

Q2

2021 REPORT



OCEAN YIELD

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SECOND QUARTER AND FIRST HALF YEAR RESULTS 2021

Fornebu, 12th July 2021, Ocean Yield ASA (“Ocean Yield” or the “Company”) announces results for the second quarter and the first half year ending 30th June 2021.

HIGHLIGHTS

- The Board of Directors has declared a dividend of USD 5.70 cents per share. This is an increase of USD 0.25 cents compared to the previous quarter and is the 32nd consecutive quarterly dividend.
- EBITDA for Q2 2021 was USD 45.2 million and EBITDA adjusted for finance lease effects was USD 64.8 million. For the first half 2021, EBITDA was USD 87.5 million and EBITDA adjusted for finance lease effects was USD 127.7 million.
- Net profit for the period Q2 2021 was USD 26.2 million. Adjusted net profit for Q1 2021 was USD 24.3 million. For the first half 2021, net profit was USD 47.7 million and adjusted net profit was USD 44.0 million.
- Agreed to acquire 50% equity interest in three Suezmax tankers with long-term charter from Aker Capital AS.
- Navig8 Ltd. and Navig8 Chemical Tankers Inc. declared the five year purchase options for the vessels *Navig8 Constellation* and *Navig8 Tanzanite*.
- Okeanis Eco Tankers Corp., declared options to sell two VLCCs to an unrelated third party.
- The bond issue OCY04, which had NOK 450 million outstanding and final maturity in September 2021, was prepaid in full during the second quarter.
- Post quarter end, Ocean Yield agreed to acquire 49.9% equity interest in one 15,300 TEU newbuilding container vessel with 18-year charter.
- Signed a refinancing of one loan facility relating to four feeder container vessels, which will result in an additional USD 17 million of liquidity.

Lars Solbakken, CEO of Ocean Yield, said in a comment:

“We are pleased to report a strong net profit for the second quarter and another increase in dividends. With a sound balance sheet and liquidity position, the Company is well positioned for future growth.”

SELECTED KEY FINANCIAL FIGURES

Amounts in USD million	1st Quarter 2021	2nd Quarter 2021	2nd Quarter 2020	1st Half 2021	1st Half 2020	Jan - Dec 2020
Revenues and other income	45.7	47.3	90.0	93.0	151.3	258.8
EBITDA*	42.3	45.2	86.3	87.5	142.7	241.2
EBITDA adjusted for finance lease effects*	62.9	64.8	86.0	127.7	167.7	311.1
Net profit (loss) for the period	21.5	26.2	16.5	47.7	14.9	(141.3)
Adjusted Net profit*	19.7	24.3	21.2	44.0	36.4	77.9
Adjusted Net profit from continuing operations*	21.5	25.5	24.0	47.0	42.1	88.2
Equity ratio	29.2 %	31.3 %	29.6 %	31.3 %	29.6 %	27.9 %
EBITDA charter backlog (USD bn)*	2.9	2.8	3.2	2.8	3.2	2.9
Dividend declared per share (USD)	0.0545	0.0570	0.0500	0.1115	0.1000	0.2045

* Definitions on page 22

MAIN EVENTS DURING THE SECOND QUARTER AND POST QUARTER END

Dividends

- The Board of Directors has declared a quarterly dividend payment of USD 5.70 cents per share for Q2 2021. The dividend will be paid on or about 26th July 2021 to shareholders as of 14th July 2021 registered with the Norwegian Central Securities Depository (the "VPS") as of 16th July 2021 (the "Record Date"). The ex-dividend date will be 15th July 2021.

New Investments

- In June, Ocean Yield entered into an agreement with Aker Capital AS ("Aker") whereby Ocean Yield will acquire 50% of three Suezmax tankers currently owned 50/50 by Aker and Ocean Yield. After closing of the transaction, Ocean Yield will own 100% of the vessels, which have long-term charters to Nordic American Tankers Ltd. Total book value for the vessels as of Q2 2021 was approximately USD 107 million and Ocean Yield will pay USD 5.9 million for Aker's 50% share of the equity in the company. The transaction is conducted on arm's lengths basis and in accordance with the Company's principles for related party transactions. Skandinaviska Enskilda Banken AB has provided a fairness opinion for Ocean Yield. Closing of the transaction has been done in the third quarter.
- Post quarter end, Ocean Yield agreed to acquire 49.9% equity interest in one dual-fuel LNG newbuilding container vessel with 18-year bareboat charter to a major European container line. The vessel, with a capacity of 15,300 TEU, is under construction at Hyundai Heavy Industries in South Korea and is expected to be delivered in Q3 2022. The investment will be made through Box Holdings Inc., a joint venture between Ocean Yield and Quantum Pacific Shipping formed in 2016, which already owns six mega container vessels with long-term charters. The investment will be funded with a combination of cash and debt in Box Holdings Inc. and is subject to final documentation. Please also refer to the comments around funding later in this report.

Portfolio update

- Navig8 Chemical Tankers Inc. ("Navig8 Chemical Tankers"), who is the charterer of the chemical tanker *Navig8 Tanzanite*, declared the five-year purchase option on the vessel. The vessel will be delivered to Navig8 Chemical Tankers in Q4 2021. Ocean Yield expects to receive net cash proceeds after repayment of debt of about USD 12 million upon delivery.
- Navig8 Ltd. who is the charterer of the chemical tanker *Navig8 Constellation* declared the five-year purchase option on the vessel. The vessel will be delivered to Navig8 Ltd. in Q4 2021. Ocean Yield expects to receive net cash proceeds after repayment of debt of about USD 2.3 million upon delivery.
- Okeanis Eco Tankers Corp. ("Okeanis Eco Tankers"), who is the charterer of the VLCCs *Nissos Santorini*

and *Nissos Antiparos* declared an option in the charter contract to sell the vessels to third parties. Delivery of the vessels is expected to take place during Q3 and Q4 2021. Ocean Yield will receive gross proceeds of about USD 138 million and record a small book profit from the sales. Net cash proceeds after repayment of outstanding debt will be about USD 30 million. Further, certain amendments have been agreed to the bareboat charters for two other vessels chartered by Okeanis Eco Tankers, to reflect a change of the sub-charterer of these vessels.

- The intention is to reinvest the net cash proceeds from vessel sales into new vessels with long-term charters.
- With regards to the sale of the FPSO *Dhirubhai-1*, discussions with potential interested parties are continuing, but so far no sale has been concluded. The FPSO has been classified as held for sale beyond the one-year period defined in IFRS 5 as the sales discussions are continuing.

Funding

- Box Holdings Inc. is working on a refinancing of the bank debt relating to the six mega container vessels it currently owns, which is expected to release a significant cash amount that can be made available for new investments and/or cash release to Ocean Yield. It is expected that this refinancing will close during Q3 2021.
- In two separate transactions, the Company has pre-paid the bonds outstanding under the bond issue OCY04 in full. In total, NOK 450 million has been pre-paid and settlement took place in April and June 2021.
- Post quarter end, Ocean Yield has signed a loan agreement to increase the financing related to the four feeder container vessels on long-term charter to CMB NV. The loan facility has been increased with approximately USD 17 million and the maturity date has been extended until 2027. Closing is expected to take place in Q3 2021.

SECOND QUARTER FINANCIAL REVIEW

Profit and Loss items

- Operating revenues** were USD 17.2 million in Q2 2021 compared with USD 16.1 million in Q1 2021. The increase compared to the first quarter is mainly due to USD 0.8 million higher revenues on the vessels *Far Senator* and *Normand Statesman*, where both vessels are trading in a pool operated by Solstad Offshore ASA.
- Finance lease revenues** were USD 21.3 million in Q2 2021 compared with USD 22.3 million in Q1 2021. The decrease is mainly related to sale of dry-bulk vessels.

- **Income from investment in associates**, which is related to the 50.0% ownership in seven tankers on long-term charters and 49.9% ownership in six mega container vessels on long-term charters, were USD 5.9 million in Q2 2021 compared with USD 5.8 million in Q1 2021.
- **Other revenues** were USD 3.0 million and is related to the sale of dry-bulk vessels and minor amendments to the finance-lease on one VLCC.
- **Total revenues and other income** for Q2 2021 were hence USD 47.3 million compared with USD 45.7 million for Q1 2021 million.
- **Vessel operating expenses** were USD 0.2 million in Q2 2021 compared with USD 0.7 million in Q1 2021. The operating expenses are related to the vessel *Connector*, which was sold in the fourth quarter. The expenses recognized in the second quarter is related to final payments on the ship management contract with Solstad Offshore ASA.
- **Depreciation and amortization** were USD 7.3 million in Q2 2021, compared with USD 7.3 million in Q1 2021.
- **Operating profit** was USD 37.9 million in Q2 2021, compared with USD 35.0 million in Q1 2021.
- **Financial income** was USD 0.7 million in Q2 2021 compared with USD 0.7 million in Q1 2021. This is mainly related to guarantee fees in connection with joint-ventures and interest income from cash deposits.
- **Financial expenses** were USD 12.9 million in Q2 2021, compared with USD 14.1 million in Q1 2021. The reduction is mainly due to lower interest bearing debt as a result of vessel sales and prepayment of bonds.
- **Foreign exchange gains** were USD 1.1 million in Q2 2021, compared with a loss of USD 0.4 million in Q1 2021. The foreign exchange movements are mainly a result of fluctuations in the USD/NOK exchange rate, as Ocean Yield's bond loans are denominated in NOK.
- **Change in fair value of financial instruments** was positive with USD 0.8 million in Q2 2021 compared with a positive movement of USD 2.8 million in Q1 2021. This is mainly related to the Company's cross currency swaps, which have been used to swap NOK exposure into USD.
- **The Net profit before tax** in Q2 2021 was USD 27.7 million compared with a net profit before tax of USD 24.2 million for Q1 2021.
- **Tax payable** was negative USD 0.2 million in Q2 2021 compared with USD 0.2 million in Q1 2021.
- **Change in deferred tax** was USD 0.0 million in Q2 2021, compared with negative USD 0.7 million in Q1 2021.
- **The Net profit from continuing operations** for Q2 2021 was USD 27.4 million compared with USD 23.3 million for Q1 2021.
- **Net profit from discontinued operations (net of tax)**, which is related to the FPSO *Dhirubhai-1* (currently in lay-up), was negative USD 1.2 million in Q2 2021 com-

pared with negative USD 1.8 million in Q1 2021. As the FPSO is classified as an asset held for sale, the vessel is not subject to quarterly depreciation.

- **Net profit for the period** Q2 2021 was USD 26.2 million compared with a net profit for the period of USD 21.5 million for Q1 2021. Adjusted for currency fluctuations, change in fair value of financial instruments and change in deferred tax, the adjusted net profit was USD 24.3 million as compared with USD 19.7 million in Q1 2021.

Balance sheet items

- **Vessels and equipment** was USD 536.6 million in Q2 2021 compared with USD 543.9 million in Q2 2021. The decrease compared with the first quarter is related to ordinary depreciation of vessels on operating leases.
- **Investments in associates**, which includes 49.9% interest in six mega container vessels and 50% interest in seven tankers on long-term charter, was USD 185.8 million in Q2 2021 compared with USD 185.6 million in Q1 2021.
- **Finance lease receivables and related assets, including short term portion** were USD 1,247.5 million in Q2 2021 compared with USD 1,322.0 million in Q1 2021. The decrease is mainly related to the sale of vessels completed during the second quarter in addition to ordinary repayments under finance lease agreements.
- **Restricted cash deposits** were USD 1.1 million compared with USD 0.7 million in Q1 2021. The cash deposits are posted as collateral with banks for the Company's cross currency swaps related to unsecured bond loans.
- **Cash & cash equivalents** at the end of Q2 2021 were USD 101.2 million, compared with USD 127.1 million at the end of Q1 2021. In addition, USD 0.3 million of cash is included in *Assets held for sale*. The Company had undrawn credit lines available in an amount of USD 44.1 million at the end of the quarter. Hence, total available liquidity was USD 145.6 million at the end of the quarter.
- **Assets held for sale** were USD 53.5 million compared with USD 53.7 million in Q1 2021. This amount is related to the FPSO *Dhirubhai-1*. Included in the USD 53.5 million is the book value of the FPSO of USD 51.4 million, trade receivables and other assets of USD 1.8 million and cash of USD 0.3 million.
- **Book equity** was USD 668.1 million at the end of Q2 2021, compared with USD 655.1 million at the end of Q1 2021. The equity ratio was 31.3% at the end of Q2 2021 compared with 29.2% in Q1 2021.
- **Interest bearing long-term debt** was USD 1,101.7 million compared with USD 1,189.2 million in Q1 2021. The decrease is mainly related to the sale of vessels, ordinary debt repayments and prepayment of bonds.
- **Interest bearing short-term debt** was USD 330.6 million in Q2 2021 compared with USD 364.2 million in Q1 2021.

- **Fair value of derivatives, including the long- and short-term portion** was USD 15.3 million in Q2 2021 compared with USD 16.1 million in Q1 2021. The decrease compared with the first quarter is mainly a result of the movements in the USD/NOK exchange rate, which affects the fair value of the Company's cross currency swaps related to unsecured bond loans denominated in NOK.
- **Total assets** were USD 2,131.9 million in Q2 2021, compared with USD 2,243.1 million in Q1 2021.

Cash flow

- **Net cash flow from operating activities** was USD 51.0 million in Q2 2021 compared with USD 43.6 million in Q1 2021.
- **Net cash flow from investing activities** was positive USD 58.0 million compared with USD 41.9 million in Q1 2021. The figures in the first and second quarter are mainly due to sale of vessels.
- **Net cash flow from financing activities** was negative USD 134.8 million compared with USD 71.0 million in Q1 2021. The figure in Q2 2021 is mainly related to repayment of debt due to vessel sales, ordinary debt repayments, prepayment of bonds, dividends on common shares and dividends on hybrid capital.
- **Net change in cash and cash equivalents** was negative USD 25.9 million in the second quarter, mainly due to prepayment of bonds.

YEAR TO DATE FINANCIAL REVIEW

- **Total revenues and other income** for the first half 2021 were USD 93.0 million compared with USD 151.3 million in the first half of 2020. The comparable figure for the first half of 2020 includes a one-off insurance claim on the vessel *Höegh Xiamen* of USD 27.4 million. In addition, the reduction can be explained by the sale of several vessels in the second half of 2020 and the establishment of a joint-venture with Aker Capital AS for 7 tankers.
- **Depreciation** was USD 14.6 million, compared with USD 24.9 million in the first six months of 2020. The decrease is mainly related to sale of vessels accounted for as operating leases and the establishment of a joint venture with Aker Capital AS for 7 tankers.
- **Impairment charges and other non-recurring items** were USD 0.0 million in the first half of 2021 compared with 27.7 in the first half of 2020. The impairment in 2020 is related to the constructive total loss on the vessel *Höegh Xiamen*.
- **Operating Profit** was USD 72.9 million as compared with USD 90.2 million for the first half of 2020.
- **Financial Income** was USD 1.5 million in the first half

of 2021 compared with USD 0.4 million in the first half of 2020. Financial income is mainly related to interest income on cash deposits and guarantee fees related to joint-ventures.

- **Financial expenses** were USD 27.0 million compared with USD 51.7 million in the first half of 2020. The decrease is mainly related to sale of vessels, repayment of debt and repayment of bond loans. Also, included in the figure for the first half 2020 is a one-off expense of USD 3.6 million related to break cost of one vessel related loan, which was converted from a fixed NOK interest rate loan into floating USD.
- **Foreign exchange gains** were USD 0.8 million in the first half 2021 compared with a loss of USD 6.7 million in the first half of 2020.
- **Change in fair value of financial instruments** was positive USD 3.6 million compared with a negative change of USD 9.6 million in the first half of 2020.
- **Net profit before tax** was USD 51.9 million for the first half of 2021 compared with USD 22.6 million for the first half of 2020.
- **Tax payable** was negative USD 0.4 million in the first half 2021 compared with negative USD 0.7 million in first half 2020.
- **Change in deferred tax** was negative USD 0.7 million for the first half of 2021 compared with negative 1.4 million in the first half of 2020.
- **Loss from discontinued operations** was USD 3.0 million in the first half 2021 compared to USD 5.6 million in the first half of 2020.
- **Net profit for the period (including discontinued operations)** was USD 47.7 million for the first half of 2021 compared with USD 14.9 million for the first half of 2020.

Cash flow

- **Net cash flow from operating activities** was USD 94.6 million compared with USD 54.2 million for the first half 2020.
- **Net cash flow from investing activities** was positive USD 99.9 million compared with negative USD 35.8 million in the first half 2020. The figure in 2021 is mainly explained by sale of vessels, while the figure for the first half 2020 is explained by a combination of new investments and vessel sales.
- **Net cash flow from financing activities** was negative USD 205.8 million compared with negative USD 87.9 million in the first half 2020. The figure in the first half 2021 is mainly explained by repayment of debt of USD 309.9 million, including prepayment of bonds, new interest bearing debt of USD 127.5 million, dividends on common shares of USD 18.8 million and dividends on hybrid capital of USD 4.2 million.

- **Net change in cash and cash equivalents** was negative USD 11.3 million in the first half 2021.

CHARTER BACKLOG

The EBITDA charter backlog at the end of Q2 2021 was USD 2.8 billion with an average remaining contract duration of 8.3 years. This includes Ocean Yield's pro-rata interest in vessels owned in joint ventures. The total fleet, counted 63 vessels at the end of the second quarter, which includes wholly and partly owned vessels.

RISKS

The Company's fleet is fixed on long-term bareboat charters with fixed rates (only subject to interest-rate clause adjustments) and is as such not affected by market fluctuations. However, for two AHTS vessels the Company is exposed to market rates, as these vessels are trading on variable, market related rates with Solstad Offshore ASA.

Several opportunities are under evaluation for the FPSO *Dhirubhai-1*. If an acceptable solution is not found there is a risk for further impairment of the book value of this unit.

The Company is also exposed to a number of other risks, including counterparty-, financing-, interest rate-, currency-, impairment- and residual value risk related to its vessels.

For a more detailed description of risk factors, please refer to the annual report for 2020, which is available on www.oceanyield.no.

OUTLOOK

The strong markets for dry-bulk carriers and container vessels are continuing to reduce counterparty risk in the portfolio. The fundamentals in the tanker market are looking positive and the Company expects a stronger tanker market towards the end of the year.

Ocean Yield has a sound balance sheet and a strong liquidity position. As such, the Company has increased investment capacity and will focus on further growth in the second half of the year. The Board of Directors expect to continue to gradually increase the dividend going forward.

Fornebu, 12th July 2021

Ocean Yield ASA



Frank O. Reite
Chairman



Anne Christin Døvingen
Director



Kjell Inge Røkke
Director



Jens Ismar
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DIRECTOR'S RESPONSIBILITY STATEMENT

Today, the Board of Directors and the company's Chief Executive Officer reviewed and approved the interim financial report and the unaudited condensed interim consolidated financial statements for the second quarter and the first half year of 2021. The interim, condensed, consolidated financial statements have been prepared and presented in accordance with IAS 34 Interim Financial Reporting as endorsed by the EU, and the additional requirements found in the Norwegian Securities Trading Act.

To the best of our knowledge:

The interim, condensed, consolidated financial statements for the second quarter and the first half of 2021 have been

prepared in accordance with applicable accounting standards. The interim, condensed, consolidated financial statements provide a true and fair picture of the Company's assets, liabilities, financial position, and profit as of 30th June 2021. The interim financial report for the first six months of 2021 also includes a fair overview of the development and performance of the business, and it provides a true and fair description of the most important risks and uncertainties the group may face.

Fornebu, 12th July 2021

Ocean Yield ASA



Frank O. Reite
Chairman



Anne Christin Døvingen
Director



Kjell Inge Røkke
Director



Jens Ismar
Director



Annicken Gann Kildahl
Director



Lars Solbakken
CEO



OCEAN YIELD ASA GROUP CONDENSED CONSOLIDATED FINANCIAL STATEMENT FOR THE SECOND QUARTER AND FIRST HALF 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Amounts in USD million	Note	1st Quarter 2021	2nd Quarter 2021	2nd Quarter 2020	1st Half 2021	1st Half 2020	Jan - Dec 2020
Operating lease revenue		16.1	17.2	26.0	33.3	49.4	95.5
Finance lease revenue		22.3	21.3	31.1	43.6	64.1	112.4
Income from investments in associates		5.8	5.9	5.5	11.7	10.4	22.4
Other income		1.4	3.0	27.4	4.4	27.4	28.5
Total revenues and other income	5	45.7	47.3	90.0	93.0	151.3	258.8
Vessel operating expenses		(0.7)	(0.2)	(2.2)	(0.8)	(4.0)	(7.9)
Wages and other personnel expenses		(1.8)	(1.3)	(1.2)	(3.1)	(3.0)	(6.0)
Other operating expenses		(0.8)	(0.7)	(0.2)	(1.5)	(1.6)	(3.6)
Depreciation and amortization	8	(7.3)	(7.3)	(12.4)	(14.6)	(24.9)	(45.7)
Impairment charges	8	-	-	(27.7)	-	(27.7)	(62.2)
Loss from sale of vessels		-	-	-	-	-	(70.7)
Operating profit (loss)		35.0	37.9	46.2	72.9	90.2	62.5
Financial income		0.7	0.7	0.1	1.5	0.4	2.1
Financial expenses		(14.1)	(12.9)	(25.8)	(27.0)	(51.7)	(84.7)
Foreign exchange gains/losses		(0.4)	1.1	(54.8)	0.8	(6.7)	(39.7)
Change in fair value of financial instruments	7	2.8	0.8	54.8	3.6	(9.6)	26.8
Net financial items		(10.9)	(10.2)	(25.7)	(21.1)	(67.5)	(95.4)
Net profit (loss) before tax		24.2	27.7	20.5	51.9	22.6	(32.9)
Tax payable		(0.2)	(0.2)	(0.4)	(0.4)	(0.7)	(0.4)
Change in deferred tax		(0.7)	(0.0)	(0.9)	(0.7)	(1.4)	(2.9)
Net profit (loss) from continuing operations		23.3	27.4	19.2	50.7	20.5	(36.1)
Net profit (loss) from discontinued operation, net of tax	6	(1.8)	(1.2)	(2.8)	(3.0)	(5.6)	(105.1)
Net profit (loss) for the period		21.5	26.2	16.5	47.7	14.9	(141.3)
Attributable to:							
Equity holders of the parent		19.4	24.1	13.9	43.5	9.8	(150.9)
Non-controlling interests		-	-	0.2	-	0.1	0.4
Dividends on hybrid capital		2.1	2.1	2.4	4.2	5.0	9.3
Net profit (loss) for the period		21.5	26.2	16.5	47.7	14.9	(141.3)
Weighted average number of shares outstanding		175.2	175.2	175.2	175.2	175.2	175.2
Earnings per share (USD)		0.11	0.14	0.08	0.25	0.06	(0.86)
Earnings per share (USD), continuing operations		0.12	0.14	0.09	0.27	0.09	(0.26)
Total number of shares outstanding, eksl. treasury shares		175.2	175.2	175.3	175.2	175.3	175.2

TOTAL COMPREHENSIVE INCOME

	1st Quarter 2021	2nd Quarter 2021	2nd Quarter 2020	1st Half 2021	1st Half 2020	Jan - Dec 2020
<i>Amounts in USD million</i>						
Net profit (loss) for the period	21.5	26.2	16.5	47.7	14.9	(141.3)
Other comprehensive income, net of income tax						
Items that will not be reclassified to the income statement						
Remeasurements of defined benefit liability (asset)	-	-	-	-	-	(0.0)
Total for items that will not be reclassified to the income statement	-	-	-	-	-	(0.0)
Items that are or may be reclassified to the income statement						
Share of other comprehensive income from investment in associates	7.3	(1.6)	(1.5)	5.8	(16.9)	(14.7)
Change in fair value of available for sale financial assets	-	-	0.1	-	(0.5)	(0.1)
Currency translation differences	-	-	(0.0)	-	(0.1)	(0.0)
Total for items that are or may be reclassified to the income statement	7.3	(1.6)	(1.4)	5.8	(17.4)	(14.8)
Total change in other comprehensive income, net of income tax	7.3	(1.6)	(1.4)	5.8	(17.4)	(14.8)
Total comprehensive income for the period	28.8	24.7	15.1	53.5	(2.5)	(156.1)
Attributable to:						
Equity holders of the parent	26.7	22.6	12.4	49.3	(7.6)	(165.8)
Non controlling interests	-	-	0.2	-	0.1	0.4
Dividends on hybrid capital	2.1	2.1	2.4	4.2	5.0	9.3
Total comprehensive income for the period	28.8	24.7	15.1	53.5	(2.5)	(156.1)



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31 March	30 June	30 June	31 December
<i>Amounts in USD million</i>	<i>Note</i>	<i>2021</i>	<i>2021</i>	<i>2020</i>	<i>2020</i>
ASSETS					
Vessels and equipment	8	543.9	536.6	855.2	550.4
Investments in associates		185.6	185.8	173.4	178.0
Finance lease receivables and related assets	9	1 091.6	975.7	1 254.5	1 220.0
Restricted cash deposits		0.7	1.1	26.4	1.3
Other shares and other non-current assets		3.2	2.7	2.0	1.6
Deferred tax assets		0.1	-	-	0.0
Total non-current assets		1 825.1	1 701.9	2 311.4	1 951.2
Finance lease receivables, short term portion	9	230.4	271.8	193.1	164.2
Trade and other interest-free receivables		6.9	3.4	31.4	4.2
Cash and cash equivalents		127.1	101.2	106.4	112.7
Current assets		364.3	376.4	331.0	281.1
Assets held for sale	6	53.7	53.5	154.6	54.0
Total current assets		418.0	430.0	485.6	335.1
Total assets		2 243.1	2 131.9	2 797.0	2 286.3
EQUITY AND LIABILITIES					
Share capital		271.0	271.0	271.0	271.0
Treasury shares		(0.1)	(0.1)	(0.0)	(0.0)
Other paid-in capital		226.0	214.4	366.1	237.3
Total paid-in capital	13	497.0	485.3	637.1	508.3
Retained earnings and translation reserves		33.1	57.8	51.8	4.4
Total equity attributable to equity holders of the parent		530.1	543.1	688.8	512.7
Hybrid capital		125.0	125.0	125.0	125.0
Non controlling interests		-	-	12.7	0.0
Total equity		655.1	668.1	826.6	637.7
Interest-bearing long-term debt	12	1 189.2	1 101.7	1 554.1	1 139.0
Deferred tax liabilities		5.9	5.8	3.9	5.2
Mobilization fee and advances		0.6	0.5	2.5	0.6
Fair value of derivatives	7	12.0	11.9	42.5	13.7
Finance lease liabilities		0.5	0.4	0.9	0.6
Total non-current liabilities		1 208.2	1 120.4	1 604.0	1 159.2
Interest-bearing short-term debt	12	364.2	330.6	335.9	471.8
Fair value of derivatives	7	4.2	3.5	13.3	5.3
Trade and other payables		10.0	8.0	14.6	10.1
Current liabilities		378.4	342.1	363.7	487.2
Liabilities directly associated with the assets held for sale	6	1.4	1.3	2.7	2.2
Total current liabilities		379.8	343.4	366.4	489.4
Total liabilities		1 588.0	1 463.8	1 970.4	1 648.6
Total equity and liabilities		2 243.1	2 131.9	2 797.0	2 286.3

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>Amounts in USD million</i>	Share Capital	Share Premium	Treasury Shares reserve	Fair value reserve	Translation reserve	Retained earnings	Share-holders equity	Hybrid capital	Non controlling interests	Total equity
Balance at 31st December 2019	271.0	366.1	(0.4)	(11.9)	(42.0)	155.6	738.4	125.0	13.2	876.6
Profit for the period	-	-	-	-	-	14.8	14.8	-	0.1	14.9
Other comprehensive income	-	-	-	(0.5)	(0.1)	(16.9)	(17.4)	-	-	(17.4)
Total comprehensive income	-	-	-	(0.5)	(0.1)	(2.0)	(2.6)	-	0.1	(2.5)
Dividend	-	-	-	-	-	(42.1)	(42.1)	-	(0.5)	(42.6)
Dividend on hybrid capital	-	-	-	-	-	(5.0)	(5.0)	-	-	(5.0)
Treasury shares acquired	-	-	(0.2)	-	-	-	(0.2)	-	-	(0.2)
Treasury shares sold	-	-	0.5	-	-	(0.2)	0.3	-	-	0.3
Change of functional currency in subsidiaries	-	-	-	-	42.0	(42.0)	0.0	-	-	0.0
Balance at 30th June 2020	271.0	366.1	(0.1)	(12.4)	-	64.2	688.8	125.0	12.7	826.6
Balance at 31st December 2020	271.0	237.4	(0.1)	-	-	4.4	512.7	125.0	-	637.7
Net profit (loss) for the period	-	-	-	-	-	47.7	47.7	-	-	47.7
Other comprehensive income	-	-	-	-	-	5.8	5.8	-	-	5.8
Total comprehensive income	-	-	-	-	-	53.5	53.5	-	-	53.5
Dividend	-	(18.8)	-	-	-	-	(18.8)	-	-	(18.8)
Dividend on hybrid capital	-	(4.2)	-	-	-	-	(4.2)	-	-	(4.2)
Treasury shares acquired	-	-	(0.4)	-	-	-	(0.4)	-	-	(0.4)
Treasury shares sold	-	(0.0)	0.3	-	-	-	0.3	-	-	0.3
Other	-	0.2	-	-	-	(0.1)	0.1	-	-	0.1
Balance at 30th June 2021	271.0	214.5	(0.2)	-	-	57.8	543.1	125.0	-	668.1



CONSOLIDATED STATEMENT OF CASH FLOWS

	1st Quarter 2021	2nd Quarter 2021	2nd Quarter 2020 <i>Restated*</i>	1st Half 2021	1st Half 2020 <i>Restated*</i>	Jan - Dec 2020
<i>Amounts in USD million</i>						
Net profit (loss) for the period	21.5	26.2	16.5	47.7	14.9	(141.3)
Income tax expense	0.9	0.3	1.2	1.2	2.1	3.3
Depreciation and amortization	7.3	7.3	12.4	14.6	24.9	45.8
Impairment charges and other non-recurring items	-	-	27.7	-	27.7	157.0
Loss from sale of vessel	-	-	-	-	-	69.8
Repayment on finance lease receivables	20.6	19.6	27.1	40.2	52.4	97.1
Income from investments in associates	(5.8)	(5.9)	(5.5)	(11.7)	(10.4)	(22.4)
Dividend received from investments in associates	0.3	9.3	4.1	9.6	8.6	18.1
Net interest expenses (+)	13.2	11.8	21.6	25.0	46.9	77.5
Interest paid	(12.5)	(10.8)	(23.9)	(23.3)	(49.6)	(79.0)
Interest received	0.7	0.7	0.4	1.5	1.1	2.4
Unrealized foreign exchange gain/loss	0.2	0.5	18.3	0.7	(30.2)	(2.3)
Change in fair value of financial instruments	(2.8)	(0.8)	(54.8)	(3.6)	9.6	(26.8)
Other changes in operating activities	0.0	(7.3)	(32.5)	(7.2)	(43.7)	(48.1)
Net cash flow from operating activities	43.6	51.0	12.5	94.6	54.2	151.1
Acquisition of vessels and equipment	(0.8)	0.0	(0.1)	(0.8)	(0.3)	(4.2)
Sale of vessel	-	-	-	-	-	73.5
Sale of vessels (de-consolidation of subsidiary)	-	-	-	-	-	80.9
Proceeds from Insurance claim	-	-	-	-	-	26.3
Acquisition of vessels accounted for as finance lease receivables	-	-	(26.1)	-	(66.9)	(91.1)
Sale of vessel accounted for as finance lease	41.8	57.7	26.5	99.5	26.5	69.2
Investments in other non-current assets	1.1	-	(0.0)	1.1	(0.0)	1.9
Net change in Investment in associated companies	-	-	10.2	-	10.2	10.2
Net change in long-term interest-bearing receivables	(0.1)	0.3	28.4	0.1	(5.3)	19.8
Net cash flow from investing activities	41.9	58.0	38.9	99.9	(35.8)	186.5
Proceeds from issuance of long-term interest-bearing debt	127.6	(0.1)	35.6	127.5	121.8	195.1
Repayment of long-term interest-bearing debt	(187.0)	(123.0)	(77.0)	(309.9)	(161.9)	(480.8)
Repayment of long-term interest-bearing debt (de-consolidation of subsidiary)	-	-	-	-	-	(50.9)
Repayment on finance lease liabilities	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)	(0.3)
Dividend paid	(9.3)	(9.6)	(8.8)	(18.8)	(42.1)	(60.0)
Dividend on hybrid capital	(2.1)	(2.1)	(2.4)	(4.2)	(5.0)	(9.3)
Dividend paid to non-controlling interests	-	-	-	-	(0.5)	(0.5)
Net change in treasury shares	(0.2)	0.0	0.1	(0.2)	0.1	0.0
Net cash flow from financing activities	(71.0)	(134.8)	(52.6)	(205.8)	(87.9)	(406.7)
Net change in cash and cash equivalents	14.5	(25.9)	(1.2)	(11.3)	(69.5)	(69.0)
Exchange rate differences	(0.1)	(0.2)	1.0	(0.2)	(3.7)	(2.0)
Cash and cash equivalents at beginning of the period	112.7	127.1	106.8	112.7	185.5	185.5
Non-controlling interests' share of cash at time of de-consolidation	-	-	-	-	-	(1.2)
Change in cash reported with assets held for sale	(0.1)	0.2	(0.3)	0.1	(5.9)	(0.4)
Cash and cash equivalents at the end of the period	127.1	101.2	106.4	101.2	106.4	112.7

*Repayment on finance lease receivables has been moved from Cashflow from investing activities to Cashflow from operating activities

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT FOR OCEAN YIELD ASA FOR THE SECOND QUARTER AND FIRST HALF 2021

NOTE 1 INTRODUCTION

Ocean Yield is a company domiciled in Norway. The condensed consolidated interim financial statements for the first quarter and six months ending 30th June 2021 comprise Ocean Yield and its subsidiaries (together referred to as the “Group”).

The consolidated financial statements of the Group for the year ended 31st December 2020 and quarterly reports are available at www.oceanyield.no.

NOTE 2 STATEMENT OF COMPLIANCE

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by EU, and the Norwegian additional requirements in the Securities Trading Act. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as of and for the year ended 31st December 2020.

These condensed consolidated interim financial statements, which have not been subject to audit or review by independent accountants, were approved by the Board of Directors on 12th July 2021.

NOTE 3 SIGNIFICANT ACCOUNTING PRINCIPLES

Accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as of and for the year ended 31st December 2020.

NOTE 4 ESTIMATES

The preparation of interim financial statements requires management to make judgments, estimates and assumptions 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 most significant judgments made by management in preparing these condensed consolidated interim financial statements in applying the Group's accounting policies, and the key sources of estimation uncertainty, are the same as those applied to the consolidated financial statements as of the year ended 31st December 2020.



NOTE 5 OPERATING SEGMENTS

Ocean Yield identifies segments based on the Group's management and internal reporting structure.

Operating profit	1st Quarter	2nd Quarter	2nd Quarter	1st Half	1st Half	Jan - Dec
<i>Amounts in USD million</i>	2021	2021	2020	2021	2020	2020
Tankers	11.4	12.4	18.3	23.7	37.7	62.1
Container vessels	6.9	7.0	7.6	13.9	14.6	28.9
Car Carriers	4.8	4.9	5.9	9.7	12.4	22.4
Other Shipping	10.0	9.7	9.4	19.7	18.6	37.4
Other Oil Service*	4.5	6.0	6.9	10.5	11.4	(79.0)
Other companies and eliminations	(2.6)	(2.0)	(2.0)	(4.6)	(4.5)	(9.2)
Operating profit	35.0	37.9	46.2	72.9	90.2	62.5

*The segment Other Oil Service includes an impairment of USD 34.6 million in Q3 2020 and a loss from sale of vessels of USD 70.7 million in Q4 2020.

NOTE 6 DISCONTINUED OPERATIONS AND HELD FOR SALE ASSETS

The FPSO *Dhirubhai-1* is being marketed for sale and was reclassified as an asset held for sale as from Q1 2020, and the FPSO segment, which only relates to the FPSO *Dhirubhai-1* has been presented as 'discontinued operations'.

The FPSO has been classified as held for sale beyond the one-year period defined in IFRS 5. Discussions with potential interested parties are continuing, but no sale has so far

been concluded. If a sale is not concluded within a reasonable time period, the vessel can no longer be accounted for as held for sale.

Results from discontinued operations

	1st Quarter	2nd Quarter	2nd Quarter	1st Half	1st Half	Jan - Dec
<i>Amounts in USD million</i>	2021	2021	2020	2021	2020	2020
Operating revenues	0.3	0.4	0.1	0.7	0.1	0.3
Total revenues and other income	0.3	0.4	0.1	0.7	0.1	0.3
Vessel operating expenses	(0.8)	(0.7)	(0.9)	(1.5)	(2.3)	(4.4)
Wages and other personnel expenses	(0.5)	(0.3)	(0.3)	(0.8)	(0.5)	(1.1)
Other operating expenses	(0.8)	(0.6)	(1.4)	(1.4)	(2.8)	(4.8)
Depreciation and amortization	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)
Impairment charges and other non recurring items	-	-	-	-	-	(94.8)
Operating profit (EBIT)	(1.8)	(1.2)	(2.5)	(3.0)	(5.5)	(104.9)
Financial income	0.0	0.0	0.0	0.0	0.0	0.0
Financial expenses	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Foreign exchange gains/losses	0.0	0.0	(0.2)	0.1	(0.1)	(0.2)
Net financial items	0.0	0.0	(0.2)	0.1	(0.1)	(0.1)
Net profit before tax	(1.8)	(1.2)	(2.8)	(3.0)	(5.6)	(105.1)
Tax payable	-	-	-	-	-	-
Change in deferred tax	-	-	-	-	-	-
Profit (loss) from discontinued operation, net of tax	(1.8)	(1.2)	(2.8)	(3.0)	(5.6)	(105.1)

Cash flows from discontinued operations

	1st Quarter	2nd Quarter	2nd Quarter	1st Half	1st Half	Jan - Dec
<i>Amounts in USD million</i>	2021	2021	2020	2021	2020	2020
Profit for the period	(1.8)	(1.2)	(2.8)	(3.0)	(5.6)	(105.1)
Income tax expense	-	-	-	-	-	-
Depreciation and amortization	0.0	0.0	0.0	0.0	0.0	0.1
Impairment charges and other non-recurring items	-	-	-	-	-	94.8
Net interest expenses (+)	0.0	(0.0)	(0.0)	0.0	(0.0)	(0.0)
Interest paid	-	-	-	-	(0.0)	(0.0)
Interest received	-	-	-	-	0.0	0.0
Unrealized foreign exchange gain/loss	(0.0)	(0.0)	(0.0)	(0.0)	0.1	0.1
Other changes in operating activities	(0.5)	(0.3)	(2.6)	(0.8)	(17.7)	(13.7)
Net cash flow from operating activities	(2.3)	(1.5)	(5.4)	(3.7)	(23.2)	(23.8)
Acquisition of vessels and equipment	-	-	0.0	-	(0.0)	(0.2)
Net cash flow from investing activities	-	-	0.0	-	(0.0)	(0.2)
Net change in cash and cash equivalents	(2.3)	(1.5)	(5.4)	(3.7)	(23.2)	(23.9)
Intra Group transactions	2.3	1.3	5.6	3.6	22.5	17.6
Exchange rate differences	(0.0)	0.0	0.0	0.0	(0.2)	(0.1)
Cash and cash equivalents at beginning of the period	0.4	0.5	5.7	0.4	6.9	6.9
Cash and cash equivalents at the end of the period	0.5	0.3	5.9	0.3	5.9	0.4

Assets held for sale and related liabilities

At 30th June 2021 assets held for sale were stated at fair value less costs to sell and comprise the following:

	31 March	30 June
<i>Amounts in USD million</i>	2021	2021
Vessels and equipment	51.4	51.4
Trade and other interest-free receivables	1.8	1.8
Cash and cash equivalents	0.5	0.3
Assets held for sale	53.7	53.5
Current provisions (field abandonment)	0.4	0.4
Trade and other payables	0.9	0.9
Liabilities directly associated with the assets held for sale	1.4	1.3

The fair value of the assets held for sale has been categorized as a Level 3 in the fair value hierarchy. The valuation is based on probability weighted average sales prices in different scenarios.

The fair value of the FPSO *Dhirubhai-1* has been calculated based on several possible sale-price scenarios and their assumed probabilities on a weighted average basis. The scenarios are based on recent interest and discussions with interested parties for the FPSO. Discussions with respect to a sale of the vessel are continuing with potential interested parties.

As of Q2 2021 the fair value of the FPSO has been estimated to be USD 51.4 million, which is unchanged from Q1 2021 and no additional impairment or reversal have been made during the first quarter.

The calculation of the fair value is highly sensitive to the probability weighting of the different scenarios. If an acceptable solution is not found for the FPSO within a reasonable time period there is a risk for further impairment of the book value of this unit.

NOTE 7 CHANGE IN FAIR VALUE OF FINANCIAL INSTRUMENTS

All cross currency interest rate swaps are recorded at fair value, and are considered by the Group to be level 2 financial instruments under the fair value hierarchy. The cross currency swaps are used to swap floating rate bond loans denominated in NOK into floating USD interest rates, as Ocean Yield uses USD as its functional currency.

Amounts in USD million	Change Q2 2021	Change 1st Half 2021	Fair value as of 30th June 2021
Cross Currency Interest Rate Swaps	(0.4)	0.7	(11.6)
Interest rate swaps	1.3	3.0	(3.7)
Total	0.8	3.6	(15.3)

Amounts in USD million	Change Q2 2020	Change 1st Half 2020	Fair value as of 30th June 2020
Cross Currency Interest Rate Swaps	53.9	(5.1)	(44.1)
Forward exchange contracts	0.6	0.1	(0.3)
Interest rate swaps	0.2	(4.7)	(11.3)
Total	54.8	(9.6)	(55.8)

NOTE 8 VESSELS AND EQUIPMENT

Material changes in vessels and equipment during 2021:

Amounts in USD million	Tankers	Container vessels	Car Carriers	Other Shipping	Other Oil Service	FPSO	Other/elim	Total
Balance at 1 January 2021	-	-	231.2	143.0	168.0	-	8.2	550.4
Acquisitions	-	-	-	-	0.8	-	(0.0)	0.8
Disposals	-	-	-	-	-	-	-	-
Depreciation	-	-	(5.4)	(2.7)	(5.9)	-	(0.6)	(14.6)
Impairment	-	-	-	-	-	-	-	-
Balance at 30th June 2021	-	-	225.8	140.3	162.9	-	7.7	536.6

Vessels defined as finance leases are not included in Note 8 but included in Note 9 'Finance lease receivables and related assets'.

The FPSO *Dhirubhai-1* has been classified as held for sale from 1st January 2020. Please refer to note 6 for more information.

As of quarter-end the Group has assessed the values of the vessels *Far Senator*, *Normand Statesman* and one of the Group's car carriers. The value in use has been estimated for all vessels and has been calculated based on the present value of estimated future cash flows. The projected cash flows represents management's best estimate for future charter hire for the vessels. The value in use calculations have been placed within level 3 in the fair value hierarchy, as they are based on few observable inputs.

For *Far Senator* and *Normand Statesman* the Company has estimated the charter hire expected to be received from the charter contracts, and this has been applied in the calculation of value in use. In addition the Company has made assumptions regarding the charter hire for the vessels after expiry of the contracts. The estimated cashflows are based on an assumed economic life of the vessels of 25 years.

For the car carrier the charterhire in the bareboat contract has been used for the estimated cashflows. The Company has in addition made assumptions regarding the residual value at the end of the charter contract.

The value in use was calculated using a discount rate of 7.6% p.a. after tax for *Far Senator* and *Normand Statesman* (8.0% p.a. in 2020) and 5.6% p.a. after tax for the Car Carrier (5.3% p.a. in 2020). Implied pre-tax discount rate is equal to the discount rate after tax for *Far Senator* and *Normand Statesman*. For the car carrier the implied pre-tax discount rate is 6.0% p.a.

As of quarter-end the estimated value in use is equal to or higher than the book value of the vessels, and no impairment or reversal of impairment has been recognized. The book value of *Far Senator* and *Normand Statesman* was as of quarter-end USD 81.5 million and the book value for the car carrier was USD 24.8 million.

The calculations of value in use are highly sensitive to the estimated level of future charter rates, the estimated residual values and the estimated useful life of the vessels.



NOTE 9 FINANCE LEASE RECEIVABLES AND RELATED ASSETS

The net finance lease receivables as of 30th June 2021 was as follows:

<i>Amounts in USD million</i>	Tankers	Container vessels	Car Carriers	Other shipping	Other Oil Service	FPSO	Total
<i>Gross finance lease receivable</i>							
Less than one year	205.3	12.1	-	31.5	29.1	-	278.0
One to two years	72.7	12.1	-	30.7	29.1	-	144.5
Two to three years	67.7	12.1	-	29.0	29.1	-	137.9
Three to four years	66.8	12.1	-	28.5	29.1	-	136.4
Four to five years	66.4	12.1	-	28.0	29.1	-	135.5
More than five years	361.2	48.5	-	199.0	36.4	-	645.0
Unguaranteed residual values	131.1	22.2	-	8.9	57.7	-	219.8
Gross finance lease receivable	971.1	131.1	-	355.6	239.4	-	1 697.2
Less: Unearned finance income	(233.9)	(31.0)	-	(89.4)	(94.5)	-	(448.7)
Total finance lease receivables	737.1	100.2	-	266.2	145.0	-	1 248.5
<i>Present value of minimum lease payments</i>							
Less than one year	202.4	11.7	-	30.6	27.0	-	271.8
One to two years	72.5	11.1	-	28.3	36.2	-	148.1
Two to three years	56.7	10.6	-	25.4	16.2	-	108.9
Three to four years	52.7	10.0	-	23.6	13.5	-	99.9
Four to five years	49.4	9.5	-	22.1	11.2	-	92.2
More than five years	230.3	33.4	-	131.3	16.6	-	411.6
Unguaranteed residual values	73.2	13.8	-	5.0	24.2	-	116.1
Total finance lease receivables	737.1	100.2	-	266.2	145.0	-	1 248.5
Pre-delivery instalments	(1.0)	-	-	-	-	-	(1.0)
Total finance lease receivables and related assets	736.1	100.2	-	266.2	145.0	-	1 247.5

The net finance lease receivables as of 30th June 2020 was as follows:

<i>Amounts in USD million</i>	Tankers	Container vessels	Car Carriers	Other shipping	Other Oil Service	FPSO	Total
<i>Gross finance lease receivable</i>							
Less than one year	113.3	12.1	-	41.7	32.6	-	199.6
One to two years	85.4	12.1	-	43.9	26.7	-	168.1
Two to three years	85.5	12.1	-	41.6	31.4	-	170.7
Three to four years	84.8	12.1	-	39.3	29.1	-	165.3
Four to five years	83.7	12.1	-	37.4	29.1	-	162.2
More than five years	519.1	60.6	-	254.9	65.4	-	900.0
Unguaranteed residual values	181.0	22.2	-	21.0	57.7	-	281.9
Gross finance lease receivable	1 152.8	143.2	-	479.7	271.9	-	2 047.6
Less: Unearned finance income	(347.5)	(36.5)	-	(116.1)	(115.4)	-	(615.5)
Total finance lease receivables	805.3	106.7	-	363.6	156.5	-	1 432.1
<i>Present value of minimum lease payments</i>							
Less than one year	110.5	11.7	-	40.5	30.3	-	193.1
One to two years	83.8	11.1	-	40.6	34.1	-	169.7
Two to three years	71.6	10.6	-	36.6	18.3	-	137.1
Three to four years	66.8	10.0	-	32.9	13.6	-	123.3
Four to five years	62.0	9.5	-	29.7	11.2	-	112.4
More than five years	318.6	40.7	-	168.1	27.9	-	555.2
Unguaranteed residual values	91.9	13.0	-	15.2	21.1	-	141.3
Total finance lease receivables	805.3	106.7	-	363.6	156.5	-	1 432.1
Pre-delivery instalments	-	-	-	15.5	-	-	15.5
Total finance lease receivables and related assets	805.3	106.7	-	379.1	156.5	-	1 447.6

Changes to financial leases in 2021

Eneti Inc., previously known as Scorpio Bulk Inc., who has taken a strategic decision to exit the dry-bulk sector, declared options to sell the dry-bulk vessels *SBI Lynx*, *SBI Libra*, *SBI Virgo*, *SBI Cronos* and *SBI Achilles* to unrelated third parties. The sale of two of the vessels was completed during the first quarter and the remaining three during the second quarter. A profit of USD 3.4 million have been recognized from these sales in the first half of 2021.

Navig8 Chemical Tankers who is chartering the chemical tankers *Navig8 Topaz*, *Navig8 Tourmaline* and *Navig8 Tanzanite* declared the five-year purchase option on the vessels. The vessels will be delivered to Navig8 Chemical Tankers in July, October and November 2021.

Navig8 Ltd. who is chartering the chemical tanker *Navig8 Universe* and *Navig8 Constellation*, declared the five-year purchase option on the vessels. The vessels will be delivered to Navig8 Ltd. in October and November 2021.

The leases related to the VLCCs *Nissos Despotiko* and *Nissos Rheina* has been subject to minor amendments, where the repayments in the leases will be accelerated by USD 1.8 million over the next two years. Due to the amendments a gain of USD 1.0 million has been recognized in the second quarter.

Okeanis Eco Tankers, the charterer of the VLCCs *Nissos Santorini* and *Nissos Antiparos*, declared an option in the charter contract to sell the vessels to third parties. Delivery of the vessels is expected to take place during Q3 and Q4 2021.

NOTE 10 INVESTMENTS IN ASSOCIATES

Amounts in USD million	BOX Holdings	OY Holding Suez	OY Holding LR2	Total
Ownership	49.9 %	50.0 %	50.0 %	
Balance 1st January 2021	168.0	6.1	3.8	178.0
Dividends received	(9.0)	(0.5)	(0.2)	(9.6)
Income from investments in associates	10.9	0.4	0.3	11.7
Other comprehensive income from investments in associates	5.8	-	-	5.8
Total investments in associates 30th June 2021	175.8	6.1	4.0	185.8
<i>Carrying amount of investment in associates:</i>				
Non-currents assets	758.0	94.7	108.3	961.1
Current assets	37.6	14.5	14.2	66.3
Non-current liabilities	(399.5)	(88.2)	(105.7)	(593.4)
Current liabilities	(123.7)	(8.9)	(8.9)	(141.6)
Net assets (100%)	272.3	12.1	7.9	292.4
Share of net assets	135.9	6.1	4.0	145.9
<i>Adjustment to carrying value of investment:</i>				
Finance lease receivables	42.8	-	-	42.8
Adjustment to interest-bearing long-term debt	(2.9)	-	-	(2.9)
Carrying amount of investments in associates 30th June 2021	175.8	6.1	4.0	185.8

In June, Ocean Yield entered into an agreement with Aker whereby Ocean Yield will acquire 50% of three suez-max tankers currently owned 50/50 by Aker and Ocean Yield. After closing of the transaction, Ocean Yield will own 100% of the vessels, which have long-term charters to Nordic American Tankers Ltd. Total book value for the vessels as of Q2 2021 was approximately USD 107 million and Ocean Yield will pay USD 5.9 million for Aker's 50% share of the equity in the company.

The transaction is conducted on arm's lengths basis and in accordance with Ocean Yield's principles for related party transactions. Skandinaviska Enskilda Banken AB has provided a fairness opinion for Ocean Yield. Closing of the transaction has been done in the third quarter.

NOTE 11 CONTRACTUAL OBLIGATIONS

Ocean Yield had as per 30th June 2021 the following contractual obligations related to the purchase of vessels:

<i>Amounts in USD million</i>	Tankers	Container vessels	Car Carriers	Other Shipping	Other Oil Service	FPSO	Total
Already paid	-	-	-	-	-	-	-
Q4 2021	5.5	-	-	-	-	-	5.5
Q1-Q2 2022	82.5	-	-	-	-	-	82.5
Total contractual obligations	88.0	-	-	-	-	-	88.0
Total remaining payments	88.0	-	-	-	-	-	88.0

The obligations above related to the segment 'Tankers', relates to two suezmax newbuilding tankers with 10-year bareboat charters to Nordic American Tankers Ltd. The net purchase price will be up to USD 44 million per vessel after seller's credits of minimum 20%. The vessels are scheduled for delivery during the first half of 2022.

NOTE 12 INTEREST-BEARING DEBT

Material changes in interest-bearing debt (short- and long-term) during 2021:

<i>Amounts in USD million</i>	Tankers	Container vessels	Car Carriers	Other Shipping	Other Oil Service	FPSO	Other/elim	Total
Balance at 1st January 2021	572.2	77.5	128.1	415.8	194.7	-	222.6	1 610.8
New loans	-	-	128.8	-	-	-	-	128.8
Paid loan fees	-	-	(1.3)	-	-	-	-	(1.3)
Instalments	(24.6)	(3.6)	(131.6)	(91.1)	(7.3)	-	(51.7)	(309.9)
Effect of movements in foreign exchange and loan fees amortized	1.1	0.1	0.4	1.2	0.3	-	0.9	3.9
Total interest-bearing liabilities 30th June 2021	548.7	73.9	124.3	326.0	187.7	-	171.7	1 432.3
Long-term	364.0	66.7	111.3	299.5	88.4	-	171.7	1 101.7
1st year instalments	184.6	7.2	13.1	26.4	99.2	-	(0.0)	330.6
Total interest-bearing liabilities 30th June 2021	548.7	73.9	124.3	326.0	187.7	-	171.7	1 432.3
Undrawn facilities	-	-	-	-	44.1	-	-	44.1

In the first quarter, Ocean Yield signed a new loan agreement for a refinancing of the five car carriers on long-term charters to Høegh Autoliners. The loan facility was maturing in June 2021 and has been extended by another four years.

In two separate transactions, the Company has prepaid the bonds outstanding under the bond issue OCY04 in full. In total, NOK 450 million has been prepaid and settlement took place in April and June 2021.



NOTE 13 SHARE CAPITAL AND DIVIDENDS

In Q1 2021 certain members of senior management have acquired a total of 82,000 shares in the Company. The purchase of shares was made as part of the Company's management incentive program.

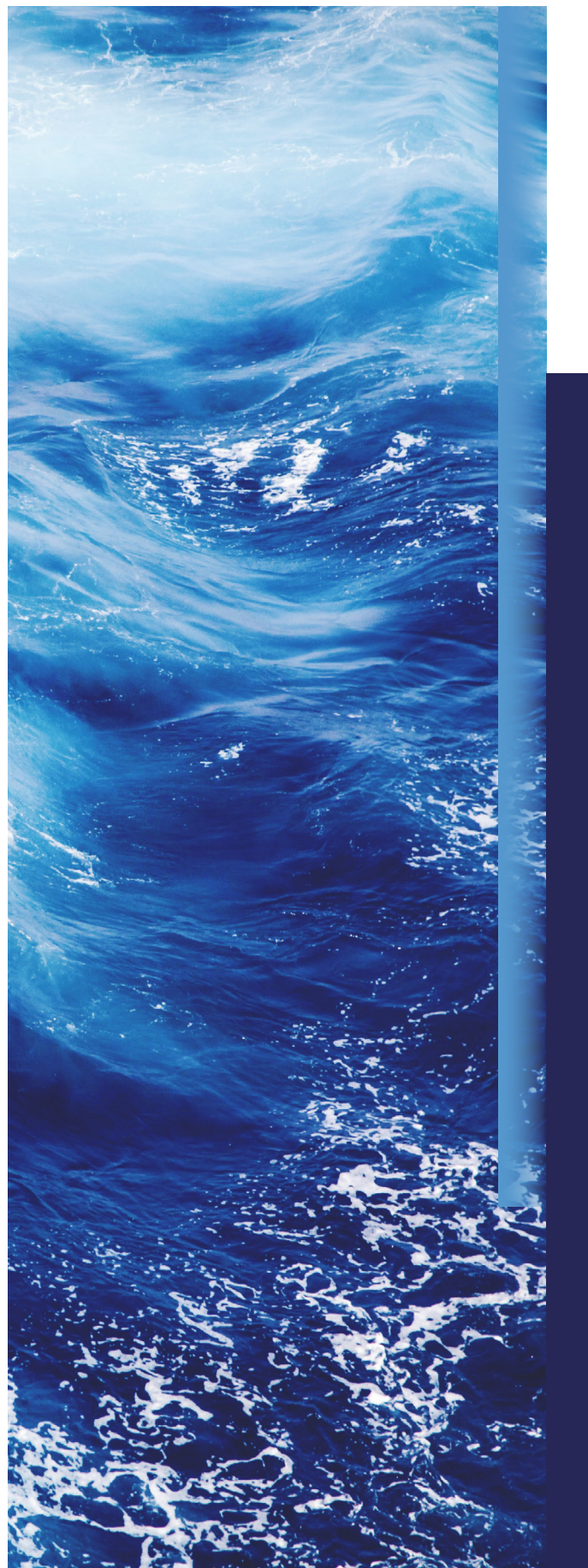
As of 30th June 2021 the Company had a share capital of NOK 1,752,865,750 divided into 175,285,575 ordinary shares, each having a par value of NOK 10.00. Total number of treasury shares held were 70,171.

In Q2 2021, USD 9.6 million was paid in dividends, following the announcement of the Q1 2021 results.

NOTE 14 EVENTS AFTER THE BALANCE SHEET DATE

Post quarter end, Ocean Yield agreed to acquire 49.9% equity interest in one dual-fuel newbuilding container vessel with 18-year bareboat charter to a major European container line. The vessel, with a capacity of 15,300 TEU is under construction at Hyundai Heavy Industries in Korea and is expected to be delivered in Q3 2022. The investment will be made through Box Holdings Inc., a joint venture between Ocean Yield and Quantum Pacific Shipping formed in 2016, which already owns six mega container vessels with long-term charters. The transaction is subject to final documentation.

Post quarter end, Ocean Yield has signed a loan agreement to increase the financing related to the four feeder container vessels on long-term charter to CMB NV. The loan facility has been increased with USD 17 million and the maturity date has been extended until 2027. Closing is expected to take place in Q3 2021.



USE AND RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures are defined as numerical measures that either exclude or include amounts that are not excluded or included in the comparable measures calculated and presented in accordance with GAAP (i.e. IFRS).

The following financial measure may be considered an alternative performance measure:

- EBITDA: Earnings before financial items, income taxes, depreciation, amortization and impairment charges.
- EBITDA adjusted for finance lease effects: EBITDA adjusted for Repayment of finance lease receivables.
- EBIT: Earnings before financial items and income taxes.
- Adjusted net profit from continuing operations: Net profit adjusted for discontinued operations, impairment charges, foreign exchange gains/losses, fair value adjustments of derivatives, changes in deferred tax and non-recurring items.
- EBITDA Charter Backlog: represents the estimated EBITDA backlog from signed contracts. Figures are based on management's estimates which may be subject to change. These include assumptions on certain purchase options in bareboat charter contracts not being exercised, adjustments made for finance lease effects, investments in joint ventures, currency effects and the forward interest rates for floating rate lease agreements.

The Company believes presenting EBITDA, EBITDA adjusted for finance lease effects, EBIT and Adjusted net profit from continuing operations as useful to investors as they provide other useful measures of Ocean Yield's profitability from its operations. Regarding EBITDA adjusted for finance lease effects, the Company believes it is useful for investors to present information showing all vessels accounted for on a consistent basis, as it will more closely reflect the Group's cash flows from operations. Regarding Adjusted net profit from continuing operations, the Company considers Adjusted net profit from continuing operations to be a relevant performance criteria. The net profit is adjusted for significant non-cash and non-recurring items, and the Adjusted net profit from continuing operations is thus a useful measure when it comes to the Company's dividend capacity.

EBITDA and EBIT are disclosed in the condensed consolidated income statement as separate line items. Reconciliation of other alternative performance measures to the financial statements are as follows:

	1st Quarter	2nd Quarter	2nd Quarter	1st Half	1st Half	Jan - Dec
<i>Amounts in USD million</i>	2021	2021	2020	2021	2020	2020
Total revenues and other income	45.7	47.3	90.0	93.0	151.3	258.8
Vessel operating expenses	(0.7)	(0.2)	(2.2)	(0.8)	(4.0)	(7.9)
Wages and other personnel expenses	(1.8)	(1.3)	(1.2)	(3.1)	(3.0)	(6.0)
Other operating expenses	(0.8)	(0.7)	(0.2)	(1.5)	(1.6)	(3.6)
EBITDA	42.3	45.2	86.3	87.5	142.7	241.2
Repayment on finance lease receivables	20.6	19.6	27.1	40.2	52.4	97.1
Other revenue - insurance claim Höegh Xiamen	-	-	(27.4)	-	(27.4)	(27.2)
EBITDA adjusted for finance lease effects	62.9	64.8	86.0	127.7	167.7	311.1

	1st Quarter	2nd Quarter	2nd Quarter	1st Half	1st Half	Jan - Dec
<i>Amounts in USD million</i>	2021	2021	2020	2021	2020	2020
Net profit (loss) for the period	21.5	26.2	16.5	47.7	14.9	(141.3)
Other income - insurance claim Höegh Xiamen	-	-	(27.4)	-	(27.4)	(27.2)
Impairment of Höegh Xiamen	-	-	27.7	-	27.7	27.7
Impairment of Dhirubhai-1	-	-	-	-	-	94.8
Impairment of Connector	-	-	-	-	-	34.6
Loss from sale of Connector	-	-	-	-	-	70.7
Net effects from sale of SBM Installer	-	-	-	-	-	(1.6)
Refinancing Far Senator/Normand Statesman (fixed NOK to floating USD)	-	-	3.6	-	3.6	3.6
Restructuring agreement Far Senator/Normand Statesman	-	-	-	-	-	(1.1)
Foreign exchange gains/losses	0.4	(1.1)	54.8	(0.8)	6.7	39.7
Change in fair value of financial instruments	(2.8)	(0.8)	(54.8)	(3.6)	9.6	(25.5)
Change in deferred tax	0.7	0.0	0.9	0.7	1.4	2.9
Other non-recurring items	-	-	-	-	-	0.7
Adjusted Net profit	19.7	24.3	21.2	44.0	36.4	77.9
Loss from discontinued operation, net of tax	1.8	1.2	2.8	3.0	5.6	10.3
Adjusted Net profit from continuing operations	21.5	25.5	24.0	47.0	42.1	88.2

Attributable to:

Equity holders of the parent	17.6	22.2	18.7	39.8	30.6	67.8
Non-controlling interests	-	-	0.2	-	0.8	0.8
Dividends on hybrid capital	2.1	2.1	2.4	4.2	5.0	9.3
Adjusted Net profit	19.7	24.3	21.2	44.0	36.4	77.9

Attributable to:

Equity holders of the parent	19.4	23.4	21.4	42.8	36.3	78.1
Non-controlling interests	-	-	0.2	-	0.8	0.8
Dividends on hybrid capital	2.1	2.1	2.4	4.2	5.0	9.3
Adjusted Net profit from continuing operations	21.5	25.5	24.0	47.0	42.1	88.2



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