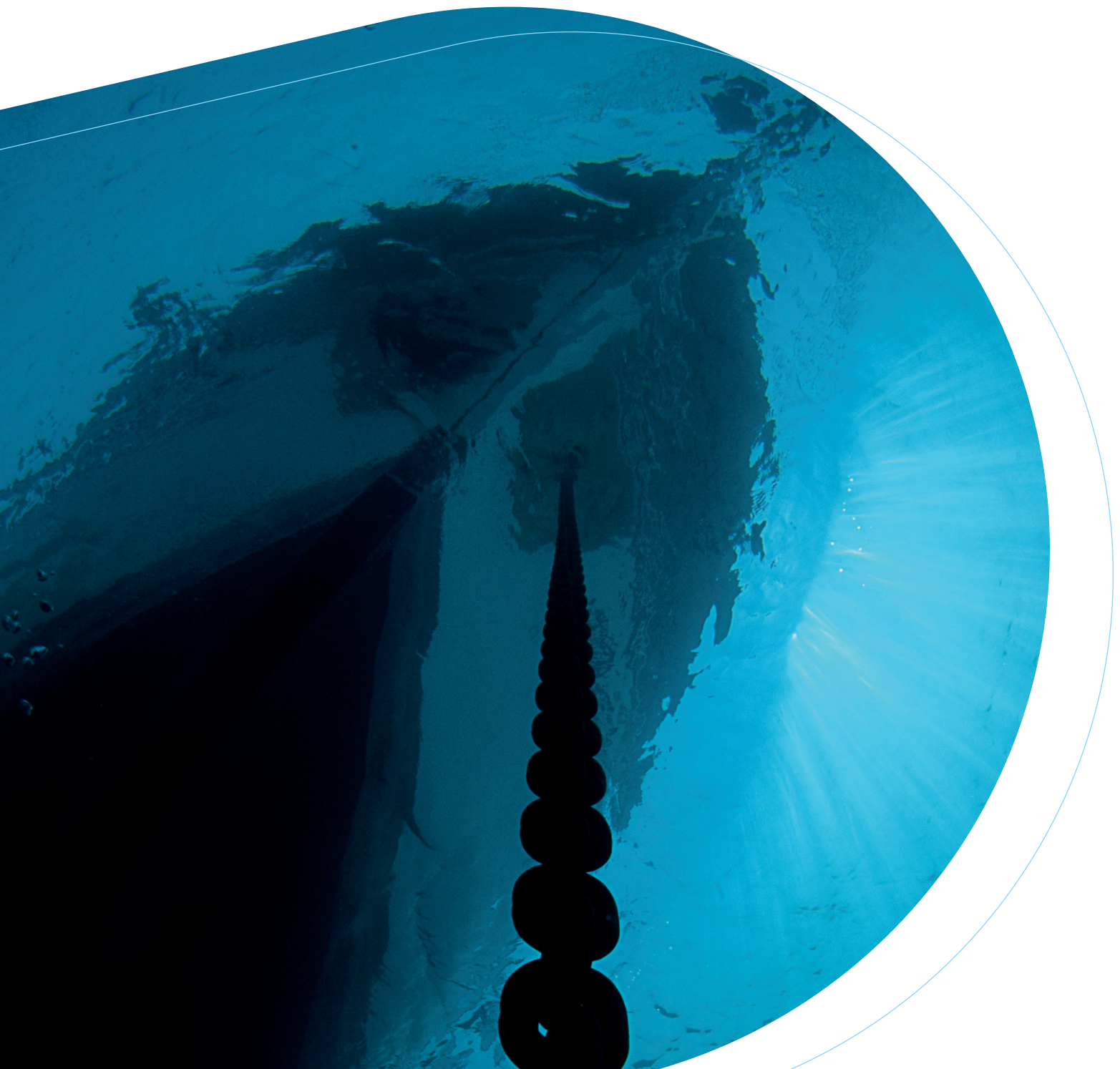


# Q4

## 2020 REPORT



OCEAN YIELD



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# FOURTH QUARTER AND PRELIMINARY RESULTS 2020

Fornebu, 15<sup>th</sup> February 2021, Ocean Yield ASA (“Ocean Yield” or the “Company”) announces results for the fourth quarter and preliminary results for the year ending 31<sup>st</sup> December 2020.

## HIGHLIGHTS

- The Board of Directors has declared a dividend of USD 5.30 cents per share. This is an increase of USD 0.15 cents compared to the previous quarter and is the 30<sup>th</sup> consecutive quarterly dividend declared by the Company.
- EBITDA for Q4 2020 was USD 46.3 million and EBITDA adjusted for finance lease effects was USD 67.6 million.
- Net profit for the period Q4 2020 was negative USD 51.7 million. Adjusted net profit from continuing operations for Q4 2020 was USD 21.6 million.
- In November, Ocean Yield agreed to sell the construction and cable-lay vessel *Connector* to a third party. The vessel negatively impacted the Net profit with USD 74.0 million in the fourth quarter.
- In October, Ocean Yield agreed to acquire two suezmax newbuilding tankers with 10-year bareboat charters to Nordic American Tankers Ltd.
- In December, 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 a third party.
- After the end of the quarter, Scorpio Bulkers Inc., who is chartering the kamsarmax dry-bulk vessel *SBI Lynx* and the ultramax dry-bulk vessels *SBI Libra* and *SBI Virgo* on long-term charter, declared an option to sell the vessels to third parties. Delivery will take place in the first quarter 2021.
- Also after the end of the quarter, Navig8 Chemical Tankers Inc., who is chartering the chemical tanker *Navig8 Topaz* on long-term charter, declared the five-year purchase option on the vessel. The sale will be completed in July 2021.

Lars Solbakken, CEO of Ocean Yield, said in a comment:

*“We are pleased to announce another increase in dividends for the fourth quarter, and that all counterparties are performing according to contracts. During the fourth quarter, we invested in two newbuilding Suezmax tankers with long-term charters, while we continued to reduce our exposure to the oil-service segment with the sale of the offshore construction and cable-lay vessel Connector. Some of our counterparties have exercised purchase- or sales options in their contracts during the quarter. The net proceeds from these sales is expected to be reinvested as equity into new vessels with long-term charters”.*

## SELECTED KEY FINANCIAL FIGURES

|  | 3rd Quarter<br>2020 | 4th Quarter<br>2020 | 4th Quarter<br>2019<br><i>Restated*</i> | Jan - Dec<br>2020 | Jan - Dec<br>2019<br><i>Restated*</i> |
|--|---------------------|---------------------|---|-------------------|---------------------------------------|
| <i>Amounts in USD million</i>                    |                     |                     |   |                   |                                       |
| Revenues and other income                        | 57.2                | <b>50.4</b>         | 61.7                                    | <b>258.8</b>      | 240.3                                 |
| EBITDA   | 52.2                | <b>46.3</b>         | 55.9                                    | <b>241.2</b>      | 218.4                                 |
| EBITDA adjusted for finance lease effects**      | 75.8                | <b>67.6</b>         | 79.2                                    | <b>311.1</b>      | 298.9                                 |
| Net profit (loss) for the period                 | (104.4)             | <b>(51.7)</b>       | 9.6                                     | <b>(141.3)</b>    | (39.9)                                |
| Adjusted Net profit from continuing operations** | 24.5                | <b>21.6</b>         | 18.8                                    | <b>88.2</b>       | 66.3                                  |
| Equity ratio                                     | 27.5 %              | <b>27.9 %</b>       | 27.8 %                                  | <b>27.9 %</b>     | 27.8 %                                |
| EBITDA charter backlog (USD bn)**                | 2.9                 | <b>2.9</b>          | 3.6                                     | <b>2.9</b>        | 3.6                                   |
| Dividend declared per share (USD)                | 0.0515              | <b>0.0530</b>       | 0.1910                                  | <b>0.2045</b>     | 0.7640                                |

\* Comparative information has been restated due to discontinued operations

\*\* Definition on page 21

# MAIN EVENTS DURING THE FOURTH QUARTER AND POST QUARTER END

## Dividends

- The Board of Directors has declared a quarterly dividend payment of USD 5.30 cents per share for Q4 2020. The dividend will be paid on or about 26<sup>th</sup> February 2021 to shareholders as of 17<sup>th</sup> February 2021 registered with the Norwegian Central Securities Depository (the "VPS") as of 19<sup>th</sup> February 2021 (the "Record Date"). The ex-dividend date will be 18<sup>th</sup> February 2021.

## New investments

- 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. NAT is a crude tanker company listed on the New York Stock Exchange with a fleet of 25 Suezmax tankers, including these two newbuildings.

## Portfolio update

- In October, the restructuring agreement for the vessels *Far Senator* and *Far 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. In connection with the restructuring, Ocean Yield received 2.8 million shares in Solstad Offshore ASA ("Solstad"), equivalent to about 3.8 % of the shares in the company. These shares were sold during the fourth quarter and Ocean Yield no longer holds any shares in Solstad.
- In November, 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 has been recorded in addition to a negative result of USD 3.3 million in the quarter, partly due to a dry-docking of the vessel in the fourth quarter. The vessel was delivered to its new owner towards the end of the fourth quarter.
- In December, 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 and recorded a small book profit from the sale.

- After the end of the quarter, Scorpio Bulk Inc. ("Scorpio Bulk"), who has taken a strategic decision to exit the dry-bulk sector, declared an option to sell the dry-bulk vessel *SBI Lynx* and the ultramax dry-bulk vessels *SBI Libra* and *SBI Virgo* to unrelated third parties. Ocean Yield will receive total proceeds of about USD 62 million from the sales and record a small book profit. Delivery of the vessels is expected during Q1 2021.
- Also after the end of the quarter, Navig8 Chemical Tankers Inc. ("Navig8 Chemical Tankers"), who is chartering the chemical tanker *Navig8 Topaz*, declared the five-year purchase option on the vessel. The vessel will be delivered on 22<sup>nd</sup> July 2021. Ocean Yield will receive net cash proceeds after repayment of debt of about USD 12 million.

The net proceeds from vessels sold will be reinvested in new projects.

- With regards to the FPSO *Dhirubhai-1*, discussions with potential interested parties have continued during the fourth quarter. However, these discussions are continuing into the first quarter and it is still uncertain if a sale can be concluded. The FPSO is classified as an asset held for sale in the accounts.

## Funding

- The Company has repurchased another NOK 18 million in the bond issue OCY04, which has maturity in September 2021. Following the repurchase, NOK 432 million is outstanding under the bond issue.
- After the end of the quarter, Ocean Yield signed a new loan agreement for a refinancing of the five PCTC vessels on long-term charter to Høegh Autoliners. The loan facility was maturing in June 2021 and will be extended by another four years.

# FOURTH QUARTER FINANCIAL REVIEW

## Profit and Loss items

- Operating revenues** were USD 20.6 million in Q4 2020 compared with USD 25.5 million in Q3 2020. The decrease is mainly due to the sale of the *SBM Installer*, which took place in the third quarter, and substantially lower revenues for the *Connector* compared with the third quarter, due to a special survey on the vessel followed by a sale of the vessel immediately thereafter.
- Finance lease revenues** were USD 23.5 million in Q4 2020 compared with USD 24.9 million in Q3 2020.
- 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 6.0 million in Q4 2020 compared with USD 6.0 million in Q3 2020.

- **Other revenues** were USD 0.3 million and is related to the sale of the dry-bulk vessel *La Loirais*.
- **Total revenues and other income** for Q4 2020 were USD 50.4 million compared with USD 57.2 million for Q3 2020 million.
- **Vessel operating expenses** were USD 1.6 million in Q4 2020 compared with USD 2.3 million in Q3 2020. The operating expenses are related to the *Connector*, which was operated on a time-charter basis. The decrease is a result of lower vessel utilisation in the fourth quarter compared with the third quarter. The vessel was sold towards the end of the fourth quarter.
- **EBITDA** was USD 46.3 million in Q4 2020 compared with USD 52.2 million in Q3 2020. Adjusted for finance lease effects, the EBITDA was USD 67.6 million compared with USD 75.8 million in Q3 2020.
- **Depreciation and amortization** were USD 9.1 million in Q4 2020, compared with USD 11.7 million in Q3 2020. The reduction compared with the third quarter is mainly related to the sale of the *SBM Installer* and lower depreciation on the *Connector* in the fourth quarter.
- **Impairment charges and other non-recurring items** were USD 70.7 million and is related to the sale of the *Connector*.
- **Operating profit** was negative USD 33.5 million in Q4 2020, mainly driven by the negative result of USD 74.0 million on the *Connector*. Operating profit in Q3 2020 was USD 5.9 million, which also included an impairment charge of USD 34.6 million on the same vessel.
- **Financial income** was USD 0.8 million in Q4 2020 compared with USD 1.0 million in Q3 2020. This is related to interest income from cash deposits and guarantee fees in connection with joint-ventures.
- **Financial expenses** were USD 15.9 million in Q4 2020, compared with USD 17.1 million in Q3 2020. The reduction is mainly due to sale of vessels and prepayment of unsecured bond debt.
- **Foreign exchange losses** were USD 26.2 million in Q4 2020, compared with a loss of USD 6.8 million in Q3 2020. The foreign exchange losses are mainly a result of fluctuations in the USD/NOK exchange rate, as Ocean Yield's bond loans are denominated in NOK.
- **Change in fair value of financial instruments** were positive with USD 25.9 million in Q4 2020 compared with a positive movement of USD 10.5 million in Q3 2020. This is mainly related to the Company's cross currency swaps, which have been used to swap NOK exposure into USD.
- **The Net profit before tax** in Q4 2020 was negative USD 48.9 million compared with a net profit before tax of negative USD 6.6 million for Q3 2020.
- **Tax payable** was negative USD 0.1 million in Q4 2020 compared with positive USD 0.4 million in Q3 2020.

- **Change in deferred tax** was negative USD 0.6 million in Q4 2020, compared with negative USD 0.8 million in Q3 2020.
- **The Net profit from continuing operations** for Q4 2020 was negative USD 49.6 million compared with negative USD 7.1 million for Q3 2020.
- **Net profit from discontinued operations (net of tax)**, which is related to the FPSO *Dhirubhai-1* (currently in lay-up), was negative USD 2.1 million in Q4 2020 compared with negative USD 97.3 million in Q3 2020. The figure for Q3 2020 included an impairment on the book value of the FPSO of USD 94.8 million.
- **Net profit for the period** Q4 2020 was negative USD 51.7 million compared with a net profit for the period of negative USD 104.4 million for Q3 2020. Adjusted for discontinued operations, non-recurring items, currency fluctuations, change in fair value of financial instruments and change in deferred tax, the adjusted net profit from continuing operations was USD 21.6 million as compared with USD 24.5 million in Q3 2020. The adjusted net profit from continuing operations was USD 2.9 million lower in Q4 2020 compared to Q3 2020, of which USD 2.3 million is related to the *Connector*.

#### Balance sheet items

- **Vessels and equipment** was USD 550.4 million in Q4 2020 compared with USD 699.9 million in Q3 2020. The decrease compared with the third quarter is mainly related to the sale of the *Connector*.
- **Investments in associates**, which includes 49.9% interest in six mega container vessels and 50% interest in seven tankers on long-term charter, was USD 178.0 million in Q4 2020 compared with USD 175.1 million in Q3 2020.
- **Finance lease receivables and related assets** were USD 1,220.0 million in Q4 2020 compared with USD 1,257.3 million in Q3 2020.
- **Restricted cash deposits** were USD 1.3 million compared with USD 14.2 million in Q3 2020. The cash deposits are posted as collateral with banks for the Company's cross currency swaps related to unsecured bond loans. The decrease compared with the third quarter is mainly due to the strengthening of the NOK against the USD and hence release of cash deposits from the banks.
- **Finance lease receivables, short term portion** were USD 164.2 million in Q4 2020 compared to USD 164.1 million in Q3 2020.
- **Cash & cash equivalents** at the end of Q4 2020 were USD 112.7 million, compared with USD 158.6 million at the end of Q3 2020. In addition, USD 0.4 million of cash is included in *Assets held for sale*. The reduction in cash compared with the third quarter is partly due to the prepayment of NOK 300 million of bonds in the unsecured bond issue OCY04. The Company had undrawn credit lines available in an amount of USD 52.5 million at the end of the quarter. Hence, total available liquidity was USD 165.7 million at the end of the quarter.
- **Assets held for sale** were USD 54.0 million compared

with USD 58.3 million in Q3 2020. This amount is related to the FPSO *Dhirubhai-1*. Included in the USD 54.0 million is the book value of the FPSO of USD 51.4 million, USD 0.4 million in cash and trade receivables and other assets of USD 2.1 million.

- **Book equity** was USD 637.7 million at the end of Q4 2020, compared with USD 698.4 million at the end of Q3 2020. The equity ratio was 27.9% at the end of Q4 2020 compared with 27.5% in Q3 2020.
- **Interest bearing long-term debt** was USD 1,143.8 million compared with USD 1,435.2 million in Q3 2020. In addition to ordinary debt instalments, the Company has prepaid NOK 300 million of the unsecured bond OCY04, as announced in the third quarter, and repaid USD 74.6 million of debt in connection with the sale of the *Connector*.
- **Interest bearing short-term debt** was USD 467.0 million in Q4 2020 compared with USD 335.6 million in Q3 2020.
- **Fair value of derivatives, including the long- and short-term portion** was USD 19.0 million in Q4 2020 compared with USD 44.9 million in Q3 2020. The decrease compared with the third quarter is mainly a result of the movements in the USD/NOK exchange rate, which affects the fair value of the Company's cross currency swaps related to unsecured bond loans denominated in NOK.
- **Total assets** were USD 2,286.3 million in Q4 2020, compared with USD 2,535.5 million in Q3 2020.

#### Cash flow

- **Net cash flow from operating activities** was USD 43.9 million in Q4 2020 compared with USD 53.1 million in Q3 2020. The reduction compared to the third quarter is mainly due to the sale of the *SBM Installer*, sale and special survey of the *Connector* and a step-down in the charter rate on the *Aker Wayfarer* in accordance with the charter contract.
- **Net cash flow from investing activities** was positive USD 100.7 million. This is mainly due to the sale of the *Connector* and the sale of a dry-bulk vessel accounted for as finance lease, in addition to release of restricted cash deposits of USD 12.9 million.
- **Net cash flow from financing activities** was negative USD 196.4 million. This is mainly explained by repayments of debt of USD 188.2 million, in addition to dividends on common shares of USD 9.0 million and dividends on hybrid capital of USD 2.1 million.

## 2020 FINANCIAL REVIEW

- **Operating 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*, the constructive total loss on the *Höegh Xiamen* and lower revenues on the *Connector*.

- **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 revenues** were 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 and other non-recurring items** were USD 133.0 million for the year 2020 compared with USD 0.0 million in 2019. The amount in 2020 is related to the *Connector*.
- **Financial income** was USD 2.1 million in 2020 compared with USD 2.0 million in 2019.
- **Financial expenses** were USD 84.7 million in 2020, compared with USD 104.2 million in 2019. The decrease in financial expenses in 2020 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.

- **Change in fair value of financial instruments** were positive with USD 26.8 million in 2020 compared with negative USD 3.6 million in 2019. This 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.
- **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.

## CHARTER BACKLOG

The EBITDA charter backlog at the end of Q4 2020 was USD 2.9 billion with an average remaining contract duration of 9.8 years. This includes Ocean Yield's pro-rata interest in vessels owned in joint ventures. The total fleet, counted 68 vessels at the end of the fourth quarter, which includes wholly and partly owned vessels.

## RISKS

The COVID-19 pandemic has so far not had any material negative effects on our portfolio of vessels with long-term charters and all counterparties are performing according to the charter contracts. In certain shipping segments we have seen a continued positive recovery during the fourth quarter. The long-term impact of the pandemic is still difficult to predict, but vaccinations should contribute to a stabilisation of the economy over time.

The Company's fleet is fixed on long-term bareboat char-

ters with fixed rates (only subject to interest-rate clause adjustments) and is as such not affected by market fluctuations. However, for two AHTS vessels the Company is exposed to market rates, as these vessels are trading on variable, market related rates with Solstad.

Several opportunities are under evaluation for the FPSO *Dhirubhai-1*. If an acceptable solution is not found there is a risk for further impairment of the book value of this unit.

The Company is also exposed to a number of other risks, including counterparty-, financing-, interest rate-, currency-, impairment- and residual value risk related to its vessels.

For a more detailed description of risk factors, please refer to the annual report for 2019, which is available on [www.oceanyield.no](http://www.oceanyield.no).

## 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. The dividend level is conservative relative to expected future earnings and the Board of Directors intend to gradually increase the dividends going forward.

\*Definition on page 21

Fornebu, 15<sup>th</sup> February 2021

Ocean Yield ASA



Frank O. Reite  
Chairman



Anne Christin Døvingen  
Director



Kjell Inge Røkke  
Director



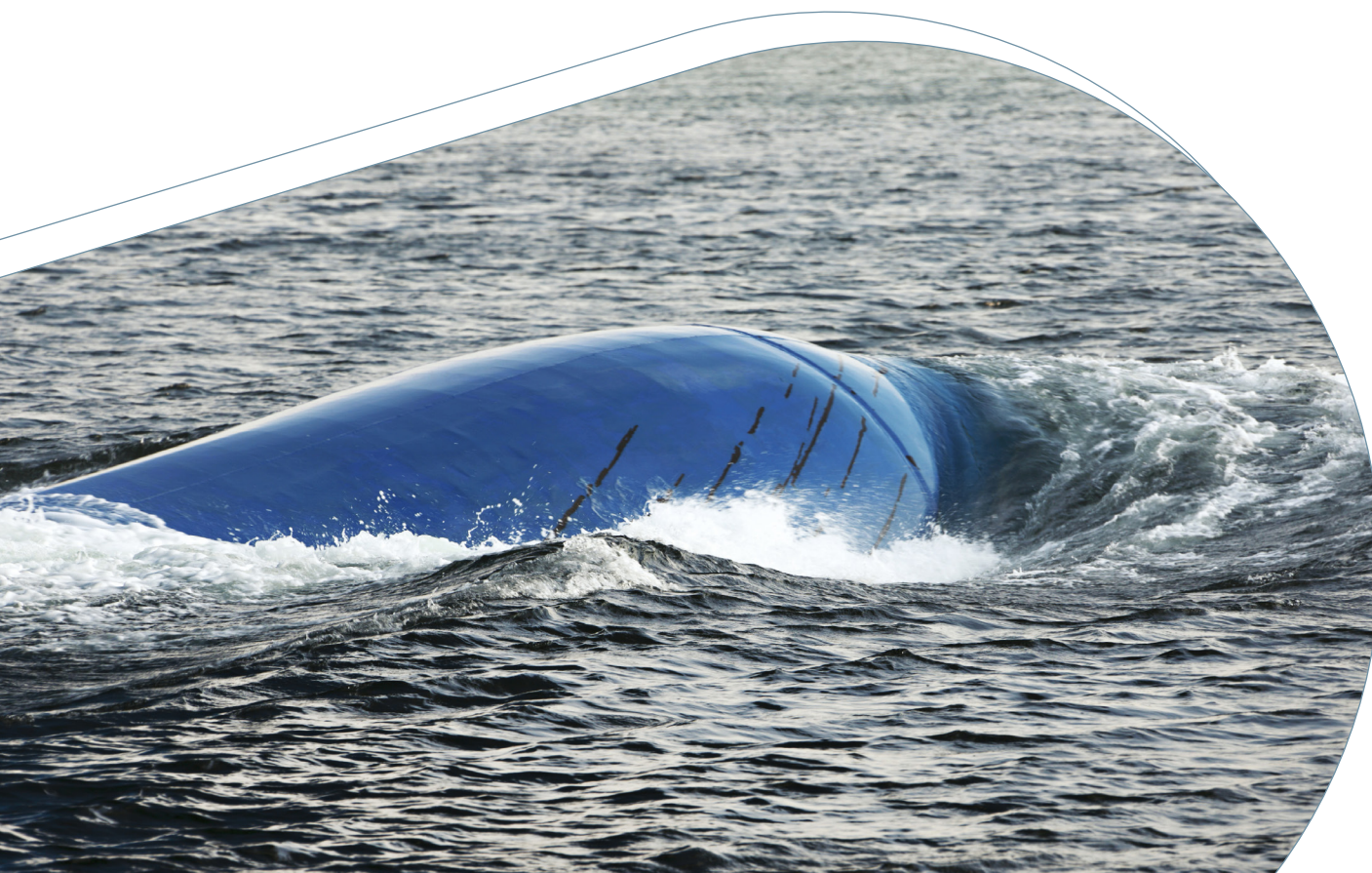
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# Ocean Yield ASA Group condensed consolidated financial statement for the fourth quarter 2020

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

|   |             | 3rd Quarter<br>2020 | 4th Quarter<br>2020 | 4th Quarter<br>2019<br><i>Restated*</i> | Jan - Dec<br>2020 | Jan - Dec<br>2019<br><i>Restated*</i> |
|---|-------------|---------------------|---------------------|---|-------------------|---------------------------------------|
| <i>Amounts in USD million</i>                             | <i>Note</i> |                     |                     |   |                   |                                       |
| Operating revenues  |             | 25.5                | 20.6                | 23.7                                    | 95.5              | 103.3                                 |
| Finance lease revenue                                     |             | 24.9                | 23.5                | 32.2                                    | 112.4             | 114.1                                 |
| Income from investments in associates                     |             | 6.0                 | 6.0                 | 5.9                                     | 22.4              | 22.9                                  |
| Other income  |             | 0.8                 | 0.3                 | -                                       | 28.5              | -                                     |
| <b>Total revenues and other income</b>                    | <b>5</b>    | <b>57.2</b>         | <b>50.4</b>         | <b>61.7</b>                             | <b>258.8</b>      | <b>240.3</b>                          |
| Vessel operating expenses                                 |             | (2.3)               | (1.6)               | (1.9)                                   | (7.9)             | (9.3)                                 |
| Wages and other personnel expenses                        |             | (1.5)               | (1.6)               | (1.7)                                   | (6.0)             | (6.8)                                 |
| Other operating expenses                                  |             | (1.2)               | (0.9)               | (2.2)                                   | (3.6)             | (5.5)                                 |
| Write down on trade receivables                           |             | -                   | -                   | (0.0)                                   | -                 | (0.4)                                 |
| <b>EBITDA</b>   | <b>5</b>    | <b>52.2</b>         | <b>46.3</b>         | <b>55.9</b>                             | <b>241.2</b>      | <b>218.4</b>                          |
| Depreciation and amortization                             | 8           | (11.7)              | (9.1)               | (12.5)                                  | (45.7)            | (49.7)                                |
| Impairment charges and other non recurring items          | 8           | (34.6)              | (70.7)              | 0.0                                     | (133.0)           | 0.0                                   |
| <b>Operating profit (EBIT)</b>                            |             | <b>5.9</b>          | <b>(33.5)</b>       | <b>43.4</b>                             | <b>62.5</b>       | <b>168.7</b>                          |
| Financial income  |             | 1.0                 | 0.8                 | 0.7                                     | 2.1               | 2.0                                   |
| Financial expenses  |             | (17.1)              | (15.9)              | (26.7)                                  | (84.7)            | (104.2)                               |
| Foreign exchange gains/losses                             |             | (6.8)               | (26.2)              | (9.1)                                   | (39.7)            | 2.0                                   |
| Change in fair value of financial instruments             | 7           | 10.5                | 25.9                | 13.5                                    | 26.8              | (3.6)                                 |
| <b>Net financial items</b>                                |             | <b>(12.5)</b>       | <b>(15.4)</b>       | <b>(21.6)</b>                           | <b>(95.4)</b>     | <b>(103.8)</b>                        |
| <b>Net profit (loss) before tax</b>                       |             | <b>(6.6)</b>        | <b>(48.9)</b>       | <b>21.8</b>                             | <b>(32.9)</b>     | <b>64.9</b>                           |
| Tax payable   |             | 0.4                 | (0.1)               | 1.4                                     | (0.4)             | (1.0)                                 |
| Change in deferred tax                                    |             | (0.8)               | (0.6)               | (2.4)                                   | (2.9)             | (2.5)                                 |
| <b>Net profit (loss) from continuing operations</b>       |             | <b>(7.1)</b>        | <b>(49.6)</b>       | <b>20.8</b>                             | <b>(36.1)</b>     | <b>61.5</b>                           |
| Net profit (loss) from discontinued operation, net of tax | 6           | (97.3)              | (2.1)               | (11.2)                                  | (105.1)           | (101.4)                               |
| <b>Net profit (loss) for the period</b>                   |             | <b>(104.4)</b>      | <b>(51.7)</b>       | <b>9.6</b>                              | <b>(141.3)</b>    | <b>(39.9)</b>                         |
| Attributable to:  |             |                     |                     |   |                   |                                       |
| Equity holders of the parent                              |             | (106.9)             | (53.9)              | 6.6                                     | (150.9)           | (43.5)                                |
| Non-controlling interests                                 |             | 0.3                 | -                   | 0.3                                     | 0.4               | 0.9                                   |
| Dividends on hybrid capital                               |             | 2.2                 | 2.1                 | 2.7                                     | 9.3               | 2.7                                   |
| <b>Net profit (loss) for the period</b>                   |             | <b>(104.4)</b>      | <b>(51.7)</b>       | <b>9.6</b>                              | <b>(141.3)</b>    | <b>(39.9)</b>                         |
| Weighted average number of shares outstanding             |             | 175.2               | 175.2               | 165.0                                   | 175.2             | 160.8                                 |
| <b>Earnings per share (USD), continuing operations</b>    |             | <b>(0.05)</b>       | <b>(0.30)</b>       | <b>0.11</b>                             | <b>(0.26)</b>     | <b>0.36</b>                           |
| Total number of shares outstanding, eksl. treasury shares |             | 175.1               | 175.2               | 159.3                                   | 175.2             | 175.2                                 |

\*Comparative information has been re-presented due to a discontinued operation

## TOTAL COMPREHENSIVE INCOME

|   | 3rd Quarter<br>2020 | 4th Quarter<br>2020 | 4th Quarter<br>2019<br><i>Restated*</i> | Jan - Dec<br>2020 | Jan - Dec<br>2019<br><i>Restated*</i> |
|---|---------------------|---------------------|---|-------------------|---------------------------------------|
| <i>Amounts in USD million</i>   |                     |                     |   |                   |                                       |
| Net profit (loss) for the period  | (104.4)             | (51.7)              | 9.6                                     | (141.3)           | (39.9)                                |
| <b>Other comprehensive income, net of income tax</b>                    |                     |                     |   |                   |                                       |
| <b>Items that will not be reclassified to the income statement</b>      |                     |                     |   |                   |                                       |
| Remeasurements of defined benefit liability (asset)                     | -                   | (0.0)               | (0.1)                                   | (0.0)             | (0.1)                                 |
| Total for items that will not be reclassified to the income statement   | -                   | (0.0)               | (0.1)                                   | (0.0)             | (0.1)                                 |
| <b>Items that are or may be reclassified to the income statement</b>    |                     |                     |   |                   |                                       |
| Share of other comprehensive income from investment in associates       | 0.6                 | 1.5                 | 4.4                                     | (14.7)            | (15.5)                                |
| Change in fair value of available for sale financial assets             | (0.0)               | 0.5                 | 0.3                                     | (0.1)             | (0.8)                                 |
| Currency translation differences  | 0.0                 | (0.0)               | 1.2                                     | (0.0)             | (0.6)                                 |
| Total for items that are or may be reclassified to the income statement | 0.6                 | 2.0                 | 5.9                                     | (14.8)            | (16.8)                                |
| Total change in other comprehensive income, net of income tax           | 0.6                 | 2.0                 | 5.8                                     | (14.8)            | (16.9)                                |
| <b>Total comprehensive income for the period</b>                        | <b>(103.8)</b>      | <b>(49.8)</b>       | <b>15.4</b>                             | <b>(156.1)</b>    | <b>(56.8)</b>                         |
| Attributable to:  |                     |                     |   |                   |                                       |
| Equity holders of the parent  | (106.2)             | (51.9)              | 12.4                                    | (165.8)           | (60.4)                                |
| Non controlling interests   | 0.3                 | -                   | 0.3                                     | 0.4               | 0.9                                   |
| Dividends on hybrid capital   | 2.2                 | 2.1                 | 2.7                                     | 9.3               | 2.7                                   |
| <b>Total comprehensive income for the period</b>                        | <b>(103.8)</b>      | <b>(49.8)</b>       | <b>15.4</b>                             | <b>(156.1)</b>    | <b>(56.8)</b>                         |

*\*Comparative information has been re-presented due to a discontinued operation*



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|  |           | 30 September   | 31 December    | 31 December    |
|--|-----------|----------------|----------------|----------------|
| <i>Amounts in USD million</i>                                    | Note      | 2020           | 2020           | 2019           |
| <b>ASSETS</b>  |           |                |                |                |
| Vessels and equipment  | 8         | 699.9          | 550.4          | 1 053.7        |
| Investments in associates  |           | 175.1          | 178.0          | 178.2          |
| Finance lease receivables and related assets                     | 9         | 1 257.3        | 1 220.0        | 1 483.6        |
| Restricted cash deposits   |           | 14.2           | 1.3            | 22.7           |
| Other shares and other non-current assets                        |           | 1.9            | 1.6            | 2.6            |
| Deferred tax assets  |           | -              | -              | 0.1            |
| <b>Total non-current assets</b>                                  |           | <b>2 148.3</b> | <b>1 951.2</b> | <b>2 740.9</b> |
| Finance lease receivables, short term portion                    | 9         | 164.1          | 164.2          | 219.8          |
| Trade and other interest-free receivables                        |           | 6.1            | 4.2            | 7.1            |
| Cash and cash equivalents  |           | 158.6          | 112.7          | 185.5          |
| <b>Current assets</b>  |           | <b>328.8</b>   | <b>281.1</b>   | <b>412.3</b>   |
| Assets held for sale   | 6         | 58.3           | 54.0           | -              |
| <b>Total current assets</b>                                      |           | <b>387.2</b>   | <b>335.1</b>   | <b>412.3</b>   |
| <b>Total assets</b>  |           | <b>2 535.5</b> | <b>2 286.3</b> | <b>3 153.2</b> |
| <b>EQUITY AND LIABILITIES</b>                                    |           |                |                |                |
| Share capital  |           | 271.0          | 271.0          | 271.0          |
| Treasury shares  |           | ( 0.2)         | ( 0.0)         | ( 0.1)         |
| Other paid-in capital  |           | 366.1          | 237.3          | 366.1          |
| <b>Total paid-in capital</b>                                     | <b>13</b> | <b>636.9</b>   | <b>508.3</b>   | <b>637.0</b>   |
| Retained earnings and translation reserves                       |           | ( 63.5)        | 4.4            | 101.4          |
| <b>Total equity attributable to equity holders of the parent</b> |           | <b>573.4</b>   | <b>512.7</b>   | <b>738.4</b>   |
| Hybrid capital   |           | 125.0          | 125.0          | 125.0          |
| Non controlling interests  |           | 0.0            | 0.0            | 13.2           |
| <b>Total equity</b>  |           | <b>698.4</b>   | <b>637.7</b>   | <b>876.6</b>   |
| Interest-bearing long-term debt                                  | 12        | 1 435.2        | 1 143.8        | 1 909.0        |
| Deferred tax liabilities   |           | 4.6            | 5.2            | 2.6            |
| Mobilization fee and advances                                    |           | 1.5            | 0.6            | 5.7            |
| Fair value of derivatives  | 7         | 28.7           | 13.7           | 23.7           |
| Finance lease liabilities  |           | 0.8            | 0.6            | 1.0            |
| Other interest-free long-term liabilities                        |           | -              | -              | 1.6            |
| <b>Total non-current liabilities</b>                             |           | <b>1 470.8</b> | <b>1 164.0</b> | <b>1 943.6</b> |
| Interest-bearing short-term debt                                 | 12        | 335.6          | 467.0          | 276.2          |
| Fair value of derivatives  | 7         | 16.2           | 5.3            | 22.5           |
| Current provisions (field abandonment)                           |           | -              | -              | 12.4           |
| Trade and other payables   |           | 12.9           | 10.1           | 22.0           |
| <b>Current liabilities</b>                                       |           | <b>364.7</b>   | <b>482.4</b>   | <b>333.0</b>   |
| Liabilities directly associated with the assets held for sale    | 6         | 1.6            | 2.2            | -              |
| <b>Total current liabilities</b>                                 |           | <b>366.3</b>   | <b>484.6</b>   | <b>333.0</b>   |
| <b>Total liabilities</b>   |           | <b>1 837.1</b> | <b>1 648.6</b> | <b>2 276.6</b> |
| <b>Total equity and liabilities</b>                              |           | <b>2 535.5</b> | <b>2 286.3</b> | <b>3 153.2</b> |



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| <i>Amounts in USD million</i>  | Share<br>Capital | Share<br>Premium | Treasury<br>Shares<br>reserve | Fair value<br>reserve | Translation<br>reserve | Retained<br>earnings | Share-<br>holders<br>equity | Hybrid<br>capital | Non<br>controlling<br>interests | Total equity   |
|--|------------------|------------------|-------------------------------|-----------------------|------------------------|----------------------|-----------------------------|-------------------|---------------------------------|----------------|
| <b>Balance at 31st December 2018</b>                                   | <b>253.7</b>     | <b>387.4</b>     | <b>(0.1)</b>                  | <b>(11.1)</b>         | <b>(41.4)</b>          | <b>257.2</b>         | <b>845.7</b>                | <b>-</b>          | <b>0.0</b>                      | <b>845.7</b>   |
| 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)         |
| <b>Total comprehensive income</b>                                      | <b>-</b>         | <b>-</b>         | <b>-</b>                      | <b>(0.8)</b>          | <b>(0.6)</b>           | <b>(56.3)</b>        | <b>(57.7)</b>               | <b>-</b>          | <b>0.9</b>                      | <b>(56.8)</b>  |
| 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 bond, 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                 | -                           | -                 | -                               | -              |
| <b>Balance at 31st December 2019</b>                                   | <b>271.0</b>     | <b>366.1</b>     | <b>(0.4)</b>                  | <b>(11.9)</b>         | <b>(42.0)</b>          | <b>155.6</b>         | <b>738.4</b>                | <b>125.0</b>      | <b>13.2</b>                     | <b>876.6</b>   |
| 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)         |
| <b>Total comprehensive income</b>                                      | <b>-</b>         | <b>(47.2)</b>    | <b>-</b>                      | <b>(0.1)</b>          | <b>(0.0)</b>           | <b>(109.2)</b>       | <b>(156.5)</b>              | <b>-</b>          | <b>0.4</b>                      | <b>(156.1)</b> |
| 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 subsidiary) | -                | -                | -                             | -                     | -                      | -                    | -                           | -                 | (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            |
| <b>Balance at 31st December 2020</b>                                   | <b>271.0</b>     | <b>237.4</b>     | <b>(0.1)</b>                  | <b>-</b>              | <b>-</b>               | <b>4.4</b>           | <b>512.7</b>                | <b>125.0</b>      | <b>-</b>                        | <b>637.7</b>   |



## CONSOLIDATED STATEMENT OF CASH FLOWS

|   | 3rd Quarter<br>2020<br><i>Restated*</i> | 4th Quarter<br>2020 | 4th Quarter<br>2019<br><i>Restated*</i> | Jan - Dec<br>2020 | Jan - Dec<br>2019<br><i>Restated*</i> |
|---|---|---------------------|---|-------------------|---------------------------------------|
| <i>Amounts in USD million</i>   |   |                     |   |                   |                                       |
| Net profit (loss) for the period  | (104.4)                                 | (51.7)              | 9.6                                     | (141.3)           | (39.9)                                |
| Income tax expense  | 0.5                                     | 0.7                 | 1.0                                     | 3.3               | 3.5                                   |
| Depreciation and amortization   | 11.7                                    | 9.1                 | 16.7                                    | 45.8              | 74.3                                  |
| Impairment charges and other non-recurring items                              | 128.5                                   | 70.7                | 7.7                                     | 226.9             | 80.6                                  |
| Repayment on finance lease receivables  | 23.4                                    | 21.3                | 23.4                                    | 97.1              | 80.5                                  |
| Income from investments in associates   | (6.0)                                   | (6.0)               | (5.9)                                   | (22.4)            | (22.9)                                |
| Dividend received from investments in associates                              | 4.9                                     | 4.6                 | 5.8                                     | 18.1              | 21.1                                  |
| Net interest expenses (+)   | 15.9                                    | 14.6                | 25.4                                    | 77.5              | 100.4                                 |
| Interest paid   | (15.7)                                  | (13.7)              | (22.8)                                  | (79.0)            | (96.3)                                |
| Interest received   | 0.1                                     | 1.2                 | 0.9                                     | 2.4               | 7.4                                   |
| Unrealized foreign exchange gain/loss   | 6.3                                     | 21.6                | 5.7                                     | (2.3)             | (6.1)                                 |
| Change in fair value of financial instruments                                 | (10.5)                                  | (25.9)              | (13.5)                                  | (26.8)            | 3.6                                   |
| Other changes in operating activities   | (1.7)                                   | (2.7)               | (2.6)                                   | (48.1)            | (5.9)                                 |
| <b>Net cash flow from operating activities</b>                                | <b>53.1</b>                             | <b>43.9</b>         | <b>51.2</b>                             | <b>151.1</b>      | <b>200.3</b>                          |
| Acquisition of vessels and equipment  | (0.2)                                   | (3.8)               | (0.4)                                   | (4.2)             | (0.5)                                 |
| Sale of vessel  | -                                       | 73.5                | -                                       | 73.5              | -                                     |
| Sale of vessels (de-consolidation of subsidiary)                              | 80.9                                    | -                   | -                                       | 80.9              | -                                     |
| Proceeds from Insurance claim   | 26.3                                    | -                   | -                                       | 26.3              | -                                     |
| Acquisition of vessels accounted for as finance lease receivables             | (24.1)                                  | (0.0)               | (286.3)                                 | (91.1)            | (568.4)                               |
| Sale of vessel accounted for as finance lease                                 | 26.5                                    | 16.2                | -                                       | 69.2              | -                                     |
| Investments in other non-current assets                                       | 0.0                                     | 1.9                 | (4.4)                                   | 1.9               | (45.9)                                |
| Net change in Investment in associated companies                              | -                                       | -                   | -                                       | 10.2              | -                                     |
| Net change in long-term interest-bearing receivables                          | 12.2                                    | 12.9                | 3.7                                     | 19.8              | (6.5)                                 |
| <b>Net cash flow from investing activities</b>                                | <b>121.6</b>                            | <b>100.7</b>        | <b>(287.4)</b>                          | <b>186.5</b>      | <b>(621.3)</b>                        |
| Proceeds from issuance of long-term interest-bearing debt                     | 70.6                                    | 2.7                 | 409.3                                   | 195.1             | 772.8                                 |
| Repayment of long-term interest-bearing debt                                  | (130.7)                                 | (188.2)             | (210.8)                                 | (480.8)           | (354.0)                               |
| Repayment of long-term interest-bearing debt (de-consolidation of subsidiary) | (50.9)                                  | -                   | -                                       | (50.9)            | -                                     |
| Repayment on finance lease liabilities  | (0.1)                                   | (0.1)               | (0.1)                                   | (0.3)             | (0.4)                                 |
| Dividend paid   | (8.8)                                   | (9.0)               | (30.3)                                  | (60.0)            | (121.6)                               |
| Dividend on hybrid capital  | (2.2)                                   | (2.1)               | (2.7)                                   | (9.3)             | (2.7)                                 |
| Dividend paid to non-controlling interests                                    | -                                       | -                   | -                                       | (0.5)             | -                                     |
| Net proceeds from issuance of new shares                                      | (0.0)                                   | 0.0                 | 77.3                                    | (0.0)             | 77.3                                  |
| Net proceeds from issuance of hybrid capital                                  | -                                       | -                   | (0.0)                                   | -                 | 123.1                                 |
| Net change in treasury shares   | (0.4)                                   | 0.3                 | (0.2)                                   | 0.0               | (0.6)                                 |
| <b>Net cash flow from financing activities</b>                                | <b>(122.4)</b>                          | <b>(196.4)</b>      | <b>242.5</b>                            | <b>(406.7)</b>    | <b>493.9</b>                          |
| <b>Net change in cash and cash equivalents</b>                                | <b>52.2</b>                             | <b>(51.8)</b>       | <b>6.3</b>                              | <b>(69.0)</b>     | <b>72.9</b>                           |
| Exchange rate differences   | 0.2                                     | 1.5                 | 3.1                                     | (2.0)             | 2.6                                   |
| Cash and cash equivalents at beginning of the period                          | 106.4                                   | 158.6               | 176.0                                   | 185.5             | 110.0                                 |
| Non-controlling interests' share of cash at time of de-consolidation          | (1.2)                                   | -                   | -                                       | (1.2)             | -                                     |
| Change in cash reported with assets held for sale                             | 1.0                                     | 4.4                 | -                                       | (0.4)             | -                                     |
| <b>Cash and cash equivalents at the end of the period</b>                     | <b>158.6</b>                            | <b>112.7</b>        | <b>185.5</b>                            | <b>112.7</b>      | <b>185.5</b>                          |

*\*\*\*"Repayment on finance lease receivables" has been moved from Cashflow from investing activities to Cashflow from operating activities*

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT FOR OCEAN YIELD ASA FOR THE FOURTH QUARTER 2020

## NOTE 1 INTRODUCTION

Ocean Yield is a company domiciled in Norway. The condensed consolidated interim financial statements for the fourth quarter and twelve months ending 31<sup>st</sup> December 2020 comprise Ocean Yield and its subsidiaries (together referred to as the “Group”).

The consolidated financial statements of the Group for the year ended 31<sup>st</sup> December 2019 and quarterly reports are available at [www.oceanyield.no](http://www.oceanyield.no).

## NOTE 2 STATEMENT OF COMPLIANCE

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by EU, and the Norwegian additional requirements in the Securities Trading Act. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31<sup>st</sup> December 2019.

These condensed consolidated interim financial statements, which have not been subject to audit or review by independent accountants, were approved by the Board of Directors on 15<sup>th</sup> February 2021.

## NOTE 3 SIGNIFICANT ACCOUNTING PRINCIPLES

Accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31<sup>st</sup> December 2019.

## NOTE 4 ESTIMATES

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The most significant judgments made by management in preparing these condensed consolidated interim financial statements in applying the Group’s accounting policies, and the key sources of estimation uncertainty, are the same as those applied to the consolidated financial statements as of the year ended 31<sup>st</sup> December 2019.





## NOTE 5 OPERATING SEGMENTS

Ocean Yield identifies segments based on the Group's management and internal reporting structure.

| <b>EBITDA</b>                    | 3rd Quarter | 4th Quarter | 4th Quarter      | Jan - Dec    | Jan - Dec        |
|----------------------------------|-------------|-------------|------------------|--------------|------------------|
|                                  | 2020        | 2020        | 2019             | 2020         | 2019             |
| <i>Amounts in USD million</i>    |             |             | <i>Restated*</i> |              | <i>Restated*</i> |
| Tankers                          | 12.4        | 12.1        | 18.4             | 62.1         | 68.3             |
| Container vessels                | 7.2         | 7.1         | 8.0              | 28.9         | 31.8             |
| Car Carriers**                   | 7.7         | 7.7         | 10.2             | 62.3         | 41.6             |
| Other Shipping                   | 10.8        | 10.8        | 9.7              | 42.9         | 32.3             |
| Other Oil Service                | 16.3        | 10.8        | 11.9             | 53.2         | 54.2             |
| Other companies and eliminations | (2.1)       | (2.1)       | (2.4)            | (8.1)        | (9.8)            |
| <b>EBITDA</b>                    | <b>52.2</b> | <b>46.3</b> | <b>55.9</b>      | <b>241.2</b> | <b>218.4</b>     |

\*Comparative information has been re-presented due to a discontinued operation.

\*\*The Segment Car Carriers includes the insurance settlement of USD 26.3 million in Q2 2020.

## NOTE 6 DISCONTINUED OPERATIONS AND HELD FOR SALE ASSETS

The FPSO *Dhirubhai-1* is being marketed for sale and has been reclassified as an asset held for sale as from Q1 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.

Results from discontinued operations

|  | 3rd Quarter   | 4th Quarter  | 4th Quarter   | Jan - Dec      | Jan - Dec      |
|--|---------------|--------------|---------------|----------------|----------------|
|  | 2020          | 2020         | 2019          | 2020           | 2019           |
| <i>Amounts in USD million</i>                                    |               |              |               |                |                |
| Operating revenues   | 0.2           | 0.0          | 4.0           | 0.3            | 3.8            |
| Other income   | -             | -            | -             | -              | 12.9           |
| <b>Total revenues and other income</b>                           | <b>0.2</b>    | <b>0.0</b>   | <b>4.0</b>    | <b>0.3</b>     | <b>16.7</b>    |
| Vessel operating expenses  | (1.4)         | (0.7)        | (1.7)         | (4.4)          | (5.2)          |
| Wages and other personnel expenses                               | (0.3)         | (0.3)        | (0.4)         | (1.1)          | (2.4)          |
| Other operating expenses   | (1.0)         | (1.0)        | (1.2)         | (4.8)          | (4.9)          |
| Write down on trade receivables                                  | -             | -            | -             | -              | (0.0)          |
| <b>EBITDA</b>  | <b>(2.5)</b>  | <b>(2.0)</b> | <b>0.7</b>    | <b>(10.1)</b>  | <b>4.1</b>     |
| Depreciation and amortization                                    | (0.0)         | (0.0)        | (4.2)         | (0.1)          | (24.6)         |
| Impairment charges and other non recurring items                 | (94.8)        | -            | (7.7)         | (94.8)         | (80.6)         |
| <b>Operating profit (EBIT)</b>                                   | <b>(97.3)</b> | <b>(2.1)</b> | <b>(11.2)</b> | <b>(104.9)</b> | <b>(101.1)</b> |
| Financial income   | 0.0           | 0.0          | 0.0           | 0.0            | 0.3            |
| Financial expenses   | (0.0)         | (0.0)        | (0.0)         | (0.0)          | (0.1)          |
| Foreign exchange gains/losses                                    | 0.0           | (0.1)        | (0.0)         | (0.2)          | (0.4)          |
| <b>Net financial items</b>                                       | <b>0.0</b>    | <b>(0.1)</b> | <b>-</b>      | <b>(0.1)</b>   | <b>(0.2)</b>   |
| <b>Net profit (loss) before tax</b>                              | <b>(97.3)</b> | <b>(2.1)</b> | <b>(11.2)</b> | <b>(105.1)</b> | <b>(101.4)</b> |
| Tax payable  | -             | -            | -             | -              | -              |
| Change in deferred tax   | -             | -            | -             | -              | -              |
| <b>Net profit (loss) from discontinued operation, net of tax</b> | <b>(97.3)</b> | <b>(2.1)</b> | <b>(11.2)</b> | <b>(105.1)</b> | <b>(101.4)</b> |

## Cash flows from discontinued operations

|   | 3rd Quarter  | 4th Quarter  | 4th Quarter  | Jan - Sep     | Jan - Dec    |
|---|--------------|--------------|--------------|---------------|--------------|
| <i>Amounts in USD million</i>                             | 2020         | 2020         | 2019         | 2020          | 2019         |
| Net profit (loss) for the period                          | (97.3)       | (2.1)        | (11.2)       | (105.1)       | (101.4)      |
| Income tax expense  | -            | -            | -            | -             | 0.0          |
| Depreciation and amortization                             | 0.0          | 0.0          | 4.2          | 0.1           | 24.6         |
| Impairment charges and other non-recurring items          | 94.8         | -            | 7.7          | 94.8          | 80.6         |
| Net interest expenses (+)                                 | (0.0)        | (0.0)        | (0.0)        | (0.0)         | (0.3)        |
| Interest paid   | -            | -            | -            | (0.0)         | (0.0)        |
| Interest received   | -            | 0.0          | 0.0          | 0.0           | 0.3          |
| Unrealized foreign exchange gain/loss                     | (0.0)        | 0.0          | 0.0          | 0.1           | (0.9)        |
| Other changes in operating activities                     | (0.6)        | 0.5          | (9.7)        | (13.7)        | (4.4)        |
| <b>Net cash flow from operating activities</b>            | <b>(3.1)</b> | <b>(1.6)</b> | <b>(9.0)</b> | <b>(23.8)</b> | <b>(1.4)</b> |
| Acquisition of vessels and equipment                      | (0.2)        | -            | (0.2)        | (0.2)         | (0.2)        |
| <b>Net cash flow from investing activities</b>            | <b>(0.2)</b> | <b>-</b>     | <b>(0.2)</b> | <b>(0.2)</b>  | <b>(0.2)</b> |
|   |              | -            | -            |               |              |
| <b>Net change in cash and cash equivalents</b>            | <b>(3.2)</b> | <b>(1.6)</b> | <b>(9.2)</b> | <b>(23.9)</b> | <b>(1.7)</b> |
| Intra Group transactions                                  | 2.1          | (2.8)        | 4.4          | 17.6          | (12.0)       |
| Exchange rate differences                                 | 0.0          | 0.0          | 0.0          | (0.1)         | (0.1)        |
| Cash and cash equivalents at beginning of the period      | 5.9          | 4.9          | -            | 6.9           | 20.6         |
| <b>Cash and cash equivalents at the end of the period</b> | <b>4.9</b>   | <b>0.4</b>   | <b>(4.7)</b> | <b>0.4</b>    | <b>6.8</b>   |

## Assets held for sale and related liabilities

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

| <i>Amounts in USD million</i>  | 31 December<br>2020 |
|--|---------------------|
| Vessels and equipment  | 51.4                |
| Trade and other interest-free receivables                            | 2.1                 |
| Cash and cash equivalents  | 0.4                 |
| <b>Assets held for sale</b>  | <b>54.0</b>         |
| Current provisions (field abandonment)                               | 0.4                 |
| Trade and other payables   | 1.8                 |
| <b>Liabilities directly associated with the assets held for sale</b> | <b>2.2</b>          |

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

Discussions with respect to a sale of the vessel has continued with potential interested parties during the fourth quarter. However, these discussions are continuing into the first quarter and it is still uncertain if a sale can be concluded.

In Q3 2020 an impairment of USD 94.8 million was recognized related to the FPSO. As of Q4 2020 the fair value of the FPSO has been estimated to be USD 51.5 million, which is unchanged from Q3 2020 and no additional impairment or reversal have been made during the fourth quarter.

The fair value has been calculated based on several possi-

ble 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.

### Potential tax claim

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*. Aker Contracting disputes the claim has obtained legal advice supporting their position and the matter will be referred to in Indian courts.

## NOTE 7 CHANGE IN FAIR VALUE OF FINANCIAL INSTRUMENTS

All cross currency interest rate swaps are recorded at fair value, and are considered by the Group to be level 2 financial instruments under the fair value hierarchy. The cross currency swaps are used to swap floating rate bond loans denominated in NOK into floating USD interest rates, as Ocean Yield uses USD as its functional currency.

| <i>Amounts in USD million</i>      | Change<br>Q4 2020 | Change<br>Jan - Dec<br>2020 | Fair value<br>as of 31 Dec<br>2020 |
|------------------------------------|-------------------|-----------------------------|------------------------------------|
| Cross Currency Interest Rate Swaps | 24.3              | 26.8                        | (12.3)                             |
| Forward exchange contracts         | -                 | 0.5                         | -                                  |
| Interest rate swaps                | 1.6               | (0.5)                       | (6.7)                              |
| <b>Total</b>                       | <b>25.9</b>       | <b>26.8</b>                 | <b>(19.0)</b>                      |

| <i>Amounts in USD million</i>      | Change<br>Q4 2019 | Change<br>Jan - Dec<br>2019 | Fair value<br>as of 31 Dec<br>2019 |
|------------------------------------|-------------------|-----------------------------|------------------------------------|
| Cross Currency Interest Rate Swaps | 12.0              | (1.5)                       | (39.0)                             |
| Forward exchange contracts         | 0.4               | 0.6                         | (0.5)                              |
| Interest rate swaps                | 1.2               | (2.7)                       | (6.6)                              |
| <b>Total</b>                       | <b>13.5</b>       | <b>(3.6)</b>                | <b>(46.1)</b>                      |

## NOTE 8 VESSELS AND EQUIPMENT

Material changes in vessels and equipment during 2020:

| <i>Amounts in USD million</i>              | Tankers | Container<br>vessels | Car<br>Carriers | Other<br>Shipping | Other Oil<br>Service | FPSO         | Other/elim | Total          |
|--|---------|----------------------|-----------------|-------------------|----------------------|--------------|------------|----------------|
| <b>Balance at 1 January</b>                | -       | -                    | <b>271.0</b>    | <b>148.5</b>      | <b>478.6</b>         | <b>146.1</b> | <b>9.3</b> | <b>1 053.7</b> |
| Acquisitions                               | -       | -                    | -               | -                 | 4.0                  | 0.2          | -          | 4.2            |
| Disposals                                  | -       | -                    | -               | -                 | (144.2)              | -            | -          | ( 144.2)       |
| Disposals (de-consolidation of subsidiary) | -       | -                    | -               | -                 | (109.0)              | -            | -          | ( 109.0)       |
| Depreciation                               | -       | -                    | (12.2)          | (5.5)             | (26.9)               | -            | (1.1)      | ( 45.7)        |
| Impairment                                 | -       | -                    | (27.7)          | -                 | (34.6)               | -            | -          | (62.2)         |
| Reclassified to asset held for sale        | -       | -                    | -               | -                 | -                    | (146.3)      | -          | ( 146.3)       |
| <b>Balance at 31st December 2020</b>       | -       | -                    | <b>231.2</b>    | <b>143.0</b>      | <b>168.0</b>         | -            | <b>8.2</b> | <b>550.4</b>   |

Vessels defined as finance leases are not included in Note 8 but included in Note 9 Finance lease receivables and related assets.

The FPSO *Dhirubhai-1* has been classified as held for sale from 1<sup>st</sup> January 2020, see note 6 for more information.

In June 2020, the vessel *Höegh Xiamen*, which was bare-boat 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 August 2020, Ocean Yield agreed to sell its 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 30<sup>th</sup> September 2020. The sale of shares is presented as sale of assets and repayment of debt in the

Group accounts.

In Q3 2020 USD 34.6 million was recognized as impairment of the construction and cable-lay vessel *Connector*. In November 2020, Ocean Yield entered into an agreement to sell the vessel to a third party. The sale resulted in a loss of USD 70.7 million.

As of year-end the Group has assessed the values of the vessels *Far Senator*, *Far Statesman* and the Group's Car Carriers. The value in use has been estimated for all of the vessels, and 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 the vessels. As of year-end the estimated value in use is equal to or higher than the book value for the vessels, and no impairment or reversal of impairment have been recognized. The book value of *Far Senator* and *Far 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 calculations of value in use are highly sensitive to the estimated level of future charter hires, the length of the cash flows and the weighting of the different scenarios.



## NOTE 9 FINANCE LEASE RECEIVABLES AND RELATED ASSETS

The net finance lease receivables as of 31<sup>st</sup> December 2020 was as follows:

| <i>Amounts in USD million</i>                  | Tankers        | Container vessels | Car Carriers | Other shipping | Other Oil Service | FPSO     | Total          |
|--|----------------|-------------------|--------------|----------------|-------------------|----------|----------------|
| <i>Gross finance lease receivable</i>          |                |                   |              |                |                   |          |                |
| 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          |
| <b>Gross finance lease receivable</b>          | <b>1,082.1</b> | <b>137.1</b>      | <b>-</b>     | <b>494.4</b>   | <b>254.3</b>      | <b>-</b> | <b>1,967.9</b> |
| Less: Unearned finance income                  | (324.1)        | (33.7)            | -            | (121.2)        | (104.7)           | -        | (583.7)        |
| <b>Total finance lease receivables</b>         | <b>757.9</b>   | <b>103.5</b>      | <b>-</b>     | <b>373.2</b>   | <b>149.6</b>      | <b>-</b> | <b>1,384.2</b> |
| <i>Present value of minimum lease payments</i> |                |                   |              |                |                   |          |                |
| 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          |
| <b>Total finance lease receivables</b>         | <b>757.9</b>   | <b>103.5</b>      | <b>-</b>     | <b>373.2</b>   | <b>149.6</b>      | <b>-</b> | <b>1,384.2</b> |

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. 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. Scorpio Bulkers have certain options to either trigger a sale or acquire the vessels during the charter period. The vessels are accounted for as finance leases and are included in the segment 'Other Shipping'.

In June 2020, the vessel *Navig8 Aquamarine* was delivered to Navig8 Chemical Tankers following the exercise of the five year purchase option on the vessel.

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 owned by Ocean Yield. Ocean Yield's remaining 50% share is accounted for as an investment in associates, and as a consequence the 7 vessels are no longer included in finance lease receivables.

In July 2020, the vessel *Navig8 Amessi* was delivered to Navig8 Chemical Tankers following the exercise of the five year purchase option on the vessel.

In August 2020, the newcastlemax vessel *Mineral Qingdao*

was delivered to Ocean Yield and the vessel commenced a 15-year bareboat charter to CMB upon delivery. CMB will have certain options to either sell or acquire the vessel during the charter period. The vessel is accounted for as a finance lease and is included in the segment 'Other Shipping'.

In October 2020 Ocean Yield agreed to acquire two suezmax newbuilding tankers with 10-year bareboat charters to 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. The vessels will be accounted for as finance leases and be included in the segment 'Tankers' as from 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.

## NOTE 10 INVESTMENTS IN ASSOCIATES

| <i>Amounts in USD million</i>  | BOX Holdings | OY Holding Suez | OY Holding LR2 | Total        |
|--|--------------|-----------------|----------------|--------------|
| Ownership  | 49.9 %       | 50.0 %          | 50.0 %         |              |
| <b>Balance 1 January 2020</b>  | <b>178.2</b> | -               | -              | <b>178.2</b> |
| Change from subsidiary to associated company (sale of 50% to Aker Capital) | -            | 6.0             | 4.1            | 10.2         |
| Dividends received   | (17.1)       | (0.5)           | (0.6)          | (18.1)       |
| Income from investments in associates                                      | 21.6         | 0.5             | 0.3            | 22.4         |
| Other comprehensive income from investments in associates                  | (14.7)       | -               | -              | (14.7)       |
| <b>Total investments in associates 31st December 2020</b>                  | <b>168.0</b> | <b>6.1</b>      | <b>3.8</b>     | <b>178.0</b> |
| <i>Carrying amount of investment in associates:</i>                        |              |                 |                |              |
| 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)       |
| <b>Net assets (100%)</b>   | <b>253.6</b> | <b>12.2</b>     | <b>7.7</b>     | <b>273.5</b> |
| <b>Share of net assets</b>   | <b>126.6</b> | <b>6.1</b>      | <b>3.8</b>     | <b>136.5</b> |
| <i>Adjustment to carrying value of investment:</i>                         |              |                 |                |              |
| Finance lease receivables  | 44.9         | -               | -              | 44.9         |
| Adjustment to interest-bearing long-term debt                              | (3.4)        | -               | -              | (3.4)        |
| <b>Carrying amount of investments in associates 31st December 2020</b>     | <b>168.0</b> | <b>6.1</b>      | <b>3.8</b>     | <b>178.0</b> |

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 from Ocean Yield. Ocean Yield's remaining 50% share is accounted for as investments in associates.

## NOTE 11 CONTRACTUAL OBLIGATIONS

Ocean Yield had as per 31<sup>st</sup> December 2020 the following contractual obligations related to the purchase of vessels.

| <i>Amounts in USD million</i>        | Tankers     | Container vessels | Car Carriers | Other Shipping | Other Oil Service | FPSO | Total       |
|--------------------------------------|-------------|-------------------|--------------|----------------|-------------------|------|-------------|
| Already paid                         | -           | -                 | -            | -              | -                 | -    | -           |
| Q4 2021                              | 5.5         | -                 | -            | -              | -                 | -    | 5.5         |
| Q1-Q2 2022                           | 82.5        | -                 | -            | -              | -                 | -    | 82.5        |
| <b>Total contractual obligations</b> | <b>88.0</b> | -                 | -            | -              | -                 | -    | <b>88.0</b> |
| Total remaining payments             | 88.0        | -                 | -            | -              | -                 | -    | 88.0        |

The obligations above related to the segment 'Tankers', relates to two suezmax newbuilding tankers with 10-year bareboat charters to 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 during the first half of 2022.

## NOTE 12 INTEREST-BEARING DEBT

Material changes in interest-bearing debt (short- and long-term) during 2020:

| <i>Amounts in USD million</i>  | Tankers      | Container vessels | Car Carriers | Other Shipping | Other Oil Service | FPSO     | Other/elim   | Total          |
|--|--------------|-------------------|--------------|----------------|-------------------|----------|--------------|----------------|
| Balance at 1 January   | 875.3        | 84.5              | 168.2        | 355.7          | 395.2             | -        | 306.2        | 2,185.2        |
| New loans  | 44.0         | -                 | -            | 103.2          | 50.2              | -        | -            | 197.4          |
| Paid loan fees   | (0.6)        | -                 | -            | (1.5)          | (0.2)             | -        | -            | (2.2)          |
| Instalments  | (124.8)      | (7.2)             | (40.8)       | (42.7)         | (178.2)           | -        | (87.0)       | (480.8)        |
| Repayment of interest bearing-debt (de-consolidation of subsidiary)        | -            | -                 | -            | -              | (67.1)            | -        | -            | (67.1)         |
| Effect of movements in foreign exchange and loan fees amortized            | 2.6          | 0.2               | 0.7          | 1.1            | (5.2)             | -        | 3.4          | 2.7            |
| Change from subsidiary to associated company (sale of 50% to Aker Capital) | (224.2)      | -                 | -            | -              | -                 | -        | -            | (224.2)        |
| <b>Total interest-bearing liabilities 31st December 2020</b>               | <b>572.2</b> | <b>77.5</b>       | <b>128.1</b> | <b>415.8</b>   | <b>194.7</b>      | <b>-</b> | <b>222.6</b> | <b>1 610.8</b> |
| Long-term  | 418.4        | 70.2              | (0.3)        | 383.1          | 100.4             | -        | 172.0        | 1,143.8        |
| 1st year instalments   | 153.8        | 7.2               | 128.4        | 32.7           | 94.3              | -        | 50.6         | 467.0          |
| <b>Total interest-bearing liabilities 31st December 2020</b>               | <b>572.2</b> | <b>77.5</b>       | <b>128.1</b> | <b>415.8</b>   | <b>194.7</b>      | <b>-</b> | <b>222.6</b> | <b>1 610.8</b> |
| Undrawn facilities   | -            | -                 | -            | -              | 52.5              | -        | -            | 52.5           |

In March 2020, the bank financing for the three dry-bulk vessels with long-term charter to Scorpio Bulkera 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.

In June 2020, Ocean Yield entered into an agreement with Aker whereby Aker acquired a 50% interest in 7 tankers with long-term charters from Ocean Yield. 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 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.

During the third quarter, the Company 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 during the fourth quarter. Following the prepayment and repurchase, NOK 432 million is outstanding under the bond issue OCY04, which has maturity in September 2021.

Also 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.

## NOTE 13 SHARE CAPITAL AND DIVIDENDS

In Q4 2020 certain members of senior management have acquired a total of 107,000 shares in the Company. The purchase of shares was made as part of the Company's management incentive program.

As of 31<sup>st</sup> December 2020 the Company had a share capital of NOK 1,752,865,750 divided into 175,285,575 ordinary shares, each having a par value of NOK 10.00. Total number of treasury shares held were 47,371.

In Q4 2020, USD 9.0 million was paid in dividends, following the announcement of the Q3 2020 results.

## NOTE 14 EVENTS AFTER THE BALANCE SHEET DATE

After the end of the quarter, Scorpio Bulkera, who is chartering the kamsarmax dry-bulk vessel *SBI Lynx* and the ultramax dry-bulk vessels *SBI Libra* and *SBI Virgo*, declared an option to sell the vessels to unrelated third parties. Delivery of the vessels is expected during Q1 2021 and Ocean Yield will receive total proceeds of about USD 62 million from the sales and record a small book profit in the first quarter.

Also after the end of the quarter, Navig8 Chemical Tankers, who is chartering the chemical tanker *Navig8 Topaz*, declared the five-year purchase option on the vessel. The vessel will be delivered to Navig8 Chemical Tankers on 22<sup>nd</sup> July 2021. Ocean Yield will receive net cash proceeds after repayment of debt of about USD 12 million.

Also after the end of the quarter, 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 will be extended by another four years.



## 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 and impairment charges.
- 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 from continuing operations: Net profit adjusted for discontinued operations, impairment charges, foreign exchange gains/losses, fair value adjustments of derivatives, changes in deferred tax and non-recurring items.
- EBITDA 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 and Adjusted net profit from continuing operations 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 from continuing operations, the Company considers Adjusted net profit from continuing operations to be a relevant performance criteria. The net profit is adjusted for significant non-cash and non-recurring items, and the Adjusted net profit from continuing operations is thus a useful measure when it comes to the Company's dividend capacity.

EBITDA and EBIT are disclosed in the condensed consolidated income statement as separate line items. Reconciliation of other alternative performance measures to the financial statements are as follows:

|  | 3rd Quarter<br>2020 | 4th Quarter<br>2020 | 4th Quarter<br>2019<br><i>Restated*</i> | Jan - Dec<br>2020 | Jan - Dec<br>2019<br><i>Restated*</i> |
|--|---------------------|---------------------|---|-------------------|---------------------------------------|
| <i>Amounts in USD million</i>                    |                     |                     |   |                   |                                       |
| EBITDA   | 52.2                | 46.3                | 55.9                                    | 241.2             | 218.4                                 |
| Repayment on finance lease receivables           | 23.4                | 21.3                | 23.4                                    | 97.1              | 80.5                                  |
| Other revenue - insurance claim Höegh Xiamen     | 0.2                 | -                   | -                                       | (27.2)            | -                                     |
| <b>EBITDA adjusted for finance lease effects</b> | <b>75.8</b>         | <b>67.6</b>         | <b>79.2</b>                             | <b>311.1</b>      | <b>298.9</b>                          |

*\*Comparative information has been re-presented due to a discontinued operation*

|   | 3rd Quarter<br>2020 | 4th Quarter<br>2020 | 4th Quarter<br>2019<br><i>Restated*</i> | Jan - Dec<br>2020 | Jan - Dec<br>2019<br><i>Restated*</i> |
|---|---------------------|---------------------|---|-------------------|---------------------------------------|
| <i>Amounts in USD million</i>                                     |                     |                     |   |                   |                                       |
| Net profit (loss) for the period                                  | (104.4)             | (51.7)              | 9.6                                     | (141.3)           | (39.9)                                |
| Net profit (loss) from discontinued operation, net of tax         | 97.3                | 2.1                 | 11.2                                    | 105.1             | 101.4                                 |
| Other revenue - insurance claim Höegh Xiamen                      | 0.2                 | -                   | -                                       | (27.2)            | -                                     |
| Impairment of Höegh Xiamen  | 0.0                 | -                   | -                                       | 27.7              | -                                     |
| Impairment of Connector   | 34.6                | -                   | -                                       | 34.6              | -                                     |
| Loss from sale of Connector                                       | -                   | 70.7                | -                                       | 70.7              | -                                     |
| Net effects from sale of SBM Installer                            | (1.6)               | -                   | -                                       | (1.6)             | -                                     |
| Refinancing Far Senator/Far Statesman (fixed NOK to floating USD) | -                   | -                   | -                                       | 3.6               | -                                     |
| Restructuring agreement Far Senator/Far Statesman                 | -                   | (1.1)               | -                                       | (1.1)             | -                                     |
| Foreign exchange gains/losses                                     | 6.8                 | 26.2                | 9.1                                     | 39.7              | (2.0)                                 |
| Change in fair value of financial instruments                     | (9.2)               | (25.9)              | (13.5)                                  | (25.5)            | 3.6                                   |
| Change in deferred tax  | 0.8                 | 0.6                 | 2.4                                     | 2.9               | 2.5                                   |
| Other non-recurring items   | -                   | 0.7                 | 0.0                                     | 0.7               | 0.9                                   |
| <b>Adjusted Net profit from continuing operations</b>             | <b>24.5</b>         | <b>21.6</b>         | <b>18.8</b>                             | <b>88.2</b>       | <b>66.3</b>                           |
| Attributable to:  |                     |                     |   |                   |                                       |
| Equity holders of the parent                                      | 22.3                | 19.5                | 15.9                                    | 78.1              | 62.7                                  |
| Non-controlling interests   | (0.0)               | -                   | 0.2                                     | 0.8               | 0.9                                   |
| Dividends on hybrid capital                                       | 2.2                 | 2.1                 | 2.7                                     | 9.3               | 2.7                                   |
| <b>Adjusted Net profit from continuing operations</b>             | <b>24.5</b>         | <b>21.6</b>         | <b>18.8</b>                             | <b>88.2</b>       | <b>66.3</b>                           |

*\*Comparative information has been re-presented due to a discontinued operation*





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