

Q4

2019 REPORT



OCEAN YIELD

Contents

Highlights	3
Selected key financial figures.....	3
Main events during the fourth quarter and post quarter end	4
Fourth quarter financial review	5
2019 Financial Review.....	7
Charter backlog.....	7
Risks.....	8
Outlook.....	8
Income statement.....	10
Total comprehensive income.....	11
Balance sheet.....	12
Change in equity	13
Cash flow statement	14
Notes	15
Use and reconciliation of Alternative performance measures	21



FOURTH QUARTER AND PRELIMINARY RESULTS 2019

Fornebu, 12th February 2020, Ocean Yield ASA (“Ocean Yield” or the “Company”) announces results for the fourth quarter ending 31st December 2019 and preliminary results for the year ending 31st December 2019.

HIGHLIGHTS

- Declared dividend for Q4 2019 of USD 0.1910 per share. This is the 26th consecutive quarterly dividend.
- EBITDA for Q4 2019 was USD 56.6 million and EBITDA adjusted for finance lease effects was USD 80.0 million. For the year 2019, EBITDA was USD 222.5 million and EBITDA adjusted for finance lease effects was USD 303.0 million.
- Net profit after tax for Q4 2019 was USD 9.6 million. This includes an increase of USD 7.7 million in provisions related to the decommissioning and field abandonment on the MA-field in India, where the FPSO *Dhirubhai-1* was operating. The full year 2019 shows a net loss of USD 39.9 million. This figure includes impairment charges and other non-recurring items of USD 80.6 million.
- Adjusted net profit for Q4 2019 was USD 15.4 million and Adjusted net profit for the year 2019 was USD 46.0 million.
- In October, Ocean Yield acquired one, dual fuel ethylene gas carrier for a total net consideration of USD 69.75 million, with 13-year bareboat charter to Navigator Holdings Ltd.
- Also in October, two newbuilding Newcastlemax dry bulk vessels were acquired for a total net consideration of USD 84.0 million, with 13-year bareboat charters to 2020 Bulkers Ltd.
- In November, Ocean Yield acquired four LR2 product tankers for a total net consideration of approximately USD 132 million, with long-term charters to Navig8 Topco Holdings Inc.
- Also in November, Ocean Yield successfully completed a private placement of 15.9 million new shares at NOK 45 per share, raising gross proceeds of approximately NOK 717 million.
- The Company successfully completed a new, five-year bond issue of NOK 750 million in November, carrying a coupon of 3 months NIBOR + 4.25% p.a.
- During the quarter, the Company raised a total of USD 331 million in long-term bank financing related to vessel acquisitions and refinancings.

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

“The fourth quarter was yet another busy quarter for Ocean Yield, where we expanded the fleet with another 7 vessels on long-term charter. The fleet has now grown to 69 vessels with long-term charters to 20 different counterparties in 8 different segments, with a total EBITDA charter backlog of USD 3.6 billion at the end of the quarter.”

SELECTED KEY FINANCIAL FIGURES

<i>Amounts in USD million</i>	Q3 2019	Q4 2019	Q4 2018	2019	2018
Revenues and other income	66.3	65.8	64.2	257.0	343.4
EBITDA	57.2	56.6	35.5	222.5	282.7
EBITDA adjusted for finance lease effects*	80.8	80.0	51.3	303.0	333.6
Net profit after tax	(63.2)	9.6	(49.9)	(39.9)	58.4
Adjusted net profit*	11.0	15.4	12.5	46.0	121.6
Equity ratio	28.3 %	27.8 %	31.0 %	27.8 %	31.0 %
EBITDA charter backlog (USD bn)**	3.2	3.6	3.6	3.6	3.6
Dividend declared per share (USD)	0.1910	0.1910	0.1910	0.7640	0.7635

* Definition on page 21

**The charter backlog including transactions announced after quarter end was USD 3.6 bn. Definition on page 7

MAIN EVENTS DURING THE FOURTH QUARTER AND POST QUARTER END

Dividends

- The Board of Directors has declared a quarterly dividend payment of USD 0.1910 per share for Q4 2019. The dividend will be paid on or about 26th February 2020 to shareholders as of 14th February 2020 registered with the Norwegian Central Securities Depository (the "VPS") as of 18th February 2020 (the "Record Date"). The ex-dividend date will be 17th February 2020.

New investments

- In October, Ocean Yield acquired a dual fuel ethylene gas carrier for a total consideration of USD 69.75 million net of prepaid charter hire, with 13-year bareboat charter to a company 100% owned and guaranteed by Navigator Holdings Ltd. ("Navigator Gas"). The vessel was delivered to the Company on 29th October 2019. Navigator Gas has certain options to acquire the vessel during the charter period. The vessel, *Navigator Aurora*, is a 37,300 cbm ethylene gas carrier that was built in 2016. This state-of-the-art vessel is operating on a sub-charter to the European chemical group Borealis for the transportation of ethane from the U.S. East Coast to Europe until December 2026. The propulsion and electrical systems are designed to use LNG as fuel in addition to conventional fuel. The vessel was financed with a combination of equity and debt, where a new bank facility of USD 54 million has been entered into with a tenor of seven years.

Navigator Gas is listed on the New York Stock Exchange with ticker "NVGS". The company owns a modern fleet of 38 gas carriers.

- Also in October, Ocean Yield acquired two Newcastlemax dry bulk newbuildings with 13-year bareboat charter to companies owned and guaranteed by 2020 Bulkiers Ltd. ("2020 Bulkiers"). The total purchase price was USD 84 million net of pre-paid charter hire. The first vessel was delivered on 30th October 2019 and the second on 6th November 2019. 2020 Bulkiers has certain options to either trigger a sale to a third party or acquire the vessels during the charter period, as well as a purchase obligation at the end of the charter. Both vessels have sub-charters to international trading companies. The vessels have been financed with a combination of equity and debt, where a new bank facility of USD 76 million has been entered into with a tenor of five years.

2020 Bulkiers has a fleet of eight Newcastlemax vessels of the latest design, where six vessels have been delivered and two are under construction at New Times Shipyard in China. All vessels will be fitted with exhaust scrubber systems. The company is listed on Oslo Axess.

- In November, Ocean Yield agreed to acquire four modern LR2 product tankers with long-term charter to companies owned and guaranteed by Navig8 Topco Holdings Inc. ("Navig8 Group") from a major Chinese leasing company. The net purchase price was approximately USD 132 million in total, or an average price of USD 33 million per vessel. Three vessels were delivered to the Company on 4th December 2019 and the fourth on 10th December 2019.

The scrubber fitted vessels are built in 2018 and 2019 with about 9 year's remaining bareboat charters to Navig8 Group. Navig8 Group has certain options to trigger a sale or acquire the vessels during the charter period, as well as an obligation to purchase the vessels at the end of the charter. Including these vessels, Ocean Yield will own six vessels on long-term charter to Navig8 Group. The vessels have been financed with a combination of equity and debt, where a new bank facility of USD 126.1 million has been entered into with a tenor of five years.

Navig8 Group is a fully-integrated provider of maritime services and one of the world's largest independently-owned pool and commercial management companies.

Vessel deliveries

- A total of 7 vessels were delivered to the Company during the fourth quarter. This includes one gas carrier with long-term charter to Navigator Gas, two dry-bulk vessels with long-term charter to 2020 Bulkiers and four LR2 product tankers with long-term charter to Navig8 Group.

Funding

- On the 21st November, Ocean Yield successfully completed a private placement of 15,935,143 new shares at NOK 45 per share, raising gross proceeds of approximately NOK 717 million. The proceeds from the private placement will be used to fund new investments as well as for general corporate purposes.
- On the 26th November, Ocean Yield successfully completed a new bond issue of NOK 750 million, carrying a coupon of 3 months NIBOR + 4.25% p.a. The bond issue attracted strong interest and was well oversubscribed. The net proceeds from the bond issue was used to partly refinance the bond issue OCY03, which had maturity in 2020. In connection with the bond issue, the Company bought back NOK 439.0 million in OCY03 and the remaining NOK 458.5 million was prepaid in January 2020.
- The loan related to the subsea construction vessel *SBM Installer*, which is on long-term charter to SBM Offshore, had maturity in December 2019. In December, Ocean Yield entered into a new loan facility for the

financing of this vessel with the existing banks, where the outstanding amount was refinanced into a new, seven year loan.

- In December, one of Ocean Yield's banks obtained credit approval for a new loan facility financing the dry bulk vessel *Interlink Eternity*. The loan amount is USD 16.1 million and will have a tenor of five years. The facility is expected to close during Q1 2020.
- Also in December, a bank obtained credit approval for a new loan facility financing the Newcastlemax dry bulk vessel under construction, which will be chartered to CMB NV for 15-years upon delivery in Q2 2020. The loan amount is USD 37.1 million with a tenor of seven years.

Portfolio update

- The option agreement with Aker Energy for the FPSO *Dhirubhai-1* expired on 31st December 2019. Discussions are however continuing with regards to potential use of the unit in Ghana. Other opportunities are also being evaluated for the vessel, but it is taking more time than earlier envisaged to find a satisfactory solution for the FPSO. Ocean Yield's subsidiary Aker Floating Production has over the last few months been performing the remaining demobilization work in India, consisting of removal of risers, moorings and the subsea buoy. This work is expected to be completed mid-February. The FPSO will, as from Q1 2020 be reclassified as an "asset held for sale" in the financial statements.
- The subsea construction vessel *Connector* completed its previous short-term contract in October and has since then been marketed for new employment. After the end of the quarter, the vessel has been awarded a new time-charter contract with Ocean Installer for a period of approximately 175 days. The vessel will perform subsea installation work in the South China Sea. The new contract is expected to commence in March 2020.
- The standstill agreement with Solstad Offshore ASA ("Solstad") was extended until 31st March 2020. Negotiations with Solstad are on-going with respect to the two AHTS vessels on long-term bareboat charter.
- In October, a notice from certain subsidiaries of Okeanis Eco Tankers, who are chartering four VLCCs on long-term bareboat charter, was received, where they exercise options to purchase the vessels back from Ocean Yield at 103% of the outstanding under the lease, plus costs and losses. Ocean Yield disputed their right to exercise such option and the matter was referred to arbitration. If the arbitration panel rules in favour of Okeanis Eco Tankers, Ocean Yield expects to book a small net profit and a net positive cash effect of about USD 60 million.
- In the fourth quarter and post quarter end, certain subsidiaries of Navig8 Chemical Tankers Inc. has exercised the five-year purchase option in the lease for the vessels *Navig8 Aquamarine* and *Navig8 Amessi*. The purchase price for the two vessels is USD 53.0 million en-bloc and the transaction will be effectuated in June and July 2020.

FOURTH QUARTER FINANCIAL REVIEW

Profit and Loss items

- **Operating revenues** were USD 24.1 million in Q4 2019 compared with USD 26.9 million in Q3 2019. The decrease compared with the previous quarter mainly relates to the vessel *Connector*, which has been operating on shorter term contracts and was idle for a substantial part of the fourth quarter.
- **Finance lease revenues** were USD 32.2 million in Q4 2019 compared with USD 30.4 million in Q3 2019. The increase compared with Q3 2019 is mainly related to delivery of another seven vessels to the fleet during the fourth 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 Q4 2019 compared with USD 5.4 million in Q3 2019. The vessels are on fixed bareboat charters, but some variation in the net profit can be expected from quarter to quarter due to mark-to-market on interest rate swaps related to the financing of the vessels.
- **Other income** was USD 3.6 million compared with USD 3.6 million in Q3 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 has paid a compensation for the option. The option agreement expired on 31st December 2019.
- **Total revenues** and other income for Q4 2019 were USD 65.8 million compared with USD 66.3 million for Q3 2019.
- **Vessel Operating Expenses** were USD 3.6 million in Q4 2019 compared with USD 4.5 million in Q3 2019. The operating expenses are related to the vessel *Connector*, which is operated on a time-charter basis and the FPSO *Dhirubhai-1*. The Company is working to reduce the operating expenses on the FPSO and the vessel will be moved to a new lay-up site and the number of crew reduced.
- **EBITDA** was USD 56.6 million in Q4 2019 compared with USD 57.2 million in Q3 2019. Adjusted for finance lease effects the EBITDA was USD 80.0 million compared with USD 80.8 million in Q3 2019.
- **Depreciation and amortization** were USD 16.7 million in Q4 2019, compared with USD 19.1 million in Q3 2019. The vessels delivered during Q4 2019 are accounted for as finance leases with no impact on the depreciation. As a result of the impairment on the FPSO in Q3 2019, depreciation for this vessel has been reduced by about USD 2.5 million per quarter, down to USD 4.2 million per quarter.

- **Impairment charges and other non-recurring items** were USD 7.7 million in Q4 2019 compared with USD 68.4 million in Q3 2019. The provision in the fourth quarter is related to decommissioning and field abandonment on the MA-field in India where the FPSO *Dhirubhai-1* was operating and comes as a consequence of the decommissioning project taking more time than earlier envisaged, mainly due to weather delays.
 - **Operating profit** was USD 32.2 million in Q4 2019 compared with a negative operating profit of USD 30.2 million in Q3 2019.
 - **Financial income** was USD 0.7 million in Q4 2019 compared with USD 0.5 million in Q3 2019. This is mainly income from cash deposits.
 - **Financial expenses** were USD 26.7 million in Q4 2019, compared with USD 27.3 million in Q3 2019.
 - **Foreign exchange** losses were USD 9.2 million in Q4 2019, compared with a gain of USD 17.8 million in Q3 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.
 - **Change in fair value of financial instruments** were positive with USD 13.5 million in Q4 2019 compared with negative USD 23.1 million in Q3 2019. This is mainly related to cross currency swaps, where the Company has swapped bond loans denominated in NOK over to USD. In addition, the fair value change is also related to interest rate swaps linked to the Company's vessel loan facilities.
 - **The Net profit before tax** in Q4 2019 was USD 10.6 million compared with a loss of USD 62.3 million for Q3 2019.
 - **Tax payable** was positive USD 1.4 million in Q4 2019 compared with negative USD 0.9 million in Q3 2019.
 - **Change in deferred tax** was negative USD 2.4 million in Q4 2019, compared with USD 0.0 million in Q3 2019.
 - **The Net profit after tax** for Q4 2019 was USD 9.6 million compared with negative USD 63.2 million for Q3 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 15.4 million as compared with USD 11.0 million in Q3 2019.
- Balance sheet items**
- **Vessels and equipment** was USD 1,053.7 million in Q4 2019 compared with USD 1,066.9 million in Q3 2019. The decrease compared with the third quarter is related to ordinary depreciation.
 - **Finance lease receivables and related assets**, including the short term portion, were USD 1,703.4 million in Q4 2019 compared with USD 1,436.4 million in Q3 2019. As from Q4 2019, Finance lease receivables have been split in a long-term portion and a short-term portion, where the short-term portion is the amount falling due within the next twelve months. The increase in Finance lease receivables is related to delivery of further vessels during Q4 2019 accounted for as finance leases.
 - **Restricted cash deposits** were USD 22.7 million compared with USD 26.4 million in Q3 2019. The cash deposits are posted as collateral with banks for the Company's cross currency swaps related to unsecured bond loans. The decrease compared with the third quarter comes as a result of the strengthening of the NOK against the USD.
 - **Cash & cash equivalents** at the end of Q4 2019 were USD 185.5 million, compared with USD 176.0 million at the end of Q3 2019. In addition, the Company had undrawn credit lines of USD 48 million, resulting in total available liquidity of USD 233.5 million.
 - **Book equity** was USD 876.6 million at the end of Q4 2019, compared with USD 817.2 million at the end of Q3 2019. The equity ratio was 27.8% at the end of Q4 2019 compared with 28.3% in Q3 2019.
 - **Interest bearing long-term debt** was USD 1,909.0 million compared with USD 1,642.3 million in Q3 2019. During the quarter, a total of USD 409.3 million of debt was drawn related to vessel deliveries and corporate purposes, while a total of USD 210.8 million of debt was repaid in ordinary and extra-ordinary instalments. In connection with the refinancing of the bond issue OCY03 in November, where the Company issued a new NOK 750 million, 5-year unsecured bond, the Company bought back NOK 439.0 million of bonds in OCY03. The remaining outstanding amount of NOK 458.5 million was subsequently called and prepaid in January.
 - **Interest bearing short-term debt** was USD 276.2 million in Q4 2019 compared with USD 330.5 million in Q3 2019. The figure for Q4 2019 includes the remaining amounts outstanding under the bond loan OCY03, which had maturity in 2020, and was prepaid in January 2020.
 - **Fair value of derivatives:** The fair value of derivatives was USD 46.1 million compared with USD 59.7 million in Q3 2019. The decrease compared with the third quarter 2019 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.

- **Field abandonment provisions** were USD 12.4 million compared with USD 14.8 million in Q3 2019. In the fourth quarter, USD 10.2 million was expensed and a further provision of USD 7.7 million was made as a result of the decommissioning project taking more time than earlier envisaged, mainly due to weather delays on the MA-field field, where the FPSO *Dhirubhai-1* was operating.
- **Total assets** were USD 3,153.2 million in Q4 2019, compared with USD 2,892.0 million in Q3 2019.

2019 FINANCIAL REVIEW

- **Operating revenues** were USD 107.1 million in 2019 compared with USD 236.3 million in 2018. The decrease in Operating revenue from 2018 mainly relates to the expiry of the contract for the FPSO *Dhirubhai-1* in September 2018.
- **Finance lease revenues** were USD 114.1 million in 2019 compared with USD 82.9 million in 2018. The increase is related to delivery of further vessels to the fleet. During the year 2019, Ocean Yield took delivery of another 14 vessels, which all are classified as finance leases.
- **Income from investment in associates**, which is related to the 49.9% investment in Box Holdings Inc., were USD 22.9 million in 2019 compared with USD 24.2 million in 2018.
- **Total revenues and other income** for 2019 were USD 257.0 million compared with USD 343.4 million for 2018.
- **Vessel Operating Expenses** were USD 14.6 million in 2019 compared with USD 23.2 million in 2018. The decrease is mainly due to lower operating expenses on the FPSO *Dhirubhai-1* which completed its contract in September 2018.
- **Write down on trade receivables** were USD 0.4 million in 2019 compared with USD 19.5 million in 2018. The write down in 2018 was related to receivables from the former charterer of the FPSO.
- **EBITDA** was USD 222.5 million in 2019 compared with USD 282.7 million in 2018. Adjusted for finance lease effects the EBITDA was USD 303.0 million in 2019 compared with USD 333.6 million in 2018.
- **Depreciation and amortization** was USD 74.3 million in 2019, compared with USD 98.7 million in 2018. The reduction compared with 2018 mainly relates to the FPSO *Dhirubhai-1*, where the depreciation profile changed following expiry of the charter contract in September 2018.
- **Impairment charges and other non-recurring items** were USD 80.6 million for the year 2019. This is mainly related to impairment of the book value on the FPSO and provisions for decommissioning of the MA-field where the FPSO was operating. This compares to USD 32.2 million of impairments and other non-recurring items in 2018, which were mainly related to an impairment of the book value of two AHTS vessels on long-term charter to a subsidiary of Solstad Offshore ASA, provisions for decommissioning in India and an impairment of goodwill related to the FPSO.
- **Financial income** was USD 2.3 million in 2019 compared with USD 3.2 million in 2018. The decrease is related to the sale of bonds in American Shipping Company ASA, which was completed during the second quarter of 2018.
- **Financial expenses** were USD 104.3 million in 2019, compared with USD 86.1 million in 2018. The increase in financial expenses in 2019 compared to the previous year is mainly related to increased long-term debt as a result of vessel deliveries.
- **Foreign exchange gains** were USD 1.6 million in 2019, compared with USD 16.0 million in 2018. 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 gains had no significant cash impact.
- **Change in fair value of financial instruments** were negative with USD 3.6 million in 2019 compared with negative USD 23.3 million in 2018. This is mainly related to the Company's cross currency swaps and interest rate swaps related to vessel financings. The change in fair value of financial instruments had no significant cash impact.
- **The Net profit before tax** in 2019 was negative USD 36.4 million compared with positive USD 61.6 million for 2018.
- **Tax payable** was USD 1.0 million in 2019 compared with USD 0.5 million in 2018.
- **Change in deferred tax** was negative with USD 2.5 million in 2019, compared with negative USD 2.8 million in 2018.
- **The Net profit after tax** for 2019 was negative USD 39.9 million compared with a Net Profit of USD 58.4 million for 2018. 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 46.0 million in 2019 as compared with USD 121.6 million in 2018.

CHARTER BACKLOG

The EBITDA backlog* at the end of Q4 2019 was USD 3.6 billion with an average remaining contract duration of 10.5 years. The total fleet as of the end of the fourth quarter was 69 vessels. This includes one newbuilding dry-bulk vessel scheduled for delivery in Q2 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

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

In addition, the Company is exposed to operating- and employment-risk on the vessel *Connector*, as well as impairment risk related to the vessel's book value. Due to challenging market conditions, the Company expects low revenues for this vessel also in 2020.

Further, Ocean Yield has two AHTS vessels on long-term charters to a subsidiary of Solstad. As a consequence of the on-going financial restructuring of Solstad, the charter contracts are likely to be amended. No revenue has been recognized for these vessels in Q4 2019.

The Company is also exposed to a number of other risks, including counterparty-, financing-, interest rate-, currency-, impairment- 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

The bank and bond markets continue to be selective, and equity capital remains expensive for many shipping companies. These factors contribute to make Ocean Yield's products attractive for a large number of shipping companies. Hence, the Company continues to see interesting investment opportunities in several segments.

The current intention of the Board of Directors is to adjust the dividend from USD 0.1910 to USD 0.15 per share for Q1 2020.

Fornebu, 12th February 2020
Ocean Yield ASA

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Ocean Yield ASA Group condensed consolidated financial statement for the fourth quarter 2019

INCOME STATEMENT

<i>Amounts in USD million</i>	Note	3rd Quarter 2019	4th Quarter 2019	4th Quarter 2018	Jan - Dec 2019	Jan - Dec 2018
Operating revenues		26.9	24.1	34.0	107.1	236.3
Finance lease revenue		30.4	32.2	24.4	114.1	82.9
Income from investments in associates		5.4	5.9	5.8	22.9	24.2
Other income		3.6	3.6	-	12.9	-
Total revenues and other income	5	66.3	65.8	64.2	257.0	343.4
Vessel operating expenses		(4.5)	(3.6)	(4.2)	(14.6)	(23.2)
Wages and other personnel expenses		(2.1)	(2.1)	(1.9)	(9.1)	(8.5)
Other operating expenses		(2.4)	(3.4)	(3.1)	(10.5)	(9.5)
Write down on trade receivables		(0.0)	(0.0)	(19.5)	(0.4)	(19.5)
EBITDA	5	57.2	56.6	35.5	222.5	282.7
Depreciation and amortization	7	(19.1)	(16.7)	(19.2)	(74.3)	(98.7)
Impairment charges and other non recurring items	7	(68.4)	(7.7)	(32.2)	(80.6)	(32.2)
Operating profit (EBIT)		(30.2)	32.2	(15.9)	67.5	151.8
Financial income		0.5	0.7	0.4	2.3	3.2
Financial expenses		(27.3)	(26.7)	(23.4)	(104.3)	(86.1)
Foreign exchange gains/losses		17.8	(9.2)	18.1	1.6	16.0
Change in fair value of financial instruments	6	(23.1)	13.5	(30.0)	(3.6)	(23.3)
Net financial items		(32.1)	(21.6)	(34.9)	(104.0)	(90.2)
Net profit before tax		(62.3)	10.6	(50.8)	(36.4)	61.6
Tax payable		(0.9)	1.4	(0.2)	(1.0)	(0.5)
Change in deferred tax		(0.0)	(2.4)	1.1	(2.5)	(2.8)
Net profit after tax		(63.2)	9.6	(49.9)	(39.9)	58.4
Attributable to:						
Equity holders of the parent		(63.5)	6.6	(50.1)	(43.5)	57.0
Non-controlling interests		0.3	0.3	0.2	0.9	1.4
Dividends on hybrid capital		-	2.7	-	2.7	-
Net profit after tax		(63.2)	9.6	(49.9)	(39.9)	58.4
Weighted average number of shares outstanding		159.3	165.0	159.3	160.8	157.3
Earnings per share (USD)		(0.40)	0.04	(0.31)	(0.27)	0.36
Total number of shares outstanding, eksl. treasury shares		159.3	175.2	159.3	175.2	159.3

TOTAL COMPREHENSIVE INCOME

<i>Amounts in USD million</i>	3rd Quarter 2019	4th Quarter 2019	4th Quarter 2018	Jan - Dec 2019	Jan - Dec 2018
Net profit after tax for the period	(63.2)	9.6	(49.9)	(39.9)	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)	-	(0.1)	(0.0)	(0.1)	(0.0)
Total for items that will not be reclassified to the income statement	-	(0.1)	(0.0)	(0.1)	(0.0)
Items that are or may be reclassified to the income statement					
Share of other comprehensive income from investment in associates	(5.4)	4.4	(7.8)	(15.5)	0.0
Change in fair value of available for sale financial assets	(0.9)	0.3	(3.5)	(0.8)	(4.0)
Currency translation differences	(2.6)	1.2	(2.5)	(0.6)	(2.8)
Total for items that are or may be reclassified to the income statement	(8.8)	5.9	(13.9)	(16.8)	(6.7)
Total change in other comprehensive income, net of income tax	(8.8)	5.8	(13.9)	(16.9)	(6.7)
Total comprehensive income for the period	(72.1)	15.4	(63.8)	(56.8)	51.6
Attributable to:					
Equity holders of the parent	(72.3)	12.4	(64.0)	(60.4)	50.3
Non controlling interests	0.3	0.3	0.2	0.9	1.4
Dividends on hybrid capital	-	2.7	-	2.7	-
Total comprehensive income for the period	(72.1)	15.4	(63.8)	(56.8)	51.6



BALANCE SHEET

<i>Amounts in USD million</i>		30 September	31 December	31 December
	Note	2019	2019	2018
ASSETS				
Vessels and equipment	7	1 066.9	1 053.7	1 195.6
Investments in associates		173.7	178.2	191.9
Finance lease receivables and related assets	8	1 265.6	1 483.6	1 037.7
Restricted cash deposits		26.4	22.7	16.1
Other interest-bearing long-term receivables		1.7	1.6	1.8
Shares in Solstad Offshore ASA		0.7	1.0	1.7
Deferred tax assets		0.0	0.1	-
Total non-current assets		2 535.0	2 740.9	2 444.9
Finance lease receivables, short term portion		170.8	219.8	134.1
Trade and other interest-free receivables		10.2	7.1	37.6
Cash and cash equivalents		176.0	185.5	110.0
Total current assets		357.0	412.3	281.7
Total assets		2 892.0	3 153.2	2 726.6
EQUITY AND LIABILITIES				
Share capital		253.7	271.0	253.7
Treasury shares		(0.1)	(0.1)	(0.0)
Other paid-in capital		306.1	366.1	387.3
Total paid-in capital	11	559.7	637.0	641.0
Retained earnings and translation reserves		119.7	101.4	204.7
Total equity attributable to equity holders of the parent		679.4	738.4	845.7
Hybrid capital		125.0	125.0	-
Non controlling interests		12.9	13.2	0.0
Total equity		817.2	876.6	845.7
Interest-bearing long-term debt	10	1 642.3	1 909.0	1 572.0
Deferred tax liabilities		0.0	2.6	-
Pension liabilities		0.0	0.0	0.0
Mobilization fee and advances		6.8	5.7	12.2
Fair value of derivatives	6	22.3	23.7	26.7
Finance lease liabilities		1.1	1.0	-
Other interest-free long-term liabilities		-	1.6	-
Total non-current liabilities		1 672.5	1 943.6	1 610.9
Interest-bearing short-term debt	10	330.5	276.2	190.9
Fair value of derivatives	6	37.4	22.5	16.0
Current provisions (field abandonment)		14.8	12.4	25.7
Trade and other payables		19.5	22.0	37.3
Total current liabilities		402.3	333.0	269.9
Total liabilities		2 074.8	2 276.6	1 880.8
Total equity and liabilities		2 892.0	3 153.2	2 726.6

CHANGE 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 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	-	-	-	-	-	(40.7)	(40.7)	-	0.9	(39.9)
Other comprehensive income	-	-	-	(0.8)	(0.6)	(15.6)	(16.9)	-	-	(16.9)
Total comprehensive income	-	-	-	(0.8)	(0.6)	(56.3)	(57.7)	-	0.9	(56.8)
Dividend	-	(60.9)	-	-	-	(60.7)	(121.6)	-	(0.0)	(121.6)
Dividend on hybrid capital	-	-	-	-	-	(2.7)	(2.7)	-	-	(2.7)
Issuance of ordinary shares	17.3	60.7	-	-	-	-	78.0	-	-	78.0
Expenses related to issuance of shares, net of tax	-	(0.8)	-	-	-	-	(0.8)	-	-	(0.8)
Issuance of hybrid capital	-	-	-	-	-	-	-	125.0	-	125.0
Expenses related to issuance of hybrid bond, net of tax	-	-	-	-	-	(1.9)	(1.9)	-	-	(1.9)
Treasury shares acquired	-	-	(1.5)	-	-	-	(1.5)	-	-	(1.5)
Treasury shares sold	-	-	1.2	-	-	(0.3)	0.9	-	-	0.9
Minority's share of capital increase in subsidiary	-	-	-	-	-	-	-	-	12.2	12.2
Transfer from share premium to retained earnings	-	(20.3)	-	(0.0)	-	20.4	-	-	-	-
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

CASH FLOW STATEMENT

	3rd Quarter	4th Quarter	4th Quarter	Jan - Dec	Jan - Dec
<i>Amounts in USD million</i>	2019	2019	2018	2019	2018
Profit before tax	(62.3)	10.6	(50.8)	(36.4)	61.6
Depreciation and amortization	19.1	16.7	19.2	74.3	98.7
Impairment charges and other non-recurring items	68.4	7.7	32.2	80.6	32.7
Income from investments in associates	(5.4)	(5.9)	(5.8)	(22.9)	(24.2)
Dividend received from investments in associates	4.8	5.8	5.4	21.1	22.6
Net interest expenses (+)	26.4	25.4	22.6	100.4	79.9
Interest paid	(25.7)	(22.8)	(20.9)	(96.3)	(74.6)
Interest received	1.8	0.9	0.4	7.4	4.9
Unrealized foreign exchange gain/loss	(17.9)	5.7	(17.8)	(6.1)	(15.0)
Change in fair value of financial instruments	23.1	(13.5)	30.0	3.6	23.3
Other changes in operating activities	(2.3)	(2.6)	11.8	(5.9)	(17.4)
Net cash flow from operating activities	29.9	27.9	26.5	119.8	192.4
Acquisition of vessels and equipment	-	(0.4)	(0.1)	(0.5)	(2.6)
Acquisition of vessels accounted for as finance lease receivables	(104.5)	(286.3)	(94.2)	(568.4)	(411.0)
Repayment on finance lease receivables	23.6	23.4	15.8	80.5	50.9
Investments in other non-current assets	(7.6)	(4.4)	(58.3)	(45.9)	(91.9)
Net change in associated companies	0.0	-	(1.6)	-	(1.6)
Net change in long-term interest-bearing receivables	(8.4)	3.7	(9.8)	(6.5)	34.9
Net cash flow from investing activities	(96.8)	(264.1)	(148.2)	(540.8)	(421.3)
Proceeds from issuance of long-term interest-bearing debt	149.8	409.3	177.2	772.8	530.8
Repayment of long-term interest-bearing debt	(85.7)	(210.8)	(86.2)	(354.0)	(263.4)
Repayment on finance lease liabilities	(0.1)	(0.1)	-	(0.4)	-
Dividend paid	(30.3)	(30.3)	(30.4)	(121.6)	(119.1)
Dividend on hybrid capital	-	(2.7)	-	(2.7)	-
Dividend paid to non-controlling interests	-	-	(1.8)	-	(1.8)
Net proceeds from issuance of new shares	(0.0)	77.3	0.0	77.3	95.5
Net proceeds from issuance of hybrid capital	123.1	-	-	123.1	-
Net change in treasury shares	(0.5)	(0.2)	-	(0.6)	(0.1)
Net cash flow from financing activities	156.3	242.5	58.8	493.9	241.8
Net change in cash and cash equivalents	89.4	6.3	(62.9)	72.9	13.0
Exchange rate differences	(0.3)	3.1	(0.4)	2.6	(1.6)
Cash and cash equivalents at beginning of the period	86.9	176.0	173.4	110.0	98.7
Cash and cash equivalents at the end of the period	176.0	185.5	110.0	185.5	110.0

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT FOR OCEAN YIELD ASA FOR THE FOURTH QUARTER 2019

NOTE 1 INTRODUCTION

Ocean Yield ASA is a company domiciled in Norway. The condensed consolidated interim financial statements for the fourth quarter and twelve months ending 31st December 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 12th February 2020.

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	3rd Quarter	4th Quarter	4th Quarter	Jan - Dec	Jan - Dec
<i>Amounts in USD million</i>	2019	2019	2018	2019	2018
FPSO	0.6	0.7	(21.1)	4.1	63.6
Other Oil Service	13.7	11.9	19.9	54.2	85.8
Car Carriers	10.3	10.2	10.6	41.6	41.4
Container vessels	7.6	8.0	8.1	31.8	28.8
Tankers	19.5	18.4	13.4	68.3	45.8
Other Shipping	7.9	9.7	7.1	32.3	26.8
Other companies and eliminations	(2.3)	(2.4)	(2.6)	(9.8)	(9.6)
EBITDA	57.2	56.6	35.5	222.5	282.7

Net profit after tax	3rd Quarter	4th Quarter	4th Quarter	Jan - Dec	Jan - Dec
<i>Amounts in USD million</i>	2019	2019	2018	2019	2018
FPSO	(74.3)	(11.2)	(35.9)	(101.4)	(10.1)
Other Oil Service *	(0.3)	1.2	(7.9)	3.5	19.9
Car Carriers	4.7	4.5	4.2	17.5	19.2
Container vessels	6.7	7.5	7.3	27.9	27.6
Tankers	10.6	10.7	9.7	37.6	28.0
Other Shipping	3.7	5.1	1.6	11.6	13.6
Other companies and eliminations**	(14.4)	(8.2)	(28.9)	(36.7)	(39.7)
Net profit after tax	(63.2)	9.6	(49.9)	(39.9)	58.4

*The vessel *Connector* contributed negatively with USD 4.5 million to net profit in the quarter, and the vessels *Far Senator* and *Far Statesman* contributed negatively with USD 2.1 million. For the year 2019 the *Connector* contributed negatively to net profit with USD 15.9 million and *Far Senator* and *Far Statesman* contributed negatively with USD 6.8 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.

<i>Amounts in USD million</i>	Change Q4 2019	Change Jan - Dec 2019	Fair value as of 31st Dec 2019
Cross Currency Interest Rate Swaps	12.0	(1.5)	(39.0)
Forward exchange contracts	0.4	0.6	(0.5)
Interest rate swaps	1.2	(2.7)	(6.6)
Total	13.5	(3.6)	(46.1)

<i>Amounts in USD million</i>	Change Q4 2018	Change Jan - Dec 2018	Fair value as of 31st Dec 2018
Cross Currency Interest Rate Swaps	(26.2)	(26.2)	(37.5)
Forward exchange contracts	(1.5)	(1.4)	(1.1)
Interest rate swaps	(2.3)	4.3	(4.0)
Total	(30.0)	(23.3)	(42.6)

NOTE 7 VESSELS AND EQUIPMENT

Material changes in vessels and equipment during 2019:

<i>Amounts in USD million</i>	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	0.2	0.2	-	-	-	-	0.0	0.5
IFRS 16 effects	-	-	-	-	-	-	1.3	1.3
Depreciation	(24.6)	(29.5)	(13.6)	-	-	(5.5)	(1.1)	(74.3)
Impairment	(68.4)	-	-	-	-	-	-	(68.4)
Effect of movements in foreign exchange	-	(1.0)	-	-	-	-	-	(1.0)
Balance at 31st December 2019	146.1	478.6	271.0	-	-	148.5	9.3	1 053.7

An impairment charge of USD 68.4 million was recognized in the third quarter 2019. This was related to the book value of the FPSO Dhirubhai-1, which is currently idle and being marketed for new employment.

As of year-end the Group has assessed the values of the vessels Dhirubhai-1, Connector, Far Senator and Far Statesman. The value in use has been estimated for all of the vessels, and has been calculated based on the present value of estimated future cash flows.

For the FPSO Dhirubhai-1 the Group has considered several possible scenarios and calculated the present value of estimated future cash flows for these scenarios. The value in use has then been calculated as the weighted average of these scenarios.

For the vessels Connector, Far Senator and Far Statesman the Group the projected cash flows represents management's best estimate for future charter hire for these vessels.

As of year-end the estimated value in use is not materially different to the book value for the vessels Dhirubhai-1, Connector, Far Senator and Far Statesman, and no additional impairment or reversal has been recognized. As of year-end the book value of the FPSO was USD 146.0 million, the book value of Connector was USD 184.8 million, and the value of Far Senator and Far Statesman was USD 89.2 million. The calculations of value in use are highly sensitive to the estimated level of future charter hires, the length of the cash flows and the weighting of the different scenarios.

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

The net finance lease receivables as of 31st December 2019 was as follows:

Amounts in USD million	FPSO	Other Oil Service	Car Carriers	Container vessels	Tankers	Other shipping	Total
<i>Gross finance lease receivable</i>							
Less than one year	-	37.6	-	12.1	145.5	33.0	228.2
Between one and five years	-	116.8	-	48.4	458.5	132.9	756.5
More than five years	-	79.8	-	66.6	770.6	239.6	1 156.7
Unguaranteed residual values	-	57.7	-	22.2	191.0	13.9	284.8
Gross finance lease receivable	-	292.0	-	149.2	1 565.5	419.4	2 426.2
Less: Unearned finance income	-	(126.7)	-	(39.4)	(461.6)	(110.8)	(738.4)
Total finance lease receivables	-	165.2	-	109.9	1 104.0	308.7	1 687.8
<i>Present value of minimum lease payments</i>							
Less than one year	-	35.0	-	11.8	140.9	32.0	219.8
Between one and five years	-	77.6	-	41.2	386.7	114.0	619.5
More than five years	-	32.9	-	44.2	482.6	154.2	713.9
Unguaranteed residual values	-	19.7	-	12.7	93.8	8.5	134.6
Total finance lease receivables	-	165.2	-	109.9	1 104.0	308.7	1 687.8
Pre-delivery instalments	-	-	-	-	-	15.6	15.6
Total finance lease receivables and related assets	-	165.2	-	109.9	1 104.0	324.3	1 703.4

The Company has taken delivery of four VLCC crude tankers in 2019. All vessels are fixed from delivery on long-term charters to Okeanis ECO Tankers Corp. and are accounted for as finance leases. They are included in the segment "Tankers".

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".

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. Pre-delivery advances related to this vessel 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 August 2019, Ocean Yield agreed to acquire one handy-size dry bulk newbuilding with 10-year bareboat charter to a company owned and guaranteed by Interlink Maritime Corp. The purchase price was USD 18 million net of pre-paid charter hire, and the vessel was delivered from the shipyard at the end of September 2019. The vessel is accounted for as a finance lease and is included in the segment "Other Shipping".

In October 2019, Ocean Yield acquired an ethylene gas carrier for a total consideration of USD 69.75 million net of a seller's credit, with 13-year bareboat charter to a company 100% owned and guaranteed by Navigator Holdings Ltd. The vessel was delivered to the Company on 29th October 2019. The vessel is accounted for as a finance lease and is included in the segment "Other Shipping".

Also in October 2019, Ocean Yield acquired two Newcastlemax dry bulk newbuildings with 13-year bareboat charter to companies owned and guaranteed by 2020 Bulkers Ltd. The total purchase price was USD 84 million net of pre-paid charter hire. The first vessel was delivered on 30th October 2019 and the second on 6th November 2019. The vessels are accounted for as finance leases and is included in the segment "Other Shipping".

In November 2019 Ocean Yield agreed to acquire four modern LR2 product tankers with long-term charter to companies owned and guaranteed by Navig8 Topco Holdings Inc. ("Navig8 Group") from a major Chinese leasing company. The net purchase price was approximately USD 132 million in total, or an average price of USD 33 million per vessel. Three vessels were delivered to the Company on 4th December 2019 and the fourth on 10th December 2019. The scrubber fitted vessels are built in 2018 and 2019 with about 9 year's remaining bareboat charters to Navig8 Group. The vessels are accounted for as finance leases and is included in the segment "Tankers".

In December 2019, a subsidiary of Navig8 Chemical Tankers Inc. has exercised the five-year purchase option in the lease for the vessel Navig8 Aquamarine. The purchase price for the vessel is USD 26.5 million and the transaction will be effectuated in June 2020.

NOTE 9 CONTRACTUAL OBLIGATIONS

Ocean Yield had as per 31st December 2019 the following contractual obligations related to the purchase of vessels.

<i>Amounts in USD million</i>	FPSO	Other Oil Service	Car Carriers	Container vessels	Tankers	Other Shipping	Total
Already paid	-	-	-	-	-	15.5	15.5
Q2 2020	-	-	-	-	-	24.5	24.5
Total contractual obligations	-	-	-	-	-	40.0	40.0
Total remaining payments	-	-	-	-	-	24.5	24.5
Secured bank financing	-	-	-	-	-	-	-
Estimated bank funding	-	-	-	-	-	37.1	37.1
Payments to be funded by cash	-	-	-	-	-	(12.6)	(12.6)

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 Q2 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:

<i>Amounts in USD million</i>	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	-	174.7	-	-	362.6	163.3	82.4	783.0
Paid loan fees	-	(2.4)	-	-	(5.0)	(1.9)	(1.0)	(10.2)
Instalments	-	(216.9)	(17.0)	(7.2)	(48.8)	(15.9)	(48.2)	(354.0)
Effect of movements in foreign exchange and loan fees amortized	-	0.7	0.7	0.2	2.3	0.5	(0.9)	3.5
Total interest-bearing liabilities 30th September 2019	-	395.2	168.2	84.5	875.3	355.7	306.2	2 185.2
Long-term	-	353.6	151.3	77.3	743.2	329.7	254.0	1 909.0
1st year instalments	-	41.7	17.0	7.2	132.1	26.0	52.2	276.2
Total interest-bearing liabilities 30th September 2019	-	395.2	168.2	84.5	875.3	355.7	306.2	2 185.2
Undrawn facilities	-	48.3	-	-	-	-	-	48.3

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.

A total of 7 vessels were acquired and delivered to the Company during the fourth quarter. This includes one gas

carrier with long-term charter to Navigator Gas, two dry-bulk vessels with long-term charter to 2020 Bulkers and four LR2 product tankers with long-term charter to Navig8 Group. All vessels have been financed with a combination of equity and debt.

In November 2019, Ocean Yield successfully completed a new, five-year bond issue of NOK 750 million, carrying a coupon of 3 months NIBOR + 4.25% p.a. In connection with the bond issue, the Company bought back NOK 439.0 million of the outstanding bond OCY03 and on 10th December 2019, the Company issued a call notice for the remaining NOK 458.5 million outstanding under OCY03. This was settled in January 2020.

The loan related to the SBM Installer, which is on long-term charter to SBM Offshore, had maturity in December 2019. In December, Ocean Yield entered into a new, seven year loan facility for the financing of this vessel with the existing banks, refinancing the outstanding amount as of Q4 2019.

NOTE 11 SHARE CAPITAL AND DIVIDENDS

On the 21st of November, Ocean Yield successfully completed a private placement of 15,935,143 new shares at NOK 45 per share, raising gross proceeds of approximately NOK 717 million.

In Q4 2019 certain members of senior management have acquired a total of 121,000 shares in the Company. The purchase of shares was made as part of the Company's management incentive program.

As of 31st December 2019 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 72,371.

In Q4 2019, USD 30.3 million was paid in dividends, following the announcement of the Q3 2019 results.

NOTE 12 EVENTS AFTER THE BALANCE SHEET DATE

Post quarter end, a subsidiary of Navig8 Chemical Tankers Inc. has exercised the five-year purchase option in the lease for the vessel Navig8 Amessi. The purchase price for the vessel is USD 26.5 million and the transaction will be effectuated in July 2020. The net proceeds from the sale will be reinvested in new vessels on long-term charter.



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 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:

<i>Amounts in USD million</i>	3rd Quarter 2019	4th Quarter 2019	4th Quarter 2018	Jan - Dec 2019	Jan - Dec 2018
EBITDA	57.2	56.6	35.5	222.5	282.7
Repayment on finance lease receivables	23.6	23.4	15.8	80.5	50.9
EBITDA adjusted for finance lease effects	80.8	80.0	51.3	303.0	333.6
Net profit after tax	(63.2)	9.6	(49.9)	(39.9)	58.4
Write down on trade receivables	0.0	0.0	19.5	0.4	19.5
Impairment of goodwill related to the FPSO DB-1	68.4	-	9.8	68.4	9.8
Increase in field abandonment provision related to the FPSO DB-1	-	7.7	9.1	12.2	9.1
Impairment of Far Senator/Far Statesman	-	-	13.4	-	13.4
Foreign exchange gains/losses	(17.8)	9.2	(18.1)	(1.6)	(16.0)
Change in fair value of financial instruments	23.1	(13.5)	30.0	3.6	23.3
Change in deferred tax	0.0	2.4	(1.1)	2.5	2.8
Other non-recurring items	0.5	-	-	0.5	1.5
Adjusted Net profit	11.0	15.4	12.5	46.0	121.6

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