



Eidesvik Offshore ASA
Report for 1st Quarter 2022



Your Partner in Shipping

Highlights in 1st Quarter 2022

In 1st Quarter 2022 Eidesvik Offshore ASA (“Eidesvik” or the “Group”) generated a consolidated EBITDA of MNOK 5.4, compared to MNOK 13.7 in 1st Quarter 2021.

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 significant gain from the sale. In total, the 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 significantly improve.

Eidesvik was awarded a contract by PXGEO UK Ltd under the Master Time Charter Agreement for Subsea Viking. The contract commenced ultimo April 2022, in direct continuation of the existing stand-by contract. The firm period is 100 days with options for extensions.

Eidesvik was awarded a bareboat contract for 100 days with options for extensions with an undisclosed 3rd party operator for Veritas Viking. The vessel commenced the bareboat contract ultimo April 2022.

Eidesvik was awarded a contract with Equinor Energy AS for the PSV Viking Prince. The firm period is six months with options for further extensions. The contract commenced in April 2022. Viking Prince was upgraded with a battery hybrid system and a shore power system in January 2022.

Results 1st Quarter 2022

The interim accounts have been prepared in accordance with IAS 34. The interim accounts of 1st Quarter 2022 and corresponding figures for 2021 have not been audited.

In the 1st Quarter 2022 Eidesvik had consolidated operating income of MNOK 109.1 (MNOK 109.6 in the corresponding period in 2021). Operating result before depreciations (EBITDA) was MNOK 5.4 (MNOK 13.7). Operating result (EBIT) was MNOK -29.4 (MNOK -74.3). Result from joint ventures and associated companies was MNOK -2.6 (MNOK -1.2). Net financial items were MNOK 19.8 (MNOK -22.1). Result after tax amounted to MNOK -9.6 (MNOK -96.4).

Balance sheet and liquidity per March 31, 2022

Current assets at March 31, 2022, was MNOK 395.4 (MNOK 749.7 at March 31, 2021), and cash balance was MNOK 203.2 (MNOK 551.6), whereof MNOK 2.3 is restricted cash and MNOK 31.3 is funding restricted to the ShipFC ammonia project.

Assets held for sale at March 31, 2022, was MNOK 1,022.5 (MNOK 0 at March 31, 2021).

Book equity at March 31, 2022, was MNOK 511.5 (MNOK 394.0 at March 31, 2021), i.e. an equity ratio of 19% (14%). The total booked equity per share at March 31, 2022 was NOK 8.23 (NOK 6.34). The corresponding market quote at Oslo Stock Exchange closed at NOK 6.80 (NOK 4.24). This represents a market capitalization of MNOK 422.6 (MNOK 263.5).



Due to observed impairment indicators, the vessels' book values have been tested for impairment per March 31, 2022. Based on these tests, no impairments have been charged to the accounts.

Net interest-bearing debt at March 31, 2022, was MNOK 1,779.6 (MNOK 1,793.0 at March 31, 2021). The minor decrease is a result of reduced cash balance due to instalments and debt repayments in relation to the refinancing in 3rd Quarter 2021.

Cash flow from operating activities per March 31, 2022, amounted to MNOK 3.0 (MNOK -38.1 per March 31, 2021).

Cash flow from investment activities per March 31, 2022, was MNOK -65.0 (MNOK 250.7 per March 31, 2021).

Cash flow from financing activities per March 31, 2022, of MNOK -65.3 (MNOK -90.2 per March 31, 2021) consisted of payments of interest, installments and cash sweep on secured debt.

Variation in the operation of vessels in 2022 compared to 2021

Supply

The supply segment's EBITDA per March 31, 2022, was MNOK 9.9 (MNOK 9.5 in the corresponding period in 2021), an increase of MNOK 0.4.

Subsea/Wind

The subsea/offshore wind segment including shares of Joint Venture's EBITDA per March 31, 2022, was MNOK 9.3 (MNOK 21.1 in the corresponding period in 2021), an decrease of MNOK 11.8. The main reasons for the decrease are that Viking Wind Power was on a major yard stay during the Quarter, and Subsea Viking was on standby contract (in operation in 1st Quarter 2021). Viking Neptun was in operation during most of the Quarter on better day rates than in 1st Quarter 2021, which had a positive effect on the EBITDA in 1st Quarter 2022. The consolidated part of the segment had per March 31, 2022, an EBITDA of MNOK 5.8 (MNOK 16.2).

Seismic

The seismic segment's EBITDA per March 31, 2022, was MNOK -2.3 (MNOK -3.8 in the corresponding period in 2021), an increase of MNOK 1.5.

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. 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 general demand for PSV's in the North Sea Market in the 1st Quarter 2022 was stable compared to the same period in 2021 and to the 4th Quarter 2021. The spot rates improved during the Quarter, but are still volatile. A number of term fixtures were concluded and the busiest term-tender activity appears to be over for this year as the charterers started early to secure preferred tonnage.

The Oil and Gas companies have ramped up their activity in the North Sea Market supported by the increase in oil and gas prices, and the tax relief package applicable for the NCS. We maintain our view that the underlying demand for PSV's in 2022 will support sustainable rates throughout the year. Our outlook for large environmentally friendly PSV's in the North Sea remains optimistic.

Subsea and Offshore Wind Markets

The trend of increasing rates and utilization levels continued for the subsea segment during the 1st Quarter 2022, and the main subsea contractors continued to grow their backlog through the quarter.

The increased activity in the subsea market, in combination with higher activity in the offshore wind market, increase the demand for small and medium size subsea vessels being converted to the wind-market. The tenders are typically for term charters.

The market consensus is currently that there will be a shortage of available SOVs towards the end of the decade driven by the continued increase in installed offshore wind turbines. We expect that the additional numbers of floating offshore wind turbines will, when industrialized, further add to this challenge. Our outlook for this segment remains positive. We expect activity and vessel demand to increase in the coming years.

Seismic Market

We experience increased tender activities in the ocean bottom seismic segment which may indicate that the activity level will increase for this segment as well.

Bømlo, May 19, 2022

Arne Austreid
Chair 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

Gitte Gard Talmo
CEO



Condensed statement of comprehensive income (NOK 1 000)

	2022	2021	2021
	1.1 - 31.3	1.1 - 31.3	1.1 - 31.12
Operating Income			
Freight income	106 546	109 603	569 481
Other income (note 4)	2 537	0	18 317
Total operating income	109 083	109 603	587 798
Operating Expenses			
Personnel expenses	73 879	65 997	273 072
Other operating expenses	29 827	29 920	136 014
Total operating expenses	103 706	95 918	409 086
Operating result before depreciations	5 376	13 685	178 712
Ordinary depreciation	32 196	52 860	207 961
Impairment on assets (note 5)	0	33 900	(143 797)
Operating result before other income and expenses	(26 820)	(73 075)	114 549
Result from Joint Ventures and associated companies	(2 603)	(1 235)	(5 916)
Operating result	(29 423)	(74 310)	108 633
Financial Items (note 11)			
Financial income	26 750	2 296	10 502
Financial expenses	(15 539)	(19 302)	(50 805)
Net agio (disagio)	8 632	(5 057)	(37 610)
Net financial items	19 843	(22 064)	(77 912)
Pre-tax result	(9 580)	(96 374)	30 720
Taxes	0	0	16
Result	(9 580)	(96 374)	30 737
Attributable to			
Equity holders of the parent	(13 097)	(90 076)	(15 746)
Non-controlling interests	3 517	(6 298)	46 482
Earnings per share	(0,21)	(1,45)	(0,25)
Profit	(9 580)	(96 374)	30 737
Actuarial gain/ loss	0	0	(55)
Change in value stocks	0	9 900	9 900
Comprehensive income	(9 580)	(86 474)	40 581
Attributable to			
Equity holders of the parent	(13 097)	(80 176)	(5 901)
Non-controlling interests	3 517	(6 298)	46 482
Total attributed	(9 580)	(86 474)	40 581

Condensed statement of financial position

(NOK 1 000)

	31.03.2022	31.03.2021	31.12.2021
ASSETS			
Fixed assets:			
Vessels	954 329	1 849 631	908 507
Other assets	18 428	21 204	20 524
Financial derivatives	33 587	0	15 791
Right-of-use asset	56 774	54 032	50 502
Other long-term receivables	46 357	66 692	51 178
Pension fund	282	0	282
Shares in Joint Ventures (note 9)	144 922	153 081	147 525
Shares (note 9)	2 595	1 720	2 595
Total fixed assets	1 257 273	2 146 360	1 196 904
Current assets:			
Account receivables, freight income	127 981	127 857	130 942
Other short-term receivables	58 138	66 309	68 265
Financial derivatives	6 047	3 850	1 613
Cash and cash equivalents	203 187	551 636	330 401
Total current assets	395 353	749 652	531 220
Assets held for sale			
Assets held for sale	1 022 459	0	1 022 459
Total assets held for sale	1 022 459	0	1 022 459
TOTAL ASSETS	2 675 085	2 896 012	2 750 583
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	-590	-535	-590
Retained earnings	325 015	321 011	338 112
Total equity majority shareholders	505 437	501 488	518 534
Non-controlling interests	6 082	-107 443	2 565
Total equity	511 518	394 045	521 098
Long-term liabilities:			
Financial derivatives	0	4 499	0
Lease liabilities (note 12)	58 633	53 932	51 147
Pension liabilities	0	236	0
Other long-term liabilities	0	11 373	0
Interest-bearing debt (note 12)	1 040 365	2 032 272	1 044 199
Total long-term liabilities	1 098 998	2 102 312	1 095 346
Short-term liabilities:			
Interest-bearing debt (note 12)	78 036	259 178	94 379
Financial derivatives	2 402	12 519	6 677
Lease liabilities (note 12)	3 256	3 256	3 256
Accounts payable	57 070	21 117	48 234
Other short-term liabilities	117 859	103 585	140 929
Total short-term liabilities	258 623	399 655	293 474
Liabilities related to Assets held for sale	805 946	0	840 666
Total liabilities, Assets held for sale	805 946	0	840 666
Total liabilities	2 163 566	2 501 967	2 229 485
TOTAL EQUITY AND LIABILITIES	2 675 085	2 896 012	2 750 583



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 01.01.2022	3 108	177 275	-590	629	0	338 111	518 534	2 565	521 098
Result in the period	0	0	0	0	0	-13 097	-13 097	3 517	-9 580
Equity as at 31.03.2022	3 108	177 275	-590	629	0	325 014	505 437	6 082	511 518

	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
Profit in the period	0	0	0	0	0	-90 075	-90 075	-6 298	-96 373
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	321 011	501 488	-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 01.01.2021	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	338 112	518 534	2 565	521 098

* 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

(condensed)

	1.1 - 31.3 2022	1.1 - 31.3 2021	1.1 - 31.12 2021
Net cash flow from operations excl. taxes	3 129	(38 000)	177 230
Paid taxes	(86)	(128)	(109)
Cash flow from operating activity	3 043	(38 128)	177 121
Sale of fixed assets	0	0	23 750
Sale of other investments	0	258 681	259 161
Payment of long-term receivables (instalments and interests)	10 907	0	38 711
Purchase of fixed operating assets	(75 888)	(7 936)	(93 135)
Cash flow from investment activity	(64 982)	250 744	228 487
Instalment financial lease	(936)	(929)	(3 714)
Repayment of debt	(42 923)	(63 544)	(420 514)
Paid interest	(21 415)	(25 690)	(80 163)
Cash flow from finance activity	(65 275)	(90 163)	(504 391)
Changes in cash holdings	(127 213)	122 453	(98 783)
Liquid assets at the beginning of the period	330 401	429 183	429 183
Liquid assets at the end of the period	203 187	551 636	330 401

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, 2021.

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 33% for USD loans per March 31, 2022. Including cap agreements, the Group's share of loans with interest swap/cap or fixed interest per March 31, 2022, is 68% for NOK loans and 75% for USD loans.

Market risk

For 2nd Quarter of 2022 contract coverage for all consolidated vessels and the JV vessel "Seven Viking" (incl. 4 vessels in lay up) is approx. 77%, and for the rest of 2022 the coverage is approx. 61%.

Newbuild risk

The Group has per March 31, 2022, 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, and also the expected improved liquidity position after completion of the sale of Viking Neptun.

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 reversal of previous write-down of paid installments on receivables from Oceanic Seismic Vessels AS. See Note 5 in the Annual Accounts for 2021 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 impairments per March 31, 2022. Based on these tests, no impairments have been charged to the accounts. The average WACC used in the calculations per March 31, 2022, is 9.8%. For further information about the tests and other estimates, reference is made to the 2021 annual accounts Note 12.

Note 6 - Long-term debt drawn

No new long-term debt was drawn during the 1st Quarter of 2022. 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 2022 (2021: 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/Wind		Supply		Other		Total	
	1.1.-31.3 2022	1.1.-31.3 2021	1.1.-31.3 2022	1.1.-31.3 2021	1.1.-31.3 2022	1.1.-31.3 2021	1.1.-31.3 2022	1.1.-31.3 2021	1.1.-31.3 2022	1.1.-31.3 2021
Segment result										
Operating income	0	-141	16 756	29 060	46 169	39 092	5 073	4 830	67 999	72 842
Bareboat income	2 537	0	23 376	20 489	15 171	16 273	0	0	41 084	36 761
Operating income share from JV*	0	0	9 341	8 726	0	0	0	0	9 341	8 726
Bareboat income from JV*	0	0	3 859	3 994	0	0	0	0	3 859	3 994
Total operating income	2 537	-141	53 333	62 269	61 340	55 365	5 073	4 830	122 283	122 323
Operating expenses	4 870	3 704	34 364	33 363	51 432	45 887	13 040	12 964	103 706	95 918
Operating expenses share from JV*	0	0	9 675	7 808	0	0	0	0	9 675	7 808
Total operating expenses	4 870	3 704	44 039	41 171	51 432	45 887	13 040	12 964	113 381	103 726
Depreciations	3 669	20 639	7 630	10 441	19 668	20 361	1 230	1 418	32 197	52 859
Depreciations share from JV*	0	0	4 731	4 535	0	0	0	0	4 731	4 535
Impairment on assets	0	33 900	0	0	0	0	0	0	0	33 900
Impairment on assets share from JV*	0	0	0	0	0	0	0	0	0	0
Total depreciations/writedown on assets	3 669	54 539	12 361	14 976	19 668	20 361	1 230	1 418	36 928	91 294
Operating result incl. share from JV*	-6 002	-58 384	-3 067	6 122	-9 760	-10 883	-9 197	-9 552	-28 026	-72 697
Net finance and taxes from JV*	0	0	-1 397	-1 612	0	0	0	0	-1 397	-1 612
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
Operating result	-6 002	-58 384	-4 464	4 510	-9 760	-10 883	-9 197	-9 552	-29 423	-74 310
Number of vessels 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 March 31, 2022, of the individual joint venture companies:

Company	Assets	Liability	Equity	Revenues	Profit	Ownership	Book value	Result portion
Eidesvik Seven AS	528 294	268 951	259 344	7 718	-4 970	50 %	129 672	-2 485
Eidesvik Seven Chartering AS	59 594	29 093	30 501	26 400	-236	50 %	15 251	-118
Profit from Joint Ventures							144 922	(2 603)

Summarized financial information per March 31, 2022, of the individual associated companies:

Company	Ownership / voting share	Book value 31.03.2022	Result portion
Bleivik Eiendom AS	23 %	2 595	0
Eidesvik Ghana Ltd.	49 %	0	0
Profit from associated companies		2 595	0

Summarized financial information per March 31, 2021 of the individual joint ventures 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)

Note 10 - Financial ratio per share

	1.1 - 31.3 2022	1.1 - 31.3 2021	1.1 - 31.12 2021
Number of Shares (thousands)	62 150	62 150	62 150
Earnings pr share, NOK	-0,21	-1,45	-0,25
Equity pr share, NOK	8,23	6,34	8,38
Financial Equity Ratio	19 %	14 %	19 %
EBITDA margin excl. gain on sale	5 %	12 %	30 %
EBIT margin excl. gain on sale	-27 %	-68 %	18 %

Note 11- Financial items

	1.1 - 31.3 2022	1.1 - 31.3 2021	1.1 - 31.12 2021
Financial income	1 792	2 296	10 502
Impairment long-term receivables	2 274	0	7 366
Other interest and financial expenses	(16 148)	(18 908)	(73 568)
Interest cost - lease liabilities	(1 666)	(721)	(2 885)
Change in market value on interest instruments	24 958	327	18 282
Realized agio on foreign exchange contracts	574	898	4 377
Realized agio - others	(4 449)	(3 072)	(22 043)
Unrealized agio - on foreign exchange contracts	(363)	(2 234)	(5 721)
Unrealized agio - loans	12 869	(650)	(14 222)
Net financial items	19 843	(22 064)	(77 912)

Note 12 - Net interest-bearing debt

	31.03.2022	31.03.2021
Short-term interest-bearing debt	78 036	259 178
Accrued interests	(3 423)	(4 048)
Liabilities related to Assets held for sale	805 946	0
<i>1st year installment on long-term interest-bearing debt</i>	880 559	255 130
Short-term lease liabilities (IFRS 16)	3 256	3 256
<i>Short-term interest-bearing debt</i>	883 815	258 386
Long-term interest-bearing debt	1 040 365	2 032 272
Long-term lease liabilities (IFRS 16)	58 633	53 932
<i>Long-term interest-bearing debt</i>	1 098 998	2 086 205
Total interest-bearing debt	1 982 813	2 344 591
Cash and cash equivalents	(203 187)	(551 636)
Net interest-bearing debt	1 779 626	1 792 955

Note 13 - Related-party transactions

The ordinary operating related transactions with the joint ventures Eidesvik Seven AS and Eidesvik Seven Chartering AS, and the related companies Eidesvik Invest AS, Langevåg Senter AS, Bømlo Skipsservice AS, Evik AS and Bømmelfjord AS, no material related-party transactions have been conducted. Reference is made to the 2021 annual accounts Note 24.

Note 14 - Shareholders

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

20 largest shareholders per March 31, 2022:

Name	Stake	Country
EIDESVIK INVEST AS	59,86 %	NORWAY
JAKOB HATTELAND HOLDING AS	4,93 %	NORWAY
VINGTOR INVEST AS	2,31 %	NORWAY
HELGØ FORVALTNING	2,06 %	NORWAY
STANGELAND HOLDING AS	1,76 %	NORWAY
BERGTOR INVESTERING AS	1,76 %	NORWAY
SKANDINAVISKA ENSKILDA BANKEN AB	1,28 %	SWEDEN
DUNVOLD INVEST AS	1,16 %	NORWAY
CALIFORNIA INVEST AS	0,85 %	NORWAY
HELGØ INVEST AS	0,80 %	NORWAY
HELLAND AS	0,76 %	NORWAY
TVEITÅ, EINAR KRISTIAN	0,73 %	NORWAY
TVEITÅ, OLAV MAGNE	0,71 %	NORWAY
COLORADO EIENDOM AS	0,68 %	NORWAY
HJELTEFJORDEN AS	0,64 %	NORWAY
CAIANO SHIP AS	0,60 %	NORWAY
DNB BANK ASA	0,59 %	SWEDEN
MELING, JAN FREDRIK	0,54 %	NORWAY
VESTVIK PRESERVING AS	0,50 %	NORWAY
OLAVS HOLDING AS	0,47 %	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

The subsequent events have no material consequence for the accounts per March 31, 2022.

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:

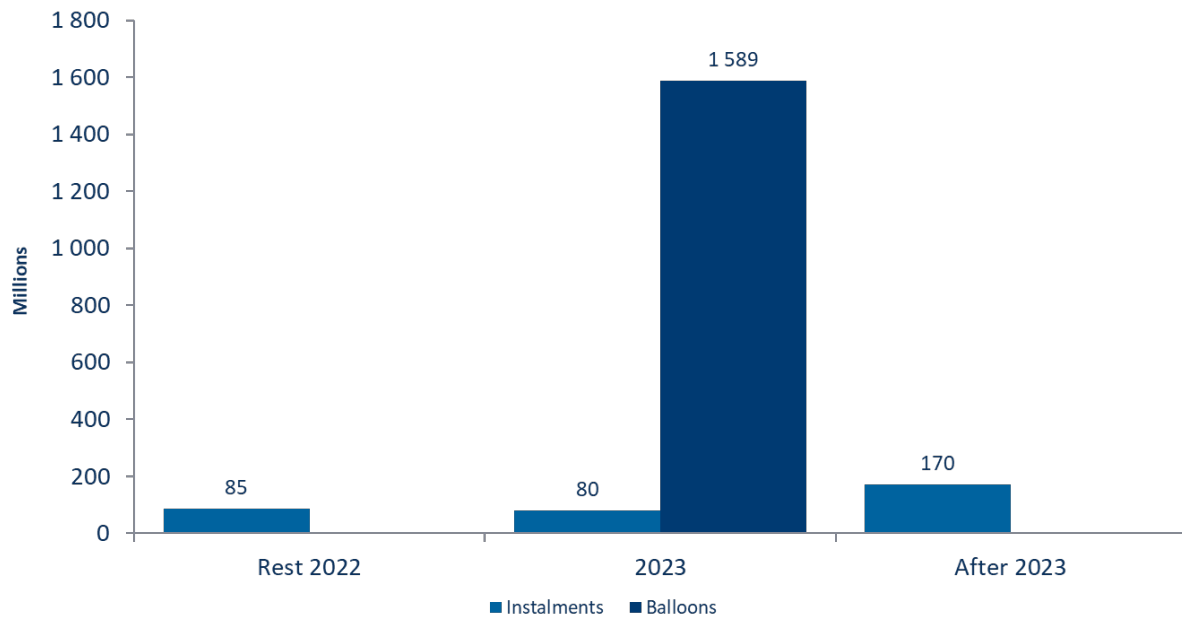
- Contract coverage: Number of future sold days compared with total actual available days (incl. vessels in layup), excluding options.
- Backlog: Sum of undiscounted revenue related to secured contracts in the future.
- Utilization: Actual days with revenue divided by total actual available days.
- Equity 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.

	2022 1.1 - 31.3	2021 1.1 - 31.3
Total operating income	109 083	109 603
Total operating expenses	(103 706)	(95 918)
EBITDA	5 376	13 685
Ordinary depreciation	(32 196)	(52 860)
Impairment on assets	0	(33 900)
Profit from Joint Ventures	(2 603)	(1 235)
EBIT	(29 423)	(74 310)



Appendix 2 - Debt maturity profile March 31, 2022:

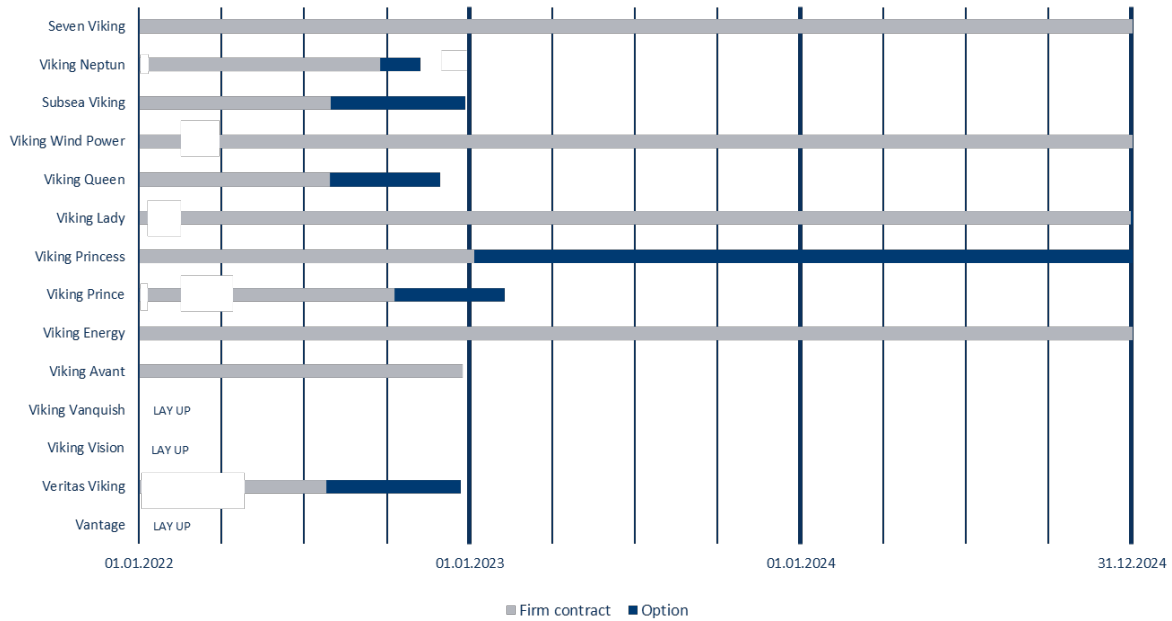
Debt maturity profile 31.03.2022



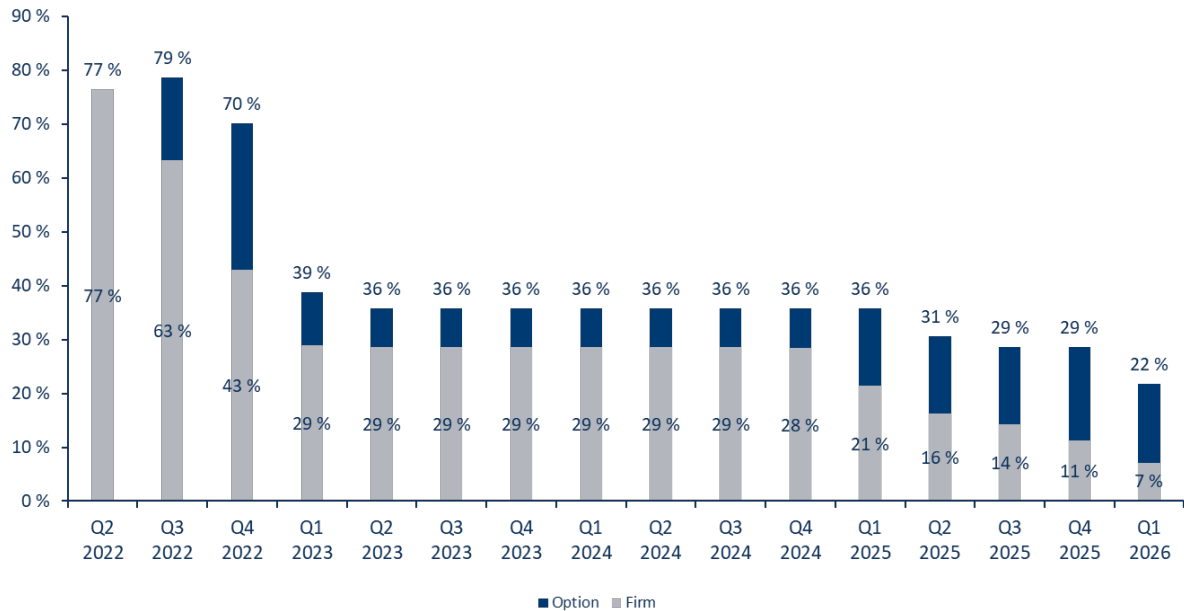
*Liabilities related to Assets held for sale will become due and payable at the time of completion of the sale.

Appendix 3 – Contract status and coverage March 31, 2022:

Contract Status



Contract coverage incl. JV's 31.03.2022





Eidesvik

Condensed statement of comprehensive income last 5 Quarters

Consolidated (NOK 1 000)	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
Operating Income:					
Freight income	106 546	138 330	167 723	153 825	109 603
Other income	2 537	7 419	7 095	3 804	0
Total operating income	109 083	145 749	174 818	157 629	109 603
Operating Expenses:					
Personell expenses	73 879	71 490	63 573	72 011	65 997
Other operating expenses	29 827	43 923	29 749	32 422	29 920
Total operating expenses	103 706	115 413	93 321	104 434	95 918
Operating result before depreciations	5 376	30 335	81 497	53 195	13 685
Ordinary depreciation	32 196	50 249	52 145	52 706	52 860
Writedown on assets	0	(205 992)	28 295	0	33 900
Operating result before other income and expenses	(26 820)	186 078	1 057	489	(73 075)
Result from JV	(2 603)	(3 074)	(90)	(1 517)	(1 235)
Operating result	(29 423)	183 005	967	(1 029)	(74 310)
Financial Items:					
Financial income	26 750	3 893	2 087	2 226	2 296
Financial expenses	(15 539)	432	(14 373)	(17 562)	(19 302)
Net agio (disagio)	8 632	(3 258)	(23 380)	(5 914)	(5 057)
Net financial items	19 843	1 067	(35 666)	(21 250)	(22 064)
Pre-tax result	(9 580)	184 072	(34 699)	(22 279)	(96 374)
Taxes	0	16	0	0	0
Result	(9 580)	184 088	(34 699)	(22 279)	(96 374)
Equity holders of the parent	(13 097)	130 494	(33 646)	(22 517)	(90 076)
Non-controlling interests	3 517	53 595	(1 053)	239	(6 298)
Earnings per share	(0,21)	2,10	(0,54)	(0,36)	(1,45)
Statement of comprehensive income					
Currency translation adjustments - Joint Ventures	0	0	0	0	0
Actuarial gain/ loss	0	(55)	0	0	0
Change in value stocks	0	0	0	0	9 900
Comprehensive income	(9 580)	184 033	(34 699)	(22 279)	(86 474)
Attributable to					
Controlling interests	(13 097)	130 438	(33 646)	(22 517)	(80 176)
Non-controlling interests	3 517	53 595	(1 053)	239	(6 298)
Total attributed	(9 580)	184 033	(34 699)	(22 279)	(86 474)

Condensed statement of financial position last 5 Quarters

Consolidated (NOK 1 000)	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
ASSETS					
Fixed assets:					
Vessels	954 329	908 507	1 729 361	1 803 764	1 849 631
Other assets	18 428	20 524	20 820	20 962	21 204
Financial derivatives	33 587	15 791	0	0	0
Right-of-use asset	56 774	50 502	51 679	52 855	54 032
Other long-term receivables	46 357	51 178	54 615	63 520	66 692
Pension fund	282	282	0	0	0
Shares in Joint Venture	144 922	147 525	150 599	151 563	153 081
Shares	2 595	2 595	2 595	1 720	1 720
Total fixed assets	1 257 273	1 196 904	2 009 668	2 094 385	2 146 360
Current assets:					
Account receivables,	127 981	130 942	173 154	155 833	127 857
Other short-term receivables	58 138	68 265	43 309	54 253	66 309
Financial derivatives	6 047	1 613	1 411	2 616	3 850
Cash and cash equivalents	203 187	330 401	283 869	536 158	551 636
Total current assets	395 353	531 220	501 742	748 861	749 652
Assets held for sale:					
Assets held for sale	1 022 459	1 022 459	0	0	0
Total assets held for sale	1 022 459	1 022 459	0	0	0
TOTAL ASSETS	2 675 085	2 750 583	2 511 411	2 843 246	2 896 012
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)	(590)	(535)	(535)	(535)
Translation differences	0	0	0	0	0
Retained earnings	325 015	338 112	207 618	298 493	321 011
Total equity majority shareholders	505 437	518 534	388 095	478 970	501 488
Non-controlling interests	6 082	2 565	(51 030)	(107 204)	(107 443)
Total equity	511 518	521 098	337 065	371 766	394 045
Long-term liabilities:					
Financial derivatives	0	0	2 341	2 897	4 499
Lease liabilities	58 633	51 147	52 075	53 004	53 932
Pension liabilities	0	0	236	236	236
Other long-term liabilities	0	0	10 549	12 159	11 373
Interest-bearing debt	1 040 365	1 044 199	1 881 605	1 931 539	2 032 272
Total long-term liabilities	1 098 998	1 095 346	1 946 805	1 999 835	2 102 312
Short-term liabilities:					
Interest-bearing debt	78 036	94 379	88 180	324 158	259 178
Financial derivatives	2 402	6 677	8 680	11 141	12 519
Lease liabilities	3 256	3 256	3 256	3 256	3 256
Accounts payable	57 070	48 234	35 005	33 031	21 117
Tax payable	0	0	0	0	0
Other short-term liabilities	117 859	140 929	92 419	100 059	103 585
Total short-term liabilities	258 623	293 474	227 540	471 645	399 655
Liabilities related to Assets held for sale	805 946	840 666	0	0	0
Total liabilities, Assets held for sale	805 946	840 666	0	0	0
Total liabilities	2 163 566	2 229 485	2 174 346	2 471 480	2 501 967
TOTAL EQUITY AND LIABILITIES	2 675 085	2 750 583	2 511 411	2 843 246	2 896 012



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