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Interim report

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Q2

2020

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# Interim report

# Q2

## REDUCED ACTIVITY IN CHALLENGING QUARTER

Key figures for the second quarter of 2020

- Revenue of NOK 75 million
- EBITDA of NOK (-2.3) million
- EBIT of NOK (-5.7) million
- Challenging quarter characterized by the Covid-19 situation with redundancies and reduced activity
  - Temporary cost increases to maintain operational activity towards time-critical projects
  - High uncertainty in the market has limited order intake> customers postpone and await new projects

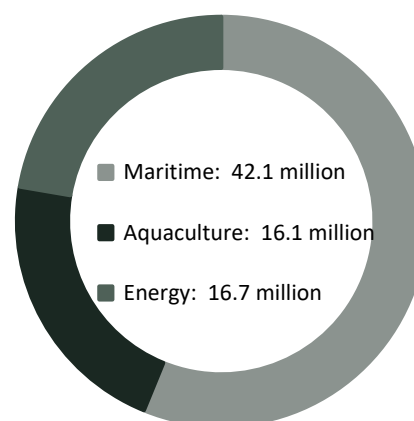
## MERGER PROVIDES STRENGTHENED GROWTH PLATFORM

- Merger between Endúr ASA and Oceano AS
- Merger plan approved by the board on 28 June 2020
- Merger plan approved at the general meeting on 3 August 2020
- Strengthened platform for further growth.
- Ensures a stronger presence within existing market segments
- Provides a basis for growth synergies towards new markets

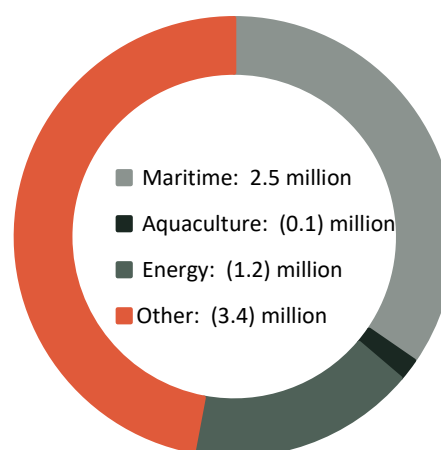
## PRIVATE PLACEMENT

- Private placement completed June / July 2020. NOK 100 million in gross proceeds based on the issue of 66,666,667 new shares at a price of NOK 1.50.
- Great interest - oversubscription

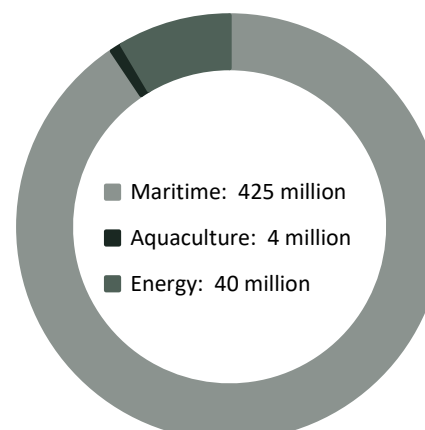
## EXTERNAL OPERATING REVENUES



EBITDA



ORDER BACKLOG



## MAIN SUMMARY SECOND QUARTER 2020

Endúr ASA has left behind a challenging quarter characterized by Covid19. This has affected both operating profit and order intake in the quarter.

Layoffs were implemented in the second quarter as a result of a significantly reduced number of assignments that were put on hold and postponed. About half of the group's workforce was laid off for a period. Activity has gradually increased throughout the quarter.

At the same time, the group has completed a future-oriented merger and a significant share issue, which in total provides Endúr ASA with a solid platform for further growth.

The completed merger strengthens an already profitable core business in Endúr, at the same time as it provides the group with a significant increase in activity and complementary expertise.

The merger is expected to provide significant synergies and open up new markets and future growth opportunities,

## FINANCIAL REVIEW

### PROFIT AND LOSS Q2 2020

The Group's revenue in Q2 2020 was NOK 75 million. The operating result before depreciation and amortization (EBITDA) constituted NOK -(2.3) million and the operating result (EBIT) constituted NOK -(5.7) million in Q2 2020.

Result before tax in Q2 2020 was NOK -(8.2) million.

Result after tax in Q2 2020 was NOK -(8.3) million.

### BALANCE SHEET AT THE END OF Q2 2020

The Group's total balance at the end of Q2 2020 is NOK 300 million.

Net interest-bearing debt by the end of Q2 2020 is NOK 70.5 million, of which NOK 27 million is related to the group's long-term leases. Cash and cash equivalents constitute NOK 19.9 million.

Other interest-bearing debt is divided into a convertible loan of NOK 16.6 million, a bank loan of NOK 13.9 million, overdraft facilities of NOK 9.2 million, shareholder loans of NOK 7.7 million and other loans of NOK 16 million.

The Group's equity by the end of Q2 2020 was NOK 108.1 million, corresponding to an equity ratio of 36 %.

### CASH FLOW Q2 2020

Endúr generated a net positive cash flow of NOK 5.1 million in Q2 2020. Cash flow from operating activities was negative NOK -(7.8) million. This was due to the period's loss as well as some increase in net working capital increase in ongoing projects. Cash flow from investing activities was negative NOK -(1.0) million. This was due to investments in fixed assets, mainly ERP systems in some subsidiaries. Cash flow from financing activities was positive NOK 14 million. This was mainly related to a short-term borrowing of NOK 10 million, overdraft facilities, repayment of the lease obligation and payment of interest.

## REPORTING SEGMENTS

This interim report reports for the following independent segments:

- Energy (Endúr Industrier AS and Endúr AAK AS)
- Maritime (Endúr Maritime AS)
- Aquaculture (Endúr Sjøsterk AS, Endúr Eiendom AS)
- Other (other business within the Group)

### ENERGY

NOK'000	Q2 2020	YTD 2020
Operating revenue	16 713	40 891
EBITDA	(1 225)	131
EBIT	(2 162)	(1 133)
Order backlog	39 879	39 879

\* NOK 2.4 million of the income in the first quarter is income recognition of negative goodwill that arose in connection with the repurchase of the company Endúr Industrier AS in February 2020

Segment Energy consists of Endúr AAK AS and Endúr Industrier AS.

Throughout the second quarter, the companies have established a joint management to coordinate the operational activities and achieve the best possible cost efficiency. This segment combines Endúr Industrier's strengths in prefabrication for oil and gas with Endúr AAK's access technology and field / installation expertise and gives the market a strong and flexible supplier. The segment has a diversified customer base in oil and gas, renewable energy, industry and infrastructure.

Operations in the second quarter of 2020 have been characterized by reduced operational activity due to the Covid-19 situation. Activity has gradually increased throughout the quarter.

## MARITIME

NOK'000	Q2 2020	YTD 2020
Operating revenue	42 106	101 078
EBITDA	2 531	6 622
EBIT	484	2 546
Order backlog	424 750	424 750

Segment Maritime consists of Endúr Maritime AS. The company has a well-established position within maritime service and ship-technical maintenance based on the company's extensive experience in the execution of complex maritime service projects. Their primary market is West Norway, but the extent of travel-based assignments in other parts of the country and towards offshore installations has shown increasing levels of activity in the past few years.

The activity in the company in the second quarter was satisfactory. In the first half of the second quarter, the level of activity was reduced as a direct result of the COVID-19 situation towards both the civilian market and the Armed Forces.

A significant part of the business is related to the spot market. This market is partly extensive in relation to both the customer portfolio and the business area and is considered to be stable.

## AQUACULTURE

NOK'000	Q2 2020	YTD 2020
Operating revenue	16 129	45 344
EBITDA	(118)	272
EBIT	(358)	(206)
Order backlog	4 181	4 181

Segment Aquaculture consists of the operating company, Endúr Sjøsterk AS and the real estate company, Endúr Eiendom AS which has the production site on Stamsneset south of Bergen.

Endúr Sjøsterk AS's activity in the second quarter has been related to the completion of two feeding barges for Lerøy Vest and Sjøtroll Havbruk, as well as some service and maintenance work towards the aftermarket. The Covid19 situation has posed some operational challenges to the company during parts of the quarter, but without incurring any special costs. Ongoing new construction projects have been delivered to customers on contractual terms in June and July, respectively.

The company's production capacity in its own dry dock (hull construction) was not fully utilized in the second quarter. During the quarter, minor repairs and upgrades were carried out to the dock.

Throughout the first half of the year, Endúr Sjøsterk AS has had an increasing activity towards the service and aftermarket.

## OTHER

NOK'000	Q2 2020	YTD 2020
Operating revenue	1 307	2 480
EBITDA	(3 440)	(6 638)
EBIT	(3 667)	(7 094)

Segment Other constitutes other Group activities. This also includes various process and consulting costs related to the Group's ongoing growth strategy, hereunder acquisition processes.

## EVENTS AFTER THE BALANCE SHEET DATE

### PRIVATE PLACEMENT

The Board of Directors of Endúr ASA decided on 29 June 2020, pursuant to an authorization granted to the Board by the Company's Annual General Meeting on 18 June 2020, to increase the Company's share capital by NOK 66,666.67 by issuing 66,666,667 new shares. The shares were subscribed for on 2 July.

The capital increase was registered in the Register of Business Enterprises on 8 July 2020. Following the registration of the capital increase, the company's share capital was increased from NOK 2,130,910.18 to NOK 2,797,576.85, divided into a total of 279,757,685 shares, by issuing 66,666,667 new shares. with a nominal value of NOK 0.01.

### DEBT CONVERSION

The Board of Directors of Endúr ASA decided on 9 July 2020, pursuant to a power of attorney granted to the Board by the Company's Annual General Meeting on 18 June 2020, to increase the Company's share capital by NOK 33,333.32 by issuing 3,333,332 new shares.

The shares were issued to existing shareholders where settlement was made by debt conversion of shareholder loans at a price of 1.50.

The capital increase related to the debt conversion was registered in the Register of Business Enterprises on 13 July 2020. Following the registration of the capital increase, the Company's share capital was increased from NOK 2,797,576.85 to NOK 2,830,910.17, divided into a total of 283,091,017 shares, by issuing 3,333 332 new shares each with a nominal value of NOK 0.01.

### MERGER PLAN - RESOLUTION

The Extraordinary General Meeting of Endúr ASA was held on 3 August 2020. The General Meeting approved the merger plan for the merger of Endúr ASA as acquiring company and Oceano AS as transferring company.

### CHANGES IN CORPORATE MANAGEMENT

Endúr ASA made the following changes in the group management on 18 August 2020. Ivar-Andreas Monefeldt took up a newly created position as Senior

Vice President Business Development. From the same day, Nils Hoff became the group's CFO.

## RISKS AND UNCERTAINTY

Endúr ASA is exposed to risks of both operational and financial character. The Board of Endúr ASA focuses strongly on risk management and works actively to reduce the total risk exposure of the Group. The most important risk factors are financial risks, market risks and operational risks.

The financial risk scenario is handled by the respective companies on an independent basis. The risk scenario varies somewhat between the Group's segments and companies.

Financial risk is primarily related to liquidity risk. The total liquidity position of the group as of 26 August 2020 is considered satisfactory.

The completion of a private placement and debt conversion in June / July 2020 has contributed to reducing the liquidity risk in the group.

The operational risks are mainly connected to carrying out projects and deliveries at the right time, with the right quality and at a cost that provides profitability. The project risk is considered to be somewhat limited on the basis that revenue is mainly distributed over a number of different projects.

Endúr continues to monitor the development of the Covid-19 pandemic and its potential impact on the company's operations. The main risk is potential operational impact if outbreaks intensify and restrictions are resumed.

Market risk is mainly related to strong fluctuations in market areas within which the group operates. As of today, the group has a diversified operational activity that takes place within different market areas that are partly independent of each other.

The group works systematically with risk management in all segments and subsidiaries. All managers in the group and its subsidiaries are responsible for risk management and internal control in their business area. Reference is made to the annual report for 2019 for a

further description of the group's risk factors and risk management.

## FUTURE OUTLOOK

The board of Endúr ASA has since 2017 had a clear growth strategy with a focus on both structural and organic growth.

The merger with Oceano AS finalized in Q3, which gives Endúr ASA a solid platform for further growth. Oceano is a newly established group that includes the companies ØPD AS ("ØPD") and Installit AS ("Installit") with subsidiaries. Oceano delivers complete infrastructure solutions in a marine environment, including engineering services within this market area.

The completed merger strengthens Endúr's core business, at the same time as it adds a significant increase in activity and complementary expertise to the group. Oceano provides Endúr with solid expertise and strong operational operations in marine services. Together with the group's already well-established businesses, the merged Endúr will be a leading marine contractor and service provider.

A key part of Endúr's strategy is profitable growth through consolidation and acquisitions. The agreement with Oceano is the first step. The markets for marine services are growing, and there are great opportunities for Endúr to take a leading position in a fragmented sector. The acquisition is thus expected to provide significant synergies and open up new markets and future growth opportunities.

The completed issue of NOK 100 million provides the merged company with a good capital base for further consolidation, in addition to ensuring sound financing related to current working capital needs. New operations combined with long-term framework contracts in the Maritime segment, a strong market position within the Aquaculture segment and a remaining business in the Energy segment with solid operational experience are considered a strong foundation for further operations.

### SEGMENT AQUACULTURE

Since the acquisition of Endúr Sjøsterk in the second quarter of 2018, this segment has seen a strong increase in activity, and the group has today established a solid foothold in the aquaculture industry. The merger

with Oceano AS in July 2020 is expected to further strengthen the segment, through increased activity in a larger part of the value chain. Endúr Sjøsterk has both in the 1st and in the 2nd quarter had a strong increase in tender requests related to new feed fleet projects. Several of the customers have, partly due to the Covid19 situation, chosen to postpone offer clarifications until the second half of 2020. This has also affected the segment's order reserves as of 30 June 2020.

The market for concrete feed barges for the aquaculture industry is still considered strong. In addition to new fleet projects, growth is expected towards the aftermarket, mainly related to service and upgrades.

### SEGMENT MARITIME

The market prospects related to ship maintenance and maritime services in the civilian market are considered good, with a potential for further long-term growth. New framework contracts established during the second half of 2019 and in the first quarter of 2020 have a total estimated sales potential of NOK 400 million over a 4-year period. This provides a robust foundation for further development of the market position. Endúr Maritime's position in service and maintenance of engine installations, both offshore, on ships and on land, is strong. This market area is considered to have further growth opportunities in the years to come.

### SEGMENT ENERGY

The market outlook is considered challenging but the potential for growth is present and the merging of the segment's two companies has already proven to provide a good foundation for this. Inside the segment, the focus continues on wind power, which has already yielded results in the form of an increased order backlog. The focus on synergies continues with, among other things, the introduction of common ERP and CRM systems that will provide a basis for efficient operations and growth. Efforts are being made to establish new and extend existing framework contracts.

### QHSE

Endúr ASA works systematically and continuously on improving QHSE (Quality, Health, Safety and Environment) performance, systems and safety culture connected to all operations within the Group. The Group has a zero vision for HSE and incidents impacting the external environment as well as a zero-error philosophy within quality. The goal is to avoid

employees being injured or ill at work, ensure the right quality of our deliveries and avoid impact on our surroundings.

In Q2 2020 the Group had two lost time injuries. Accumulated HSE target figures for Q2 2020 includes all company activities:

- LTI / H1 = 12,2 (Injury leave frequency)
- TRI / H2 = 12,2 (Total work injury frequency)
- F value = 22,4 (Absence day frequency)

The target figures are considered acceptable, but reduced values are expected in Q3. Action plans to reduce the frequency of injuries have been prepared and measures have been decided.

In Q2, the Group's businesses have followed the established programs for continuous quality and HSE work. The company maintains its focus on increased reporting of suggestions for improvement and the implementation of risk assessment. Preventive measures are carried out on the basis of risk assessments.

Endúr ASA continues its focus on utilizing the synergy effects of the HSE work across the market segments by means of resources within quality and HSE in the merged group. The systematic work to avoid injuries and quality defects also continues together with the group's partners and by involving skilled employees in projects.

## HR / PERSONNEL

As of 30 June 2020, there were 176 employees in Endúr ASA, all mainly permanent employees in full-time positions, a net change of 9 employees since 31.12.2019.

Continuous competence development is necessary to strengthen the group's competitiveness. The competence development of each individual employee takes place through personal experience that the employee acquires through the daily work, and also through internal development processes as well as through the use of external forces. In the second quarter

of 2020, the total sickness absence in the group's companies was 3.4%, of which short-term absence amounts to 1.1%. Of the long-term absence, 0.9% is work-related.

## ORDER BACKLOG

By the end of Q2 2020, Endúr had a total order backlog of NOK 469 million.

The order backlog reflects remaining value from signed contracts, including estimated future call-offs of contractual framework agreements and other time-limited agreements, where certain agreements expires in 2023. The estimates relating to the residual value of framework agreements are reviewed quarterly.

Options related to signed agreements and contracts are not considered in the order backlog.

## SHARE CAPITAL AND SHAREHOLDER INFORMATION

### SHAREHOLDERS

By the end of Q2 2020, the company had a total of 2,525 shareholders, compared to 1,597 shareholders by the end of Q1 2020. An updated overview over the company's 20 largest shareholders is available on the company's IR pages on [www.endur.no](http://www.endur.no)

### SHARE TRADES AND SHARE PRICE

In Q2 2020, a total of 19,559 trades were carried out with the company shares, with a total volume of 120.25 million shares. Corresponding figures for Q1 2020 were 1.542 trades and 8.55 million shares in total volume. During Q2 2020, the company's shares were traded at prices between NOK 0,58 and NOK 2,86.

The final price on tuesday June 30, 2020 was NOK 1.54 (NOK 0,61 by the end of Q1 2020). This values the company's market value in the stock market to NOK 328 million by the end of Q2 2020.

## **STATEMENT BY THE BOARD OF DIRECTORS AND CEO**

The Board of Directors and the CEO have today considered and approved the condensed consolidated interim financial statements as of 30 June 2020. The interim report has been prepared in accordance with the requirements in IAS 34 Interim Financial Reporting, which has been approved by the EU, and Norwegian additional requirements in the Securities Trading Act.

The board believes that the half-year accounts give a correct picture of the group's assets, liabilities, financial position and result. The half-year report provides a correct overview of important events in the accounting period and their influence on the half-year accounts and describes the most central risk and uncertainty factors the company faces in the next accounting period as well as significant transactions with related parties.

**Bergen, August 26, 2020**

### **The Board and CEO of Endúr ASA**

Øivind Horpestad, Chairman of the board

Rune Skarveland

Tove Ormevik

Bente Stangeland

Terje Nesbakken

Kristoffer Hope, employee-representative

Jorunn Ingebrigtsen, employee-representative

Hans Petter Eikeland, CEO



## CONSOLIDATED INTERIM ACCOUNTS (NON-AUDITED)

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

NOK'000	NOTE	Q2 2020	Q2 2019	YTD 2020	YTD 2019
<b>Continued operations</b>					
Operating revenue	4	74 412	104 752	181 597	176 561
Other revenue	3	535	-	2 897	-
<b>Revenue</b>		<b>74 947</b>	104 752	<b>184 494</b>	176 561
Cost of sales		(36 262)	(61 272)	(106 827)	(103 552)
Payroll expenses		(34 020)	(29 564)	(63 939)	(48 483)
Other operating expenses		(6 917)	(7 497)	(13 340)	(11 686)
<b>Operating profit/loss before depr., impairm. (EBITDA)</b>	4	<b>(2 252)</b>	6 419	<b>387</b>	12 840
Depreciation, amortisation, impairment	5	(3 452)	(2 096)	(6 273)	(3 499)
<b>Operating profit/loss (EBIT)</b>	3	<b>(5 704)</b>	4 323	<b>(5 887)</b>	9 341
Financial income	9	31	70	72	313
Financial expenses	9	(2 552)	(1 375)	(3 983)	(2 332)
<b>Profit/loss before tax</b>		<b>(8 225)</b>	3 018	<b>(9 798)</b>	7 323
Income tax expense		(55)	(140)	(895)	(770)
<b>Profit/loss - continued operations</b>		<b>(8 280)</b>	2 878	<b>(10 693)</b>	6 553
<b>Discontinued operations</b>					
Profit/loss - discontinued operations	2	-	1 285	7 290	1 089
<b>Profit/loss for the period</b>		<b>(8 280)</b>	4 163	<b>(3 403)</b>	7 642
<b>Profit/loss attributable to:</b>					
Owners of the parent Company		(8 280)	4 163	(3 403)	7 642
Non-controlling interests		-	-	-	-
<b>Earnings per share</b>					
Basic earnings per share (NOK)		(0,04)	0,02	(0,02)	0,04
Diluted earnings per share (NOK)		(0,04)	0,02	(0,02)	0,04
<b>Earnings per share - continued operations</b>					
Basic earnings per share (NOK)		(0,04)	0,01	(0,05)	0,03
Diluted earnings per share (NOK)		(0,04)	0,01	(0,05)	0,03

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK'000	NOTE	Q2 2020	Q2 2019	YTD 2020	YTD 2019
<b>Profit/loss for the period</b>		<b>(8 280)</b>	4 163	<b>(3 403)</b>	7 642
<i>Items which may be reclassified in the Income Statement in subsequent periods</i>		-	-	-	-
<i>Items which will not be reclassified in the Income Statement in subsequent periods</i>		-	-	-	-
<b>Total comprehensive income</b>		<b>(8 280)</b>	4 163	<b>(3 403)</b>	7 642
<b>Total comprehensive income attributable to:</b>					
Owners of the parent Company		(8 280)	4 163	(3 403)	7 642
Non-controlling interests		-	-	-	-
		<b>(8 280)</b>	4 163	<b>(3 403)</b>	7 642

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOK'000	NOTE	30.06 2020	31.12 2019
<b>ASSETS</b>			
Deferred tax asset		18 749	19 644
Intangible assets and goodwill	5	114 274	114 863
Property, plant and equipment		44 914	50 635
<b>Non-current assets</b>		<b>177 938</b>	185 142
Inventories		7 706	5 869
Contract assets		40 610	44 584
Trade and other receivables	10	53 784	76 909
Cash and cash equivalents	6, 10	19 895	20 905
<b>Current assets</b>		<b>121 996</b>	148 267
<b>Total assets</b>		<b>299 933</b>	333 409
<b>EQUITY</b>			
Share capital	7	2 131	2 131
Share premium		167 002	167 002
Other paid-in capital		325	281
Retained earnings		(61 313)	(57 909)
<b>Equity</b>		<b>108 145</b>	111 505
<b>LIABILITIES</b>			
Loans and borrowings	8, 10	19 125	13 313
Lease liabilities	8, 9	17 803	20 545
Other non-current liabilities		3 548	3 548
<b>Non-current liabilities</b>		<b>40 475</b>	37 405
Loans and borrowings	8, 10	44 212	35 481
Lease liabilities	8, 9	9 238	14 589
Trade and other payables	10	90 866	133 530
Provisions		6 997	900
<b>Current liabilities</b>		<b>151 313</b>	184 499
<b>Liabilities</b>		<b>191 789</b>	221 904
<b>Total equity and liabilities</b>		<b>299 933</b>	333 409

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

NOK'000	NOTE	Q2 2020	Q2 2019	YTD 2020	YTD 2019
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>					
Profit/loss for the period		-	-	-	-
<i>Adjustments for:</i>					
Tax expense / Tax income		55	140	895	770
Depreciation, amortisation, impairment	5	3 452	3 612	6 273	6 372
Revenue recognition of negative goodwill		-	-	(2 362)	-
Items classified as investments and financing activities		447	870	996	1 798
Gains on disposal of discontinued operations	2	-	-	(6 753)	-
Share option expense		22	70	44	200
<i>Changes in:</i>					
Trade and other receivables		32 538	(8 669)	9 417	(9 990)
Trade and other payables		(29 350)	(3 788)	(21 383)	(6 106)
Inventories / contract assets & liabilities		(12 658)	(7 129)	(3 853)	(24 348)
Other current accruals		5 944	(4 464)	2 760	(4 536)
<b>Net cash from operating activities</b>		<b>(7 829)</b>	<b>(15 196)</b>	<b>(17 371)</b>	<b>(28 197)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>					
Proceeds from sale of property, plant and equipment		-	-	-	133
Acquisition of property, plant and equipment		(1 055)	(767)	(1 786)	(989)
Business combination, net cash	3	-	-	1 116	45 275
Effect bankruptcy	2	-	-	(3 838)	-
<b>Net cash from investing activities</b>		<b>(1 055)</b>	<b>(767)</b>	<b>(4 508)</b>	<b>44 419</b>
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from new short-term debt		17 907	4 851	22 329	4 851
Proceeds from new long-term debt		-	-	6 000	-
Payment of interests		(447)	(870)	(996)	(1 798)
Repayment of lease liabilities		(3 464)	(3 345)	(6 276)	(5 949)
Repayment of borrowings		-	(3 349)	(188)	(3 537)
<b>Net cash from financing activities</b>		<b>13 996</b>	<b>(2 713)</b>	<b>20 869</b>	<b>(6 433)</b>
Net change in cash and cash equivalents		5 111	(18 676)	(1 010)	9 789
Cash & cash equivalents at start of period		14 784	45 008	20 905	16 543
<b>Cash &amp; cash equivalents at end of period</b>	6	<b>19 896</b>	<b>26 332</b>	<b>19 896</b>	<b>26 332</b>
Of which restricted cash at the end of the period	6	9 772	15 401	9 772	15 401

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

NOK'000	NOTE	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
<b>Equity 01.01.2019</b>		<b>52 000</b>	-	-	<b>(48 293)</b>	<b>3 707</b>
Business combination		(49 874)	178 643	-	-	128 769
Business combination - other effects		-	-12 086	-	-	(12 086)
Capital increase		5	446	-	-	450
Profit (loss)		-	-	-	(9 617)	(9 617)
Equity effect of share options		-	-	281	-	281
<b>Equity 31.12.2019</b>		<b>2 131</b>	<b>167 002</b>	<b>281</b>	<b>(57 910)</b>	<b>111 504</b>
<b>Equity 01.01.2020</b>		<b>2 131</b>	<b>167 002</b>	<b>281</b>	<b>(57 910)</b>	<b>111 504</b>
Profit (loss)		-	-	-	(3 403)	(3 403)
Equity effect of share options		-	-	44	-	44
<b>Equity 30.06.2020</b>		<b>2 131</b>	<b>167 002</b>	<b>325</b>	<b>(61 313)</b>	<b>108 145</b>

### NOTE 1 - INFORMATION

Endúr ASA is a public limited company domiciled in Norway. The company was founded on 22 May 2007, and has its business address at Laksevåg in Bergen. The consolidated financial statements include the parent company and its subsidiaries (collectively the "group" and individually "group company"). Endúr ASA is listed on Oslo Børs with ticker ENDUR.

This interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting", and follows the same accounting principles as in the consolidated financial statements for 2019. An interim financial statement does not contain all the information required in a complete annual financial statement, and should therefore be read in context with the annual report for 2019.

### NOTE 2 - DISCONTINUED OPERATIONS

The board of the subsidiary Endúr Energy Solutions AS decided on 13 February 2020 to file for bankruptcy. The company had for some time experienced a strained liquidity situation, and the board considered that there was no longer a basis for continued operations.

The result up to the bankruptcy is presented as discontinued operations. In addition, gains related to the bankruptcy are presented as discontinued operations.

NOK'000	NOTE	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Revenue		-	36 403	<b>4 935</b>	88 638
Expenses		-	(35 118)	<b>(4 398)</b>	(87 549)
<b>Profit/loss before tax</b>		-	<b>1 285</b>	<b>537</b>	<b>1 089</b>
Income tax expense		-	-	-	-
<b>Profit/loss</b>		-	<b>1 285</b>	<b>537</b>	<b>1 089</b>
Gain discontinued operations		-	-	<b>6 753</b>	-
<b>Net result from discontinued operations</b>		-	<b>1 285</b>	<b>7 290</b>	<b>1 089</b>
<b>Earnings per share - discontinued operations</b>					
Earnings per share (NOK)		-	0,01	<b>0,03</b>	0,01
Diluted earnings per share (NOK)		-	0,01	<b>0,03</b>	0,01

### NOTE 3 - BUSINESS COMBINATION

On 27 February 2020, Endúr ASA entered into an agreement to purchase 100% of the shares in the company Endúr Industrier AS.

#### CONSIDERATION TRANSFERRED

#### IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED

The fair value of identifiable assets and liabilities is based on a completed purchase price allocation. The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition

NOK'000	
Property, plant and equipment	4 109
Contract assets	8 206
Trade receivables and other receivables	4 491
Cash and cash equivalents	1 466
Lease liabilities	-3 556
Trade payables and other payables	-8 919
Other short term liabilities	-3 085
	<b>2 712</b>

#### NEGATIVE GOODWILL

Negative goodwill that arose at the time of the acquisition is recognized as other income in the income statement.

NOK'000	
Total consideration transferred	350
Fair value of identifiable net assets acquired	-2 712
<b>Negative Goodwill</b>	<b>-2 362</b>

## NOTE 4 - OPERATING SEGMENTS

Endúr ASA reports in 2020 distributed on the following segments:

### Maritime

The Maritime-segment includes maritime service and ship maintenance.  
Consists of the company Endúr Maritime AS.

### Aquaculture

The Aquaculture segment includes production of concrete barges for the aquaculture industry.  
Consists of the companies Endúr Sjøsterk AS and Endúr Eiendom AS.

### Energy

The energy segment includes deliveries related to maintenance, modification, installation, fabrication and conversion of complex oil and gas installations both onshore and offshore. This also includes a number of complex service missions that require the use of advanced access technology.  
Consists of the companies Endúr Industrier AS and Endúr AAK AS.

### Other

Other includes unallocated corporate costs.

### SEGMENT INFORMATION Q2 2020

NOK'000	Maritime	Aquaculture	Energy	Other	Eliminations	Group
Revenue	42 106	16 129	16 713	1 307	(1 307)	<b>74 947</b>
EBITDA	2 531	(118)	(1 225)	(3 440)	-	<b>(2 252)</b>
EBIT	484	(358)	(2 162)	(3 667)	-	<b>(5 704)</b>

### SEGMENT INFORMATION YTD 2020

NOK'000	Maritime	Aquaculture	Energy	Other	Eliminations	Group
Revenue	101 078	45 344	40 891	2 480	(5 299)	<b>184 494</b>
EBITDA	6 622	272	131	(6 638)	-	<b>387</b>
EBIT	2 546	(206)	(1 133)	(7 094)	-	<b>(5 887)</b>

### SEGMENT INFORMATION Q2 2019

NOK'000	Maritime	Aquaculture	Energy	Other	Eliminations	Group
Revenue	42 647	50 490	12 198	2 155	(2 739)	<b>104 752</b>
EBITDA	3 525	6 487	(864)	(2 729)	-	<b>6 419</b>
EBIT	1 843	6 264	(939)	(2 845)	-	<b>4 323</b>

### SEGMENT INFORMATION YTD 2019

NOK'000	Maritime	Aquaculture	Energy	Other	Eliminations	Group
Revenue	83 268	78 170	17 356	3 571	(5 804)	<b>176 561</b>
EBITDA	8 630	10 830	(1 996)	(4 624)	-	<b>12 840</b>
EBIT	5 818	10 451	(2 121)	(4 807)	-	<b>9 341</b>

## NOTE 5 - INTANGIBLE ASSETS

### INTANGIBLE ASSETS

NOK'000	Licences, patents etc.	Goodwill	Total
Acquisition cost 1 Jan. 2019	-	-	-
Business combination	1 385	113 551	114 936
Acquisitions	836	-	836
<b>Acc. acquisition cost 31 Dec. 2019</b>	<b>2 221</b>	<b>113 551</b>	<b>115 772</b>
Acc. Depr/impairment 1 Jan. 2019	-	-	-
Depreciation	909	-	909
<b>Acc. Depr/impairment 31 Dec. 2019</b>	<b>909</b>	<b>-</b>	<b>909</b>
<b>Book value 31. Dec. 2019</b>	<b>1 312</b>	<b>113 551</b>	<b>114 863</b>

NOK'000	Licences, patents etc.	Goodwill	Total
Acquisition cost 1 Jan. 2020	2 221	113 551	115 772
Business combination	-	-	-
Acquisitions	-	-	-
<b>Acc. acquisition cost 30 Jun. 2020</b>	<b>2 221</b>	<b>113 551</b>	<b>115 772</b>
Acc. Depr/impairment 1 Jan. 2020	909	-	909
Depreciation	589	-	589
<b>Acc. Depr/impairment 30 Jun. 2020</b>	<b>1 498</b>	<b>-</b>	<b>1 498</b>
<b>Book value 30. Jun. 2020</b>	<b>723</b>	<b>113 551</b>	<b>114 274</b>

Amortisation rates	10 %	Impairment
Amortisation plan	Linear	test

### Goodwill

Endúrs goodwill originates from the business combination in February 2019.

Goodwill has been allocated to the Group's cash generating units as follows:

NOK'000	30.06.2020
Maritime - Endúr Maritime AS	57 990
Aquaculture - Endúr Sjøsterk AS	48 477
Energy - Endúr AAK AS	7 084
Total Goodwill	113 551

Cash flow-generating units were not tested for impairment in the quarter as no indications of impairment have been identified.

## NOTE 6 - CASH AND CASH EQUIVALENTS

### CASH AND CASH EQUIVALENTS

NOK'000	30.06.2020	31.12.2019
Cash and bank deposits - unrestricted funds	10 124	8 023
Cash and bank deposits - restricted funds	9 772	12 882
Total	19 895	20 905

## NOTE 7 - SHARE CAPITAL AND SHAREHOLDER INFORMATION

At 30 June 2020, the share capital of Endúr ASA was NOK 2 130 910, divided into 213 091 018 shares, each with a nominal value of NOK 0.01.

### Shareholders as of 30 June 2020

	Number of shares	% of total
HANDELAND INDUSTRI AS	59 325 000	27,8 %
MIDDELBORG INVEST AS	37 589 500	17,6 %
Brian Chang Holdings Limited	28 918 110	13,6 %
AS FLYFISK	22 397 940	10,5 %
TATOMI INVEST AS	19 775 000	9,3 %
EIKELAND HOLDING AS	5 823 024	2,7 %
EAGLE AS	1 417 000	0,7 %
SOGN INVEST AS	1 155 000	0,5 %
SOTRA KRAN AS	1 057 666	0,5 %
NORDNET LIVSFORSIKRING AS	1 023 921	0,5 %
SVEIN ATLE ULVESETER	1 000 000	0,5 %
BERGEN EIENDOM-INVEST AS	1 000 000	0,5 %
BERGEN KOMMUNALE PENSJONSKASSE	1 000 000	0,5 %
SØR-VARANGER INVEST AS	916 774	0,4 %
FJ Holding AS	833 000	0,4 %
MØVIK INVEST AS	797 987	0,4 %
ØYSTEIN TJOMSLAND	681 033	0,3 %
SORA AS	680 000	0,3 %
ANDREAS KARLSEN	670 501	0,3 %
KJELL GUNNAR NES	550 000	0,3 %
<b>Total 20 largest shareholders</b>	<b>186 611 456</b>	<b>87,6 %</b>
Other shareholders	26 479 562	12,4 %
<b>Total</b>	<b>213 091 018</b>	<b>100 %</b>

#### Registered capital increases after balance sheet date:

The capital increase related to the private placement was registered in the Register of Business Enterprises on 8 July 2020. The company's share capital increased from NOK 2,130,910.18 to NOK 2,797,576.85, by issuing 66,666,667 new shares each with a nominal value of NOK 0.01.

The capital increase related to debt conversion was registered in the Register of Business Enterprises on 13 July 2020. The company's share capital increased from NOK 2,797,576.85 to NOK 2,830,910.17, by issuing 3,333,332 new shares each with a nominal value of NOK 0.01.

#### Merger:

Merger plan for merger of Endúr ASA as acquiring company and Oceano AS as transferring company was approved at the extraordinary general meeting on 3 August 2020. The merger will be completed by increasing the share capital in Endúr ASA by NOK 2,150,210.18, from NOK 2,830,910.17 to NOK 4,981 120.35 by issuing 215,021,018 new shares each with a nominal value of NOK 0.01.



## NOTE 8 - LOANS AND BORROWINGS

### LOANS AND BORROWINGS

NOK'000	NOTE	30.06.2020	31.12.2019
<b>Non-current loans and borrowings</b>			
Secured bank loans		13 125	13 313
Lease liabilities	9	17 803	20 545
Other loans		6 000	-
<b>Current loans and borrowings</b>			
Credit line		9 154	13 937
Secured bank loans		750	750
Convertible loan		16 628	16 628
Shareholder loan		7 681	4 166
Lease liabilities	9	9 238	14 589
Other loans		10 000	-
<b>Total</b>		<b>90 378</b>	<b>83 927</b>

#### Collateral

The convertible loan is secured by (i) mortgage regarding all shares in Endúr Maritime AS, (ii) collateral in Endúr ASA's accounts receivables, (iii) collateral in Endúr ASA's bank accounts; And (iv) security in Endúr Maritime AS's bank accounts, accounts receivable and assets. The bank loan is secured by (i) mortgage regarding all shares in Endúr Sjøsterk AS, (ii) collateral in land and buildings in Endúr Eiendom AS, and (iii) security in Endúr Maritime AS's inventories, receivables and other assets.

## NOTE 9 - LEASE

### AS A LESSEE

#### LEASING LIABILITIES

NOK'000	30.06.2020	31.12.2019
<b>Debt analysis - contractual undiscounted cash flows</b>		
Less than 1 year	10 950	16 176
1-5 years	17 946	19 663
Over 5 years	2 243	3 234
<b>Total</b>	<b>31 139</b>	<b>39 072</b>
Non-current lease liabilities recognised	17 803	20 545
Current lease liabilities recognised	9 238	14 589
<b>Total</b>	<b>27 041</b>	<b>35 134</b>

The leasing liability as of June 30, 2020 primarily comprises lease of office space and other property.

#### LEASE INTEREST EXPENSE RECOGNISED IN P&L

NOK'000	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Interest expense on lease liabilities	410	586	834	1 082

### AS A LESSOR

The Group subleases property. The Group has classified the sublease as a finance lease because the sublease corresponds to the remaining contract period for the underlying lease agreement.

#### NET INVESTMENT IN THE LEASE

NOK'000	30.06.2020	31.12.2019
<b>Analysis - contractual undiscounted cash flows</b>		
Less than 1 year	1 728	3 456
1-2 years	-	-
<b>Sum</b>	<b>1 728</b>	<b>3 456</b>
Non-current net investment in the lease recognised	-	-
Current net investment in the lease recognised	1 707	3 365
<b>Total</b>	<b>1 707</b>	<b>3 365</b>

#### LEASE INTEREST INCOME RECOGNISED IN P&L

NOK'000	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Interest income on the net investment in the lease	29	51	70	275

## NOTE 10 - FINANCIAL INSTRUMENTS

### OVERVIEW OF FINANCIAL INSTRUMENTS IN THE CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOK'000	30.06.2020		31.12.2019	
	Financial assets at amortised cost	Other financial liabilities	Financial assets at amortised cost	Other financial liabilities
<b>Financial assets</b>				
Trade and other receivables	52 077	-	76 909	-
Cash and cash equivalents	19 895	-	20 905	-
<b>Financial liabilities</b>				
Convertible loan	-	16 628	-	16 628
Loans and borrowings	-	46 709	-	32 165
Trade and other payables	-	90 866	-	133 530
<b>Total</b>	<b>71 972</b>	<b>154 203</b>	97 814	182 323

## NOTE 11 - SUBSEQUENT EVENTS

### PRIVATE PLACEMENT

The Board of Directors of Endúr ASA decided on 29 June 2020, pursuant to an authorization granted to the Board by the Company's Annual General Meeting on 18 June 2020, to increase the Company's share capital by NOK 66,666.67 by issuing 66,666,667 new shares.

The capital increase was registered in the Register of Business Enterprises on 8 July 2020. Following the registration of the capital increase, the company's share capital was increased from NOK 2,130,910.18 to NOK 2,797,576.85, divided into a total of 279,757,685 shares, by issuing 66,666,667 new shares, with a nominal value of NOK 0.01.

### DEBT CONVERSION

The Board of Directors of Endúr ASA decided on 9 July 2020, pursuant to a power of attorney granted to the Board by the Company's Annual General Meeting on 18 June 2020, to increase the Company's share capital by NOK 33,333.32 by issuing 3,333,332 new shares.

The shares were issued to existing shareholders where settlement was made by debt conversion of shareholder loans at a price of 1.50.

The capital increase related to the debt conversion was registered in the Register of Business Enterprises on 13 July 2020. Following the registration of the capital increase, the Company's share capital was increased from NOK 2,797,576.85 to NOK 2,830,910.17, divided into a total of 283,091,017 shares, by issuing 3,333 332 new shares each with a nominal value of NOK 0.01.

### MERGER PLAN - RESOLUTION

The Extraordinary General Meeting of Endúr ASA was held on 3 August 2020. The General Meeting approved the merger plan for the merger of Endúr ASA as acquiring company and Oceano AS as transferring company.

### CHANGES IN CORPORATE MANAGEMENT

Endúr ASA made the following changes in the group management on 18 August 2020. Ivar-Andreas Monefeldt took up a newly created position as Senior Vice President Business Development. From the same day, Nils Hoff became the group's CFO.

## NOTE 12 - RELATED PARTIES

In Q2 2020, there has not been any material transactions or agreements entered into with any related parties.

## NOTE 13 - ALTERNATIVE PERFORMANCE MEASURES

Endúr ASA presents alternative performance measures as a supplement to measures regulated by IFRS. The alternative performance measures are presented to provide better insight and understanding of operations, financial position and the basis for future developments.

The definitions of these measures are as follows:

**EBITDA** - Profit/loss before i) tax, ii) net finance cost, iii) depreciation, amortisation, impairment. Corresponds to "Operating profit/loss before depr., impairm" in the consolidated statement of profit or loss

**EBIT** - Profit/loss before i) tax, ii) net finance cost,. Corresponds to "Operating profit/loss" in the consolidated statement of profit or loss

**Net interest-bearing debt** - Total interest-bearing debt, less i) interest-bearing receivables and ii) cash

**Equity ratio** - Total equity divided by total assets