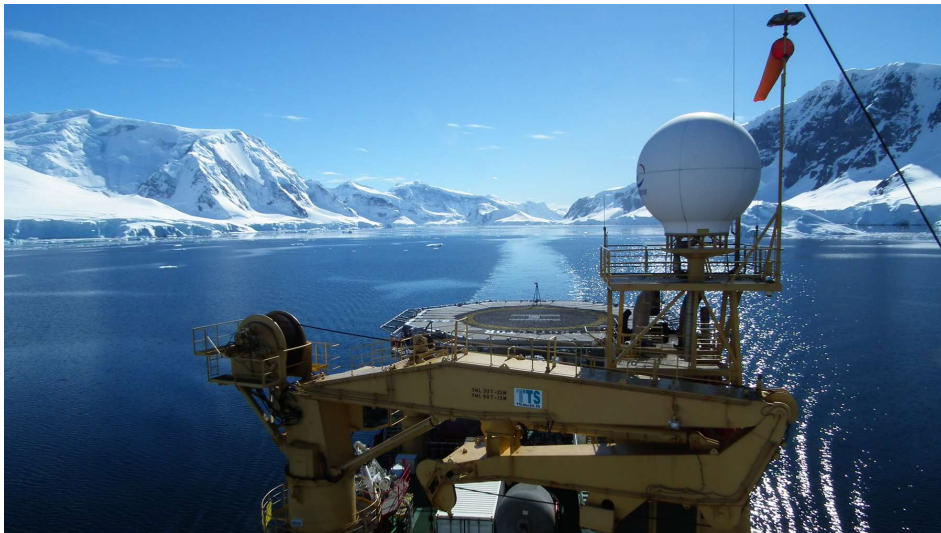




# GCRIEBER

## SHIPPING ASA



# Interim report first quarter 2019

(Unaudited)

## Key events in the first quarter 2019

- Fleet utilisation of 84% in a quarter with continued challenging market conditions.<sup>1</sup>
- Contract backlog of NOK 374 million as of 1 April 2019.<sup>2</sup>
- Total loss of NOK 104.5 million, compared with a loss of NOK 59.1 million in the corresponding period 2018.
- New ship management contract with Statnett for technical management of the two ro-ro vessels Elektron and Elektron II

## Events after the end of the period

- The sale of Ernest Shackleton was completed 9 May 2019 with a cash effect of approximately NOK 140 million,

## Key figures (Unaudited)

Figures in NOK million	Q1 2019	Q1 2018	31.12.2018
Operating income	48.1	31.4	231.9
EBITDA	-62.1	-21.6	254.9
Operating profit (EBIT)	-92.4	-50.7	200.7
<b>Profit before tax</b>	<b>-104.5</b>	<b>-59.1</b>	<b>148.0</b>
<b>Net profit in the period</b>	<b>-104.5</b>	<b>-59.1</b>	<b>148.1</b>
Earnings per share <sup>3</sup>	-1.21	-1.03	2.68
Equity ratio	56.0 %	49.1 %	57.5 %
Fleet capacity utilisation	84 %	68 %	91 %
Number of shares at the end of period (in million)	86.1	57.1	86.1

<sup>1</sup> Excluding marine seismic

<sup>2</sup> Excluding marine seismic and charterers' extension options

<sup>3</sup> Based on average number of shares

## Operational review

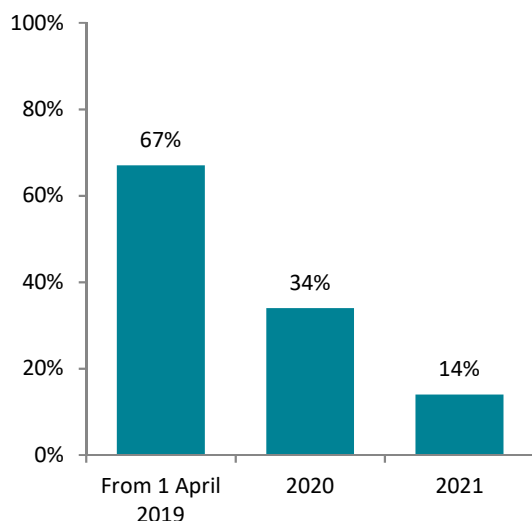
GC Rieber Shipping currently operates 11 and has direct and indirect ownership in 22 advanced special purpose vessels for defined markets within the subsea, ice/support and marine seismic segments.

### Capacity utilisation and contract backlog

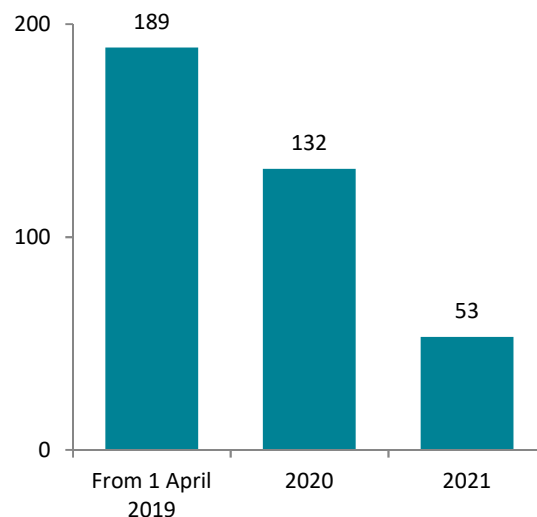
The fleet capacity utilisation<sup>4</sup> was 84% in the first quarter of 2019, up from 68% in the corresponding period of 2018. Polar King operated the entire period and Polar Queen operated for two months in the quarter. Polar Onyx started the year in drydock for its five-year periodic survey and overhaul, returning onhire in February 2019. The ice/support vessels operated for the entire period.

As of 1 April 2019, the company had a contract backlog<sup>5</sup> of NOK 374 million, compared with NOK 562 million as of 1 April 2018. Contract coverage for rest of 2019, 2020 and 2021 was at 67%, 34% and 14% respectively.

Contract coverage



Contract backlog (figures in MNOK)



### Contract updates in the first quarter of 2019

- Contract for technical management signed with Statnett Transport AS for the ro-ro vessels Elektron and Elektron II with a duration of three years plus options. The vessels are mainly used for subsea works and transport of transformers, generators and turbines to Norwegian energy plants.
- Shearwater was awarded several contracts for 3D and 4D marine seismic acquisition projects. The contracts include projects for clients such as Equinor, TGS, Aker BP and TPAO.

<sup>4</sup> Excluding marine seismic

<sup>5</sup> Excluding charterers' extension options and marine seismic

#### Contract updates after the end of the period

- Shearwater has been awarded new contracts for 2D, 3D and 4D marine seismic acquisition projects, resulting in a minimum of nine active acquisition vessels by the summer of 2019. The contracts include projects for clients such as the Norwegian Petroleum Directorate and Shell.

#### Sale of Ernest Shackleton after the end of the period

- GC Rieber Shipping completed the sale of the icebreaking research vessel Ernest Shackleton to the new owner Istituto Nazionale di Oceanografia e di Geofisica Sperimentale (OGS) on 9 May 2019. The positive cash effect from the transactions is approximately NOK 140 million. 50 % of the net sales proceeds, approximately NOK 70 million, is excluded from the cash sweep mechanism described in Note 8 and will be retained by GC Rieber Shipping.

## Financial review (Unaudited)

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#### 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 48.1 million in the first quarter of 2019, compared with NOK 31.4 million in the corresponding period 2018.

#### Operating profit

EBITDA for GC Rieber Shipping amounted to negative NOK 62.1 million in the first quarter of 2019. In the first quarter of 2018, EBITDA was negative NOK 21.6 million. The year-on-year change is mainly driven by the development of the marine seismic segment.

#### Impairment

As of 31 December 2018, the company obtained market values from two reputable brokers (three where the value from the first two brokers deviates with more than 10%) and performed thorough 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. In the first quarter of 2019, there are no indications that called for further impairment testing.

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

#### Net financial items

Net financial items were negative by NOK 12.1 million in the first quarter of 2019, compared with negative NOK 8.4 million in the corresponding period 2018. The increase was due to realised currency losses and higher financial expenses as a consequence of a stronger USD against NOK.

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

Unrealised currency gain in the period was NOK 2.8 million, compared with unrealised currency gain of NOK 3.2 million in the same period in 2018.

## Loss in the period

GC Rieber Shipping had a loss of NOK 104.5 million in the first quarter of 2019, compared with a loss of NOK 59.1 million in the corresponding period 2018.

## Cash flow

Cash flow from operational activities as of 31 March 2019 was negative by NOK 1.6 million, compared with negative NOK 10.7 million as of 31 March 2018.

Cash flow from investment activities was negative by NOK 16.8 million, compared with a positive cash flow of NOK 12.6 million in the corresponding period in 2018.

Cash flow from financing activities was negative by NOK 17.0 million. The amount includes payment of interests and instalments on the group's existing loans. Cash flow from financing activities in the corresponding quarter of 2018 was positive NOK 16.9 million.

Net cash flow was negative by NOK 35.3 million, yielding a cash holding of NOK 168.8 million as of 31 March 2019.

## Liquidity and financing

GC Rieber Shipping was in compliance with the amended financial covenants as at 31 March 2019 and throughout the first quarter of 2019.

Interest-bearing liabilities	31.03.2019	31.03.2018
Liabilities at end period (NOK million)	1,202,0	1,105,4
Average liabilities (NOK million)	1,211,8	1,153,8
Average interest incl. margin	4.39%	3.93%
Proportion of liabilities in USD	100%	100%

Liquid assets	31.03.2019	31.03.2018
Bank and interest-bearing securities (NOK million)	168.8	129.7

As at 31 March 2019, GC Rieber Shipping had cash and bank deposits of NOK 168.8 million. As at 31 March 2018, cash and bank deposits amounted to NOK 129.7 million in addition to restricted cash of NOK 58.3 million classified as long-term receivables. Net liabilities (liquid assets minus interest-bearing liabilities) amounted to NOK 1,043.6 million, compared with net liabilities of NOK 975.6 million as at 31 March 2018.

## Equity

GC Rieber Shipping had a book equity of NOK 1,589.2 million as at 31 March 2019, corresponding to an equity ratio of 56.0%, up from 49.1% at the end of March 2018.

## Segments

### Subsea

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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. They have also demonstrated attractive capabilities for the renewables market.

The Polar King has been chartered to Nexans Skagerrak AS from early 2017 and will continue the charter until late August 2019. The Polar Onyx commenced on a three-year charter for DeepOcean BV in February 2018. The Polar Queen was employed for two months in the quarter.

Key figures (in NOK million)	Q1 2019	Q1 2018	31.12.2018
Operating income	43.6	27.1	214.6
EBITDA	-9.8	-19.0	20.3
EBIT	-37.9	-46.3	-26.4
Capacity utilisation (in %)	74%	48%	82%

GC Rieber Shipping had a capacity utilisation of 74% for the subsea vessels in the first quarter of 2019, compared with 48% in the corresponding period of 2018.

Operating income amounted to NOK 43.6 million in the first quarter of 2019, compared with NOK 27.1 million in the first quarter of 2018. EBITDA was negative NOK 9.8 million, compared with negative NOK 19.0 million in the corresponding period of 2018.

### Ice/Support

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The Ernest Shackleton was on a bareboat charter to the British Antarctic Survey for operations in Antarctica until April 2019. GC Rieber Shipping completed the process of redelivery and sale of the vessel to OGS on 9 May 2019.

Key figures (in NOK million)	Q1 2019	Q1 2018	31.12.2018
Operating income	4.5	4.3	17.3
EBITDA	4.4	4.3	17.1
EBIT	2.2	2.4	9.5
Capacity utilisation (in %)	100%	100%	100%

The vessel had full capacity utilisation the first quarter of 2019, yielding a stable operating income of NOK 4.5 million and EBITDA of NOK 4.4 million. In comparison, the vessel had an operating income of NOK 4.3 million and an EBITDA of NOK 4.3 million in the first quarter of 2018.

## Joint Venture

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### Joint Venture - 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 operated 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 venture.

The 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.

The group's share in the profit for the first quarter of 2019 was NOK 4.2 million, compared with NOK 3.4 million in the corresponding period of 2018.

## Associated Company

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### Associated Company - Marine Seismic (Shearwater)

GC Rieber Shipping's stake in Shearwater is reported in the profit and loss statement under profit from associated company. GC Rieber Shipping owns 20% of Shearwater.

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 first quarter of 2019, Shearwater had a utilisation of 72% of its active fleet.

Shearwater has seen an increase in tendering activity over the last few months. This has had a positive effect on the activity level and pricing going into 2019. Shearwater will by the summer of 2019 have minimum 9 active acquisition vessels, with the majority of capacity in second and third quarter for these vessels already booked. However, during first quarter of 2019 most of the fleet was stacked. This combined with the reactivation of vessels for the summer season have had negative effect on the first quarter results.

GC Rieber Shipping's share of profit for the first quarter of 2019 amounted to a loss of NOK 60.9 million, compared with a loss of NOK 10.2 million in the first quarter of 2018.

## Shareholder information

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The company's shares are listed on Oslo Børs with the ticker RISH. The company's holding of own shares is 54,500, equal to 0.06% of the shares outstanding.

In the first quarter of 2019, the group's shares traded between NOK 7.00 and NOK 9.70. The last price recorded in March 2019 was NOK 9.50, which based on a total of 86,087,310 shares outstanding valued the group's equity at approximately NOK 818 million. At the end of March 2019, the company had 515 shareholders. 94.5% of the shares were owned by the 20 largest shareholders. Please refer to note 7 for a list of the company's 20 largest shareholders as at 31 March 2019.

## Outlook

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GC Rieber Shipping's operations are exposed to developments in the markets for oil, gas and renewables. The oil price has increased from around USD 50 per barrel at the start of the year and reached the USD 75 per-barrel-mark in late April.

There are indications that the offshore market has bottomed out, and that market conditions may continue to gradually improve in 2019 and onwards. Although observations in the subsea market show signs of improvement, the increase in activity and market rates has been slower than expected. This has been a trend over recent quarters and it seems likely a market recovery will take longer than earlier anticipated. The renewables market keeps absorbing a notable share of the subsea fleet in Europe with several offshore wind companies tendering for projects this summer season, some also assessing long-term charters. An uptick in summer rates has been registered due to limited vessel availability.

Polar Onyx is on a long-term contract until early 2021. Both Polar King and Polar Queen have strong contract coverage in the second and third quarter of 2019. However, current market rates remain unsustainable.

Shearwater, 20% owned by GC Rieber Shipping, is a leading global marine seismic services provider. Shearwater has been awarded several contracts for 2019 by major international oil companies. Activity and rates show signs of improvement in the seismic market.

The current market for ice/support is stable and strong. The previously announced sale of the icebreaking research vessel Ernest Shackleton is expected to be concluded in May 2019. GC Rieber Shipping has a unique track record within ice operations and will continue to pursue new attractive opportunities in this segment.



## About GC Rieber Shipping

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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 currently operates 11 and has direct and indirect ownership in 22 advanced special purpose vessels for defined markets within the subsea, ice/support and marine seismic segments.

The company has its headquarter and ship management company in Bergen (Norway), and an additional 50% 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](http://www.gcrieber-shipping.com).

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### Bergen, 14 May 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

1Q 2019

Consolidated accounts  
(Unaudited)

<b>Profit &amp; Loss Account</b> (NOK 1000)	Notes	1Q 19	1Q 18	31.12.2018
Charter income	10	42 027	27 746	206 228
Other operating income		6 083	3 640	25 682
<b>Total income</b>		<b>48 110</b>	<b>31 386</b>	<b>231 910</b>
Operating expenses		-53 493	-46 150	-194 513
Sale of shares in joint venture		0	0	310 254
Profit from joint venture and associates		-56 726	-6 835	-92 754
<b>EBITDA*</b>		<b>-62 109</b>	<b>-21 599</b>	<b>254 897</b>
Depreciation		-30 311	-29 097	-110 003
Write-downs		0	0	55 761
<b>Operating profit</b>		<b>-92 420</b>	<b>-50 696</b>	<b>200 655</b>
Financial income		0	454	1 998
Financial expenses		-14 310	-12 953	-54 735
Realized currency gains (losses)		-518	864	-85
Unrealized currency gains (losses)		2 763	3 226	199
<b>Net financial income and expenses</b>		<b>-12 065</b>	<b>-8 408</b>	<b>-52 624</b>
<b>Profit before taxes</b>		<b>-104 484</b>	<b>-59 104</b>	<b>148 032</b>
Taxes		0	0	107
<b>Profit from continuing operations</b>		<b>-104 484</b>	<b>-59 104</b>	<b>148 139</b>
<b>Profit for the period</b>		<b>-104 484</b>	<b>-59 104</b>	<b>148 139</b>
Earnings and diluted earnings per share (based on average number of shares)		-1,21	-1,03	2,68

<b>Statement of Comprehensive Income</b> (NOK 1000)	1Q 19	1Q 18	31.12.2018
Profit for the period	-104 484	-59 104	148 139
Foreign currency translation subsidiaries continuing operations	-9 551	-59 140	84 064
Changes in pension estimates	0	0	316
<b>Comprehensive income for the period</b>	<b>-114 035</b>	<b>-118 244</b>	<b>232 519</b>

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

GC RIEBER SHIPPING ASA

1Q 2019  
Consolidated accounts  
(Unaudited)

Balance Sheet (NOK 1000)	Notes	31.03.2019	31.03.2018	31.12.2018
<b>ASSETS</b>				
<u>FIXED ASSETS</u>				
Vessels		1 748 392	1 602 969	1 770 606
Machinery and equipment		20 649	27 441	22 362
Financial fixed assets		847 074	407 542	921 562
Long term receivables and restricted cash	9	3 167	58 337	0
<i>Total fixed assets</i>		<i>2 619 282</i>	<i>2 096 289</i>	<i>2 714 530</i>
<u>CURRENT ASSETS</u>				
Inventories		6 997	2 802	2 328
Receivables		41 988	48 073	56 264
Cash and bank deposits	8	168 822	129 716	204 164
<i>Total current assets</i>		<i>217 807</i>	<i>180 591</i>	<i>262 755</i>
<b>Total assets</b>		<b>2 837 088</b>	<b>2 276 880</b>	<b>2 977 286</b>
<b>EQUITY AND LIABILITIES</b>				
<u>EQUITY</u>				
Restricted equity		441 369	195 196	441 369
Retained earnings		1 147 830	922 613	1 269 707
<i>Total equity</i>	7	<i>1 589 199</i>	<i>1 117 809</i>	<i>1 711 077</i>
<u>LIABILITIES</u>				
Provision for liabilities	9	10 468	7 401	7 321
Other long-term liabilities	8	1 178 180	1 083 855	1 195 729
First year instalments		23 772	21 505	24 025
Current liabilities		35 470	46 310	39 135
<i>Total liabilities</i>		<i>1 247 889</i>	<i>1 159 071</i>	<i>1 266 209</i>
<b>Total equity and liabilities</b>		<b>2 837 088</b>	<b>2 276 880</b>	<b>2 977 286</b>

**GC RIEBER SHIPPING ASA**  
**1Q 2019**  
**Consolidated accounts**  
**(Unaudited)**

<b>Cash Flow Statement</b> <b>(NOK 1000)</b>	Notes	31.03.2019	31.03.2018	31.12.2018
EBITDA		-62 109	-21 599	254 897
Change in net current assets		60 556	10 911	-218 746
Net cash from operating activities		-1 553	-10 688	36 151
Acquisition of tangible fixed assets		-25 052	-32	-1 220
Other investing activities		8 237	12 599	-209 307
Net cash from investment activities		-16 815	12 567	-210 527
New loans and repayments	9	-5 938	-62 165	-79 449
Net payment of equity		0	96 417	338 158
Net interest paid		-11 036	-17 372	-49 456
Net cash from financing activities		-16 974	16 880	209 253
Net change in liquidity		-35 342	18 759	34 877
Liquidity at beginning of period (incl restricted cash)		204 164	169 287	169 286
Restricted cash		0	-58 330	0
<b>Liquidity at end of period</b>		<b>168 823</b>	<b>129 716</b>	<b>204 164</b>

<b>Equity statement</b> <b>(NOK 1000)</b>	Share capital	Own shares	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
<b>Balance at 31.12.2018</b>	<b>154 957</b>	<b>-98</b>	<b>287 100</b>	<b>1 269 116</b>	<b>1 711 077</b>
Balance at 01.01.2019	154 957	-98	287 100	1 269 116	1 711 077
Profit for the year				-114 035	-114 035
<b>Balance at 31.03.2019</b>	<b>154 957</b>	<b>-98</b>	<b>287 100</b>	<b>1 147 239</b>	<b>1 589 199</b>

<b>Segment Reporting</b> <b>(NOK 1000)</b>	1Q 19	1Q 18	31.12.2018
Ice/support	4 460	4 330	17 347
Subsea	43 649	27 056	214 563
<b>Operating income</b>	<b>48 110</b>	<b>31 386</b>	<b>231 910</b>
Ice/support	4 394	4 261	17 080
Subsea	-9 777	-19 025	20 317
Sale of shares in joint venture			310 254
Associates - Seismic	-60 882	-10 200	-125 965
JV - Ice/support	4 157	3 364	33 211
<b>EBITDA*</b>	<b>-62 109</b>	<b>-21 600</b>	<b>254 897</b>
Ice/support	2 209	2 445	9 541
Subsea	-37 903	-46 306	-26 385
Sale of shares in joint venture			310 254
Associates - Seismic	-60 882	-10 200	-125 965
JV - Ice/support	4 157	3 364	33 211
<b>Operating profit</b>	<b>-92 420</b>	<b>-50 696</b>	<b>200 655</b>

**GC RIEBER SHIPPING ASA**  
First quarter 2019  
Group  
(Unaudited)

**Note 1 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.

**Note 2 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](http://www.gcrieber-shipping.com).

**Note 3 Accounting principles**

The Group's financial reporting is in accordance with International Financial Reporting Standards (IFRS). The consolidated interim accounts at 31 March 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 10 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 14 May 2019.

**Note 4 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.

**Note 5 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.

## Note 6 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 7 Overview of shareholders

The 20 largest shareholders in GC Rieber Shipping ASA as of 31 March 2019 (outstanding shares):

<b>Name</b>	<b>Number of shares</b>	<b>Owner's share</b>
GC Rieber AS	66 145 908	76,8 %
AS Javipa	2 003 492	2,3 %
GC Rieber Fondet	1 985 771	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	820 000	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 %
Ariid Nøst Arnesen	167 252	0,2 %
Other Shareholders	4 570 810	5,3 %
<b>Outstanding Shares</b>	<b>86 087 310</b>	<b>100,0 %</b>

## Note 8 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 at 15 June 2019 and semi-annually thereafter.

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

## Note 9 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 arrangement 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 31 March 2019, amounts to NOK 43.8 million in 2019 and NOK 17.5 million in 2020. The lease payments include bareboat contracts and bareboat components from time charter contracts.

### Right-of-use assets – lease liabilities

<b>Right-of-use assets</b>	
<i>Figures in NOK million</i>	<b>31.03.2019</b>
Net present value of lease liabilities	3,62
<b>Balance at 1 January</b>	<b>3,62</b>
Depreciation	-0,45
<b>Balance at 31 March</b>	<b>3,17</b>
<b>Lease Liabilities</b>	
<i>Figures in NOK million</i>	<b>31.03.2019</b>
Net present valute of lease liabilities	3,62
<b>Balance at 1 January</b>	<b>3,62</b>
Lease payments during the period	-0,45
<b>Balance at 31 March</b>	<b>3,17</b>

## Note 10 Revenues

<b>Q1 2019</b>	<b>Ice/support</b>	<b>Subsea</b>	<b>Total</b>
TC hire	0	37 566	37 566
BB hire	4 460	0	4 460
Other revenues	0	6 083	6 083
<b>Revenue from external customers</b>	<b>4 460</b>	<b>43 649</b>	<b>48 109</b>

### Time of revenue recognition

At a point in time	0	0	0
Over time	4 460	43 649	48 109
<b>Total</b>	<b>4 460</b>	<b>43 649</b>	<b>48 109</b>

<b>Q1 2018</b>	<b>Ice/support</b>	<b>Subsea</b>	<b>Total</b>
TC hire	0	23 417	23 417
BB hire	4 330	0	4 330
Other revenues	0	3 640	3 640
<b>Revenue from external customers</b>	<b>4 330</b>	<b>27 056</b>	<b>31 386</b>

### Time of revenue recognition

At a point in time	0	0	0
Over time	4 330	27 056	31 386
<b>Total</b>	<b>4 330</b>	<b>27 056</b>	<b>31 386</b>

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 in Q1 2019, the bareboat element constitutes to approximately NOK 19 million. Remaining income qualifies as IFRS 15 income.

Other revenues are additional services provided in connection with for example time charter contracts and fees for technical support and operation of 3rd party vessels.

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