Annual report 2023

Eidesvik Offshore ASA

VESTVIKVEGEN 1, 5443 BØMLO

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2023 – CEO statement

I am pleased to present Eidesvik Offshore's annual report for the fiscal year 2023, outlining our solid financial performance and strategic progress. Throughout the year, we have made significant progress in improving our operational efficiency, strengthening our capital structure, and executing on our growth strategy.

In 2023, the OSV market improved considerably compared to 2022, providing us with new opportunities that we have leveraged on. Financially, we delivered a strong result with improvements across all key metrics. We successfully refinanced the company twice, resulting in a robust and sustainable capital structure. Our efforts have yielded multiples that we are very pleased with, reflecting the soundness of our financial position.

During the year we have been proactive in reshaping our business landscape. In line with our strategy, we exited the seismic market and increased our presence in the subsea/offshore wind space. The acquisition of Subsea IMR vessel Viking Reach underscores our dedication to growth in our strategic markets, positioning us favorably for the future. Furthermore, we have secured new contracts with high-end clients, and all our vessels are now operating under long-term agreements.

Growth remains a primary focus for Eidesvik going forward, founded on our two pillars: long-term partnerships and long-term contracts. We are committed to leveraging the market opportunities ahead, creating exiting new job opportunities in a future orientated company and enhancing shareholder value.

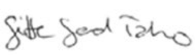
Operationally, we have also delivered strong performance, achieving high utilization quarter after quarter. Unfortunately, in 2023, we encountered three Lost Time Incidents (LTIs), a figure that falls significantly short of our goal of zero LTIs. The safety and well-being of our employees is our first priority, and we are fully dedicated to addressing this matter rigorously.

Sustainability is another key element of the Eidesvik strategy as we recognize the expectations of our stakeholders for responsible conduct and environmental stewardship. Alongside our annual report we publish our Sustainability Report, showcasing our efforts to meet these expectations. We take pride in yet again achieving our environmental targets, with substantial reductions in GHG emissions per operational day and nautical mile year on year. Additionally, we continue to lead the way in demonstrating new climate and environmental technologies. We believe our position as a frontrunner in this area will give us a strong competitive position in a future market with high ambitions to curb climate change.

Looking ahead, we remain steadfast in our commitment to delivering sustainable growth and value creation. With a solid financial foundation in place, positive market outlooks in all our operating segments, and a dedicated team, we are well-positioned to capitalize on emerging opportunities.

I extend my gratitude to our employees, shareholders and partners for their continued support and dedication.

Gitte Gard Talmo
CEO



Key figures

(all figures in TNOK)	**2023**	2022	2021	2020	2019	2018	2017	2016	2015	2014
Operating income	**772 359**	918 547	587 798	530 760	681 559	489 229	754 716	784 106	1 238 936	984 749
EBITDA	**333 567**	494 213	178 712	131 113	243 188	96 919	385 291	415 284	770 286	492 173
EBITDA margin	**43 %**	54 %	30 %	25 %	36 %	20 %	51 %	53 %	62 %	50 %
Profit/loss for the year	**533 222**	406 736	30 737	-132 434	-690 273	-316 625	147 368	-564 519	-239 892	-230 575
Profit per share	**7,05**	5,57	-0,25	-1,99	-9,64	-4,83	5,15	-18,34	-6,53	-5,77
Total assets	**2 716 109**	2 339 034	2 750 583	3 097 113	3 360 275	4 100 576	4 297 512	5 068 060	6 070 157	5 556 166
Equity	**1 615 654**	928 047	521 098	480 519	729 474	1 424 825	1 542 006	1 457 051	2 041 814	2 125 385
Equity ratio	**59 %**	40 %	19 %	16 %	22 %	35 %	36 %	29 %	34 %	38 %
Value-adjusted equity *)	**2 136 654**	1 593 047	1 402 098	1 284 519	2 094 474	2 291 825	2 434 806	2 701 029	3 676 354	4 190 385
Value-adjusted equity ratio	**63 %**	53 %	39 %	33 %	44 %	46 %	47 %	43 %	48 %	55 %
Market value at 31 December	**1 007 170**	559 350	252 951	188 936	325 666	284 647	244 215	186 629	289 139	738 675
Market value per share at 31 December	**13,80**	9,00	4,07	3,04	5,24	4,58	8,10	6,19	9,59	24,50
Dividend paid per share	**0,00**	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,00
Liquid funds incl. unused credit	**498 825**	655 653	330 401	429 183	408 319	515 605	557 440	549 738	702 276	549 556
Working capital incl. unused credit, excl. balloons	**433 287**	630 725	237 746	527 918	432 256	477 152	264 646	395 827	420 631	-40 897
First year's repayment of long-term liabilities **)	**121 192**	1 095 934	128 364	157 725	93 756	93 232	304 836	322 187	335 039	391 243

Please see appendix 1 for alternative performance measures definitions.

*) Book equity plus added value of broker estimates per 31 December 2023, on vessels on the assumption that the vessels are contract-free.

**) Excluding IFRS 16.

Corporate governance

PRINCIPLES AND VALUES FOR CORPORATE GOVERNANCE IN EIDESVIK OFFSHORE ASA

The Board of Directors of Eidesvik Offshore ASA (the "Company") shall ensure that the Company complies with the "Norwegian Code of Practice for Corporate Governance" of October 14, 2021. The Group's compliance with, and any deviations from the code of practice, must be commented by the Board in relation to every point in the Norwegian Code of Practice for Corporate Governance, and made available to the Company's stakeholders along with the annual report.

The purpose of the guidelines for corporate governance in Eidesvik Offshore ASA is to clarify the roles between shareholders, the General Meeting, the Board and executive management exceeding what is evident by legislation.

The principles and core values for corporate governance in Eidesvik Offshore ASA are set out in the following documents (complete documents are available from the Company's website at www.eidesvik.no):

- The Board's annual report for the Company's corporate governance.
- Articles of Association of Eidesvik Offshore ASA of May 31, 2023.
- Instructions for the Board of Directors.
- Instructions for CEO.
- Guidelines for planning and budgeting.
- The Company's core values and ethical guidelines.
- The Company's guidelines for social responsibility.
- Guidelines for handling price-sensitive information and insider trading.
- Guidelines for determination salaries and other remuneration to management.
- Guidelines for use of the auditor as an advisor to the Company.
- Guidelines for information from the Company.

The Company shall be based on open interaction and coordination between the Company's shareholders, Board and management, as well as other stakeholders such as employees, customers, suppliers, creditors, public authorities and society in general.

The Company's core values and ethical policy are set out in "Ethical guidelines and core values for Eidesvik Offshore ASA", and its social responsibility policy is covered by the "Human rights policy" and "Environmental policy".

Comment: No deviations from the Norwegian Code of Practice for Corporate Governance.

Business

The Company's business is described in Article 3 of its Articles of Association. The Board determines the Group's overall goals, strategy and risk profile. The strategic plan is revised annually. The mission statement in the Articles of Association and the Company's goals and strategies are set out in the Annual Report, which are also published on the Company's website at www.eidesvik.no.

Comment: No deviations from the Norwegian Code of Practice for Corporate Governance.

Equity and dividends

The Board shall ensure that the Company holds equity commensurate with the risk from and scope of the Company's operations, cf. "Instructions for the Board of Directors". The Board determines the Company's dividend policy, and presents this with its proposed dividend to the Company's General Meeting. There is authorisation for the Board to issue new shares to increase the Company's share capital for up to NOK 364,916. The authorization is valid until the ordinary general meeting in 2024, but no later than 30 June 2024.

Comment: No deviations from the Norwegian Code of Practice for Corporate Governance.

Equal treatment of shareholders

Eidesvik Offshore ASA has only one class of shares.

In the event of an increase in share capital, the principle of equal rights for all shareholders to buy shares applies.

Own shares are bought on the stock exchange at market value.

Comment: No deviations from the Norwegian Code of Practice for Corporate Governance.

Shares and negotiability

The shares in the Company are listed and freely negotiable. The Articles of Association do not impose any form of restrictions on negotiability.

Comment: No deviations from the Norwegian Code of Practice for Corporate Governance.

General Meetings

The notice of and procedure for the Company's General Meeting follow the regulations given by the Public Limited Liability Companies Act with regards to contents and deadlines. The registration deadline is set as close to the meeting as practicable. Shareholders who are unable to attend may vote by proxy.

Notice of the meeting, proposed resolutions, proxy forms, other case documents and information on shareholders' right to raise matters at the General Meeting are made available at the Company's website as soon as they have been approved by the Board.

The Board and the chair of the General Meeting must arrange for the general meeting to vote for each candidate nominated for election to corporate bodies.

The minutes of the General Meetings are made available on the Company's website as soon as possible.

Comment: No deviations from the Norwegian Code of Practice for Corporate Governance.

Nomination committee

The Nomination Committee shall according the Articles of Association consist of three to five members. The Nomination committee shall make proposals for election of Board Members and members of the Nomination Committee to the General Meeting. The General Meeting may adopt guidelines for the Nomination Committee.

Comment: No deviations from the Norwegian Code of Practice for Corporate Governance.

Board of Directors: composition and independence

The composition of the Board of Directors of Eidesvik Offshore ASA is made to safeguard the interests of shareholders and the Company's need for competence, capacity and diversity. The Board considers it important that the Board can function well as a collegial body.

The Board is composed in such a way that it can act independently of special interests.

The majority of the members elected by shareholders are independent of the Company's executive management and major business associates.

At least two of the members elected by shareholders are independent of the Company's main shareholders.

Representatives of the executive management are not members of the Board.

The Chair is elected by the General Meeting, as the Company does not have a corporate assembly.

The Board members are elected for two years at a time. In the Annual Report, the Board provides details of the Board members' competence and capacity, as well as which Board members are considered to be independent.

Board members are encouraged to own shares in the Company.

Comment: Deviates from the Norwegian Code of Practice for Corporate Governance in that there is no mention in the annual report of attendance at Board meetings. This is not considered relevant as it is very rare directors are not attending Board meetings, either physically or by telephone/video.

The work of the Board of Directors

A separate instruction for the Board of Directors of Eidesvik Offshore ASA has been prepared.

The Group has an audit committee, and the Board of Directors of Eidesvik Offshore has established instructions for the audit committee.

For transactions between companies of the Group, there are guidelines in "Instructions for the Board of Directors".

For significant transactions between the Company and shareholders, board members, senior executives or persons related to them, an independent valuation must be obtained. This does not apply when the General Meeting is to discuss the matter according to the provisions of the Public Limited Liability Companies Act. The same applies to transactions between companies in the Group where there are minority shareholders.

The instructions for the Board, the instructions for the CEO, and the ethical guidelines have rules for impartiality.

Comment: No deviations, all related parties transactions are presented in the notes to the financial statement in the annual report.

Risk management and internal control

According to the instruction for the Board of Directors of Eidesvik Offshore ASA, the Board ensures that the Company has good internal control and appropriate systems for risk management. The Board receives monthly status reports on Company operations, including financials with deviation analysis and liquidity forecasts.

Comment: No deviations from the Norwegian Code of Practice for Corporate Governance.

Remuneration of the Board of Directors

The remuneration of the Board is determined by the General Meeting and does not depend on results. Information on remuneration is given in the annual report.

Comment: No deviations from the Norwegian Code of Practice for Corporate Governance.

Salary and other remuneration for executive personnel

The Board has adopted guidelines approved by the annual general meeting for remuneration for executives stating the main principles of the Company's executive remuneration policy.

Comment: No deviations from the Norwegian Code of Practice for Corporate Governance.

Information and communications

The Board has adopted guidelines for the Company's contact with shareholders outside the General Meeting. These are set out in the Board's annual report. The Company publishes a financial calendar each year, and all interim reports and results presentations are published on the Company's website and the Oslo Stock Exchange.

Comment: No deviations from the Norwegian Code of Practice for Corporate Governance.

Take-overs

The Board has not prepared guiding principles for how to act in the event of a takeover bid.

Comment: Deviates from the Norwegian Code of Practice for Corporate Governance. With the current composition of shareholders, a takeover is not considered likely without the main owner working in close cooperation with the Board.

Auditor

The external auditor is elected at the General Meeting, which also approves the auditor's fees for the parent company. On an annual basis, the auditor presents an audit plan and an audit summary report to the audit committee, and participates in audit committee meetings to review the Group's internal control and financial risk management systems and procedures. The auditor also participates in board meetings when considered appropriate, with and without management present. Information about the auditor's fees, including a breakdown of audit related fees and fees for other services is included in the notes to the financial statements in accordance with the Norwegian Accounting Act. The Company's external auditor is Ernst & Young AS.

Comment: No deviations from the Norwegian Code of Practice for Corporate Governance.

HSEQ report for 2023

INTRODUCTION

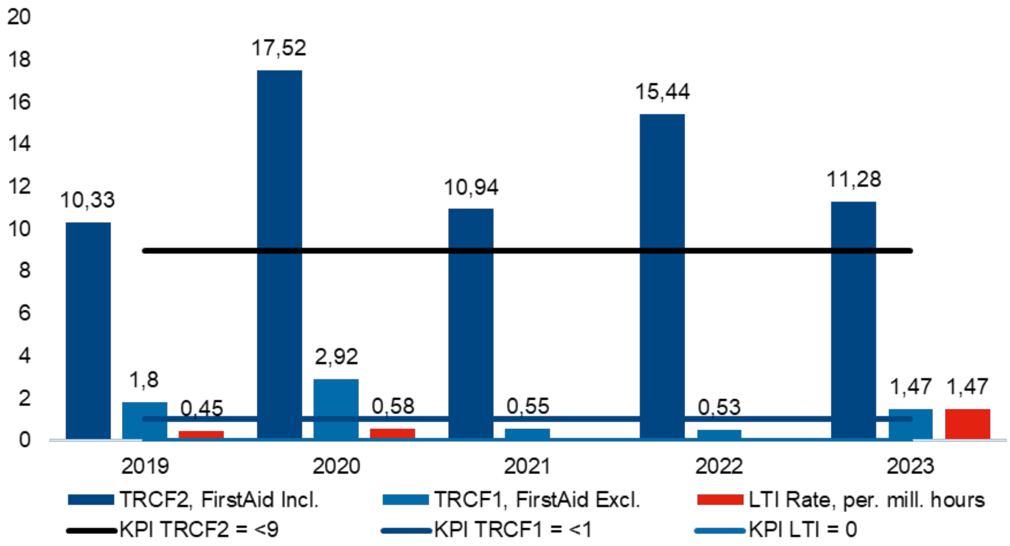
The quality and safety system Eidesvik Management System (EMS) is certified by DNV to meet the requirements of the ISM Code, ISO 9001:2015, ISO 14001:2015, MLC 2006 and the ISPS Code.

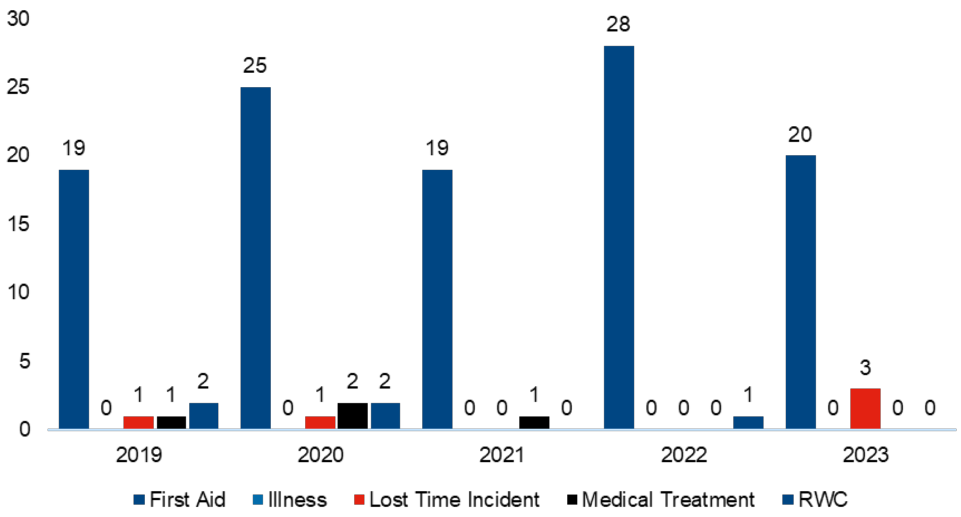
Throughout 2023, our EMS are built on “Simplified and improved safety management”, and all our operational vessels are using updated manuals for bridge, deck, engine, galley, and crane operations as applicable. We receive very positive feedback from both users and clients. Required revisions are considered on an ongoing basis, including new procedures as needed. Focus on awareness and monitoring of health, safety and environmental aspects are key .

Eidesvik has prepared an annual HSEQ program that specifically addresses future focus areas, including Key Performance Indicators (KPIs). The KPIs are communicated to all vessels and departments and posted in public areas both on vessels and at office. Eidesvik focuses on a strong commitment to the HSEQ program to achieve the goals within the various areas. The guiding documents are continuously evaluated to ensure optimal and functioning operating procedures for the employees both offshore and onshore.

The Company had three lost time incident (LTI) in 2023. Eidesvik’s goal is zero LTI. Three LTIs are not acceptable and underlines the importance of a continuing strong focus on HSE in all parts of the Company’s operations.

The statistic below illustrates the number of personal injuries per million working hours over the last 5 years.





Emphasising the analysis of causal relations and underlying causes are important as a basis for lessons learned within Eidesvik. Focusing on operations and compliance with the EMS are important accompanying measures. In addition the goal of preventing injuries, we also focus on the following actions:

- Focus on "safety observations" reporting method, especially proactive reports. This has contributed to an increase in reporting. Reports are reviewed at safety meetings on board. In 2023, 4,624 "safety observations" were reported; whereof 40% was proactive. This constitutes a substantial portion of the total number of reports in the HSEQ field.
- Extensive use of risk analysis. All vessels and office are analysing tasks/jobs to avoid accidents/ injuries, and any hazards are highlighted, and actions are implemented to reduce and/or remove the hazards. In 2023, 615 new and/or revised risk analysis were done.
- By holding Toolbox Talk meetings (TBT), this helps us to avoid accidents and injuries. The personnel executing the jobs are also doing the planning and receive information on potential hazards in connection with the job. Total number of TBT in 2023 was 10,024.
- Work on board is performed according to a Permit to Work system (PTW). This helps us to avoid accidents and injuries. Everyone needs to obtain permission from the vessel's management before performing jobs that could cause a risk to personnel, environment, and vessel.

INCIDENT REPORTING

In 2023, 558 incident reports (including near misses) in all categories were logged. In addition, 199 document of change requests and 135 improvements suggestion was submitted from vessels and office. The office issued 29 lessons learned reports to vessels and office. The incident, near miss, improvement suggestion, document of change request, and lesson learned reports are a positive foundation for learning and implementing specific actions to avoid reoccurrences. A strong and healthy culture for reporting enables the organisation to identify developments and trends within specific operations or tasks. This can improve practices and prevent incidents from recurring. Reporting of incidents has a preventive effect, and the Company has a strong focus on this.

QUALITY

Our goal is to provide services of a quality that exceeds the customer's expectations, and we follow up on surveys of customer satisfaction from every vessel and crew. Quality is to do the job right first time.

WORK ENVIRONMENT ACTIONS

Please read about Eidesvik's work environment actions in the extract to the ESG report. The full report is available on the Eidesvik website.

SICK LEAVE

Absence due to illness in 2023 was 5.9% up from 5.1% in 2022.

Eidesvik has high focus on preventive actions and closer follow-up from company and management to increase attendance at work. Employees have also been enabled to subscribe to private health services.

Extract from the Sustainability report

This section provides a summary of Eidesvik's approach to environmental, social and governance (ESG) issues, and the associated key performance indicators. A detailed 2023 Sustainability report is published as a separate document on the Company's website[1]. The report has been prepared in accordance with the Norwegian Shipowners' Association Guidelines for ESG reporting in the shipping and offshore industries. GRI and SASB are the main standards used. Determination of material topics was done in accordance with the Global Reporting Initiative Materiality Standard, GRI 3 (2021).

KEY HIGHLIGHTS 2023

In 2023, good progress was made on Eidesvik's sustainability agenda. Key highlights include:

E	• 19% reduction in greenhouse gas (GHG) emissions per operational day • 17% reduction in GHG emissions per nautical mile in transit
S	• 100% of suppliers defined as critical for the Company's operation have signed Eidesvik's Counterparty Code of Conduct
G	• Strengthened the Company's procedural framework for Human Rights

SUSTAINABILITY GOVERNANCE

Eidesvik works proactively to ensure that ESG is included in all its operations. The Company has established policies and procedures to ensure consistent ESG management and risk mitigation.

Sustainability is anchored with the Board of Directors (BoD) and the Top Management Team. The CEO, together with the Top Management Team, has the overall responsibility for the integration of sustainability into Eidesvik's operations, to set priorities, targets and drive implementation, and for including sustainability in core processes related to strategy, planning and risk management. Eidesvik has established an ESG committee with representatives from all parts of the organization. The committee performs quarterly monitoring of development within sustainability metrics and evaluates necessary corrective actions. The committee is led by the VP Sustainability.

Eidesvik prioritizes the areas within ESG that are most material to its industry, and where the Company can have the most significant impact. Priorities are also guided by those topics that can have a financial impact on the Company's operations. Overall, Eidesvik's sustainability work is focused on the following priorities:

- Be a safe and fair employer
- Reduce our emissions
- Contribute to the energy transition

[1] Investor Relations – Eidesvik

- Be a responsible partner

The priority areas are based on a materiality assessment that was conducted in 2021, which included stakeholder dialogue with employees, suppliers, customers, selected associations, and investors. Following the materiality assessment, Eidesvik involved all areas of operations to define KPIs related to the material sustainability topics. In 2023 the list of material topics was adjusted in accordance with the European Sustainability Reporting Standards (ESRS) topic list.

In a broader perspective, Eidesvik aims to contribute to the UN Sustainable Development Goals, and the Company has prioritized five SDGs to which it can contribute the most:

- SDG 8 – Decent work and economic growth
- SDG 9 – Industry, Innovation, and Infrastructure
- SDG 13 – Climate Action
- SDG 14 – Life below water
- SDG 17 – Partnership for the goals

KEY TARGETS AND PERFORMANCE

	Target	Status			
		2023	2022	2021	**SDG**
Environmental	50% reduction in CO_2e emissions by 2030, climate neutral fleet by 2050 (baseline 2008)	**32% (PSV) 21 % (Subsea/Wind)**	27.5% (PSV) 17.1% (Subsea/Wind)	21.7% (PSV) 13.7% (Subsea/Wind)	13 CLIMATE ACTION; 14 LIFE BELOW WATER; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	Yearly reduction in tons CO_2e emissions per nautical mile	**17%**	0%	22%	
	Yearly reduction in tons CO_2e emissions per operational day	**19%**	21%	14%	
	Zero spills to sea	**0,002 m3 (7 spills)**	0.4 m3 (21 spills)	4.3 m3 (19 spills)	
Social	Employee satisfaction (eNPS scope >30)	**23**	26	37	8 DECENT WORK AND ECONOMIC GROWTH
	Trainee rate 7% of workforce	**9.9**	8.9	9.3	
	Performance appraisal reviews (100%)	**72**	73	70	
	Zero Lost Time Incidents	**3**	0	0	
	<1 TRCF1	**1,47**	0,53	0.46	
Governance	All suppliers representing 25 MNOK+ or defined as critical for our operations will be audited within a three-year period	**2**	2	1	17 PARTNERSHIPS FOR THE GOALS
	100% of suppliers defined as critical for our operation to sign Counterparty Code of Conduct[2]	**100%**	-	-	8 DECENT WORK AND ECONOMIC GROWTH
	0 fines or non-monetary sanctions due to non-compliance with laws and/or regulations related to human rights, corruption and other unethical business practices.	**0**	0	0	8 DECENT WORK AND ECONOMIC GROWTH

[2] New KPI for 2023

ENVIRONMENTAL IMPACT

The shipping industry may have negative implications for both human and ecosystem health in the form of emissions, pollution, spills, and discharges. The Company's ability to manage these risks and to mitigate the negative environmental impact is critical not only for the environment, but also for Eidesvik's business.

Eidesvik strives to be a frontrunner within future oriented shipping and marine operations, and to position the Company at the forefront of the development of zero-emission shipping solutions. To reach this goal, the Company is actively engaged in both reducing greenhouse gas emissions from its fleet, and to contribute with the development of new technology that will reduce emissions across the industry.

Eidesvik recognizes that climate changes pose risks on the Company's business strategy. This is why Eidesvik in 2021 conducted a climate risk review in accordance with the Task Force on Climate Related Financial Disclosures (TCFD). Please see the 2023 Sustainability report[3] for the full review.

Furthermore, the Company acknowledges that the transition from fossil fuels to clean energy will have a high impact on its fleet and operations in the long term. However, Eidesvik assesses the financial impact to be moderate to low, as oil & gas will need to be replaced with new energy markets also in need of offshore shipping services. Eidesvik has extensive experience in the renewable markets and has proven expertise and capability to transition to new markets. As a risk mitigating measure, the Company is also closely monitoring new markets where it can utilize its core competencies.

Ambitious climate goals will also necessitate stricter emissions requirements for shipping, which will have a significant impact on Eidesvik's fleet in the medium to long term. Though the Company recognizes that the topics of climate change mitigation and adaptation have high impact materiality for Eidesvik, it considers the financial materiality associated with these topics to be moderate to low. Eidesvik has a long history of being early adopters of alternative energy sources and new technology. Currently, 83% of its fleet is equipped with battery hybrid systems, and close to 40% has LNG dual fuel engines. This ensures that the current fleet can comply with known emission regulations in the short and medium term. In the long term, stricter requirements necessitating a transition to new carbon-free fuels will come with a considerable cost. Despite the prevailing contract structures within the offshore industry, wherein charterers largely bear the costs of meeting existing requirements and regulations, the inherent risk persists at a significant level. Nonetheless, Eidesvik's anticipation is for forthcoming regulations to offer the necessary predictability, rendering compliance financially feasible.

CLIMATE CHANGE MITIGATION AND ADAPTATION

Eidesvik's ambition is to have a climate neutral fleet by 2050. The Company's mid-term goal is to reduce emissions by 50% in 2030, compared to a 2008 baseline. These ambitious targets represent a considerable undertaking, necessitating a thorough transition to new and green fuels for a substantial portion of the sailing fleet in combination with the introduction of newbuilds equipped with zero-emission technology. The Company has developed different scenario roadmaps for how to reach the targets with the current fleet. In one of these roadmaps the 2030-target will require a successful transition to new and green fuels for six vessels including the addition of two close-to-zero emission newbuilds. Eidesvik believes that its 2030 target is feasible, however recognizes that the outcome is subject to external factors beyond the Company's control. Firstly, the target relies on the establishment of new environmental requirements that create a market for low and zero emission vessels, coupled with the assurance of sufficient returns. Until such a market is in place, the transition is dependent on effective public funding schemes that meet the requirements of the offshore industry.

[3] Investor Relations – Eidesvik

Furthermore, the industry needs to see a continued maturation and widespread commercialization of zero-emission technology and fuel infrastructure. As a shipowner Eidesvik is committed to do its part in terms of investigating a range of fuel and technologies that has the potential to take the Company to a 50% reduction in 2030 and carbon neutrality in 2050. By the end of 2023, Eidesvik had achieved a 21% reduction in emissions from its subsea/wind fleet and 32% for the PSV fleet compared to a 2008 baseline.

EMISSION REPORTING

For its sustainability reporting Eidesvik's Climate Accounts are based on the international standard 'A Corporate Accounting and Reporting Standard', developed by the Greenhouse Gas Protocol Initiative (GHG Protocol), which is the most widely used and recognized international standard for measuring greenhouse gas emissions. Greenhouse gas emissions related to scopes 1, 2 and 3 have been converted into carbon dioxide equivalents (CO_2e).

Eidesvik's Scope 1 emissions are derived from the vessels the Company owns and operates. For reporting Eidesvik has applied the principle of "equity share", in which it accounts for GHG emissions according to the Company's share of equity in the vessels in operation. In 2023, Eidesvik's Scope 1 amounted to 59,414 metric tons CO2e. This is a decrease of 16,420 tons from 2022. A portion of this reduction can be attributed to the sale of one vessel in November 2022. The Company expanded its fleet again with the acquisition of one vessel in April 2023. Considerable reductions have also been achieved through increased use of shore power and energy efficiency measures such as speed reductions and hull cleaning.

Overall, emissions of CO_2e per nautical mile in transit decreased from 0.209 tons in 2022 to 0.173 tons in 2023. CO_2e emissions per operational day decreased from 23.98 tons in 2022 to 19.58 tons in 2023. Eidesvik's goal is to have yearly reductions in these two performance indicators. Due to the scope of operations for offshore vessels, the GHG emissions intensity indicators used by the IMO, such as the AER, are not suitable for offshore operations. AER is calculated on the basis of a ship's carbon emissions per actual capacity-distance, however offshore vessels are not dedicated to cargo transport. Offshore vessels also spend much of their operational time in Dynamic Positioning (DP). A process is ongoing in IMO/IMCA to define suitable GHG emission intensity metrics for offshore vessels. While awaiting clarification, Eidesvik has chosen to monitor CO_2e emissions per nautical mile in transit and per operational day as this gives a better picture of its development. Linking the indicator to a work proxy is also in line with the suggestions presented by IMCA to IMO as a suitable method for measuring carbon intensity for offshore vessels.

Key initiatives in Eidesvik's work to reduce Scope 1 emissions are:

- The Eidesvik Energy Efficiency Program blue:E (EEEP) - a set of measures to reduce energy consumption and GHG emissions has been defined and implemented on each vessel.
- Retrofitting – installing battery hybrid systems and shore-based power systems on our existing fleet
    - 83% of our vessels in operations have battery hybrid systems installed
    - 62% of our vessels in operation can utilize shore based power
- Participation in research and development projects involving new technologies and green fuels.

Efforts also go beyond focusing on carbon emissions. The company aims to minimize any forms of pollution to air and sea. Eidesvik complies with all laws and regulations related to waste management and air pollution, and the Company has established a plan to be compliant with the Ballast Water Management Convention. In 2023 Eidesvik converted two vessels in accordance with the requirements of the OSV Code increasing their capabilities for carrying hazardous liquid substances in bulk. The Company plans to convert four additional vessels in 2024.

Eidesvik uses LNG and low-sulfur emissions to fuel its vessels, which result in less emissions of SOx, NOx and PM. The aim is to have zero spills, and the company has systems in place to mitigate the risks of such events happening. If spills do happen, the incidents are reviewed so that the organization can learn from them.

HEALTH AND SAFETY

Safety is Eidesvik's number one priority. The Company's personnel often operate under challenging conditions, particularly when working on board vessels. This requires a strong safety culture with a continuous focus on improvement. Eidesvik works systematically with health and safety to mitigate risks that can expose its employees and third parties to injuries or health related challenges. The Top Management Team is focused on incident reporting, training, awareness work and sharing best practice across the fleet to prevent incidents from happening. The Company's quality and safety system "Eidesvik Management System" (EMS) is certified by DNV GL and meets the requirements of the ISM code, ISO standards: 9001-2015, 14001-2015, MLC 2006 and ISPS Code.

Eidesvik's Lost time incident rate (LTIR) was 1.47 in 2023 compared to 0 in 2022. This number is far from the target of 0 LTIs, and the Top Management Team is addressing the issue rigorously. The Company has implemented measures such as enhancing the frequency of Management vessel visits and ensuring that safety is prioritized across all its communication channels.

Absence due to illness was 5.9% in 2023 compared to 5.1% in 2022. Eidesvik is focused on preventive actions, both related to the physical and psychosocial working environment, and closer follow-up from the Company and management to increase attendance at work.

WORKING ENVIRONMENT

Eidesvik's ambition is to have highly qualified employees that are able to execute Company strategy and deliver high quality services. Furthermore, the Company believes that creating a diverse and inclusive working environment where all employees feel valued and have equal career opportunities is not only the right thing to do but is financially beneficial for its business.

Eidesvik's priorities in this area include:

- Securing an inclusive and safe working environment for all, with zero tolerance for bullying and harassment.
- High focus on retaining and developing employees.
- Maintaining a dynamic apprentice program through the availability of a wide range of trainee and cadet positions.
- Ensure high quality leadership at all levels of the organization.
- Supporting competence development through a combination of formal training, on the job training and own initiative.

Eidesvik uses the Employee Net Promoter Score as a measure for employee wellbeing. Scoring ranges from minus 100 to 100. The aim is a score above 30. In 2023, the score was 23, which is a decrease from 26 in 2022. The main reason identified for the decline is structural differences in pay rates where pay rates in the offshore industry are lower than in other industries in need for the same seafarer competence as Eidesvik, for example the aqua culture industry. Another reason identified is fewer carrier opportunities caused by the last years' challenging situation in the offshore oil and gas industry in which the Company has not been able to grow its fleet.

Eidesvik has a strategy for growth and is working on identifying opportunities to expand its fleet. One newbuild for the subsea and offshore wind industries was announced in early 2024. All seafarers are covered by collective bargaining agreements between the Norwegian Shipowners' Association and the seafarer's unions. The Company is actively engaged in discussions and negotiations regarding these agreements.

Eidesvik aims to give all employees the opportunity to participate in annual performance and career development reviews. In 2023, 72% of employees completed such reviews.

EQUALITY AND INCLUSION

Eidesvik considers it a competitive advantage to have a diverse team, and does not tolerate discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation. In accordance with the Norwegian Equality and Anti-Discrimination Act, the Company has developed an Equality Efforts Compliance procedure that covers its obligations related to activity duty and reporting. VP Human Relations is responsible for defining targets and responsibilities. Through the procedure, Eidesvik uses its annual employee survey to investigate whether there is a risk of discrimination. The survey results are presented internally and discussed in detail with union representatives and management both onshore and offshore. Together these parties define necessary measures and actions for areas in which risks are defined.

Furthermore, Eidesvik performs internal audits to investigate compliance with policies related to work environment and the Company's non-tolerance for harassment. The requirements of the Equality and Anti-Discrimination Act are also integrated in Eidesvik's recruitment procedure. In 2023, Eidesvik experienced zero breaches of its Human Resources Policy.

At the end of 2023, Eidesvik employed 416 people, where females accounted for 11% (46). 6% of the Company's seafarers were female. The male domination of the shipping industry is reflected in these figures. At the Top Management level 40% were female and 46% of onshore personnel were female. No employees at Eidesvik are employed on a part-time or temporary basis.

Table 1: Gender distribution

		MALE	FEMALE	<30	30-50	>50	TOTAL
Seafarers		343	23	135	141	90	366
Onshore		27	23	2	22	26	50
Top Management		2	3	0	1	4	5
Board of Directors		5	3	0	2	6	8

Eidesvik has guidelines in place for salary placement and salary adjustment. The guidelines are outlined in the Company's Employee Handbook, which is based on the Company's HR policy and Code of Conduct.

Eidesvik analyses the gender pay gaps of its employees. A salary comparison of employees at all levels shows that women's income was 80.3% to that of men's in 2023.

The majority of Eidesvik's employees are seafarers. All seafarers are covered by collective bargaining agreements between the Norwegian Shipowners' Association and the seafarer's unions, who set wage agreements that a Company cannot deviate from. These agreements ensure equal treatment in relation to wages and working conditions.

For the pay gap analysis onshore employees have been divided into "Management" and "Other Employees". For Managers, women's income was 87.3% to that of men's in 2023. The group "Other Employees" consists of job categories with large variations in competence requirements, pay levels and differences regarding what positions are held by women and men, such as technical specialists and administrative positions. Technical specialists have substantial specialized competence and experience, and thus have a higher pay compared to administrative positions. These positions are typically held by individuals with experience as seafarers at management level, whereof the majority are men. The majority of administrative positions in Eidesvik are held by women.

Table 2: Gender pay gap ratio for onshore employees

GROUP	TOTAL NUMBER OF EMPLOYEES	FEMALE	MALE	RATIO OF BASIC SALYARY OF WOMEN TO MEN
Management	21	10	11	87.3%
Other employees	29	12	17	68.2%

1 female and 4 males took parental leave in 2023. The average number of weeks was 36 weeks for females, and 4 weeks for men.

A full description of the Company's work within equality and inclusion can be found in the 2023 Sustainability report.

LABOR CONDITIONS AND HUMAN RIGHTS

Eidesvik aims to carry out its business in a way that supports and respects the protection of internationally proclaimed human rights. The Company does not engage in, or support the use of, child labor, and support the elimination of all forms of forced labor, as outlined in its Code of Conduct. Eidesvik has measures in place to ensure that all employees, onshore and offshore, are working under conditions that meet the requirements set out in the International Labour Conventions and the Maritime Labour Conventions. Freedom of association and the right to collective bargaining is respected and outlined in the Code of Conduct.

In 2023 Eidesvik developed a Human Rights Policy that describes the Company's approach to managing human risks in its operations. To ensure suppliers are informed about the high ethical standards Eidesvik expect, the Company has established a Counterparty Code of Conduct (CCoC) which incorporates issues related to anti-corruption, human rights, labor conditions and environmental issues. This CCoC is attached to all requests and purchasing orders, and all new suppliers are obligated to read and follow the expectations stated in the CCoC.

To further expand the Company's competence related to human rights Eidesvik has signed the Future-Proof Initiative[4]. Future-Proof is a business and human rights collaboration platform created by The Bergen Chamber of Commerce and Industry and the Rafto Foundation. The aim is to assist businesses in complying with their human rights responsibilities and enable knowledge sharing within and across industries. Eidesvik is committed to be an active participant in this platform.

REPORTING UNDER THE NORWEGIAN TRANSPARENCY ACT

In 2022, the Norwegian Transparency Act entered into force. The Act shall promote

[4] https://fproof.no/

enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services and ensure the general public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions.

Eidesvik recognizes that the nature of our business and the shipping industry does propose a risk that the Company's operations may cause adverse impacts on labor conditions and human rights in its value chain. In accordance with the Norwegian Transparency Act Eidesvik has developed a Company Due Diligence procedure to identify, prevent or mitigate the Company's risk for, and actual negative impact on, basic human rights and decent working conditions including in the supply chain and through its business relations. As part of our due diligence procedure, Eidesvik performs annual risk assessments where it identifies inherent risk areas and scores and evaluates these impact areas in its risk assessment tool. The Company evaluates severity, likelihood, priority, and mitigation on each impact area.

Relevant elements that Eidesvik base its risk assessment on are country, type of industry, and type of raw materials. Mapping and prioritizing risks is a continuous process where the Company's target is to implement measures where the risk of adverse impacts and its opportunity to influence is the greatest. Examples of salient risk areas identified are:

Use of shipyard labor: Export Finance Norway has identified repeated examples of breaches on fundamental human rights in European yards – something we have also seen recent examples of in Norwegian yards. As a result of our due diligence process Eidesvik has implemented guidelines to ensure all yards will be audited before entering into an agreement. The audit checklist incorporates issues related to human rights, labor rights, health and safety policies, environmental aspects and non-discrimination.

Use of personnel services from risk countries: Eidesvik is a purchaser of crewing services from the Philippines. The Philippines is defined as a risk country for breaches on human rights, and Eidesvik has implemented a range of measures to ensure our operations do not result in any adverse effects. The measures include bi-annual on-site audits, crew conferences, and monthly management meetings with the Company's supplier.

No adverse impacts were identified in 2023. A full account of the due diligence process, defined risk areas and measures implemented is published on our website[5].

BUSINESS ETHICS AND ANTI-CORRUPTION

Eidesvik is committed to operating with the highest ethical standards in all its operations. The Code of Conduct is the main governing document outlining the Company's principles, rules and expectations regarding ethical business practices. Eidesvik conducts its business in compliance with all anti-bribery, anti-corruption and anti-money laundering laws, rules and regulations including, but not limited to, the UK Bribery Act 2010, the US Foreign Corrupt Practices Act 1977, the Norwegian Penalty code section 276 a – 276 c and other legislation applicable. Eidesvik has not been involved in any legal proceedings associated with bribery, corruption, or anti-competition in 2023. When conducting operations in countries with a higher risk of corruption, the Company conducts a risk assessment for that specific country in line with established policies and procedures.

Eidesvik has a whistleblowing function in place, which all employees and externals can utilize to report breaches of the Code of Conduct or any form of unethical business conduct.

[5] https://eidesvik.no/sustainability/responsible-business-conduct/

The Board of Directors

ARNE AUSTREID (CHAIR OF THE BOARD)

is a mechanical engineer/petroleum engineer from Stavanger Ingeniørhøgskole, and holds an MBA from the University of Aberdeen, UK. From January 2011 to December 2020 he was the CEO of Sparebank 1 SR-Bank ASA. He has previously worked for Transocean ASA and Prosafe SE, offshore, onshore and abroad, where his final position was President and CEO of Prosafe SE. Today he is chairperson of North Sea Energy Park AS, Westcon Group AS, Westcon Yards AS and GL Gruppen AS, and attending deputy board member for OBOS. Austreid is independent of the main shareholder in the Company.

BJØRG MARIT EKNES (BOARD MEMBER)

graduated with a Master in Business and Economics from NHH in 1993, and has an MBA from Bond University, Australia (2006), and an Executive MBA from NHH (2021). She has held various managing positions in the Sparebanken Vest group from 1997 to 2021, and was part of the executive management from 2013 to 2021. Since 2021 she has been director and part of the top management at the Norwegian School of Economics. She is today the chairperson of Landkreditt Bank AS, and has sat on a number of boards. Eknes is independent of the main shareholder in the Company.

ANNICKEN GANN KILDAHL (BOARD MEMBER)

holds a Master of Business and Economics from BI Norwegian Business School and is a Certified Financial Analyst from the Norwegian School of Economics and Business (NHH). Since 2000, she has worked in the family-owned Grieg Maritime Group, as CFO with responsibility for finance, economics, legal and sustainability reporting. Previously, she served as a board member and chair of the audit committee of Ocean Yield ASA between 2013-2021. Kildahl is independent of the main shareholder in the Company.

JOHN STANGELAND (BOARD MEMBER)

is a mechanical engineer by education, and has a BBA in economics and management from University of Texas, Austin. He also has an Executive MBA from BI and Nanyang Technological University, Singapore from 2011. He was a shipbroker in Seabrokers AS, Stavanger from 1990 to 1997, and then a business developer in Eidesvik AS until 2003. Since 2004 he has been employed by the base company NorSea Group AS, and he has been CEO since 2012. Stangeland is independent of the main shareholder in the Company.

PETTER LØNNING (EMPLOYEE ELECTED BOARD MEMBER)

is a chief engineer on Eidesvik's Viking Neptun and is an employee representative. He started his maritime career on fishing vessels, before he completed his engineering education while also working on vessels for local sand shipping companies. Lønning has been employed by Eidesvik in the period 1992-2000 and since 2001, and has been involved in the construction of seven new vessels. Lønning is independent of the main shareholder in the Company.

KRISTINE SKEIE (BOARD MEMBER)

is general manager and co-owner of HK Shipping Group AS, which wholly or partly owns 24 bulk vessels. She was educated at Norges Varehandelshøgskole (now part of BI) and has further educations in board work, organisation and management, and tax law. Skeie is independent of the main shareholder in the Company.

LARS EIDESVIK (BOARD MEMBER)

is the co-owner and general manager of Evik AS, which owns 45% of Eidesvik Invest AS. Eidesvik Invest AS owns 60% of Eidesvik Offshore ASA. Lars Eidesvik is associated with the main shareholder in the Company.

LAURITZ EIDESVIK (BOARD MEMBER AND DEPUTY CHAIR OF THE BOARD)

is co-owner and chair of Bømmelfjord AS, which owns 55% of the shares in Eidesvik Invest AS. Eidesvik Invest AS owns 60% of Eidesvik Offshore ASA. He has nautical training and experience as a ship's officer, and an Executive MBA in Developing and Managing Digital Organisations from BI from 2020. Since 2008, he has held various positions in Eidesvik AS within operations, technical, HSE, strategy, and most recently as chartering manager, leaving in the summer of 2018 to join the family company Bømmelfjord AS. Lauritz Eidesvik is associated with the main shareholder of the Company.

Report of the Board of Directors 2023

Eidesvik Offshore ASA's ("Eidesvik", the "Company" or the "Group") focuses its business within platform supply vessels, subsea and offshore wind and position the Company at the front end of the development of zero emission shipping solutions. The main goal is to increase the Company's long-term financial and sustainable value creation, thereby growing shareholder value creating the basis for further growth, and secure jobs .

2023 continued to see improvement in the OSV market compared to 2022. This was driven by increased activity within oil & gas and a continued realisation and focus that oil & gas needs to be a conduit and a long term participant in the transition to sustainable energy supply and consumption, and will continue to deliver energy in the forceable future. The offshore wind market continued to struggle with returns and postponed projects, but long-term sentiments in the market remains positive. Interest rates and inflation increased further although the end of the year saw some slowdown for both. Long lead times and limitations in the supply chain continued.

Utilisation for vessels in Eidesvik's segments have continued to increase during the year. With limited capacity in the market, rates have also seen continued improvement. All of Eidesvik's vessels are now on long term contracts.

The company exited the seismic space in 2023 and sold its four vessels that had been in layup for an extended period of time. None of the vessels are sold to buyers within the seismic space.

Eidesvik refinanced its long- term debt facility for its wholly owned vessels twice in 2023. First on 28 March 2023, extending maturity and then again in Q4 2023, securing more attractive terms and further extended maturity till December 2027 with a facility that aligns better the Company's growth plans and shareholder interests.

The Company acquired a second-hand vessel via a company where Eidesvik has the controlling interest (50.1%). The vessel named Viking Reach is on a 6 -year charter with Reach Subsea who is also the minority owner in the vessel owning company. In connection with this acquisition Eidesvik raised NOK 130 million in equity in a private placement.

THE BUSINESS

At the end of 2023 the group operated thirteen vessels, with ten vessels wholly or partly owned by the Group and three vessels under management.

Eidesvik aim to charter the vessels mainly on long-term contracts on sustainable day rate levels in the Supply and Subsea/Wind segments. Eidesvik's activities are managed from the headquarter in Langevåg at Bømlo. The shipping business is organised in accordance with the special tax regime for shipping companies in Norway. The vessels are owned by various ship-owning companies, and Eidesvik AS performs the general and business management functions for these companies.

The Group's wholly-owned subsidiaries had 416 permanent employees at the end of the year, and in addition there were 76 contracted workers. The Company and the industry encourage women to seek a maritime education. We currently have several women in leading positions. As part of an international industry, the employees in the Group represent many nationalities. Our focus is to make all employees, regardless of nationality, gender and cultural background, have equal career opportunities in the Group, and we see nothing to suggest that this is not the case.

HEALTH, SAFETY AND THE ENVIRONMENT

The quality and safety system "Eidesvik Management System" (EMS) is certified by DNV. EMS meet requirements of ISM code (International Safety Management Code), ISO standards: 9001-2015, 14001-2015, MLC 2006 and ISPS Code.

The management is continuously carrying out awareness work within Health, Safety, Environment and Quality (HSEQ), with a particular focus on the exchange of lessons learned, which facilitates continuous improvement.

Absence due to illness in 2023 was 5.9% up from 5.1% in 2022. The Company is maintaining the agreement with NAV on inclusive working life, which aims to follow up on absence due to illness.

The Group had three lost time incidents (LTI) in 2023. Eidesvik's goal is zero LTI. Three LTI's are not acceptable and underlines the importance of a continuing strong focus on HSE in all parts of the Group's operations.

EXTERNAL ENVIRONMENT

Eidesvik has a targeted environmental focus in its operations with battery solution installed on all PSV's and three of the subsea/offshore wind vessels. Furthermore, five of the PSV's have LNG dual fuel engines. The Company continues its efforts to develop environmentally friendly and energy efficient vessels with participation in research projects in relation to ammonia as fuel.

All vessels in Eidesvik's fleet are approved according to the new International Maritime Organization (IMO) requirements for energy efficiency.

The Environmental Ship Index (ESI) is recognised by the Norwegian Coastal Administration and many ports as the basis for environmental differentiation of fees/rates. 11 of our operational vessels are registered in ESI, all with a strong environmental profile.

A separate sustainability report has been prepared, and an extract of the report is included in the annual report. Please read more about Eidesvik's impact, and our actions for reducing the impact, on the external environment in the extract. The full report is available on the Eidesvik website (Sustainability – Eidesvik). The report has been prepared in accordance with the Norwegian Shipowners' Association Guidelines for Environment, Sustainability and Governance (ESG) reporting in the shipping and offshore industries. Determination of material topics was done in accordance with the Global Reporting Initiative Materiality Standard, GRI 3 (2021).

In addition, a HSEQ report has been prepared, and is included in the annual report.

SHAREHOLDERS, CORPORATE GOVERNANCE AND MANAGEMENT

At year end, there were a total of 72,983,333 shares in the Company and 2,477 shareholders in the Company where foreign investors had a 3.14% stake. In 2023, the share was last traded at NOK 13.80.

As of 31 December 2023, the Company owned no own shares.

All information is provided in such a way that all shareholders are treated equally. The information is shared through stock exchange announcements, press releases and open presentations, and is also available on the Eidesvik website.

Eidesvik's dividend policy is the following: *EIOF's priority for the use of free cash flow is investment opportunities providing value added return and thereafter return of capital to its shareholders via dividend.*

The Group has an insurance agreement (the "Agreement") for physical persons that previous had, currently has, or in the future will hold positions as member or deputy member of a board or a corresponding governing body, CEO, other leader and/or employee that may incur personal leader responsibility. The Agreement cover their partner as well in cases where the claim is based on the insured personal leader responsibility.

The Agreement is a group coverage for Eidesvik Offshore ASA, including all subsidiaries with ownership of 50% or more. The Agreement applies to property damage that may incur worldwide for business related to shipping and that the insured person is liable in damages for according to applicable law in Norway. The sum insured is NOK 50 million per insurance event and total per year. Internal claims between the companies are not covered.

The Agreement does not cover criminal acts as breach of information protection, forge of documents, embezzlement, theft, fraud, betrayal, corruption, and/or unjustified gain. The Agreement does not cover fines/day fines, libels and/or remedy for noneconomic loss, nor liabilities after the Nature Diversity Act or property damage related to pollution or tipping of waste.

The "Norwegian code of practice for corporate governance" forms the basis for the discharge of these duties by the Board and management. Minor, company-specific changes and adaptations have been made to the code of practice. A separate explanation has been provided in the annual report and on the Eidesvik website.

PROFIT & LOSS, BALANCE SHEET AND FINANCIAL RISK

The consolidated accounts of the Eidesvik Offshore Group ("the Group") have been prepared in accordance with recognition, measurement and presentation principles consistent with IFRS® Accounting Standards as adopted by the EU ("IFRS")

The Company accounts for the parent company Eidesvik Offshore ASA are prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

Profit & loss

Consolidated operating income for Eidesvik in 2023 was NOK 772.4 million (918.5 million in 2022). Freight revenue increased from 634.7 million to 699.5 million. This increase in revenue was due to improvement in rates.

Operating profit before depreciation and amortisation (EBITDA) for 2023 was NOK 333.6 million (494.2 million in 2022). Adjusted for the gain on the sale EBITDA was NOK 275.0 million vs 224.5 million. Depreciation and amortisation totaled NOK 161.0 million in 2023 (142.9). Reversal of previous impairment due to observed indicators such as improved market conditions was NOK 409.1 million (209.2 million in 2022). Loss from joint ventures were NOK -4.4 million (NOK -9.1 million). This gives a total operating result of NOK 577.2 million in 2023 (NOK 551.4 million). Adjusted for reversed impairment and gain on sale EIOF saw an improvement in operating profit driven by improvement in rates. The Company saw increase in personnel expenses compared to previous year due to general salary increase. The net financial result of NOK -44.0 in 2023 (-144.6 million in 2022) includes financial income of NOK 30.5 million (65.6 million). Financial and interest expenses were NOK -75.3 million (-93.8 million), and the net gain/loss on currency and derivatives were NOK 0.8 (-116.4 million). The reduced currency movement is due to a smaller portion of the company's debt being in USD.

Profit/loss after tax was NOK 533.2 million in 2023 (406.8 million in 2022.) and total comprehensive income was NOK 532.3 million (406.9 million).

For the parent company Eidesvik Offshore ASA, the profit/loss after tax was NOK 205.0 million (9.7 million).

Balance sheet

The consolidated book equity is NOK 1,616 million per 31 December 2023 (928 million per 31 December 2022). This is 59.5% (39.7%) of the Group's total capital. For the parent company, Eidesvik Offshore ASA, the equity is NOK 791.5 million (480.5 million).

Vessels account for NOK 1,675.1 per 31 December 2023 (1,062.8 million per 31 December 2022), of the non-current assets of NOK 1,930.6 million (1,348.1 million). The increase in vessel value is due to the reversal of previous impairment and the acquisition of the secondhand vessel Viking Reach. Current assets were NOK 785.5 million (910.3 million). Total assets are NOK 2,716.1 million (2,339.0 million), an increase of NOK 377.1 million.

Broker values are used to support the assessment and decisions made by value in use calculations. Average broker value conducted by two independent brokers evaluate the consolidated part of the fleet value free of charter to NOK 2,196 million (1,809 million at 31 December 2022) which indicates an excess value before tax of NOK 521 million (665 million) compared to the book value of the vessels.

The Group's non-current liabilities are NOK 748.2 million per 31 December 2023 (97.1 million per 31 December 2022). The increase was due to the majority of the Company's long-term debt per 31 December 2022 being classified as short term prior to completion of refinancing.

The parent company's assets are NOK 1,021.1 million per 31 December 2023 (815.3 million per 31 December 2022). The company's assets consist mainly of investments in and loans to subsidiaries, financial investments and cash. The company has liabilities of NOK 221.3 million (334.8 million). This consists of non-current liabilities of NOK 193.5 million (332.4 million) and current liabilities of NOK 35.9 million (2.4 million). The company's equity is NOK 791.5 million (480.5 million), which gives an equity ratio of 78% (59%).

Cash flow

Cash and cash equivalents decreased from NOK 655.7 million 31 December 2022, to NOK 498.8 million 31 December 2023, whereof NOK 92 million was restricted cash and funding restricted to use towards Eidesvik's joint development projects with multiple partners for the development of green ammonia as a fuel source. The reduction in cash is mainly due to substantial downpayment of debt in connection with the initial refinancing in 2023.

Net cash flow from operating activities for 2023 was NOK 251.3 million (208.9 million).

Net cash flow from investment activities of NOK - 172.6 million (1,171.4 million) was due to purchase of the vessel Viking Reach, sale of seismic vessels and ancillary equipment, periodic maintenance on existing vessels and payment of long-term receivables.

The Group has a negative cash flow from financing activities of NOK -236.8 million (-1,061,8 million). This is mainly related to refinancing including repayment of debt, capital raise in relation to Viking Reach, and paid instalments and interests.

The parent company has cash and cash equivalents of NOK 28.5 million (437.0 million). This is an increase of NOK 298.8 million.

Profit allocation

The Board in Eidesvik Offshore ASA has proposed a dividend payment of NOK 0.25 per share to be paid in 2024, for the fiscal year 2023 (total NOK 18.2 million). NOK 195.7 million is proposed transferred to other equity.

Going concern

The financial statements are prepared on the basis of going concern.

Financial risk

Currency risk

In 2023, Eidesvik had its revenue in NOK, USD and EUR. Operating costs are mainly in NOK. Eidesvik is therefore exposed to fluctuations in the exchange rates between NOK and the other currencies. The Group has a part of its long-term financing in USD. Interest and amortization on this debt is covered by revenue in USD. Forward contracts are also made where parts of the operational income in EUR are presold with settlement in NOK.

Credit risk

Eidesvik's customers are solid companies with good solvency. The risk that the counterparties do not have the financial capacity to fulfil their obligations is considered low.

Liquidity risk

The liquidity position is assessed as satisfactory as long-term financing is in place till December 20, 2027. In addition, all vessels are on term contracts securing cash flow going forward.

Other risks

Eidesvik is exposed to other risks, such as market and operational risks, including cyber security risk. In addition, the Company experience increase in both expenses and lead time from suppliers, primarily as a consequence of the current global increase in inflation.

Please see Note 3 for further information.

FRAMEWORK CONDITIONS

Access to and development of highly qualified personnel are vital to ensuring good operation and delivery of an optimum service, helping our customers to a better overall result. In order to ensure that Norwegian maritime competence is also developed and utilised in the future, the industry is dependent on stable and predictable framework conditions. The availability of training positions is vital to building up expertise over time, even in a cyclical industry.

Eidesvik currently employs both Norwegian and international crew on board its vessels.

There is a strong need for personnel with maritime competence.

Legislation on net pay schemes is a positive move on the part of the political authorities. However, Eidesvik believes that net pay schemes should be further reinforced.

Historically, the Company has been at the forefront of increasing the recruitment of Norwegian seafarers. Considerable resources have been allocated to this work through initiatives to increase the incentives for young people to choose a maritime education. The Company cooperates in various forums to strengthen and enhance Norwegian maritime competence. At the same time, the industry is experiencing increasing international competition, not least when it comes to expertise and costs. It is important for further investment in Norwegian maritime competence in the future that the framework conditions should be organised in such a way as to make it attractive for the industry to build up Norwegian maritime competence over time.

CORPORATE SOCIAL RESPONSIBILITY

The Company's core values and ethical policy are set out in "Ethical guidelines and core values for Eidesvik Offshore ASA", and its social responsibility policy is covered by the "Human rights policy" and "Environmental policy". These state that the work of achieving the business goals must be carried out to high ethical standard and in a manner calculated to safeguard the environment and society. This means that we should act with respect and honesty towards customers, suppliers, employees, authorities, owners and society, and that the Company and the individual should comply with relevant legislation. The policy states that the Company and the individual employee should refrain from all forms of corruption, and sets out how the Company's employees should act if they are offered gifts or other benefits because of their employment.

It is further stated that the Company and all employees must comply with all recognized rules for human rights, including refraining from all forms of discrimination.

No breaches of the Company's ethical policies were recorded in 2023.

BUSINESS SEGMENTS AND OUTLOOK

Eidesvik owns and operates vessels in the two segments of Supply and Subsea/Wind.

Supply

At year end 2023, Eidesvik operated 8 large supply vessels. Out of the supply vessels, 5 run on LNG, and all 8 have batteries and hybrid solutions installed.

Viking Lady continued on its contract for Aker BP which runs till February 2026. The vessel is scheduled for its 15- year class renewal in Q2 2024.

Viking Prince continued on its contract with Aker BP till December 2025.

Viking Avant was on charter to Equinor entire 2023, and will continue to be on a firm contract with Equinor till December 2025 with options for extensions. The vessel is scheduled for its 20- year docking in Q4 2024.

Viking Queen traded in the spot market in in Q1, 2023 and went for docking in February 2023. It is now on a long-term contract for Wintershall Dea till October 2025 with options for extensions.

Viking Energy worked for Equinor entire 2023, as it has done since the vessel was delivered in 2003. The firm contract for the vessel is to April 2025 with options for extensions. The vessel had its 20- year class renewal in Q2 2023.

Viking Princess worked for Wintershall Dea entire 2023. Wintershall Dea has declared options to extend the contract to January 2025, and has two further options for extension.

Macro drivers for offshore service suppliers are strong. The market continued to improve in all the company's operating segments during 2023. Operators increased activity levels and tighter vessel supply ensured favorable market conditions for vessel owners. At the end of the year all the company's vessels are on long-term contracts.

For 2024 it is expected that the market rates for supply vessels will continue to improve due to high activity levels globally, limited vessel supply and lack of new capacity entering the market.

Subsea/Wind

Eidesvik currently has four vessels in the Subsea/Wind segment, of which one is owned in a JV with Subsea 7 (50/50) and one was acquired in March 2023 in an entity formed with Reach Subsea (controlled and 50.1% owned by Eidesvik).

Viking Wind Power continued on its contract with Siemens Gamesa all year.

Subsea Viking entered into a 5-year contract for Van Oord in the offshore wind segment in March 2023. The vessel had its 25- year class renewal docking in Q1 2024.

Seven Viking is on contract for Subsea 7 to November 2025 with a 1-year option thereafter. The vessel had it its 10- year class renewal in Q1, 2023

Viking Reach is on a 6-year contract with Reach Subsea. The vessel is scheduled for its 15- year class renewal in Q3 2024.

There were visible improvements in the subsea segment throughout 2023, a trend we expect to continue in 2024 and beyond. The utilization levels for the global subsea fleet are high combined with a very strong subsea project pipeline ahead and limited new vessel capacity in the market. We foresee a very favorable market for subsea vessel tonnage in a long-term perspective.

The offshore wind segment experienced some slowdown during the year due to lack of sufficient returns in the supply chain. Certain signs of recovery were still visible with 2023 experiencing a record high FID (Final investment decision) level and committed vessel years increasing year on year. We foresee a positive market development in this segment in a medium to long-term perspective, driven by the steadfast political dedication to increase production of clean energy.

BØMLO, 23 APRIL 2024

Arne Austreid Chair of the Board	Lars Eidesvik Board member	Lauritz Eidesvik Board member	John Stangeland Board member
Bjørg Marit Eknes Board member	Annicken Kildahl Board member	Kristine E. Skeie Board member	Petter Lønning Board member
Gitte Gard Talmo CEO			

Declaration by the Board of Directors and CEO

The Board and the CEO have today reviewed and approved the annual report and the consolidated annual accounts and notes for Eidesvik Offshore ASA as at 31 December 2023, and for the year 2023, including consolidated comparative figures as at 31 December 2022, and for the year 2022.

The annual accounts are submitted in accordance with the requirements of IFRS as adopted by the EU and additional Norwegian requirements in the Securities Trading Act.

The Board and CEO believe that the annual accounts for 2023 have been prepared in accordance with applicable accounting standards, and that the information in the accounts gives a true picture of the Group's assets, liabilities, financial position and overall performance as at 31 December 2023, and 31 December 2022. To the best of the Board's and CEO's knowledge, the director's report gives a true view of important events during the accounting period and their influence on the annual accounts. To the best of the Board's and CEO's knowledge, the description of the most important risk and uncertainty factors the business is facing in the next accounting period, as well as the description of significant transactions with related parties, gives a true account.

BØMLO, 23 APRIL 2024

Arne Austreid Chair of the Board	Lars Eidesvik Board member	Lauritz Eidesvik Board member	John Stangeland Board member
Bjørg Marit Eknes Board member	Annicken Kildahl Board member	Kristine E. Skeie Board member	Petter Lønning Board member
Gitte Gard Talmo CEO			

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
(NOK 1,000)

	Note	2023 1.1-31.12	2022 1.1-31.12
Freight revenue	4	699 459	634 722
Gain/loss on sale	4	21 574	269 723
Other income	5	51 326	14 102
Total operating income	4	772 359	918 547
Payroll expenses	11	317 983	302 425
Other operating expenses	6	120 809	121 910
Total operating expenses		438 791	424 335
Operating profit before depreciation and impairment		333 567	494 213
Depreciation	12,21	160 984	142 907
Impairment/ reversal of impairment of tangible fixed assets	12	-409 062	-209 237
Operating result before result from Joint ventures and associated companies		581 646	560 543
Result from Joint ventures and associated companies	7	-4 410	-9 120
Operating profit		577 236	551 423
Financial income	8	19 671	14 421
Financial expenses	8	-75 326	-93 845
Changes in market value, derivatives	8	10 860	51 142
Net currency gain/loss	8	771	-116 357
Net financial items		-44 025	-144 639
Profit/loss before taxes		533 211	406 784
Tax costs	9	11	-49
Profit/loss for the year		533 222	406 736
Attributable to:			
The parent company's shareholders		514 742	346 056
Non-controlling interests	7	18 481	60 680
Profit/loss for the year		533 222	406 736
Earnings per share	10	7,05	5,57
Diluted earnings per share	10	7,05	5,57

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (NOK 1,000)

	Note	2023 1.1-31.12	2022 1.1-31.12
Statement of comprehensive income			
Profit/loss for the year		**533 222**	**406 736**
Items that will not be reclassified via profit/loss in later periods			
Actuarial gains/losses	18	**-962**	**213**
Total comprehensive income for the year		**532 261**	**406 948**
Attributable to:			
The parent company's shareholders		**513 780**	**346 268**
Non-controlling interests		**18 481**	**60 680**
Total comprehensive income for the year		**532 261**	**406 948**

CONSOLIDATED STATEMENT OF BALANCE SHEET
(NOK 1,000)

	Note	31.12.2023	31.12.2022
Assets			
Non-current assets			
Vessels	12	**1 675 133**	**1 062 780**
Buildings, land and other operating assets	12	**18 255**	**18 547**
Financial derivatives	22	**3 129**	**30 065**
Right-of-use asset	21	**76 542**	**55 489**
Investments in joint ventures	7	**132 905**	**137 882**
Investments in associates	7	**3 700**	**3 118**
Pension funds	18	**0**	**417**
Other non-current receivables	13	**20 912**	**39 769**
Total non-current assets		**1 930 575**	**1 348 068**
Current assets			
Accounts receivable	14	**227 545**	**141 759**
Derivatives	22	**14 267**	**32 115**
Other current assets	15	**44 898**	**80 744**
Cash and cash equivalents	16	**498 825**	**655 653**
Total current assets		**785 534**	**910 271**
Assets held for sale	4, 7, 12	**0**	**80 695**
Total assets		**2 716 109**	**2 339 034**

CONSOLIDATED STATEMENT OF BALANCE SHEET
(NOK 1,000)

	Note	31.12.2023	31.12.2022
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the Company's shareholders:			
Share capital	17	3 649	3 108
Share premium		301 054	177 275
Other reserves		-1 339	-377
Other equity		1 199 437	684 797
Total equity majority shareholders		1 502 801	864 802
Non-controlling interests		112 853	63 245
Total equity		1 615 654	928 047
Liabilities			
Non-current liabilities			
Interest-bearing debt	20	678 448	43 169
Lease liabilities	21	69 571	53 973
Pension liabilities	18	189	0
Total non-current liabilities		748 208	97 142
Current liabilities			
Interest-bearing debt	20	123 457	989 534
Lease liabilities	21	8 000	4 217
Accounts payable		44 100	30 022
Tax payable	9	5	0
Other current liabilities	19	176 685	177 707
Total current liabilities		352 247	1 201 480
Liabilities related to Assets held for sale	20	0	112 365
Total liabilities		1 100 455	1 410 988
Total equity and liabilities		2 716 109	2 339 034

BØMLO, 23 APRIL 2024

Arne Austreid
Chair of the Board

Lars Eidesvik
Board member

Lauritz Eidesvik
Board member

John Stangeland
Board member

Bjørg Marit Eknes
Board member

Annicken Kildahl
Board member

Kristine E. Skeie
Board member

Petter Lønning
Board member

Gitte Gard Talmo
CEO

CONSOLIDATED STATEMENT OF CASH FLOW
(NOK 1,000)

	Note	2023 1.1-31.12	2022 1.1-31.12
Cash flow from operations			
Payments from customers		613 673	613 906
Payment to suppliers, employees and others		-442 676	-473 198
Payments from reimbursement scheme, Norwegian seamen		66 255	64 950
Interest received		14 043	3 338
Net paid and refunded taxes		0	-135
Net cash flow from operating activities		251 295	208 861
Cash flow from investment activities			
Sales of tangible fixed assets	12	128 806	1 230 746
Received long-term receivables	13	49 874	44 102
Sales of other investments	12	37 314	0
Purchase of tangible fixed assets	12	-388 615	-103 410
Net cash flow from investment activities		-172 621	1 171 438
Cash flow from financing activities			
Received net funds from private placement	17	28 321	0
Equity contribution related to establishment of Eidesvik Reach AS	7	191 617	0
Installment financial lease	21	-7 844	-4 890
New debt	20	1 567 616	0
Unwound interest derivatives	22	45 676	0
Repayment of debt	20	-1 931 973	-965 921
Paid interest	20	-65 876	-91 009
Paid dividend to minority interests	7	-64 330	0
Net cash flow from financing activities		-236 793	-1 061 820
Currency gain/loss on cash and cash equivalents		1 292	6 773
Net increase (decrease) in cash and cash equivalents		-156 828	325 252
Cash and cash equivalents at start of period	16	655 653	330 401
Cash and cash equivalents at end of period	16	498 825	655 653

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (NOK 1,000)

	Share capital	Share premium	Other reserves	Other equity	Total	Minority share	Total equity
Equity at 01.01.2022	3 108	177 275	-590	338 742	518 534	2 565	521 098
Result for the year	0	0	0	346 056	346 056	60 680	406 736
Actuarial effects	0	0	213	0	213	0	213
Total comprehensive income	0	0	213	346 056	346 268	60 680	406 948
Equity at 31.12.2022	3 108	177 275	-377	684 797	864 802	63 245	928 047
Result for the year	0	0	0	514 742	514 742	18 481	533 222
Actuarial effects	0	0	-962	0	-962	0	-962
Total comprehensive income	**0**	**0**	**-962**	**514 742**	**513 780**	**18 481**	**532 261**
Private placement*	542	123 779	0	0	124 321	0	124 321
Change in non-controlling interests **	0	0	0	0	0	31 128	31 128
Other adjustments	0	0	0	-102	-102	0	-102
Equity at 31.12.2023	**3 649**	**301 054**	**-1 339**	**1 199 437**	**1 502 801**	**112 853**	**1 615 654**

* 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, paid dividend from Eidesvik Neptun AS, and purchase of 7.77% of the minority shares in Eidesvik Neptun AS. Eidesvik Neptun AS was closed in November 2023.

NOTES TO THE CONSOLIDATED ACCOUNTS

Note 1

Eidesvik Offshore ASA (the Company) and its subsidiaries (collectively the Group) offer services within the maritime sector. The Group operates in several segments where the main segments are seismic, subsea and platform supply vessel services. The Group's vessels are located across large parts of the world.

Eidesvik Offshore ASA is a public limited company registered in Norway and headquartered at Langevåg in Bømlo municipality. Eidesvik Offshore ASA is listed at the Oslo Stock Exchange and is subject to the provisions of the Public Limited Liability Companies Act with regards to limitations in shareholders' liability to the Company's creditors. The annual accounts were submitted by the Board on 23 April 2024, and approved for publication. The General Meeting approves the final annual accounts and is authorised to require changes to the accounts before it is approved. All amounts are presented in Norwegian kroner (NOK) and are rounded to the nearest thousand unless otherwise specified.

Information on the ultimate parent company is presented in Note 23.

Overview of Group relations:

Company	*Reg. office*	*Owner share*
Eidesvik Offshore Holding AS	Bømlo	100%
Eidesvik Shipping Investments AS	Bømlo	100%
Eidesvik Shipping AS	Bømlo	100%
Eidesvik AS	Bømlo	100%
Eidesvik MPSV AS	Bømlo	100%
Eidesvik Shipping International AS	Bømlo	100%
Eidesvik Subsea Vessels AS	Bømlo	100%
Eidesvik Management AS	Bømlo	100%
Eidesvik Maritime AS	Bømlo	100%
Eidesvik Neptun II AS	Bømlo	82.52%
Eidesvik Supply AS	Bømlo	100%
Hordaland Maritime Miljøselskap AS	Bømlo	91%
Norsk Rederihelsetjeneste AS	Bømlo	100%
Eidesvik Shipping II AS	Bømlo	100%

Eidesvik UK LTD	UK	100%
Eidesvik Reach AS	Bømlo	50.1%

Joint Ventures:

Eidesvik Seven AS	Bømlo	50%
Eidesvik Seven Chartering AS	Bømlo	50%

Please refer to Note 7 for further information.

In addition, the Group owns the following shares:

Simsea Holding AS	Haugesund	10.4%
Bleivik Eiendom AS	Haugesund	22.6%
Eidesvik Ghana Ltd.	Ghana	49%

The total book value of these amounts to MNOK 3.7 and is not considered material. Please refer to Note 7 for further information.

NOTE 2 – ACCOUNTING PRINCIPLES

The material information about accounting principles used in the preparation of the consolidated accounts are described below. These principles are applied in the same way in all periods presented, unless otherwise stated in the description.

2.1 Main principles

The consolidated accounts of the Eidesvik Offshore Group ("the Group") have been prepared in accordance with recognition, measurement and presentation principles consistent with IFRS® Accounting Standards as adopted by the EU ("IFRS").

Cash flow statements are prepared according to the direct method. Received interest is classified under operating activities, while paid interest and dividend are classified under financing activities.

2.2 Principles of consolidation

The consolidated accounts consist of Eidesvik Offshore ASA and its subsidiaries.

a) Subsidiaries

Subsidiaries are entities where the Group has controlling influence on the entity's financial and operational strategy, normally through owning more than half the voting capital and where rights held by other parties mainly are protective rights and do not provide the other parties with control over the subsidiary.

b) Joint ventures

The Group's investment in its joint ventures are accounted for under the equity method of accounting. A joint arrangement is either a joint operation or a joint venture. Companies where the Group has joint control with another party, are defined as joint ventures, as it has rights to the net assets of the arrangement. Joint ventures exist if there is 50/50 ownership, or if it is otherwise regulated so that the parties have joint control.

The Group does not recognise its share of deficits if this means that the capitalised value of the investment will be negative (including unhedged receivables on the entity), unless the Group has assumed liabilities or provided guarantees for the joint venture's liabilities.

c) Non-controlling interests

Non-controlling interests' (minority interests) share of the equity is shown on a separate line in the Group's equity. Non-controlling interests include the minority share of the capitalised value of subsidiaries, including the share of identifiable added value at the time of acquisition of a subsidiary.

2.3 Segment Information

The Group's reporting format is divided in business segments as this is reflecting the key areas for the business. The primary operating segments are divided into Supply vessels (PSV), Subsea/Wind, Seismic and SG&A/other. All four seismic vessels were sold in 2023, and this segment will be eliminated going forward.

As the joint ventures are significant with regard to the core activities, gross figures from underlying companies are included in segment information with the proportional values according to ownership.

2.4 Conversion of foreign currencies

a) Functional currency and presentation currency

The accounts of the individual entities in the Group are measured in the currency mainly used in the economic area where the entity operates (functional currency). The consolidated accounts are presented in Norwegian kroner (NOK), which is both the functional currency and the presentation currency of the parent company.

b) Transactions and balance sheet items

Transactions in foreign currencies are translated to the functional currency using the transaction exchange rate. Currency gain and loss occurring when paying such transactions, and when translating monetary items (assets and liabilities) in foreign currencies at year end on the balance sheet date, are recognised. Monetary items and liabilities in foreign currencies are translated at the exchange rate of the balance sheet date. Currency gains and losses are included in the income statement as "Net currency gain/loss".

2.5 Vessels, depreciation and other fixed assets

Vessels and other fixed assets are recognised at historical cost minus accumulated depreciation and impairments. Each part of the asset that has a material share of the total cost is depreciated separately and linearly over the useful life of the asset to the residual value, which is determined based on the scrap value. Components with the same useful life are depreciated as one component. The depreciation period and method are evaluated at each balance sheet date to ensure that the method and the period used correspond with the financial realities for the asset. The same applies to scrap value, which is subject to an annual assessment.

Estimated useful life:

Vessels	15-30 years
Property/fixtures	5-20 years
Equipment	3-5 years
Periodic maintenance	30-60 months
Port facilities	N/A

At the time of delivery for new vessels, an amount corresponding to the expected cost at the first ordinary classification/periodic maintenance is separated. This amount is depreciated over the period until the next docking date. Costs associated with subsequent periodic maintenance are capitalised and depreciated until the next equivalent periodic maintenance. Costs of ongoing maintenance and minor repairs and maintenance are expensed as they incur.

2.6 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognized lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognized right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the assets. The remaining depreciation periods are as follows:

Buildings	4-9 years
Vehicles	6-38 months
Equipment	~7 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date when the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is estimated based on the rate of interest that the Group would have to pay to borrow, over a similar term and with a similar security, funds to obtain a similar asset. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases

Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

2.7 Assets held for sale

Non-current assets held for sale consist of vessels that have been decided to be disposed of, by sale or otherwise. Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and their fair value less costs of disposal. Any excess of the carrying amount over the fair value less cost of disposal is recognized as an impairment loss. Depreciation of such assets is discontinued as from their classification as held for sale.

2.8 Impairment and reversal of previous impairment of fixed assets

Impairment tests are performed on individual cash generating units (vessels) when indications of impairment or reversal of previous impairments are identified.

Refer to Note 2.23 and 12 for further information.

2.9 Sale of vessels

Gain or loss on the sale of vessels is recorded on a separate line.

2.10 Derivatives and hedging

The Group uses derivatives such as currency contracts and interest caps/swaps to reduce the risk associated with currency and interest rate fluctuations. The derivatives are presented as an asset with a positive value or a liability with a negative value. The Group does not use accounting hedging. The purpose of the derivatives is to secure the Group's cash flow against the mentioned fluctuations. Refer to Note 22 for an overview of the Group's derivatives at 31.12.2023.

2.11 Accounts receivable

Accounts receivable are measured the first time at the transaction price in accordance with IFRS 15. For subsequent measurements, accounts receivable is assessed at amortised cost determined by using the effective interest method, less provision for expected loss. The Group has chosen to apply the practical simplification approach to calculate losses on accounts receivable. The group has established a provision model that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The group has historical had minor losses on trade receivables. See Notes 3 and 14.

2.12 Cash and cash equivalents

Cash and cash equivalents consist of cash, bank deposits and other short-term and easily negotiable investments with a maximum of three months' original maturity.

2.13 Share capital

Ordinary shares are classified as share capital.

Expenses directly associated with issuing new shares are recorded as reduction in received consideration in equity (premium on shares). Other reserves are mainly related to actuarial effects.

2.14 Accounts payable

Payables are measured at fair value at the first recognition.

2.15 Loans

Loans are recognised at the accrued amount when the loan is disbursed, less transaction costs. In subsequent periods, loans are recognised at amortised cost using the effective interest method. Interest expense is recognized in profit/loss. The difference between the disbursed loan amount (minus transaction costs) and the redemption value is recognised over the term of the loan.

When loans are renegotiated, a view is taken as to whether the renegotiated loan should be treated as a continuation of the old loan or as a new loan. (see Note 8).

2.16 Revenue recognition principles

Revenue from the sale of goods and services is measured at fair value, net of commission, rebates and discounts. Revenue is recognised as follows:

Time charters

The Group's vessels are being contracted on time charters (TC). This means that the charter is agreed as a lease of a vessel with crew. The charterer decides (within agreed limitations) how the vessel is to be used. The time charter lapses in periods when the vessel is not operational (is "off hire").

In addition to leasing the vessel, there may be agreements for additional services in the form of hiring extra crew, sale of provisions and coverage of other operating expenses.

When a contract is cancelled, any remaining payments under the contract is recorded as revenue when the vessel is returned.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental revenue arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.17 Government grants

Subsidies from the net pay scheme and the reimbursement scheme for seamen are recorded as a cost reduction (under "payroll expenses").

2.18 Dividends

Disbursements of dividends to the Company's shareholders are classified as debt from the date when the dividend is determined by the general meeting.

2.19 Events after the balance sheet date

New information after the balance sheet date on the Company's financial position on that date has been considered in the annual accounts. Subsequent events that do not affect the Company's financial position on the balance sheet date, but will affect it in the future, are reported if they are significant.

2.20 Earnings per share accruing to the parent company's shareholders

The calculation of earnings per share is based on the majority share of net profit, using the number of shares at the end of the period. Diluted earnings per share is equal to basic earnings per share.

2.21 Taxes

Taxes are expensed as they are incurred. The tax expenses consist of tax payable and the change in deferred taxes. Deferred tax/deferred tax assets are calculated by the liability method. Deferred tax/deferred tax assets are calculated based on tax rates and tax legislation which has been adopted (or adopted for all practical purposes) on the balance sheet date, and which is assumed to be used when the deferred tax is settled. Deferred tax/deferred tax assets are calculated per tax area and is presented gross in the balance sheet.

Deferred tax assets are recognised to the extent that it is likely that there will be taxable income in the future, and that the temporary differences can be deducted from this income.

The parent company and some other companies in the Group are subject to ordinary taxation. Several companies in the Group are subject to tonnage tax, classified as an operating expense and not in accordance with IAS 12.

Taxes abroad are recorded in the periods in which they are incurred. To the extent that tax is calculated on the gross basis of income, this is classified as an income reduction and presented together with operating income. Taxes abroad calculated on the basis of net profit are classified as tax costs and accounted for as described above.

2.22 Changes in accounting policies

The accounting principles applied are consistent with the principles used in previous periods, and no changes in accounting principles had material effect on the Group's accounts.

2.23 Significant accounting estimates and matters associated with uncertainty in estimates

The management reviews estimates on an ongoing basis, based on both history and experience, but also from consultations with experts, trend analyses, and other methods which are considered relevant for each estimate. Estimates and assessments that could have a significant effect on the accounts are described below.

a) Vessels

- Economic life/useful life

The level of depreciation depends on the estimated economic life of the vessels. The estimate is based on history and experience related to the vessels which are included in the Group. The Group's main strategy is to keep the vessels until they are scrapped. However, there are ongoing evaluations where the main strategy can be deviated from when financial conditions dictate. The estimate is reviewed each year. A change in the estimate will affect depreciation in future periods.

- Residual value at the end of economic life

The level of depreciation depends on the estimated residual value on the balance sheet date. Expected residual value is based on the knowledge of scrap values for vessels. The scrap value is dependent on steel prices. The estimate of scrap value is subject to annual review.

- Impairment/reversal of previous impairment

On the balance sheet date, the Group has made an assessment of whether there are indications that vessels may need to be impaired, or previous impairments may need to be reversed.

When indications for impairment exist, the recoverable amount for the vessel is estimated, and the value of the vessel is written down to the recoverable amount. If indications for reversal of previous impairment exist, the recoverable amount for the vessel is estimated, and previous impairments are reversed limited to lower of the recoverable amount for the vessel and the amount equal to the previous impairments for the vessel.

Refer to Note 12 for more details on the principles, estimates and matters associated with uncertainty in the estimate that have been applied.

b) Long-term receivables

Under other non-current receivables, the Group recorded in 2017 a receivable of MUSD 27.5 (total MNOK 235). The 2017 accounts assumed that the receivables from Global Seismic Shipping AS had a value of 45% of par. Consequently, in the accounts as at December 31, 2017, these receivables were written down by 55%. No changes have been made to this as of December 31, 2023.

If the reason for the impairment lapses at a later time, and the lapse can be tied to an event taking place after the impairment is recognised, the previous impairment is reversed. This evaluation has to be made each quarter based on an overall assessment. Refer to Note 13 for a more detailed description/analysis. As the repayments are repaid, the impaired part of the payment is recorded as other income and/or a reduction in financial expenses.

c) Climate and Regulatory Risks

In preparing the financial statement, the Group, has considered the impact of regulatory changes, in particular in the context of climate change risks. The considerations did not impact our the Company's judgement and estimates in the current year. Climate risk is also considered in estimates that include the use of future cashflows.

The most important key assumptions and sources of uncertainties identified for future cashflows are in connection with climate and regulatory risks are:

- Useful life of vessels, there are no known regulatory changes that in the Group's opinion affects the useful life of the current fleet.
- Residual value of vessels, there are no known regulatory changes that in the Group's opinion affects the residual value of the current fleet.
- Cash flow from operations, to the extent the effect of a regulatory change can be estimated and is applicable this has been included in the future estimated cash flows
- Short term and long- term investments, the Company has estimated investments needed in the next 5 years to be in compliance with known regulatory changes.

Eidesvik has been a frontrunner in adopting new technologies that reduces emissions. By the end of 2023 83% of the fleet has hybrid fuel solutions and the company achieved 19% year on year reduction in tons CO_2 equivalent reduction per day.

Refer to Note 12 for more information.

NOTE 3 – FINANCIAL RISK MANAGEMENT

Financial risk

The Group is exposed to a variety of financial market risk factors through its activities. Financial market risk is the risk that fluctuations in exchange rates, interest rates and charter rates will affect the value of the Group's assets, liabilities and future cash flows.

The Group's overall risk management plan focuses on the unpredictability of the capital markets and seeks to minimize the potential adverse effects on the Group's financial performance. Elements included in the management of financial risk are the contract length on charters, use of currency and interest-bearing instruments, and debt in the same currency as expected payments of charter income. The main focus for the management of currency and interest rate risk is to hedge future cash flows. The hedge positions for the cash flows are recorded at fair value with value changes through profit/loss. This exposes the accounts to fluctuations in the value of the hedging instruments for the cash flow. In Eidesvik Offshore ASA, risk management of the revenues reported in the accounts is subordinate to risk management of the cash flows. The Group does not perform hedge accounting.

The Group's risk management is handled by management according to guidelines from the Board.

a) Market risk

(i) Currency risk (see also Note 23)

The Group operates internationally and is exposed to fluctuations in exchange rates for several currencies. Currency risk arises from future transactions, and relates to booked assets and liabilities.

To manage the currency risk from future commercial transactions and booked assets and liabilities, the Group uses currency derivatives.

The Group is particularly exposed to fluctuations in USD, as it has considerable charter income but low operating costs in this currency. It seeks to reduce fluctuations with loans and currency forward contracts in the same currency. At December 31, 2023, the Group's long-term liabilities were divided between 84% NOK and 16% USD, where USD liabilities are related to the vessel Viking Reach. At December 31, 2022 it was 73% NOK and 27% USD.

The Group's exposure to USD on the balance sheet date is shown in table below, and is significantly reduced due to the sale of Viking Neptun in 2022. The table below shows estimated change in net profit before tax in million NOK if the USD rate against NOK had been 50 øre higher/lower at December 31, 2023.

	+50 øre	-50 øre
Agio/disagio	-5,1	5,1
Profit/loss for the year	-5,1	5,1
Translation difference, shares	0,0	0,0
Total comprehensive income	-5,1	5,1

(ii) Interest rate risk (see also Note 23)

The Group's interest rate risk is related to long-term loans and deposits of surplus liquidity. Loans with floating interest rates involve a risk for the Group's cash flow. Fixed rate loans exposes the Group to fair value interest rate risk. As of December 31, 2023, the Group did not have any fixed rate loans. The interest rate risk is managed by use of interest derivatives (swaps and caps) within guidelines from the Board.

The effect of a change in interest rates is simulated in order to support decisions on fixed rate contracts. The simulation illustrates the cash effect of a change in interest rate based on the size of the loan and the level of current interest rate hedging. An increase of 1 percentage point in the interest rate, all else being equal, would decrease net profit before tax by approximately MNOK 3.2.

(b) Credit risk

The Group has a concentration risk as charter contracts are signed with relatively few customers. Eidesvik's customers are mainly solid companies with good solvency. The risk of counterparties not having the financial capacity to fulfil their obligations is considered relatively low. Overdue receivables are followed up monthly. The Group has chosen to apply the practical simplification rule to calculate losses on accounts receivable. Loss provisions are raised based on historical data, adjusted for forward-looking factors specific to the debtors and the economic environment.

The following table categorises the Group's receivables according to the risk of non-recovery of outstanding amounts:

Accounts receivable	**2023**	2022
Group 1	**210 924**	138 779
Group 2	**16 547**	357
Group 3	**73**	2 623
Total	**227 545**	141 759

Group 1: Established customer relationship, good solvency/willingness

Group 2: New customers, possibly slow recovery

Group 3: Established customer relationship, weaker solvency/willingness

The Group has significant long-term receivables from a company in the Global Seismic Shipping AS group that was sold in January 2020. These receivables are posted in the accounts at a significantly lower value due to provisions for counterparty risk from the company's charterer. The recorded value of the receivables was measured for revenue recognition in 2017 at less than the nominal value. This was in accordance with observable sales of securities issued by the same counterparty. The credit risk on the receivables is considered to be lower, and indications of changes in the valuation of these are assessed continuously. The impairment of the long-term receivables has been reversed to reflect the repayments received. See Notes 5 and 13 for further information.

Maximum risk exposure is represented by the capitalised value of the financial assets, including derivatives, on the balance sheet. As the counterparties in derivatives trading are large well-known banks, the credit risk associated with derivatives is considered low.

(c) Liquidity risk

The Group aims to manage the cash flow from operations by focusing on long-term charters with little price volatility. Surplus liquidity is mainly placed in ordinary bank deposits.

The Group monitors the risk of a lack of available capital through liquidity budgets for subsequent years, as well as a monthly 24-month liquidity forecasts. Longer term liquidity forecasts are prepared several times per year.

The liquidity position is assessed as satisfactory as long-term financing is in place till December 20, 2027. In addition, all vessels are on term contracts securing cash flow going forward.

See also Note 20 for information on amortisation profiles/refinancing needs for long-term liabilities.

The following table sums up the maturity profile for the Group's liabilities at December 31, 2023, based on contractual, non-discounted cash flows. Estimated interest is based on current interest and exchange rates at December 31, 2023.

Maturity statement for capitalised liabilities, December 31, 2023:

	2024	2025	2026	2027	2028	Later
Loans	121 192	121 192	121 192	411 334	30 597	0
Accrued interest	2 265	0	0	0	0	0
Derivatives	-14 267	-3 129	0	0	0	0
Accounts payable	44 100	0	0	0	0	0
Other current liabilities	176 915	0	0	0	0	0
Subtotal debt items excl. market value derivatives	330 204	118 063	121 192	411 334	30 597	0
Estimated interest						
Interest payments on existing loans	64 307	54 003	43 697	33 393	708	0
Adjustment incurred 31.12.2022	-2 265	0	0	0	0	0
Subtotal assumed interest	62 042	54 003	43 697	33 393	708	0
Leases						
Leases (Note 22)	12 375	12 328	12 328	12 266	12 113	34 457
Total contractual commitments falling due	404 622	184 394	177 217	456 994	43 418	34 457

Maturity statement for capitalised liabilities, December 31, 2022:

	2023	2024	2025	2026	2027	Later
Loans*	1 095 934	43 542	0	0	0	0
Accrued interest	5 965	0	0	0	0	0
Derivatives	-17 766	-17 766	-8 883	0	0	0
Accounts payable	30 022	0	0	0	0	0
Other current liabilities	177 707	0	0	0	0	0
Subtotal debt items excl. market value derivatives	1 291 862	25 776	-8 883	0	0	0
Estimated interest						
Interest payments on existing loans	68 027	1 550	0	0	0	0
Adjustment incurred 31.12.2022	-5 965	0	0	0	0	0
Subtotal assumed interest	62 062	1 550	0	0	0	0
Leases						
Leases (Note 22)	7 687	7 656	7 608	7 608	7 546	34 467
Total contractual commitments falling due	1 361 611	34 981	-1 275	7 608	7 546	34 467

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

Risk management of capital

A primary goal for the Group is to secure long-term financing of its assets. In 2023, the Group refinanced its main part of debt twice. First in March 2023, and secondly in December 2023. The main reason for the second refinancing was the opportunity for a substantially better refinancing on all terms. New debt maturity is in December 2027. Please see Note 20 for further information.

Assessment of fair value

IFRS 7 requires financial instruments measured at fair value on the balance sheet date to be presented by level, with the following level classification for measuring fair value:

Level 1) Quoted price in an active market for an identical asset or liability

Level 2)	Valuation based on other observable factors, either directly (price) or indirectly (derived from prices) other than the quoted price (used in level 1) for the asset or liability
Level 3)	Valuation based on factors not taken from observable markets (non-observable assumptions)

The following balance sheet items represent financial instruments at fair value:

Balance sheet item:	Level
Cash and cash equivalents	1
Derivatives	2

Derivatives are recognised on the basis of valuations from the counterparty (mark to market).

Debts to credit institutions with floating interest rates are recognised at amortised cost, and are valued at approximate fair value. Fixed-rate loans (CIRR) are recorded at amortised cost, and the estimated value is described in Note 22. The fair value of fixed-rate loans is calculated by discounting the difference between the fixed rate and the market rate at year-end, with a duration equal to the term of the loan. The Group did not have any fixed-rate loans at 31 December 2023.

Cost is considered equivalent to fair value for the equity investments discussed in Note 7.

NOTE 4 – SEGMENT INFORMATION

The Group's activities are divided into strategic operating segments according to the nature of the vessels' activities. The various operating segments offer different shipping services, address partially different customer groups, and have different risk profiles. The Group is divided into the following operating segments:

a. Supply

b. Subsea/Offshore Wind

c. Seismic

d. Other

The Supply segment delivers services to the offshore oil industry. The vessels deliver supplies to rigs, and function as part of the rig's emergency preparedness.

The Subsea/Offshore Wind segment delivers shipping services for subsea work for the oil industry. The vessels are specially adapted to tasks such as subsea inspection, maintenance, repairs and construction. Several of the Company's subsea vessels meet the requirements in the Offshore Wind market, and one vessel is currently chartered in this market.

Regarding the Seismic segment, the Group sold all four vessels during 2023. This segment will be eliminated going forward.

Other represent the SG&A that mainly provide corporate, management and crew services.

Transactions between segments are eliminated. These are mainly administration costs that are charged to each segment.

Long-term financial items in the Group are not allocated, as the Group's liabilities are mainly included in fleet facilities.

Short-term liabilities are allocated to the segments where possible. Items that do not belong to any of the segments is recorded under "Other".

Segment performance is assessed on the basis of operating profit, and is consistently measured against operating profit in the consolidated financial accounts.

Operating segments

(NOK thousands)	Supply		Subsea / Offshore Wind		Seismic		Other		Consolidated	
Operating segments	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Segment result										
Operating income (IFRS 15)	**224 821**	200 642	**149 568**	128 123	**0**	0	**28 567**	24 083	**402 956**	352 849
Bareboat income (IFRS 16)	**165 023**	103 215	**133 931**	164 554	**11 257**	28 206	**0**	0	**310 211**	295 975
Operating income from JV * (IFRS 15)	**0**	0	**37 229**	38 250	**0**	0	**0**	0	**37 229**	38 250
Bareboat income from JV * (IFRS 16)	**0**	0	**13 941**	15 645	**0**	0	**0**	0	**13 941**	15 645
Gain/loss on sale / Other	**0**	0	**0**	269 723	**21 574**	0	**37 618**	0	**59 192**	269 723
Total operating income	**389 844**	303 857	**334 669**	616 296	**32 831**	28 206	**66 185**	24 083	**823 529**	972 442
Operating expenses	**233 286**	210 783	**136 287**	141 448	**7 562**	18 975	**61 656**	53 128	**438 791**	424 334
Operating expenses share from JV *	**0**	0	**39 796**	37 783	**0**	0	**0**	0	**39 796**	37 783
Total operating expenses	**233 286**	210 783	**176 083**	179 231	**7 562**	18 975	**61 656**	53 128	**478 587**	462 117
Depreciation	**95 851**	84 192	**58 658**	38 916	**0**	14 026	**5 444**	5 773	**160 983**	142 907
Depreciations share from JV *	**0**	0	**21 837**	18 925	**0**	0	**0**	0	**21 837**	18 925
Impairment on assets /reversal impairment	**-317 100**	-188 726	**-54 207**	-36 564	**-37 755**	16 053	**0**	0	**-409 062**	-209 237
Impairment on assets /reversal impairment share from JV *	**0**	0	**-14 413**	0	**0**	0	**0**	0	**-14 413**	0
Total depreciation	**-221 249**	-104 534	**11 876**	21 277	**-37 755**	30 079	**5 444**	5 773	**-240 654**	-47 405
Operating profit incl. share of the JVs *	**377 807**	197 608	**146 710**	415 788	**63 024**	-20 848	**-915**	-34 818	**585 595**	557 730
Net finance items and tax in JV*	**0**	0	**-8 926**	-6 831	**0**	0	**0**	0	**-8 926**	-6 831
Impairment JV **	**0**	0	**0**	0	**0**	0	**0**	0	**0**	0
Share of profit from associated companies	**0**	0	**0**	0	**0**	0	**567**	523	**567**	523
Operating profit	**377 807**	197 608	**137 784**	408 958	**63 024**	-20 848	**-348**	-34 295	**577 236**	551 423
Net financial items									**-44 025**	-144 639
Tax costs									**11**	-49
Profit/loss for the year									**533 222**	406 736

In 2023, the Supply segment had a reversal of MNOK 317.1, the Subsea/Offshore Wind segment had a reversal of MNOK 54.2, and the Seismic segment had a reversal impairment of MNOK 37.7.

In 2022, the Supply segment had a reversal of previous impairment of MNOK 188.7, the Subsea/Offshore Wind segment had a reversal of previous impairment of MNOK 36.6, and the Seismic segment had an impairment of MNOK 16.1.

*) For shares in joint ventures, the figures in the table are included with the share corresponding to the Group's ownership interest. In this note gross values are used in the result, versus equity method in the consolidated statement of profit/loss for shares in joint ventures. No changes in other principles. Refer to Note 7.

(NOK thousands)	Supply		Subsea / Offshore Wind		Seismic		Other		Consolidated	
Operating segments	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Segment assets	**1 156 186**	856 357	**687 139**	363 751	**0**	14 686	**241 055**	230 033	**2 084 380**	1 464 804
Proportion of assets in JV*	**0**	0	**293 630**	279 687	**0**	0	**0**	0	**293 630**	279 687
Unallocated assets (cash)	**0**	0	**0**	0	**0**	0	**0**	0	**498 825**	655 653
Assets held for sale	**0**	0	**0**	0	**0**	80 695	**0**	0	**0**	80 695
Total consolidated assets	**1 156 186**	856 357	**687 139**	363 751	**0**	95 381	**241 055**	230 033	**2 583 205**	2 201 153
Assets incl. share of JV*	**1 156 186**	856 357	**980 769**	643 438	**0**	95 381	**241 055**	230 033	**2 876 834**	2 480 839
Segment current liabilities (excl. mortgage debt)	**-13 742**	-14 509	**-9 523**	-18 357	**0**	-2 267	**-207 790**	-182 779	**-231 055**	-217 911
Proportion of debts from JV*	**0**	0	**-160 725**	-141 805	**0**	0	**0**	0	**-160 725**	-141 805
Segment mortgage debt and other long-term liabilities	**-497 389**	-644 941	**-301 089**	-201 219	**0**	-291 845	**-70 921**	57 294	**-869 400**	-1 080 711
Total liabilities incl. share of JV*	**-511 131**	-659 449	**-471 338**	-361 380	**0**	-294 112	**-278 712**	-125 485	**-1 261 180**	-1 440 427
Investments in non-current assets (excl. periodic maintenance)	**61 517**	14 615	**332 500**	29 235	**0**	1 416	**0**	0	**394 017**	45 266
Gross sales of non-current assets	**0**	0	**0**	944 093	**118 458**	0	**0**	0	**118 458**	944 093

*) For shares in joint ventures, the amounts in the table are included in proportions equal to the Group's ownership interest.

The sale of Viking Neptun in November 2022 significantly reduced the debt in the Subsea/Offshore Wind segment.

Information on large customers

The majority of the Group's income is earned from a small number of large customers. The table below shows the total operating income from all customers representing more than 10% of the Group's operating income. The amounts are distributed by segments.

Operating segments	Supply		Subsea / Offshore Wind		Seismic	
	2023	2022	**2023**	2022	**2023**	2022
Customer 1			**110 454**	89 764		
Customer 2	**139 540**	193 333				
Customer 3			**103 451**			
Customer 4	**167 286**	71 341				
Customer 5				207 181		
Customer 6			**87 596**			
Customer 7	**76 523**					
Total operating income large customers	**383 349**	264 674	**301 501**	296 945	**0**	0

Secondary segments are not reported. The Supply, Subsea/Offshore Wind and Seismic business segments are the only groups reported internally. Although the vessels in the Subsea/Offshore Wind segment operate in various parts of the world, this is mainly a consequence of the customer's preferred areas of operation, not necessarily a decision on a geographical focus area. Presenting geographical areas for this segment is considered misleading. For the Supply segment, all operations in 2022 and 2023 are in just one geographical area defined as Europe. Secondary segmentations is therefore omitted.

Refer to Note 21 for maturity for future lease income.

NOTE 5 – OTHER INCOME

(NOK thousands)	2023	2022
Sale of ancillary equipment	**37 314**	0
Reversal of previous write-downs related to receivables from JVs	**14 012**	14 102
Other income	**51 326**	14 102

Other income of MNOK 14.0 (14.1) is related to the reversal of previous impairments on repayments received against the claim against Oceanic Seismic Vessels AS, see Note 13.

NOTE 6 – OTHER OPERATING EXPENSES

(NOK thousands)	2023	2022
Technical operation of vessels	**96 678**	89 742
Insurance	**11 272**	13 774
Communication costs	**7 723**	6 726
Administrative costs	**5 136**	11 668
Other operating expenses	**120 809**	121 910

Technical operation of vessels includes ongoing operating costs and maintenance of the Group's vessels; classification costs are capitalised and depreciated until the next classification and so do not appear as a separate operating cost.

Administration costs consist mainly of travel, consultancy, legal, audit and other office costs.

Auditor:

(NOK thousands)	2023	2022
Statutory audit	**1 839**	1 772
Tax advice	**0**	48
Other audit services	**232**	316
Other operating expenses	**2 070**	2 136

The auditor's fees are presented excluding VAT.

NOTE 7 – INVESTMENTS IN JOINT VENTURES AND ASSOCIATED COMPANIES WITH MINORITY INTERESTS

(NOK thousands)

The Eidesvik Offshore ASA Group has the following investments in joint ventures:

Entity	Country	Industry	Ownership/ voting share	Book value 31.12.2022	Share of profit 2023	Book value 31.12.2023
Eidesvik Seven AS	Norway	Shipping company	50.0 %	121 439	270	**121 709**
Eidesvik Seven Chartering AS	Norway	Shipping company	50.0 %	16 443	-5 247	**11 196**
Total				**137 882**	**-4 977**	**132 905**

Entity	Country	Industry	Ownership/ voting share	Book value 31.12.2021	Share of profit 2022	Book value 31.12.2022
Eidesvik Seven AS	Norway	Shipping company	50.0 %	132 157	-10 718	**121 439**
Eidesvik Seven Chartering AS	Norway	Shipping company	50.0 %	15 368	1 075	**16 443**
Total				**147 526**	**-9 644**	**137 882**

Eidesvik Seven AS and Eidesvik Seven Chartering AS are classified as joint ventures, as Subsea 7 Norge AS and Eidesvik each own 50% of the shares in the company. Eidesvik Shipping AS is indirectly guarantor for 50% of the debt in Eidesvik Seven AS.

Summary of financial information for the joint ventures:

2023:

2023

Entity	Assets	Non-current assets	Current assets	Of this bank	Equity	Liabilities	Long-term	Short-term
Eidesvik Seven AS	513 330	511 911	1 419	760	243 417	269 913	200 746	69 167
Eidesvik Seven Chartering AS	73 925	0	73 925	18 377	22 388	51 537	0	51 537

Entity	Revenue	EBITDA	Depr. / impairment	Financial income	Financial expenses	Net financial items	Taxes	Profit/loss for the year	Group share
Eidesvik Seven AS	35 417	33 942	14 849	110	18 664	-18 553	0	539	**270**
Eidesvik Seven Chartering AS	104 595	-11 194	0	788	87	701	0	-10 493	**-5 247**
									-4 977

2022:

Entity	Assets	Non-current assets	Current assets	Of this bank	Equity	Liabilities	Long-term	Short-term
Eidesvik Seven AS	504 647	485 355	19 292	9 341 471	242 877	261 770	255 589	6 182
Eidesvik Seven Chartering AS	54 726	0	54 726	31 323	32 886	21 839	0	21 839

Entity	Revenue	EBITDA	Depr. / impairment	Financial income	Financial expenses	Net financial items	Taxes	Profit/loss for the year	Group share
Eidesvik Seven AS	31 290	29 801	37 851	87	13 473	-13 387	0	-21 437	**-10 718**
Eidesvik Seven Chartering AS	107 790	2 546	0	394	18	376	650	2 272	**1 075**
									-9 644

Associated companies

The group has the following investments in these individual associated companies:

2023:

Entity	Country	Industry	Ownership/ voting share	Book value 31.12.2023
Simsea Holding AS	Norway	Training	10,37 %	0
Bleivik Eiendom AS	Norway	Real estate	22,59 %	3 685
Eidesvik Ghana Ltd.	Ghana	Shipping	49,00 %	15
				3 700

2022:

Entity	Country	Industry	Ownership/ voting share	Book value 31.12.2022
Simsea Holding AS	Norway	Training	10,37 %	0
Bleivik Eiendom AS	Norway	Real estate	22,59 %	3 118
Eidesvik Ghana Ltd.	Ghana	Shipping	49,00 %	0
				3 118

The investments are valued by the equity method.

Subsidiaries with substantial minority interests

The Group has, per 31 December 2023, two subsidiaries where there are substantial minority interests. Of companies with minority interests, only the companies below are considered material.

2023:

Entity	Country	Minority interests (%)	Minority share of profit/loss
Eidesvik Reach AS*	Norway	49,90 %	**16 793**
Eidesvik Neptun AS**	Norway	17,48 %	**948**
Eidesvik Neptun II AS	Norway	17,48 %	**740**
			18 481

2022:

Entity	Country	Minority interests (%)	Minority share of profit/loss
Eidesvik Neptun AS	Norway	25,25 %	**54 738**
Eidesvik Neptun II AS	Norway	25,25 %	**5 942**
			60 680

*Eidesvik established an entity, Eidesvik Reach AS, in Q1 2023 together with Reach Subsea ASA where Eidesvik has the controlling interest. Eidesvik shall at all times be chair of the board (with casting vote in the event of a tie), Unanimous shareholder decisions focues on protective rights for the shareholders. 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 1 April 2023.

**The Group purchased 7.77% of the minority shares in Eidesvik Neptun AS before Eidesvik Neptun AS was closed in November 2023.

Summary of financial information for subsidiaries with substantial minority interests:

2023:

Entity	Assets	Non-current assets	Current assets	Of which bank	Equity	Liabilities	Long-term	Short-term
Eidesvik Reach AS	384 364	330 575	53 789	29 827	225 018	159 346	149 405	9 941
Eidesvik Neptun II AS	3 260	0	3 260	3 046	3 053	207	0	207

Entity	Revenu e	EBITDA	Depr. / impairment	Financial income	Financial expenses	Net financial items	Taxes	Profit/loss for the year
Eidesvik Reach AS*	100 583	59 768	17 987	6 337	14 465	-8 128	0	33 654
Eidesvik Neptun AS **	0	-187	0	4 064	20	4 044	0	3 857
Eidesvik Neptun II AS	348	286	0	2 793	125	2 668	11	2 965

2022:

Entity	Assets	Non-current assets	Current assets	Of which bank	Equity	Liabilities	Long-term	Short-term
Eidesvik Neptun AS	298 519	0	298 519	29 149	250 136	48 383	0	48 383
Eidesvik Neptun II AS	83 693	0	83 693	51 715	88	83 605	0	83 605

Entity	Revenue	EBITDA	Depr. / impairment	Financial income	Financial expenses	Net financial items	Taxes	Profit/loss for the year
Eidesvik Neptun AS	395 021	368 005	0	1 096	152 340	-151 244	0	216 761
Eidesvik Neptun II AS	157 396	2 071	0	545	57	488	0	2 558

NOTE 8 – NET FINANCIAL ITEMS

(NOK thousands)

	2023	2022
Interest income	19 657	10 831
Other financial income	15	3 590
Total financial income	19 671	14 421
Interest expense on loans	-81 041	-86 166
Other interest expenses	-503	-277
Interest cost - lease liabilities	-3 646	-3 783
Reversal of previous write-downs of receivables	10 447	7 247
Other financial expenses	-583	-10 865
Total financial expenses	-75 326	-93 844
Change in market value on interest instruments	10 860	51 142
Net currency gains (losses)	-867	-115 995
Value change on currency futures recognised at fair value via profit/loss	1 637	-363
Total currency gain/loss	771	-116 358
Net financial items	-44 025	-144 639

Net currency loss in 2022 is mainly related to the delivery of Viking Neptun and the corresponding repayment of debt.

NOTE 9 – TAX

(NOK thousands)

(NOK thousands)	2023	2022
Tax cost Norway and abroad	-11	49
Tax costs	-11	49
Fixed asset reserve	74 193	48 067
Profit and loss account	-12 066	-15 483
Pension liabilities	-189	417
Loss carried forward	-602 403	-840 253
*** Total temporary differences**	-540 464	-807 251
Recognised deferred tax assets	0	0
Applied tax rate	22 %	22 %

Deferred tax assets are not recognised in the balance sheet due to uncertainty as to when such assets may be realised.

Tax payable

Tax payable for the year subject to the tonnage tax regime	**0**	0
Other corporation tax payable, Norway and abroad	**-11**	49
Total tax payable	**-11**	49
Explanation of taxes in the income statement:		
Profit/loss before taxes	**533 211**	406 784
Calculated 22%/22% tax	**117 306**	89 493
Tax effect of:		
Permanent differences/ results subject to the tonnage tax/ difference tax rate abroad	**-117 317**	**-89 444**
Calculated tax for the year	**-11**	49
The Group's effective tax rate	**0 %**	0 %

* Temporary differences are estimated based on preliminary tax assessments.

The tonnage tax, which is determined based on the vessel`s net weight, is booked as other operating expenses.

NOTE 10 – EARNINGS PER SHARE

(NOK thousands)

	2023	2022
Profit/loss for the year attributable to the majority shareholders	**514 742**	346 056
Number of issued ordinary shares (thousands)	**72 983**	62 150
Number of issued ordinary shares (thousands)	**72 983**	62 150
Earnings per share	**7,05**	5,57
Diluted earnings per share	**7,05**	5,57

No dividends were paid in 2023. The Board will propose a dividend of NOK 0.25 per share for the Annual General Meeting 30 May 2024.

NOTE 11 – PAYROLL EXPENSES AND NUMBER OF EMPLOYEES

(NOK thousands)

	2023	2022
Payroll after net pay refund	**198 630**	181 989
Social security costs	**55 001**	49 494
Defined benefit pension (see Note 18)	**279**	275
Contribution pension	**11 278**	12 402
Hired personnel	**23 707**	29 273
Other personnel costs	**29 088**	28 992
Total personnel costs	**317 983**	302 425

Salaries and payroll tax are shown after deduction for the reimbursement scheme for seafarers.

The average number of full-time equivalents was:	**406**	372
Number of employees at end of year:	**416**	389

In 2023, NOK 39,814 thousand (NOK 41,581 thousand in 2022) was received in connection with the reimbursement scheme for Norwegian seafarers.

In 2023, NOK 2,935 thousand (NOK 3,013 thousand in 2022) was received from Stiftelsen Norsk Maritim Kompetanse.

All received refunds are presented as a reduction of payroll expenses.

NOTE 12 – TANGIBLE FIXED ASSETS

(NOK thousands)

2023:

	Property	Port facilities	Operating equipment	Total other fixed assets	Vessels	Periodic maintenance	Total vessels	New build contracts	Total (*)
Acquisition cost									
1 January 2023	37 414	3 594	40 598	81 606	4 647 450	354 548	5 001 998	0	5 083 603
Addition	0	0	0	0	341 658	52 303	393 961	0	393 961
Disposal	0	0	-101	-101	-1 186 518	-61 500	-1 248 018	0	-1 248 119
31 December 2023	**37 414**	**3 594**	**40 497**	**81 505**	**3 802 590**	**345 351**	**4 147 941**	**0**	**4 229 446**
Accumulated depreciation and impairments									
1 January 2023	19 804	3 494	39 760	63 059	3 567 818	290 704	3 858 522	0	3 921 581
Depreciation in the year	180	0	112	292	103 939	48 969	152 908	0	153 200
Impairment for the year	0	0	0	0	0	0	0	0	0
Reversal of previous impairment for the year	0	0	0	0	-409 062	0	-409 062	0	-409 062
Disposals	0	0	-101	-101	-1 068 067	-61 493	-1 129 560	0	-1 129 661
31 December 2023	**19 985**	**3 494**	**39 772**	**63 251**	**2 194 628**	**278 180**	**2 472 807**	**0**	**2 536 058**
Book value	**17 429**	**100**	**726**	**18 255**	**1 607 963**	**67 171**	**1 675 133**	**0**	**1 693 388**

2022:

	Property	Port facilities	Operating equipment	Total other fixed assets	Vessels	Periodic maintenance	Total vessels	New build contracts	Total (*)
Acquisition cost									
1 January 2022	37 414	3 594	42 559	83 567	5 890 541	359 633	6 250 174	0	6 333 741
Addition	0	0	372	372	45 266	56 183	101 448	0	101 821
Disposal	0	0	-2 700	-2 700	-1 288 357	-61 268	-1 349 625	0	-1 352 325
31 December 2022	37 414	3 594	40 231	81 239	4 647 450	354 548	5 001 998	0	5 083 236
Accumulated depreciation and impairments									
1 January 2022	19 624	3 494	39 926	63 044	4 034 132	285 076	4 319 208	0	4 382 251
Depreciation in the year	180	0	93	273	87 156	49 978	137 134	0	137 407
Impairment for the year	0	0	0	0	16 053	0	16 053	0	16 053
Reversal of previous impairment for the year	0	0	0	0	-225 290	0	-225 290	0	-225 290
Disposals	0	0	-625	-625	-344 232	-44 350	-388 582	0	-389 208
31 December 2022	**19 804**	**3 494**	**39 393**	**62 692**	**3 567 819**	**290 704**	**3 858 522**	**0**	**3 921 214**
Book value	**17 610**	**100**	**837**	**18 547**	**1 079 631**	**63 844**	**1 143 474**	**0**	**1 162 022**

(*) right-of-use assets TNOK 76 541 and depreciation TNOK 7 784 is not included in the table above. Refer to note 21 IFRS 16, Lease.

Please refer to Note 20 for information on mortgaged assets.

Refer to Note 2, point 2.5, for details of depreciation periods for vessels and lumping together of components.

The Group's four seismic vessels, Viking Vanquish, Veritas Viking, Vantage and Viking Vision, were sold during 2023. The sales generated gains of MNOK 21.6. The Group completed the sale of the subsea/wind vessel Viking Neptun in November 2022, and the sale generated a gain of MNOK 269.7.

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

Property/port facilities include plots/land valued at MNOK 17.5 (MNOK 17.7) which are not depreciated.

Impairment tests are performed on individual cash generating entities (vessels) when indications of impairment or reversal of previous impairments are identified. Due to observed indicators, such as improved market conditions in market interest rates or P/B below 1, the vessels' book values have been tested for impairment and reversal of previous impairments at all quarter end during 2023. Based on these tests, Eidesvik recognized reversals of previous impairment of MNOK 409.1 during 2023 (MNOK 209.2 in net reversal in 2022). Of this, MNOK 54.2 was related to one subsea/wind vessel (MNOK 36.6), MNOK 317.1 was related to four PSVs (MNOK 188.6), and MNOK 37.8 was related to two seismic vessels (MNOK -16.0). In addition, the JV vessel Seven Viking had a reversal of previous impairment of MNOK 28.8.

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 for some of the vessels the Group 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 value in use is calculated using three scenarios, base, high and low case, weighted 60%, 20% and 20%, respectively.

The discount rate Is derived from a weighted average cost of capital (WACC) for market players. The average WACC used in the calculations per 31 December 2023, is 10.4% (9.2%). 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.

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. Important elements in estimated cash flows are the long-term inflation rate, the contract situation (order backlog), the utilisation rate, ordinary operating expenses, periodic maintenance (docking), charter rates, and exchange rates. For high/low case, day rates on uncontracted revenue are increased/decreased by 20%.

In 2023, the subsea/wind segment had a reversal impairment of MNOK 54.2 (recoverable amount MNOK 510.8), and the supply segment had a reversal of MNOK 317.1 (MNOK 1 207.5). In 2022, net reversal of previous impairments of MNOK 209.2 was charged.

Sensitivity

There is significant uncertainty associated with the assumptions for the value in use calculations. The calculation is based on firm contracts and market prospects which are considered to be good in both segments in the short and medium term.

The expected future earnings used in the calculations are implicitly adjusted for utilisation rate adapted to this general market view. Therefore, sensitivity calculations have also been performed for the value in use calculations and the amounts post any reversals of previous impairments, in order to highlight the uncertainty in the calculations. Reasonable possible changes may be increased discounting rate and/or decreased revenue (by changes in utilisation and/or charter rate), and these key assumptions are analysed both separately and in conjunction with each other. Base case is basis for the sensitivity analysis.

If the utilisation rate for the consolidated fleet is assumed to be reduced by 5 percentage points on uncontracted revenue, this would indicate impairments of total MNOK 39 related to four PSV's. If the WACC assumed had increased to 11.0%, the impairment charge would not be affected. By combining these two changes, this would indicate impairments of total MNOK 56 related to four PSV's.

Climate-related matters

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

Eidesvik has already invested in hybrid battery solutions for the majority of its fleet. For further green fuels and technologies to reduce CO2 equivalent emission for the fleet the Group continues to investigate this together with our customers and suppliers. Furthermore, possibilities for public funding are explored. Forecasted cash flow for the vessels include investments to lower emissions and other pollution 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 periods where there has been excess capacity in the market. Customer will according to the charterparty cover cost related fuel, hence difference in fuel price due to difference in emission will have a limited impact on the groups opex short term. At the moment, Emission Trading System (ETS) for offshore vessels from 2027 is only applicable for ships above 5000GT. EU will by end of 2026 decide if ETS will apply for offshore vessels above 400GT. Eidesvik do not currently own any vessels above 5000GT. Any increased cost in relation to ETS will have to be passed on to the end customer. EU has already confirmed that in case the responsibility for the purchase of the fuel and/or the operation of the ship is assumed by an entity other than the shipping company pursuant to a contractual arrangement, the shipping company is entitled to reimbursement from that entity for the costs arising from the surrendering of allowances.

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 technologies will have to be implemented and yield appropriate returns. Long term investments are evaluated on this basis. It is important to note that support from public funding continue to be critical. 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. Reference is also made to Note 2.23 c).

NOTE 13 – OTHER LONG-TERM RECEIVABLES

(NOK thousands)

(NOK thousands)	**31.12.2023**	31.12.2022
Long-term receivables, OSEV	**20 912**	39 769
Total other long-term receivables	**20 912**	39 769

Long-term receivables, OSEV, are related to the company Oceanic Seismic Vessels AS (subsidiary of Global Seismic Shipping AS, "GSS"), regarding the reorganisation of shares in the company and the establishment of GSS (sold in January 2020), as well as the receipt of receivables against the same companies from CGG as part-settlement for the amendment in the contract for Viking Vanquish in 2017. The nominal value as at 31 December 2023, was MUSD 4.45 (MUSD 8.45 as at 31 December 2022), but the value recognised in the accounts is substantially lower due to provisions for counterparty risk with the company's charterer. In 2023 repayments were paid in accordance with the agreed plan, and write-downs on the payments received were reversed (see Note 5 and Note 8). See Note 26 for further information.

NOTE 14 – ACCOUNTS RECEIVABLE

(NOK thousands)

	31.12.2023	31.12.2022
Accounts receivable	**181 533**	124 211
Accounts receivable related parties/joint ventures	**46 012**	16 019
Provision for losses	**0**	1 529
Total accounts receivable	**227 545**	141 759

Of overdue accounts receivable related to other than related parties, the distribution before provisions for loss is:

(NOK thousands)	**31.12.2023**	31.12.2022
0-3 months	**49 971**	10 242
3-6 months	**0**	328
6 months <	**0**	3 287

Of overdue accounts receivable related to other than related parties, the expected loss rate is as follows:

(NOK thousands)	31.12.2023	31.12.2022
0-3 months	**0 %**	0 %
3-6 months	**0 %**	0 %
6 months <	**0 %**	47 %

Recorded value of the Group's accounts receivable per currency:

EUR	**46 318**	16 447
USD	**0**	15 710
NOK	**181 226**	109 601
Total accounts receivable	**227 545**	141 759

Net change in provisions for impairment of accounts receivable:

	31.12.2023	31.12.2022
At January 1	**1 529**	6 845
Provision for impairment of receivables	**0**	-6 845
Accounts receivable recorded as loss during the year	**-1 529**	-1 529
At December 31	**0**	1 529

NOTE 15 – OTHER CURRENT ASSETS

(NOK thousands)

	31.12.2023	31.12.2022
Inventories (bunkers, lube oil, slop chest)	**2 113**	**17 756**
Other shares	**34**	**34**
VAT receivable	**2 637**	**2 534**
Insurance settlement receivable	**2 469**	**20 983**
Accrued unbilled income	**881**	**0**
Net payroll	**13 578**	**13 427**
Prepaid expenses	**13 187**	**16 011**
Security for guarantee	**10 000**	**10 000**
Total other current assets	**44 898**	**80 744**

Prepaid expenses include expenses for pre-paid insurance, refund of crew costs and unbilled expenses.

NOTE 16 - CASH AND CASH EQUIVALENTS

Of total cash and cash equivalents at 31 December 2023, of MNOK 498.8 (MNOK 655.7 at 31 December 2022), were MNOK 9.3 (7.2) restricted tax funds and MNOK 82.7 (62.7) funding restricted for use towards Eidesvik's joint development projects with multiple partners for the development of green ammonia as a fuel source.

NOTE 17 - SHARE CAPITAL AND PREMIUM

Changes in paid share capital:

	Number of shares		Share capital	
	2023	2022	**2023**	2022
Ordinary shares				
Opening balance	**62 150**	62 150	**3 108**	3 108
Share issue	**10 833**	0	**542**	0
At December 31	**72 983**	62 150	**3 649**	3 108

Nominal value per share in Eidesvik Offshore ASA is NOK 0.05 (5 øre).

The 20 largest shareholders in Eidesvik Offshore ASA as at December 31, 2023:

Shareholder	Country	Number of shares	Ownership share
EIDESVIK INVEST AS	NORWAY	43 684 833	59,86 %
JAKOB HATTELAND HOLDING AS	NORWAY	3 459 341	4,74 %
HELGØ FORVALTNING	NORWAY	1 698 886	2,33 %
VINGTOR INVEST AS	NORWAY	1 684 719	2,31 %
STANGELAND HOLDING AS	NORWAY	1 300 000	1,78 %
BERGTOR INVESTERING AS	NORWAY	1 256 401	1,72 %
CAIANO INVEST AS	NORWAY	1 224 176	1,68 %
DUNVOLD INVEST AS	NORWAY	1 105 500	1,51 %
SKANDINAVISKA ENSKILDA BANKEN AB	SWEDEN	708 035	0,97 %
HELGØ INVEST AS	NORWAY	612 500	0,84 %
SILBERG, JOHNNY	NORWAY	600 000	0,82 %
M EIDESVIK OG SØNNER AS	NORWAY	582 265	0,80 %
HELLAND AS	NORWAY	557 309	0,76 %
MYKLEBUST, EINAR	NORWAY	431 339	0,59 %
OLAVS HOLDING AS	NORWAY	400 000	0,55 %
NORDNET LIVSFORSIKRING AS	NORWAY	354 224	0,49 %
LØVLID, ARNE	NORWAY	273 392	0,37 %
LGJ INVEST AS	NORWAY	250 000	0,34 %
SMEDASUNDET AS	NORWAY	248 787	0,34 %
HANNESTAD, KARL CHRISTIAN	NORWAY	230 950	0,32 %
Others		12 320 676	16,88 %
Total		72 983 333	100,00 %

The Company had 2,477 shareholders as at 31 December 2023, and a foreign owner share of 3.14%. See also Note 23.

NOTE 18 - PENSIONS AND OTHER LONG-TERM EMPLOYEE BENEFITS

The Company is required to have an occupational pension scheme under the Mandatory Occupational Pensions Act. The Company's pension schemes satisfy the requirements of this Act.

Defined benefit pension

This pension scheme was replaced by a defined contribution scheme for all employees, except for former CEO. The estimated payment into the defined benefit scheme in 2024 is NOK 0 thousand.

Capitalised liability is determined as follows:

(NOK thousands)	2023	2022
Net present value of accrued defined benefit pension liabilities in fund based schemes	4 767	3 899
Fair value of pension funds	-4 579	-4 317
Net capitalised pension liability/(fund) December 31	**189**	-417

Changes in defined benefit pension liability during the year:

	2023	2022
Pension liability January 1	3 899	3 519
Net present value of pension contribution of the year	258	248
Interest expenses	121	71
Payroll tax on employer's contribution	-40	-63
Benefits paid	528	124
Pension liability December 31	**4 767**	3 899

Change in fair value of pension funds:

	2023	2022
Pension funds January 1	4 317	3 801
Expected return on pension funds	100	44
Actuarial (gains)/losses	-119	22
Payroll tax on employer's contribution	-40	-63
Employer's contribution	320	513
Pension funds December 31	**4 579**	4 317

Total cost included in net profit:

	2023	2022
Cost of pension contribution for the period	219	214
Interest expenses	7	4
Expected return on pension funds	-17	-10
Administrative costs	38	36
Payroll tax on pension costs	32	31
Total, included in payroll expenses (Note 11)	**279**	275

Estimate deviations due to changes in actuarial assumptions included in other income and costs (OCI):

	2023	2022
Changes in the discount rate	-60	-527
Changes in other financial assumptions DBO	66	-27
Changes in other DBO	589	651
Changes in other - pension funds	-4	-46
Funds and interest guarantees	57	51
Estimate deviation losses/(gains) against OCI*	647	102

*Estimate deviation losses/(gains) against OCI was incorrectly booked as a gain in 2022, in addition to a wrong correction for estimate deviation losses/(gains) against OCI in 2021. Both are reversed in 2023, and hence the NOK 647 thousand is not reconciable to the accounts.

The pension funds are placed in various investments through external insurance companies. They manage all transactions for the pension schemes. Breakdown into investment categories:

	2023	2022
Shares	13 %	12 %
Bonds	54 %	51 %
Real estate	11 %	10 %
Money market	12 %	14 %
Other	10 %	13 %

To calculate pension costs and net pension liabilities, the following assumptions are used:

	2023	2022
Discount rate	**3,10 %**	3,00 %
Rate of compensation increase	**3,50 %**	3,50 %
Increase of social security base amount (G)	**3,25 %**	3,25 %
Rate of pension increase	**1,80 %**	1,50 %
Payroll tax rate	**14,10 %**	14,10 %

The discount rate is based on interest on covered bonds (OMF), whereas this was previously based on the government bond rate.

Mortality table K2013 BE is used as a basis for mortality.

Sensitivity of the calculation of pension liability to changes in the assumptions:

The table below shows an estimate of potential effects of a change in certain assumptions for defined benefit pension schemes in Norway.

Change in amount	Discount rate		Rate of pension increase		Inflation	
	1,00 %	-1,00 %	1,00 %	-1,00 %	1,00 %	-1,00 %
Total						
Pension liability PBO	4 192	5 457	5 459	4 180	4 192	5 457
Pension cost for period SCC	-	-	-	-	-	-
Active members						
Pension liability PBO	-	-	-	-	-	-
Pension cost for period SCC	-	-	-	-	-	-
Pensioners						
Pension liability PBO	4 192	5 457	5 459	4 180	4 192	5 457

Risk assessment

Through the defined benefit schemes, the Group is affected by a number of risks arising from uncertainty in assumptions and future developments. The key risks are described here:

Life expectancy

The Group has undertaken to pay pensions to the employee for the remainder of their lives. So an increase in life expectancy among the members will lead to an increase in the liability for the Company.

Return risk

The Group is affected by a reduction in the actual return on the pension funds. This will lead to an increase in the liability for the Company, as the return on the funds will not be sufficient to meet the obligation.

Inflation and wage increase risk

The Group's pension liability carries risk associated with both inflation and wage growth, although wage development is closely linked to inflation. Higher inflation and wage growth than assumed in the pension estimates will lead to a larger liability for the Group.

NOTE 19 - OTHER LIABILITIES

(NOK thousands)

	31.12.2023	31.12.2022
Public taxes and charges	**36 880**	27 501
Salaries and holiday pay	**42 072**	35 280
Accrued expenses	**34 457**	57 524
Prepaid funding for ammonia projects	**63 276**	57 401
Total other current liabilities	**176 685**	177 707

Accrued expenses are mainly related to provisions for accrued operating costs, prepayment from customers and docking/average adjustment.

Prepaid funding for ammonia projects is related to received EU funding. Please see the extraction from the Group's ESG report on page 16 for information of Eidesvik's work to reduce emissions.

NOTE 20 - LONG-TERM LIABILITIES

(NOK thousands)

	Book value	
(NOK thousands)	**31.12.2023**	31.12.2022
Mortgage (NOK)	**677 000**	827 958
Mortgage (USD)	**128 506**	311 518
Other loan	**1 161**	1 099
Capitalised establishment costs	**-7 027**	-1 471
Total interest-bearing long-term liabilities	**799 640**	1 139 103
Total long-term liabilities	**799 640**	1 139 103
Short-term portion of long-term liabilities	**-121 192**	-983 569
Liabilities related to Assets held for sale	**0**	-112 365
Total long-term liabilities excl. first year's repayment	**678 448**	43 169
Short-term loans		
First year's repayment of long-term liabilities	**121 192**	983 569
Accrued interest	**2 265**	5 965
Total	**123 457**	989 534
Liabilities related to Assets held for sale	**0**	112 365
Total	**0**	112 365
Book value of liabilities in currency		
NOK	**671 134**	827 585
USD	**128 506**	311 518
Total	**799 640**	1 139 103

Amortisation profile on long-term liabilities at 31 December 2023:

2024	121 192
2025	121 192
2026	121 192
2027	411 334
Later	30 597
Total repayments	805 506

Amortisation profile on long-term liabilities at 31 December 2022*:

	Pre refinancing in Q1 2023	Post refinancing in Q1 2023
2023	1 095 934	452 500
2024	43 542	85 000
2025	0	85 000
2026	0	516 976
Total repayments	1 139 476	1 139 476

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

Of total liabilities, MNOK 805.5 are secured against mortgages in vessels recorded at MNOK 1,675.1.

For an assessment of the fair value of long-term liabilities, see Notes 3.

Change in liabilities	**Interest expenses**	**Interest-bearing short-term debt**	**Current lease liabilities**	**Assets held for sale***	**Interest-bearing long-term debt**	**Non-current lease liabilities**	**Total**
At January 1, 2023		989 534	4 217	112 365	43 168	53 973	1 203 257
Net repayment of debt/new debt		-1 005 760	-7 844	-128 806	767 197	0	-375 214
Interest paid	-59 911	-5 965	0	0	0	0	-65 876
Cash flow from financing	-59 911	-1 011 725	-7 844	-128 806	767 197	0	-441 091
Exchange rate effects		22 191	0	0	-4 859	0	17 333
Capitalisation costs		0	0	0	-5 556	0	-5 556
Interest accrued but not paid		2 265	0	0	0	0	2 265
Other changes		121 192	11 628	16 441	-121 502	15 598	43 357
At December 31, 2023		**123 457**	**4 217**	**0**	**678 448**	**69 571**	**879 477**

Change in liabilities	Interest expenses	Interest-bearing short-term debt	Current lease liabilities	Assets held for sale*	Interest-bearing long-term debt	Non-current lease liabilities	Total
At January 1, 2022		94 379	3 256	840 666	1 044 199	51 147	2 033 646
Repayment of debt		-89 797	-4 890	-876 124	0	0	-970 811
Interest paid	-83 335	-7 674	0	0	0	0	-91 009
Cash flow from financing	-83 335	-97 471	-4 890	-876 124	0	0	-1 061 821
Exchange rate effects		36 703	0	96 056	0	0	132 759
Capitalisation costs		0	0	0	4 127	0	4 127
Interest accrued but not paid		5 965	0	0	0	0	5 965
Other changes		949 958	5 851	51 768	-1 005 158	2 827	5 246
At December 31, 2022		989 534	4 217	112 365	43 168	53 973	1 203 258

*Liabilities related to Assets Held for sale

The Group refinanced its 100% owned fleet twice during 2023, and the debt is reclassified from current to non-current debt. Both loan renewals were considered to be new loans due to significant changes in conditions, and for the second one also change in lender.

On 13 December 2023, Eidesvik announced that it had agreed on a term sheet with Sparebanken Vest to replace the Company's existing term loan facility for its wholly owned fleet of 8 vessels. The transaction was completed on 20 December 2023, and the new improved terms for the financing became effective. The new debt of NOK 677 million will mature on 20 December 2027, and has an amortization profile of seven years.

The most important financial covenants related to the financing per 31 December 2023, were:

- Minimum free liquidity the lower of NOK 80 million and 10% total interest-bearing debt (borrower group).
- Positive working capital (current assets less current liabilities, including 6 months of instalments and excluding other current portion of long term debt) (borrower group).
- Value adjusted equity ratio of minimum 40% (borrower group).

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, and is non-recourse to any companies in the Group.

The debt will mature in March 2028, and has an amortization profile of six years.

The most important financial covenants related to the financing of Viking Reach per 31 December 2023, were:

- Minimum free liquidity of NOK 10 million (in the company).

- Positive working capital (current assets less current liabilities, excluding instalments and current portion of long term debt)(in the company).
- Minimum book equity of NOK 160 million (in the company).
- Equity ratio of 35% (in the company).

No companies in the Group were in breach of any covenants at 31 December 2023, or during 2023.

NOTE 21 - LEASES

(NOK thousands)

Right-of-use assets	Buildings	Vehicles	Equipment	Total
Acquisition cost 1 January 2023	**74 058**	**926**	**0**	**74 984**
Addition of right-of-use assets	2 203	0	26 634	28 837
Acquisition cost 31 December 2023	**76 261**	**926**	**26 634**	**103 821**
Accumulated depreciation and impairment				
Accumulated depreciation 1 January 2023	18 958	538	0	19 496
Depreciation 2023	6 044	139	1 601	7 784
Accumulated depreciation and impairment 31 December 2023	**25 002**	**677**	**1 601**	**27 280**
Carrying amount of right-of-use assets 31 December 2023	**51 260**	**250**	**25 032**	**76 541**
Lower of remaining lease term or economic life	9 years	6-38 months	6.5 years	

Right-of-use assets	Buildings	Vehicles	Total
Acquisition cost 1 January 2022	**64 048**	**386**	**64 434**
Addition of right-of-use assets	10 010	626	10 636
Disposals	0	-86	-86
Acquisition cost 31 December 2022	**74 058**	**926**	**74 984**
Accumulated depreciation and impairment			
Accumulated depreciation 1 January 2022	13 547	386	13 933
Depreciation 2022	5 411	152	5 563
Accumulated depreciation and impairment 31 December 2022	**18 958**	**538**	**19 496**
Carrying amount of right-of-use assets 31 December 2022	**55 101**	**388**	**55 489**
Lower of remaining lease term or economic life	10 years	18-50 months	

Lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	Buildings	Vehicles	Equipment	Total
Less than 1 year	7 822	122	4 432	12 375
1-2 years	7 822	74	4 432	12 328
2-3 years	7 822	74	4 432	12 328
3-4 years	7 822	12	4 432	12 266
4-5 years	7 822	0	4 292	12 113
More than 5 years	28 083	0	6 374	34 457
Total undiscounted lease liabilities at December 31, 2023	**67 191**	**282**	**28 395**	**95 868**

Summary of the lease liabilities	Buildings	Vehicles	Equipment	Total
Total lease liabilities at 1 January 2023	57 793	397	0	58 190
New lease liabilities recognised in the year	2 203	0	23 405	25 608
Payments	-7 822	-153	-1 790	-9 765
Interest expense on lease liabilities	2 872	16	650	3 538
Total lease liabilities at 31 December 2023	**55 046**	**260**	**22 265**	**77 572**
Current lease liabilities	**5 058**	**140**	**2 803**	**8 000**
Non-current lease liabilities	**49 987**	**121**	**19 463**	**69 571**
Total cash flow for leases				**9 765**

The Group as lessor

The Group's main activity is leasing of offshore tonnage. See overview as of 22 April 2024, below.

Vessels, consolidated	Contract type	Customer	Contract expiry, fixed	Contract expiry, charterer's option
Viking Lady	Time charter	Aker BP	February, 2026	February, 2031
Viking Queen	Time charter	Wintershall	October, 2025	April, 2027
Viking Avant	Time charter	Equinor	December, 2025	December, 2028
Viking Energy	Time charter	Equinor	April, 2025	April, 2030
Viking Prince	Time charter	Aker BP	December, 2025	
Viking Princess	Time charter	Wintershall	January, 2025	January, 2026
Viking Wind Power	Time charter	Siemens Gamesa	January, 2027	June, 2027
Subsea Viking	Time charter	Van Oord	March, 2028	August, 2028
Viking Reach	Time charter	Reach Subsea	March, 2029	March. 2032

Vesssel in joint venture	Contract type	Customer	Contract expiry, fixed	Contract expiry, charterer's option
Seven Viking	Time charter	Subsea 7	November, 2025	December, 2026

Future lease terms as at 22 April 2024, for consolidated vessels on firm contracts have the following maturity (100% utillization):

Next 1 year	717 000
1 to 5 years	1 231 000
After 5 years	27 000
Future minimum lease	**1 975 000**

The Group has operating lease contract on its vessels representing income. The leases have terms of between 12 and 62 months. As payments from the lessee to the Group is determined based on the fixed day rate agreed in the contract, no portion of the payments varies other than the passage of time.

NOTE 22 - FINANCIAL INSTRUMENTS

(NOK thousands)

Capitalised financial assets and liabilities

Capitalised value equals fair value, except for loans. For details of fair value loans, see the section on “Interest” below. The Group does not practise hedge accounting, financial derivatives held for financial hedging which are recorded at fair value.

	31.12.2023	31.12.2022
Assets		
Market-based shares for trading	**9**	9
Currency derivatives	**1 637**	0
Interest derivatives	**15 758**	62 180
Accounts receivable (Note 14)	**227 545**	141 759
Cash and cash equivalents (Note 16)	**498 825**	655 653
Other long term receivables, OSEV	**20 912**	39 769
Total	**764 686**	899 370
Liabilities		
Loans (Note 20)	**805 506**	1 139 476
Total	**805 506**	1 139 476

Currency

The Group has entered into currency derivative contracts as part of the management of the Group’s currency exposure.

At December 31, 2023	Currency sold	Amount	Maturity	Exchange rate (average)	Fair value (MTM)
Currency derivatives					
Currency futures for the sale of current cash flow	EUR	3 000	2024	11,7718	**1 637**
		3 000			**1 637**

The Group had no currency derivatives per 31 December 2022.

All currency futures are recorded at fair value.

Interest

The Group has the following fixed rate agreements:

At December 31, 2023

Type	Currency	Floor	Cap/Swap	Maturity	NOK principal	Fair value (incl. accrued interest)	Annual downscaling before maturity (average)
Cap	NOK		1,00 %	01.07.2025	**150 000**	8 008	None
Cap	NOK		1,00 %	15.07.2025	**150 000**	7 750	None
Unhedged					**505 506**		
Total liabilities, hedged and unhedged					**805 506**	**15 758**	

At December 31, 2022

Type	Currency	Floor	Cap/Swap	Maturity	NOK principal	Fair value (incl. accrued interest)	Annual downscaling before maturity (average)
Fixed rate loan	NOK		3,36 %	27.03.2024	132 329		Variable
Fixed rate loan	NOK		3,41 %	13.09.2024	148 146		Variable
Cap	NOK		1,00 %	01.07.2025	150 000	8 993	None
Cap	NOK		1,00 %	15.07.2025	150 000	9 092	None
Cap	USD		1,00 %	01.07.2025	246 433	22 154	None
Cap	USD		1,00 %	15.07.2025	246 433	21 942	None
Unhedged					66 135		
Total liabilities, hedged and unhedged					1 139 476	62 180	

The Group has in Q1 2023 unwinded the two caps in USD.

At 31 December 2023, 37%% (94%) of the Group's loans were at fixed interest or swap/cap.

The Group did not have any fixed-rate loans at 31 December 2023.

See Note 20 for information on long-term loans.

Other information

No financial assets have been reclassified such that the valuation method has been changed from amortised cost to fair value, or vice versa.

For assessment of fair value (MTM), see Note 3.

NOTE 23 - TRANSACTIONS WITH RELATED PARTIES

(NOK thousands)

The Group has some transactions with related parties, concerning crew hire, management services for vessel operations, business and accounting services and leasing of offices. All transactions are based on the arm's length principle.

	2023	2022
Lease of offices from AS Langevåg Senter	**-9 109**	-8 477
Lease of other office services to AS Langevåg Senter	**40**	0
Lease of offices to Evik AS	**663**	678
Lease of apartment from Evik AS	**-92**	-82
Lease of offices to Bømmelfjord AS	**829**	773
Sale of other services to Eidesvik Invest AS	**74**	11
Lease of offices and other services to Signatur Management AS	**759**	952
Purchase of office services from Signatur Management AS	**-24**	-22
Lease of stockroom and other services from Klubben Eiendom AS	**-902**	-549
Sale of office services and lease of apartment to Bømlo Skipservice AS	**43**	7
Purchase of technical and layup services from Bømlo Skipservice AS	**-1 319**	-6 636
Sale of crew and management services to Eidesvik Seven Chartering AS	**107 632**	94 356
Sale of management services to Eidesvik Seven AS	**41 533**	1 420

The balance sheet includes the following amounts resulting from transactions with related parties:

	31.12.2023	31.12.2022
Accounts receivable	**46 012**	16 019
Other current assets (see also note 15)	**0**	0
Accounts payable	**-68**	-359
Total	**45 944**	15 659

Shares owned/controlled by Board members/senior executives:

	2023	2022
Eidesvik Invest AS (1)	**43 684 833**	37 200 000
Kristine Elisabeth Skeie	**191 666**	25 000
John Egil Stangeland	**30 000**	30 000
Bjørg Marit Eknes	**25 000**	25 000
Gitte Gard Talmo	**7 690**	500
Helga Cotgrove	**5 800**	0
Lauritz Eidesvik	**200**	200

(1) Eidesvik Invest AS is 55%-controlled by Bømmelfjord AS, where Borgny Eidesvik holds 20% of the shares (A-shares), and Lauritz Eidesvik holds 20% of the shares (B-shares). The remaining 45% of Eidesvik Invest AS is owned by Evik AS, where Lars Eidesvik indirectly holds 20% of the shares.

The Eidesvik Offshore ASA Group is a subsidiary of Eidesvik Invest AS, which is a subsidiary of the ultimate parent company Bømmelfjord AS.

Remuneration to senior executives:

2023	Base salary	Bonus	Other	Pension costs
CEO Gitte Talmo	2 331	701	326	120
COO Arve Nilsen	1 638	400	179	118
CFO Helga Cotgrove	1 864	604	189	125
Former CEO Jan Fredrik Meling	0	0	1 345	499
Total 2023	**5 833**	**1 704**	**2 039**	**862**

-

2022	Base salary	Bonus	Other	Pension costs
CEO Gitte Talmo	2 128	770	315	147
COO Arve Nilsen	1 350	312	215	122
CFO Helga Cotgrove	519	180	52	35
Former CEO Jan Fredrik Meling	252	0	1 493	414
Former COO Jan Lodden	1 127	0	56	62
Former CFO Tore Byberg	1 179	0	105	56
Total 2022	**6 555**	**1 261**	**2 236**	**837**

The Company has published a separate Report on Remuneration to the Board of Directors, CEO and Senior Executives, available for download from the Company's website.

In accordance to the company renumeration policy, a bonus scheme is established for CEO and senior executives. Bonus scheme is based on company targets (75%) and individual targets (25%). Maximum bonus is 35% of annual salary. The Board of Directors may temporarily deviate from any part of the guidelines if deemed necessary to protect the long term interest and financial capacity of the Company or safeguard the viability of the company.

The CEO has a mutual notice period of 6 months and is entitled to 6 months of severance pay on certain terms per December 31, 2023.

Former CEO, Jan Fredrik Meling, retired from his position on 31 December 2021. Gitte Gard Talmo replaced Meling effective from 1 January 2022. Meling has received 60% of his salary in 2023 and 2022. His pension cost has been covered by Eidesvik Offshore ASA in 2023 and 2022.

Remuneration of the Board	2023	2022
Arne Austreid	**555**	319
Borgny Eidesvik	**300**	303
Lars Eidesvik	**255**	243
John Egil Stangeland	**255**	243
Lauritz Eidesvik	**285**	263
Kristine Elisabeth Skeie	**255**	243
Bjørg Marit Eknes	**318**	177
Johnny Olson	**138**	46
Tore Hettervik	**74**	112
Petter Lønning	**38**	0
Kolbein Rege	**0**	248
Synne Syrrist	**0**	126
Børre Lindanger	**0**	85
	2 473	2 407

The Board Remuneration Annual Change 2.67%

Board remuneration is decided by the General Meeting. Disbursements for 2023 are remuneration for the previous year, 2022. 2023 remuneration will be decided on the next Annual General Meeting.

Arne Austreid, Bjørg Marit Eknes and Tore Hettervik were, respectively, elected as chair of the board, board member and employee representative for the board in 2021. Johnny Olson were, respectively, elected as employee representative for the board in 2022.

From AGM 2019, the employees have had one employee representative in the Board, and one deputy employee representative. The total remuneration for these two representatives are equal to a original Board Member, and the split is originally 70/30 between the two employee representatives, depending on the number of meetings the deputy employee representative has attended. The employee representatives rotate on a yearly basis, from July to July.

Nomination Committee	2023	2022
Per Åge Hauge	**45**	30
Ellen Hatteland*	**13**	20
Kjetil Eidesvik	**30**	20
Kristine Klaveness*	**18**	0
Lauritz Eidesvik**	**0**	20
Kolbein Rege**	**30**	20

* At the Annual General Meeting in 2022, Kristine Klaveness replaced Ellen Hatteland in the Nomination Committee.

** This compensation is included in the table for remuneration of the board.

Remuneration is decided by the General Meeting. Disbursements for 2023 are remuneration for the previous year, 2022.

NOTE 24 - LIABILITIES AND UNEXPECTED EVENTS

The Company has no framework agreements or other liabilities per 31 December 2023.

NOTE 25 - EXCHANGE RATES

	Average exchange rate 2023	Exchange rate 31.12.2023	Average exchange rate 2022	Exchange rate 31.12.2022
Euro	**11,4206**	**11,2405**	10,1040	10,5138
US dollar	**10,5647**	**10,1724**	9,6245	9,8573

Exchange rates from the Norwegian Central Bank’s website.

NOTE 26 – SUBSEQUENT EVENTS AND OTHER INFORMATION

Newbuild low emission vessel for the subsea and offshore wind markets

Eidesvik announced that it together with Agalas has entered into an agreement to build a new Construction Support Vessel (CSV). The newbuild will be equipped to perform inspection, maintenance and repair (IMR) work.

The vessel will be owned by an entity to be named Eidesvik Agalas AS, where Eidesvik will be the majority owner with 50.1%. The remaining shares will be owned by Northern Norway shipowners Agalas. Planned delivery for the vessel is early 2026, with an estimated build cost of EUR 81.5 million. In addition, Eidesvik Agalas AS has been granted options for 4 additional vessels. Financing is a combination of equity from both shareholders and around 70% non-recourse debt financing from Sparebank 1 Nord-Norge and Eksfin. Eidesvik’s share of equity will come from cash on hand.

Upon completion the vessel is scheduled to commence on a 3 to 5-year time charter with Reach Subsea. Eidsvik will have full management of the vessel.

New contracts

Eidesvik signed early February 2024 a three-year extension to its ship management agreement with Dredging, Environmental and Marine Engineering NV (“DEME”) for the CSV Viking Neptun, with a two-year option for further extension.

Aker BP ASA has declared an option to extend the contract for the supply vessel Viking Lady. The contract extension runs from February 2025 in direct continuation of the current contract, extending the firm period to February 2026.

Dividend proposal

At the annual general meeting on 30 May 2024, the Board of Directors will propose that shareholders approve a cash dividend of NOK 0.25 per share, equating to approximately NOK 18.2 million. The EIOF share will trade ex dividend on 31 May 2024.

Full repayment of OSEV receivables

Reference is made to Note 13 and the long-term receivables. 100% of the nominal value was paid to Eidesvik on 4 April 2024. This will result in reversal of previous impairments on repayments received, whereof approximately MNOK 14 will be booked as other income and approximately MNOK 10 will be booked as reduction in financial expenses in 2024. Total effect of MNOK approximately 24 on the profit/loss before tax. The instalment received in March 2024 will be booked in Q1 2024, and the repayment of the remaining outstanding nominal value will be booked in Q2 2024.

Annual accounts – Parent Company

STATEMENT OF PROFIT AND LOSS – PARENT COMPANY (NOK 1,000)

	Note	1.1.-31.12. 2023	1.1.-31.12. 2022
Payroll etc.	1,2	9,710	8,878
Other operating expenses	3	9,247	8,663
Total operating expenses		18,957	17,542
Operating profit		-18,957	-17,542
Interest income from companies in the same group	4,5	39,635	20,452
Other interest income		3,292	660
Other financial income	5	69,353	10,390
Impairment/reversal of impairment of financial assets	6	139,377	-576
Interest expenses to companies in the same group	4	-9,076	-3,698
Other financial expenses		-477,4	-26
Net financial items		242,103	27,202
Profit/loss before taxes		223,146	9,660
Tax costs	7	-18,179	0
Profit/loss for the year		204,967	9,660
Allocation (coverage) of profit/loss for the year			
Proposed dividend	8	18,246	0
Transferred to/from other equity		186,721	9,660
Total allocated (covered)		204,967	9,660

STATEMENT OF BALANCE SHEET – PARENT COMPANY
(NOK 1,000)

	Note	31.12.2023	31.12.2022
Assets			
Tangible fixed assets			
Buildings and land		**8,921**	**8,921**
Operating equipment		**156**	**156**
Total tangible fixed assets	**9**	**9,077**	**9,077**
Financial assets			
Investments in subsidiaries	6	**314,777**	**297,654**
Loans to Group companies	4	**668,370**	**70,778**
Other financial assets	6	**71**	**56**
Pension funds	2	**0**	**417**
Total financial assets		**983,217**	**368,905**
Total non-current assets		**992,294**	**377,982**
Current assets			
Receivables			
Accounts receivable		274	**347**
Total receivables		**347**	**347**
Bank deposits, cash etc.	10	**28,495**	**436,953**
Total current assets		**28,769**	**437,300**
TOTAL ASSETS		**1,021,063**	**815,282**

STATEMENT OF BALANCE SHEET – PARENT COMPANY (NOK 1,000)

	Note	31.12.2023	31.12.2022
EQUITY AND LIABILITIES			
Paid-in equity			
Share capital	8,11	**3,649**	**3,108**
Share premium	8	**301,054**	**177,275**
Other paid-in equity	8	**549**	**549**
Total paid-in equity		**305,252**	**180,932**
Retained earnings			
Other equity		**486,281**	**299,560**
Total retained earnings		**486,281**	**299,560**
Total equity	8	**791,533**	**480,491**
LIABILITIES			
Other non-current liabilities			
Liabilities to Group companies	4	**193,451**	**332,383**
Pension liabilities	2	**189**	**0**
Total other non-current liabilities		**193,640**	**332,383**
Current liabilities			
Accounts payable		**666**	**791**
Public duties payable		**391**	**412**
Liabilities to Group companies	4	**1**	**0**
Dividend	8	**18,246**	**0**
Other current liabilities	12	**16,586**	**1,206**
Total current liabilities		**35,890**	**2,408**
Total liabilities		**229,530**	**334,791**
TOTAL EQUITY AND LIABILITIES		**1,021,063**	**815,282**

BØMLO, 23 APRIL 2024

Arne Austreid Chair of the Board	Lars Eidesvik Board member	Lauritz Eidesvik Board member	John Stangeland Board member
Bjørg Marit Eknes Board member	Annicken Kildahl Board member	Kristine E. Skeie Board member	Petter Lønning Board member
Gitte Gard Talmo CEO			

STATEMENT OF CASH FLOWS – PARENT COMPANY (NOK 1,000)

	Note	1.1-31.12 2023	1.1-31.12 2022
Cash flow from operations			
Payments to suppliers and employees	1,2,4	**-18,462**	**-18,240**
Interest received/paid		**14,897**	**3,484**
Net cash flows from operations		**-3,565**	**-14,756**
Cash flow from investment activities			
Sale of tangible fixed assets		**132**	**132**
Received investment fund	12	**17,963**	**0**
Purchase of shares		**-904**	**0**
Net cash flow from investment activities		**17,059**	**132**
Cash flow from financing activities			
Received net funds from private placement	11	**124,321**	**0**
Unwound interest derivatives	5	**45,676**	**0**
Dividend received from subsidiary	6	**190,563**	**0**
Changes in intercompany balances	4	**-785,597**	**313,371**
Net cash flow from financing activities		**-425,036**	**313,371**
Net effect of translation differences regarding currency in cash and cash equivalents		**3,084**	**0**
Net increase (decrease) in cash and cash equivalents	9	**-408,458**	**298,747**
Cash and cash equivalents at start of period	9	**436,953**	**138,206**
Cash and cash equivalents at end of period		**28,495**	**436,953**

NOTES TO THE ANNUAL ACCOUNTS – PARENT COMPANY

Accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles.

Classification and valuation of balance sheet items

Current assets and short-term liabilities include items maturing within one year after the balance sheet date. Other items are classified as fixed assets/long-term liabilities.

Current assets are valuated at the lower of acquisition cost and fair value. Short-term liabilities are capitalised at nominal value at the time of establishment.

Non-current assets are valued at acquisition cost, but depreciated to fair value if the impairment in value is not expected to be transient. Long-term liabilities are capitalised at nominal value at the time of establishment.

Accounts receivable

Accounts receivable and other receivables are listed in the balance sheet at fair value after deduction of provisions for expected loss. Provisions for loss are made on the basis of individual assessments of individual receivables. An unspecified provision is also made for other accounts receivable in order to cover presumed loss.

Currency

Monetary items in foreign currency are valued according to the exchange rate at the end of the accounting year.

Investments in subsidiaries/associated companies

Subsidiaries and associated companies are valued according to the cost method in the company accounts. The investment is valued at acquisition cost for the shares, unless write-downs have been necessary. Group contributions to subsidiaries, with taxes deducted, are listed as increased cost for shares. Dividends/group contributions are recorded in the same year as the provision is made in the subsidiary/associated company. When a dividend/group contribution substantially exceeds the share of retained profits after the acquisition, the excess amount is treated as a repayment of invested capital, and is deducted from the value of the investment in the balance sheet.

For loans to subsidiaries, refer to Note 5.

Tangible fixed assets

Tangible fixed assets are capitalised and depreciated over the useful life of the asset. Maintenance of fixed assets is expensed on an ongoing basis under operating costs, while upgrades or improvements are added to the cost of the asset and depreciated in step with the asset. The distinction between maintenance and upgrades is calculated in relation to the condition of the asset when it was acquired.

Tax

The tax costs in the income statement include both tax payable for the period and the change in deferred taxes. Deferred tax assets are calculated at 22% on the basis of the temporary differences that exist between accounting and tax values, and losses carried forward for tax purposes at the end of the accounting year. Temporary differences that increase and decrease taxes and that reverse or may reverse during the same period are offset and netted off.

Pension liabilities

The Company finances its pension liabilities to the employees through a group pension scheme. Accounting is done in line with the NRS 6 accounting standard for pension costs. Pension liabilities are calculated as the present value of future pension benefits considered to be incurred on the balance sheet date, based on the fact that employees acquire their pension rights evenly throughout their working lives. Pension funds are valued at fair value and are netted against the pension liabilities for each pension scheme. Net pension funds are presented as long-term receivables under financial assets. The net pension cost for the period is included in payroll and social security costs, and consists of the pension entitlements for the period, interest costs on the calculated pension liabilities, expected returns on the pension funds, recorded effects of changes in estimates and pension plans, recorded effects of discrepancies between actual and expected returns, and accrued payroll tax. The effects of changes in pension plans are expensed in the period in which they occur.

Cash flow statement

The cash flow statement has been prepared according to the direct method. Cash and cash equivalents include cash, bank deposits, and other short-term liquid placements which can be converted to known cash amounts immediately and without significant risk of bankruptcy and which mature in less than three months from the date of acquisition.

NOTE 1 - PAYROLL COSTS, NUMBER OF EMPLOYEES, REMUNERATION, LOANS TO EMPLOYEES

Payroll costs	2023	2022
Salaries	2 639	2 678
Payroll tax	1 263	1 081
Pension costs	2 393	1 852
Board remuneration	2 608	2 477
Other remuneration	806	790
Total	**9 710**	8 878

The Company had 1 employee at the end of the year. The Company has established an occupational pension scheme.

Remuneration to the CEO:	2023	2022
Salary	2 331	2 128
Pension costs	120	147
Other remuneration	1 027	1 085
Total	3 478	3 360

In accordance to the company renumeration policy, a bonus scheme is established for CEO and senior executives. Bonus scheme is based on company targets (75%) and individual targets (25%). Maximum bonus is 35% of annual salary. The Board of Directors may temporarily deviate from any part of the guidelines if deemed necessary to protect the long term interest and financial capacity of the Company or safeguard the viability of the company.

The CEO has a mutual notice period of 6 months and is entitled to 6 months of severance pay on certain terms per 31 December 2023.

Former CEO, Jan Fredrik Meling, retired from his position on 31 December 2021. Gitte Gard Talmo replaced Meling effective from January 1, 2022. Meling has received 60% of his salary in 2023 and 2022. His pension costs has been covered by Eidesvik Offshore ASA in 2023 and 2022.

Remuneration to the Board:	2023	2022
Arne Austreid	555	319
Borgny Eidesvik	300	303
Lars Eidesvik	255	243
John Egil Stangeland	255	243
Lauritz Eidesvik	285	263
Kristine Elisabeth Skeie	255	243
Bjørg Marit Eknes	318	177
Johnny Olson	138	46
Tore Hettervik	74	112
Petter Lønning	38	0
Kolbein Rege	0	248
Synne Syrrist	0	126
Børre Lindanger	0	85
	2 473	2 407
The Board Remuneration Annual Change 2,67 %		

Board remuneration is decided by the General Meeting. Disbursements for 2023 are remuneration for the previous year, 2022. 2023 remuneration will be decided on the next Annual General Meeting.

Arne Austreid, Bjørg Marit Eknes and Tore Hettervik were, respectively, elected as chair of the board, board member and employee representative for the board in 2021. Johnny Olson were, respectively, elected as employee representative for the board in 2022.

From AGM 2019, the employees have had one employee representative in the Board, and one deputy employee representative. The total remuneration for these two representatives are equal to a original Board Member, and the split is originally 70/30 between the two employee representatives, depending on the number of meetings the deputy employee representative has attended. The employee representatives rotate on a yearly basis, from July to July.

Other members of the Nomination Committee	2023	2022
Per Åge Hauge	45	30
Ellen Hatteland*	13	20
Kjetil Eidesvik	30	20
Kristine Klaveness*	18	0
Lauritz Eidesvik**	0	20
Kolbein Rege**	30	20

* At the Annual General Meeting in 2022, Kristine Klaveness replaced Ellen Hatteland in the Nomination Committee.
** This compensation is included in the table for remuneration of the board.

Remuneration is decided by the General Meeting. Disbursements for 2023 are remuneration for the previous year, 2022.

Auditor	2023	2022
Expenses to auditor are distributed as follows:		
Statutory audit	829	790
Tax advice	0	48
Other certification services	192	160
Total expenses to the auditor excl. VAT	1 020	998

NOTE 2 - PENSION COSTS AND LIABILITIES

The Company's pension schemes meet the requirements of the Mandatory Occupational Pensions Act.

The Company has pension schemes which cover its only employee.

Defined benefit pension
This pension scheme was replaced by a defined contribution scheme for all employees, except for former CEO. The estimated payment into the defined benefit scheme in 2024 is NOK 0 thousand.

Capitalised liability is determined as follows:

	2023	2022
Estimated liability	4 767	3 899
Value of pension funds	-4 579	-4 317
Under/over-funded	189	-417

Reconciliation of this year's pension cost	2023	2022
Present value of this year's pension contribution	219	214
Interest expense on the pension liability	7	4
Expected return on pension funds	-17	-10
Administrative costs	38	36
Net changes in plans, scaling down, settlement and payroll tax	32	31
Net pension cost	279	275

The following economic and actuarial assumptions form the basis of the calculation:

	2023	2022
Discount rate	3,10 %	3,00 %
Rate of compensation increase	3,50 %	3,50 %
Increase of social security base amount (G)	3,25 %	3,25 %
Rate of pension increase	1,80 %	1,50 %
Payroll tax rate	14,10 %	14,10 %

NOTE 3 - OTHER OPERATING EXPENSES

	2023	2022
Management and accounting	6 949	6 500
Investor relations costs	1 025	612
Financial advice	0	66
Statutory audit	979	843
Consultant/legal advice	474	317
Office lease	574	542
Margin reinvoice office lease	-1 495	-1 120
Other reinvoices	-93	-415
Other expenses	834	1 318
Total other operating expenses	9 247	8 664

Of which, from related parties:
Management and accounting services, MNOK 6.9 (MNOK 6.5) provided by the subsidiary Eidesvik AS.

The offices are leased from Langevåg Senter AS, a wholly-owned subsidiary of Eidesvik Invest AS, the Company's largest shareholder. The lease on the office runs to 2033, with 6 x 5-years options thereafter. The gross lease cost is MNOK 7.2 (MNOK 6.8).
The offices are subleased, 23% to companies related to the principal shareholder, and 69% to the subsidiary Eidesvik AS. 8% of the premises are used by the lessor itself. The item "Office lease" represents this share. The lease is presented as a net lease.

NOTE 4 - LONG-TERM RECEIVABLES AND LIABILITIES TO SUBSIDIARIES

The interest on the intercompany balances is calculated quarterly using 3-month NIBOR + 3% margin.

Long-term receivables		**2023**	2022
Eidesvik AS		**0**	0
Eidesvik Shipping AS		**0**	0
Eidesvik Management AS		**3 665**	3 415
Eidesvik Supply AS		**47 329**	43 531
Eidesvik Shipping International AS		**6 900**	6 900
Eidesvik Shipping II AS		**0**	18 552
Eidesvik MPSV AS		**598**	0
Eidesvik Maritime AS		**0**	0
Eidesvik Shipping Investments AS		**131 620**	0
Eidesvik Offshore Holding AS		**479 878**	0
Provision for loss*		**-1 620**	-1 620
Total long-term receivables	**(*)**	**668 370**	70 778

*Provision for loss per 31 December 2023 of MNOK 1.6 is related to Eidesvik Management AS.

Long-term liabilities	**2023**	2022
Eidesvik AS	**52 718**	51 288
Eidesvik Shipping AS	**78 008**	77 079
Eidesvik Shipping II AS	**62 725**	0
Eidesvik Neptun AS	**0**	203 594
Eidesvik MPSV AS	**0**	422
Total long-term liabilities	**193 451**	332 383

Short-term liabilities	**2023**	2022
Norsk Rederihelsetjeneste AS	**1**	0
Total short-term liabilities	**1**	0

NOTE 5 – LONG-TERM LIABILITIES

Financial risk

The Company has provided guarantees for all ship mortgage debt in the consolidated subsidiaries. The guarantees involve substantial risk. The Company has no currency risk. For more details, see the discussion of financial risk management in Note 3 to the consolidated accounts.

The Company unwound two interest cap derivatives in 2023 for a total of MNOK 45.7 (Other financial income).

NOTE 6 - INVESTMENTS IN SUBSIDIARIES AND OTHER FINANCIAL ASSETS

2023:

Company	**Share capital**	**Owner share / voting share**	**Number**	**Nominal**	**Book value**	**Equity at 31.12.2023 (*)**	**Profit 2023 (*)**
Eidesvik Offshore Holding AS	300	100 %	3 000	100	314 125	245 085	-4 587
Eidesvik Shipping Investments AS	30	100 %	3 000	10	24	-5 875	-5 899
Hordaland Maritime Miljøs. AS	4483	91 %	39 933	100	332	291	-73
Eidesvik Neptun II AS	88	74,75 %	747 474	0,10	295	3 053	2 965
Total					**314 777**	**220 552**	**-11 363**

Reversed impairments in 2023 of MNOK 139.4 was related to the closing of Eidesvik Neptun AS in November 2023.
In 2023, Eidesvik Offshore Holding AS was established to own the shares in Eidesvik Shipping AS, Eidesvik AS, Eidesvik Shipping International AS, Eidesvik Subsea Vessels AS, Eidesvik Management AS, Norsk Rederihelsetjeneste AS, Eidesvik Maritime AS, Eidesvik Shipping II AS and Eidesvik UK Ltd.

Other financial assets

Company	Share capital	Owner share / voting share	Number	Nominal	Book value	Equity at 31.12.2023 (*)	Profit 2023 (*)
Eidesvik Ghana Ltd.		49 %			15		
Eidesvik Seven Chartering AS	100	50 %	5 000	10	56	22 388	-10 493
Total					71		

2022:

Company	Share capital	Owner share / voting share	Number	Nominal	Book value	Equity at 31.12.2022 (*)	Profit 2022 (*)
Eidesvik Shipping AS	170,749	100 %	291 380	586	162 638	222 785	111 665
Eidesvik AS	11 000	100 %	11 000	1 000	76 720	124 713	-12 081
Eidesvik Shipping Int. AS	100	100 %	100	1 000	0	-16 958	-11 208
Eidesvik Subsea Vessels AS	100	100 %	1 000	100	112	43 854	22
Hordaland Maritime Miljøs. AS	4483	91 %	39 933	100	332	365	-70
Eidesvik Management AS	100	100 %	1 000	100	0	-1 860	-216
Norsk Rederihelsetjeneste AS	100	100 %	100	1 000	566	566	74
Eidesvik Maritime AS	100	100 %	1 000	100	112	571	2 022
Eidesvik Neptun II AS	88	74,75 %	747 474	0,10	75	88	2 558
Eidesvik Shipping II AS	100	100 %	1	1 000	9 501	-5 279	-5 969
Eidesvik UK Ltd.	0	100 %	1	1	1	584	-70
Eidesvik Neptun AS	792	74,75 %	594	0,1	47 600	250 136	216 761
Total					**297 655**	**619 565**	**303 489**

Impairments in 2022 were related to impairments in Hordaland Maritime Miljøselskap AS (TNOK 231), Eidesvik Shipping International (TNOK 104), Eidesvik Management (TNOK 0,94) and Norsk Rederihelsetjeneste AS (TNOK 218).

Company	Share capital	Owner share / voting share	Number	Nominal	Book value	Equity at 31.12.2022 (*)	Profit 2022(*)
Eidesvik Seven Chartering AS	100	50 %	5000	10	56	32 886	2 272
Total					56		

NOTE 7 - TAXES

	2023	2022
Recognised tax on ordinary profit:	18 179	0
Tax expense on ordinary profit	**18 179**	0
Taxable income:		
Ordinary profit before tax	223 146	9 660
Permanent differences	-142 294	611
Changes in temporary differences	7 557	-5 648
Group contributions made	-82 632	0
Use of loss carry-forward	-5 777	-4 623
Taxable Income	**0**	0
Tax payable in the balance sheet:		
Tax payable on profit for the year	18 179	0
Tax payable on group contributions made	-18 179	0
Total tax payable in the balance sheet	**0**	0

Tax effect of temporary differences and loss carry-forwards which have given rise to deferred tax and deferred tax assets, broken down by categories of temporary differences:

	2023	**2022**	**Change**
Tangible fixed assets	-96	-120	-24
Receivables	-1 620	-1 620	0
Non-current liabilities in foreign exchange	0	6 975	6 975
Pension funds/liabilities	-189	417	606
Total	**-1 904**	**5 652**	**7 557**
Accumulated loss carry-forward	0	-5 777	-5 777
Basis for calculating deferred tax	**-1 904**	**-125**	**1 779**
Deferred tax assets (22%)	**-419**	**-28**	**391**
Effect of change of tax rate	0	0	0

No deferred tax assets have been posted.

NOTE 8 - EQUITY

	Share capital	Share premium	Other paid-in equity	Other equity	Total
Equity 31.12.22	3 108	177 275	549	299 560	480 491
Private placement *	542	123 779			124 321
Profit/loss for the year				186 721	186 721
Equity 31.12.23	**3 649**	**301 054**	**549**	**486 281**	**791 533**

* 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.

At the annual general meeting on 30 May 2024, the Board of Directors will propose that shareholders approve a cash dividend of NOK 0.25 per share, equating to approximately MNOK 18.2. The EIOF share will trade ex dividend on 31 May 2024.

NOTE 9 - SUMMARY OF TANGIBLE FIXED ASSETS

	Residential property	Non-depreciable assets	Total
Acquisition cost 1 January	8 921	156	9 077
Acquisition cost 31 December	8 921	156	9 077
Accumulated depreciation 1 January	0	0	0
Depreciation in the year	0	0	0
Accumulated depreciation 31 December	0	0	0
Booked value 31 December	**8 921**	**156**	**9 077**

NOTE 10 – BANK DEPOSITS

Of the MNOK 28.5 (MNOK 437.0) in bank deposits, restricted tax funds represent MNOK 0.3 (MNOK 0.3).

NOTE 11 - SHARE CAPITAL AND SHAREHOLDER INFORMATION

The Company's share capital consists of 72,983,333 shares at NOK 0.05 each. All shares have equal voting rights.

For the 20 largest shareholders in Eidesvik Offshore ASA as at 31 December 2023, see Note 17 to the consolidated accounts.

	2023	2022
Eidesvik Invest AS (1)	**43 684 833**	37 200 000
Kristine Elisabeth Skeie	**191 666**	25 000
John Egil Stangeland	**30 000**	30 000
Bjørg Marit Eknes	**25 000**	25 000
Gitte Gard Talmo	**7 690**	500
Helga Cotgrove	**5 800**	0
Lauritz Eidesvik	**200**	200

(1) Eidesvik Invest AS is 55%-controlled by Bømmelfjord AS, where Borgny Eidesvik holds 20% of the shares (A-shares), and Lauritz Eidesvik holds 20% of the shares (B-shares). The remaining 45% of Eidesvik Invest AS is owned by EVIK AS, where Lars Eidesvik indirectly holds 20% of the shares.

NOTE 12 – OTHER CURRENT LIABILITIES

The Company, on behalf of the Group received investment funds in 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.
- Utilisation: Actual days with revenue divided by total actual available days.
- Equity Ratio: Equity divided by total assets.
- Net interest bearing debt ("NIBD"): Interest bearing debt less cash and cash equivalents. The use of term "net debt" does not necessarily mean cash included in the calculation is available to settle debt if included in the term. Reference is made to Note 12.
- EBITDA: Operating result (earnings) before depreciation, impairment, amortization, result from join ventures and associated companies, 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.
- Adjusted EBITDA: EBITDA adjusted for Gain/loss on sale and Other income.
- EBITDA margin: EBITDA divided on Total operating revenue.
- 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	2022
Total operating income	**772 359**	918 547
Total operating expenses	**-438 791**	-424 335
EBITDA	**333 567**	494 213
Ordinary depreciation	**-160 984**	-142 907
Impairment on assets	**409 062**	209 237
Result from Joint ventures and associated companies	**-4 410**	-9 120
EBIT	**577 236**	551 423

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Eidesvik Offshore ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Eidesvik Offshore ASA (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the balance sheet as at 31 December 2023 and the statement of profit and loss and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the balance sheet as at 31 December 2023, the statement of profit and loss, statement of comprehensive income, statement of cash flow and statement of changes in equity for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 14 years from the election by the general meeting of the shareholders on 7. September 2010 for the accounting year 2010.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Impairment assessment of vessels

Basis for the key audit matter

Due to observed indicators, such as improved market conditions in market interest rates or P/B below 1, management identified indicators of impairment and reversal of previous impairments, and tested recoverable amounts of the Group's vessels. Each individual vessel was assessed as a separate cash generating unit, and management estimated recoverable amounts by comparing the carrying amount to the highest of fair value less costs of disposal and value in use. As of 31 December 2023, book value of the Group's vessels amounted to MNOK 1 675 133, representing 62% of the Group's total assets. The Group recognized reversal of impairment of MNOK 409.1 during 2023, related to one subsea/wind vessel, four PSVs and two seismic vessels. Management uses assumptions for future market conditions and financial conditions when the recoverable amount is estimated. Significant estimates include future day rates, utilization rate, operating costs, capital expenditures and discount rate. Impairment assessment for the Group's vessels have been assessed to be a key audit matter due to the extent of management judgement in the calculations, uncertainty in estimates and future market conditions, and assumptions used in management's models for recoverable amounts.

Our audit response

Our audit procedures included assessment of cash flows estimated by management by comparing the assumptions, including utilization rates, with data from comparable companies, terms in the Group's current contracts, and independent market reports. We have compared management's estimated operating costs to actual historical data for the vessels and assessed that the estimated revenue and operating expenses is according to approved budgets. Further, we have assessed the required rate of return by comparing external data for risk-free interest rate based on government bonds, beta, and market risk premiums for the industry, and assessed adjustments for company-specific factors. In addition, we assessed the level of precision in management's assumptions used in previous years impairment assessment by comparing to subsequent actual results and ensured consistency over time in the use of valuation method. We have recalculated the valuation models and compared management's calculations of recoverable amounts with external valuation reports obtained by the company. We have also conducted a sensitivity analysis of the most important assumptions. We refer to note 2.23 for information on uncertainty in the estimations and note 12 for vessels, impairment, valuation model, and the sensitivities of significant assumptions..

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Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that the other information is materially inconsistent with the financial statements, there is a material misstatement in this other information or that the information required by applicable legal requirements is not included in the board of directors' report, the statement on corporate governance or the statement on corporate social responsibility, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility are consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Eidesvik Offshore ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 5967007LIEEXZXFOMO31-2023-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 23 April 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Trond Stian Nytveit
State Authorised Public Accountant (Norway)

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