

# Q4

## 2022 REPORT



OCEAN YIELD

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# FOURTH QUARTER AND PRELIMINARY RESULTS 2022

Fornebu, 15<sup>th</sup> February 2023, Ocean Yield AS (“Ocean Yield” or the “Company”) announces results for the fourth quarter and preliminary results for the year ending 31<sup>st</sup> December 2022.

## HIGHLIGHTS

- EBITDA for Q4 2022 was USD 51.8 million and EBITDA adjusted for finance lease effects was USD 82.8 million.
- Net profit for Q4 2022 was USD 21.1 million.
- EBITDA for 2022 was USD 187.0 million and EBITDA adjusted for finance lease effects was USD 301.9 million.
- Net profit for 2022 was USD 91.2 million.
- Strong balance sheet, with an equity ratio of 30.3% and USD 122 million in cash. Post quarter end, the Company has increased several loan facilities with a total amount of USD 55 million.
- Active period for financing and refinancing of several loan facilities. The bond loan OCY05 has been called, and will be settled in cash in Q1 2023.
- Acquisition of up to ten Newcastlemax dry bulk newbuildings with 15-year charters to CMB N.V.
- Acquisition of one 5,500 TEU container vessel newbuilding with 7-year charter to ZIM.
- EBITDA charter backlog at the end of Q4 2022 of USD 3.8 billion with an average remaining contract duration of 9.3 years.

Andreas Røde, CEO of Ocean Yield, said in a comment:

*“During 2022 we continued to renew and diversify our fleet and during the fourth quarter we committed to invest more than USD 600 million in modern future-proof vessels, taking the total investment figure for the year to more than USD 1 billion. The significant investment in up to ten ammonia-ready Newcastlemax newbuildings on long-term charters to CMB is a testimony to Ocean Yield’s strategy of facilitating our partners’ role in the energy transition.*

*Further, we are pleased with the continued support from our senior financing providers, enabling us to execute several attractive financings during the quarter for both new transactions and refinancing debt for the existing fleet, as we continue to optimize our balance sheet and cost of capital.”*

## KEY FINANCIALS FIGURES

	3rd Quarter	4th Quarter	4th Quarter	Jan - Dec	Jan - Dec
<i>Amounts in USD million</i>	2022	2022	2021	2022	2021
Revenues and other income	51.1	<b>55.4</b>	47.4	<b>197.3</b>	185.1
EBITDA*	48.8	<b>51.8</b>	41.5	<b>187.0</b>	162.0
EBITDA adjusted for finance lease effects*	77.0	<b>82.8</b>	66.1	<b>301.9</b>	248.5
Net profit (loss) for the period	23.4	<b>21.1</b>	17.9	<b>91.2</b>	63.0
Adjusted Net profit*	23.1	<b>22.2</b>	23.6	<b>89.7</b>	89.1
Equity ratio	31.0 %	<b>30.3 %</b>	28.6%	<b>30.3 %</b>	28.6 %
EBITDA charter backlog (USD bn)*	3.4	<b>3.8</b>	3.1	<b>3.8</b>	3.1

\* Definitions on page 17

# MAIN EVENTS DURING THE FOURTH QUARTER AND POST QUARTER END

## New investments

- In the fourth quarter, Ocean Yield announced the acquisition of up to ten Newcastlemax dry bulk new-buildings with long-term charters to CMB N.V. The vessels will be built with dual-fuel design, being able to operate using an ammonia-fuelled engine that will be developed by WinGD in collaboration with CMB. TECH. Upon delivery, the vessels will commence 15-year bareboat charters to CMB N.V. with purchase obligations at the end of the charter period. Expected delivery will be between Q1 2025 and Q2 2026. The final transaction scope will be a minimum of five and a maximum of ten vessels, to be determined at a later stage. Assuming a transaction scope of ten vessels, the transaction will add around USD 950 million to the Company's EBITDA backlog.
- During the fourth quarter, Ocean Yield also announced the acquisition of a third 5,500 TEU newbuilding container vessel under construction at HJ Shipbuilding, Korea. Upon delivery, expected in 2023, the vessel will commence a 7-year time-charter contract to ZIM Integrated Shipping Services Ltd. The transaction adds around USD 80 million to the Company's EBITDA backlog.

## Funding

- In the fourth quarter, the Company amended a loan facility relating to four PCTC vessels on long-term charters, where the loan outstanding against the vessels has been upsized with USD 64 million. The loan facility is structured as a revolving credit facility and the proceeds may be used for general corporate purposes. The maturity date remains unchanged.
- The Company amended a loan facility related to three Suezmax tankers on long-term charter. The loan outstanding against the vessels has been upsized with USD 25 million, while the maturity date remains unchanged. The funds were undrawn at end of the quarter.
- The loan facility related to the oil-service vessel *Aker Wayfarer*, which is on long-term charter to a subsidiary of Akastor ASA and sub-chartered to Petrobras until 2027, has been upsized with another USD 26 million. The loan facility is structured as a revolving credit facility and the proceeds can be used for general corporate purposes.
- During the quarter and post quarter end, the Company has signed loan agreements for the long-term financing of all three newbuilding container vessels with long-term charters to ZIM Integrated Shipping Services Ltd.
- After quarter end, the Company has refinanced the loan facility related to three Handysize dry bulk carriers on long-term charter. The loan outstanding against the vessels has been upsized with USD 5 million, and the maturity date has been extended to match the end of

the charter period.

- After quarter end, the Company has exercised the call option on the unsecured bond issue OCY05. The NOK 750 million bond will be settled in cash on 17<sup>th</sup> February 2023.
- Following these financing initiatives, the Company has no further maturities during 2023.

## Portfolio update

- Ocean Yield owns four 3,800 TEU feeder container vessels with long-term charters to CMB. During the fourth quarter, Ocean Yield and CMB agreed to amend the charter, whereby the charter term was extended and the lease outstanding amount was increased by USD 30 million in total. In connection with the amendment to the charter, the corresponding senior bank facility was also refinanced and increased.
- During the fourth quarter, Box Holdings Inc., the joint venture where Ocean Yield owns 49.9% took delivery of the container vessel *MSC Fatma* from the yard. The vessel commenced an 18-year bareboat charter to MSC upon delivery.
- The dry bulk vessel *Interlink Activity*, and the product tankers *Ardmore Dauntless* and *Ardmore Defender* were delivered to its new owners during the quarter, following exercise of the purchase- or sales options for the vessels.
- During the fourth quarter, purchase- or sales options have been exercised for two product tankers, one dry bulk vessel and one PCTC. The vessels will be delivered to its new owners between Q1 and Q3 2023. No purchase- or sales options have been declared since the Q3 reporting date.

## Dividends

- The Board of Directors has not declared a dividend for Q4 2022.

## FOURTH QUARTER FINANCIAL REVIEW

### Profit and Loss

- **Total revenues and other income** for Q4 2022 were USD 55.4 million compared with USD 51.1 million for Q3 2022.
- **Operating lease revenue** was USD 17.5 million compared with USD 17.1 million in Q3 2022. Operating lease revenue was positively impacted by higher interest rates in the quarter, which affected the floating interest rate based leases, while the AHTS vessels in the Solstad pool had lower revenues compared with the third quarter.
- **Finance lease revenue** increased to USD 32.4 million



compared with USD 28.3 million in Q3 2022. The increase was mainly due to substantially higher interest rates, which affected the floating interest rate based leases. It is worth noting that there is a lag effect before higher interest rates have full impact on revenues, particularly given the sharp increase in interest rates through the fourth quarter. Finance lease revenues were negatively impacted by the delivery of three vessels to new owners during the quarter.

- **Income from investments in associates**, which is related to vessels owned in joint ventures, was USD 3.9 million, compared with USD 4.4 million in Q3 2022. The reduction in income was mainly related to expenses associated with the delivery of the *MSC Fatma* in the quarter.
- **Other income** was USD 1.6 million in Q4 2022, mainly related to vessel sales.
- **Operating profit** was USD 45.2 million in Q4 2022 compared with USD 42.3 million in Q3 2022.
- **Net financial items** were negative USD 23.7 million in Q4 2022 compared with negative USD 18.8 million in Q3 2022. The increase was mainly related to higher interest rates during the quarter. Foreign exchange losses and change in fair value of financial instruments were net negative with USD 0.5 million.
- **Net profit for the period** Q4 2022 was USD 21.1 million compared with a net profit for the period of USD 23.4 million in Q3 2022. Adjusted net profit for the period was USD 22.2 million as compared with USD 23.1 million in Q3 2022.

#### Balance sheet

- **Cash & cash equivalents** at the end of Q4 2022 were USD 121.9 million, compared with USD 121.9 million at the end of Q3 2022. In addition, post quarter end, the Company had increased several loan facilities with a total amount of USD 55 million.
- **Book equity** was USD 706.4 million at the end of Q4 2022, compared with USD 712.1 million at the end of Q3 2022. The equity ratio was 30.3% at the end of the quarter.
- **Total interest bearing debt** was USD 1,555.7 million at the end of Q4 2022 compared with USD 1,511.8 million in Q3 2022.

#### Cash flow

- **Net cash flow from operating activities** was USD 62.1 million in Q4 2022 compared with USD 64.5 million in Q3 2022.
- **Net cash flow from investing activities** was negative USD 68.9 million compared with negative USD 19.6 million in Q3 2022. The investments mainly relate to one container vessel newbuilding, ten dry bulk newbuildings, and four container vessels. In addition, two product tankers and one dry bulk vessel were delivered to new owners during the fourth quarter.

- **Net cash flow from financing activities** was positive USD 5.5 million compared with negative USD 72.0 million in Q3 2022. The figures in Q4 2022 are mainly related to proceeds from issuance of debt, offset by repayment of debt and dividends on common shares and hybrid capital.

## 2022 FINANCIAL REVIEW

- **Total revenues and other income** were USD 197.3 million in 2022 compared with USD 185.1 million in 2021. The main driver for the increase was the investment in eight tankers at the end of 2021, with full revenue effect in 2022 combined with higher interest rates, which affects those leases that are based on floating interest rates. This was partially reduced by purchase and sales options being declared for some vessels and consequently vessels being delivered to new owners.
- **Vessel operating expenses** were USD 0.0 million in 2022 compared with USD 0.8 million in 2021. The expenses in 2021 were related to the vessel *Connector*, which was sold late in 2021.
- **Operating profit** was USD 159.2 million in 2022 compared with USD 132.7 million in 2021.
- **Net financial items** were negative USD 65.6 million in 2022, compared with negative USD 46.3 million in 2021. The increase in 2022 compared to 2021 was mainly related to higher interest rates. In addition, the figures for 2022 included foreign exchange gains and change in fair value of financial instruments of positive USD 3.0 million, which was lower than the comparable figure for 2021 of positive USD 7.5 million.
- **Net profit for the year 2022** was USD 91.2 million compared with a net profit of USD 63.0 million in 2021. The 2021 net profit was negatively affected by a USD 20.7 million net loss from discontinued operations related to the FPSO *Dhirubhai-1*. Adjusted net profit was USD 89.7 million in 2022 compared with USD 89.1 million in 2021.

## CHARTER BACKLOG

The EBITDA charter backlog at the end of Q4 2022 was USD 3.8 billion with an average remaining contract duration of 9.3 years. This includes Ocean Yield's pro-rata interest in vessels owned in joint ventures and the repayment of finance lease element for those charters classified as finance lease under IFRS, in addition to purchase obligations and declared options. The total fleet, counted 70 vessels at the end of the fourth quarter, which included wholly and partly owned vessels and vessels under construction. The EBITDA charter backlog and contract duration stated above assumes a transaction scope of 5 vessels for the Newcastle-max transaction announced on 6<sup>th</sup> December 2022.

## RISKS

The Company's fleet is predominantly fixed on long-term

bareboat charters with a floating interest rate component, this reduces the exposure to underlying charter rates. However, for two AHTS vessels the Company is exposed to volatility in market rates, as these vessels are trading on variable, market related rates in a pool with Solstad Off-shore ASA.

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

For a more detailed description of risk factors, please refer to the annual report for 2021, which is available on [www.oceanyield.no](http://www.oceanyield.no).

ments in vessels with long-term charters as the Company seeks to further grow and diversify the portfolio, further enhancing the visibility of our backlog and cash flow.

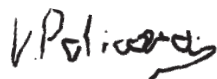
Our strong and well performing portfolio and our continued strong access to financing make the Company well positioned to partner with existing and new clients as we seek to facilitate and assist their energy transition and fleet renewal.

We continue to closely monitor the key shipping segments and regulatory changes that gradually will be implemented, while we seek opportunities in change for the global maritime fleet.

## OUTLOOK

Ocean Yield continues to selectively evaluate new invest-

BÆRUM, 15<sup>TH</sup> FEBRUARY 2023  
OCEAN YIELD AS



VINCENT POLICARD  
CHAIRMAN



BERNARDO NOGUEIRA  
DIRECTOR



EIRIK EIDE  
DIRECTOR



ANDREAS RØDE  
DIRECTOR

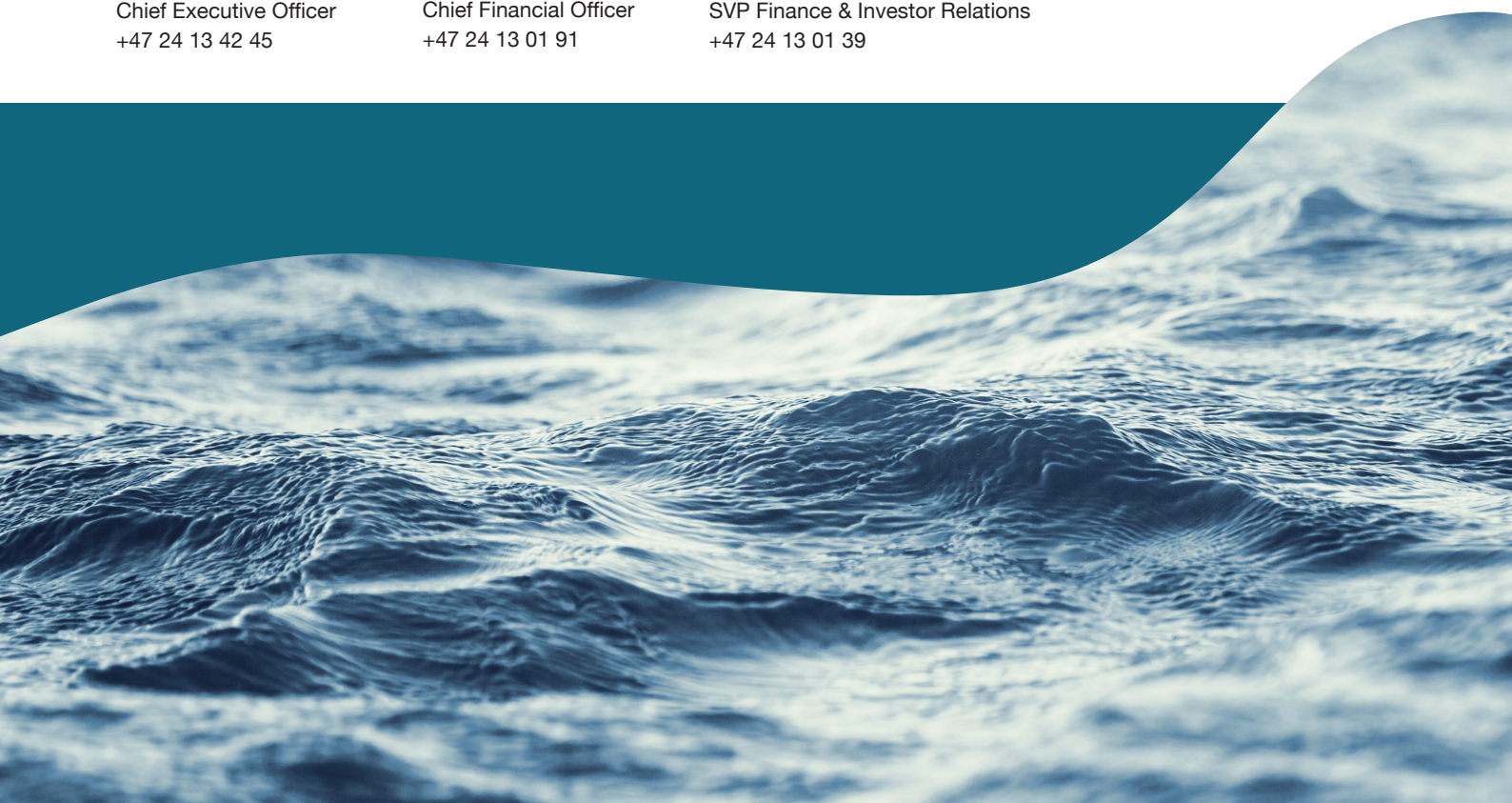
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## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

<i>Amounts in USD million</i>	Note	3rd Quarter 2022	4th Quarter 2022	4th Quarter 2021	Jan - Dec 2022	Jan - Dec 2021
Operating lease revenue		17.1	17.5	17.8	68.9	68.6
Finance lease revenue		28.3	32.4	21.3	106.3	86.5
Income from investments in associates		4.4	3.9	2.5	18.0	19.6
Other income		1.2	1.6	5.8	4.2	10.3
<b>Total revenues and other income</b>	5	<b>51.1</b>	<b>55.4</b>	<b>47.4</b>	<b>197.3</b>	<b>185.1</b>
Vessel operating expenses		-	-	0.0	0.0	(0.8)
Administrative expenses		(2.3)	(3.6)	(5.9)	(10.4)	(22.3)
Depreciation and amortization	7	(6.5)	(6.6)	(7.3)	(27.8)	(29.3)
<b>Operating profit</b>		<b>42.3</b>	<b>45.2</b>	<b>34.1</b>	<b>159.2</b>	<b>132.7</b>
Financial income		1.0	1.8	0.4	3.7	2.3
Financial expenses		(20.0)	(25.1)	(17.2)	(72.3)	(56.1)
Foreign exchange gains/losses		11.0	(12.6)	1.0	15.7	5.7
Change in fair value of financial instruments	6	(10.9)	12.1	0.5	(12.7)	1.8
<b>Net financial items</b>		<b>(18.8)</b>	<b>(23.7)</b>	<b>(15.2)</b>	<b>(65.6)</b>	<b>(46.3)</b>
<b>Net profit before tax</b>		<b>23.5</b>	<b>21.4</b>	<b>18.9</b>	<b>93.6</b>	<b>86.4</b>
Income tax expense		(0.1)	(0.4)	(0.8)	(2.4)	(2.7)
<b>Net profit (loss) from continuing operations</b>		<b>23.4</b>	<b>21.1</b>	<b>18.1</b>	<b>91.2</b>	<b>83.7</b>
Net profit (loss) from discontinued operation, net of tax		-	-	(0.2)	-	(20.7)
<b>Net profit (loss) for the period</b>		<b>23.4</b>	<b>21.1</b>	<b>17.9</b>	<b>91.2</b>	<b>63.0</b>
Attributable to:						
Equity holders of the parent		20.6	17.9	15.8	80.7	54.6
Dividends on hybrid capital		2.8	3.2	2.1	10.5	8.4
<b>Net profit (loss) for the period</b>		<b>23.4</b>	<b>21.1</b>	<b>17.9</b>	<b>91.2</b>	<b>63.0</b>



## CONDENSED CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

<i>Amounts in USD million</i>	3rd Quarter 2022	4th Quarter 2022	4th Quarter 2021	Jan - Dec 2022	Jan - Dec 2021
Net profit (loss) for the period	23.4	21.1	17.9	91.2	63.0
<b>Other comprehensive income, net of income tax</b>					
<b>Items that will not be reclassified to the income statement</b>					
Remeasurements of defined benefit liability (asset)	-	-	-	-	-
Total for items that will not be reclassified to the income statement	-	-	-	-	-
<b>Items that are or may be reclassified to the income statement</b>					
Share of other comprehensive income from investment in associates	16.0	(3.5)	3.2	42.2	9.8
Total for items that are or may be reclassified to the income statement	16.0	(3.5)	3.2	42.2	9.8
Total change in other comprehensive income, net of income tax	16.0	(3.5)	3.2	42.2	9.8
<b>Total comprehensive income for the period</b>	<b>39.4</b>	<b>17.6</b>	<b>21.0</b>	<b>133.4</b>	<b>72.9</b>
Attributable to:					
Equity holders of the parent	36.6	14.4	18.9	123.0	64.5
Dividends on hybrid capital	2.8	3.2	2.1	10.5	8.4
<b>Total comprehensive income for the period</b>	<b>39.4</b>	<b>17.6</b>	<b>21.1</b>	<b>133.4</b>	<b>72.9</b>





## CONDENSED CONSOLIDATED BALANCE SHEET

		30 September	31 December	31 December
<i>Amounts in USD million</i>	Note	2022	2022	2021
<b>ASSETS</b>				
Vessels and equipment	7	495.3	475.4	522.5
Newbuildings		16.6	56.2	-
Investments in associates		191.1	190.5	182.9
Finance lease receivables and related assets	8	1 174.6	1 113.8	1 295.0
Restricted cash deposits		16.3	13.1	5.5
Other non-current assets		2.8	65.5	2.1
<b>Total non-current assets</b>		<b>1 896.8</b>	<b>1 914.4</b>	<b>2 008.0</b>
Finance lease receivables, short term portion	9	274.5	287.5	191.0
Trade and other interest-free receivables		3.0	4.7	3.2
Cash and cash equivalents		121.9	121.9	121.2
<b>Total current assets</b>		<b>399.4</b>	<b>414.0</b>	<b>315.4</b>
<b>Total assets</b>		<b>2 296.2</b>	<b>2 328.5</b>	<b>2 323.4</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital		271.0	271.0	271.0
Other paid-in capital		95.0	71.8	190.2
<b>Total paid-in capital</b>	<b>12</b>	<b>366.0</b>	<b>342.8</b>	<b>461.2</b>
Retained earnings and translation reserves		221.1	238.6	77.2
<b>Total equity attributable to equity holders of the parent</b>		<b>587.1</b>	<b>581.4</b>	<b>538.5</b>
Hybrid capital		125.0	125.0	125.0
<b>Total equity</b>		<b>712.1</b>	<b>706.4</b>	<b>663.5</b>
Interest-bearing long-term debt	11	1 184.2	1 226.0	1 456.5
Deferred tax liabilities		9.5	8.4	7.0
Other non-current liabilities		3.3	8.9	0.9
Fair value of derivatives	6	19.7	14.6	7.0
<b>Total non-current liabilities</b>		<b>1 216.7</b>	<b>1 257.8</b>	<b>1 471.4</b>
Interest-bearing short-term debt	11	327.6	329.6	162.4
Fair value of derivatives	6	22.8	15.9	10.1
Trade and other payables		17.0	18.7	15.9
<b>Total current liabilities</b>		<b>367.4</b>	<b>364.3</b>	<b>188.5</b>
<b>Total liabilities</b>		<b>1 584.1</b>	<b>1 622.1</b>	<b>1 659.9</b>
<b>Total equity and liabilities</b>		<b>2 296.2</b>	<b>2 328.5</b>	<b>2 323.4</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*Amounts in USD million*

	Share Capital	Share Premium	Treasury shares	Retained earnings	Share- holders equity	Hybrid capital	Total equity
<b>Balance at 31st December 2020</b>	<b>271.0</b>	<b>237.4</b>	<b>(0.1)</b>	<b>4.4</b>	<b>512.7</b>	<b>125.0</b>	<b>637.7</b>
Net profit for the period	-	-	-	63.0	63.0	-	63.0
Other comprehensive income	-	-	-	9.8	9.8	-	9.8
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72.9</b>	<b>72.9</b>	<b>-</b>	<b>72.9</b>
Dividend	-	(38.9)	-	-	(38.9)	-	(38.9)
Dividend on hybrid capital	-	(8.4)	-	-	(8.4)	-	(8.4)
Treasury shares acquired	-	-	(0.4)	-	(0.4)	-	(0.4)
Treasury shares sold	-	(0.0)	0.5	-	0.5	-	0.5
Other	-	0.1	-	(0.1)	0.1	-	0.1
<b>Balance at 31st December 2021</b>	<b>271.0</b>	<b>190.2</b>	<b>-</b>	<b>77.2</b>	<b>538.5</b>	<b>125.0</b>	<b>663.5</b>
Net profit (loss) for the period	-	-	-	91.2	91.2	-	91.2
Other comprehensive income	-	-	-	42.2	42.2	-	42.2
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>133.4</b>	<b>133.4</b>	<b>-</b>	<b>133.4</b>
Dividend	-	(80.0)	-	-	(80.0)	-	(80.0)
Dividend on hybrid capital	-	(10.5)	-	-	(10.5)	-	(10.5)
Other	-	(27.9)	-	27.9	(0.0)	-	(0.0)
<b>Balance at 31st December 2022</b>	<b>271.0</b>	<b>71.8</b>	<b>-</b>	<b>238.6</b>	<b>581.4</b>	<b>125.0</b>	<b>706.4</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3rd Quarter	4th Quarter	4th Quarter	Jan - Dec	Jan - Dec
<i>Amounts in USD million</i>	2022	2022	2021	2022	2021
Net profit (loss) for the period	23.4	21.1	17.9	91.2	63.0
Income tax expense	0.1	0.4	0.8	2.4	2.7
Depreciation and amortization	6.5	6.6	7.4	27.8	29.3
Impairment charges and other non-recurring items	-	(0.0)	0.0	(0.4)	16.4
Repayment on finance lease receivables	28.3	31.1	24.6	114.9	86.5
Income from investments in associates	(4.4)	(3.9)	(2.5)	(18.0)	(19.6)
Dividend received from investments in associates	3.7	1.0	8.9	21.8	18.5
Net interest expenses (+)	18.9	22.9	14.1	67.4	50.3
Interest paid	(15.8)	(21.4)	(10.6)	(59.6)	(44.6)
Interest received	1.0	1.5	0.4	3.4	2.3
Unrealized foreign exchange gain/loss	(11.0)	12.6	(1.4)	(16.0)	(5.1)
Change in fair value of financial instruments	10.9	(12.1)	(0.5)	12.7	(1.8)
Other changes in operating activities	3.1	2.4	(8.4)	(1.1)	(6.3)
<b>Net cash flow from operating activities</b>	<b>64.5</b>	<b>62.1</b>	<b>50.5</b>	<b>246.3</b>	<b>191.6</b>
Acquisition of vessels and equipment	(0.0)	0.1	-	(1.1)	(0.9)
Proceeds from sale of vessel	(0.0)	-	35.0	22.0	35.0
Additions to newbuildings	(29.7)	(26.5)	-	(56.2)	-
Cash outflow from vessels accounted for as finance lease	(0.0)	(30.0)	(439.8)	(101.5)	(439.8)
Proceeds from sale of finance leased vessels	14.7	48.2	237.3	90.6	367.4
Cash outflow from pre-delivery financing	-	(64.0)	0.0	(79.9)	1.1
Capital reduction from investments in associates	(0.0)	(0.0)	(0.0)	30.8	-
Acquisition of shares in subsidiary, net of cash acquired	-	-	-	-	(4.9)
Net change in long-term interest-bearing receivables	(4.6)	3.3	(3.7)	(7.5)	(3.9)
<b>Net cash flow from investing activities</b>	<b>(19.6)</b>	<b>(68.9)</b>	<b>(171.2)</b>	<b>(102.9)</b>	<b>(46.0)</b>
Proceeds from issuance of long-term interest-bearing debt	(0.8)	101.7	457.9	180.4	601.7
Repayment of long-term interest-bearing debt	(48.4)	(73.0)	(319.2)	(230.9)	(693.3)
Repayment on finance lease liabilities	(0.1)	(0.1)	(0.1)	(0.3)	(0.3)
Dividend paid	(20.0)	(20.0)	(10.0)	(80.0)	(38.9)
Dividend on hybrid capital	(2.8)	(3.2)	(2.1)	(10.5)	(8.4)
Net change in treasury shares	-	-	0.2	-	0.1
<b>Net cash flow from financing activities</b>	<b>(72.0)</b>	<b>5.5</b>	<b>126.8</b>	<b>(141.2)</b>	<b>(139.2)</b>
<b>Net change in cash and cash equivalents</b>	<b>(27.1)</b>	<b>(1.3)</b>	<b>6.1</b>	<b>2.3</b>	<b>6.4</b>
Exchange rate differences	(1.3)	1.3	0.9	(1.7)	1.0
Cash and cash equivalents at beginning of the period	150.3	121.9	114.0	121.2	112.7
Change from associated company to subsidiary	-	-	-	-	1.0
Change in cash reported with assets held for sale	-	-	0.1	-	-
<b>Cash and cash equivalents at the end of the period</b>	<b>121.9</b>	<b>121.9</b>	<b>121.2</b>	<b>121.9</b>	<b>121.2</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### NOTE 1 CORPORATE INFORMATION

Ocean Yield is a limited company incorporated and domiciled in Norway. The registered office is located at Oksenøyveien 10, Lysaker. Ocean Yield is a ship-owning company with investments in vessels on long-term charters.

The condensed consolidated interim financial statements for the fourth quarter ending 31<sup>st</sup> December 2022 which comprise Ocean Yield and its subsidiaries (together referred to as the “Group” or the “Company”) were authorised for issue in accordance with a resolution of the directors on 15<sup>th</sup> February 2023.

### NOTE 2 BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by the EU, and the Norwegian additional requirements in the Securities Trading Act. The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2021 available at [www.oceanyield.no](http://www.oceanyield.no).

These condensed consolidated interim financial state-

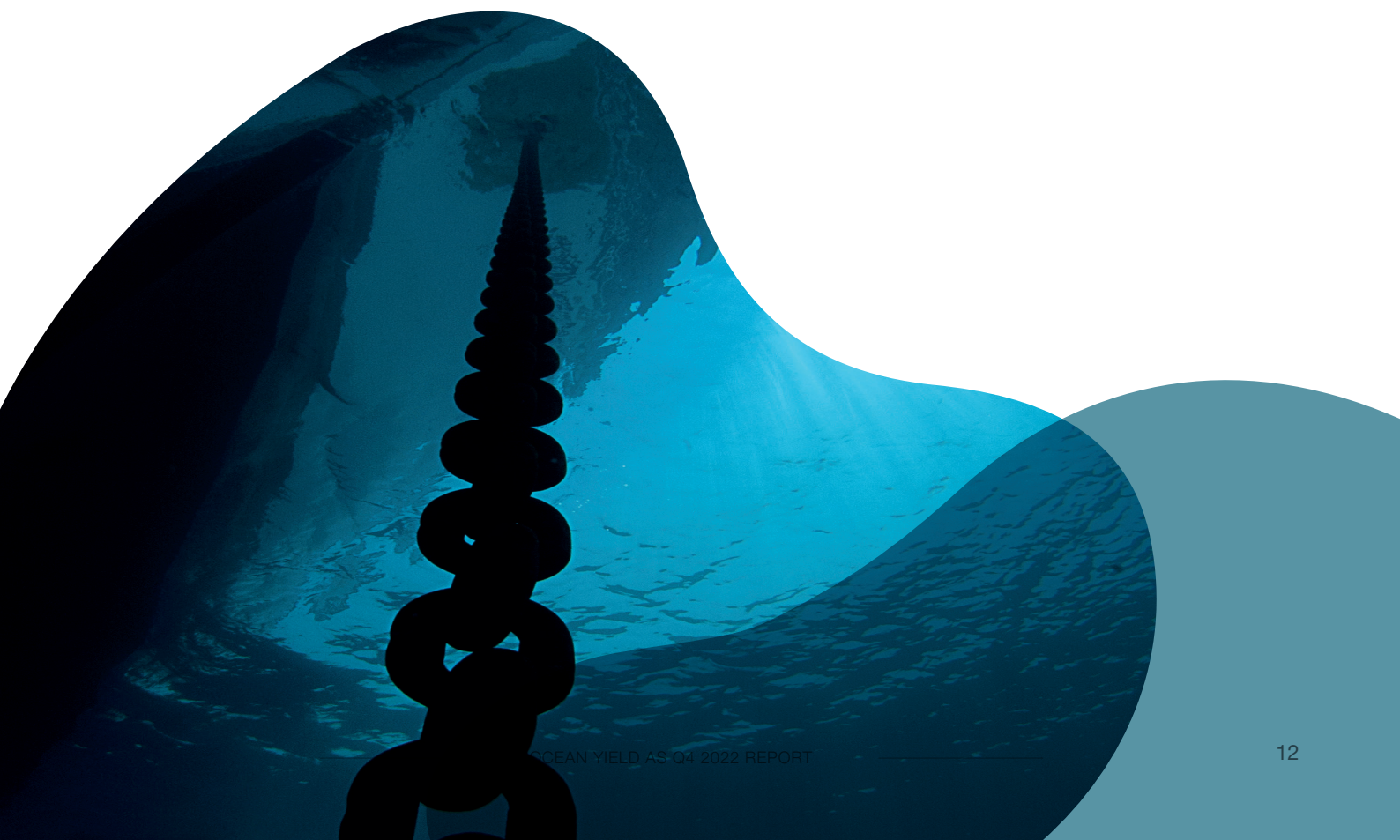
ments, have not been subject to audit or review by independent accountants.

### NOTE 3 ACCOUNTING POLICIES

The preparation of these condensed consolidated interim financial statements in conformity with IFRS requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Actual results could differ from those estimates. Some accounting policies have a significant impact on amounts reported in these condensed consolidated interim financial statements. Accounting policies applied by the Group are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31<sup>st</sup> December 2021.

### NOTE 4 RECENTLY ISSUED ACCOUNTING STANDARDS

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2022, but do not have a significant impact on the condensed consolidated interim financial statements of the Group.





## NOTE 5 OPERATING SEGMENTS

The Company identifies segments based on its internal reporting structure and how management measures and monitors performance.

<b>Operating profit</b>	3rd Quarter	4th Quarter	4th Quarter	Jan - Dec	Jan - Dec
<i>Amounts in USD million</i>	2022	2022	2021	2022	2021
Tankers	19.3	20.9	17.3	68.0	53.4
Container vessels	6.2	6.9	3.7	24.6	24.3
Car Carriers	5.2	5.8	4.9	20.7	19.4
Other Shipping	8.0	8.7	7.5	32.6	34.6
Oil Service	6.3	6.5	6.6	24.2	23.5
Other companies and eliminations	(2.8)	(3.5)	(5.9)	(10.8)	(22.5)
<b>Operating profit</b>	<b>42.3</b>	<b>45.2</b>	<b>34.1</b>	<b>159.2</b>	<b>132.7</b>

## NOTE 6 CHANGE IN FAIR VALUE OF FINANCIAL INSTRUMENTS

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

<i>Amounts in USD million</i>	Change Q4 2022	Change Jan - Dec 2022	Fair value as of 31st December 2022
Cross Currency Interest Rate Swaps	12.2	(15.0)	(30.7)
Interest rate swaps	(0.1)	1.9	0.2
<b>Total</b>	<b>12.1</b>	<b>(13.2)</b>	<b>(30.5)</b>

<i>Amounts in USD million</i>	Change Q4 2021	Change Jan - Dec 2021	Fair value as of 31st December 2021
Cross Currency Interest Rate Swaps	(0.6)	(3.2)	(15.5)
Interest rate swaps	1.1	5.0	(1.7)
<b>Total</b>	<b>0.5</b>	<b>1.8</b>	<b>(17.2)</b>

## NOTE 7 VESSELS AND EQUIPMENT

Changes in vessels and equipment during 2022:

<i>Amounts in USD million</i>	Tankers	Container vessels	Car carriers	Other shipping	Oil Service	Other/elim	Total
<b>Balance at 1 January 2022</b>	-	-	<b>220.4</b>	<b>137.6</b>	<b>157.0</b>	<b>7.5</b>	<b>522.5</b>
Acquisitions	-	-	-	-	-	-	-
Capital expenditure	-	-	-	-	1.0	(0.0)	1.0
Fixed assets acquired through financial lease	-	-	-	-	-	1.6	1.6
Disposals	-	-	(22.0)	-	-	-	( 22.0)
Depreciation	-	-	(9.3)	(5.4)	(11.9)	(1.2)	( 27.8)
<b>Balance at 31st December 2022</b>	-	-	<b>189.1</b>	<b>132.2</b>	<b>146.1</b>	<b>8.0</b>	<b>475.4</b>

Vessels classified as finance leases are included in Note 8 'Finance lease receivables and related assets'. The charterer for the two car carriers, the Höegh Tracer and the Höegh Trapper, has declared the purchase options for these vessels with delivery in March and June 2023, respectively. Upon delivery, the Company expects to record a gain of approximately USD 2.9 million for each of the vessels, respectively.

## NOTE 8 FINANCE LEASE RECEIVABLES

The gross finance lease receivables and present value of lease payments as of 31<sup>st</sup> December were as follows:

<i>Amounts in USD million</i>	<b>2022</b>	<b>2021</b>
<i>Gross finance lease receivable</i>		
Less than one year	293.6	197.7
Four to five years	157.6	742.6
Unguaranteed residual values	271.4	1,041.2
<b>Gross finance lease receivable</b>	<b>1,747.4</b>	<b>1,981.5</b>
Less: Unearned finance income	(346.1)	(494.4)
<b>Total finance lease receivables</b>	<b>1,401.3</b>	<b>1,487.0</b>
<i>Present value of minimum lease payments</i>		
Less than one year	287.6	191.0
Four to five years	116.2	615.1
Unguaranteed residual values	169.4	680.9
<b>Total finance lease receivables</b>	<b>1,401.3</b>	<b>1,487.0</b>
Pre-delivery instalments	-	(1.0)
<b>Total finance lease receivables and related assets</b>	<b>1,401.3</b>	<b>1,486.0</b>

## NOTE 9 INVESTMENTS IN ASSOCIATES

<i>Amounts in USD million</i>	BOX Holdings	OY Holding LR2	<b>Total</b>
Ownership	49.9 %	50.0 %	
<b>Balance 1st January 2022</b>	<b>178.8</b>	<b>4.1</b>	<b>182.9</b>
Dividends received	(20.7)	(2.0)	(22.7)
Reduction of share capital	(29.9)	-	(29.9)
Income from investments in associates	17.0	1.0	18.0
Other comprehensive income from investments in associates	42.2	-	42.2
<b>Total investments in associates 31st December 2022</b>	<b>187.4</b>	<b>3.1</b>	<b>190.5</b>
<i>Carrying amount of investment in associates:</i>			
Non-currents assets	920.9	48.8	969.7
Current assets	68.2	9.8	78.0
Non-current liabilities	(626.1)	(46.8)	(672.9)
Current liabilities	(56.5)	(5.7)	(62.1)
<b>Net assets (100%)</b>	<b>306.5</b>	<b>6.1</b>	<b>312.7</b>
<b>Share of net assets</b>	<b>153.0</b>	<b>3.1</b>	<b>156.0</b>
Adjustment to carrying value of investment:			
Finance lease receivables	36.2	-	36.2
Adjustment to interest-bearing long-term debt	(1.8)	-	(1.8)
<b>Carrying amount of investments in associates 31st December 2022</b>	<b>187.4</b>	<b>3.1</b>	<b>190.5</b>

## NOTE 10 CONTRACTUAL OBLIGATIONS

As per 31<sup>st</sup> December 2022, the Company had the following contractual obligations related to purchase of vessels:

<i>Amounts in USD million</i>	Tankers	Container vessels	Car Carriers	Other Shipping	Oil Service	Total
Paid and capitalised instalments	-	39.6	-	80.6	-	120.2
Remaining payments end of Q4 2022	-	216.0	-	661.4	-	877.4
<b>Total contractual obligations</b>	<b>-</b>	<b>255.6</b>	<b>-</b>	<b>742.0</b>	<b>-</b>	<b>997.6</b>

The payments included in the 'Container vessels' segment, relate to two 5,500 TEU newbuilding container vessel with 7-year time charters to Zim Integrated Shipping Services Ltd. The commitments for a third container vessel is included in the remaining payment obligations end of Q4 2022. The obligations listed under 'Other Shipping' relates to the two ethylene gas carriers with 15-year bareboat charters to Braskem S.A.. In addition, total commitments of USD 576 millions for ten Newcastlemax dry bulk vessels where a predelivery financing of USD 64 million has been made in the fourth quarter of 2022 to the charterer, are also included in the table above.

## NOTE 11 INTEREST-BEARING DEBT

Changes in interest-bearing debt during 2022:

<i>Amounts in USD million</i>	Tankers	Container vessels	Car Carriers	Other shipping	Oil Service	Other/elim	Total
Balance at 1st January 2022	770.0	85.8	118.0	313.2	165.1	166.9	1,618.9
New loans	81.5	35.7	64.0	-	-	2.0	183.2
Paid loan fees	(2.3)	-	0.0	-	(0.4)	-	(2.7)
Instalments	(102.1)	(9.2)	(26.0)	(65.3)	(28.3)	-	(230.9)
Loan fee amortized	2.2	0.3	0.5	1.0	0.3	0.4	4.8
Effect of movements in foreign exchange and loan fees amortized	-	-	-	-	-	(17.6)	(17.6)
<b>Total interest-bearing liabilities 31st December 2022</b>	<b>749.3</b>	<b>112.6</b>	<b>156.5</b>	<b>248.9</b>	<b>136.7</b>	<b>151.7</b>	<b>1 555.7</b>
Long-term	602.0	96.7	143.9	200.9	106.9	75.6	1,226.0
1st year instalments	147.3	15.8	12.6	48.0	29.8	76.1	329.6
<b>Total interest-bearing liabilities 31st December 2022</b>	<b>749.3</b>	<b>112.5</b>	<b>156.5</b>	<b>248.9</b>	<b>136.7</b>	<b>151.7</b>	<b>1 555.7</b>

## NOTE 12 EVENTS AFTER THE BALANCE SHEET DATE

In January 2023, the Company notified the Nordic Trustee, who is acting as bond trustee for the NOK 750 million FRN Senior Unsecured Callable Bond Issue with maturity 25 May 2023 (ISIN NO 0010823214), that the Company had exercised the call option in accordance with the bond agreement. Settlement will take place on 17 February 2023.

In January 2023, the Company refinanced the loan facility for three Handysize dry bulk carriers on long-term charters. The loan outstanding on the vessels was also upsized by USD 5 million, and the maturity date extended to match the end of the charter period.

In January and February 2023, the Company signed long-term loan agreements for the remaining two newbuilding container vessels with long-term charters to ZIM Integrated Shipping Services Ltd.



## 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.
- Adjusted net profit from continuing operations: Net profit adjusted for discontinued operations, impairment charges, foreign exchange gains/losses, fair value adjustments of derivatives, changes in deferred tax and non-recurring items.
- EBITDA Charter Backlog: represents the estimated EBITDA backlog from signed contracts. Figures are based on management's estimates which may be subject to change. These include assumptions on certain purchase options in bareboat charter contracts

not being exercised, adjustments made for finance lease effects, investments in joint ventures, currency effects and the forward interest rates for floating rate lease agreements.

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

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

	3rd Quarter	4th Quarter	4th Quarter	Jan - Dec	Jan - Dec
<i>Amounts in USD million</i>	2022	2022	2021	2022	2021
Total revenues and other income	51.1	55.4	47.4	197.3	185.1
Vessel operating expenses	-	-	0.0	0.0	(0.8)
Wages and other personnel expenses	(2.3)	(3.6)	(5.9)	(10.4)	(22.3)
<b>EBITDA</b>	<b>48.8</b>	<b>51.8</b>	<b>41.5</b>	<b>187.0</b>	<b>162.0</b>
Repayment on finance lease receivables	28.3	31.1	24.6	114.9	86.5
<b>EBITDA adjusted for finance lease effects</b>	<b>77.0</b>	<b>82.8</b>	<b>66.1</b>	<b>301.9</b>	<b>248.5</b>

	3rd Quarter	4th Quarter	4th Quarter	Jan - Dec	Jan - Dec
<i>Amounts in USD million</i>	2022	2022	2021	2022	2021
Net profit for the period	23.4	21.1	17.9	91.2	63.0
Impairment of Dhirubhai-1	-	-	-	-	16.4
Gain from acquisition of 50% of OY Suez Holding	-	-	-	-	(0.2)
Termination of swaps in BOX Holdings	-	-	1.9	-	1.9
Expenses related to sale of Ocean Yield AS	-	-	5.2	-	13.7
Foreign exchange gains/losses	(11.0)	12.6	(1.0)	(15.7)	(5.7)
Change in fair value of financial instruments	10.9	(12.1)	(0.5)	12.7	(1.8)
Change in deferred tax	(0.1)	0.6	0.2	1.4	1.9
<b>Adjusted Net profit</b>	<b>23.1</b>	<b>22.2</b>	<b>23.6</b>	<b>89.7</b>	<b>89.1</b>
Loss from discontinued operation, net of tax	-	-	0.2	-	4.3
<b>Adjusted Net profit from continuing operations</b>	<b>23.1</b>	<b>22.2</b>	<b>23.8</b>	<b>89.7</b>	<b>93.5</b>
Attributable to:					
Equity holders of the parent	20.3	19.1	21.5	79.2	80.7
Dividends on hybrid capital	2.8	3.2	2.1	10.5	8.4
<b>Adjusted Net profit</b>	<b>23.1</b>	<b>22.2</b>	<b>23.6</b>	<b>89.7</b>	<b>89.1</b>
Attributable to:					
Equity holders of the parent	20.6	19.1	21.8	79.2	85.1
Dividends on hybrid capital	2.4	3.2	2.1	10.5	8.4
<b>Adjusted Net profit from continuing operations</b>	<b>23.0</b>	<b>22.2</b>	<b>23.8</b>	<b>89.7</b>	<b>93.5</b>





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