OHT ASA

ANNUAL REPORT 2020

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DIRECTORS' REPORT

OHT

OHT ASA ("the Company") and its subsidiaries ("OHT" or "the Group") was founded in 2006 and is a specialized heavy transportation and installation (T&I) contractor. OHT provides heavy transport services mainly for offshore renewables, the Oil & Gas and offshore industry, as well as heavy construction and other industries requiring transportation of outsize cargos. The Group's five semi-submersible heavy transport vessels are capable of transporting some of the largest and heaviest cargos possible to transport by sea in the world today. OHT's strategy is to create shareholder value by providing high quality service to its customers and focus on safe and efficient operations with high utilization of the fleet.

In late 2021/early 2022, OHT will take delivery of its first heavy lift crane installation vessel for installing offshore wind foundations. This will be followed by one self-propelled jack-up turbine installation vessel, to be delivered in mid-2023. The vessel is designed to install the future generations of wind turbines.

OHT is headquartered in Oslo, with satellite offices in United Kingdom, Denmark, Singapore, Dubai, Shanghai and Houston.

REORGANIZATION

In order to establish the Company as the new holding company of the Group, all of the shares in Offshore Heavy Transport AS were contributed to the Company on 17 September 2020, against an issue of 93,761,334 shares in the Company to the shareholders of Offshore Heavy Transport AS. This established the very same shareholder structure of the Company as had been in Offshore Heavy Transport AS. Offshore Heavy Transport AS' historical consolidated financial statements represent the Group's historical financial information going forward, and as such these financial statements reflect the Group's historical activities.

THE FLEET

Vessel	Type	Converted/Built
Eagle	Semi-submersible heavy lift vessel	2006
Falcon	Semi-submersible heavy lift vessel	2007
Albatross	Semi-submersible heavy lift vessel	2015
Osprey	Semi-submersible heavy lift vessel	2008
Hawk	Semi-submersible heavy lift vessel	2008
Alfa Lift	Offshore wind foundation installation vessel	Under construction
VIND 1	Offshore wind turbine installation vessel	Under construction

FINANCING

Equity financing

OHT ASA was incorporated as a private limited liability company on 21 February 2020 with a share capital of NOK 30,000. On 11 September 2020, the Company was converted to a public limited liability company and the share capital increased to NOK 1,020,000.

In an extraordinary general meeting in OHT ASA held on 17 September 2020, the share capital of the Company was written down to zero, immediately followed by an issue of 93,761,334 new shares to the shareholders of Offshore Heavy Transport AS against a contribution in kind of all shares in Offshore Heavy Transport AS. It was also resolved to issue 27,086,700 new shares against consideration in cash through a private placement. Total gross proceeds from the private placement were $56.8 million (the subscription price was fixed at NOK 20 per share). The shareholders also resolved to issue 1,018,935 warrants. For further information of warrants, see note 18 in the Notes to Consolidated Financial Statements.

In a board meeting held on 3 December 2020 the Board of Directors resolved, under a proxy granted from the shareholders, to increase the share capital of the Company by issuing 1,389,487 new shares. 1,042,115 shares were subscribed for and issued to Turbin Capital AS as settlement for the additional purchase price of $2.3 million payable for the acquisition of the shares in Vind Offshore Installation AS. This additional purchase price was payable upon the effective date of the shipbuilding contract with China Merchants Industry Holding for the first jack-up wind turbine installation vessel. 347,372 shares were subscribed for and issued to CEO of OHT Torgeir E. Ramstad against a consideration of $0.8 million paid in cash. These shares were issued under a bonus agreement between OHT and Torgeir E. Ramstad where the CEO is entitled to a bonus payment 12 months after the subscription if he is still employed by the Company at that time.

Following these transactions, OHT ASA's share capital consists of NOK 12,223,752.10, divided into 122,237,521 shares, each with a nominal value of NOK 0.10. The shares of the Company are traded on Oslo Stock Exchanges' marketplace Euronext Growth.

Loan financing

The Group's $30 million revolving credit facility (RCF) elapsed at the end of 2020. In December 2020, the Group entered into an agreement for a $50 million revolving credit facility (RCF) replacing the previous $30 million RCF. The new RCF has a three-year term, limit of $50 million, with a step down to $30 million in year 3. Total undrawn amount on the revolving credit facility was $50.0 million on 31 December 2020.

OPERATIONS AND CONTRACTS

Transportation

Throughout 2020, all five vessels Eagle, Falcon, Osprey, Hawk and Albatross have been in operation and have carried out their transport assignments satisfactorily. Every cargo operation is carefully planned by OHT's operation and engineering department. Each loading and discharge operation is supervised by experienced load masters onboard the vessel.

Through a significant part of 2020, the three largest vessels Hawk, Osprey and Albatross have been engaged in transporting jacket foundations for the Moray East Wind farm for DEME Offshore and EDPR. After completion of this project in Q3 and Q4, the three vessels reverted to the spot market. The other two vessels Falcon and Eagle have traded in the spot market throughout the year. Cumulative utilization of the fleet for 2020 stands at 80%.

Voyages performed in 2020 fall into the following categories:

- 7 within Renewables
- 5 within O&G Exploration and Production
- 6 within Marine & Naval
- 4 within Other Industries

In revenue terms, the Renewables category accounts for 53%. In relation to EBITDA, the ratio is higher.

Following completion of the exhaust gas scrubber installation program in Q1 2020, all five transportation vessels are fitted with scrubbers. Operationally, the scrubbers have performed with minimal technical issues. The savings recorded between actual price paid for High Sulphur Fuel Oil (HSFO) compared with what the cost would have been for the mandatory Low Sulphur Fuel Oil 0.5% (LSFO) if scrubbers had not been installed is $7.6 million against a total scrubber investment of $11.4 million. This corresponds to a payback of 67% so far.

OHT has throughout 2020 avoided major operational disruptions from the Covid-19 pandemic, with delayed and cumbersome crew change procedures and restrictions on travelling being the only negative effects.

Ship operating expenses have been recorded at an average of $9,056 per day year to date, which is in line with the budget.

Installation

On 3 December 2018, OHT Alfa Lift AS submitted a tender for the transportation and installation of monopiles and transition pieces for the Dogger Bank A and B offshore wind projects offshore UK, the world's largest offshore wind farm development project. OHT Alfa Lift AS was selected as the preferred supplier in October 2019 and a Preferred Supplier Agreement was entered into on 15 October 2019. The full and final contracts for Dogger Bank A and B were signed during Q3 2020.

The scope of work comprises the transportation and installation of 190 monopiles and transition pieces from Q3 2022 to early 2024, utilizing OHT Alfa Lift AS' newbuild foundation installation vessel, Alfa Lift.

The project is currently in the design and planning phase. During 2020, OHT has concluded several detailed methods and solutions including grillage and sea-fastening for the foundation components as well as installation aids. Technical interfacing with the client to ensure a viable and efficient transportation and installation of the foundation units remains a high priority. There have been no unwanted incidents on the project to date. The relationship with the client remains good and constructive.

NEWBUILDINGS

Construction of Alfa Lift at CMHI's yard in Jiangsu, China, proceeds largely as planned, with most blocks now installed including the main crane foundation. The vessel was launched on 28 February 2021. Following the float-out, work will primarily focus on completing hot works and installation of piping, mechanical and electrical components in that sequence, before moving to mechanical completion and commissioning.

In Rostock, Germany, we continue to see good progress in assembling the various main crane components. On 7th March 2021, the central crane machinery module together with the A-frame was shipped from Rostock and are now on their way to the shipyard before being installed on Alfa Lift. Once the installation of the two components is finalised, the boom, in a separate shipment from Rostock, will be delivered to the shipyard, thus completing the HLC 150000 Heavy Lift Crane. The main components making up Alfa Lift's mission equipment for monopile installation have been placed with MacGregor, in partnership with Kongsberg Maritime. Start of production of the main Upending Frame and Motion Compensated Pile Gripper has recently taken place and other elements forming part of the mission equipment are progressing satisfactorily.

The shipbuilding contract for VIND 1, the company's first Wind Turbine Installation Vessel (WTIV), was signed with CMHI (Jiangsu) in the beginning of Q4 2020 and became effective on 30 November 2020. Delivery is scheduled for mid-2023. Basic design is well underway, and we are currently working with the shipyard and designer to conclude on general arrangements and select main equipment. Focus is on maximizing payload by reducing component and material weights as much as possible.

The negotiations for a conditional shipbuilding contract for VIND 2 are awaiting further clarity regarding client commitments.

MARKET AND OUTLOOK

TRANSPORTATION MARKET

In 2020, OHT has seen a high number of requests for transportation projects, with 972 received in 2020 versus 1075 in 2019 which shows that market activity level was not significantly affected by the COVID-19 pandemic from an inquiry perspective. However, a marked slowdown was experienced in the last quarter of 2020 as the second wave hit. There is a growing share of offshore wind related projects currently being tendered for execution late 2021 to 2025, dominated by transportation of jackets and monopiles from Asia to Europe and monopiles/transition pieces from Europe to the US.

Another interesting market development in connection with the renewables industry is a sudden requirement for lift boats in southern China. Due to a domestic shortage of these kinds of vessels, these lift boats will need to be mobilised from either Northern Europe or the Middle East. This creates attractive opportunities for OHT.

In O&G, the ongoing pandemic with corresponding low oil prices has made E&P companies slash their exploration budgets, resulting in lower drilling activity. The number of rig moves is therefore low, however strong demand from other segments has reduced the relevant importance of the rig moves. One of the few positive segments within O&G is the decommissioning market, where we see several interesting leads. Other industries such as marine, dredging and heavy construction continue to generate a number of requests.

Another positive O&G segment is the gas production expansion in the Middle East mainly off Qatar and Abu Dhabi. The investments in new field infrastructure create a string of transport requirements for offshore platforms from South East Asian fabrication yards to the region from as early as Q3 2021 until well into 2023. OHT will be well placed to win a share of these transportation opportunities, building on similar work successfully completed for NOCs in Qatar in 2019.

Starting from Q2 2021 we foresee a material reduction of available semisubmersible tonnage in the market due to our competitors' backlog, occupying their vessels, which may last up until Q2 2023. At times, the supply of tonnage is expected to drop to levels around 50% of today's available world fleet. This will bring OHT in a good position to secure future work not committed to these other carriers yet.

OFFSHORE WIND MARKET

According to recognized observers and analysts, the offshore wind market continues to grow substantially. Several European countries are increasing their ambitions further following the EU's stated emissions reduction target of 55% (up from 40%) by 2030. As an example, Poland recently published plans for 11GW offshore wind, about the same capacity as the entire fleet of offshore turbines currently in operation in the world's largest market, the UK. In the US, the new Administration has already unlocked the recent permitting delays to open up for the first industry-scale offshore wind farms to be commissioned from 2023 onwards. South Korea, so far understood to lean more towards deep-water floating wind, has announced 8.2GW of new, bottom-fixed developments during the decade.

Management is increasingly confident that the company's timing for entering this market is exactly right, as it will be characterised by tightness on the supply side for several years ahead.

OHT's tendering for transportation and installation of foundations and turbines continues at a high pace. Some tenders have moved into the clarifications and negotiations phase. None of the projects being tendered by the Company have been awarded this far and it remains to be seen if developers will manage to keep to their original timelines. All tendering which the Company is involved in is for wind farms in Europe and the US from 2024-28.

For the many projects planning to start offshore construction in 2024, various developers are gradually realizing that there will be more projects than there are vessels that can effectively perform the installation work. This is particularly relevant for foundation installation, as this activity starts early in the construction phase and there is no longer time to bring newbuilt foundation installation vessels to the market in 2024 unless construction has already started. With a high likelihood of several projects being forced to delay their development plans, the imbalance of demand and supply of vessels will be pushed into 2025 and beyond.

Within turbine installation, there is a similar situation. Of the 16-17 existing WTIVs, maybe as few as two will have the potential to efficiently handle the next generation 14MW+ turbines following large upgrades. These turbines will completely dominate the market from 2025.

OUTLOOK

Within Transportation, we expect decreasing pressure on Lump Sum prices in the spot market due to an ease in the short- and medium-term oversupply of capacity. The near-term spot market will be dominated by Marine & Naval, O&G Decommissioning and Other industries. This will continue until major transportation projects to carry modules for LNG plants and refineries as well as offshore wind components will keep the world fleet busy over the following 12-24 months starting from mid-2021. However, the increase in crude oil prices exemplified by Brent Spot, from $45 per barrel as recent as 20 November 2020 to prices in the mid-sixties and beyond as seen recently, should lead to increased transportation demand also from the O&G segment.

Within Offshore Wind, we expect that the next months will be characterized by more tendering, clarification rounds and negotiation of T&I contracts with clients.

The company is in process of preparing for a transfer to the main list of Oslo Stock Exchange (OSE). A standard condition for acceptance to OSE is that the company is fully financed over the next 12 months. As a result, management has initiated an accelerated process to formalize take-out financing for Alfa Lift including mission equipment. In addition to the committed funding package from the shipyard's group, alternative funding structures are being developed to take advantage of ECA financing and achieving more favourable overall terms. In relation to the financing of Alfa Lift, please see further comments under the Financial risks section.

FINANCIALS

FINANCIAL PERFORMANCE

The Group's operating revenue was $65.6 million in 2020, up from $61.1 million in 2019. OHT reported a net profit of $5.4 million in 2020, compared to the net loss of $7.6 million in 2019. The adjusted EBITDA[1] was $21.0 million for the year, up from $8.2 million in 2019. The positive development is driven by a general market recovery along with efficient scheduling of our vessel fleet as well as the recorded savings on fuel due to operating on scrubbers. Prices in the spot market during the fourth quarter were under pressure due to hesitation in clients' willingness to execute their transportation requirements, as a result of travel restrictions and project delays during the second wave of the pandemic. The utilisation of the fleet was 80% in 2020 compared to 85% in 2019.

Total operating expenses were $61.9 million in 2020, compared to $67.2 million in 2019. The decrease is primarily due to lower fuel costs in 2020 because of reduced fuel prices and reduced fuel consumption from 2019 to 2020.

Net financial income was $2.9 million in 2020, up from a net financial expense of $1.8 million in 2019. Net financial income in 2020 mainly consists of a non-recurring positive currency effect in relation to the proceeds from the private placement in Q3 2020, partly offset by interest expenses on the loan facility.

FINANCIAL POSITION

The Group's total assets amounted to $267.7 million at 31 December 2020, compared to $219.5 million at 31 December 2019. The total assets increased due to receipt of $56.8 million from the private placement, which was completed in Q3 2020, as well as due to positive cash flows from operations. These funds were mainly used for investments under construction contracts and repayment of debt to credit institutions during the year.

Total equity increased during the year, from $169.2 million at 31 December 2019 to $233.7 million at 31 December 2020. The increase is due to the private placement and a net profit in 2020.

Total undrawn amount on the revolving credit facility was $50.0 million on 31 December 2020.

[1] Adjusted earnings before interest, taxation, depreciation and amortization ("Adjusted EBITDA") is a non-IFRS measure and the Group has defined it as the operating profit excluding the impact of the following items:

- Depreciation and amortization expenses in the Consolidated Statement of Comprehensive Income
- Expenses related to warrants as listed in note 18 in the Notes to the Consolidated Financial Statements

CASH FLOWS

Cash and cash equivalents were $14.8 million at 31 December 2020, compared with $9.5 million at 31 December 2019. $33 million was generated through operations, and $55.7 million through equity financing. $25 million was spent on debt repayment, and $58.4 million on investments under construction contracts.

HEALTH, SAFETY AND ENVIRONMENT

OHT's objective is to ensure safe and secure operations. The business operates in compliance with national and international requirements and regulations. All incidents and near misses are recorded in detail and every event is investigated. During 2020, no fatalities were recorded, our Lost Time Injury Frequency (LTIF) was 0.79 and our Total Recordable Case Frequency (TRCF) was 0.79, both measured on a per million exposed manhours basis.

There have not been any pollution incidents related to the Group's vessels in 2020.

The working environment and team spirit are considered good. Of the directly employed personnel in the Group, total sick leave during the year was 2.3%.

OHT focus continuously on being a workplace free from discrimination on the basis of gender, race or religion on matters such as pay, promotion and recruitment. OHT offers equal opportunities to men and women. As of 31 December 2020, the Group had 32 employees onshore, 25 men and 7 women. The Company maintains best practices for social responsibility by rejecting modern slavery, including child or forced labour, exploitation of vulnerable people or human trafficking, and by paying employees and agency workers in compliance with all applicable employment laws.

The company is certified to ISO9001:2015 and ISO14001:2015. Further, the Company has been audited to the ISO 45001 standard and expects full certification shortly.

CORPORATE GOVERNANCE

OHT focuses continuously on having good corporate governance to support achievement of the Group's core objectives. The manner in which the Group is governed is vital to its value creation over time and achievement of a sustainable profitability. The Group believes that good corporate governance involves transparent and trustful cooperation between all stakeholders involved with the Group and its business. This includes OHT's shareholders, board of directors and executive management team, employees, customers, suppliers, and other business partners, as well as public authorities and society at large.

To secure good corporate governance, OHT has adopted a set of governance documents setting out principles for how its business should be conducted. These documents are in addition to the Corporate Governance Policy itself, regarding rules of procedure for the Board of Directors, instructions for the Chief Executive Officer, guidelines with regards to business ethics and social responsibility, an investor relations policy, an inside information policy, and instructions for the Audit Committee.

INTERNAL CONTROL

The Company has implemented internal control and risk management systems appropriate to the size and nature of the Group's activities. The respective managers in projects and the base organisation report to the management team including CEO on a regular basis and as directed.

CORPORATE GOVERNANCE GUIDELINES

The Group's corporate governance guidelines, as adopted by the Board of Directors, can be found on the Group's website: https://www.oht.no/investor-relations/corporate-governance/

CORPORATE SOCIAL RESPONSIBILITY (CSR)

OHT has adopted a code of conduct for business ethics and corporate social responsibility to facilitate that the Group shall enjoy an invaluable reputation for corporate trustworthiness around the world. The CSR approach is based on consistently conducting business with integrity and in compliance with the laws and regulations governing its activities.

Board members and employees of the Group must practice fair dealing, honesty and integrity in every aspect in dealing with other employees, business relations and customers, the public, the business community, shareholders, suppliers, competitors and government authorities. The Group's corporate values and commitment to act responsibly, ethically and trustworthy in all activities they do, whether it be towards colleagues, customers, suppliers, the society or the environment, shall be reflected, promoted and implemented in policies, decisions and actions.

BOARD OF DIRECTORS

NAME	Rune Magnus Lundetræ	Marianne Heien Blystad	Fredrik Platou
Position:	Chairperson	Board member	Board member
Born:	1977	1958	1984
Nationality:	Norwegian	Norwegian	Norwegian
Member of board since:	September 2020	September 2020	September 2020
Attendance board meetings in 2020 (since appointed to the BOD):	8/8	8/8	8/8
Independent of executive management and significant business contacts:	YES	YES	YES
Independent of largest shareholders:	YES	NO	NO
Member of audit committee:	YES	NO	YES

Presentation of the Board of Directors

Rune Magnus Lundetræ

Lundetræ served as Deputy Chief Executive Officer and Chief Financial Officer of Borr Drilling Ltd. from December 2016 to December 2019. From August 2015 to December 2016, he was Managing Director and Head of Oil Services of DNB Markets, the investment banking subsidiary of DNB, Norway's largest financial services group. From 2012 to June 2015, he served as Chief Financial Officer of Seadrill Ltd, the world's largest offshore driller.

Lundetræ graduated as a Certified Public Accountant from Norwegian School of Management (NHH) in 2004. He also holds a M.Sc. in Management from London School of Economics and a B.A (Hons) in Finance from University of Newcastle (UK).

Marianne Heien Blystad

Mrs. Blystad is a Norwegian lawyer who works in Ro Sommernes law firm. She has previously worked in Nordia law firm, Bull & Co law firm, Citibank AS Oslo, Eksportfinans ASA and Spencer Finance Corporation, USA. Mrs. Blystad holds the position of Chairperson or board member in most companies within the Blystad Group.

In addition to her masters in law, Mrs. Blystad holds a master in business and economics.

Fredrik Platou

Mr. Platou has more than 15 years of international board and management experience, and is currently CEO in Arne Blystad AS. He has been employed in key positions in various investments on behalf of the Blystad Group since 2006.

GOING CONCERN

The consolidated financial statements of OHT ASA have been prepared on the basis of the going concern assumption and according to the International Financial Reporting Standards (IFRS) as adopted by the European Union. The Board of Directors confirms that the assumption is valid.

RISK FACTORS

The Group is exposed to market risks, risks related to operation of the vessels and financial risks. To reduce and manage these risks, management periodically assesses the Group's financial market risk in general, as well as evaluating hedging strategies for specific exposures as they arise. For 2020, the Group did not have any hedging contracts or other derivative instruments.

Market risk

Market risks include risks associated with the demand and supply for OHT's services as well as political risks. An important factor when evaluating the market risk is the expectations for development of future energy markets. A decline in oil prices will not necessarily have a detrimental effect on the number of available cargos in the world, but prices could be negatively affected.

Operational risks

The Company's operational risks include perils particular to marine operations, including loss of cargo, capsizing, grounding, collision and loss and damage to the vessels from harsh weather conditions. Such circumstances may result in severe damages to the vessels and/or damage to other property, the environment, or people. In the course of its activities, the Group may become involved in legal proceedings and disputes. All these factors could have a significant impact on the Group's financial position.

The risk of increased bunkers prices is normally secured in the freight agreements. If not, hedging contracts are employed.

Financial risks

The Company is exposed to financial risks such as interest rate changes and currency exchange rate fluctuations, as well as credit risk related to customers and other financial counterparties being unable to honour their obligations. Financial risk is also related to the financing of the newbuilding projects.

The Group has had only floating interest rates on its interest-bearing debt, and as such has been exposed to interest changes. The Group's revolving credit facility has floating interest (3 months LIBOR) + a fixed margin which means a change in LIBOR will have a direct effect on the Groups cash flow.

As USD is the Group's functional currency, the Group has some exposure to fluctuations in currency rates, however these are limited mainly to administrative expenses. The currency risk related to these administrative expenses is considered limited and has therefore not been hedged.

The Group is exposed to credit risk in the case that receivables from customers and other parties are not paid. The customers are in general large companies with good credit rating. The credit risk is also reduced through the contract structure and the fact that the cargo is controlled by OHT until discharging. The Group had no losses on receivables in 2020.

Illiquidity may arise if the Group is not able to pay its financial commitments at due date. The Group applies cash forecasting to ensure that the activities are adequately financed at all times. Cash flow from operations and from planned financing activities are considered sufficient to settle all financial obligations. In relation to construction of the Alfa Lift vessel, OHT has at 31 December 2020 total outstanding commitments of $192 million. Of this, $19 million was paid in February 2021. $173 million falls due on delivery and relates to the final yard instalment and payment for Mission Equipment. As at publication of the annual report, OHT is in the final stage of negotiations with credit institutions to secure the financing of these payments.

ALLOCATION OF NET PROFIT

The parent company, OHT ASA, reports a net profit of $2,042 thousand in 2020. The Board proposes that the net profit is allocated to retained earnings.

SUBSEQUENT EVENTS

Enova, the Norwegian Governmental body supporting the transition to a low-emissions society, has confirmed a grant of NOK 13.4 million related to installation of a battery-hybrid solution on Alfa Lift, the company's newbuild foundation installation vessel. Alfa Lift will be the largest battery-hybrid vessel in the world upon delivery.

STATEMENTS FROM THE BOARD AND CEO

We confirm, to the best of our knowledge, that the set of financial statements for the period 1 January 2020 to 31 December 2020 have been prepared in accordance with applicable accounting standards, and gives a true and fair view of the Group's assets, liabilities, financial position and profit as a whole.

We also confirm, to the best of our knowledge, that the annual report includes a fair review of important events that have occurred during the financial year and their impact on the set of financial statements, and a description of the main risks and uncertainties going forward.

Oslo, 29 April 2021

The Board of Directors of OHT ASA

Rune Magnus Lundetræ Chairman	Marianne Heien Blystad Director
Fredrik Platou Director	Torgeir Egeland Ramstad CEO

Forward-looking statements presented in this report are based on various assumptions. The assumptions were reasonable when made, but are subject to uncertainties and contingencies that are difficult or impossible to predict. OHT ASA cannot give assurances that expectations regarding the outlook will be achieved or accomplished.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in $ thousands	Note	**2020**	**2019**
Operating revenue	4	65,629	61,128
Total revenue		**65,629**	**61,128**
Voyage expenses	5	20,718	28,449
Ship operating expenses	5	16,575	16,452
Depreciation and amortization expenses	8	16,166	14,262
General and administrative expenses	5	8,427	8,000
Total operating expenses		**61,886**	**67,163**
Operating profit (loss)		**3,743**	**(6,034)**
Financial income		53	344
Financial expenses		(140)	(2,115)
Foreign currency exchange gain (loss)	21	2,982	(54)
Net financial income (expenses)		**2,896**	**(1,825)**
Profit (loss) before tax		**6,639**	**(7,860)**
Income tax expense (benefit)	6	1,274	(231)
Net profit (loss)		**5,364**	**(7,629)**
Total comprehensive income (loss)		**5,364**	**(7,629)**
Basic and diluted earnings (loss) - $ per share	7	0.053	(0.081)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in $ thousands	Note	**31 December 2020**	**31 December 2019**
Deferred tax assets	6	-	1,242
Right-of-use assets	16	3,264	1,920
Vessels and construction contracts	8	235,454	190,556
Office equipment	8	691	325
Other non-current assets		-	53
Total non-current assets		**239,409**	**194,096**
Bunkers inventory	9	3,781	2,421
Costs to fulfil contracts		3,635	1,417
Trade receivables	10, 21	1,433	6,813
Other receivables	10	4,698	5,344
Bank deposits and cash equivalents	11	14,787	9,456
Total Current Assets		**28,334**	**25,451**
Total Assets		**267,743**	**219,547**
Share capital	12	1,329	36
Other paid in capital	12	58,489	1,779
Other reserves		790	(344)
Retained earnings		173,119	167,755
Total equity		**233,727**	**169,226**
Non-current lease liabilities	16	2,587	1,426
Total non-current liabilities		**2,587**	**1,426**
Current lease liabilities	16	860	554
Debt to credit institutions	13	-	24,831
Trade payables		3,272	5,184
Current tax liabilities	6	70	62
Other current liabilities	14	27,228	18,264
Total current liabilities		**31,429**	**48,896**
Total equity and liabilities		**267,743**	**219,547**

Oslo, 29 April 2021

The Board of Directors of OHT ASA

Rune Magnus Lundetræ

Chairman

Marianne Heien Blystad

Director

Fredrik Platou

Director

Torgeir Egeland Ramstad

CEO

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in $ thousands	Share capital	Other paid in capital	Other reserves	Retained earnings	Total equity
Equity 31 December 2018	**36**	**1,779**	**(344)**	**175,383**	**176,854**
Net loss 2019	-	-	-	(7,629)	(7,629)
Equity 31 December 2019	**36**	**1,779**	**(344)**	**167,755**	**169,226**
Effect of capital reorganization	993	(993)	-	-	-
Non-cash share issuance	12	2,297	-	-	2,309
Share issuance settled in cash	288	57,290	-	-	57,578
Share issuance costs	-	(1,884)	-	-	(1,884)
Warrants issued to employees	-	-	1,134	-	1,134
Net profit 2020	-	-	-	5,364	5,364
Equity 31 December 2020	**1,329**	**58,489**	**790**	**173,119**	**233,727**

CONSOLIDATED STATEMENT OF CASH FLOWS

in $ thousands	Note	2020	2019
Profit (loss) before taxes		6,639	(7,860)
Paid taxes	6	(62)	(123)
Depreciation	8, 16	16,166	14,262
Change in bunkers inventory		(1,360)	2,219
Change in trade receivables		5,380	(815)
Change in trade payables		(1,912)	1,026
Change in prepayments and other receivables		1,244	(2,909)
Change in costs to fulfil contracts		(2,218)	897
Change in prepaid revenues		13,656	3,467
Change in accruals and other current liabilities		(5,463)	3,712
Employee benefit expenses in connection with issuance of warrants	18	1,134	-
Net change in other current items		221	(1,200)
Net cash flow from operating activities		**33,425**	**12,676**
Investments on vessels and periodic maintenance	8	(1,991)	(15,817)
Investments on vessels under construction	8	(55,837)	(23,019)
Other investments	8	(532)	(151)
Net cash flow used in investment activities		**(58,360)**	**(38,987)**
Proceeds from share issuance	12	57,578	-
Share issuance costs	12	(1,884)	-
Proceeds from drawdown of debt	13	10,000	25,000
Repayment of debt	13	(35,000)	-
Principal elements of lease payments	16	(428)	(324)
Net cash flow from financing activities		**30,266**	**24,676**
Net change in cash and cash equivalents		**5,331**	**(1,635)**
Cash and bank deposits at beginning of period		9,456	11,092
Cash and bank deposits at end of period		**14,787**	**9,456**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Corporate information

OHT ASA (“the Company”), organization number 924 695 792, is a Norwegian public limited liability company. The Company and its subsidiaries (“the Group” or “OHT”), is a specialized heavy transportation and installation (T&I) contractor. OHT is the owner and operator of five open deck semi-submersible heavy transportation vessels and has currently under construction a heavy lift semi-submersible installation vessel for installation of foundations for the offshore wind market and a jack-up wind turbine installation vessel. The address of the main office is Haakon VII’s gate 1, 0161 Oslo. The shares of the Company are traded on Oslo Stock Exchanges’ marketplace Euronext Growth (Merkur Market).

Note 2 Reorganization

On 17 September 2020 all of the shares in Offshore Heavy Transport AS were contributed to the Company, against an issue of 93,761,334 shares in the Company to the shareholders of Offshore Heavy Transport AS, immediately following a write down of the existing share capital of the Company to zero (the “Reorganization”). The assets and liabilities of the new group and the original group are the same immediately before and after the reorganization. This reorganization established the very same shareholder structure of the Company as had been in Offshore Heavy Transport AS immediately prior to the reorganization. The purpose of the reorganization was to establish the Company as the new holding company of the Group.

The transaction represents a capital reorganization, and not a business combination. The carrying values of assets and liabilities in Offshore Heavy Transport AS were recognized in the Group (with OHT ASA as the new parent company) with the same carrying values as in Offshore Heavy Transport AS in line with predecessor accounting (i.e. to continuity) and with no fair value adjustments. Furthermore, as the reorganization is considered to be a capital reorganization from an accounting perspective, Offshore Heavy Transport AS’ historical consolidated financial statements represent the Group’s historical financial information going forward, and as such these financial statements reflect the Group’s historical activities.

Note 3 Accounting policies

Basis of preparation

These consolidated financial statements are prepared in accordance with the accounting principles prescribed by International Financial Reporting Standards (IFRS) as adopted by the European Union. They comprise the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and related notes for the Group.

The consolidated financial statements have been prepared on a historical cost basis. The consolidated financial statements are prepared under the going concern assumption.

Significant accounting judgements, estimates and assumptions

In preparing these interim financial statements, management has made judgements and estimates 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 effect of a change in an accounting estimate is recognized in profit or loss in the period where the estimate is revised or in the period of the revision and future periods if the change affects both.

Depreciation of vessels

Depreciation is based on management estimates of the future life of the vessels and residual values. Estimates may change due to changes in scrap value, technological development, competition and environmental and legal requirements. Management reviews the future useful life of the vessels periodically taking into consideration the above-mentioned factors. In case of changes in estimated useful lives and/or residual values, the depreciation of the vessels is adjusted prospectively.

Impairment of vessels

Management assesses whether there are any indicators of impairment for all vessels and new building assets if any at each reporting date. These assets are tested for impairment when there are indications that the carrying amounts may not be recoverable. Management applies significant judgment to identify impairment indicators if any. An impairment loss shall be recognized if the recoverable amount of non-financial assets is less than the carrying amount. The recoverable amount of these assets are assessed by reference to the higher of value in use, being the net present value of future cash flows expected to be generated by the asset, and fair value less costs to dispose. Management applies significant judgment to estimate the future cash flows including determination of a reasonable discount rate to discount the estimated future cash flow. Changes in circumstances and in management's evaluations and assumptions may give rise to impairment losses in the relevant periods.

Revenue recognition

The Group recognizes voyage revenues and voyage related expenses proportionally over the estimated length of each voyage, on a loading to discharge basis. Cost related to fulfilment of the contract incurred prior to loading is capitalized as mobilization costs and amortized over the associated period for which revenue is recognized. At the time of the prior voyage discharge, management generally knows the next load port and expected second discharge port, ensuring that the calculation of voyage revenues and costs over time can be estimated with a satisfactory degree of accuracy.

Demurrage revenue is recognized at the time demurrage services have been rendered if it is considered probable that the Group will receive payment.

Fair value of equity instruments used in share-based payment transactions

The Group has issued warrants to the Chairman and Management. Based on certain criteria the warrants give the holders a right, but no obligation, to subscribe for one additional share at a price fixed in NOK.

Market prices for warrants are not available and therefore they are valued by use of an option pricing model. Warrants are valued by use of Monte Carlo Simulation. The following factors are taken into account when valuing the warrants: The exercise price of the warrants, the life of the warrants, the current price of the underlying shares, the expected volatility of the share price, the dividends expected on the shares and the risk-free interest rate for the life of the warrants. Factors are estimated based on management's best knowledge at the date of the valuation.

Currency

Functional and presentation currency

The consolidated financial statements are presented in USD, which is also the functional currency for most entities in the Group.

Transactions and balances in foreign currencies

Transactions in foreign currencies are converted to the functional currency at the rate at time of the transaction. Monetary items denominated in foreign currencies are converted into functional currency using the rate at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit of loss. Non-monetary items, which are measured at historical cost in a foreign currency, are converted at the currency rates on the dates of the initial transactions.

Basis of consolidation

The consolidated financial statements comprise the financial statements of OHT ASA and all subsidiaries over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated.

Asset acquisition

Acquisition of companies which do not meet the definition of a business combination in accordance with IFRS 3 is accounted for as an asset acquisition. Tangible and intangible assets are recognized based on relative fair values. When the asset acquisition is related to a vessel newbuilding project, any additional purchase price related to instalment payments will be accounted for when the instalment payments are due for payment.

Financial position classification

The group presents assets and liabilities in statement of financial position based on current/non-current classification.

Current assets and current liabilities include items due less than one year from the balance sheet date, and items related to the operating cycle. Other assets are classified as non-current assets.

Summary of significant accounting policies

Revenues

Operating revenues are recognized when persuasive evidence of an agreement exist, the service has been delivered, fees are fixed and determinable, collection is probable and when other significant obligations have been fulfilled.

Revenue in OHT relates to voyage charter revenues for transportation services in accordance with IFRS 15. In a voyage charter contract, the charterer engages the vessel to transport a specific agreed-upon cargo for a single voyage. The consideration for such a contract is determined on a lump sum basis. The Company generally has standard payment terms of approximately 10% freight paid on signing of contract, 40% on loading and 50% on discharge.

Voyage charter contracts consist of a single performance obligation of transporting cargo within a specified period. Therefore, the performance obligation is met evenly as the voyage progresses. Voyage charter revenues are recognized using the percentage of completion method on a load-to-discharge basis.

The voyage charters generally have variable consideration in the form of demurrage, which is recognized over the period in which the performance obligations are met under the contract. Demurrage is estimated at contract inception using either the expected value or most likely amount approaches. Such estimate is reviewed and updated over the term of the voyage charter contract.

Expenses

Voyage expenses include expenses such as bunkers, port cost, canal and strait dues, cribbing, grillage and seafastening, commissions etc. Ship operating expenses include crew expenses, lube oil, repair and maintenance, insurances etc. Costs related to fulfilment of a contract incurred prior to loading is capitalized as mobilization costs (cost to fulfil contract) and amortized over the associated period of which revenue is recognized. Expenses incurred as repositioning for non-committed freight contracts are expensed as incurred.

Income tax

The companies owning vessels, owning shares in vessel owning companies or being part in construction contracts, are subject to taxation under the Norwegian tonnage tax regime. Under the tonnage tax regime, profit from operations are exempt from taxes. Taxable profit is calculated on the basis of financial income after deduction of a portion of financial expenses. The portion is calculated as financial assets in percent of total assets. Tonnage tax is payable based on the net tonnage of vessels. Tonnage tax is classified as an operating expense.

The other companies in the Group are subject to ordinary Norwegian taxation. Tax expense comprise tax payable and deferred tax expense. Tax payable is measured at the amount expected to be paid to authorities while deferred tax assets/liabilities are calculated based on temporary differences at the reporting date. Deferred tax assets are recognized to the extent that it is probable that they can be utilized in the future.

Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Vessels and construction contracts

Vessels and vessels under construction are stated at historical cost, less accumulated depreciation and impairment losses, if any. Vessels under construction are not depreciated. The cost of the vessels comprises its purchase price and any costs directly attributable to bringing the asset to be capable of operating in the manner intended by management. In situations where it can be clearly demonstrated that expenditures have resulted in an increase in the future economic benefits, the expenditures are capitalized to the vessels. Ordinary repairs and maintenance costs are expensed during the financial period in which they occur. Depreciation is calculated on a straight-line basis, taking residual values into consideration.

Costs related to major inspections/classification (dry-docking) are recognized as part of the carrying amount of the vessels if certain recognition criteria are satisfied. The recognition is made when the dry-docking has been performed and the cost is depreciated on a straight-line basis over the estimated time to the next dry-docking, normally 2,5-5 years.

The residual values and useful lives of the assets are reviewed and adjusted prospectively, if appropriate, at each financial position date. Residual values are estimated based on the vessels LDT (Light Deadweight Ton) and steel prices. As no reliable forward prices exist, the steel price is estimated to the price as of year-end. If prices have changed materially from last reporting period, the change is reflected in the financial statements.

Impairment of vessels

The vessels are reviewed for indication of impairment at each reporting date, and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. The recoverable amount is the higher of an asset's net selling price and its value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of disposal, while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets if possible, or else for the cash generating unit. Each vessel is considered to be one cash generating unit.

Inventories

Inventories, which comprise principally of bunker fuel, lube oil and stores are stated at the lower of cost and net realizable value. Cost is determined on a first-in, first-out (FIFO) basis.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. The Group regularly reviews its accounts receivables and estimates the amount of uncollectible receivables each period and establishes an allowance for uncollectible amounts. The amount of the allowance is based on the age of unpaid amounts, information about the current financial strength of customers, and other relevant information

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash. Cash and cash equivalents are recorded at their nominal values on the balance sheet.

Interest bearing debt

Interest-bearing debt is recognized at fair value when the Group becomes a party to the contractual provisions of the instrument, and subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on the settlement. Financial liabilities are derecognized from the financial position when the contractual obligation expires, is discharged or cancelled.and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest income/other financial income and interest/other financial expenses.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognizing of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Trade payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Prepaid revenues

Prepaid revenues not yet earned are reported as deferred revenue and classified as other current liabilities. When the prepaid revenue is for a period more than 12 months out in time such payments include a significant financing component and a calculated interest is recognized as an expense with a corresponding amount recognized as an increase of deferred revenue. The interest expense will be capitalized as borrowing costs and included in the cost of the vessel under construction.

Borrowing costs

Borrowing costs are capitalized if they are directly attributable to the acquisition, construction or production of a qualifying asset. Other borrowing costs are recognized as an expense when incurred.

Leases

The Group leases office premises. Rental contracts are typically made for fixed periods of up to 5 years.

Assets and liabilities arising from a lease are initially measured as the present value of future payments under the agreement. As the implicit interest rate in the lease cannot be readily determined, the lease payments are discounted using the Group’s incremental borrowing rate.

Right-of-use assets are depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis.

Financial instruments

The Group classifies its financial instruments in the following categories; loans/receivables and other financial liabilities. The classification depends on the purpose for which the investments were made. Management determines the classification of its financial assets at initial recognition and re-evaluates the classification at each reporting date. The purchases and sales of financial assets are recognized on the trade date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans and receivables are carried at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the loans and receivables are de-recognized or impaired, as well as through the amortization process.

Derivative instruments

Derivative instruments are implemented for the purpose of hedging operational and financial risks. The contracts are with highly rated and reputable financial institutions and commodities brokers, and do not meet criteria for hedge accounting.

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in the fair value of any derivative instrument are recognized immediately in profit or loss and are included in voyage related expenses if operational, otherwise as financial income/expense.

Share issuance

Share issuance costs related to a share issuance transaction are recognized directly in equity. If share issuance costs, for tax purposes, can be deducted from other taxable income in the same period as they are incurred, the costs are recognized net after tax.

Share-based payments

Share-based payment transactions through issuance of warrants to employees and to Chairman of the Board of Directors are measured at fair value of the warrants at the issuance date as value of services received cannot be measured reliably. Share-based payments are recognized as an employee expense at the time of issuance since there are no service vesting conditions present, with a corresponding increase of equity.

Government grants

Government grants are recognized in the accounts if it is reasonable assurance that conditions will be met and grants will be received. The grants are recorded on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grant is intended to compensate.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as financial expense.

Contingent liabilities

Contingent liabilities are defined as possible obligations that arise from past events whose existence depends on one or more future events not wholly within the control of the entity, or present obligations that are not recognized because it is not probable that they will lead to an outflow of resources.

Contingent liabilities are not recognized on the balance sheet unless arising from assuming assets and liabilities in a business combination. Significant contingent liabilities are disclosed unless the possibility of an outflow of resources embodying economic benefit is a remote one.

Contingent assets are not accounted for unless virtually certain.

Related parties

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence.

Segment information

The Group has only one segment, being the operation of five heavy transport vessels. Further, the Group has not specified segment information on a geographical basis as the Group is of the opinion that such information is not relevant for the Group, given that the vessels trade world-wide.

Events after financial position date

New information regarding the Group’s situation on the financial position date is taken into account in the financial statements. Events occurring after the financial position date, that do not affect the Group on the financial position date but will affect the Group’s situation in the future, are disclosed if significant.

New or amendments to standards

No new or amendments to standards have been applied by the Group in the reporting period commencing 1 January 2020.

New and revised standards – not yet effective

New or amendments to standards issued and become effective in years beginning on or after 1 January 2021, assuming European Union adoption:

There are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Note 4 Segment information

The Group's operating revenue and operating expenses come from operations within the transportation segment only.

The Group is currently working on a project in the offshore wind installation segment under an effective contract with a customer. It is expected that services related to wind installation will be reported as a separate segment when revenue is first recognized. Expenses in relation to the contract are capitalized as costs to fulfil contract. Revenue will be recognized from the start of the installation phase of the project.

Note 5 Expenses

Specification of expenses:

in $ thousands	**2020**	**2019**
Bunker expenses	12,337	20,104
Port expenses	3,246	3,147
Other voyage expenses	5,135	5,198
Total voyage expenses	**20,718**	**28,449**

in $ thousands	**2020**	**2019**
Vessel crew expenses	8,964	9,098
Repairs and maintenance expenses	2,217	2,212
Insurance expenses	967	830
Other ship operating expenses	4,427	4,312
Total ship operating expenses	**16,575**	**16,452**

in $ thousands	**2020**	**2019**
Employee benefit expenses (note 15)	5,756	4,670
Audit fees, legal fees and other professional fees	2,465	2,237
Other general and administration expenses	206	1,093
Total general and administrative expenses	**8,427**	**8,000**

in $ thousands	**2020**	**2019**
Fee to auditors for statutory audit services	83	59
Fees to auditors for attestation services and other services	39	-
Total audit fees	**122**	**59**

Note 6 Income tax expense

Income tax expense:

In $ thousands	2020	2019
Current tax on profits for the year	32	27
Decrease (increase) in deferred tax assets	1,242	(257)
Income tax expense (benefit)	**1,274**	**(231)**

Reconciliation of income tax expense:

In $ thousands	2020	2019
Profit (loss) before income tax expense	6,639	(7,860)
Tax at the OHT ASA tax rate of 22%	**1,461**	**(1,729)**
Income tax expense	1,274	(231)
Difference	**(187)**	**1,498**
Difference comprise of:		
Tax effect of foreign exchange gains and losses*	(300)	171
Tax effect of Norwegian tonnage tax legislation	(2,069)	1,327
Tax effect of issued warrants	316	-
Tax effect of share issuance costs directly in equity	(461)	-
Tax effect of other permanent differences	(269)	-
Tax effect of deferred tax assets not recognized	2,597	-
Total difference	**(187)**	**1,498**

*The currency effect is due to translation differences from NOK to USD, as the tax calculation is prepared in NOK.

Current tax assets and liabilities in statement of financial position:

In $ thousands	2020	2019
Current tax on profits for the year	32	27
Tonnage taxes payable	38	35
Current tax liabilities	**70**	**62**
Government grants classified as other current receivables	**557**	**255**

Temporary differences and tax losses:

In $ thousands	2020	2019
Fixed assets	27	-
Other temporary differences	(129)	-
Net temporary differences	**(102)**	**-**
Tax losses	(11,548)	(5,645)
Total basis for potential deferred tax asset	**(11,650)**	**(5,645)**
Potential deferred tax asset - 22%	2,563	1,242
Unrecognized deferred tax asset	(2,563)	-
Carrying amount of deferred tax asset	**-**	**1,242**

Note 7 Earnings per share

	2020	2019
Net profit (loss) attributable to ordinary equity holders – in $ thousands	5,364	(7,629)
Basic and diluted weighted average number of ordinary shares outstanding	100,867,963	93,761,334
Basic and diluted earnings (loss) - $ per share	**0.053**	**(0.081)**

As described in note 18 the Company has issued warrants that might have dilutive effects in future periods. The warrants are not considered dilutive in the current period because the market vesting conditions are not met at the end of the period.

Note 8 Vessels

in $ thousands	Vessels	Docking	Vessels and equipment under construction	Total vessels and construction contracts	Office Equipment
Cost 1 January 2020	**210,136**	**22,119**	**46,005**	**278,260**	**676**
Additions 2020*	1,881	110	56,951	58,942	532
Government Grant	-	-	(557)	(557)	-
Borrowing costs*	-	-	1,962	1,962	-
Cost 31 December 2020	**212,016**	**22,229**	**104,362**	**338,607**	**1,208**
Accumulated depreciation 1 January 2020	**74,013**	**13,691**	**-**	**87,704**	**351**
Depreciation 2020**	12,835	2,614	-	15,449	166
Accumulated depreciation 31 December 2020	**86,848**	**16,305**	**-**	**103,153**	**517**
Carrying amount 31 December 2020	**125,168**	**5,924**	**104,362**	**235,454**	**691**
Cost 1 January 2019	**200,312**	**16,125**	**22,987**	**239,424**	**525**
Additions 2019	9,823	5,994	23,274	39,091	151
Government Grant	-	-	(255)	(255)	-
Cost 31 December 2019	**210,136**	**22,119**	**46,005**	**278,260**	**676**
Accumulated depreciation 1 January 2019	**62,653**	**11,277**	**-**	**73,930**	**246**
Depreciation 2019	11,360	2,414	-	13,774	105
Accumulated depreciation 31 December 2019	**74,013**	**13,691**	**-**	**87,704**	**351**
Carrying amount 31 December 2019	**136,122**	**8,428**	**46,005**	**190,556**	**325**
Depreciation method	Straight-line	Straight-line	-	-	Straight-line
Remaining useful lives	4-10 years	2,5-5 years			3-5 years

As at 31 December 2020, the Company is the owner of five semi-submersible heavy transport vessels. One heavy lift semi-submersible installation vessel for installation of foundations for the offshore wind market and one jack-up vessel for wind turbine installation are under construction in China. Expected delivery is late 2021 and medio 2023 respectively.

Based on Management's assessment there are no impairment indicators for any vessel per 31 December 2020.

* The difference between the sum of additions and capitalized borrowing costs on vessels under construction in the table above and investments on vessels under construction in the statement of cash flows relate to non-cash portion of the capitalized borrowing costs of $768 thousand and additional purchase price for the shares in Vind Offshore Installation AS of $2,309 thousand which were paid by issuance of shares (as described in note 12).

**The difference between depreciation in the table above, and depreciation and amortization in the statement of financial income is depreciation of right-of-use assets as stated in note 16.

Note 9 Bunkers inventory

in $ thousands	2020	2019
Inventory of bunker fuel	3,027	1,795
Inventory of lube oil	754	626
Total bunkers inventory	**3,781**	**2,421**

Note 10 Receivables

in $ thousands	2020	2019
Trade receivables outstanding	1,648	7,228
Provision for doubtful receivables	(215)	(415)
Net carrying value trade receivables	**1,433**	**6,813**

Ageing analysis of outstanding trade receivables:

in $ thousands	2020	2019
Not due	-	4,025
Overdue 0-1 month	1,226	2,143
Overdue 2-6 months	-	638
Overdue more than 6 months	422	422
Total trade receivables outstanding	**1,648**	**7,228**

in $ thousands	2020	2019
Accrued revenue	1,214	768
Prepaid expenses	1,285	2,320
Other receivables	2,199	2,256
Total other receivables	**4,698**	**5,344**

Note 11 Cash and cash equivalents

in $ thousands	2020	2019
Bank deposits denominated in USD	9,659	8,232
Bank deposits denominated in NOK	3,552	1,297
Bank deposits denominated in other currencies	1,576	(73)
Total other receivables	**14,787**	**9,456**
Restricted cash:		
Employee tax accounts	264	208

Note 12 Share capital

	Number of shares	Share capital - $ thousands	Other paid-in capital - $ thousands
Balance 31 December 2019	**10,000**	**36**	**1,779**
Effect of capital reorganization	(10,000)	-	-
Effect of capital reorganization – contribution in kind	93,761,334	993	-993
Private placement 24 September 2020	27,086,700	284	56,489
Non-cash capital increase 12 December 2020	1,042,115	12	2,297
Cash settled capital increase 21 December 2020	347,372	4	801
Share issuance costs	-	-	(1,884)
Balance 31 December 2020	**122,237,521**	**1,329**	**58,489**

OHT ASA's share capital consists of 122,237,521 shares, each with a nominal value of $0.01 (NOK 0.10). All issued shares are fully paid.

OHT ASA was incorporated as a private limited liability company on 21 February 2020 with a share capital of NOK 30,000. On 11 September 2020 the Company was converted to a public limited liability company and the share capital increased to NOK 1,020,000.

In an extraordinary general meeting in OHT ASA held on 17 September 2020, the share capital of the Company was written down to zero, immediately followed by an issue of 93,761,334 new shares to the shareholders of Offshore Heavy Transport AS against a contribution in kind of all shares in Offshore Heavy Transport AS. It was also resolved to issue 27,086,700 new shares against consideration in cash through a private placement. Total gross proceeds from the private placement were $56.8 million (the subscription price was fixed at NOK 20 per share). The shareholders also resolved to issue 1,018,935 warrants. For further information of warrants, see note 18.

In a board meeting held on 3 December 2020 the Board of Directors resolved, under a proxy granted from the shareholders, to increase the share capital of the Company by issuing 1,389,487 new shares. 1,042,115 shares were subscribed for and issued to Turbin Capital AS as settlement for the additional purchase price of $2.3 million payable for the acquisition of the shares in Vind Offshore Installation AS. This additional purchase price was payable upon the effective date of the shipbuilding contract with China Merchants Industry Holding for the first jack-up wind turbine installation vessel. Turbin Capital AS is indirectly owned 33,33% by chairman of OHT Rune Magnus Lundetræ, who is also the chairman of Turbin Capital AS. 347,372 shares were subscribed for and issued to CEO of OHT Torgeir E. Ramstad against a consideration of $0.8 million paid in cash. These shares were issued under a bonus agreement between OHT and Torgeir E. Ramstad where the CEO is entitled to a bonus payment 12 months after the subscription if he is still employed by the Company at that time.

The Board of Directors has authorization to issue up to 59,034,520 new shares under a proxy assigned from the shareholders. The proxy expires on the earlier of the annual general meeting in 2021 and 30 June 2021.

Note 13 Interest-bearing debt

In December 2020 the Group entered into an agreement for a $50 million revolving credit facility (RCF) replacing the previous $30 million RCF. The new RCF has a three-year term, limit of $50 million, with a step down to $30 million in year 3. Offshore Heavy Transport AS, OHT Eagle AS, OHT Falcon AS, OHT Hawk AS, OHT Osprey AS, OHT Albatross AS and OHT Management AS are jointly and severally liable for the loan and the 5 vessels owned by these companies are pledged under the agreement. No amounts were drawn on the facility as at 31 December 2020. The loan has floating interest of LIBOR + 3.75% - 4.50%, depending on time remaining to maturity and outstanding loan amount.

in $ thousands	31 December 2020	31 December 2019
Outstanding loan amount	-	25,000
Debt issuance cost	-	(169)
Debt to credit institutions at amortized cost	**-**	**24,831**

The following financial covenants exist under the loan agreement:

- Minimum consolidated liquidity shall at all times be the higher of (i) $5,000,000 and (ii) 7.5% of total interest-bearing debt.
- Market value of the collateral vessels shall at all times be at least equal to 200% of the outstanding amount under the facility
- Consolidated working capital shall at all times be greater than zero
- Equity ratio shall at all times be at least 40%

The Group is not in breach with any of the financial covenants.

Carrying amounts of assets pledged as security:

in $ thousands	2020	2019
Vessels including dry docking	131,092	144,550

Net debt reconciliation:

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented:

	Liabilities from financing activities				
in $ thousands	Borrowings	Leases	Sub total	Cash and bank deposits	Total
Net debt as at 1 January 2020	**(24,831)**	**(1,980)**	**(26,811)**	**9,456**	**(17,355)**
Cash flows	25,000	428	25,428	5,331	30,759
New leases	-	(1,895)	(1,895)	-	(1,895)
Other changes	(169)	-	(169)	-	(169)
Net debt as at 31 December 2020	**-**	**(3,447)**	**(3,447)**	**14,787**	**11,340**
Net debt as at 1 January 2019	**-**	**(2,107)**	**(2,107)**	**11,092**	**8,985**
Cash flows	(25,000)	324	(24,676)	(1,635)	(26,311)
New leases	-	(197)	(197)	-	(197)
Other changes	169	-	169	-	169
Net debt as at 31 December 2019	**(24,831)**	**(1,980)**	**(26,811)**	**9,456**	**(17,355)**

Note 14 Other current liabilities

in $ thousands	2020	2019
Deferred revenue	24,414	8,805
Accrued expenses	380	7,957
Public duties payable	457	361
Other current liabilities	1,977	1,142
Total other current liabilities	**27,228**	**18,264**

Prepaid revenues

Prepaid revenues not yet earned is reported as deferred revenue and classified as other current liabilities. When the prepaid revenue is for a period more than 12 months out in time such payments include a significant financing component and a calculated interest is recognized.

in $ thousands	2020	2019
Prepaid revenues that include a significant financing component	22,620	-
Accumulated interest	768	-
Total recognized amount	**23,388**	**-**

Note 15 Employee benefit expenses and remuneration to Board of Directors and key management

in $ thousands	2020	2019
Salary expenses	3,249	3,264
Social security expenses	750	564
Pension expenses	421	351
Value of issued warrants	1,134	-
Bonus allowance CEO	128	-
Other personnel expenses	74	131
Total employee benefit expenses	**5,756**	**4,670**

Compensation and benefits of the Board of Directors and key management:

in $ thousands	Salaries	Pension	Other re-muneration	Value of issued warrants	Bonus allowance	Total 2020
Torgeir E. Ramstad – CEO	351	17	6	453	128	955
Tom E. Jebsen – CFO	194	-	-	228	-	422
Rune Magnus Lundetræ – Chairman	-	-	-	453	-	453
Total remuneration	**545**	**17**	**6**	**1,134**	**128**	**1,831**

No directors' fees were paid in 2020 or 2019. See note 23 for description of related party transactions between the Company and the Chairman.

Issuance of warrants to the Chairman and key management is described in detail in note 18 and 19.

On 21 December 2020, 347,372 shares were subscribed for and issued to CEO of OHT Torgeir E. Ramstad against a consideration of $0.8 million paid in cash. These shares were issued under a bonus agreement between OHT and Torgeir E. Ramstad where the CEO is entitled to a bonus payment 12 months after the effective date for the shipbuilding contract for Vind 1, if he is still employed by the Company at that time. The effective date for the shipbuilding contract was 30 November 2020. The bonus is expensed on a straight-line basis over the period until expected payment.

Note 16 Leases

The Group's leasing agreements consist of leases for office premises. The lease period is usually 5 years with extension options.

Amounts recognized in the statement of financial position:

in $ thousands	Right of use Assets
Cost 1 January 2020	**2,303**
Additions 2020	1,895
Cost 31 December 2020	**4,198**
Accumulated depreciation 1 January 2020	**383**
Depreciation 2020	552
Accumulated depreciation 31 December 2020	**935**
Carrying amount 31 December 2020	**3,264**
Cost 1 January 2019	**2,107**
Additions 2019	196
Cost 31 December 2019	**2,303**
Accumulated depreciation 1 January 2019	**-**
Depreciation 2019	383
Accumulated depreciation 31 December 2019	**383**
Carrying amount 31 December 2019	**1,920**
Lower of remaining lease term or economic life	5 years
Depreciation method	Straight-line

in $ thousands	2020	2019
Non-current lease liabilities	2,587	554
Current lease liabilities	860	1,426
Total lease liabilities	**3,447**	**1,979**

The leases do not have significant residual value guarantees. The leases do not contain restrictions on the Group's financing or dividend policy.

Amounts recognized in statement of comprehensive income:

in $ thousands	2020	2019
Depreciation charge of right of use assets	552	383
Interest expense	133	126
Total cash outflow for leases	561	450

Note 17 Shares and shareholders

List of largest shareholders as at 31 December 2020:

Shareholder	Shareholding	Shareholding in %
Songa Corp.	62,510,681	51.14 %
Lotus Marine AS	31,250,653	25.57 %
Skagen Vekst Verdipapirfond	3,500,000	2.86 %
Klaveness Marine Finance AS	2,312,500	1.89 %
Morgan Stanley & Co. LLC	2,093,263	1.71 %
Verdipapirfondet Nordea Norge Verd	1,875,000	1.53 %
Goldman Sachs & Co. LLC	1,805,980	1.48 %
Spesialfondet KLP Alfa Global Ener	1,450,000	1.19 %
Morgan Stanley & Co. Int. Plc.	1,365,148	1.12 %
Turbin Capital AS	1,042,115	0.85 %
Danske Invest Norge Vekst	880,000	0.72 %
SEB Prime Solutions Sissener Canop	750,000	0.61 %
AS Clipper	750,000	0.61 %
Illuminati AS	677,250	0.55 %
Caceis Bank	529,379	0.43 %
Halvorsens Fabrikk AS	477,250	0.39 %
Surfside Holding AS	420,000	0.34 %
Toluma Norden AS	400,000	0.33 %
Pensjonsordningen for apotekervirksomhet	400,000	0.33 %
Torgeir Egeland Ramstad	397,372	0.32 %
Total 20 largest shareholders	**114,886,591**	**93.97 %**
Other shareholders	7,350,930	6.03 %
Total	**122,237,521**	**100.00 %**

Shares and warrants controlled by board members and key management:

Shareholder	Title	Shareholding	Shareholding in %	Warrants held
Rune Magnus Lundetræ	Chairman	1,042,115	0.85 %	407,574
Marianne Heien Blystad	Board member	62,510,681	51.14 %	-
Fredrik Platou	Board member	75,000	0.06 %	
Torgeir Egeland Ramstad	CEO	397,372	0.32 %	407,574
Tom E. Jebsen	CFO	100,000	0.08 %	203,787

Note 18 Warrants

On 17 September 2020, the Group’s CEO, CFO and Chairman of the Board was issued with a total of 1,018,935 warrants. Each warrant gives the holders the right, but no obligation, to subscribe for one share at a price of NOK 0.10 per share, equal to the nominal value of the shares in the Company.

Warrants are accounted for as employee benefit expenses with a corresponding increase in equity. Total recognized amount in 2020 was $1.1 million.

Granted warrants as at 31 December 2020:

	Tranche 1		Tranche 2		Tranche 3	
Date issued/valuation date	**No of warrants**	**Value per warrant ($)**	**No of warrants**	**Value per warrant ($)**	**No of warrants**	**Value per warrant ($)**
17 September 2020	339,645	1.45	339,645	1.07	339,645	0.82

Conditions for exercise are such that tranche 1 vests at a share price of NOK 24 per share, tranche 2 vests at a share price of NOK 28 per share and tranche 3 vests at share price NOK 32 per share. The share price mentioned above is measured from the 10 trading day's weighted average as quoted on the marketplace on which the shares are listed. All warrants are valid from 17 September 2020 until 17 September 2025.

Warrants are valued by use of Monte Carlo Simulation. The Monte Carlo model projects future share prices for the Company based on a risk-neutral framework (similar to the financial modelling used for other models such as Black-Scholes model or a binominal model). By using identical assumptions and sufficient number of simulations, a Monte Carlo simulation without special conditions would yield somewhat identical results to a Black-Scholes or binominal model. However, a Monte Carlo simulation allows for greater flexibility and customization of the assumptions and plan design parameters, which is necessary to value such a plan dependent on uncertainty with respect to vesting dates and quantity becoming exercisable. The following inputs to the Monte Carlo model are applied:

Interest rate: 0.33%

Volatility: 35%

Dividend: Zero

Note 19 Share based payments

The Group has issued warrants to the Chairman and key management as described in note 18. The warrants were issued under warrant agreements between the warrant holders and OHT ASA. These warrants have been expensed as detailed in note 18 since there are no service or performance requirements determining the vesting of the warrants.

	Number of warrants	**Strike price (NOK)**	**Number of exercisable warrants**	**Remaining contractual life**
Outstanding 31 December 2019	**-**		**-**	
Granted 17 September 2020	1,018,935	0.10	-	4.8 years
Outstanding 31 December 2020	**1,018,935**		**-**	

Note 20 Financial instruments

Set out below is carrying amounts and fair values of all of the Group's financial instruments that are carried in the financial statements. The following estimated fair value amounts of the financial instruments have been determined using appropriate market information and valuation methodologies.

in $ thousands	**2020**	**2019**
Financial assets at amortised cost:		
Trade receivables (note 10)	1,433	6,813
Other receivables (note 10)*	3,413	3,024
Bank deposits and cash equivalents (note 11)	14,787	9,456
Financial liabilities at amortised cost:		
Trade payables	3,272	5,184
Other current liabilities (note 14)**	2,814	9,459
Floating rate borrowings	-	25,000

*prepaid expenses are not financial instruments

**deferred revenues are not financial instruments

Carrying amount is considered to be the same as the fair value for all financial instruments.

Note 21 Financial risk management

The activities of the Group are exposed to market risks such as fluctuations in currency exchange rates and interest rates, credit risk and liquidity risks which may influence the value of assets, liabilities and cash flows.

To reduce and manage these risks, management periodically assesses the Group's financial risks in general, as well as evaluating hedging strategies for specific exposures as they arise. The primary strategy used for reducing the financial risks is the use of derivatives, where appropriate.

Derivative instruments are only implemented for the purpose of hedging financial risks. The Group does not trade or use instruments with the objective of earning financial gains from bunkers price, interest rate or exchange rate fluctuations alone. The Group only employs conventional derivative instruments in contracts with highly rated and reputable financial institutions and commodities brokers.

The Group did not enter into or hold any hedging contracts or other derivative instruments in 2020 or 2019, except for currency forward contracts for hedging the funds from a private placement in NOK against USD.

The Group's operations are at risk during pandemics, like the spread of Covid-19, which can lead to outbreaks onboard affecting operations and uptime, logistical challenges in the form of travel restrictions and rotation of crew onboard units, and supply of goods and spare parts. The Group has however avoided major operational disruptions from the covid-19 pandemic, with delayed and cumbersome crew change procedures and restrictions on travelling being the only negative effects.

Foreign currency risk

The assets of the Group and the debt financing are mainly denominated in USD and so are operating revenues and operating expenses. The Group is however exposed to expenses incurred in currencies other than USD. The major currency being Norwegian Kroner (NOK), but also EURO (EUR), British Pounds (GBP), Singapore Dollars (SGD) and other currencies. Operating expenses denominated in NOK, EUR, GBP or SGD is part of the Group's total operating expenses. Consequently, fluctuations in the exchange rate on NOK, EUR, GBP or SGD may have a significant impact on the financial statements of the Group. There currencies were not being forward hedged in 2020 or 2019 which means the Group exposure is covered spot.

The Group is exposed to foreign currency risk in the event of a capital increase with equity contributions paid in NOK. The Group will enter into forward contracts to reduce the exchange rate risk on cash flows from significant capital increases. In 2020, the Group entered into forward contracts to hedge the proceeds from a private placement. The private placement was denominated in NOK and the proceeds were exchanged to USD through forward contracts. This led to a foreign currency exchange gain of USD 2.6 million, being the difference between exchange rates in the forward contracts and the exchange rate on the date of receipt of funds from the private placement.

To manage the general currency risk, the management reviews whether to enter into forward contracts for USD/NOK or USD/EUR or using other financial instruments to hedge this risk.

Sensitivities

The table below sets out the effects on the Groups net profit from an increase or decrease in NOK/USD exchange rates:

	2020		**2019**	
in $ thousands	**NOK/USD +5 %**	**NOK/USD -5 %**	**NOK/USD +5 %**	**NOK/USD -5 %**
Effect on net profit	369	-408	378	-418

Interest rate risk

The Group is by its loan facility with floating interest rate exposed to fluctuations in the interest rate. Any change in the interest rate will influence the interest cost of the group. No hedging instruments concerning interest rates were applied during 2020 or 2019.

Sensitivities

The table below sets out the effects on the Groups interest cash flows from a change in interest rates:

	Change in interest rate 100 bps	
in $ thousands	**2020**	**2019**
Effect on cash flows from interest rates	149	250

Credit risk

The Group is exposed to credit risk in the case that receivables from customers are not paid. The customers are in general large companies with good credit ratings. For new customers, a credit evaluation is performed. Furthermore, the freight contracts contain a payment clause ensuring prepayment of a significant part of the contract value. Ageing analysis of trade receivables is presented in note 10. Provision for doubtful accounts has been made at year-end.

Liquidity risk

Illiquidity may arise if the Group is not able to pay its financial commitments at due date. The Group applies cash flow forecasting to ensure that the activities are adequately financed at all times. It is our view that the cash flow from operations and from planned financing activities is sufficient to fulfil all financial obligations. In relation to construction of the Alfa Lift vessel, OHT has at 31 December 2020 total outstanding commitments of $192 million. Of this, $19 million was paid in February 2021. $173 million falls due on delivery and relates to the final yard instalment and payment for Mission Equipment. As at publication of the annual report, OHT is in the final stage of negotiations with credit institutions to secure the financing of these payments.

Maturity of financial liabilities recognized in the statement of financial position:

in $ thousands	**< 1 year**	**2 years**	**> 3 years**
2020:			
Trade payables	3,272	-	-
Other current liabilities	2,814	-	-
2019:			
Trade payables	5,184	-	-
Other current liabilities	9,459	-	-
Floating rate borrowings	25,000	-	-

Note 22 Commitments and contingencies

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

in $ thousands	**2020**	**2019**
Vessels under construction	400,000	153,474
Dry docking of vessels	-	1,070
Scrubber installations	-	1,969
Total other receivables	**400,000**	**156,513**

At 31 December 2020, the Group has significant contractual commitments of in total $400 million. Of these commitments, $192 million are related to the construction of a heavy lift semi-submersible installation vessel for installation of foundations to the offshore wind market. Of this, the fourth yard instalment of $19 million falls due in February 2021 and the rest at delivery which is anticipated in Q4 2021. Furthermore, $208 million of the total commitments are related to the construction of a jack-up vessel for wind turbine installation. Of this, $23.1 million falls due in 2021, $46.2 million in 2022 and the rest in 2023.

Maturity of commitments not recognised in the statement of financial position:

in $ thousands	**< 1 year**	**1-2 years**	**> 3 years**
Capital commitments 2020:	215,100	46,200	138,700

Note 23 Related party transactions

In the normal course of its business, the Group enters into transactions with related parties.

The Group has purchased administrative, IT, office and accounting services from Arne Blystad AS in 2020 under a corporate service agreement. Arne Blystad AS is wholly owned and controlled by Songa Corp, which is the majority shareholder of OHT.

The Group rents office premises from Haakon VII's gate 1 ANS under a lease agreement. Haakon VII's gate 1 ANS is wholly owned and controlled by Songa Corp, which is the majority shareholder of OHT.

The Group has purchased technical management services for its vessels from Songa Shipmanagement Ltd under a technical management agreement. Songa Shipmanagement Ltd is indirectly wholly owned and controlled by Songa Corp, which is the majority shareholder of OHT.

The Group has purchased crew management services for its vessels from Songa Crewmanagement Ltd under a crew management agreement. Songa Crewmanagement Ltd is indirectly wholly owned and controlled by Songa Corp, which is the majority shareholder of OHT.

The Group has purchased consultancy services from Primato AS in 2020 under a consultancy agreement. Primato AS is indirectly owned 50% by chairman of OHT Rune Magnus Lundetræ who is also a board member of Primato AS.

Specification of transactions with related parties:

in $ thousands	**2020**	**2019**
Purchase of services:		
Purchase of corporate services from Arne Blystad AS	658	701
Rental of office premises from Haakon VII's gate 1 ANS	292	303
Purchase of technical management services from Songa Shipmanagement Ltd.	1,020	1,020
Purchase of crewing services from Songa Crewmanagement Ltd.	120	120
Purchase of consultancy services from Primato AS	59	-

See also note 12 and 26 for description of the purchase of all shares in Vind Offshore Installation AS from Turbin Capital AS. Turbin Capital AS is indirectly owned 33,33% by chairman of OHT Rune Magnus Lundetræ, who is also the chairman of Turbin Capital AS.

Detailed remuneration disclosures for Board of Directors and key management are provided in note 15, which also include information on issued warrants and bonus to CEO.

Note 24 Events after the reporting period

Enova, the Norwegian Governmental body supporting the transition to a low-emissions society, has confirmed a grant of NOK 13.4 million related to installation of a battery-hybrid solution on Alfa Lift, the company's newbuild foundation installation vessel. Alfa Lift will be the largest battery-hybrid vessel in the world upon delivery.

Note 25 Subsidiaries

The Group's subsidiaries are set out below:

Name of entity	**Country of incorporation**	**Ownership 2020**	**Ownership 2019**
Offshore Heavy Transport AS	Norway	100 %	100 %
OHT Eagle AS	Norway	100 %	100 %
OHT Falcon AS	Norway	100 %	100 %
OHT Osprey AS	Norway	100 %	100 %
OHT Hawk AS	Norway	100 %	100 %
OHT Albatross AS	Norway	100 %	100 %
OHT Alfa Lift AS	Norway	100 %	100 %
OHT Management AS	Norway	100 %	100 %
Vind Offshore Installation AS	Norway	100 %	-
VOI Management AS	Norway	100 %	-
VOI Vessel 1 AS	Norway	100 %	-
VOI Vessel 2 AS	Norway	100 %	-
VOI Option 1 AS	Norway	100 %	-
VOI Option 2 AS	Norway	100 %	-
VOI Option 3 AS	Norway	100 %	-
VOI Option 4 AS	Norway	100 %	-
OHT USA LLC	USA	100 %	100 %
OHT Renewables UK Ltd	United Kingdom	100 %	100 %

The Norwegian subsidiaries have their main offices in Oslo, Norway.

Note 26 Asset Acquisition

On 13 September 2020, the Company entered into a share purchase agreement for the acquisition of 100% of the Shares in Vind Offshore Installation AS from Turbin Capital AS. Turbin Capital is indirectly owned 33.33% by chairman of OHT Rune Magnus Lundetræ, who is also the chairman of Turbin Capital AS. Vind Offshore Installation AS had on the date of acquisition entered into a heads of agreement with China Merchant Industry Holdings for the building of two jack-up wind turbine installation vessels with options for two additional vessels. Consideration for the shares was NOK 30,000, however Turbin Capital AS is entitled to an additional purchase price of (i) $2.3 million which falls due upon the effective date of the first shipbuilding contract and (ii) $1.1 million which falls due upon the effective date of the second shipbuilding contract. The additional purchase price set out in sub-section (i) was paid by 1,042,115 shares of the Company in December 2020 based on a subscription price of NOK 20 per share. The additional purchase price set out in sub-section (ii) above shall be settled in cash.

The acquisition was completed on 17 September 2020. The transaction is accounted for as an asset acquisition. The additional purchase price paid in shares is considered to be part of the cost of the vessel under construction. The contingent consideration is considered to be part of the cost of the eventual future vessel to be constructed and will be recognized as a liability when there is an unconditional obligation to settle, i.e. when the shipbuilding contract for the second vessel becomes effective. Whether or not the contract becomes effective is under the control of the Company.

APPENDIX

ALTERNATIVE PERFORMANCE MEASURES

This section describes the non-GAAP financial alternative performance measures (APM) that are used in the annual report. The following measures are not defined nor specified in the applicable financial reporting framework of IFRS.

Management considers EBITDA and Adjusted EBITDA to be useful to investors because such performance measures provide information regarding the profitability of core operations and enhance comparability of operating performance across companies in the industry. Additionally, management uses EBITDA and Adjusted EBITDA as measures when reviewing the Group's operating performance.

EBITDA is used as an additional measure of the Group's operational profitability, excluding the impact from financial items, taxes, depreciation and amortization. EBITDA is calculated as the operating profit excluding depreciation and amortization expenses. Operating profit is defined as total revenue less total operating expenses.

Adjusted EBITDA is defined as EBITDA excluding items in the result affecting comparability. Items affecting comparability are typically items that do not occur on a regular basis. Such items include for example expenses related to warrants issued in connection to the listing process, expenses related to planned listing of shares and gain/loss on sale of vessels.

In $ thousands	**2020**	**2019**
Operating profit	3,743	(6,034)
Depreciation and amortization expenses	16,166	14,262
EBITDA	**19,909**	**8,228**
Warrant expenses	1,134	-
Adjusted EBITDA	**21,043**	**8,228**

OHT ASA – PARENT COMPANY

INCOME STATEMENT

in $ thousands	Note	Period from date of incorporation 21 February 2020 to 31 December 2020
General and administrative expenses	2	1,864
Total operating expenses		**1,864**
Operating loss		**(1,864)**
Financial income		168
Foreign currency exchange gain	11	3,738
Net financial income (expenses)		**3,906**
Profit before tax		**2,042**
Income tax expense	3	-
Net profit		**2,042**

BALANCE SHEET

in $ thousands	Note	**31 December 2020**
Investment in subsidiaries	4	208,157
Total non-current assets		**208,157**
Receivables from group companies	5	52,825
Other receivables		73
Total receivables		**52,898**
Cash and bank deposits	**6**	**6,404**
Total current assets		**59,302**
Total Assets		**267,459**
Share capital	8	1,329
Other paid in capital		262,519
Other reserves		1,134
Retained earnings		2,042
Total equity	**7**	**267,023**
Trade payables		65
Other current liabilities		370
Total current liabilities		**435**
Total equity and liabilities		**267,459**

Oslo, 29 April 2021

The Board of Directors of OHT ASA

Rune Magnus Lundetræ

Chairman

Marianne Heien Blystad

Director

Fredrik Platou

Director

Torgeir Egeland Ramstad

CEO

CASH FLOW STATEMENT

in $ thousands	Period from date of incorporation 21 February 2020 to 31 December 2020
Profit (loss) before taxes	2,042
Change in trade payables	65
Change in accruals and other current liabilities	370
Employee benefit expenses in connection with issuance of warrants	1,134
Foreign exchange gains classified as financing activities	(3,738)
Net change in other current items	139
Net cash flow from operating activities	**12**
Investments in subsidiaries	(215)
Net change in group receivables	(52,825)
Net cash flow used in investment activities	**(53,040)**
Proceeds from share issuance	57,578
Share issuance costs	(1,884)
Foreign exchange gains from share issuance	3,738
Net cash flow from financing activities	**59,432**
Net change in cash and cash equivalents	**6,404**
Cash and bank deposits at beginning of period	-
Cash and bank deposits at end of period	**6,404**

NOTES TO FINANCIAL STATEMENTS

Note 1 Accounting principles for the financial statements for OHT ASA – parent accounts

General

The financial reports are disclosed in accordance with the Norwegian Accounting Act and Norwegian general accepted accounting principles.

The accompanying notes for 2020 that relate to the income statement are for the period from incorporation, 21 February 2020, to 31 December 2020.

Functional and presentation currency

The consolidated financial statements are presented in USD, which is also the functional currency for the parent company. Monetary items in foreign currencies are recorded at year-end exchange rates. Realised currency exchange gains or losses are recorded at the time of payment.

Estimates

Management has used estimates and assumptions that may have an effect on costs and the valuation of assets and liabilities in the reporting of the annual financial statements.

Measurement of revenues and cost

Revenues are recognised as they are earned. Costs are recognised in the same reporting period as the corresponding revenues.

Classification and evaluation of balance sheet items

Current assets and short-term liabilities consist of items due for payment within a year after recognition. Other items are recognised as non-current assets or liabilities.

Current assets are valued at the lowest of acquisition value or fair value. Current liabilities are recorded at the nominal value at the time of recognition.

Taxes

The income tax in the statement of income consists of taxes payable and changes in deferred taxes. Deferred tax and deferred tax benefit is calculated based on temporary differences between tax bases of assets and liabilities and their carrying amount for financial reporting purposes and is based on nominal values. Net deferred tax benefit is recorded in the statement of financial position only in the event that it is probable that it can be utilised in the foreseeable future.

Shares in subsidiaries

Investment in shares in subsidiaries is accounted for using the cost-method in the statutory accounts. An impairment loss is recognised if the fair value is lower than book value and this is viewed as non-temporary. The impairment loss is reversed to the degree that the fair value improves, and that the improvement is not assumed to be of a short-term nature.

Note 2 Expenses

in $ thousands	2020
Value of issued warrants	1,134
Bonus allowance CEO	128
Audit fees, legal fees and other professional fees	440
Other general and administration expenses	162
Total general and administrative expenses	**1,864**

in $ thousands	2020
Fee to auditors for statutory audit services	16
Fees to auditors for attestation services and other services	48
Total fees to auditor	**64**

Note 3 Income tax expense

Income tax expense:

In $ thousands	2020
Current tax on profits for the year	-
Change in deferred tax	-
Income tax expense	**-**

Reconciliation of income tax expense:

In $ thousands	2020
Profit before income tax expense	2,042
Tax at the OHT ASA tax rate of 22%	**449**
Income tax expense	-
Difference	**(449)**
Difference comprise of:	
Tax effect of foreign exchange gains and losses*	(1,460)
Tax effect of issued warrants	316
Tax effect of share issuance costs directly in equity	(461)
Tax effect of deferred tax assets not recognized	1,156
Total difference	**(449)**

*The currency effect is due to translation differences from NOK to USD, as the tax calculation is prepared in NOK.

Current tax assets and liabilities in statement of financial position:

In $ thousands	2020
Current tax on profits for the year	-
Current tax liabilities	**-**

Temporary differences and tax losses:

In $ thousands	**2020**
Other temporary differences	(129)
Net temporary differences	**(129)**
Tax losses	(5,124)
Total basis for potential deferred tax asset	**(5,253)**
Potential deferred tax asset - 22%	1,156
Unrecognized deferred tax asset	(1,156)
Carrying amount of deferred tax asset	**-**

Note 4 Investment in subsidiaries

The Company's subsidiaries are set out below:

Name of entity	Country of incorporation	Ownership 2020	Ownership 2019
Offshore Heavy Transport AS	Norway	100 %	100 %
OHT Eagle AS*	Norway	100 %	100 %
OHT Falcon AS*	Norway	100 %	100 %
OHT Osprey AS*	Norway	100 %	100 %
OHT Hawk AS*	Norway	100 %	100 %
OHT Albatross AS*	Norway	100 %	100 %
OHT Alfa Lift AS*	Norway	100 %	100 %
OHT Management AS*	Norway	100 %	100 %
Vind Offshore Installation AS	Norway	100 %	-
VOI Management AS**	Norway	100 %	-
VOI Vessel 1 AS**	Norway	100 %	-
VOI Vessel 2 AS**	Norway	100 %	-
VOI Option 1 AS**	Norway	100 %	-
VOI Option 2 AS**	Norway	100 %	-
VOI Option 3 AS**	Norway	100 %	-
VOI Option 4 AS**	Norway	100 %	-
OHT USA LLC***	USA	100 %	100 %
OHT Renewables UK Ltd***	United Kingdom	100 %	100 %

The Norwegian subsidiaries have their main offices in Oslo, Norway.

*Owned by Offshore Heavy Transport AS

**Owned by Vind Offshore Installation AS

***Owned by OHT Management AS

On 13 September 2020, the Company entered into a share purchase agreement for the acquisition of 100% of the Shares in Vind Offshore Installation AS from Turbin Capital AS. Turbin Capital is indirectly owned 33.33% by chairman of OHT Rune Magnus Lundetræ, who is also the chairman of Turbin Capital AS. Vind Offshore Installation AS had on the date of acquisition entered into a heads of agreement with China Merchant Industry Holdings for the building of two jack-up wind turbine installation vessels with options for two additional vessels. Consideration for the shares was NOK 30,000, however Turbin Capital AS is entitled to an additional purchase price of (i) $2.3 million which falls due upon the effective date of the first shipbuilding contract and (ii) $1.1 million which falls due upon the effective date of the second shipbuilding contract. The additional purchase price set out in sub-section (i) was paid by 1,042,115 shares of the Company in December 2020 based on a subscription price of NOK 20 per share. The additional purchase price set out in sub-section (ii) above shall be settled in cash.

On 17 September 2020 all of the shares in Offshore Heavy Transport AS were contributed to the Company, against an issue of 93,761,334 shares in the Company to the shareholders of Offshore Heavy Transport AS.

Note 5 Group receivables

in $ thousands	**2020**
Receivables from group companies	52 825
Interest income from group companies	161

Note 6 Cash and bank deposits

in $ thousands	**2020**
Bank deposits denominated in USD	3,491
Bank deposits denominated in NOK	2,912
Total bank deposits	**6,403**

Note 7 Equity

in $ thousands	**Share capital**	**Other paid in capital**	**Other reserves**	**Retained earnings**	**Total equity**
Incorporation 21 February 2020	3	3	-	-	6
Share capital increase 11 September 2020	108	-	-	-	108
Share capital reduction 17 September 2020	(111)	(3)	-	-	(114)
Contribution in kind 17 September 2020	1,029	204,816	-	-	205,845
Private placement 24 September 2020	284	56,489	-	-	56,773
Share issuance costs	-	(1,884)	-	-	(1,884)
Warrants issued to employees	-	-	1,134	-	1,134
Contribution in kind 9 December 2020	12	2,297	-	-	2,309
Share capital increase 21 December 2020	4	801	-	-	805
Net profit 2020	-	-	-	2,042	2,042
Equity 31 December 2020	**1,329**	**262,519**	**1,134**	**2,042**	**267,023**

Note 8 Share capital and shareholders

	Number of shares	**Share capital - $ thousands**	**Other paid-in capital - $ thousands**
Incorporation 21 February 2020	1,000	3	3
Share capital increase 11 September 2020	32,334	108	-
Share capital reduction 17 September 2020	(33,334)	(111)	(3)
)Contribution in kind 17 September 2020	93,761,334	1,029	204,816
Private placement 24 September 2020	27,086,700	284	56,489
Contribution in kind 9 December 2020	1,042,115	12	2,297
Share capital increase 21 December 2020	347,372	4	801
Share issuance costs	-	-	(1,884)
Balance 31 December 2020	**122,237,521**	**1,329**	**292,519**

OHT ASA's share capital consists of 122,237,521 shares, each with a nominal value of $0.01 (NOK 0.10). All issued shares are fully paid.

OHT ASA was incorporated as a private limited liability company on 21 February 2020 with a share capital of NOK 30,000. On 11 September 2020 the Company was converted to a public limited liability company and the share capital increased to NOK 1,020,000.

In an extraordinary general meeting in OHT ASA held on 17 September 2020, the share capital of the Company was written down to zero, immediately followed by an issue of 93,761,334 new shares to the shareholders of Offshore Heavy Transport AS against a contribution in kind of all shares in Offshore Heavy Transport AS. It was also resolved to issue 27,086,700 new shares against consideration in cash through a private placement. Total gross proceeds from the private placement were $56.8 million (the subscription price was fixed at NOK 20 per share). The shareholders also resolved to issue 1,018,935 warrants. For further information of warrants, see note 9.

In a board meeting held on 3 December 2020 the Board of Directors resolved, under a proxy granted from the shareholders, to increase the share capital of the Company by issuing 1,389,487 new shares. 1,042,115 shares were subscribed for and issued to Turbin Capital AS as settlement for the additional purchase price of $2.3 million payable for the acquisition of the shares in Vind Offshore Installation AS. This additional purchase price was payable upon the effective date of the shipbuilding contract with China Merchants Industry Holding for the first jack-up wind turbine installation vessel. Turbin Capital AS is indirectly owned 33,33% by chairman of OHT Rune Magnus Lundetræ, who is also the chairman of Turbin Capital AS. 347,372 shares were subscribed for and issued to CEO of OHT Torgeir E. Ramstad against a consideration of $0.8 million paid in cash. These shares were issued under a bonus agreement between OHT and Torgeir E. Ramstad where the CEO is entitled to a bonus payment 12 months after the subscription if he is still employed by the Company at that time.

The Board of Directors has authorization to issue up to 59,034,520 new shares under a proxy assigned from the shareholders. The proxy expires on the earlier of the annual general meeting in 2021 and 30 June 2021.

List of largest shareholders as at 31 December 2020:

Shareholder	Shareholding	Shareholding in %
Songa Corp.	62,510,681	51.14 %
Lotus Marine AS	31,250,653	25.57 %
Skagen Vekst Verdipapirfond	3,500,000	2.86 %
Klaveness Marine Finance AS	2,312,500	1.89 %
Morgan Stanley & Co. LLC	2,093,263	1.71 %
Verdipapirfondet Nordea Norge Verd	1,875,000	1.53 %
Goldman Sachs & Co. LLC	1,805,980	1.48 %
Spesialfondet KLP Alfa Global Ener	1,450,000	1.19 %
Morgan Stanley & Co. Int. Plc.	1,365,148	1.12 %
Turbin Capital AS	1,042,115	0.85 %
Danske Invest Norge Vekst	880,000	0.72 %
SEB Prime Solutions Sissener Canop	750,000	0.61 %
AS Clipper	750,000	0.61 %
Illuminati AS	677,250	0.55 %
Caceis Bank	529,379	0.43 %
Halvorsens Fabrikk AS	477,250	0.39 %
Surfside Holding AS	420,000	0.34 %
Toluma Norden AS	400,000	0.33 %
Pensjonsordningen for apotekervirksomhet	400,000	0.33 %
Torgeir Egeland Ramstad	397,372	0.32 %
Total 20 largest shareholders	**114,886,591**	**93.97 %**
Other shareholders	7,350,930	6.03 %
Total	**122,237,521**	**100.00 %**

Shares and warrants controlled by board members and key management:

Shareholder	Title	Shareholding	Shareholding in %	Warrants held
Rune Magnus Lundetræ	Chairman	1,042,115	0.85 %	407,574
Marianne Heien Blystad	Board member	62,510,681	51.14 %	-
Fredrik Platou	Board member	75,000	0.06 %	-
Torgeir Egeland Ramstad	CEO	397,372	0.32 %	407,574
Tom E. Jebsen	CFO	100,000	0.08 %	203,787

Note 9 Warrants

On 17 September 2020, OHT ASA Group's CEO, CFO and Chairman of the Board was issued with a total of 1,018,935 warrants. Each warrant gives the holders the right, but no obligation, to subscribe for one share at a price of NOK 0.10 per share, equal to the nominal value of the shares in the Company.

Warrants are accounted for as employee benefit expenses with a corresponding increase in equity. Total recognized amount in 2020 was $1.1 million.

Granted warrants as at 31 December 2020:

	Tranche 1		Tranche 2		Tranche 3	
Date issued/valuation date	No of warrants	Value per warrant ($)	No of warrants	Value per warrant ($)	No of warrants	Value per warrant ($)
17 September 2020	339,645	1.45	339,645	1.07	339,645	0.82

Conditions for exercise are such that tranche 1 vests at a share price of NOK 24 per share, tranche 2 vests at a share price of NOK 28 per share and tranche 3 vests at share price NOK 32 per share. The share price mentioned above is measured from the 10 trading day's weighted average as quoted on the marketplace on which the shares are listed. All warrants are valid from 17 September 2020 until 17 September 2025.

Warrants are valued by use of Monte Carlo Simulation. The Monte Carlo model projects future share prices for the Company based on a risk-neutral framework (similar to the financial modelling used for other models such as Black-Scholes model or a binominal model). By using identical assumptions and sufficient number of simulations, a Monte Carlo simulation without special conditions would yield somewhat identical results to a Black-Scholes or binominal model. However, a Monte Carlo simulation allows for greater flexibility and customization of the assumptions and plan design parameters, which is necessary to value such a plan dependent on uncertainty with respect to vesting dates and quantity becoming exercisable. The following inputs to the Monte Carlo model are applied:

Interest rate: 0.33%

Volatility: 35%

Dividend: Zero

Note 10 Share based payments

The Company has issued warrants to the Chairman and key management as described in note 9. The warrants were issued under warrant agreements between the warrant holders and OHT ASA. These warrants have been expensed as detailed in note 18 since there are no service or performance requirements determining the vesting of the warrants.

	Number of warrants	Strike price (NOK)	Number of exercisable warrants	Remaining contractual life
Outstanding 31 December 2019	**-**		**-**	
Granted 17 September 2020	1,018,935	0.10	-	4.8 years
Outstanding 31 December 2020	**1,018,935**		**-**	

Note 11 Financial risk

The Company is exposed to risks through activities in its subsidiaries. This includes market risks such as fluctuations in currency exchange rates and interest rates, credit risk and liquidity risks which may influence the value of assets, liabilities and cash flows.

To reduce and manage these risks, management periodically assesses financial risks in general, as well as evaluating hedging strategies for specific exposures as they arise. The primary strategy used for reducing the financial risks is the use of derivatives, where appropriate.

Derivative instruments are only implemented for the purpose of hedging financial risks. The Company does not trade or use instruments with the objective of earning financial gains from bunkers price, interest rate or exchange rate fluctuations alone.

The Company did not enter into or hold any hedging contracts or other derivative instruments in 2020, except for currency forward contracts for hedging the funds from a private placement in NOK against USD.

The Company's operations are at risk during pandemics, like the spread of Covid-19, which can lead to outbreaks onboard affecting operations and uptime, logistical challenges in the form of travel restrictions and rotation of crew onboard units, and supply of goods and spare parts. The Company has however avoided major operational disruptions from the covid-19 pandemic, with delayed and cumbersome crew change procedures and restrictions on travelling being the only negative effects.

Foreign currency risk

Assets, liabilities and expenses of the Company may be denominated in NOK or other currencies than USD. Consequently, as financial statements are presented in USD, fluctuations in exchange rates may have a significant impact on the financial statements of the Company.

The Company is exposed to foreign currency risk in the event of a capital increase with equity contributions paid in NOK. The Company will enter into forward contracts to reduce the exchange rate risk on cash flows from significant capital increases. In 2020, the Company entered into forward contracts to hedge the proceeds from a private placement. The private placement was denominated in NOK and the proceeds were exchanged to USD through forward contracts. This led to a foreign currency exchange gain of USD 2.6 million, being the difference between exchange rates in the forward contracts and the exchange rate on the date of receipt of funds from the private placement.

Interest rate risk

The Company is by loan facilities with floating interest rate in subsidiaries exposed to fluctuations in the interest rate. No hedging instruments concerning interest rates were applied during 2020.

Credit risk

The Company is exposed to credit risk in the case that receivables from customers are not paid. The customers are in general large companies with good credit rating. For new customers, a credit evaluation is performed. Furthermore, the freight contracts contain a payment clause ensuring prepayment of a significant part of the contract value.

Liquidity risk

Illiquidity may arise if the Company is not able to pay its financial obligations at due date. The Company applies cash flow forecasting to ensure that the activities are adequately financed at all times. It is our view that the cash flow from operations and from planned financing activities is sufficient to fulfil all financial obligations.

Note 12 Related party transactions

See note 4 and 8 for description of the purchase of all shares in Vind Offshore Installation AS from Turbin Capital AS. Turbin Capital AS is indirectly owned 33,33% by chairman of OHT Rune Magnus Lundetræ, who is also the chairman of Turbin Capital AS.

Note 13 Board of Directors and CEO remuneration

No directors' fees were paid in 2020. See note 12 for description of related party transactions between the Company and the Chairman.

in $ thousands	Value of issued warrants	Bonus allowance	Total 2020
Torgeir E. Ramstad – CEO	453	128	581
Tom E. Jebsen - CFO	228	-	228
Rune Magnus Lundetræ – Chairman	453	-	453
Total remuneration	**1,134**	**128**	**1,262**

Issuance of warrants to the Chairman and key management is described in detail in note 9.

On 21 December 2020, 347,372 shares were subscribed for and issued to CEO of OHT Torgeir E. Ramstad against a consideration of $0.8 million paid in cash. These shares were issued under a bonus agreement between OHT and Torgeir E. Ramstad where the CEO is entitled to a bonus payment 12 months after the effective date for the shipbuilding contract for Vind 1, if he is still employed by the Company at that time. The effective date for the shipbuilding contract was 30 November 2020. The bonus is expensed on a straight-line basis over the period until expected payment.

To the General Meeting of OHT ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

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

- The financial statements of the parent company OHT ASA (the Company), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and

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

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.

- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

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

Other information

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

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

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

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

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

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

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

Opinion on Registration and Documentation

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

Oslo, 29 April 2021
PricewaterhouseCoopers AS

Bjørn Lund
State Authorised Public Accountant

(This document is signed electronically)