

OHT



OHT ASA

FINANCIAL REPORT Q1 2021

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EARNINGS RELEASE

FIRST QUARTER 2021 SUMMARY

HIGHLIGHTS

- Operating revenue was \$11.7 million in Q1 2021, up from \$8.9 million in Q4 2020
- Loss before tax was \$4.3 million in Q1 2021, the same as in Q4 2020.
- Loss per share was \$0.035 in Q1 2021, compared to loss per share of \$0.046 in Q4 2020
- EBITDA¹ was negative \$0.1 million in Q1 2021, up from negative \$0.8 million in Q4 2020
- Utilization on the transportation fleet was 90% in Q1 2021. Utilization in Q4 2020 was 71%
- The Group has accepted a firm offer, subject to satisfactory documentation, for a \$135.0 million Senior Secured Green ECA Credit Facility agreement for the post-delivery financing of the wind foundation installation vessel Alfa Lift

CORPORATE UPDATE

The Company remains disciplined when it comes to pricing and selection of T&I projects that we tender for. Whereas we are somewhat frustrated by the delays in contract awards as compared to developers' previous plans, we are confident that they soon will be forced to conclude to safeguard the overall project development plans. Shareholders should note that none of the tenders in which the Company has participated have to date been awarded or concluded. This means that all contract opportunities maintain their full upside potential for the Company, and we expect several of these projects to be declared and concluded within reasonable time.

Following the Company's entrance of new segments within offshore wind, this requires increasing the number of staff to meet our efforts to build industrial competency and franchise value. This to cover the many aspects within administration, tendering activity, and project management and execution of the newbuilds and installation projects. The Company expects to have an average of 65 office-based staff in 2021, compared to an average of 45 office-based staff in 2020.

Management is increasingly confident that the timing for entering this market is exactly right, as it will be characterised by tightness on the supply side for several years. Further, it becomes increasingly clear that the Company has secured favourable shipbuilding contracts for its new-buildings. Alfa Lift, which was contracted for \$190 million in 2018 is one example. Another is VIND 1 where the turn-key shipbuilding contract at \$231 million compares favourably with recently announced shipbuilding contract for a slightly larger unit at \$330 million. The added one turbine set that the latter unit can carry does not in management's view provide a satisfactory return for the added investment cost.

¹ Earnings before interest, taxation, depreciation and amortization ("EBITDA") is a non-IFRS measure and represents the same figure as Operating profit (loss) before depreciation and amortisation expenses in the Statement of Comprehensive income.

FINANCIALS

Financial key figures

in \$ thousands	Q1 2021	Q4 2020
Operating revenue	11,666	8,917
EBITDA	(116)	(842)
Operating loss	(4,144)	(4,970)
Net Financial Income (expenses)	(119)	638
Loss before tax	(4,263)	(4,332)
Vessels and construction contracts	255,939	235,454
Bank deposits and cash equivalents	16,276	14,787
Total Assets	297,391	267,703
Total Equity	229,464	233,685
Debt to credit institutions	21,422	-
Total current liabilities	44,012	31,431
Net cashflow from operating activities	3,877	(2,659)
Net cashflow used in investment activities	(24,201)	(35,565)
Net cashflow from financing activities	21,813	(18,195)
Loss per share, in \$ per share	(0.035)	(0.046)

Financial review

The Group's operating revenue was \$11.7 million in Q1 2021, up from \$8.9 million in Q4 2020. The increase is mainly due to improved utilization of the fleet, which increased from 71% in Q4 2020 to 90% in Q1 2021, and a positive development in pricing. The Group's EBITDA increased from negative \$0.8 million in Q4 2020 to negative \$0.1 million in Q1 2021. Effect of IFRS 15 adjustment on EBITDA was negative \$0.8 million in Q1 2021 compared to positive \$0.1 million in Q4 2020.

Net financial income decreased from \$0.6 million in Q4 2020 to negative \$0.1 million in Q1 2021.

The Group's total assets amounted to \$297.4 million at 31 March 2021, up from \$267.7 million at 31 December 2020. The increase is mainly due to investments under construction contracts.

Total equity decreased during the quarter, from \$233.7 million on 31 December 2020 to \$229.5 million on 31 March 2021.

Net cash flow from operating activities was \$3.9 million in Q1 2021. Net cash flow from financing activities was positive \$21.8 million and mainly relates to drawdown from the revolving credit facility. \$24.2 million were used in investment activities this quarter, mainly payments under contracts for vessel construction. Net change in cash and cash equivalents from 31 December 2020 to 31 March 2021 was positive \$1.5 million. Cash and cash equivalents at the end of Q1 2021 were \$16.3 million.

Total undrawn amount on the revolving credit facility was \$28.0 million on 31 March 2021.

SUBSEQUENT EVENTS

The Group's wholly owned ship owning company OHT Alfa Lift AS has received and accepted a firm offer, subject to satisfactory documentation, for a \$135.0 million Senior Secured Green ECA Credit Facility. The facility is for the post-delivery financing of the wind foundation installation vessel Alfa Lift. The Facility is to be drawn upon delivery of the mentioned vessel. The facility has a five-year term and a 12-year repayment profile. DNB Bank ASA is Bookrunner and Coordinator, and together with Sparebank 1 SR-Bank ASA mandated lead arranger. Further, the Norwegian Export Credit Agencies GIEK and Eksportkreditt are supporting the facility, their tranche is estimated to \$82.6 million.

The Group has been certified to ISO45001:2018, the Occupational Health and Safety Management standard, by DNV. This complements the previously awarded certificates for ISO9001:2015 and ISO14001:2015.

The Annual General Meeting of OHT ASA was held on 20 May 2021. All proposals on the agenda were adopted in accordance with the Board of Directors' proposal. The minutes from the Annual General Meeting are made available on the Company's webpages.

OPERATIONS AND CONTRACTS

TRANSPORTATION

The Company has continued to avoid major operational disruptions from the Covid-19 pandemic, with delayed and cumbersome crew change procedures and restrictions on travelling being the only negative effects.

All the vessels in the fleet, Falcon, Eagle, Osprey, Hawk and Albatross have traded in the spot market in Q1 2021, transporting liftboat/jack-up barges, livestock carrier and drydocking and transportation of jack-up rigs. The spot market has continued to be heavily affected by the second wave of the pandemic through hesitation in clients' willingness to execute their transportation requirements due to travel restrictions and project delays, resulting in continued pressure on prices.

Voyages performed in Q1 2021 fall into the following categories:

- 2 within Renewables
- 2 within O&G Exploration and Production
- 3 within Marine & Naval
- 1 within Other Industries

On a 12-month rolling basis, the renewables share accounts for 57%.

The utilization for Q1 2021 stands at 90%.

Ship operating expenses have been recorded at an average of \$9,413 per day year to date, which is in line with the budget.

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 \$8.9 million against a total scrubber investment of \$11.4 million. This corresponds to a payback of 78% so far.

INSTALLATION

The Dogger Bank A and B projects continue in the detail design phase and generally delivering good progress. The scope of work includes transport and installation of 190 monopiles and transition pieces from Q3 2022 to early 2024. During Q1 2021, we have progressed the documentation of a number of installation steps including monopiles and transition pieces. A substantial subcontract for the provision of a large piling hammer with associated services was placed with Menck GmbH. Other subcontracts for grillage and lifting tools have been placed or are imminent. 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 progresses at CMHI's yard in Jiangsu, China. The vessel was successfully floated out from the drydock in late February and the fourth and final payment milestone prior to delivery (10%) was fulfilled. Work now focuses on machining the flange to connect with the main crane as well as remaining hot works, painting and electrical works as well as mechanical completion and commissioning activities. Certain disciplines are somewhat behind schedule, but the shipyard is working on a recovery plan to ensure timely delivery. Nevertheless, we expect the vessel to remain at the shipyard in Q1 2022 for completion activities including the installation of mission equipment as this is considered optimum with respect to time and costs.

The main hooks for the Liebherr 3,000t crane have successfully passed a separate overload test at close to 4,000t to eliminate the risk of a repeat of a crane accident that happened at their facilities last year. The central crane machinery module together with the A-frame arrived at the shipyard in China in late April 2021 and was immediately lifted onboard the Alfa Lift. The crane boom and main hooks are expected to follow suit with departure from Germany in late May, as planned.

The main components making up Alfa Lift's mission equipment for monopile installation has been placed with MacGregor, in partnership with Kongsberg Maritime. Fabrication of steel components for the main Upending Frame and Motion Compensated Pile Gripper is ongoing 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), which became effective on 30 November 2020, is in the detailed design phase following completion of basic design. Delivery is scheduled for mid-2023. We are currently in the final phases of working with the shipyard and designer to conclude on selection of main equipment. Focus is on maximizing payload by reducing component and material weights as much as possible, with Variable Deck Load capacity having been improved from 8,750t with a target to reach 10,000t.

The negotiations for a conditional shipbuilding contract for VIND 2 is subject to contract commitments before concluding. Discussions with prospective clients are ongoing.

TRANSPORTATION MARKET

Our fleet continues to operate in the spot market. We have seen a high number of requests for transportation projects, with 285 received in Q1 2021 versus 248 in Q4 2020 which is sign of ongoing recovery after the second wave in the pandemic. There is a growing share of offshore wind related projects currently being tendered for execution late 2021 to 2027, dominated by transportation of jackets, monopiles and transition pieces from Asia to Europe and monopiles/transition pieces from Europe to the US.

In O&G, the ongoing pandemic subdued oil prices up until recently have made E&P companies slash their exploration budgets, resulting in lower drilling activity. The number of rig moves is therefore low. However there seems to be some light at the end of the tunnel with the offshore drilling activity expected to pick up in 2022. 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 satisfactory 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 platform components 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 fair share of these transportation opportunities, building on similar work successfully completed for NOC's 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. The mentioned backlog relates to modules for LNG plants and refineries, a type of cargo which have been absent for some years but which is not targeted by the Company. 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

The global market for bottom-fixed offshore wind continues to grow. Rystad Energy are now predicting 250GW installed capacity by 2030, which is a higher level than ever seen before. In the US, the new Administration has fast-tracked the sanctioning of the first industry-scale project – Vineyard 1 – and has also set a target of 30GW installed by 2030. This is about as much as has been installed globally since inception of offshore wind. Taiwan, South Korea, Japan and Poland are other examples of new markets developing at a high pace.

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.

The Company's tendering activities for transportation and installation of foundations and turbines have stepped up to new heights in the quarter. Some tenders are going through the second round, others have moved into the clarifications and negotiations phase. No contracts that the Company have bid for have been awarded thus far. This is due to delays as compared to developers' previously stated timelines, and it remains to be seen if contract awards will be seen in Q2. Regardless, a number of contracts need to be placed latest in Q3 for projects to reach other milestones in conjunction with FID or auction participation. All tendering which the Company is involved in is for wind farms in Europe and the US from 2024-2028.

For the many projects planning to start offshore construction in 2024, many 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 monopile 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 by 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 with 14MW+ turbines set to completely dominate the market from 2025. However, as there is more time before WTG installation commences, there is also time to bring newbuild vessels to the market.

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 our competitors 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 the current \$68 per barrel, 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 clarification rounds and negotiation of major T&I contracts with clients. Despite delays in contract awards compared to developers' previously communicated timelines, many are approaching a time when they simply have to make awards to reach other key milestones in their development plans.

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. The Company therefore initiated an accelerated process to formalise post-delivery financing for Alfa Lift, which as mentioned above early May resulted in a firm offer from Norwegian commercial banks and ECAs. We will continue our efforts to secure remaining financing needs to qualify for the mentioned listing.

RISK FACTORS

The main risk factors which could materially adversely impact the Group's operations and/or financial performance and position are noted on page 12 of OHT ASA's Annual Report 2020.

During the year, management has been mitigating the impacts of the Covid-19 pandemic by monitoring health procedures and adhering to the guidance of the World Health Organization and local authorities. The Group has implemented revised working procedures to reduce the risks associated with Covid-19, including remote working, travel bans, strict crew change procedures, social distancing wherever possible and the use of additional personal protective equipment. There have been no known outbreaks onboard any of our vessels.

STATEMENTS FROM THE BOARD AND CEO

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January 2021 to 31 March 2021 have been prepared in accordance with IAS 34 – Interim Financial Reporting, 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 interim management report includes a fair review of important events that have occurred during the first quarter of the financial year and their impact on the set of financial statements, and a description of the main risks and uncertainties going forward.

Oslo, 27 May 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.

CONDENSED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

in \$ thousands	Note	Q1 2021 (Unaudited)	Q1 2020 (Unaudited)
Operating revenue		11,666	16,583
Total revenue		11,666	16,583
Voyage expenses		4,848	5,396
Ship operating expenses		4,236	4,551
Other operating expenses		241	210
General and administrative expenses		2,457	1,578
Operating profit (loss) before depreciation and amortization expenses		(116)	4,848
Depreciation and amortization expenses	5	4,028	3,812
Operating profit (loss)		(4,144)	1,036
Financial income		-	31
Financial expenses		(110)	(135)
Foreign currency exchange gain (loss)		(9)	(156)
Net financial expenses		(119)	(261)
Profit (loss) before tax		(4,263)	775
Income tax expense		-	-
Net profit (loss)		(4,263)	775
Total comprehensive income (loss)		(4,263)	775
Basic and diluted earnings (loss) - \$ per share	4	(0.035)	0.008

STATEMENT OF FINANCIAL POSITION

in \$ thousands	Note	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Right-of-use assets		3,041	3,264
Vessels and construction contracts	5	255,939	235,454
Office equipment		876	691
Total non-current assets		259,856	239,409
Bunkers inventory		5,614	3,781
Costs to fulfil contracts		7,187	3,635
Trade receivables		5,150	1,433
Other receivables		3,308	4,698
Bank deposits and cash equivalents		16,276	14,787
Total Current Assets		37,535	28,334
Total Assets		297,391	267,743
Share capital	6	1,329	1,329
Other paid in capital		58,489	58,489
Other reserves		790	790
Retained earnings		168,856	173,119
Total equity		229,464	233,727
Non-current lease liabilities	8	2,492	2,587
Debt to credit institutions	8	21,422	-
Total non-current liabilities		23,915	2,587
Current lease liabilities	8	821	860
Trade payables		3,600	3,272
Current tax liabilities		15	70
Other current liabilities		39,576	27,228
Total current liabilities		44,012	31,429
Total equity and liabilities		297,391	267,743

STATEMENT OF CHANGES IN EQUITY

in \$ thousands	Share capital (Unaudited)	Other paid in capital (Unaudited)	Other reserves (Unaudited)	Retained earnings (Unaudited)	Total equity (Unaudited)
Equity 31 December 2019	36	1,779	(344)	167,755	169,226
Net profit Q1 2020	-	-	-	775	775
Equity 31 March 2020	36	1,779	(344)	168,530	170,001
Equity 31 December 2020	1,329	58,489	790	173,119	233,727
Net loss Q1 2021	-	-	-	(4,263)	(4,263)
Equity 31 March 2021	1,329	58,489	790	168,856	229,464

STATEMENT OF CASH FLOWS

in \$ thousands	Q1 2021 (Unaudited)	Q1 2020 (Unaudited)
Profit (loss) before taxes	(4,263)	775
Paid taxes	(55)	(63)
Depreciation	4,028	3,812
Change in bunkers inventory	(1,833)	(1,884)
Change in trade receivables	(3,717)	(2,268)
Change in trade payables	328	(483)
Change in prepayments and other receivables	1,390	(2,558)
Change in costs to fulfil contracts	(3,552)	(327)
Change in prepaid revenues	9,810	21,592
Change in accruals and other current liabilities	2,541	(2,909)
Net change in other current items	(800)	(82)
Net cash flow from operating activities	3,877	15,605
Investments on vessels and periodic maintenance	(856)	(1,889)
Investments on vessels under construction	(23,103)	(1,216)
Other investments	(242)	(71)
Net cash flow used in investment activities	(24,201)	(3,176)
Proceeds from drawdown of debt	22,000	5,000
Repayment of debt	-	(16,000)
Principle elements of lease payments	(187)	(83)
Net cash flow from financing activities	21,813	(11,083)
Net change in cash and cash equivalents	1,489	1,346
Cash and bank deposits at beginning of period	14,787	9,456
Cash and bank deposits at end of period	16,276	10,802

NOTES TO FINANCIAL STATEMENTS

Note 1 General

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. OHT has its head office in Oslo, Norway. The shares of the Company are traded on Oslo Stock Exchanges’ marketplace Euronext Growth (Merkur Market).

Note 2 Accounting policies

These interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting.

The condensed consolidated interim financial reporting should be read in conjunction with the annual financial statements for OHT ASA for the year ended 31 December 2020, which have been prepared in accordance with IFRS, as adopted by the EU.

Use of judgements and estimates

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. The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

Note 3 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 4 Earnings per share

	Q1 2021	Q1 2020
Net profit (loss) attributable to ordinary equity holders - \$ thousands	(4,263)	775
Basic and diluted weighted average number of ordinary shares outstanding	122,234,521	93,761,334
Basic and diluted earnings (loss) per share - \$ per share	(0.035)	0.008

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 5 Vessels and construction contracts

in \$ thousands	Vessels	Periodic maintenance	Vessels under construction	Total
Closing balance 31 December 2020	125,168	5,924	104,361	235,454
Additions	805	52	22,806	23,663
Capitalized borrowing costs	-	-	627	627
Depreciation	(3,242)	(562)	-	(3,804)
Closing balance 31 March 2021	122,731	5,414	127,794	255,939

Note 6 Share capital

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.

Based on resolution in the General Meeting of the Company on 17 September 2020, the Board of OHT ASA has authorization to increase the Company's share capital by up to NOK 5,903,452 through issuance of up to 59,034,520 new shares, each having a par value of NOK 0.10. The authorization will expire at the earliest of the Annual General Meeting in 2021 and 30 June 2021.

Note 7 Warrants

Granted warrants as at 31 March 2021:

Date issued/valuation date	Tranche 1		Tranche 2		Tranche 3	
	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

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.

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 until 17 September 2025.

Note 8 Interest-bearing debt

Revolving credit facility

In December 2020 the Group entered into an agreement for a \$50 million revolving credit facility (RCF). The 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. As at 31 March 2021 \$22.0 million was drawn on the facility. The loan has floating interest of LIBOR + 3.75% - 4.50%, depending on time remaining to maturity and outstanding loan amount.

in \$ thousands	31 March 2021	31 December 2020
Outstanding loan amount	22,000	-
Debt issuance cost	(578)	-
Debt to credit institutions at amortized cost	21,422	-

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.

Financial lease liabilities

in \$ thousands	31 March 2021	31 December 2020
Current lease liabilities	821	860
Non-current lease liabilities	2,492	2,587
Total lease liabilities	3,313	3,447

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

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	31 March 2021	31 December 2020
Prepaid revenues that include a significant financing component	31,737	22,620
Accumulated interest	1,098	768
Total recognized amount	32,835	23,388

Note 9 Related party transactions

The Group purchases IT and office services from Arne Blystad AS 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 lease agreements. Haakon VII's gate 1 ANS is wholly owned and controlled by Songa Corp, which is the majority shareholder of OHT.

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

The Group purchases 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 purchases consultancy services from Primato AS 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.

Note 10 Commitments and contingencies

At 31 March 2021, the Group has significant contractual commitments of in total \$381 million. Of these commitments, \$173 million are related to the construction of a heavy lift semi-submersible installation vessel for installation of foundations to the offshore wind market, and falls due 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.

Note 11 Subsequent events

The Group's wholly owned ship owing company OHT Alfa Lift AS has received and accepted a firm offer, subject to satisfactory documentation, for a \$135.0 million Senior Secured Green ECA Credit Facility. The facility is for the post-delivery financing of the wind foundation installation vessel Alfa Lift. The Facility is to be drawn upon delivery of the mentioned vessel. The facility has a five-year term and a 12-year repayment profile. DNB Bank ASA is Bookrunner and Coordinator, and together with Sparebank 1 SR-Bank ASA mandated lead arranger. Further, the Norwegian Export Credit Agencies GIEK and Eksportkreditt are supporting the facility, their tranche is estimated to \$82.6 million.

The Annual General Meeting of OHT ASA was held on 20 May 2021. All proposals on the agenda were adopted in accordance with the Board of Directors' proposal. In order to give the Board flexibility to carry out effective capital increases to fund investments, as well as for general corporate purposes, the General Meeting resolved to authorize the Board of OHT ASA to increase the Company's share capital by up to NOK 6,111,876 through issuance of up to 61,118,760 new shares, each having a par value of NOK 0.10. The authorization will expire at the latest on 20 May 2023.