



E Forland AS

1st half 2018 report

General information

The interim accounts for the first half year of 2018 has been prepared in accordance with NGAAP. The accounts are unaudited.

Nature and location of activities

E Forland AS is the owner of the Offshore Support Vessel *Rem Saltire*. The vessel performed 10 year special survey in March, prior to commencement of a time charter party with Van Oord Dredging and Marine Contractors. The contract is for a firm period of 200 days, and estimated redelivery is currently in December 2018.

The commercial and technical management is performed by Rem Maritime AS in Fosnavåg.

Operation and contract situation

After finalizing 10 year special survey in March, the vessel went onhire to Van Oord on the 1st of April 2018. The original contract was for 168 days firm, plus 10 weeks options. The contract was extended to 200 days firm plus 10 weeks option in July. Talks are ongoing with charterer with regards to potential extensions of existing charter period, and with potential new charterers.

Accounts first half year 2018

Total operating revenue in the first half of 2018 was MNOK 20 compared to MNOK 28.4 for the same period of 2017. *Rem Saltire* was in lay-up the whole first Quarter of 2018, and was also partly manned in this period.

Operating expenses amounts to MNOK 19.4, resulting in an EBITDA of MNOK 0.6. Operating expenses and EBITDA is not comparable with 2017 figures when the *Rem Saltire* was on bareboat contract.

Profit for the first half year 2018 was negative with MNOK 23.4.

Future outlook

Earnings in the market for *Rem Saltire* is expected to remain at current low levels throughout 2018 and 2019. Furthermore, it may be difficult to secure continuing employment for the vessel and lay up may have to be applied in between the contracts. The remaining backlog for the existing contract is MNOK 12.5. The vessel is operating with Cyprus flag and a mix of Norwegian and Bulgarian crew, and is fully operated by Rem Maritime AS. Cancellation of third party management agreements is expected to lead to a reduction in operational costs, also in a potential layup scenario.

Free cash in E Forland AS amounted to MNOK 23 by the end of H1.

An agreement was made between E Forland AS as issuer, Frode Bjørn AS as parent and guarantor and Nordic Trustee on behalf of the bondholders on 18 June 2018. In this agreement the bonds are repaid semiannually with MNOK 4.5 and MNOK 30 was repaid in June and used towards balloon payment. In addition, all cash in excess of MNOK 25 shall be used for balloon prepayment. Maturity date is amended to 30 June 2021.

Fosnavåg, 30 August 2018
Board of Directors of
E Forland AS

H1 REPORT 2018



E Forland AS

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Profit & loss

Figures in NOK 1.000	NOTES	H1 2018	H1 2017	2017
Freight income		18 564	28 414	93 800
Other income		1 461	0	0
Total operating revenue		20 025	28 414	93 800
Payroll expenses		-10 318	0	0
Operating expenses		-9 115	-19	-722
Total operating expenses		-19 433	-19	-722
EBITDA		592	28 395	93 077
Depreciation	2	-6 301	-5 707	-12 601
Impairment		0	0	0
EBIT		-5 708	22 688	80 476
Interest income from group entities		0	0	6 773
Other interest income		46	118	301
Other financial income		9	0	0
Other interest expenses		-13 018	-15 239	-29 062
Other financial expenses		-4 692	-1 643	-317 821
Net financial result		-17 655	-16 764	-339 809
Profit before taxation		-23 364	5 924	-259 333
Income tax		0	0	0
PROFIT FOR THE PERIOD		-23 364	5 924	-259 333

Balance Sheet

Figures in NOK 1.000	NOTES	30.06.2018	30.06.2017	31.12.2017
Fixed assets				
Vessels		369 874	355 369	348 475
Total fixed assets	3	369 874	355 369	348 475
Financial non- current assets				
Loan to group entities		0	310 794	0
Capitalized costs refinancing		821	4 107	2 464
Financial fixed assets		821	314 901	2 464
Total fixed assets		370 695	670 269	350 939
Current assets				
Stores		275	0	0
Accounts receivable		5 218	0	0
Receivables on group companies		899	0	50 042
Other short-term receivables		3 079	0	27
Total receivables		9 472	0	50 069
Bank deposits, cash	6	23 053	31 981	17 948
Total current assets		32 524	31 981	68 017
TOTAL ASSETS		403 220	702 251	418 956

Figures in NOK 1.000	NOTES	30.06.2018	30.06.2017	31.12.2017
EQUITY AND LIABILITIES				
Equity				
Share capital	5	208 100	168 100	168 100
Retained earnings		-124 867	163 753	-101 503
Total equity	4	83 233	331 853	66 597
Liabilities				
Long term liabilities				
Bond loan		306 500	368 000	0
Total long-term liabilities		306 500	368 000	0
Current liabilities				
Bond Loan		0	0	350 000
Accounts payable		11 633	0	0
Other short-term debt		1 854	2 397	2 359
Total current liabilities		13 487	2 397	352 359
Total liabilities		319 987	370 397	352 359
TOTAL EQUITY AND LIABILITIES		403 220	702 251	418 956

Cash flow statement

Figures in NOK 1.000	NOTES	30.06.2018	30.06.2017	31.12.2017
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/ (loss) before tax		-23 364	5 924	-259 333
Depreciation and impairment	3	6 301	5 707	12 601
Change in inventory		-275	0	0
Change in accounts receivable and payable		6 415	0	0
Write-down on other financial assets		0	0	314 331
Drydocking	3	-27 700	0	0
Changes in receivables from group entities		49 143	-1 293	-51 588
Changes in other short-term receivables and liabilities		-3 558	25	-39
Net cash flow from operating activities		6 962	10 363	15 973
CASH FLOW FROM INVESTMENT ACTIVITIES				
Purchase/sale of fixed assets		0	0	0
Net cash flow from investment activities		0	0	0
CASH FLOW FROM FINANCIAL ACTIVITIES				
Repayment of loans		-43 500	-18 000	-36 000
Change in long-term financial assets		1 643	1 643	0
Change in paid in capital	4	40 000	0	0
Net cash flow from financial activities		-1 857	-16 357	-36 000
Net changes in cash and cash equivalents		5 105	-5 994	-20 027
Cash and cash equivalents the beginning of period		17 948	37 975	37 975
Cash and cash equivalents the end of period		23 053	31 981	17 948