ANNUAL REPORT 2020

OCEAN YIELD

As of year-end 2020, the fleet counted 68 vessels, including two newbuilding Suezmax tankers scheduled for delivery in Q2 2022.

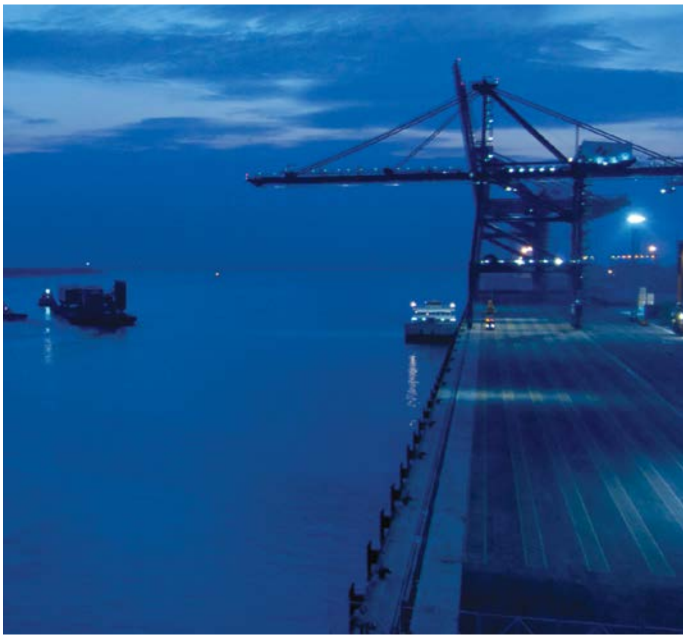
OCEAN YIELD IN BRIEF

OCEAN YIELD IS A VESSEL OWNING COMPANY WITH FOCUS ON INVESTMENTS IN VESSELS WITH LONG-TERM CHARTERS. AS OF YEAR END 2020, THE COMPANY HAD AN ADJUSTED EBITDA BACKLOG OF USD 2.9 BILLION WITH AN AVERAGE REMAINING TENOR OF 9.8 YEARS.

Ocean Yield ("Ocean Yield" or the "Company") is a vessel owning company with investments in vessels on long-term charters. The company has a broad and diversified portfolio that counted 68 vessels as of year end, spread over 8 different segments with long-term charters to 18 international counterparties.

The Company is listed on the Oslo Stock Exchange and has a broad shareholder base, with Aker Capital AS, a subsidiary of Aker ASA, as the majority shareholder.

Ocean Yield has investments in tankers, container vessels, dry bulk, car carriers, oil-service vessels and gas carriers. The Company's



fleet as of year-end 2020 consists of 68 vessels, including two newbuildings scheduled for delivery in Q2 2022. As of December 31st 2020, the Adjusted EBITDA charter backlog was USD 2.9 billion with average remaining contract duration of 9.8 years (weighted by EBITDA).

The Company's business strategy is to enter into long-term charters, which gives visibility with respect to future earnings and dividend capacity for the shareholders. The main focus has primarily been on bareboat charters with a duration from ten to fifteen years, but the Company may also enter into time-charter contracts. Going forward, the intention is to continue to grow and diversify the portfolio of vessels on long-term charters, with the aim to continue to pay attractive quarterly dividends to its shareholders.

Consolidated key numbers:

Amounts in USD million	2020	2019 *Restated**
Total revenues and other income	258.8	240.3
EBITDA	241.2	218.4
EBITDA adjusted for finance lease effects	311.1	298.9
Net profit after tax	(141.3)	(39.9)
Adjusted Net profit from continuing operations	88.2	66.3
Cash and cash equivalents	112.7	185.5
Total assets	2 286.3	3 153.2
Interest-bearing debt	1 610.8	2 185.2
Net Interest-bearing debt	1 497.7	1 999.7
Total equity	637.7	876.6
Equity ratio	27.9 %	27.8 %
Dividends declared per share (USD)**	0.20	0.76

**Comparative information has been restated due to a discontinued operation, see note 15 in the Consolidated financial statements.*
***Dividends declared are paid in the following quarter.*

MANAGEMENT

LARS SOLBAKKEN

CEO

Mr. Solbakken (born 1957) has served as CEO of Ocean Yield since the inception in 2012. 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 Christiania Bank (now Nordea 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 Christiania Bank, Mr. Solbakken worked five years in Wilh. Wilhelmsen ASA as Finance Manager. Mr. Solbakken has a Master of Science degree in Economics and Business Administration from the Norwegian School of Economics (NHH).

EIRIK EIDE

CFO

Mr. Eide (born 1970) has served as CFO of Ocean Yield since the inception in 2012. 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 been working with shipping and finance for more than 20 years, with broad transaction and capital markets experience. His employment background includes the position as Head of Shipping and Corporate Finance at Orkla Finans AS, Director 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.

OTHER KEY PERSONNEL

ANDREAS RØDE
Head of Business Development and M&A

Mr. Røde (born 1979) has served as Head of Business Development and M&A since September 2017. 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 has 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.

ANDREAS REKLEV
Senior Vice President, Investments

Mr. Reklev (born 1983) has served as Senior Vice President, Investments since August 2016. 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.

BOARD OF DIRECTORS

FRANK O. REITE
Chairman

Frank O. Reite (born 1970) first joined Aker in 1995, and held the position as CFO in Aker ASA from August 2015 until August 2019. He is now an advisor. He holds a B.A. in business administration from Norwegian Business School in Oslo. Mr. Reite has previously held the position as 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 Converto 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 Ocean Yield ASA and Converto AS and a board member of Aker Biomarine As and Solstad Offshore ASA.

KJELL INGE RØKKE
Director

Kjell Inge Røkke (1958) 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% of Aker ASA through The Resource Group TRG AS and subsidiaries. Mr. Røkke is Aker ASA's primary owner and Chairman. He is currently director of several companies, including Aker BP, Aker Solutions, Ocean Yield, Aker BioMarine, Aker Energy, Aker Horizons, Aker Offshore Wind, Aize Holding, REV Ocean and Mainstream Renewable Power.

ANNE-CHRISTIN DØVIGEN
Director

Anne-Christin Døvigen (born 1965) is currently employed with GIEK (The Norwegian Export Credit Guarantee Agency) as Senior Vice President. Mrs. Døvigen has extensive experience from the international investment banking industry and has held senior positions at JPMorgan, HSBC and Jefferies International. Mrs. Døvigen 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
Director

Jens Ismar (born 1957) is an Executive Director Shipping in Exmar NV Antwerp Belgium, and is in charge of the shipping business unit, which controls 35 vessels, primarily within LPG. Mr. Ismar has a long and diversified background from the shipping industry. He was the CEO of Western Bulk AS between 2008 and 2019 and prior to this he was Director in Bergesen d.y./BW Gas in charge of Chartering and Operations from 2001 to 2008. Prior to this he was Managing Director in Lorentzen & Stemoco AS and held various broker postions in Stemoco and Inge Steensland. Mr Ismar has a Bachelor of Business Administration from the Lund University in Sweden.

ANNICKEN GANN KILDAHL
Director

Annicken Gann Kildahl (born 1968) is the CFO at Grieg Maritime Group, a company innovating and delivering sustainability services to the maritime industry in addition to its world-leading ship owning and management operations within open hatch shipping. 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 the Norwegian Business School and is an authorised finance analyst (AFA) from the Norwegian School of Economics (NHH).

BOARD OF DIRECTOR´S REPORT

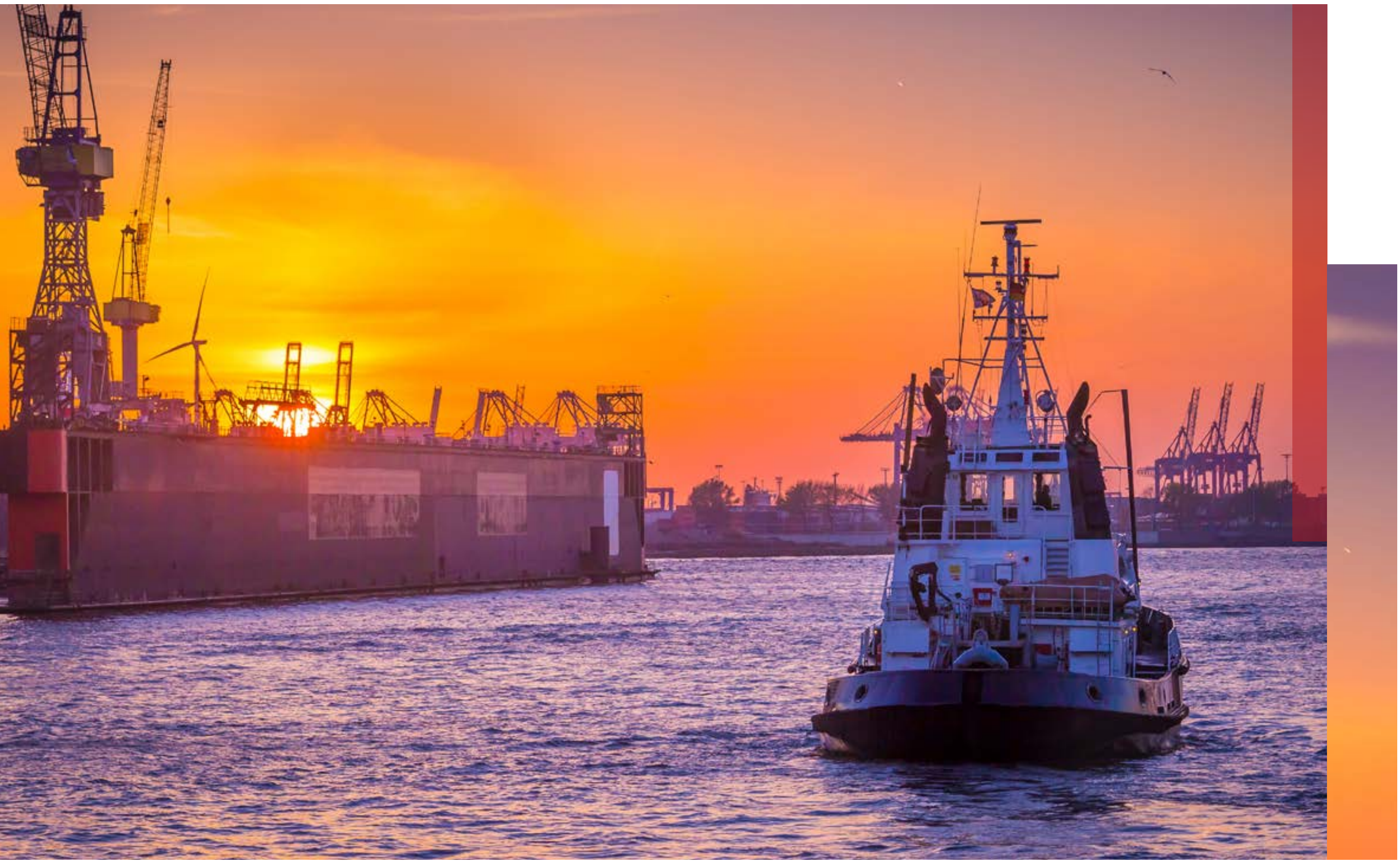
FOR OCEAN YIELD, THE BUSINESS MODEL OF OWNING VESSELS ON LONG-TERM CHARTERS TO A PORTFOLIO OF INTERNATIONAL SHIPPING COMPANIES, HAS PROVEN ROBUST, DESPITE THE COVID-19 MARKET TURBULENCE.

2020 was a year dominated by the COVID-19 pandemic, where we saw a sharp correction in the equity markets during the first quarter with a subsequent fall in the oil price. Worldwide lock downs triggered an abrupt fall in global GDP, which affected several shipping segments negatively. However, this was followed by a strong recovery in the equity markets in the second half of the year, as vaccines were approved for distribution, and a subsequent rebound in several shipping segments.

For Ocean Yield, all counterparties performed in accordance with their contracts during the year and there were no defaults in the portfolio. In the second half of the year, counterparty risk improved as several shipping segments showed signs of recovery from the COVID-19 pandemic. However, Ocean Yield's financial results were negatively affected by further impairments on two oil service assets without long-term charter. The company continued to work towards reducing the risk in the portfolio related to oil-service assets, through a combination of vessel sales and impairments.

During 2020, investment activity was somewhat lower than normal, due to the pandemic. However, the Company invested another USD 155 million in vessels on long-term charter. This included two newbuilding Suezmax tankers and three dry bulk vessels. All vessels are fixed on long-term charters. Further, the Company sold five vessels during the year, either through direct market sales or through exercise of purchase options in the charter agreements by the counterparties. As of year-end 2020, the fleet counted 68 vessels, including two newbuilding Suezmax tankers scheduled for delivery in Q2 2022.

Even though all counterparties were performing and the Company continued to invest in new vessels on long-term charter, the financial



results in 2020 were negatively impacted by losses related to two of the company's oil-service assets. The Company has one FPSO without employment, which has been marketed for sale and hence had negative operating results and was subject to an impairment on the book value. In addition, the Company sold the offshore construction and cable-lay vessel Connector towards the end of the year, which had a negative result of USD 115.5 million for the year.

Results in 2020 were also somewhat negatively affected by the two AHTS vessels the Company has on charter to Solstad Offshore ASA ("Solstad"), as these vessels were subject to a standstill agreement for the major part of 2020, due to an on-going financial restructuring of Solstad. This restructuring was completed in the fourth quarter and the vessels contributed positively to revenues with effect from 1 April 2020, however this was only recognized in the fourth quarter accounts as the restructuring was completed in the fourth quarter.

Ocean Yield continued its policy of paying quarterly dividends to its shareholders during 2020, and has now paid dividends for 30 consecutive quarters since the IPO in 2013. In light of the market turbulence, the uncertainty around the COVID-19 pandemic and the challenges with the two oil-service assets, the quarterly dividend was reduced from USD 19.10 cents per share to USD 5.0 cents per share in the first quarter. In the third and fourth quarter, the dividend was increased by 0.15 cents, resulting in a dividend of USD 5.30 cents per share for the fourth quarter. In total, USD 20.45 cents in dividends per share was declared for 2020 and a total of USD 60 million of dividends were paid out to the Company's shareholders during the year. Dividends declared are typically paid out in the following quarter.

Going forward, the Company expects to continue to grow and diversify its fleet of vessels on long-term charter to an increased number of counterparties.

THE GROUP'S OPERATIONS AND FLEET

Ocean Yield invests in vessels on long-term charters across multiple segments. The fleet as of year-end counted 29 tankers (of which 7 are owned 50%), 15 dry-bulk vessels, 10 container vessels (of which six are owned 49.9%), 5 oil service vessels, 5 car carriers, 3 gas carriers and one FPSO, which is in lay-up. As of year-end 2020, 65 out of 68 vessels were chartered out on long-term contracts with an average duration of 9.8 years.

Ocean Yield's head office is in Bærum, Norway.

REVIEW OF 2020

NEW INVESTMENTS

During 2020, the Company acquired (or agreed to acquire) another five vessels with long-term charters.

In the first quarter, Ocean Yield agreed to acquire two ultramax and one kamsarmax dry bulk vessels for a total consideration of USD 62.8 million, net of pre-paid charter hire with 9, 10 and 12 years bareboat charters to Scorpio Bulkers Inc. ("Scorpio Bulkers"). The two ultramax vessels were built in 2015 and 2016 and the kamsarmax vessel was built in 2018. Scorpio Bulkers have since then taken a strategic decision to exit the dry-bulk sector and initiated a sales process for their entire fleet towards the end of 2020.

In the fourth quarter, Ocean Yield agreed to acquire two suezmax newbuilding tankers with 10-year bareboat charters to Nordic American Tankers Ltd ("NAT"). The net purchase price will be up to USD 44 million per vessel after seller's credits of minimum 20%. The vessels are scheduled for delivery by the yard, Samsung Heavy Industries, South Korea, during the first half of 2022. NAT will have certain options to acquire the vessels during the charter period, in addition to an obligation to repurchase the vessels at the end of the charters.

The newcastlemax dry-bulk vessel Mineral Qingdao, which Ocean Yield agreed to acquire in 2019, was delivered in the third quarter and the vessel commenced a 15-year bareboat charter to CMB NV upon delivery.

VESSEL DIVESTMENTS

Ocean Yield's charter agreements may contain underlying purchase options for the charterer, whereby the charterer can re-purchase the vessel at certain periods during the charter, typically with the first option after five years. Also, in some cases, the charterer can trigger an option to sell the vessel to a third party.

In the fourth quarter 2019 and in the first quarter 2020, certain subsidiaries of Navig8 Chemical Tankers Inc.("Navig8") exercised the five-year purchase option in the lease for the vessels Navig8 Aquamarine and Navig8 Amessi. The purchase price for the two vessels were USD 53.0 million en-bloc. The vessels were delivered to Navig8 in June and July 2020.

In the second quarter, Ocean Yield sold 50% interest in seven tankers with long-term charters to Aker Capital AS. The transaction was carried out in order to strengthen Ocean Yield's balance sheet in light of the increased market volatility caused by the COVID-19 pandemic. The transaction included four LR2 product tankers with long-term charter to the Navig8 Group and three suezmax tankers with long-term charter to Nordic American Tankers Ltd. Aker paid USD 10.2 million for 50% of the equity interest in the vessels, which was equal to the book values. Ocean Yield continues to guarantee the senior secured bank debt against a guarantee fee.

In June, the vessel Höegh Xiamen, which was bareboat chartered to Höegh Autoliners, caught fire after it completed loading operations in Jacksonville, Florida. The vessel was later declared a constructive total loss as a result of the damage incurred by the fire and Ocean Yield received full insurance proceeds under the vessel's insurance policy in the third quarter.

In the third quarter, Ocean Yield agreed to sell its 75% interest in the diving support & construction vessel SBM Installer to SBM Holding Inc S.A. ("SBM"). The vessel was owned 75% by Ocean Yield and 25% by SBM and Ocean Yield's equity stake was sold for USD 33.7 million, including working capital. Closing of the transaction was completed on 30th September 2020.

In the fourth quarter, Ocean Yield entered into an agreement to sell the construction and cable-lay vessel Connector to a third party. Considering the current weak outlook for the oil-service segment and that an industrial setup is required to operate the vessel efficiently in the cable-lay market, it was decided that it was in the best interest of the Company to dispose of the vessel. The sale was cash flow neutral after settlement of debt related to the vessel. A recognized loss of USD 70.7 million

related to the sale of the vessel was recorded in addition to a negative result of USD 44.7 million during the year. The vessel was delivered to its new owner towards the end of the fourth quarter.

In December, Louis Dreyfus Armateurs, who was chartering the handysize dry-bulk vessel La Loirais on long term charter, declared an option to sell the vessel to an unrelated third party. The transaction was completed in December and Ocean Yield received proceeds of USD 16.2 million.

VESSELS WITH VARIABLE RATE CHARTERS

FAR SENATOR/NORMAND STATESMAN
In the fourth quarter, the restructuring agreement between Ocean Yield's subsidiary F-Shiplease AS and Solstad for the vessels Far Senator and Normand Statesman was closed. The previous lease agreements for the vessels were replaced with new lease agreements with a duration of 4 years with a variable charter rate. The charter rate payable under the lease agreements is a reference rate equal to the average per vessel EBITDA in a pool of seven similar UT731 design vessels.

In connection with the restructuring, F-Shiplease AS received 2.8 million shares in Solstad, equivalent to about 3.8 % of the shares in the company. These shares were sold during the fourth quarter and Ocean Yield held no shares in Solstad as of year end.

VESSELS WITHOUT LONG-TERM CHARTER

FPSO DHIRUBHAI-1
Following completion of a 10-year contract in India in 2018, the FPSO Dhirubhai-1 has been in warm-lay-up and is being marketed for sale. Discussions have continued with several interested parties during 2020, but the COVID-19 pandemic and a fall in the oil price during Q1 led to reduced expectations with respect to the sales price that could be achieved. Hence, the company recorded an impairment of USD 94.8 million on the book value of the vessel in the third quarter. After the impairment, the book value of the FPSO is USD 51.5 million. Discussions with potential interested parties have continued and shown some progress, but it is still uncertain if a sale can be concluded. The FPSO is classified as an asset held for sale in the accounts.

DIVIDENDS
During 2020 Ocean Yield continued its policy of paying quarterly dividends to its shareholders. During 2020, USD 60.0 million was paid out in dividends. The Annual General meeting has authorized the Board of Directors of Ocean Yield to resolve and declare dividends for the financial quarters up until the next ordinary general meeting in April 2021. The General Meeting in April 2021 will vote on a new authorization to the Board, for payment of quarterly dividends up until the next General Meeting in 2022.

For Q4 2020 the Board of Directors declared a dividend of USD 5.30 cents per share. This was approved by the Board of Directors on 15th February 2021 and was paid on 26th February 2021.

EVENTS AFTER YEAR END
After the end of the year, Scorpio Bulkers Inc. who has taken a strategic decision to exit the dry-bulk sector, declared options

to sell five dry-bulk vessels to unrelated third parties. Ocean Yield will receive total proceeds of about USD 100 million from the sales. Delivery of the vessels is expected during Q1 and Q2 2021.

Also after year end, Navig8 declared the five-year purchase option on the chemical tanker Navig8 Topaz. The vessel will be delivered to Navig8 on 22nd July 2021. Ocean Yield will receive net cash proceeds after repayment of debt of about USD 12 million. It is the intention of the Company to reinvest the net proceeds from the above sales into new vessels with long-term charter.

FINANCING

SECURED VESSEL FINANCING
During 2020, the Company has entered into several new financing agreements for the long-term financing of its vessels and refinancing of existing debt facilities. In total USD 119 million of secured bank debt has been raised during the year. In addition, the Company is working on securing debt facilities related to the two Suezmax newbuildings with long-term charter to NAT. These vessels are not scheduled for delivery until Q2 2022 so it is expected that the loan facility will be signed during the course of 2021.

The interest rate in the loan facilities are subject to LIBOR plus a margin and have tenors between two and seven years.

CORPORATE FUNDING
During 2020, Ocean Yield did not issue any new shares, unsecured bonds or other capital markets instruments.

One of the Company's unsecured bond issues, OCY04, is maturing in September 2021. In the fourth quarter 2020, the Company prepaid NOK 300 million of the outstanding amount under this bond issue. Subsequently, the Company has repurchased another NOK 18 million in the market, so that NOK 432 million was outstanding under the bond issue OCY04 as of year end. This amount is expected to be refinanced later in 2021.

In addition, the Company repurchased NOK 20 million of the bonds outstanding under the bond issue OCY07 that has maturity in December 2024.

DEBT MATURITIES IN 2021
As of year-end 2020 the Group has current liabilities exceeding current assets in the statement of financial position. The financing related to the Group's Car Carriers, six chemical tankers and one offshore construction vessel are up for refinancing in 2021, and the debt has thus been classified as current. In addition the bond loan OCY04 has maturity in September 2021.

After year-end the Company has signed a new loan agreement for the refinancing of the five PCTC vessels on long-term charter to Höegh Autoliners, and the loan facility has been extended by another four years. In addition, the Company has after year-end repurchased NOK 5 million and exercised a call option to prepay NOK 200 million of the bond issue OCY04, leaving a net amount of NOK 227 million due to be refinanced.

BUSINESS SEGMENTS

Ocean Yield defines operating segments based on the Group's internal management- and reporting structure. Ocean Yield's operating segments as of year end 2020 are defined as follows:
- Tankers
- Container vessels
- Car Carriers
- Other Shipping
- Other Oil-service
- FPSO
- Other

Please refer to Note 6 for more details on the business segments.

FINANCIAL REVIEW

CONSOLIDATED FIGURES - INCOME STATEMENT
Operating lease revenues were USD 95.5 million in 2020 compared with USD 103.3 million in 2019. The decrease in Operating revenue from 2019 mainly relates to the sale of the SBM Installer, and the constructive total loss on the Höegh Xiamen.

Finance lease revenues were USD 112.4 million in 2020 compared with USD 114.1 million in 2019.

Income from investment in associates, which is related to the 50.0% ownership in seven tankers on long-term charters and 49.9% ownership in six mega container vessels on long-term charters, were USD 22.4 million in 2020 compared with USD 22.9 million in 2019.

Other income was USD 28.5 million in 2020 compared with zero in 2019. This amount is mainly related to the insurance settlement on the Höegh Xiamen, which was declared a constructive total loss in 2020.

Total revenues and other income for 2020 were USD 258.8 million compared with USD 240.3 million for 2019.

Vessel Operating Expenses were USD 7.9 million in 2020 compared with USD 9.3 million in 2019. This is related to the vessel Connector, which has been operating on time charter basis and had lower utilisation in 2020 compared with 2019.

EBITDA was USD 241.2 million in 2020 compared with USD 218.4 million in 2019. Adjusted for finance lease effects the EBITDA was USD 311.1 million in 2020 compared with USD 298.9 million in 2019.

Depreciation and amortization was USD 45.7 million in 2020, compared with USD 49.7 million in 2019. The decrease is mainly related to sale of the SBM Installer, the Connector and the constructive total loss on the Höegh Xiamen.

Impairment charges were USD 62.2 million for the year 2020 compared with USD 0.0 million in 2019. The amount in 2020 is related to impairment of the book value on the vessels Connector and Höegh Xiamen.

Loss from sale of vessel was USD 70.7 million in 2020 compared with zero in 2019. The amount is related to the sale of the vessel Connector.

Operating profit was USD 62.5 million in 2020, compared with USD 168.7 million in 2019.

Financial income was USD 28.9 million in 2020 compared with USD 4.0 million in 2019. The financial income in 2020 includes a positive change in fair value of derivatives of USD 26.5 million. In 2019 the change in fair value of derivatives was negative with USD 3.6 million, and was included in financial expenses. The change in fair value of derivatives is mainly related to the Company's cross currency swaps which is used to hedge bond loans denominated in NOK into USD and interest rate swaps related to vessel financings.

Financial expenses were USD 124.3 million in 2020, compared with USD 107.8 million in 2019. This includes financial expenses related to vessel financings and unsecured bond loans and foreign exchange losses. Financial expenses related to vessel financing and unsecured bond loans were USD 84.7 million in 2020 compared with USD 104.2 million in 2019. The decrease compared to the previous year is mainly related to lower interest rates and repayment of debt as a result of vessel sales, partial prepayment of the unsecured NOK bond OCY 04, and the establishment of a joint venture for seven tankers on long-term charters in the second quarter. Foreign exchange losses were USD 39.7 million in 2020, compared with a gain of USD 2.0 million in 2019. The foreign exchange movements are mainly a result of fluctuations in the USD/NOK exchange rate, from Ocean Yield's bond loans denominated in NOK.

The Net profit before tax for 2020 was negative USD 32.9 million compared with positive USD 64.9 million for 2019.

Tax payable was negative USD 0.4 million in 2020 compared with negative USD 1.0 million in 2019.

Change in deferred tax was negative with USD 2.9 million in 2020, compared with negative USD 2.5 million in 2019.

Net profit from continuing operations was negative USD 36.1 million compared with USD 61.5 million in 2019.

Net profit from discontinued operations (net of tax) was negative USD 105.1 million compared with negative of USD 101.4 million in 2019. Discontinued operations is related to the FPSO Dhirubhai-1, where the loss in 2020 is explained by a USD 94.8 million impairment of the book value of the vessel and USD 10.1 million of operating expenses and personnel cost during the year.

Net profit for the period for 2020 was negative USD 141.3 million compared with a Net profit for the period of negative USD 39.9 million for 2019. Adjusted net profit from continuing operations was USD 88.2 million in 2020 compared with USD 66.3 million in 2019.

FINANCIAL POSITION AS OF DECEMBER 31ST 2020

The Ocean Yield Group had total assets as of 31st December 2020 of USD 2,286.3 million, compared to USD 3,153.2 million for 2019.

Total equity was USD 637.7 million at the end of 2020 compared with USD 876.6 million at the end of 2019.

During 2020, the Company did not issue any new shares. Changes in equity include other comprehensive income of negative USD 14.8 million, dividends of USD 60.0 million, dividend to non-controlling interests of USD 0.5 million, dividends on hybrid capital of USD 9.3 million and decrease in non-controlling interests of USD 13.0 million. The book equity ratio was 27.9% at the end of 2020, compared with 27.8% at the end of 2019.

Cash and cash equivalents at year end 2020 were USD 112.7 million, in addition to un-drawn credit facilities of USD 52.5 million, giving a total liquidity position of USD 165.7 million.

Total interest-bearing debt was USD 1,610.8 million as of year end 2020, compared with USD 2 185.2 million year end 2019. Net interest-bearing debt was USD 1 497.7 million, compared to USD 1 999.7 million in 2019.

CASH FLOW

Net cash flow from operating activities was USD 151.1 million in 2020, compared to USD 200.3 million for 2019. The difference between the Operating profit before depreciation and amortization of USD 241.2 million and Net cash flow from operating activities of USD 151.1 million is as follows:

Amounts in USD million	2020
EBITDA	**241.2**
Repayment on finance lease receivable	97.1
Income from investment in associates	-22.4
Dividend received from investments in associates	18.1
Gain from sale of vessel	-0.9
Realized foreign exchange loss	-42.0
Other financial expenses	-5.0
Net interest paid	-76.6
Taxes paid	-1.4
Net change in working capital	-57.1
Cash flow from operating activities	**151.1**

Net cash flow from investments was positive USD 186.5 million in 2020. This includes investments in vessels accounted for as finance leases and investments in associated companies. The figure is positive due to sale of 5 vessels and receipt of insurance claim from the constructive total loss on the Höegh Xiamen. In addition, the investment amounts in 2020 are related to the acquisition and delivery of four dry-bulk vessels during the year.

Net cash flow from financing was negative USD 406.7 million, compared to positive USD 493.9 million in 2019. The figures for 2020 include repayment of debt of USD 480.8 million, repayment of debt through a deconsolidation of a subsidiary of USD 50.9 million, repayment of finance lease liabilities of USD 0.3 million, payment of dividends of USD 60.0 million, payment of dividend to non-controlling interests of USD 0.5 million and dividend on hybrid capital of USD 9.3 million. This compares to issuance of new long-term debt of USD 772.8 million, repayment of interest bearing debt of USD 354.0 million, repayment of finance lease liabilities of USD 0.4 million, dividends of USD 121.6 million, dividends on hybrid capital of USD 2.7 million, net proceeds from issuance of new shares of USD 77.3 million and net proceeds from issuance of hybrid capital of USD 123.1 million and net change in treasury shares of USD 0.6 million in 2019.

Net cash flow for the year 2020 was negative USD 69.0 million, resulting in cash and cash equivalents of USD 112.7 million at the end of the year. This compares to a positive net cash flow of USD 72.9 million for 2019. The Company's operating cash flow is sufficient to cover ordinary instalments under the Company's debt facilities. The Company normally finances new investments with a combination of debt and equity, where the operating cash flow from each new investment is sufficient to cover the debt assumed for the relevant project. In addition, the Company had USD 1.3 million of restricted cash deposits and USD 0.4 million of cash held under assets held for sale. The Group held no marketable securities at the end of the year. The Group had capital expenditure commitments related to two newbuildings of USD 88 million at the end of the year that are scheduled for delivery in 2022. These vessels will be financed in the bank market during 2021.

PARENT COMPANY – OCEAN YIELD ASA

The net profit after tax for the parent company Ocean Yield ASA was negative USD 230.3 million for the year 2020 compared to positive USD 230.1 million for the year 2019. Total assets were USD 1,528.4 million and total equity was USD 498.7 million, resulting in an equity ratio of 33% in the parent company. Total interest-bearing long-term debt was USD 993.4 million, of which USD 3.9 million is long-term debt to Group companies.

PRESENTATION OF ANNUAL ACCOUNT

Ocean Yield's consolidated Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as approved by the European Union and the additional requirements of the Norwegian Accounting Act as of 31st December 2020. The financial statements of the parent company Ocean Yield ASA have been prepared and presented in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

GOING CONCERN ASSUMPTION

Pursuant to section 3-3a of the Norwegian accounting act, it is confirmed that the annual accounts have been prepared based on the assumption that Ocean Yield is a going concern and the Board of Directors confirms that this assumption continues to apply.

RISK AND RISK MANAGEMENT

MARKET RISK

As of year end 2020, 65 out of 68 vessels are on long-term contracts and are hence not directly exposed to short- or medium-term market risk, as these contracts typically have a fixed charter rate throughout the entire period. The Company is exposed to market risk for two AHTS vessels that are fixed on 4 year contracts to subsidiaries of Solstad, as these contracts have variable rates that fluctuate according to the earnings of a pool of seven similar vessels. In addition, the Company is exposed to market risk and residual value risk related to vessels that are approaching the expiry date for their long-term contract or in the event of a counterparty default. For the FPSO, the Company is exposed to asset risk and potential impairment risk related to this vessel, as this vessel is currently without employment and in lay-up.

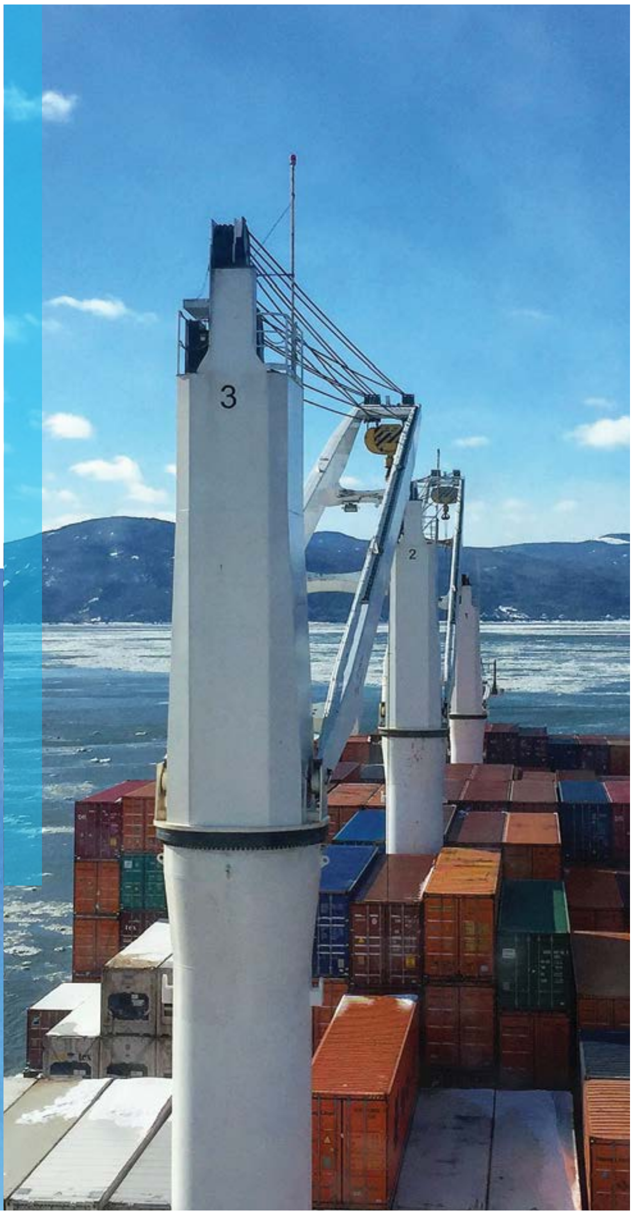
OPERATING RISK

As most of Ocean Yield's vessels are on bareboat charter contracts, the Company is not exposed to operating risk for these vessels, as this is the responsibility of the charterer. However, for the two AHTS vessels on charter to Solstad, the Company is ultimately responsible for the operating cost of the vessels. For the FPSO Dhirubhai-1, the Company's exposure is limited as the vessel is in lay-up and has very limited operations.

FINANCIAL RISK

Ocean Yield's strategy is to mitigate financial risk, where appropriate, using derivative instruments. This is mainly related to interest rate risk and currency risk. The Company will enter into fixed interest rate agreements for portions of its debt facilities from time to time, in order to hedge interest rate exposure. The ratio of fixed interest rate contracts to its total debt portfolio may vary from time to time, depending on the Company's view of the market. A number of the Company's lease agreements have floating interest rate clauses, where the counterparty is responsible for any increase in underlying interest rates. Hence, a major part of the

Ocean Yield invests in vessels on long-term charters across multiple segments.



debt portfolio is funded on a floating interest rate basis, where the interest rate risk is covered by the floating interest clauses in the leases. This significantly improves the overall effective hedging position of the Group.

Most of the Group's revenues are denominated in USD and hence there is limited currency exchange risk in the Group. However, the Company has some exposure to NOK through Ocean Yield's bond debt, which is issued in NOK, office rentals and salaries in Norway. As such, Ocean Yield may from time to time, enter into derivative contracts in order to hedge currency risk related to its fixed revenues. As of year end, the Company had NOK 1,912 million in NOK loans (including bonds that have been repurchased in the market) and had interest and currency swaps of NOK 1,650 million in total, which effectively swapped these loans from NOK to USD.

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 twelve 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. The Company works to reduce these risks by securing financing at the same time or shortly after committing to a new investment and maintaining access a broad range of capital market products.

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 charters 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. Ocean Yield also has credit risk related to its trade receivables. The Company's cash and cash equivalents are placed with major international banks with strong credit ratings.

LIQUIDITY RISK

Ocean Yield has inherent liquidity risk in a situation where the Company may be unable to fulfil 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. Management monitors monthly forecasts of the Group's liquidity reserve on the basis of expected cash flows.

SUSTAINABILITY

The section 3-3c in the Norwegian Accounting Act requires that large companies account for their efforts to integrate corporate social responsibility in their business strategies and day-to–day operations. Ocean Yield ASA has chosen to report on its efforts within ESG in a separate document in this Annual Report for 2020 approved by the Board of Directors. Reference is made to the ESG Report later in this Annual Report. The assessment encompasses Ocean Yield ASA and subsidiaries consolidated into the Group accounts.

CORPORATE GOVERNANCE

The Company has adopted and implemented a corporate governance regime which, in all material respects, complies with the Norwegian code of practice for Corporate Governance and the Section 3-3b in the Norwegian Accounting Act. A copy of the Corporate Governance Statement can be found on the Company's web site, www.oceanyield.no. Reference is also made to the ESG Report later in this Annual Report.

RESEARCH AND DEVELOPMENT

Ocean Yield has not been engaged in research and development during 2020.

ALLOCATION OF PROFIT AND DIVIDEND FOR THE PARENT COMPANY OCEAN YIELD ASA

In 2020, Ocean Yield has paid USD 60.0 million in dividends. A dividend of USD 0.530 per share, or approximately USD 9.3 million in total, was approved by the Board of Directors on 15th February 2021 for Q4 2020. This was paid on 26th February 2021 and is reflected in the accounts of the parent company Ocean Yield ASA as of 31st December 2020.

The parent company, Ocean Yield ASA had a net loss after tax of USD 230.3 million for the year 2020. The Board of Directors proposes the following allocation of the net loss of USD 230.3 million: USD 35.8 million in dividends, USD 130.6 million from other paid-in capital and USD 135.5 million from retained earnings.

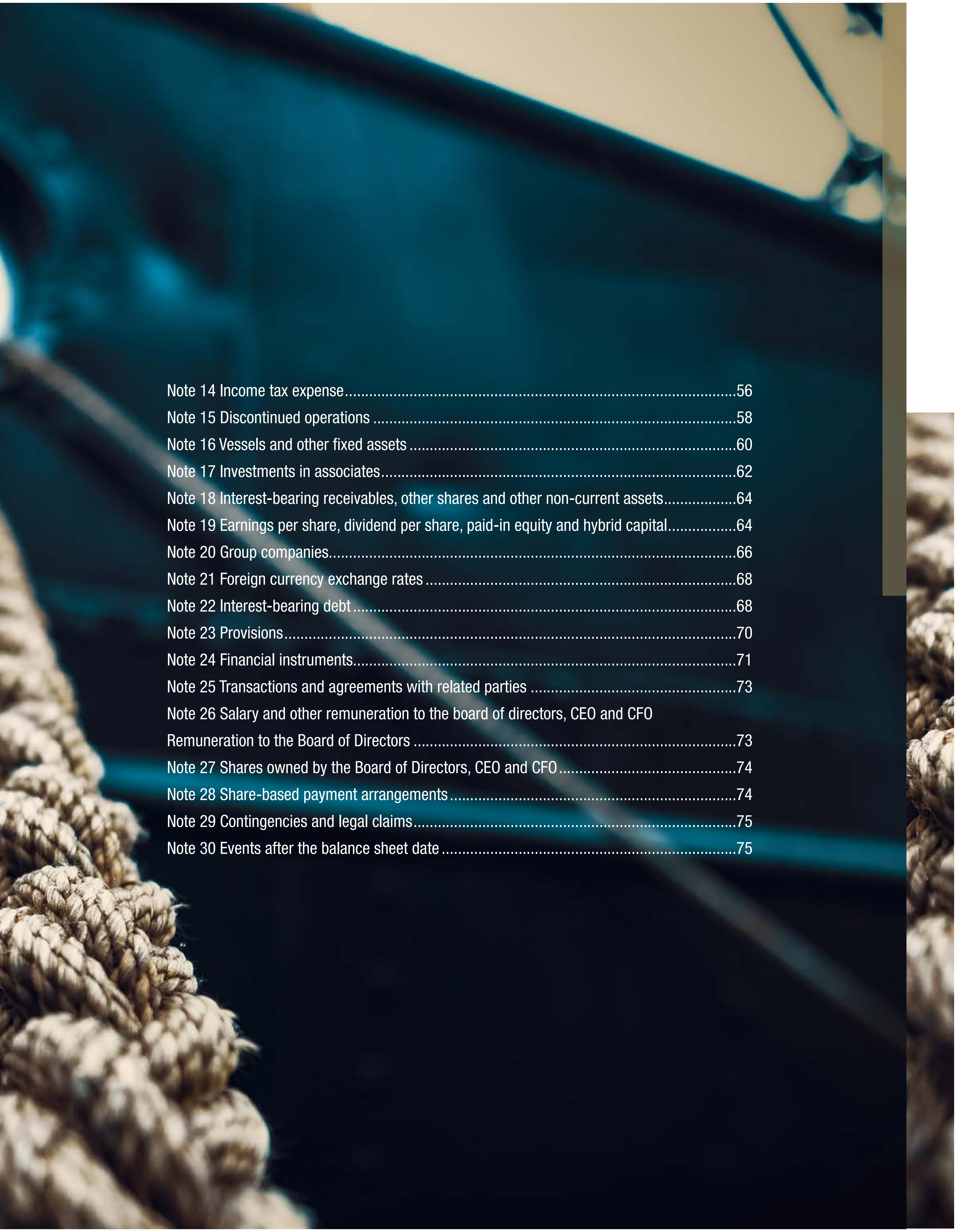
OUTLOOK

Ocean Yield has a large portfolio of vessels on long-term charters and all charterers are performing according to contract. This is expected to create stability in earnings going forward. The activity level in the sale and lease-back market is currently lower than normal, but is expected to gradually increase during the year, as the negative effects from COVID-19 is reduced. Ocean Yield has a sound financial position and continues to evaluate new investments in vessels with long-term charters with the main focus being on vessels with a liquid secondary market. The dividend level is conservative relative to expected future earnings and the Board of Directors intend to gradually increase the dividends going forward.

BÆRUM 22ND MARCH 2021
OCEAN YIELD ASA

FRANK O. REITE CHAIRMAN	**KJELL INGE RØKKE** DIRECTOR	**JENS ISMAR** DIRECTOR
ANNE-CHRISTIN DØVIGEN DIRECTOR	**ANNICKEN GANN KILDAHL** DIRECTOR	**LARS SOLBAKKEN** CEO

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES



Consolidated statement of profit and loss and total comprehensive income

Amounts in USD million	Note	2020	2019 Restated*
Operating lease revenue	7	95.5	103.3
Finance lease revenue	8	112.4	114.1
Income from investments in associates	17	22.4	22.9
Other income	9	28.5	-
Total revenues and other income		**258.8**	**240.3**
Vessel operating expenses		-7.9	-9.3
Wages and other personnel expenses	10	-6.0	-6.8
Other operating expenses	10	-3.6	-5.9
Depreciation and amortization	16	-45.7	-49.7
Impairment charges	11	-62.2	0.0
Loss from sale of vessel	12	-70.7	-
Operating profit (loss)		**62.5**	**168.7**
Financial income	13	28.9	4.0
Financial expenses	13	-124.3	-107.8
Net financial items	13	**-95.4**	**-103.8**
Net profit (loss) before tax		**-32.9**	**64.9**
Income tax expense (-) / benefit (+)	14	-3.3	-3.4
Net profit (loss) from continuing operations		**-36.1**	**61.5**
Net profit (loss) from discontinued operation, net of tax	15	-105.1	-101.4
Net profit (loss) for the period		**-141.3**	**-39.9**
Attributable to:			
Equity holders of the parent		-150.9	-43.5
Non-controlling interests		0.4	0.9
Dividends on hybrid capital		9.3	2.7
Net profit (loss) for the period		**-141.3**	**-39.9**
Basic and diluted earnings per share (USD)	19	**-0.86**	-0.27
Basic and diluted earnings per share (USD), continuing operations	19	**-0.26**	0.36

**Comparative information has been restated due to a discontinued operation, see note 15.*

Consolidated statement of profit and loss and total comprehensive income (continued)

Amounts in USD million	Note	2020	2019
Net profit (loss) for the period		-141.3	-39.9
Other Comprehensive income, net of income tax			
Items that will not be reclassified to the income statement			
Remeasurements of defined benefit liability (asset)		-0.0	-0.1
Total for items that will not be reclassified to the income statement		**-0.0**	**-0.1**
Items that are or may be reclassified to the income statement			
Share of other comprehensive income from investment in associates		-14.7	-15.5
Change in fair value of financial assets		-0.1	-0.8
Currency translation differences		-0.0	-0.6
Total for items that are or may be reclassified to the income statement		**-14.8**	**-16.8**
Total change in other comprehensive income, net of income tax		**-14.8**	**-16.9**
Total comprehensive income		**-156.1**	**-56.8**
Attributable to:			
Equity holders of the parent		-165.8	(60.4)
Non-controlling interests		0.4	0.9
Dividends on hybrid capital		9.3	2.7
Total comprehensive income for the period		**-156.1**	**-56.8**

Consolidated statement of financial position at 31st December

Amounts in USD million	Note	2020	2019
ASSETS			
Vessels and other fixed assets	16	550.4	1 053.7
Deferred tax assets	14	-	0.1
Investments in associates	17	178.0	178.2
Interest-bearing long-term receivables	18	1 221.6	1 506.6
Other shares and other non-current assets	18	1.3	2.3
Total non-current assets		**1 951.2**	**2 740.9**
Interest-bearing short-term receivables	18	164.2	219.8
Trade receivables and other interest-free receivables	5	4.2	7.1
Cash and cash equivalents	5	112.7	185.5
Current assets		**281.1**	**412.3**
Assets held for sale	15	54.0	-
Total current assets		**335.1**	**412.3**
Total assets		**2 286.3**	**3 153.2**
EQUITY AND LIABILITIES			
Share capital		271.0	271.0
Treasury shares		-0.0	-0.1
Other paid-in capital		237.3	366.1
Total paid-in capital	19	**508.3**	**637.0**
Retained earnings and other reserves		4.4	101.4
Total equity attributable to equity holders of the parent		**512.7**	**738.4**
Hybrid capital	19	125.0	125.0
Non-controlling interests		-	13.2
Total equity		**637.7**	**876.6**
Interest-bearing long-term debt	22	1 139.0	1 909.0
Deferred tax liabilities	14	5.2	2.6
Pension liabilities		0.0	0.0
Fair value of derivatives		13.7	23.7
Other interest-free long-term liabilities		1.2	8.3
Total non-current liabilities		**1 159.2**	**1 943.6**
Interest-bearing short-term debt	22	471.8	276.2
Current provisions	23	-	12.4
Trade and other payables		15.4	44.5
Current liabilities		**487.2**	**333.0**
Liabilities directly associated with the assets held for sale	15	2.2	-
Total current liabilities		**489.4**	**333.0**
Total liabilities		**1 648.6**	**2 276.6**
Total equity and liabilities		**2 286.3**	**3 153.2**

BÆRUM, 22ND MARCH 2021
OCEAN YIELD ASA

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CHAIRMAN

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DIRECTOR

JENS ISMAR
DIRECTOR

ANNE-CHRISTIN DØVIGEN
DIRECTOR

ANNICKEN GANN KILDAHL
DIRECTOR

LARS SOLBAKKEN
CEO

Consolidated statement of changes in equity

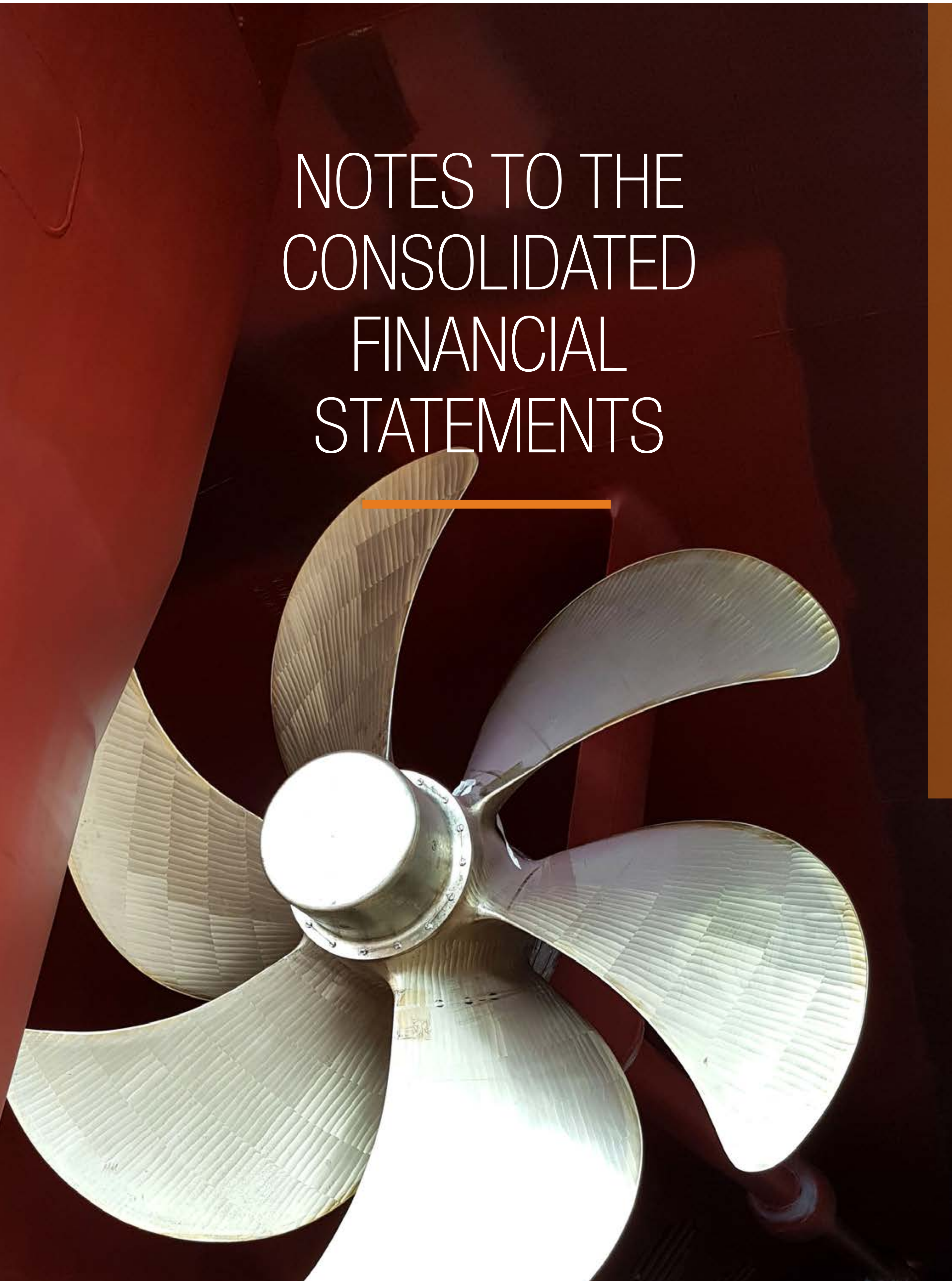
Amounts in USD million	Share capital	Share premium	Treasury shares reserve	Fair value reserve	Trans-lation reserve	Retained earnings	Share-holders equity	Hybrid capital	Non-controlling interests	Total equity
Balance 31st December 2018	**253.7**	**387.4**	**-0.1**	**-11.1**	**-41.4**	**257.2**	**845.7**	**-**	**0.0**	**845.7**
Net profit (loss) for the period	-	-	-	-	-	-40.7	-40.7	-	0.9	-39.9
Other comprehensive income	-	-	-	-0.8	-0.6	-15.6	-16.9	-	-	-16.9
Total comprehensive income	-	-	-	-0.8	-0.6	-56.3	-57.7	-	0.9	-56.8
Dividend	-	-60.9	-	-	-	-60.7	-121.6	-	-0.0	-121.6
Dividend on hybrid capital	-	-	-	-	-	-2.7	-2.7	-	-	-2.7
Issuance of ordinary shares	17.3	60.7	-	-	-	-	78.0	-	-	78.0
Expenses related to issuance of shares, net of tax	-	-0.8	-	-	-	-	-0.8	-	-	-0.8
Issuance of hybrid capital	-	-	-	-	-	-	-	125.0	-	125.0
Expenses related to issuance of hybrid capital, net of tax	-	-	-	-	-	-1.9	-1.9	-	-	-1.9
Treasury shares acquired	-	-	-1.5	-	-	-	-1.5	-	-	-1.5
Treasury shares sold	-	-	1.2	-	-	-0.3	0.9	-	-	0.9
Minority's share of capital increase in subsidiary	-	-	-	-	-	-	-	-	12.2	12.2
Transfer from share premium to retained earnings	-	-20.3	-	-0.0	-	20.4	-	-	-	-
Balance at 31st December 2019	**271.0**	**366.1**	**-0.4**	**-11.9**	**-42.0**	**155.6**	**738.4**	**125.0**	**13.2**	**876.6**
Net profit (loss) for the period	-	-47.1	-	-	-	-94.5	-141.6	-	0.4	-141.3
Other comprehensive income	-	-0.0	-	-0.1	-0.0	-14.7	-14.8	-	-	-14.8
Total comprehensive income	-	-47.2	-	-0.1	-0.0	-109.2	-156.5	-	0.4	-156.1
Dividend	-	-60.0	-	-	-	-	-60.0	-	-0.5	-60.5
Dividend on hybrid capital	-	-9.3	-	-	-	-	-9.3	-	-	-9.3
Decrease in non-controlling interests (de-consolidation of	-	-	-	-	-	-	-	-	-13.0	-13.0
Sale of shares in Solstad Offshore ASA	-	-12.0	-	12.0	-	-	-	-	-	-
Treasury shares acquired	-	-	-0.7	-	-	-	-0.7	-	-	-0.7
Treasury shares sold	-	-0.2	1.0	-	-	-	0.7	-	-	0.7
Change of functional currency in subsidiaries	-	-	-	-	42.0	-42.0	0.0	-	-	0.0
Balance at 31st December 2020	**271.0**	**237.4**	**-0.1**	**-**	**-**	**4.4**	**512.7**	**125.0**	**-**	**637.7**

Consolidated statement of cash flows

Amounts in USD million	Note	2020	2019 *Restated**
Net profit (loss) for the period		-141.3	-39.9
Income tax expense		3.3	3.5
Taxes paid		-1.4	-0.7
Net interest expenses (+)		77.5	100.4
Interest paid		-79.0	-96.3
Interest received		2.4	7.4
Impairment charges and other non-recurring items	11, 15	157.0	80.6
Gain/Loss from sale of vessel	12, 16	69.8	-
Repayment on finance lease receivables	8	97.1	80.5
Depreciation and amortization	16	45.8	74.3
Income from investments in associates	17	-22.4	-22.9
Dividend received from investments in associates		18.1	21.1
Unrealized foreign exchange gain/loss		-2.3	-6.1
Change in fair value of financial instruments		-26.8	3.6
Changes in other operating assets and liabilities		-46.8	-5.2
Net cash flow from operating activities		**151.1**	**200.3**
Acquisition of vessels and equipment	16	-4.2	-0.5
Sale of vessel	16	73.5	-
Sale of vessels (de-consolidation of subsidiary)	16	80.9	-
Proceeds from Insurance claim	9	26.3	-
Acquisition of vessels accounted for as finance lease receivables	8	-91.1	-568.4
Sale of vessel accounted for as finance lease	8	69.2	-
Net cash flow from other non-current assets		1.9	-45.9
Investments in associates	17	10.2	-
Net cash flow from interest-bearing long-term receivables		19.8	-6.5
Net cash flow from investing activities		**186.5**	**-621.3**
Proceeds from issuance of long-term interest-bearing debt	22	195.1	772.8
Repayment of long-term interest-bearing debt	22	-480.8	-354.0
Repayment of long-term interest-bearing debt (de-consolidation of subsidiary)	22	-50.9	-
Repayment on finance lease liabilities		-0.3	-0.4
Dividend paid	19	-60.0	-121.6
Dividend on hybrid capital	19	-9.3	-2.7
Dividend paid to non-controlling interests		-0.5	-
Net proceeds from issuance of new shares		-0.0	77.3
Net proceeds from issuance of hybrid capital		-	123.1
Net change in treasury shares		0.0	-0.6
Net cash flow from financing activities		**-406.7**	**493.9**
Net change in cash and cash equivalents		**-69.0**	**72.9**
Exchange rate differences		-2.0	2.6
Cash and cash equivalents 1st January		185.5	110.0
Non-controlling interests' share of cash at time of de-consolidation		-1.2	-
Change in cash reported with assets held for sale		-0.4	-
Cash and cash equivalents 31st December	**5**	**112.7**	**185.5**

**"Repayment on finance lease receivables" has been moved from "Net cash flow from investing activities" to "Net cash flow from operating activities".*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



NOTE 1 CORPORATE INFORMATION

Ocean Yield ASA is a Norwegian company, domiciled in Bærum, Norway, with business address Oksenøyveien 10, Lysaker. The Ocean Yield Group was established at the end of March 2012, with Ocean Yield ASA as the parent company. In July 2013 the company was listed on Oslo Stock Exchange.

The 2020 consolidated financial statements of Ocean Yield ASA incorporate the financial statements of the Company and its subsidiaries owned as of 31st December 2020 (referred to collectively as the "Group" and separately as group companies).

The Group has investments in vessels within 8 different shipping segments.

NOTE 2 BASIS FOR PREPARATION AND NEW AND AMENDED STANDARDS

STATEMENT OF COMPLIANCE

The 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 2020.

The consolidated financial statements for 2020 were approved and authorized for issue by the Board of directors on 22nd March 2021. The consolidated financial statements will be presented to the Annual General Meeting on 21st April 2021 for approval.

BASIS OF PREPARATION

The accounting principles presented herein have been applied consistently for the reporting period and for the companies presented in the consolidated financial statements. Comparative figures are reclassified if necessary to conform to current year presentation.

BASIS OF MEASUREMENT

Preparation of the financial statements is based on historical cost, with the following exceptions:

- *Derivative financial instruments are measured at fair value*
- *Financial assets measured at fair value over other comprehensive income*
- *Assets held for sale are measured at fair value*
- *Principles used to determine fair value are described in greater detail in note 4.*

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

These consolidated financial statements are presented in United States Dollars (USD), which is the functional currency of Ocean Yield ASA and the group companies.

All financial information presented in USD has been rounded to the nearest million with one decimal, except when otherwise stated. Due to rounding differences there may be some minor inconsistency between total figures.

USE OF ESTIMATES AND JUDGMENT

Preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of guidelines and principles, as well as the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are considered relevant under the circumstances. The resulting accounting estimates will, by definition, seldom match actual results, but are based on the best estimate at the time.

Estimates and underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognized in the period in which the estimates are revised if the change affects that period, or prospectively for changes in estimates such as the useful lives of vessels or in estimated salvage values. Estimates and assumptions that could have a significant impact on the carrying amounts of assets and liabilities within the next financial year are discussed below.

CLASSIFICATION OF LEASE AGREEMENTS

As of year-end 2020 most of the Group's vessels were chartered on long term contracts. At the inception of the lease agreements an assessment is carried out evaluating whether the agreements should be classified as either operating leases or finance leases. Reference is made to note 3 Accounting principles, section Lease Agreements, note 7 Operating lease revenue and note 8 Finance lease revenue.

IMPAIRMENT OF VESSELS

Ocean Yield has significant investments in vessels. Evaluating whether a vessel is impaired or if an impairment should be reversed, requires a high degree of judgment and may to a large extent depend upon the selection of key future assumptions. Reference is made to note 16 Vessels and other fixed assets.

IMPAIRMENT OF FINANCE LEASE RECEIVABLES

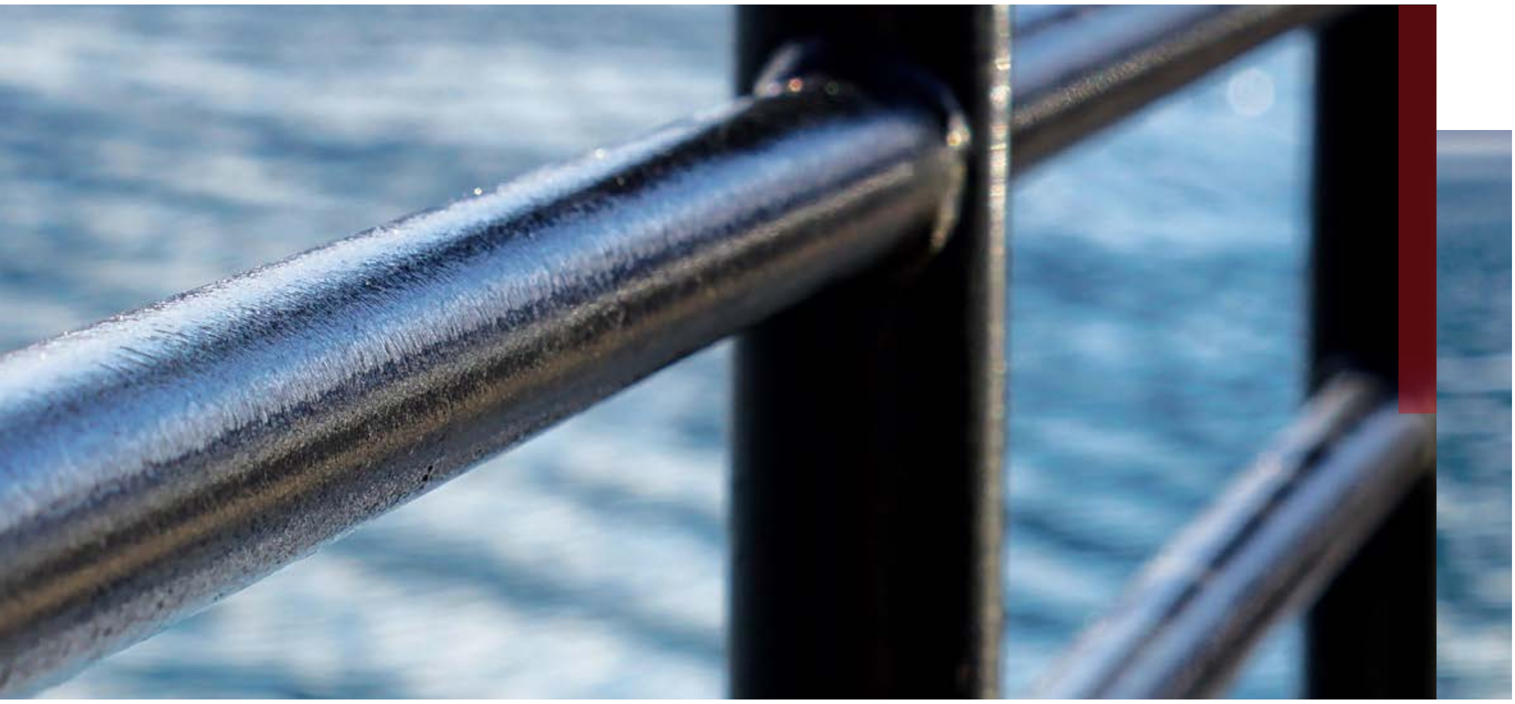
The Group had as of year-end 2020 43 lease agreements that are classified as finance leases. At the end of each reporting period the Group assesses whether the financial lease receivables are credit-impaired. Impairment is assessed using the expected credit loss ("ECL") method for financial assets. Twelve month ECLs are used for the finance lease receivables for which credit risk has not increased significantly since initial recognition. If there is a significant increase in credit risk, the expected credit loss is estimated for the entire lease term. The assessment of whether there is a significant increase in credit risk is based on a total assessment of the counterparty. Examples of events that may lead to a significant increase in credit risk are delayed payments, breach of covenants, decrease in equity, negative development in working capital and a significant decrease in the share price for listed entities. In addition, the Group regularly assesses whether there have been reductions in the estimated unguaranteed residual values of the leased assets. The assessment of changes in unguaranteed residual values involves the use of estimates and assumptions about expected future values. Reference is made to note 8 Finance lease revenue and note 24 Financial instruments.

HYBRID CAPITAL

In August 2019 the Company successfully completed a new perpetual hybrid callable bond ("Hybrid bond"). The Hybrid bond is a perpetual bond, with no fixed maturity. After five years there is a step-up in the margin of 5%. However, there is no contractual obligation to repay the bonds. Further, coupons on the bonds can be deferred at any time and can be deferred until the bonds are settled. Deferring the coupons blocks the Company from paying dividends. As the Company has no contractual obligation to pay either the bonds or the coupons, it's the Group's assessment that the Hybrid bond does not meet the requirements in the definition of a financial liability, and the Hybrid bond has thus been classified as equity.

NEW AND AMENDED STANDARDS

A number of new standards and amendments are effective from 1 January 2020, but they do not have a material effect on the Group's financial statements.



NOTE 3 ACCOUNTING PRINCIPLES

GROUP ACCOUNTING AND CONSOLIDATION PRINCIPLES

SUBSIDIARIES
Subsidiaries are entities over which the Group has control. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated accounts from the day control is obtained and until control ceases to exist.

INVESTMENTS IN ASSOCIATES
An associate is defined as a company over which the group has significant influence but which is not a subsidiary or a joint arrangement. Significant influence is where the company has the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. The Group's investment in an associate is accounted for using the equity method. The investment is initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements includes the Group's share of the profit and loss and OCI of the associate, until the date on which significant influence ceases to exist.

Dividends received from associates are presented as part of net cash flow from operating activities in the statement of cash flows. Received dividends are recognised as a reduction of the book value of the investment.

TRANSACTIONS ELIMINATED ON CONSOLIDATION
Intra-Group balances and transactions, and any unrealized income and expenses arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements.

FOREIGN CURRENCY TRANSLATION AND TRANSACTIONS

TRANSACTIONS AND BALANCES
Foreign currency transactions are translated into the entities functional currency using the exchange rates prevailing at the date of each transaction. Monetary assets and liabilities in foreign currencies are translated into the entities functional currency using the exchange rates on the balance sheet date. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in other currencies than USD are recognized in the statement of profit and loss as foreign exchange gains/losses.

GROUP COMPANIES
Financial statements of group companies whose functional currencies are different from the presentation currency (USD) are translated to USD in the following way:
- *Balance sheet items are translated using the exchange rates on the balance sheet date*
- *Profit or loss items are translated using the average exchange rates for the reporting period.*
- *All translation differences are recognized in Other Comprehensive Income.*

PROPERTY, PLANT AND EQUIPMENT
Property, plant and equipment are accounted for at acquisition cost less accumulated depreciation and impairment losses. Acquisition cost includes expenditures directly attributable to the asset's acquisition. Estimated costs of dismantling and removing the asset is included in the acquisition cost if an obligation arises from installation of the asset. Borrowing costs attributable to the acquisition, construction or production of a qualifying asset is recognized as part of the acquisition cost of that asset. Other borrowing costs are expensed.

When significant parts of an item of Property, Plant and Equipment have different useful lives, major components are accounted for as separate items of Property, Plant and Equipment.

SUBSEQUENT COST
Ordinary repairs and maintenance costs are charged to the profit and loss in the financial period when they are incurred. The cost of major upgrades or modification of an asset is included in the asset's carrying amount. Major upgrades and modification of an asset is depreciated over the useful lives of the related asset.

DEPRECIATION
Depreciation is recognized in profit and loss on a straight-line basis over the estimated useful lives of each major component of an item of property, plant and equipment, taking its residual value into consideration.

Estimated useful lives for the current and comparative periods are as follows:

Vessels	10-30 years
Machinery, vehicles	3-15 years
Other fixed assets	3-10 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting period.


NAVIG8 SOLIDARITY
MAJURO

DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT
Gains and losses on the disposal of assets are determined by comparing the disposal proceeds with the carrying amount.

ASSETS HELD FOR SALE
Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Once classified as held for sale, property, plant and equipment are no longer amortized or depreciated.

LEASE AGREEMENTS (AS LESSOR)
As of year-end 2020 most of the vessels owned by the Group were chartered out on long term contracts. When assessing whether an agreement is an operating lease or a finance lease, estimates of the fair value of the vessels at the end of the lease periods and calculations of the present value of the minimum lease payments are the most important factors. Many of the lease contracts include one or more purchase options, and/or options to extend the lease period beyond the firm period. At the inception of the lease, such options are taken into consideration when assessing whether the lease is an operating lease or a finance lease. It is also considered whether the lease agreements contain other elements where risk is transferred to the charterers, such as LIBOR related charter hire adjustments, where some of the interest rate risk is transferred to the charterers.

OPERATING LEASE
Leases in which a significant portion of the risks and rewards of ownership are retained by Ocean Yield are classified as operating leases. Lease assets held pursuant to an operating lease are included in the statement of financial position based on the nature of the asset. Direct costs incurred when establishing an operating lease are included in the leased asset's carrying amount and are expensed over the term of the lease on the same basis as the rental income.

FINANCE LEASE
Leases in which substantially all of the risks and rewards of ownership are transferred to the charterer are classified as finance leases. At the inception of the lease the net present value of the minimum lease payments and any discounted unguaranteed residual value are recognized as a interest-bearing receivable, split into a non-current and a current part.

FINANCIAL ASSETS
Financial assets are presented as current if they contractually will expire or otherwise are expected to be recovered within 12 months after the balance sheet date, or if they are held for the purpose of being traded. Otherwise they are classified as non-current.

LOANS AND RECEIVABLES
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. At year-end 2020 and 2019 Loans and receivables comprise trade and other receivables.

CASH AND CASH-EQUIVALENTS
Cash and cash equivalents consist of cash deposits on call with financial institutions and other short-term, highly liquid investments with original maturity of less than three months.

FINANCIAL DERIVATIVES
The Group uses financial derivative instruments to hedge its exposure to foreign currency and interest-rate risks. No hedge accounting has been applied in 2020 or 2019 in the Group companies. Derivatives are recognized initially at fair value; attributable transaction costs are recognized in the statement of profit and loss as they incur. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit and loss. As further explained in note 17, hedge accounting is applied to mitigate interest rate risk for borrowings in an associated company.

FINANCIAL LIABILITIES
The Group classifies its non-derivative financial liabilities into the Financial liabilities measured at amortized cost category. Such financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition these financial liabilities are measured at amortized cost using the effective interest rate method. At year-end 2020 and 2019, non-derivative financial liabilities comprise loans and borrowings and trade and other payables.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In such a case, the fee is deferred until the draw-down occurs. To the extent there is low probability that the facility will be drawn down, the fee is capitalized as a pre-payment and amortized over the period of the facility to which it relates.

HYBRID CAPITAL
Hybrid bonds, with no fixed maturity are treated as equity in the financial statements, and are presented in a separate line within equity. The hybrid bonds are initially recognized at fair value. Any directly attributable transaction costs are recognized against equity and presented with retained earnings. After initial recognition the hybrid bonds are not remeasured. Coupons paid on the hybrid bonds are recognized as dividend when they are paid.

LEASE AGREEMENTS (AS LESSEE)
The Group has recognised right-of-use assets and lease liabilities for its rental of offices.

RIGHT-OF-USE ASSETS
The Group recognises a right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The cost of right-of-use asset includes the amount of lease liability recognised, initial direct costs incurred, and the lease payments made at or before the commencement date less any lease incentives received. The right-of-use asset is generally depreciated on a straight-line-basis over the shorter of its estimated useful life and the lease term and is subject to impairment assessment of non-financial assets.

LEASE LIABILITIES
The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The lease payments include fixed payments and variable lease payments that depend on an index or rate. The variable lease payment that does not depend on an index or rate is recognised as expense in the period in which it is incurred. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amounts expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

CURRENT AND DEFERRED INCOME TAX
Income tax in the profit and loss statement for the year comprises current and deferred tax. Tax is recognized in the

statement of profit and loss, except to the extent that it relates to items recognized in Other comprehensive income or directly in equity.

Current tax is the anticipated tax payable on the taxable income for the year, using current tax rates at the balance sheet date, and any adjustment to tax payable related to previous years.

Deferred income tax is stated, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets are recognized for all deductible temporary differences and all carry-forwards of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which such deductible temporary differences and carry-forwards can be used.

Deferred tax is not recognized for the following temporary differences:

- *Initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.*
- *Differences relating to investments in subsidiaries and jointly controlled entities, to the extent that it is probable that they will not reverse in the foreseeable future.*

Deferred tax is measured on an undiscounted basis. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on current tax rates (and tax laws) at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities, and if the deferred tax relates to the same taxable entity or the same tax authority.

The operations of the Group's bareboat fleet is handled from Malta. As a consequence most of the Group's income is subject to corporate taxation in Malta.

REVENUE RECOGNITION

OPERATING LEASE REVENUE

Revenue related to vessel charter agreements that are classified as operating leases are recognized on a straight line basis over the lease term, and classified as operating lease revenues in the statement of profit and loss. Contingent rental income, such as bonuses earned based on utilisation, is recognized in profit and loss as it is earned. Payments received from mobilization fees and other up-front fees that do not relate to a separate earnings process are recognized on a straight-line basis over the lease term. The remaining part is recognized in the statement of financial position as deferred income.

FINANCE LEASE REVENUE

Over the lease term interest on the net investment is recognized in the profit and loss as finance lease revenue in a way that produces a constant rate of return on the investment. Contingent rental income, such as LIBOR related charter hire adjustments, is recognized in profit and loss as earned.

IMPAIRMENT

NON-FINANCIAL ASSETS

The carrying amounts of the Group's assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If an indication of impairment exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated annually.

The recoverable amount of an asset or cash generating unit is defined as the greater of its value in use and its fair value, less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a relevant post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For assets that do not generate mainly independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognized whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of profit and loss. Recognition of impairment losses of cash-generating units is allocated first to reduce the carrying amount of any goodwill and then to reduce the carrying amount of the other assets in the unit.

An impairment loss on goodwill is not reversed. For assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount, net of depreciation or amortization, calculated as if no impairment loss had been recognized.

FINANCIAL ASSETS
The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of the asset that can be estimated reliably.

The recoverable amount of the Group's financial assets carried at amortized cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short term to maturity are not discounted.

An impairment loss on financial assets carried at amortized cost, is reversed if a subsequent increase in the recoverable amount can be objectively connected to an event occurring after the impairment loss was recognized in the profit and loss.

DIVIDENDS
Dividends are recorded in the Group's financial statements in the period in which they are approved. Currently the General Meeting has authorized the Board of Directors to resolve and declare dividends based on the Company's annual financial statements for 2019. The authorization is valid until the Annual General Meeting in 2021.

NOTE 4 DETERMINATION OF FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Accounting principles and note disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods described below. When applicable, further information on the assumptions made in determining fair values is disclosed in the notes specific to the asset or liability.

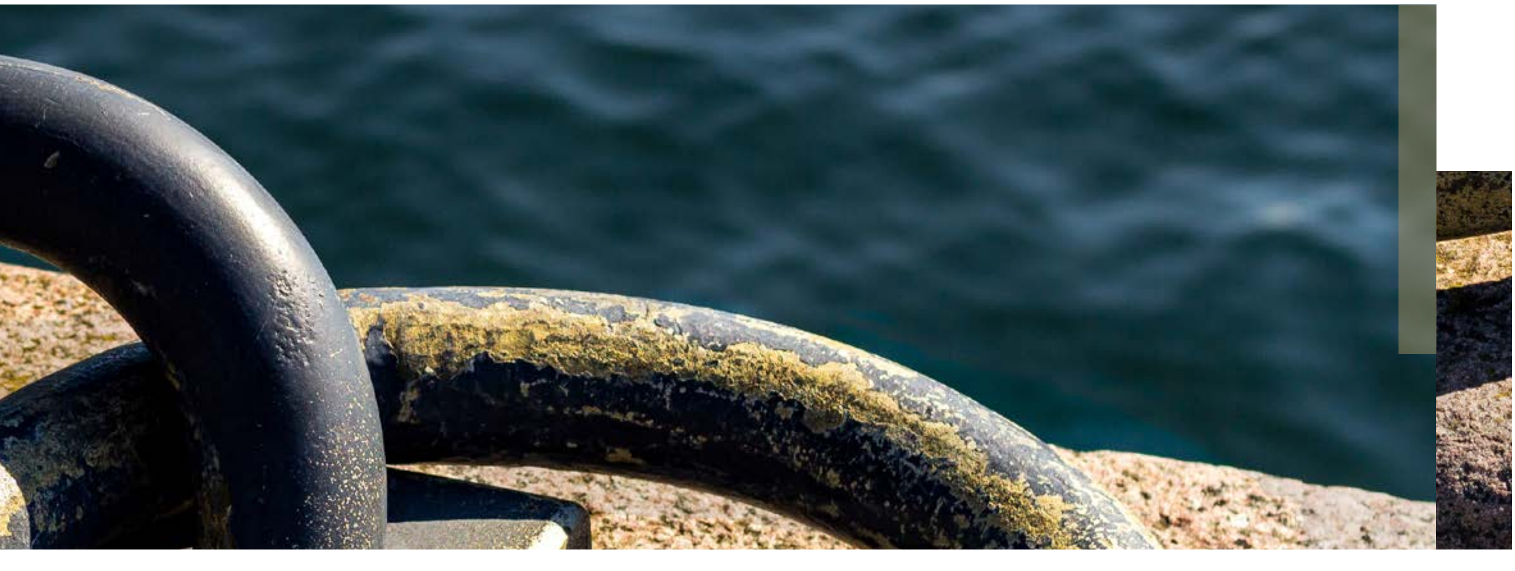
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- *In the principal market for the asset or liability, or*
- *In the absence of a principal market, in the most advantageous market for the asset or liability*

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or dis-



closed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- *Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.*
- *Level 2 Valuation techniques for which input that is significant to the fair value measurement is directly or indirectly observable.*
- *Level 3 Valuation techniques for which input that is significant to the fair value measurement is unobservable.*

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

FAIR VALUES HAVE BEEN ESTIMATED USING THE FOLLOWING METHODS:

LOANS AND OTHER LONG-TERM RECEIVABLES

Fair value is determined for disclosure purposes. The fair value of Loans and other long-term receivables is estimated as the present value of future cash flows, discounted with an applicable discount rate.

FINANCE LEASE RECEIVABLES

Fair value is determined for disclosure purposes. The fair value of finance lease receivables is estimated as the present value of future cash flows, discounted with an applicable discount rate. As of year-end 2020 the Group has 43 lease agreements that are classified as finance leases. The fair value calculation of the finance lease receivables is explained in greater detail in note 24.

TRADE AND OTHER RECEIVABLES

The fair value of trade receivables and other receivables is estimated at the present value of future cash flows of principal and interests, discounted at the market rate of interest at the balance sheet date.

ASSETS HELD FOR SALE

The fair value of assets held for sale is based on their listed market price, if available. If a listed market price is not available, the fair value is estimated using a variety of methods mainly based on conditions existing at the end of each reporting period. The fair value calculation of the assets held for sale is explained in greater detail in note 15.

DERIVATIVES

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, the fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds), and taking changes in Ocean Yield's credit risk into account. The fair value of interest rate swaps is based on the present value of future cash flows, calculated based on observable market rates and exchange rates on the reporting date, including accrued interest and also taking changes in Ocean Yield's credit risk into account.

NON-DERIVATIVE FINANCIAL LIABILITIES

Fair value is determined for disclosure purposes. The fair value of listed bond debt is based on quoted market prices, while the fair value of other liabilities is calculated based on the present value of future cash flows of principal and interests, discounted at the market rate of interest at the balance sheet date.

NOTE 5 FINANCIAL RISK AND EXPOSURE

COVID-19

2020 was a year dominated by the COVID-19 pandemic, where we saw a sharp correction in the equity markets in the first quarter with a subsequent fall in the oil price. Worldwide lock-downs triggered an abrupt fall in global GDP, which affected several shipping segments negatively. However, this was followed by a strong recovery in the equity markets in the second half of the year, as vaccines were approved for distribution, and a subsequent rebound in several shipping segments.

For Ocean Yield, the business model of owning vessels on long-term charters to a portfolio of international shipping companies, has proven robust, despite the COVID-19 market turbulence. Even though certain shipping segments were negatively affected by the pandemic, a strong recovery was seen in several segments. In addition, the tanker market was strong during the first half of the year. For Ocean Yield, all counterparties performed in accordance with their contracts during the year and there we no defaults in the portfolio. In the second half of the year, counterparty risk improved compared to the first half. However, Ocean Yield's financial results were negatively affected by further impairments on two oil-service assets without long-term charters. The company continued to work towards reducing the risk in the portfolio related to oil-service assets, through a combination of vessel sales and impairments.

FINANCIAL RISK

The Ocean Yield Group is exposed to different types of financial risk including credit-, liquidity- and market risk (e.g. interest- and currency risk). The Group is using different financial instruments to actively manage its financial exposure. The purpose of risk management is to measure and manage financial risk in a reliable manner, thereby increasing predictability and reducing negative effects on Ocean Yield's financial results.

Ocean Yield ASA has developed a policy on how the financial risk is monitored. The risk is monitored continuously and reported on a regular basis. The main companies in the Group have developed similar policies and guidelines based on the individual company's exposure to the different kinds of financial risks.

MARKET RISK

As of year-end 2020, 65 out of 68 vessels are on long-term contracts and are hence not directly exposed to short- or medium-term market risk, as these contracts typically have a fixed charter rate throughout the entire period. However, the Company is exposed to market risk and residual value risk related to the vessels upon expiry of a charter contract and in the event of a counterparty default.

The Group has two AHTS vessels on bareboat charter to subsidiaries of Solstad Offshore ASA ("Solstad"). In October, the restructuring agreement between Ocean Yield's subsidiary F-Shiplease AS and Solstad for the vessels Far Senator and Normand Statesman was closed. The previous lease agreements for the vessels were replaced with new lease agreements with a duration of 4 years with a variable charter rate. The charter rate payable under the lease agreements is a reference rate equal to the average per vessel EBITDA in a pool of seven similar UT731 design vessels. The Group is thus exposed to market risk for these vessels.

The FPSO Dhirubhai-1 is currently without employment and is in lay-up. The vessel is being marketed for sale, and has in 2020 been classified as held for sale in the financial statements. Discussions have continued with several interested parties during 2020, but the COVID-19 pandemic and a fall in the oil price during Q1 led to reduced expectations with respect to the sales price that could be achieved. Hence, the Company has recorded an impairment of USD 94.8 million on the book value of the FPSO in 2020, and as of year-end the book value of the FPSO is USD 51.4 million. Discussions with potential interested parties have continued and shown some progress, but it is still uncertain if a sale can be concluded, and there is still risk of further impairments on the vessel.

OPERATING RISK

As most of Ocean Yield's vessels are on bareboat charter contracts, the Company is not exposed to operating risk for these vessels, as this is the responsibility of the charterer. However, for the two AHTS vessels on charter to Solstad, the Company is ultimately responsible for the operating cost of the vessels. For the FPSO Dhirubhai-1, the Company's exposure is limited as the vessel is in lay-up and has very limited operations.

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 after five to twelve 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, obtaining lower leverage than anticipated in a refinancing or not be able to refinance. This may negatively impact overall returns. The Company works to reduce these risks by securing financing at the same time or shortly after committing to a new investment and maintaining access to a broad range of capital market products.

As of year-end 2020 the Group has current liabilities exceeding current assets in the statement of financial position. The financing related to the Group's Car Carriers, six chemical tankers and one offshore construction vessel are up for refinancing in 2021, and the debt has thus been classified as current. In addition the bond loan OCY04 has maturity in September 2021. After year-end the Company has signed a new loan agreement for the refinancing of the five PCTC vessels on long-term charter to Höegh Autoliners, and the loan facility have been extended by another four years. In addition, the Company has after year-end repurchased NOK 5 million and exercised a call option to prepay NOK 200 million of the bond issue OCY04, leaving a net amount of NOK 227 million due to be refinanced.

CREDIT RISK

The exposure to credit risk is monitored on an ongoing basis within the Group.

The Group's principal financial assets are bank deposits and cash, finance lease receivables, trade and other receivables and derivatives. The Group's exposure to credit risk is mainly related to finance lease receivables and trade receivables.

The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and their assessment of the current economic environment. At the end of each reporting period the Group assesses whether the financial assets are credit-impaired. Impairment is assessed using the expected credit loss ("ECL") method for financial assets. Twelve month ECLs are used for the finance lease receivables for which credit risk has not increased significantly since initial recognition. If there is a significant increase in credit risk, the expected credit loss is estimated for the entire lease term. The assessment of whether there is a significant increase in credit risk is based on a total assessment of the counterparty. Examples of events that may lead to a significant increase in credit risk are delayed payments, breach of covenants, decrease in equity, negative development in working capital and a significant decrease in the share price for listed entities.

FINANCIAL INTEREST-BEARING RECEIVABLES

Financial interest-bearing receivables mainly consist of finance lease receivables. The Group has 43 vessels accounted for as finance leases. Management does not expect any counterparty to fail to meet its obligations.

TRADE RECEIVABLES

The Group has USD 2.3 million in trade receivables as of year-end 2020. Management expects these to be settled. Allowance for impairment losses has been made for uncertain claims.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are held with banks and financial institutions with strong credit-ratings. Based on their credit ratings, management does not expect any of these financial institutions to fail to meet their obligations.

DERIVATIVE FINANCIAL INSTRUMENTS

Transactions involving derivative financial instruments are with counterparties with sound credit-ratings. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligation.

EXPOSURE TO CREDIT RISK

The Group has inherent credit risk through the fact that a counterpart may not be able to meet its obligations under a long-term charter contract. In order to mitigate this, the Company charters out the vessels to internationally well-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.

The Group's exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

		2020		
Amounts in USD million	**Note**	**Receivables at amortized cost**	**Cash and cash equivalents**	**Total**
Financial interest-bearing long-term receivables	18	1 220.4	1.3	1 221.7
Other non-current assets		1.1	-	1.1
Financial interest-bearing short-term receivables		164.2	-	164.2
Trade receivables, other interest-free short-term receivables		4.2	-	4.2
Cash and cash equivalents		-	112.7	112.7
Assets held for sale		2.1	0.4	2.5
Total		**1 391.9**	**114.4**	**1 506.4**

Of the total cash balance year-end 2020, USD 0.3 million was restricted cash. In addition the Group has USD 1.3 million in restricted cash classified as long-term assets (see note 18).

		2019		
Amounts in USD million	**Note**	**Receivables at amortized cost**	**Cash and cash equivalents**	**Total**
Financial interest-bearing long-term receivables	18	1 484.0	22.7	1 506.7
Other non-current assets		1.3	-	1.3
Financial interest-bearing short-term receivables		219.8	-	219.8
Trade receivables, other interest-free short-term receivables		7.1	-	7.1
Cash and cash equivalents		-	185.5	185.5
Total		**1 712.1**	**208.1**	**1 920.2**

The maturity of trade receivables and provisions for impairment loss are as follows:

Amounts in USD million	**Gross trade receivables 2020**	**Provision for impairment loss 2020**	**Gross trade receivables 2019**	**Provision for impairment loss 2019**
Not past due	0.4	-	0.7	-
Past due 0-30 days	2.0	-0.1	1.6	-0.7
Past due 31-120 days	0.2	-0.2	0.7	-0.7
Past due 121 - 365 days	-	-	6.9	-6.9
Past due more than one year	9.5	-9.5	9.5	-9.5
Total trade receivables	**12.1**	**-9.8**	**19.4**	**-17.7**

The movement in allowance for impairment loss during the year was:

Amounts in USD million	**2020**	**2019**
Balance 1st January	17.7	13.1
Impairment loss recognized in profit and loss	-	8.3
Reversal or use of previously recognized impairment loss	-7.9	-3.7
Balance 31st December	**9.8**	**17.7**

USD 9.5 million of the allowance for impairment loss is related to the vessel Connector and an old claim against EMAS AMC AS. The claim has never been recognized as revenue.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will be unable to fulfil its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its obligations when due. Management monitors monthly forecasts of the Group's liquidity reserve on the basis of expected cash flows.

The figures in the table below represents the contractual undiscounted cash flows related to the Groups liabilities. Interest has been calculated using the interest rates as of year-end.

Overview of contractual maturities of financial liabilities, including estimated interest payments specified per category of interest-bearing liabilities:

	2020 Contractual cash flows incl. estimated interest payments						
Amounts in USD million	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
Secured loans	1 388.2	-1 515.3	-195.2	-254.6	-169.8	-627.5	-268.1
Unsecured bond issues	222.6	-250.9	-5.0	-55.1	-7.6	-183.2	-
Interest rate swaps	6.7	-5.8	-2.0	-1.7	-1.7	-0.4	-
Forward exchange contracts	12.3	-12.0	-0.2	-0.4	-7.2	-4.2	-
Finance lease liabilities	0.6	-0.7	-0.2	-0.2	-0.3	-	-
Trade and other payables	10.1	-10.1	-10.1	-	-	-	-
Liabilities directly associated with the assets held for sale	2.2	-2.2	-2.2	-	-	-	-
Total contractual cash flows for liabilities	**1 642.8**	**-1 796.9**	**-215.0**	**-312.0**	**-186.5**	**-815.3**	**-268.1**

	2019 Contractual cash flows incl. estimated interest payments						
Amounts in USD million	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
Secured loans	1 879.0	-2 181.7	-116.8	-178.9	-564.1	-736.1	-585.8
Unsecured bond issues	306.2	-360.6	-59.5	-7.8	-99.6	-193.7	-
Interest rate swaps	6.6	-5.6	-1.5	-1.5	-1.9	-0.6	-
Forward exchange contracts	39.5	-30.2	-16.3	-0.5	-10.8	-2.7	-
Finance lease liabilities	1.0	-1.0	-0.2	-0.2	-0.4	-0.3	-
Current provisions	12.4	-12.4	-12.4	-	-	-	-
Trade and other payables	22.0	-22.0	-22.0	-	-	-	-
Total contractual cash flows for liabilities	**2 266.7**	**-2 613.5**	**-228.6**	**-188.9**	**-676.7**	**-933.4**	**-585.8**

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.

Ocean Yield defines levels for the hedging of expected future cash flows. The Company may from time to time utilize currency forward contracts and currency option contracts to reduce currency exposure.

EXPOSURE TO CURRENCY EXCHANGE RISK

The functional currencies of Ocean Yield ASA and its subsidiaries reflect the primary economic environment in which the entities operates. Ocean Yield ASA and its subsidiaries has USD as functional currency. For the subsidiaries the revenues and interest-bearing debt is mainly denominated in USD. Hence there is limited currency risk related to the subsidiaries of Ocean Yield ASA.

As of year-end 2020 the Group's exposure to currency risk is mainly related to debt denominated in NOK. To reduce some of the currency effects related to this debt, Ocean Yield ASA has entered into several cross currency interest rate swaps where cash flows in NOK have been swapped to USD. As of year-end 2020 the Group has five cross currency swaps, where NOK 1,650 million has been swapped from floating rate in NOK to floating rate in USD. Total outstanding debt in NOK as of year-end 2020 was NOK 1,912.0 million.

If the USD had appreciated with 10% versus NOK at year-end the effects on the above mentioned items would have been as follows:

	2020		2019	
Amounts in USD million	**Profit before tax**	**Equity**	**Profit before tax**	**Equity**
Foreign exchange gains on Bond loans	16.0	12.5	21.9	17.1
Change in fair value of cross currency interest rate swaps	-15.0	-11.7	-26.4	-20.6
Total	**1.0**	**0.8**	**-4.5**	**-3.5**

INTEREST RATE RISK

The Group's interest rate risk arises from long term borrowings and receivables. Borrowings and receivables issued at variable rates expose the Group to cash flow interest rate risk.

The Group has prepared guidelines for management of interest rate risks. The interest rate policy of Ocean Yield defines levels for the hedging of expected future cash flows. To manage some of the interest rate risk the Group has entered into interest rate swaps related to vessel financings, where floating rate payments have been swapped to fixed rate payments. No hedge accounting has been applied in 2020 and 2019 in the Group companies. As further explained in note 17, hedge accounting is applied to mitigate interest rate risk for borrowings in an associated company.

In addition, in several of the Group's lease agreements the charter rates are subject to a LIBOR adjustment, which matches the underlying funding of the asset.

LIBOR

In July 2017 the UK's Financial Conduct Authority announced that from 1 January 2022 it would no longer compel panel banks to submit the rates required to calculate LIBOR and the transition away from IBOR to alternative reference rates moves at various speed in different markets. However, new benchmark regulation demands that an alternative fallback rate must be in place in the event that the current IBOR rate should be discontinued. The various countries are at different stages in deciding and implementing this new rate and figuring out the fallback mechanism.

This will require the Group to replace the references to the relevant IBOR rates in the Group's lease agreements and loan agreements, with new benchmark rates or insert fallback language to cater for a discontinuation of IBOR rates, at the earliest by the end of 2021. The Company expects no material impact and will continue to follow the development closely.

EXPOSURE TO INTEREST RATE RISK

As of 31st December the interest rate profile of the Group's interest-bearing financial instruments was as follows:

Amounts in USD million	2020	2019
Fixed rate instruments:		
Financial assets	118.3	248.8
Financial liabilities	-206.7	-273.4
Net fixed rate instruments	-88.4	-24.5
Variable rate instruments:		
Financial assets	1 380.8	1 663.0
Operating leases with LIBOR adjustment	231.2	271.0
Financial liabilities	-1 404.1	-1 911.8
Net variable rate instruments	207.8	22.3
Net interest-bearing debt (-) / asset (+)	**119.4**	**-2.2**

The terms of the Groups interest rate swaps as of year-end were as follows:

Amounts in USD million	2020	2019
Swap amount	206.7	225.6
Weighted average fixed interest rate (swapped from LIBOR)	3.38 %	3.35 %
Weighted average remaining years	1.0	2.0

SENSITIVITY ANALYSIS RELATED TO INTEREST RATES

Borrowings and receivables issued at variable rates expose the Group to cash flow interest rate risk. At year-end 2020 the Group has USD 207.8 million (22.3 million year-end 2019) in net variable rate instruments. An increase in the LIBOR rate of 100 basis points would increase the Group's annual net profit before tax with USD 4.2 million (increase of USD 2.6 million based on year-end 2019) and an increase in the NIBOR rate of 100 basis points would decrease the Group's annual net profit before tax with USD 2.1 million (decrease of USD 2.3 million based on year-end 2019). The figures do not include changes in MTM of interest rate swaps.

NOTE 6 OPERATING SEGMENTS

Ocean Yield defines operating segments based on the Group's internal management- and reporting structure. The Group's chief operating decision makers, responsible for the allocation of resources and assessment of performance in the different operating segments, is defined as the Board of Directors, CEO and CFO.

Recognition and measurement applied to segment reporting are consistent with the accounting principles applied when preparing the consolidated financial statements. Transactions between segments are conducted at market terms and conditions.

Ocean Yield's operating segments are as follows:

- **Tankers**
  This segment includes the Group's investments in tankers. As of 31st December 2020 the Group has ten chemical tankers, four product tankers, two Suezmax tankers, four VLCCs and two Suezmax newbuildings, with delivery in 2022.

  In 2020, The Group have entered into an agreement with Aker Capital AS whereby Aker have acquired a 50% interest in 7 tankers with long-term charters. The segment also includes the remaining 50% ownership in the four product tankers and the three Suezmax tankers.

- **Container vessels**
  This segment includes the Group's investments in container vessels. As of year-end 2020 the Group has four container vessels. In addition the Group's 49.9% equity investment in six mega container vessels is included in the segment.

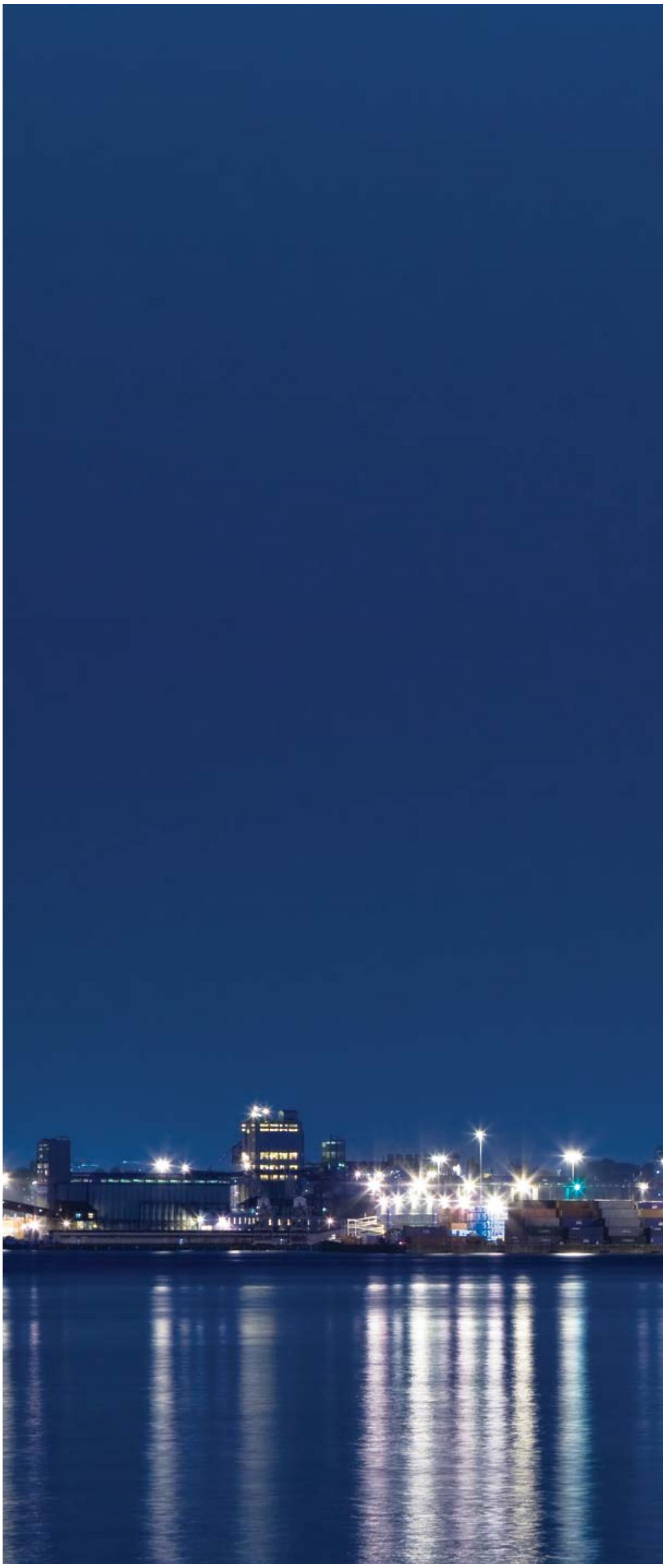
- **Car Carriers**
  This segment includes the Group's investments in car carriers. As of 31st December 2020 the Group has five pure car truck carriers (PCTC).

- **Other Shipping**
  This segment includes the Group's investments in all other vessels. As of 31st December 2020 the Group has three gas carriers and fifteen dry bulk vessels.

- **Other Oil Service**
  Vessels operating within the oil sector, except for FPSOs are included in this segment. As of 31st December 2020 this segment includes the two anchor handling tug supply vessels (AHTS), one construction vessel and two Platform Supply vessels.

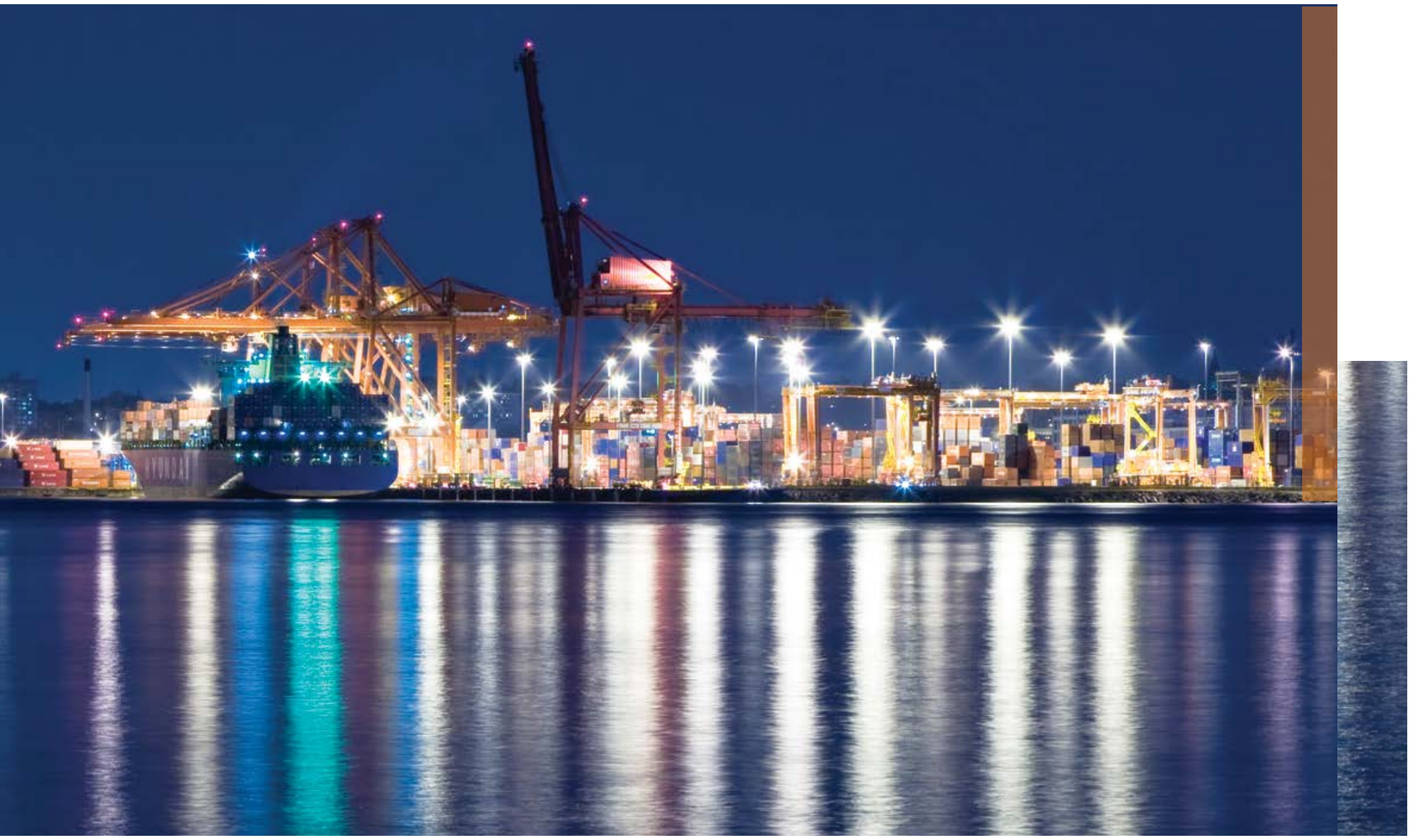
- **FPSO**
  This segment relates to the Group's investment in floating production, storage and offloading vessels (FPSO). As of 31st December 2020 this segment consists of the FPSO Dhirubhai-1. The Dhirubhai-1 completed its contract in September 2018 and has since been in lay-up in anticipation of finding a long-term solution for this vessel.

- **Other**
  This segment includes any other investments in the Group in addition to G&A expenses, interest rate expenses related to the Group's bond debt and currency fluctuations.



2020 - Operating segments
Statement of profit and loss

Amounts in USD million	Tankers	Container vessels	Car Carriers	Other Shipping	Other Oil Service	FPSO	Other and elimi-nations	Total
Operating lease revenue	-	-	35.1	21.0	39.5	-	0.0	95.5
Finance lease revenue	61.7	7.3	-	21.7	21.7	-	-	112.4
Income from investments in associates	0.8	21.6	-	-	-	-	-	22.4
Other income	-	-	27.2	0.3	0.9	-	-	28.5
Total revenues and other income	**62.4**	**28.9**	**62.4**	**43.0**	**62.1**	**-**	**0.0**	**258.8**
Operating expenses	-0.4	-0.0	-0.1	-0.1	-8.8	-	-8.1	-17.6
Depreciation and amortization	-	-	-12.2	-5.5	-26.9	-	-1.1	-45.7
Impairment charges	-	-	-27.7	-	-34.6	-	0.0	-62.2
Loss from sale of vessel	-	-	-	-	-70.7	-	-	-70.7
Operating profit (loss)	**62.1**	**28.9**	**22.4**	**37.4**	**-79.0**	**-**	**-9.2**	**62.5**
Interest income	0.0	0.0	0.0	0.0	0.0	-	2.0	2.1
Other financial income	-	-	1.4	0.0	0.1	-	25.3	26.8
Interest expense	-24.0	-2.6	-7.8	-14.7	-13.3	-	-15.8	-78.2
Other financial expenses	-0.0	-0.0	-0.0	-1.6	-1.5	-	-43.0	-46.1
Net profit (loss) before tax	**38.0**	**26.3**	**16.1**	**21.1**	**-93.7**	**-**	**-40.7**	**-32.9**
Income tax expense (-)/benefit (+)	-1.3	-0.2	-0.3	-0.9	-0.6	-	0.1	-3.3
Net profit (loss) from continuing operations	**36.7**	**26.1**	**15.8**	**20.1**	**-94.2**	**-**	**-40.6**	**-36.1**
Profit (loss) from discontinued operation, net of tax	-	-	-	-	-	-105.1	-	-105.1
Net profit (loss) for the period	**36.7**	**26.1**	**15.8**	**20.1**	**-94.2**	**-105.1**	**-40.6**	**-141.3**



2020 - Operating segments (continued)
Statement of financial position

Amounts in USD million	Tankers	Container vessels	Car Carriers	Other Shipping	Other Oil Service	FPSO	Other and elimi-nations	Total
ASSETS								
Vessels and other fixed assets	-	-	231.2	143.0	168.0	-	8.2	550.4
Investments in associates	9.9	168.0	-	-	-	-	-0.0	178.0
Interest-bearing long-term receivables and other non-current assets	674.5	91.7	-	332.7	122.3	-	1.7	1 222.9
Deferred tax assets	-	-	-	-	-	-	0.0	0.0
Total non-current assets	**684.4**	**259.8**	**231.2**	**475.7**	**290.3**	**-**	**9.9**	**1 951.2**
Interest-bearing short-term receivables	83.5	11.7	-	41.6	27.4	-	-0.0	164.2
Trade receivables and other interest-free receivables	-	-	-	0.0	3.4	-	0.7	4.2
Cash and cash equivalents	7.3	1.8	2.4	9.4	3.1	-	88.8	112.7
Current assets	**90.7**	**13.6**	**2.4**	**50.9**	**34.0**	**-**	**89.5**	**281.1**
Assets held for sale	-	-	-	-	-	54.0	-	54.0
Total current assets	**90.7**	**13.6**	**2.4**	**50.9**	**34.0**	**54.0**	**89.5**	**335.1**
Total assets	**775.2**	**273.3**	**233.6**	**526.6**	**324.3**	**54.0**	**99.4**	**2 286.3**
EQUITY AND LIABILITIES								
Total equity	**200.7**	**194.3**	**103.3**	**103.9**	**126.4**	**51.8**	**-142.6**	**637.7**
Interest-bearing long-term debt	418.4	70.2	-0.3	383.1	95.6	-	172.0	1 139.0
Deferred tax liabilities	2.3	0.5	0.6	1.0	1.0	-	-0.1	5.2
Fair value of derivatives	-	-	0.0	2.0	-	-	11.7	13.7
Other long-term liabilities	-	-	0.6	-	-	-	0.7	1.2
Total non-current liabilities	**420.7**	**70.7**	**0.8**	**386.1**	**96.6**	**-**	**184.3**	**1 159.2**
Interest-bearing short-term debt	153.8	7.2	128.4	32.7	99.1	-	50.6	471.8
Trade and other payables	-0.0	1.1	1.0	3.9	2.3	-	7.1	15.4
Current liabilities	**153.8**	**8.3**	**129.4**	**36.6**	**101.3**	**-**	**57.8**	**487.2**
Liabilities directly associated with the assets held for sale	-	-	-	-	-	2.2	-	2.2
Total current liabilities	**153.8**	**8.3**	**129.4**	**36.6**	**101.3**	**2.2**	**57.8**	**489.4**
Total liabilities	**574.5**	**79.1**	**130.2**	**422.7**	**197.9**	**2.2**	**242.0**	**1 648.6**
Total equity and liabilities	**775.2**	**273.3**	**233.6**	**526.6**	**324.3**	**54.0**	**99.4**	**2 286.3**

2019 - Operating segments
Statement of profit and loss

*Restated** Amounts in USD million	Tankers	Container vessels	Car Carriers	Other Shipping	Other Oil Service	FPSO	Other and elimi-nations	Total
Operating lease revenue	-	-	41.6	21.0	40.8	-	-0.0	103.3
Finance lease revenue	69.6	4.6	-	11.4	24.3	-	-	109.9
Income from investments in associates	-	27.2	-	-	-	-	-	27.2
Total revenues and other income	**69.6**	**31.8**	**41.6**	**32.3**	**65.0**	**-**	**-0.0**	**240.3**
Operating expenses	-1.3	-0.0	-0.0	-0.1	-10.8	-	-9.8	-22.0
Depreciation and amortization	-	-	-13.6	-5.5	-29.5	-	-1.1	-49.7
Operating profit (loss)	**68.3**	**31.8**	**27.9**	**26.8**	**24.8**	**-**	**-10.9**	**168.7**
Interest income	0.0	0.0	0.0	0.0	0.1	-	1.8	2.0
Other financial income	-	-	0.3	0.0	0.5	-	1.3	2.1
Interest expense	-30.9	-4.2	-10.4	-11.6	-21.4	-	-23.5	-102.1
Other financial expenses	-0.0	-0.0	-0.0	-3.1	-0.8	-	-1.8	-5.7
Net profit (loss) before tax	**37.4**	**27.6**	**17.8**	**12.1**	**3.2**	**-**	**-33.2**	**64.9**
Income tax expense (-)/benefit (+)	0.2	0.3	-0.3	-0.5	0.3	-	-3.5	-3.4
Net profit (loss) from continuing operations	**37.6**	**27.9**	**17.5**	**11.6**	**3.5**	**-**	**-36.7**	**61.5**
Profit (loss) from discontinued operation, net of tax	-	-	-	-	-	-101.4	-	-101.4
Net profit (loss) for the period	**37.6**	**27.9**	**17.5**	**11.6**	**3.5**	**-101.4**	**-36.7**	**-39.9**

**Comparative information has been restated due to a discontinued operation, see note 15.*

2019 - Operating segments (continued)
Statement of financial position

Amounts in USD million	Tankers	Container vessels	Car Carriers	Other Shipping	Other Oil Service	FPSO	Other and elimi-nations	Total
ASSETS								
Vessels and other fixed assets	-	-	271.0	148.5	478.6	146.1	9.3	1 053.7
Investments in associates	-	178.2	-	-	-	-	-	178.2
Interest-bearing long-term receivables and other non-current assets	964.7	98.1	-	293.5	131.2	0.0	21.4	1 508.9
Deferred tax assets	0.1	-	-	-	-	-	-0.0	0.1
Total non-current assets	**964.8**	**276.3**	**271.0**	**442.0**	**609.8**	**146.2**	**30.7**	**2 740.9**
Interest-bearing short-term receivables	140.9	11.8	-	32.0	35.0	-	-0.0	219.8
Trade receivables and other interest-free receivables	0.8	-	-	-	1.3	4.8	0.1	7.1
Cash and cash equivalents	10.7	2.5	2.5	5.8	16.4	6.8	140.7	185.5
Total current assets	**152.4**	**14.3**	**2.5**	**37.8**	**52.8**	**11.7**	**140.8**	**412.3**
Total assets	**1 117.2**	**290.6**	**273.6**	**479.8**	**662.6**	**157.9**	**171.5**	**3 153.2**
EQUITY AND LIABILITIES								
Total equity	**237.2**	**204.5**	**96.8**	**117.8**	**265.0**	**140.6**	**-185.3**	**876.6**
Interest-bearing long-term debt	743.2	77.3	151.3	329.7	353.6	-	254.0	1 909.0
Deferred tax liabilities	1.1	0.3	0.3	0.3	0.5	-	0.1	2.6
Fair value of derivatives	-	-	0.8	2.8	0.0	-	20.1	23.7
Other long-term liabilities	1.6	-	5.7	-	-	-	1.0	8.3
Total non-current liabilities	**745.9**	**77.6**	**158.1**	**332.8**	**354.0**	**-**	**275.2**	**1 943.6**
Interest-bearing short-term debt	132.1	7.2	17.0	26.0	41.7	-	52.2	276.2
Current provisions	-	-	-	-	-	12.4	-	12.4
Trade and other payables	2.0	1.3	1.7	3.2	2.0	4.9	29.4	44.5
Total current liabilities	**134.1**	**8.5**	**18.7**	**29.3**	**43.6**	**17.2**	**81.6**	**333.0**
Total liabilities	**880.0**	**86.1**	**176.7**	**362.1**	**397.7**	**17.2**	**356.8**	**2 276.6**
Total equity and liabilities	**1 117.2**	**290.6**	**273.6**	**479.8**	**662.6**	**157.9**	**171.5**	**3 153.2**

Geographical areas

Amounts in USD million	2020	2019 Restated*
Total revenue based on location of customer (registered business address):		
Germany	21.0	21.0
Greece	23.5	15.4
Hong Kong	8.4	8.9
Marshall Islands	42.1	48.7
Netherlands	-	1.6
Norway	116.3	89.6
Switzerland	34.2	38.5
Other	13.3	16.7
Total	**258.8**	**240.3**
Total vessels, equipment and intangibles by company location:		
Norway	84.2	421.0
Malta	466.2	632.7
Total	**550.4**	**1 053.7**

Comparative information has been restated due to a discontinued operation, see note 15.

SIGNIFICANT CUSTOMERS

The Group has one customer that accounted for more than 10% of the Group revenue in 2020. Recognized revenue related to this customer in 2020 was USD 35.1 million. In 2019 the Group also had one customer that accounted for more than 10% of the Group revenue. Recognized revenue in 2019 related to this customer was USD 41.6 million.

NOTE 7 OPERATING LEASE REVENUE

Leases in which a significant portion of the risks and rewards of ownership are retained by Ocean Yield are classified as operating leases.

Total operating lease revenue per segment:

Amounts in USD million	Car Carriers	Other Shipping	Other Oil Service	2020	2019 Restated*
Ordinary lease revenue	33.8	21.1	36.3	91.3	95.5
Contingent rent	-3.8	-	2.9	-1.0	1.5
Other operating lease revenue	-	-	0.3	0.3	-
Mobilization fee, advances and deferred revenue	5.1	-0.2	-	5.0	6.3
Total operating lease revenue	**35.1**	**21.0**	**39.5**	**95.5**	**103.3**

Comparative information has been restated due to a discontinued operation, see note 15.

Future minimum lease payments under non-cancellable operating lease agreements per 31st December

Amounts in USD million	Car Carriers	Other Shipping	Other Oil Service	2020	2019
Duration less than one year	33.0	21.1	12.6	66.7	85.2
Duration between one and five years	124.4	84.5	50.4	259.3	330.8
Duration over five years	43.9	24.7	47.3	115.9	211.1
Total future minimum lease payments	**201.3**	**130.3**	**110.3**	**441.9**	**627.0**

CAR CARRIERS
All of Ocean Yield's car carriers are on lease contracts classified as operating leases. The car carriers are all chartered to Höegh Autoliners. The vessels Höegh Jacksonville and Höegh Jeddah, with 6,500 car capacity were delivered in 2014, and are chartered on 12-year bareboat charter contracts. The vessel Höegh Beijing with 4,900 car capacity was built in 2010, and acquired by Ocean Yield in 2014. The vessel is chartered on a 8-year bareboat charter contract. The vessels Höegh Tracer and Höegh Trapper, with 8,500 car capacity were delivered in 2016, and are chartered on 12-year bareboat charter contracts. Höegh Autoliners has options to acquire the vessels during the charter periods, with the first options being exercisable after five years. The charter hire for the vessels is subject to a LIBOR related adjustment. The LIBOR adjustment has not been included in the non-cancellable lease rental income reported in the table.

In June 2020, the vessel Höegh Xiamen, which was bareboat chartered to Höegh Autoliners, caught fire after it completed loading operations in Jacksonville, Florida. The vessel was declared a constructive total loss as a result of the damage incurred in the fire.

OTHER SHIPPING
The lease agreements for the LEG carriers GasChem Beluga and GasChem Orca has been classified as operating leases. GasChem Beluga was delivered in November 2016 and GasChem Orca was delivered in June 2017. The vessels are, from delivery, chartered on 15-year bareboat charters to the Hartmann Group, where the first ten years have a fixed charter rate and the last five years a floating charter rate. The lease agreements do not contain any purchase options. However, a purchase option and profit share agreement has been entered into between the parties, where Hartmann has the option to buy a fixed number of shares in the entities owning the vessels after ten years. As the charter hire in the last five years is floating, only the first ten years have been included in the non-cancellable lease rental income reported in the table.

OTHER OIL SERVICE
The vessels Connector, Far Senator, Normand Statesman, SBM Installer, NS Orla and NS Frayja have all been chartered on agreements classified as operating leases in 2020.

The subsea construction and cable installation vessel Connector, has been trading on short-term time charters during 2020. The oil-service market have remained challenging and considering the current weak outlook for the oil-service segment and that an industrial setup is required to operate the vessel efficiently in the cable-lay market, it was decided that it was in the best interest of the Company to dispose of the vessel. The vessel was sold at the end of 2020.

The Group has two AHTS vessels on bareboat charter to subsidiaries of Solstad Offshore ASA ("Solstad"). In October, the restructuring agreement between Ocean Yield's subsidiary F-Shiplease AS and Solstad for the vessels Far Senator and Normand Statesman was closed. The previous lease agreements for the vessels were replaced with new lease agreements with a duration of 4 years with a variable charter rate. The charter rate payable under the lease agreements is a reference rate equal to the average per vessel EBITDA in a pool of seven similar UT731 design vessels. The Group has recognized revenue from the new charter contracts from 1st April 2020. As the charter rates in the new charter contracts are variable no charter hire from the bareboat agreements have been included in the non-cancellable lease rental income reported in the table.

The diving support and offshore construction vessel SBM Installer, built 2010 and delivered to Ocean Yield in 2014, was chartered on a 12-year bareboat charter contract guaranteed by SBM Holding Inc. SA ("SBM"). In the third quarter, the Company agreed to sell its 75% interest in the vessel to SBM.

In June 2017 Ocean Yield acquired the two platform supply vessels NS Orla and NS Frayja, built in 2014. Both vessels are on long term charters to Aker BP ASA, with approximately 12 years remaining from delivery to Ocean Yield. The agreements do not contain any contingent rent components.

NOTE 8 FINANCE LEASE REVENUE

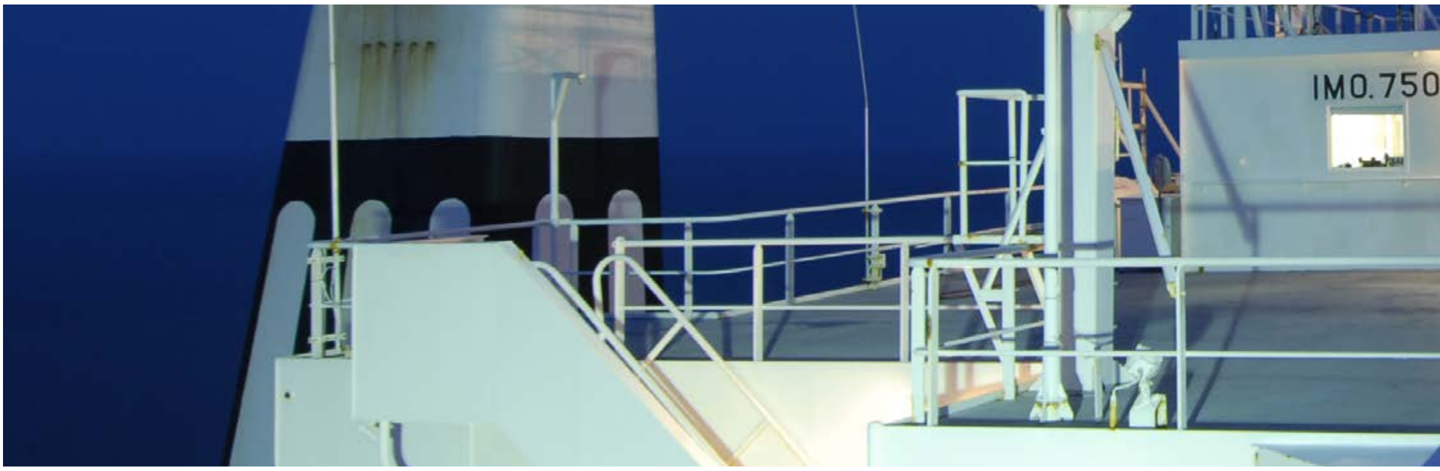
Leases in which substantially all of the risks and rewards of ownership are transferred to the charterer are classified as finance leases.

Total finance lease revenue per segment:

Amounts in USD million	Tankers	Container vessels	Other Shipping	Other Oil Service	2020	2019
Ordinary finance lease revenue	54.1	5.7	18.7	21.7	100.2	90.8
Contingent rent	7.6	1.6	3.0	-	12.2	23.3
Total finance lease revenue	**61.7**	**7.3**	**21.7**	**21.7**	**112.4**	**114.1**

Information about the Group's financial leases:

Vessel	Charter Guarantor	Charter end	Purchase options	Purchase obligation	Libor adjustment
Tankers					
6 Chemical tankers	Navig8 Chemical Tankers Inc	2030/2031	Yes	No	Yes
4 Product tankers	Scorpio Tankers Inc	2029	Yes	No	Yes
2 Chemical Tankers	Navig8 Ltd	2027	Yes	No	Yes
2 Suezmax tankers	Okeanis Eco Tankers Corp	2029/2031	Yes	No	Yes
4 VLCC Crude tankers	Okeanis Eco Tankers Corp	2033	Yes	No	Yes
2 Chemical tankers	Ardmore Shipping Corporation	2030	Yes	No	Yes
2 Suezmax Newbuildings	Nordic American Tankers Ltd	2032	Yes	Yes	Yes
Container vessels					
4 Container vessels	CMB NV	2030	Yes	No	Yes
Other shipping					
1 Gas carrier	Navigator Holdings Ltd.	2032	Yes	No	Yes
1 Dry bulk vessels	Louis Dreyfus	2028	Yes	Yes	Yes
6 Dry bulk vessels	Interlink Maritime Corp.	2028/2029	Yes	Yes	Yes
5 Dry bulk vessels	Scorpio Bulkers Inc.	2029/2030	Yes	No	Yes
2 Dry bulk vessels	2020 Bulkers Ltd.	2032	Yes	Yes	Yes
1 Dry bulk vessels	CMB NV	2035	Yes	No	Yes
Other Oil Service					
1 Offshore construction vessel	Akastor ASA/Aker Solutions ASA	2027	Yes	No	Yes



OTHER CLAUSES

Certain of the lease agreements contain clauses where the counterparty has the right to sell the vessel to a third party. If such clause is exercised, the counterparty will repay the outstanding amount of the lease plus a premium.

CHANGES/NEW LEASE AGREEMENTS IN 2020

TANKERS

In June and July 2020, the vessels Navig8 Aquamarine and Navig8 Amessi were delivered to Navig8 Chemical Tankers following the exercise of the five year purchase options on the vessels. The transactions resulted in a loss of USD 0.6 million.

Also in June 2020, Ocean Yield entered into an agreement with Aker Capital AS whereby Aker acquired a 50% interest in 7 tankers with long-term charters. Ocean Yield's remaining 50% share is now accounted for as an investment in associates, and as a consequence the vessels are no longer included in finance lease receivables.

In October 2020 the Company agreed to acquire two suezmax newbuilding tankers with 10-year bareboat charters to Nordic American Tankers Ltd. ("NAT"). The net purchase price will be up to USD 44 million per vessel after seller's credits of minimum 20%. The vessels are scheduled for delivery by the yard, Samsung Heavy Industries, South Korea, during the first half of 2022. Any pre-delivery advances related to the vessels will be presented with the finance lease receivables. The pre-delivery advances will at this point not be included in the net investment used for calculating the finance lease interest, but will be included from the time of vessel delivery.

OTHER SHIPPING

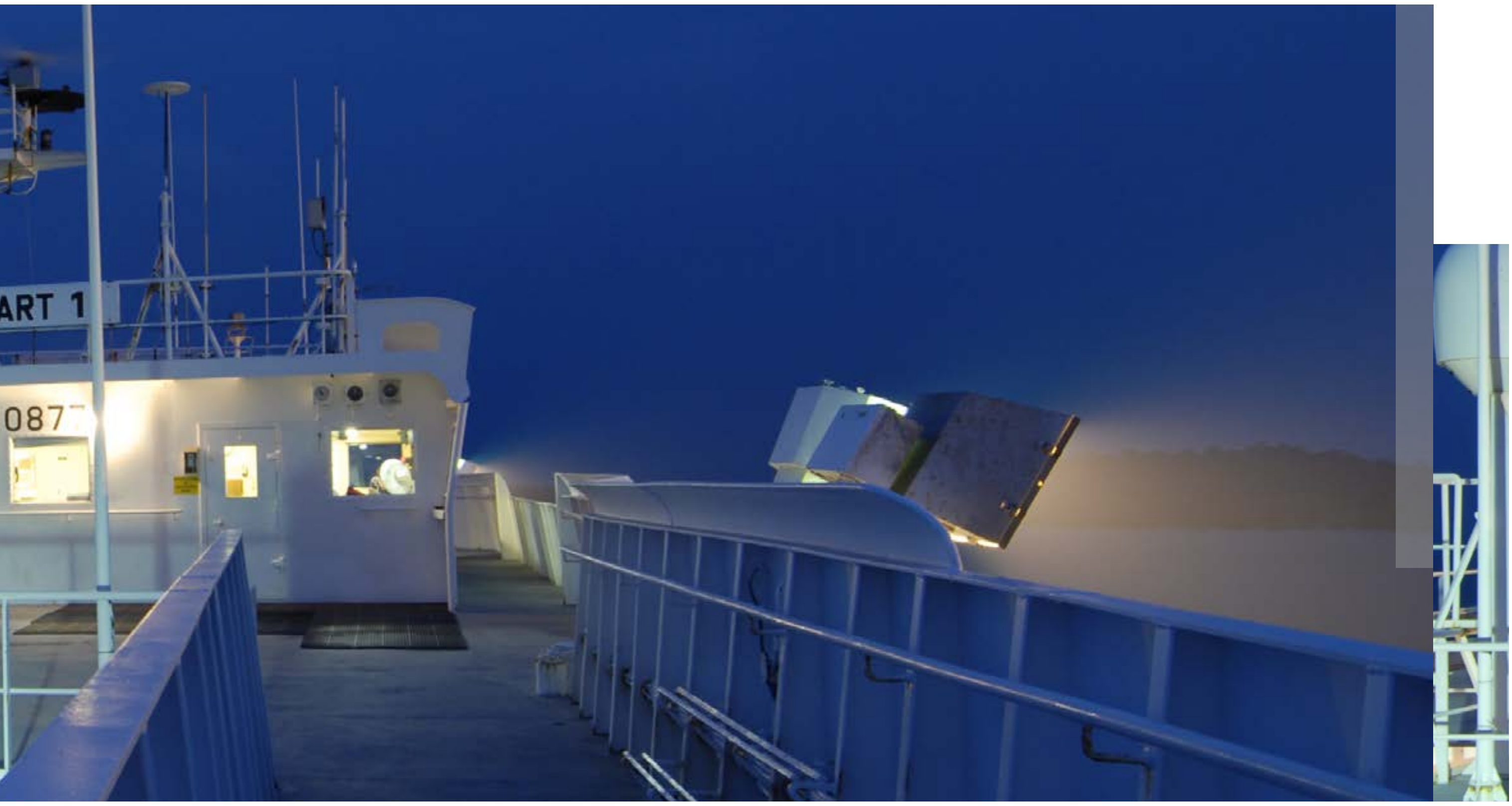
In February 2020, Ocean Yield agreed to acquire two ultramax and one kamsarmax dry bulk vessels for a total consideration of USD 62.8 million net of pre-paid charter hire with 9, 10 and 12 years bareboat charters to Scorpio Bulkers Inc. ("Scorpio Bulkers"). In addition, Ocean Yield committed to part finance the scrubber installation on the vessels, with an additional of USD 1.5 million per vessel during 2020. The two ultramax vessels, built in 2015 and 2016, were delivered to the Company towards the end of the first quarter. The third vessel, built in 2018, was delivered to the Company in the second quarter. After the end of the year, Scorpio Bulkers, who has taken a strategic decision to exit the dry-bulk sector, declared options to sell five dry-bulk vessels to unrelated third parties. Ocean Yield will receive total proceeds of about USD 100 million from the sales. Delivery of the vessels is expected during first half of 2021.

In August 2020, the newcastlemax vessel Mineral Qingdao was delivered to the Company and the vessel commenced a 15-year bareboat charter to CMB NV. upon delivery.

In December 2020, Louis Dreyfus Armateurs, who is chartering the handysize dry-bulk vessel La Loirais on long-term charter, declared an option to sell the vessel to an unrelated third party. The transaction was completed in December and Ocean Yield received proceeds of USD 16.2 million. The sale resulted in a gain of USD 0.3 million.

LIBOR ADJUSTMENTS

The charter hire in most of the Group's lease agreements is subject to a LIBOR related adjustment. The LIBOR adjustments have not been included in the calculation of the finance lease receivables.



The net finance lease receivables as of 31st December 2020 were as follows:

Amounts in USD million	Tankers	Container vessels	Other Shipping	Other Oil Service	Total
Gross finance lease receivable					
Less than one year	85.9	12.1	42.7	29.5	170.2
One to two years	85.4	12.1	45.1	29.1	171.6
Two to three years	85.0	12.1	42.7	29.1	168.8
Three to four years	84.3	12.1	40.5	29.1	166.1
Four to five years	83.4	12.1	39.3	29.1	163.8
More than five years	477.1	54.5	256.1	50.8	838.4
Unguaranteed residual values	181.0	22.2	28.1	57.7	288.9
Gross finance lease receivable	**1 082.1**	**137.1**	**494.4**	**254.3**	**1 967.9**
Less: Unearned finance income	(324.1)	(33.7)	(121.2)	(104.7)	(583.7)
Total finance lease receivables	**757.9**	**103.5**	**373.2**	**149.6**	**1 384.2**
Present value of minimum lease payments					
Less than one year	83.5	11.7	41.6	27.4	164.3
One to two years	83.8	11.1	41.7	36.2	172.8
Two to three years	71.2	10.6	37.6	16.2	135.5
Three to four years	66.4	10.0	34.0	13.6	124.0
Four to five years	61.8	9.5	31.3	11.2	113.8
More than five years	296.4	37.1	169.6	22.4	525.5
Unguaranteed residual values	94.8	13.4	17.5	22.6	148.4
Total finance lease receivables	**757.9**	**103.5**	**373.2**	**149.6**	**1 384.2**
Pre-delivery instalments	0.0	-	-	-	0.0
Total finance lease receivables and related assets	**757.9**	**103.5**	**373.2**	**149.6**	**1 384.2**

The net finance lease receivables as of 31st December 2019 were as follows:

Amounts in USD million	Tankers	Container vessels	Other Shipping	Other Oil Service	Total
Gross finance lease receivable					
Less than one year	145.5	12.1	33.0	37.6	228.2
One to two years	115.9	12.1	35.4	29.5	192.8
Two to three years	115.3	12.1	34.2	29.1	190.6
Three to four years	114.2	12.1	32.4	29.1	187.8
Four to five years	113.1	12.1	30.9	29.1	185.3
More than five years	770.6	66.6	239.6	79.8	1 156.7
Unguaranteed residual values	191.0	22.2	13.9	57.7	284.8
Gross finance lease receivable	**1 565.5**	**149.2**	**419.4**	**292.0**	**2 426.3**
Less: Unearned finance income	(461.6)	(39.4)	(110.8)	(126.8)	(738.5)
Total finance lease receivables	**1 104.0**	**109.9**	**308.7**	**165.2**	**1 687.8**
Present value of minimum lease payments					
Less than one year	140.9	11.8	32.0	35.0	219.8
One to two years	105.2	11.1	32.6	22.3	171.2
Two to three years	99.6	10.6	29.9	20.0	160.1
Three to four years	93.7	10.0	27.0	18.4	149.1
Four to five years	88.2	9.5	24.5	16.9	139.1
More than five years	482.6	44.2	154.2	32.9	713.9
Unguaranteed residual values	93.8	12.7	8.5	19.7	134.6
Total finance lease receivables	**1 104.0**	**109.9**	**308.7**	**165.2**	**1 687.8**
Pre-delivery instalments	-	-	15.6	-	15.6
Total finance lease receivables and related assets	**1 104.0**	**109.9**	**324.3**	**165.2**	**1 703.4**

NOTE 9 OTHER INCOME

Amounts in USD million	2020	2019 *Restated**
Other income	**28.5**	**-**

**Comparative information has been restated due to a discontinued operation, see note 15.*

USD 27.2 million of other income is related to the vessel Höegh Xiamen. In June 2020, the vessel Höegh Xiamen, which was bareboat chartered to Höegh Autoliners, caught fire after it completed loading operations in Jacksonville, Florida. The vessel was declared a constructive total loss as a result of the damage incurred in the fire, and as a consequence an impairment of USD 27.7 million was made on the vessel in Q2 2020. Ocean Yield was covered under the vessel's insurance policy and received a settlement of USD 26.3 million in Q3 2020. In addition USD 1.0 million in deferred revenue was recognized.

NOTE 10 WAGES, PERSONNEL EXPENSES AND OTHER OPERATING EXPENSES

Wages and personnel expenses consist of the following:

Amounts in USD million	2020	2019 *Restated**
Wages	5.2	5.7
Social security contributions	0.6	0.7
Pension costs	0.2	0.2
Other expenses	0.1	0.2
Total	**6.0**	**6.8**
Average number of employees	19	21
Number of employees at year-end	**20**	**17**
Geographical split of number of employees per region		
Norway	15	14
Malta	5	3
Total	**20**	**17**

**Comparative information has been restated due to a discontinued operation, see note 15.*

Pension costs

The Norwegian companies in the Group are subject to the Norwegian law of mandatory occupational pension and the Group meets the requirements of this legislation.

Other operating expenses consist of the following:

Amounts in USD million	2020	2019 *Restated**
Write down on trade receivables	-	0.4
External consultants and services other than audit	1.4	2.7
Loss from modification of finance lease receivables	0.6	-
Services from related parties	0.0	0.4
Other operating expenses	1.5	2.4
Total	**3.6**	**5.9**

**Comparative information has been restated due to a discontinued operation, see note 15.*

Payments/fees to auditors of the Ocean Yield Group included in other operating expenses, are distributed as follows:

Amounts in USD thousand	Ordinary audit	Other assurance services	Tax advisory services	Other non-audit services	2020	2019
Ocean Yield ASA	112.8	-	8.6	36.4	157.7	123.7
Other consolidated companies	213.4	-	-	8.1	221.5	232.0
Total	**326.2**	**-**	**8.6**	**44.5**	**379.2**	**355.7**

The figures are exclusive of VAT.

NOTE 11 IMPAIRMENT CHARGES

Amounts in USD million	2020	2019 Restated*
Impairment charges	62.2	-
Total	**62.2**	**-**

**Comparative information has been restated due to a discontinued operation, see note 15.*

USD 34.6 million of impairment charges is related to the segment Other Oil Service and the vessel Connector, see note 12. USD 27.7 million of impairment charges is related to the segment Car Carriers and the vessel Höegh Xiamen, which caught fire and was declared a total loss in 2020, see note 9.

NOTE 12 LOSS FROM SALE OF VESSEL

Amounts in USD million	2020	2019
Loss from sale of vessel	70.7	-
Total	**70.7**	**-**

Loss from sale of vessel of USD 70.7 million is related to the segment Other Oil Service and the vessel Connector. Due to the continued challenging oil-service market an impairment of USD 34.6 million was made on the vessel in Q3 2020. Then, in the fourth quarter, the Company agreed to sell the vessel. Considering the current weak outlook for the oil-service segment and that an industrial setup is required to operate the vessel efficiently in the cable-lay market, it was decided that it was in the best interest of the Company to dispose of the vessel. The sale was cash flow neutral after settlement of debt related to the vessel. USD 70.7 million was recognised as loss related to the sale of the vessel.

NOTE 13 FINANCIAL INCOME AND FINANCIAL EXPENSES

Net financial income/expense recognized in profit and loss:

Amounts in USD million	2020	2019 Restated*
Interest income on bank deposits and receivables at amortized cost	0.5	2.0
Change in fair value of financial instruments	26.8	-
Net foreign exchange gain	-	2.0
Other financial income	1.7	0.0
Total financial income	**28.9**	**4.0**
Interest expense on financial obligations measured at amortized cost	-79.6	-102.6
Interest expenses on financial leases	-0.0	-0.0
Change in fair value of financial instruments	-	-3.6
Net foreign exchange loss	-39.7	-
Other financial expenses	-5.1	-1.6
Total financial expenses	**-124.3**	**-107.8**
Net financial items	**-95.4**	**-103.8**

**Comparative information has been restated due to a discontinued operation, see note 15.*

NOTE 14 INCOME TAX EXPENSE

Amounts in USD million	2020	2019
Current tax expense:		
Tax expense current year	-0.4	-0.5
Correction from previous years	-	-0.5
Total current tax expense	**-0.4**	**-1.0**
Deferred tax expense:		
Origination and reversal of temporary differences	-2.9	-2.5
Change in tax rate	-	-
Total deferred tax expense (-)/benefit (+)	**-2.9**	**-2.5**
Total income tax expense (-)/benefit (+)	**-3.3**	**-3.4**
Temporary differences consist of		
Vessels and other fixed assets	70.2	59.7
Provisions	-0.4	-13.3
Withholding tax	-75.7	-101.7
Other differences	-12.9	-38.2
Total	**-18.9**	**-93.5**
Tax losses	-219.2	-163.8
Deferred tax base assets	**-238.1**	**-257.3**
Deferred tax assets	70.0	65.2
Deferred tax assets and liabilities not recognized	-75.2	-67.7
Net deferred tax assets and liabilities	**-5.2**	**-2.5**
Net deferred tax assets and liabilities are recorded as follows:		
Deferred tax assets	0.0	0.1
Deferred tax liabilities	-5.2	-2.6
Net deferred tax assets and liabilities	**-5.2**	**-2.5**

Estimates of future taxable profits show that the Group is not likely to utilize the tax losses carried forwards, and a deferred tax asset has thus not been recognized.

The tax losses carried forward are mainly related to Norwegian entities, and has no expiration date. Withholding tax paid in India on revenue related to Dhirubhai-1 is reported in the temporary differences in the table in the line “Withholding tax”. This can be deducted from tax payables in Norway for the next four years. However, estimates of future taxable profits show that the Group is not likely to utilize these tax credits, and no deferred tax asset has been recognized related to the potential tax benefit from withholding tax paid in India.

The operations of the Group’s bareboat fleet is handled from Malta. As a consequence most of the Group’s income is subject to corporate taxation in Malta.

The tax (charge)/credit relating to components of other comprehensive income is as follows:

	2020			2019		
Amounts in USD million	**Before tax**	**Tax**	**After tax**	**Before tax**	**Tax**	**After tax**
Remeasurements of defined benefit liability	-0.0	-	-0.0	-0.1	0.0	-0.1
Other comprehensive income from investment in associates	-14.7	-	-14.7	-15.5	-	-15.5
Change in fair value of financial assets	-0.1	-	-0.1	-0.8	-	-0.8
Currency translation differences	-0.0	-	-0.0	-0.6	-	-0.6
Other comprehensive income	**-14.8**	**-**	**-14.8**	**-17.0**	**0.0**	**-16.9**

The income tax (charged)/credited directly to equity during the year is as follows:

	2020			2019		
Amounts in USD million	**Before tax**	**Tax**	**After tax**	**Before tax**	**Tax**	**After tax**
Expenses related to raising new equity	-	-	-	-0.8	-	-0.8
Expenses related to hybrid capital	-	-	-	-1.9	-	-1.9
Dividend on hybrid capital	-9.3	-	-9.3	-2.7	-	-2.7
De-consolidation of subsidiary	-0.1	0.1	-	-	-	-
Decrease in non-controlling interests (de-consolidation of subsidiary)	-13.1	0.0	-13.0	-	-	-
Total	**-22.4**	**0.2**	**-22.4**	**-5.4**	**-**	**-5.4**

Reconciliation of effective tax rate

Amounts in USD million	**2020**	**2019** ***Restated****
Net profit (loss) before tax, from continuing operations	**-32.9**	**64.9**
Nominal tax rate in Norway (22%)	7.2	-14.3
Effect of tax rates in foreign jurisdictions	14.9	3.5
Revenue not subject to tax	0.0	4.4
Expenses not deductible for tax purposes	-4.6	-1.0
Utilization of previously unrecognized tax losses	-	4.2
Tax losses for which no deferred income tax asset was recognized	-5.8	-12.1
Companies within tonnage tax legislation	-25.7	-3.0
Other differences	10.7	14.8
Total income tax expense (-)/benefit (+)	**-3.3**	**-3.4**

**Comparative information has been restated due to a discontinued operation, see note 15.*

The tax figures are based on preliminary estimates of non-taxable income, non-tax deductible items and temporary differences between the financial accounts and the tax accounts. The final result will be calculated in relation to the tax return and may differ from the estimates above.

Movement in net deferred tax assets and liabilities is as follows:

2020					
Amounts in USD million	Net balance 1st January	Recognized in profit and loss	Recognized in other comprehensive income	Recognized directly in equity	Net balance 31st December
Vessels and other fixed assets	-4.5	6.5	-	0.2	2.2
Provisions	2.9	-2.8	-	-	0.1
Withholding tax	22.4	-5.7	-	-	16.7
Other differences	8.4	-5.7	-	0.2	2.8
Tax losses	36.0	14.5	-	-2.3	48.2
Deferred tax assets and liabilities not recognized	-67.7	-9.6	-	2.1	-75.2
Net deferred tax assets (+) and liabilities (-)	**-2.5**	**-2.9**	**-**	**0.2**	**-5.2**

2019					
Amounts in USD million	Net balance 1st January	Recognized in profit and loss	Recognized in other comprehensive income	Recognized directly in equity	Net balance 31st December
Vessels and other fixed assets	-9.8	5.3	-	-0.0	-4.5
Provisions	6.1	-3.2	-	-	2.9
Withholding tax	22.1	0.3	-	-	22.4
Other differences	8.9	-0.5	0.0	0.1	8.4
Tax losses	17.1	19.2	-	-0.3	36.0
Deferred tax assets and liabilities not recognized	-44.2	-23.6	-	0.1	-67.7
Net deferred tax assets (+) and liabilities (-)	**0.0**	**-2.5**	**0.0**	**-0.1**	**-2.5**

NOTE 15 DISCONTINUED OPERATIONS

The FPSO Dhirubhai-1 is being marketed for sale and has been reclassified as an asset held for sale as from 1st January 2020 and the FPSO segment, which only relates to the FPSO Dhirubhai-1 has been presented as discontinued operations.

The FPSO segment was not previously classified as held for sale or as a discontinued operation. The comparative consolidated statement of profit and loss and OCI has been restated to show the discontinued operations separately from continuing operations.

Net profit (loss) from discontinued operations, net of tax

Amounts in USD million	2020	2019
Operating revenue	0.3	3.8
Other income	-	12.9
Total revenues and other income	**0.3**	**16.7**
Vessel operating expenses	-4.4	-5.2
Wages and other personnel expenses	-1.1	-2.4
Other operating expenses	-4.8	-4.9
Depreciation and amortization	-0.1	-24.6
Impairment charges and other non-recurring items	-94.8	-80.6
Operating profit (loss)	**-104.9**	**-101.1**
Financial income	0.0	0.3
Financial expenses	-0.2	-0.5
Net financial items	**-0.1**	**-0.2**
Net profit (loss) before tax	**-105.1**	**-101.4**
Income tax expense (-) / benefit (+)	-	-
Net profit (loss) from discontinued operation, net of tax	**-105.1**	**-101.4**
Basic and diluted earnings per share (USD), discontinued operations	(0.6)	(0.6)

Cash flows from discontinued operations

Amounts in USD million	2020	2019
Net profit (loss) for the period	-105.1	-101.4
Income tax expense	-	0.0
Depreciation and amortization	0.1	24.6
Impairment charges and other non-recurring items	94.8	80.6
Net interest expenses (+)	-0.0	-0.3
Interest paid	-0.0	-0.0
Interest received	0.0	0.3
Unrealized foreign exchange gain/loss	0.1	-0.9
Other changes in operating activities	-13.7	-4.4
Net cash flow from operating activities	**-23.8**	**-1.4**
Acquisition of vessels and equipment	-0.2	-0.2
Net cash flow from investing activities	**-0.2**	**-0.2**
Net change in cash and cash equivalents	**-23.9**	**-1.7**
Intra Group transactions	17.6	-12.0
Exchange rate differences	-0.1	-0.1
Cash and cash equivalents at beginning of the period	6.9	20.6
Cash and cash equivalents at the end of the period	**0.4**	**6.9**

Assets held for sale and related liabilities

At 31st December 2020, assets held for sale were stated at fair value less costs to sell and comprise the following:

Amounts in USD million	2020
Vessels and equipment	51.4
Trade and other interest-free receivables	2.1
Cash and cash equivalents	0.4
Assets held for sale	**54.0**
Current provisions (field abandonment)	0.4
Trade and other payables	1.8
Liabilities directly associated with the assets held for sale	**2.2**

Fair value and valuation technique

The fair value of the assets held for sale has been categorized as a Level 3 in the fair value hierarchy. The valuation technique is as follows.

Probability weighted average of sales price in different scenarios:
The fair value of the FPSO Dhirubhai-1 has been calculated based on several possible sale-price scenarios and their assumed probabilities on a weighted average basis. The scenarios are based on recent interest and discussions with interested parties for the FPSO.

The COVID-19 pandemic and a lower oil price has led to increased uncertainty with respect to the timeline and the sales price that can be achieved for the FPSO. Discussions with potential interested parties have recently shown some positive progress, but there is still uncertainty if a sale can be concluded. As of year-end 2020 the fair value of the FPSO has been estimated to be USD 51.5 million, and an impairment of USD 94.8 million has been recognized in 2020.

The calculation of the fair value is highly sensitive to the probability weighting of the different scenarios. If an acceptable solution is not found for the FPSO there is a risk for further impairment of the book value of this unit.

NOTE 16 VESSELS AND OTHER FIXED ASSETS

	Vessels				Buildings	Other fixed assets		
Amounts in USD million	Car Carriers	Other Shipping	Other Oil Service	FPSO	Other	FPSO	Other	Total
Cost balance:								
1st January 2019	**339.7**	**164.0**	**713.6**	**877.3**	**-**	**3.7**	**11.4**	**2 109.7**
Capital expenditure	-	-	0.2	0.2	-	0.0	-	0.5
Disposals	-	-	-	-	-	-	-	-
IFRS 16	-	-	-	-	1.3	-	-	1.3
Effect of movements in foreign exchange	-	-	-1.5	-	-	-	-	-1.5
31st December 2019	**339.7**	**164.0**	**712.3**	**877.5**	**1.3**	**3.7**	**11.4**	**2 110.0**
Capital expenditure	-	-	4.0	0.2	-	-	0.0	4.2
Disposals	-45.0	-	-471.8	-	-	-	-	-516.8
Reclassified to asset held for sale	-	-	-	-877.7	-	-3.7	-	-881.4
31st December 2020	**294.7**	**164.0**	**244.6**	**-**	**1.3**	**-**	**11.4**	**716.1**
Accumulated depreciation and impairment losses:								
1st January 2019	**-55.1**	**-10.0**	**-204.7**	**-638.5**	**-**	**-3.6**	**-2.3**	**-914.1**
Depreciation	-13.6	-5.5	-29.4	-24.6	-0.4	-0.1	-0.8	-74.3
Impairment	-	-	-	-68.4	-	-	-	-68.4
Disposals	-	-	-	-	-	-	-	-
Effect of movements in foreign exchange	-	-	0.5	-	-	-	-	0.5
31st December 2019	**-68.7**	**-15.5**	**-233.7**	**-731.4**	**-0.4**	**-3.6**	**-3.0**	**-1 056.3**
Depreciation	-12.2	-5.5	-26.9	-	-0.4	-	-0.8	-45.7
Impairment	-27.7	-	-34.6	-	-	-	-	-62.2
Disposals	45.0	-	218.5	-	-	-	-	263.5
Reclassified to asset held for sale	-	-	-	731.4	-	3.6	-	735.0
31st December 2020	**-63.6**	**-20.9**	**-76.7**	**-**	**-0.7**	**-**	**-3.8**	**-165.7**
Carrying amount:								
31st December 2019	**271.0**	**148.5**	**478.6**	**146.0**	**1.0**	**0.1**	**8.4**	**1 053.7**
31st December 2020	**231.2**	**143.0**	**168.0**	**-**	**0.6**	**-**	**7.6**	**550.4**

HELD FOR SALE

The FPSO Dhirubhai-1 has been classified as held for sale from 1st January 2020, see note 15 for more information.

DISPOSALS

In August 2020, Ocean Yield agreed to sell it's 75% share in the subsidiary OS Installer Limited, which owned the diving support & construction vessel SBM Installer. The shares were sold to SBM Holding Inc S.A. for USD 33.7 million, including working capital. Closing of the transaction was completed on 30th September 2020. The sale of shares is presented as sale of assets and repayment of debt in the Group accounts. Net effect on the income statement from the sale was USD 1.6 million, of which USD 0.9 million is gain from sale of the vessel.

IMPAIRMENT CHARGES

USD 34.6 million of impairment charges is related to the segment Other Oil Service and the vessel Connector, see note 12 for more information. USD 27.7 million of impairment charges is related to the segment Car Carriers and the vessel Höegh Xiamen, see note 9.

The Group has as of year-end assessed the values of the vessels Far Senator, Normand Statesman and the Group's five Car Carriers. The value in use has been estimated for all seven vessels, and no impairment or reversal of impairment has been considered necessary. The book value of Far Senator and Normand Statesman was as of year-end USD 83.6 million and the book value of the Group's Car Carriers was USD 231.2 million.

The value in use has been calculated based on the present value of estimated future cash flows. The projected cash flows represents management's best estimate for future charter hire for these vessels. The value in use calculations have been placed within level 3 in the fair value hierarchy, as they are based on few observable inputs.

In October 2020, the restructuring agreement between Ocean Yield's subsidiary F-Shiplease AS and Solstad for the vessels Far Senator and Normand Statesman was closed. The previous lease agreements for the vessels were replaced with new lease agreements with a duration of 4 years with a variable charter rate. The charter rate payable under the lease agreements is a reference rate equal to the average per vessel EBITDA in a pool of seven similar UT731 design vessels. The Company has estimated the charter hire expected to be received from the new charter contracts, and this have been applied in the calculation of value in use. In addition the Company has made assumptions regarding the charter hire for the vessels after expiry of the contracts. The estimated cashflows are based on an assumed economic life of the vessels of 25 years.

The Car Carriers are all on long-term charters to Höegh Autoliners, with charter ends in 2022, 2026 and 2028. The charter hire in the contracts have been used for the estimated cashflows. The Company has in addition made assumptions regarding the residual values at the end of the charter contracts.

The value in use was calculated using a discount rate of 8.05% p.a. after tax. for Far Senator and Normand Statesman (8.6% p.a. in 2019) and 5.29% p.a. after tax for the Car Carriers. Implied pre-tax discount rate is equal to the discount rate after tax for Far Senator and Far Stateman. For the Car Carriers implied pre-tax discount rates ranges from 6.33% p.a. to 9.58% p.a.

Based on the above the value in use for Far Senator and Normand Statesman has been estimated to be USD 83.5 million, and for the Car Carriers USD 266.5 million. The calculations of value in use are highly sensitive to the estimated level of future charter hires, the estimated residual values and the estimated useful life of the vessels. A sensitivity analysis have been performed for the Car Carriers based on two key scenarios that management considers to be the most obvious and relevant to show how changes in the base assumptions influence the value in use:

A) An increase in the discount rate of 2 percentage points p.a. after tax
B) A reduction in the terminal value of 20%

In scenario A, one vessel would be impaired with USD 0.6 million. The scenario would not cause any impairment on the other four vessels. In scenario B, one vessel would be impaired with USD 3.5 million. The scenario would not cause any impairment on the other four vessels.

DEPRECIATION

Depreciation is recognized in profit and loss on a straight-line basis over the estimated useful lives of each major component of an item of property, plant and equipment.

Estimated useful lives for the current and comparative periods are as follows:

Vessels	10-30 years
Machinery, vehicles	3-15 years
Other fixed assets	3-10 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting period.

Contractual obligations

Amounts in USD million	Tankers	Container vessels	Car Carriers	Other Shipping	Other Oil Service	FPSO	Total
Already paid	-	-	-	-	-	-	-
Due in Q4 2021	5.5	-	-	-	-	-	5.5
Due in Q1-Q2 2022	82.5	-	-	-	-	-	82.5
Total contractual obligations	**88.0**	**-**	**-**	**-**	**-**	**-**	**88.0**

The obligations above related to the segment 'Tankers', relates to two suezmax newbuilding tankers with 10-year bareboat charters to Nordic American Tankers Inc. The net purchase price will be up to USD 44 million per vessel after seller's credits of minimum 20%. The vessels are scheduled for delivery during the first half of 2022.

NOTE 17 INVESTMENTS IN ASSOCIATES

BOX HOLDINGS INC.

Ocean Yield owns as of year-end 2020 49.9% indirect equity interest in six container vessels through its investment in BOX Holdings Inc, where Quantum Pacific Shipping is the largest shareholder. The vessels, with capacity of about 19,500 TEU are chartered to a major European container line on 15-year bareboat charters. Four of the vessels were delivered in 2016, and the last two vessels were delivered in 2017.

The vessels have been financed from secured loans with international banks. This debt is guaranteed by Quantum Pacific Shipping, and is non-recourse to Ocean Yield. To manage some of the interest rate risk, BOX Holdings Inc has entered into interest rate swaps related to vessel financings, where floating rate payments have been swapped to fixed rate payments. The debt has been swapped into fixed interest rates for the full tenor of each loan (total USD 663 million). The facilities that run for 5-10 years have been hedged at an average rate of 2.28% % p.a. and the facility that runs for 12 years has been hedged at an average rate of 2.42% % p.a. BOX Holdings Inc has applied hedge accounting to these interest rate swaps.

OY HOLDING SUEZ LIMITED & OY HOLDING LR2 LIMITED

In June 2020, Ocean Yield entered into an agreement with Aker Capital AS whereby Aker acquired a 50% interest in 7 tankers with long-term charters. The ownership has been established through two new holding companies; OY Holding Suez Limited and OY Holding LR2 Limited. OY Holding Suez Limited owns three Suezmax tankers on long-term charters to Nordic American Tankers Inc. and OY Holding LR2 Limited owns four LR2 product tankers on long-term charters to Navig8 Group. All the vessels are financed with secured debt. Ocean Yield continues to guarantee the senior secured bank debt against a guarantee fee. Ocean Yield's 50% share in OY Holding Suez Limited and OY Holding LR2 Limited is accounted for as investments in associates.

Amounts in USD million				
Investment	BOX Holdings Inc	OY Holding Suez Limited	OY Holding LR2 Limited	Total
Country	Marshall Islands	Malta	Malta	
Ownership and voting rights year-end	49.9 %	50.0 %	50.0 %	
Carrying amount of investment in associates:				**31.12.2020**
Non-currents assets	771.8	98.6	112.3	982.7
Current assets	37.3	14.5	14.0	65.9
Non-current liabilities	-507.6	-92.0	-109.8	-709.3
Current liabilities	-47.9	-8.9	-8.9	-65.7
Net assets (100%)	**253.6**	**12.2**	**7.7**	**273.5**
Share of net assets	**126.6**	**6.1**	**3.8**	**136.5**
Adjustment to carrying value of investment:				
Finance lease receivables	44.9	-	-	44.9
Adjustment to interest-bearing long-term debt	-3.4	-	-	-3.4
Carrying amount of investments in associates	**168.0**	**6.1**	**3.8**	**178.0**
Income from investment in associates:				**2020**
Operating revenues	77.1	3.3	3.1	83.5
Operating expenses	-0.9	-0.0	-0.0	-1.0
Financial items	-32.4	-2.2	-2.6	-37.2
Net profit (100%)	**43.7**	**1.1**	**0.6**	**45.4**
Share of net profit	**21.8**	**0.5**	**0.3**	**22.7**
Adjustment to finance lease revenue	-4.2	-	-	-4.2
Interest adjustment to long-term debt	4.0	-	-	4.0
Income from investment in associates	**21.6**	**0.5**	**0.3**	**22.4**
Total comprehensive income from investment in associates:				**2020**
Net profit (100%)	43.7	1.1	0.6	45.4
Other comprehensive income	-22.9	-	-	-22.9
Total comprehensive income	**20.9**	**1.1**	**0.6**	**22.5**
Share of comprehensive income	**10.4**	**0.5**	**0.3**	**11.2**
Adjustment to finance lease revenue	-4.2	-	-	-4.2
Amortization of upfront fees	0.7	-	-	0.7
Total comprehensive income from investment in associates	**6.9**	**0.5**	**0.3**	**7.7**

Amounts in USD million	
Investment	BOX Holdings Inc
Country	Marshall Islands
Ownership and voting rights year-end	49.9 %
Carrying amount of investment in associates:	**31.12.2019**
Non-currents assets	798.2
Current assets	35.4
Non-current liabilities	-526.2
Current liabilities	-40.4
Net assets (100%)	**267.0**
Share of net assets	**133.2**
Adjustment to carrying value of investment:	
Finance lease receivables	49.2
Adjustment to interest-bearing long-term debt	-4.2
Carrying amount of investments in associates	**178.2**
Income from investment in associates:	**2019**
Operating revenues	79.1
Operating expenses	-0.9
Financial items	-34.1
Net profit (100%)	**44.0**
Share of net profit	**22.0**
Adjustment to finance lease revenue	-4.1
Interest adjustment to long-term debt	5.1
Income from investment in associates	**22.9**
Total comprehensive income from investment in associates:	**2019**
Net profit (100%)	44.0
Other comprehensive income	-22.7
Total comprehensive income	**21.3**
Share of comprehensive income	**10.6**
Adjustment to finance lease revenue	-4.1
Amortization of upfront fees	0.9
Total comprehensive income from investment in associates	**7.4**

NOTE 18 INTEREST-BEARING RECEIVABLES, OTHER SHARES AND OTHER NON-CURRENT ASSETS

Amounts in USD million	2020	2019
Restricted deposits	1.3	22.7
Finance lease receivables	1 220.0	1 483.6
Shares in Solstad Offshore ASA	-	1.0
Other interest-bearing long term receivables	0.4	0.4
Other shares	0.2	-
Other non-current assets	1.1	1.3
Interest-bearing long term receivables, other shares and other non-current assets	**1 222.9**	**1 508.9**
Finance lease receivables, short term portion	164.2	219.8
Total interest-bearing receivables, other shares and other non-current assets	**1 387.1**	**1 728.7**

RESTRICTED DEPOSITS

The restricted funds as of year-end 2020 are related to several of the Group's cross currency interest rate swaps, where a security deposit is needed when the negative value of the swaps exceeds certain thresholds.

FINANCE LEASE RECEIVABLES

For more information regarding the lease agreements and calculations of the net finance lease receivables, see note 8.

SHARES IN SOLSTAD OFFSHORE ASA

In connection with the restructuring of Solstad Offshore ASA ("Solstad"), see note 7, the Group received 2.8 million shares in Solstad, equivalent to about 3.8 % of the shares in the company. These shares, in addition to the shares owned by the Group year-end 2019 were sold in 2020, and the Group held no shares in Solstad as of year-end 2020.

NOTE 19 EARNINGS PER SHARE, DIVIDEND PER SHARE, PAID-IN EQUITY AND HYBRID CAPITAL

Earnings per share

Calculation of profit to equity holders of the Group:

Amounts in USD million	2020	2019
Net profit (loss) for the period	-141.3	-39.9
Non-controlling interests	0.4	0.9
Dividends on hybrid capital	9.3	2.7
Net profit (loss) attributable to equity holders of the Group	**-150.9**	**-43.5**
Ordinary shares issued at 31st December	175 286 575	175 286 575
Treasury shares at 31st December	-47 371	-72 371
Ordinary shares outstanding at 31st December	175 239 204	175 214 204
Weighted average number of shares (basic)	175 214 577	160 760 637
Basic earnings per share (USD)	-0.86	-0.27
Basic earnings per share (USD), continuing operations	-0.26	0.36
Weighted average number of shares	175 214 577	160 760 637
Effect of shares from incentive scheme on issue	-	-
Weighted average number of shares (diluted)	175 214 577	160 760 637
Diluted earnings per share (USD)	-0.86	-0.27
Diluted earnings per share (USD), continuing operations	-0.26	0.36

Dividends

Amounts in USD million	2020	2019
Total dividend paid	60.0	121.6
Declared dividend for the 4th quarter subsequent to 31st December	9.3	33.5
Total dividend paid per share	0.34	0.76

Paid in capital

At 31st December 2020 Ocean Yield ASA's share capital consists of the following:

	in NOK	in USD
Number of ordinary shares	175 286 575	175 286 575
Par value	10.0	1.5
Total par value (million)	**1 752.9**	**271.0**

All shares have equal voting rights and are entitled to dividends.

Change in number of shares

	2020	2019
Number of shares outstanding 1st January	**175 214 204**	**159 342 411**
Share capital increase	-	15 935 143
Treasury shares acquired	-300 000	-280 000
Treasury shares sold	325 000	216 650
Number of shares outstanding 31st December	**175 239 204**	**175 214 204**

Current board authorizations

At the Annual General Meeting, held on 22nd April 2020, Ocean Yield ASA's shareholders gave the board an authorization to increase the share capital with maximum NOK 175.3 million in connections with acquisitions, mergers, de-mergers or other transfers of business, in addition to a private placement of shares of up to 10% of the share capital and an authorization to increase the share capital with maximum NOK 8.0 million in connection with the employee share programme. The Board was also given the authorization to acquire treasury shares up to an aggregate nominal value of NOK 8.0 million in connection with the employee share programme. The authorizations are valid until the 2021 Annual General Meeting.

The largest shareholders as of 31st December 2020

Shareholders	Number of shares	Percent
Aker Capital AS 1)	108 066 832	61.7 %
Other	67 219 743	38.3 %
Total	**175 286 575**	**100.0 %**

1) 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.

Ocean Yield ASA is a subsidiary of Aker Capital AS, a wholly-owned subsidiary of Aker ASA. Ocean Yield is thus part of Aker ASA's consolidated financial statements. Aker ASA has offices at Oksenøyveien 10 and the consolidated 2020 financial statement for Aker ASA can be found at www.akerasa.com.

Hybrid capital

In August 2019 The Company successfully completed a new perpetual hybrid callable bond ("Hybrid Bond") issue of USD 125 million, carrying a coupon of 3 months LIBOR + 6.50 % p.a. with quarterly interest payments. The Hybrid Bond has been accounted for as book equity and is subordinated to the Company's outstanding senior unsecured bonds.

NOTE 20 GROUP COMPANIES

Ocean Yield ASA is a holding company with financial investments and is the parent company in the Ocean Yield Group. Single purpose companies have been established for the ownership of the Group's vessels. The operations of the Group's bareboat fleet is handled from Malta. A separate holding company has been established in Malta, with single purpose companies for the ownership of the Group's vessels that are on bareboat charters.

As of year-end 2020 the Group consists of the subsidiaries presented in the table below. Companies owned directly by Ocean Yield ASA are highlighted.

			Business address	
	Group's ownership in %	Group's share of votes in %	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
Connector 1 AS	**100.0**	**100.0**	**Lysaker**	**Norway**
F-Shiplease AS	100.0	100.0	Lysaker	Norway
Ocean Operations AS	**100.0**	**100.0**	**Lysaker**	**Norway**
OCY Invest AS	**100.0**	**100.0**	**Lysaker**	**Norway**
OCY FPSO AS	**100.0**	**100.0**	**Lysaker**	**Norway**
Ocean Yield Malta Limited	**100.0**	**100.0**	**Floariana**	**Malta**
Ocean Yield Advisors AS	100.0	100.0	Lysaker	Norway
OCY Achilles Limited	100.0	100.0	Floriana	Malta
OCY Amessi Limited	100.0	100.0	Floriana	Malta
OCY Aquamarine Limited	100.0	100.0	Floriana	Malta
OCY Aronaldo Limited	100.0	100.0	Floriana	Malta
OCY Aurora Limited	100.0	100.0	Floriana	Malta
OCY Azotic Limited	100.0	100.0	Floriana	Malta
OCY Barcelona Limited	100.0	100.0	Floriana	Malta
OCY Beijing Limited	100.0	100.0	Floriana	Malta
OCY Beluga Limited	100.0	100.0	Floriana	Malta
OCY Constellation Limited	100.0	100.0	Floriana	Malta
OCY Cronos Limited	100.0	100.0	Floriana	Malta
OCY Dauntless Limited	100.0	100.0	Floriana	Malta
OCY Defender Limited	100.0	100.0	Floriana	Malta
OCY Detroit Limited	100.0	100.0	Floriana	Malta
OCY Frayja Limited	100.0	100.0	Floriana	Malta
OCY Genoa Limited	100.0	100.0	Floriana	Malta
OCY Innuksuac 1 Limited	100.0	100.0	Floriana	Malta
OCY Innuksuac 2 Limited	100.0	100.0	Floriana	Malta
OCY Innuksuac 3 Limited	100.0	100.0	Floriana	Malta
OCY Innuksuac 4 Limited	100.0	100.0	Floriana	Malta
OCY Innuksuac 5 Limited	100.0	100.0	Floriana	Malta
OCY Innuksuac 6 Limited	100.0	100.0	Floriana	Malta
OCY Jacksonville Limited	100.0	100.0	Floriana	Malta
OCY Jeddah Limited	100.0	100.0	Floriana	Malta
OCY Knight 1 Limited	100.0	100.0	Floriana	Malta
OCY Knight 2 Limited	100.0	100.0	Floriana	Malta
OCY Knight 3 Limited	100.0	100.0	Floriana	Malta
OCY Knight 4 Limited	100.0	100.0	Floriana	Malta
OCY Libra Limited	100.0	100.0	Floriana	Malta
OCY Livorno Limited	100.0	100.0	Floriana	Malta
OCY Lockhart 1 Limited	100.0	100.0	Floriana	Malta

			Business address	
	Group's ownership in %	Group's share of votes in %	City location	Country
OCY Lockhart 2 Limited	100.0	100.0	Floriana	Malta
OCY Lynx Limited	100.0	100.0	Floriana	Malta
OCY Milos Limited	100.0	100.0	Floriana	Malta
OCY Mineral Qingdao Limited	100.0	100.0	Floriana	Malta
OCY NAT 1 Limited	100.0	100.0	Floriana	Malta
OCY NAT 2 Limited	100.0	100.0	Floriana	Malta
OCY NAT 3 Limited	100.0	100.0	Floriana	Malta
OCY NAT 4 Limited	100.0	100.0	Floriana	Malta
OCY Orca Limited	100.0	100.0	Floriana	Malta
OCY Orla Limited	100.0	100.0	Floriana	Malta
OCY Poliegos Limited	100.0	100.0	Floriana	Malta
OCY Sanctity Limited	100.0	100.0	Floriana	Malta
OCY Seoul Limited	100.0	100.0	Floriana	Malta
OCY Shanghai Limited	100.0	100.0	Floriana	Malta
OCY Steadfast Limited	100.0	100.0	Floriana	Malta
OCY Supreme Limited	100.0	100.0	Floriana	Malta
OCY Symphony Limited	100.0	100.0	Floriana	Malta
OCY Tanzanite Limited	100.0	100.0	Floriana	Malta
OCY Topaz Limited	100.0	100.0	Floriana	Malta
OCY Tourmaline Limited	100.0	100.0	Floriana	Malta
OCY Tracer Limited	100.0	100.0	Floriana	Malta
OCY Trapper Limited	100.0	100.0	Floriana	Malta
OCY Turquoise Limited	100.0	100.0	Floriana	Malta
OCY Universe Limited	100.0	100.0	Floriana	Malta
OCY Virgo Limited	100.0	100.0	Floriana	Malta
OCY Wayfarer Limited	100.0	100.0	Floriana	Malta
OCY Xiamen Limited	100.0	100.0	Floriana	Malta

NOTE 21 FOREIGN CURRENCY EXCHANGE RATES

In the consolidated accounts of Ocean Yield, the following exchange rates have been applied in translating the accounts of subsidiaries with functional currency other than USD.

Country/Region	Currency	Average rate 2020	Rate at 31 Dec. 2020	Average rate 2019	Rate at 31 Dec. 2019
Norway	USD/NOK	9.40	8.53	8.80	8.78

NOTE 22 INTEREST-BEARING DEBT

Change in the Group's interest-bearing debt:

Amounts in USD Million	Secured debt	Unsecured bond debt	2020	2019
Interest-bearing debt 1st January	**1 879.0**	**306.2**	**2 185.2**	**1 762.9**
New debt	195.1	-	**195.1**	772.8
Instalments	-393.8	-	**-393.8**	-305.8
Repayment of interest bearing-debt (de-consolidation of subsidiary)	-67.1	-	**-67.1**	-
Repurchase	-	-87.3	**-87.3**	-48.0
Loss (gain) from repurchase	-	0.3	**0.3**	-0.2
Amortization of fees	6.0	0.8	**6.7**	5.9
Effect of movement in foreign exchange	-6.7	2.6	**-4.1**	-2.4
Change from subsidiary to associated company (sale of 50% to Aker Capital)	-224.2	-	**-224.2**	-
Interest-bearing debt 31st December	**1 388.2**	**222.6**	**1 610.8**	**2 185.2**

NEW AND AMENDED AGREEMENTS IN 2020

TANKERS
In June 2020, Ocean Yield entered into an agreement with Aker Capital AS ("Aker") whereby Aker acquired a 50% interest in 7 tankers with long-term charters. Ocean Yield's remaining 50% share is accounted for as an investment in associates, and as a consequence the bank debt related to the vessels are no longer included in interest-bearing debt. Ocean Yield continues to guarantee the senior secured bank debt against a guarantee fee.

In September 2020, Ocean Yield entered into a new loan facility for the refinancing of the chemical tankers Navig8 Azotic and Navig8 Aronaldo for a total amount of USD 34 million.

OTHER SHIPPING
In March 2020, the bank financing for the three dry-bulk vessels with long-term charter to Scorpio Bulkers was signed and drawn-down upon delivery of each respective vessel. The vessels have been financed in two separate loan facilities on competitive terms. The total loan amount is approximately USD 48.2 million for all three vessels. After year-end Scorpio Bulkers Inc. has declared options to sell these dry-bulk vessels to unrelated third parties, and this debt will hence be settled in connection with the sales, which is expected during first half of 2021.

In August 2020, the newcastlemax vessel Mineral Qingdao was delivered to Ocean Yield. The vessel has been financed with a bank loan of USD 37.1 million. The facility has a tenor of 7 years.

OTHER OIL SERVICE
In August 2020, Ocean Yield agreed to sell it's 75% share in the subsidiary OS Installer Limited, which owned the diving support & construction vessel SBM Installer. Closing of the transaction was completed on 30th September 2020. The sale of shares is presented as sale of assets and repayment of debt in the Group accounts.

OTHER
During 2020, the Company has repurchased NOK 20 million of the bonds outstanding under the bond issue OCY07 that has maturity in December 2024.

In September 2020, the Company issued a call notice for NOK 300 million in accordance with the bond agreement to prepay NOK 300 million of the outstanding amount under the bond issue OCY04. Settlement took place in October 2020. In addition the Company has repurchased NOK 18 million of OCY04 in 2020. Following the prepayment and repurchase, NOK 432 million was outstanding as of year end under the bond issue OCY04, which has maturity in September 2021. This amount is expected to be refinanced later in 2021.

The contractual terms of interest-bearing debt as of 31st December 2020 are as follows:

	Amounts in million	Currency	Maturity	Pledged assets*	Book value of asset used as collateral	Base interest	Interest margin	Undrawn facilities in million nominal currency	Nominal out-standing amount in million nominal currency	Carrying amount USD million 2020	Carrying amount USD million 2019
Tankers	Secured debt	USD	2021 - 2031	10 Chemical tankers 4 Product tankers 2 Suezmax tankers 4 VLCC	758.0	3 month LIBOR	1.90%- 2.35%	-	579.9	**572.2**	875.3
Container vessels	Secured debt	USD	2025	4 container vessels	103.5	3 month LIBOR	2.00 %	-	78.2	**77.5**	84.5
Car carriers	Secured debt	USD	2021	5 PCTC vessels	231.2	3 month LIBOR	2.25 %	-	128.4	**128.1**	168.2
Other Shipping	Secured debt	USD	2023 - 2027	3 Gas Carriers 15 Dry bulk vessels	516.2	3 month LIBOR	1.85%- 2.0%	-	420.5	**415.8**	355.7
Other Oil Service	Secured debt	USD	2021 - 2029	1 Offshore construction vessels 2 Platform supply vessels 2 AHTS Vessels	317.6	3/6 month LIBOR	2.16%- 3.50%	52.5	196.3	**194.7**	339.6
Other Oil Service	Secured debt	NOK	2025			3 month NIBOR FIXED	3.50 % 3.69 %	-	-	**-**	55.7
Ocean Yield ASA	Unsecured bond debt	NOK	2021 - 2024			3 month NIBOR	3.65%- 4.50%	-	1 912.0	**222.6**	306.2
	Total interest-bearing debt									**1 610.8**	**2 185.2**
	Whereof the following is classified as current									**471.8**	276.2
	Total interest-bearing long-term debt									**1 139.0**	**1 909.0**

Covenants
Most of the Group's loans are subject to the following covenants

	Covenants	Year-end 2020	Year-end 2019
Group equity	25 %	27.9 %	27.8 %
Interest coverage ratio	2.00:1	3.4:1	2.3:1
Interest coverage ratio, where EBITDA have been adjusted for finance lease effects	2.00:1	4.4:1	3.1:1
Liquidity	The higher of USD 25 million and 3% of Net interest-bearing debt	USD 113.2 million	USD 185.5 million

The Group was in compliance with these covenants at year end 2020 and 2019.

INTEREST COVERAGE RATIO
Most of the Group's loans are subject to an interest coverage ratio covenant, where EBITDA have been adjusted for finance lease effects. Two of the Group's bond loans are however subject to an interest coverage ratio covenant, where no adjustments are done. Should the Group be in breach of this minimum interest coverage ratio the required minimum liquidity of the Group increases to USD 40 million.

MINIMUM MARKET VALUE
Certain of the Group's loan facility agreements contain requirements for minimum market value of the secured vessels against the outstanding under the debt facility. The minimum value requirements are based on the average of brokerestimates and vary between 100% - 130% compared to the outstanding debt. As of year-end 2020 and 2019 the Group was in compliance with the minimum market value clauses for all loan agreements.

OTHER CLAUSES
Certain of the Group's debt facilities contain cross default to other loan agreements in the Group.

NOTE 23 PROVISIONS

Amounts in USD million	2020	2019
Decommissioning obligation 1st January	**12.4**	**25.7**
Increase in provision	-	12.2
Accretion expense	-	-
Paid expenses	-12.0	-25.6
Decommissioning obligation 31st December	**0.4**	**12.4**
Non-current portion 31st December	-	-
Current portion 31st December	0.4	12.4

The decommissioning obligation reported above is related to the FPSO Dhirubhai-1, and is now included with liabilities directly associated with the assets held for sale, see note 15.

The main part of the decommissioning work was completed in February 2020, and hence only a small portion is left of the decommissioning provision.

NOTE 24 FINANCIAL INSTRUMENTS

See also note 5 financial risk and exposure.

The following tables shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31st December 2020	Carrying Amount				Fair Value		
Amounts in USD million	**FVPL**	**FVOCI**	**Amortized cost**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets carried at fair value							
Other shares	-	0.2	-	0.2	-	-	0.2
Financial assets carried at fair value	**-**	**0.2**	**-**	**0.2**	**-**	**-**	**0.2**
Financial assets carried at amortized cost							
Finance lease receivables	-	-	1 384.2	1 384.2	-	-	1 466.3
Other interest-bearing long-term receivables	-	-	0.4	0.4	-	-	-
Other non-current assets	-	-	1.1	1.1	-	-	-
Trade and other short-term receivables	-	-	4.1	4.1	-	-	-
Cash and cash equivalents (including long-term restricted deposits, see note 18)	-	-	114.0	114.0	-	-	-
Financial assets carried at amortized cost	**-**	**-**	**1 503.7**	**1 503.7**	**-**	**-**	**1 466.3**
Financial liabilities carried at fair value							
Interest rate swaps	6.7	-	-	6.7	-	6.7	-
Foreign exchange contracts	12.3	-	-	12.3	-	12.3	-
Financial liabilities carried at fair value	**19.0**	**-**	**-**	**19.0**	**-**	**19.0**	**-**
Financial liabilities carried at amortized cost							
Bond debt	-	-	222.5	222.5	-	-	220.6
Other interest-bearing debt	-	-	1 388.3	1 388.3	-	1 403.3	-
Finance lease liabilities	-	-	0.6	0.6	-	-	-
Interest-free short-term financial liabilities	-	-	6.5	6.5	-	-	-
Financial liabilities carried at amortized cost	**-**	**-**	**1 618.0**	**1 618.0**	**-**	**1 403.3**	**220.6**

31st December 2019	Carrying Amount				Fair Value		
Amounts in USD million	**FVPL**	**FVOCI**	**Amortized cost**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets carried at fair value							
Other shares	-	1.0	-	1.0	1.0	-	-
Financial assets carried at fair value	**-**	**1.0**	**-**	**1.0**	**1.0**	**-**	**-**
Financial assets carried at amortized cost							
Finance lease receivables	-	-	1 703.4	1 703.4	-	-	1 857.6
Other interest-bearing long-term receivables	-	-	0.4	0.4	-	-	-
Other non-current assets	-	-	1.3	1.3	-	-	-
Trade and other short-term receivables	-	-	4.6	4.6	-	-	-
Cash and cash equivalents (including long-term restricted deposits, see note 18)	-	-	208.1	208.1	-	-	-
Financial assets carried at amortized cost	**-**	**-**	**1 917.7**	**1 917.7**	**-**	**-**	**1 857.6**
Financial liabilities carried at fair value							
Interest rate swaps	6.6	-	-	6.6	-	6.6	-
Foreign exchange contracts	39.5	-	-	39.5	-	39.5	-
Financial liabilities carried at fair value	**46.1**	**-**	**-**	**46.1**	**-**	**46.1**	**-**
Financial liabilities carried at amortized cost							
Bond debt	-	-	306.2	306.2	-	-	311.0
Other interest-bearing debt	-	-	1 879.0	1 879.0	-	1 899.9	-
Finance lease liabilities	-	-	1.0	1.0	-	-	-
Interest-free long-term financial liabilities	-	-	1.6	1.6	-	-	-
Interest-free short-term financial liabilities	-	-	18.3	18.3	-	-	-
Financial liabilities carried at amortized cost	**-**	**-**	**2 206.1**	**2 206.1**	**-**	**1 899.9**	**311.0**

There were no transfers between levels 1 and 2, or 2 and 3 during 2020 or 2019 for assets and liabilities that are measured at fair value.

The change in fair value of assets/liabilities categorized within level 3 is as follows:

Amounts in USD million	Other shares	Total
Total 31st December 2019	**-**	**-**
Acquisition	0.2	**0.2**
Change in fair value recognized in other comprehensive income	-	-
Total 31st December 2020	**0.2**	**0.2**

Below is a description of the valuation techniques used for significant financial assets and liabilities that were placed within level 3 of the fair value hierarchy year-end 2020. The fair value calculations are based on few observable inputs. The fair values are determined for disclosure purposes.

ASSET/LIABILITY	VALUATION TECHNIQUE
FINANCE LEASE RECEIVABLES – TANKERS	**Discounted cash flows:** The estimated cash flows used in the calculations reflects the bareboat contracts for the ten chemical tankers, four product tankers, two suezmax tankers and four VLCC crude tankers accounted for as finance leases. As the charter rates are subject to a LIBOR adjustment, the three months forward LIBOR curve has been applied in the calculations. The cash flows also include unguaranteed residual values of USD 181.0 million. The estimated cash flows are discounted using an annual discount rate of 4.8% p.a. (5.5% p.a. in 2019). This gives a fair value of USD 791.4 million (USD 1,183.7 million year-end 2019).
FINANCE LEASE RECEIVABLES – CONTAINER VESSELS	**Discounted cash flows:** The estimated cash flows used in the calculations reflects the bareboat contracts for the four container vessels accounted for as finance leases. As the charter rates are subject to a LIBOR adjustment, the three months forward LIBOR curve has been applied in the calculations. The cash flows also include unguaranteed residual values of USD 22.2 million. The estimated cash flows are discounted using an annual discount rate of 4.8% p.a. (5.4% p.a. in 2019). This gives a fair value of USD 104.3 million (USD 115.8 million in 2019).
FINANCE LEASE RECEIVABLES – OTHER SHIPPING	**Discounted cash flows:** The estimated cash flows used in the calculations reflects the bareboat contracts for the fifteen dry bulk vessels and one gas carrier accounted for as finance leases. As the charter rates are subject to a LIBOR adjustment, the three months forward LIBOR curve has been applied in the calculations. The cash flows also include unguaranteed residual values of USD 28.1 million. The estimated cash flows are discounted using an annual discount rate of 4.8% p.a. (5.5% p.a. in 2019). This gives a fair value of USD 376.2 million (USD 334.9 million in 2019).
FINANCE LEASE RECEIVABLES – OTHER OIL SERVICE	**Discounted cash flows:** The estimated cash flows used in the calculations reflects the bareboat contract for the vessel Aker Wayfarer. As part of the charter rate is subject to a LIBOR adjustment, the three months forward LIBOR curve has been applied in the calculations. The cash flow also includes an unguaranteed residual value of USD 57.7 million. The estimated cash flows are discounted using an annual discount rate of 4.7% p.a. (5.4% p.a. in 2019). This gives a fair value of USD 194.4 million (USD 223.3 million year-end 2019).
BOND DEBT	**Quoted price close to year-end:** The fair value has been calculated by using the last quoted price in 2020. As there have been limited transactions related to the bond debt, there are limited observable inputs, and the fair value calculation have thus been placed within level 3 in the fair value hierarchy. As the quoted prices relates to transactions between market participants they are considered to reflect fair values. As of year-end 2020 the total fair value of the bond debt is considered to be USD 220.6 million (USD 311.0 million year-end 2019), which equals 98.4% of the amount outstanding as of 31st December 2020.

NOTE 25 TRANSACTIONS AND AGREEMENTS WITH RELATED PARTIES

Ocean Yield's largest shareholder, with 61.7% of the shares as of year-end 2020, is Aker Capital AS, a wholly owned subsidiary of Aker ASA. Aker ASA's main shareholder is TRG Holding AS, controlled by Kjell Inge Røkke through The Resource Group TRG 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 the Ocean Yield Group.

TRANSACTIONS WITH KJELL INGE RØKKE AND TRG AS

Ocean Yield does not have any material outstanding accounts, neither has there been any transactions during 2020 with Kjell Inge Røkke except remuneration as a board member in Ocean Yield ASA (see note 26).

TRANSACTIONS WITH AKER ASA

The Group has a service agreement with Aker ASA which provides certain financial and administration services to Ocean Yield ASA and its subsidiaries. In 2020 the Group has paid USD 61,000 to Aker ASA for such services. No guarantees have been given or received between the parties.

TRANSACTIONS WITH AKER CAPITAL AS

In June, Ocean Yield entered into an agreement with Aker Capital AS ("Aker") whereby Aker acquired from Ocean Yield 50% interest in 7 tankers with long-term charters. Aker paid USD 10.2 million for 50% of the shares in the two new holding companies, which was equal to the book values. Ocean Yield continues to guarantee the senior secured bank debt against a guarantee fee. The transaction was carried out in order to strengthen Ocean Yield's balance sheet in light of the increased market volatility caused by the COVID-19 pandemic. The transaction was conducted on arm's lengths basis and in accordance with Ocean Yield's principles for related party transactions. Skandinaviska Enskilda Banken AB has provided a fairness opinion for Ocean Yield.

TRANSACTIONS WITH AKASTOR ASA

The subsea, construction vessel Aker Wayfarer is chartered to AKOFS Offshore AS (AKOFS), a company owned 50% by Akastor ASA, until 2027. AKOFS has options to purchase the vessel in 2021, 2026 and 2027. In 2020 the Group has received USD 37.3 million in charter hire on the vessel.

TRANSACTIONS WITH FORNEBUPORTEN AS

Ocean Yield entered in 2014 into an office lease agreement with Fornebuporten AS, (an associated company of TRG AS), for offices located at Fornebu, near Oslo. The offices were completed in the third quarter 2015. The lease period is seven years. Ocean Yield has the option to extend the lease period with 5 + 5 years.

TRANSACTIONS WITH AKER BP ASA

In 2017 Ocean Yield acquired the two platform supply vessels NS Orla and NS Frayja, built in 2014. Both vessels are on long term charters to Aker BP ASA, with approximately 12 years remaining from delivery to Ocean Yield. In 2020 the Group has received USD 12.6 million in charter hire on these vessels.

TRANSACTIONS WITH SOLSTAD OFFSHORE ASA

The Chairman of the Board, Frank Reite, is also a Board member in Solstad Offshore ASA ("Solstad"). In 2020 the restructuring agreement between Ocean Yield's subsidiary F-shiplease AS and Solstad for the vessels Far Senator and Normand Statesman was closed. The previous lease agreements for the vessels were replaced with new lease agreements with a duration of 4 years with a variable charter rate. The transaction was conducted in accordance with Ocean Yield's principles for related party transactions. The Chairman did not participate in the negotiations.

TRANSACTIONS WITH EMPLOYEES OF OCEAN YIELD ASA

The Executive team of Ocean Yield ASA and certain other key employees have acquired shares in Ocean Yield ASA during 2020 as part of the Company's incentive scheme. For more information regarding the incentive scheme and shares owned by the executive team see note 26, 27 and 28.

At the Annual General Meeting held 25th April 2019 the General Meeting granted loans to the Executive team and certain other key employees for the purpose of acquiring shares in Ocean Yield ASA. For more information regarding the loans to the Executive team see note 26.

NOTE 26 SALARY AND OTHER REMUNERATION TO THE BOARD OF DIRECTORS, CEO AND CFO REMUNERATION TO THE BOARD OF DIRECTORS

Amounts in USD	2020	2019
Frank O. Reite (Chairman)	57 444	61 338
Kjell Inge Røkke (Deputy chairman)	40 424	43 164
Jens Ismar (Board member)	40 424	43 164
Anne-Christin Døvigen (Board member, audit committee member)	44 679	47 707
Annicken Gann Kildahl (Board member, chairman of audit committee)	47 870	51 115
Total	**230 841**	**246 487**

According to policy in Aker, fees to directors employed in Aker companies will be paid to the Aker company where the director is employed, and not to the director in person. Therefore, the remuneration for Frank O. Reite was paid to Aker ASA in 2019. The board fee for Kjell Inge Røkke was paid to The Resource Group TRG AS in 2020 and 2019.

DIRECTIVE OF REMUNERATION OF THE CEO AND CFO

The accumulated remuneration to the CEO and CFO consists of a fixed salary, standard pension- and insurance terms for employees and a variable salary (see section Incentive scheme). The main purpose of the system for management remuneration is to stimulate a strong and lasting profit oriented culture leading to an increasing value of the Company. The CEO and CFO are members of a collective pension and insurance scheme applicable to all employees. The collective pension and insurance scheme is for salaries up to 12G.

INCENTIVE SCHEME

In 2013, Ocean Yield ASA implemented an incentive scheme pursuant to which the CEO and CFO and certain other key employees are entitled to bonuses calculated on the basis of the development of the market price of the shares and dividends paid on the shares.

Under the incentive scheme, a specified number of synthetic shares are allocated to the scheme participants. Each scheme participant annually receives a cash bonus equal to the difference of a base price and the average closing price of the shares on the Oslo Stock Exchange on the five last trading days during a relevant year and the five first trading days in the following year, multiplied by the number of synthetic shares allocated to that scheme participant (a “Share Price Increase Bonus”). Each scheme participant further receives an amount equal to the dividend paid per share multiplied by the number of synthetic shares allocated to that scheme participant, as of the date of payment of any such dividend on the shares (a “Dividend Bonus”). The scheme participant can further request to acquire shares for an amount equal to the Share Price Increase Bonus or the Dividend Bonus. In such cases, the shares shall be subscribed or purchased by the scheme participant at a price equal to the closing price less 20%. The shares must be owned by the scheme participant for three years.

REMUNERATION TO THE CEO AND CFO

Lars Solbakken is the CEO of Ocean Yield ASA. His appointment can be terminated by both parties with 3 months’ notice. If the contract is terminated by the company, Lars Solbakken has the right to 3 months’ notice and 3 months’ salary from the date of termination. This salary will not be paid if he continues in another company within the Aker group.

The remuneration plan for Lars Solbakken includes a fixed salary, standard pension- and insurance plan for employees and he is part of the incentive scheme that was implemented in 2013. In 2020 Lars Solbakken has been allocated 1,100,000 synthetic shares under the incentive scheme. Lars Solbakken had a fixed salary of USD 439,072 (USD 489,142 in 2019), and earned a bonus of USD 254,822 (USD 976,322 in 2019). The value of additional remuneration was USD 3,283 in 2020 (USD 5,556 in 2019) and net pension expense was USD 30,720 (USD 34,414 in 2019).

Eirik Eide is the CFO of Ocean Yield ASA. His appointment can be terminated by both parties with 3 months’ notice. The remuneration plan for Eirik Eide includes a fixed salary, standard pension and insurance plan for employees and he is part of the incentive scheme that was implemented in 2013. In 2020 Eirik Eide has been allocated 380,000 synthetic shares under the incentive scheme. Eirik Eide had a fixed salary of USD 287,934 (USD 310,555 in 2019), and earned a bonus of USD 387,2018, of which USD 300,959 was discretionary (USD 526,704 in 2019). The value of additional remuneration was USD 2,021 (USD 1,889 in 2019) and the net pension expense was USD 19,364 (USD 20,182 in 2019). At the Annual General Meeting held 25th April 2019 a loan of USD 468,790 was granted to Eirik Eide for the purpose of acquiring shares in Ocean Yield ASA. Interest is calculated at a rate equal to the prevailing “normrente” for loans to employees as published by the Norwegian Tax Authorities. The loan facility has a tenor of five years, and any amount outstanding shall be repaid at the latest six months after termination of Eirik Eide’s employment contract. As of year-end 2020 Eirik Eide has borrowed USD 234,395 under this loan facility.

The CEO and CFO have no other remuneration than what is described above.

NOTE 27 SHARES OWNED BY THE BOARD OF DIRECTORS, CEO AND CFO

As of 31st December 2020 the Board of Directors, CEO and CFO owned the following number of shares in Ocean Yield ASA:

Lars Solbakken, CEO1)	1 700 880
Eirik Eide, CFO2)	410 051
Kjell Inge Røkke, board member3)	280 800
Frank O. Reite (Chairman)4)	61 111
Anne-Christin Døvigen, board member5)	57 400
Jens Ismar, board member	40 000

1) Shares owned by the company Finmarine AS, which is 100% owned by Lars Solbakken

2) Shares owned by Eirik Eide and the company Kleiver Invest AS, which is 100% owned by Eirik Eide

3) Shares held directly by Kjell Inge Røkke. In addition Kjell Inge Røkke owns 96.5% of The Resource Group TRG AS (TRG AS) which in turn owns 99.71% of TRG Holding AS, which again owns 68.18% of Aker ASA. Aker ASA owns 100% of Aker Capital AS, which is the largest shareholder of Ocean Yield ASA, with 61.7% ownership.

4) Shares owned by the company Fausken Invest AS, which is 100% owned by Frank O. Reite

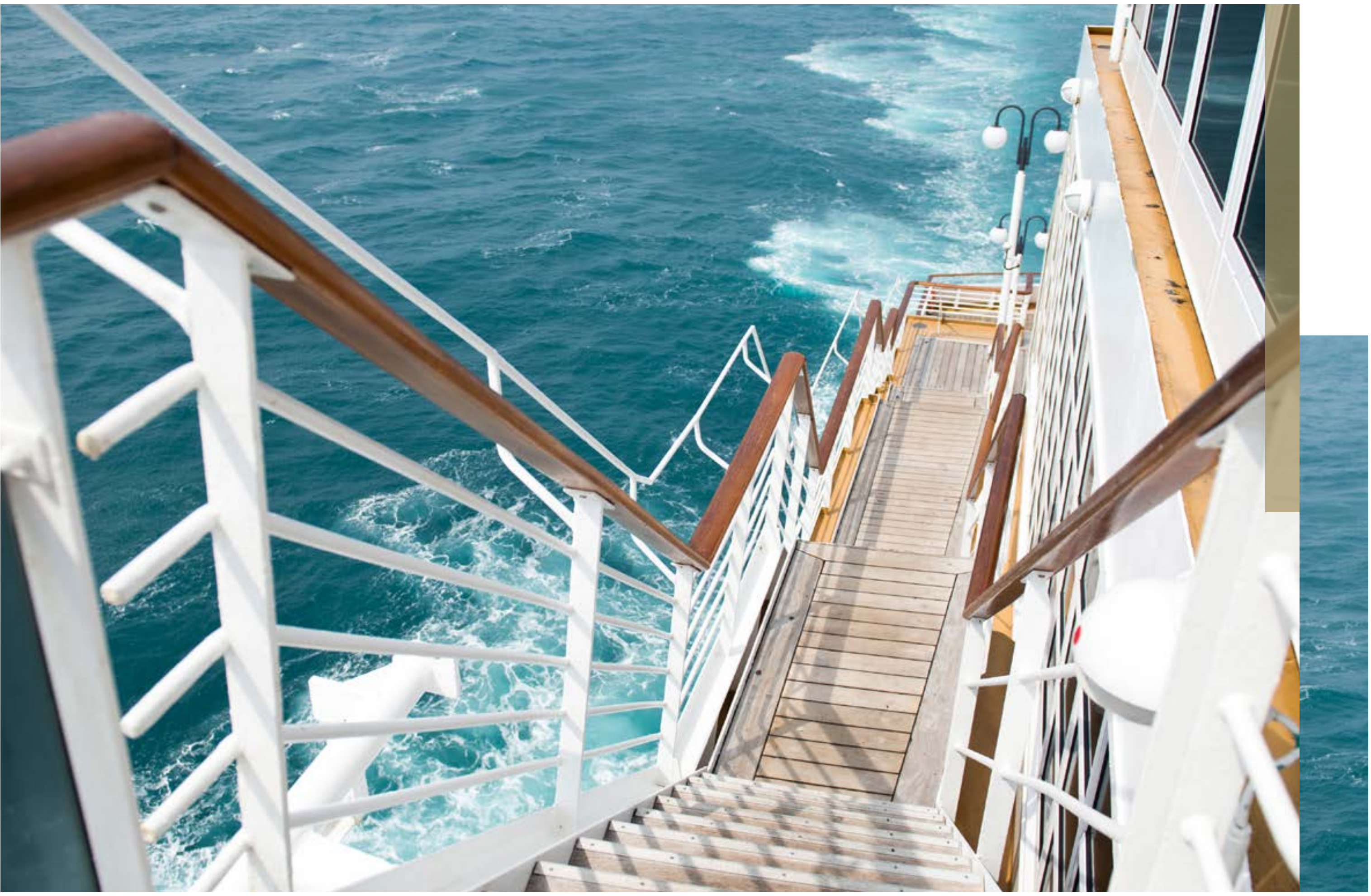
5) Includes 25,000 shares owned by Ms Døvigen’s spouse

NOTE 28 SHARE-BASED PAYMENT ARRANGEMENTS

The Group had at year-end 2020 and 2019 the following share-based payment arrangements:

SHARE PRICE INCREASE BONUS (CASH SETTLED)

Amounts in USD million	2020	2019
Cash-settled share-based payment liability	-	-
Total expenses related to share-based payments	**-**	**-**



In 2013, Ocean Yield ASA implemented an incentive scheme pursuant to which the CEO and CFO and certain other key employees are entitled to bonuses calculated on the basis of the development of the market price of the shares and dividends paid on the shares. For more information about the incentive scheme see note 26.

As this bonus is based on the development of the market price of the shares in Ocean Yield, it is accounted for in accordance with IFRS 2. A part of the bonus may be settled in shares, and the scheme participant can require that the entire share price increase bonus is settled in shares rather than cash. However, as the Group has an obligation to settle most of the bonus in cash, the bonus is treated as a cash settled arrangement.

The fair value of the liability year-end is calculated as the difference between the share price as of 1st January (NOK 48.00 in 2020) and the closing price of the shares as of 31st December (NOK 26.55 in 2020), multiplied by the number of synthetic shares allocated to the scheme participant. Any bonus payment is subject to a high watermark on the share price. A total of 2.5 million synthetic shares have been allocated to the scheme participants.

NOTE 29 CONTINGENCIES AND LEGAL CLAIMS

Aker Contracting FP ASA ("Aker Contracting"), a non-guaranteed subsidiary of Ocean Yield, has received a notice from Indian authorities regarding a potential tax claim related to the previous contract for the FPSO Dhirubhai-1. The amount of the potential tax claim is uncertain. Aker Contracting disputes that there is any legal basis for the claim and has obtained legal advice supporting their position. The matter has been referred to in Indian courts.

NOTE 30 EVENTS AFTER THE BALANCE SHEET DATE

After the end of the year, Scorpio Bulkers Inc., who has taken a strategic decision to exit the dry-bulk sector, declared options to sell five dry-bulk vessels to unrelated third parties. Ocean Yield will receive total proceeds of about USD 100 million from the sales. Delivery of the vessels is expected during first half of 2021.

Also after year-end, Navig8 Chemical Tankers Inc. declared the five-year purchase option on the chemical tanker Navig8 Topaz. The vessel will be delivered in July 2021. Ocean Yield ASA will receive net cash proceeds after repayment of debt of about USD 12 million.

Also after year-end, Ocean Yield signed a new loan agreement for a refinancing of the five PCTC vessels on long-term charter to Höegh Autoliners. The loan facility was maturing in June 2021 and have been extended by another four years.

In February 2021 Ocean Yield exercised the call option in accordance with the bond agreement to prepay NOK 200 million outstanding under the bond issue OCY04. After settlement, which will take place 8 April 2021, the amount outstanding will be NOK 227 million.

OCEAN YIELD ASA FINANCIAL STATEMENTS AND NOTES

Ocean Yield ASA Income statement

Amounts in USD million	Note	2020	2019
Total revenues		**0.6**	**14.0**
Salaries and other personnel related expenses	3	-3.6	-4.8
Other operating expenses	4	-1.6	-2.4
Depreciations		-0.1	-0.1
Operating profit (+)/loss (-)		**-4.6**	**6.8**
Income from investment in subsidiaries	5,8	-195.9	262.5
Financial Income	5	7.6	62.9
Financial Expenses	5	-38.8	-100.9
Net profit before tax		**-231.7**	**231.3**
Income tax expense (-) / benefit (+)	6	1.3	-1.2
Net profit after tax		**-230.3**	**230.1**
Allocation of profit/loss for the year:			
Profit (+) / loss (-)		-230.3	230.1
Dividend		-35.8	-124.6
Transferred from other paid-in capital		130.6	30.5
Transferred from (+) / allocated to (-) retained earnings		135.5	-135.9
Total		**-**	**-**

Ocean Yield ASA Balance Sheet at 31st December

Amounts in USD million	Note	2020	2019
ASSETS			
Fixed assets		0.1	0.1
Shares in subsidiaries	7	888.9	1 226.6
Long-term interest-bearing receivables from Group companies	8	547.7	1 034.3
Long-term interest-bearing receivables and other shares	9	1.6	22.3
Total non-current assets		**1 438.3**	**2 283.2**
Short-term interest-free receivables from Group companies	8	36.1	27.3
Other short-term receivables		0.1	0.1
Cash and cash equivalents	10	53.9	128.7
Total current assets		**90.1**	**156.0**
Total assets		**1 528.4**	**2 439.3**
EQUITY AND LIABILITIES			
Share capital		271.0	271.0
Treasury shares		-0.0	-0.1
Other paid-in capital		227.7	355.0
Total paid-in equity		**498.7**	**625.9**
Retained earnings		-	135.2
Total retained earnings		**-**	**135.2**
Total equity	11	**498.7**	**761.1**
Long-term interest-bearing liabilities to Group companies	8	3.9	-
Long-term interest-bearing debt	12	641.9	869.1
Bond debt	12	347.6	431.2
Pension liabilities		0.0	0.0
Other long-term liabilities	14	12.0	22.2
Total non-current liabilities		**1 005.5**	**1 322.5**
Short-term interest-bearing liabilities to Group companies	8	5.9	290.9
Short-term interest-free liabilities to Group companies	8	0.8	0.9
Dividend		9.3	33.5
Other short-term liabilities	15	8.2	30.4
Total current liabilities		**24.2**	**355.7**
Total liabilities		**1 029.7**	**1 678.1**
Total equity and liabilities		**1 528.4**	**2 439.3**

BÆRUM, 22ND MARCH 2021
OCEAN YIELD ASA

FRANK O. REITE
CHAIRMAN

KJELL INGE RØKKE
DIRECTOR

JENS ISMAR
DIRECTOR

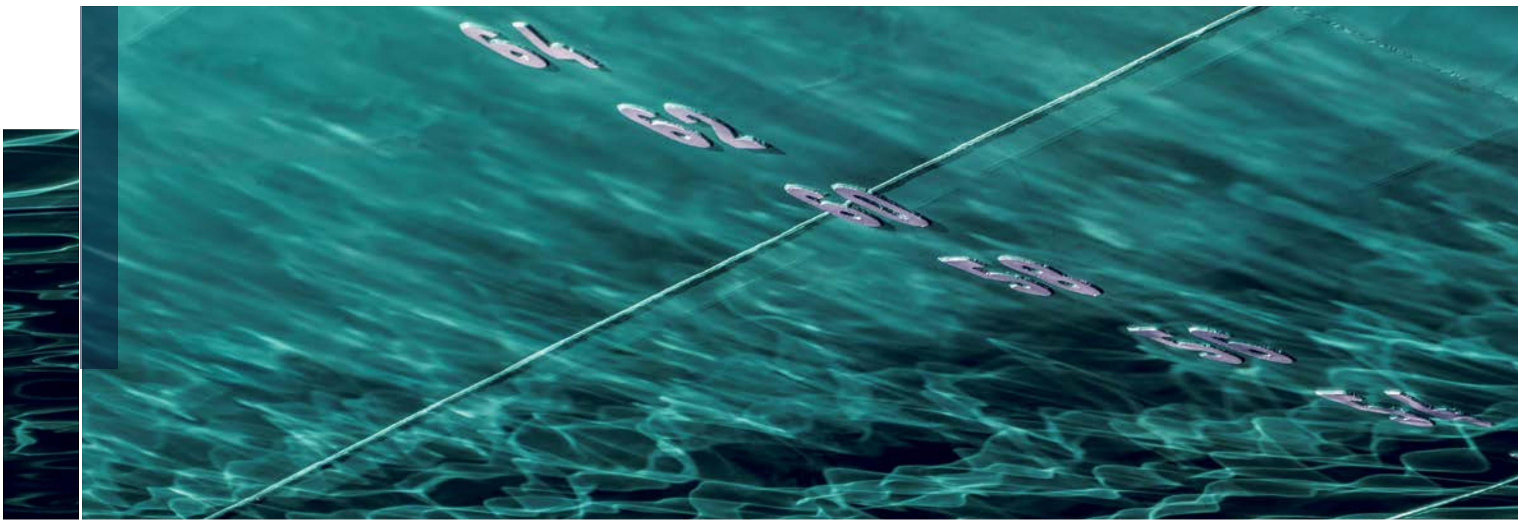
ANNE-CHRISTIN DØVIGEN
DIRECTOR

ANNICKEN GANN KILDAHL
DIRECTOR

LARS SOLBAKKEN
CEO

Ocean Yield ASA Cash Flow Statement

Amounts in USD million	2020	2019
Net profit before tax	-231.7	231.3
Dividends and group contributions from subsidiaries	-26.7	-
Gain/loss/write-downs from investment in subsidiaries	222.6	148.4
Net interest income	17.6	37.0
Interest paid	-56.6	-71.9
Interest received	44.8	49.5
Foreign exchange gain/losses	-4.8	-9.2
Unrealized loss on derivatives and impairment charges on financial assets	-28.1	2.1
Change in other short-term items	1.2	2.6
Cash flow from operating activities	**-61.8**	**389.8**
Proceeds from liquidation of subsidiaries	-	2.4
Dividends and group contributions received from subsidiaries	-	3.2
Net change in long-term interest-bearing receivables from Group Companies	334.8	-51.3
Net change in long-term interest-bearing receivables	19.7	-35.1
Net change in other shares	1.0	-
Cash flow from investing activities	**355.5**	**-80.9**
Proceeds from issuance of interest-bearing long-term external debt	86.6	230.9
Repayment of interest-bearing long-term external debt	-397.4	-236.1
Proceeds from issuance of interest-bearing long-term debt to Group companies	3.9	-
Proceeds from issuance of interest-bearing short-term debt to Group companies	0.0	231.9
Repayment of interest-bearing long-term debt to Group companies	-	-0.1
Repayment of interest-bearing short-term debt to Group companies	-0.0	-413.8
Dividends paid	-60.0	-121.6
New equity	-	77.3
Net change in treasury shares	0.0	-0.6
Cash flow from financing activities	**-366.7**	**-232.2**
Cash flow for the year	-73.0	76.7
Cash and cash equivalents at January 1st	128.7	49.5
Exchange rate differences	-1.7	2.5
Cash and cash equivalents at December 31st	**53.9**	**128.7**



NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 ACCOUNTING PRINCIPLES

Ocean Yield ASA is a company domiciled in Norway. The financial statements are prepared in accordance with Norwegian legislations and Norwegian generally accepted accounting principles.

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The functional currency and presentation currency of Ocean Yield ASA is USD, as this is the primary economic environment in which Ocean Yield ASA and its subsidiaries operate.

REVENUE RECOGNITION

Revenue is recognized when the service is provided. The company is providing certain management services and other services to its subsidiaries. These services comprise of advisory services in areas of business strategy, financing and accounting.

INVESTMENTS IN SUBSIDIARIES

Subsidiaries are entities over which Ocean Yield ASA has control. Investments in subsidiaries are accounted for using the cost method in the parent company accounts. The investments are valued at cost less impairment losses. Write-down to fair value are according to good accounting practice recognized when the impairment is not considered to be temporary and reversed if the basis for the write-down is no longer present.

DIVIDENDS FROM SUBSIDIARIES

Dividends, group contributions and other distributions from subsidiaries are recognized in the same year as they are recognized in the financial statement of the provider. Dividends, group contributions and other distributions are usually recognized in the profit and loss as financial income. Whenever dividends exceeds the share of retained profit after the acquisition, the excess represents a refund of invested capital, and the dividend is subtracted from the value of the investment in the balance sheet.

CLASSIFICATION AND VALUATION OF BALANCE SHEET ITEMS

Current assets and current liabilities comprise of items that are due within one year from the time of acquisition. Other items are classified as non-current asset / non-current liability. Short-term portion of long-term debt is however classified as non-current liability.

Current assets are valued at the lower of acquisition cost and fair value. Short-term debt is recognized at its nominal value at the time of recognition.

Non-current assets are valued at acquisition cost but written-down to fair value if impairment is not expected to be temporary. Long-term debt is initially recognized at its nominal value. Subsequent to initial recognition, interest-bearing long-term debt is stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowing on an effective interest basis.

RECEIVABLES

Trade receivable and other receivables are carried at par value after subtraction of provision for expected loss. Provision for loss is made based on individual assessments of each receivable.

FOREIGN CURRENCY

Transactions in foreign currency are translated into USD using the exchange rate at the time of transaction. Monetary items in foreign currency are valued at the rate of foreign exchange on the balance sheet date. Non-monetary items that are measured at historic cost in foreign currency are translated into USD using the exchange rate at the time of transaction. Non-monetary items that are measured at fair value in a foreign currency are translated into USD using the exchange rate at the date of measurement. Valuation changes due to exchange rate fluctuations are recorded on a continuous basis under other financial items.

DERIVATIVES
Foreign exchange contracts that do not qualify for hedge accounting are recognized at fair value. Other derivatives that do not qualify for hedge accounting are recognized at the lowest of fair value and cost. Changes in fair value are reported as financial income/expense.

TAX
The tax cost in the profit and loss statement includes both tax payable for the period and changes in deferred tax.

Deferred tax is calculated based on the temporary differences that exist between accounting and tax values, and tax losses carried forward at the end of the accounting year. Tax increasing and tax decreasing temporary differences which reverse or can be reversed in the same period are offset. Net deferred tax assets are recognized to the extent that it is probable that they can be utilized.

CASH FLOW STATEMENT
The cash flow statement is prepared according to the indirect method. Cash and cash equivalents consist of cash, bank deposits and other current, liquid investments.

THE USE OF ESTIMATES
The preparation of the financial statements, under the generally accepted accounting principles, requires that management uses the best estimates and assumptions that affect the profit and loss statement, the valuation of assets and liabilities as well as information regarding disclosure of contingent assets and liabilities on balance sheet date.

Contingent losses that are probable and quantifiable are expensed on an ongoing basis.

NOTE 2 FINANCIAL MARKET RISK

The Company is exposed to several types of financial risk, the most significant of which are credit, liquidity, foreign exchange and interest rate risk. The purpose of risk management is to measure and manage financial risks in a reliable manner, in order to increase predictability and simultaneously minimise any negative impacts on Ocean Yield's financial results.

The spread of the corona virus, combined with a significant drop in the oil price created substantial volatility in both the shipping- and financial markets in 2020. Should any of the counterparties chartering vessels from Ocean Yield ASA's subsidiaries trigger defaults under current bareboat contracts, this could reduce payments and dividends to the Company from its subsidiaries. However, even though certain shipping segments were negatively affected by the pandemic, a strong recovery was seen in several segments. Also, the tanker market was strong during the first half of the year. For the Ocean Yield Group, all counterparties performed in accordance with their contracts during the year and there we no defaults in the portfolio.

CREDIT RISK
Credit risk relates to loans to subsidiaries, loan and deposits with external banks.

Cash and cash equivalents are held with banks and financial institutions with sound credit-ratings. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations.

LIQUIDITY RISK
Liquidity risk is the risk that Ocean Yield ASA will be unable to fulfil 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 liabilities when due. Management monitors monthly forecasts of the liquidity reserve on the basis of expected cash flows.

CURRENCY RISK
Ocean Yield ASA and its subsidiaries operate in the international market which leads to various types of currency exposure. Ocean Yield ASA's functional currency is USD. The currency exposure in Ocean Yield ASA is primarily related to NOK. Operating expenses and the bond debt are denominated in NOK. To reduce the currency effect Ocean Yield ASA has entered into interest and currency swaps. As of year-end 2020 Ocean Yield ASA has five cross currency swaps, where NOK 1,650 million has been swapped from floating rate in NOK to floating rate in USD. Total outstanding debt in NOK as of year-end 2020 was NOK 1,912.0 million.

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. Ocean Yield ASA has prepared guidelines for management of interest rate risks. The interest rate policy of Ocean Yield defines levels for the hedging of expected future cash flows. As of year-end 2020 Ocean Yield has four interest rate swaps, where floating rate payments have been swapped to fixed.

Also see Note 5 in the consolidated financial statements for Ocean Yield ASA Group.

NOTE 3 SALARIES AND OTHER PERSONNEL EXPENSES

Salaries and other personnel expenses consist of the following:

Amounts in USD million	2020	2019
Salaries	2.9	4.0
Social security contribution	0.4	0.6
Pension cost	0.1	0.1
Other benefits	0.1	0.1
Total salaries and other personnel expenses	**3.6**	**4.8**
Average number of employees	7	7
Full time employee equivalents	7	7

NOTE 4 OTHER OPERATING EXPENSES

Auditor's fee is included in other expenses and consists of the following:

Amounts in USD thousand	2020	2019
Ordinary audit	112.8	116.1
Tax advisory services	8.6	7.6
Other non-audit services	36.4	-
Total	**157.7**	**123.7**

NOTE 5 FINANCIAL ITEMS

Amounts in USD million	2020	2019
Dividends and group contributions from subsidiaries	26.7	410.9
Write down of shares in subsidiaries	-70.8	-74.6
Write down on receivables to subsidiaries	-151.8	-64.0
Net loss from dissolution of subsidiaries	-	-9.9
Income from investment in subsidiaries	**-195.9**	**262.5**
Interest income from companies within the Group	44.4	52.6
Other interest income	0.5	5.4
Net foreign exchange gain	-37.2	4.9
Financial income	**7.6**	**62.9**
Interest expenses to Group companies	-4.9	-17.8
Other interest expenses	-57.3	-77.2
Unrealized loss on interest and currency exchange swaps	28.2	-2.1
Impairment of interest-bearing receivables and other shares	-	-0.8
Loss from sale of other shares	-0.1	-
Other financial expenses	-4.6	-3.0
Financial expenses	**-38.8**	**-100.9**

Write down of shares in subsidiaries of USD 70.8 million in 2020 is mainly related to the investments in Connector 1 AS and F-shiplease AS. Write down on receivables to subsidiaries of USD 151.8 million is related to interest-bearing receivables against Aker Contracting FP ASA and Connector 1 AS.

Write down of shares in subsidiaries of USD 74.6 million in 2019 is related to the investments in Aker Floating Production AS, Connector 1 AS and OCY FPSO AS. Write down on receivables to subsidiaries of USD 64.0 million is related to interest-bearing receivables against Aker Contracting FP ASA and Ocean Operations AS. Impairments of interest-bearing receivables and other shares of USD 0.8 million in 2019 is related to the shares in Solstad Offshore ASA.

NOTE 6 INCOME TAX

The table below shows the difference between accounting and tax values at the end of 2020 and 2019 respectively, as well as changes in the differences, deferred tax assets at the end of each year and the change in deferred tax assets.

Amounts in USD million	2020	2019
Differences in interest and currency swaps	-15.9	-44.0
Loan fees amortised	5.7	8.4
Other	0.0	0.1
Total differences	**-10.2**	**-35.6**
Tax losses carried forward	-89.1	-78.2
Total deferred tax basis	**-99.2**	**-113.7**
Net deferred tax asset (22%)	-21.8	-25.0
Not recognized deferred tax asset	21.8	25.0
Recognized deferred tax asset	**-**	**-**

Estimated taxable profit

Amounts in USD million	2020	2019
Net profit before tax	-231.7	231.3
Permanent differences in net non-taxable income (-) / expenses (+)	240.0	-260.5
Change in temporary differences	-25.4	5.1
Expenses recorded against equity	-	-0.8
Group contribution recognized directly against shares in subsidiaries	6.1	-
Tax losses for which no deferred income tax asset was recognized	10.9	24.9
Estimated taxable income	**-**	**-**
Tax payable (22%) in the profit and loss account	-	-

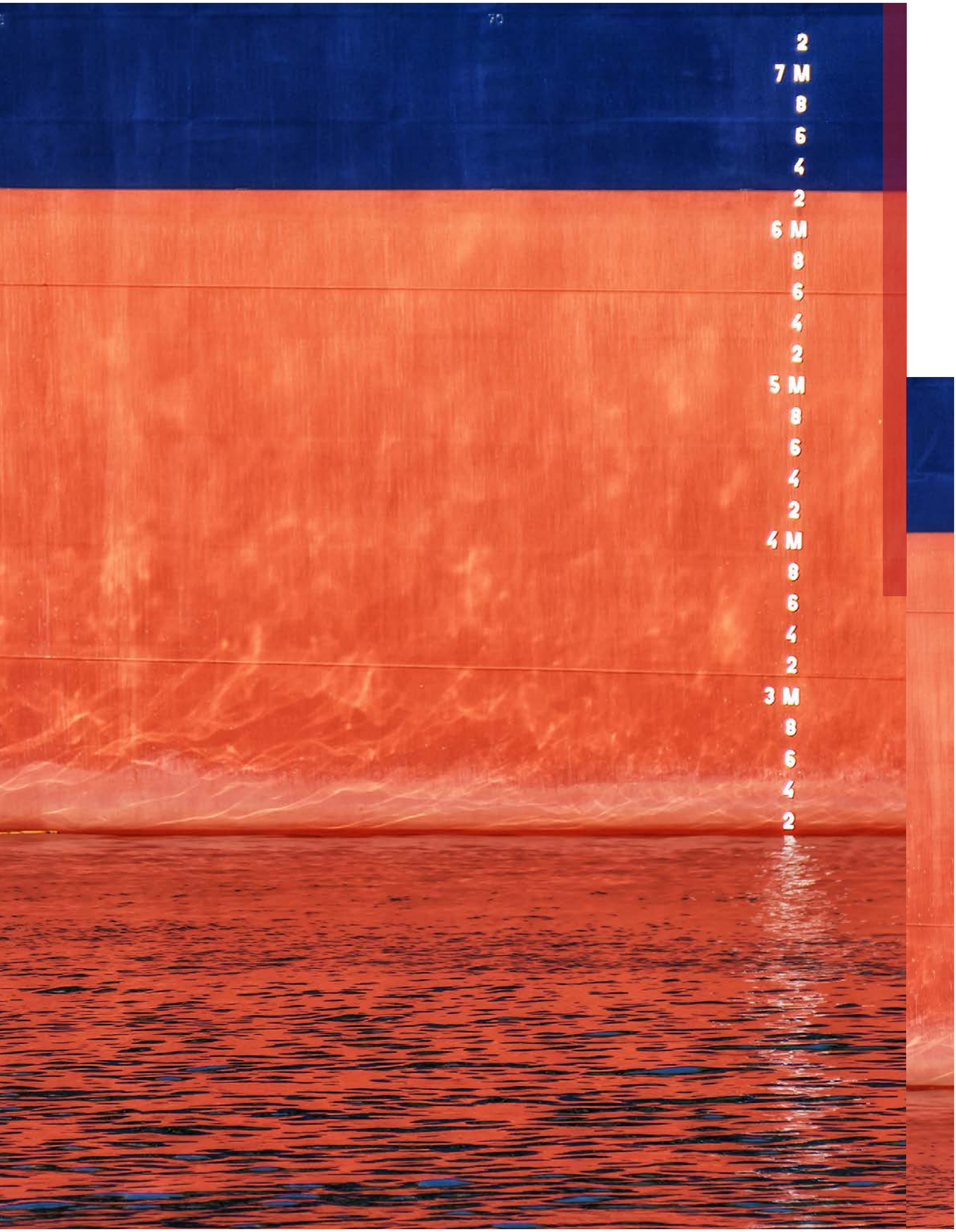
Income tax expense/income:

Amounts in USD million	2020	2019
Tax payable	-	-
Change in deferred tax	1.3	-1.2
Total income tax expense (-) / benefit(+)	**1.3**	**-1.2**

The figures above are based on estimates of different non-deductible taxable income, non-deductible items and differences between accounting and tax items. The final calculations will be made in the income-tax return and may differ from estimates above.

Explanation as to why income tax expense/benefit differs from 22% of net profit before tax:

Amounts in USD million	2020	2019
22 % tax on net profit before tax	51.0	-50.9
22% tax on permanent differences	-52.8	57.3
Not recognized deferred tax asset	3.2	-7.6
Estimated income tax expense (-) / benefit(+)	**1.3**	**-1.2**
Effective tax rate	0.6 %	0.5 %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NOTE 7 SHARES IN SUBSIDIARIES

Shares in subsidiaries include the following companies at 31st December 2020

Amounts in USD million	Ownership in %	Voting share in%	Location, city	Equity as of Dec. 31st 2020	Profit before tax 2020	Book value
Aker Floating Production AS*	100	100	Lysaker, Norway	-182.2	-114.0	-
Connector 1 AS	100	100	Lysaker, Norway	-44.2	-117.0	-
F-Shiplease AS*	100	100	Lysaker, Norway	31.2	-5.1	31.2
Ocean Operations AS	100	100	Lysaker, Norway	0.1	0.2	0.1
Ocean Yield Malta Limited*	100	100	Floriana, Malta	1 014.8	97.7	857.5
OCY FPSO AS	100	100	Lysaker, Norway	-0.0	-0.0	0.0
OCY Invest AS	100	100	Lysaker, Norway	0.1	0.3	0.1
Total						**888.9**

• *100% of the Group's equity as of December 31st, and the Group's profit before tax 2020.*

NOTE 8 RECEIVABLES, BORROWINGS AND TRANSACTIONS WITH GROUP COMPANIES

Long-term interest-bearing receivables from Group companies consist of the following items:

Amounts in USD million	2020	2019
Long-term interest-bearing receivables from Group companies	547.7	1 034.3
Long-term interest-bearing receivables from Group companies	**547.7**	**1 034.3**

The receivables have a maturity of more than one year. Interest terms on the receivables are according to market.

Short-term interest free receivables from Group companies consist of the following items:

Amounts in USD million	2020	2019
Group contribution receivables	6.7	-
Incurred interest, not received, from Group companies	25.2	25.3
Other short-term receivables from Group companies	4.1	2.0
Short-term interest free receivables from Group companies	**36.1**	**27.3**

Long-term interest-bearing liabilities to Group companies consist of the following items:

Amounts in USD million	2020	2019
Long-term interest-bearing liabilities to Group companies	3.9	-
Long-term interest-bearing liabilities to Group companies	**3.9**	**-**

Long-term liabilities to Group companies have a maturity of more than five years and interest is set at market terms.

Short-term interest-bearing liabilities to Group companies consist of the following items:

Amounts in USD million	2020	2019
Short-term interest-bearing liabilities to Group companies	5.9	290.9
Short-term interest-bearing liabilities to Group companies	**5.9**	**290.9**

Short-term liabilities to Group companies have a maturity of less than one year and interest is set at market terms.

Short-term interest free liabilities to Group companies consist of the following items:

Amounts in USD million	2020	2019
Group contribution payable	0.8	-
Incurred unpaid interest, to Group companies	0.0	0.9
Other short-term interest free liabilities to Group companies	0.0	0.0
Short-term interest free liabilities to Group companies	**0.8**	**0.9**

DIVIDENDS AND GROUP CONTRIBUTIONS RECEIVED FROM GROUP COMPANIES:

Amounts in USD million	2020	2019
Dividends from Group companies	26.1	410.9
Group contributions received from Group companies	0.6	-
Dividends and group contributions received from Group companies	**26.7**	**410.9**

NOTE 9 LONG-TERM INTEREST-BEARING RECEIVABLES AND OTHER SHARES

Long-term interest-bearing receivables and other shares consist of the following:

Amounts in USD million	2020	2019
Restricted deposits	1.2	20.9
Shares in Solstad Offshore ASA	-	1.0
Other long-term interest-bearing receivables	0.4	0.4
Long-term interest-bearing receivables and other shares	**1.6**	**22.3**

RESTRICTED DEPOSITS

The restricted funds as of year-end 2020 are related to several of the Company's cross currency interest rate swaps, where a security deposit is needed when the negative value of the swaps exceeds certain thresholds.

SHARES IN SOLSTAD OFFSHORE ASA

During 2020 the Company has sold all of its shares in Solstad Offshore ASA, recognizing a loss of USD 0.1 million.

NOTE 10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are distributed as follows:

Amounts in USD million	2020	2019
Cash restricted	0.2	0.3
Cash unrestricted	53.7	128.3
Cash and cash equivalents	**53.9**	**128.7**

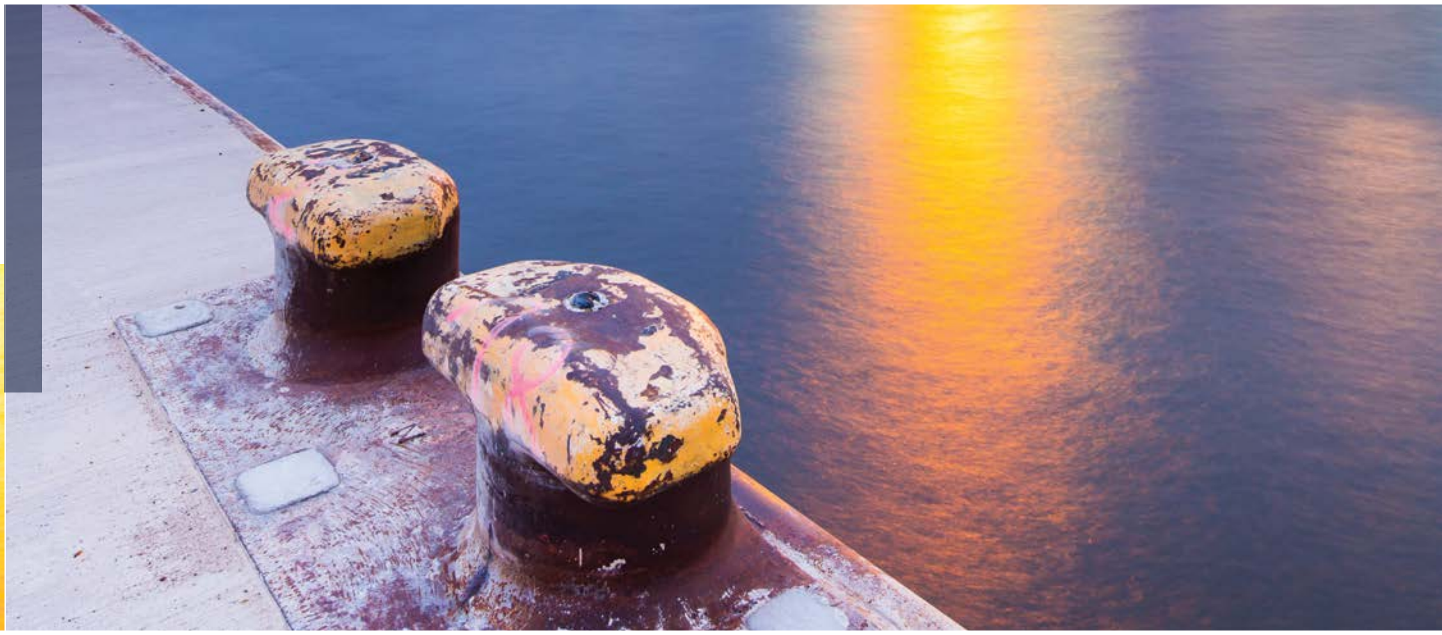
In addition Ocean Yield ASA has USD 1.2 million in restricted cash classified as long-term assets (see note 9).

NOTE 11 SHAREHOLDERS EQUITY

Changes in shareholder's equity is as follows:

Amounts in USD million	Share capital	Treasury shares	Other paid in capital	Retained earnings	Total equity
Shareholders equity 31st December 2018	**253.7**	**-0.1**	**325.5**	**-**	**579.1**
Dividend	-	-	-30.5	-94.2	-124.6
Net profit (loss) for the year	-	-	-	230.1	230.1
Issuance of ordinary shares	17.3	-	60.7	-	78.0
Expenses related to issuance of shares, net of tax	-	-	-0.8	-	-0.8
Treasury shares acquired	-	-1.5	-	-	-1.5
Treasury shares sold	-	1.2	-	-0.3	0.9
Other changes	-	-	-0.0	-0.0	-0.1
Shareholders equity 31st December 2019	**271.0**	**-0.4**	**355.0**	**135.5**	**761.1**
Dividend	-	-	-35.8	-	-35.8
Net profit (loss) for the year	-	-	-94.8	-135.5	-230.3
Treasury shares acquired	-	-0.7	-	-	-0.7
Treasury shares sold	-	1.0	-0.2	-	0.7
Group contribution received 2019	-	-	3.6	-	3.6
Other changes	-	-	0.0	-	0.0
Shareholders equity 31st December 2020	**271.0**	**-0.1**	**227.8**	**-**	**498.7**

See note 19 in the consolidated financial statements for Ocean Yield ASA Group for information about paid in capital, largest shareholders and current board authorizations.



NOTE 12 INTEREST-BEARING DEBT

Change in Interest-bearing debt:

Amounts in USD Million	Debt to Group companies	Secured debt	Unsecured bond debt	2020	2019
Interest-bearing debt 1st January	**290.9**	**869.1**	**431.2**	**1 591.2**	**2 198.4**
New debt	4.0	86.6	-	**90.6**	462.8
Instalments	-0.0	-310.4	-	**-310.4**	-601.8
Other non-cash changes (netted against receivables etc)	-282.7	-	-	**-282.7**	-417.8
Repurchase	-	-	-87.3	**-87.3**	-48.0
Loss from repurchase	-	-	0.3	**0.3**	-0.2
Amortization of loan fees	-	3.3	0.8	**4.0**	4.2
Effect of movement in foreign exchange	-2.3	-6.7	2.6	**-6.4**	-6.3
Interest-bearing debt 31st December	**9.8**	**641.9**	**347.6**	**999.3**	**1 591.2**

SECURED DEBT

During 2020 several of the Company's bank loans have been repaid due to the sale of vessels;

- In June and July 2020, the vessels Navig8 Aquamarine and Navig8 Amessi were delivered to Navig8 Chemical Tankers following the exercise of the five year purchase options on the vessels.
- In June 2020 the vessel Höegh Xiamen caught fire and was later declared a total loss.
- The subsea construction and cable installation vessel Connector was sold at the end of the year.

In March 2020, the Company entered into a new loan facility for the financing of the newcastlemax vessel Mineral Qingdao, which was delivered to the Group in August 2020. The loan amount is USD 37.1 million and the facility has a tenor of 7 years.

In September 2020, the Group entered into a new loan facility for the refinancing of the chemical tankers Navig8 Azotic and Navig8 Aronaldo for a total amount of USD 34 million. Ocean Yield Malta Limited is now the borrower and Ocean Yield ASA is guarantor.

BOND DEBT

During 2020, the Company has repurchased NOK 20 million of the bonds outstanding under the bond issue OCY07 that has maturity in December 2024.

In September 2020, the Company issued a call notice for NOK 300 million in accordance with the bond agreement to prepay NOK 300 million of the outstanding amount under the bond issue OCY04. Settlement took place in October 2020. In addition the Company has repurchased NOK 18 million of OCY04 in 2020. Following the prepayment and repurchase, NOK 432 million is as of year-end outstanding under the bond issue OCY04, which has maturity in September 2021. This amount is expected to be refinanced later in 2021.

COVENANTS

Ocean Yield ASA has loans and guarantee commitments that contain certain financial covenants. The main covenants are a Group equity of 25%, an interest cover ratio of 2.00:1 and minimum liquidity of no less than the higher of USD 25 million and 3% of Net interest-bearing debt. Ocean Yield ASA was in compliance with all covenants at year-end 2020.

NOTE 13 MORTGAGES AND GUARANTEE OBLIGATIONS

Guarantee obligations are as follows:

Amounts in USD million	2020	2019
Loan guarantees Ocean Yield Malta Limited	767.0	951.5
Loan guarantees OY Holding Suez Limited	100.8	-
Loan guarantees OY Holding LR2 Limited	117.7	-
Total guarantee obligations	**985.5**	**951.5**

NOTE 14 OTHER LONG- TERM LIABILITIES

Other long-term liabilities consist of the following:

Amounts in USD million	2020	2019
Unrealized loss on interest and currency exchange swaps	12.0	22.2
Other long-term liabilities	**12.0**	**22.2**

NOTE 15 OTHER SHORT-TERM LIABILITIES

Other short-term liabilities consist of the following:

Amounts in USD million	2020	2019
Accrued interest external	3.1	6.4
Unrealized loss on interest and currency exchange swaps	3.9	21.9
Accrued bonus to employees	0.4	0.6
Other	0.9	1.5
Other short-term liabilities	**8.2**	**30.4**

NOTE 16 FINANCIAL INSTRUMENTS

At year-end Ocean Yield ASA had the following financial instruments recognized at fair value:

31st December 2020			
Amounts in USD million	Carrying amount	Fair value	Unrealized loss recognized in profit and loss
Cross Currency Interest Rate Swaps	-12.3	-12.3	26.7
Forward exchange contracts	-	-	0.5
Interest rate swaps	-3.6	-3.6	0.9
Total	**-15.9**	**-15.9**	**28.2**

31st December 2019			
Amounts in USD million	Carrying amount	Fair value	Unrealized loss recognized in profit and loss
Cross Currency Interest Rate Swaps	-39.0	-39.0	-1.5
Forward exchange contracts	-0.5	-0.5	0.6
Interest rate swaps	-4.5	-4.5	-1.2
Shares in Solstad Offshore ASA	1.0	1.0	-0.8
Total	**-43.1**	**-43.1**	**-2.9**

For more information regarding the cross currency interest rate swaps and the interest rate swaps see note 5 in the consolidated financial statements for Ocean Yield ASA Group.

NOTE 17 OPERATING LEASES

In 2014 Ocean Yield ASA entered into an office lease agreement with Fornebuporten AS (previously a subsidiary of Aker ASA). The offices, located at Fornebu, near Oslo, were completed in the third quarter 2015. The lease period is seven years. Ocean Yield ASA has the option to extend the lease period with 5 + 5 years.

Annual rent is approximately USD 0.4 million. Ocean Yield ASA sublets around 50% of the office space to its subsidiary Ocean Operations AS.

NOTE 18 TRANSACTIONS AND AGREEMENTS WITH RELATED PARTIES

Ocean Yield ASA'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 through The Resource Group TRG 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 ASA. In addition all subsidiaries and associated companies of Aker ASA are considered to be related parties for Ocean Yield ASA. See note 25 in the consolidated financial statements for Ocean Yield ASA Group for transactions with Kjell Inge Røkke, TRG AS, Aker ASA, Fornebuporten AS and employees of Ocean Yield ASA.

TRANSACTIONS WITH SUBSIDIARIES OF OCEAN YIELD ASA

Ocean Yield ASA has loans to and from several of its subsidiaries. For more details regarding the amounts see note 8. All transactions with related parties are done at market rates and in accordance with the arm's lengths principle.

NOTE 19 SALARY AND OTHER REMUNERATION TO THE BOARD OF DIRECTORS, CEO AND CFO

See note 26 in the consolidated financial statements for Ocean Yield ASA Group.

NOTE 20 SHARES OWNED BY THE BOARD OF DIRECTORS, CEO AND CFO

See note 27 in the consolidated financial statements for Ocean Yield ASA Group.

NOTE 21 SHARE-BASED PAYMENTS

See note 28 in the consolidated financial statements for Ocean Yield ASA Group.

NOTE 22 CONTINGENCIES AND LEGAL CLAIMS

No material contingencies or legal claims have been identified at the end of the year.

NOTE 23 EVENTS AFTER THE BALANCE SHEET DATE

See note 30 in the consolidated financial statements for Ocean Yield ASA Group.

DIRECTOR'S RESPONSIBILITY STATEMENT

TODAY, 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 2020.

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 2020. 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 2020. 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 2020.

TO THE BEST OF OUR KNOWLEDGE:

- *The consolidated and separate annual financial statements for the Group and the parent company for 2020 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 31st December 2020 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.*

BÆRUM, 22ND MARCH 2021
OCEAN YIELD ASA

FRANK O. REITE
CHAIRMAN

KJELL INGE RØKKE
DIRECTOR

JENS ISMAR
DIRECTOR

ANNE-CHRISTIN DØVIGEN
DIRECTOR

ANNICKEN GANN KILDAHL
DIRECTOR

LARS SOLBAKKEN
CEO

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0306 Oslo

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To the General Meeting of Ocean Yield ASA

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ocean Yield ASA, which comprise:

- The financial statements of the parent company Ocean Yield ASA (the Company), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Ocean Yield ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment

Reference is made to pages 10 (Board of Directors report) note 3 (accounting principles), note 11 (Impairment charges), note 15 (Discontinued operations) and note 16 (Vessels and Other Fixed Assets).

The Key Audit Matter	*How the matter was addressed in our audit*

Vessels and other fixed assets include vessels on operating lease contracts with customers totaling USD 550.4 million as at 31 December 2020. Vessels presented as held for sale totals USD 51.4 million as at 31 December 2020. Interest-bearing long-term and short-term receivables includes vessels on finance lease contracts with customers totaling USD 1 384.2 million as at 31 December 2020.
 	
The Group is exposed to market risk where a downturn in the markets could lead to counterparty default, as well as a residual value risk related to vessels upon expiry of a charter contract. This is particularly relevant to the Group's customers within oil & gas and car carrier business segments.
 	
As discussed in note 15, the FPSO Dhirubhai-1 is being marketed for sale and has been reclassified as an asset held for sale from 1 January 2020 and accounted for at fair value.
 	
As discussed in notes 11 and 16 to the consolidated financial statements, one other vessel had been on short-term contracts during 2020 and had an increased impairment risk. This vessel was impaired with USD 34.6 million in 2020. At 31 December, this vessel was sold and a loss of USD 70.7 million was accounted for in 2020.
 	
In addition, two vessels within the other oilservice segment was tested for impairment due to impairment triggers noted by the company. The book value of these two vessels at 31 December 2020 was USD 83.6 million, and no impairment was accounted for following the impairment test.
 	
A counterparty within the car-carrier segment had also identified impairment triggers, and for these vessels an impairment of USD 27.7 million was accounted for in 2020. Remaining book value for these vessels at 31 December 2020 was USD 231.2 million.
 	
The identification of indicators of impairment and the preparation of the estimate of the recoverable amount of an asset involves significant subjective judgments and uncertainties, which requires special audit consideration because of the likelihood and potential magnitude of misstatements to the valuation of Vessels and other fixed assets and Interest-bearing long-term receivables.
	Our response:
	For each vessel, we applied professional skepticism and critically assessed Management's judgement for impairment indicators, including counterparty assessments.
	
	Where impairment indicators were identified our work included the following procedures:
	▪ Assessing the mathematical and methodological integrity of Management's impairment models;
	▪ Assessment of Management's cash flow forecasts covered by, and subsequent to, lease contracts;
	▪ Challenging Management's assessment related to residual values with reference to expected utilization after contract termination/completion, purchase and renewal options.
	▪ Assessing management's estimates of future cash flows and challenged whether these were appropriate in light of;
	  o Previous estimates and historical performance
	  o External sources for future charter hires where available.
	▪ Assessment of Management's methodology for estimating the recoverable amount, including assessing the discount rate applied to the impairment tests for each vessel, testing the mathematical accuracy of Management's discount rates and challenging key assumptions in the calculations, such as market premium, beta value and debt ratio:
	▪ Evaluation of the appropriateness of the disclosures related to impairment.
	
	From the audit evidence obtained, we consider Management's assessment of the carrying value of Vessels and other fixed assets, Interest-bearing long-term and short-term receivables and Vessels and equipment held for sale to be in accordance with the requirements under the relevant accounting standards.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s and the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 22 March 2021
KPMG AS

Vegard Tangerud
State Authorised Public Accountant

USE AND RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

ALTERNATIVE PERFORMANCE MEASURES ARE DEFINED AS NUMERICAL MEASURES THAT EITHER EXCLUDE OR INCLUDE AMOUNTS THAT ARE NOT EXCLUDED OR INCLUDED IN THE COMPARABLE MEASURES CALCULATED AND PRESENTED IN ACCORDANCE WITH GAAP (I.E. IFRS).

The following financial measure may be considered an alternative performance measure:

- *EBITDA: Earnings before financial items, income taxes, depreciation, amortization, impairment charges and loss from sale of vessels.*

- *EBITDA adjusted for finance lease effects: EBITDA adjusted for Repayment of finance lease receivables.*

- *EBIT: Earnings before financial items and income taxes*

- *Adjusted net profit: Net profit adjusted for impairment charges, foreign exchange gains/losses, fair value adjustments of derivatives, changes in deferred tax and non-recurring items.*

- *Charter Backlog: represents the estimated EBITDA backlog from signed contracts. Figures are based on management's estimates which may be subject to change. These include assumptions on 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.*

The Company believes presenting EBITDA, EBITDA adjusted for finance lease effects, EBIT, Adjusted net profit and Charter Backlog as useful to investors as they provide other useful measures of Ocean Yield's profitability from its operations. Regarding EBITDA adjusted for finance lease effects, the Company believes it is useful for investors to present information showing all vessels accounted for on a consistent basis, as it will more closely reflect the Group's cash flows from operations. Regarding, Adjusted net profit, the Company considers Adjusted net profit to be a relevant performance criteria. The net profit is adjusted for significant non-cash and non-recurring items, and the Adjusted net profit is thus a useful measure when it comes to the Company's dividend capacity.

EBITDA and EBIT are disclosed in the condensed consolidated statement of profit and loss as separate line items.

Reconciliation of other alternative performance measures to the financial statements are as follows:

Amounts in USD million	2020	2019 *Restated**
Total revenues and other income	258.8	240.3
Vessel operating expenses	-7.9	-9.3
Wages and other personnel expenses	-6.0	-6.8
Other operating expenses	-3.6	-5.9
EBITDA	**241.2**	**218.4**
Repayment on finance lease receivables	97.1	80.5
Other income - insurance claim Höegh Xiamen	-27.2	-
EBITDA adjusted for finance lease effects	**311.1**	**298.9**
Net profit (loss) after tax	-141.3	-39.9
Net profit (loss) from discontinued operation, net of tax	105.1	101.4
Other income - insurance claim Höegh Xiamen	-27.2	-
Impairment of Höegh Xiamen	27.7	-
Impairment of Connector	34.6	-
Loss from sale of Connector	70.7	-
Net effects from sale of SBM Installer	-1.6	-
Refinancing Far Senator/Normand Statesman (fixed NOK to floating USD)	3.6	-
Restructuring agreement Far Senator/Normand Statesman	-1.1	-
Foreign exchange gains/losses	39.7	-2.0
Change in fair value of financial instruments	-25.5	3.6
Change in deferred tax	2.9	2.5
Other non-recurring items	0.7	0.9
Adjusted Net profit from continuing operations	**88.2**	**66.3**

** Comparative information has been restated due to a discontinued operation, see note 15 in the Consolidated financial statements*

ESG
REPORT

Lars Solbakken - CEO.

OCEAN YIELD ESG REPORT 2020

– Introduction from the CEO

I am proud to present Ocean Yield's ESG report for 2020 where we present to our stakeholders a comprehensive and transparent picture of our performance and efforts with regards to key Environmental, Social and Governance topics.

An understanding of our ESG risks, opportunities and performance is essential to ensure the long-term value creation and success of Ocean Yield. We take these matters seriously and work to meet our stakeholder's expectations in a fast moving and changing environment.

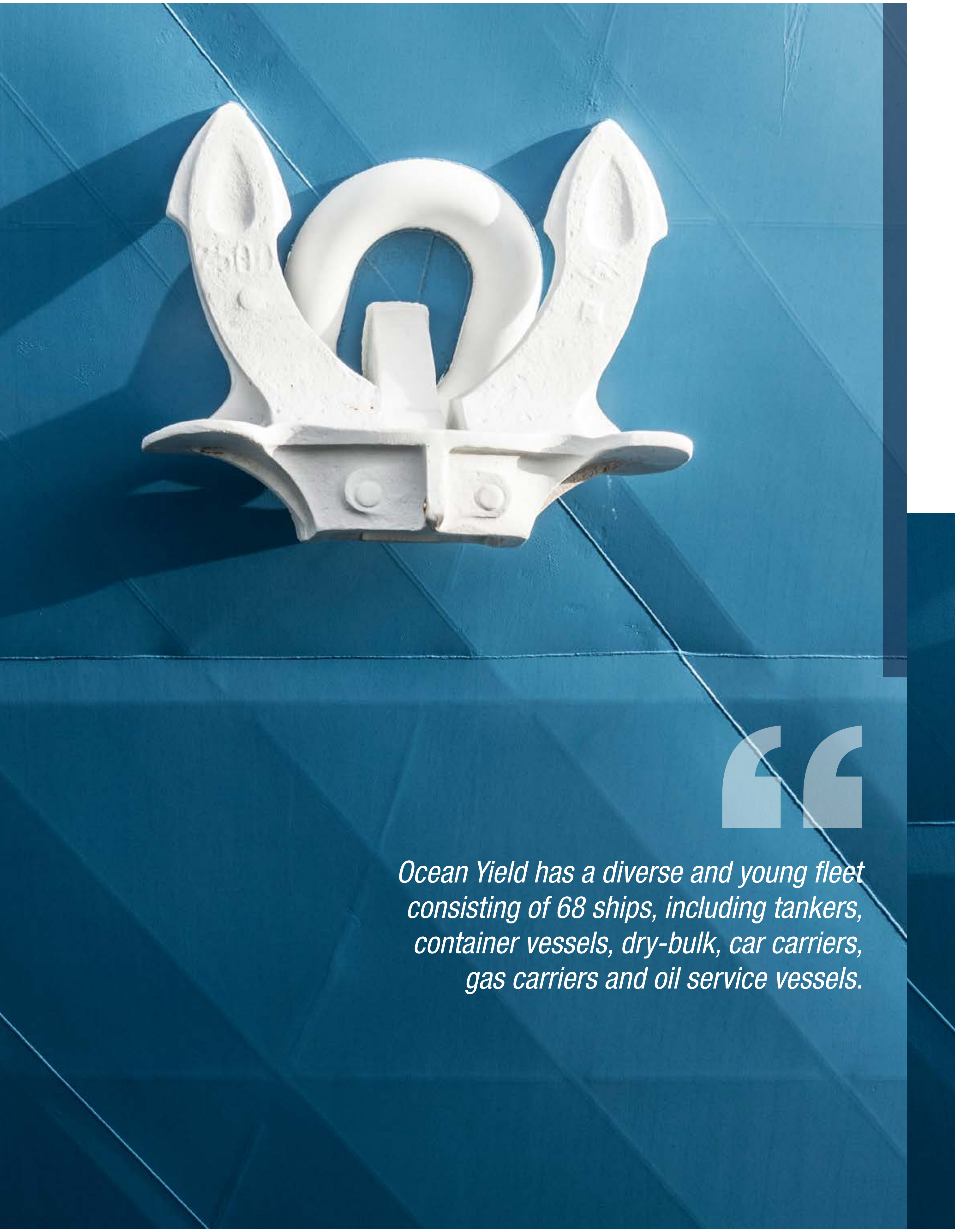
Ocean Yield has a diverse and young fleet consisting of 68 vessels, including tankers, container vessels, dry-bulk, car carriers, gas carriers and oil service vessels. Our investment strategy is focused on investing in modern vessels or newbuildings to ensure a modern and energy efficient portfolio of vessels with low emissions and low carbon footprint.

Whilst ocean going transportation is the most carbon efficient means of transport available today, global emissions will have to be reduced in order to minimize the effects of climate change. Ocean Yield welcomes and supports the IMO 2050 strategy to reduce the CO2 emissions from the shipping sector in line with the Paris Agreement, and we will do our part to support these global efforts.

2020 was a year dominated by the COVID-19 pandemic. Hence investment activity was somewhat lower than normal. For 2021, we aim to continue to invest in fuel-efficient, modern vessels on long-term charter in order to build an even more diversified fleet.

ESG covers a broad range of topics. In this report we have focused on what we see are the key topics to our way of doing business and long-term profitability:

- *Principles of governance*
- *Responsible business conduct*
- *Climate Change and environment*
- *People and communities*



Ocean Yield has a diverse and young fleet consisting of 68 ships, including tankers, container vessels, dry-bulk, car carriers, gas carriers and oil service vessels.

ABOUT THIS REPORT

IN THIS SECTION WE OUTLINE THE PRINCIPALS, BOUNDARIES AND SCOPE OF OUR ESG REPORTING AND HOW WE SEE ESG AS A VITAL PART OF OCEAN YIELD'S REPORTING TO OUR STAKEHOLDERS

REPORTING STANDARDS

This report contains disclosures from the World Economic Forum's[1] efforts to develop a core set of common sustainability metrics, and from the Norwegian Shipowners' Association Guidelines on ESG reporting in the shipping and offshore industries. We also use reporting guidance from Euronext and selected recommendations from the Task Force on Climate-related Financial Disclosures.

BOUNDARIES AND SCOPE

Ocean Yield has no operational control of our vessels on long term contract, which are leased on a bareboat charter to our counterparties. Hence the counterparties are responsible for operations of the vessels and the emissions are hence considered to be indirect emissions through a third party. However, we strive to be transparent concerning availability of data and reporting boundaries.

- *CO_2-emissions from our vessels are included on a 100% basis to the extent the data has been provided by our counterparties. As these emissions are beyond our operational control they are reported as indirect scope 3 emissions according to the GHG protocol. Emission data for our vessels in this report are for 2019 as 2020 emissions are not available from our counterparties until Q3 2021.*

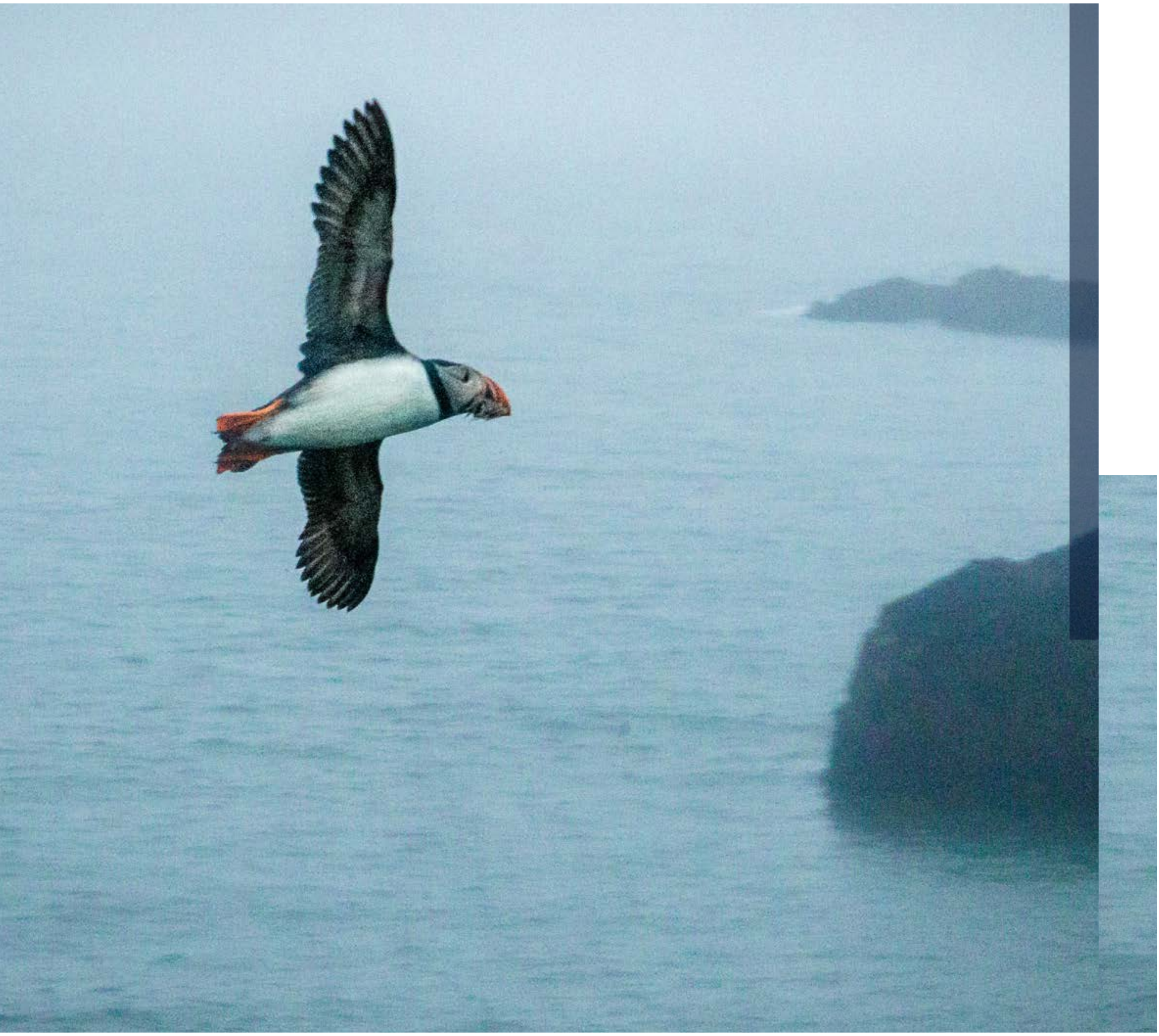
- *Scope 1 emissions relates to direct emissions from the operated vessel Connector.*

- *Scope 2 emissions related to electricity consumption is not included in this report as this is considered to be immaterial.*

- *We do not report safety data for our vessels as it is beyond our operational control.*

- *Our FPSO Dhirubhai-1 is currently not in operation and is moored in a fixed position with a small crew. Environmental and safety data from the vessel is therefore not included in this report.*

- *Our workforce data does not include temporary employees or contractors.*



OUR MATERIAL ESG ASPECTS

We have selected the ESG topics that are the most significant to us and our stakeholders. These topics have been selected and prioritized through processes including internal interviews and market analysis, in addition to considering relevant ESG standards, the business context of the shipping industry and financial stakeholder outreach.

Ocean Yield has identified the following material ESG aspects:

- *Principles of Governance*
- *Responsible business conduct*
- *Climate-Change and Environment*
- *People and Communities*

DO YOU HAVE FEEDBACK OR WANT TO LEARN MORE?

Please visit our Webpage www.oceanyield.no or contact us on post@oceanyield.no

PRINCIPLES OF GOVERNANCE

CLEAR AND STRONG CORPORATE GOVERNANCE FORMS THE BASIS FOR OCEAN YIELD'S LONG TERM VALUE CREATION AND IS ENSURING THE PUBLIC TRUST IN THE COMPANY.

By promoting the interests of our shareholders, identifying and managing risks and opportunities, and ensuring the Board of Director's and managements accountability, Ocean Yield seeks to maintain our license to operate.

Ocean Yield's principles of governance is built on our values and defines a framework of rules and procedures by which we govern and control out business and is incorporated into our performance culture through our Board of Directors, executive management and employees.

Ocean Yield is committed to strong and credible approach to ESG and is currently developing a dedicated ESG policy. The policy will contribute to strengthening the integration of sustainability into our operations and business decisions, and cement our commitment to good governance, good working environment, environmental and climate responsibility, diversity and inclusion, and ethical business conduct.

COMPLIANCE

Ocean Yield's corporate governance principles are in accordance with the Norwegian Accounting Act §3-3b and are based on the Norwegian Code of Practice for Corporate Governance ("NUES"). Any deviation from the "NUES" principles has been explained in the Corporate Governance Statement published together with the annual report.

OUR CODE OF CONDUCT

Ocean Yield's vision and core values are designed to cultivate and refine a corporate culture in which people deliver excellent results in a responsible manner. This is reflected in our Code of Conduct which all employees are expected to follow. Our Code of Conduct is available in English and the full text also appears on our company website.

The Code of Conduct covers a wide range of important topics, including, but not limited to:

- *Working environment*
- *Corruption and bribery*
- *Conflicts of interests*
- *Insider trading*
- *Relations to suppliers*

All employees are trained in the contents of the Code of Conduct, and the document is signed by all new employees when joining the company. The Code of Conduct is reviewed annually.

We apply a zero-tolerance management to violations of our code of Conduct. Under our whistleblower procedure most (potential) violations are reported to and dealt with by line management. If this is not considered appropriate, complaints can be reported directly to our Board of Directors, or through our whistle-blower hotline which is available on the company website.

Reports received through the integrity channel are initially received and handled by an independent third party; PwC Law. PwC is dedicated to maintaining high ethical standards and handles all submissions with confidentiality.

ANTI-CORRUPTION

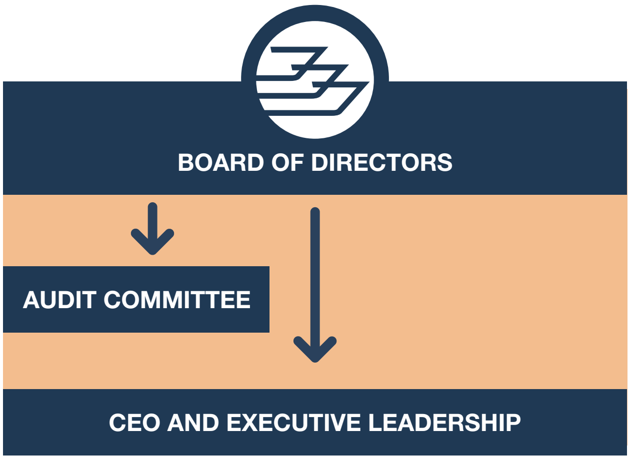
Ocean Yield does not tolerate any form of corruption and will make active efforts to ensure that this does not occur in the Company's business activities. Ocean Yield's Anti-corruption Policy contain principles on relevant issues such as bribes, gifts, services and other forms of corruption and can be found in full on our company website. Per the date of the publication of this report, Ocean Yield is not aware of any incidents or allegations of corruption in 2020.

BOARD OF DIRECTORS

As defined in the Company's articles of association, the Board of Directors comprises between three and seven members. The Company's nomination committee will recommend appointment of board members and Board Chairman, which is subject to approval by the shareholder's meeting.

The Board members are considered independent of the Company's controlling shareholder, executive management and significant business associates with the exception of Kjell Inge Røkke and Frank O. Reite. No Company executives are Board members. The Board consists of two women and three men. Three out of five board members are independent.

The Board members have diversified experience and capabilities, with long track records from companies within shipping, finance and other industries. The Board members are encouraged to own shares in the Company. Board members' shareholdings are presented in Note 26 in the annual report.



RISK AND OPPORTUNITY MANAGEMENT

Ocean Yield's risk management process shall identify potential threats and opportunities in order to develop a strategy for minimizing or eliminating risks and capturing business opportunities. This process is included into our overall business processes and includes ESG, particularly with regards to climate risks and opportunities, such as stricter climate and environmental regulations, changing stakeholder expectations, EU Taxonomy developments and new technologies. The risk management process include:

- *Definition of business goals and identification of risks*
- *Risk assessment and mitigation*
- *Risk reporting, monitoring and improvement*

The risk assessments and related actions are reported and reviewed by both the Audit Committee and Board of Directors annually.

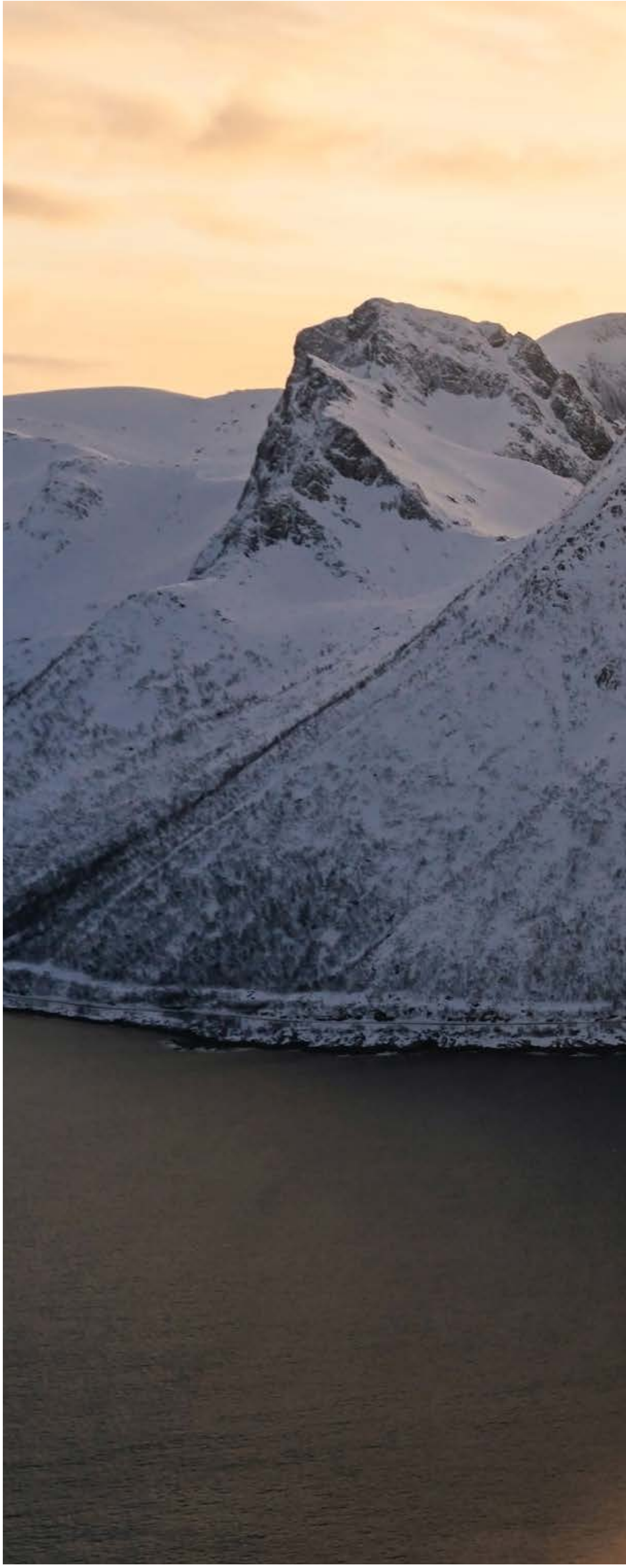
REPORTING TO STAKEHOLDERS

Ocean Yield will communicate relevant business information in full and on a timely basis to our external stakeholders and employees. Ocean Yield is committed to providing the financial markets with quality information on the financial and operational status, enabling investors and analysts to maintain a correct picture of the financial situation as well as ESG risks and opportunities facing us in the future. Ocean Yield will provide accurate disclosure information to the financial markets in line with all relevant laws and regulations for listed companies on the Oslo Stock Exchange.

MANAGEMENT INCENTIVES

The main purpose of the system for management remuneration is to stimulate a strong and lasting profit-oriented culture leading to an increasing value of the Company. The CEO, CFO and other key employees are entitled to a variable salary calculated on the development of the market price of the shares and dividends paid on the shares. There are no fees paid to management companies or other structures with the purpose of aligning the interest of management and shareholders. Remuneration to the Board of Directors as well as fixed and variable salary of Ocean Yield's CEO and CFO is presented in note 26 of the Annual report.

More information on our Corporate governance on
www.oceanyield.no



Ocean Yield is committed to a strong and credible approach to ESG.

RESPONSIBLE BUSINESS CONDUCT

OCEAN YIELD IS COMMITTED TO ETHICAL AND RESPONSIBLE BUSINESS CONDUCT WHICH WE REGARD AS A PRE-REQUISITE TO MAINTAIN PUBLIC TRUST IN THE COMPANY AND TO ENSURE OUR LICENSE TO OPERATE.

Ocean Yield choose our counterparts carefully and strive to work with partners that share our values and zero tolerance for corruption, bribery and unethical behaviour.

Ocean Yield does not tolerate any form of corruption and make an active effort to ensure that this does not occur in our business activities. Ocean Yield's Code of Conduct and Anti-corruption Policy contain principles on relevant issues such as bribes, gifts, services and other forms of corruption. Ocean Yield has strict restrictions against any forms of anti-competitive practices, in addition to contractual requirements related to sanctions and restricted parties

Ocean Yield maintain business processes, training and controls in implementing and upholding our Code of Conduct.

Ocean Yield has not incurred any monetary losses as a result of legal proceedings associated with bribery or corruption in 2020, or in any years prior.

INSIDER TRADING

Ocean Yield is subject to a number of laws concerning the purchase and sale of publicly traded securities. Our employees and their close family members must refrain from trading securities while in possession of material, non-public information relating to the Company or any other company where Ocean Yield directly or indirectly has ownership interests. Directors, officers and other personnel defined as primary insiders are subject to various reporting and insider trading requirements.

LOBBYING

Ocean Yield maintains a neutral position on party politics and will not support, financially or otherwise, any party or their candidates. Ocean Yield has not participated in any forms of lobbying.

TAX

As a Norwegian, publicly listed, company, Ocean Yield pays tax according to Norwegian rules and requirements. In addition, Ocean Yield pays taxes related to our operation on Malta to the Maltese government.

WHISTLEBLOWER PROGRAM

Ocean Yield has established a whistle-blower channel where employees and others can raise concerns about improper activities or misconduct and report instances of potential non-compliance with our values without fear of retaliation. Such improper activities or misconduct may include HSE violations, harassment, insider trading, money laundering, fraud, bribery and kickback arrangements, or other breaches of Ocean Yield ASA's Code of Conduct.

Ocean Yield's employees are encouraged to first discuss any compliance matters internally with their immediate supervisor or another member of senior management. If such measures are not deemed to be appropriate or sufficient, complaints may be reported through the independent whistle-blower channel. Reports are initially processed by an independent third party; the law firm PwC. PwC is dedicated to maintaining high ethical standards and handles all submissions with confidentiality. As in 2019, no cases were reported in 2020 either through our whistle-blower channel or through line management.

CLIMATE CHANGE AND ENVIRONMENT

SEABORNE TRANSPORTATION REMAINS THE MOST COST- AND ENERGY EFFICIENT WAY TO TRANSPORT LARGE VOLUMES OF COMMODITIES AND FINISHED GOODS AROUND THE WORLD.

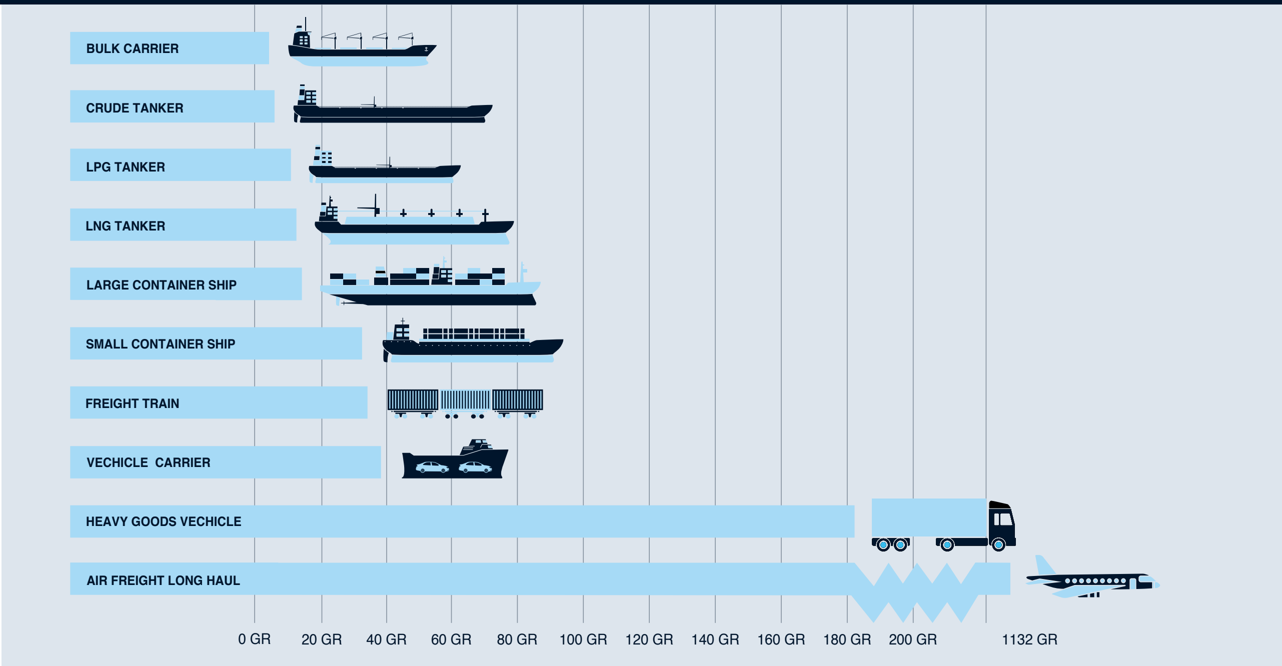
CLIMATE CHANGE
Today, 85%[1] of the world's goods are transported by sea. As a result, global sea-going transport is responsible for an estimated 2,5%[1] of total global CO_2-emissions, about 940 million tons[1]. However, according to IMO, under a business-as-usual scenario these emissions are projected to increase between 50% and 250% by 2050[2], undermining the objectives of the Paris Agreement.

As a response IMO launched their initial strategy for reduction of Greenhouse gas (GHG) emissions from ships in 2018.

[1] *European Commission – Reducing emissions from the shipping sector.*

Our fleet´s average AER is 3% lower than Poseidon's 2019 trajectory AER for the same fleet composition.

GLOBAL AVERAGE - GRAMME CO_2 PER TONNE KM



Source: DEFRA 2019.

IMO's ambitions include;

- *A reduction of CO_2 intensity as an average across international shipping, by at least 40% by 2030, pursuing efforts towards 70% by 2050, compared to 2008; and,*

- *Reduction of the total annual GHG emissions from international shipping by at least 50% by 2050 compared to 2008, consistent with the Paris Agreement goals.*

Ocean Yield acknowledges the risks and challenges related to climate change and is a strong supporter of IMO's ambitions and efforts to reduce and eventually eliminate GHG emissions in the maritime sector. We recognize that we have responsibility to do our part to reduce our own contributions to global warming.

At the same time, as a part of EU's Sustainable finance action plan, the EU is developing a taxonomy for sustainable activities (the taxonomy).

The Taxonomy consists of six objectives, where screening criteria for economic activities for two of the objectives are currently being defined; 'Climate Change mitigation' and 'Climate Change adaptation'. Both of these objectives include technical requirements for the maritime sector.

The taxonomy is expected to greatly influence how financial institutions direct their investments, subsequently making alignment with the taxonomy an advantage for companies when seeking investment or access to capital in the near future.

Ocean Yield is following the developments related to the EU taxonomy closely and is continuously seeking to strengthen our investment strategy to align with future regulatory and market requirements.

MAIN CLIMATE AND ENVIRONMENTAL RISKS

For shipping as an industry, we see the main climate risks related to the following:

- *Compliance with emerging regulations.*

- *Lock-in to emitting fuels that become less competitive during the ship's lifetime.*

- *Climate change may reduce global GDP growth and thereby negatively affect trade volumes.*

- *Changing consumption patterns may change trade volumes.*

However, these risks also provide opportunities, where Ocean Yield can contribute to financing new vessels with low or zero fuel emissions, replacing older vessels in the world fleet.

INVESTING IN A FUTURE PROOF FLEET

Ocean Yield's strategy since the inception has been to invest in modern fuel-efficient vessels with eco-design where possible. This strategy has resulted in a young fleet of 68 vessels with average age of only 4,5 years, which is one of the youngest fleets among the listed shipping companies. Looking ahead Ocean Yield will continue our strategy of investing in modern fuel-efficient vessels, which is our key contribution to reducing the carbon intensity of our fleet.

Ocean Yield has no operational control of our vessels, which are leased on a bareboat charter to our counterparties. However, Ocean Yield has since the launch of the Poseidon Principles implemented requirements in new bareboat charters, imposing the counterparty to report to Ocean Yield with respect to our vessels in accordance with the principles. The Poseidon Principles were launched in 2019 and serves as a framework for creating common, global baselines that are consistent with and supportive of society's goals, including IMO's 2050 GHG reduction strategy. The principles are relevant for a broad group of financial institutions and will enable them to better align their portfolios with responsible environmental impacts. Relevant and available data is disclosed in this report.

The Poseidon Principles utilizes a carbon intensity metric known as the Average Efficiency Ratio (AER). The metric is calculated using an approximation of the annual transport work performed by a ship, using the parameters of fuel consumption, distance travelled and design deadweight tonnage (DWT).

AER is reported in unit grams of CO_2 per tonne-mile[3]. Ocean Yield's fleet has a weighted average AER of 6.9. This is 3% lower than Poseidon Principles trajectory AER for 2019 for the same fleet composition.

In addition, our fleet has a low average Energy Efficiency Design Index (EEDI). EEDI is an important technical measure and aims at promoting the use of more energy efficient equipment and engines and is expressed in grams of CO_2 per ship's capacity-mile. The CO_2 reduction level in the first phase is set to 10% and will be tightened every five years. Reduction rates have been established until the period 2025 and onwards when a 30% reduction is mandated for applicable ship types calculated from a reference line representing the average efficiency for ships built between 2000 and 2010.

Ships build after 1 January 2013 are required to meet the reference EEDI value for their ship type, therefore older ships do not have an EEDI value. We take pride in the energy efficiency of our ships and will continue our strategy on investing in new and efficient vessels that meet the anticipated new and stricter requirements.

Vessel type	EEDI average OCY fleet*
Crude & product tankers	2.8
Chemical tankers	4.7
Container vessels	10.9
Dry-bulk vessels	3.9
Car carriers	10.3
Liquefied gas tankers	9.9

**Vessels with EEDI accounts for 90% of gross asset value as per 31.12.2020 for the shipping fleet, in total 54 vessels. Oil-service vessels excluded.*

[2]*IMO.* [3]*gCO2/dwt-nm.*

ENABLING LOW-CARBON SOLUTIONS

DUAL FUEL TECHNOLOGY
Since 2016 our two ethylene gas carriers Gaschem Orca and Gaschem Beluga have successfully been powered by the unique Man M-type gas-injection engines (ME-GIE) which enables the vessels to operate on almost any gas type, without reduction in efficiency. This dual-fuel capability has resulted in an AER in 2019 of 9.8, much lower than Poseidon's trajectory AER for the same vessel type at 15.6. The vessels are currently on bareboat charter to Hartmann Redereei in Germany and transport ethane derived from US shale gas to Europe.

Ocean Yield's newest ethylene vessel, Navigate Aurora, was acquired in 2019 and is designed to use LNG as fuel in addition to conventional fuel. The ship is on a long-term bareboat charter to Navigator Holdings Ltd., transporting ethylene from the east coast of USA to Europe and had an AER of 13.0 in 2019.

BATTERY POWER
Ocean Yield's two platform supply vessels, NS Frayja and NS Orla, which are on a bareboat charter to AkerBP, have undergone modifications to install battery packs designed to reduce energy emissions while the vessels are operating on dynamic positioning. This innovative solution was installed and taken into use in July 2020 and it is estimated that that battery packs can significantly reduce fuel use, costs and reduce CO_2 emissions by almost two tons annually for the two vessels. The energy storage system container (ESSC) is provided by Rolls-Royce.

CLIMATE RELATED RISK MANAGEMENT
Climate change related risks, most importantly transitional risk but also physical, can have significant future financial effects for Ocean Yield. We recognize this fact and climate related risks are covered in the Company's Risk Management Process. The key risks related to climate change are related to potential new regulations and technologies that can make Ocean Yield's vessels less competitive in the market with a corresponding risk of lower economic values. Ocean Yield is currently mitigating key climate risks by requiring pre-paid charter hire from our clients and use conservative residual value assumptions to account for loss of value due to evolving regulation. We also believe that our strategy of investing solely in modern fuel-efficient vessels is a key risk mitigator.

As an Aker Group company, Ocean Yield is expected to assess our Climate risks by conducting a climate risks impact assessment of our fleet and potential future investments, in addition to report in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations going forward.

PERFORMANCE DATA
The table below presents the CO_2 emissions of our fleet as reported to us by our counterparties. As part of our commitment to ESG it is important to us to be transparent and disclose the environmental impact of our assets. These emissions are beyond our direct operational control, and as such they represent our indirect scope 3 emissions as defined by the GHG protocol.

Metric	Unit	Performance
CO_2 emissions		
Scope 1 emissions	Million MT CO_2-e	0.01[1]
Scope 2 emissions	Million MT CO_2-e	0.00
Scope 3 emissions	Million MT CO_2-e	1.21[2]
EEDI		
Average Energy Efficiency Design Index (EEDI) for new ships	gCO_2 per ton-nm	5.2[3]
AER		
Annual Efficiency Ratio (AER)	gCO_2 per dwt-nm	6.9[4]

ENVIRONMENT

Ocean Yield has very limited operation of own vessels as most of the fleet is chartered out on long-term bareboat contracts. Our counterparty is responsible for the operation and management of the vessels in addition to compliance with new environmental regulations. We therefore do not have in place a specific environmental management framework, nor do we report information related any environmental incidents that is beyond our control.

ENSURING RESPONSIBLE BALLAST WATER MANAGEMENT

The International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM Convention) requires ships to manage their ballast water to remove, render harmless, or avoid the uptake or discharge of aquatic organisms and pathogens within ballast water and sediments. All ships engaged in international trade are required to manage their ballast water to avoid the introduction of alien species into coastal areas, including exchanging their ballast water or treating it using an approved ballast water management system. The IMO BWM regulation requires that ballast water treatment systems are in place on all new vessels.

1) *Scope 1 emissions includes all operated vessel (Connector). Dhirubhai-1 excluded as this vessel is in lay-up and classified as discontinued operations.*

2) *Scope 3 emissions includes all vessels owned in 2019 with exception of 6 container vessels (50% ownership) and the SBM Installer (75% ownership) that was sold in 2020 due to no data.*

3) *Weighted average EEDI per gross asset value. Vessels with EEDI accounts for 90% of gross asset value per 31.12.2020 for the shipping fleet, in total 54 vessels.*

4) *Weighted average AER per gross asset value. Includes all vessels owned in 2019 with exception of 6 container vessels (50% ownership), oil-service vessels and Dhirubhai-1.*

A CONTRACTUAL OBLIGATION TO THE ENVIRONMENT

Ocean Yield's long-term charters are documented through bareboat charter contracts, which are based on the internationally recognized standard BIMCO 2001. Our bareboat charters have clear requirements for how the counterparty operating the vessel shall comply with international environmental regulations.

The contracts place a legal responsibility on the counterparty for compliance with international conventions, codes and regulations.

The charters also regulate that the vessels must be insured against oil spills and environmental incidents. This includes any incident in which environmentally sensitive material is released into the sea through a collision or similar which would lead to a negative impact on the environment.

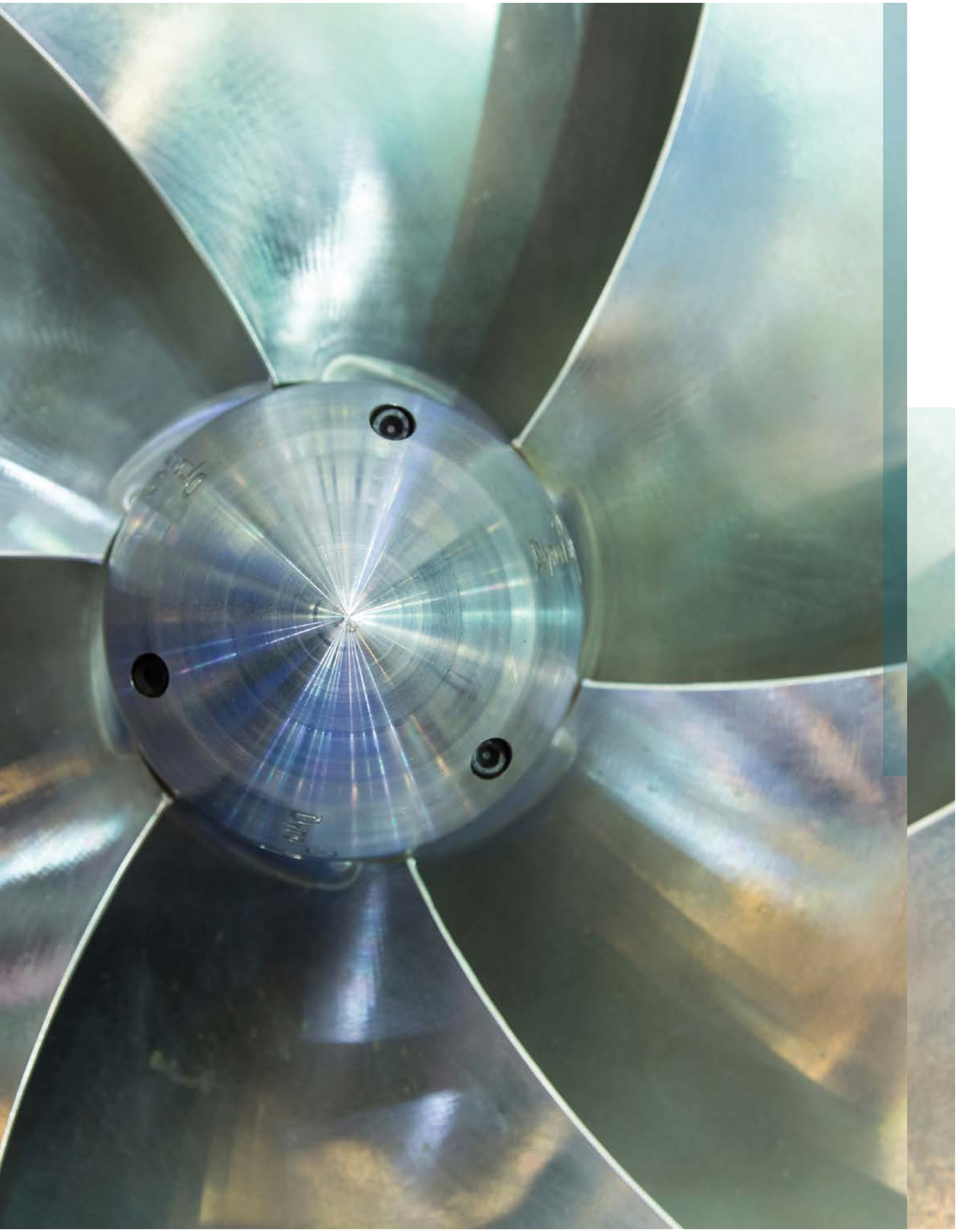
The contracts also regulate that the counterparty operating the vessel must have all relevant environmental permits in place relating to any environmentally sensitive material.

RECYCLING OF VESSELS

The Company is committed to environmentally and socially responsible recycling of ships. Any vessels that are under Ocean Yield's control will be subject to responsible recycling according to the Hong Kong Convention as minimum.

Many of our bareboat charters contain requirements towards Green Passports, which is a document prepared in accordance with the guidelines to the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, including the Guidelines for the development of the Inventory of the Hazardous Materials, listing all the potentially hazardous materials on board the Vessels.

Following the fire at Hoegh Xiamen on 4 June 2020 the vessel was declared a Total Loss. She was transported to an EU recognized yard in Turkey for recycling. The recycling contract was entered into by Höegh Autoliners, under supervision and at the cost of the insurers.



PEOPLE AND COMMUNITIES

OCEAN YIELD'S EMPLOYEES ARE OUR MOST IMPORTANT RESOURCE AND THE DRIVERS OF THE COMPANY'S SUCCESS.

Our key activities demand a wide range of skills and the company relies on the competence and talent of our people to deliver on our strategic ambitions.

In line with our Code of Conduct Ocean Yield's priorities to maintain an inclusive environment, ensuring collaboration, continuous learning and productivity. These priorities are supported within every business area to secure the well-being of our people.

DIVERSITY

Ocean Yield strives to achieve and maintain a diverse workforce as it encourages innovation, learning and understanding. As of year-end 2020, the company is composed of 20 permanent employees, located in Norway and Malta.

The company aims to be an attractive employer for both new and existing employees. Our values are integrated in how we work and we work to recruit talent that recognizes the same values. Throughout 2020 there were one new hire.

In recent years, Ocean Yield has increased the proportion of women in its workforce. Women account for 40% of the workforce at year end 2020, compared to 41% the year before. 12.5% of female employees hold leadership positions. The Board of Directors consists of three men and two women. We believe that gender balance strengthens the company and aim to secure an inclusive work environment where our employees can flourish.

We are an equal opportunity employer and work to ensure an environment free of discrimination where all employees are treated equally regardless of gender, sexual orientation, disability, ethnicity, skin colour, religion or political opinions. Ocean Yield has a zero-tolerance policy for harassment or degrading treatments in any form by or towards employees.

Ocean Yield has a compensation policy that ensures fair and equal compensation for all employees, according to work, position and seniority. Wages are market competitive, and the company complies with the laws applicable in the countries where we are present. CEO and CFO compensation are disclosed in our annual report to secure transparency with regards to wage levels.

We will continue to uphold our values of diversity and equality in all our endeavours and be transparent about our activities.

COMPETENCE

Continuous development of our workforce is important for Ocean Yield's growth and productivity. Given the small size of our employee base, our focus is specifically to increase development training on the job. Employees are encouraged to evolve and seek new knowledge. We aim to provide our people with opportunities to develop their skillset and talent.

Ocean Yield thrives on having flat organizational structure and corporate culture encouraging open feedback, communication and cooperation. Annually, employees are subject to a performance review, in which they are also encouraged to voice opinions, concerns and make suggestions for improvements to learn and develop.

New employees are provided with the necessary training, guidance and supervision. Additionally, all new employees have completed anti-corruption and business ethics training as part of their introduction.

Focus on and awareness on compliance and business integrity as defined in the Code of Conduct, is important to ensure integrity in our work. We had a 100% completion rate of mandatory training related to Code Of Conduct and anti-corruption in 2020. Increasing competency and training on cyber security has been highlighted during this reporting year.

EMPLOYEE WELL-BEING

The safety and well-being of all our employees is our top priority. Ocean Yield has very limited operational control and responsibility of our assets, and our main activities is related to an office environment. Thus, the health and safety risk is considered to be low. During the past year we had no fatalities or recordable injuries.

We work hard to accommodate for employees to maintain a healthy work-life balance through flexible work hours, remote work possibilities, and stress management resources, among other initiatives. Sick leave rates remain low and have additionally been reduced since the previous reporting year. We achieved a sick leave rate of 0.9% in 2020 compared to 0.6% in 2019.

A high retention rate provides an additional indication of the well-being of our employees. In 2020, the retention rate was 88%, compared to 100% in 2019.

Ocean Yield is continually working to uphold and adjust people processes to provide our employees with the resources they need to maintain a healthy and productive work environment.

FREEDOM OF ASSOCIATION

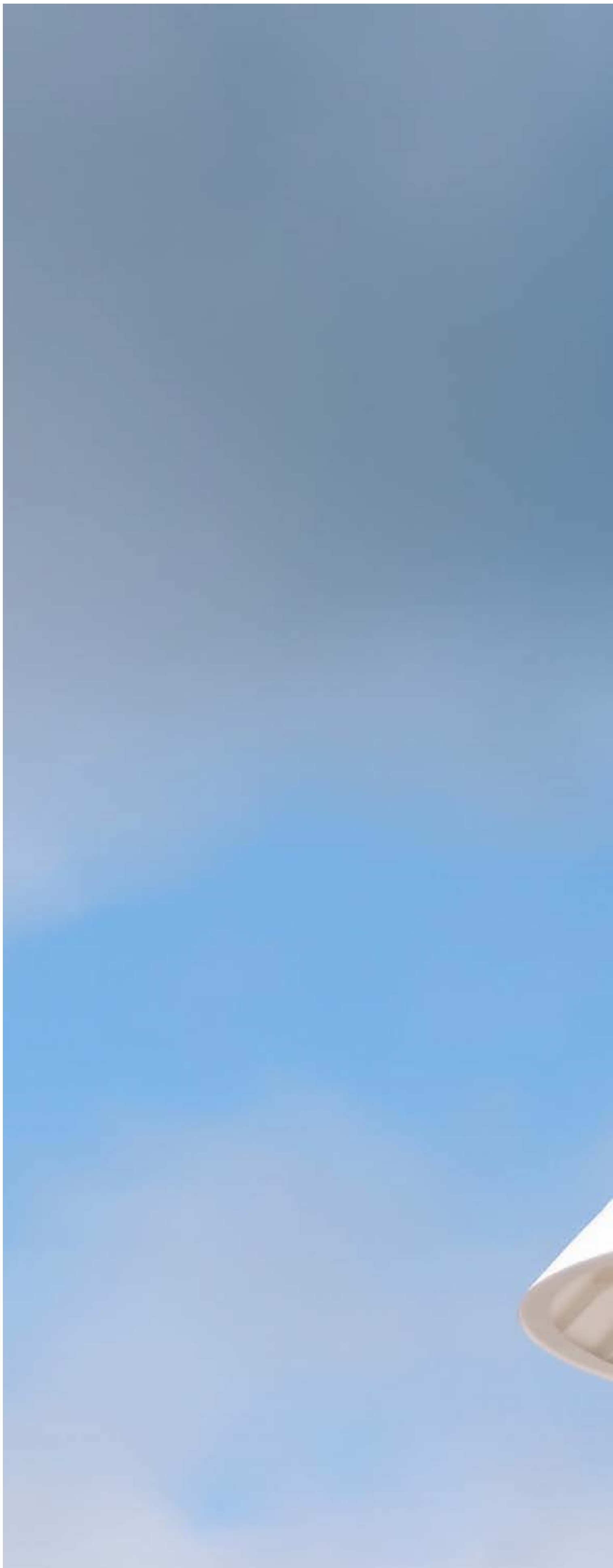
Ocean Yield promotes a responsible employment environment and respects universal principles and norms that protect labour rights. This includes respecting the freedom of association and the freedom to conduct collective negotiations.

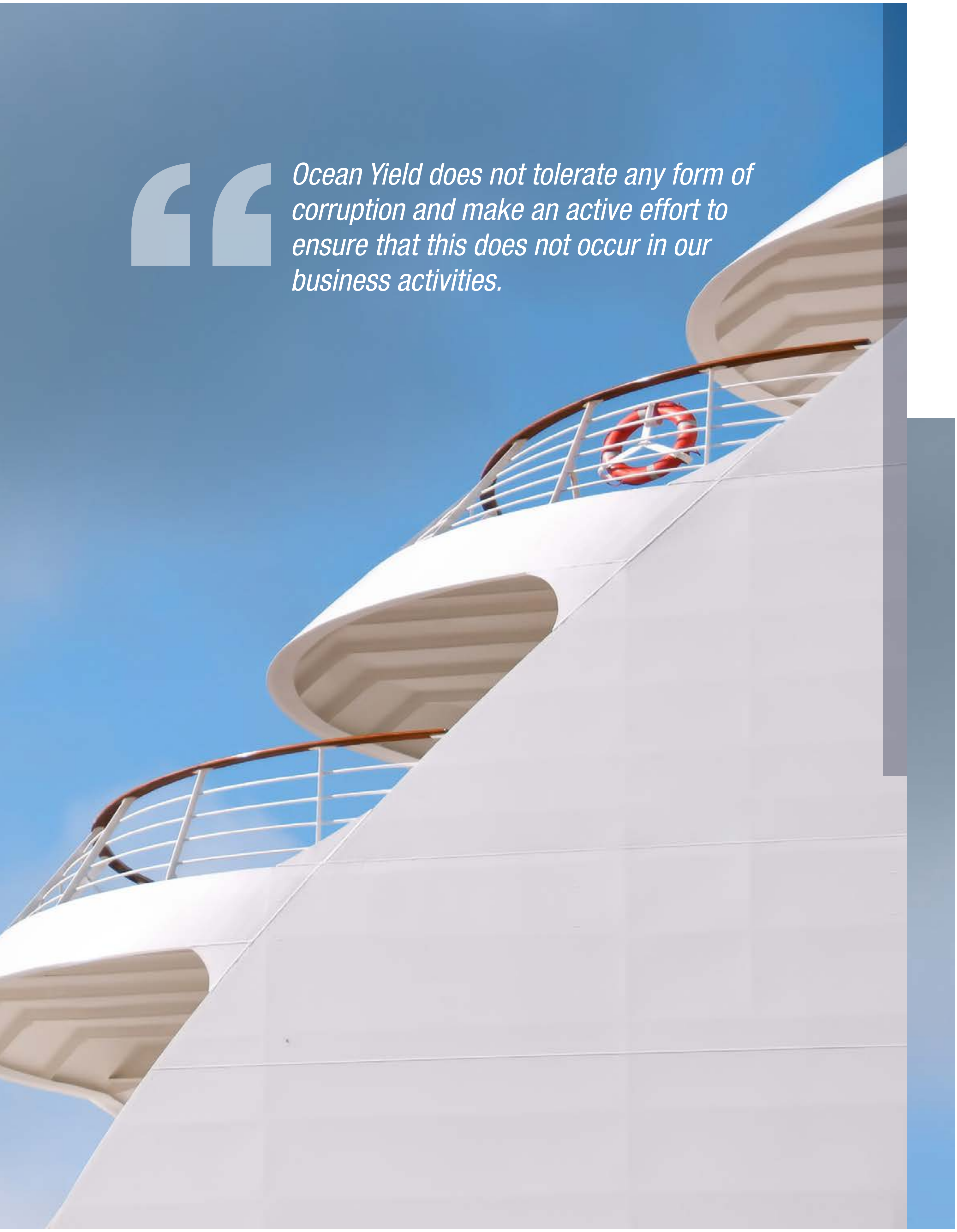
Ocean Yield is against any form of child labour.

STIFTELSEN VI

Ocean Yield is committed to continue supporting the foundation “Stiftelsen VI”, alongside several other Aker Group companies. Established in 2018, “Stiftelsen VI” works to ensure that persons with impairments are given the same opportunities to a dignified life as non-disabled persons.

Studies show that many people suffering from a disability experience reduced quality of life, poorer health and higher levels of isolation. The living conditions survey published by Statistics Norway shows that there is a large gap in the opportunities afforded non-disabled persons and persons living with a disability. “Stiftelsen VI” seeks to address this important issue. Through motivation, promoting and providing an arena for fellowship in sports and physical activity, the foundation aims to provide persons with impairments an increased sense of achievement and purpose - promoting equality through providing equal opportunities to function and perform.



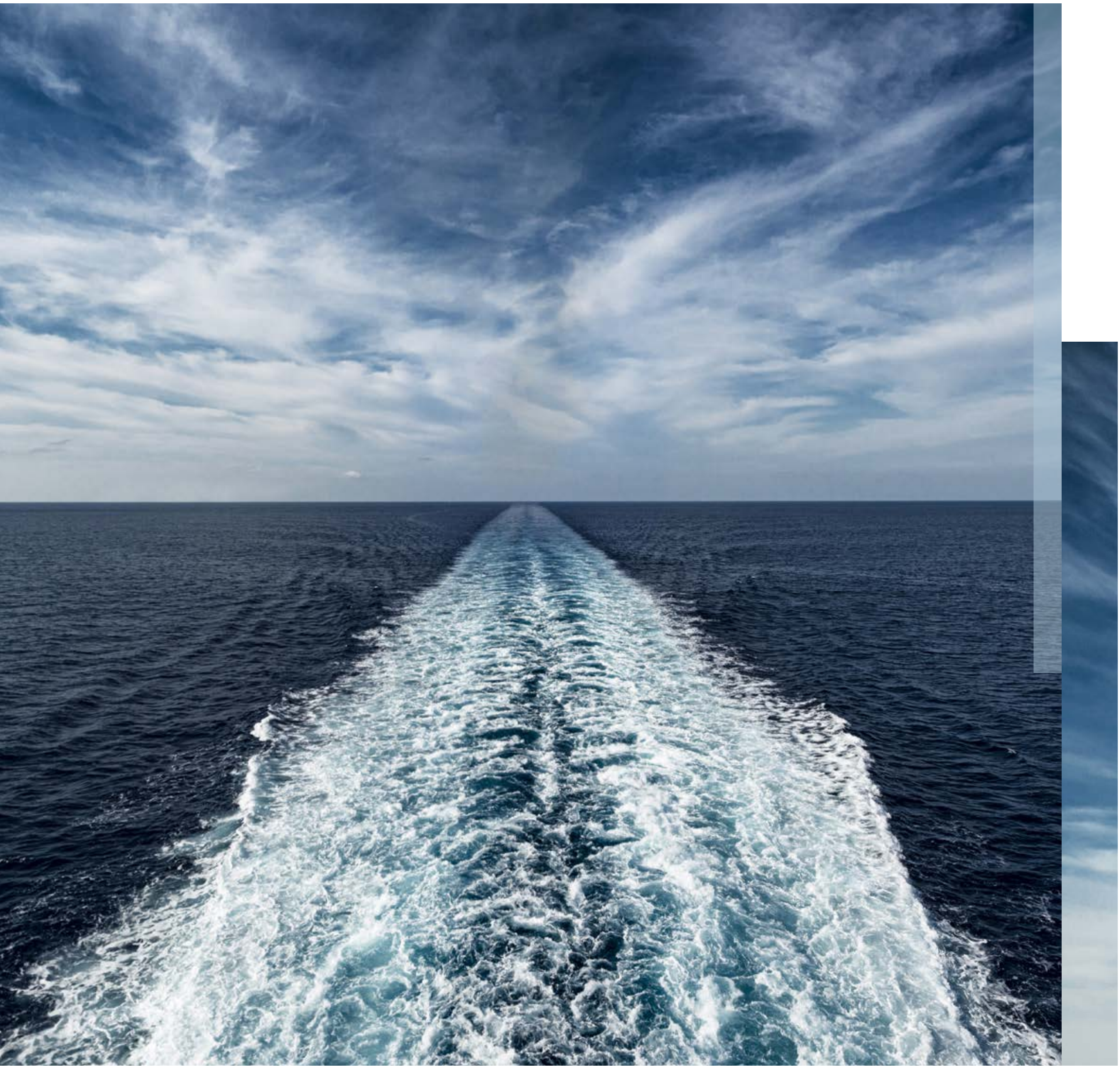


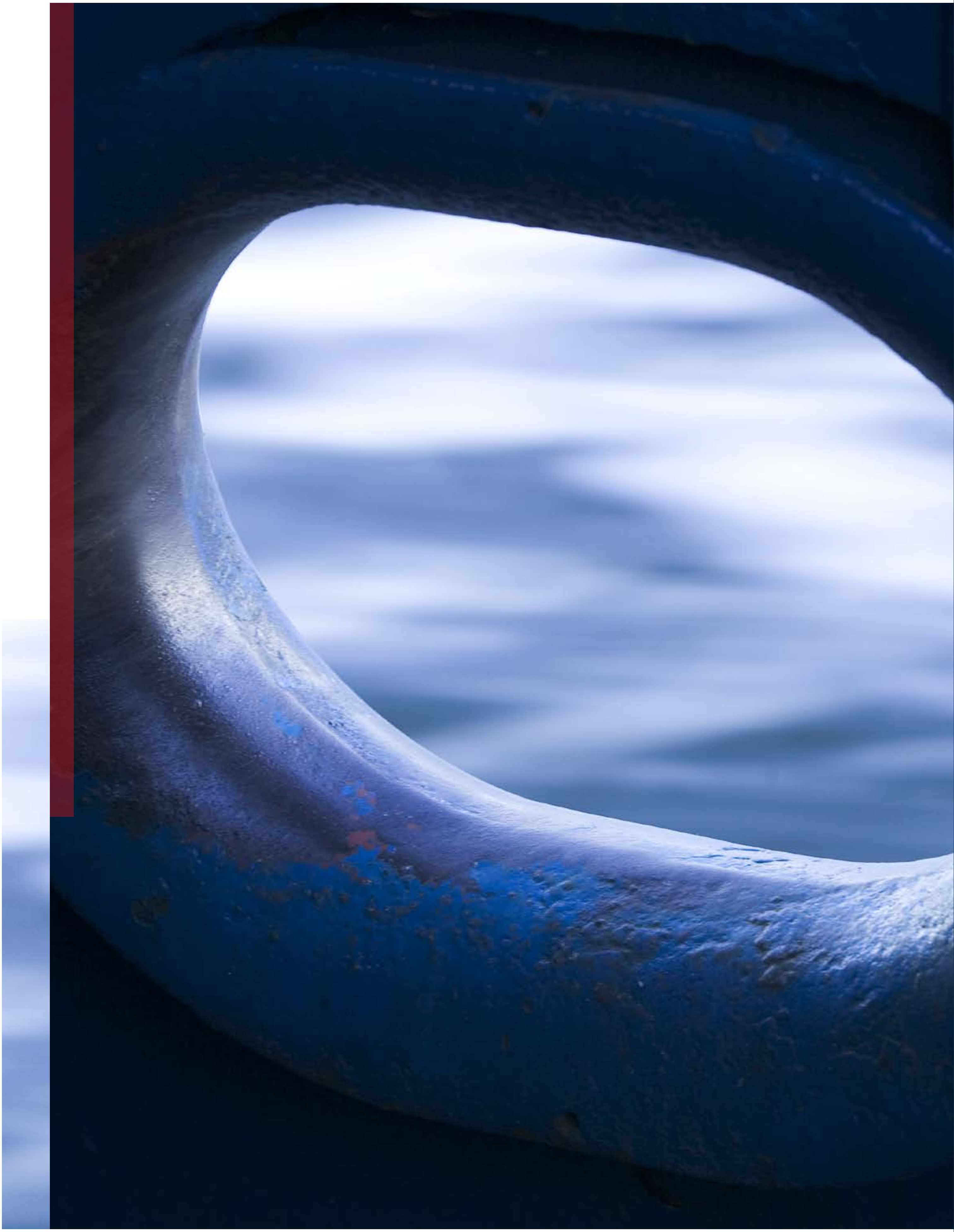
Ocean Yield does not tolerate any form of corruption and make an active effort to ensure that this does not occur in our business activities.

DEFINITIONS AND ASSUMPTIONS

AER	Annual Efficiency Ratio. The metric is calculated using an approximation of the annual transport work performed by a ship, using the parameters of fuel consumption, distance travelled and design deadweight tonnage (DWT). AER is reported in unit grams of CO_2 per tonne-nautical mile.
BIMCO	Baltic and International Maritime Council.
BWM	Ballast Water Management.
CO_2-e	CO_2 equivalents.
CoC	Code of Conduct.
DWT	Deadweight Tonnage.
EEDI	Energy Efficiency Design Index. A technical measure that aims at promoting the use of more energy efficient (less polluting) equipment and engines. EEDI requires a minimum energy efficiency level per capacity mile (e.g. tonne mile) for different ship type and size segments. Since 1 January 2013, following an initial two year phase zero, new ship design needs to meet the reference level for their ship type.
ESG	Environment Social and Governance.
IMO	International Maritime Organization.
NM	Nautical mile.
NUES	Norwegian Code of Practice for Corporate Governance.
OCY	Ocean Yield.
Poseidon Principles	The Poseidon Principles were launched in 2019 by several financial institutions and serves as a framework for creating common, global baselines that are consistent with and supportive of society's goals, including IMO's 2050 GHG reduction strategy.
SO_2	Sulfur dioxide.
TCFD	Taskforce for Climate-related Financial Disclosures.
The taxonomy	EU Taxonomy for sustainable activities.
WEF	World Economic Forum.

The information in this report, except for climate performance data, represents the reporting period 01.01.2020 – 31.12.2020. The climate performance data AER and CO_2 represents the reporting period 1.1.2019 - 31.12.2019 for vessels owned by Ocean Yield in that period, but excluding the FPSO Dhirubhai-1, and 6 container vessels owned 50% and the SBM Installer owned 75% due to no data. The EEDI data excludes the oil-service vessels, two chemical tanker vessels sold in 2020 and Höegh Xiamen that was declared a total loss. All climate performance data, including AER and EEDI, represents the reporting period 01.01.2019– 31.12.2019 for vessels owned by Ocean Yield in that period, but excluding our FPSO Dhirubhai-1 (in lay-up) and our oil-service vessels. Information used to calculate climate performance, such as distance travelled and fuel use by fuel type are provided by our counter-parts and is verified by third parties. Ocean Yield follows the Greenhouse gas protocol definitions for emissions. Ocean Yield use the emissions factors per fuel type provided by IMO in Resolution MEPC.245(66) Climate performance is calculated for 100% of the asset value of our owned vessels unless otherwise stated.





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