributed	184 033	(56 872)	40 581	(220 546)

Condensed statement of financial position (NOK 1 000)

	31.12.2021	31.12.2020
ASSETS		
Fixed assets:		
Vessels	908 507	1 922 882
Other assets	20 524	21 445
Financial derivatives	15 791	0
Right-of-use asset	50 502	55 209
Other long-term receivables	51 458	64 455
Pension fund	282	0
Shares in Joint Ventures (note 9)	147 525	154 316
Shares (note 9)	2 595	1 720
Total fixed assets	1 197 183	2 220 027
Current assets:		
Financial investments	0	255 978
Account receivables, freight income	130 942	101 416
Other short-term receivables	67 985	65 224
Financial derivatives	1 613	25 284
Cash and cash equivalents	330 401	429 183
Total current assets	530 940	877 086
Assets held for sale		
Assets held for sale	1 022 459	0
Total assets held for sale	1 022 459	0
TOTAL ASSETS	2 750 583	3 097 113
EQUITY AND LIABILITIES		
Equity		
Equity attributable to the company's shareholders:		
Share capital	3 108	3 108
Premium fund	177 275	177 275
Other paid-in equity	629	629
Other comprehensive income	(590)	(535)
Translation differences	0	-9 900
Retained earnings	338 112	411 087
Total equity majority shareholders	518 534	581 664
Non-controlling interests	2 565	(101 145)
Total equity	521 098	480 519
Long-term liabilities:		
Financial derivatives	0	7 158
Lease liabilities (note 12)	51 147	54 861
Pension liabilities	0	236
Other long-term liabilities	0	11 373
Interest-bearing debt (note 12)	1 044 199	2 193 798
Total long-term liabilities	1 095 346	2 267 426
Short-term liabilities:		
Interest-bearing debt (note 12)	94 379	166 596
Financial derivatives	6 677	13 442
Lease liabilities (note 12)	3 256	3 256
Accounts payable	48 234	48 061
Other short-term liabilities	140 929	117 813
Total short-term liabilities	293 474	349 168
Liabilities related to Assets held for sale	840 666	0
Total liabilities, Assets held for sale	840 666	0
Total liabilities	2 229 485	2 616 594
TOTAL EQUITY AND LIABILITIES	2 750 583	3 097 113



Statement of changes in equity

	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	581 664	-101 145	480 519
Result in the period	0	0	0	0	0	-15 746	-15 746	46 482	30 737
Other adjustments	0	0	0	0	9 900	0	9 900	-2	9 898
Actuarial loss	0	0	-55	0	0	0	-55	0	-55
Change in non-controlling interests **	0	0	0	0	0	-57 230	-57 230	57 230	0
Equity as at 31.12.2021	3 108	177 275	-590	629	0	338 111	518 534	2 565	521 098

	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	0	0	-106 712	0	-106 712	0	-106 712
Actuarial loss	0	0	28 500	0	0	0	28 500	0	28 500
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.

** As of September 1, 2021, Eidesvik bought the non controlling shares and holds 100 % of Eidesvik Supply AS, hence the re-distribution of capital from minority to other equity.

Statement of cash flows

	1.10 - 31.12 2021	1.10 - 31.12 2020	1.1 - 31.12 2021	1.1 - 31.12 2020
Net cash flow from operations excl. taxes	99 025	90 787	177 231	254 429
Paid taxes	19	3	(109)	(13)
Cash flow from operating activity	99 044	90 790	177 122	254 416
Sale of fixed assets	0	0	23 750	0
Sale of other investments	480	0	259 161	0
Payment of long-term receivables (instalments and interests)	8 371	17 420	38 711	67 482
Purchase of fixed operating assets	(45 567)	(60 646)	(93 135)	(144 941)
Cash flow from investment activity	(36 716)	(43 226)	228 487	(77 459)
Instalment financial lease	(929)	(1 009)	(3 714)	(3 061)
Repayment of debt	0	(248)	(420 514)	(52 303)
Paid interest	(14 867)	(17 245)	(80 163)	(100 729)
Cash flow from finance activity	(15 796)	(18 502)	(504 391)	(156 093)
Changes in cash holdings	46 532	29 062	(98 782)	20 864
Liquid assets at the beginning of the period	283 869	400 121	429 183	408 319
Liquid assets at the end of the period	330 401	429 183	330 401	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 34% for NOK loans and 32% for USD loans per December 31, 2021. Including cap agreements, the Group's share of loans with interest swap/cap or fixed interest per December 31, 2021, is 68% for NOK loans and 73% for USD loans.

Market risk

For 1st Quarter of 2022 contract coverage for all consolidated vessels and the JV vessel "Seven Viking" (incl. 4 vessels in lay up) is approx. 67%, and for 2022 the coverage is approx. 54%.

Newbuild risk

The Group has per December 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 liquidity position is assessed as satisfactory for the next 12 months considering the agreed refinancing in 3rd Quarter 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", distribution from Den Norske Krigsforsikring 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

Due to entering the sale agreement for "Viking Neptun", a reversal of previous impairments of MNOK 220.7 was recorded in the 4th Quarter 2021. No other 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 impairments per December 31, 2021. Based on these tests, impairments of MNOK 14.7 have been charged to the accounts. The average WACC used in the calculations per December 31, 2021, is 9.0%. 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 4th Quarter of 2021. The Group's debt was refinanced in the 3rd Quarter 2021 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	
	1.10-31.12 2021	1.10-31.12 2020	1.10-31.12 2021	1.10-31.12 2020	1.10-31.12 2021	1.10-31.12 2020	1.10-31.12 2021	1.10-31.12 2020	1.10-31.12 2021	1.10-31.12 2020
Segment result										
Operating income	0	0	28 275	22 438	49 742	39 195	6 827	6 038	84 844	67 672
Bareboat income	5 969	6 320	39 221	15 675	15 715	17 282	0	0	60 905	39 276
Operating income share from JV*	0	0	9 144	8 290	0	0	0	0	9 144	8 290
Bareboat income from JV*	0	0	4 082	9 679	0	0	0	0	4 082	9 679
Total operating income	5 969	6 320	80 723	56 083	65 456	56 477	6 827	6 038	158 975	124 918
Operating expenses	3 232	3 046	45 174	33 704	54 021	49 251	12 986	10 912	115 413	96 913
Operating expenses share from JV*	0	0	10 145	8 815	0	0	0	0	10 145	8 815
Total operating expenses	3 232	3 046	55 319	42 519	54 021	49 251	12 986	10 912	125 558	105 728
Depreciations	8 065	11 986	21 746	21 481	19 089	16 297	1 350	2 467	50 249	52 231
Depreciations share from JV*	0	0	4 783	4 817	0	0	0	0	4 783	4 817
Impairment on assets	14 699	42 914	-220 691	33 391	0	20 432	0	0	-205 992	96 737
Impairment on assets share from JV*	0	0	0	16 679	0	0	0	0	0	16 679
Total depreciations/written down on assets	22 764	54 900	-194 162	76 369	19 089	36 729	1 350	2 467	-150 960	170 465
Operating profit incl. share from JV*	-20 027	-51 626	219 565	-62 805	-7 654	-29 503	-7 509	-7 341	184 377	-151 275
Net finance and taxes from JV*	0	0	-1 372	-1 472	0	0	0	0	-1 372	-1 472
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
Operating profit	-20 027	-51 626	218 194	-64 278	-7 654	-29 503	-7 509	-7 341	183 005	-152 749
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.-31.12 2021	1.1.-31.12 2020	1.1.-31.12 2021	1.1.-31.12 2020	1.1.-31.12 2021	1.1.-31.12 2020	1.1.-31.12 2021	1.1.-31.12 2020	1.1.-31.12 2021	1.1.-31.12 2020
Segment result										
Operating income	0	7 967	130 600	106 725	181 071	181 887	20 882	19 882	332 553	316 460
Bareboat income	21 515	31 259	156 020	106 425	77 710	76 614	0	0	255 245	214 299
Operating income share from JV*	0	0	35 861	33 392	0	0	0	0	35 861	33 392
Bareboat income from JV*	0	0	16 197	38 507	0	0	0	0	16 197	38 507
Total operating income	21 515	39 226	338 677	285 049	258 781	258 501	20 882	19 882	639 855	602 658
Operating expenses	13 798	35 078	158 172	136 868	191 748	202 581	45 368	25 120	409 086	399 647
Operating expenses share from JV*	0	0	34 604	34 041	0	0	0	0	34 604	34 041
Total operating expenses	13 798	35 078	192 776	170 909	191 748	202 581	45 368	25 120	443 689	433 688
Depreciations	36 135	45 469	86 281	84 982	80 009	71 290	5 536	5 886	207 961	207 627
Depreciations share from JV*	0	0	18 673	19 174	0	0	0	0	18 673	19 174
Impairment on assets	48 599	54 108	-192 396	46 139	0	20 432	0	0	-143 797	120 679
Impairment on assets share from JV*	0	0	0	16 679	0	0	0	0	0	16 679
Total depreciations/written down on assets	84 734	99 577	-87 442	166 975	80 009	91 722	5 536	5 886	82 837	364 160
Operating result incl. share from JV*	-77 017	-95 429	233 344	-52 834	-12 976	-35 802	-30 022	-11 124	113 329	-195 189
Net finance and taxes from JV*	0	0	-5 571	-7 209	0	0	0	0	-5 571	-7 209
Writedown JV	0	0	0	0	0	0	0	0	0	0
Result from associated companies	0	0	0	0	0	0	874	0	874	0
Operating result	-77 017	-95 429	227 773	-60 043	-12 976	-35 802	-29 148	-11 124	108 633	-202 398
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 December 31, 2021, of the individual joint venture companies:

Company	Assets	Liability	Equity	Revenues	Profit	Ownership	Book value	Result portion
Eidesvik Seven AS	533 325	269 011	264 314	32 659	-17 371	50 %	132 157	-8 686
Eidesvik Seven Chartering AS	58 675	27 938	30 737	103 848	3 791	50 %	15 368	1 895
Profit from Joint Ventures							147 525	(6 790)

Summarized financial information per December 31, 2021, of the individual associated companies:

Company	Ownership / voting share	Book value 31.12.2021	Result portion
Bleivik Eiendom AS	23 %	2 595	1 940
Eidesvik Ghana Ltd.	49 %	0	-1 065
Profit from associated companies		2 595	874

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

Company	Assets	Liability	Equity	Revenues	Profit	Ownership	Book value	Profit portion
Eidesvik Seven AS	655 226	373 541	281 685	77 014	-10 354	50 %	140 843	-5 197
Eidesvik Seven Chartering AS	55 907	28 961	26 946	143 798	-13	50 %	13 473	-7
Profit from Joint Ventures							154 316	(5 204)

Note 10 - Financial ratio per share

	1.10 - 31.12 2021	1.10 - 31.12 2020	1.1 - 31.12 2021	1.1 - 31.12 2020
Number of Shares (thousands)	62 150	62 150	62 150	62 150
Earnings pr share, NOK	2,12	-0,70	-0,23	-1,99
Equity pr share, NOK	8,40	7,73	8,40	7,73
Financial Equity Ratio	19 %	16 %	19 %	16 %
EBITDA margin excl. gain on sale	22 %	9 %	31 %	25 %
EBIT margin excl. gain on sale	130 %	-143 %	19 %	-38 %

Note 11- Financial items

	1.10 - 31.12 2021	1.10 - 31.12 2020	1.1 - 31.12 2021	1.1 - 31.12 2020
Financial income*	3 894	(1 107)	10 502	116 124
Impairment long-term receivables	1 214	2 231	7 366	7 268
Other interest and financial expenses	(17 829)	(19 260)	(73 568)	(105 915)
Interest cost - lease liabilities	(721)	(1 311)	(2 885)	(3 118)
Change in market value on interest instruments	17 768	2 353	18 282	(17 521)
Realized agio on foreign exchange contracts	1 891	(1 050)	4 377	(7 816)
Realized agio - others	111	3 265	(22 043)	1 038
Unrealized agio - on foreign exchange contracts	(1 049)	24 991	(5 721)	23 108
Unrealized agio - loans	(4 212)	114 645	(14 222)	54 669
Net financial items	1 067	124 757	(77 912)	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

	31.12.2021	31.12.2020
Short-term interest-bearing debt	94 379	166 596
Accrued interests	(7 674)	(8 871)
Liabilities related to Assets held for sale	840 666	0
1st year installment on long-term interest-bearing debt	927 371	157 725
Short-term lease liabilities (IFRS 16)	3 256	3 256
Short-term interest-bearing debt	930 626	160 980
Long-term interest-bearing debt	1 044 199	2 193 798
Long-term lease liabilities (IFRS 16)	51 147	54 861
Long-term interest-bearing debt	1 095 346	2 248 659
Total interest-bearing debt	2 025 972	2 409 639
Cash and cash equivalents	(330 401)	(429 183)
Net interest-bearing debt	1 695 571	1 980 456

Note 13 - Related-party transactions

The ordinary operating related transactions with the joint ventures Eidesvik Seven AS and Eidesvik Seven Chartering AS (*Global Seismic Shipping AS, *Oceanic Seismic Vessels AS, *CGG Eidesvik Ship Management AS, *CGG Eidesvik Crewing I 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 December 31, 2021:

Name	Stake	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
HELGØ FORVALTNING	1,07 %	NORWAY
DUNVOLD INVEST AS	0,95 %	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
HJELTEFJORDEN AS	0,68 %	NORWAY
TVEITÅ, EINAR KRISTIAN	0,64 %	NORWAY
COLORADO EIENDOM AS	0,63 %	NORWAY
MELING, JAN FREDRIK	0,54 %	NORWAY
CAIANO SHIP AS	0,52 %	NORWAY
OLAVS HOLDING AS	0,47 %	NORWAY
SKANDINAVISKA ENSKILDA BANKEN AB	0,46 %	SWEDEN
LGJ INVEST AS	0,40 %	NORWAY

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. On September 10, 2021, the final agreements and documentation were in place and the new terms for the Group’s financing became effective.

The agreed terms provide mechanisms for extension of final maturities of debt facilities from the end of 2022 to the end of 2023, and 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 was made on the date of signing and final documentation. This was 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 was made on the date of signing and final documentation. This was 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 112 million, in total for the Group.
- In H1 2023, scheduled amortization amounts to approximately NOK 8 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 72 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.
 - o Per December 31, 2021, cash sweep of MNOK 16.1 was calculated and will be paid in March 2022.

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 Offshore ASA 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 none-core vessels: Eidesvik has identified and classified 4 vessels as none-core. According to the agreement, a plan regulating the sales process for these vessels was established.

Note 16 - Subsequent events

Eidesvik Neptun AS, a subsidiary of Eidesvik, entered January 12, 2022 into a Memorandum of Agreement ("MoA) with Dredging, Environmental and Marine Engineering NV ("DEME"), for the sale of the CSV "Viking Neptun". The MoA is expected to complete in the 4th Quarter of 2022, post completion of the ongoing contract with Havfram.

Based on the terms of the MoA, Eidesvik has reversed MNOK 220.7 in previous impairments on the vessel in the 4th Quarter 2021 accounts. Further, the book value of "Viking Neptun" is classified as "Assets held for sale" per December 31, 2021, and the associated debt is classified as "Liabilities related to Assets held for sale".

Other subsequent events have no material consequence for the accounts per December 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.

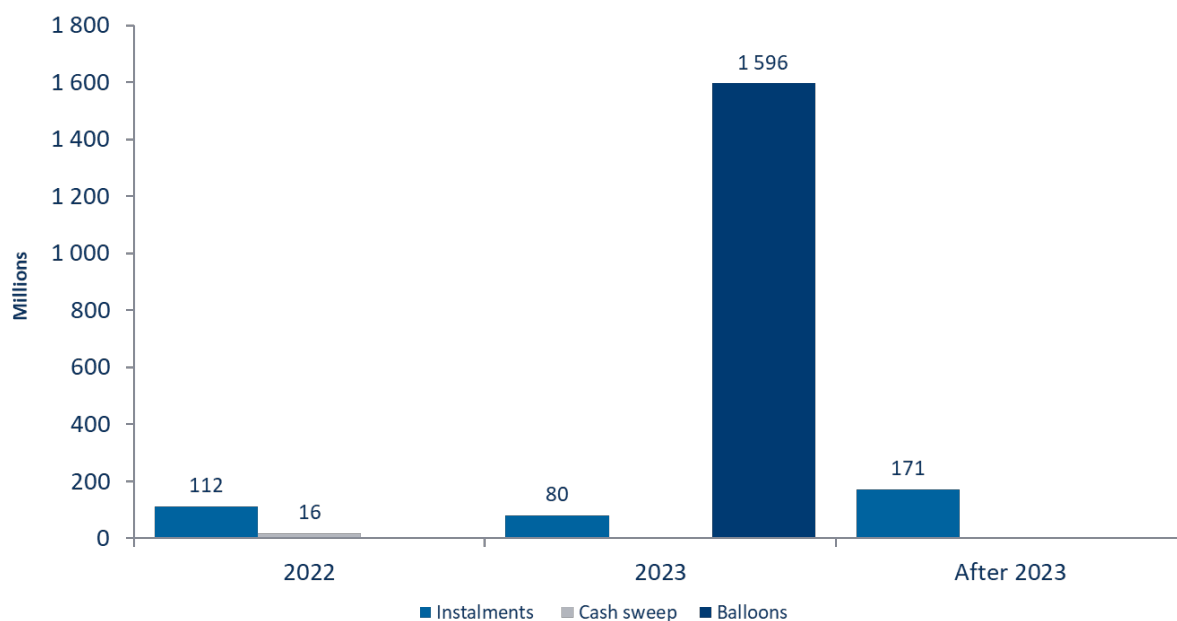
The definitions of these measures are as follows:

- 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 1.10 - 31.12	2020 1.10 - 31.12
Total operating income	145 749	106 950
Total operating expenses	(115 413)	(96 914)
EBITDA	30 335	10 036
Ordinary depreciation	(50 249)	(52 230)
Impairment on assets	205 992	(96 738)
Profit from Joint Ventures	(3 074)	(13 816)
EBIT	183 005	(152 749)

Appendix 2 - Debt maturity profile December 31, 2021:

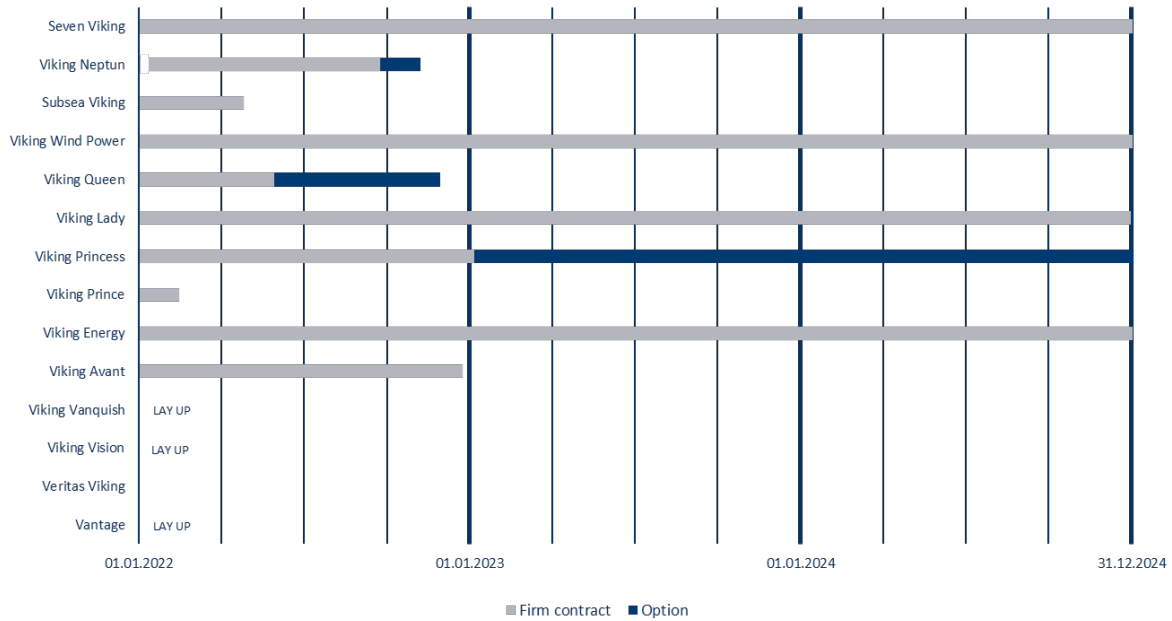
Debt maturity profile 31.12.2021



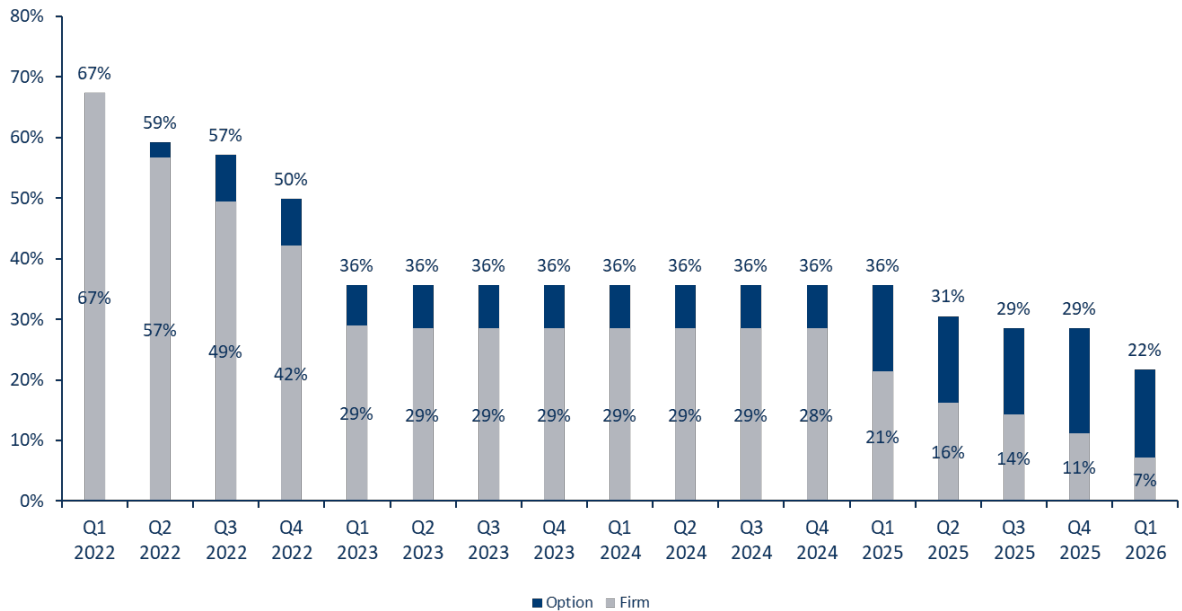
*Liabilities related to Assets held for sale will become due and payable at the time of completion of the sale.

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

Contract Status



Contract coverage incl. JV's 31.12.2021



Condensed statement of comprehensive income last 5 Quarters

Consolidated (NOK 1 000)	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Operating Income:					
Freight income	138 330	167 723	153 825	109 603	100 713
Other income	7 419	7 095	3 804	0	6 237
Total operating income	145 749	174 818	157 629	109 603	106 950
Operating Expenses:					
Personell expenses	71 490	63 573	72 011	65 997	63 672
Other operating expenses	43 923	29 749	32 422	29 920	33 242
Total operating expenses	115 413	93 321	104 434	95 918	96 914
Operating result before depreciations	30 335	81 497	53 195	13 685	10 036
Ordinary depreciation	50 249	52 145	52 706	52 860	52 230
Writedown on assets	(205 992)	28 295	0	33 900	96 738
Operating result before other income and expenses	186 078	1 057	489	(73 075)	(138 933)
Result from JV	(3 074)	(90)	(1 517)	(1 235)	(13 816)
Operating result	183 005	967	(1 029)	(74 310)	(152 749)
Financial Items:					
Financial income	3 893	2 087	2 226	2 296	(1 107)
Financial expenses	432	(14 373)	(17 562)	(19 302)	(15 986)
Net agio (disagio)	(3 258)	(23 380)	(5 914)	(5 057)	141 850
Net financial items	1 067	(35 666)	(21 250)	(22 064)	124 757
Pre-tax result	184 072	(34 699)	(22 279)	(96 374)	(27 992)
Taxes	16	0	0	0	1 962
Result	184 088	(34 699)	(22 279)	(96 374)	(26 030)
Equity holders of the parent	130 494	(33 646)	(22 517)	(90 076)	(43 394)
Non-controlling interests	53 595	(1 053)	239	(6 298)	17 364
Earnings per share	2,10	(0,54)	(0,36)	(1,45)	(0,70)
Statement of comprehensive income					
Currency translation adjustments - Joint Ventures	0	0	0	0	0
Actuarial gain/ loss	(55)	0	0	0	91
Change in value stocks	0	0	0	9 900	(30 933)
Comprehensive income	184 033	(34 699)	(22 279)	(86 474)	(56 872)
Attributable to					
Controlling interests	130 438	(33 646)	(22 517)	(80 176)	(74 236)
Non-controlling interests	53 595	(1 053)	239	(6 298)	17 364
Total attributed	184 033	(34 699)	(22 279)	(86 474)	(56 872)



Eidesvik

Condensed statement of financial position last 5 Quarters

Consolidated (NOK 1 000)	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
ASSETS					
Fixed assets:					
Vessels	908 507	1 729 361	1 803 764	1 849 631	1 922 882
Other assets	20 524	20 820	20 962	21 204	21 445
Financial derivatives	15 791	0	0	0	0
Right-of-use asset	50 502	51 679	52 855	54 032	55 209
Other long-term receivables	51 458	54 615	63 520	66 692	64 455
Pension fund	282	0	0	0	0
Shares in Joint Venture	147 525	150 599	151 563	153 081	154 316
Shares	2 595	2 595	1 720	1 720	1 720
Total fixed assets	1 197 183	2 009 668	2 094 385	2 146 360	2 220 027
Current assets:					
Financial investments	0	0	0	0	255 978
Account receivables,	130 942	173 154	155 833	127 857	101 416
Other short-term receivables	67 985	43 309	54 253	66 309	65 224
Financial derivatives	1 613	1 411	2 616	3 850	25 284
Cash and cash equivalents	330 401	283 869	536 158	551 636	429 183
Total current assets	530 940	501 742	748 861	749 652	877 086
Assets held for sale:					
Assets held for sale	1 022 459	0	0	0	0
Total assets held for sale	1 022 459	0	0	0	0
TOTAL ASSETS	2 750 583	2 511 411	2 843 246	2 896 012	3 097 113
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	(590)	(535)	(535)	(535)	(535)
Translation differences	0	0	0	0	(9 900)
Retained earnings	338 112	207 618	298 493	321 011	411 087
Total equity majority shareholders	518 534	388 095	478 970	501 488	581 664
Non-controlling interests	2 565	(51 030)	(107 204)	(107 443)	(101 145)
Total equity	521 098	337 065	371 766	394 045	480 519
Long-term liabilities:					
Financial derivatives	0	2 341	2 897	4 499	7 158
Lease liabilities	51 147	52 075	53 004	53 932	54 861
Pension liabilities	0	236	236	236	236
Other long-term liabilities	0	10 549	12 159	11 373	11 373
Interest-bearing debt	1 044 199	1 881 605	1 931 539	2 032 272	2 193 798
Total long-term liabilities	1 095 346	1 946 805	1 999 835	2 102 312	2 267 426
Short-term liabilities:					
Interest-bearing debt	94 379	88 180	324 158	259 178	166 596
Financial derivatives	6 677	8 680	11 141	12 519	13 442
Lease liabilities	3 256	3 256	3 256	3 256	3 256
Accounts payable	48 234	35 005	33 031	21 117	48 061
Tax payable	0	0	0	0	0
Other short-term liabilities	140 929	92 419	100 059	103 585	117 813
Total short-term liabilities	293 474	227 540	471 645	399 655	349 168
Liabilities related to Assets held for sale	840 666	0	0	0	0
Total liabilities, Assets held for sale	840 666	0	0	0	0
Total liabilities	2 229 485	2 174 346	2 471 480	2 501 967	2 616 594
TOTAL EQUITY AND LIABILITIES	2 750 583	2 511 411	2 843 246	2 896 012	3 097 113



Your Partner in Shipping