

Eidesvik Offshore ASA

Report for Q1 2023

Message from the CEO

Eidesvik is pleased to report a solid start to 2023. Revenues in Q1 was NOK 133.5 million and EBITDA ended at NOK 27.8 million, which is a substantial improvement from Q1, 2022.

The market continues to strengthen in all our operating segments. Vessel availability is rapidly decreasing globally, and we see increased day rates and utilization levels. During the quarter, we substantially grew our backlog, and the consolidated backlog of the company is now NOK 2.1 billion.

Some vital milestones were also reached in the period. We completed the refinancing of the company with our traditional bank institutions until February 2026. Furthermore, in line with our growth strategy we established a new entity together with Reach Subsea ASA. This company acquired subsea vessel Viking Reach and we raised NOK 130 million in a private placement to fund our part of the vessel. Viking Reach is now mobilized and in full operation for our partner and client Reach Subsea.

During the quarter, we performed two scheduled dockings and overall fleet operations delivered according to schedule and targets. High inflation and constraints in the supply chain continues to impact our cost levels and we maintain a stringent focus on cost and supply control.

We have had one lost time injury (LTI) which shows that we can never rest in our efforts to eliminate potential unsafe situations. Safety is a 24/7 concern that will always be our highest priority.

A strategic commitment to sustainability plays an important role in our ability to serve our customers. In our Sustainability

Report for 2022, we proudly report positive developments in our key performance indicators. Among the many highlights are a reduction in CO2 emissions per operational day of 26.5% compared to 2021 and the installation of battery hybrid solutions in two additional vessels. Alongside our Sustainability Report we have also published our first account of our human rights due diligence process under the Norwegian Transparency Act.

The solid results at the beginning of the year position us very well to achieve our strategy and our goals for 2023. I am proud of the commitment and clear direction we have and would like to thank all our employees for their valued efforts.



Gitte Gard Tarmo
CEO



Highlights

Eidesvik Offshore ASA and its subsidiaries (“Eidesvik”, the “Group” or the “Company”) completed the refinancing of the Group and signed a new loan agreement with its bank group. The new financing expires February 28, 2026. With this new loan agreement Eidesvik is no longer considered by the banks to fall within their restructuring cases. The Group has continued to pay all its obligations through a challenging period and also now reduced its debt substantially.

The Company established an entity together with Reach Subsea ASA where Eidesvik has the controlling interest. This entity acquired the IMR vessel Edda Sun, now named Viking Reach. The vessel entered into a 6- year contract with Reach Subsea ASA on April 1, 2023. The Group is excited about this collaboration with Reach Subsea reflecting a new business model for the group.

Eidesvik executed a private placement in the quarter raising gross NOK 130 million in connection with the financing of acquisition of Viking Reach. The capital raise was materially oversubscribed confirming strong investment interest in Eidesvik. A subsequent offering for existing shareholders who did not get to participate in the private placement is considered as per the stock exchange notice dated 03.03.2023.

The Group generated revenue of NOK 133.5 million in 2023 compared to NOK 109.1 million in 2022. The EBITDA was NOK 27.8 million compared to NOK 5.4 million in 2022.

The seismic vessel Viking Vanquish was sold in March 2023. The vessel was classified as held for sale.

The PSV Viking Queen was awarded a term contract with Wintershall Dea for 12 months plus options. The contract commenced in Q2 2023. Wintershall Dea also declared an option till January 2024 for the PSV Viking Princess.

Key Financials

(NOK 1 000)	2023	2022	2022
	1.1 - 31.3	1.1 - 31.3	1.1 - 31.12
Operating income	133 493	109 083	918 547
EBITDA	27 770	5 376	494 213
EBITDA margin	21 %	5 %	54 %
	31.03.2023	31.12.2022	
Equity	1 122 294	928 047	
Equity ratio	49 %	40 %	
Cash end equivalents	332 291	655 630	
Net interest-bearing debt*	601 232	541 664	

*Including IFRS 16. Liabilities related to Assets held for sale will become due and payable at the time of completion of the sale.

Operational update

HSEQ

The safety of employees and operations constitute the foundation of all activities in Eidesvik. The Group reported one lost time incident (LTI) in the quarter (sprained an ankle while working on deck). The Group reported TRCF (Total Recordable Case Frequency) of 2.11* in Q1 2023. The recordable incident was the LTI. Eidesvik are continuing the focus towards the negative trend in 2022 related to first aid accidents, and the number of cases for the quarter indicates a decrease in such accidents.

* The number of Total Reportable Cases per million Exposure Hours worked during the period (excluding first aid).

Operations

The overall utilization for the PSV and offshore wind/subsea fleet in Q1 2023 was 81% (86% Q1 2022).

The PSV segment experienced a utilization of 85% in Q1 2023 (88%). Viking Queen has operated in the spot market in the quarter in addition to having been in for scheduled docking.

For the subsea and offshore wind vessels, the utilization was 73% (84%). Seven Viking

has been for its 10 year classification in the quarter. Viking Reach joined the fleet in mid March and entered into a time charter from start of April.

All of the seismic vessels were in layup during the quarter, and Viking Vanquish was sold and delivered to the new owner in March. The remaining three seismic vessels are being held for sale.

Financial summary

All financial numbers are in NOK unless stated otherwise

Revenue for Q1 2023 was NOK 133.5 million compared to 109.1 million in Q1 2022 with an EBITDA of 27.8 million compared to 5.4 million in Q1 2022.

The increase in revenue (22.4%) and EBITDA margin (322%) for the quarter compared to 2022 are due to improved day rates in both segments, increased utilisation and positive currency effects in subsea/wind.

Operating expenses for the quarter were NOK 105.7 million compared to 103.7 million in Q1 2022. Although payroll expenses are reduced because of the sale of Viking Neptun, legal and advisory expenses related to refinancing and the acquisition of Viking Reach outweighed this in other operating expenses.

Q1 depreciation was NOK 32.7 million (32.2 million).

There are no impairment or reversal of impairment in the quarter (0).

Operating profit before other income and expenses for Q1 was a loss of NOK 4.9 million (-26.8 million).

The joint ventures had a loss of NOK 8.9 million for the quarter (-2.6 million). The increased loss is due to the vessel Viking Seven being in for its 10- year classification in the quarter.

The net financial income and expenses for Q1 was NOK -6.9 million (11.2 million). The

movement is due to increase in interest rates and Q1 2022 having a material gain due to mark to market valuation of interest derivatives.

The currency loss for the quarter of NOK 4.3 million (8.6 million gain) is due to the development of NOK vs USD.

Loss after tax for Q1 ended at NOK -25.1 million (-9.6 million).

Balance sheet and liquidity Q1 2023

Total current assets per March 31, 2023, were NOK 623.3 million (910.3 million per December 31, 2022), whereof cash balance was 332.3 million (655.6 million). The main reason for the reduction in cash is due to prepayment of debt in connection with the refinancing. 65.2 million is restricted cash and funding restricted for use towards the ShipFC ammonia project. Ship FC is Eidesvik's joint development project with multiple partners for the development of green ammonia as a fuel source.

Assets held for sale at the end of the quarter was NOK 49 million (80.7 million on December 31, 2022). Assets held for sale are three remaining seismic vessels.

Non-current assets were NOK 1,614 million at March 31, 2023 compared to 1,348.1 million at year end 2022. The increase is due to the addition of the vessel Viking Reach.

Equity on March 31, 2023 was NOK 1,122.7 million (928.1 million on December 31, 2022), i.e., an equity ratio of 49% (40%).

Net interest-bearing debt on March 31, 2023, was NOK 601.2 million (541.6 million on December 31, 2022).

Cash flow from operating activities per March 31, 2023, amounted to NOK 39.7 million (3.0 million per March 31, 2022).

Cash flow from investment activities per March 31, 2023, was NOK -294.4 million (-65.0 million per March 31, 2022) mainly

consisted of purchase of the vessel Viking Reach.

Cash flow from financing activities per March 31, 2023, of NOK -68.6 million (-65.3 million per March 31, 2022) reflects the refinancing of debt, and the financing of Viking Reach.

Market and outlook

PSV market

Towards the end of 2022, the shortage of vessels availability for medium and long term became more visible, and as a result the customers continued to secure vessels on term charters in Q1 2023.

A seasonal slowdown in activity left the spot market with overcapacity in the beginning of 2023. As a result, the spot rates dropped to a level well below the term rates.

We predict a strong market this summer with shortage of PSVs in the Norwegian sector, driving rates and utilization.

All drivers for the PSV market are robust, and the supply side is significantly tightening. Our market outlook is positive both short, medium and long term.

Subsea & Wind market

We continue to see strong improvement in the subsea market. Vessel availability is limited and with the increasing activity ongoing and scheduled within the space, we foresee premium rates for subsea tonnage for years to come.

The high demand for vessels in the subsea market impacts vessel availability in offshore wind and drives rate levels here as well.

We continue to see placement of newbuild tonnage in offshore wind also without contracts secured. It is likely that contracts will be in place by the time these vessels enter the market, as the activity continues to grow year on year.

Subsequent events

The new share capital from the private placement was registered on April 3, 2023.

Bømlo, May 23, 2023

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

Johnny Olson
Board Member

Gitte Gard Talmo
CEO





CONDENSED STATEMENT OF COMPREHENSIVE INCOME

(NOK 1 000)

	2023	2022	2022
	1.1 - 31.3	1.1 - 31.3	1.1 - 31.12
Operating Revenue			
Freight revenue	128 815	106 546	634 722
Gain/loss on sale (note 4)	880	0	269 723
Other income (note 4)	3 798	2 537	14 102
Total operating revenue	133 493	109 083	918 547
Operating Expenses			
Personnel expenses	69 884	73 879	302 425
Other operating expenses	35 840	29 827	121 910
Total operating expenses	105 723	103 706	424 335
Operating result before depreciations	27 770	5 376	494 213
Ordinary depreciation	32 710	32 196	142 907
Impairment on assets/reversal impairment (note 6, 7)	0	0	(209 237)
Operating result before other income and expenses	(4 940)	(26 820)	560 543
Result from Joint Ventures and associated	(8 937)	(2 603)	(9 120)
Operating result	(13 876)	(29 423)	551 423
Financial Items (note 11)			
Financial income	9 336	26 750	65 563
Financial expenses	(16 268)	(15 539)	(93 845)
Net agio (disagio)	(4 284)	8 632	(116 357)
Net financial items	(11 216)	19 843	(144 639)
Pre-tax result	(25 092)	(9 580)	406 784
Taxes	0	0	(49)
Result	(25 092)	(9 580)	406 736
Attributable to			
Equity holders of the parent	(24 473)	(13 097)	346 056
Non-controlling interests	(619)	3 517	60 680
Earnings per share	(0,39)	(0,21)	5,57
Profit	(25 092)	(9 580)	406 736
Actuarial gain/ loss	0	0	213
Comprehensive income	(25 092)	(9 580)	406 948
Attributable to			
Equity holders of the parent	(24 473)	(13 097)	346 268
Non-controlling interests	(619)	3 517	60 680
Total attributed	(25 092)	(9 580)	406 948

CONDENSED STATEMENT OF FINANCIAL POSITION

(NOK 1 000)

	31.03.2023	31.12.2022
ASSETS		
Non-current assets:		
Vessels (note 6, 7)	1 364 275	1 062 780
Other assets (note 7)	18 494	18 547
Financial derivatives	8 099	30 065
Right-of-use asset	56 147	55 489
Other long-term receivables	34 511	39 769
Pension fund	417	417
Shares in Joint Ventures (note 10)	128 945	137 882
Shares (note 10)	3 118	3 118
Total non-current assets	1 614 005	1 348 068
Current assets:		
Account receivables, freight income	170 724	141 759
Other short-term receivables	111 045	80 767
Financial derivatives	9 268	32 115
Cash and cash equivalents	332 291	655 630
Total current assets	623 328	910 271
Assets held for sale		
Assets held for sale (note 7)	48 949	80 695
Total assets held for sale	48 949	80 695
TOTAL ASSETS	2 286 282	2 339 034
EQUITY AND LIABILITIES		
Equity		
Equity attributable to the company's shareholders:		
Share capital	3 108	3 108
Premium fund	177 275	177 275
Not paid or registered share capital increase	124 000	0
Other paid-in equity	629	629
Other comprehensive income	-377	-377
Retained earnings	659 555	684 167
Total equity majority shareholders	964 190	864 802
Non-controlling interests	158 104	63 245
Total equity	1 122 294	928 047
Non-current liabilities:		
Lease liabilities (note 12)	54 130	53 973
Interest-bearing debt (note 12)	691 127	43 169
Total non-current liabilities	745 257	97 142
Current liabilities:		
Interest-bearing debt (note 12)	90 143	989 534
Financial derivatives	731	0
Lease liabilities (note 12)	5 011	4 217
Accounts payable	35 732	30 022
Other short-term liabilities (note 13)	192 820	177 707
Total current liabilities	324 437	1 201 480
Liabilities related to Assets held for sale	94 295	112 365
Total liabilities, Assets held for sale	94 295	112 365
Total liabilities	1 163 988	1 410 988
TOTAL EQUITY AND LIABILITIES	2 286 282	2 339 034

STATEMENT OF CHANGES IN EQUITY

(Condensed)

	Share capital	Share premium	Not paid or registered share capital increase	Other reservers	Other paid-in equity	Other equity	Total	Minority share	Total equity
Equity as at 01.01.2023	3 108	177 275	0	-377	629	684 167	864 801	63 245	928 046
Result in the period	0	0	0	0	0	-24 473	-24 473	-619	-25 092
Other adjustments	0	0	0	0	0	-139	-139	0	-139
Private placement *	0	0	124 000	0	0	0	124 000	0	124 000
Change in non-controlling interests **	0	0	0	0	0	0	0	95 478	95 478
Equity as at 31.03.2023	3 108	177 275	124 000	-377	629	659 555	964 189	158 104	1 122 294

	Share capital	Share premium	Not paid or registered share capital increase	Other reservers	Other paid-in equity	Other equity	Total	Minority share	Total equity
Equity as at 01.01.2022	3 108	177 275	0	-590	629	338 111	518 534	2 565	521 098
Result in the period	0	0	0	0	0	346 056	346 056	60 680	406 736
Actuarial loss	0	0	0	213	0	0	213	0	213
Equity as at 31.12.2022	3 108	177 275	0	-377	629	684 168	864 802	63 245	928 047

*In March, the Company announced a successful private placement of 10,833,333 new shares. The transaction and registration of the shares was completed in April 2023.

**Updated minority share related to the new entity established with Reach Subsea ASA.

STATEMENT OF CASH FLOWS

(Condensed)

	1.1 - 31.3 2023	1.1 - 31.3 2022	1.1 - 31.12 2022
Net cash flow from operations excl. taxes	39 587	3 129	215 746
Paid taxes	1 602	(86)	(135)
Cash flow from operating activity	41 189	3 043	215 611
Sale of fixed assets	22 101	0	1 230 746
Payment of long-term receivables (instalments and interests)	17 617	10 907	44 102
Purchase of fixed operating assets	(334 151)	(75 888)	(103 410)
Cash flow from investment activity	(294 433)	(64 982)	1 171 438
Equity contribution related to establishment of Eidesvik Reach AS	191 617	0	0
Instalment financial lease	(2 046)	(936)	(4 890)
New debt	896 276	0	0
Unwound interest derivatives	45 676	0	0
Repayment of debt	(1 183 508)	(42 923)	(965 921)
Paid interest	(18 110)	(21 415)	(91 009)
Cash flow from finance activity	(70 095)	(65 275)	(1 061 820)
Changes in cash holdings	(323 339)	(127 213)	325 229
Liquid assets at the beginning of the period	655 630	330 401	330 401
Liquid assets at the end of the period	332 291	203 187	655 630

NOTES TO THE ACCOUNTS

Note 1 - Basis for preparation

These condensed interim consolidated financial statements are prepared in accordance with recognition, measurement and presentation principles consistent with International Financial Reporting Standards as adopted by the European Union ("IFRS") for interim reporting under the International Accounting Standard ("IAS") 34 Interim Financial reporting. These condensed interim consolidated financial statements are unaudited.

These condensed interim consolidated financial statements are condensed and do not include all of the information and notes required by IFRS for a complete set of consolidated financial statements. These condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statement.

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for 2022.

The newly established entity formed together with Reach Subsea ASA, where Eidesvik holds 50.1% of the shares, is consolidated as a subsidiary in the accounts. Eidesvik has the controlling interest and influence in this entity.

The presentation currency of the Group is Norwegian kroner (NOK).

Note 2 – Financial 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.

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 cap derivatives. The share of loans with interest cap is 41% for NOK loans and 0% for USD loans per March 31, 2023.

The current liquidity position of the Group is satisfactory, particularly taking into account the completed refinancing in Q1 2023.

For further information, reference is made to the 2022 annual accounts Note 3.

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

Gain on sale in Q1 2023 is related to the sale of Viking Vanquish.

Other revenues are mainly related to reversal of previous write-down of paid installments on receivables from Oceanic Seismic Vessels AS. See Note 5 in the Annual Accounts for 2022 for further details.

Note 5 – Estimates

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

Note 6 – Impairment/reversal of impairment

Impairment tests are performed on individual cash generating units (vessels) when indications of impairment or reversal of previous impairments are identified. Due to observed indicators, such as improved market conditions and change in market interest rates, the vessels' book values have been tested for impairment and reversal of previous impairments per March 31, 2023.

Based on these tests, Eidesvik has not recognized need for further impairment or reversal of previous impairment.

The Group monitors the presence of impairment indicators during the periodical financial reporting, and thus may update its assessments of impairments to reflect further changes in the underlying market assumptions. Broker estimates are not used as an approximate sales value

on the balance sheet date as there are few observed sales of the type of vessels the Company owns. For the assessment of value in use, expected future cash flows are used, discounted to net present value using a discount rate before taxes reflecting the market based time value of money, as well as risk specific to the asset.

The discount rate is derived from a weighted average cost of capital (WACC) for market players. The average WACC used in the calculations per March 31, 2023, is 9.8%. This takes into account that the Group's business is mainly within the tonnage tax system, and the calculated WACC is assumed to apply both before and after tax. The capital structure used in the weighted average cost of capital is based on an assumed capital structure in comparable companies with similar assets in a normal situation. Equity cost is based on the expected required rate of return for the Group's investors. Debt costs are based on the risk-free interest rate, plus a premium equivalent to the difference between risk-free rate and market rates. The beta factors are evaluated quarterly when deemed necessary, and otherwise at least annually, on the basis of publicly available market data for identified comparable companies and the main index on the Oslo Stock Exchange.

Future cash flows are estimated on the basis of estimated remaining useful life, which may exceed 5 years. The cash flows used in the impairment tests for 2023 are based on and reconciled against the financial forecasts which the Group uses for internal planning purposes as well as present to its lenders. Important elements in estimated cash flows are the long-term inflation rate, the contract situation (order backlog), the utilization rate, ordinary operating expenses, periodic maintenance (docking), charter rates, and exchange rates.

CLIMATE-RELATED MATTERS

The Group constantly monitors the latest regulatory changes in relation to climate-related matters.

The Group has already invested in hybrid battery solutions for the majority of its fleet. For further green fuels and technologies to reduce CO₂ emission for the fleet the Group continues to investigate this together with our customers, suppliers and also follow up on possibilities for public funding. Forecast for the vessels include green investments to the extent relevant and are therefore included in assessment of impairment and reversal of impairment. The investments done by the Group so far with focus on reduction in CO₂ has historically contributed to securing long term contracts for the vessels in particular in periods where there has been excess capacity in the market. Higher fuel price due to CO₂ levels or the cost of green fuels will for the most part be forwarded to the customer, hence there is limited impact in the Group's OPEX short term.

For the Group's long term sustainability goals of 50% reduction in CO₂ in 2030, and climate neutral in 2050 to be met, both newbuild programs and new technology has to be implemented and yield appropriate returns. Long term investments are evaluated on this basis.

In the current market, with the existing fleet in the industry, current new build plans and commercial maturity of new emission technology there is no impact on residual values or useful life of the Group's existing vessels.

All the Group's vessels comply with current environmental requirements.

For further information about the tests and other estimates, reference is made to the 2022 annual accounts Note 12.

Note 7 - Fixed assets

(NOK thousands)	Property	Port facilities	Operating equipment	Total other fixed assets	Vessels	Periodic maintenance	Total vessels
Acquisition cost							
January 1, 2023	37 414	3 594	40 598	81 605	4 647 450	354 548	5 001 998
Addition	0	0	0	0	310 343	22 262	332 605
Disposal	0	0	0	0	-451 797	-13 542	-465 340
March 31, 2023	37 414	3 594	40 598	81 605	4 505 996	363 268	4 869 263
Accumulated depreciation and impairments							
January 1, 2023	19 804	3 494	39 760	63 059	3 567 818	290 704	3 858 522
Depreciation in the year	45	0	8	54	20 259	10 852	31 111
Impairment / reversal impairment (-) for the year	0	0	0	0	0	0	0
Disposals	0	0	0	0	-420 052	-13 542	-433 594
March 31, 2023	19 850	3 494	39 769	63 112	3 168 025	288 013	3 456 038
Book value	17 565	100	829	18 493	1 337 971	75 254	1 413 222

(NOK thousands)	Property	Port facilities	Operating equipment	Total other fixed assets	Vessels	Periodic maintenance	Total vessels
Acquisition cost							
January 1, 2022	37 414	3 594	42 559	83 567	5 890 541	359 633	6 250 174
Addition	0	0	403	403	45 266	56 183	101 448
Disposal	0	0	-2 364	-2 364	-1 288 357	-61 268	-1 349 625
December 31, 2022	37 414	3 594	40 598	81 605	4 647 450	354 548	5 001 998
Accumulated depreciation and impairments							
January 1, 2022	19 624	3 494	39 926	63 044	4 034 132	285 076	4 319 208
Depreciation in the year	180	0	93	273	87 156	49 978	137 134
Impairment / reversal impairment (-) for the year	0	0	0	0	-209 237	0	-209 237
Disposals	0	0	-258	-258	-344 232	-44 350	-388 582
December 31, 2022	19 804	3 494	39 760	63 059	3 567 818	290 704	3 858 522
Book value	17 610	100	837	18 547	1 079 632	63 844	1 143 473

Eidesvik acquired the vessel Viking Reach (previously named Edda Sun) in Q1 2023 in the established entity formed together with Reach Subsea ASA.

The seismic vessel Viking Vanquish was sold in Q1 2023. The remaining three seismic vessels are currently held for sale.

In determining whether the decisions of sale of the seismic vessels are assessed as discontinued operations or asset held for sale, the Group has concluded that the seismic operations are not a major line of business. The assessment made is based on the fact that the seismic operation's representative share of the Group's total revenue is not viewed as significant (4% for 2022). Consistently discontinued operations is not applicable, and the vessels are classified as asset held for sale in accordance with IFRS 5. All seismic vessels are classified as held-for-sale and are included in the table above.

Depreciations of right-of-use assets are not included in the table above.

Note 8 - Long-term debt drawn

On February 22, 2023, Eidesvik announced that it had agreed on a term sheet with its financial institutions for refinancing of its debt. The transaction was completed on March 28, 2023, and the new terms for the financing became effective. The new debt will mature on February 28, 2026. A prepayment of NOK 410 million was made using cash on hand to reduce the overall debt.

Summary of the refinancing

Amortization:

- In 2023, scheduled amortization amounts to NOK 42.5 million.
- In 2024 and 2025, scheduled amortization amounts to NOK 85 million.

Cash Sweep:

- No cash sweep mechanisms.

Financial covenants:

- Minimum free liquidity of NOK 60 million.

- Positive working capital (current assets less current liabilities, excluding instalments and current portion of long term debt).
- Leverage ratio of 5.0 or lower in 2023, 4.0 in 2024 and 3.5 in 2025.
- Equity ratio of 35% for 2023, and 40% thereafter.

EIDESVIK REACH AS

Eidesvik Reach AS, where Eidesvik owns a controlling interest; and which owns the vessel Viking Reach drew a long-term USD loan in connection with the acquisition of the vessel. This loan and the entity are isolated from the group loan facility.

Summary of the financing:

- Maturity: March 15, 2028
- Amortization: 6-years profile
- Financial covenants:
 - Minimum free liquidity of NOK 10 million.
 - Positive working capital (current assets less current liabilities, excluding instalments and current portion of long term debt).
 - Minimum book equity of NOK 160 million.
 - Equity ratio of 35%.

Note 9 - 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	Supply		Subsea/Wind		Seismic		Other		Total	
	1.1.-31.3 2023	1.1.-31.3 2022	1.1.-31.3 2023	1.1.-31.3 2022	1.1.-31.3 2023	1.1.-31.3 2022	1.1.-31.3 2023	1.1.-31.3 2022	1.1.-31.3 2023	1.1.-31.3 2022
Segment result										
Operating income	46 753	46 169	24 406	16 756	0	0	6 134	5 073	77 293	67 999
Bareboat income	33 103	15 171	18 886	23 376	3 331	2 537	0	0	55 320	41 084
Operating income share from JV*	0	0	6 231	9 341	0	0	0	0	6 231	9 341
Bareboat income from JV*	0	0	2 637	3 859	0	0	0	0	2 637	3 859
Gain on sale	0	0	0	0	880	0	0	0	880	0
Total operating income	79 856	61 340	52 160	53 333	4 211	2 537	6 134	5 073	142 361	122 283
Operating expenses	58 916	51 432	25 150	34 364	3 758	4 870	17 898	13 040	105 722	103 706
Operating expenses share from JV*	0	0	10 264	9 675	0	0	0	0	10 264	9 675
Total operating expenses	58 916	51 432	35 414	44 039	3 758	4 870	17 898	13 040	115 986	113 381
Depreciations	21 457	19 668	9 654	7 630	0	3 669	1 599	1 230	32 710	32 197
Depreciations share from JV*	0	0	5 447	4 731	0	0	0	0	5 447	4 731
Impairment on assets / reversal impairment	0	0	0	0	0	0	0	0	0	0
Impairment on assets share from JV*	0	0	0	0	0	0	0	0	0	0
Total depreciations/written down on assets	21 457	19 668	15 101	12 361	0	3 669	1 599	1 230	38 157	36 928
Operating result incl. share from JV*	-517	-9 760	1 645	-3 067	453	-6 002	-13 363	-9 197	-11 782	-28 026
Net finance and taxes from JV*	0	0	-2 094	-1 397	0	0	0	0	-2 094	-1 397
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	-517	-9 760	-449	-4 464	453	-6 002	-13 363	-9 197	-13 876	-29 423
Number of vessels at end of period (incl. JV)	6	6	4	4	3	4			13	14

*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 10 - Joint venture

Summarized financial information per March 31, 2023, of the individual joint venture companies:

Company	Assets	Liability	Equity	Revenues	Profit	Ownership	Book value	Result portion
Eidesvik Seven AS	503 125	270 409	232 716	5 273	-10 161	50 %	116 358	-5 081
Eidesvik Seven Chartering AS	46 349	21 174	25 174	17 736	-7 712	50 %	12 587	-3 856
Profit from Joint Ventures							128 945	(8 937)

Summarized financial information per March 31, 2022 of the individual joint ventures 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, 2023, of the individual associated companies:

Company	Ownership/ voting share	Book value 31.03.2023	Result portion
Bleivik Eiendom AS	23 %	3 118	0
Eidesvik Ghana Ltd.	49 %	0	0
Profit from associated companies		3 118	0

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

Note 11 - Financial items

	1.1 - 31.3 2023	1.1 - 31.3 2022	1.1 - 31.12 2022
Financial income	3 231	1 792	14 421
Impairment long-term receivables	4 718	2 274	7 247
Other interest and financial expenses	(20 228)	(16 148)	(97 308)
Interest cost - lease liabilities	(758)	(1 666)	(3 783)
Change in market value on interest instruments	6 105	24 958	51 142
Realized agio on foreign exchange contracts	2 042	574	2 403
Realized agio - others	(9 442)	(4 449)	(96 814)
Unrealized agio - on foreign exchange contracts	(731)	(363)	(363)
Unrealized agio - others	3 847	12 869	(21 584)
Net financial items	(11 216)	19 843	(144 639)

Note 12 - Net interest-bearing debt

	31.03.2023	31.12.2022
Short-term interest-bearing debt	90 143	989 534
Accrued interests	(1 182)	(5 965)
Liabilities related to Assets held for sale	94 295	112 365
1st year installment on long-term interest-bearing debt	183 256	1 095 934
Short-term lease liabilities (IFRS 16)	5 011	4 217
Short-term interest-bearing debt	188 266	1 100 152
Long-term interest-bearing debt	691 127	43 169
Long-term lease liabilities (IFRS 16)	54 130	53 973
Long-term interest-bearing debt	745 257	97 142
Total interest-bearing debt	933 523	1 197 294
Cash and cash equivalents	(332 291)	(655 630)
Net interest-bearing debt	601 232	541 664

Note 13 - Related-party transactions

In relation with the private placement and the acquisition of Viking Reach in Q1 2023, Eidesvik Invest AS gave Eidesvik a short-term loan of NOK 96 million in Q1 2023. NOK 77.8 million of the loan was used as a contribution in kind in connection with the private placement (Eidesvik Invest AS' share of the private placement). The outstanding loan was NOK 18.2 million per March 31, 2023. Eidesvik received the funds from the private placement in April 2023, and the loan from Eidesvik Invest AS was repaid in full.

Eidesvik Invest received an underwriting commission of NOK 1.93 million for underwriting NOK 96 million of the private placement.

Except for 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, Bømlø Skipsservice AS, Evik AS and Bømmelfjord AS, no other material related-party transactions have been conducted. Reference is made to the 2022 annual accounts Note 24.

Note 14 - Shareholders

No major changes in the shareholder positions have occurred in the period. Eidesvik Invest AS lent shares to Pareto Securities AS in relation to the private placement, and hence their shareholder stake per March 31, 2023, has decreased from 59.86% to 52.86%. These shares were re-delivered to Eidesvik Invest AS in early April 2023, and their shareholder stake returned to 59.86%.

20 largest shareholders per March 31, 2023:

Name	Stake	Country
EIDESVIK INVEST AS	52,86 %	NORWAY
JAKOB HATTELAND HOLDING AS	5,57 %	NORWAY
HELGØ FORVALTNING	2,73 %	NORWAY
VINGTOR INVEST AS	2,71 %	NORWAY
STANGELAND HOLDING AS	2,03 %	NORWAY
DUNVOLD INVEST AS	1,77 %	NORWAY
BERGTOR INVESTERING AS	1,76 %	NORWAY
CAIANO SHIP AS	1,52 %	NORWAY
SKANDINAVISKA ENSKILDA BANKEN AB	1,22 %	SWEDEN
HELGØ INVEST AS	0,99 %	NORWAY
SILBERG, JOHNNY	0,97 %	NORWAY
M EIDESVIK OG SØNNER AS	0,88 %	NORWAY
HELLAND AS	0,76 %	NORWAY
MYKLEBUST, EINAR	0,64 %	NORWAY
OLAVS HOLDING AS	0,59 %	NORWAY
ALPINE CAPITAL AS	0,48 %	NORWAY
NORDNET LIVSFORSIKRING AS	0,44 %	NORWAY
SMEDASUNDET AS	0,43 %	NORWAY
PARETO SECURITIES ASA, MEGLERKONTO INNLAND	0,41 %	NORWAY
LGJ INVEST AS	0,40 %	NORWAY
Total	79,16 %	
Total other	20,84 %	
Total shares	100,00 %	

Note 15 - Subsequent events

The funds from the private placement were received in April 2023.

No other events have occurred after the balance sheet date with significant impact on the interim financial statements for Q1 2023.

APPENDIX 1 – ALTERNATIVE PERFORMANCE MEASURES DEFINITIONS

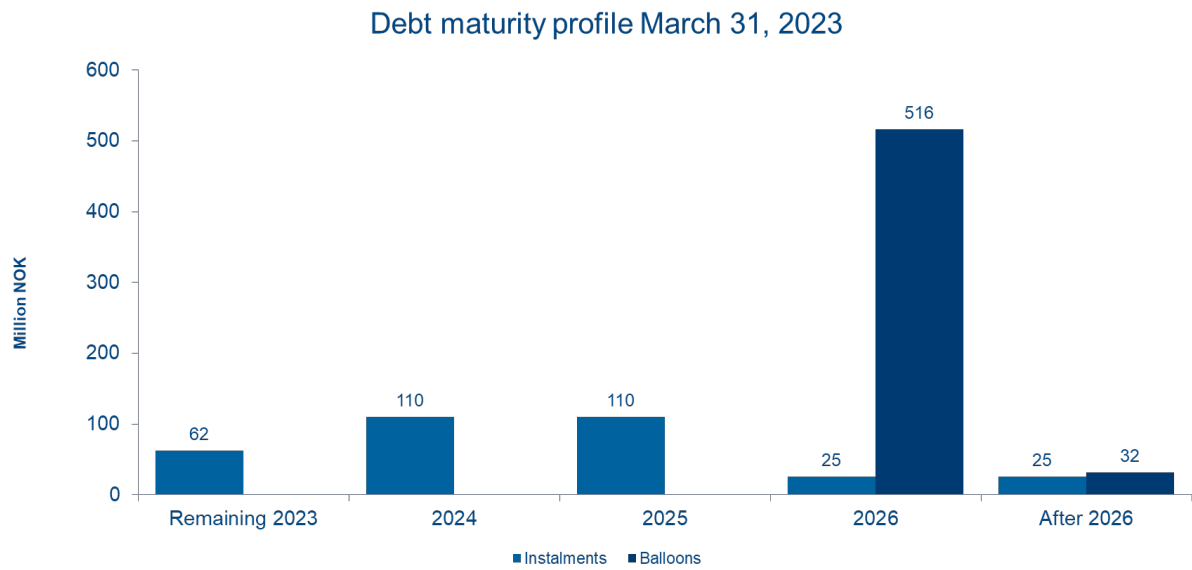
The Group's financial information is prepared in accordance with international financial reporting standards (IFRS). In addition, the Group discloses alternative performance measures as a supplement to the financial statement prepared in accordance with IFRS. Such performance measures are used to provide 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 13.
- EBITDA: Operating result (earnings) before depreciation, impairment, amortization, 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 amortized 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.

	2023 1.1 - 31.3	2022 1.1 - 31.3
Total operating income	133 493	109 083
Total operating expenses	(105 723)	(103 706)
EBITDA	27 770	5 376
Ordinary depreciation	(32 710)	(32 196)
Impairment on assets	0	0
Profit from Joint Ventures	(8 937)	(2 603)
EBIT	(13 876)	(29 423)

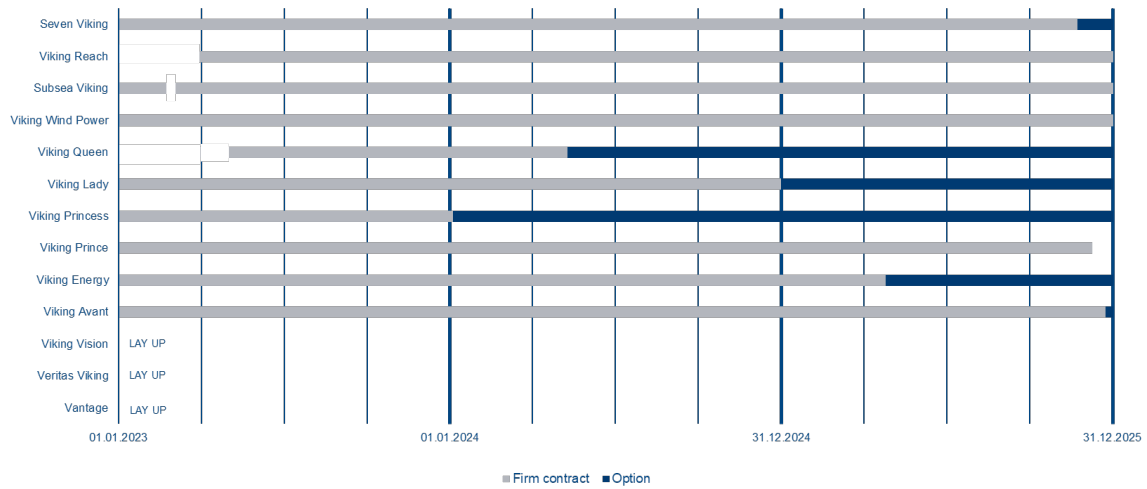
APPENDIX 2 - DEBT MATURITY PROFILE MARCH 31, 2023:



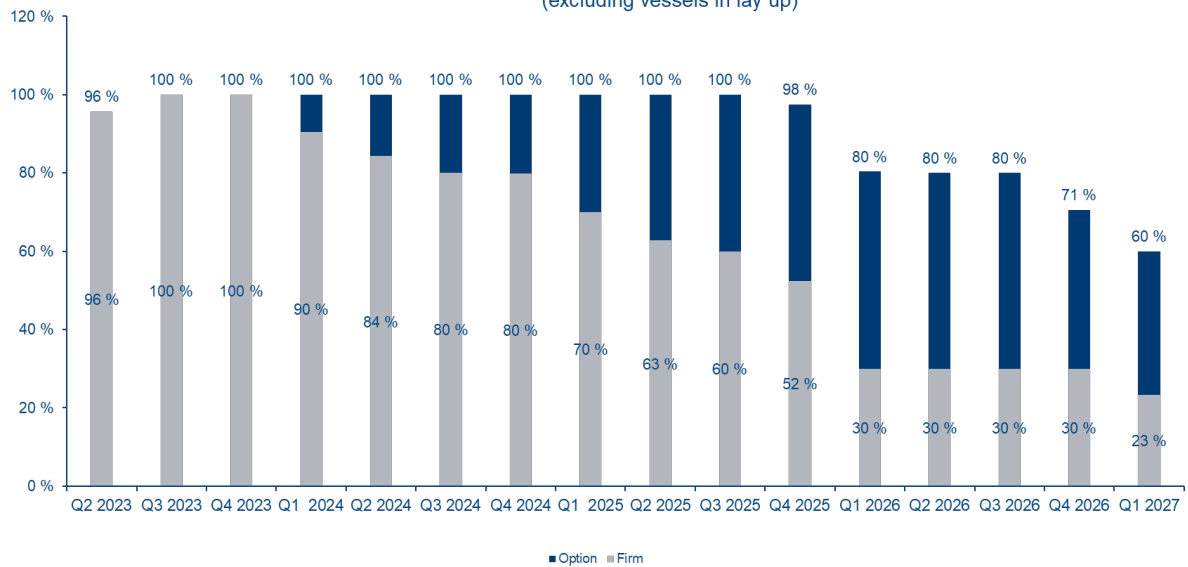
*Liabilities related to Assets held for sale will become due and payable at the time of completion of the sale.

APPENDIX 3 – CONTRACT STATUS AND COVERAGE MARCH 31, 2023:

Contract status



Contract coverage incl. JV (excluding vessels in lay up)



CONDENSED STATEMENT OF COMPREHENSIVE INCOME LAST 5 QUARTERS

Consolidated (NOK 1 000)	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1
Operating Revenue:					
Freight revenue	128 815	160 586	186 498	181 092	106 546
Gain/loss on sale	880	269 723	0	0	0
Other income	3 798	3 594	3 936	4 036	2 537
Total operating revenue	133 493	433 903	190 434	185 128	109 083
Operating Expenses:					
Personell expenses	69 884	83 607	69 307	75 632	73 879
Other operating expenses	35 840	27 562	30 172	34 349	29 827
Total operating expenses	105 723	111 169	99 479	109 981	103 706
Operating result before depreciations	27 770	322 734	90 955	75 147	5 376
	21 %	74 %	48 %	41 %	5 %
Ordinary depreciation	32 710	40 526	35 069	35 115	32 196
Writedown on assets	0	0	(209 237)	0	0
Operating result before other income and expenses	(4 940)	282 208	265 123	40 032	(26 820)
Result from Joint Ventures and associated companies	(8 937)	(3 073)	(2 258)	(1 187)	(2 603)
Operating result	(13 876)	279 135	262 866	38 845	(29 423)
Financial Items:					
Financial income	9 336	888	20 640	17 285	26 750
Financial expenses	(16 268)	(26 376)	(21 493)	(30 437)	(15 539)
Net agio (disagio)	(4 284)	100 709	(99 142)	(126 557)	8 632
Net financial items	(11 216)	75 221	(99 994)	(139 709)	19 843
Pre-tax result	(25 092)	354 356	162 871	(100 863)	(9 580)
Taxes	0	0	(49)	0	0
Result	(25 092)	354 356	162 823	(100 863)	(9 580)
Equity holders of the parent	(24 473)	264 318	174 346	(79 511)	(13 097)
Non-controlling interests	(619)	90 038	(11 523)	(21 353)	3 517
Earnings per share	(0,39)	4,25	2,81	(1,28)	(0,21)
Statement of comprehensive income					
Actuarial gain/ loss	0	213	0	0	0
Comprehensive income	(25 092)	354 569	162 823	(100 863)	(9 580)
Attributable to					
Controlling interests	(24 473)	264 530	174 346	(79 511)	(13 097)
Non-controlling interests	(619)	90 038	(11 523)	(21 353)	3 517
Total attributed	(25 092)	354 569	162 823	(100 863)	(9 580)

CONDENSED STATEMENT OF FINANCIAL POSITION LAST 5 QUARTERS

Consolidated (NOK 1 000)	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1
ASSETS					
Non-current assets:					
Vessels	1 364 275	1 062 780	1 116 790	925 095	954 329
Other assets	18 494	18 547	18 198	18 252	18 428
Financial derivatives	8 099	30 065	40 461	32 019	33 587
Right-of-use asset	56 147	55 489	53 994	55 422	56 774
Other long-term receivables	34 511	39 769	46 323	48 653	46 357
Pension fund	417	417	282	282	282
Shares in Joint Venture	128 945	137 882	141 478	143 736	144 922
Shares	3 118	3 118	2 595	2 595	2 595
Total non-current assets	1 614 005	1 348 068	1 420 121	1 226 052	1 257 273
Current assets:					
Account receivables,	170 724	141 759	211 738	191 791	127 981
Other short-term receivables	111 045	70 744	69 743	51 908	58 138
Financial derivatives	9 268	32 115	29 372	24 499	6 047
Cash and cash equivalents	332 291	665 653	210 402	157 277	203 187
Total current assets	623 328	910 271	521 255	425 475	395 353
Assets held for sale:					
Assets held for sale	48 949	80 695	1 006 702	1 022 755	1 022 459
Total assets held for sale	48 949	80 695	1 006 702	1 022 755	1 022 459
TOTAL ASSETS	2 286 282	2 339 034	2 948 079	2 674 283	2 675 085
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
Not paid or registered share capital increase	124 000	0	0	0	0
Other paid-in equity	629	629	629	629	629
Other comprehensive income	(377)	(377)	(590)	(590)	(590)
Retained earnings	659 555	684 167	419 850	245 504	325 015
Total equity majority shareholders	964 190	864 802	600 272	425 926	505 437
Non-controlling interests	158 104	63 245	(26 794)	(15 271)	6 082
Total equity	1 122 294	928 047	573 478	410 655	511 518
LIABILITIES:					
Non-current liabilities:					
Lease liabilities	54 130	53 973	52 217	53 361	58 633
Interest-bearing debt	691 127	43 169	1 089 764	1 070 558	1 040 365
Total non-current liabilities	745 257	97 142	1 141 981	1 123 919	1 098 998
Current liabilities:					
Interest-bearing debt	90 143	989 534	73 587	65 395	78 036
Financial derivatives	731	0	1 377	122	2 402
Lease liabilities	5 011	4 217	4 217	4 217	3 256
Accounts payable	35 732	30 022	42 924	31 190	57 070
Other short-term liabilities	192 820	177 707	156 087	129 036	117 859
Total current liabilities	324 437	1 201 480	278 191	229 959	258 623
Liabilities related to Assets held for sale	94 295	112 365	954 428	909 749	805 946
Total liabilities, Assets held for sale	94 295	112 365	954 428	909 749	805 946
Total liabilities	1 163 988	1 410 988	2 374 601	2 263 628	2 163 566
TOTAL EQUITY AND LIABILITIES	2 286 282	2 339 034	2 948 079	2 674 283	2 675 085



Financial Calendar 2023

31 May 2023	Annual General Meeting
30 Aug 2023	Half-Yearly Report 2023
22 Nov 2023	3 rd Quarter 2023

Company address | Vestvikvegen 1 NO-5443 Bømlo, Norway

Telephone | +47 53 44 80 00

Webpage | www.eidesvik.no

Email | investor.relations@eidesvik.no

