



# Q1 2018 PRESENTATION

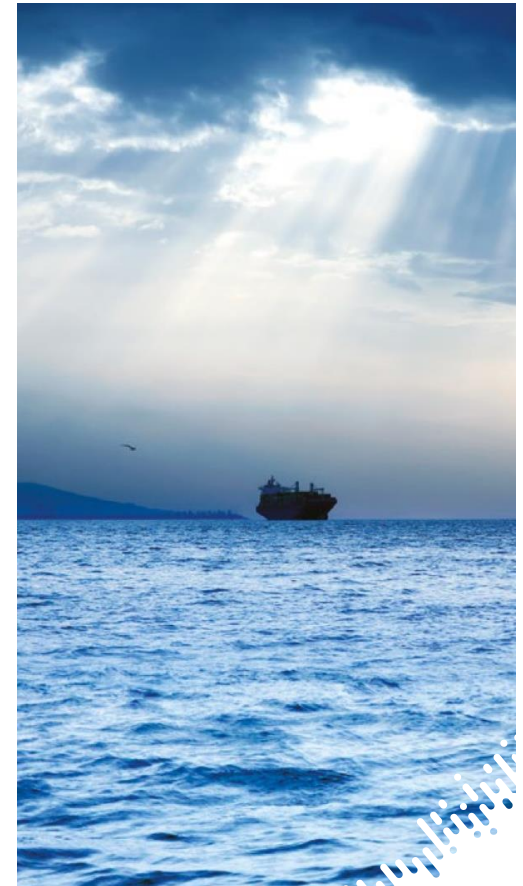
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4<sup>th</sup> May 2018

# Q1 2018 FINANCIAL HIGHLIGHTS

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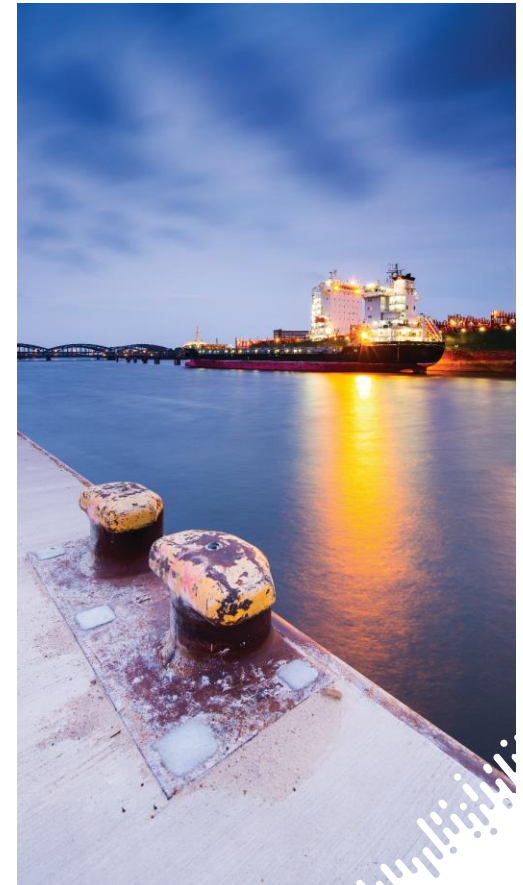
- **Q1 2018 dividend of USD 0.1905 per share**
  - USD 0.762 per share annualized
  - Dividend yield of 8.8% p.a.
  - Declared cash dividends for 19 consecutive quarters
- **EBITDA was USD 77.8m vs. USD 80.4m in Q4**
  - EBITDA adjusted for finance leases was USD 86.8m vs. USD 89.3m in Q4
  - Lower contribution from Connector due to dry-docking
- **Net profit after tax was USD 33.3m vs. 30.9m in Q4**
  - Adjusted net profit was USD 33.7m vs. 34.4m in Q4
- **EBITDA charter backlog increased to USD 3.5bn with weighted average duration of 11.4 years**



# RECENT INVESTMENTS

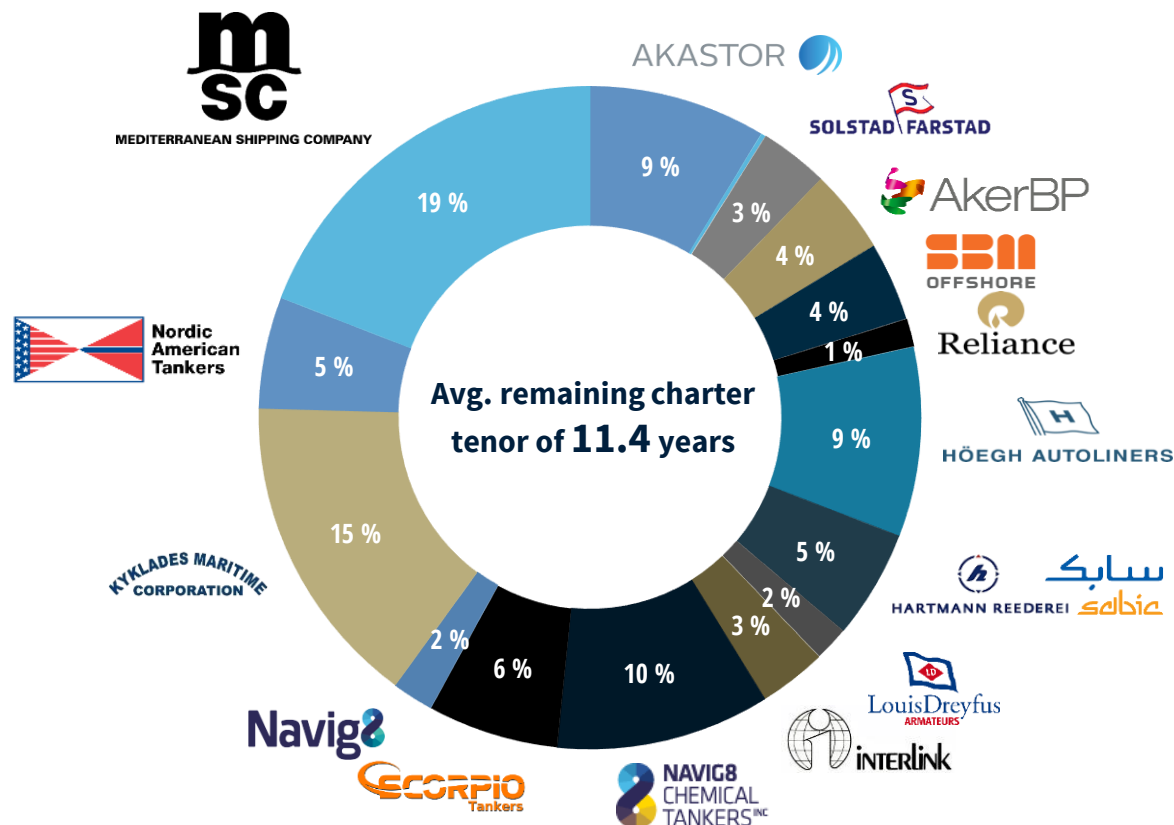
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- **Okeanis Marine Holdings**
  - 4 VLCC newbuildings
  - 15 year charter with purchase options / 5 year sub-charter
  - Net investment of USD 297m after seller's credit
- **Louis Dreyfus Armateurs**
  - 2 resale handysize bulk carriers
  - 12 year charter with purchase obligations
  - Net investment of USD 36m after seller's credit
- **Interlink Maritime Corporation**
  - 5 handysize bulk carriers / 2014-2018 built
  - 10 year charter with purchase obligations
  - Net investment of USD 75m after seller's credit
- **Total investments of USD 471m**
  - Net investment of USD 408m after seller's credit










# CHARTER BACKLOG BY CLIENT END OF Q1 2018

EBITDA<sup>1</sup> BACKLOG OF USD 3.5 BILLION



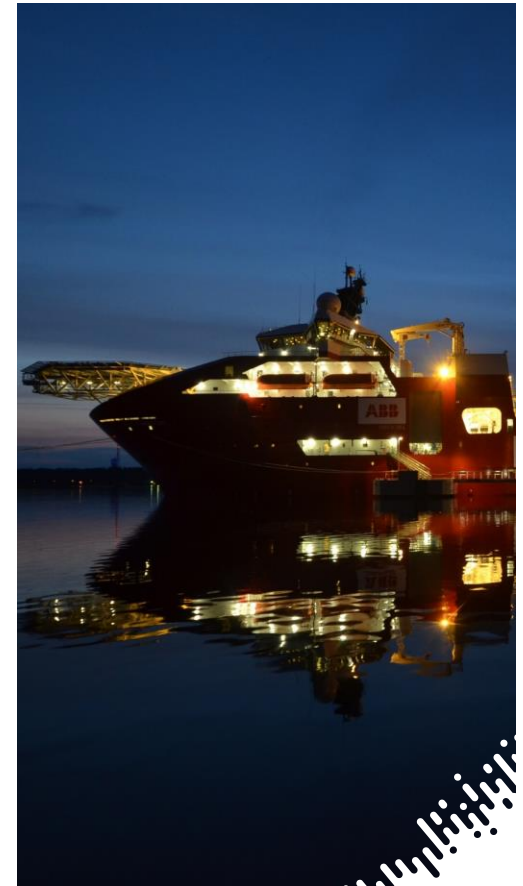
## FLEET<sup>2</sup>

	Tankers	22
	Oil-service	7
	Dry Bulk	7
	Container vessels	6
	Car Carriers	6
	Gas Carriers	2
	FPSO	1
Total		51

1) EBITDA backlog based on estimates on DB-1, certain options not being exercised, LIBOR forward curve, FX and finance lease adjustments

2) Includes 49.5% ownership in 6 mega-container vessels and 75% ownership in 1 oil-service vessel

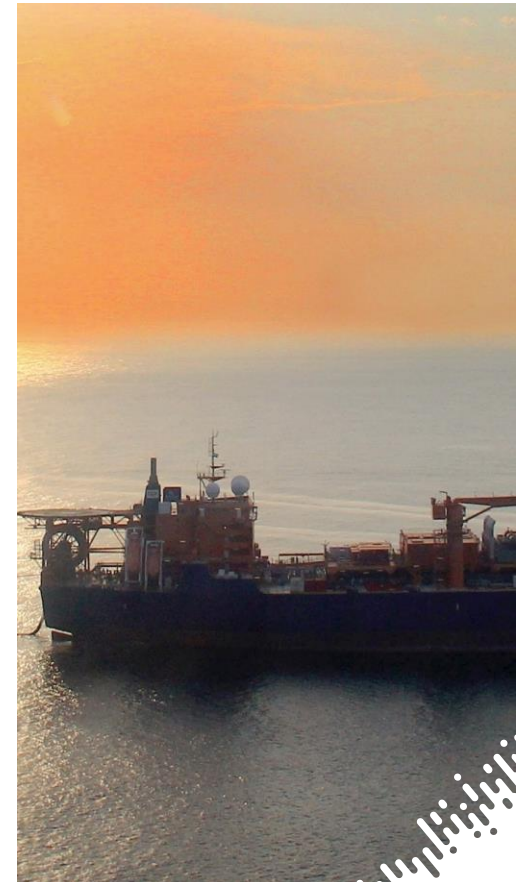
- **Employment for the vessel *Connector***
  - Time charter contract with firm period until 26<sup>th</sup> August, plus 72 days extensions in charterer's option remaining
  - Completed the first export cable lay section at the Ørsted's Hornsea Project One offshore wind farm project
  - Engaged Solstad Farstad for technical management
- **Expect higher earnings in Q2 2018**
  - Q1 2018 results negatively impacted by dry docking
- **Commercial management of the vessel handled by Ocean Yield**
  - Increased interest for employment after current contract



# UPDATE ON THE FPSO DHIRUBHAI-1

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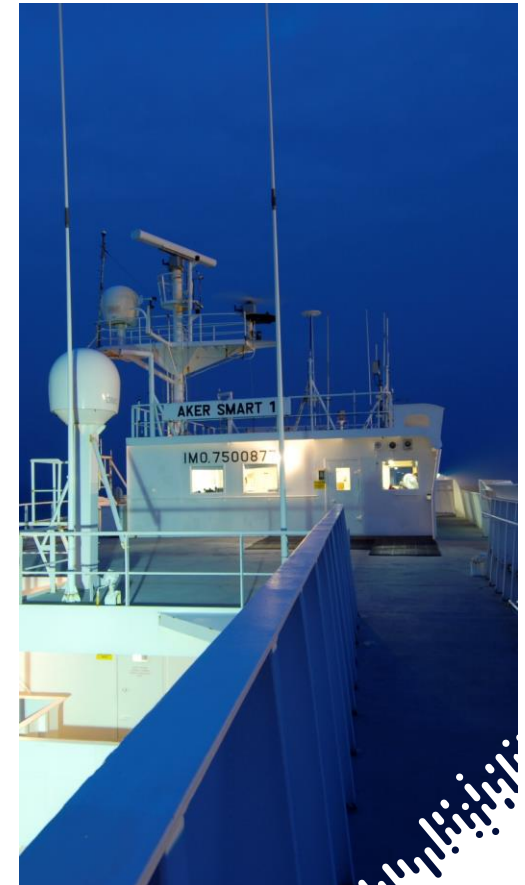
- **Production uptime of close to 100% in Q1 2018**
- **Q1 2018 vessel debt outstanding of only USD 20m**
  - Will be fully repaid by September 2018
- **Production on the MA field may continue beyond the end of the firm contract in September 2018**
  - Uncertainty on how long Reliance will continue production on existing field
  - Purchase option at the end of the charter contract at USD 255m
- **Dhirubhai-1 is a candidate for redeployment on the MJ field**
  - The MJ field will be developed with an FPSO solution
  - FEED study on the MJ field has been completed, feasible to use DB-1
  - Investment decision expected in H2 2018



# COMPLETED PRIVATE PLACEMENT

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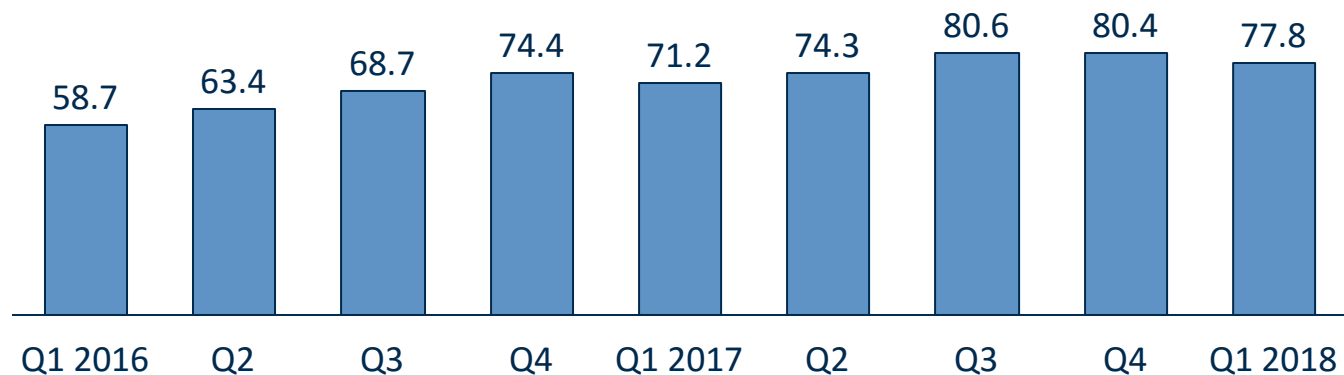
- **Equity issue**
  - New shares 11.0 million
  - Price per share NOK 69.0
  - Gross proceeds NOK 759.0 million
  - Purpose New investments
  - Shares outstanding 159.4 million
- **Aker Capital allocated zero new shares**
  - Pre-subscribed for 50% of the issue
  - Scaled down in order to improve the free float
  - Aker Capital AS currently owns 61.7%



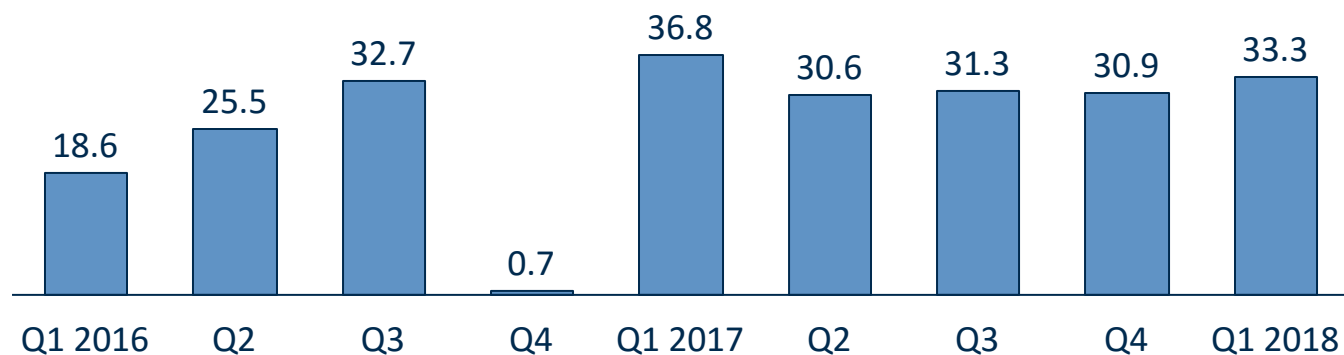


# QUARTERLY EBITDA AND NET PROFIT

## EBITDA PER QUARTER (USDM)



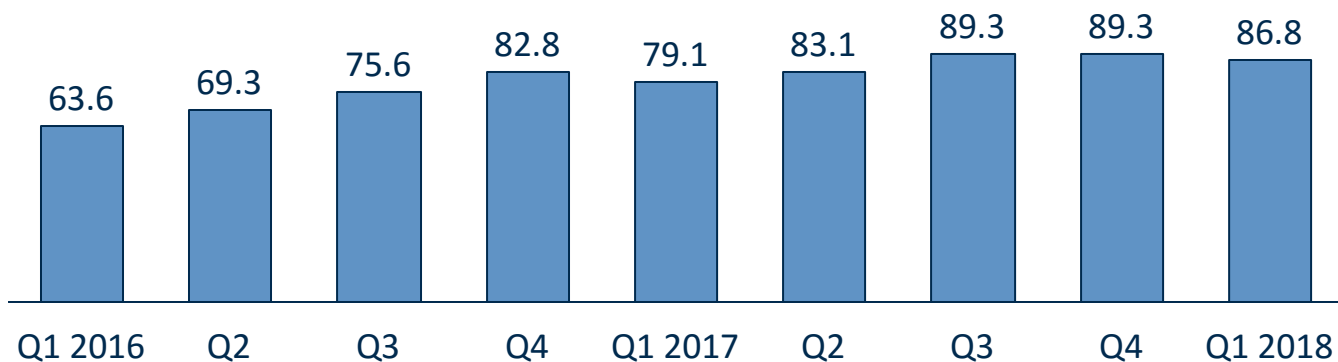
## NET PROFIT PER QUARTER (USDM)



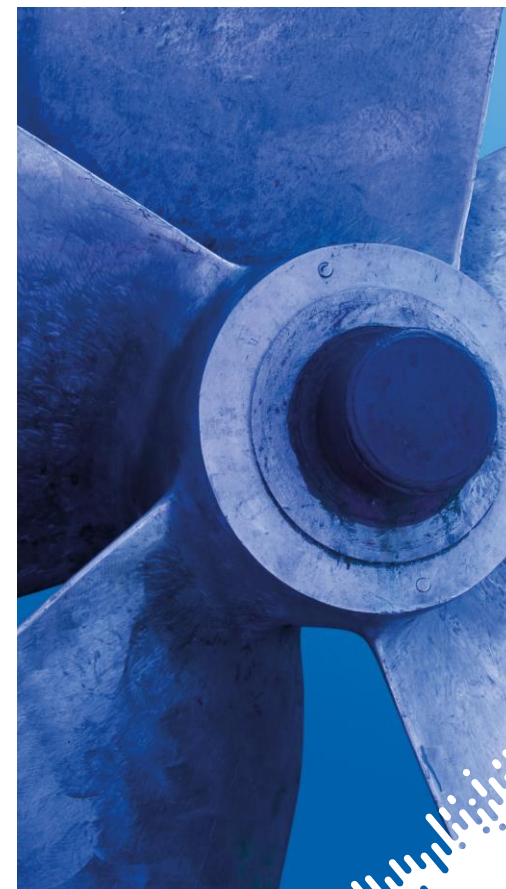
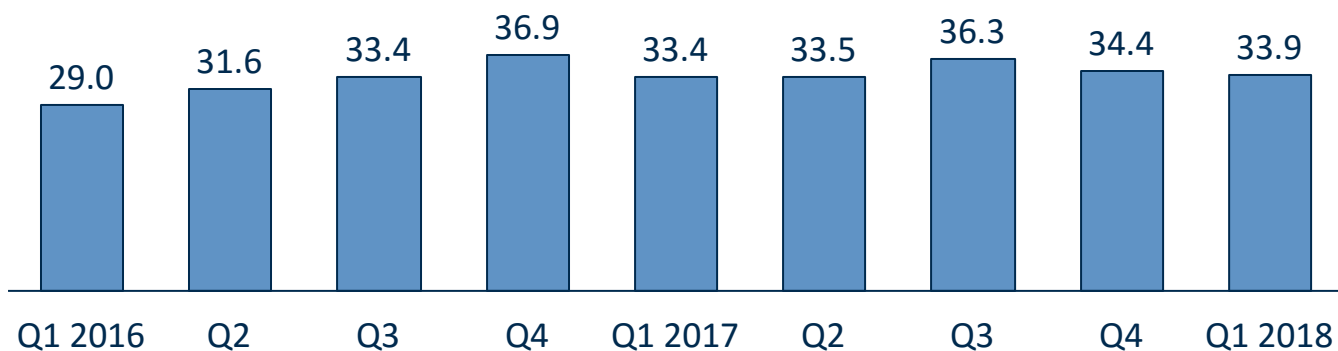


# ADJUSTED EBITDA AND NET PROFIT

## EBITDA ADJUSTED FOR FINANCE LEASES (USDM)

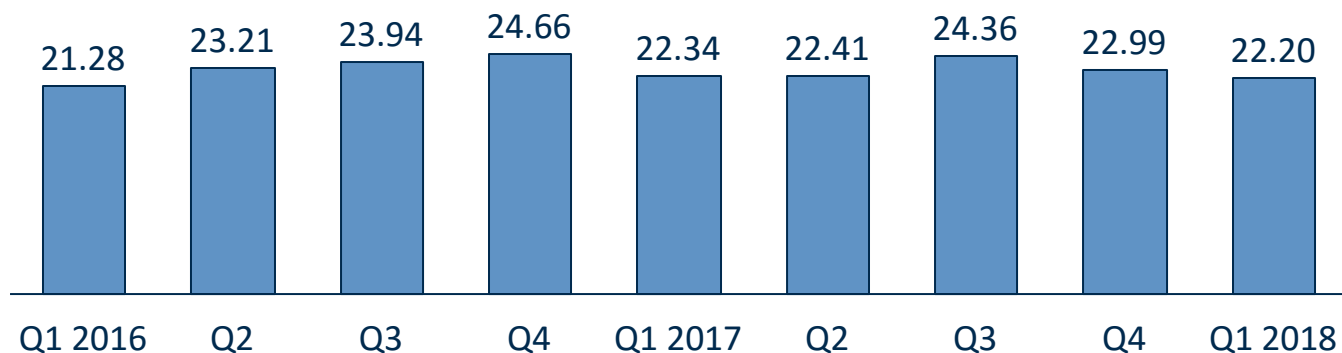


## ADJUSTED NET PROFIT (USDM)



# DECLARED CASH DIVIDENDS FOR 19 CONSECUTIVE QUARTERS

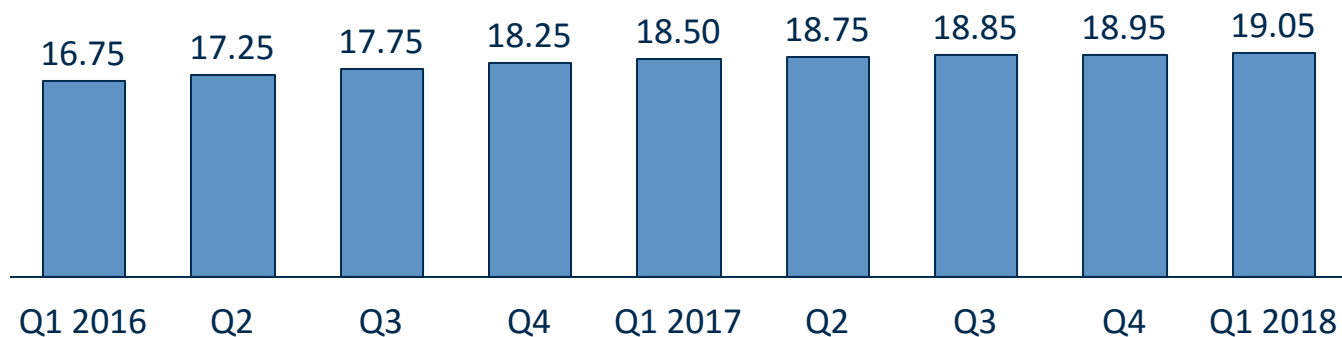
## ADJUSTED EARNINGS PER SHARE (USD CENTS)<sup>1</sup>



## ADJUSTED EARNINGS YIELD

10.3%<sup>2</sup> p.a.

## DIVIDEND PER SHARE (USD CENTS)



## DIVIDEND YIELD

8.8%<sup>2</sup> p.a.

1) See Q1 2018 Financial Report. Based on weighted average number of shares outstanding.

2) Per 3.5.2018, Q1 2018 DPS annualized, share price of NOK 69.5, NOK/USD of 8.1.

# INCOME STATEMENT

## INCOME STATEMENT

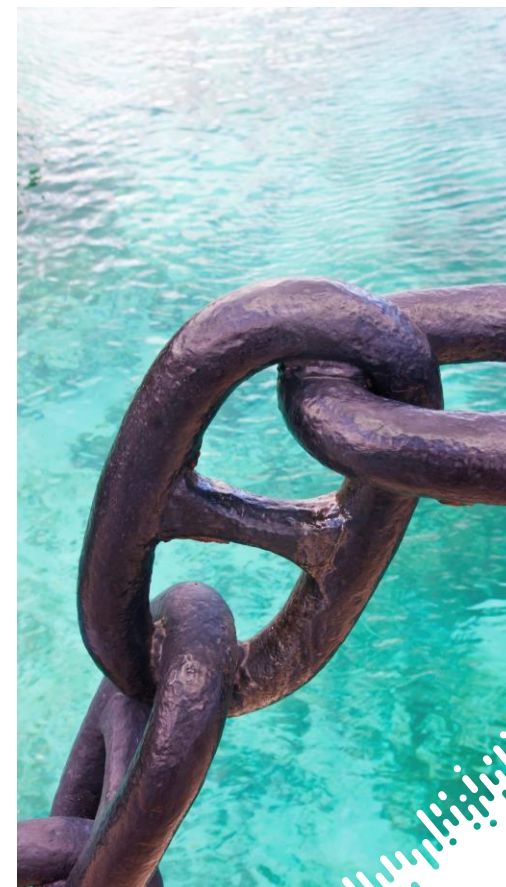
	Q4	Q1
<i>Amounts in USD million</i>	<b>2017</b>	<b>2018</b>
Operating revenues	66.0	66.3
Finance lease revenue	17.1	16.8
Income from investments in associates	6.4	6.1
<b>Total revenues and other income</b>	<b>89.5</b>	<b>89.2</b>
Vessel operating expenses	(4.8)	(6.4)
Wages and other personnel expenses	(1.5)	(2.5)
Other operating expenses	(2.9)	(2.5)
<b>EBITDA</b>	<b>80.4</b>	<b>77.8</b>
Depreciation and amortization	(26.7)	(26.7)
<b>Operating profit</b>	<b>53.7</b>	<b>51.1</b>
Financial income	1.4	1.5
Financial expenses	(18.7)	(18.7)
Foreign exchange gains/losses	10.0	(16.2)
Change in fair value of financial instruments	(10.9)	18.1
<b>Net profit before tax</b>	<b>35.5</b>	<b>35.7</b>
Tax payable	(2.0)	-
Change in deferred tax	(2.6)	(2.4)
<b>Net profit after tax</b>	<b>30.9</b>	<b>33.3</b>
<b>Earnings per share (USD)</b>	<b>0.21</b>	<b>0.22</b>



# ADJUSTED EBITDA AND NET PROFIT

## ADJUSTMENTS

Amounts in USD million	Q4 2017	Q1 2018	
<b>Net profit</b>	<b>30.9</b>	<b>33.3</b>	
Foreign exchange gains/losses	-10.0	16.2	• Bond and bank loans in NOK
Change in fair value of financial instruments	10.9	-18.1	
Changes in deferred tax, net	2.6	2.4	• Non-cash and offset against deferred tax assets
<b>Adjusted net profit</b>	<b>34.4</b>	<b>33.9</b>	



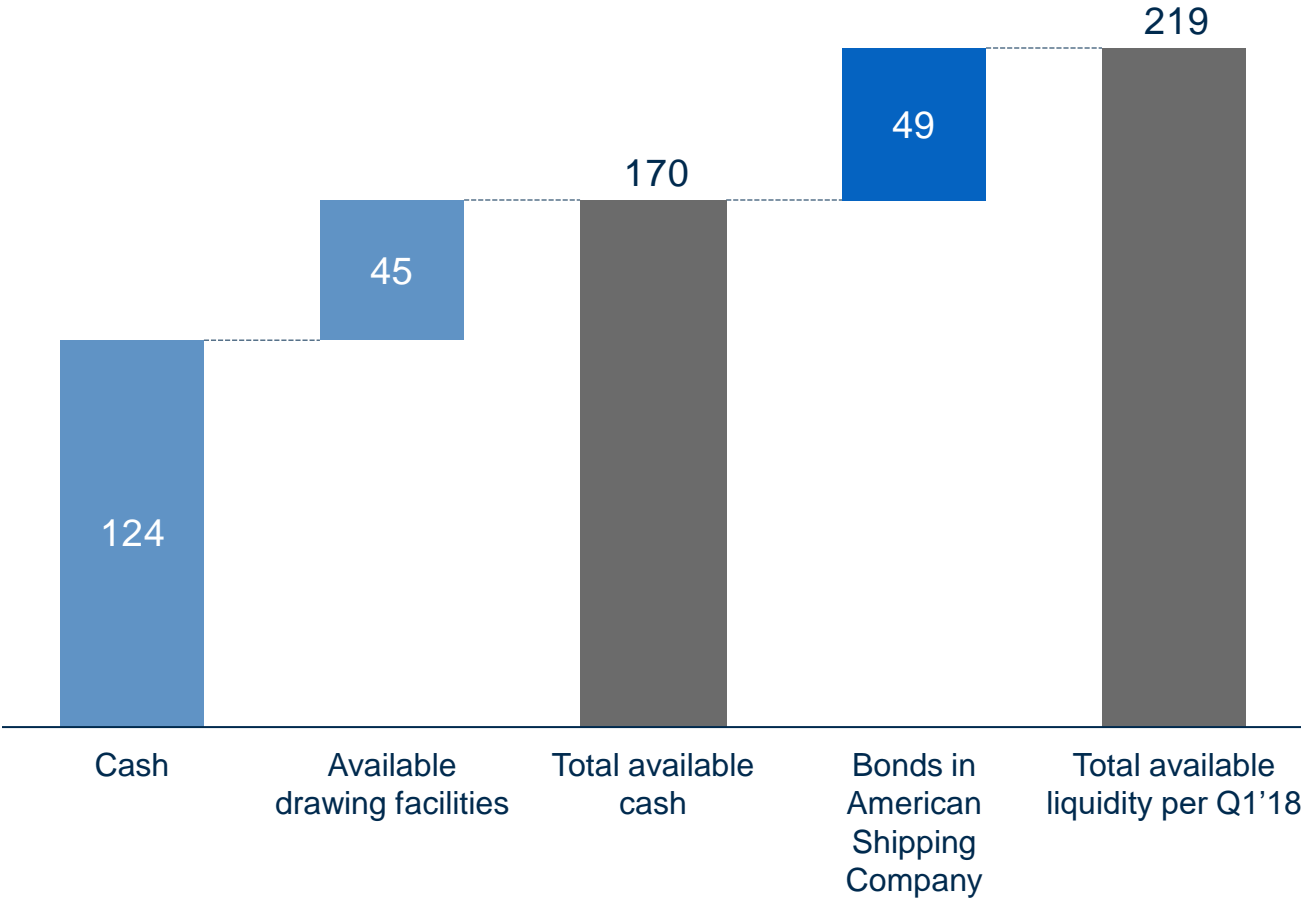
# BALANCE SHEET

## BALANCE SHEET

	Q4	Q1		Q4	Q1
<i>Amounts in USD million</i>	2017	2018		2017	2018
<b>ASSETS</b>			<b>EQUITY AND LIABILITIES</b>		
Goodwill	9.8	9.8	Equity to holders of the parent	821.1	928.7
Vessels and equipment	1 310.8	1,290.4	Non-controlling interests	10.4	10.9
Investments in associates	188.7	194.2	<b>Total equity</b>	<b>831.5</b>	<b>939.6</b>
Finance lease receivables	719.8	817.1			
Investments in AMSC Bonds	49.0	49.1	Interest-bearing debt	1 401.4	1 307.3
Restricted cash deposits	1.5	0.1	Pension liabilities	0.4	0.0
Other non-current assets	2.0	2.0	Mob fee, advances and deferred rev.	30.6	27.6
Fair value of derivatives	-	4.5	Fair value of derivatives	11.8	2.1
Shares in Solstad Farstad ASA	6.5	6.1	Field abandonment provision	30.1	30.3
Deferred tax assets	2.8	0.0	<b>Total non-current liabilities</b>	<b>1 474.2</b>	<b>1,464.2</b>
<b>Total non-current assets</b>	<b>2 290.8</b>	<b>2 373.4</b>	Interest-bearing short term debt	109.0	206.5
			Fair value of derivatives	7.5	3.6
Trade- and other receivables	53.5	41.5	Trade and other payables	20.8	22.3
Cash and cash equivalents	98.7	124.4	<b>Total current liabilities</b>	<b>137.3</b>	<b>232.4</b>
<b>Total current assets</b>	<b>152.2</b>	<b>165.9</b>	<b>Total liabilities</b>	<b>1 611.5</b>	<b>1 599.7</b>
<b>Total assets</b>	<b>2 443.1</b>	<b>2 539.3</b>	<b>Total equity and liabilities</b>	<b>2 443.1</b>	<b>2 539.3</b>
			<b>Equity ratio</b>	<b>34.0 %</b>	<b>37.0 %</b>

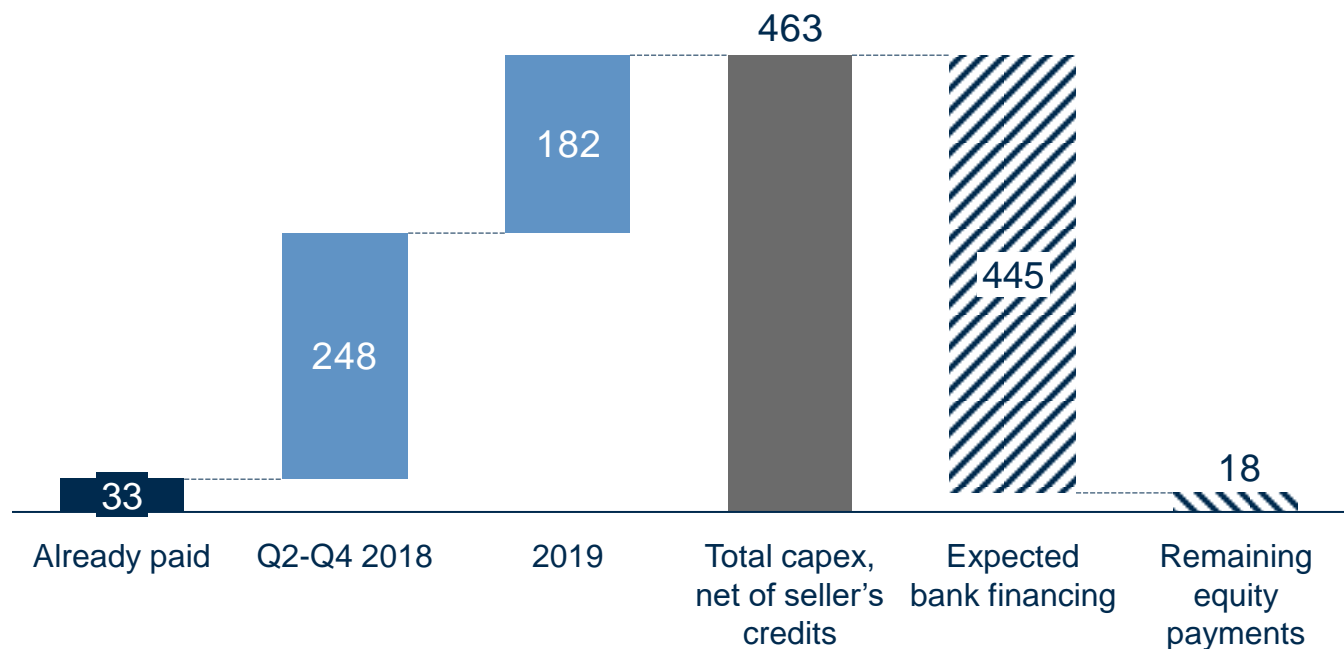
# STRONG LIQUIDITY POSITION

CASH AND SECURITIES AVAILABLE FOR SALE PER Q1 2018 (USDM)



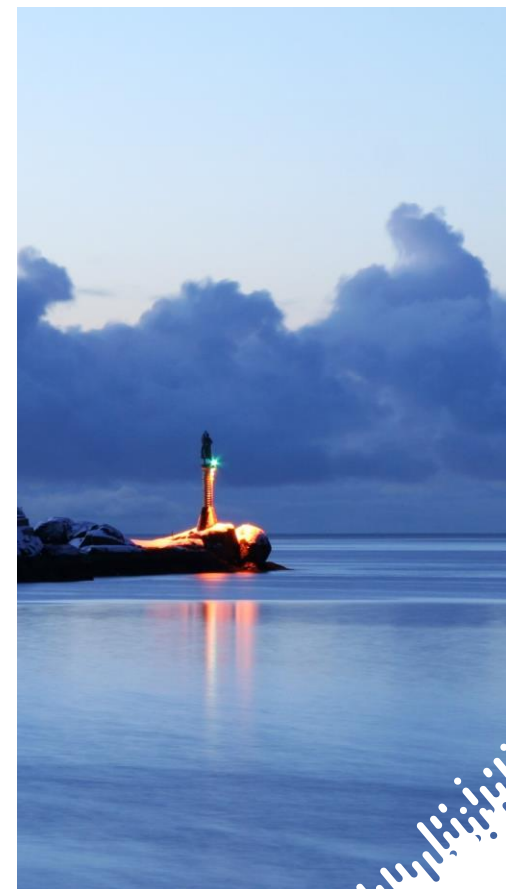
# CONTRACTUAL OBLIGATIONS AND FINANCING

## CAPEX AND EXPECTED BANK FINANCING (USDM)



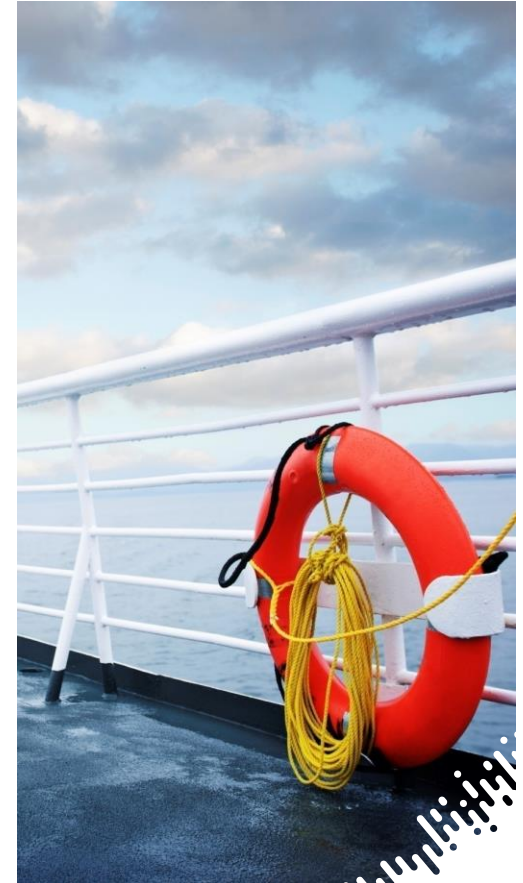
## COMMENTS

- Remaining obligations relates to three suezmaxes, four VLCCs and two dry bulk vessels. The company paid USD 33m during Q1 2018 related to the VLCCs under construction.
- Total cash payment of USD 74m related to the delivery of 5 handysize vessels in Q1 2018.
- USD 95m financing of 7 dry bulk vessels are expected to be drawn in Q2 2018.





- **Ambition to continue to expand the portfolio of vessels**
  - Market conditions for new transactions viewed as positive
  - Substantial investment capacity following recent equity issue
  - Access to competitive funding from banks
- **Intends to continue policy of paying attractive quarterly dividends**
- **Key focus**
  - Continued fleet growth
  - Secure a positive outcome for Dhirubhai-1











## INVESTOR RELATIONS

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