



GC Rieber Shipping ASA

Third quarter 2020 (unaudited)

Interim report



GC RIEBER

Highlights third quarter 2020

- Fleet utilisation of 100%¹
- Net loss of NOK 27.5 million, compared with a net profit of NOK 17.3 million in the corresponding period of 2019
- Contract backlog of NOK 231 million as of 1 October 2020²
- Significant industry and company uncertainties due to the COVID-19 outbreak and volatile oil price
- Amendments to Subsea & Renewables credit facilities prolonging the 80% reduction of scheduled amortisation until end 2021
- GC Rieber Shipping entered into a fleet management agreement with OSM Maritime Group (OSM), transferring all technical, crewing and support functions from GC Rieber Shipping in Bergen to OSM
- GC Rieber Shipping is now a pure shipowner and project house with focus on developing profitable and sustainable maritime projects
- The charter for the icebreaker Polar Pevek extended two years until September 2023, and the charter for the crew boat Polar Piltun extended one year until end 2021
- GC Rieber Shipping sold the IMR vessel Polar King in August 2020
- Shearwater³ has been awarded several new contracts for marine seismic acquisition projects

Events after the end of the period

- New short-term charter for Polar Queen in walk-to-work market commencing mid-November
- Shearwater awarded a new six-months 3D seismic acquisition project, and a five-months extension to an ongoing project

Key figures (Unaudited)

Figures in NOK million	Q3 2020	Q3 2019	YTD 2020	YTD 2019	31.12.2019
Operating income	83.0	74.2	205.9	214.2	257.3
EBITDA	3.6	65.4	99.0	44.6	86.9
EBIT	-20.7	36.1	-409.5	52.1	67.0
Profit before tax	-27.5	17.3	-450.5	6.8	14.1
Net profit in the period	-27.5	17.3	-450.5	6.8	14.4
Earnings per share	-0.32	0.20	-5.23	-0.08	0.17
Equity ratio	60.6%	60.0%	60.3%	60.0%	60.2%
Fleet capacity utilisation	100%	100%	92%	95%	92%
Number of shares (million)	86.1	86.1	86.1	86.1	86.1

1 Excluding marine seismic

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

3 Shearwater GeoServices Holding AS owned 19% by GC Rieber Shipping

Operational review

GC Rieber Shipping is a shipowner and project house with focus on developing profitable and sustainable maritime projects.

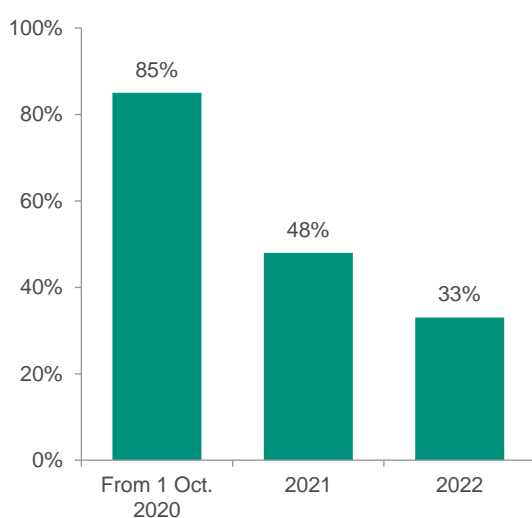
The company is listed on Oslo Stock Exchange with the ticker RISH. Further information is available on the company's website www.gcrieber-shipping.com.

Capacity utilisation and contract backlog

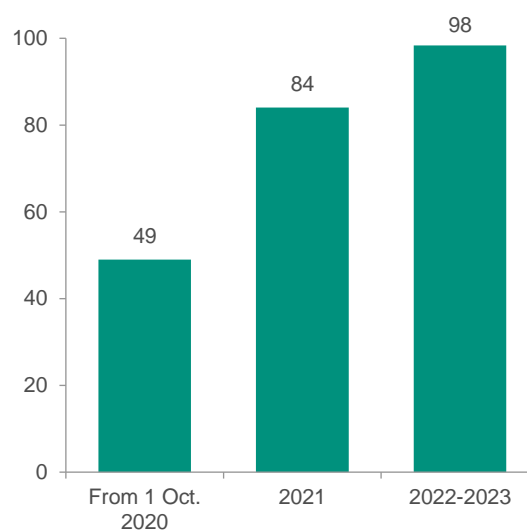
The fleet capacity utilisation was 100% in the third quarter of 2020.⁴ Capacity utilisation was 100% also in the corresponding period of 2019.

When including all contracts secured up until the reporting date for the third quarter, contract backlog was NOK 231 million as of 1 October 2020, compared with NOK 311 million reported as of 1 October 2019.⁵ As of 1 October 2020 contract coverage for 2020, 2021 and 2022 was 85%, 48% and 33%, respectively.

Contract coverage



Contract backlog (figures in NOK million)



⁴ Excluding marine seismic

⁵ Excluding marine seismic and charterers' extension options

Contract updates in the third quarter of 2020

- New short-term contract for Polar Queen for a Tier 1 client in Europe for work in an offshore wind park. The charter was completed in about a month in October 2020 and was in direct continuation of the vessel's previous five-month charter, also in the walk-to-work market.
- Two-year extension for the icebreaker Polar Pevek, co-owned 50/50 with Maas Capital and operated by GC Rieber Shipping's Russian co-owned shipmanager OOO Polarus. The extension follows from end of the firm period in September 2021, making the vessel firm until September 2023.
- SEIC has exercised its one-year option for Polar Piltun, co-owned 50/50 with Russian partner Prisco, making the charter firm through 2021.
- Shearwater awarded several new acquisition projects in Europe, Asia, Africa and South America.

Amendments to credit facilities

As a result of the current challenging market conditions, GC Rieber Shipping has received certain amendments to its two Subsea & Renewables credit facilities, including covenant relaxations, prolonging the 80% reduction of scheduled amortisation until the end of 2021. This reduces scheduled instalments in 2021 by approximately USD 8 million. Further details are available in note 5 and 6 to the consolidated accounts.

Fleet management agreement between GC Rieber Shipping and OSM

GC Rieber Shipping and OSM have entered into an agreement for fleet management services, including a transfer of business from GC Rieber Shipping to OSM of all technical, crewing and support functions in Bergen. OSM has established a new ship management company within the offshore segment in Bergen, which is owned 100% by OSM and located together with OSM Bergen.

The transfer included 6 vessels under GC Rieber Shipping's management in Bergen, including vessels under third party management. The partnership ensures full and seamless continuity of management for GC Rieber Shipping and clients both ashore and onboard the vessels, with the same shore staff, officers and crew.

GC Rieber Shipping will become a pure shipowner and project house with focus on developing profitable and sustainable maritime projects. GC Rieber Shipping's in-house project management department holds extensive expertise within naval architecture engineering and newbuilding project management and has a longstanding history of turning complex projects into high-end vessel assets. Building on the Company's strong heritage of managing complex customer requirements and technologies, GC Rieber Shipping is uniquely positioned to develop tailor-made and innovative solutions for customers worldwide.

Sale Polar King

GC Rieber Shipping has sold the IMR vessel Polar King, built at Freire Shipyard in 2011. Proceeds from the sale was used to repay the vessel's outstanding debt in full.

The vessel was delivered to the new owner 25 August 2020.

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 83.0 million in the third quarter of 2020, compared with NOK 74.2 million in the corresponding period of 2019.

EBITDA

EBITDA for GC Rieber Shipping amounted to NOK 3.6 million in the third quarter of 2020, compared with NOK 65.4 million in the third quarter of 2019. The year-on-year decrease in EBITDA is mainly due to reduced profitability of Shearwater.

Impairment

As at 30 June 2020, the company obtained vessel market values from two reputable brokers for the vessels in the Subsea & Renewables segment and performed impairment testing of the assets in the balance sheet. Based on these assessments, the fair value for Polar Onyx was set at the average of obtained market values. The fair values of Polar King, and its sister vessel Polar Queen, were set at the negotiated selling price of Polar King. Impairment testing as at 30 September 2020 has not resulted in further impairment of the asset values.

The company emphasises that there are significant uncertainties regarding the fair values under the current market conditions.

Net financial items

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.

Net financial items were negative NOK 6.8 million in the third quarter of 2020, compared with negative NOK 18.7 million in the corresponding period of 2019. Unrealised currency loss was NOK 1.3 million for the current period, compared with an unrealised currency loss of NOK 7.1 million for the same period of 2019.

Profit for the period

GC Rieber Shipping had a net loss of NOK 27.5 million in the third quarter of 2020, compared with a net profit of NOK 17.3 million for the corresponding period of 2019.

Cash flow

Cash flow from operational activities in the third quarter of 2020 was positive NOK 36.0 million, compared with positive NOK 39.3 million in the third quarter of 2019.

Cash flow from investment activities was positive NOK 281.2 million in the quarter, including sale of vessel, compared with a negative cash flow of NOK 4.6 million for the corresponding period of 2019.

Cash flow from financing activities was negative NOK 297.2 million in the third quarter of 2020 and reflected payment of interests and instalments on the group's existing loans, including full repayment of loan related to sold vessel. Cash flow from financing activities in the corresponding period of 2019 was negative by NOK 20.4 million.

Net cash flow in the quarter was positive NOK 20.0 million, yielding a cash holding of NOK 251.4 million as at 30 September 2020.

Liquidity and financing

GC Rieber Shipping was in compliance with its financial covenants at 30 September 2020 and has been throughout the third quarter of 2020.

Interest-bearing liabilities	30.09.2020	30.09.2019
Liabilities at end period (NOK million)	900.4	1,160.1
Average liabilities (NOK million)	1,175.6	1,185.7
Average interest incl. margin	3.75%	4.23%
Proportion of liabilities in USD	100%	100%

Liquid assets	30.09.2020	30.09.2019
Bank and interest-bearing securities (NOK million)	251.4	216.8

As at 30 September 2020, GC Rieber Shipping had cash and bank deposits of NOK 251.4 million, up from NOK 216.8 million as at 30 September 2019. Net liabilities (liquid assets minus interest-bearing liabilities) amounted to NOK 649.0 million, compared with net liabilities of NOK 943.3 million as at 30 September 2019.

Equity

GC Rieber Shipping had a book equity of NOK 1,460,1 million as at 30 September 2020, corresponding to an equity ratio of 60.6%, compared to 60.0% at the end of September 2019.

Segments

Subsea & Renewables

Following the sale of Polar King in the third quarter of 2020, the company owns two vessels within the Subsea & Renewables segment. The vessels are primarily designed for inspection, maintenance and repair of subsea installations, but have also demonstrated attractive capabilities for the offshore renewables market.

Polar Onyx is on a three-year charter for DeepOcean BV which commenced in February 2018. Polar Queen was on a five months charter from the beginning of April until September 2020, followed by a one-month charter with another client ending in October 2020. She will commence a new short-term contract in mid-November. Polar King was chartered to Nexans Skagerrak AS from early 2017 until she was sold in the third quarter of 2020.

Key figures (in NOK million)	Q3 2020	Q3 2019	YTD 2020	YTD 2019	31.12.2019
Operating income	83.0	74.2	205.9	185.4	228.5
EBITDA	25.3	32.1	59.7	45.1	53.8
EBIT	1.0	2.7	-448.8	-45.8	-64.6
Capacity utilisation (in %)	100%	100%	88%	91%	85%

GC Rieber Shipping had a capacity utilisation of 100% for the Subsea & Renewables vessels in the third quarter of 2020, compared with 100% also in the corresponding period of 2019.

Operating income amounted to NOK 83.0 million in the third quarter of 2020, compared with NOK 74.2 million in the third quarter of 2019. EBITDA amounted to NOK 25.3 million, compared with NOK 32.1

million in the corresponding period of 2019. EBIT amounted to NOK 1.0 million in the period compared with NOK 2.7 million in the third quarter of 2019.

Ice/Support

There are currently no vessels reported under the Ice/Support segment.

Key figures (in NOK million)	Q3 2020	Q3 2019	YTD 2020	YTD 2019	31.12.2019
Operating income	0.0	0	0.0	28.9	28.9
EBITDA	0.0	0	0.0	24.3	24.3
EBIT	0.0	0	0.0	122.7	122.7
Capacity utilisation (in %)	-	-	-	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».

Following the recent two-year extension, Polar Pevek's charter is firm until September 2023. The vessel 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. Polar Baikal will finish her charter in 2020, while Polar Piltun is firm through 2021 following the recent extension.

The group's share of profit for the third quarter of 2020 amounted to NOK 19.2 million, compared with NOK 17.0 million in the corresponding period of 2019.

Associated Company - Marine Seismic (Shearwater)

GC Rieber Shipping's 19% 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 20 seismic acquisition 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 800 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.

The COVID-19 pandemic and fall in oil price have had significant impact on the markets for marine seismic.

GC Rieber Shipping's share of profit amounted to a net loss of NOK 40.9 million in the third quarter of 2020, compared with a net profit of NOK 16.4 million in the third quarter of 2019. Shearwater's third quarter results include write-down and insurance settlement related to the vessel SW Marquis. The net effect of these items on GC Rieber Shipping's share of profit is negative NOK 17.8 million.

Shearwater's USD 325 million bridge-to-bond facility, which originates from the acquisition of WesternGeco's marine seismic business in 2018, is maturing in November 2020. Shearwater is in constructive dialogue with its lenders.

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 2020, the group's shares were traded in a range from NOK 5.15 to NOK 7.50 per share. The closing price 30 September 2020 was NOK 5.70, which based on the 86,087,310 shares outstanding valued the group's equity at approximately NOK 490.7 million. At the end of September 2020, the company had 699 shareholders. 94.5% of the shares were owned by the 20 largest shareholders. Please refer to note 7 for a list of the 20 largest shareholders in the company as at 30 September 2020.

Risks and uncertainties

As described in GC Rieber Shipping's annual report for 2019, 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 2019 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.

We emphasise the prevailing uncertainties related to the COVID-19 outbreak and highly volatile oil price, which has had significant negative effect on the markets in which GC Rieber Shipping operates.

Outlook

GC Rieber Shipping's operations are exposed to developments in the markets for oil, gas and renewables. The COVID-19 outbreak and volatile oil price have stirred market fundamentals, with significant uncertainty across industries world-wide. Conditions for GC Rieber Shipping's markets are expected to remain unfavourable in the short to medium term.

Closed borders, stringent quarantine rules and few available flight alternatives have made international operations challenging, nonetheless GC Rieber Shipping has maintained operational uptime for all owned vessels in the third quarter with a utilization of 100 % for its Subsea & Renewables vessels. Polar King has been sold and was delivered to the new owner in August 2020. Polar Onyx is on a long-term contract with DeepOcean until March 2021. In September 2020, Polar Queen secured a one-month

charter with a new client in direct continuation of the five-months summer campaign. She will commence an additional new short-term contract in mid-November.

Going forward, the main focus will be to secure utilisation for all owned vessels and develop new profitable and sustainable maritime projects. As improvements in market conditions are not expected in the short to medium term, low tender activity is expected for the winter season of 2020/2021. However, several W2W projects and a limited number of subsea projects for spring/summer 2021 are circulated in the market, indicating an uptick in activity for the coming summer season. Within renewables, a few long-term tenders for specific (newbuild) requirements are in circulation, and GC Rieber Shipping's in-house project department is developing tailor-made and innovative vessel solutions for these tenders.

GC Rieber Shipping expects the seismic market to continue to be challenging for the remainder of 2020.

Demand in the Ice/Support segment is stable, but recent macro developments have put pressure on rates.

Bergen, 4 November 2020

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
Bodil Valland Steinhaug, Board Member

Einar Ytredal, CEO

GC RIEBER SHIPPING ASA
Third quarter 2020
Consolidated income statement
(Unaudited)

	Note	3Q 2020	3Q 2019	30.09.2020	30.09.2019	31.12.2019
Charter income		69 745	65 087	175 559	165 658	202 162
Other income		13 254	9 150	30 368	48 572	55 176
Total income	3	82 999	74 237	205 927	214 230	257 338
Operating expenses		-57 719	-42 169	-146 204	-144 849	-179 286
Sale of shares in joint venture		0	0	52 619	0	0
Profit from joint venture and associates		-21 675	33 373	-13 369	-24 778	8 824
EBITDA*		3 605	65 440	98 973	44 603	86 876
Depreciation		-24 308	-29 385	-86 555	-87 542	-117 585
Write-downs		0	0	-421 940	-6 504	-3 905
Gains (losses) on sale of fixed assets		0	0	0	101 570	101 570
Operating profit		-20 703	36 056	-409 522	52 127	66 956
Financial income		320	855	1 006	1 868	2 627
Financial expenses		-9 704	-12 529	-33 442	-42 361	-55 441
Realised currency gains (losses)		3 863	88	8 653	-568	-1 490
Unrealised currency gains (losses)		-1 285	-7 143	-17 172	-4 307	1 477
Net financial income and expenses		-6 806	-18 729	-40 955	-45 368	-52 827
Profit / loss before taxes		-27 508	17 327	-450 477	6 759	14 129
Taxes		0	0	0	0	269
Profit / loss for the period		-27 508	17 327	-450 477	6 759	14 398
Earnings and diluted earnings per share (based on average number of shares)		-0,32	0,20	-5,23	0,08	0,17

Consolidated statement of comprehensive income

	3Q 2020	3Q 2019	30.09.2020	30.09.2019	31.12.2019
Profit for the period	-27 508	17 327	-450 477	6 759	14 398
Other comprehensive income					
Foreign currency translation subsidiaries continuing operations	-18 531	99 065	167 739	89 514	16 642
Changes in pension estimates	0	0	0	0	697
Total comprehensive income / loss for the period net of tax	-46 039	116 392	-282 738	96 273	31 737

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

GC RIEBER SHIPPING ASA
Third quarter 2020
Consolidated statement of financial position
(Unaudited)

Assets	Note	30.09.2020	30.09.2019	31.12.2019
Vessels	4	1 057 411	1 772 224	1 689 242
Machinery and equipment	4	10 306	17 156	15 436
Financial fixed assets		1 013 723	933 622	921 276
Long term receivables and restricted cash	7	4 755	2 262	6 042
Total fixed assets		2 086 195	2 752 264	2 631 996
Inventories		3 338	3 949	2 689
Receivables		70 172	63 017	51 294
Cash and bank deposits	5,6	251 357	216 802	211 528
Total current assets		324 867	283 768	265 511
Total assets		2 411 062	3 009 033	2 897 507
Equity and liabilities	Note	30.09.2020	30.09.2019	31.12.2019
Restricted equity		441 369	441 369	441 369
Retained earnings		1 018 708	1 365 980	1 301 445
Total equity	7	1 460 077	1 807 349	1 742 814
Provision for liabilities	8	7 244	10 445	7 244
Other long-term liabilities	5,6	884 427	1 136 522	1 093 396
First year instalments		16 007	23 554	28 177
Current liabilities		43 307	31 163	25 876
Total liabilities		950 985	1 201 684	1 154 693
Total equity and liabilities		2 411 062	3 009 033	2 897 507

GC RIEBER SHIPPING ASA
Third quarter 2020
Consolidated statement of cash flows
(Unaudited)

	Note	3Q 2020	3Q 2019	30.09.2020	30.09.2019	31.12.2019
EBITDA		3 605	65 440	98 973	44 603	86 876
Change in net current assets		32 386	-26 131	-25 919	14 223	-18 179
Net cash from operating activities		35 991	39 309	73 054	58 826	68 697
Acquisition of tangible fixed assets		0	-4 591	-9	-29 643	-29 643
Sale of tangible fixed assets		281 195	0	281 195	117 090	117 090
Other investing activities		0	0	22 895	14 720	15 632
Net cash from investment activities		281 195	-4 591	304 081	102 167	103 079
New loans and repayments	8	-286 897	-7 638	-301 889	-113 088	-116 623
Net payment of equity		0	0	0	0	0
Dividend payment		0		0	0	0
Net interest paid		-10 321	-12 725	-35 417	-35 266	-47 789
Net cash from financing activities		-297 218	-20 363	-337 306	-148 354	-164 412
Net change in liquidity		19 967	14 355	39 829	12 639	7 364
Liquidity at beginning of period (incl restricted cash)		231 390	202 447	211 527	204 163	204 163
Liquidity at end of period		251 357	216 802	251 357	216 802	211 527

GC RIEBER SHIPPING ASA
Third quarter 2020
Consolidated statement of changes in equity
(Unaudited)

	Share capital	Own shares	Share Premium reserve	Other equity	Total equity
Balance at 01.01.2019	154 957	-98	286 510	1 269 708	1 711 077
Profit for the year				31 737	31 737
Balance at 31.12.2019	154 957	-98	286 510	1 301 445	1 742 814
Balance at 01.01.2020	154 957	-98	286 510	1 301 445	1 742 814
Profit for the year				-282 738	-282 738
Balance at 30.09.2020	154 957	-98	286 510	1 018 707	1 460 077

GC RIEBER SHIPPING ASA
Third quarter 2020
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 2019 were approved by the Board of Directors on 9 March 2020. The consolidated financial statement for the year ended 31 December 2019 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 31 December 2019 have been prepared in accordance with IAS 34 Interim financial reporting. 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 2019 Group accounts. The condensed, consolidated quarterly financial statements were approved by the Board of Directors on 4 November 2020.

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 through Comprehensive Income 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. At 30.09.2020 the exchange rate USD against NOK was 9.48 against 9.74 at 30.06.20, 10.51 at 31.03.2020 and 8.78 at 31.12.2019.

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 2019 and the most important sources of estimate uncertainty are the same as for preparation of the 2019 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 2019 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 2019.

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 & Renewables, 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 & Renewables

Until August 2020 the Group owned and operated three vessels within the Subsea & Renewables segment; Polar King, Polar Queen and Polar Onyx. At 25 August Polar King was sold, hence the Group owns and operates two vessels. 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 19% owned marine geophysical company Shearwater is presented as an associated company in the segment report.

Figures in NOK 1 000	3Q 2020	3Q 2019	30.09.2020	30.09.2019	31.12.2019
Ice/Support	0	0	0	28 878	28 878
Subsea & Renewables	82 999	74 236	205 927	185 352	228 460
Operating income	82 999	74 236	205 927	214 230	257 338
Ice/Support	0	0	0	24 298	24 298
Subsea & Renewables	25 282	32 067	59 725	45 083	53 753
Sale of shares in associates	0	0	52 619	0	0
Associates – Seismic	-40 861	16 411	-50 847	-52 653	-31 579
JV - Ice/Support	19 184	16 962	37 476	27 875	40 403
EBITDA*	3 605	65 440	98 973	44 603	86 876
Ice/Support	0	0	0	122 732	122 732
Subsea & Renewables	974	2 682	-448 770	-45 827	-64 600
Sale of shares in associates	0	0	52 619	0	0
Associates – Seismic	-40 861	16 411	-50 847	-52 653	-31 579
JV - Ice/Support	19 184	16 962	37 476	27 875	40 403
Operating profit	-20 703	36 056	-409 522	52 127	66 956

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

Carrying amount	30.09.2020	31.12.2019
JV Ice/Support	190 191	159 891
Associates - Seismic	823 532	761 455

Note 3 Income

Figures in NOK 1 000	Q3 2020	Q3 2019	30.09.2020	30.09.2019	2019
TC hire	69 745	65 087	175 559	165 658	196 196
BB hire	0	0	0	0	5 965
Other revenues	13 254	9 150	30 368	48 572	55 176
Revenue from external customers	82 999	74 237	205 927	214 230	257 338

Time of revenue recognition					
At a point in time	0	0	0	0	0
Over time	82 999	74 236	205 927	214 230	257 338
Total	82 999	74 236	205 927	214 230	257 338

TC hire (time charter hire) are revenues were the Group is 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 30.09.2020, the bareboat element constitutes approximately NOK 88 million. Remaining income qualifies as IFRS 15 income.

Other revenue is 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 in 2019 is included in other revenue.

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

Note 4 Fixed assets

Figures in NOK 1 000	Vessels and periodic maintenance	Machinery and equipment
Net book value 01.01	1 689 242	15 436
Additions	0	0
Disposals	-281 195	0
Depreciation	-81 425	-5 130
Write-downs	-421 940	0
Changes in translation differences during the year	152 729	0
Net book value 30.09	1 057 411	10 306

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 Amendments to credit facilities

In early 2018, GC Rieber Shipping negotiated revised terms and certain amendments to the two Subsea & Renewables credit facilities, described in note 14 to the Group`s annual report for 2019.

As a result of the current challenging market conditions, GC Rieber Shipping in the third quarter of 2020 received further amendments to the two credit facilities. The new amendments include the following main changes with effect through 2021;

- Prolonging the 80% reduction of scheduled amortisation
- Reducing the minimum equity ratio from 30% to 25%
- Suspending the minimum vessel value clauses

Payment of the remaining instalments for 2020 have been suspended until the final maturity date, provided that the same amounts are deposited to an escrow account. As of 30 September 2020 the amount is USD 0.5 million.

Note 6 Cash sweep

When negotiating revised terms and certain amendments to the two Subsea & Renewables 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

50% of the proceeds from the sale of Ernest Shackleton is excluded from the cash sweep mechanism.

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

To preserve liquidity in the short term, GC Rieber Shipping`s lenders have granted the company a waiver for the cash sweep mechanism until 31 December 2020.

For further information about terms and amendments, please refer to note 14 to the Group`s annual report for 2019.

Note 7 Overview of shareholders

The 20 largest shareholders in GC Rieber Shipping ASA as of 30 September 2020 (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	1 870 148	2,2 %
Pareto Aksje Norge Verdipapirfond	1 637 749	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	824 000	1,0 %
Johanne Marie Rieber Martens Allm. Fond	786 654	0,9 %
Storkleiven AS	709 170	0,8 %
Pelicañ AS	685 166	0,8 %
Benedicte Martens Nes	386 250	0,4 %
Triofa 2 AS	278 001	0,3 %
Middelboe AS	258 142	0,3 %
Mikkel Martens	225 949	0,3 %
Dag Fredrik Jebsen Arnesen	212 000	0,2 %
Thorild Marie Rong	210 648	0,2 %
Bergen Råvarebørs AS	208 668	0,2 %
Tigo AS	186 359	0,2 %
Other Shareholders	4 755 803	5,5 %
Outstanding Shares	86 087 310	100,0 %

Note 8 Leases

The Group is both a lessor, as it charters vessels to customers, and a lessee.

The Group has long term lease agreements on office buildings and warehouses that are affected by IFRS 16. For the Group, these lease commitments 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. New lease liabilities in 2019 were a renewal of lease contract for rent of offices.

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 do not qualify as leases under IFRS 16.

Operational leasing, where the group is a lessor

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 December 2019, amounts to NOK 44.0 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 1 000

30.09.2020

Net present value of lease commitments	6 042
Balance at 1 January	6 042
New lease liabilities	0
Disposals during the year	0
Depreciation	-1 294
Balance at period end	4 748

Lease Liabilities

Figures in NOK 1 000

30.09.2020

Net present value of lease liabilities	6 068
Balance at 1 January	6 068
New lease liabilities	0
Disposals during the year	0
Lease payments during the period	-1 237
Balance at period end	4 831

Figures in NOK 1 000

Undiscounted lease liability and maturity of cash flows	
Less than 1 year	455
1-4 years	4 550
Total undiscounted lease liability as at 30 September	5 005
Interest rate	3 %

Figures in NOK 1 000

30.09.2020

Effect on Profit and loss statement	
Administration cost – office rent	1 388
Depreciation – right-of-use asset	-1 294
Interest cost – lease liabilities	129
Net effect Profit and loss statement	223

Note 9 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 average 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.