



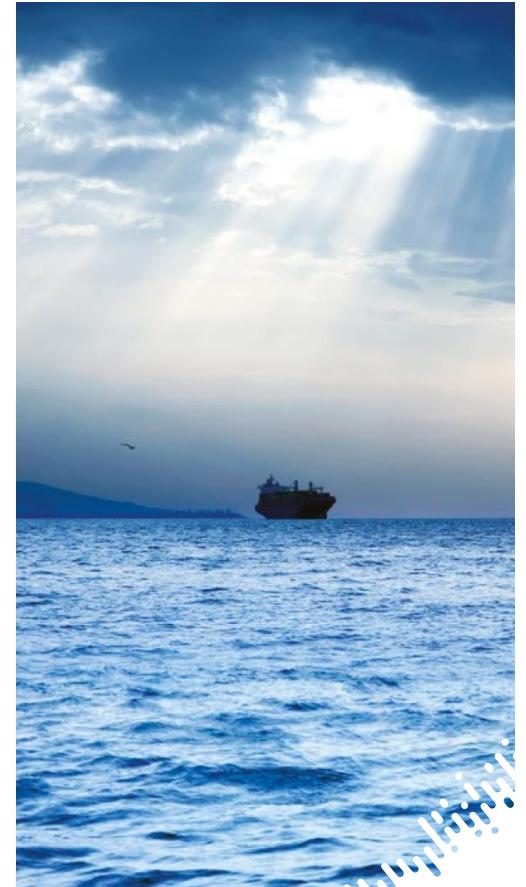
Q2 2020 PRESENTATION

10th July 2020

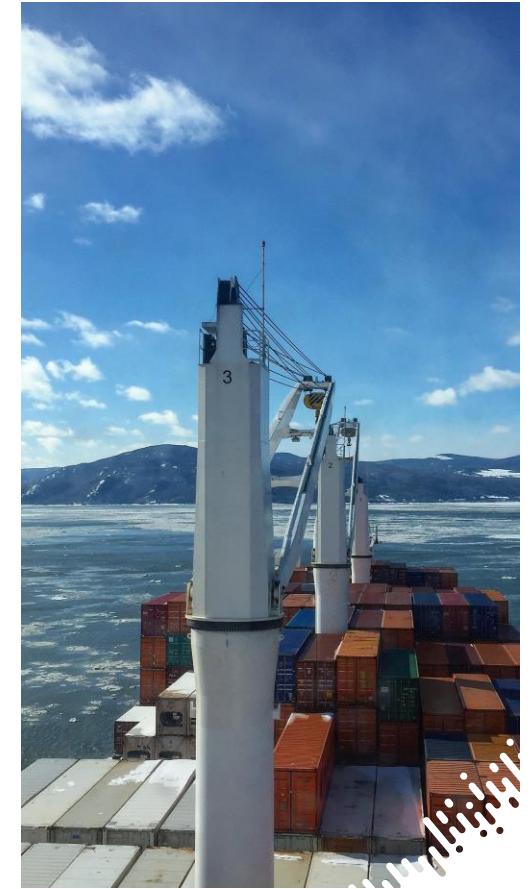
Q2 2020 FINANCIAL HIGHLIGHTS



- Declared Q2 2020 dividend of USD 5 cents per share
 - Declared cash dividends for 28 consecutive quarters
- EBITDA was USD 86.3m vs. Q1 of USD 56.4m
 - EBITDA includes insurance claim and other related revenues of USD 27.4m
- EBITDA adjusted for finance leases and excluding insurance claim and other related revenues was USD 86.0m vs. Q1 of USD 81.7m
- Net profit after tax was USD 16.5m vs. Q1 of USD -1.6m
 - Net profit after tax was negatively impacted by a refinancing cost of USD 3.6m and a net loss of
 - USD 1.6m from Connector
 - USD 2.0m from Far Senator/Far Statesman
 - USD 2.8m from discontinued operations (FPSO)
- Adjusted net profit from continuing operations was USD 24.0m of which USD 21.3m is attributable to common shareholders



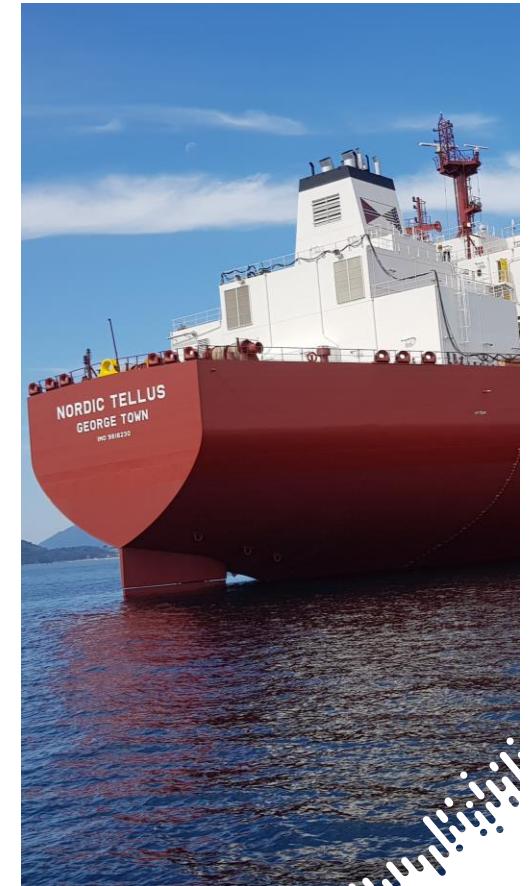
- Joint Venture with Aker Capital for four LR2s and three Suezmaxes
- Delivery of Navig8 Aquamarine in June and Navig8 Amessi in July to Navig8 Chemical Tankers following exercise of purchase options with net cash proceeds of USD 9.7m per vessel after debt repayment
- Delivery of newcastlemax newbuilding Mineral Qingdao in July with long-term charter to CMB
- Car carrier Höegh Xiamen declared Constructive Total Loss after fire onboard vessel in June. Insurance proceeds expected to be about USD 26.3m in Q3



JOINT VENTURE WITH AKER CAPITAL



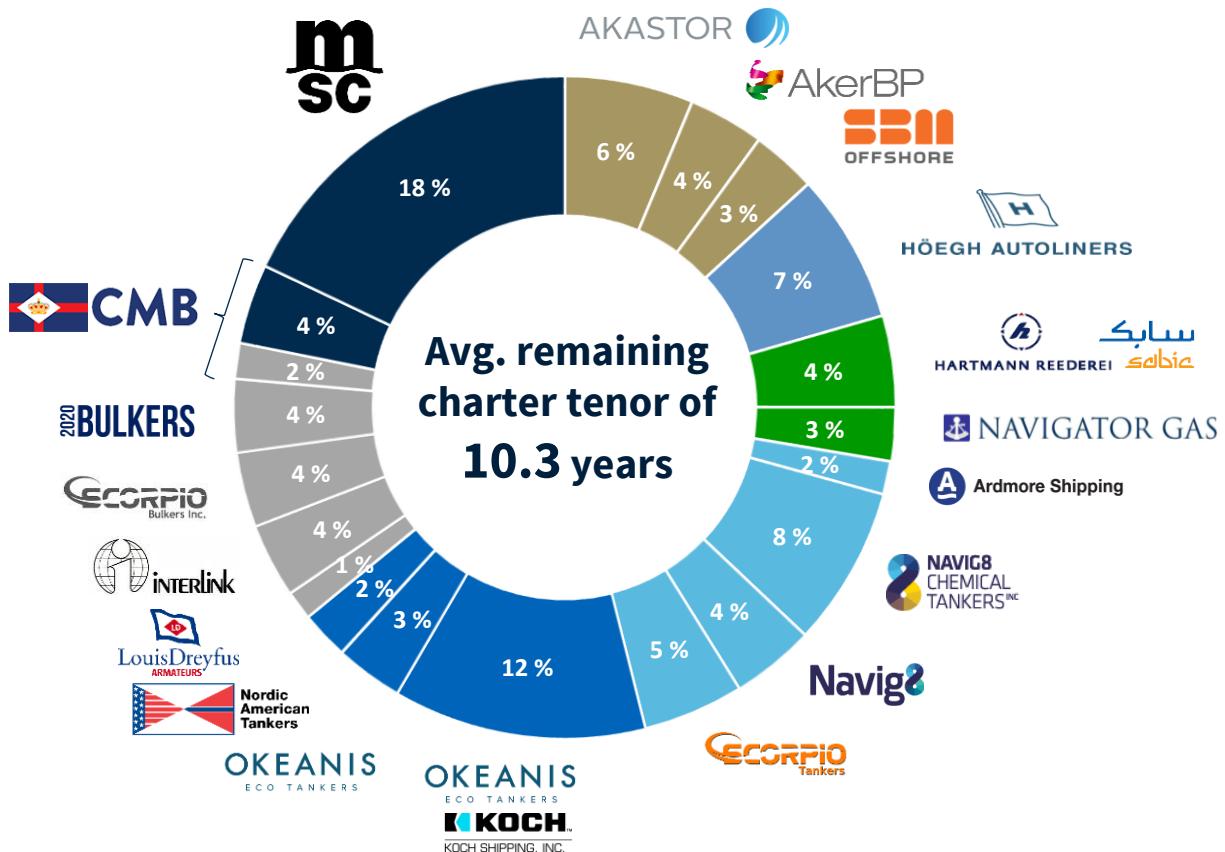
- **Joint Venture (“JV”) with Aker Capital**
 - 4 LR2 product tankers with long-term charter to Navig8 Group
 - 3 Suezmax tankers with long-term charter to Nordic American Tankers
 - Aker paid USD 10.2m for 50% of the equity
 - Ocean Yield owns the remaining 50% of the equity
 - Ocean Yield will continue to guarantee the secured bank debt against a guarantee fee
- **Financial implications for OCY**
 - The JV is accounted for as an “investment in an associated company” and the bank debt will no longer be consolidated
 - Strengthens the equity ratio with more than 2% points
 - The impact on net profit will be limited due to the low amount of new capital raised



VESSELS WITH LONG-TERM CHARTERS AS PER Q2



EBITDA¹ BACKLOG OF USD 3.2 BILLION



FLEET²

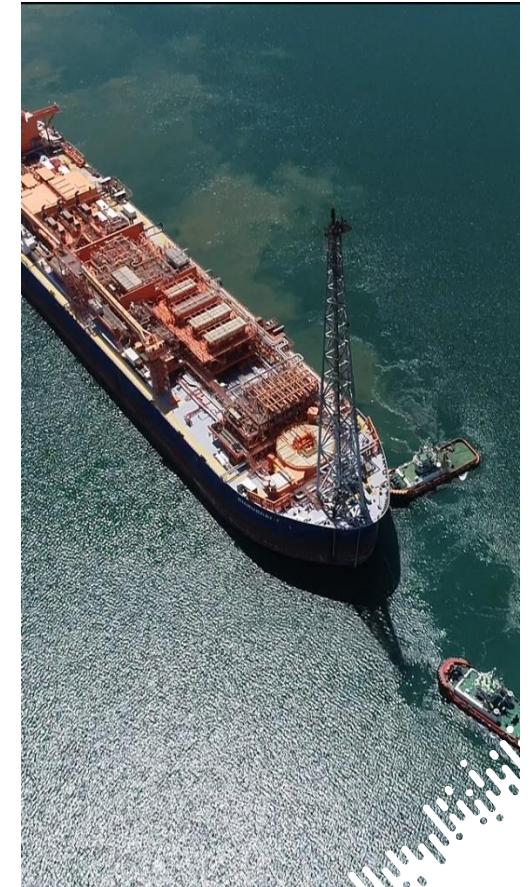
	Product / chemical	20
	Dry bulk	16
	Container vessels	10
	Crude	9
	Car carriers	5
	Oil-service	4
	Gas carriers	3
	Total	67
	Average age	4.0 yr

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

2) Includes 49.9% ownership in 6 mega-container vessels, 50% ownership in 4 LR2s and 3 Suezmaxes and 75% ownership in one oil-service vessel.

1 & 2) Four vessels without long-term contracts are not included

- **Projects**
 - Three projects are currently being evaluated and the work on these projects are continuing, despite the low oil price and the Covid-19 pandemic
 - Uncertainty with respect to project timelines
- **Other**
 - The FPSO operations has been classified as «discontinued operations» and the vessel and related assets as «assets held for sale»
 - Net loss from Dhirubhai-1 of USD 2.8m in Q2 2020
 - Further cost reductions are being evaluated



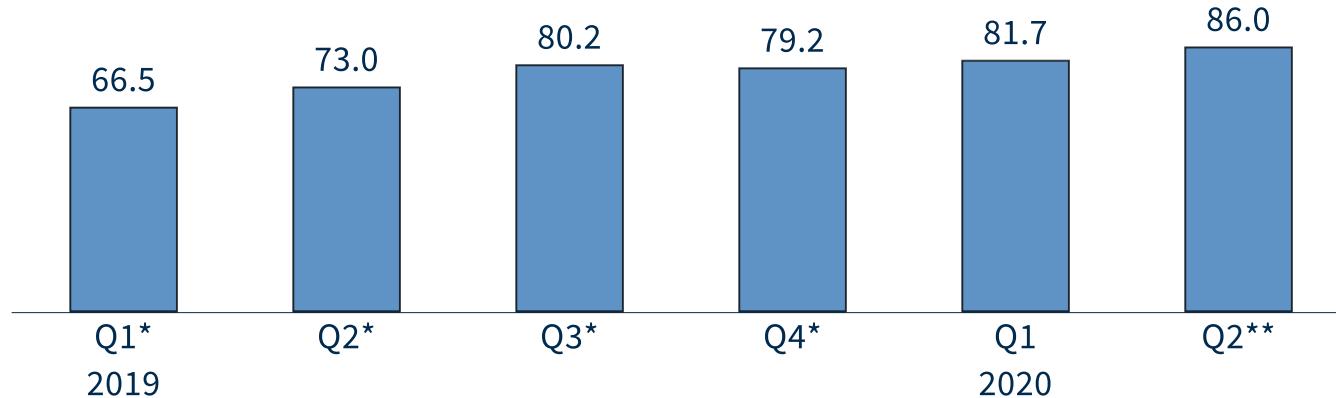
- **Connector**
 - Time-charter contract with Ocean Installer for subsea installation work in South China Sea until September
 - In advanced discussions regarding new short-term contracts
 - Net loss of USD 1.6m in Q2 2020 vs. net loss of USD 5.1m in Q1 2020
- **FAR Senator & FAR Statesman**
 - Restructuring agreement with Solstad Offshore, closing expected in Q3
 - Net claim to be converted into shares in Solstad Offshore
 - New 4-year lease agreement with variable bareboat charter rate equal to average EBITDA per vessel in a pool of 7 similar vessels
 - Far Statesman awarded a 3-year time-charter with Petrobras at attractive rate level
 - Net loss of USD 2.0m in Q2 2020 as no bareboat hire was received



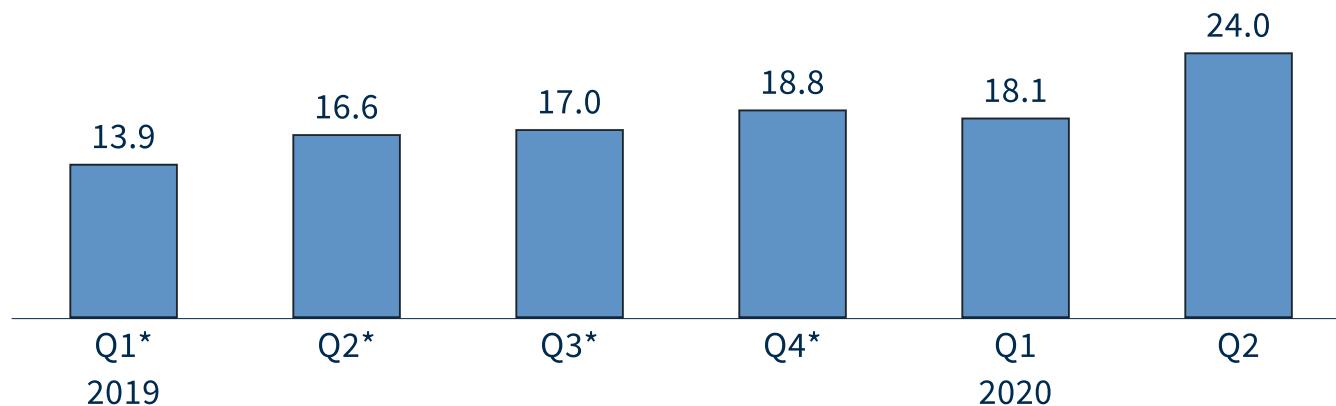
ADJUSTED EBITDA AND NET PROFIT



EBITDA ADJUSTED FOR FINANCE LEASES, CONTINUED OPERATIONS (USDM)



ADJUSTED NET PROFIT, CONTINUED OPERATIONS (USDM)



Adj. net profit Q2 2020

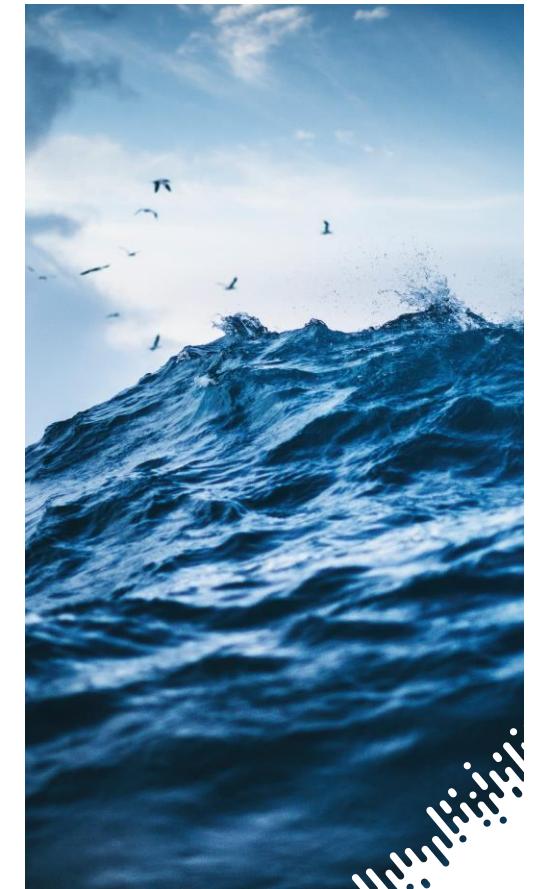
- Common equity USD 21.3m
- Hybrid capital USD 2.4m
- Minorities USD 0.3m
- Total USD 24.0m

INCOME STATEMENT



INCOME STATEMENT

	Q1 2020	Q2 2020
<i>Amounts in USD million</i>		
Operating revenues	23.4	26.0
Finance lease revenue	33.0	31.1
Income from investments in associates	4.9	5.5
Other revenue	-	27.4
Total revenues and other income	61.3	90.0
Vessel operating expenses	(1.8)	(2.2)
Wages and other personnel expenses	(1.7)	(1.2)
Other operating expenses	(1.4)	(0.2)
EBITDA	56.4	86.3
Depreciation and amortization	(12.4)	(12.4)
Impairment charges	0.0	(27.7)
Operating profit	44.0	46.2
Financial income	0.4	0.1
Financial expenses	(25.9)	(25.8)
Foreign exchange gains/losses	48.1	(54.8)
Change in fair value of financial instruments	(64.4)	54.8
Net profit before tax	2.2	20.5
Tax payable	(0.3)	(0.4)
Change in deferred tax	(0.5)	(0.9)
Net profit after tax, from continuing operations	1.3	19.2
Profit (loss) from discontinued operation, net of tax	(2.9)	(2.8)
Profit for the period	(1.6)	16.5
Equity holders of the parent	(4.1)	13.9
Non-controlling interests	(0.2)	0.2
Dividends on hybrid capital	2.7	2.4
Profit for the period	(1.6)	16.5

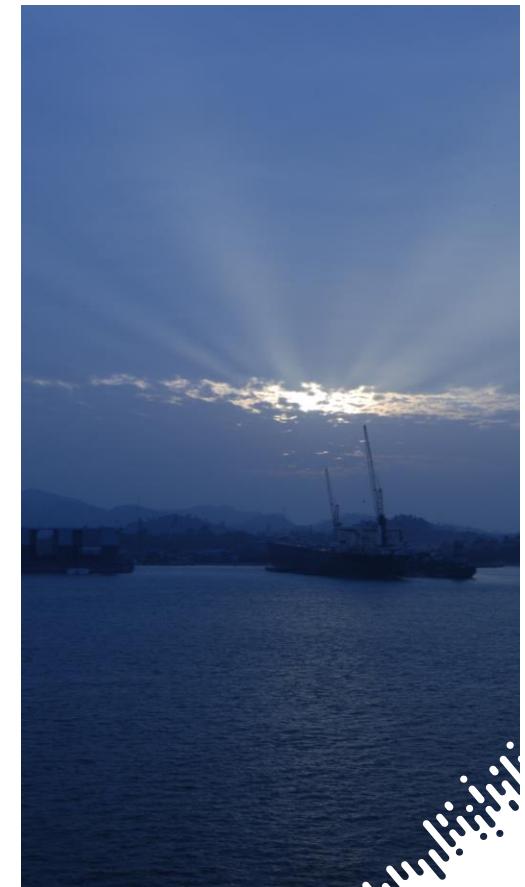


ADJUSTED EBITDA AND NET PROFIT



ADJUSTMENTS

Amounts in USD million	Q1 2020	Q2 2020
EBITDA	56.4	86.3
Repayment on finance lease receivables	25.3	27.1
Other revenue - insurance claim	-	(27.4)
EBITDA adjusted for finance lease effects	81.7	86.0
Net profit after tax	(1.6)	16.5
Loss from discontinued operation, net of tax	2.9	2.8
Insurance claim and pre-paid charter hire Höegh Xiamen	-	(27.4)
Impairment of Höegh Xiamen	-	27.7
Refinancing Far Senator/Far Statesman	-	3.6
Foreign exchange gains/losses	(48.1)	54.8
Change in fair value of financial instruments	64.4	(54.8)
Change in deferred tax	0.5	0.9
Adjusted Net profit from continuing operations	18.1	24.0
Equity holders of the parent	15.2	21.3
Non-controlling interests	0.2	0.3
Dividends on hybrid capital	2.7	2.4
Adjusted Net profit from continuing operations	18.1	24.0



BALANCE SHEET



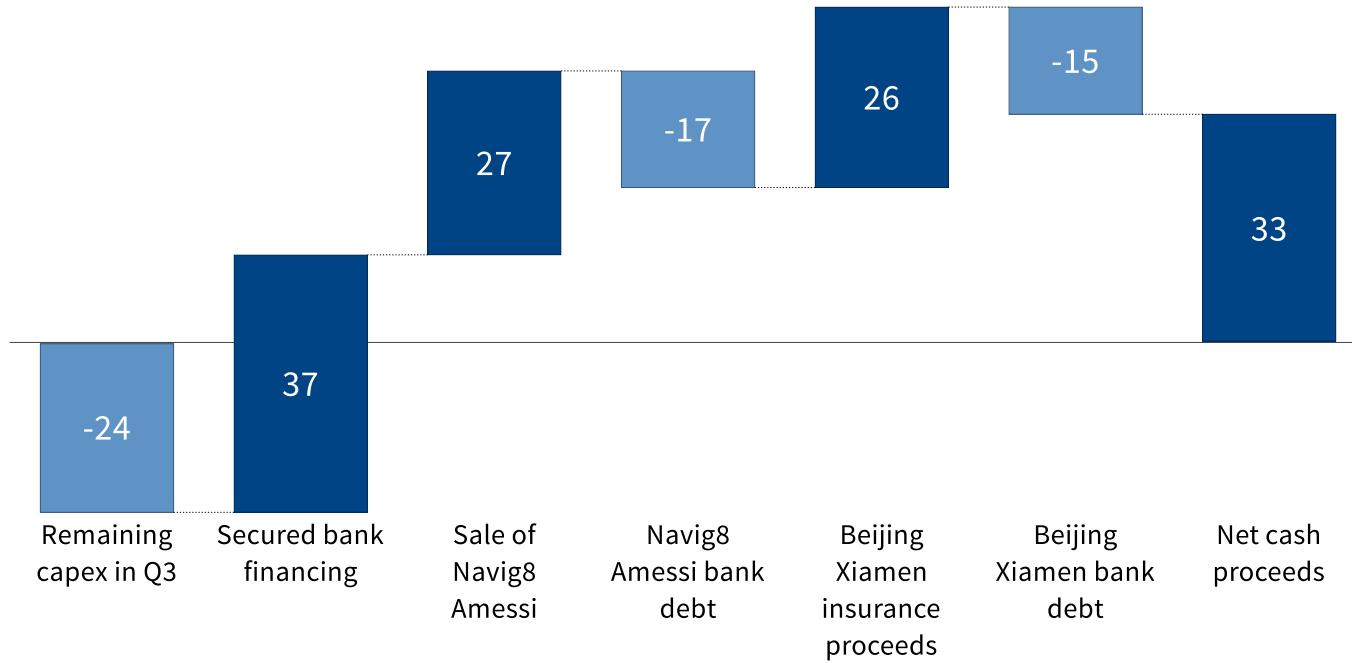
BALANCE SHEET

Amounts in USD million	Q1 2020	Q2 2020	Q1 2020	Q2 2020
ASSETS				
Vessels and equipment	895	855	Common equity	685
Investments in associates	163	173	Hybrid capital	125
Finance lease receivables	1,475	1,254	Non-controlling interests	12
Restricted cash deposits	56	26	Total equity	823
Other non-current assets	2	2		
Deferred tax assets	0	0	Interest-bearing debt	1,894
Total non-current assets	2,592	2,311	Mob fees and other non-current liabilities	10
			Fair value of derivatives	56
			Total non-current liabilities	1,960
Finance lease receivables	243	193	Interest-bearing short term debt	241
Trade receivables	1	31	Fair value of derivatives	55
Cash and cash equivalents	107	106	Trade and other payables	16
Current assets	351	331	Total current liabilities	312
Assets held for sale	156	155	Liabilities related to assets held for sale	6
Total current assets	508	486	Total current liabilities	317
Total assets	3,100	2,797	Total liabilities	2,278
			Total equity and liabilities	3,100
			<i>Equity ratio</i>	26.5 %
				29.6 %

INVESTMENT, DIVESTMENT AND RELATED FINANCING

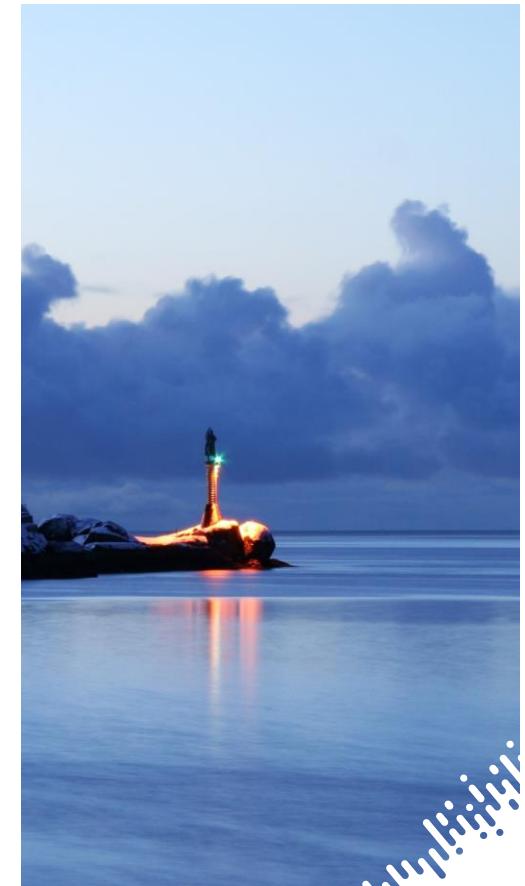


INVESTMENT, DIVESTMENT AND RELATED FINANCING IN Q3 2020 (USDM)



COMMENTS

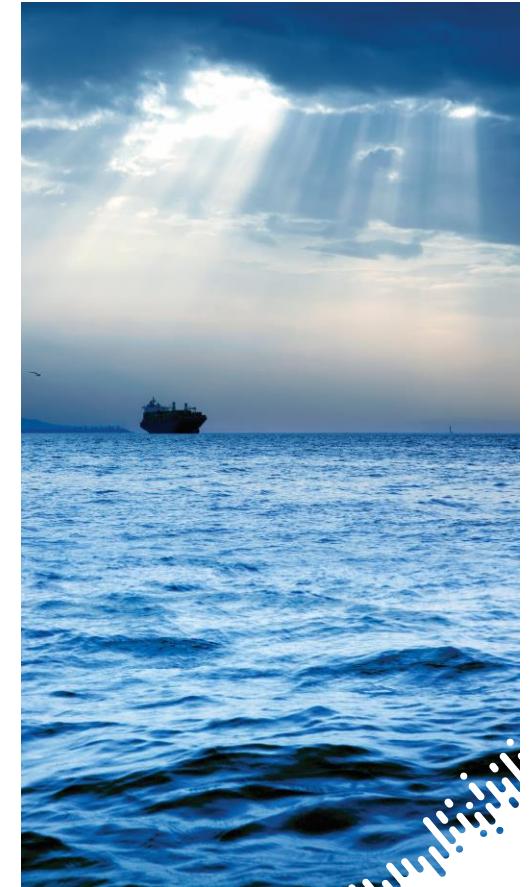
- Remaining capex in Q3 2020 relate to one newcastlemax dry bulk vessel on charter to CMB that was delivered to the company on 2 July
- Potential scrubber financing on two vessels of up to USD 3.0m not included, of which USD 1.0m will be financed by bank loans
- Bank debt secured by two chemical tankers maturing in September assumed refinanced at outstanding amount (Credit approved)



OUTLOOK



- The short-term priority is to build a stronger balance sheet until we see lower market volatility and have more visibility with respect to a solution for the FPSO Dhirubhai-1
- Long-term fixed rate bareboat charters for most of the vessels to 18 different counterparties, should contribute to reduce any negative impact on the company from the current market volatility
- The Board of Directors has decided to maintain a conservative dividend level in Q2 in order to contribute to building a stronger balance sheet and to position the Company to capitalize on interesting investment opportunities





INVESTOR RELATIONS

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