Q2
2019 REPORT

OCEAN YIELD

Contents

SECOND QUARTER AND FIRST HALF YEAR RESULTS 2019

Fornebu, 11th July 2019, Ocean Yield ASA ("Ocean Yield" or the "Company") announces results for the second quarter and first half year ending 30th June 2019.

HIGHLIGHTS

- Declared dividend for Q2 2019 of USD 0.1910 per share. This is the 24th consecutive quarterly dividend.
- EBITDA for Q2 2019 was USD 56.8 million and EBITDA adjusted for finance lease effects was USD 74.5 million.
- Net profit after tax for Q2 2019 was USD 5.3 million. This includes an increase in the provision for decommissioning expenses related to the FPSO of USD 4.5 million. Net profit from vessels with long-term charters was USD 19.2 million and Net Profit from vessels without long-term charter was USD -13.8 million.
- Adjusted net profit was USD 11.3 million.
- Extension of option agreement with Aker Energy AS regarding an option for a long-term bareboat charter of the FPSO *Dhirubhai-1* for oil and gas production in Ghana. The option period was extended until 1st September 2019. Ocean Yield is in parallel pursuing other employment opportunities for the FPSO.
- Acquisition of two modern Ultramax dry bulk vessels for a total consideration of USD 42 million, net of a seller's credit, with 11-year bareboat charters to Scorpio Bulkers Inc.
- Acquisition of one 206,000 dwt Newcastlemax dry bulk newbuilding for a total consideration of USD 40 million net of a seller's credit, with 15-year bareboat charter to CMB NV.
- Delivery of the first two vessels in a series of four newbuilding VLCCs with 15-year bareboat charter to Okeanis Eco Tankers Corp. and with five year sub charter to Koch Shipping Pte. Ltd. Post quarter end, vessel number three has been delivered.

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

"The second quarter was yet another active quarter for Ocean Yield, where we agreed to acquire three new vessels with long-term charter to reputable counterparties, in addition to taking delivery of two VLCCs and extending the option agreement for the FPSO with Aker Energy. The latest dry bulk transactions emphasises Ocean Yield's ability to provide competitive leasing transactions to reputable counterparties. The fleet now counts 61 vessels and we intend to continue to grow the fleet of vessels with long-term charter in order to increase and further diversify the charter backlog".

SELECTED KEY FINANCIAL FIGURES

Amounts in USD million	Q1 2019	Q2 2019	Q2 2018	1st Half 2019	1st Half 2018	2018
Revenues and other income	58.4	**66.5**	95.1	**124.9**	184.3	343.4
EBITDA	51.9	**56.8**	84.3	**108.7**	162.1	282.7
EBITDA adjusted for finance lease effects*	67.8	**74.5**	95.1	**142.2**	181.9	333.6
Net profit after tax	8.4	**5.3**	35.1	**13.7**	68.4	58.4
Adjusted net profit*	8.4	**11.3**	37.9	**19.7**	71.7	121.6
Equity ratio	30.2 %	**28.4 %**	36.1 %	**28.4 %**	36.1 %	31.0 %
EBITDA charter backlog (USD bn)**	3.5	**3.3**	3.6	**3.3**	3.6	3.6
Dividend declared per share (USD)	0.1910	**0.1910**	0.1910	**0.3820**	0.3815	0.7635

**Definition on page 20*

***Definition on page 6*

MAIN EVENTS DURING THE SECOND QUARTER

- The Board of Directors has declared a quarterly dividend payment of USD 0.1910 per share for Q2 2019. The dividend is on an annualized basis equal to USD 0.7640 per share. The dividend will be paid on or about 25th July 2019 to shareholders as of 15th July 2019 registered with the Norwegian Central Securities Depository (the "VPS") as of 17th July 2019 (the "Record Date"). The ex-dividend date will be 16th July 2019.
- Ocean Yield agreed to acquire two modern Ultramax dry bulk vessels for a total consideration of USD 42 million net of seller's credits, with 11-year bareboat charters to Scorpio Bulkers Inc. ("Scorpio Bulkers"). In addition, Ocean Yield committed to part finance the scrubber installation on both vessels, with an additional USD 3 million in aggregate, which is expected in early 2020. The vessels are built in 2017 and were delivered to the Company during the second quarter.

  Scorpio Bulkers is a leading international provider of marine transportation of dry bulk commodities that currently owns and operates a fleet of 57 modern dry bulk vessels, specifically Ultramax and Kamsarmax vessels. Scorpio Bulkers is a publicly listed company and trades on the New York Stock Exchange under the ticker "SALT".
- Ocean Yield also agreed to acquire one 206,000 DWT Newcastlemax dry bulk newbuilding for a total consideration of USD 40 million net of a seller's credit, with 15-year bareboat charter to CMB NV ("CMB"). The vessel is expected to be delivered from the shipyard in Q1 2020. CMB is a maritime group founded in 1895 and based in Antwerp, Belgium, with activities within dry bulk vessels, chemical tankers and container vessels. After taken private in 2015, CMB is now wholly owned by the Saverys family.
- In the second quarter, Ocean Yield took delivery of the first two VLCC newbuildings in a series of four vessels with 15-year bareboat charter to Okeanis Eco Tankers Corp. and five year sub-charter to Koch Shipping Pte. Ltd. Post quarter end, vessel number three has been delivered. The fourth vessel is expected to be delivered during Q3 2019.
- Ocean Yield extended its option agreement with Aker Energy AS ("Aker Energy") until 1st September 2019, where Aker Energy has an option for a long-term bareboat charter of the FPSO *Dhirubhai-1*. Ocean Yield receives a compensation from Aker Energy as payment for the option. Ocean Yield is in parallel pursuing other employment opportunities for the FPSO. In that respect, Ocean Yield has entered into an agreement to perform a fully paid Engineering Study for the potential use of the unit on behalf of a non-related independent oil company.
- The vessel *Connector* has been trading on short-term charters during the quarter, performing subsea installation and cable repair work. The vessel has now been fixed on a new time-charter contract for subsea installation work until the beginning of September.
- The standstill agreement with Solstad Offshore ASA ("Solstad"), which was entered into in December 2018 between Solstad and its secured lenders and lease providers, has been extended until 31st October 2019. According to Solstad, the negotiations for the restructuring of the group are progressing, but more time is required to find a sustainable solution to the financial situation. The terms of the standstill remain unchanged, and to the extent the cash in certain defined subsidiaries exceeds NOK 300 million on a consolidated basis, the excess amount will be used for settlement of the delayed payments to the relevant creditors and lease providers on a pro-rata basis.
- **Financing**:
  - In June, Ocean Yield signed a new loan agreement of USD 75 million for the refinancing of the two Platform Supply Vessels on long-term bareboat charter to Aker BP ASA. The new loan facility was raised in the Japanese bank market, with a tenor of approximately 10-years, matching the term of the remaining bareboat charter for these vessels. The facility was closed in July 2019 and released approximately USD 18 million in cash.
  - For the two dry bulk vessels on charter to Scorpio Bulkers, long-term financing has been arranged with one of Ocean Yield's relationship banks. A loan facility of USD 34.9 million was entered into in May 2019 with a tenor of 7 years.
  - The recently announced Newcastlemax dry bulk vessel with long-term charter to CMB is expected to be financed during the third quarter.

SECOND QUARTER FINANCIAL REVIEW

PROFIT AND LOSS ITEMS

- **Operating revenues** were USD 30.1 million in Q2 2019 compared with USD 26.0 million in Q1 2019. The increase compared with the previous quarter mainly relates to the vessel *Connector*, which was idle for most of the first quarter. As the FPSO was in lay up during Q2 2019, no Operating Revenue has been recognized. Further, no cash revenue has been recognized for the two AHTS vessels on long-term bareboat charter to Solstad.
- **Finance lease revenues** were USD 26.6 million in Q2 2019 compared with USD 24.9 million in Q1 2019. The increase compared with Q1 2019 is related to delivery of two dry bulk vessels and two VLCCs during the quarter, which are all classified as finance leases. Due to several of the Company's long-term charters being classified as finance leases, the charter hire received is higher than what is reported as revenues according to IFRS, as only the interest income under a finance lease is recognized in the Profit & Loss.
- **Income from investment in associates**, which is related to the 49.9% investment in Box Holdings Inc., were USD 5.9 million in Q2 2019 compared with USD 5.7 million in Q1 2019.
- **Other income** was USD 3.9 million compared with USD 1.8 million in Q1 2019. This is related to the option agreement with Aker Energy for the potential long-term chartering of the FPSO *Dhirubhai-1*, where Aker Energy pays Ocean Yield a compensation for the option. The option agreement expires on 1st September 2019.
- **Total revenues** and other income for Q2 2019 were USD 66.5 million compared with USD 58.4 million for Q1 2019.
- **Vessel Operating Expenses** were USD 4.6 million in Q2 2019 compared with USD 1.8 million in Q1 2019. The operating expenses are related to the vessel *Connector*, which is operated on a time-charter basis and the FPSO *Dhirubhai-1.* The increase compared with the first quarter is mainly due to that expenses for the FPSO in the first quarter was included in demobilisation expenses recognized against previous provisions for field abandonment in the Balance Sheet.
- **EBITDA** was USD 56.8 million in Q2 2019 compared with USD 51.9 million in Q1 2019. Adjusted for finance lease effects the EBITDA was USD 74.5 million compared with USD 67.8 million in Q1 2019.
- **Depreciation and amortization** was USD 19.2 million in Q2 2019, compared with USD 19.3 million in Q1 2019. The vessels delivered during Q2 2019 are accounted for as finance leases with no impact on the depreciation.
- **Impairment charges and other non-recurring items** was USD 4.5 million in Q2 2019 compared with zero in Q1 2019. The provision is related to the final decommissioning process related to the FPSO project in India and includes removal of risers, umbilicals, moorings and subsea-buoy on the MA-field. This work is expected to be completed during Q4 2019.
- **Operating profit** was USD 33.0 million compared with USD 32.6 million in Q1 2019
- **Financial income** was USD 0.5 million in Q2 2019 compared with USD 0.6 million in Q1 2019.
- **Financial expenses** were USD 25.7 million in Q2 2019, compared with USD 24.6 million in Q1 2019. The increase in financial expenses compared with the previous quarter is mainly related to increased long-term debt as a result of vessel deliveries.
- **Foreign exchange** losses were USD 3.5 million in Q2 2019, compared with USD a loss of USD 3.5 million in Q1 2019. 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. The foreign exchange losses had no significant cash impact.
- **Change in fair value of financial instruments** were positive with USD 2.0 million in Q2 2019 compared with positive USD 3.9 million in Q1 2019. This is mainly related to the Company's cross currency swaps and interest rate swaps related to vessel financings.
- **The Net profit before tax** in Q2 2019 was USD 6.2 million compared with USD 9.1 million for Q1 2019.
- **Tax payable** was negative USD 0.9 million in Q2 2019 compared with negative USD 0.6 million in Q1 2019.
- **Change in deferred tax** was USD 0.0 million in Q2 2019, compared with USD 0.0 million in Q1 2019.
- **The Net profit after tax** for Q2 2019 was USD 5.3 million compared with USD 8.4 million for Q1 2019. Adjusted for impairments, non-recurring items, currency fluctuations, change in fair value of financial instruments and change in deferred tax, the net profit after tax was USD 11.3 million as compared with USD 8.4 million in Q1 2019. The negative contribution from vessels without long-term charter was USD 13.8 million.

BALANCE SHEET ITEMS

- **Finance lease receivables and related assets** were USD 1,348.4 million in Q2 2019 compared with USD 1,246.7 million in Q1 2019. The increase is related to delivery of four vessels during Q2 2019 accounted for as finance leases.
- **Restricted cash deposits** was USD 18.0 million compared with USD 17.3 million in Q1 2019. The cash deposit is 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 2019 were USD 86.9 million, compared with USD 105.8 million at the end of Q1 2019.
- **Book equity** was USD 796.9 million at the end of Q2 2019, compared with USD 831.0 million at the end of Q1 2019. The equity ratio was 28.4% at the end of Q2

2019 compared with 30.2% in Q1 2019.

- **Interest bearing long-term debt** was USD 1,599.4 million compared with USD 1,636.2 million in Q1 2019. During the quarter, a total of USD 126.9 million of debt was drawn related to vessel deliveries and corporate purposes, while a total of USD 32.9 million of debt was repaid in ordinary instalments.
- **Interest bearing short-term debt** was USD 329.0 million in Q2 2019 compared with USD 193.7 million in Q1 2019. The increase compared with the first quarter is related to one of the Company's bond loans, which has maturity in Q2 2020 and is hence classified as short-term debt as from this quarter. In addition, the loan related to the vessel *SBM Installer* is classified as short-term debt, as this loan has final maturity in December 2019.
- **Fair value of derivatives:** The fair value of derivatives was USD 36.6 million compared with USD 38.6 million in Q1 2019. The decrease compared with the first quarter 2019 is a combination of falling USD interest rates and movements in the USD/NOK exchange rate, which affects the fair value of the Company's interest rate swaps related to vessel financings and cross currency swaps related to unsecured bond loans.
- **Field abandonment provisions** were USD 16.9 million compared with USD 15.6 million in Q1 2019. This is related to remaining decommissioning work on the MA-field in India following completion of the contract for the FPSO *Dhirubhai-1.* An additional provision of USD 4.5 million has been recognized in Q2 2019.
- **Total assets** were USD 2,807.5 million in Q2 2019, compared with USD 2,747.4 million in Q1 2019.

YEAR TO DATE FINANCIAL REVIEW

- **Total revenues and other income** for the first half 2019 were USD 124.9 million compared with USD 184.3 million in the first half of 2018. Of this, USD 56.1 million was Operating revenue, USD 51.5 million was recorded as Finance lease revenue, USD 11.6 million was Income from investments in associates and USD 5.7 million was Other revenue. This compares to USD 136.1 million of Operating revenue, USD 35.9 million of Finance lease revenue, USD 12.3 million in Income from investments in associates and zero in Other Revenue during the first half of 2018. The decrease in Operating Revenue in the first half of 2019 compared with first half 2018 is mainly related to completion of the contract for the FPSO *Dhirubhai-1* in 2018.
- **EBITDA** was USD 108.7 million for the first half 2019, compared with USD 162.1 million for the first half 2018. Adjusted for finance lease effects, the adjusted EBITDA was 142.2 million in first half 2019, compared with USD 181.9 million in the first half of 2018.
- **Depreciation** was USD 38.6 million, compared with USD 53.4 million in the first six months of 2018. The decrease compared with the first half 2018 is mainly related to a change of depreciation profile for the FPSO following completion of the contract in India in 2018.
- **Impairment charges and other non-recurring items** was USD 4.5 million in the first half of 2019 compared with zero in the first half 2018. As described under second quarter financial review, this is related to the final decommissioning of subsea equipment on the MA-field in India.
- **Operating Profit** was USD 65.5 million as compared with USD 108.7 million for the first half of 2018.
- **Financial Income** was USD 1.1 million in the first half of 2019 compared with USD 2.5 million in the first half of 2018. Financial income in the first half 2018 includes interest income of USD 1.8 million related to the ownership of bonds issued by American Shipping Company ASA, which were sold during 2018.
- **Financial expenses** were USD 50.3 million compared with USD 39.7 million in the first half of 2018. The increase is related to delivery of further vessels to the fleet with increased long-term debt as a result and an increase in short-term interest rates.
- **Net profit before tax** was USD 15.3 million for the first half of 2019 compared with USD 72.6 million for the first half of 2018.
- **Tax payable** was USD 1.5 million in the first half 2019 compared with USD 0.4 million in first half 2018.
- **Change in deferred tax** was USD 0.0 million for the first half of 2019 compared with negative USD 3.8 million in the first six months of 2018.
- **Net profit after tax** was USD 13.7 million for the first half of 2019 compared with USD 68.4 million for the first half of 2018.

CHARTER BACKLOG

The EBITDA backlog* at the end of Q2 2019 was USD 3.3 billion with an average remaining contract duration of 10.9 years.

The total fleet counts 61 vessels, which at the end of Q2 2019 included two newbuilding VLCC scheduled for delivery in Q3 2019 and one Newcastlemax dry bulk vessel scheduled for delivery in Q1 2020.

**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.*

RISKS

The Company is exposed to operating risk and redeployment risk for the FPSO *Dhirubhai-1.* Should the Company not be able to secure long-term employment for the FPSO within a reasonable period of time, there is a risk of further impairment related to the book value of this vessel. The remaining demobilisation work in India related to the FPSO includes removal of risers, moorings and subsea buoy. There is a risk that the actual cost for this work may deviate from the provision in the Balance Sheet. The work is scheduled to be performed during Q4 2019.

In addition, the Company is exposed to operating and employment risk on the vessel *Connector*. Due to the activity level in the subsea construction market, there is a risk of lower utilisation for this vessel. Further, Ocean Yield has two AHTS vessels on long-term charters to a subsidiary of Solstad. Following the extension of the standstill agreement until 31st October 2018, there is a risk related to the charterer being able to perform its obligations under the charter contracts.

The Company is also exposed to a number of other risks, including counterparty-, financing-, interest rate-, currency-, and residual value risk. For a more detailed description of risk factors, please refer to the annual report for 2018, which is available on www.oceanyield.no.

OUTLOOK

Redeployment of the FPSO *Dhirubhai-1* remains a high priority and technical studies are on-going in close cooperation with Aker Energy. The option agreement with Aker Energy was recently extended until 1st September 2019. Ocean Yield is in parallel pursuing other employment opportunities for the FPSO.

As stated in a stock-exchange release on May 28th 2019, the Board of Directors will take the future prospects for long-term employment of the FPSO into consideration when reviewing future dividend levels. If no satisfactory employment can be firmed up before the reporting of the Q1 2020 results, an adjustment of the current dividend level from USD 0.1910 to USD 0.15 per share per quarter will be considered.

Ocean Yield continues to see interesting investment opportunities in several segments. The Company aims to continue to grow the fleet of vessels with long-term charter with the aim to increase and further diversify the charter backlog.

Fornebu, 11th July 2019
Ocean Yield ASA

Frank O. Reite Chairman	Kjell Inge Røkke Director	Annicken Gann Kildahl Director
Anne Christin Døvigen Director	Jens Ismar Director	Lars Solbakken CEO

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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 2019. 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 2019 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 30 June 2019. The interim financial report for the first six months of 2019 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, 11th July 2019
Ocean Yield ASA

Frank O. Reite Chairman	Kjell Inge Røkke Director	Annicken Gann Kildahl Director
Anne Christin Døvigen Director	Jens Ismar Director	Lars Solbakken CEO

Ocean Yield ASA Group condensed consolidated financial statement for the second quarter and first half 2019

INCOME STATEMENT

Amounts in USD million	Note	1st Quarter 2019	2nd Quarter 2019	2nd Quarter 2018	1st Half 2019	1st Half 2018	Jan - Dec 2018
Operating revenues		26.0	30.1	69.8	56.1	136.1	236.3
Finance lease revenue		24.9	26.6	19.2	51.5	35.9	82.9
Income from investments in associates		5.7	5.9	6.1	11.6	12.3	24.2
Other income		1.8	3.9	-	5.7	-	-
Total revenues and other income	5	**58.4**	**66.5**	**95.1**	**124.9**	**184.3**	**343.4**
Vessel operating expenses		(1.8)	(4.6)	(6.6)	(6.4)	(13.0)	(23.2)
Wages and other personnel expenses		(2.6)	(2.4)	(2.3)	(4.9)	(4.8)	(8.5)
Other operating expenses		(1.8)	(2.7)	(1.9)	(4.6)	(4.4)	(9.5)
Write down on trade receivables		(0.4)	-	-	(0.4)	-	(19.5)
EBITDA	5	**51.9**	**56.8**	**84.3**	**108.7**	**162.1**	**282.7**
Depreciation and amortization	7	(19.3)	(19.2)	(26.7)	(38.6)	(53.4)	(98.7)
Impairment charges and other non recurring items		-	(4.5)	-	(4.5)	-	(32.2)
Operating profit (EBIT)		**32.6**	**33.0**	**57.6**	**65.5**	**108.7**	**151.8**
Financial income		0.6	0.5	1.0	1.1	2.5	3.2
Financial expenses		(24.6)	(25.7)	(21.0)	(50.3)	(39.7)	(86.1)
Foreign exchange gains/losses		(3.5)	(3.5)	12.9	(7.0)	(3.3)	16.0
Change in fair value of financial instruments	6	3.9	2.0	(13.6)	6.0	4.4	(23.3)
Net financial items		**(23.5)**	**(26.8)**	**(20.7)**	**(50.3)**	**(36.1)**	**(90.2)**
Net profit before tax		**9.1**	**6.2**	**36.9**	**15.3**	**72.6**	**61.6**
Tax payable		(0.6)	(0.9)	(0.4)	(1.5)	(0.4)	(0.5)
Change in deferred tax		0.0	0.0	(1.4)	0.0	(3.8)	(2.8)
Net profit after tax		**8.4**	**5.3**	**35.1**	**13.7**	**68.4**	**58.4**
Attributable to:							
Equity holders of the parent		8.3	5.2	34.7	13.4	67.6	57.0
Non-controlling interests		0.2	0.1	0.4	0.3	0.8	1.4
Net profit after tax		**8.4**	**5.3**	**35.1**	**13.7**	**68.4**	**58.4**
Weighted average number of shares outstanding		159.3	159.3	159.3	159.3	155.3	157.3
Earnings per share (USD)		**0.05**	**0.03**	**0.22**	**0.08**	**0.44**	**0.36**
Total number of shares outstanding, eksl. treasury shares		159.3	159.3	148.3	159.3	148.3	148.3

TOTAL COMPREHENSIVE INCOME

Amounts in USD million	1st Quarter 2019	2nd Quarter 2019	2nd Quarter 2018	1st Half 2019	1st Half 2018	Jan - Dec 2018
Net profit after tax for the period	8.4	5.3	35.1	13.7	68.4	58.4
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	(5.2)	(9.3)	2.3	(14.5)	7.5	0.0
Change in fair value of available for sale financial assets	(0.1)	(0.0)	1.8	(0.1)	1.5	(4.0)
Currency translation differences	0.4	0.4	(2.3)	0.8	(0.1)	(2.8)
Total for items that are or may be reclassified to the income statement	(4.9)	(8.9)	1.9	(13.8)	9.0	(6.7)
Total change in other comprehensive income, net of income tax	(4.9)	(8.9)	1.9	(13.8)	9.0	(6.7)
Total comprehensive income for the period	**3.5**	**(3.6)**	**37.0**	**(0.1)**	**77.4**	**51.6**
Attributable to:						
Equity holders of the parent	3.3	(3.7)	36.6	(0.4)	76.6	50.3
Non controlling interests	0.2	0.1	0.4	0.3	0.8	1.4
Total comprehensive income for the period	**3.5**	**(3.6)**	**37.0**	**(0.1)**	**77.4**	**51.6**

BALANCE SHEET

Amounts in USD million	Note	31 March 2019	30 June 2019	30 June 2018	31 December 2018
ASSETS					
Goodwill		-	-	9.8	-
Vessels and equipment	7	1 178.6	1 160.2	1 258.5	1 195.6
Investments in associates		187.4	178.4	197.1	191.9
Finance lease receivables and related assets	8	1 246.7	1 348.4	844.0	1 171.8
Restricted cash deposits		17.3	18.0	2.3	16.1
Other interest-bearing long-term receivables		1.8	1.7	1.9	1.8
Fair value of derivatives	6	-	-	0.3	-
Shares in Solstad Offshore ASA		1.6	1.6	7.3	1.7
Total non-current assets		**2 633.4**	**2 708.4**	**2 321.3**	**2 579.0**
Trade and other interest-free receivables		8.1	12.2	36.6	37.6
Cash and cash equivalents		105.8	86.9	266.0	110.0
Total current assets		**113.9**	**99.1**	**302.6**	**147.6**
Total assets		**2 747.4**	**2 807.5**	**2 623.9**	**2 726.6**
EQUITY AND LIABILITIES					
Share capital		253.7	253.7	253.7	253.7
Treasury shares		(0.0)	(0.0)	(0.0)	(0.0)
Other paid-in capital		341.8	294.8	448.1	387.3
Total paid-in capital	**11**	**595.5**	**548.5**	**701.7**	**641.0**
Retained earnings and translation reserves		223.1	235.9	233.3	204.7
Total equity attributable to equity holders of the parent		**818.6**	**784.4**	**935.0**	**845.7**
Non controlling interests		12.4	12.6	11.2	0.0
Total equity		**831.0**	**796.9**	**946.3**	**845.7**
Interest-bearing long-term debt	10	1 636.2	1 599.4	1 416.2	1 572.0
Deferred tax liabilities		0.0	0.0	1.2	-
Mobilization fee and advances		9.4	7.9	22.0	12.2
Fair value of derivatives	6	24.8	11.8	6.4	26.7
Non-current provisions (field abandonment)		-	-	30.0	-
Finance lease liabilities		1.3	1.2	-	-
Total non-current liabilities		**1 671.8**	**1 620.3**	**1 475.8**	**1 610.9**
Interest-bearing short-term debt	10	193.7	329.0	175.1	190.9
Fair value of derivatives	6	13.8	24.8	8.8	16.0
Current provisions (field abandonment)		15.6	16.9	-	25.7
Trade and other payables		21.5	19.6	17.9	37.3
Total current liabilities		**244.5**	**390.2**	**201.8**	**269.9**
Total liabilities		**1 916.3**	**2 010.5**	**1 677.6**	**1 880.8**
Total equity and liabilities		**2 747.4**	**2 807.5**	**2 623.9**	**2 726.6**

CHANGE IN EQUITY

Amounts in USD million	Share Capital	Share Premium	Treasury Shares reserve	Fair value reserve	Translation reserve	Retained earnings	Share-holders equity	Non controlling interests	Total equity
Balance at 31st December 2017	**239.6**	**351.6**	**(0.2)**	**(0.8)**	**(38.6)**	**269.6**	**821.1**	**10.4**	**831.5**
IFRS 9 effects	**-**	-	**-**	(6.4)	-	6.4	**-**	**-**	**-**
Balance at 1st January 2018	**239.6**	**351.6**	**(0.2)**	**(7.2)**	**(38.6)**	**276.0**	**821.1**	**10.4**	**831.5**
Net profit after tax for the period	-	-	-	-	-	57.0	57.0	1.4	58.4
Other comprehensive income	-	-	-	(4.0)	(2.8)	(0.0)	(6.7)	-	(6.7)
Total comprehensive income	**-**	**-**	**-**	**(4.0)**	**(2.8)**	**57.0**	**50.3**	**1.4**	**51.6**
Dividend	-	(90.9)	-	-	-	(28.3)	(119.1)	(14.0)	(133.1)
Issuance of ordinary shares	14.1	83.0	-	-	-	-	97.1	-	97.1
Expenses related to issuance of shares, net of tax	-	(1.2)	-	-	-	-	(1.2)	-	(1.2)
Treasury shares acquired	-	-	(1.3)	-	-	-	(1.3)	-	(1.3)
Treasury shares sold	-	(0.3)	1.4	-	-	-	1.1	-	1.1
Non controlling interest's share of intragroup profit	-	-	-	-	-	(2.3)	(2.3)	2.3	-
Transfer from retained earnings to share premium	-	45.2	-	-	-	(45.2)	-	-	-
Balance at 31st December 2018	**253.7**	**387.4**	**(0.1)**	**(11.1)**	**(41.4)**	**257.2**	**845.7**	**0.0**	**845.7**
Net profit after tax for the period	-	(11.3)	-	-	-	24.7	13.4	0.3	13.7
Other comprehensive income	-	-	-	(0.1)	0.8	(14.5)	(13.8)	-	(13.8)
Total comprehensive income	**-**	**(11.3)**	**-**	**(0.1)**	**0.8**	**10.2**	**(0.4)**	**0.3**	**(0.1)**
Dividend	-	(60.9)	-	-	-	-	(60.9)	-	(60.9)
Minority's share of capital increase in s	-	-	-	-	-	-	-	12.2	12.2
Transfer from share premium to retained earnings	-	(20.3)	-	(0.0)	-	20.3	-	-	-
Balance at 30th June 2019	**253.7**	**294.9**	**(0.1)**	**(11.3)**	**(40.6)**	**287.8**	**784.4**	**12.6**	**797.0**

Change in equity as of 30th June 2018									
Balance at 31st December 2017	**239.6**	**351.6**	**(0.2)**	**(0.8)**	**(38.6)**	**269.6**	**821.1**	**10.4**	**831.5**
IFRS 9 effects	**-**	-	**-**	(6.4)	-	6.4	**-**	**-**	**-**
Balance at 1st January 2018	**239.6**	**351.6**	**(0.2)**	**(7.2)**	**(38.6)**	**276.0**	**821.1**	**10.4**	**831.5**
Net profit after tax for the period	-	-	-	-	-	67.6	67.6	0.8	68.4
Other comprehensive income	-	-	-	1.5	(0.1)	7.5	9.0	-	9.0
Total comprehensive income	**-**	**-**	**-**	**1.5**	**(0.1)**	**75.2**	**76.6**	**0.8**	**77.4**
Dividend	-	(30.1)	-	-	-	(28.3)	(58.3)	-	(58.3)
Issuance of ordinary shares	14.1	83.0	-	-	-	-	97.1	-	97.1
Expenses related to issuance of shares, net of tax	-	(1.2)	-	-	-	-	(1.2)	-	(1.2)
Treasury shares acquired	-	-	(0.9)	-	-	-	(0.9)	-	(0.9)
Treasury shares sold	-	(0.1)	0.8	-	-	-	0.7	-	0.7
Transfer from retained earnings to share premium	-	45.2	-	-	-	(45.2)	-	-	-
Balance at 30th June 2018	**253.7**	**448.4**	**(0.3)**	**(5.6)**	**(38.7)**	**277.7**	**935.0**	**11.2**	**946.3**

CASH FLOW STATEMENT

Amounts in USD million	1st Quarter 2019	2nd Quarter 2019	2nd Quarter 2018	1st Half 2019	1st Half 2018	Jan - Dec 2018
Profit before tax	9.1	6.2	36.9	15.3	72.6	61.6
Depreciation and amortization	19.3	19.2	26.7	38.6	53.4	98.7
Impairment charges and other non-recurring items	0.0	4.5	0.4	4.5	0.4	32.7
Income from investments in associates	(5.7)	(5.9)	(6.1)	(11.6)	(12.3)	(24.2)
Dividend received from investments in associates	5.0	5.6	5.6	10.6	11.4	22.6
Net interest expenses (+)	23.8	24.8	18.9	48.5	35.9	79.9
Interest paid	(23.5)	(24.2)	(17.6)	(47.7)	(34.4)	(74.6)
Interest received	1.6	3.1	1.5	4.6	4.2	4.9
Unrealized foreign exchange gain/loss	3.3	2.9	(13.5)	6.1	3.5	(15.0)
Change in fair value of financial instruments	(3.9)	(2.0)	13.6	(6.0)	(4.4)	23.3
Other changes in operating activities	11.4	(12.4)	(7.6)	(1.0)	1.4	(17.4)
Net cash flow from operating activities	**40.2**	**21.8**	**58.7**	**62.0**	**131.7**	**192.4**
Acquisition of vessels and equipment	(0.0)	(0.0)	(0.6)	(0.0)	(0.6)	(2.6)
Acquisition of vessels accounted for as finance lease receivables	(49.1)	(128.6)	(36.4)	(177.7)	(110.4)	(411.0)
Repayment on finance lease receivables	15.9	17.7	10.8	33.6	19.8	50.9
Investments in other non-current assets	(41.7)	7.9	(0.6)	(33.9)	(33.6)	(91.9)
Net change in associated companies	-	(0.0)	-	(0.0)	-	(1.6)
Net change in long-term interest-bearing receivables	(1.1)	(0.8)	47.3	(1.9)	48.7	34.9
Net cash flow from investing activities	**(76.1)**	**(103.8)**	**20.5**	**(179.9)**	**(76.1)**	**(421.3)**
Proceeds from issuance of long-term interest-bearing debt	86.8	126.9	153.2	213.7	153.2	530.8
Repayment of long-term interest-bearing debt	(24.6)	(32.9)	(58.2)	(57.5)	(76.1)	(263.4)
Repayment on finance lease liabilities	-	(0.2)	-	(0.2)	-	-
Dividend paid	(30.5)	(30.5)	(30.3)	(60.9)	(58.3)	(119.1)
Dividend paid to non-controlling interests	-	-	-	-	-	(1.8)
Net proceeds from issuance of new shares	-	(0.0)	(0.0)	(0.0)	95.5	95.5
Treasury shares sold	-	-	0.0	-	(0.2)	(0.1)
Net cash flow from financing activities	**31.7**	**63.4**	**64.7**	**95.1**	**114.0**	**241.8**
Net change in cash and cash equivalents	**(4.1)**	**(18.7)**	**143.9**	**(22.8)**	**169.6**	**13.0**
Exchange rate differences	(0.1)	(0.2)	(2.3)	(0.3)	(2.3)	(1.6)
Cash and cash equivalents at beginning of the period	110.0	105.8	124.4	110.0	98.7	98.7
Cash and cash equivalents at the end of the period	**105.8**	**86.9**	**266.0**	**86.9**	**266.0**	**110.0**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT FOR OCEAN YIELD ASA FOR THE SECOND QUARTER AND FIRST HALF 2019

NOTE 1 INTRODUCTION

Ocean Yield ASA is a company domiciled in Norway. The condensed consolidated interim financial statements for the second quarter and first half year ending 30th June 2019 comprise Ocean Yield ASA and its subsidiaries (together referred to as the "Group").

The consolidated financial statements of the Group for the year ended 31st December 2018 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 at and for the year ended 31st December 2018.

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 11th July 2019.

A number of standards, amendments to standards and interpretations are effective from 1st January 2019 and have been applied in preparing these consolidated financial statements;

- The implementation of IFRS 16 Leases was mandatory from 1st January 2019. The new standard requires companies to bring most of its leases on-balance sheet, recognizing new assets and liabilities. The new standard has not had significant impact on the financial statements of Ocean Yield. Ocean Yield is primarily a lessor and lessor accounting under IFRS 16 remains similar to previous practice. The Group has identified two agreements where a right-of-use asset and a lease liability has been recognized. The lease liability related to these agreements was USD 1.3 million as of 1st January 2019.

NOTE 3 SIGNIFICANT ACCOUNTING PRINCIPLES

The Group has as of 1st January 2019, implemented the new standards and amendments to standards specified in Note 2. Other 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 at and for the year ended 31st December 2018.

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 2018.

NOTE 5 OPERATING SEGMENTS

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

EBITDA	1st Quarter	2nd Quarter	2nd Quarter	1st Half	1st Half	Jan - Dec
Amounts in USD million	2019	2019	2018	2019	2018	2018
FPSO	1.3	1.5	29.7	2.8	58.3	63.6
Other Oil Service	12.9	15.8	22.9	28.7	42.9	85.8
Car Carriers	10.5	10.5	10.3	21.0	20.3	41.4
Container vessels	8.0	8.2	6.1	16.2	12.3	28.8
Tankers	14.5	15.9	10.6	30.4	20.7	45.8
Other Shipping	7.1	7.5	7.2	14.7	12.5	26.8
Other companies and eliminations	(2.5)	(2.6)	(2.5)	(5.1)	(4.8)	(9.6)
EBITDA	**51.9**	**56.8**	**84.3**	**108.7**	**162.1**	**282.7**

Net profit after tax	1st Quarter	2nd Quarter	2nd Quarter	1st Half	1st Half	Jan - Dec
Amounts in USD million	2019	2019	2018	2019	2018	2018
FPSO	(5.9)	(10.0)	10.5	(15.9)	17.8	(10.1)
Other Oil Service *	(0.1)	2.7	11.2	2.6	18.2	19.9
Car Carriers	4.3	4.0	4.8	8.3	10.1	19.2
Container vessels	6.8	6.9	6.1	13.7	12.3	27.6
Tankers	7.8	8.5	6.1	16.3	12.3	28.0
Other Shipping	1.9	1.0	4.2	2.9	8.3	13.6
Other companies and eliminations**	(6.4)	(7.7)	(7.9)	(14.1)	(10.6)	(39.7)
Net profit after tax	**8.4**	**5.3**	**35.1**	**13.7**	**68.4**	**58.4**

*The vessel *Connector* contributes negatively with USD 2.0 million to net profit in the quarter, and the vessels *Far Senator* and *Far Statesman* contributes negatively with USD 1.8 million. For the 1st half of 2019 the *Connector* contributes negatively to net profit with USD 8.0 million and *Far Senator* and *Far Statesman* contributes negatively with USD 2.5 million.

**Net profit after tax related to the segment Other companies and eliminations is mainly interest expenses related to the bond loans in Ocean Yield ASA. These interest expenses have not been allocated to the different segments.

NOTE 6 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.

Amounts in USD million	Change Q2 2019	Change 1st Half 2019	Fair value as of 30 June 2019
Cross Currency Interest Rate Swaps	4.4	9.4	(28.1)
Forward exchange contracts	0.3	0.6	(0.5)
Interest rate swaps	(2.6)	(3.9)	(7.9)
Total	**2.0**	**6.0**	**(36.6)**

Amounts in USD million	Change Q2 2018	Change 1st Half 2018	Fair value as of 30 June 2018
Cross Currency Interest Rate Swaps	(14.8)	(1.4)	(12.7)
Forward exchange contracts	(0.2)	0.6	0.9
Interest rate swaps	1.4	5.2	(3.0)
Total	**(13.6)**	**4.4**	**(14.9)**

NOTE 7 VESSELS AND EQUIPMENT

Material changes in vessels and equipment during 2019:

Amounts in USD million	FPSO	Other Oil Service	Car Carriers	Container vessels	Tankers	Other Shipping	Other/elim	Total
Balance at 1 January	**238.9**	**508.9**	**284.7**	**-**	**-**	**154.0**	**9.1**	**1 195.5**
Acquisitions	0.0	-	-	-	-	-	0.0	0.0
IFRS 16 effects	-	-	-	-	-	-	1.3	1.3
Depreciation	(13.7)	(14.7)	(6.8)	-	-	(2.7)	(0.6)	(38.6)
Effect of movements in foreign exchange	-	1.9	-	-	-	-	-	1.9
Balance at 30th June 2019	**225.2**	**496.1**	**277.9**	**-**	**-**	**151.2**	**9.9**	**1 160.2**

Vessels defined as finance leases are not included in Note 7 but included in Note 8 Finance lease receivables and related assets.

NOTE 8 FINANCE LEASE RECEIVABLES AND RELATED ASSETS

Finance lease receivables and related assets of USD 1,348.4 million at 30th June 2019 are related to the vessel Aker Wayfarer, four container vessels, twelve chemical tankers, four product tankers, five Suezmax tankers, two VLCC crude tankers, nine dry bulk vessels and two VLCC crude tankers under construction.

The Company has taken delivery of two VLCC crude tankers during the quarter. In addition, two more are under construction. All vessels are fixed from delivery on long-term charter to Okeanis ECO Tankers Corp. and are accounted for as finance leases. They are included in the segment Tankers. Pre-delivery advances related to the vessels under construction are presented with the finance lease receivables. The pre-delivery advances are at this point not included in the net investment used for calculating the finance lease interest, but will be included from the time of vessel delivery.

In January 2019, Ocean Yield agreed to acquire a modern Suezmax tanker for a net consideration of USD 49.0 million with 13-year bareboat charter to Okeanis Eco Tankers Corp. The vessel Milos, was delivered to the Company in February 2019. The vessel is accounted for as a finance lease and is included in the segment Tankers.

In May 2019, Ocean Yield agreed to acquire two modern Ultramax dry bulk vessels for a total consideration of USD 42 million net of seller's credits, with 11-year bareboat charters to Scorpio Bulkers Inc. The vessels were built in 2017 and were delivered to the Company during the second quarter. The vessels are accounted for as finance leases and are included in the segment Other Shipping.

The net finance lease receivables as of 30th June 2019 was as follows:

Amounts in USD million	FPSO	Other Oil Service	Car Carriers	Container vessels	Tankers	Other shipping	Total
Gross finance lease receivable							
Less than one year	-	40.1	-	12.1	94.1	17.2	163.5
Between one and five years	-	119.8	-	48.4	366.5	64.4	599.1
More than five years	-	94.5	-	72.7	601.6	118.7	887.5
Unguaranteed residual values	-	57.7	-	22.2	164.2	-	244.1
Gross finance lease receivable	**-**	**312.1**	**-**	**155.3**	**1,226.4**	**200.4**	**1,894.1**
Less: Unearned finance income	-	(138.7)	-	(42.4)	(372.2)	(56.5)	(609.7)
Total finance lease receivables	**-**	**173.4**	**-**	**113.0**	**854.2**	**143.9**	**1,284.4**
Present value of minimum lease payments							
Less than one year	-	37.2	-	11.8	91.1	16.7	156.7
Between one and five years	-	80.1	-	41.2	307.0	54.0	482.4
More than five years	-	37.7	-	47.6	368.8	73.2	527.3
Unguaranteed residual values	-	18.3	-	12.4	87.2	-	117.9
Total finance lease receivables	**-**	**173.4**	**-**	**113.0**	**854.2**	**143.9**	**1,284.4**
Pre-delivery instalments	-	-	-	-	63.9	-	63.9
Total finance lease receivables and related assets	**-**	**173.4**	**-**	**113.0**	**918.1**	**143.9**	**1,348.4**

NOTE 9 CONTRACTUAL OBLIGATIONS

Ocean Yield had as per 30th June 2019 the following contractual obligations related to the purchase of vessels.

Amounts in USD million	**FPSO**	**Other Oil Service**	**Car Carriers**	**Container vessels**	**Tankers**	**Other Shipping**	**Total**
Already paid	-	-	-	-	63.3	-	63.3
Q3-Q4 2019	-	-	-	-	85.2	15.5	100.7
Q1 2020	-	-	-	-	-	24.5	24.5
Total contractual obligations	**-**	**-**	**-**	**-**	**148.5**	**40.0**	**188.5**
Total remaining payments	-	-	-	-	85.2	40.0	125.2
Secured bank financing	-	-	-	-	76.1	-	76.1
Estimated bank funding	-	-	-	-	-	37.1	37.1
Payments to be funded by cash	-	-	-	-	9.1	2.9	12.0

The obligations above related to the segment Tankers relates to two VLCC crude tankers under construction.

The two VLCC crude tankers are scheduled for delivery in Q3 2019, and will from delivery be chartered to companies owned and guaranteed by Okeanis ECO Tankers Corp. for a period of 15 years. The net purchase price is USD 74.25 million per vessel.

The obligations above related to the segment Other Shipping relates to one dry bulk vessel under construction.

In June 2019, Ocean Yield agreed to acquire one 206,000 DWT newcastlemax dry bulk newbuilding for a total consideration of USD 40 million net of a seller's credit, with 15-year bareboat charter to CMB NV. The vessel is expected to be delivered from the shipyard in Q1 2020. CMB will have certain options to either sell or acquire the vessel during the charter period.

NOTE 10 INTEREST-BEARING DEBT

Material changes in interest-bearing debt (short- and long-term) during 2019:

Amounts in USD million	FPSO	Other Oil Service	Car Carriers	Container vessels	Tankers	Other Shipping	Other/elim	Total
Balance at 1 January	-	439.1	184.5	91.6	564.1	209.6	273.9	1,762.9
New loans	-	24.5	-	-	160.4	32.9	-	217.8
Paid loan fees	-	-	-	-	(3.7)	(0.4)	-	(4.1)
Instalments	-	(17.0)	(8.5)	(3.6)	(21.0)	(7.4)	-	(57.5)
Effect of movements in foreign exchange and loan fees amortized	-	1.6	0.3	0.1	1.1	0.2	5.9	9.3
Total interest-bearing liabilities 30th June 2019	**-**	**448.2**	**176.4**	**88.1**	**700.9**	**235.0**	**279.8**	**1 928.3**
Long-term	-	317.3	159.4	80.8	649.6	217.8	174.5	1,599.4
1st year instalments	-	130.9	17.0	7.2	51.3	17.3	105.4	329.0
Total interest-bearing liabilities 30th June 2019	**-**	**448.2**	**176.4**	**88.1**	**700.9**	**235.0**	**279.8**	**1 928.3**
Undrawn facilities	-	-	-	-	-	-	-	-

The acquisition of the Suezmax tanker Milos was financed with a combination of equity and debt, where a loan with a tenor of 7-years was raised with one of Ocean Yield's relationship banks.

For the two dry-bulk vessels on charter to Scorpio Bulkers long term financing has been arranged with one of Ocean Yield's relationship banks. A loan facility of USD 34.9 million was entered into in May 2019 with a tenor of 7 years.

In June 2019, Ocean Yield entered into a new loan agreement of USD 75 million for the refinancing of the two Platform Supply Vessels ("PSV") on long-term bareboat charter to Aker BP ASA. The new loan facility was raised in the Japanese bank market, with a tenor of approximately 10-years, matching the term of the remaining bareboat charter for these vessels.

NOTE 11 SHARE CAPITAL AND DIVIDENDS

As of 30th June 2019 the Company had a share capital of NOK 1,593,514,320 divided into 159,351,432 ordinary shares, each having a par value of NOK 10.00. Total number of treasury shares held were 9,021.

In Q2 2019 USD 30.5 million was paid in dividends, following the announcement of the Q1 2019 results.

NOTE 12 EVENTS AFTER THE BALANCE SHEET DATE

After the end of the quarter, Ocean Yield took delivery of the third VLCC in a series of four newbuildings on charter to Okeanis Eco Tankers Corp. and with a five year sub-charter to Koch Shipping Pte. Ltd.

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.

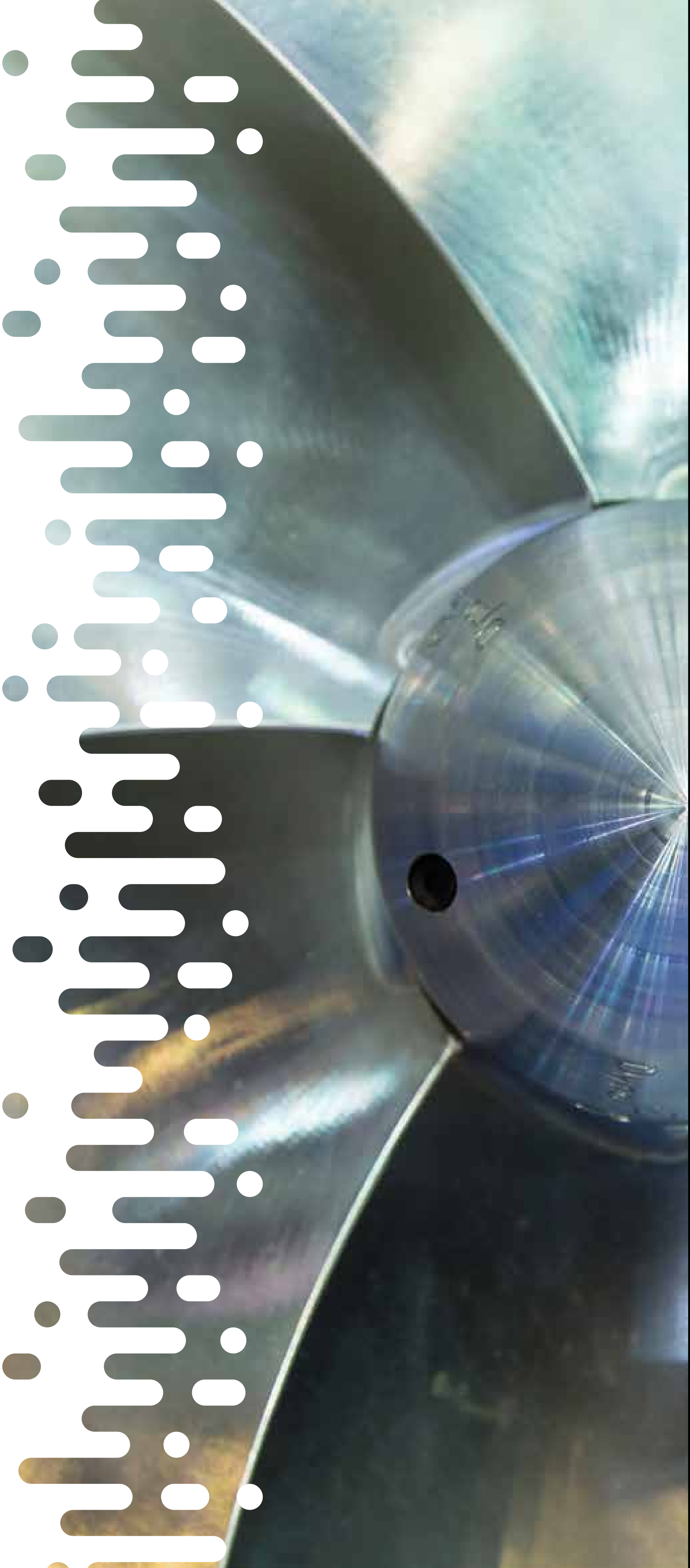
- Adjusted net profit: Net profit adjusted for impairment charges, foreign exchange gains/losses, fair value adjustments of derivatives, changes in deferred tax and non-recurring items.

- 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 charter hire from the potential contract with Aker Energy AS has not been included in the charter backlog as of 31st March 2019, as this is an option to enter into a bareboat charter, and not a signed bareboat contract.

The Company believes presenting EBITDA, EBITDA adjusted for finance lease effects, EBIT and Adjusted net profit 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, the Company considers Adjusted net profit to be a relevant performance criteria. The net profit is adjusted for significant non-cash and non-recurring items, and the Adjusted net profit 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:

Amounts in USD million	1st Quarter 2019	2nd Quarter 2019	2nd Quarter 2018	1st Half 2019	1st Half 2018	Jan - Dec 2018
EBITDA	51.9	56.8	84.3	108.7	162.1	282.7
Repayment on finance lease receivables	15.9	17.7	10.8	33.6	19.8	50.9
EBITDA adjusted for finance lease effects	**67.8**	**74.5**	**95.1**	**142.2**	**181.9**	**333.6**
Net profit after tax	8.4	5.3	35.1	13.7	68.4	58.4
Write down on trade receivables	0.4	-	-	0.4	-	19.5
Impairment of goodwill related to the FPSO DB-1	-	-	-	-	-	9.8
Increase in field abandonment provision related to the FPSO DB-1	-	4.5	-	4.5	-	9.1
Impairment of Far Senator/Far Statesman	-	-	-	-	-	13.4
Foreign exchange gains/losses	3.5	3.5	(12.9)	7.0	3.3	(16.0)
Change in fair value of financial instruments	(3.9)	(2.0)	13.6	(6.0)	(4.4)	23.3
Change in deferred tax	(0.0)	(0.0)	1.4	(0.0)	3.8	2.8
Other non-recurring items	-	-	0.6	-	0.6	1.5
Adjusted Net profit	**8.4**	**11.3**	**37.9**	**19.7**	**71.7**	**121.6**



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