



# OCEAN YIELD

Ocean Yield ASA

## Registration Document

Oslo, 10 September 2018

Global Coordinator and Joint Lead Manager:



**DNB Markets**

Joint Lead Managers:



Danske Bank, Norwegian Branch



Fearnley Securities AS

**Nordea**

Nordea Bank AB (publ), filial i Norge



Skandinaviska Enskilda Banken AB (publ)

### **Important information**

The Registration Document is based on sources such as annual reports and publicly available information and forward looking information based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for the Company's (including subsidiaries and affiliates) lines of business.

A prospective investor should consider carefully the factors set forth in chapter 1 Risk factors, and elsewhere in the Prospectus, and should consult his or her own expert advisers as to the suitability of an investment in the bonds.

This Registration Document is subject to the general business terms of the Global Coordinator and the Joint Lead Managers, available at their respective websites ([www.danskebank.no](http://www.danskebank.no), [www.dnb.no](http://www.dnb.no), [www.fearnleysecurities.no](http://www.fearnleysecurities.no), [www.nordea.no](http://www.nordea.no), and [www.seb.no](http://www.seb.no)).

The Global Coordinator and the Joint Lead Managers and/or affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Registration Document, and may perform or seek to perform financial advisory or banking services related to such instruments. The Global Coordinator and the Joint Lead Managers' corporate finance department may act as manager or co-manager for this Company in private and/or public placement and/or resale not publicly available or commonly known.

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Other than in compliance with applicable United States securities laws, no solicitations are being made or will be made, directly or indirectly, in the United States. Securities will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

The distribution of the Registration Document may be limited by law also in other jurisdictions, for example in Canada, Japan and in the United Kingdom. Verification and approval of the Registration Document by the Norwegian FSA ("Finanstilsynet") implies that the Registration Document may be used in any EEA country. No other measures have been taken to obtain authorisation to distribute the Registration Document in any jurisdiction where such action is required.

The Norwegian FSA has controlled and approved the Registration Document pursuant to the Norwegian Securities Trading Act, § 7-7. The Norwegian FSA has not controlled and approved the accuracy or completeness of the information given in the Registration Document. The control and approval performed by the Norwegian FSA relates solely to descriptions included by the Company according to a pre-defined list of content requirements. The Norwegian FSA has not undertaken any form of control or approval of corporate matters described in or otherwise covered by the Registration Document. The Registration Document was approved on 10 September 2018. The Registration Document is valid for 12 months from the approval date.

The Registration Document together with a Securities Note inclusive a Summary and any supplements to these documents constitutes the Prospectus.

The content of the Prospectus does not constitute legal, financial or tax advice and potential investors should seek legal, financial and/or tax advice.

Unless otherwise stated, the Prospectus is subject to Norwegian law. In the event of any dispute regarding the Prospectus, Norwegian law will apply.

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# 1 Risk factors

Investing in bonds issued by Ocean Yield ASA involves inherent risks.

Prospective investors should consider, among other things, the risk factors set out in the Prospectus, including those set out in both the Registration Document and the Securities Note(s), before making an investment decision. The risks and uncertainties described in the Prospectus are risks of which Ocean Yield ASA is aware and that Ocean Yield ASA considers to be material to its business. If any of these risks were to occur, Ocean Yield's business, financial position, operating results or cash flows could be materially adversely affected, and Ocean Yield ASA could be unable to pay interest, principal or other amounts on or in connection with the bonds. Prospective investors should also read the detailed information set out in the Registration Document dated 10 September 2018 and any accompanying Securities Note(s), and reach their own views prior to making any investment decision.

An investment in the bonds is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment.

The Company is exposed to a number of risks, including market risk, counterparty risk, operating risk on the Dhirubhai-1 and Connector, interest rate risk, currency risk and residual value risk. The Company is of the opinion that the overall risk picture is balanced and unchanged from what was described in our annual report for 2017. For a more detailed description of risk factors, please refer to the annual report for 2017, which is available on [www.oceanyield.no](http://www.oceanyield.no)

## Certain risks relating to the Company's industry

- Continued volatility in global financial markets and other macroeconomic factors may adversely affect the Company's business, results of operations, financial condition and prospects. Uncertainty relation to development of the world economy may reduce the demand for the Company's vessels, result in non-performance of contracts by its counterparties, limit the Company's ability to obtain additional capital to finance new investments or have other unforeseen negative effects.
- As the Company's fleet consists of oil-service vessels and transportation vessels, the Company is exposed both to the offshore oil and gas industry which is significantly affected by, among other things, volatile oil and gas prices, and the seaborne transportation industry, which is cyclical and volatile.
- Governmental laws and regulations, including environmental laws and safety regulations, may limit the activities of the Company's charterers and affect their ability to make charter-hire payments to the Company, reduce the vessel values and require capital expenditures for upgrades or modifications to the vessels, or expose the Company to liability.
- Development and construction of new sophisticated, high-specification vessels could cause the Company's vessels to become less desirable to charterers.
- The Company's vessels may be damaged or lost due to events such as marine disasters, environmental accidents, war, terrorism, piracy or other events.
- Operating internationally exposes the Company to risks inherent in operating in foreign countries.
- Maritime claimants could arrest one or more of the Company's vessels.

## Risks relating to the Company's operations

- The Company depends on the performance of the charterers of its vessels for its operating cash flows.
- The Company has inherent risk related to vessel construction, where the Company is exposed to risks for late delivery or even cancellations of newbuilding contracts.
- The Company will from time to time be subject to commercial disagreements, contractual disputes and litigation with its counterparties and others which may not be resolved in its favor. Even if payments are not disputed, charter payments may for various reasons be delayed.
- The Company may not be able to charter out its vessels at favorable terms following expiry or termination of the existing charter contracts.

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- The Company is also exposed to operating risk on the FPSO Dhirubhai-1 and Connector. The Company may be subject to demobilisation and redeployment risk on the FPSO if the purchase option upon contract expiry is not exercised. The current contract expires on 21st September 2018. If the contract for the FPSO is not extended, or the Company is not able to secure a new long-term contract, or the purchase option is not exercised, the Company may be facing the risk of an impairment on the book value and reduced revenues relating to the FPSO.
- Certain of the Company's vessels are subject to purchase options held by the charterer of the vessel, which if exercised, could reduce the size of the Company's fleet and its future revenues.
- The market value of the Company's vessels may decrease, which could limit the amount of funds the Company can borrow, trigger financial covenants under the Company's borrowing arrangements or lead to losses in the event of a vessel sale following a decline in market value.
- A significant portion of the Company's borrowing arrangements have floating interest rates and as a result interest rate fluctuations could negatively affect the financial performance of the Company. To mitigate this risk, we have entered into floating interest rate charters and interest rate swaps.
- Certain of the Company's subsidiaries operate within the Norwegian tonnage tax regime. There has been implemented certain restrictions related to long term bareboat charters that will be implemented as from 1 November 2018.
- Certain of the Company's charter contracts, borrowing agreements and other instruments are subject to change of control provisions.

## FINANCIAL RISK

The Ocean Yield ASA is exposed to different types of financial risk including credit-, liquidity- and market risk (e.g. interest- and currency risk).

## FINANCING RISK

Ocean Yield is exposed to financing risk since the Company raises external debt on a regular basis for a portion of its investments in vessels, either in the bank market or the bond market. These loans are subject to refinancing typically at maturities ranging between five to ten years. The loans are subject to certain financial covenants that are reported on a quarterly or semi-annual basis by the Company. Should the appetite or capacity in these markets deteriorate rapidly, the Company may face the risk of increased margins when entering into a new project, or obtaining lower leverage than anticipated in a refinancing. This may negatively impact overall returns.

## CREDIT RISK/ COUNTERPARTY RISK

Ocean Yield has inherent credit risk through the fact that a counterparty may not be able to meet its obligations under a long term charter contract. In order to mitigate this, the Company charts out the vessels to internationally recognized companies within the shipping and offshore industry. However, as shipping and oil service markets are volatile, there is no complete protection against potential counterparty default. In 2017 the contracts with Farstad Supply AS has been restructured and the Group terminated the contract with EMAS AMC AS, which subsequently filed for bankruptcy. However, both processes were resolved with a satisfactory outcome for Ocean Yield.

Ocean Yield also has credit risk related to its trade receivables. In addition, the Company has credit risk exposure related to the bonds in AMSC. The Company's cash and cash equivalents are placed with major international banks with strong credit ratings.

## LIQUIDITY RISK

Liquidity risk is the risk that the Company will be unable to fulfill its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its obligations when due.

## CURRENCY RISK

Ocean Yield operates in the international market which leads to various types of currency exposure for the Group. Currency risks arise through ordinary, future business transactions, capitalized assets and liabilities and when such transactions have been made against payment in a currency other than the functional currency of the respective group company. In addition, currency risk may arise from investments in subsidiaries with a different currency than USD.

The functional currencies of Ocean Yield ASA and its subsidiaries reflect the primary economic environment in which the entities operate. Ocean Yield ASA and most of its subsidiaries has USD as functional currency. Some group companies have NOK as functional currency. For the subsidiaries with functional currency in USD the revenues and interest bearing debt is mainly denominated in USD. For the subsidiaries with functional currency in

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NOK the revenues and interest bearing debt is mainly denominated in NOK. Hence there is limited currency risk related to the subsidiaries of Ocean Yield ASA.

**INTEREST RATE RISK**

Ocean Yield's interest rate risk arises from external borrowings, internal borrowings and internal receivables. Borrowings and receivables issued at variable rates expose Ocean Yield ASA to cash flow interest rate risk.

## 2 Definitions

AMSC	American Superconductor Corporation
Annual Report 2016	Ocean Yield's annual report of 2016
Annual Report 2017	Ocean Yield's annual report of 2017
Board or Board of Directors	The board of directors of the Company
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Companies Registry	The Norwegian Registry of Business Enterprises (Foretaksregisteret)
Company / Issuer / Ocean Yield / Ocean Yield ASA	Ocean Yield ASA, a Norwegian company organized under the laws of Norway.
EBITDA	Earnings before interest, tax, depreciation and amortization
FPSO	Floating Production, Storage and Offloading vessel
Group	Issuer and its subsidiaries
IFRS	International Financial Reporting Standards
Global Coordinator	DNB Bank ASA, DNB Markets
Joint Lead Managers	Danske Bank, Norwegian Branch, DNB Bank ASA, DNB Markets, Fearnely Securities AS, Nordea Bank AB (publ), branch in Norway and Skandinaviska Enskilda Banken AB (publ), Norwegian Branch
NOK	Norwegian kroner
Prospectus	The Registration Document together with a Securities Note and a Summary describing the terms of the bonds
PCTC	Pure Car and Truck Carrier
Quarterly Report Q1 2018	Ocean Yields quarterly report Q1 2018
Quarterly Report Q1 2018	Ocean Yields quarterly report Q2 2018
Registration Document	This document dated 10 September 2018
Securities Note	A document describing bonds to be offered and/or listed.
Summary	Summary of the Registration Document and Securities Note
SVP	Senior Vice President
TEU	Twenty foot equivalent unit
USD	United States Dollars
VLCC	Very Large Crude Carriers
VP	Vice President
VPS or VPS System	The Norwegian Central Securities Depository, Verdipapirsentralen

## **3 Persons responsible**

### ***3.1 Persons responsible for the information***

Persons responsible for the information given in the registration document are as follows:

Ocean Yield ASA, Oksenøyveien 10, 1366 Lysaker, Norway

### ***3.2 Declaration by persons responsible***

**Responsibility statement:**

Ocean Yield ASA confirms that, taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Oslo, 10 September 2018

Ocean Yield ASA

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Eirik Eide  
CFO



## **4 Statutory Auditors**

### ***4.1 Names and addresses***

KPMG AS  
Sørkedalsveien 6  
P.O. Box 7000 Majorstuen  
N-0306 Oslo

Tel. +47 04063  
Fax. +47 22 60 96 01

State Authorised Public Accountant Tom Myhre has been responsible for the Auditor's report for 2016 and State Authorised Public Accountant Vegard Tangerud has been responsible for the Auditor's report for 2017.

KPMG AS is member of The Norwegian Institute of Public Accountants.

## **5 Information about the issuer**

### ***5.1 History and development of the issuer***

#### **5.1.1 Legal and commercial name**

The legal name of the issuer is Ocean Yield ASA its commercial name is Ocean Yield.

#### **5.1.2 Place of registration and registration number**

The Company is registered in the Norwegian Companies Registry with registration number 991 844 562.

#### **5.1.3 Date of incorporation**

Ocean Yield AS was incorporated on 10 September 2007 under the name of Aker AS.

#### **5.1.4 Domicile and legal form**

The Company is a public limited liability company primarily organized under the laws of Norway, including the Public Limited Companies Act. Pursuant to the listing agreement between the Oslo Stock Exchange and the Company, in particular, the Norwegian Securities Trading Act and the Norwegian Stock Exchange Regulations will apply. See also section 7.1 Description of Group that issuer is part of.

The Company's registered address is Oksenhøyveien 10, 1366 Lysaker. Postal address is P O Box 513, 1327 Lysaker. The Company's telephone number is +47 24 13 00 00.

#### **5.1.5 The object of the Company stipulated in the articles of association**

The object of the Company, as stipulated in the articles of association §3, is related to purchase, sale and lease activities of marine installations, including ships, rigs and other floating offshore installations and related activities, including operations of the above.

#### **5.1.6 Events after the Balance Sheet Date per Q2 2018**

On 5th July 2018, Ocean Yield took delivery of the four 3,800 TEU containerships with 12 year bareboat charters to companies owned and guaranteed by CMB NV.

On 10th July 2018 and on 31<sup>st</sup> August 2018, the first two out of three Suezmax vessels on long-term charter to Nordic American Tankers Ltd. was successfully delivered from the yard. In connection with deliveries, a loan facility of USD 39 million per vessel was drawn for the long-term financing of the vessels.

On 6th July 2018, the remaining outstanding amount of NOK 661.0 million under the unsecured bond issue OCY02 with maturity in March 2019, was fully repaid.

#### **5.1.7 Principal investments and future investments**

As per 30th June 2018, and as described in the second quarter 2018 Report, the Company had committed to a total of USD 546.5 million of future investments. This includes four 2014 built 3,800 TEU container vessels with 12-year bareboat charters to companies owned and guaranteed by CMB NV., three Suezmax tankers with long term charter to Nordic American Tankers Ltd. and four VLCC crude tankers under construction with long-term charters to companies owned and guaranteed by Okeanis Eco Tankers Corp.

No further investments have been announced since the date of the last published financial statements.

## 5.1.8 Anticipated sources of funds

The Company usually finances new investments with a combination of long term bank debt and equity. It is anticipated that approximately 70%-75% of the acquisition cost will be funded with long term debt and the remaining with equity. Long term financing have been secured for most of the the company's capital expenditure commitments for its vessels, as reflected in the table below, while the Company is progressing well on finalising long-term financing for the four container vessels and the two last VLCCs. It is expected that the financing for the four container vessels will be completed during Q3 2018

Ocean Yield had as per 30th June 2018 the following contractual obligations related to the purchase of vessels:

<i>Amounts in USD million</i>	<b>FPSO</b>	<b>Other Oil Service</b>	<b>Car Carriers</b>	<b>Container vessels</b>	<b>Tankers</b>	<b>Other Shipping</b>	<b>Total</b>
Already paid	-	-	-	-	33.0	-	33.0
2018	-	-	-	120.0	212.0	-	332.0
2019	-	-	-	-	181.5	-	181.5
<b>Total contractual obligations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120.0</b>	<b>426.5</b>	<b>-</b>	<b>546.5</b>
Total remaining payments	-	-	-	120.0	393.5	-	513.5

The obligations above related to the segment Container vessels are related to the four 2014 built 3,800 TEU container vessels with 12-year bareboat charters to companies owned and guaranteed by CMB NV. The vessels were delivered to the Company early in July 2018 at a total purchase price of approximately USD 120 million.

The obligations above related to the segment Tankers are related to three Suezmax tankers and four VLCC crude tankers under construction.

The three suezmax tankers are scheduled for delivery in July, August and October 2018, and will from delivery be chartered to Nordic American Tankers Limited for a period of ten years. The net purchase price is USD 43.2 million per vessel. As referred to above, two of the three vessels have been delivered as of the date of this Registration Document.

The four VLCC crude tankers are scheduled for delivery in Q2-Q3 2019, and will from delivery be chartered to companies owned and guaranteed by Okeanis ECO Tankers Corp. for a period of 15 years. The net purchase price is USD 74.25 million per vessel. During Q2 2018, Okeanis ECO Tankers Corp. completed a private placement and listing on the Oslo Stock Exchange Merkur Market. In connection with the listing, Ocean Yield approved a change of the bareboat guarantor from Okeanis Marine Holdings Ltd to Okeanis Eco Tankers Corp.

## 5.1.9 Selected financial information

### Ocean Yield ASA (consolidated) – annual accounts (audited)

<b>Balance Sheet (USD million)</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Total non current assets	2 290.8	2 387.5
Total current assets	152.2	187.2
<b>Total assets</b>	<b>2 443.1</b>	<b>2 574.7</b>
Total equity	831.5	815.2
Total non current liabilities	1 474.2	1 472.7
Total current liabilities	137.3	286.8
<b>Total equity &amp; liabilities</b>	<b>2 443.1</b>	<b>2 574.7</b>

<b>Income statement (USD million)</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Total revenues and other income	339.1	294.4
EBITDA	306.5	265.2
Operating profit (EBIT)	203.8	129.2
Net profit before tax	149.7	94.0
Basic earnings per share (USD)	0.86	0.55

<b>Cash flow statement (USD million)</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Net Cash flow from operating activities	170.3	194.6
Net Cash flow from investing activities	-59.3	-539.4
Net Cash flow from financing activities	-178.1	392.7
Net Cash and cash equivalents at end of period	98.7	165.5

### Ocean Yield ASA (consolidated) – interims account (unaudited)

<b>Balance Sheet (USD million)</b>	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>30.06.2018</b>	<b>30.06.2017</b>
Total non current assets	2 373.4	2 225.5	2 321.6	2 369.7
Total current assets	165.9	119.4	302.6	153.8
<b>Total assets</b>	<b>2 539.3</b>	<b>2 344.9</b>	<b>2 623.9</b>	<b>2 523.5</b>
Total equity	939.6	824.8	946.3	823.8
Total non current liabilities	1 367.3	1 355.3	1 475.8	1 546.7
Total current liabilities	232.4	164.8	201.8	153.1
<b>Total equity &amp; liabilities</b>	<b>2 539.3</b>	<b>2 344.9</b>	<b>2 623.9</b>	<b>2 523.5</b>

<b>Income statement (USD million)</b>	<b>Q1 2018</b>	<b>Q1 2017</b>	<b>Q2 2018</b>	<b>Q2 2017</b>	<b>1<sup>st</sup> Half 2018</b>	<b>1<sup>st</sup> Half 2017</b>
Total revenues and other income	89.2	78.6	95.1	82.2	184.3	160.8
EBITDA	77.8	71.2	84.3	74.3	162.1	145.5
Operating profit (EBIT)	51.1	46.8	57.6	49.5	108.7	96.3
Net financial items	(15.3)	(6.2)	(20.7)	(15.2)	(36.1)	(21.4)
Net profit before tax	35.7	40.5	36.9	34.4	72.6	74.9
Earnings per share (USD)	0.22	0.25	0.22	0.20	0.44	0.45

<b>Cash flow statement (USD million)</b>	<b>Q1 2018</b>	<b>Q1 2017</b>	<b>Q2 2018</b>	<b>Q2 2017</b>	<b>1<sup>st</sup> Half 2018</b>	<b>1<sup>st</sup> Half 2017</b>
Net Cash flow from operating activities	73.0	56.9	58.7	47.2	131.7	104.1
Net Cash flow from investing activities	(96.6)	94.7	20.5	(172.1)	(76.1)	(77.4)
Net Cash flow from financing activities	49.3	(221.1)	64.7	155.5	114.0	(65.6)
Net Cash and cash equivalents at end of period	124.4	96.1	266.0	126.8	266.0	126.8

## 6 Business overview

### 6.1 Industry overview

#### Introduction

Ocean Yield ("Ocean Yield" or the "Company") is a ship owning company with investments in vessels on long-term charters to a diversified portfolio of customers. The company was established in 2012 with a portfolio of oil-service assets previously controlled by Aker ASA. Since then, the Company has committed significant funds to new investments within shipping and oil-service and built up a broad and diversified portfolio of assets, all with long-term charters. Ocean Yield is listed on the Oslo Stock Exchange and has a broad share-holder base, with Aker Capital AS, a subsidiary of Aker ASA as the majority shareholder.

The Company currently has investments in many shipping segments, including car carriers, chemical tankers, product tankers, container vessels, crude tankers, dry bulk, oil-service and liquefied ethylene gas carriers.

The Company's business strategy is to enter into long-term fixed rate charters which gives visibility with respect to future earnings and dividend capacity for the shareholders. The Company has mainly focused on bareboat charters with duration from ten to fifteen years, but may also do time-charter contracts. The Company intend continue to grow and diversify its portfolio of vessels on long-term charters with the aim to continue to pay attractive quarterly dividends to its shareholders.

#### 6.1.1 Market and competition overview

2017 marked Ocean Yield's entry into the crude tanker segment, with an investment in four Suezmax crude tankers on long-term bareboat charters towards two separate counterparties. In addition, the Company invested in two modern Platform Supply Vessels with long term charters to Aker BP, where Aker ASA and BP Plc are majority shareholders.

During 2017, Ocean Yield established an office in Malta, which will be responsible for handling the operations of the bareboat chartered fleet in addition to marketing efforts towards Greece and Southern Europe. An independent Board of Directors was recruited and a permanent CEO employed in the first quarter 2018. The Company sees Malta as an attractive location, given its position as a shipping hub in Europe and relatively low cost base.

The principal business of Ocean Yield is to charter out vessels to charterers operating within the oil-service and industrial shipping markets. As Ocean Yield as of 30 June 2018 had a charter backlog consisting of contracts with an average remaining contract tenor, weighted by contracted EBITDA, of 11.3 years, short to medium term fluctuations within these underlying markets would normally not impact Ocean Yield directly. These underlying markets are however, relevant for determining the credit risk of the Company's counterparties and values of the vessels following the end of charter periods.

Ocean Yield focuses on long-term, fixed-rate charter contracts with charterers operating within oil-service and industrial shipping. A number of companies engage in the activity of owning and chartering vessels out on a long-term basis.

Examples of publicly traded companies that primarily engage in these activities are: Ship Finance International, Seaspan, Danaos and Costamare. Several Master Limited Partnerships (MLPs), such as Teekay Offshore Partners, Teekay LNG Partners, Golar LNG Partners, Capital Product Partners and Navios Maritime Partners also focus on marine financing. MLPs are limited partnerships that are publicly traded, combining tax benefits with the liquidity of publicly traded securities.

In addition, there are a number of more financially oriented private/public shipping companies that operate within this industry. Certain banks, such as DVB, ABN AMRO and Standard Chartered Bank, also have specific business areas that focus on the acquisition and long-term chartering of shipping and offshore assets. Historically, a large part of the market has been covered by German KG funds and also to a certain extent Norwegian KS funds. These funds have been less active after the financial crisis due to lack of liquidity and investor interest. There are also certain private equity funds located around the world that operate within this industry.

There are also a number of Chinese banks that focus on maritime leasing and have shown strong appetite for new transactions during the past few years. These are, among others, banks such as Bank of Communication, China Development Bank, ICBC Financial Leasing Co. Ltd., CCB Financial Leasing Corporation Ltd., CMB Financial Leasing Co. Ltd. Strong access to capital and appetite for growth has shown that Chinese banks in general have proven to be a strong competitor for new business within the maritime leasing space.

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While the companies mentioned above are grouped together as leasing companies, they operate in markets with different fundamentals. They may have a multiple segment strategy or full focus on one single sector. However, all of these companies/partnerships employ and favour long-term contracts on their assets, which serve to protect cash flows from commodity or sector-driven volatility.

Because of the nature of bareboat charters leasing companies typically take limited market risk and operational risk in the contract period. Therefore, the principal risks for the leasing companies are those related to counterparty risk and the residual vessel values following the end of the charter. Ocean Yield seeks to mitigate these risks by entering into contracts with solid counterparties on a long-term basis so as to make returns less dependent on residual vessel values.

The ship leasing companies typically have an objective to pay regular dividends to its equity holders.

## 6.1.2 Business segments

Ocean Yield defines operating segments based on the Group's internal management- and reporting structure.

From 2017 the Company have created a new segment called Tankers. This segment includes the Group's investments in chemical tankers, product tankers and crude tankers, which previously were reported in the segment Other Shipping. The old segment Gas carriers is no longer reported as a separate segment, but is instead included in Other Shipping. Comparative figures have been adjusted to reflect the segment changes.

Ocean Yield's operating segments as of the first half-year 2018, are as follows:

### BUSINESS SEGMENTS

- FPSO
- Other Oil Service
- Car Carriers
- Container Vessels
- Tankers
- Other Shipping
- Other

#### *FPSO*

This segment relates to the Group's investment in floating production, storage and offloading vessels (FPSO). As of 31st December 2017 this segment consists of the FPSO Dhirubhai-1.

The operational utilization for the Dhirubhai-1 was 99.9% in 2017

#### *OTHER OIL SERVICE*

Vessels operating within the oil sector, except for FPSOs are included in this segment. As of 31st December 2017 this segment includes the two anchor handling tug supply vessels (AHTS) Far Senator and Far Statesman, the construction vessel Aker Wayfarer, the offshore construction and cable lay vessel Connector, the diving support and offshore construction vessel SBM Installer and the two Platform Supply vessels NS Orla and NS Frayja.

#### *CAR CARRIERS*

This segment includes the Group's investments in car carriers. As of 31st December 2017 the Group has six pure car truck carriers (PCTC); Höegh Beijing, Höegh Xiamen, Höegh Jacksonville, Höegh Jeddah, Höegh Tracer and Höegh Trapper.

#### *CONTAINER VESSELS*

This segment includes Ocean Yield's investment in six mega container vessels on long term charter to a major European container line announced in June 2016. The company acquired in Q2 2018 four 2014 built 3,800 TEU container vessels that will be included in this segment.

#### *TANKERS*

This segment includes the Group's investments in tankers. As of 31st December 2017 the Group has ten chemical tankers; Navig8 Aronaldo, Navig8 Aquamarine, Navig8 Amessi, Navig8 Azotic, Navig8 Topaz, Navig8 Tourmaline, Navig8 Tanzanite, Navig8 Turquoise, Navig8 Universe and Navig8 Constellation, four product tankers; STI Supreme, STI Sanctity, STI Symphony and STI Steadfast, one Suezmax tanker; Poliegos, and three Suezmax newbuildings, scheduled for delivery in Q3 and Q4 2018 and four VLCCs scheduled for delivery in 2019.

Registration Document

**OTHER SHIPPING**

This segment includes the Group's investments in gas carriers and dry-bulk vessels. As per Q2 2018, the Group has two gas carriers; GasChem Beluga and GasChem Orca that are fixed on long term charter to Hartmann / SABIC and seven dry-bulk vessels, where five are on long-term charter to Interlink Maritime Corp and two to Louis Dreyfus Armateurs Group.

**OTHER**

This segment includes all other investments, with the most significant being the bonds issued by American Shipping Company ASA. As this segment consists mainly of the investment in AMSC bonds, which is a financial investment, there are no Operating Revenues.

The bonds were sold in Q2 2018 with net sale proceeds of USD 49.6 million.

Ocean Yield identifies segments based on the Group's management and internal reporting structure per Q2 2018:

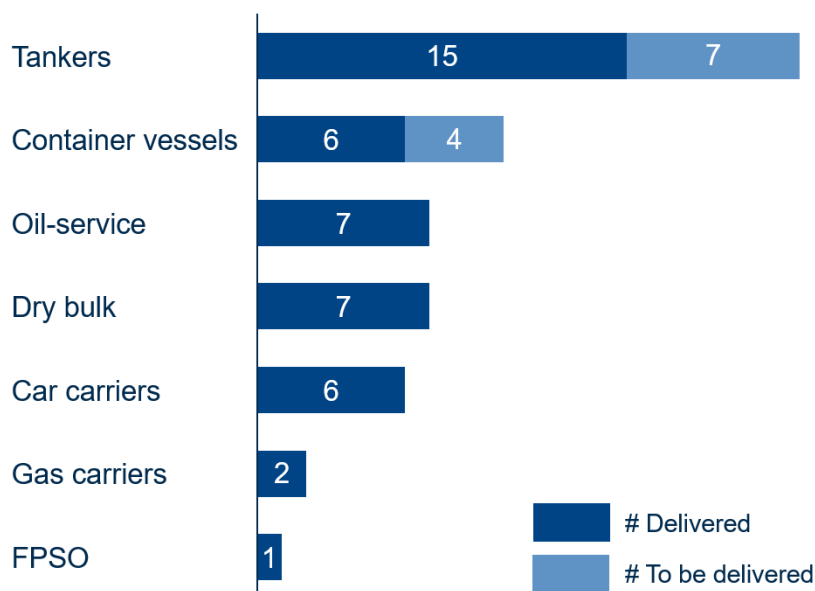
<b>EBITDA</b>	1st Quarter	2nd Quarter	2nd Quarter	1st Half	1st Half	Jan - Dec
<i>Amounts in USD million</i>	2018	2018	2017	2018	2017	2017
FPSO	28.6	29.7	28.4	58.3	57.3	115.9
Other Oil Service	20.0	22.9	18.7	42.9	35.7	79.1
Car Carriers	10.0	10.3	9.7	20.3	19.6	39.8
Container vessels	6.1	6.1	6.5	12.3	11.8	24.0
Tankers	10.1	10.6	9.1	20.7	18.1	36.4
Other Shipping	5.3	7.2	3.0	12.5	5.6	17.7
Other companies and eliminations	(2.2)	(2.5)	(1.2)	(4.8)	(2.6)	(6.3)
<b>EBITDA</b>	<b>77.8</b>	<b>84.3</b>	<b>74.3</b>	<b>162.1</b>	<b>145.5</b>	<b>306.5</b>

<b>Net profit after tax</b>	1st Quarter	2nd Quarter	2nd Quarter	1st Half	1st Half	Jan - Dec
<i>Amounts in USD million</i>	2018	2018	2017	2018	2017	2017
FPSO	7.2	10.5	8.1	17.8	16.8	36.0
Other Oil Service	7.1	11.2	8.2	18.2	14.8	30.2
Car Carriers	5.3	4.8	7.4	10.1	8.7	18.5
Container vessels	6.1	6.1	6.4	12.3	10.9	21.1
Tankers	6.1	6.1	7.2	12.3	11.6	23.9
Other Shipping	4.1	4.2	(3.7)	8.3	2.1	8.5
Other companies and eliminations	(2.6)	(7.9)	(3.1)	(10.6)	2.6	(8.6)
<b>Net profit after tax</b>	<b>33.3</b>	<b>35.1</b>	<b>30.6</b>	<b>68.4</b>	<b>67.4</b>	<b>129.7</b>

### 6.1.3 Vessel overview

The total fleet counted 55 vessels at the end of the quarter, including eleven vessels scheduled for delivery. Four container ships were delivered on 5th July 2018, one Suezmax vessel was delivered on 10th July 2018 and on Suezmax vessel was delivered on 31<sup>st</sup> August 2018. In addition, one Suezmax vessel is scheduled for delivery in Q4 2018 and four VLCCs are scheduled for delivery in Q2 and Q3 2019.



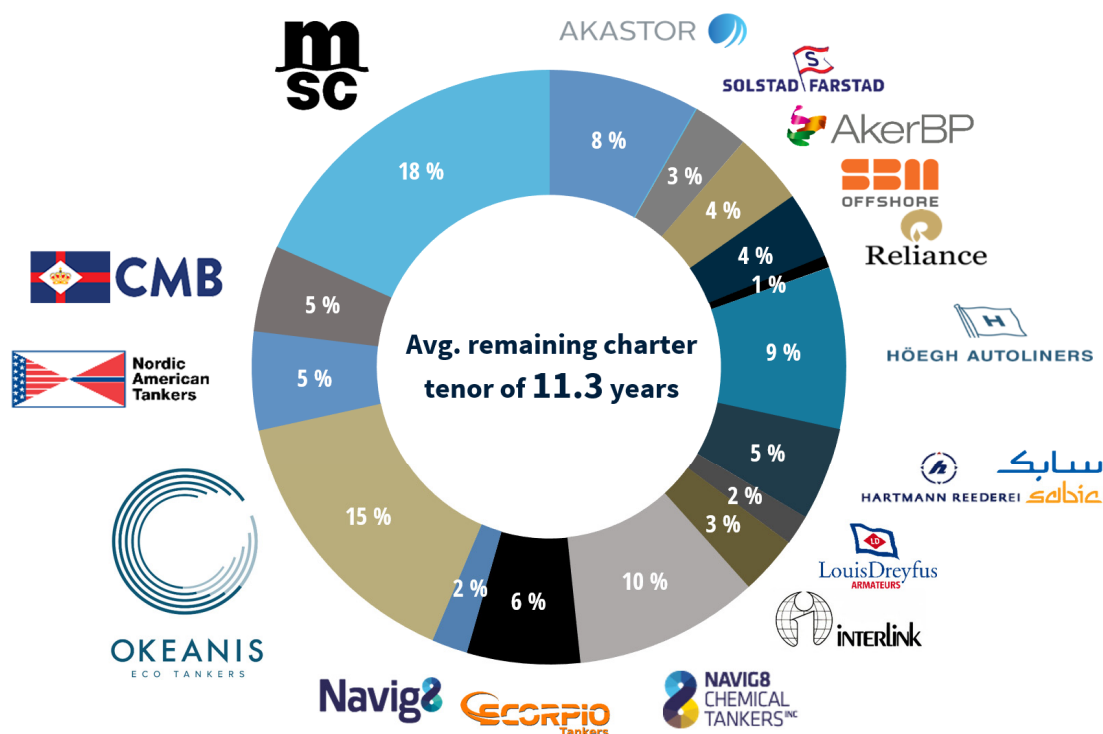
This includes 49.5% ownership in six mega-container vessels and 75% ownership in one oil-service vessel.

### 6.1.4 Charter backlog

The fixed EBITDA charter backlog\* at the end of Q2 2018 was USD 3.6 billion\* with an average remaining contract duration of 11.3 years. The EBITDA charter backlog is obtained by summarizing the fixed remaining future contractual revenues generated by the 55 vessels to 17 counterparties and deducting estimated vessel operating costs.

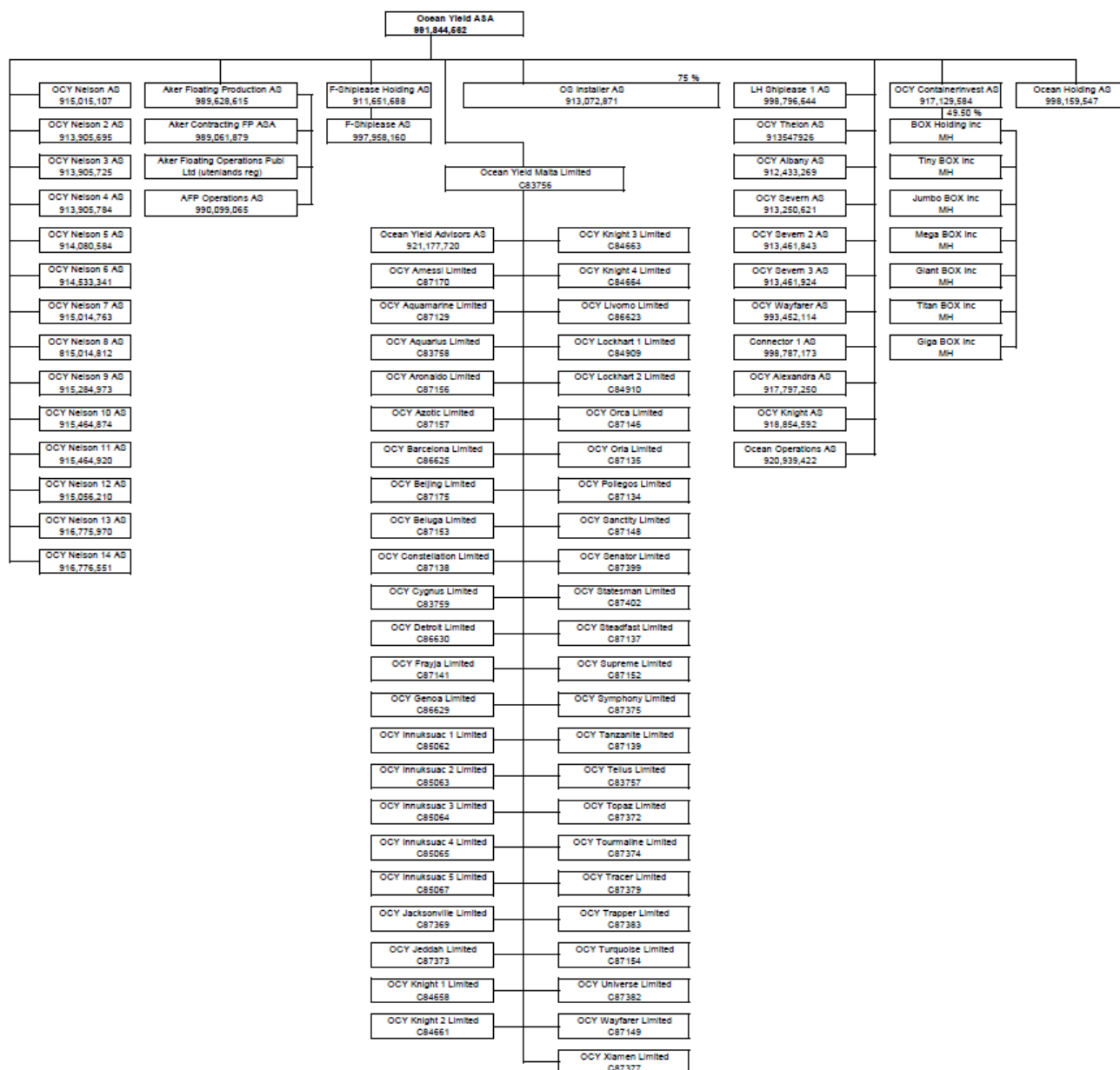


## EBITDA BACKLOG PER Q2 2018



\* Figures are based on management's estimates which may be subject to change. These include assumptions on operating expenses on the Dhirubhai-1, certain purchase options in bareboat charter contracts not being exercised, adjustments made for finance lease effects, investments in joint ventures, currency effects and the forward interest rates for floating rate lease agreements.

## 7 Organizational structure



## 7.1 Description of Group that issuer is part of

Ocean Yield ASA is a holding company with financial investments and the parent company in the Ocean Yield Group. Single purpose companies have been established for the ownership of the Group's vessels. As of year-end 2017 the Group consists of the subsidiaries presented in the table below. Companies owned directly by Ocean Yield ASA are highlighted. During 2017, Ocean Yield established an office in Malta, which will be responsible for handling the operations of the bare-boat chartered fleet in addition to marketing efforts towards Greece and Southern Europe. An independent Board of Directors was recruited and a permanent CEO employed in the first quarter 2018. The Company sees Malta as an attractive location, given its position as a shipping hub in Europe and relatively low cost base.

	Group's ownership in %	Group's share of votes in %	Business address	
			City location	Country
Aker Floating Production AS	100.0	100.0	Lysaker	Norway
AFP Operations AS	100.0	100.0	Lysaker	Norway
Aker Contracting FP ASA	100.0	100.0	Lysaker	Norway
Aker Floating Operations Publ Ltd	100.0	100.0	Limassol	Cyprus
Connector 1 AS	100.0	100.0	Lysaker	Norway
F-Shiplease Holding AS	100.0	100.0	Lysaker	Norway
F-Shiplease AS	100.0	100.0	Lysaker	Norway
LH Shiplease 1 AS	100.0	100.0	Lysaker	Norway
Ocean Holding AS	100.0	100.0	Lysaker	Norway
Ocean Yield Malta Limited	100.0	100.0	Qormi	Malta
OCY Aquarius Limited	100.0	100.0	Qormi	Malta
OCY Cygnus Limited	100.0	100.0	Qormi	Malta
OCY Tellus Limited	100.0	100.0	Qormi	Malta
OCY Albany AS	100.0	100.0	Lysaker	Norway
OCY Alexandra AS	100.0	100.0	Lysaker	Norway
OCY Containerinvest AS	100.0	100.0	Lysaker	Norway
OCY Knight AS	100.0	100.0	Lysaker	Norway
OCY Nelson AS	100.0	100.0	Lysaker	Norway
OCY Nelson 2 AS	100.0	100.0	Lysaker	Norway
OCY Nelson 3 AS	100.0	100.0	Lysaker	Norway
OCY Nelson 4 AS	100.0	100.0	Lysaker	Norway
OCY Nelson 5 AS	100.0	100.0	Lysaker	Norway
OCY Nelson 6 AS	100.0	100.0	Lysaker	Norway
OCY Nelson 7 AS	100.0	100.0	Lysaker	Norway
OCY Nelson 8 AS	100.0	100.0	Lysaker	Norway
OCY Nelson 9 AS	100.0	100.0	Lysaker	Norway
OCY Nelson 10 AS	100.0	100.0	Lysaker	Norway
OCY Nelson 11 AS	100.0	100.0	Lysaker	Norway
OCY Nelson 12 AS	100.0	100.0	Lysaker	Norway
OCY Nelson 13 AS	100.0	100.0	Lysaker	Norway
OCY Nelson 14 AS	100.0	100.0	Lysaker	Norway
OCY Severn AS	100.0	100.0	Lysaker	Norway
OCY Severn 2 AS	100.0	100.0	Lysaker	Norway
OCY Severn 3 AS	100.0	100.0	Lysaker	Norway
OCY Thelon AS	100.0	100.0	Lysaker	Norway
OCY Wayfarer AS	100.0	100.0	Lysaker	Norway
OS Installer AS	75.0	75.0	Lysaker	Norway

## ***7.2 Issuer dependent upon other entities***

All of the Issuer's investments are held in subsidiaries. As such there are no direct operating revenues in the Issuer, Ocean Yield ASA, is hence dependent on its subsidiaries for dividends or other contributions in servicing interest under the loan agreement.

## **8 Trend information**

### ***8.1 Statement of no material adverse change***

There has been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements. For further information, see clause 11.6 ("Significant change in the Group's financial or trading position").

### ***8.2 Outlook***

#### **Outlook as per Quarterly Report Q2 2018**

The Company has continued to expand and diversify its fleet of vessels on long-term charter, evidenced by the commitment to invest in another 15 vessels during the first 6 months of 2018. In the coming 12 months, the Company will take delivery of another eleven vessels on long term charter, which will further contribute to increased earnings and dividend capacity. In addition, the Company will continue to focus on further growth through investments in new projects.

Key focus for the next quarter will be to secure a positive outcome for the FPSO Dhirubhai-1, which contract expires in September 2018. The Company intends to continue its policy of paying attractive, quarterly dividends to its shareholders, with priority on stability in the dividend payments.

## 9 Administrative, management and supervisory bodies

### 9.1 Information about persons

#### Board of directors

The table below set out the names of the board of directors of the Company:

Name	Position	Business address
Frank O. Reite	Chairman	Ocean Yield ASA, Oksenøyveien 10, 1366 Lysaker
Kjell Inge Røkke	Director	Ocean Yield ASA, Oksenøyveien 10, 1366 Lysaker
Anne-Christin Døvig	Director	Ocean Yield ASA, Oksenøyveien 10, 1366 Lysaker
Jens Ismar	Director	Ocean Yield ASA, Oksenøyveien 10, 1366 Lysaker
Annicken Gann Kildahl	Director	Ocean Yield ASA, Oksenøyveien 10, 1366 Lysaker

#### Frank O. Reite

Frank O. Reite (born 1970) first joined Aker in 1995, and became CFO in Aker ASA in August 2015. He holds a B.A. in business administration from Handelshøyskolen BI in Oslo. Mr. Reite came from the position of President & CEO of Akastor, and has previously held a variety of executive positions in the Aker group, including overseeing and developing Aker's investments in Convento Capital Fund AS, Havfisk ASA, Norway Seafoods AS and Aker Yards ASA. Mr. Reite also has experience from banking and served as Operating Director at Paine & Partners, a New York-based private equity firm. Mr. Reite is chairman of Havfisk ASA, Ocean Yield and of Akastor ASA.

#### Kjell Inge Røkke

Kjell Inge Røkke (born 1958), Aker ASA's main owner, has been a driving force in the development of Aker since the 1990s. Mr. Røkke launched his business career with the purchase of a 69-foot trawler in the United States in 1982, and gradually built a leading worldwide fisheries business. In 1996, the Røkke controlled company, RGI, purchased enough Aker shares to become Aker's largest shareholder, and later merged RGI with Aker. Mr. Røkke owns 68.2 percent of Aker ASA through The Resource Group TRG AS and subsidiaries. Mr. Røkke is currently chairman of Aker ASA, director of Aker Solutions, Kværner and Det norske oljeselskap.

#### Anne-Christin Døvig

Anne-Christin Døvig is a Senior Vice President for Shipping, Yards and Offshore projects at GIEK, The Norwegian Export Credit Guarantee Agency. Ms. Døvig has extensive experience from the international investment banking industry and has held senior positions at JPMorgan, HSBC and Jefferies International. Mrs. Døvig has throughout her professional career worked on a number of capital markets and other investment and corporate banking transactions within the maritime sector. She holds a Bachelor with Honours in Economics and Finance from Strathclyde University in Scotland.

#### Jens Ismar

Jens Ismar is the CEO of Western Bulk AS, a Norwegian dry bulk company with a commercially controlled fleet of over 120 vessels. Mr. Ismar has a long and diversified background from the shipping industry. Before joining Western Bulk in September 2008, he was with BW Gas as Director for the Chartering and Operations Division. He has also been employed by Inge Steensland AS, Stemoco Shipping AS and Lorentzen & Stemoco AS. Mr Ismar has a Bachelor of Business Administration from the Lund University in Sweden.

#### Annicken Gann Kildahl

Annicken Gann Kildahl is the CFO at Grieg Star, a Norwegian shipping company with one of the world's largest open hatch fleets. Mrs. Kildahl has held the position as CFO since 2003 after joining the Grieg Group in 2000. Mrs. Kildahl has extensive experience in corporate finance, asset management and international financing, primarily in relation to the shipping industry. She has previously held positions in the shipping department in Sparebanken NOR and the Torvald Klaveness Group. Mrs. Kildahl has a Master of Business and Economics from BI Norwegian Business School and is an authorised finance analyst (AFA) from the Norwegian School of Economics (NHH).

## Management

The table below set out the names of the members of the Management of the Company:

Name	Position	Business address
Lars Solbakken	CEO	Ocean Yield ASA, Oksenøyveien 10, 1366 Lysaker
Eirik Eide	CFO	Ocean Yield ASA, Oksenøyveien 10, 1366 Lysaker
Andreas Røde	Head of Business Development and M&A	Ocean Yield ASA, Oksenøyveien 10, 1366 Lysaker
Marius Magelie	SVP Finance & IR	Ocean Yield ASA, Oksenøyveien 10, 1366 Lysaker
Andreas Reklev	SVP Investments	Ocean Yield ASA, Oksenøyveien 10, 1366 Lysaker
Erik Hiller Holom	VP Investments	Ocean Yield ASA, Oksenøyveien 10, 1366 Lysaker
Fredrik Bock-Hagen	Managing Director Ocean Yield Malta Ltd.	Ocean Yield ASA, Oksenøyveien 10, 1366 Lysaker
Kristine Kosi	Chief Accounting Officer	Ocean Yield ASA, Oksenøyveien 10, 1366 Lysaker

### Lars Solbakken Chief Executive Officer

Before joining Ocean Yield, Mr. Solbakken served as CEO of Norwegian Car Carriers ASA from 2009 through March 2012. From 2006 to 2009 he served as CEO of Ship Finance Management AS and through that position, he also served as CEO of Ship Finance International Limited. In the period from 1997 through 2006, Mr. Solbakken was employed as General Manager of Fortis Bank in Norway and was also responsible for the bank's shipping and oil service activities in Scandinavia. From 1987 to 1997, Mr. Solbakken served in several positions in Nordea Bank (previously Christiania Bank). He was Senior Vice President and Deputy for the shipping and offshore and aviation group, head of equity issues and merger and acquisition activities and General Manager for the Seattle Branch. Prior to joining Nordea Bank, Mr. Solbakken worked five years in Wilh. Wilhelmsen ASA as Finance Manager. Mr. Solbakken has a Master of Science degree from the Norwegian School of Economics and Business Administration in Bergen.

### Eirik Eide Chief Financial Officer

Before joining Ocean Yield, Mr Eide served as CFO of Ship Finance Management AS, and through that position, he served as CFO of Ship Finance International Ltd. Mr Eide has about 20 years experience from shipping & finance. His employment background includes the position as Head of Shipping and Corporate Finance at Orkla Finans AS, Director at Fortis Bank (Nederland ) N.V., Oslo Branch and Senior Vice President, DnB NOR (Oslo and London).

Mr Eide has a Master of Business and Economics degree from the Norwegian Business School.

### Andreas Røde Head of Business Development and M&A

Before joining Ocean Yield, Mr. Røde worked in the Corporate Finance department of Danske Bank as Managing Director, Head of Shipping and Offshore. Mr. Røde has more than 13 years of Investment Banking experience from leading financial institutions and have worked on a wide range of M&A, equity and debt capital markets transactions.

Mr Røde holds a Master of Arts (MA) in Accounting and Finance from University of Edinburgh and University of California Berkeley.

### Erik Hiller Holom

Before joining Ocean Yield, Mr. Holom worked in the corporate finance department at Danske Bank, focusing on the shipping and offshore industries. Prior to joining Danske Bank in 2014, he worked as an investment banking analyst for SEB. Mr. Holom holds an M.Sc. in Industrial Economics and Technology Management from the Norwegian University of Science and Technology (NTNU).

### Marius Magelie Senior Vice President Finance & Investor Relations

Before joining Ocean Yield in 2014, Mr. Magelie worked in the Nordic investment bank ABG Sundal Collier as an equity analyst, later becoming a partner, where he primarily focused on companies and sub-sectors within the shipping industry. Mr. Magelie joined ABGSC in 2008 from Kaupthing, a Nordic investment bank, where he was a member of the firm's equity research department. Mr. Magelie has a Master of Science in Financial Economics from Norwegian Business School.

**Andreas Reklev** Senior Vice President Investments

Before joining Ocean Yield, Mr. Reklev was Chief Financial Officer in Team Tankers International, a chemical tanker company listed on the Oslo Stock Exchange. Prior to joining Team Tankers in 2012, Mr. Reklev held various positions in Camillo Eitzen & Co ASA, a diversified shipping company with activities mainly in bulk, gas, and chemical shipping. Mr. Reklev has a Bachelor of Science in Finance from Norwegian Business School.

**Fredrik Bock-Hagen** Managing Director Ocean Yield Malta Ltd

Before joining Ocean Yield, Mr Bock-Hagen worked in the Shipping Finance department at SEB as Client Executive, with overall responsibility for a wide range of companies. Mr Bock-Hagen has previously worked with Investment Banking in SEB and has extensive experience with shipping and offshore industries. He has worked on a wide range of equity and debt capital market transactions, M&A and financial restructurings. Mr Bock-Hagen holds a Master of Science in Finance from University of St Andrews and a Bachelor of Science in Finance from Norwegian Business School.

**Kristine Kosi** Chief Accounting Officer

Before joining Ocean Yield, Ms Kosi was Group Accounting Manager in Umoe AS, an investment company involved in industrial investments, shipping, food production and catering. Before that she worked as Senior Associate with PwC AS, working as an auditor. Ms. Kosi has a Master of Business and Economics degree from the Norwegian Business School (BI) and is a Chartered Accountant.

**Audit committee**

Members of the Company's Audit Committee are as follow:

**Annicken Gann Kildahl**, Chairman (see description under Board of directors above)

**Anne-Christin Døvingen**, (see description under Board of directors above)

**The Audit Committee's Mandate**

The Audit Committee shall support the Board in its execution of its responsibility for oversight over the management and safeguarding of the company's resources. The Audit Committee shall review financial information that is reported to investors, regulatory bodies and other stakeholders and oversee the work of the external auditors and review their qualifications and independence.

The Audit Committee follows up internal control in connection with quarterly reviews of the Group's financial reporting. The chief financial officer, the Company's other relevant senior staff and representatives of the external auditor, attend the meetings of the Audit Committee.

The auditor shall annually present an audit plan to the Audit Committee and/or the Board. The auditor participates in the Audit Committee's review and discussion of the annual accounts and quarterly interim accounts. In these meetings, the Audit Committee is informed of the annual and quarterly accounts and issues of special interest to the auditor, including possible disagreements between the auditor and the management.

The Audit Committee shall annually arrange for a meeting with the auditor in which a report from the auditor dealing with the Company's accounting principles, risk management and internal control routines shall be reviewed. At least once a year a meeting shall be held between the auditor and the Audit Committee without the presence of representatives from the management.

The auditor shall annually confirm his independence in writing to the Audit Committee. The Board shall give an account to the general meeting of the auditor's fee, including details of the fee paid for audit work and any fees paid for other specific assignments.

## **9.2 Administrative, management and supervisory bodies conflicts of interest**

Ocean Yield's largest shareholder is Aker Capital AS, with 61.7% of the shares. Aker Capital AS is a wholly-owned subsidiary of Aker ASA, and Aker ASA's main shareholder is TRG Holding AS, controlled by Kjell Inge Røkke and his family through The Resource Group AS (TRG AS). All companies controlled by Kjell Inge Røkke are considered as related parties for the Aker group, and thus related parties for Ocean Yield. In addition all subsidiaries and associated companies of Aker ASA are considered to be related parties for Ocean Yield ASA.

Other than the above, there are no potential conflicts of interest between any duties to the Company of the board of directors or the Company's management, and their private interests or other duties.



### **9.3 Statement of compliance**

20 March 2018, the Board of Directors and the Company's Chief Executive Officer reviewed and approved the Board of Directors' report and the consolidated and separate annual financial statements of Ocean Yield ASA for the year ending and as of 31st December 2017.

Ocean Yield's consolidated financial statements have been prepared in accordance with IFRS and IFRIC adopted by the EU as well as additional disclosure requirements in the Norwegian Accounting Act and as such are to be applied as per 31st December 2017. The separate financial statements of the parent company Ocean Yield ASA have been prepared in accordance with the Norwegian Accounting Act and Norwegian accounting standards as of 31st December 2017. The Board of Directors' report for the Group and the parent company meets with the requirements of the Norwegian Accounting Act and Norwegian accounting standard no. 16, as of 31st December 2017.

TO THE BEST OF THE BOARD'S KNOWLEDGE:

- The consolidated and separate annual financial statements for 2017 the Group and the parent company have been prepared in accordance with applicable accounting standards.
- The consolidated and separate annual financial statements give a true and fair view of the assets, liabilities, financial position and profit/loss as a whole per 31 December 2017 for the Group and for the parent company.
- The board of directors' report includes a true and fair review of the
  - development and performance of the business and the position of the Group and the parent company,
  - the principal risks and uncertainties the Group and the parent company may face,

Ocean Yield's corporate governance principles are in accordance with the Norwegian Accounting Act §3-3 letter b and are based on the Norwegian Code of Practice for Corporate Governance, dated 30 October 2014, available at [www.nues.no](http://www.nues.no). A presentation of Ocean Yield's compliance with the Code's recommendations follows herein. The presentation follows the same order of topics as the fifteen items in the Code. There is a great deal of concurrence between the recommendations and Ocean Yield's practice. Deviations from Code's recommendations are discussed under the relevant item in question.

Ocean Yield's corporate governance principles are determined by the Board of Directors and are set forth in the company's management documents. The purpose of Ocean Yield's corporate governance policy is to ensure an appropriate separation of roles and responsibilities among the company's owners, its Board of Directors, and its executive management and to make certain that the company's business activities are subject to satisfactory control. An appropriate separation of roles and satisfactory control should contribute to the greatest possible value creation over time, to the benefit of owners and other stakeholders.

A copy of the Corporate Governance statement can be found on the Company's web site, [www.oceanyield.no](http://www.oceanyield.no)

The Director's Responsibility Statement can be found in the Annual Report 2017 page 20.

## 10 Major shareholders

### 10.1 Ownership

As of 10 September 2018 the share capital of Ocean Yield ASA is amounted to NOK 1,593,514,320 divided into 159,351,432 shares at nominal value of NOK 10.00 each.

The 20 largest shareholders as of 10 September 2018

Ocean Yield (OCY)	Country	Type	2018-09-10	% 2018-09-10
1 AKER CAPITAL AS	Norway	Company	98,242,575	61.65%
2 JPMORGAN CHASE BANK, N.A., LONDON	United Kingdom	Nominee	3,983,600	2.50%
3 NORRON SICAV - ACTIVE	Luxembourg	Company	2,627,627	1.65%
4 NORRON SICAV - TARGET	Luxembourg	Company	2,585,000	1.62%
5 CITIBANK, N.A.	United States	Nominee	2,089,871	1.31%
6 FINMARINE AS	Norway	Company	1,400,880	0.88%
7 STATE STREET BANK AND TRUST COMP	United States	Nominee	1,342,654	0.84%
8 BROWN BROTHERS HARRIMAN (LUX) SCA	Luxembourg	Nominee	1,212,670	0.76%
9 SEB PRIME SOLUTIONS SISSENER CANOP	Luxembourg	Company	1,200,000	0.75%
10 INVESCO PERP EURAN SMLR COMPS FD	Belgia	Company	1,194,097	0.75%
11 GLOBAL X SUPERDIVIDEND ETF	United States	Company	1,087,848	0.68%
12 HOLBERG NORGE VERDIPAPIRFONDET	Norway	Company	1,030,000	0.65%
13 KLAIVENESS MARINE FINANCE AS	Norway	Company	1,000,000	0.63%
14 NORDNET BANK AB	Sweden	Nominee	841,459	0.53%
15 JPMORGAN CHASE BANK, N.A., LONDON	Sweden	Nominee	830,803	0.52%
16 KLP AKSJENORGE	Norway	Company	788,580	0.49%
17 JPMORGAN CHASE BANK, N.A., LONDON	United States	Nominee	669,973	0.42%
18 JPMORGAN CHASE BANK, N.A., LONDON	Sweden	Nominee	668,162	0.42%
19 CITIBANK, N.A.	United States	Nominee	630,243	0.40%
20 LANDKREDIT UTBYTTE	Norway	Company	625,000	0.39%
21 AVANZA BANK AB	Sweden	Nominee	581,407	0.36%
22 SKANDINAVISKA ENSKILDA BANKEN AB	Sweden	Nominee	539,660	0.34%
23 NORRON SICAV - ALPHA	Luxembourg	Company	530,326	0.33%
24 KOMMUNAL LANDSPENSJONSKASSE	Norway	Company	528,840	0.33%
25 JPMORGAN CHASE BANK, N.A., LONDON	United Kingdom	Nominee	513,591	0.32%
26 INVESCO FUNDS	Luxembourg	Company	496,620	0.31%
27 NORDNET LIVSFORSIKRING AS	Norway	Company	486,076	0.31%
28 STATE STREET BANK AND TRUST COMP	United States	Nominee	478,979	0.30%
29 CLEARSTREAM BANKING S.A.	Luxembourg	Nominee	450,928	0.28%
30 ARCTIC FUNDS PLC	Ireland	Company	389,000	0.24%

- Kjell Inge Røkke controls 68.2%\* of the shares in Aker ASA, which owns 100% of the shares in Aker Capital AS, through his ownership of the TRG companies. In addition he holds 280,000\* shares directly in Ocean Yield.
- Finmarine AS is owned by the CEO Lars Solbakken.

Ocean Yield ASA is a subsidiary of Aker Capital AS, a wholly-owned subsidiary of Aker ASA.

In addition to controls mentioned herein, Ocean Yield has adopted the corporate governance principles in accordance with the Norwegian Accounting Act §3-3 letter b and are based on the Norwegian Code of Practice for Corporate Governance, dated 30 October 2014, available at [www.nues.no](http://www.nues.no). A presentation of Ocean Yield's compliance with the Code's recommendations follows herein. The presentation follows the same order of topics as the fifteen items in the Code. There is a great deal of concurrence between the recommendations and Ocean Yield's practice. Deviations from Code's recommendations are discussed under the relevant item in question.

### 10.2 Change in control of the Company

There are no arrangements, known to the Company, the operation of which may at a subsequent date result in a change in control of the Company.

# 11 Financial information concerning the issuer's assets and liabilities, financial position and profits and losses

## 11.1 Historical Financial Information

Ocean Yield ASA's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as approved by the European Union, their interpretations adopted by the International Accounting Standards Board (IASB) and the additional requirements of the Norwegian Accounting Act as of 31st December 2013.

The Group's accounting policies are shown in Annual Report 2017, pages 34-38, note 3 (under Consolidated Financial Statements).

The separate financial statements for Ocean Yield ASA have been prepared in accordance with Norwegian legislations and Norwegian generally accepted accounting principles.

Ocean Yield ASA's accounting policies are shown in Annual Report 2017, page 83, note 1.

According to the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council, information in a prospectus may be incorporated by reference.

Because of the complexity in the historical financial information and financial statements this information is incorporated by reference.

Reference is made to the [Annual Report 2017](#), the [Annual Report 2016](#), the [Quarterly Report Q2 2018](#) and [Quarterly Report Q1 2018](#).

The quarterly Reports in 2018 are unaudited.

Please see Cross Reference List page 32 for complete internet addresses.

	Annual Report		Quarterly Report	Quarterly Report
	2017	2016	Q2 2018*	Q1 2018
<b>Ocean Yield Consolidated ASA</b>				
Consolidated income statements and total comprehensive income	Page 28	Page 48	Pages 10-11	Pages 9 – 10
Balance Sheet at 31 December	Page 29	Page 49	Page 12	Page 11
Consolidated statements of cash flow	Page 31	Page 51	Page 14	page13
Notes to the consolidated financial statements	Pages 33-76	Pages 52-105	Pages 15-20	Pages 14-19
<b>Ocean Yield ASA</b>				
Statements of income	Page 80	Page 108		
Balance Sheet at 31 December	Page 81	Page 109		
Statements of cash flow	Page 82	Page 110		
Notes to the financial statements	Pages 83-92	Pages 111-127		

\* including comparative consolidated figures for Q2 2017

## 11.2 Financial statements

See section 11.1 Historical Financial Information.

## 11.3 Auditing of historical annual financial information

### 11.3.1 Statement of audited historical financial information

The financial information for 2017 and 2016 has been audited.

A statement of audited historical financial information for the Company is given in the [Annual Report 2017](#) pages 93-96 and the [Annual Report 2016](#) page 128-132.

## ***11.4 Age of latest financial information***

### **11.4.1 Last year of audited financial information**

The last year of audited financial information is 2017.

## ***11.5 Legal and arbitration proceedings***

Ocean Yield ASA is not aware of any ongoing, pending or threatened governmental, legal or arbitration proceedings during the previous 12 months that may have or have had in the recent past a significant effect on the Company and/or the Group's financial position or profitability.

## ***11.6 Significant change in the Group's financial or trading position***

There has been no significant change in the financial or trading position of the Group since the end of the last financial period for which annual and interim financial information has been published.

Please also refer to Section 8.

## **12 Material contracts**

Neither the Group nor any member of the Group has entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Prospectus. Further, the Group has not entered into any other contract outside the ordinary course of business which contains any provision under which any member of the Group has any obligation or entitlement.

## 13 Documents on display

The following documents (or copies thereof) may be inspected for the life of the Registration document at the headquarter of the Company, Oksenøyveien 10, 1366 Lysaker

- (a) the Memorandum of Association and Bye-laws of the Company;
- (b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in the Registration Document;
- (c) the historical financial information of the Company and its subsidiary undertakings for each of the two financial years preceding the publication of the Registration Document.

## Cross Reference List

Reference in Registration Document	Refers to	Details
12.1 Historical Financial Information	Annual Report 2017, available at <a href="https://www.oceanyield.no/content/download/1664/22135/version/1/file/Annual%20Report%202017.pdf">https://www.oceanyield.no/content/download/1664/22135/version/1/file/Annual%20Report%202017.pdf</a>	Consolidated income statements and total Comprehensive income, page 28 Consolidated Balance Sheet per 31 December, page 29 Consolidated statements of cash flow, page 31 Notes to the consolidated financial statements, pages 33-76  Statements of income, page 80 Balance Sheet per 31 December, page 81 Statements of cash flow, page 82 Notes to the financial statements, pages 83-92
	Annual Report 2016, available at <a href="https://www.oceanyield.no/content/download/1380/15902/version/1/file/Ocean%20Yield%20ASA%202016%20Annual%20Report.pdf">https://www.oceanyield.no/content/download/1380/15902/version/1/file/Ocean%20Yield%20ASA%202016%20Annual%20Report.pdf</a>	Consolidated income statements and total Comprehensive income, page 48 Consolidated Balance Sheet per 31 December, page 49 Consolidated statements of cash flow, page 51 Notes to the consolidated financial statements, pages 52-105  Statements of income, page 108 Statements of financial position, page 109 Statements of cash flow, page 110 Notes to the financial statements, pages 111-127
	Quarterly Report Q2 2018, available at <a href="https://www.oceanyield.no/content/download/1723/22770/version/1/file/Ocean%20Yield%20ASA%20Second%20Quarter%20and%20First%20Half%20Year%202018%20Report.pdf">https://www.oceanyield.no/content/download/1723/22770/version/1/file/Ocean%20Yield%20ASA%20Second%20Quarter%20and%20First%20Half%20Year%202018%20Report.pdf</a>	Consolidated income statements and total Comprehensive income, pages 10-11 Consolidated Balance Sheet per 31 December, page 12 Consolidated statements of cash flow, page 14 Notes to the consolidated financial statements, pages 15-20
	Quarterly Report Q1 2018, available at <a href="https://www.oceanyield.no/content/download/1693/22427/version/1/file/Ocean%20Yield%20ASA%20Q1%202018%20Financial%20Report.pdf">https://www.oceanyield.no/content/download/1693/22427/version/1/file/Ocean%20Yield%20ASA%20Q1%202018%20Financial%20Report.pdf</a>	Consolidated income statements and total Comprehensive income, page 9-10 Consolidated Balance Sheet per 31 December, page 11 Consolidated statements of cash flow, page 13 Notes to the consolidated financial statements, pages 14-19
12.3.1 Statement of audited historical financial information	Annual Report 2017, available at <a href="https://www.oceanyield.no/content/download/1664/22135/version/1/file/Annual%20Report%202017.pdf">https://www.oceanyield.no/content/download/1664/22135/version/1/file/Annual%20Report%202017.pdf</a>	Auditors report, pages 93-96
	Annual Report 2016, available at <a href="https://www.oceanyield.no/content/download/1380/15902/version/1/file/Ocean%20Yield%20ASA%202016%20Annual%20Report.pdf">https://www.oceanyield.no/content/download/1380/15902/version/1/file/Ocean%20Yield%20ASA%202016%20Annual%20Report.pdf</a>	Auditors report, pages 128-132

### **Joint Lead Managers' disclaimer**

Danske Bank, Norwegian Branch, DNB Bank ASA, DNB Markets (Global Coordinator), Fearnley Securities AS, Nordea Bank AB (publ) branch in Norway and Skandinaviska Enskilda Banken AB (publ), Norwegian Branch (together the "Joint Lead Managers") have assisted the Company in preparing this Registration Document. The Joint Lead Managers have not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and the Joint Lead Managers expressly disclaim any legal or financial liability as to the accuracy or completeness of the information contained in this Registration Document or any other information supplied in connection with bonds issued by Ocean Yield ASA or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Company. Each person receiving this Registration Document acknowledges that such person has not relied on the Joint Lead Managers or on any person affiliated with it in connection with its investigation of the accuracy of such information or its investment decision.

Confidentiality rules and internal rules restricting the exchange of information between different parts of the Global Coordinator and the Joint Lead Managers may prevent employees of the Joint Lead Managers who are preparing this Registration Document from utilizing or being aware of information available to the Global Coordinator and the Joint Lead Managers and/or affiliated companies and which may be relevant to the recipient's decisions.

Oslo (Norway), 10 September 2018

Danske Bank, Norwegian Branch

DNB Bank ASA, DNB Markets

Fearnley Securities AS

Nordea Bank AB (publ), branch in Norway

Skandinaviska Enskilda Banken AB (publ), Branch in Norway



# **Ocean Yield ASA Memorandum of Association**

## **ARTICLES OF ASSOCIATION FOR OCEAN YIELD ASA**

(As amended on 28 February 2018)

### **§ 1 Company and legal form**

The name of the Company is Ocean Yield ASA. The Company is a public limited company.

### **§ 2 Place of business**

The Company's registered office is in the municipality of Bærum.

### **§ 3 Objective**

The Company's objective is to engage in the sale, purchase and leasing of marine installations, including but not limited to vessels, rigs and other floating offshore installations and other naturally related business, including operations of the above.

### **§ 4 Share capital**

The Company's share capital is NOK 1,593,514,320 divided into 159,351,432 shares, each with a face value of NOK 10. The Company's shares shall be registered with the Norwegian central securities depository.

### **§ 5 Board of Directors**

The Company's Board of Directors shall consist of minimum three and maximum seven persons.

### **§ 6 Nomination Committee**

The Company shall have a nomination committee consisting of minimum two members elected by the general meeting. The members of the nomination committee are elected for a period of two years. The general meeting stipulates the compensation to the members of the nomination committee. The nomination committee shall propose candidates to the board of directors and the nomination committee and the compensation to members of these bodies. The general meeting can resolve an instruction for the work of the nomination committee.

### **§ 7 Signatory**

The Company is committed by the signature of the Chairman alone or by the joint signatures of the Chief Executive Officer and one Board member.

### **§ 8 General Meeting**

The Company shall summon a general meeting in writing to all shareholders with a known address.

When documents pertaining to matters for consideration by the general meeting are accessible to the shareholders on the Company's internet site, the legal requirement that the documents shall be sent to the shareholders along with the notice of the meeting no longer applies. Any shareholders may insist on receiving documents for consideration by the general meeting in hard copy.

The Company shall in the notice to the general meeting stipulate a deadline for enrollment to the general meeting, which cannot expire earlier than five days prior to the meeting.

The Board of Directors may decide that the shareholders shall vote in writing, including by the use of electronic communication, prior to the general meeting. If such voting method is used, a proper verification of the identity of each shareholder shall be used.

The general meeting shall consider and vote on the following matters:

- (a) Approval of the annual accounts and the Board of Director's Report, including any dividends;
- (b) The Board of Director's declaration on remuneration to the management according to the Public Limited Liability Companies Act (Nw: *allmennaksjeloven*) § 6-16a; and
- (c) Other matters that by law or according to the Company's articles of association shall be decided by the general meeting.

The general meeting may be held in Oslo.