



**OHT ASA**

**FINANCIAL REPORT Q2 2021**

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# EARNINGS RELEASE

## SECOND QUARTER 2021 SUMMARY

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### HIGHLIGHTS

- Operating revenue was \$17.8 million in Q2 2021, up from \$11.7 million in Q1 2021
- Loss before tax was \$0.1 million in Q2 2021, an improvement from \$4.3 million in Q1 2021
- Loss per share was \$0.001 in Q2 2021, compared to loss per share of \$0.035 in Q1 2021
- EBITDA<sup>1</sup> was \$3.9 million in Q2 2021, up from negative \$0.1 million in Q1 2021
- Utilization on the transportation fleet was 93% in Q2 2021. Utilization in Q1 2021 was 90%

### SUBSEQUENT EVENTS

On 8 July 2021 OHT ASA announced an agreement to combine with Subsea 7 S.A.'s renewables business unit. The business combination, which remains subject to the customary approvals, conditions and relevant employee consultations, is due to be effective from 1 October 2021.

The Subsea 7 board has already approved the combination, while a similar approval from OHT requires an approval by its general meeting. The two largest shareholders in OHT, representing 76.7% of the share capital, have already confirmed they will support the merger. The extraordinary general meeting is likely to take place in second half of September.

OHT ASA will be renamed Seaway 7 ASA and the combined entity will retain OHT's listing on Euronext Growth market in Oslo, with a view to a future listing on the main board of Oslo Stock Exchange. At the date of the combination, the existing shareholders of OHT ASA will own 28% of the combined entity.

Drawing on an expanded and diversified asset base through the combination, OHT ASA / Seaway 7 ASA will offer a full range of specialist standalone transport and installation (T&I) services, as well as integrated T&I and EPCI solutions that combine the installation of turbines, foundations, substations and cables, in addition to OHT's legacy heavy transportation fleet, capabilities which together provide further value chain integration opportunities as well as mitigating risks associated with delivery schedule management.

For accounting purposes, the business combination is expected to be considered a reverse acquisition. This means that despite OHT legally being the acquirer, it will accounting-wise be considered that OHT is the acquired entity. Effectively, this means that assets and liabilities in OHT ASA Group will be measured at its fair value on the date of the transaction and recognized at these values in the combined entity.

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<sup>1</sup> 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.

## CORPORATE UPDATE

The Company remains disciplined when it comes to pricing and selection of T&I projects that we tender for. In certain situations, this may lead to other contractors securing contracts that the Company is tendering for, thus potentially delaying a positive news flow. However, with the high activity levels expected in the market from 2024/25, there will be enough projects to fight 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. 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.

Management remains 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 has become evident 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 contracts for slightly larger units.

## FINANCIALS

### Financial key figures

in \$ thousands	Q2 2021	Q1 2021
Operating revenue	17,752	11,666
EBITDA	3,859	(116)
Operating loss	(206)	(4,144)
Net Financial Income (expenses)	59	(119)
Loss before tax	(147)	(4,263)
Loss per share, in \$ per share	(0.001)	(0.035)
Vessels and construction contracts	260,123	255,939
Bank deposits and cash equivalents	16,978	16,276
Total Assets	300,108	297,391
Total Equity	229,318	229,464
Debt to credit institutions	21,474	21,422
Total current liabilities	47,118	44,012
Net cashflow from operating activities	9,338	3,877
Net cashflow used in investment activities	(8,403)	(24,201)
Net cashflow from financing activities	(233)	21,813

### Financial review

The Group's operating revenue was \$17.8 million in Q2 2021, up from \$11.7 million in Q1 2021. The increase is mainly due to a positive development in pricing. The Group's EBITDA increased from negative \$0.1 million in Q1 2021 to positive \$3.9 million in Q2 2021.

Net financial income was \$0.1 million in Q2 2021 compared to a net financial expense of \$0.1 million in Q1 2021.

The Group's total assets amounted to \$300.1 million at 30 June 2021, up from \$297.4 million at 31 March 2021.

Total equity was \$229.3 million at 30 June 2021.

Net cash flow from operating activities was \$9.3 million in Q2 2021. Net cash flow from financing activities was negative \$0.2 million. \$8.4 million were used in investment activities this quarter, mainly payments under contracts for vessel construction. Net change in cash and cash equivalents from 31 March 2021 to 30 June 2021 was positive \$0.7 million. Cash and cash equivalents at the end of Q2 2021 were \$17.0 million.

Total undrawn amount on the revolving credit facility was \$28.0 million on 30 June 2021.

## OPERATIONS AND CONTRACTS

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### 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 Q2 2021, transporting a power barge, liftboats, cablelay barge, jack-up drilling rigs and floating drydock. The spot market is still to some extent affected by the COVID-19 pandemic through hesitation in clients' willingness to execute their transportation requirements due to travel restrictions and project delays.

Voyages performed in Q2 2021 fall into the following categories:

- 2 within Renewables
- 2 within O&G Exploration and Production
- 1 within Port Infrastructure
- 2 within Other Industries

On a 12-month rolling basis, the renewables share accounts for 51% of revenue.

The Company has achieved a utilization of 93% in Q2 2021 and 91.5% YTD.

Vessel OPEX has been recorded at an average of \$9,298 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. Cumulative 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 \$9.9 million against a total scrubber investment of \$11.4 million. This corresponds to a payback of 87% so far.

### INSTALLATION

The Dogger Bank A and B projects continue to deliver detail design documentation according to plan. The scope of work includes transport and installation of 190 monopiles and transition pieces from Q3 2022 to early 2024. Recent focus has been on designing grillage and sea-fastening solutions for transition pieces as well as tools and equipment to be carried onboard. Risk assessments are carried out on all critical steps in the installation phase, risks are documented and entered into the risk register for mitigating and further follow up. Subcontracts for lifting and handling tools have been placed, and fabrication contracts for grillage components 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 at CMHI's yard in Jiangsu, China, has seen some very visible progress during the last period with the main crane's slewing column, A-frame and boom being installed onto the vessel. These complex operations were successfully completed in a short time. Next follows an intense period of hook-up activities before the rope reeving, commissioning and testing of the crane. Elsewhere in the vessel, focus is on electrical works as well as mechanical completion and commissioning activities. The first two generator sets have been started and test-run. Nevertheless, certain disciplines are somewhat behind schedule, but the shipyard is working on a recovery plan to ensure timely delivery. 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 components making up Alfa Lift's mission equipment for monopile installation are being delivered by MacGregor, in partnership with Kongsberg Maritime. Fabrication of steel components for the main upending frame/motion compensated pile gripper as well as the deck transportation system is being performed to a challenging schedule, with the larger components now starting to take shape. The monopile cradles have been completed and installed on the vessel's main deck. 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, continues in the detailed design phase following completion of basic design. Delivery is scheduled for mid-2023. Selection of all main equipment has been completed. Focus continues to be on maximizing payload capacity by reducing component and material weights as much as possible, with variable deck load capacity having been improved from 8,750t to a forecast so far of 9,800t with a sizeable unused contingency that could be translated into further improvements.

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

## MARKET, OUTLOOK AND RISK FACTORS

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### TRANSPORTATION MARKET

Our fleet continues to operate in the spot market. We have seen a reasonable number of requests for transportation projects, with 230 received in Q2 2021 versus 285 in Q1 2021 which is sign of a consistent activity level in the market. 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.

The number of rig moves is showing signs of recovery and is supporting our expectation that the offshore drilling activity will pick up in 2022. One of the few positive segments within O&G is the decommissioning market, where we see several interesting leads.

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 Q4 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.

Other industries such as marine, dredging and heavy construction continue to generate a satisfactory number of requests.

In the course of Q2 2021 we observed evidence of a material reduction of available semi-submersible tonnage in the market due to our competitors' backlog, occupying their vessels, which may last up until Q2 2023. The mentioned backlog relates to both 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, and offshore wind jacket foundations. 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

Government ambitions to grow the global market for bottom-fixed offshore wind continue to increase. This is primarily driven by increased competitiveness against other forms of energy production, a desire for energy independence and climate issues. The question that many have started to ask is if ambition levels are realistic, given the bottlenecks in permitting, planning and not least capacity in the market to execute so many projects in parallel.

More and more analysts and clients are pointing to the obvious gap in suitable installation vessel capacity versus project requirements. This, in our view, is relevant in relation to installation of both foundations and WTGs. Hence, there is clearly a need for building more vessels for the next generation of foundations and turbines.

The Company maintains its position that more vessels will have to be backed by suitable client commitments before we will consider going ahead. Meanwhile, the basic design for a sister vessel to Alfa Lift has been completed and ready to be issued to shipyards when the time is right. Similarly, we are seeing relatively short lead times before further WTIVs could be ordered under the current option structure with the shipyard.



The Company's tendering activities for transportation and installation of foundations and turbines have continued at very high levels in the period. Several tenders are going through the second and even third round, others have moved into the clarifications and negotiations phase. No contracts that the Company have bid for during the last year have been awarded thus far. This is primarily caused by delays in the developers' previously communicated timelines. We continue to believe that a healthy number of contracts need to be placed shortly for projects to reach other milestones in conjunction with FID or auction participation. In spite of the above, all projects that the Company is tendering for have maintained their previously communicated execution schedules, with one exception where the project has been deferred by one year.

## OUTLOOK

Within Transportation, we expect continued decreasing pressure on Lump Sum prices in the spot market due to a gradual transition from short- and medium-term oversupply to undersupply of capacity. The near-term spot market will be dominated by Marine & Naval, O&G Decommissioning & Exploration and other industries.

Within Offshore Wind, we expect that the next months will be characterized by clarification rounds and negotiation of T&I contracts with clients, followed by soft or hard contract awards to the Company or its competitors. This will be for projects for execution from 2024 onwards.

Following the announcement of our intention to combine the Company's business with Subsea 7's renewables business unit, the parties have commenced detailed integration planning within areas not affected by anti-trust processes. We have positive outcome from the employee consultation process and remain on schedule for the combination to be made effective from 1 October 2021.

The Company plans to call for an extraordinary general meeting in September to approve the business combination with Subsea 7's renewables business unit.

## 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

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We confirm, to the best of our knowledge, that the condensed set of interim financial statements for the period 1 January 2021 to 30 June 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, 26 August 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

	Note	Q2 2021 (Unaudited)	Q2 2020 (Unaudited)	YTD Q2 2021 (Unaudited)	YTD Q2 2020 (Unaudited)
in \$ thousands					
Operating revenue		17,752	22,524	29,418	39,107
<b>Total revenue</b>		<b>17,752</b>	<b>22,524</b>	<b>29,418</b>	<b>39,107</b>
Voyage expenses		7,071	6,682	11,919	12,078
Ship operating expenses		4,179	3,969	8,415	8,520
Other operating expenses		218	210	459	420
General and administrative expenses		2,425	973	4,882	2,551
<b>Operating profit before depreciation and amortization expenses</b>		<b>3,859</b>	<b>10,690</b>	<b>3,743</b>	<b>15,538</b>
Depreciation and amortization expenses	5	4,065	4,232	8,093	8,044
<b>Operating profit (loss)</b>		<b>(206)</b>	<b>6,458</b>	<b>(4,350)</b>	<b>7,494</b>
Financial income		3	10	4	40
Financial expenses		-	(148)	(111)	(284)
Foreign currency exchange gain (loss)		56	140	47	(17)
<b>Net financial income (expenses)</b>		<b>59</b>	<b>1</b>	<b>(59)</b>	<b>(260)</b>
<b>Profit (loss) before tax</b>		<b>(147)</b>	<b>6,459</b>	<b>(4,409)</b>	<b>7,234</b>
Income tax expense		-	-	-	-
<b>Net profit (loss)</b>		<b>(147)</b>	<b>6,459</b>	<b>(4,409)</b>	<b>7,234</b>
<b>Total comprehensive income (loss)</b>		<b>(147)</b>	<b>6,459</b>	<b>(4,409)</b>	<b>7,234</b>
Basic and diluted earnings (loss) - \$ per share	4	(0.001)	0.069	(0.036)	0.077

## STATEMENT OF FINANCIAL POSITION

in \$ thousands	Note	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Right-of-use assets		2,845	3,264
Vessels and construction contracts	5	260,123	235,454
Office equipment		895	691
<b>Total non-current assets</b>		<b>263,863</b>	<b>239,409</b>
Bunkers inventory		4,547	3,781
Costs to fulfil contracts		7,519	3,635
Trade receivables		2,715	1,433
Other receivables		4,485	4,698
Bank deposits and cash equivalents		16,978	14,787
<b>Total Current Assets</b>		<b>36,244</b>	<b>28,334</b>
<b>Total Assets</b>		<b>300,108</b>	<b>267,743</b>
Share capital	6	1,329	1,329
Other paid in capital		58,489	58,489
Other reserves		790	790
Retained earnings		168,710	173,119
<b>Total equity</b>		<b>229,318</b>	<b>233,727</b>
Non-current lease liabilities	8	2,197	2,587
Debt to credit institutions	8	21,474	-
<b>Total non-current liabilities</b>		<b>23,672</b>	<b>2,587</b>
Current lease liabilities	8	883	860
Trade payables		3,598	3,272
Current tax liabilities		7	70
Other current liabilities		42,629	27,228
<b>Total current liabilities</b>		<b>47,118</b>	<b>31,429</b>
<b>Total equity and liabilities</b>		<b>300,108</b>	<b>267,743</b>

## STATEMENT OF CHANGES IN EQUITY

in \$ thousands	Share capital (Unaudited)	Other paid in capital (Unaudited)	Other reserves (Unaudited)	Retained earnings (Unaudited)	Total equity (Unaudited)
<b>Equity 31 December 2019</b>	<b>36</b>	<b>1,779</b>	<b>(344)</b>	<b>167,755</b>	<b>169,226</b>
Net profit YTD Q2 2020	-	-	-	7,234	7,234
<b>Equity 30 June 2020</b>	<b>36</b>	<b>1,779</b>	<b>(344)</b>	<b>174,989</b>	<b>176,460</b>
 <b>Equity 31 December 2020</b>	 <b>1,329</b>	 <b>58,489</b>	 <b>790</b>	 <b>173,119</b>	 <b>233,727</b>
Net loss YTD Q2 2021	-	-	-	(4,409)	(4,409)
<b>Equity 30 June 2021</b>	<b>1,329</b>	<b>58,489</b>	<b>790</b>	<b>168,710</b>	<b>229,318</b>

## STATEMENT OF CASH FLOWS

in \$ thousands	YTD Q2 2021 (Unaudited)	YTD Q2 2020 (Unaudited)
Profit (loss) before taxes	(4,409)	7,234
Paid taxes	(63)	(36)
Depreciation	8,093	8,044
Change in bunkers inventory	(766)	(821)
Change in trade receivables	(1,282)	(2,861)
Change in trade payables	326	(2,672)
Change in prepayments and other receivables	213	(2,924)
Change in costs to fulfil contracts	(3,884)	(64)
Change in prepaid revenues	11,389	20,558
Change in accruals and other current liabilities	4,015	(5,059)
Net change in other current items	(417)	195
<b>Net cash flow from operating activities</b>	<b>13,215</b>	<b>21,594</b>
Investments on vessels and periodic maintenance	(1,781)	(2,420)
Investments on vessels under construction	(30,501)	(5,688)
Other investments	(322)	(142)
<b>Net cash flow used in investment activities</b>	<b>(32,604)</b>	<b>(8,250)</b>
Proceeds from drawdown of debt	22,000	5,000
Repayment of debt	-	(16,000)
Principle elements of lease payments	(420)	(309)
<b>Net cash flow from financing activities</b>	<b>21,580</b>	<b>(11,309)</b>
<b>Net change in cash and cash equivalents</b>	<b>2,191</b>	<b>2,035</b>
Cash and bank deposits at beginning of period	14,787	9,456
<b>Cash and bank deposits at end of period</b>	<b>16,978</b>	<b>11,491</b>

## 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.

### 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

	Q2 2021	Q2 2020	YTD Q2 2021	YTD Q2 2020
Net profit (loss) attributable to ordinary equity holders - \$ thousands	(147)	6,459	(4,409)	7,234
Basic and diluted weighted average number of ordinary shares outstanding	122,237,521	93,761,334	122,237,521	93,761,334
Basic and diluted earnings (loss) per share - \$ per share	(0.001)	0.069	(0.036)	0.077

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
<b>Closing balance 31 December 2020</b>	<b>125,168</b>	<b>5,924</b>	<b>104,361</b>	<b>235,454</b>
Additions	1,713	68	29,095	30,876
Capitalized borrowing costs	-	-	1,406	1,406
Depreciation	(6,488)	(1,124)	-	(7,612)
<b>Closing balance 30 June 2021</b>	<b>120,393</b>	<b>4,868</b>	<b>134,862</b>	<b>260,123</b>

#### 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 20 May 2021, the Board of OHT ASA has authorization 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.

#### Note 7 Warrants

Granted warrants as at 30 June 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 30 June 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	30 June 2021	31 December 2020
Outstanding loan amount	22,000	-
Debt issuance cost	(526)	-
<b>Debt to credit institutions at amortized cost</b>	<b>21,474</b>	<b>-</b>

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	30 June 2021	31 December 2020
Current lease liabilities	883	860
Non-current lease liabilities	2,197	2,587
<b>Total lease liabilities</b>	<b>3,080</b>	<b>3,447</b>

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	30 June 2021	31 December 2020
Prepaid revenues that include a significant financing component	33,145	22,620
Accumulated interest	1,462	768
<b>Total recognized amount</b>	<b>34,607</b>	<b>23,388</b>

### 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 30 June 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 Q1 2022. 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

On 8 July 2021 OHT ASA announced an agreement to combine with Subsea 7 S.A.'s renewables business unit. The business combination, which remains subject to the customary approvals, conditions and relevant employee consultations, is due to be effective from 1 October 2021.

The Subsea 7 board has already approved the combination, while a similar approval from OHT requires an approval by its general meeting. The two largest shareholders in OHT, representing 76.7% of the share capital, have already confirmed they will support the merger. The extraordinary general meeting is likely to take place in second half of September.

OHT ASA will be renamed Seaway 7 ASA and the combined entity will retain OHT's listing on Euronext Growth market in Oslo, with a view to a future listing on the main board of Oslo Stock Exchange. At the date of the combination, the existing shareholders of OHT ASA will own 28% of the combined entity.

Drawing on an expanded and diversified asset base through the combination, OHT ASA / Seaway 7 ASA will offer a full range of specialist standalone transport and installation (T&I) services, as well as integrated T&I and EPCI solutions that combine the installation of turbines, foundations, substations and cables, in addition to OHT's legacy heavy transportation fleet, capabilities which together provide further value chain integration opportunities as well as mitigating risks associated with delivery schedule management.

For accounting purposes, the business combination is expected to be considered a reverse acquisition. This means that despite OHT legally being the acquirer, it will accounting wise be considered that OHT is the acquired entity. Effectively, this means that assets and liabilities in OHT ASA Group will be measured at its fair value on the date of the transaction and recognized at these values in the combined entity.