



GC Rieber Shipping ASA

Third Quarter 2019 (unaudited)

Interim report



GC RIEBER

Key events in the third quarter 2019

- Fleet utilisation of 100% in a quarter with continued challenging market conditions¹
- Net profit of NOK 17.3 million, compared with a loss of NOK 53.2 million in the third quarter of 2018
- Contract backlog of NOK 311 million as of 1 October 2019²
- New time charter agreement for Polar Queen for a period of 5 months in 2020
- Shearwater awarded several contracts for marine seismic acquisition projects and rates continue to reflect an improved marine seismic market
- Ship management agreement signed with Nexans Skagerrak AS (Nexans) for the cable laying vessels Nexans Skagerrak from Q3 2019 and newbuild Nexans Aurora from 2021

Events after the end of the period

- Extension of the ongoing Polar King charter with Nexans by four months until February 2020, with options for additional five months

Key figures (Unaudited)

Figures in NOK million	Q3 2019	Q3 2018	YTD 2019	YTD 2018	31.12.2018
Operating income	74.2	69.6	214.2	161.7	231.9
EBITDA	65.4	-6.5	44.6	-18.8	254.9
EBIT	36.1	-35.6	52.1	-78.7	200.7
Profit before tax	17.3	-49.4	6.8	-117.5	148.0
Net profit in the period	17.3	-53.2	6.8	-121.3	148.1
Earnings per share	0.20	-1.22	0.08	-2.27	2.68
Equity ratio	60.1%	48.2%	60.1%	48.2%	57.5%
Fleet capacity utilisation	100%	99%	95%	88%	91%
Number of shares (in million)	86.1	57.1	86.1	53.4	55.2

¹ Excluding marine seismic

² Excluding marine seismic and charterers' extension options, including all contracts secured up until the reporting date for the third quarter

Operational review

GC Rieber Shipping's business within offshore/shipping includes ownership in specialised vessels, high-quality marine ship management and project development within the segments subsea, ice/support and marine seismic. The group has a specialised competence in offshore operations in harsh environments as well as design, development and maritime operation of offshore vessels.

GC Rieber Shipping operates 13 and has direct and indirect ownership in 22 advanced special purpose vessels within the segments subsea, ice/support and marine seismic.

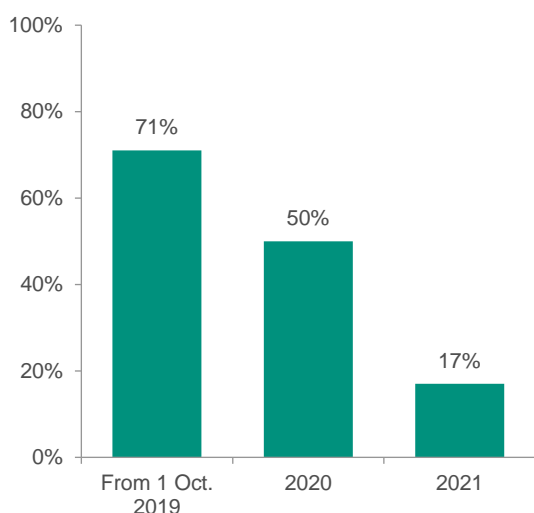
The company has its headquarter and ship management company in Bergen (Norway), with an additional ship management company in Yuzhno-Sakhalinsk (Russia). The company is listed on Oslo Stock Exchange with the ticker RISH. Further information is available on the company's website www.gcrieber-shipping.com.

Capacity utilisation and contract backlog

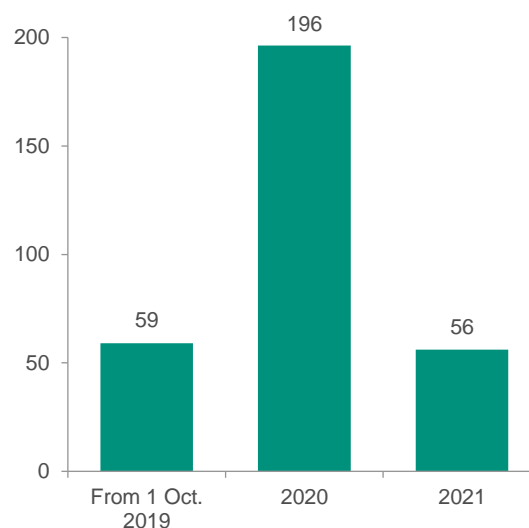
The fleet capacity utilisation was 100% in the third quarter of 2019 as Polar King, Polar Queen, Polar Onyx and the ice/support vessels were on charter for the entire period. Capacity utilisation was 99% in the corresponding period of 2018.³

When including all contracts secured up until the reporting date for the third quarter, contract backlog was NOK 311 million as of 1 October 2019, compared with NOK 463 million reported in the third quarter of 2018. Contract coverage for the remainder of 2019, 2020 and 2021 was 71%, 50% and 17% respectively.⁴

Contract coverage



Contract backlog (figures in NOK million)



³ Excluding marine seismic

⁴ Excluding charterers' extension options and marine seismic

Contract updates in the third quarter of 2019

- GC Rieber Shipping signed a time charter agreement with a European client for Polar Queen for a period of about five months with options to extend by up to one month. The vessel will perform accommodation services and walk-to-work duties in the British sector starting in April 2020 on the same project as in the 2018 and 2019 summer seasons.
- GC Rieber Shipping has entered into a ship management agreement with Nexans for the cable laying vessel Nexans Skagerrak. The agreement also includes management of the Nexans' state-of-the-art cable laying vessel Nexans Aurora once it is delivered from Ulstein yard in 2021. The management of Nexans Skagerrak was handed over to GC Rieber Shipping in September 2019.
- Shearwater was successful in securing multiple acquisition projects, resulting in a confirmed backlog of more than 13 vessel-months commencing in the third and fourth quarter of 2019.

Contract updates after the end of the period

- GC Rieber Shipping and Nexans have extended the ongoing charter of Polar King by four months until mid-February 2020, with options for additional five months. The vessel has been on charter with Nexans since January 2017.

Legal proceedings

Gulating Court of Appeal's dismissal of the lawsuit from 17 former employees of GC Rieber Crewing AS, against two subsidiaries of GC Rieber Shipping ASA, has been appealed to the Supreme Court by the claimants. The Supreme Court has not yet decided whether to process or dismiss the appeal.

Financial review (Unaudited)

Accounting principles

This interim report has been prepared in accordance with IAS 34 «Interim Financial Reporting» and follows the same accounting principles as in the annual financial statement.

Operating income

GC Rieber Shipping had operating income of NOK 74.2 million in the third quarter of 2019, compared with NOK 69.6 million in the corresponding period of 2018.

EBITDA

EBITDA for GC Rieber Shipping amounted to NOK 65.4 million in the third quarter of 2019, compared with negative NOK 6.5 million in the third quarter of 2018. The positive development in EBITDA compared with 2018 is mainly due to increased profitability in the associated company Shearwater.

Impairment

As at 30 June 2019, the company obtained vessel market values from two reputable brokers for each subsea vessel (three brokers were used when the value from the first two deviated by more than 10%) and performed impairment testing of the assets in the balance sheet. Based on these assessments, the fair value for each vessel was set as the average of the obtained market values. Impairment testing as at 30 September 2019 has not resulted in further impairment of the asset values.

In the current challenging offshore market, the fair values are subject to uncertainty.

Net financial items

Net financial items were negative by NOK 18.7 million in the third quarter of 2019, compared with negative NOK 13.9 million in the corresponding period of 2018.

The group does not use hedge accounting for currency exchange rates. As a result, exchange rate variations between USD and NOK may have a significant impact on the accounts, in accordance with IAS 39. Unrealised currency gain/loss has no cash effect for the group.

Unrealised currency loss in the period was NOK 7.1 million, compared with an unrealised currency loss of NOK 0.3 million for the same period of 2018.

Profit for the period

GC Rieber Shipping had a profit of NOK 17.3 million in the third quarter of 2019, compared with a loss of NOK 53.2 million for the corresponding period of 2018.

Cash flow

Cash flow from operational activities in the third quarter of 2019 was positive NOK 39.3 million, compared with positive NOK 19.9 million in the third quarter of 2018.

Cash flow from investment activities was negative by NOK 4.6 million, compared with a positive cash flow of NOK 2.0 million for the corresponding period of 2018.

Cash flow from financing activities was negative by NOK 20.4 million in the third quarter of 2019 and reflected payment of interests and instalments on the group's existing loans. Cash flow from financing activities in the corresponding period of 2018 was negative by NOK 15.9 million.

Net cash flow in the quarter was positive by NOK 14.4 million, yielding a cash holding of NOK 216.8 million as at 30 September 2019.

Liquidity and financing

GC Rieber Shipping was in compliance with its financial covenants at 30 September 2019 and has been throughout the third quarter of 2019.

Interest-bearing liabilities	30.09.2019	30.09.2018
Liabilities at end period (NOK million)	1,160.1	1,152.8
Average liabilities (NOK million)	1,185.7	1,161.5
Average interest incl. margin	4.23%	4.10%
Proportion of liabilities in USD	100%	100%

Liquid assets	30.09.2019	30.09.2018
Bank and interest-bearing securities (NOK million)	216.8	114.1

As at 30 September 2019, GC Rieber Shipping had cash and bank deposits of NOK 216.8 million. As at 30 September 2018, the cash and bank deposits amounted to NOK 114.1 million in addition to restricted cash of NOK 61.3 million classified as current assets. Net liabilities (liquid assets minus interest-bearing liabilities) amounted to NOK 943.3 million, compared with net liabilities of NOK 1 038.7 million as at 30 September 2018.

Equity

GC Rieber Shipping had a book equity of NOK 1,807.3 million as at 30 September 2019, corresponding to an equity ratio of 60.1%, up from 48.2% at the end of September 2018.

Segments

Subsea

GC Rieber Shipping owns and operates three vessels in the subsea segment. The vessels are primarily designed for inspection, maintenance and repair of subsea installations, but have also demonstrated attractive capabilities for the renewables market.

Polar King has been chartered to Nexans Skagerrak AS from early 2017. The charter was recently extended until mid-February 2020, with options for additional five months. Polar Onyx is on a three-year charter for DeepOcean BV which commenced in February 2018, with options for two additional years. Polar Queen operated throughout the third quarter 2019 for an undisclosed client.

Key figures (in NOK million)	Q3 2019	Q3 2018	YTD 2019	YTD 2018
Operating income	74.2	65.3	185.4	148.7
EBITDA	32.1	14.3	44.8	9.5
EBIT	2.7	-12.8	-46.1	-44.8
Capacity utilisation (in %)	100%	97%	91%	77%

GC Rieber Shipping had a capacity utilisation of 100% for the subsea vessels in the third quarter of 2019, compared with 97% in the corresponding period of 2018.

Operating income amounted to NOK 74.2 million in the third quarter of 2019, compared with NOK 65.3 million in the third quarter of 2018. EBITDA amounted to NOK 31.7 million, compared with NOK 14.3 million in the corresponding period of 2018.

Ice/Support

Ernest Shackleton was on bareboat charter to the British Antarctic Survey until the vessel was sold to Istituto Nazionale di Oceanografia e di Geofisica Sperimentale (OGS) in May 2019. The vessel had full capacity utilisation until it was sold. There are no other vessels currently reported under the Ice/Support segment.

Key figures (in NOK million)	Q3 2019	Q3 2018	YTD 2019	YTD 2018
Operating income	0.0	4.3	28.9	13.0
EBITDA	0.0	4.2	24.6	12.8
EBIT	0.0	2.3	123.1	7.2
Capacity utilisation (in %)	-	100%	100%	100%

Joint Ventures and Associated Company

Joint Ventures - Ice/Support

The ice-breaker Polar Pevek is owned through a 50/50 joint venture with Maas Capital Offshore. The crew boats Polar Piltun and Polar Baikal are owned through a 50/50 joint venture with MG Holding (Cyprus) Limited. GC Rieber Shipping's 50% stake is reported in the profit and loss statement under «Profit from joint ventures and associates».

Polar Pevek is chartered to Exxon Neftegas until 2021 and operates out of the DeKastri oil terminal, assisting tankers carrying oil from the Sakhalin I offshore field outside eastern Russia. The two crew boats are chartered to the Sakhalin Energy Investment Corporation until the end of 2019, operating on the Sakhalin II field. Efforts are currently ongoing to secure continued engagement for the vessels.

The group's share of the profit for the third quarter of 2019 amounted to NOK 17.0 million, compared with NOK 14.0 million in the corresponding period of 2018.

Associated Company - Marine Seismic (Shearwater)

GC Rieber Shipping's stake in Shearwater is reported in the profit and loss statement under «Profit from joint ventures and associates».

Shearwater operates as a global, customer-focused and technology-driven provider of marine geophysical services. Shearwater owns and operates a fleet of 14 fully equipped seismic vessels, offering a full range of acquisition services including 3D, 4D and ocean bottom seismic. The company also has a portfolio of proprietary streamer technology and processing software enabling effective execution of geophysical surveys and delivery of high-quality data. The company has approximately 600 employees and operates in all major offshore basins across the world. This combination makes Shearwater a leading global and technology-driven full-service provider of marine geophysical services, able to deliver exceptional customer solutions.

In the third quarter of 2019, Shearwater's active fleet spent 92% of its time executing or positioning for acquisition contracts.

Shearwater has had 9 acquisition vessels active over the summer, and expect to keep the majority of these vessels active over the coming winter season with continued high tendering activity. The increase in demand for acquisition services in 2019 has had a positive effect on the pricing level.

GC Rieber Shipping's share of profit for the third quarter of 2019 amounted to NOK 16.4 million, compared with a loss of NOK 39.0 million in the third quarter of 2018.

Shareholder information

The company's shares are listed on Oslo Børs with the ticker RISH. The company's holding of own shares is 54,800, i.e. 0.06% of the shares in the company.

In the third quarter of 2019, the group's shares were traded in a range from NOK 6.95 to NOK 10.30 per share. The 30 September 2019 closing price was NOK 9.10, which based on the 86,087,310 shares outstanding valued the group's equity at approximately NOK 783.4 million. At the end of September 2019, the company had 510 shareholders. 94.5% of the shares were owned by the 20 largest shareholders. Please refer to note 6 for a list of the 20 largest shareholders in the company as at 30 September 2019.

Risks and uncertainties

As described in GC Rieber Shipping's annual report for 2018, GC Rieber Shipping is exposed to a number of risks as the company operates in a global market. The Board of Directors of GC Rieber Shipping therefore focuses on efforts to identify and manage risk, and routines have been established with the aim of limiting and reducing the total risk exposure to an acceptable level. Risk factors are categorised into the areas of market risks, financial risks and operational risks.

It is referred to the company's annual report for 2018 for a more detailed description of the company's risk management and the most principal risk and uncertainty factors. The subsea and marine seismic markets are particularly exposed to the development in the oil and gas industry.

Outlook

GC Rieber Shipping's operations are exposed to developments in the markets for oil, gas and renewables. The oil price (Brent) remains volatile and closed at approximately USD 60 per barrel at the end of the quarter.

GC Rieber Shipping has been successful in securing a high fleet utilisation for the subsea fleet during the first three quarters of 2019. However, for the winter season, lower utilisation is expected as activity historically decreases, and more vessels become available in the market. Most tendered charters in the spot market are project-specific, of limited duration and focused in the renewables market.

Polar Onyx is on a long-term contract with DeepOcean until early 2021. Nexans has extended the charter with Polar King and the vessel continues its charter until February 2020, with an option to extend until July 2020. Polar Queen is currently available until its next contract which starts in April 2020 lasting 5.5 months.

Shearwater has been awarded several contracts for 2019 by major international oil companies and multiclient companies. Activity and rates continue to reflect an improved marine seismic market, and continued high utilisation is expected for the active fleet in Q4. Shearwater will further strengthen its market position through the announced strategic partnership agreement with CGG.

GC Rieber Shipping provides ship management services for specialised vessels on behalf of third-party owners. GC Rieber Shipping operates four seismic vessels for Shearwater, two ro-ro vessels for Statnett Transport and one cable lay vessel for Nexans. One additional newbuilding vessel for Nexans will come under management, first with operational site team during yard phase in Norway, and then under full ship management when finalised in 2021.

The activity level within ice/support is stable in a gradually improving market with new tenders currently being released. The charters for Polar Baikal and Polar Piltun end after the 2019 season, GC Rieber Shipping and its 50% owned subsidiary OOO Polarus work actively to secure continued engagement for the vessels.

Bergen, 6 November 2019

The Board of Directors and Chief Executive Officer in GC Rieber Shipping ASA

Paul-Chr. Rieber, Chairman

Morten Foros Krohnstad, Vice Chairman

Trygve Bruland, Board Member

Tove Lunde, Board Member

Bodil Valland Steinhaug, Board Member

Einar Ytredal, CEO

GC RIEBER SHIPPING ASA
Third quarter 2019
Consolidated income statement
(Unaudited)

	Note	3Q 2019	3Q 2018	30.09.2019	30.09.2018	31.12.2018
Charter income		65 087	61 625	165 658	143 438	206 228
Other income		9 150	8 005	48 572	18 295	25 682
Total income	3	74 236	69 630	214 230	161 733	231 910
Operating expenses		-42 169	-51 097	-144 849	-139 463	-194 513
Sale of shares in joint venture		0	0	0	0	310 254
Profit from joint venture and associates		33 373	-25 068	-24 778	-41 092	-92 754
EBITDA*		65 440	-6 536	44 603	-18 823	254 897
Depreciation		-29 385	-29 030	-87 542	-86 086	-110 003
Write-downs		0	0	-6 504	26 210	55 761
Gains (losses) on sale of fixed assets		0	0	101 570	0	0
Operating profit		36 056	-35 565	52 127	-78 700	200 655
Financial income		855	83	1 868	1 130	1 998
Financial expenses		-12 529	-13 268	-42 361	-39 853	-54 735
Realised currency gains (losses)		88	-390	-568	648	-85
Unrealised currency gains (losses)		-7 143	-296	-4 307	-768	199
Net financial income and expenses		-18 729	-13 870	-45 368	-38 843	-52 624
Profit / loss before taxes		17 327	-49 436	6 759	-117 541	148 032
Taxes		0	-3 732	0	-3 732	107
Profit / loss for the period		17 327	-53 168	6 759	-121 273	148 139
Earnings and diluted earnings per share (average number of shares)		0,20	-1,22	0,08	-2,27	2,68

Consolidated statement of comprehensive income

	3Q 2019	3Q 2018	30.09.2019	30.09.2018	31.12.2018
Profit for the period	17 327	-53 168	6 759	-121 273	148 139
Other comprehensive income					
Foreign currency translation subsidiaries continuing operations	99 065	18 851	89 514	-3 732	84 064
Changes in pension estimates	0	0	0	0	316
Total comprehensive income / loss for the period net of tax	116 392	-34 317	96 273	-125 005	232 519

* Operating profit before depreciation, write-downs and gains (losses) on fixed assets

GC RIEBER SHIPPING ASA
Third quarter 2019
Consolidated statement of financial position
(Unaudited)

Assets	Note	30.09.2019	30.09.2018	31.12.2018
Vessels	4	1 772 224	1 658 333	1 770 606
Machinery and equipment	4	17 156	24 102	22 362
Financial fixed assets		933 622	388 488	921 562
Long term receivables and restricted cash	7	2 262	0	0
Total fixed assets		2 725 264	2 070 922	2 714 530
Inventories		3 949	2 478	2 328
Receivables		63 017	58 141	56 264
Restricted cash		0	61 333	0
Cash and bank deposits	5	216 802	114 104	204 164
Total current assets		283 768	236 056	262 755
Total assets		3 009 033	2 306 978	2 977 286
Equity and liabilities	Note	30.09.2019	30.09.2018	31.12.2018
Restricted equity		441 369	195 196	441 369
Retained earnings		1 365 980	915 754	1 269 707
Total equity	6	1 807 349	1 110 950	1 711 077
Provision for liabilities	7	10 445	7 401	7 321
Other long-term liabilities	5	1 136 522	1 130 173	1 195 729
First year instalments		23 554	22 612	24 025
Current liabilities		31 163	35 842	39 135
Total liabilities		1 201 683	1 196 028	1 266 209
Total equity and liabilities		3 009 033	2 306 978	2 977 286

GC RIEBER SHIPPING ASA
Third quarter 2019
Consolidated statement of cash flows
(Unaudited)

	Note	3Q 2019	3Q 2018	30.09.2019	30.09.2018	31.12.2018
EBITDA		65 440	-6 536	44 603	-18 822	254 897
Change in net current assets		-26 131	26 412	14 223	22 455	-218 746
Net cash from operating activities		39 309	19 876	58 826	3 633	36 151
Acquisition of tangible fixed assets		-4 591	0	-29 643	-119	-1 220
Sale of tangible fixed assets		0	0	117 090	0	0
Other investing activities		0	2 044	14 720	18 723	-209 307
Net cash from investment activities		-4 591	2 044	102 167	18 604	-210 527
New loans and repayments	7	-7 638	-5 648	-113 088	-73 448	-79 449
Net payment of equity		0	0	0	96 318	338 158
Net interest paid		-12 725	-10 245	-35 266	-38 956	-49 456
Net cash from financing activities		-20 363	-15 893	-148 354	-16 086	209 253
Net change in liquidity		14 355	6 028	12 639	6 151	34 877
Liquidity at beginning of period		202 447	169 551 ⁾	204 163	169 286 ⁾	169 286
Currency gains(losses) on restricted capital		0	-142	0	0	0
Liquidity at end of period		216 802	175 437 ⁾	216 802	175 437 ⁾	204 163

⁾ Included restricted cash

GC RIEBER SHIPPING ASA
Third quarter 2019
Consolidated statement of changes in equity
(Unaudited)

	Share capital	Own shares	Share Premium reserve	Other equity	Total equity
Balance at 01.01.2018	78 863	-271	16 604	1 044 438	1 139 635
Profit for the year				232 519	232 519
Capital increase March	24 000		76 000	-3 682	96 318
Capital increase December	52 094		193 906	-4 160	241 840
Sale of own shares		173	590	0	763
Balance at 31.12.2018	154 957	-98	287 100	1 269 116	1 711 077
Balance at 01.01.2019	154 957	-98	287 100	1 269 116	1 711 077
Profit for the year				96 273	96 273
Balance at 30.09.2019	154 957	-98	287 100	1 365 389	1 807 349

GC RIEBER SHIPPING ASA
Third quarter 2019
Group
(Unaudited)

Note 1 General information

GC Rieber Shipping ASA is registered and domiciled in Norway, with its head office in Bergen. The consolidated interim accounts for the Group include GC Rieber Shipping ASA with its subsidiaries and the Group's investment in associated companies. The Group accounts for fiscal year 2018 were approved by the Board of Directors on 14 March 2019. The consolidated financial statement for the year ended 31 December 2018 with notes and auditor's report are available on our website at www.gcrieber-shipping.com.

Accounting principles

The Group's financial reporting is in accordance with International Financial Reporting Standards (IFRS). The consolidated interim accounts at 30 September 2019 have been prepared in accordance with IAS 34 Interim financial reporting. As of January 2019, the Group has adopted IFRS 16. The Group has assessed the new standard, please see note 7 for further details. The interim financial statements are unaudited and do not include all the information required in full annual financial statements, and therefore should be read in conjunction with the 2018 Group accounts. The condensed, consolidated quarterly financial statements were approved by the Board of Directors on 6 November 2019.

Foreign currency

GC Rieber Shipping Group uses the Norwegian krone (NOK) as its presentation currency. Some subsidiaries have US Dollar (USD) as their functional currency. Consequently, accounting standard IAS 21 will apply. A fluctuation in the USD/NOK exchange rate affects the company's equity and result, as the Group's debt are mainly in USD and most of the vessels are recorded in the accounts in and converted to USD/NOK exchange rate on the balance sheet date. For subsidiaries with USD as functional currency, the translation differences on vessels and liabilities are recognized directly in equity. Translation differences also arise in respect of subsidiaries that have the USD as their functional currency and hold liquid assets in NOK. Here the value of the liquid reserves in NOK translated to USD will be determined by the exchange rate on the balance sheet date and the translation difference will be recognised in profit and loss as unrealised gain/loss.

Estimates

Preparation of interim financial statements requires use of assessments, estimates and assumptions that affect accounting principles and reported amounts for equity and liabilities, income and costs. The statements are based on assumptions and estimates, and some of them are beyond the company's control and therefore subject to risks and uncertainty. The actual result may differ from these estimates. When preparing this consolidated interim financial statement, the management has used the same critical assessments related to application of accounting principles as were used for the Group financial statements for the financial year that ended on 31 December 2018 and the most important sources of estimate uncertainty are the same as for preparation of the 2018 Group financial statements.

Related parties

The Group makes purchase and sales transactions with related parties as part of the normal business operations. Note 17 of the 2018 annual report describes transactions with related parties. There have been no material changes or transactions in connection with related parties that make a material impact on the Group's position or profit for the period.

Financial risk management

GC Rieber Shipping makes a continuous and thorough assessment of operational and financial risk factors. The Group's objectives and principles for financial risk management are in accordance with what has been stated in the Group financial statements for 2018.

Note 2 Segment

The Group's management team, as presented on the Group's website, examines the Group's performance from a product and geographical perspective when defining operating segments. The management team has defined three operating segments; subsea, ice/support and marine seismic. However, as the Group's marine seismic segment now in its entirety is held through the stake in Shearwater and accounted for by the equity method, marine seismic is no longer reported as a separate segment, neither in management reporting nor financial reporting. Investments in joint ventures & associates are presented as a separate segment in management and financial reporting.

The geographic perspective is not a focal point in the internal management reporting for either of the segments.

The segments are considered to have different operational and financial risk profiles. Any transactions between the segments are carried out at arm's length and eliminated in the consolidated financial statements.

Subsea

The Group owns and operates three vessels within the subsea segment; Polar King, Polar Queen and Polar Onyx. The vessels are primarily used for construction, inspection, maintenance and repair of subsea installations and cables as well as offshore windmills.

Ice/support

GC Rieber Shipping owned one vessel within the reported ice/support segment, the RSS Ernest Shackleton. The vessel was sold in May 2019.

Joint ventures & associates

Joint ventures include the 50% owned vessels operating in Russia. The 20% owned marine geophysical company Shearwater is presented as an associated company in the segment report.

	3Q 2019	3Q 2018	30.09.2019	30.09.2018	31.12.2018
Ice/support	0	4 297	28 878	13 009	17 347
Subsea	74 236	65 333	185 352	148 724	214 563
Operating income	74 236	69 630	214 230	161 733	231 910
Ice/support	0	4 184	24 298	12 799	17 080
Subsea	32 067	14 349	45 083	9 471	20 317
Sale of shares in joint venture		0		0	310 254
Associates - Seismic	16 411	-39 036	-52 653	-63 122	-125 965
JV - Ice/support	16 962	13 968	27 875	22 029	33 211
EBITDA*	65 440	-6 536	44 603	-18 823	254 897
Ice/support	0	2 275	122 732	7 217	9 541
Subsea	2 683	-12 773	-45 827	-44 824	-26 385
Sale of shares in joint venture		0		0	310 254
Associates - Seismic	16 411	-39 036	-52 653	-63 121	-125 965
JV - Ice/support	16 962	13 968	27 875	22 029	33 211
Operating profit	36 056	-35 565	52 127	-78 699	200 655

* Operating profit before depreciation, write-downs and gains (losses) on fixed assets

Note 3 Income

	Q3 2019	Q3 2018	YTD 30.09.2019	YTD 30.09.2018	2018
TC hire	65 087	61 624	159 693	134 726	188 881
BB hire	0	0	5 965	8 712	17 347
Other revenues	9 150	8 005	48 572	18 296	25 682
Revenue from external customers	74 236	69 629	214 230	161 734	231 910
Time of revenue recognition					
At a point in time	0	0	0	0	0
Over time	74 236	69 629	214 230	161 734	231 910
Total	74 236	69 629	214 230	161 734	231 910

TC hire (time charter hire) are revenues were the Group are to deliver vessels, equipment and crew as a service to the customer based on a fixed fee/day rate. A time charter contract can be divided into a bareboat element and a service component. Out of total income per 30.09.2019, the bareboat element constitutes to approximately NOK 68 million. Remaining income qualifies as IFRS 15 income.

Other income are additional services provided in connection with for example time charter contracts and fees for technical support and operation of third-party vessels. Early redelivery fee for the vessel Ernest Shackleton is included in other income.

Terms of payment in contracts with customers are from 30-45 days depending on contract.

Note 4 Fixed assets

30.09.2019	Vessels and periodic maintenance	Machinery and equipment
Net book value 01.01	1 770 606	22 362
Additions	31 212	0
Disposals	-17 535	0
Depreciation	-82 383	-5 159
Impairment	-6 457	-47
Changes in translation differences during the year	76 779	0
Net book value 30.09	1 772 224	17 156

All vessels have carrying amounts in USD, which are converted to NOK by using the exchange rate on the balance sheet date in the consolidated financial statements. Changes in the exchange rate USD/NOK result in translation differences, which are recognised in the comprehensive income. Accumulated exchange translations are included in the amounts above.

Note 5 Cash sweep

When negotiating revised terms and certain amendments to the two subsea credit facilities in early 2018, the new terms and amendments included the following cash sweep mechanism;

- Cash sweep of the average aggregate consolidated cash in the company during the six months prior to the sweep date in excess of the following threshold amounts;
 - NOK 150 million in 2019
 - NOK 120 million in 2020 and onwards

First cash sweep in June 2019 and semi-annually thereafter.

First cash sweep payment in June 2019 was NOK 93.6 million, which included cash sweep related to parts of the proceeds from sale of the vessel Ernest Shackleton.

For further information about terms and amendments, please refer to note 14 to the Group's annual report for 2018.

Note 6 Overview of shareholders

The 20 largest shareholders in GC Rieber Shipping ASA as of 30 September 2019 (outstanding shares):

Name	Number of shares	Owner's share
GC Rieber AS	66 145 908	76,8 %
AS Javipa	2 003 492	2,3 %
GC Rieber Fondet	1 961 870	2,3 %
Pareto Aksje Norge Verdipapirfond	1 633 179	1,9 %
Viben AS	1 334 435	1,6 %
Celsius AS	1 328 768	1,5 %
Trioship Invest AS	1 190 000	1,4 %
Tannlege Randi Arnesen AS	850 000	1,0 %
Delta A/S	822 000	1,0 %
Johanne Marie Rieber Martens Allm. Fond	786 654	0,9 %
Pelicahn AS	685 166	0,8 %
Storkleiven AS	600 000	0,7 %
Benedicte Martens Nes	386 250	0,4 %
Dag Fredrik Jebsen Arnesen	320 000	0,4 %
Triofa 2 AS	278 001	0,3 %
Mikkel Martens	225 949	0,3 %
Thorild Marie Rong	210 648	0,2 %
Bergen Råvarebørs II AS	208 668	0,2 %
Tigo AS	186 359	0,2 %
Stian Strøm Arnesen	170 000	0,2 %
Other Shareholders	4 759 963	5,5 %
Outstanding Shares	86 087 310	100,0 %

Note 7 New International Financial Reporting Standards

IFRS 16 "Leases" sets out the principles for the recognition, measurement and disclosure requirements for both parties to a lease contract. IFRS 16 is effective for reporting periods beginning on or after 1 January 2019. The Group adopted IFRS 16 on the effective date using a modified retrospective approach and will not restate comparative information.

Under the new standard, a lease is defined as a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration. IFRS 16 eliminates the classification of a lease as either an operating lease or finance lease for lessees. For short term leases for periods of 12 months or less or the lease is for a low-value asset a single model is introduced. This model will require lessees to recognise most leases on the Consolidated Balance Sheet as lease liabilities and to be amortized over the useful life (lease period).

The Group is both a lessor, as it charters vessels to customers, and a lessee. The new requirements will primarily affect the Group's accounting for the operating leases as a lessee. The accounting for lessors will not significantly change.

The Group has long term lease agreements on office buildings and warehouses that will be affected by implementation of IFRS 16. For the Group, these lease commitments will result in the recognition of an asset (right-of-use) and a liability for a period of time.

On 1 January 2019 the Group recognized a Right-of-use asset of NOK 3.6 million and corresponding lease liability of NOK 3.6 million. As permitted by IFRS 16, the Group chose to measure the right-of-use asset equal to the amount of the liability at the implementation date. The future payments under each lease arrangement have been discounted using the incremental borrowing rate applicable to the leased assets in order to calculate the lease liability recognized on the date of adoption.

There will be no significant changes the Group's profit but the cash flow statement for leases will be affected with lease payments being presented as financing activities as opposed to operating activities. Some of the Groups commitments relates to arrangements that will not qualify as leases under IFRS 16.

Operational leasing

The Group charters its owned vessels under charter parties of varying duration to different charterers, both bareboat and time charter. Lease income from lease of vessels is reported to the profit and loss account on a straight-line basis for the duration of the lease period. The lease period starts from the time the vessel is put at the disposal of the lessee and terminates on the agreed date for return of the vessel. Future minimum nominal lease payments arising from contracts as at 30 September 2019, amounts to NOK 13.6 million in 2019 and NOK 43.7 million in 2020. The lease payments include bareboat contracts and bareboat components from time charter contracts.

Right-of-use assets – lease liabilities

Right of use assets

Figures in NOK million	30.09.2019
Net present value of lease liabilities	3,62
Initial direct cost	0
Balance at 1 January	3,62
Depreciation	- 1,36
Balance at period end	2,26

Lease Liabilities

Figures in NOK million	30.09.2019
Net present value of lease liabilities	3,62
Balance at 1 January	3,62
Lease payments during the period	- 1,36
Balance at period end	2,26

Note 8 Performance measurement definitions

Alternative performance measurements

The Group presents alternative performance measurements (APM) that are regularly reviewed by management and aim to enhance the understanding of the Group's performance. APMs are calculated consistently over time and are based on financial data presented in accordance with IFRS and other operational data as described below.

Measure	Description	Reason for including
Operating profit before depreciation (EBITDA)	EBITDA is defined as operating profit, before impairment of tangible and intangible assets, depreciation of tangible assets. EBITDA represents earnings before interest, tax and depreciation, and is a key financial parameter for the Group.	This measure is useful in evaluating operating profitability on a more variable cost basis as it excludes depreciation and impairment related primarily to acquisitions that occurred in the past. EBITDA shows operating profitability regardless of capital structure and tax situations
Operating profit (EBIT)	EBIT represents earnings before interest and tax.	EBIT shows operating profitability regardless of capital structure and tax situations.
Net interest-bearing debt	Net interest-bearing debt consists of both current and non-current interest-bearing liabilities less interest bearing financial assets, cash and cash equivalents.	Net interest-bearing debt is a measure of the Group's net indebtedness that provides an indicator of the overall statement. It measures the Group's ability to pay all interest-bearing liabilities within available interest-bearing financial assets, cash and cash equivalents, if all debt matured on the day of the calculation. It is therefore a measurement of the risk related to the Group's capital structure.
Equity ratio	Equity divided by assets at the reporting date.	Measure capital contributed by shareholders to fund the Group's assets.
Earnings per share	Earnings divided by number of shares outstanding.	Measures the Group's earnings on a per-share basis.

Other definitions

Measure	Description
Market value	Calculated average vessel value between several independent brokers' estimates based on the principle of "willing buyer and willing seller".
Capacity utilisation	Capacity utilisation is a measure of the Group's ability to keep vessels in operation and on contract with clients, expressed as a percentage. The capacity utilisation numbers are based on actual available days.
Contract coverage	Sum of undiscounted revenue related to secured contracts in the future. Optional contract extensions as determined by the client in the future are not included.