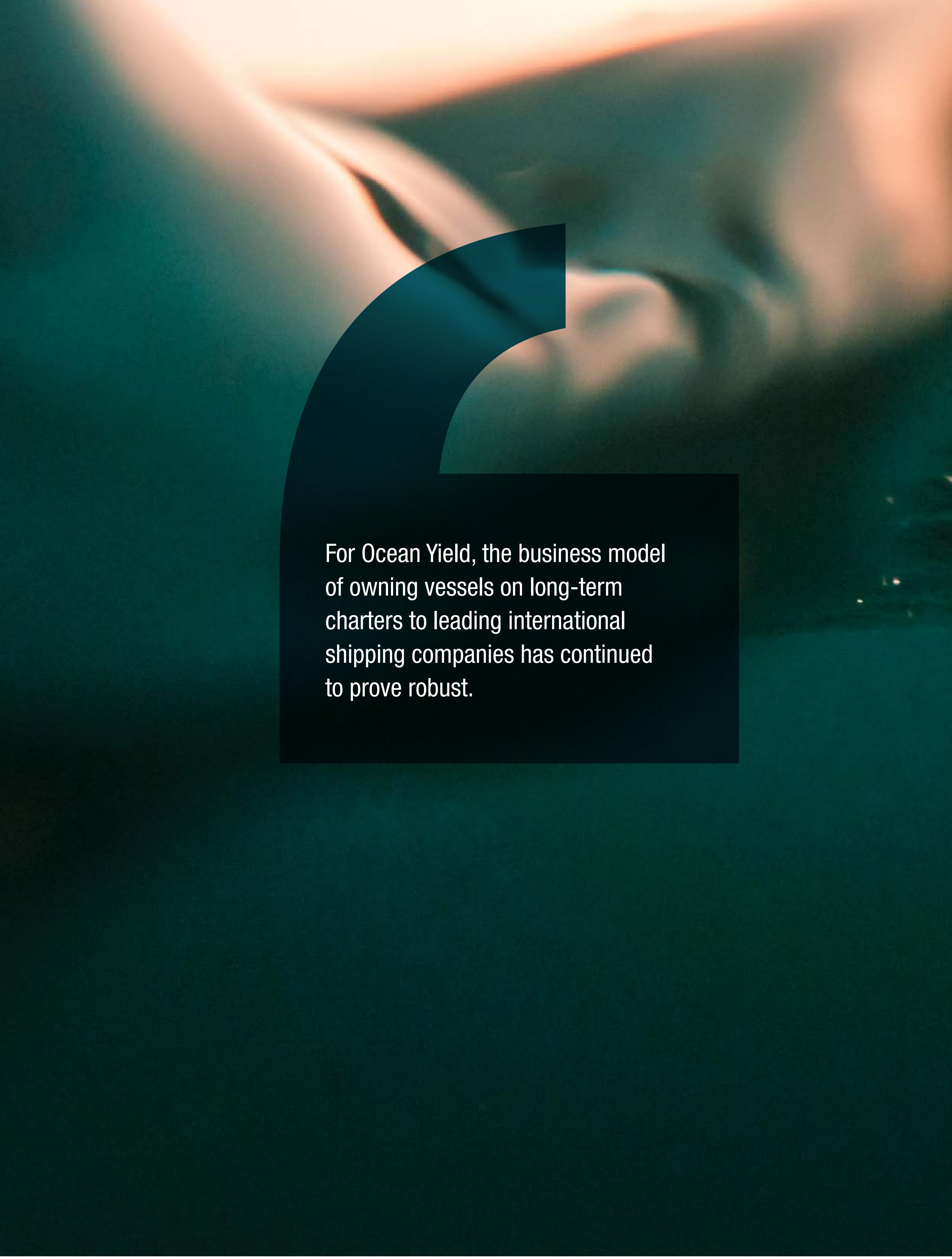
ANNUAL REPORT 2022

OCEAN YIELD



For Ocean Yield, the business model of owning vessels on long-term charters to leading international shipping companies has continued to prove robust.

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OCEAN YIELD IN BRIEF

Ocean Yield is a vessel owning company with focus on investments in modern vessels on long-term charters. As of year end 2022, Ocean Yield had an EBITDA backlog of USD 3.8 billion with an average remaining tenor of 9.3 years.

Ocean Yield ("Ocean Yield" or the "Company") is a ship owning company with investments in vessels on long-term charters. The Company focuses on modern vessels and currently has investments in car carriers, chemical tankers, product tankers, crude tankers, container vessels, dry bulk vessels, oil-service vessels, and gas carriers. Ocean Yield's diversified portfolio counted 70 vessels as of year-end 2022, with long-term charters to 17 international counterparties.

The Company's business strategy is to enter into long-term charters, which gives visibility with respect to future earnings of the Company. The main focus has primarily been on bareboat charters with a duration from ten to fifteen years, but the Company may also enter into time-charter contracts with shorter duration. The Company's ambition is to continue to grow and further diversify the portfolio of vessels on long-term charters.

Ocean Yield is owned by an infrastructure fund advised by Kohlberg Kravis Roberts & Co. L.P. ("KKR") which acquired the Company in December 2021, following almost 9 years as a publicly listed company.

Amounts in USD million	2022	2021
Total revenues and other income	197.3	185.1
EBITDA	187.0	162.0
EBITDA adjusted for finance lease effects	301.9	248.5
Net profit for the period	91.2	63.0
Adjusted Net profit	89.7	89.1
Adjusted Net profit from continuing operations	89.7	93.5
Cash and cash equivalents	121.9	121.2
Total assets	2,328.5	2,325.0
Interest-bearing debt	1,555.7	1,618.9
Net Interest-bearing debt	1,433.8	1,497.7
Total equity	706.4	663.5
Equity ratio	30.3 %	28.5 %

MANAGEMENT

ANDREAS RØDE

CEO

Mr. Røde (born 1979) took on the role as CEO in February 2022. Before that, he has served as Head of Business Development and M&A since September 2017. Before joining Ocean Yield, Mr. Røde worked in the Corporate Finance department of Danske Bank as Managing Director, Head of Shipping and Offshore. Mr. Røde has more than 13 years of Investment Banking experience from leading financial institutions and has worked on a wide range of M&A, equity and debt capital markets transactions. Mr. Røde holds a Master of Arts (MA) in Accounting and Finance from University of Edinburgh and University of California Berkeley.

EIRIK EIDE

CFO

Mr. Eide (born 1970) has served as CFO of Ocean Yield since the inception in 2012. Before joining Ocean Yield, Mr. Eide served as CFO of Ship Finance Management AS, and through that position, he served as CFO of Ship Finance International Ltd. Mr. Eide has been working with shipping and finance for more than 20 years, with broad transaction and capital markets experience. His employment background includes the position as Head of Shipping and Corporate Finance at Orkla Finans AS, Director Fortis Bank (Nederland) N.V., Oslo Branch and Senior Vice President, DnB NOR (Oslo and London). Mr. Eide has a Master of Business and Economics degree from the Norwegian Business School.

OTHER KEY PERSONNEL

ANDREAS REKLEV

COO

Mr. Reklev (born 1983) has served as Executive Vice President, Investments since August 2016 before taking on the role as Chief Operating Officer in February 2022. Before joining Ocean Yield, Mr. Reklev was Chief Financial Officer in Team Tanker International, a chemical tanker company listed on the Oslo Stock Exchange. Prior to joining Team Tankers in 2012, Mr. Reklev held various positions in Camillo Eitzen & Co ASA, a diversified shipping company with activities mainly in bulk, gas, and chemical shipping. Mr. Reklev has a Bachelor of Science in Finance from Norwegian Business School.

ERIK HILLER HOLOM

Head of Business Development

Mr. Holom (born 1989) has served as Vice President, Investments since 2017 before taking on the role as Head of Investments in February 2022. Before joining Ocean Yield, Mr. Holom worked in the Corporate Finance department at Danske Bank, focusing on the shipping and offshore industries. Prior to joining Danske Bank in 2014, he worked as an investment banking analyst for SEB. Mr. Holom holds an M.Sc. in Industrial Economics and Technology Management from the Norwegian University of Science and Technology (NTNU).

OTHER KEY PERSONNEL

MARTIN SOLBERG

Chief Accounting Officer

Mr. Solberg (born 1976) joined Ocean Yield in 2022. Before joining Ocean Yield AS, Mr. Solberg served as Finance Director of the investment company Fredensborg AS and Heimstaden AB, one of its portfolio companies. Prior to that Mr. Solberg served as CAO of Golden Ocean Management AS, and through that position, he served as CAO of Golden Ocean Group Limited. Mr. Solberg's employment background also includes the positions of SVP Finance and Accounting at Team Tankers International and of Senior Manager at PwC. Mr. Solberg holds a Master of Business & Administration (MBA) from Norwegian School of Economics and is a State Authorized Public Accountant.

ØIVIND HARALDSEN

Managing Director - Ocean Yield Malta Ltd.

Before joining Ocean Yield Malta, Mr. Haraldsen (born 1960) worked for 16 years in Danske Bank AS and served as Global Head of Shipping for the majority of these years after being instrumental in establishing the shipping department there in 2005. Prior to joining Danske Bank, Mr. Haraldsen worked 15 years for Nordea Bank where he held several positions in the shipping and offshore group, including as Head of Shipping in the London office from 1996 until 2002. Mr. Haraldsen holds a Master of Business & Administration (MBA) from the University of Oregon, USA.

BOARD OF DIRECTORS

VINCENT POLICARD

Chairman

Vincent Policard joined KKR in 2012 and is a Partner and Co-Head of European Infrastructure. At KKR, he has been actively involved in a number of infrastructure investments including Renvico, Coriance, ELL, Deutsche Glasfaser, Q Park, Hivory, Hyperoptic, and Open Dutch Fiber and is a member of the Infrastructure Investment Committee and the Infrastructure Portfolio Management Committee. Mr. Policard is currently on the board of directors of Q Park, Hivory, Hyperoptic, X-Elio, Telxius, and Open Dutch Fiber. Prior to joining KKR, Mr. Policard spent over a decade at Morgan Stanley, most recently as an executive director on Morgan Stanley's infrastructure fund team where he was responsible for originating and executing transactions in the European infrastructure sector, playing a leading role in investments in Madrilena Red de Gas and Eversholt Rail Group. He started his career at BNP Paribas in the M&A advisory business. Mr. Policard holds an M.B.A. from HEC Paris, a Masters in Political Science from Sciences Po Paris and a Masters of Law from Assas University (Paris).

BERNARDO NOGUEIRA

Board Member

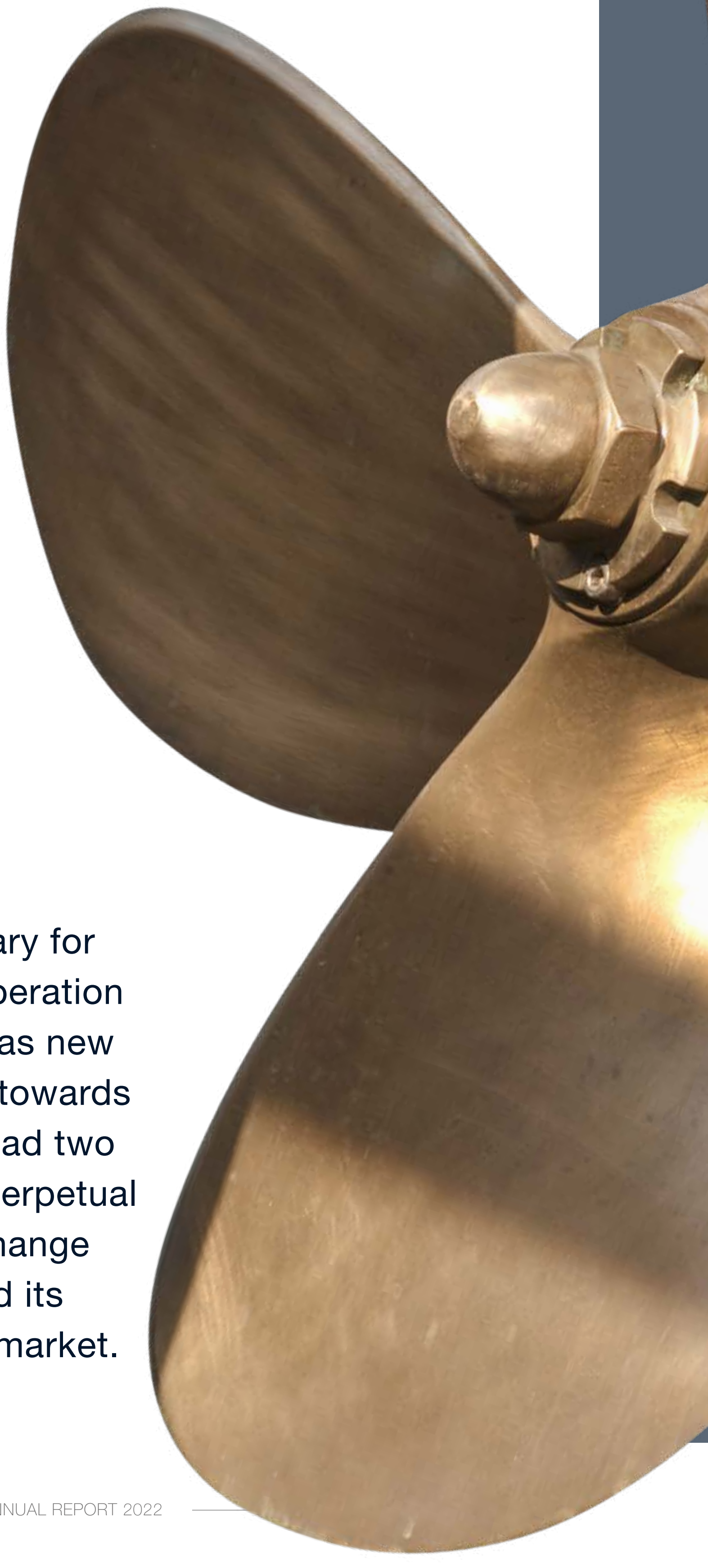
Bernardo Nogueira joined KKR in 2017 and is a Principal on the European Infrastructure team. Mr. Nogueira has been involved in the firm's investments in Hyperoptic, Hivory, Calisen, T-Solar Global Operating Assets and Saba. Prior to joining the Firm, Mr. Nogueira was with Goldman Sachs' investment banking division in Madrid and London focusing on mergers, acquisitions and financing transactions mainly in the power, energy and utilities space. Mr. Nogueira holds a Master' in Finance from Nova School of Business and Economics and a Master's in International Management from CEMS - The Global Alliance in Management Education.

ANDREAS RØDE
Board Member / CEO

EIRIK EIDE
Board Member / CFO

Please refer to Bio under Management on page 6.

BOARD OF DIRECTORS REPORT



2022 marked the 10-year anniversary for Ocean Yield and the first year of operation with the infrastructure arm of KKR as new owners. Although being privatised towards the end of 2021, Ocean Yield still had two unsecured bonds and one hybrid perpetual bond listed on the Oslo Stock Exchange and hence, the Company continued its quarterly financial reporting to the market.

For Ocean Yield, the business model of owning vessels on long-term charters to leading international shipping companies has continued to prove robust and resilient during the year. 2022 showed strong shipping markets in most segments, with strong rates within gas, product and car carriers, while the container market fell from very high levels seen earlier in the year. For Ocean Yield, several counterparties used strong balance sheets to exercise purchase options in the bareboat charter contracts, which resulted in a number of vessel sales during the year.

Overall, counterparty risk was reduced and there were no defaults in the portfolio.

During the year, Ocean Yield continued to grow and further diversify the fleet by investing in modern vessels and newbuildings within the conventional shipping segments with long term charters. In total, the Company committed in excess of USD 1.0 billion in new projects during the year. This includes three 5,500 TEU container vessels, two gas vessels, ten newcastlemax dry bulk and an amendment to four container vessels on long term charters. Further, the Company sold 9 vessels during the year through exercise of purchase or sales options in the charter agreements by the counterparties. This included 4 product tankers, 4 dry bulk vessels and 1 car carrier. In addition, options have been declared for another 6 vessels that will be delivered during 2023. This includes 2 car carriers, 3 product tankers and 1 chemical tanker.

With KKR as new owners and by no longer being a stock-listed company, Ocean Yield has a flexible dividend policy. Quarterly dividends are considered in combination with potential investments and the overall capital structure in the Company. In 2022, the Company paid a total of USD 80.0 million in dividends.

THE GROUP'S OPERATIONS AND FLEET

Ocean Yield invests in vessels on long-term charters across multiple segments. The fleet as of year-end counted 70 vessels including newbuildings. This consists of 15 crude tankers, 11 product/chemical tankers (of which two are owned 50%), 16 dry bulk vessels, 14 container vessels (of which seven are owned 49.9%), 5 oil service vessels, 4 car carriers and 5 gas carriers. As of year-end 2022, 68 out of 70 vessels were chartered out on long-term contracts. 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 EBITDA charter backlog and contract duration stated above assumes a transaction scope of 5 vessels for the Newcastlemax transaction announced on 6th December 2022.

Ocean Yield's head office is in Bærum, Norway.

REVIEW OF 2022

NEW INVESTMENTS AND PORTFOLIO CHANGES
During 2022, the Company committed to acquire another 15 vessels with long-term charters. This includes the following:

- Three 5,500 TEU newbuilding container vessels under construction at HJ Shipbuilding, Korea. All three vessels will have dual-fuel design, enabling them to be converted to operate with methanol as fuel. The vessels will be delivered during 2023 and will upon delivery, commence 7-year time-charter contracts to ZIM Integrated Shipping Services Ltd. These investments contribute approximately USD 240 million to the Company's EBITDA backlog.

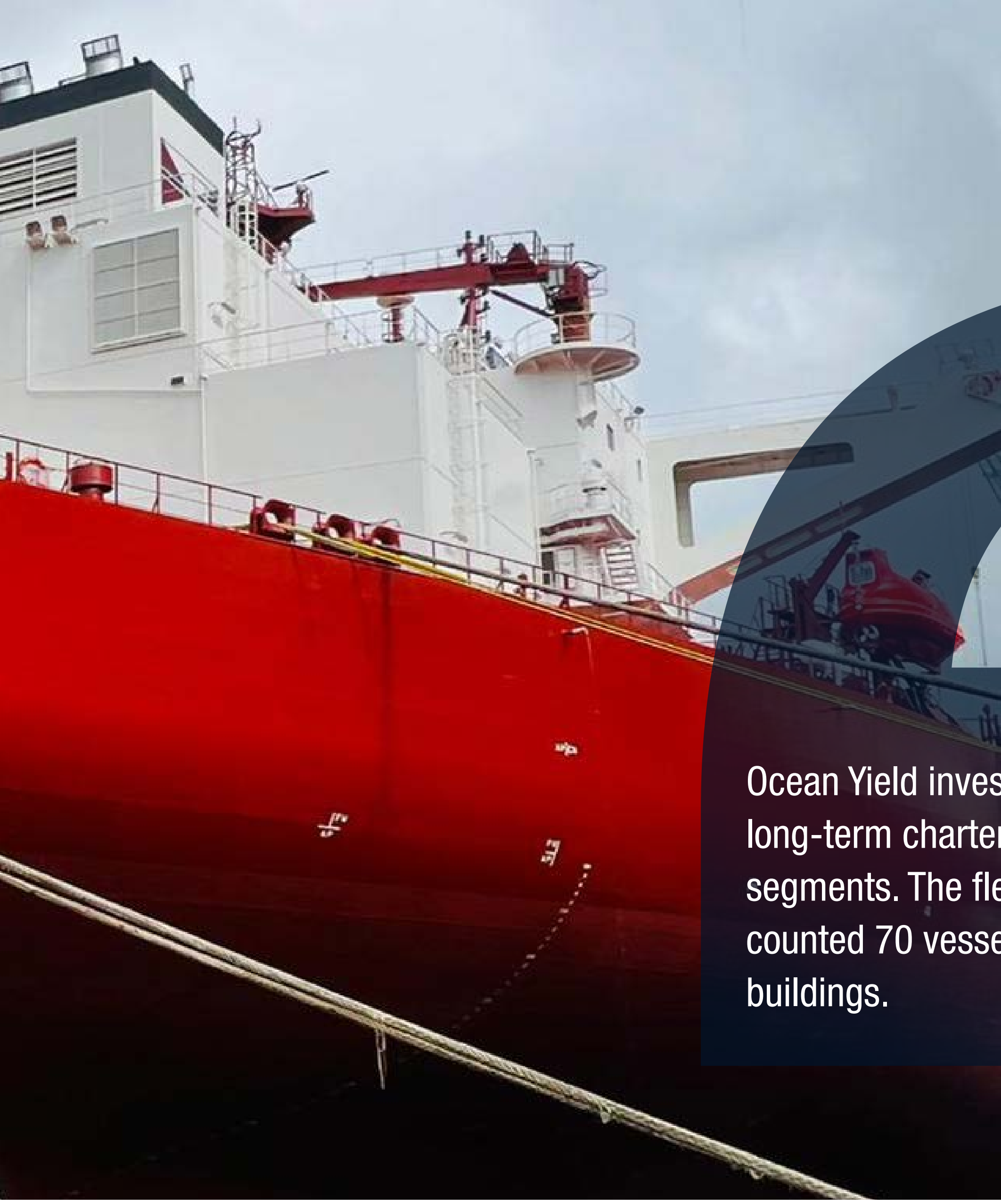
- Two 36,000 cbm liquefied ethylene gas carrier (LEG) newbuildings to be constructed at Jiangsu Yangzi-Mitsui Shipbuilding in China. The vessels will be built with a specification enabling them to operate with gas as fuel. The vessels are expected to be delivered in 2024 and 2025. Upon delivery, the vessels will commence fifteen-year bareboat charter contracts to a guaranteed subsidiary of Braskem S.A., a leading global petrochemical company listed on the New York Stock Exchange. Braskem S.A. currently has credit ratings of BBB- from S&P and Fitch and Ba1 from Moody's. The transaction adds approximately USD 245 million to the Company's EBITDA backlog.

- The acquisition of up to ten newcastlemax dry bulk newbuildings 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 in collaboration with WinGD and 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 is 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.

- In the second quarter, the Company took delivery of two newbuild Suezmax tankers from Samsung Heavy Industries in South Korea. The vessels commenced 10-year bareboat charters to Nordic American Tankers Limited upon delivery.

- In 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.

- 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, where-



Ocean Yield invests in vessels on long-term charters across multiple segments. The fleet as of year-end counted 70 vessels including new-buildings.

by the charter term was extended and the lease outstanding amount was increased with USD 30 million in total. In connection with the amendment of the charter, the corresponding senior bank facility was also refinanced and increased.

VESSEL SALES

Ocean Yield's charter agreements may contain underlying purchase options for the charterer, whereby the charterer can re-purchase the vessel at certain times during the charter, typically with the first option after five years. Also, in some cases, the charterer can trigger an option to sell the vessel to a third party through a true sale and not for refinancing purposes. In total 9 vessels were sold during 2022 with options for another 6 vessels declared. These 6 vessels will be delivered during 2023. These sales include the following:

- In October 2021, Navig8 Ltd. ("Navig8") exercised options in the charter agreements for the LR2 tankers Navig8 Pride and Navig8 Providence to sell the vessels to third parties. Delivery of the vessels took place in Q1 2022. Ocean Yield owned a 50% share in these two vessels and recorded a small book profit from the sales.

- The handysize dry-bulk vessels, Interlink Dignity, Interlink Eternity and Interlink Activity were employed on long-term charters to Interlink Maritime Corporation. In the charter contracts, the charterer had an option to sell the vessels to a third party, which was declared during the year. The sale of the vessels were completed in the second and fourth quarters.

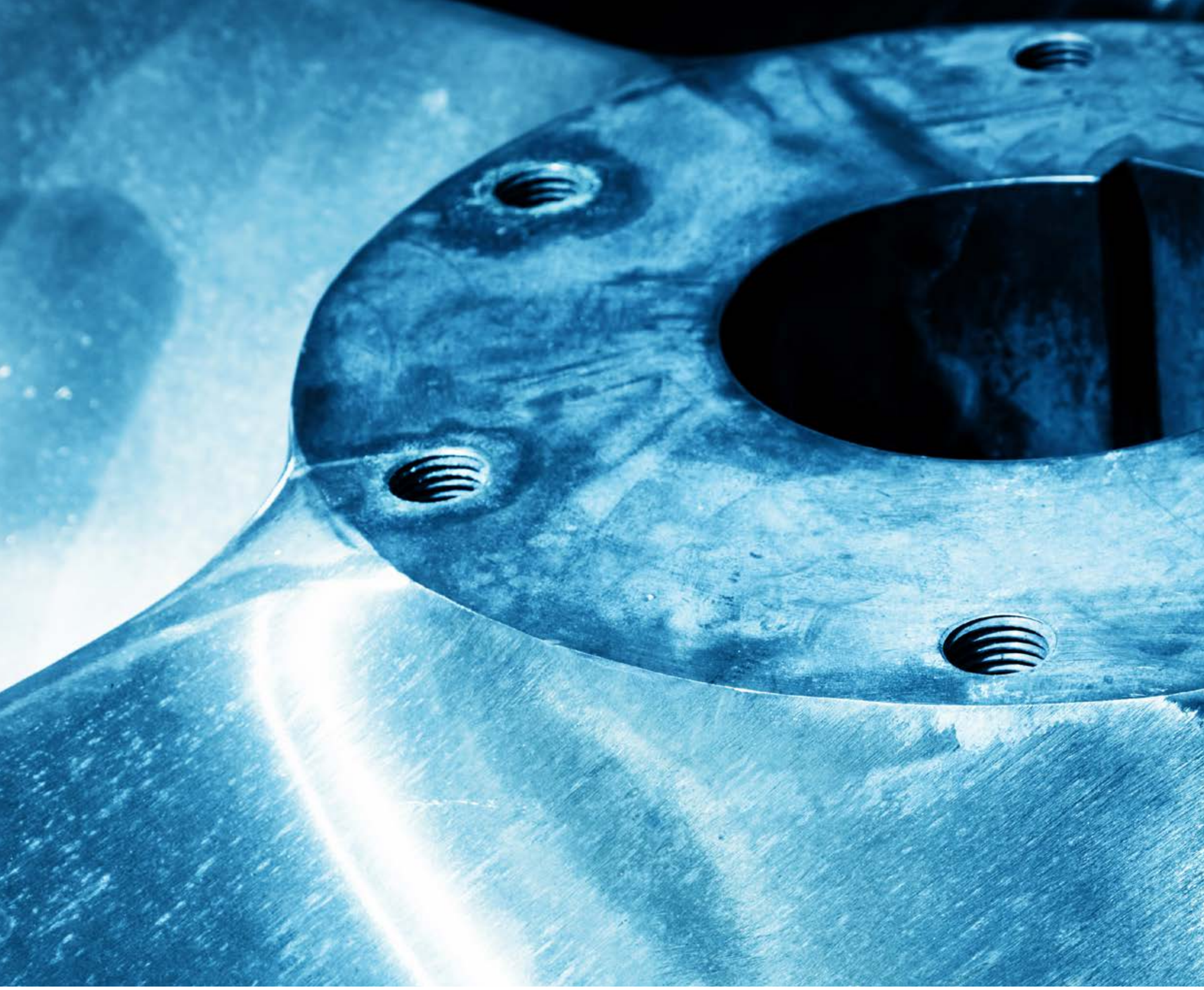
- Following exercise of the purchase option for the Höegh Beijing in December 2021, the vessel was delivered to Höegh Autoliners during the second quarter.

- Louis Dreyfus Armateurs, the dry-bulk company chartering the handysize dry-bulk vessel Le Fresnais, exercised a sales option in the charter agreement. The vessel was delivered to its new owners during the third quarter.

- Ardmore Shipping, the product tanker company chartering the two product tankers Ardmore Dauntless and Ardmore Defender, exercised purchase options in the charter agreements for these two vessels. The vessels were delivered to Ardmore during the fourth quarter.

- Höegh Autoliners ASA exercised a purchase option for the PCTC vessel Höegh Tracer and the Höegh Trapper. The vessels are expected to be delivered to Höegh in the first and second quarter of 2023, respectively.

- During the fourth quarter, purchase- or sales options were exercised for the product/chemical tankers STI Sanctity, STI Steadfast, STI Supreme and the Hafnia Turquoise. The



vessels will be delivered to its new owners between the first and third quarters of 2023.

- No further purchase- or sales options have been declared up to the date of this report.

DIVIDENDS

During 2022 Ocean Yield paid a total of USD 80.0 million in dividends to its shareholders. The Annual General meeting has authorized the Board of Directors of Ocean Yield to resolve and declare dividends for the financial quarters up until the next ordinary general meeting in April 2023. The General Meeting in April 2023 will vote on a new authorization to the Board, for payment of quarterly dividends up until the next General Meeting in 2024.

For Q4 2022, the Board of Directors did not declare a dividend.

FINANCING

SECURED VESSEL FINANCING

During 2022, the Company entered into several new financing agreements for the long-term financing of its vessels as well as refinancing of existing loan facilities.

The following new debt facilities have been entered into in 2022:

- In connection with the acquisition of the three container vessels with long-term charters to Zim Integrated Shipping Services Ltd., Ocean Yield has entered into a loan facility for the financing of the first of the three vessels for a total amount of USD 58.1 million.

- A loan facility financing three Suezmax tankers on long-term charters was upsized with USD 25.0 million. The tenor remains unchanged.

- A loan facility financing four 3,800 TEU container vessels on long-term charters was upsized with USD 30.0 million and the tenor extended with another five years.

- A loan facility financing five PCTC vessels was upsized with USD 64.3 million. The tenor remains unchanged.

- A loan facility financing an oil-service vessel on long-term charter was upsized with about USD 26.0 million. The tenor remains unchanged.

In March 2023, the Company completed a new NOK 750 million unsecured bond issue with 4-year maturity.

CORPORATE FUNDING

During 2022, Ocean Yield did not issue any new shares, unsecured bonds or other capital markets instruments.

EVENTS AFTER YEAR END

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 has exercised the call option in accordance with the bond agreement. Settlement took 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 up-sized by USD 5.0 million, and the maturity date extended to match the end of the charter period.

In first quarter 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. In addition, the Company signed a term sheet for loan agreements financing the newbuilding contracts for two ethylene gas carriers with 15-year bareboat charters to Braskem S.A. and refinanced the loan facility for the product tanker STI Symphony which included an upsizing of USD 8.0 million.

In March 2023, the Company completed a new NOK 750 million unsecured bond issue with 4-year maturity. In connection with the bond issue, NOK 292.5 million was repurchased in the bond issue OCY07 and USD 37.7 million was repurchased in OCY06.

In March 2023, Ocean Yield entered into an agreement to charter out the two 2013 built AHTS vessels, Far Senator and Normand Statesman on bareboat charters to Viking Supply Ships AB for a period of five years. The Charterer will have purchase options during the charter, and an obligation to purchase the vessels at the end of the charter term, if requested by Ocean Yield.

In March 2023, Ocean Yield delivered the car carrier Höegh Tracer and the product tanker STI Sanctity to its new owners following previously declared of purchase options.

BUSINESS SEGMENTS

Ocean Yield defines operating segments based on the Group's internal management- and reporting structure. Ocean Yield's operating segments as of year-end 2022 are defined as follows:

- Tankers
- Container vessels
- Car Carriers
- Other Shipping
- Oil-service

Please refer to Note 5 for more details on the business segments.

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 six 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 option being declared for some vessels and consequent 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 figure in 2021 was 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.

FINANCIAL POSITION AS OF DECEMBER 31ST 2022

The Ocean Yield Group had total assets as of 31st December 2022 of USD 2,328.5 million, compared to USD 2,325.0 million for 2021. Total equity was USD 706.4 million at the end of 2022 compared with USD 663.5 million at the end of 2021.

Changes in equity include other comprehensive income of USD 42.2 million, dividends of USD 80.0 million and dividends on hybrid capital of USD 10.5 million. The book equity ratio was 30.3% at the end of 2022, compared with 28.6% at the end of 2021.

Cash and cash equivalents at year end 2022 were USD 121.9 million.

Total interest bearing debt was USD 1,555.6 million as of year end 2022, compared with USD 1,618.9 million as of year end 2021. Net interest bearing debt was USD 1,433.7 million, compared to USD 1,497.7 million in 2021.

CASH FLOW

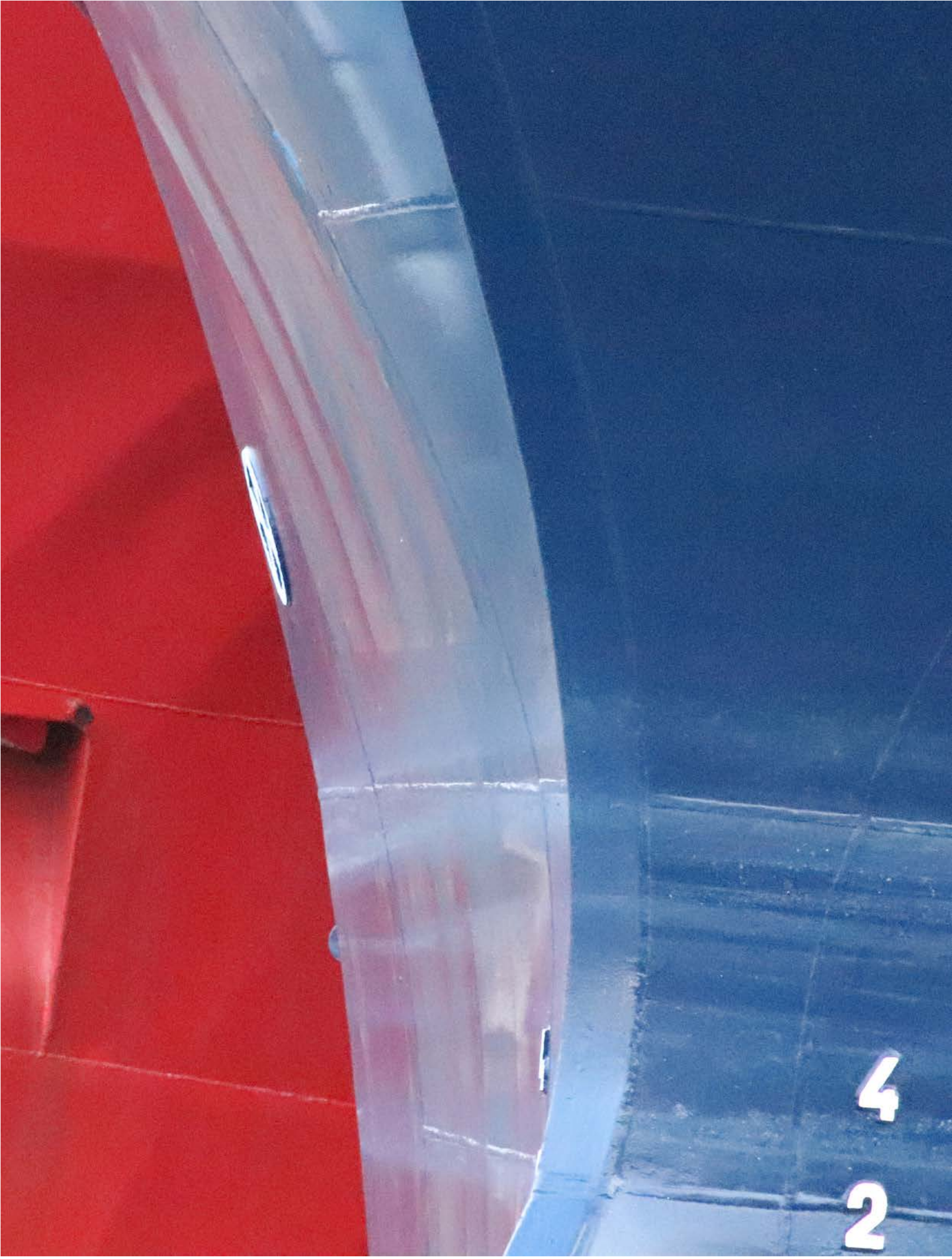
Net cash flow from operating activities was USD 246.3 million in 2022, compared to USD 191.6 million for 2021. The difference between the EBITDA of USD 187.0 million and Net cash flow from operating activities of USD 246.3 million was as follows:

Amounts in USD million	2022
EBITDA	**187.0**
Repayment on finance lease receivable	114.9
Income from investment in associates	-18.0
Dividend received from investments in associates	21.8
Realized foreign exchange loss	-0.3
Other financial expenses	-1.2
Net interest paid	-56.2
Taxes paid	-0.4
Net change in working capital	-1.2
Cash flow from operating activities	**246.3**

Net cash flow from investments was negative USD 102.9 million in 2022. This includes investments in vessels accounted for as finance leases and investments in associated companies. The amounts in 2022 are related to the delivery of two Suezmax tankers, pre-delivery instalments related to three container vessels and two gas carriers under construction as well as pre-delivery instalments relating to ten newcastlemax dry bulk vessels. In addition, the figures include to the sale of 9 vessels during the year.

Net cash flow from financing was negative USD 141.2 million, compared to negative USD 139.2 million in 2021. The figures for 2022 include proceeds from issuance of long-term interest bearing debt of USD 180.4 million, repayment of debt of USD 230.9 million, repayment of finance lease liabilities of USD 0.3 million, payment of dividends of USD 80.0 million and dividend on hybrid capital of USD 10.5 million. This compares to issuance of new long-term debt of USD 601.7 million, repayment of interest bearing debt of USD 693.3 million, repayment of finance lease liabilities of USD 0.3 million, dividends of USD 38.9 million, dividends on hybrid capital of USD 8.4 million and net change in treasury shares of USD 0.1 million in 2021.

Net cash flow for the year 2022 was positive USD 2.3 million, resulting in cash and cash equivalents of USD 121.9 million at the end of the year. This compares to a positive net cash flow of USD 6.4 million for 2021. The Company's operating cash flow is sufficient to cover ordinary instalments under the Company's debt facilities. The Company normally finances new investments with a combination of debt and equity, where the operating cash flow from each new investment is sufficient to cover the debt assumed for the relevant project. In addition, the Company had USD 13.1 million of restricted cash depos-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its. The Group held no marketable securities at the end of the year. The Group had capital expenditure commitments related to 15 newbuildings of USD 877.4 million at the end of the year that are scheduled for delivery between 2023 and 2026. The Company has secured loan facilities for those vessels scheduled for delivery in 2023 and is in preliminary discussions for long-term financing of the remaining vessels.

PARENT COMPANY – OCEAN YIELD AS

The net profit after tax for the parent company Ocean Yield AS was USD 46.9 million in 2022 compared with negative USD 56.3 million in 2021. Total assets were USD 926.1 million and total equity was USD 379.8 million, resulting in an equity ratio of 41.1% in the parent company. Total interest-bearing long-term debt was USD 509.7 million.

PRESENTATION OF ANNUAL ACCOUNTS

Ocean Yield's consolidated Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as approved by the European Union and the additional requirements of the Norwegian Accounting Act as of 31st December 2022. The financial statements of the parent company Ocean Yield AS have been prepared and presented in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

GOING CONCERN ASSUMPTION

Pursuant to section 3-3a of the Norwegian accounting act, it is confirmed that the annual accounts have been prepared based on the assumption that Ocean Yield is a going concern and the Board of Directors confirms that this assumption continues to apply.

RISK AND RISK MANAGEMENT

MARKET RISK

As of year end 2022, 68 out of 70 vessels are on long-term contracts and are hence not directly exposed to short- or medium-term market risk, as these contracts typically have a fixed charter rate throughout the entire period, only subject to LIBOR/SOFR adjustments. The Company is exposed to market rates for two AHTS vessels that are fixed on shorter term contracts to subsidiaries of Solstad Offshore ASA, as these contracts have variable rates that fluctuate according to the earnings of a pool of seven similar vessels. In addition, the Company is exposed to market risk and residual value risk related to vessels that are approaching the expiry date for their long-term contract, in the event that a potential purchase option is not utilised, or in the event of a counterparty default.

OPERATING RISK

As most of Ocean Yield's vessels are on bareboat charter contracts, the Company is not exposed to operating risk for these vessels, as this is the responsibility of the charterer. However, for the two AHTS vessels on charter to Solstad, the Company is ultimately responsible for the operations and maintenance of the vessels and hence has full operational risk. Also, for the three newbuilding container vessels scheduled for delivery in 2023, the Company is exposed to operational risk, as these vessels are fixed on time-charter contracts.

FINANCIAL RISK

Ocean Yield's strategy is to mitigate financial risk, where appropriate, using derivative instruments. This is mainly related to interest rate risk and currency risk. The Company will enter into fixed interest rate agreements for portions of its debt facilities from time to time, in order to hedge interest rate exposure. The ratio of fixed interest rate contracts to its total debt portfolio may vary from time to time, depending on the Company's view of the market. A number of the Company's lease agreements have floating interest rate clauses, where the counterparty is responsible for any increase in underlying interest rates. Hence, a major part of the debt portfolio is funded on a floating interest rate basis, where the interest rate risk is covered by the floating interest clauses in the leases. This significantly improves the overall effective hedging position of the Group.

Most of the Group's revenues are denominated in USD and hence there is limited currency exchange risk in the Group. However, the Company has some exposure to NOK through Ocean Yield's bond debt, which is issued in NOK, office rentals and salaries in Norway. As such, Ocean Yield may from time to time, enter into derivative contracts in order to hedge currency risk related to its fixed revenues. As of year end, the Company had NOK 1,500 million in NOK loans and had interest and currency swaps of NOK 1,250 million in total, which effectively swapped these loans from NOK to USD.

FINANCING RISK

Ocean Yield is exposed to financing risk since the Company raises external debt on a regular basis for a portion of its investments in vessels, either in the bank market or the bond market. These loans are subject to refinancing typically at maturities ranging between five to twelve years. The loans are subject to certain financial covenants that are reported on a quarterly or semi-annual basis by the Company. Should the appetite or capacity in debt capital markets deteriorate rapidly, the Company may face the risk of increased margins when entering into a new project, or obtaining lower leverage than anticipated in a refinancing. This may negatively impact overall returns. The Company works to mitigate these risks by securing financing at the same time or shortly after committing to a new investment and maintaining access to broad range of capital market products.

COUNTERPARTY RISK

Ocean Yield has inherent credit risk through the fact that a counterparty may not be able to meet its obligations under a long term charter contract. In order to mitigate this risk, the Company charters out the vessels to internationally recognized companies within the shipping industry. However, as shipping markets are volatile, there is no complete protection against potential counterparty default. Ocean Yield also has credit risk related to its trade receivables. The Company's cash and cash equivalents are placed with major international banks with strong credit ratings.

LIQUIDITY RISK

Ocean Yield has inherent liquidity risk in a situation where the Company may be unable to fulfil its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its obligations when due. Management monitors monthly forecasts of the Group's liquidity reserve on the basis of expected cash flows.

SANCTIONS

Ocean Yield has strict requirements related to sanctions and restricted parties. This is included as charterers undertakings in all relevant bareboat and time charter parties, and the Company has procedures to monitor related risks. Further, Ocean Yield has made undertakings related to sanctions and restricted parties in the Group's loan agreements.

SUSTAINABILITY

The section 3-3c in the Norwegian Accounting Act requires that large companies account for their efforts to integrate corporate social responsibility in their business strategies and day-to–day operations. Ocean Yield AS has chosen to report on its efforts within ESG in a separate document in this Annual Report for 2022 approved by the Board of Directors. Reference is made to the Corporate Social Responsibility Statement/ESG Report later in this Annual Report. The assessment encompasses Ocean Yield AS and subsidiaries consolidated into the Group accounts. Ocean Yield respects fundamental human rights, provides decent working conditions and is committed to the health, safety and security of its employees, contractors and the communities in which the Company operates. The Norwegian Transparency Act, which entered into force on 1 July 2022, requires the Company to report on how it ensures compliance with fundamental human rights and decent working conditions in its operations, in its supply chain and with its business partners. The Company will disclose in accordance with the Norwegian Transparancy Act requirements on its website by the deadline date of 30 June 2023.

CORPORATE GOVERNANCE

The Company has adopted and implemented a corporate governance regime which, in all material respects, complies with the Section 3-3b in the Norwegian Accounting Act. A copy of the Corporate Governance Statement can be found on the Company's web site, www.oceanyield.no. Reference is also made to the Corporate Social Responsibility Statement/ ESG Report later in this Annual Report.

Ocean Yield has directors and officers liability insurance for the Group and subsidiaries. The insurance covers the Board's and the management's legal personal liability for financial damage caused by the performance of their duties.

RESEARCH AND DEVELOPMENT

Ocean Yield has not been engaged in research and development during 2022.

ALLOCATION OF PROFIT AND DIVIDEND FOR THE PARENT COMPANY OCEAN YIELD AS

In 2022, Ocean Yield paid USD 80.0 million in dividends corresponding to a dividend of USD 0.46 per share. The net profit after tax of USD 46.9 million for 2022 for the parent company Ocean Yield AS has been proposed by the Board of Directors to be allocated to retained earnings.

OUTLOOK

Ocean Yield continues to selectively evaluate new investments 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.

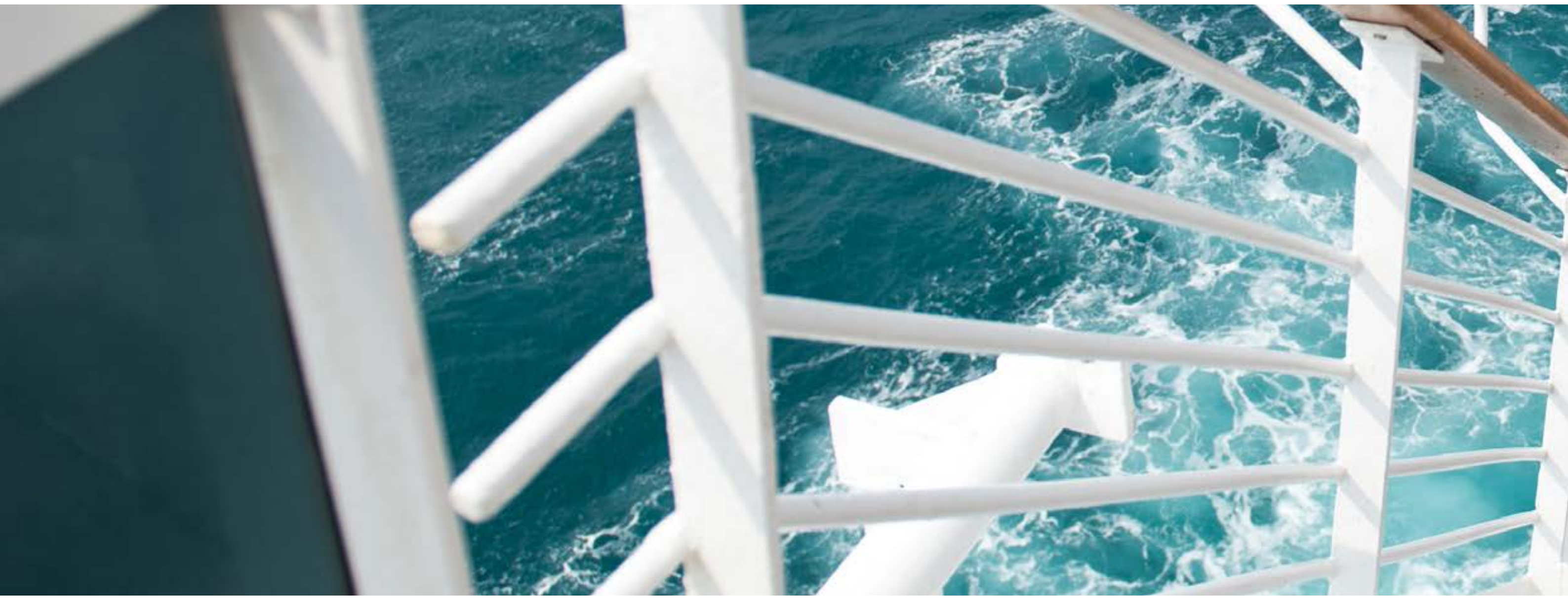
Our strong and well performing portfolio and our continued strong access to financing make the Company well positioned to partner with existing and new clients as we seek to facilitate and assist their energy transition and fleet renewal.

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.

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

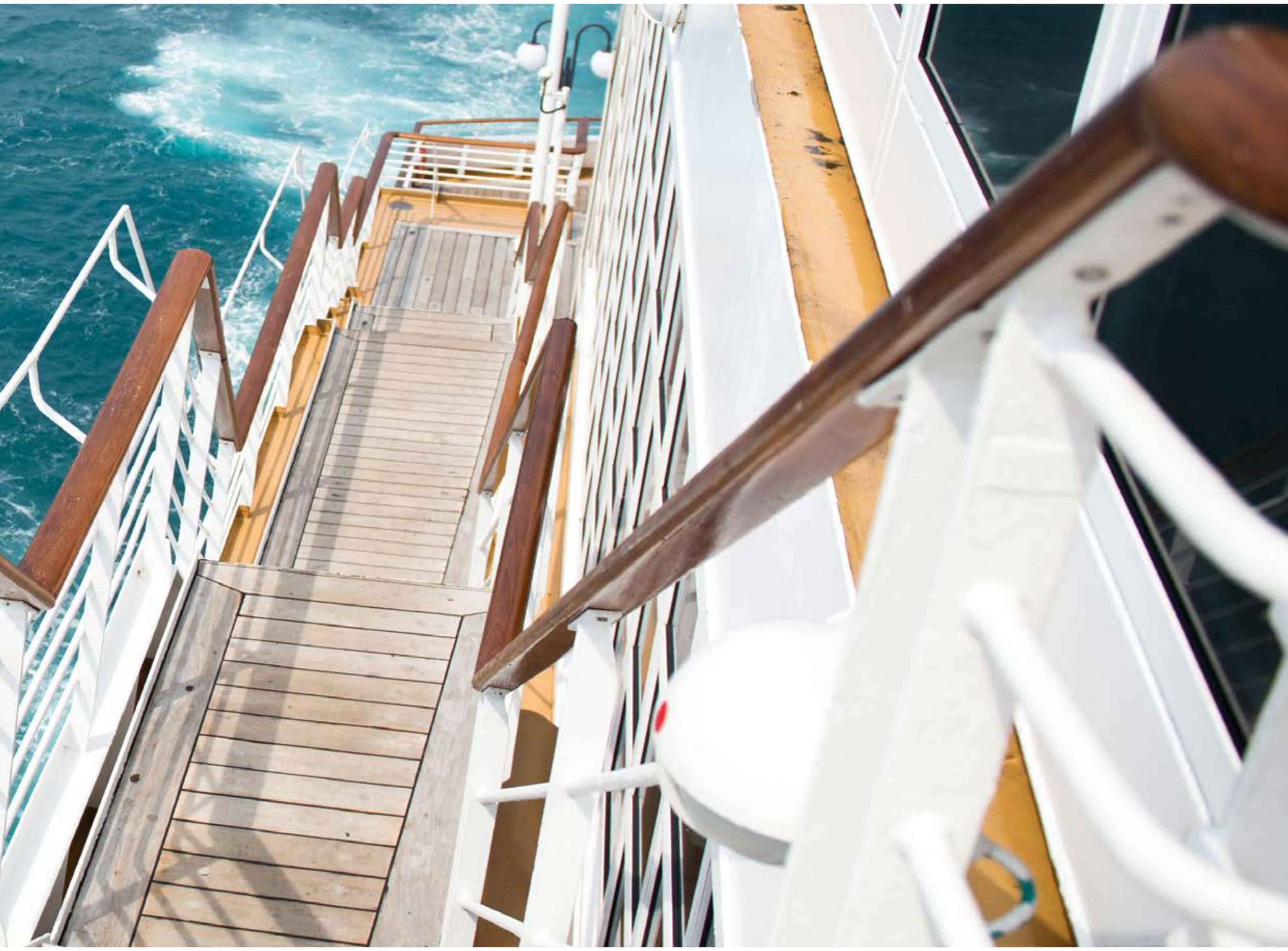
Consolidated statement of profit or loss

Amounts in USD million	Note	2022	2021
Operating lease revenue	6	68.9	68.6
Finance lease revenue	7	106.3	86.5
Income from investments in associates	14	18.0	19.6
Other income	8	4.2	10.3
Total revenues and other income	5	**197.3**	**185.1**
Vessel operating expenses		0.0	-0.8
Administrative expenses	9	-10.4	-22.0
Other operating expenses	8	-	-0.3
Depreciation and amortisation	13	-27.8	-29.3
Operating profit		**159.2**	**132.7**
Financial income	10	3.7	2.3
Financial expenses	10	-72.3	-56.1
Foreign exchange gains (losses), net		15.7	5.7
Change in fair value of financial instruments		-12.7	1.8
Net financial items		**-65.6**	**-46.3**
Net profit before tax		**93.6**	**86.4**
Income tax expense	11	-2.4	-2.7
Net profit from continuing operations		**91.2**	**83.7**
Net profit (loss) from discontinued operation, net of tax	12	-	-20.7
Net profit for the period		**91.2**	**63.0**
Attributable to:			
Equity holders of the parent		80.7	54.6
Dividends on hybrid capital		10.5	8.4
Net profit for the period		**91.2**	**63.0**
Basic and diluted earnings per share (USD)	16	**0.46**	0.31
Basic and diluted earnings per share (USD), continuing operations	16	**0.46**	0.43



Consolidated statement of comprehensive income

Amounts in USD million	Note	2022	2021
Net profit for the period		91.2	63.0
Items that are or may be reclassified to the income statement			
Share of other comprehensive income from investment in associates	14	42.2	9.8
Total for items that are or may be reclassified to the income statement		**42.2**	**9.8**
Total change in other comprehensive income, net of income tax		**42.2**	**9.8**
Total comprehensive income		**133.4**	**72.9**
Attributable to:			
Equity holders of the parent		123.0	64.5
Dividends on hybrid capital		10.5	8.4
Total comprehensive income for the period		**133.4**	**72.9**



Consolidated balance sheet at 31st December

Amounts in USD million	Note	2022	2021
ASSETS			
Vessels and equipment	13	475.4	524.2
Newbuildings	13	56.2	-
Finance lease receivables	7,15	1,113.8	1,295.0
Investments in associates	14	190.5	182.9
Interest-bearing receivables	15	64.0	-
Restricted cash deposits	15	13.1	5.5
Other non-current assets	15	1.5	2.1
Total non-current assets		**1,914.4**	**2,009.6**
Finance lease receivables	7,15	287.5	191.0
Trade receivables and other current assets	4	4.7	3.2
Cash and cash equivalents	4	121.9	121.2
Total current assets		**414.0**	**315.4**
Total assets		**2,328.5**	**2,325.0**
EQUITY AND LIABILITIES			
Share capital		271.0	271.0
Other paid-in capital		128.0	208.0
Total paid-in capital	16	**398.9**	**479.0**
Retained earnings and other reserves		182.5	59.5
Total equity attributable to equity holders of the parent		**581.4**	**538.5**
Hybrid capital	16	125.0	125.0
Total equity		**706.4**	**663.5**
Interest-bearing debt	19	1,226.0	1,456.5
Deferred tax liabilities	11	8.4	7.0
Fair value of derivatives	4	14.6	7.0
Other non-current liabilities		8.9	2.6
Total non-current liabilities		**1,257.8**	**1,473.1**
Interest-bearing debt	19	329.6	162.4
Fair value of derivatives	4	15.9	10.1
Trade and other payables		18.7	15.9
Total current liabilities		**364.3**	**188.4**
Total liabilities		**1,622.1**	**1,661.5**
Total equity and liabilities		**2,328.5**	**2,325.0**

BÆRUM, 28TH MARCH 2023
OCEAN YIELD AS

VINCENT POLICARD
CHAIRMAN

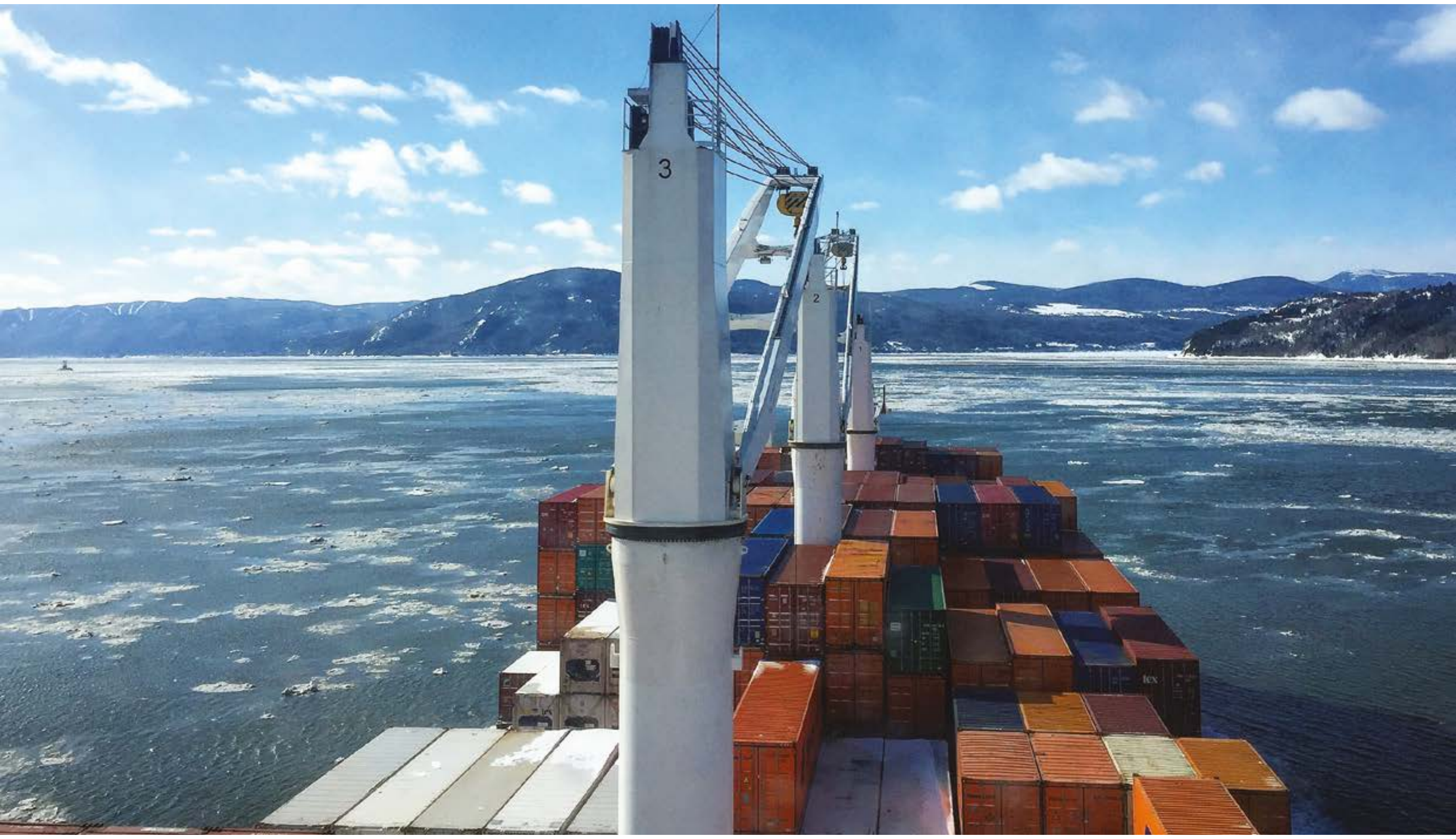
BERNARDO NOGUEIRA
DIRECTOR

ANDREAS RØDE
DIRECTOR AND CEO

EIRIK EIDE
DIRECTOR

Consolidated statement of changes in equity

Amounts in USD million	Share capital	Share premium	Treasury shares reserve	Retained earnings	Share-holders equity	Hybrid capital	Total equity
Balance at 31st December 2020	**271.0**	**246.7**	**-0.1**	**-4.9**	**512.7**	**125.0**	**637.7**
Net profit for the period	-	-	-	63.0	63.0	-	63.0
Other comprehensive income	-	-	-	9.8	9.8	-	9.8
Total comprehensive income	-	-	-	72.9	72.9	-	72.9
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
Balance at 31st December 2021	**271.0**	**208.0**	**-**	**59.5**	**538.5**	**125.0**	**663.5**
Net profit for the period	-	-	-	91.2	91.2	-	91.2
Other comprehensive income	-	-	-	42.2	42.2	-	42.2
Total comprehensive income	-	-	-	133.4	133.4	-	133.4
Dividend	-	-80.0	-	-	-80.0	-	-80.0
Dividend on hybrid capital	-	-	-	-10.5	-10.5	-	-10.5
Balance at 31st December 2022	**271.0**	**128.0**	**-**	**182.5**	**581.4**	**125.0**	**706.4**



Consolidated statement of cash flows

Amounts in USD million	Note	2022	2021
Net profit for the period		91.2	63.0
Income tax expense		2.4	2.7
Taxes paid		-0.4	-0.1
Net interest expenses		67.4	50.3
Interest paid		-59.6	-44.6
Interest received		3.4	2.3
Impairment of held for sale assets	12	-	16.4
Gain/Loss from sale of vessel	13	-0.4	-
Repayment on finance lease receivables	7	114.9	86.5
Depreciation and amortisation	13	27.8	29.3
Income from investments in associates	14	-18.0	-19.6
Dividend received from investments in associates		21.8	18.5
Unrealized foreign exchange gain/loss		-16.0	-5.1
Change in fair value of financial instruments		12.7	-1.8
Changes in other operating assets and liabilities		-0.7	-6.2
Net cash flow from operating activities		**246.3**	**191.6**
Acquisition of vessels and equipment	13	-1.1	-0.9
Proceeds from sale of vessels	13	22.0	35.0
Additions to newbuildings	13	-56.2	-
Cash outflow from vessels accounted for as finance lease	7	-101.5	-439.8
Proceeds from sale of finance leased vessels	7	90.6	367.4
Net cash flow from other non-current assets		-79.9	1.1
Proceeds from capital reduction in associates	14	30.8	-
Acquisition of shares in subsidiary, net of cash acquired	14	-	-4.9
Net cash flow from restricted cash and other investing activities		-7.5	-3.9
Net cash flow from investing activities		**-102.9**	**-46.0**
Proceeds from issuance of interest-bearing debt	22	180.4	601.7
Repayment of interest-bearing debt	22	-230.9	-693.3
Repayment on finance lease liabilities		-0.3	-0.3
Dividends paid	16	-80.0	-38.9
Dividends on hybrid capital	16	-10.5	-8.4
Net change in treasury shares		-	0.1
Net cash flow from financing activities		**-141.2**	**-139.2**
Net change in cash and cash equivalents		**2.3**	**6.4**
Exchange rate differences		-1.7	1.0
Cash and cash equivalents 1st January		121.2	112.7
Change from associated company to subsidiary			1.0
Cash and cash equivalents 31st December	**4**	**121.9**	**121.2**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 CORPORATE INFORMATION

Ocean Yield AS is a Norwegian limited company incorporated and domiciled in Bærum, Norway. The registered office is located at Oksenøyveien 10, Lysaker. The Ocean Yield Group was established at the end of March 2012, with Ocean Yield AS as the parent company. In July 2013 the company was listed on the Oslo Stock Exchange. The Company was acquired by funds controlled by Kohlberg Kravis Roberts & Co. L.P. ("KKR") and de-listed from the Oslo Stock Exchange in December 2021. Following the de-listing, the Company converted from ASA to AS.

Ocean Yield AS is a shipowning company with investments in vessels on long-term charters. The Company focuses on modern vessels and currently has investments in car carriers, chemical tankers, product tankers, crude tankers, container vessels, dry bulk vessels, oil-service vessels, and gas carriers.

The consolidated financial statements for 2022 were approved and authorized for issue by the Board of Directors on 28th March 2023. The consolidated financial statements will be presented to the Annual General Meeting in April 2023 for approval.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as approved by the European Union, their interpretations adopted by the International Accounting Standards Board (IASB) and the additional requirements of the Norwegian Accounting Act as of 31st December 2022.

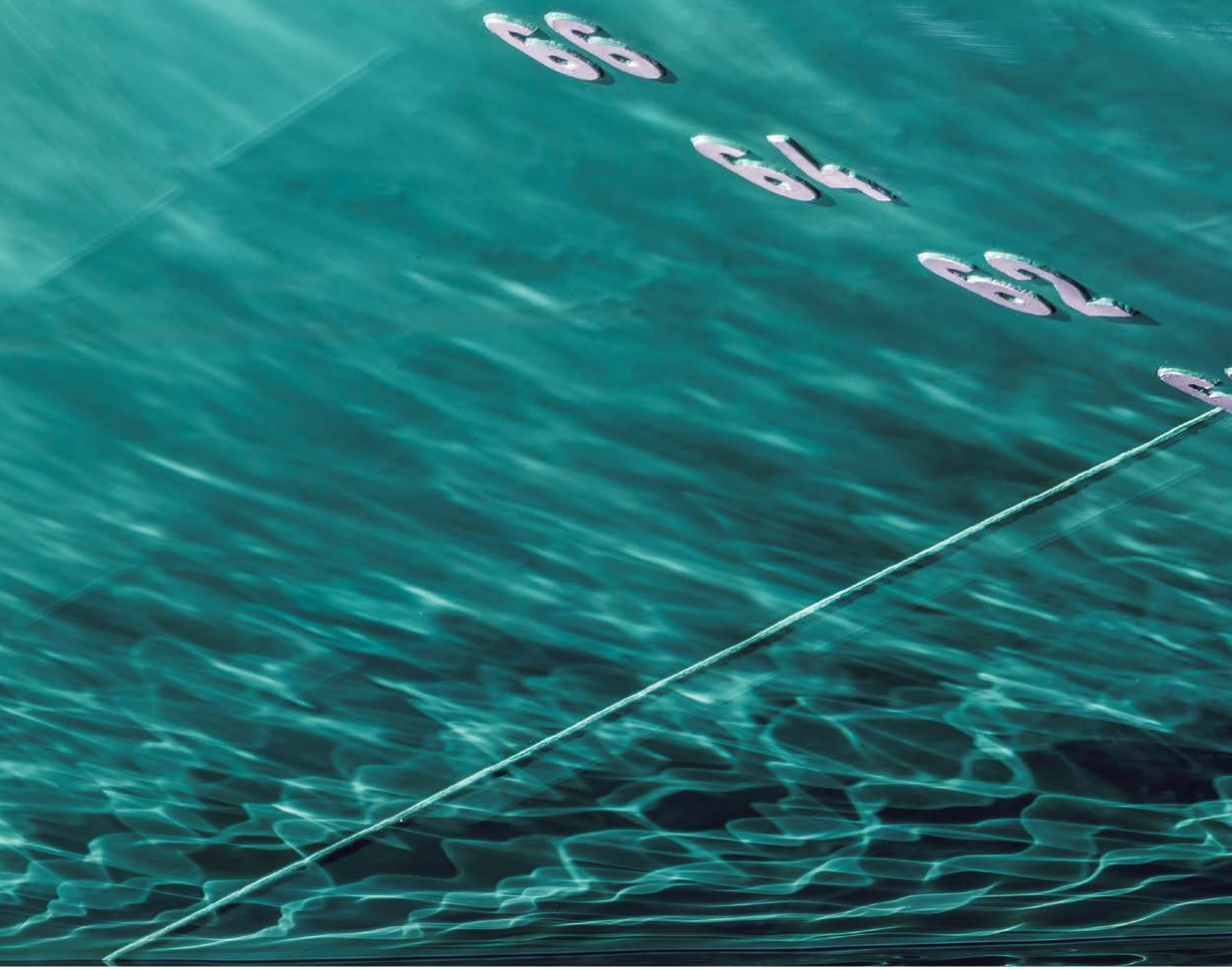
These consolidated financial statements of Ocean Yield AS include the financial statements of the Company and its subsidiaries owned as of 31st December 2022 (referred to collectively as the "Group" and separately as group companies).

The accounting principles presented herein have been applied consistently for the reporting period and for the companies presented in the consolidated financial statements. Comparative figures are reclassified if necessary to conform to current year presentation.

Preparation of the financial statements is based on historical cost, with the following exceptions:

- Derivative financial instruments are measured at fair value
- Financial assets measured at fair value over other comprehensive income
- Assets held for sale are measured at fair value
- Principles used to determine fair value are described in greater detail in note 4.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.



FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated financial statements are presented in United States Dollars (USD), which is the functional currency of Ocean Yield AS and the group companies.

All financial information presented in USD has been rounded to the nearest million with one decimal, except when otherwise stated. Due to rounding differences there may be some minor inconsistency between total figures.

BASIS OF CONSOLIDATION

Consolidated financial statements present the Group's financial position, profit or loss, comprehensive income, changes in equity and cash flow. All intragroup transactions, receivables and liabilities are eliminated. Unrealized gains from intragroup transactions are eliminated. Unrealized losses from intragroup transactions are also eliminated, but are considered an indicator of impairment with respect to the asset transferred.

When necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency with the Group's accounting policies.

SUBSIDIARIES

The Group's consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at December 31th, 2022. Control is achieved when the Group is exposed, or is entitled, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that enable the Group to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights in an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

INVESTMENTS IN ASSOCIATES

An associate is defined as a company over which the group has significant influence but which is not a subsidiary or a joint arrangement. Significant influence is where the company has the power to participate in the financial and operating policy decisions of the investee but is not in control or joint control of those policies. The Group's investment in an associate is accounted for using the equity method. The investment is initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements includes the Group's share of the profit and loss and OCI of the associate, until the date on which significant influence ceases to exist.

Dividends received from associates are presented as part of net cash flow from operating activities in the statement of cash flows. Received dividends are recognised as a reduction of the book value of the investment.

FOREIGN CURRENCY TRANSLATION AND TRANSACTIONS

TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the entities functional currency using the exchange rates prevailing at the date of each transaction. Monetary assets and liabilities in foreign currencies are translated to the entities functional currency using the exchange rates on the balance sheet date. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in other currencies than USD are recognized in the statement of profit and loss as foreign exchange gains/losses.

GROUP COMPANIES

Financial statements of group companies whose functional currencies are different from the presentation currency (USD) are translated to USD in the following way:

- Balance sheet items are translated using the exchange rates on the balance sheet date
- Profit or loss items are translated using the average exchange rates for the reporting period.
- All translation differences are recognized in Other Comprehensive Income.

VESSELS AND EQUIPMENT

Vessels and equipment are accounted for at acquisition cost less accumulated depreciation and impairment losses. Acquisition cost includes expenditures directly attributable to the asset's acquisition. Estimated costs of dismantling and removing the asset is included in the acquisition cost if an obligation arises from installation of the asset. When significant parts of an item of vessels and equipment have different useful lives, major components are accounted for as separate items.

SUBSEQUENT COSTS
Ordinary repairs and maintenance costs are charged to the profit and loss in the financial period when they are incurred. The cost of major upgrades or modification of an asset is included in the asset's carrying amount. Major upgrades and modification of an asset is depreciated over the useful lives of the related asset.

DEPRECIATION
Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each major component of an item of property, plant and equipment, taking its residual value into consideration.

Estimated useful lives for the current and comparative periods are as follows:

Vessels	10-30 years
Machinery, vehicles	3-15 years
Other fixed assets	3-10 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting period.

DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT
Gains and losses on the disposal of assets are determined by comparing the disposal proceeds with the carrying amount.

NEWBUILDINGS

Vessels under construction ("Newbuildings") represent the accumulated costs to the balance sheet date which the Group have paid by way of purchase installments and other capital expenditures together with capitalized interest and associated finance costs. For Newbuildings no charge for depreciation is made until the vessel is available for use.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Once classified as held for sale, property, plant and equipment are no longer amortised or depreciated.

Discontinued operations are excluded from the results of continuing operations and are presented separately as a single amount under profit or loss after tax from discontinued operations in the statement of comprehensive income.

LEASE AGREEMENTS (AS LESSOR)

Most of the vessels owned by the Group are chartered out on long-term contracts. When assessing whether an agreement is an operating lease or a finance lease, estimates of the fair value of the vessels at the end of the lease periods and calculations of the present value of the minimum lease payments are the most important factors. Many of the lease con-

tracts include one or more purchase options, and/or options to extend the lease period beyond the firm period. At the inception of the lease, such options are taken into consideration when assessing whether the lease is an operating lease or a finance lease. It is also considered whether the lease agreements contain other elements where risk is transferred to the charterers, such as LIBOR/SOFR related charter hire adjustments, where some of the interest rate risk is transferred to the charterers.

OPERATING LEASE
Leases in which a significant portion of the risks and rewards of ownership are retained by Ocean Yield are classified as operating leases. Lease assets held pursuant to an operating lease are included in the statement of financial position based on the nature of the asset. Direct costs incurred when establishing an operating lease are included in the leased asset's carrying amount and are expensed over the term of the lease on the same basis as the rental income.

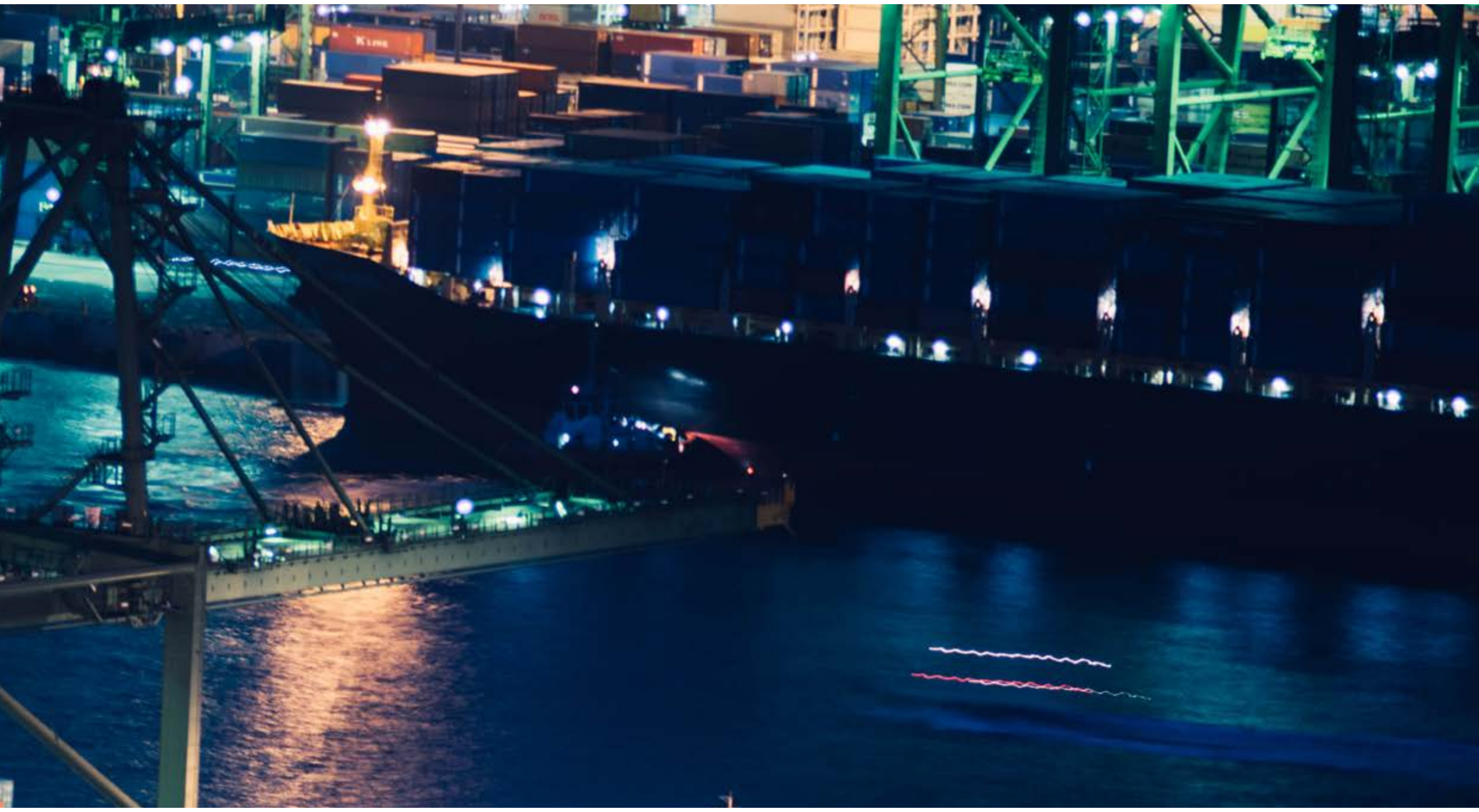
FINANCE LEASE
Leases in which substantially all of the risks and rewards of ownership are transferred to the charterer are classified as finance leases. At the inception of the lease the net present value of the minimum lease payments and any discounted unguaranteed residual value are recognised as a interest-bearing receivable, split into a non-current and a current part.

FINANCIAL ASSETS
Financial assets are presented as current if they contractually expire or otherwise are expected to be recovered within 12 months after the balance sheet date, or if they are held for the purpose of being traded. Otherwise they are classified as non-current.

LOANS AND RECEIVABLES
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. At year-end 2022 and 2021 Loans and receivables comprise trade and other receivables.

CASH AND CASH-EQUIVALENTS
Cash and cash equivalents consist of cash deposits on call with financial institutions and other short-term, highly liquid investments with original maturity of less than three months.

FINANCIAL DERIVATIVES
The Group uses financial derivative instruments to hedge its exposure to foreign currency and interest-rate risks. However, the Group does not apply hedge accounting. Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the statement of profit and loss as they incur. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in profit or loss. As further explained in note 14, hedge accounting is applied to mitigate interest rate risk for borrowings in an associated company.



FINANCIAL LIABILITIES

The Group classifies its non-derivative financial liabilities into the financial liabilities measured at amortised cost category. Such financial liabilities are initially recognised at fair value less any directly attributable transaction costs. After initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method. At year-end 2022 and 2021, non-derivative financial liabilities comprise loans and borrowings and trade and other payables.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In such a case, the fee is deferred until the draw-down occurs. To the extent there is low probability that the facility will be drawn down, the fee is capitalised as a pre-payment and amortised over the period of the facility to which it relates.

HYBRID CAPITAL

Hybrid bonds with no fixed maturity are treated as equity in the financial statements, and are presented in a separate line within equity. The hybrid bonds are initially recognised at fair value. Any directly attributable transaction costs are recognised against equity and presented in retained earnings. After initial recognition the hybrid bonds are not remeasured. Coupons paid on the hybrid bonds are recognised as dividend when they are paid.

LEASE AGREEMENTS (AS LESSEE)

The Group has recognised right-of-use assets and lease liabilities for its rental of offices.

RIGHT-OF-USE ASSETS

The Group recognises a right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The cost of right-of-use asset includes the amount of lease liability recognised, initial direct costs incurred, and the lease payments made at or before the commencement date less any lease incentives received. The right-of-use asset is generally depreciated on a straight-line-basis over the shorter of its estimated useful life and the lease term and is subject to impairment assessment of non-financial assets.

LEASE LIABILITIES

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The lease payments include fixed payments and variable lease payments that depend on an index or rate. The variable lease payment that does not depend on an index or rate is recognised as expense in the period in which it is incurred. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amounts expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of

whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

CURRENT AND DEFERRED INCOME TAX

Income tax in the profit or loss statement comprises current and deferred tax. Tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized in Other comprehensive income or directly in equity.

Current tax is the anticipated tax payable on the taxable income for the year, using current tax rates at the balance sheet date, and any adjustment to tax payable related to previous years.

Deferred income tax is stated, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets are recognised for all deductible temporary differences and all carry-forwards of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which such deductible temporary differences and carry-forwards can be used.

Deferred tax is not recognised for the following temporary differences:

- Initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.

- Differences relating to investments in subsidiaries and jointly controlled entities, to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured on an undiscounted basis. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on current tax rates (and tax laws) at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities, and if the deferred tax relates to the same taxable entity or the same tax authority.

The operations of the Group's bareboat fleet is managed from Malta. As a consequence most of the Group's income is subject to corporate taxation in Malta.

REVENUE RECOGNITION

OPERATING LEASE REVENUE

Revenue related to vessel charter agreements that are classified as operating leases are recognised on a straight line basis over the lease term, and classified as operating lease revenues in the statement of profit or loss. Contingent rental income, such as bonuses earned based on utilisation, is recognised in profit or loss as it is earned. Payments received from mobilisation fees and other up-front fees that do not relate to a separate earnings process are recognised on a straight-line basis over the lease term. The remaining part is recognised in the balance sheet as deferred income.

FINANCE LEASE REVENUE

Over the lease term interest on the net investment is recognised in the profit or loss as finance lease revenue in a way that produces a constant rate of return on the investment. Contingent rental income, such as LIBOR/SOFR related charter hire adjustments, is recognised in profit or loss as earned.

IMPAIRMENT

NON-FINANCIAL ASSETS

The carrying amounts of the Group's assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If an indication of impairment exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated annually.

The recoverable amount of an asset or cash generating unit is defined as the greater of its value in use and its fair value, less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a relevant pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For assets that do not generate independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss. Impairment losses of cash-generating units are allocated first to reduce the carrying amount of any goodwill, if applicable, and thereafter to reduce the carrying amount of other assets in the unit.

An impairment loss on goodwill is not reversed. For assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount, net of depreciation or amortisation, calculated as if no impairment loss had been recognised.

FINANCIAL ASSETS

The Group assesses, at the end of each reporting period, whether there is objective evidence that a financial asset is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect, which can be estimated reliably, on the estimated future cash flows of the asset.

The recoverable amount of the Group's financial assets carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate calculated at initial recognition of these financial assets). Receivables with a short term to maturity are not discounted.

An impairment loss on financial assets carried at amortised cost, is reversed if a subsequent increase in the recoverable amount can be objectively connected to an event occurring after the impairment loss was recognised in the profit or loss.

DIVIDENDS

Dividends are recorded in the Group's financial statements in the period in which they are approved. Currently the General Meeting has authorised the Board of Directors to resolve and declare dividends based on the Company's annual financial statements for 2021. The authorization is valid until the Annual General Meeting in 2023.

MEASUREMENT OF FAIR VALUE

Ocean Yield measures certain assets and liabilities at fair value for the purpose of recognition or disclosure. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2 Valuation techniques for which input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 Valuation techniques for which input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. Further, the methods used in determining fair value is described in the following.

LOANS AND OTHER LONG-TERM RECEIVABLES
Fair value is determined for disclosure purposes. The fair value of loans and other long-term receivables is estimated as the present value of future cash flows, discounted with an applicable discount rate.

FINANCE LEASE RECEIVABLES
Fair value is determined for disclosure purposes. The fair value of finance lease receivables is estimated as the present value of future cash flows, discounted with an applicable discount rate. As of year-end 2022 the Group has 36 lease agreements that are classified as finance leases related to vessels that are wholly owned and delivered. The fair value calculation of the finance lease receivables is explained in note 21.

TRADE AND OTHER RECEIVABLES
The fair value of trade receivables and other receivables is estimated at the present value of future cash flows of principal and interests, discounted at the market rate of interest at the balance sheet date.

ASSETS HELD FOR SALE
The fair value of assets held for sale is based on their listed market price, if available. If a listed market price is not available, the fair value is estimated using a variety of methods mainly based on conditions existing at the end of each reporting period. As of year-end 2022 and 2021, respectively, the Group did not have any assets classified as held for sale.

DERIVATIVES
The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, the fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds), and taking changes in Ocean Yield's credit risk into account. The fair value of interest rate swaps is based on the present value of future cash flows, calculated based on observable market rates and exchange rates on the reporting date, including accrued interest and also taking changes in Ocean Yield's credit risk into account.

NON-DERIVATIVE FINANCIAL LIABILITIES

Fair value is determined for disclosure purposes. The fair value of listed bond debt is based on quoted market prices, while the fair value of other liabilities is calculated based on the present value of future cash flows of principal and interests, discounted at the market rate of interest at the balance sheet date.

NEW AND AMENDED STANDARDS AND INTERPRETATIONS

A number of new standards and amendments are effective from 1 January 2022, but they did not have a material effect on the Group's financial statements. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

NOTE 3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Preparation of financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of guidelines and principles, as well as the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are considered relevant under the circumstances. The resulting accounting estimates will, by definition, rarely match actual results, but are based on the best estimate at the time.

Estimates and underlying assumptions are reviewed on a regular basis. Changes to accounting estimates are recognised in the period in which the estimates are revised if the change affects that period, or prospectively for changes in estimates such as the useful lives of vessels or in estimated salvage values. Estimates and assumptions that could have a significant impact on the carrying amounts of assets and liabilities within the next financial year are described below.

CLASSIFICATION OF LEASE AGREEMENTS

As of year-end 2022 most of the Group's vessels were chartered on long term contracts. At the inception of the lease agreements an assessment is made to evaluate whether the agreements should be classified as operating leases or finance leases. Reference is made to note 2 Significant accounting policies, section Lease Agreements, note 6 Operating lease revenue and note 7 Finance lease revenue.

IMPAIRMENT OF VESSELS

Ocean Yield has significant investments in vessels. Evaluating whether a vessel is impaired or if an impairment should be reversed, requires a high degree of judgment and may to a large extent depend upon the key assumptions about future development. Reference is made to note 13 Vessels and equipment.

IMPAIRMENT OF FINANCE LEASE RECEIVABLES

The Group had as of year-end 2022 36 lease agreements that are classified as finance leases. At the end of each reporting period the Group assesses whether the financial lease

receivables are impaired. Impairment is assessed using the expected credit loss ("ECL") method for financial assets.

Twelve months ECLs are used for the finance lease receivables for which credit risk has not increased significantly since initial recognition. If there is a significant increase in credit risk, the expected credit loss is estimated for the entire lease term. The detmination of whether there is a significant increase in credit risk is based on an assessment of the counterparty. Examples of events that may lead to a significant increase in credit risk are delayed payments, breach of covenants, decrease in equity, negative development in working capital and a significant decrease in the share price for listed entities. In addition, the Group regularly assesses whether there have been reductions in the estimated unguaranteed residual values of the leased assets. The assessment of changes in unguaranteed residual values involves the use of estimates and assumptions about expected future values. Reference is made to note 7 Finance lease revenue and note 21 Financial instruments.

HYBRID CAPITAL

In August 2019 the Company issued a perpetual hybrid callable bond ("Hybrid bond"). The Hybrid bond is a perpetual bond, with no fixed maturity. After five years there is a step-up in the margin of 5%. However, there is no contractual obligation to repay the bonds. Further, coupons on the bonds can be deferred at any time and can be deferred until the bonds are settled. Deferring the coupons blocks the Company from paying dividends. As the Company has no contractual obligation to pay either the bonds or the coupons, it is the Company's assessment that the Hybrid bond does not meet the requirements in the definition of a financial liability and is therfore classified as equity.

NOTE 4 CAPITAL AND FINANCIAL RISK MANAGEMENT

SANCTIONS

The Company has strict requirements related to sanctions and restricted parties. With the tragic events unfolding in the Ukraine, the Company is monitoring the situation with specific focus on sanctions. The Company does not have any operations or contracts directly related to Russia or Ukraine and has specific clauses in all relevant bareboat charters with respect to sanctions. This is included as charterers undertakings in all relevant bareboat charter parties, and the Company has procedures to monitor related risks. Further, Ocean Yield has made undertakings related to sanctions and restricted parties in the Group's loan agreements.

FINANCIAL RISK

The Company is exposed to different types of financial risk including credit-, liquidity- and market risk (e.g. interest- and currency risk). Ocean Yield uses different financial instruments to actively manage its financial exposure. The purpose of risk management is to measure and manage financial risk in a reliable manner, thereby increasing predictability and reducing negative effects on Ocean Yield's financial results.

The Company has developed a policy on how the financial risk is monitored. The risk is monitored continuously and reported on a regular basis. The main companies in the Group have developed similar policies and guidelines based on the individual company's exposure to the different kinds of financial risks.

MARKET RISK

As of year-end 2022, 68 out of 70 vessels, including nine vessels owned through joint ventures, are on long-term contracts and are hence not directly exposed to short- or medium term market risk, as these contracts typically have a fixed charter rate throughout the entire period. However, the Company is exposed to market risk and residual value risk related to the vessels upon expiry of a charter contract and in the event of a counterparty default.

The Group has two AHTS vessels fixed on 4 year contracts, expiring in April 2024, to subsidiaries of Solstad Offshore ASA ("Solstad"). The charter rate payable under these lease agreements is a reference rate equal to the average per vessel EBITDA in a pool of seven similar UT731 design vessels. The Group is therefore exposed to market risk for these vessels. See also note 25 Subsequent events related to these vessels.

OPERATING RISK

As most of Ocean Yield's vessels are on bareboat charter contracts, the Company is not exposed to operating risk for these vessels, as this is the responsibility of the charterer. However, for the two AHTS vessels on charter to Solstad, the Company is ultimately responsible for the operating cost of the vessels.

FINANCING RISK

Ocean Yield is exposed to financing risk since the Company raises external debt on a regular basis for a portion of its investments in vessels, either in the bank market or the bond market. These loans are subject to refinancing typically after five to twelve years. The loans are subject to certain financial covenants that are reported on a quarterly or semi-annual basis by the Company. Should the capacity in these markets deteriorate rapidly, the Company may face the risk of increased margins when entering into a new project, obtaining lower leverage than anticipated in a refinancing or not be able to refinance. This may negatively impact the Company's overall returns. The Company works to reduce these risks by securing financing at the same time or shortly after committing to a new investment and by maintaining access to a broad range of capital market products.

CREDIT RISK

The exposure to credit risk is monitored on a regular basis.

The Group's principal financial assets are bank deposits and cash, finance lease receivables, trade and other receivables and derivatives. The Group's exposure to credit risk is mainly related to finance lease receivables and trade receivables.

The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by management based on prior experience and their assessment of the current economic environment. At the end of each reporting period the Group assesses whether the financial assets are credit-impaired. Impairment is assessed using the expected credit loss ECL method for financial assets as further described in note 3.

FINANCIAL INTEREST-BEARING RECEIVABLES

Financial interest-bearing receivables mainly consist of finance lease receivables. As of 31 December, 2022 the Group had 36 vessels accounted for as finance leases related to vessels that are wholly owned and delivered. As of the balance sheet date, management does not expect any counterparty to fail to meet its obligations.

TRADE RECEIVABLES

The Group has USD 2.0 million in trade receivables as of year-end 2022. Management expects these to be settled. Allowance for impairment losses has been made for uncertain claims.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are held with banks and financial institutions with strong credit-ratings. Based on their credit ratings, as of the balance sheet date management does not expect any of these financial institutions to fail to meet their obligations.

DERIVATIVE FINANCIAL INSTRUMENTS

Transactions involving derivative financial instruments are made with counterparties that have sound credit-ratings. Given their high credit ratings, as of the balance sheet date management does not expect any counterparty to fail to meet its obligation.

EXPOSURE TO CREDIT RISK

The Group has inherent credit risk through the fact that a counterpart may not be able to meet its obligations under a long-term charter contract. In order to mitigate this risk, the Company charters out the vessels to internationally well-recognised companies within the shipping and offshore industry. However, as shipping and oil service markets are volatile, there is no absolute protection against potential counterparty default.

The Group's exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

		2022		
Amounts in USD million	Note	Receivables at amortised cost	Cash and cash equivalents	Total
Finance lease receivables	7	1,113.8	-	1,113.8
Restricted cash deposits		-	13.1	13.1
Other non-current assets		65.5	-	65.5
Finance lease receivables, current portion		287.5	-	287.5
Trade receivables and other current assets		4.7	-	4.7
Cash and cash equivalents		-	121.9	121.9
Total		**1,471.5**	**135.0**	**1,606.4**

Of the total cash balance year-end 2022, USD 0.6 million was restricted cash. In addition the Group had USD 13.1 million in restricted cash classified as long-term assets (see note 15).

		2021		
Amounts in USD million	Note	Receivables at amortised cost	Cash and cash equivalents	Total
Finance lease receivables	7	1,295.0	-	1,295.0
Restricted cash deposits		-	5.5	5.5
Other non-current assets		1.9	-	1.9
Finance lease receivables, current portion		191.0	-	191.0
Trade receivables and other current assets		3.2	-	3.2
Cash and cash equivalents		-	121.2	121.2
Total		**1,491.1**	**126.7**	**1,617.9**

The maturity of trade receivables and provisions for impairment loss are as follows:

Amounts in USD million	Gross trade receivables 2022	Provision for impairment loss 2022	Gross trade receivables 2021	Provision for impairment loss 2021
Not past due	2.0	-	0.0	-
Past due 0-30 days	-	-	0.6	-
Past due 31-120 days	-	-	-	-
Past due 121 - 365 days	-	-	-	-
Past due more than one year	9.5	-9.5	9.5	-9.5
Total trade receivables	**11.5**	**-9.5**	**10.1**	**-9.5**

The movement in allowance for impairment loss during the year was:

Amounts in USD million	2022	2021
Balance 1st January	9.5	9.8
Impairment loss recognised in profit and loss	-	-
Reversal or use of previously recognised impairment provision	-	-0.3
Balance 31st December	**9.5**	**9.5**

The allowance for impairment loss of USD 9.5 million is related to the vessel Connector and an old claim against EMAS AMC AS. The claim has never been recognised as revenue.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will be unable to fulfil its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its obligations when due. Management monitors monthly forecasts of the Group's liquidity reserve on the basis of expected cash flows.

The figures in the table below represent the contractual undiscounted cash flows related to the Groups liabilities. Interest has been calculated using the interest rates as of year-end.

Overview of contractual maturities of financial liabilities, including estimated interest payments specified per category of interest-bearing liabilities:

	2022 Contractual cash flows incl. estimated interest payments						
Amounts in USD million	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
Secured loans	1,404.0	-1,411.0	-101.4	-152.2	-230.2	-816.0	-111.3
Unsecured bonds	151.7	-152.2	-76.1	-	-76.1	-	-
Interest rate swaps	0.2	0.0	0.0	-	-	-	-
Forward exchange contracts	30.5	-28.5	-17.3	1.0	-12.2	-	-
Finance lease liabilities	1.4	-2.1	-0.2	-0.2	-0.4	-1.0	-0.3
Trade and other payables	18.7	18.7	18.7	-	-	-	-
Total contractual cash flows for liabilities	**1,606.4**	**-1,575.1**	**-176.3**	**-151.4**	**-318.9**	**-817.0**	**-111.6**

	2021 Contractual cash flows incl. estimated interest payments						
Amounts in USD million	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
Secured loans	1,452.0	-1,583.8	-104.5	-88.0	-285.0	-926.2	-180.2
Unsecured bonds	166.9	-186.2	-4.0	-4.0	-91.2	-87.0	-
Interest rate swaps	1.7	-1.9	-1.0	-0.6	-0.3	-	-
Forward exchange contracts	15.5	-14.3	-0.1	-8.0	0.0	-6.2	-
Finance lease liabilities	2.3	-2.3	-0.4	-0.3	-0.4	-1.1	-
Trade and other payables	15.9	-15.9	-15.9	-	-	-	-
Total contractual cash flows for liabilities	**1,654.3**	**-1,804.5**	**-125.8**	**-101.0**	**-376.9**	**-1,020.6**	**-180.2**

CURRENCY RISK

Ocean Yield operates in the international markets which leads to various types of currency exposure for the Group. Currency risks arise through ordinary, future business transactions, capitalised assets and liabilities and when such transactions have been made against payment in a currency other than the functional currency of the respective group company. In addition, currency risk may arise from investments in subsidiaries with a different currency than USD.

Ocean Yield defines levels for the hedging of expected future cash flows. The Company may from time to time utilise currency forward contracts and currency option contracts to reduce currency exposure.

EXPOSURE TO CURRENCY EXCHANGE RISK

The functional currencies of Ocean Yield AS and its sub sidiaries reflect the primary economic environment in which the entities operates. Ocean Yield AS and its subsidiaries has USD as functional currency. For the subsidiaries the revenues and interest-bearing debt is mainly denominated in USD. Hence there is limited currency risk related to the subsidiaries of Ocean Yield AS.

As of year-end 2022 the Group's exposure to currency risk is mainly related to debt denominated in NOK. To reduce part of the currency effects related to this debt, Ocean Yield AS has entered into cross currency interest rate swaps where cash flows in NOK have been swapped to USD. As of year-end 2022 the Group had four cross currency swaps, where NOK 1,250 million has been swapped from floating rate in NOK to floating rate in USD. Total outstanding debt in NOK as of year-end 2022 was NOK 1,500 million.

If the USD had appreciated with 10% versus NOK at year-end the effects on the above mentioned items would have been as follows:

	2022		2021	
Amounts in USD million	**Profit before tax**	**Equity**	**Profit before tax**	**Equity**
Foreign exchange gains on bond loans	10.8	8.4	11.8	9.2
Change in fair value of cross currency interest rate swaps	-9.4	-7.3	-10.8	-8.4
Total	**1.4**	**1.1**	**1.1**	**0.8**

INTEREST RATE RISK

The Group's interest rate risk arises from long term borrowings and receivables. Borrowings and receivables issued at variable rates expose the Group to cash flow interest rate risk.

The Group has prepared guidelines for management of interest rate risks. The interest rate policy defines levels for the hedging of expected future cash flows. To manage some of the interest rate risk, the Group has entered into interest rate swaps related to vessel financings, where floating rate payments have been swapped to fixed rate payments.

In addition, in several of the Group's lease agreements the charter rates are subject to a LIBOR/SOFR adjustment, which matches the underlying funding of the asset.

LIBOR/SOFR

Quotation of LIBOR as a reference rate has already ceased to exist for interest periods of one week and two months after 31st December 2021. For all other interest rate periods, LIBOR will cease to exist after June 2023. It is expected that companies and banks will adhere to the Secured Overnight Finance Rate (SOFR) or the TERM SOFR in replacement for LIBOR for USD based loans.

The Company is currently replacing the references to the relevant IBOR rates in the Group's lease agreements and loan agreements, with SOFR or TERM SOFR or alternatively insert fallback language to cater for a discontinuation of IBOR rates. The expected documentation cost related to transitioning to a new reference rate is not material.

As of 31st December the interest rate profile of the Group's interest-bearing financial instruments was as follows:

Amounts in USD million	2022	2021
Fixed rate instruments:		
Financial assets	85.1	88.8
Financial liabilities	-27.6	-89.1
Net fixed rate instruments	57.5	-0.3
Variable rate instruments:		
Financial assets	1,451.2	1,523.9
Operating leases with LIBOR/SOFR adjustment	189.1	220.4
Financial liabilities	-1,528.0	-1,529.8
Net variable rate instruments	112.3	214.6
Net interest-bearing debt (-) / asset (+)	**169.8**	**214.2**

The terms of the Group´s interest rate swaps as of year-end were as follows:

Amounts in USD million	2022	2021
Swap amount	27.6	89.1
Weighted average fixed interest rate (swapped from LIBOR)	2.93%	2.91%
Weighted average remaining years	0.3	0.7

SENSITIVITY ANALYSIS RELATED TO INTEREST RATES

Borrowings and receivables issued at variable rates expose the Group to cash flow interest rate risk. At year-end 2022 the Group had USD 112.3 million (214.6 million year-end 2021) in net variable rate instruments. An increase in the LIBOR/SOFR rate of 100 basis points would increase the Group's annual net profit before tax with USD 2.5 million (increase of USD 3.6 million based on year-end 2021) and an increase in the NIBOR rate of 100 basis points would decrease the Group's annual net profit before tax with USD 1.4 million (decrease of USD 1.5 million based on year-end 2021). The figures do not include changes in MTM of interest rate swaps.

NOTE 5 SEGMENT INFORMATION

Ocean Yield defines operating segments based on the Group's internal reporting structure and how management measures and monitors performance. The Group's chief operating decision makers, responsible for the allocation of resources and assessment of performance in the different operating segments, is defined as the Board of Directors.

Recognition and measurement applied to segment reporting are consistent with the accounting principles applied when preparing the consolidated financial statements. Transactions between segments are conducted at arm's length.

Ocean Yield's operating segments are:

- **Tankers**
  This segment includes the Group's investments in tankers. As of 31st December 2022 the Group had three chemical tankers, six product tankers, seven Suezmax tankers and eight VLCCs. In addition the Group's 50% equity investment in two product tankers is included in the segment.

- **Container vessels**
  This segment includes the Group's investments in container vessels. As of year-end 2022 the Group had four container vessels and three container newbuildings. In addition the Group's 49.9% equity investment in seven mega container vessels is included in the segment.

- **Car Carriers**
  This segment includes the Group's investments in car carriers. As of 31st December 2021 the Group had four pure car truck carriers (PCTC).

- **Other Shipping**
  This segment includes the Group's investments in all other vessels. As of 31st December 2022 the Group had three gas carriers, two gas carrier newbuildings, six dry bulk vessels and ten dry bulk newbuildings under construction.

- **Oil Service**
  Vessels operating within the oil sector are included in this segment. As of 31st December 2022 this segment included two anchor handling tug supply vessels (AHTS), one construction vessel and two Platform Supply vessels.

- **Other**
  This segment includes any other investments in the Group in addition to administrative expenses, interest rate expenses related to the Group's bond debt and currency fluctuations.

2022 - Operating segments
Statement of profit or loss

Amounts in USD million	Tankers	Container vessels	Car Carriers	Other Shipping	Oil Service	Other and eliminations	Total
Operating lease revenue	-	-	30.0	21.0	17.9	0.1	68.9
Finance lease revenue	66.6	7.0	-	14.4	18.3	-	106.3
Income from investments in associates	1.0	17.0	-	-	-	-	18.0
Other income	0.9	0.7		2.5	-	0.1	4.2
Total revenues and other income	**68.4**	**24.6**	**30.0**	**37.9**	**36.2**	**0.2**	**197.3**
Operating expenses	-0.4	-0.0	-0.1	-0.1	-0.0	-9.7	-10.4
Depreciation and amortisation	-	-	-9.3	-5.4	-11.9	-1.2	-27.8
Operating profit (loss)	**68.0**	**24.6**	**20.7**	**32.4**	**24.2**	**-10.7**	**159.2**
Interest income	0.2	0.0	0.1	0.4	0.1	2.9	3.7
Other financial income	-0.0	-0.0	0.0	0.0	-0.0	15.7	15.7
Interest expense	-32.3	-5.2	-5.1	-10.7	-6.9	-11.0	-71.0
Other financial expenses	-	-	-	1.9	-	-15.9	-14.0
Net profit (loss) before tax	**35.9**	**19.5**	**15.7**	**24.0**	**17.5**	**-18.9**	**93.5**
Income tax expense (-)/benefit (+)	-0.9	-0.2	0.5	-0.7	-0.4	-0.7	-2.4
Net profit (loss) for the period	**35.0**	**19.3**	**16.2**	**23.3**	**17.1**	**-19.6**	**91.2**

2022 - Operating segments (continued)

Balance sheet

Amounts in USD million	Tankers	Container vessels	Car Carriers	Other Shipping	Oil Service	Other and eliminations	Total
ASSETS							
Vessels and equipment	-	-	188.6	132.2	146.1	8.5	475.4
Newbuildings	-	39.6	-	16.6	-	-	56.2
Investments in associates	2.6	187.4	-	-	-	0.4	190.5
Finance lease receivables	743.2	100.0	-	167.4	103.3	-0.0	1,113.8
Interest-bearing receivables	-	-	-	64.0	-	-0.0	64.0
Other non-current assets	-	-	0.0	0.8	-	13.7	14.5
Total non-current assets	**745.8**	**327.0**	**188.6**	**380.9**	**249.5**	**22.6**	**1,914.4**
Finance lease receivables	219.3	18.4	-	22.8	27.0	-0.0	287.5
Trade receivables and other current assets	-	0.2	-	0.3	3.3	0.9	4.7
Cash and cash equivalents	14.2	0.4	0.4	7.4	2.1	97.3	121.9
Total current assets	**233.5**	**19.1**	**0.4**	**30.5**	**32.3**	**98.2**	**414.0**
Total assets	**979.3**	**346.1**	**189.1**	**411.4**	**281.8**	**120.8**	**2,328.5**
EQUITY AND LIABILITIES							
Total equity	**221.6**	**232.0**	**29.3**	**150.7**	**141.2**	**-68.4**	**706.4**
Interest-bearing debt	602.0	96.7	143.9	200.9	106.9	75.6	1,226.0
Deferred tax liabilities	5.5	1.6	3.3	4.4	3.0	-9.4	8.4
Fair value of derivatives	-	-	-	-	-	14.6	14.6
Other non-current liabilities	-	-	-	7.4	-	1.4	8.9
Total non-current liabilities	**607.5**	**98.2**	**147.2**	**212.8**	**109.9**	**82.2**	**1,257.8**
Interest-bearing debt	147.3	15.8	12.6	48.0	29.8	76.1	329.6
Fair value of derivatives	-	-	-	-	-	15.9	15.9
Trade and other payables	2.8	-0.0	-0.0	-0.1	0.9	15.1	18.7
Total current liabilities	**150.1**	**15.8**	**12.6**	**47.9**	**30.7**	**107.1**	**364.3**
Total liabilities	**757.7**	**114.1**	**159.8**	**260.7**	**140.6**	**189.3**	**1,622.1**
Total equity and liabilities	**979.3**	**346.1**	**189.1**	**411.4**	**281.8**	**120.9**	**2,328.5**

2021 - Operating segments
Statement of profit or loss

Amounts in USD million	Tankers	Container vessels	Car Carriers	Other Shipping	Other Oil Service	FPSO	Other and elimi-nations	Total
Operating lease revenue	-	-	30.3	21.0	17.3	-	0.0	68.6
Finance lease revenue	46.2	5.8	-	15.7	18.9	-	-	86.5
Income from investments in associates	1.1	18.5	-	-	-	-	-	19.6
Other income	6.8	-	-	3.6	-	-	-	10.3
Total revenues and other income	**54.0**	**24.3**	**30.3**	**40.2**	**36.3**	**-**	**0.0**	**185.1**
Operating expenses	-0.6	-0.1	-0.0	-0.1	-0.9	-	-21.4	-23.1
Depreciation and amortization	-	-	-10.8	-5.5	-11.9	-	-1.1	-29.3
Operating profit (loss)	**53.4**	**24.3**	**19.4**	**34.6**	**23.5**	**-**	**-22.5**	**132.7**
Interest income	0.0	0.0	-	0.0	0.0	-	2.2	2.2
Other financial income	-	-	1.1	4.0	0.4	-	2.2	7.6
Interest expense	-15.3	-2.1	-4.5	-12.6	-5.3	-	-9.7	-49.5
Other financial expenses	-2.7	-0.0	-0.2	-0.3	-0.0	-	-3.5	-6.6
Net profit (loss) before tax	**35.4**	**22.2**	**15.8**	**25.7**	**18.6**	**-**	**-31.3**	**86.4**
Income tax expense (-)/benefit (+)	-0.9	-0.2	-0.4	-1.2	-0.6	-	0.5	-2.7
Net profit (loss) from continuing operations	**34.5**	**22.0**	**15.4**	**24.5**	**18.1**	**-**	**-30.9**	**83.7**
Profit (loss) from discontinued operation, net of tax	-	-	-	-	-	-20.7	-	-20.7
Net profit (loss) for the period	**34.5**	**22.0**	**15.4**	**24.5**	**18.1**	**-20.7**	**-30.9**	**63.0**

2021 - Operating segments (continued)
Balance sheet

Amounts in USD million	Tankers	Container vessels	Car Carriers	Other Shipping	Oil Service	FPSO	Other and elimi- nations	Total
ASSETS								
Vessels and equipment	-	-	220.4	137.6	157.0	-0.0	9.2	524.2
Investments in associates	4.1	178.8	-	-	-	-	-0.0	182.9
Finance lease receivables	869.8	85.0	-	226.8	113.4	-	0.0	1,295.0
Other non-current assets	-	-	1.1	0.9	0.2	0.2	5.3	7.6
Total non-current assets	**873.9**	**263.7**	**221.5**	**365.3**	**270.6**	**0.2**	**14.5**	**2,009.6**
Finance lease receivables	121.9	11.7	-	30.4	27.0	-	-0.0	191.0
Trade receivables and other current assets	0.2	-	-	-0.0	1.6	1.1	0.2	3.2
Cash and cash equivalents	8.2	1.6	0.6	2.5	3.1	0.8	104.6	121.2
Total current assets	**130.3**	**13.3**	**0.6**	**32.8**	**31.7**	**1.9**	**104.8**	**315.4**
Total assets	**1,004.2**	**277.0**	**222.0**	**398.1**	**302.3**	**2.1**	**119.3**	**2,325.0**
EQUITY AND LIABILITIES								
Total equity	**226.8**	**189.0**	**100.3**	**79.4**	**133.7**	**1.5**	**-67.2**	**663.5**
Interest-bearing debt	690.4	76.6	104.9	286.6	131.1	-	166.9	1,456.5
Deferred tax liabilities	5.5	1.3	3.5	3.6	2.4	-	-9.3	7.0
Fair value of derivatives	-	-	-	0.1	-	-	6.9	7.0
Other non current liabilities	-	-	0.2	-	-	-	2.4	2.6
Total non-current liabilities	**695.9**	**77.9**	**108.6**	**290.3**	**133.5**	**-**	**166.9**	**1,473.1**
Interest-bearing debt	79.5	9.2	13.1	26.6	34.1	-	0.0	162.4
Trade and other payables	1.9	1.0	-0.0	1.9	1.0	0.6	19.6	26.1
Total current liabilities	**81.4**	**10.2**	**13.1**	**28.5**	**35.1**	**0.6**	**19.6**	**188.5**
Total liabilities	**777.4**	**88.1**	**121.7**	**318.8**	**168.6**	**0.6**	**186.5**	**1,661.6**
Total equity and liabilities	**1,004.2**	**277.0**	**222.0**	**398.1**	**302.3**	**2.1**	**119.3**	**2,325.0**

Geographical areas

Amounts in USD million	2022	2021
Total revenue based on location of customer (registered business address):		
Germany	21.0	21.0
Greece	13.9	24.9
Hong Kong	9.9	7.8
Marshall Islands	48.1	33.7
Norway	76.0	69.8
Switzerland	17.0	18.5
Other	11.4	9.4
Total	**197.3**	**185.1**
Total vessels, equipment and intangibles by company location:		
Norway	114.7	80.5
Malta	417.0	443.7
Total	**531.6**	**524.2**

SIGNIFICANT CUSTOMERS

The Group had three customers that each accounted for more than 10% of the Group revenue in 2022. Recognised revenue related to these customers in 2022 was USD 30.0 million, USD 21.7 million and USD 21.0 million. In 2021, the Group had three customers that each accounted for more than 10% of the Group revenue. Recognised revenue related to these customers in 2021 was USD 24.9 million, USD 21.0 million and USD 18.9 million.

NOTE 6 OPERATING LEASE REVENUE

Amounts in USD million	Car Carriers	Other Shipping	Oil Service	2022	2021
Ordinary lease revenue	32.1	21.1	17.9	71.1	66.7
Contingent rent	-1.4	-	-	-1.4	0.5
Other operating lease revenue	-	-	-	-	0.2
Advances and deferred revenue	-0.8	-0.2	-	-0.9	1.2
Total operating lease revenue	**29.9**	**21.0**	**17.9**	**68.8**	**68.6**

Future minimum lease payments under non-cancellable operating lease agreements per 31st December

Amounts in USD million	Car Carriers	Other Shipping	Oil Service	2022	2021
Duration less than one year	19.5	21.1	12.6	53.2	66.3
Duration between one and five years	36.8	67.0	50.4	154.2	248.7
Duration over five years	-	-	22.1	22.1	60.2
Total future minimum lease payments	**56.3**	**88.1**	**85.1**	**229.5**	**375.2**

CAR CARRIERS
Ocean Yield's car carriers are on lease contracts classified as operating leases. The car carriers are all chartered to Höegh Autoliners. The vessels Höegh Jacksonville and Höegh Jeddah, with 6,500 car capacity were delivered in 2014, and are chartered on 12-year bareboat charter contracts. The vessels Höegh Tracer and Höegh Trapper, with 8,500 car capacity were delivered in 2016, and are chartered on 12-year bareboat charter contracts. Höegh Autoliners has options to acquire the vessels during the charter periods, with the first options being exercisable after five years. In 2022, Höegh Autoliners declared options to purchase the Höegh Tracer and Höegh Trapper with delivery in March and June 2023, respectively.

The charter hire for the vessels is subject to a LIBOR related adjustment. The LIBOR/SOFR adjustment has not been included in the non-cancellable lease rental income reported in the table.

OTHER SHIPPING
The lease agreements for the LEG carriers GasChem Beluga and GasChem Orca are classified as operating leases. GasChem Beluga was delivered in November 2016 and GasChem Orca was delivered in June 2017. The vessels are, from delivery, chartered on 15-year bareboat charters to the Hartmann Group, where the first ten years have a fixed charter rate and the last five years a floating charter rate. The lease agreements do not contain any purchase options. However, a purchase option and profit share agreement has been entered into between the parties, where Hartmann has the option to buy a fixed number of shares in the entities owning the vessels after ten years. As the charter hire in the last five years is floating, only the first ten years have been included in the non-cancellable lease rental income reported in the table.

OIL SERVICE
The vessels Far Senator, Normand Statesman, NS Orla and NS Frayja have all been chartered on agreements classified as operating leases.

The Group has two AHTS vessels on bareboat charters to subsidiaries of Solstad Offshore ASA. The vessels are on lease agreements with a duration of 4 years with a variable charter rate. The charter rate payable under the lease agreements is a reference rate equal to the average per vessel EBITDA in a pool of seven similar UT731 design vessels. As the charter rates in the charter contracts are variable no charter hire from the bareboat agreements have been included in the non-cancellable lease rental income reported in the table.

In June 2017 Ocean Yield acquired the two platform supply vessels NS Orla and NS Frayja, built in 2014. Both vessels are on long-term charters to Aker BP ASA until 2029. The agreements do not contain any contingent rent components.

NOTE 7 FINANCE LEASE REVENUE

Total finance lease revenue per segment:

Amounts in USD million	Tankers	Container vessels	Other Shipping	Oil Service	2022	2021
Finance lease revenue	50.1	5.2	11.7	19.0	85.9	85.8
Contingent rent	16.5	1.8	2.8	-0.7	20.4	0.7
Total finance lease revenue	**66.6**	**7.0**	**14.4**	**18.3**	**106.3**	**86.5**

Information about the Group's finance leases:

Vessel	Charter Guarantor	Charter end	Purchase options	Purchase obligation	Libor/SOFR adjustment
Tankers					
3 Chemical tankers	Navig8 Chemical Tankers Inc	2030/2031	Yes	No	Yes
4 Product tankers	Scorpio Tankers Inc	2029	Yes	No	Yes
2 Product tankers	Scorpio Tankers Inc	2031	Yes	Yes	Yes
2 Suezmax tankers	Okeanis Eco Tankers Corp	2021/2032	Yes	No	Yes
2 VLCC Crude tankers	Okeanis Eco Tankers Corp	2034	Yes	No	Yes
6 VLCC Crude tankers	International Seaways Inc.	2031	Yes	Yes	Yes
3 Suezmax tankers	Nordic American Tankers Ltd	2028	Yes	Yes	Yes
2 Suezmax tankers	Nordic American Tankers Ltd	2032	Yes	Yes	Yes
Container vessels					
4 Container vessels	CMB NV	2030	Yes	No	Yes
Other shipping					
1 Gas carrier	Navigator Holdings Ltd.	2032	Yes	No	Yes
3 Dry bulk vessels	Interlink Maritime Corp.	2028	Yes	Yes	Yes
2 Dry bulk vessels	2020 Bulkers Ltd.	2032	Yes	Yes	Yes
1 Dry bulk vessels	CMB NV	2035	Yes	No	Yes
Oil Service					
1 Offshore construction vessel	Akastor ASA/Aker Solutions ASA	2027	Yes	No	Yes

CHANGES IN FINANCE LEASE PORTFOLIO

TANKERS
In 2022, the Company took delivery of two newbuild Suezmax tankers, the Nordic Hunter and Nordic Harrier, from Samsung Heavy Industries in South Korea. The vessels commenced 10-year bareboat charters to Nordic American Tankers Limited upon delivery. At the end of the lease term, the charterer has purchase obligations to acquire the vessels.

In 2022, Ardmore Shipping Corporation as charterer of the product tankers the Ardmore Defender and the Ardmore Dauntless exercised purchase options in the charter agreements for these two vessels. The Company received gross proceeds of about USD 38.0 million and recognised a profit of USD 0.9 million from the transactions.

In 2022, Scorpio Tankers Inc. declared the purchase options for the LR2 tankers STI Supreme, STI Steadfast and STI Sanctity. The vessels will be delivered during 2023 and the Company expects to receive gross proceeds of about USD 83.4 million from these transactions.

In 2022, Navig8 Chemical Tankers Inc. as charterer of the chemical tanker Navig8 Turquoise declared the purchase option for the vessel. The vessel will be delivered during 2023 and the Company expects to receive gross proceeds of about USD 27.7 million from the transaction.

In 2021, the leases of the VLCCs Nissos Despotiko and Nissos Rhenia were subject to certain amendments, where the repayments in the leases would be accelerated by USD 1.8 million over the next two years. Due to the amendments a gain of USD 1.0 million was recognised.

In 2021, Navig8 Chemical Tankers Inc. as charterer of the chemical tankers Navig8 Topaz, Navig8 Tourmaline and Navig8 Tanzanite declared the five-year purchase option for the vessels. All vessels were delivered in 2021.

In 2021, Navig8 Ltd. as charterer of the chemical tanker Navig8 Universe and Navig8 Constellation declared the five year purchase option on the vessels. The vessels were delivered in 2021.

In 2021, Ocean Yield acquired six VLCCs with 10-year bareboat charters to International Seaways Inc. for a total consideration of about USD 375 million. The charter agreements include purchase obligations at the end of the lease term.

In 2021, Okeanis Eco Tankers, as charterer of the VLCCs Nissos Santorini and Nissos Antiparos, declared an option in the charter contracts to sell the vessels to third parties. The sales resulted in a profit of USD 5.6 million in 2021.

In 2021, Ocean Yield acquired two modern LR2 product tankers with 10-year bareboat charters to Scorpio Tankers Inc. for a total consideration of about USD 70 million. The charter agreements include purchase obligations at the end of the lease term.

CONTAINER
In 2022, the lease agreements with CMB N.V. for four container vessels were amended whereby the lease term was extended and the lease outstanding amount was incresed with USD 30.0 million in total. Due to the amendments a gain of USD 0.6 million was recognised in 2022.

OTHER SHIPPING
In 2022, Louis Dreyfus Armateurs, the charterer of the handysize dry-bulk vessel La Fresnais, exercised a sales option in the charter agreement. The Company received gross proceeds of about USD 14.0 million and recognised a profit of USD 0.2 million in 2022 from this transaction.

In 2022, Interlink Maritime Corporation, the charterer of the handysize dry-bulk vessels, Interlink Dignity, Interlink Eternity and Interlink Activity, exercised sales options in the charter agreements to sell the vessels to a third parties. The Company received gross proceeds of about USD 37.0 million and recognised a profit of USD 2.3 million in 2022 from these transactions.

In 2021, Eneti Inc., previously known as Scorpio Bulkers Inc., declared options to sell the dry-bulk vessels SBI Lynx, SBI Libra, SBI Virgo, SBI Cronos and SBI Achilles to unrelated third parties. A profit of USD 3.4 million was recognised from these sales in 2021.

LIBOR ADJUSTMENTS
The charter hire in most of the Group’s lease agreements is subject to a LIBOR/SOFR related adjustment. The LIBOR/SOFR adjustments have not been included in the calculation of the finance lease receivables.

OTHER CHATERPARTY CLAUSES
Certain of the lease agreements contain clauses where the counterparty has the right to sell the vessel to a third party. If such clause is exercised, the counterparty will repay the outstanding amount of the lease plus a premium.

The net finance lease receivables as of 31st December 2022 were as follows:

Amounts in USD million	Tankers	Container vessels	Other Shipping	Oil Service	Total
Gross finance lease receivable					
Less than one year	222.1	18.9	23.5	29.1	293.6
One to two years	103.6	18.3	22.8	29.1	173.8
Two to three years	101.8	17.6	22.3	29.1	170.7
Three to four years	100.0	17.0	21.8	29.1	167.9
Four to five years	98.3	16.3	21.3	21.7	157.6
More than five years	337.2	42.8	132.4	-	512.4
Unguaranteed residual values	191.4	13.4	8.9	57.7	271.4
Gross finance lease receivable	**1,154.5**	**144.3**	**252.9**	**195.7**	**1,747.4**
Less: Unearned finance income	(190.3)	(25.9)	(62.7)	(67.2)	(346.1)
Total finance lease receivables	**964.2**	**118.4**	**190.2**	**128.5**	**1,401.3**
Present value of minimum lease payments					
Less than one year	219.4	18.4	22.8	27.0	287.6
One to two years	96.3	17.0	21.0	36.3	170.6
Two to three years	90.0	15.5	19.6	16.2	141.3
Three to four years	84.2	14.2	18.2	13.5	130.2
Four to five years	78.8	13.0	16.9	7.5	116.2
More than five years	270.1	31.1	86.3	(1.5)	386.0
Unguaranteed residual values	125.5	9.1	5.3	29.5	169.4
Total finance lease receivables	**964.2**	**118.4**	**190.2**	**128.5**	**1,401.3**
Pre-delivery instalments	-	-	-	-	-
Total finance lease receivables and related assets	**964.2**	**118.4**	**190.2**	**128.5**	**1,401.3**

The net finance lease receivables as of 31st December 2021 were as follows:

Amounts in USD million	Tankers	Container vessels	Other Shipping	Other Oil Service	Total
Gross finance lease receivable					
Less than one year	125.3	12.1	31.3	29.1	197.7
One to two years	120.2	12.1	29.6	29.1	191.0
Two to three years	116.5	12.1	28.8	29.1	186.5
Three to four years	114.3	12.1	28.3	29.1	183.7
Four to five years	112.4	12.1	27.8	29.1	181.4
More than five years	455.6	42.4	185.0	21.7	704.8
Unguaranteed residual values	247.6	22.2	8.9	57.7	336.4
Gross finance lease receivable	**1 291.9**	**125.0**	**339.6**	**224.8**	**1 981.4**
Less: Unearned finance income	(299.2)	(28.3)	(82.5)	(84.4)	(494.4)
Total finance lease receivables	**992.7**	**96.7**	**257.2**	**140.4**	**1 487.0**
Present value of minimum lease payments					
Less than one year	121.9	11.7	30.4	27.0	191.0
One to two years	111.3	11.1	27.3	36.2	185.9
Two to three years	102.5	10.6	25.2	16.2	154.5
Three to four years	95.6	10.0	23.5	13.5	142.6
Four to five years	89.4	9.5	21.9	11.2	132.1
More than five years	344.7	29.6	123.9	10.2	508.5
Unguaranteed residual values	127.2	14.1	5.1	26.0	172.4
Total finance lease receivables	**992.7**	**96.7**	**257.2**	**140.4**	**1 487.0**
Pre-delivery instalments	(1.0)	-	-	-	(1.0)
Total finance lease receivables and related assets	**991.7**	**96.7**	**257.2**	**140.4**	**1 486.0**

NOTE 8 OTHER INCOME AND OTHER OPERATING EXPENSES

Amounts in USD million	2022	2021
Other income	**4.2**	10.3
Other operating expenses	**-**	0.3

Other income of USD 4.2 million in 2022 and USD 10.3 million in 2021 are mainly related to gains from sale of vessels accounted for as finance leases. USD 0.3 million in Other operating expenses in 2021 were related to losses from modification of finance lease receivables also due to vessel sales. For more information on vessels accounted for as finance and operating leases that have been sold, see notes 7 and 13, respectively.

NOTE 9 ADMINISTRATIVE EXPENSES

Administrative expenses consisted of the following:

Amounts in USD million	2022	2021
Salaries	6.1	10.8
Social security contributions	0.7	1.4
Pension costs	0.1	0.2
Fees to external advisors	1.6	8.0
Fees to auditors	0.4	0.4
Other administrative expenses	1.4	1.2
Total	**10.4**	**22.0**
Average number of employees	11	20
Number of employees at year-end	**15**	**14**
Geographical split of number of employees per region		
Norway	10	10
Malta	5	4
Total	**15**	**14**

In 2021, USD 6.8 million of the expenses to external advisors were primarily connected to the acquisition of Ocean Yield by KKR.

The Norwegian companies in the Group are subject to the Norwegian law of mandatory occupational pension and the Group meets the requirements of this legislation.

Fees to auditors of the Ocean Yield Group were as follows:

Amounts in USD thousand	Statutory audit	Other assurance services	Tax advisory services	Other non-audit services	2022	2021
Ocean Yield AS	167.2	-	-	61.3	228.5	151.8
Subsidiaries	219.8	-	-	-	219.8	232.9
Total	**387.0**	**-**	**-**	**61.3**	**448.3**	**384.7**

The figures are exclusive of VAT.

NOTE 10 FINANCIAL INCOME AND FINANCIAL EXPENSES

Financial income and expense recognised in profit or loss:

Amounts in USD million	2022	2021
Interest income on bank deposits and receivables at amortised cost	2.8	0.1
Other financial income	0.9	2.2
Total financial income	**3.7**	**2.3**
Interest expense on financial obligations measured at amortised cost	-71.0	-52.6
Other financial expenses	-1.3	-3.5
Total financial expenses	**-72.3**	**-56.1**

NOTE 11 INCOME TAX EXPENSE

Amounts in USD million	2022	2021
Current tax expense:		
Tax expense current year	-0.9	-0.8
Total current tax expense	**-0.9**	**-0.8**
Deferred tax expense:		
Origination and reversal of temporary differences	-1.4	-1.9
Total deferred tax expense (-)/benefit (+)	**-1.4**	**-1.9**
Total income tax expense (-)/benefit (+)	**-2.4**	**-2.7**
Temporary differences consist of		
Vessels and other fixed assets	186.1	157.3
Withholding tax	-45.9	-51.3
Other differences	-64.7	-60.9
Total	**75.6**	**45.1**
Tax losses	-307.8	-258.1
Deferred tax base assets	**-232.2**	**-213.0**
Deferred tax assets	79.6	70.5
Deferred tax assets and liabilities not recognised	-88.0	-77.5
Net deferred tax assets and liabilities	**-8.4**	**-7.0**
Net deferred tax assets and liabilities are recorded as follows:		
Deferred tax assets	-	-
Deferred tax liabilities	-8.4	-7.0
Net deferred tax assets and liabilities	**-8.4**	**-7.0**

Estimates of future taxable profits show that the Group is not likely to utilise the tax losses carried forward, and a deferred tax asset has therefore not been recognised.

The tax losses carried forward are mainly related to Norwegian entities, and has no expiration date. Withholding tax paid in India on revenue related to Dhirubhai-1 is reported in the temporary differences in the table in the line “Withholding tax”. This can be deducted from tax payables in Norway for the next three years. However, estimates of future taxable profits show that the Group is not likely to utilize these tax credits, and no deferred tax asset has been recognised related to the potential tax benefit from withholding tax paid in India.

The operations of the Group’s bareboat fleet is handled from Malta. As a consequence most of the Group’s income is subject to corporate taxation in Malta.

Reconciliation of effective tax rate

Amounts in USD million	2022	2021
Net profit (loss) before tax, from continuing operations	**93.6**	**86.4**
Nominal tax rate in Norway (22%)	-20.6	-19.0
Effect of tax rates in foreign jurisdictions	4.4	9.7
Revenue not subject to tax	0.1	0.1
Expenses not deductible for tax purposes	-0.5	-3.6
Tax losses for which no deferred income tax asset was recognised	-11.1	-3.7
Companies within tonnage tax legislation	-	-0.4
Other differences	25.3	14.3
Total income tax expense (-)/benefit (+)	**-2.4**	**-2.7**

The tax figures are based on preliminary estimates of non-taxable income, non-tax deductible items and temporary differences between the financial accounts and the tax accounts. The final result will be calculated in relation to the tax return and may differ from the estimates above.

The tax (charge)/credit relating to components of other comprehensive income was as follows:

	2022			2021		
Amounts in USD million	Before tax	Tax	After tax	Before tax	Tax	After tax
Other comprehensive income from investments in associates	42.2	-	42.2	9.8	-	9.8
Other comprehensive income	**42.2**	**-**	**42.2**	**9.8**	**-**	**9.8**

The income tax (charged)/credited directly to equity during the year was as follows:

	2022			2021		
Amounts in USD million	Before tax	Tax	After tax	Before tax	Tax	After tax
Dividends on hybrid capital	-10.5	-	-10.5	-8.4	-	-8.4
Other	-	-	-	-0.0	0.1	0.1
Total	**-10.5**	**-**	**-10.5**	**-8.4**	**0.1**	**-8.3**

Change in net deferred tax assets and liabilities was as follows:

2022

Amounts in USD million	Net balance 1st January	Recognised in profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Net balance 31st December
Vessels and other fixed assets	-10.9	-1.5	-	-	-12.4
Withholding tax	11.3	-1.2	-	-	10.1
Other differences	13.4	0.8	-	-	14.2
Tax losses	56.8	10.9	-	-	67.7
Deferred tax assets and liabilities not recognised	-77.5	-10.5	-	-	-88.0
Net deferred tax assets (+) and liabilities (-)	**-7.0**	**-1.4**	**-**	**-**	**-8.4**

2021

Amounts in USD million	Net balance 1st January	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Net balance 31st December
Vessels and equipment	2.2	-13.3	-	0.1	-10.9
Provisions	0.1	-0.1	-	-	-
Withholding tax	16.7	-5.4	-	-	11.3
Other differences	2.8	10.6	-	-	13.4
Tax losses	48.2	8.6	-	-	56.8
Deferred tax assets and liabilities not recognised	-75.2	-2.3	-	-	-77.5
Net deferred tax assets (+) and liabilities (-)	**-5.2**	**-1.9**	**-**	**0.1**	**-7.0**

NOTE 12 DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS HELD FOR SALE

In 2021 the only asset in the FPSO segment, the FPSO Dhirubhai-1, was marketed for sale and classified as an asset held for sale. This resulted in a 'discontinued operations' presentation of the entire segment. In November 2021, Aker Energy AS ("Aker Energy") exercised the option to acquire the FPSO for USD 35 million. The vessel was delivered to Aker Energy in November 2021.

Net profit (loss) from discontinued operations, net of tax

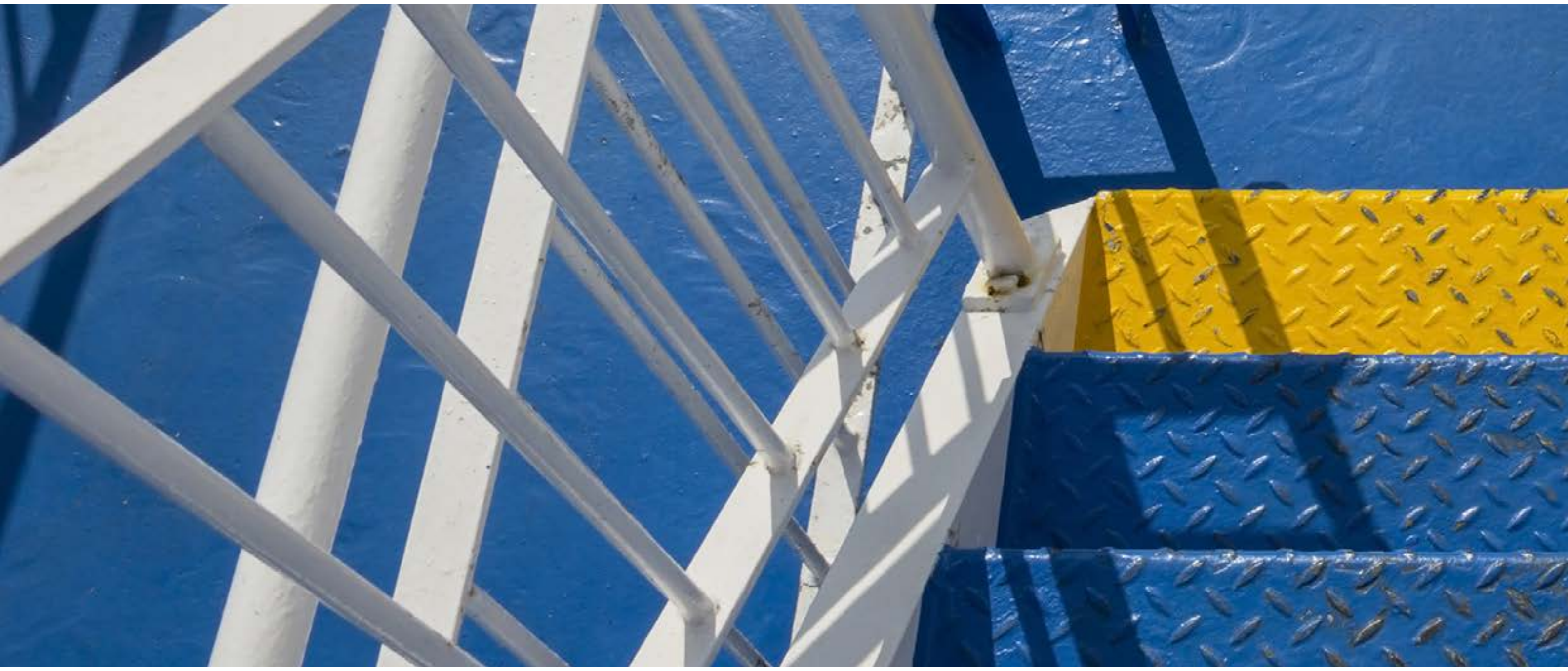
Amounts in USD million	2022	2021
Operating revenues	-	1.6
Total revenues and other income	**-**	**1.6**
Vessel operating expenses	-	-2.9
Administrative expenses	-	-3.5
Depreciation and amortisation	-	-0.1
Impairment	-	-16.4
Operating profit (loss)	**-**	**-21.2**
Financial income	-	0.5
Financial expenses	-	0.0
Net financial items	**-**	**0.5**
Net profit (loss) before tax	**-**	**-20.7**
Income tax expense (-) / benefit (+)	-	-
Net profit (loss) from discontinued operation, net of tax	**-**	**-20.7**
Basic and diluted earnings per share (USD), discontinued operations	-	(0.1)

Cash flows from discontinued operations

Amounts in USD million	2022	2021
Net profit (loss) for the period	-	-20.7
Depreciation and amortisation	-	0.1
Impairment	-	16.4
Net interest expenses	-	-0.0
Unrealised foreign exchange gains/losses	-	0.0
Other changes in operating activities	-	-0.8
Net cash flow from operating activities	**-**	**-5.0**
Sale of vessel	-	35.0
Net cash flow from investing activities	**-**	**35.0**
Net change in cash and cash equivalents	**-**	**30.0**
Intra Group transactions	-	-29.6
Cash and cash equivalents at beginning of the period	-	0.4
Cash and cash equivalents at the end of the period	**-**	**0.8**

NOTE 13 VESSELS, EQUIPMENT AND NEWBUILDINGS

	Vessels			Buildings	Other fixed assets	
Amounts in USD million	Car Carriers	Other Shipping	Oil Service	Other	Other	Total
Cost balance:						
1st January 2021	**294.7**	**164.0**	**244.6**	**1.3**	**11.4**	**716.1**
Capital expenditure	-	-	0.9	-	-	0.9
Fixed assets aquired through financial lease	-	-	-	2.1	-	2.1
31st December 2021	**294.7**	**164.0**	**245.5**	**3.5**	**11.4**	**719.1**
Capital expenditure	-	-	1.0	-	-	1.0
Disposals	-45.0	-	-	-	-	-45.0
31st December 2022	**249.7**	**164.0**	**246.6**	**3.5**	**11.4**	**675.2**
Accumulated depreciation and impairment losses:						
1st January 2021	**-63.6**	**-20.9**	**-76.7**	**-0.7**	**-3.8**	**-165.7**
Depreciation	-10.8	-5.5	-11.9	-0.4	-0.7	-29.3
31st December 2021	**-74.3**	**-26.4**	**-88.5**	**-1.2**	**-4.5**	**-195.0**
Depreciation	-9.3	-5.4	-11.9	-0.5	-0.7	-27.8
Disposals	23.0	-	-	-	-	23.0
31st December 2022	**-60.6**	**-31.8**	**-100.4**	**-1.7**	**-5.2**	**-199.7**
Carrying amount:						
31st December 2021	**220.4**	**137.6**	**157.0**	**2.3**	**6.9**	**524.2**
31st December 2022	**189.1**	**132.2**	**146.1**	**1.8**	**6.2**	**475.4**



DISPOSALS

In December 2021, Höegh Autoliners Shipping AS declared an option in the charter agreement for the car carrier Höegh Beijing, to purchase the vessel upon expiry of the bareboat charter in June 2022. The purchase price was USD 22 million and delivery took place in 2022. The impact from the transaction was insignificant on the statement of profit or loss in 2022.

In 2022, Höegh Autoliners Shipping AS also declared options in the charter agreements for the two car carriers Höegh Tracer and Höegh Trapper, to purchase the vessels for USD 53.2 million for each vessel and with delivery in 2023.

See also note 25 Subsequent events.

IMPAIRMENT TEST

The Group has as of year-end 2022 assessed whether there are any indications of impairment for vessels owned or portfolio of newbuildings. The assessment was made by considering various indicators, both external and internal. As a result of this assessment there were no indicators triggering an impairment test as of December 31, 2022.

NEWBUILDINGS AND CONTRACTUAL OBLIGATIONS

As of 31 December 2022, the Company had made payments on two 5,500 TEU newbuilding container vessel with 7-year time charters to Zim Integrated Shipping Services Ltd. In addition, Ocean Yield had commitments for a third container vessel, where the remaining payment obligations as of 31 December 2022 are included in the table below. In 2022, the Company also entered into newbuilding contracts for two ethylene gas carriers with 15-year bareboat charters to Braskem S.A.. In total, USD 56.2 million was capitalised related to these newbuildings as of 31 December 2022.

In addition to these newbuilding contracts, Ocean Yield had total commitments of USD 576 millions for ten Newcastlemax dry bulk vessels where a predelivery financing of USD 64 million was made in 2022 to the charterer. The commitments related to these contracts are also included in the table below.

In 2022, the Company took delivery of two suezmax newbuilding tankers with 10-year bareboat charters to Nordic American Tankers Inc. The net purchase price was USD 44 million per vessel after seller's credits.

Contractual obligations

Amounts in USD million	Tankers	Container vessels	Car Carriers	Other Shipping	Oil Service	Total
Total (gross) contractual obligations	-	255.6	-	742.0	-	997.6
Paid and capitalised instalments	-	39.6	-	80.6	-	120.2
Remaining payments as of 31 December 2022	**-**	**216.0**	**-**	**661.4**	**-**	**877.4**

NOTE 14 INVESTMENTS IN ASSOCIATES

BOX HOLDINGS INC.

As of 31 December 2022, Ocean Yield owned 49.9% in BOX Holdings Inc, where a company controlled by Quantum Pacific Shipping is the largest shareholder.

The six vessels, with capacity of about 19,500 TEU are chartered to a major European container line on 15-year bareboat charters. Four of the vessels were delivered in 2016, and two vessels were delivered in 2017. In 2021 BOX Holdings Inc entered into an agreement to acquire one dual-fuel LNG newbuilding container vessel with 18-year bareboat charter to a major European container line. The vessel, with a capacity of 15,300 TEU, was delivered in Q4 2022. The investment was funded with a combination of cash and debt in BOX Holdings Inc.

The other vessels are financed by secured loans with international banks. This debt is guaranteed by Quantum Pacific Shipping, and is non-recourse to Ocean Yield. In 2022 Ocean Yield received from BOX Holdings Inc USD 20.7 million in dividends and USD 29.9 million from a capital reduction in the company.

To manage some of the interest rate risk, BOX Holdings Inc has entered into interest rate swaps related to vessel financings, where floating rate payments have been swapped to fixed rate payments. Box Holdings Inc has applied hedge accounting and Ocean Yield records its proportionate share of Box Holdings Inc's hedge reserve in other comprehensive income.

OY HOLDING LR2 LIMITED

Ocean Yield owns 50% of the shares in OY Holding LR2 Limited. As of 31 December 2022 OY Holding LR2 Limited owned two LR2 product tankers on long-term charters to Navig8 Group. The vessels are financed with secured debt. Ocean Yield guarantees the senior secured bank debt against a guarantee fee. During 2022 the two LR2 tankers Navig8 Pride and Navig8 Providence were sold.

OY HOLDING SUEZ LIMITED

In July 2021, Ocean Yield acquired 50% of the shares of OY Holding Suez Limited. As a result, Ocean Yield became a 100% owner of OY Holding Suez Limited and subsequently consolidated the subsidiary.

Amounts in USD million			
Investment	BOX Holdings Inc	OY Holding LR2 Limited	Total
Country	Marshall Islands	Malta	
Ownership and voting rights year-end	49.9 %	50.0 %	
Carrying amount of investment in associates:			**31.12.2022**
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
Net assets (100%)	**306.5**	**6.1**	**312.7**
Share of net assets	**153.0**	**3.1**	**156.0**
Adjustments to carrying value of investment:			
Finance lease receivables	36.2	-	36.2
Adjustments to interest-bearing debt	-1.8	-	-1.8
Carrying amount of investments in associates	**187.4**	**3.1**	**190.5**
Income from investment in associates:			**2022**
Operating revenues	74.0	5.6	79.6
Operating expenses	-2.8	-0.1	-2.9
Financial items	-32.4	-3.5	-35.9
Income tax expense	-	-0.1	-0.1
Net profit (100%)	**38.8**	**1.9**	**40.7**
Share of net profit	**19.3**	**1.0**	**20.3**
Adjustments to finance lease revenue	-4.4	-	-4.4
Adjustments to interest-bearing debt	2.0	-	2.0
Income from investment in associates	**17.0**	**1.0**	**18.0**
Total comprehensive income from investment in associates:			**2022**
Net profit (100%)	38.8	1.9	40.7
Other comprehensive income	84.6	-	84.6
Total comprehensive income	**123.4**	**1.9**	**125.3**
Share of comprehensive income	**61.6**	**1.0**	**62.5**
Adjustments to finance lease revenue	-4.4	-	-4.4
Amortisation of upfront fees	2.0	-	2.0
Total comprehensive income from investment in associates	**59.2**	**1.0**	**60.2**

Amounts in USD million				
Investments	BOX Holdings Inc	OY Holding Suez Limited	OY Holding LR2 Limited	Total
Country	Marshall Islands	Malta	Malta	
Ownership and voting rights year-end	49.9 %	100.0 %	50.0 %	
Carrying amount of investments in associates:				**31.12.2021**
Non-currents assets	786.6	-	104.4	891.0
Current assets	129.6	-	14.3	143.9
Non-current liabilities	-576.0	-	-101.7	-677.6
Current liabilities	-58.7	-	-8.8	-67.6
Net assets (100%)	**281.6**	**-**	**8.2**	**289.8**
Share of net assets	**140.5**	**-**	**4.1**	**144.6**
Adjustment to carrying value of investment:				
Finance lease receivables	40.6	-	-	40.6
Adjustments to interest-bearing debt	-2.3	-	-	-2.3
Carrying amount of investments in associates	**178.8**	**-**	**4.1**	**182.9**
Income from investment in associates:				**2021**
Operating revenues	74.5	2.8	5.9	83.2
Operating expenses	-1.2	-0.0	-0.1	-1.3
Financial items	-36.0	-1.8	-4.4	-42.3
Income tax expense	-	-0.1	-	-0.1
Net profit (100%)	**37.3**	**0.9**	**1.3**	**39.5**
Share of net profit	**18.6**	**0.4**	**0.7**	**19.7**
Adjustments to finance lease revenue	-4.3	-	-	-4.3
Adjustments to interest-bearing debt	4.2	-	-	4.2
Income from investments in associates	**18.5**	**0.4**	**0.7**	**19.6**
Total comprehensive income from investments in associates:				**2021**
Net profit (100%)	37.3	0.9	1.3	39.5
Other comprehensive income	25.8	-	-	25.8
Total comprehensive income	**63.1**	**0.9**	**1.3**	**65.4**
Share of comprehensive income	**31.5**	**0.4**	**0.7**	**32.6**
Adjustments to finance lease revenue	-4.3	-	-	-4.3
Amortisation of upfront fees	1.2	-	-	1.2
Total comprehensive income from investments in associates	**28.4**	**0.4**	**0.7**	**29.5**

NOTE 15 INTEREST-BEARING RECEIVABLES, RESTRICTED CASH AND OTHER NON-CURRENT ASSETS

Amounts in USD million	2022	2021
Restricted cash deposits	13.1	5.5
Finance lease receivables	1,113.8	1,295.0
Other interest-bearing receivables	64.0	-
Other non-current assets	1.5	2.1
Interest-bearing receivables, restricted cash and other non-current assets	**1,192.4**	**1,302.6**
Finance lease receivables, current portion	287.5	191.0
Total interest-bearing receivables, restricted cash and other non-current assets	**1,479.9**	**1,493.6**

The restricted funds are related to several of the Group's cross currency interest rate swaps, where a security deposit is required if the negative value of the swaps exceeds certain thresholds.

For more information regarding the lease agreements and calculations of the net finance lease receivables, see note 7.

The USD 64.0 million in interest-bearing receivables relate to a predelivery financing for the up to ten Newcastlemax newbuildings.

NOTE 16 EARNINGS PER SHARE, DIVIDEND PER SHARE, PAID-IN CAPITAL AND HYBRID CAPITAL

Earnings per share

Calculation of profit to equity holders of the parent:

Amounts in USD million	2022	2021
Net profit for the period	91.2	63.0
Non-controlling interests	-	-
Dividends on hybrid capital	10.5	8.4
Net profit attributable to equity holders of the parent	**80.7**	**54.6**

Ordinary shares issued at 31st December	175,286,575	175,286,575
Treasury shares at 31st December	-	-
Ordinary shares outstanding at 31st December	175,286,575	175,286,575
Weighted average number of shares (basic and diluted)	175,286,575	175,226,535
Basic and diluted earnings per share (USD)	0.46	0.31
Basic and diluted earnings per share (USD), continuing operations	0.46	0.43

Dividends

Amounts in USD million	2022	2021
Total dividend paid	80.0	38.9
Declared dividend for the 4th quarter subsequent to 31st December	-	40.0
Total dividend paid per share	0.46	0.22

Paid in capital

At 31st December 2022 Ocean Yield AS' share capital consisted of the following:

	in NOK	in USD
Number of ordinary shares	175,286,575	175,286,575
Par value	10.0	1.5
Total par value (million)	**1,752.9**	**271.0**

All shares have equal voting rights and are entitled to dividends.

Change in number of shares

	2022	2021
Number of shares outstanding 1st January	**175,286,575**	**175,239,204**
Treasury shares acquired	-	-130,000
Treasury shares sold	-	177,371
Number of shares outstanding 31st December	**175,286,575**	**175,286,575**

The largest shareholders as of 31st December 2022

As of year-end 2022 Octopus BidCo AS owned 100% of the shares in Ocean Yield AS. Octopus BidCo AS is a company owned by funds advised by KKR.

Ocean Yield AS is part of the Octopus HoldCo 1 s.a.rl.'s consolidated financial statements. Octopus HoldCo 1 s.a.rl. is located in Luxembourg.

Hybrid capital

In August 2019, the Company issued a perpetual hybrid callable bond ("Hybrid Bond") of USD 125.0 million, carrying a coupon of 3 months LIBOR + 6.75% p.a. with quarterly interest payments. The Hybrid Bond is accounted for as equity and is subordinated to the Company's outstanding senior unsecured bonds.

Current board authorisations

At the Annual General Meeting, held on 6 May 2022, Ocean Yield AS's shareholder gave the board an authorisation to resolve and declare dividends based on the Company's annual financial statements for 2021. The authorisation is valid until the annual general meeting in 2023.

NOTE 17 GROUP COMPANIES

Ocean Yield AS is a holding company with financial investments and is the parent company in the Ocean Yield Group. The operations of the Group's bareboat fleet is managed from Malta and the vessel owning companies are owned and controlled by Ocean Yield Malta Limited. As of year-end 2022 the Group consisted of the subsidiaries provided in the table below. Companies owned directly by Ocean Yield AS are highlighted in bold text.

			Business address	
	Group's ownership in %	Group's share of votes in %	City location	Country
MPC Ecobox Opco 1 AS	**100.0**	**100.0**	**Lysaker**	**Norway**
MPC Ecobox Opco 4 AS	**100.0**	**100.0**	**Lysaker**	**Norway**
AFP AS	**100.0**	**100.0**	**Lysaker**	**Norway**
AFP Operations AS	100.0	100.0	Lysaker	Norway
ACFP AS	100.0	100.0	Lysaker	Norway
Connector 1 AS	**100.0**	**100.0**	**Lysaker**	**Norway**
F-Shiplease AS	100.0	100.0	Lysaker	Norway
Ocean Operations AS	**100.0**	**100.0**	**Lysaker**	**Norway**
OCY FPSO AS	**100.0**	**100.0**	**Lysaker**	**Norway**
Ocean Yield Malta Limited	**100.0**	**100.0**	**Floariana**	**Malta**
Ocean Yield Advisors AS	100.0	100.0	Lysaker	Norway
OCY Antwerp Limited	100.0	100.0	Floriana	Malta
OCY Aquarius Limited	100.0	100.0	Floriana	Malta
OCY Aronaldo Limited	100.0	100.0	Floriana	Malta
OCY Aurora Limited	100.0	100.0	Floriana	Malta
OCY Azotic Limited	100.0	100.0	Floriana	Malta
OCY Barcelona Limited	100.0	100.0	Floriana	Malta
OCY Beluga Limited	100.0	100.0	Floriana	Malta
OCY Brugge Limited	100.0	100.0	Floriana	Malta
OCY Brussel Limited	100.0	100.0	Floriana	Malta
OCY Cape Henry Limited	100.0	100.0	Floriana	Malta
OCY Charleroi Limited	100.0	100.0	Floriana	Malta
OCY Cygnus Limited	100.0	100.0	Floriana	Malta
OCY Dauntless Limited	100.0	100.0	Floriana	Malta
OCY Defender Limited	100.0	100.0	Floriana	Malta
OCY Detroit Limited	100.0	100.0	Floriana	Malta
OCY Diamond Head Limited	100.0	100.0	Floriana	Malta
OCY Frayja Limited	100.0	100.0	Floriana	Malta
OCY Future 1 Limited	100.0	100.0	Floriana	Malta
OCY Future 2 Limited	100.0	100.0	Floriana	Malta
OCY Gallantry Limited	100.0	100.0	Floriana	Malta
OCY Genoa Limited	100.0	100.0	Floriana	Malta
OCY Gent Limited	100.0	100.0	Floriana	Malta
OCY Guard Limited	100.0	100.0	Floriana	Malta
OCY Hendricks Limited	100.0	100.0	Floriana	Malta
OCY Innuksuac 1 Limited	100.0	100.0	Floriana	Malta
OCY Innuksuac 3 Limited	100.0	100.0	Floriana	Malta
OCY Innuksuac 4 Limited	100.0	100.0	Floriana	Malta
OCY Innuksuac 5 Limited	100.0	100.0	Floriana	Malta
OCY Jacksonville Limited	100.0	100.0	Floriana	Malta
OCY Jeddah Limited	100.0	100.0	Floriana	Malta
OCY Knight 1 Limited	100.0	100.0	Floriana	Malta
OCY Knight 2 Limited	100.0	100.0	Floriana	Malta

			Business address	
	Group's ownership in %	Group's share of votes in %	City location	Country
OCY Liberty Limited	100.0	100.0	Floriana	Malta
OCY Libra Limited	100.0	100.0	Floriana	Malta
OCY Livorno Limited	100.0	100.0	Floriana	Malta
OCY Lockhart 1 Limited	100.0	100.0	Floriana	Malta
OCY Lockhart 2 Limited	100.0	100.0	Floriana	Malta
OCY Milos Limited	100.0	100.0	Floriana	Malta
OCY Mineral Qingdao Limited	100.0	100.0	Floriana	Malta
OCY Mdina Limited	100.0	100.0	Floriana	Malta
OCY Mosta Limited	100.0	100.0	Floriana	Malta
OCY NAT 1 Limited	100.0	100.0	Floriana	Malta
OCY NAT 2 Limited	100.0	100.0	Floriana	Malta
OCY Orca Limited	100.0	100.0	Floriana	Malta
OCY Orla Limited	100.0	100.0	Floriana	Malta
OCY Poliegos Limited	100.0	100.0	Floriana	Malta
OCY Rabat Limited	100.0	100.0	Floriana	Malta
OCY Sanctity Limited	100.0	100.0	Floriana	Malta
OCY Seoul Limited	100.0	100.0	Floriana	Malta
OCY Shanghai Limited	100.0	100.0	Floriana	Malta
OCY Sliema Limited	100.0	100.0	Floriana	Malta
OCY Steadfast Limited	100.0	100.0	Floriana	Malta
OCY Supreme Limited	100.0	100.0	Floriana	Malta
OCY Symphony Limited	100.0	100.0	Floriana	Malta
OCY Tellus Limited	100.0	100.0	Floriana	Malta
OCY Tracer Limited	100.0	100.0	Floriana	Malta
OCY Trapper Limited	100.0	100.0	Floriana	Malta
OCY Triton Limited	100.0	100.0	Floriana	Malta
OCY Turquoise Limited	100.0	100.0	Floriana	Malta
OCY Tybee Limited	100.0	100.0	Floriana	Malta
OCY Valletta Limited	100.0	100.0	Floriana	Malta
OCY Wayfarer Limited	100.0	100.0	Floriana	Malta
OCY Xiamen Limited	100.0	100.0	Floriana	Malta
OY Holding Suez Limited	100.0	100.0	Floriana	Malta

NOTE 18 FOREIGN CURRENCY EXCHANGE RATES

In the consolidated accounts of Ocean Yield, the following exchange rates have been applied in translating the accounts of subsidiaries with functional currency other than USD.

Country/Region	Currency	Average rate 2022	Rate at 31 Dec. 2022	Average rate 2021	Rate at 31 Dec. 2021
Norway	USD/NOK	9.62	9.86	8.60	8.82

NOTE 19 INTEREST-BEARING DEBT

Change in the Group's interest-bearing debt:

Amounts in USD Million	Secured debt	Unsecured bond debt	2022	2021
Interest-bearing debt 1st January	**1,452.0**	**166.9**	**1,618.9**	**1,610.8**
New debt	184.1	-	**184.1**	601.7
Instalments	-230.9	-	**-230.9**	-693.3
Capitalisation of loan costs, net of amortisation	0.8	0.4	**1.2**	8.3
Effect of movement in foreign exchange	-	-17.6	**-17.6**	-4.6
Change from associated company to subsidiary	-	-	**-**	96.0
Interest-bearing debt 31st December	**1,406.0**	**149.7**	**1,555.7**	**1,618.9**

NEW AND AMENDED AGREEMENTS IN 2022 AND 2021

TANKERS
In connection with the acquisition in 2021 of the six VLCCs on charter to International Seaways, Ocean Yield entered into long-term financing agreements with several of its relationship banks for a total amount of USD 291 million. The financing agreements have tenors between five and ten years. In 2022, the Company has extended a Tranche B loan relating to one VLCC on long-term charter. The maturity of this loan was extended until 2025 to coincide with the maturity of the Tranche A loan in the loan agreement.

In 2021, the Company entered into a loan agreement of approximately USD 55 million for the financing of the two LR2 tankers on charter to Scorpio Tankers. The loan has a tenor of five years.

In 2021, the Company signed a loan agreement for a USD 81.5 million loan facility with a tenor of 10 year for the two newbuilding Suezmax tankers delivered in 2022. During 2022, the Company amended a loan facility related to three Suezmax tankers on long-term charter. The loan outstanding was upsized by USD 25 million, while the maturity date remained unchanged. The funds were undrawn as of year-end end.

In 2021, the Company also signed a loan agreements for the refinancing of one chemical tanker on long-term charter to Navig8 Chemical Tankers Inc. and one Suezmax tanker on long-term charter to Okeanis Eco Tankers Corp. The loan facilities had maturity in October 2021 and August 2022, respectively, and were extended by three years from the refinancing date.

CONTAINER VESSELS
In 2021 Ocean Yield signed a loan agreement to increase the financing related to the four feeder container vessels on long-term charter to CMB NV. The loan facility was increased with USD 17 million and the maturity date was extended until 2027. During 2022, the loan facility was upsized by an additional USD 30.0 million.

In addition, in 2022 and subsequent to 31 December 2022, the Company signed loan agreements for the long-term financing of all three newbuilding container vessels with long-term charters to ZIM Integrated Shipping Services Ltd.

CAR CARRIERS
In 2021, Ocean Yield signed a new loan agreement for a refinancing of the five car carriers on long-term charters to Höegh Autoliners. The loan facility had maturity in June 2021 and was extended by another four years. In 2022, the facility financing the remaining four car carriers, following the redelivery of the Höegh Beijing, was upsized by USD 64.3 million.

OIL SERVICE
In December 2021 Ocean Yield signed a new loan agreement for a refinancing of the offshore contruction vessel Aker Wayfarer. The loan facility had maturity in December 2021 and was extended by another five and a half years. During 2022, this loan facility was upsized by USD 26.1million.

Also in 2022, the refinanced the loan relating to the two AHTS vessels Normand Statesmand and Far Senator. The refinancing was completed with the existing banks and the maturity extended until 2025.

OTHER
In two separate transactions during 2021, the Company prepaid the bonds outstanding under the bond issue OCY04 in full, corresponding to NOK 450 million in total.

In connection with the voluntary offer from KKR in 2021 for the shares in Ocean Yield bondholders meetings were held for the two unsecured bonds OCY05 and OCY07, and the hybrid perpetual bond OCY06. The bondholders meetings approved the change of control of Ocean Yield and waived any listing requirement of the Ocean Yield shares. As a consequence, amendment agreements were entered into for the unsecured bonds and the hybrid perpetual bond. For OCY06, it was agreed that the coupon would be increased with 0.25% p.a., from 6.50% to 6.75% p.a., combined with a 1% fee. In addition, certain call options where adjusted. For OCY05 and OCY07, a fee of 0.50% was paid. See also note 25 Subsequent events for the prepayment of the OCY05 bond loan.

The contractual terms of interest-bearing debt as of 31st December 2022 were as follows:

	Amounts in million	Currency	Maturity	Pledged assets	Book value of asset used as collateral	Base interest	Interest margin	Undrawn facilities in million nominal currency	Nominal out-standing amount in million nominal currency	Carrying amount USD million 2022	Carrying amount USD million 2021
Tankers	Secured debt	USD	2024 - 2032	3 Chemical tankers 6 Product tankers 7 Suezmax tankers 8 VLCC	962.5	3 month LIBOR/SOFR	1.60%-2.35%	25.0	757.5	**749.3**	770.0
Container vessels	Secured debt	USD	2027	4 Container vessels 1 Newbuilding	144.8	3 month SOFR	1.95%-2.45%	-	146.5	**144.1**	85.8
Car carriers	Secured debt	USD	2025	4 PCTC vessels	188.6	3 month SOFR + CAS	2.25%	-	157.4	**156.5**	118.0
Other Shipping	Secured debt	USD	2024 - 2028	3 Gas Carriers 5 Dry bulk vessels	322.4	3 month LIBOR/SOFR	1.85%-2.0%	-	219.0	**217.4**	313.2
Oil Service	Secured debt	USD	2025 - 2029	1 Offshore construction vessel 2 Platform supply vessels 2 AHTS Vessels	276.44	3/6 month LIBOR	2.40%-2.82%	25.0	138.6	**136.7**	165.1
Ocean Yield AS	Unsecured bond debt	NOK	2023 - 2024			3 month NIBOR	3.65%-4.25%	-	1,500.0	**151.7**	166.9
	Total interest-bearing debt									**1,555.7**	**1,618.9**
	Whereof the following amount is classified as current									**329.6**	162.4
	Total interest-bearing non-current debt									**1,226.0**	**1,456.5**

Covenants

Most of the Group's loans are subject to the following covenants:

	Covenants	Year-end 2022	Year-end 2021
Group equity ratio	25%	30.3 %	28.5 %
Interest coverage ratio, where EBITDA have been adjusted for finance lease effects	2.00:1	4.8:1	5.9:1
Minimum liquidity requirment	The higher of USD 25 million and 3% of Net interest-bearing debt	USD 121.9 million	USD 121.2 million

The Group was in compliance with its covenants at year-end 2022 and 2021, respectively.

INTEREST COVERAGE RATIO

Most of the Group's loans are subject to an interest coverage ratio covenant, where EBITDA has been adjusted for finance lease effects. Should the Group be in breach of this minimum interest coverage ratio the required minimum liquidity of the Group increases to USD 40 million.

MINIMUM MARKET VALUE

Certain of the Group's loan facility agreements contain requirements for minimum market value of the secured vessels against the outstanding under the debt facility. The minimum value requirements are based on the average of brokerestimates and vary between 100% - 130% compared to the outstanding debt.

OTHER CLAUSES

Certain of the Group's debt facilities contain cross default provisions to other loan agreements in the Group.

NOTE 20 LEASES (AS LESSEE)

In 2014, the Group entered into an office lease agreement with Fornebuporten AS. The offices, located at Fornebu, were completed in the third quarter 2015. The lease period is seven years, and Ocean Yield has the option to extend the lease period with 5 + 5 years. The Company exercised the first extension option in 2021, and the office lease agreement currently runs until 2027.

In addition the Group has entered into an office lease agreement at Valletta Waterfront in Malta. The lease period started in 2018 and lasts for twelve years.

Information about leases for which the Group is a lessee is presented below:

Right of use assets and liabilities:

Amounts in USD million	Right-of-use assets - Buildings	Lease Liabilities
Balance at 1 January 2022	2.3	2.3
Depreciation	-0.5	-
Repayment of finance lease liabilities	-	-0.4
Exchange rates differences	-	-0.2
Balance at 31 December 2022	**1.8**	**1.7**

Amounts recognised in statement of profit and loss:

Amounts in USD million	2022	2021
Interest on lease liabilites	0.1	0.0
Expenses related to leases of low-value assets	0.1	0.1
Total	**0.1**	**0.1**

Amounts recognised in statement of cash flows:

Amounts in USD million	2022	2021
Total cash outflow for leases	**0.6**	**0.4**

NOTE 21 FINANCIAL INSTRUMENTS

See also note 4 capital and financial risk management.

The following tables provide the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. The tables do not include fair value information of financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

31st December 2022	Carrying Amount				Fair Value		
Amounts in USD million	FVPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets recognised at amortised cost							
Finance lease receivables	-	-	1,401.3	1,401.3	-	-	1,484.1
Interest-bearing receivables	-	-	64.0	64.0	-	-	-
Other non-current assets	-	-	1.5	1.5	-	-	-
Trade receivables and other current assets	-	-	4.7	4.7	-	-	-
Cash and cash equivalents (including restricted cash deposits, see note 15)	-	-	135.0	135.0	-	-	-
Financial assets recognised at amortised cost	**-**	**-**	**1,606.4**	**1,606.4**	**-**	**-**	**1,484.1**
Financial liabilities recognised at fair value							
Derivative financial instruments	30.5	-	-	30.5	-	30.5	-
Financial liabilities recognised at fair value	**30.5**	**-**	**-**	**30.5**	**-**	**30.5**	**-**
Financial liabilities recognised at amortised cost							
Bond debt	-	-	149.7	149.7	-	-	152.0
Other interest-bearing debt	-	-	1,406.0	1,406.0	-	1,419.0	-
Finance lease liabilities	-	-	1.7	1.7	-	-	-
Interest-free current financial liabilities	-	-	3.5	3.5	-	-	-
Financial liabilities recognised at amortised cost	**-**	**-**	**1,560.9**	**1,560.9**	**-**	**1,419.0**	**152.0**

31st December 2021	Carrying Amount				Fair Value		
Amounts in USD million	FVPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets recognised at fair value							
Other shares	-	0.2	-	0.2	-	-	0.2
Financial assets recognised at fair value	**-**	**0.2**	**-**	**0.2**	**-**	**-**	**0.2**
Financial assets recognised at amortised cost							
Finance lease receivables	-	-	1,486.0	1,486.0	-	-	1,533.5
Other non-current assets	-	-	1.9	1.9	-	-	-
Trade receivables and other current assets	-	-	3.1	3.1	-	-	-
Cash and cash equivalents (including restricted cash deposits, see note 15)	-	-	126.7	126.7	-	-	-
Financial assets recognised at amortised cost	**-**	**-**	**1,617.8**	**1,617.8**	**-**	**-**	**1,533.5**
Financial liabilities recognised at fair value							
Derivative financial instruments	17.2	-	-	17.2	-	17.2	-
Financial liabilities recognised at fair value	**17.2**	**-**	**-**	**17.2**	**-**	**17.2**	**-**
Financial liabilities recognised at amortised cost							
Bond debt	-	-	149.7	149.7	-	-	169.0
Other interest-bearing debt	-	-	1,469.2	1,469.2	-	1,467.8	-
Finance lease liabilities	-	-	0.7	0.7	-	-	-
Interest-free current financial liabilities	-	-	6.6	6.6	-	-	-
Financial liabilities recognised at amortised cost	**-**	**-**	**1,626.2**	**1,626.2**	**-**	**1,467.8**	**169.0**

There were no transfers between levels 1 and 2, or 2 and 3 during 2022 or 2021 for assets and liabilities that are measured at fair value.

Below is a description of the valuation methods used for significant financial assets and liabilities that were placed within level 3 of the fair value hierarchy year-end 2022 and 2021. The fair value calculations are based on few observable inputs. The fair values are determined for disclosure purposes.

ASSET/LIABILITY	VALUATION TECHNIQUE
FINANCE LEASE RECEIVABLES – TANKERS	**Discounted cash flows:** The estimated cash flows used in the calculations reflect the bareboat contracts for the three chemical tankers, six product tankers, seven suezmax tankers and eight VLCC crude tankers accounted for as finance leases. As the charter rates are subject to a LIBOR adjustment, the three months forward LIBOR curve was applied in the calculations. The cash flows also include unguaranteed residual values of USD 145.8 million. The estimated cash flows were discounted using an annual discount rate of 7.0% p.a. (5.2% p.a. in 2021 and fair value was calculated to USD 1,009.2 million (USD 999.4 million year-end 2021).
FINANCE LEASE RECEIVABLES – CONTAINER VESSELS	**Discounted cash flows:** The estimated cash flows used in the calculations reflect the bareboat contracts for the four container vessels accounted for as finance leases. As the charter rates are subject to a SOFR adjustment, the three months forward SOFR curve was applied in the calculations. The cash flows also include unguaranteed residual values of USD 13.4 million. The estimated cash flows were discounted using an annual discount rate of 7.2% p.a. (5.2% p.a. in 2021) and fair value was calculated to USD 121.2 million (USD 97.4 million in 2021).
FINANCE LEASE RECEIVABLES – OTHER SHIPPING	**Discounted cash flows:** The estimated cash flows used in the calculations reflect the bareboat contracts for the six dry bulk vessels and one gas carrier accounted for as finance leases. As the charter rates are subject to a LIBOR adjustment, the three months forward LIBOR curve was applied in the calculations. The cash flows also include unguaranteed residual values of USD 8.9 million. The estimated cash flows were discounted using an annual discount rate of 6.9% p.a. (5.2% p.a. in 2021) and fair value was calculated to USD 200.1 million (USD 263.0 million in 2021).
FINANCE LEASE RECEIVABLES – OIL SERVICE	**Discounted cash flows:** The estimated cash flows used in the calculations reflect the bareboat contract for the vessel Aker Wayfarer. As part of the charter rate is subject to a LIBOR adjustment, the three months forward LIBOR curve was applied in the calculations. The cash flow also includes an unguaranteed residual value of USD 57.7 million. The estimated cash flows were discounted using an annual discount rate of 7.3% p.a. (5.2% p.a. in 2021) and fair value was calculated to USD 153.6 million (USD 173.7 million year-end 2021).
BOND DEBT	**Quoted price close to year-end:** The fair value has been calculated by using the last quoted price. As there have been limited transactions related to the bond debt, there are limited observable inputs, and the fair value calculation has therefore been placed within level 3 in the fair value hierarchy. As the quoted prices relate to transactions between market participants, they are considered to reflect fair values. As of year-end 2022 the total fair value of the bond debt is calculated to USD 152.0 million (USD 169.0 million year-end 2021).

NOTE 22 RELATED PARTY TRANSACTIONS

In 2021 Ocean Yield was acquired by Octopus BidCo AS, a company controlled by funds advised by KKR. In connection with KKR's voluntary offer for all shares in the Company, Ocean Yield AS sold its treasury shares to Octopus BidCo AS. In 2021 or 2022, there were no other transactions between Ocean Yield or other KKR-controlled companies, other than dividend distributions of USD 80 million in 2022.

Prior to KKR's acquisition of Ocean Yield in December 2021, the largest shareholder, with 61.7% of the shares was Aker Capital AS, a wholly owned subsidiary of Aker ASA. Aker ASA's main shareholder is TRG Holding AS, controlled by Kjell Inge Røkke through The Resource Group TRG AS (TRG AS). All companies controlled by Kjell Inge Røkke and associated companies were considered related parties for the Aker group, and thus were considered related parties for Ocean Yield up until KKR's acquisition. Transactions with parties defined as related parties during 2021 are described below.

TRANSACTIONS WITH KJELL INGE RØKKE AND TRG AS

Ocean Yield does not have any material outstanding accounts, neither has there been any transactions during 2021 with Kjell Inge Røkke except remuneration as a board member in Ocean Yield ASA (see note 23).

TRANSACTIONS WITH AKER ASA

The Group has a service agreement with Aker ASA which provides certain financial and administration services to Ocean Yield ASA and its subsidiaries. In 2021 the Group paid USD 105,000 to Aker ASA for such services. No guarantees were provided or received between the parties.

TRANSACTIONS WITH AKER CAPITAL AS

In July 2021, Ocean Yield acquired 50% of three suezmax tankers owned 50/50 by Aker Capital and Ocean Yield. As a result, Ocean Yield obtained 100% ownership over these entities and started consolidating the subsidiaries. The vessels are on long-term charters to Nordic American Tankers Ltd. Ocean Yield paid USD 5.9 million for Aker's 50% share of the equity in the company. The transaction was conducted on arm's lengths basis and Skandinaviska Enskilda Banken AB provided a fairness opinion.

TRANSACTIONS WITH AKASTOR ASA

The subsea, construction vessel Aker Wayfarer is chartered to AKOFS Offshore AS (AKOFS), a company owned 50% by Akastor ASA. AKOFS has options to purchase the vessel in 2021, 2026 and 2027. In 2021 the Group received USD 28.2 million in charter hire for the vessel.

TRANSACTIONS WITH FORNEBUPORTEN AS

Ocean Yield has an office lease agreement with Fornebuporten AS, (an associated company of TRG AS). See note 20 for further details.

TRANSACTIONS WITH AKER BP ASA

The Company has two platform supply vessels on long term charters to Aker BP ASA, with approximately 12 years remaining from delivery to Ocean Yield. In 2021 the Group received USD 12.6 million in charter hire for these vessels.

TRANSACTIONS WITH AKER ENERGY AS

In the fourth quarter 2021, Aker Energy AS exercised an option to acquire the FPSO Dhirubhai-1 for a total cash consideration of USD 35.0 million. The vessel was delivered to Aker Energy in the fourth quarter. In addition, the land based personnel responsible for the FPSO was transferred to Aker Energy AS.

TRANSACTIONS WITH EMPLOYEES OF OCEAN YIELD AS

The Executive team of Ocean Yield AS and certain other key employees acquired shares in Ocean Yield AS during 2021 as part of the Company's incentive scheme. For more information regarding renumeration see note 23.

NOTE 23 REMUNERATION TO THE BOARD OF DIRECTORS, CEO AND CFO

Following KKR's acquistion of Ocean Yield in December 2021, a new Board of Directors was elected. Remuneration to the current and the previous Board members was as follows:

Amounts in USD	2022	2021
Vincent Policard (Chairman from 7th December 2021)	-	-
Bernardo Nogueira (Board member from 7th December 2021)	-	-
Andreas Røde (Board member from 26th October 2022)	-	-
Eirik Eide (Board member from 26th October 2022)	-	-
Frank O. Reite (Chairman until 7th December 2021)	-	36,632
Kjell Inge Røkke (Deputy chairman until 7th december 2021)	-	25,778
Jens Ismar (Board member until 7th January 2022)	-	29,460
Anne-Christin Døvigen (Board member & audit committee member until 7th January 2022)	-	32,562
Annicken Gann Kildahl (Board member & chairman of audit committee until 7th January 2022)	-	34,887
Total	**-**	**159,319**

DIRECTIVE OF REMUNERATION OF THE CEO AND CFO

The remuneration to the CEO and CFO consists of a fixed salary, standard pension- and insurance terms for employees and a variable cash bonus element. The main purpose of the system for management remuneration is to stimulate a strong and lasting profit oriented culture leading to an increasing value of the Company. The CEO and CFO are members of a collective pension and insurance scheme applicable to all employees. The collective pension and insurance scheme is for salaries up to 12G.

REMUNERATION TO THE CEO AND CFO

Lars Solbakken retired from his role as CEO on 4th February 2022. He was replaced by Andreas Røde as CEO of the Company.

In 2022, Lars Solbakken had a fixed salary of USD 417.4 thousand (USD 553.0 thousand in 2021), and earned a bonus and severance payment of USD 319.1 thousand (USD 1,322.2 thousand in 2021). The value of additional remuneration was USD 1.3 thousand in 2022 (USD 4.8 thousand in 2021) and net pension expense was USD 27.9 thousand (USD 42.0 thousand in 2021).

In 2022, Andreas Røde, as CEO had a fixed salary of USD 439.0 thousand and earned a bonus of USD 479.0 thousand. The value of additional remuneration was USD 1.6 thousand in 2022 and net pension expense was USD 17.2 thousand.

Eirik Eide is the CFO of Ocean Yield AS. In 2022, Eirik Eide had a fixed salary of USD 539.9 thousand (USD 338.1 thousand in 2021), and earned a bonus of USD 455.1 thousand (USD 1,141.5 thousand in 2021). The value of additional remuneration was USD 1.7 thousand (USD 1.7 thousand in 2021) and the net pension expense was USD 20.6 thousand (USD 22.1 thousand in 2021). At the Annual General Meeting held 25th April 2019 a loan of USD 453,546 was granted to Eirik Eide for the purpose of acquiring shares in Ocean Yield AS. The loan facility was cancelled when KKR aquired all of the shares in Ocean Yield and the Company was de-listed.

NOTE 24 CONTINGENCIES AND LEGAL CLAIMS

ACFP AS, a non-guaranteed subsidiary of Ocean Yield, received a notice from Indian authorities in 2021 regarding a potential tax claim related to the previous contract for the FPSO Dhirubhai-1. The amount of the potential tax claim is uncertain. ACFP AS disputes that there is any legal basis for the claim and has obtained legal advice supporting its position. The matter has been referred to Indian courts.

NOTE 25 SUBSEQUENT EVENTS

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 took 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. In addition, the Company signed a term sheet for loan agreements financing the newbuilding contracts for two ethylene gas carriers with 15-year bareboat charters to Braskem S.A. and refinanced the loan facility for the product tanker STI Symphony which included and upsizing of USD 8.0 million.

In March 2023, Ocean Yield AS successfully completed a new bond issue of NOK 750 million, carrying a coupon of 3 months NIBOR + 3.95% p.a. with quarterly interest payments. In conjunction with the new bond issue, Ocean Yield repurchased NOK 292.5 million of outstanding bonds with ticker OCY07 (ISIN: NO0010869720) and USD 37.7 million of outstanding bonds with ticker OCY06 (ISIN: NO0010861594).

In March 2023, Ocean Yield entered into an agreement to charter out the two 2013 built AHTS vessels, Far Senator and Normand Statesman on bareboat charters to Viking Supply Ships AB for a period of five years. The Charterer will have purchase options during the charter, and an obligation to purchase the vessels at the end of the charter term, if requested by Ocean Yield.

In March 2023, Ocean Yield delivered the car carrier Höegh Tracer and the product tanker STI Sanctity to its new owners following declarations of purchase options.

OCEAN YIELD AS

FINANCIAL STATEMENTS AND NOTES

Ocean Yield AS Income statement

Amounts in USD million	Note	2022	2021
Total revenues		**0.3**	**0.6**
Administrative expenses	3	-4.6	-8.3
Other operating expenses	4	-2.3	-8.6
Depreciation		-0.0	-0.0
Operating profit (loss)		**-6.7**	**-16.4**
Income from investments in subsidiaries	5	70.6	-27.5
Financial Income	5	30.4	25.2
Financial Expenses	5	-47.3	-37.6
Net profit (loss) before tax		**46.9**	**-56.3**
Income tax expense	6	-	-
Net profit (loss) after tax		**46.9**	**-56.3**

Allocation of profit/loss for the year:		
Profit (+) / loss (-)	46.9	-56.3
Dividends	-40.0	-69.6
Transferred from other paid-in capital	-	125.8
Transferred from (+) / allocated to (-) retained earnings	-46.9	-
Total	**-40.0**	**-**

Ocean Yield AS Balance Sheet at 31st December

Amounts in USD million	Note	2022	2021
ASSETS			
Fixed assets		0.0	0.0
Shares in subsidiaries	7	529.4	885.5
Long-term interest-bearing receivables from Group companies	8	350.5	49.3
Restricted cash deposits		13.0	5.5
Total non-current assets		**893.0**	**940.3**
Short-term interest-free receivables from Group companies	8	6.5	5.4
Other short-term receivables		0.0	0.0
Cash and cash equivalents	9	26.5	52.1
Total current assets		**33.1**	**57.5**
Total assets		**926.1**	**997.8**
EQUITY AND LIABILITIES			
Share capital		271.0	271.0
Other paid-in capital		61.9	101.9
Total paid-in equity		**332.9**	**372.9**
Retained earnings		46.9	-
Total retained earnings		**46.9**	**-**
Total equity	10	**379.8**	**372.9**
Long-term interest-bearing liabilities to Group companies	8	-	0.0
Long-term interest-bearing debt	11	233.0	257.1
Bond debt	11	276.7	291.9
Other non-current liabilities	13	14.6	6.9
Total non-current liabilities		**524.2**	**556.0**
Short-term interest-free liabilities to Group companies	8	1.2	14.3
Dividends payable		-	40.0
Other current liabilities	14	20.9	14.6
Total current liabilities		**22.0**	**68.9**
Total liabilities		**546.3**	**624.9**
Total equity and liabilities		**926.1**	**997.8**

BÆRUM, 28TH MARCH 2023
OCEAN YIELD AS

V. Policard

VINCENT POLICARD
CHAIRMAN

Bernardo Nogueira

BERNARDO NOGUEIRA
DIRECTOR

ANDREAS RØDE
DIRECTOR AND CEO

EIRIK EIDE
DIRECTOR

Ocean Yield AS Cash Flow Statement

Amounts in USD million	2022	2021
Net profit (loss) before tax	46.9	-56.3
Dividends and group contributions from subsidiaries	-70.0	-
Gain/loss/write-downs from investments in subsidiaries	356.8	27.5
Net interest income	17.6	15.2
Interest paid	-29.2	-33.3
Interest received	13.6	22.9
Foreign exchange gain/losses	-16.2	-5.2
Unrealised loss (gains) on derivatives and impairment charges on financial assets	14.7	-0.1
Change in other operating items	-16.5	17.1
Net cash flow from operating activities	**317.7**	**-12.2**
Purchase of fixed assets	-0.0	-
Purchase of shares in subsidiaries	-0.0	-
Dividends and group contributions received from subsidiaries	-	0.4
Group contributions paid to subsidiaries	-0.1	-0.4
Net change in long-term interest-bearing receivables from Group Companies	-231.2	491.2
Net change in restricted cash deposits	-7.6	-3.9
Net cash flow from investing activities	**-239.0**	**487.2**
Proceeds from issuance of interest-bearing long-term external debt	8.0	-
Repayment of interest-bearing long-term external debt	-30.7	-438.7
Repayment of interest-bearing long-term debt to Group companies	-0.0	-0.0
Dividends paid	-80.0	-38.9
Net change in treasury shares	-	0.1
Net cash flow from financing activities	**-102.8**	**-477.5**
Net change in cash and cash equivalents	-24.0	-2.5
Cash and cash equivalents at January 1st	52.1	53.9
Net foreign exchange difference	-1.6	0.7
Cash and cash equivalents at 31 December	**26.5**	**52.1**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 ACCOUNTING PRINCIPLES

Ocean Yield AS (or the "Company") is a Norwegian limited company incorporated and domiciled in Bærum, Norway. The registered office is located at Oksenøyveien 10, Lysaker. The financial statements are prepared in accordance with Norwegian legislations and Norwegian generally accepted accounting principles.

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The functional currency and presentation currency of Ocean Yield AS is USD, as this is the primary economic environment in which Ocean Yield AS and its subsidiaries operate.

REVENUE RECOGNITION

Revenue is recognised when the services are provided. The company provides certain management services and other services to its subsidiaries. These services comprise advisory services in areas of business strategy, financing and accounting.

INVESTMENTS IN SUBSIDIARIES

Subsidiaries are entities in which Ocean Yield AS has control. Investments in subsidiaries are accounted for using the cost method in the parent company accounts. The investments are valued at cost less impairment losses. Write-down to fair value is recognised when the impairment is not considered to be temporary and reversed if the basis for the write-down is no longer present.

DIVIDENDS FROM SUBSIDIARIES

Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. Dividends, group contributions and other distributions are usually recognised in the income statement as financial income. Whenever dividends exceed the share of retained profit after the acquisition, the excess represents a refund of invested capital, and the dividends are subtracted from the value of the investment in the balance sheet.

CLASSIFICATION AND VALUATION OF BALANCE SHEET ITEMS

Current assets and current liabilities comprise of items that are due within one year from the time of acquisition. Other items are classified as non-current asset / non-current liability. Short-term portion of long-term debt is however classified as non-current liability.

Current assets are valued at the lower of acquisition cost and fair value. Short-term debt is recognised at its nominal value at the time of recognition.

Non-current assets are valued at acquisition cost but written down to fair value if impairment is not expected to be temporary. Long-term debt is initially recognised at its nominal value. Subsequent to initial recognition, interest-bearing long-term debt is stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowing on an effective interest basis.

RECEIVABLES

Trade receivable and other receivables are carried at par value after subtraction of provision for expected loss. Provision for loss is made based on individual assessments of each receivable.

FOREIGN CURRENCY

Transactions in foreign currency are translated into USD using the exchange rate at the time of transaction. Monetary items in foreign currency are valued at the rate of foreign exchange on the balance sheet date. Non-monetary items that are measured at historic cost in foreign currency are translated into USD using the exchange rate at the time of transaction. Non-monetary items that are measured at fair value in a foreign currency are translated into USD using the exchange rate at the date of measurement. Valuation changes due to exchange rate fluctuations are recorded on a continuous basis under other financial items.

DERIVATIVES

Foreign exchange contracts that do not qualify for hedge accounting are recognised at fair value. Other derivatives that do not qualify for hedge accounting are recognised at the lowest of fair value and cost. Changes in fair value are reported as financial income/expense.

TAX

The tax cost in the income statement includes both tax payable for the period and changes in deferred tax.

Deferred tax is calculated based on the temporary differences that exist between accounting and tax values, and tax losses carried forward at the end of the accounting year. Tax increasing and tax decreasing temporary differences which reverse or can be reversed in the same period are offset. Net deferred tax assets are recognised to the extent that it is probable that they can be utilised.

CASH FLOW STATEMENT

The cash flow statement is prepared by using the indirect method. Cash and cash equivalents consist of cash, bank deposits and other current, liquid investments.

THE USE OF ESTIMATES

The preparation of the financial statements, under the generally accepted accounting principles, requires that management uses the best estimates and assumptions that affect the income statement, the valuation of assets and liabilities as well as information regarding disclosures of contingent assets and liabilities on balance sheet date.

Contingent losses that are probable and quantifiable are expensed on an regular basis.

NOTE 2 FINANCIAL MARKET RISKS

The Company is exposed to several types of financial risks, where the most significant types are credit, liquidity, foreign exchange and interest rate risks. The purpose of risk management is to measure and manage financial risks in a reliable manner, in order to increase predictability and minimise any negative impacts on Ocean Yield AS's financial results.

Should any of the counterparties that charter vessels from Ocean Yield AS' subsidiaries trigger default provisions under current bareboat contracts, this could reduce payments and dividends to the Company from its subsidiaries. However, following the COVID-19 pandemic, we have seen a strong recovery in the most commodity shipping markets, which has been followed by increased oil and gas prices. For the Ocean Yield Group all counterparties performed in accordance with their contracts during the year and there we no defaults in the portfolio. Counterparty risk in most segments improved on the back of strong commodity markets and congestion in world ports.

CREDIT RISK

Credit risk relates to loans to subsidiaries and deposits with external banks.

Cash and cash equivalents are held with banks and financial institutions with sound credit-ratings. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations.

LIQUIDITY RISK

Liquidity risk is the risk that Ocean Yield AS will be unable to fulfil its financial obligations as they fall due. The company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due. Management monitors the liquidity reserve, amongt other, on the basis of forecasting expected cash flows.

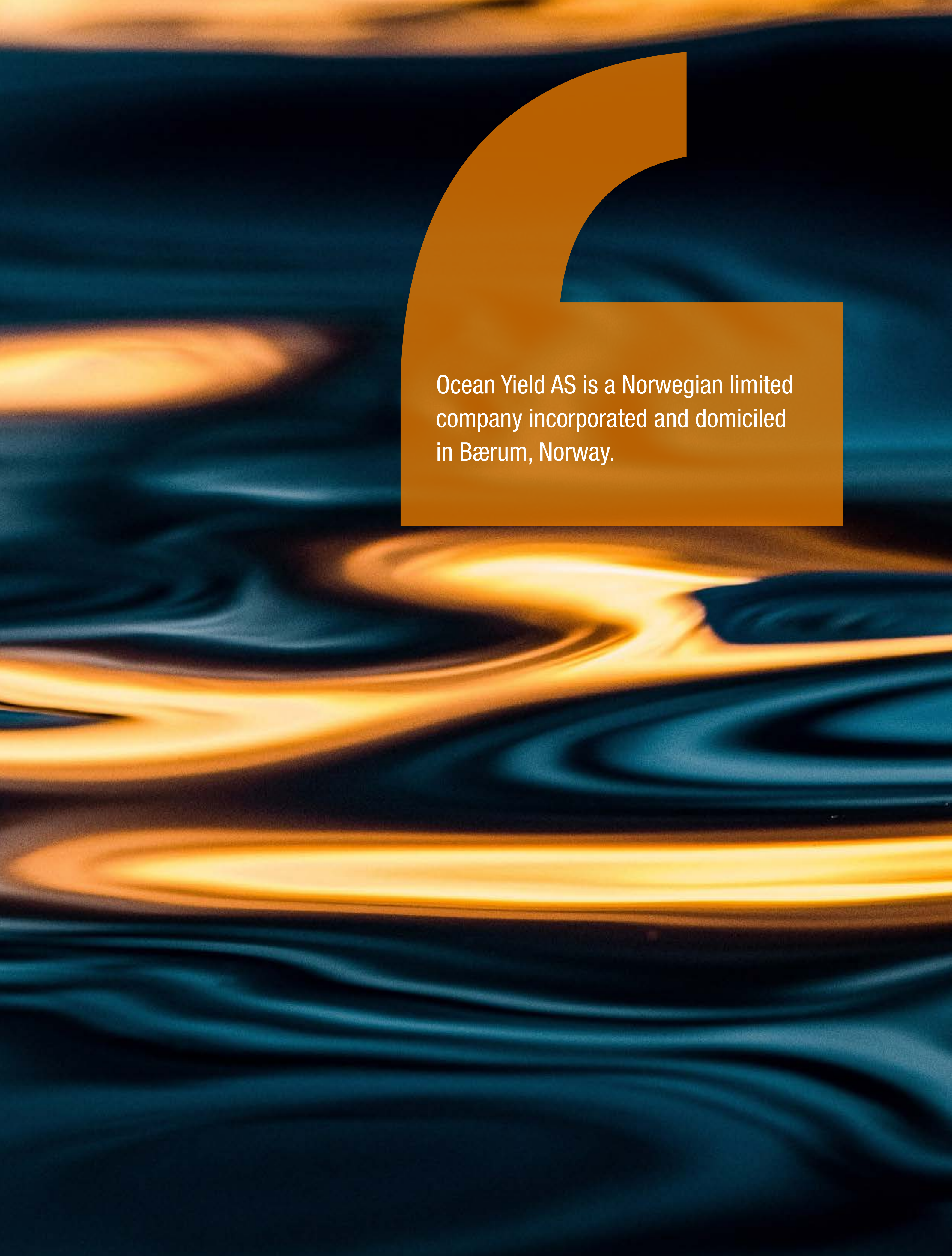
CURRENCY RISK

Ocean Yield AS and its subsidiaries operate in the international markets which leads to various types of currency exposure. Ocean Yield AS' functional currency is USD. The currency exposure in Ocean Yield AS is primarily related to NOK. Operating expenses and the bond debt are denominated in NOK. To reduce the currency effect Ocean Yield AS has entered into interest and currency swaps. As of year-end 2022 Ocean Yield AS had four cross currency swaps, where NOK 1,250 million has been swapped from floating rate in NOK to floating rate in USD. Total outstanding debt in NOK as of year-end 2022 was NOK 1,500.0 million.

INTEREST RATE RISK

Ocean Yield AS's interest rate risk arises from external borrowings, inter-company borrowings and receivables. Borrowings and receivables issued at variable rates expose Ocean Yield AS to cash flow interest rate risk. Ocean Yield AS has guidelines for management of interest rate risks. The interest rate policy of Ocean Yield AS defines levels for the hedging of expected future cash flows.

Also see Note 4 in the consolidated financial statements for Ocean Yield AS Group.



Ocean Yield AS is a Norwegian limited company incorporated and domiciled in Bærum, Norway.

NOTE 3 ADMINISTRATIVE EXPENSES

Administrative expenses consisted of the following:

Amounts in USD million	2022	2021
Salaries	4.1	7.0
Social security contributions	0.6	1.1
Pension costs	0.1	0.1
Other benefits	-0.1	0.1
Total salaries and other personnel expenses	**4.6**	**8.3**
Average number of employees	6	8
Full time employee equivalents	8	8

NOTE 4 OTHER OPERATING EXPENSES

Auditor's fees are included in other operating expenses and consisted of the following:

Amounts in USD thousand	2022	2021
Fees for statutory audit services	167.2	109.1
Tax advisory services	-	42.6
Other non-audit services	61.3	-
Total	**228.5**	**151.8**

NOTE 5 FINANCIAL ITEMS

Amounts in USD million	2022	2021
Dividends and group contributions from subsidiaries	70.0	-
Write down of investments in subsidiaries	-	-49.2
Write down/reversal of write down of receivables to subsidiaries	0.6	21.7
Income from investments in subsidiaries	**70.6**	**-27.5**
Interest income from companies within the Group	13.8	19.8
Other interest income	0.7	0.1
Net foreign exchange gains	16.0	5.4
Financial income	**30.4**	**25.2**
Interest expenses to Group companies	-0.0	-0.0
Other interest expenses	-32.1	-35.0
Unrealised loss on interest and currency exchange swaps	-14.7	0.1
Other financial expenses	-0.5	-2.7
Financial expenses	**-47.3**	**-37.6**

In 2022, the Company reversed USD 0.6 million in impairment losses related receivables towards ACFP AS.

Impairment of investments in subsidiaries in 2021 of USD 49.2 million was related to investments in Connector 1 AS and F-shiplease AS. Write down/reversed write down on receivables to subsidiaries of positive USD 21.7 million is related to interest-bearing receivables against ACFP AS and Connector 1 AS.

NOTE 6 INCOME TAX

The difference between accounting and tax values at the end of 2022 and 2021 respectively, and changes in deferred tax assets at the end of each year were as follows:

Temporary differences between tax and accounting values:

Amounts in USD million	2022	2021
Differences in interest and currency swaps	-30.5	-15.8
Amortised loan fees	2.4	3.1
Other	0.0	-0.0
Total differences	**-28.1**	**-12.7**
Tax losses carried forward	-154.2	-109.0
Total deferred tax basis	**-182.3**	**-121.7**
Net deferred tax asset (22%)	-40.1	-26.8
Not recognised deferred tax asset	40.1	26.8
Recognised deferred tax asset	**-**	**-**

Estimated taxable profit:

Amounts in USD million	2022	2021
Net profit (loss) before tax	46.9	-56.3
Permanent differences in net non-taxable income (-) / expenses (+)	-107.4	33.7
Change in temporary differences	15.4	2.5
Tax losses for which no deferred income tax asset was recognised	45.1	20.0
Estimated taxable income	**0.0**	**-**
Tax payable (22%) in the income statement	-	-

Income tax expense/income:

Amounts in USD million	2022	2021
Tax payables	-	-
Change in deferred tax	-	-
Total income tax expense (benefit)	**-**	**-**

The figures above are based on estimates of different non-deductible taxable income, non-deductible items and differences between accounting and tax items. The final calculations will be made in the income-tax return and may differ from estimates above.

Reconciliation of income tax expense (benefit):

Amounts in USD million	2022	2021
22% tax on net profit (loss) before tax	-10.3	12.4
22% tax on permanent differences	23.6	-7.4
Not recognised deferred tax asset	-13.3	-5.0
Estimated income tax expense (-) / benefit(+)	**-0.0**	**-**
Effective tax rate	0.0 %	0.0 %

NOTE 7 SHARES IN SUBSIDIARIES

Shares in subsidiaries included the following companies at 31st December 2022

Amounts in USD million	Ownership in %	Voting share in%	Location, city	Equity as of Dec. 31st 2022	Profit before tax 2022	Book value
Aker Floating Production AS*	100	100	Lysaker, Norway	-197.5	-0.3	-
Connector 1 AS	100	100	Lysaker, Norway	0.7	0.5	0.2
F-Shiplease AS	100	100	Lysaker, Norway	24.0	-3.7	27.7
Ocean Operations AS	100	100	Lysaker, Norway	0.2	0.0	0.1
Ocean Yield Malta Limited*	100	100	Floriana, Malta	786.9	72.8	500.3
OCY FPSO AS	100	100	Lysaker, Norway	-	-	0.0
MPC Ecobox Opco 1 AS	100	100	Lysaker, Norway	0.9	-0.3	1.2
MPC Ecobox Opco 4 AS	100	100	Lysaker, Norway	-0.3	-0.3	0.0
Total						**529.4**

NOTE 8 RECEIVABLES, BORROWINGS AND TRANSACTIONS WITH GROUP COMPANIES

Long-term interest-bearing receivables from Group companies consisted of the following items:

Amounts in USD million	2022	2021
Long-term interest-bearing receivables from Group companies	350.5	49.3
Long-term interest-bearing receivables from Group companies	**350.5**	**49.3**

The receivables have a maturity of more than one year. Interest terms on the receivables are set at arm's length terms.

Short-term interest free receivables from Group companies consisted of the following items:

Amounts in USD million	2022	2021
Long-term interest-bearing receivables from Group companies	350.5	49.3
Long-term interest-bearing receivables from Group companies	**350.5**	**49.3**

Long-term interest-bearing liabilities to Group companies consisted of the following items:

Amounts in USD million	2022	2021
Long-term interest-bearing liabilities to Group companies	-	0.0
Long-term interest-bearing liabilities to Group companies	**-**	**0.0**

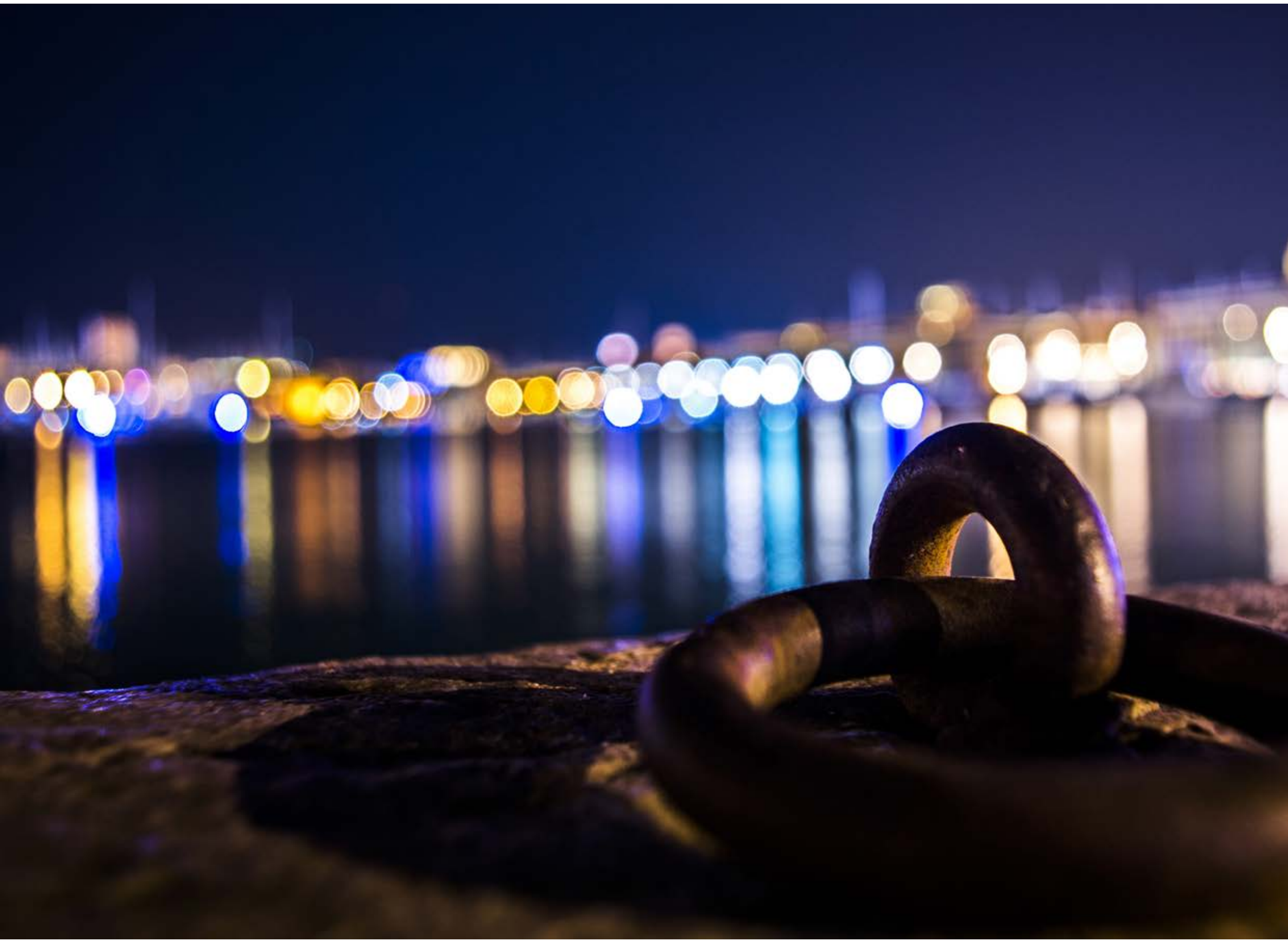
Long-term liabilities to Group companies have a maturity of more than five years and interest are set at arm's length terms.

Short-term interest free liabilities to Group companies consisted of the following items:

Amounts in USD million	2022	2021
Incurred unpaid interest, to Group companies	-	0.0
Other short-term interest free liabilities to Group companies	1.2	14.3
Short-term interest free liabilities to Group companies	**1.2**	**14.3**

Dividends and Group contributions received from Group companies:

Amounts in USD million	2022	2021
Dividends from Group companies	70.0	-
Group contributions received from Group companies	-	-
Dividends and group contributions received from Group companies	**70.0**	**-**



NOTE 9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents were the following at 31 December:

Amounts in USD million	2022	2021
Cash restricted	0.5	2.0
Cash unrestricted	26.1	50.1
Cash and cash equivalents	**26.5**	**52.1**

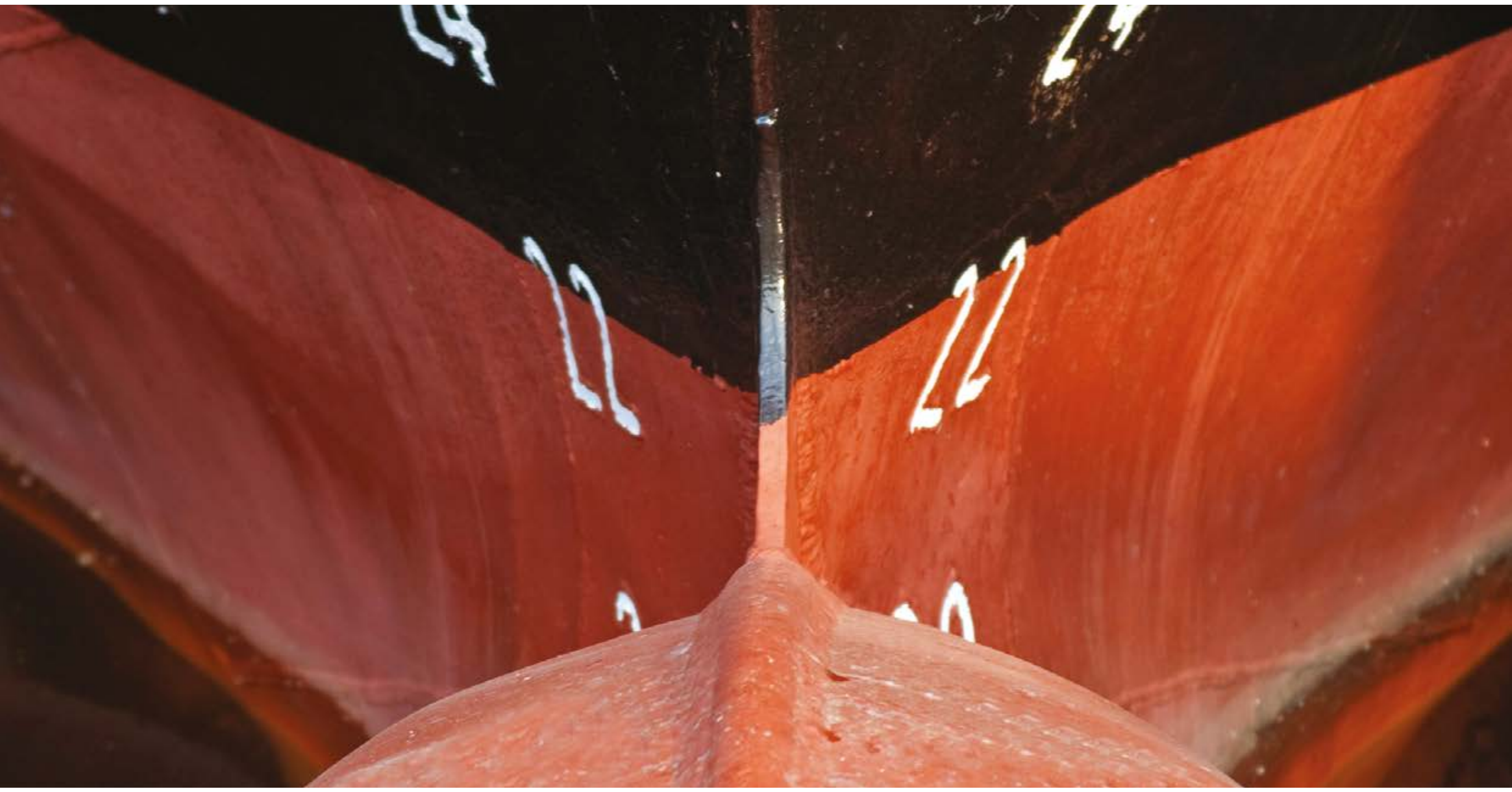
In addition and as of December 31, 2022, Ocean Yield AS had USD 13.0 million (USD 5.5 million as of 31 December, 2021) in restricted cash classified under non-current assets due to margin calls on derivative financial instruments.

NOTE 10 SHAREHOLDERS EQUITY

Changes in shareholder's equity were the following:

Amounts in USD million	Share capital	Treasury shares	Other paid in capital	Retained earnings	Total equity
Shareholders equity on 31st December 2020	**271.0**	**-0.1**	**227.8**	**-**	**498.7**
Dividends	-	-	-69.6	-	-69.6
Net profit (loss) for the year	-	-	-56.3	-	-56.3
Treasury shares acquired	-	-0.4	-	-	-0.4
Treasury shares sold	-	0.5	-0.0	-	0.5
Shareholders equity on 31st December 2021	**271.0**	**0.0**	**101.9**	**-**	**372.9**
Dividends	-	-	-40.0	-	-40.0
Net profit (loss) for the year	-	-	-	46.9	46.9
Shareholders equity on 31st December 2022	**271.0**	**0.0**	**61.9**	**46.9**	**379.9**

See note 16 in the consolidated financial statements for Ocean Yield AS Group for information about paid in capital, largest shareholders and current board authorisations.



NOTE 11 INTEREST-BEARING DEBT

Changes in interest-bearing debt:

Amounts in USD Million	Debt to Group companies	Secured debt	Unsecured bond debt	2022	2021
Interest-bearing debt 1st January	**0.0**	**257.1**	**291.9**	**549.0**	**999.3**
New debt	-	6.0	2.0	**8.0**	-
Instalments	-	-30.7	-	**-30.7**	-438.7
Other non-cash changes (netted against receivables etc)	-	-	-	**-**	-10.0
Amortisation of loan fees	-	0.7	0.4	**1.1**	2.7
Effect of foreign exchange changes	-	-	-17.6	**-17.6**	-4.4
Interest-bearing debt 31st December	**0.0**	**233.0**	**276.7**	**509.7**	**549.0**

SECURED DEBT

In 2022, Ocean Yield AS entered into a new USD 58.1 million loan facility to finance one of the three newbuilding container vessels with longterm charters to ZIM Integrated. USD 6.0 million was drawn under the loan facility in 2022. In addition, Ocean Yield AS refinanced the loan facility for two anchor handling tug supply vessels which inlcuded an extension of maturity to 2025.

During 2022 several of the bank loans were where Ocean Yield Malta Limited is borrower and Ocean Yield AS is guarantor were amended.

- Extended a Tranche B loan relating to one VLCC on long-term charter. The maturity of the loan was extended until 2025 to coincide with the maturity of the Tranche A loan in the loan agreement.
- Amended the loan facility relating to four PCTC vessels on long-term charters, where the loan outstanding was upsized with another USD 64 million. The loan facility was structured as a revolving credit facility and the proceeds may be used for general corporate purposes. The maturity date remained unchanged.
- Amended the loan facility relating to four container vessels on long-term charters, where the loan outstanding was upsized with another USD 30 million. The additional borrowings were structured as a new term loan facility under the existing loan agreement. The maturity of the loan is in 2027.
- Amended the loan facility related to the oil-service vessel Aker Wayfarer by upsizing the loan with another USD 26 million. The loan facility was structured as a revolving credit facility and the proceeds can be drawn and used for general corporate purposes.
- Amended the loan facility related to three Suezmax tankers on long-term charter. The loan outstanding against the vessels was upsized with USD 25 million, while the maturity date remained unchanged.

During 2021 the following amendments were made to loan agreements where Ocean Yield Malta Limited is borrower and Ocean Yield AS is guarantor:

- The loan facility related to one chemical tanker on long-term charter to Navig8 Chemical Tankers Inc. was repaid. The loan facility had maturity in October 2021.
- The loan facility related to one Suezmax tanker on long-term charter to Okeanis Eco Tankers Corp. was repaid. The loan facility had maturity in August 2022.
- The loan facility related to five car carriers on long-term charter to Höegh Autoliners was repaid. The loan facility had maturity in June 2021.
- The loan facility related to one offshore construction vessel was repaid. The loan facility had maturity in December 2021.

BOND DEBT

In two separate transactions in 2021, the Company prepaid the bonds outstanding under the bond issue OCY04 in full. In total, NOK 450 million was prepaid in 2021 under this bond loan. In 2022, the Company sold treasury bonds of NOK 20.0 million in nominal value. See also note 20 subsequent events regarding the prepayment of the NOK 750 million OCY05 bond.

In connection with the voluntary offer from KKR in 2021 for the shares in Ocean Yield, bondholders meetings were held in the fourth quarter for the two unsecured bonds OCY05 and OCY07, and the hybrid perpetual bond OCY06. The bondholders meetings approved the change of control of Ocean Yield and waived any listing requirement of the Ocean Yield shares. As a consequence, amendment agreements have been entered into for the unsecured bonds and the hybrid perpetual bond. For OCY06, it was agreed that the coupon would be increased with 0.25% p.a., from 6.50% to 6.75% p.a., combined with a 1% fee. In addition, certain call options where adjusted. For OCY05 and OCY07, a fee of 0.50% was paid.

COVENANTS

Ocean Yield AS has loans and guarantee commitments that contain certain financial covenants. The main covenants are a Group equity of 25%, an interest cover ratio of 2.00:1 and minimum liquidity of no less than the higher of USD 25 million and 3% of Net interest-bearing debt. Ocean Yield AS was in compliance with all covenants at year-end 2022.

NOTE 12 MORTGAGES AND GUARANTEE OBLIGATIONS

Guarantee obligations were as follows:

Amounts in USD million	2022	2021
Loan guarantees Ocean Yield Malta Limited	1,099.1	1,115.6
Loan guarantees OY Holding Suez Limited	85.2	93.0
Loan guarantees OY Holding LR2 Limited	50.4	109.3
Total guarantee obligations	**1,234.7**	**1,317.8**

NOTE 13 OTHER NON-CURRENT LIABILITIES

Other non-current liabilities consisted of the following:

Amounts in USD million	2022	2021
Unrealised loss on interest and currency exchange swaps	14.6	6.9
Other non-current liabilities	**14.6**	**6.9**

NOTE 14 OTHER SHORT-TERM LIABILITIES

Other short-term liabilities consisted of the following:

Amounts in USD million	2022	2021
Accrued interest	3.7	2.0
Unrealised loss on interest and currency exchange swaps	15.9	8.8
Other	1.2	3.8
Other current liabilities	**20.9**	**14.6**

NOTE 15 FINANCIAL INSTRUMENTS

At year-end Ocean Yield AS had the following financial instruments recognised at fair value:

31st December 2022			
Amounts in USD million	Carrying amount	Fair value	Unrealised gains (losses)
Cross Currency Interest Rate Swaps	-30.5	-30.5	-15.0
Interest Rate Swaps	-	-	0.3
Total	**-30.5**	**-30.5**	**-14.7**

31st December 2021			
Amounts in USD million	Carrying amount	Fair value	Unrealised gains (losses)
Cross Currency Interest Rate Swaps	-15.5	-15.5	-9.5
Interest Rate Swaps	-0.3	-0.3	17.6
Total	**-15.8**	**-15.8**	**8.1**

For more information regarding the cross currency interest rate swaps and the interest rate swaps see note 4 in the consolidated financial statements for Ocean Yield AS Group.

NOTE 16 OPERATING LEASES

In 2014 Ocean Yield AS entered into an office lease agreement with Fornebuporten AS (previously a subsidiary of Aker ASA). The offices, located at Fornebu, near Oslo, were completed in the third quarter 2015. The lease period is seven years. Ocean Yield AS has the option to extend the lease period with 5 + 5 years. The Company exercised the first extension option in 2021, and the office lease agreement currently runs until 2027.

Annual rent was approximately USD 0.4 million in 2022 and 2021, respectively. Ocean Yield AS sublets parts of the office space.

NOTE 17 TRANSACTIONS WITH RELATED PARTIES

As of year-end 2022 Ocean Yield is owned by Octopus BidCo AS, a company controlled by funds advised by Kohlberg Kravis Roberts & Co. L.P. ("KKR"). Ocean Yield AS sold all of it's treasury shares to Octopus BidCo AS in relation to KKR's voluntary offer for all shares in Ocean Yield. Other than distribution of dividends in 2022, there has not been any other transaction between Ocean Yield and other KKR-controlled companies in 2022 and 2021, respectivly.

Prior to the transaction in December 2021, where KKR acquired the shares in Ocean Yield, the largest shareholder, with 61.7% of the shares was Aker Capital AS, a wholly owned subsidiary of Aker ASA. Aker ASA's main shareholder is TRG Holding AS, controlled by Kjell Inge Røkke through The Resource Group TRG AS (TRG AS). All companies controlled by Kjell Inge Røkke and associated companies were considered as related parties for the Aker group, and thus were considered related parties for Ocean Yield up until the transaction. See note 25 in the consolidated financial statements for Ocean Yield AS Group for transactions with Kjell Inge Røkke, TRG AS, Aker ASA, Fornebuporten AS and employees of Ocean Yield AS.

Ocean Yield AS has loans to and from several of its subsidiaries. For more details regarding the amounts see note 8. All transactions with related parties are done at market rates and in accordance with the arm's lengths principle.

NOTE 18 REMUNERATION TO THE BOARD OF DIRECTORS, CEO AND CFO

See note 23 in the consolidated financial statements for Ocean Yield AS Group.

NOTE 19 CONTINGENCIES AND LEGAL CLAIMS

No material contingencies or legal claims have been identified at the end of the year.

NOTE 20 SUBSEQUENT EVENTS

See note 25 in the consolidated financial statements for Ocean Yield AS Group.

RESPONSIBILITY STATEMENT

Today, the Board of Directors and the Company's Chief Executive Officer reviewed and approved the Board of Directors' report and the consolidated and separate annual financial statements of Ocean Yield AS for the year ending and as of 31st December 2022.

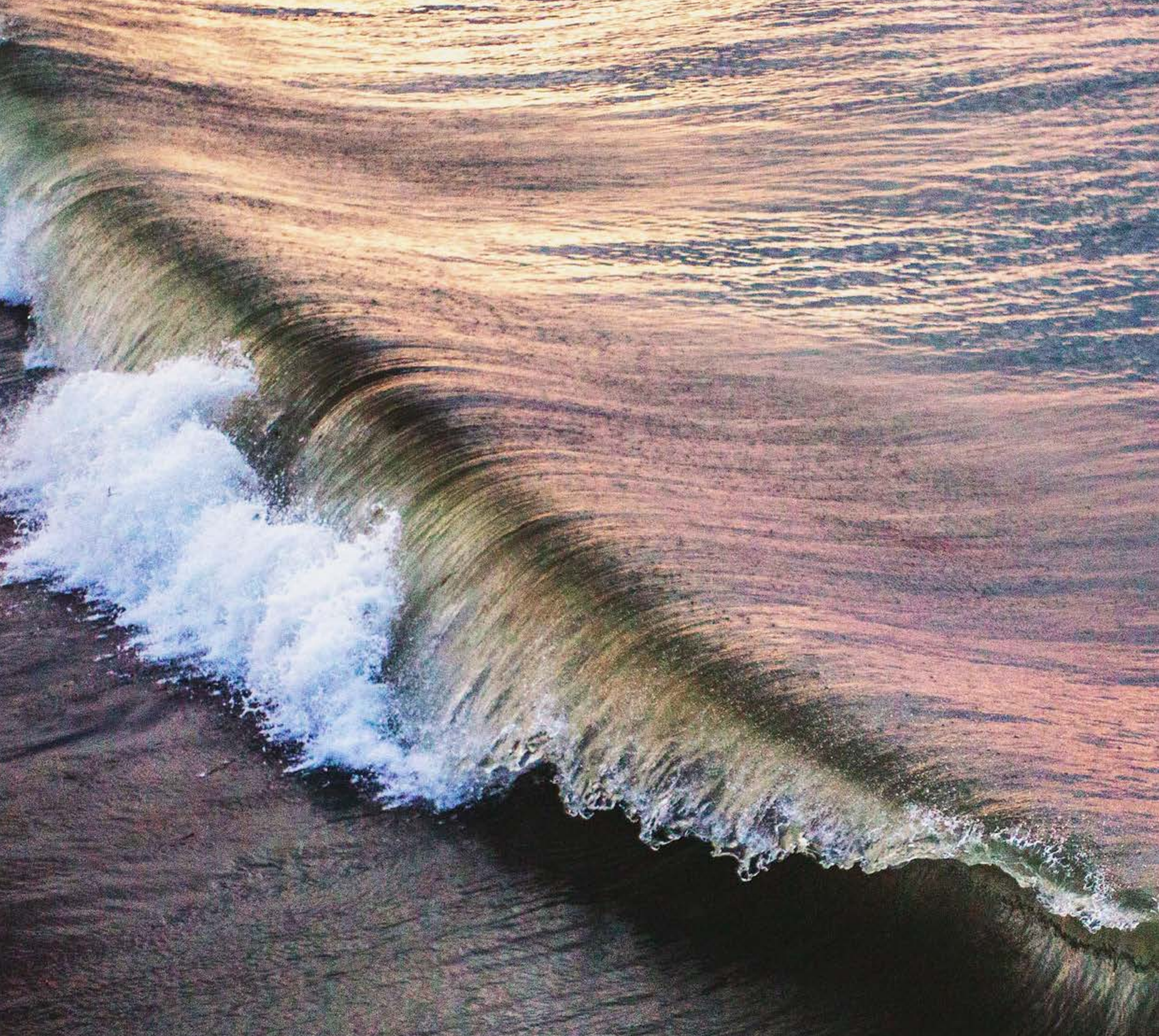
Ocean Yield's consolidated financial statements have been prepared in accordance with IFRS and IFRIC adopted by the EU as well as additional disclosure requirements in the Norwegian Accounting Act and as such are to be applied as per 31st December 2022. The separate financial statements of the parent company Ocean Yield AS have been prepared in accordance with the Norwegian Accounting Act and Norwegian accounting standards as of 31st December 2022. The Board of Directors' report for the Group and the parent company for 2022 comply with the requirements of the Norwegian Accounting Act and Norwegian accounting standard no. 16.

TO THE BEST OF OUR KNOWLEDGE:

- The consolidated and separate annual financial statements for the Group and the parent company for 2022 have been prepared in accordance with applicable accounting standards.

- The consolidated and separate annual financial statements give a true and fair view of the assets, liabilities, financial position and profit/loss as a whole per 31st December 2022 for the Group and for the parent company.

- The board of directors' report includes a true and fair review of the
  - *development and performance of the business and the position of the Group and the parent company,*
  - *the principal risks and uncertainties the Group and the parent company may face.*



BÆRUM, 28TH MARCH 2023
OCEAN YIELD AS

VINCENT POLICARD
CHAIRMAN

BERNARDO NOGUEIRA
DIRECTOR

ANDREAS RØDE
DIRECTOR AND CEO

EIRIK EIDE
DIRECTOR

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To the General Meeting of Ocean Yield AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ocean Yield AS, which comprise:

- the financial statements of the parent company Ocean Yield AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Ocean Yield AS and its subsidiaries (the Group), which comprise the Consolidated balance sheet as at 31 December 2022, the Consolidated statement of profit or loss and comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Board of Directors.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 16 years from the foundation of the Company 10 September 2007 for the accounting year 2007.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the ESG report.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Ocean Yield AS we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 5967007LIEEXZXGLT422-2022-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

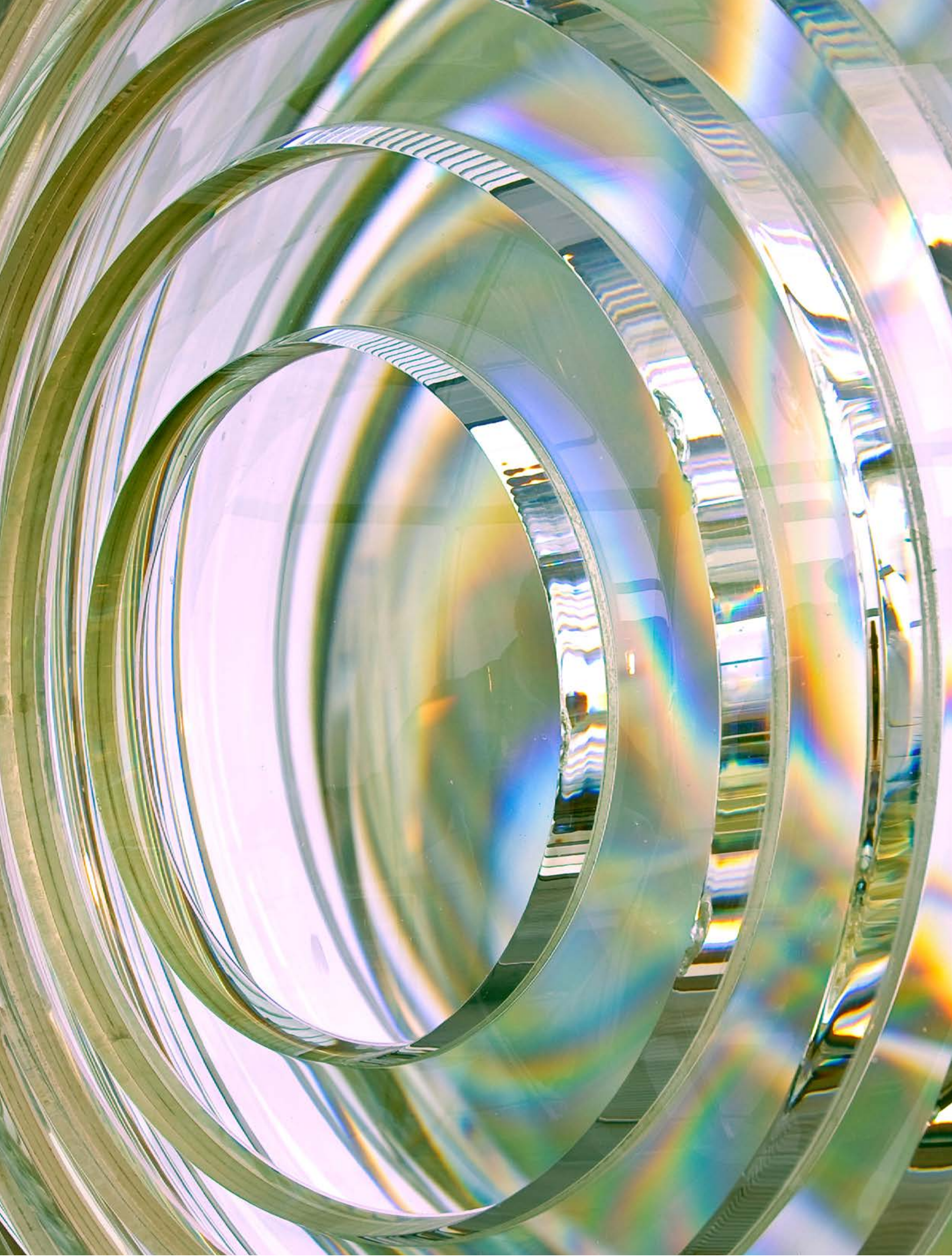
Auditor's Responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

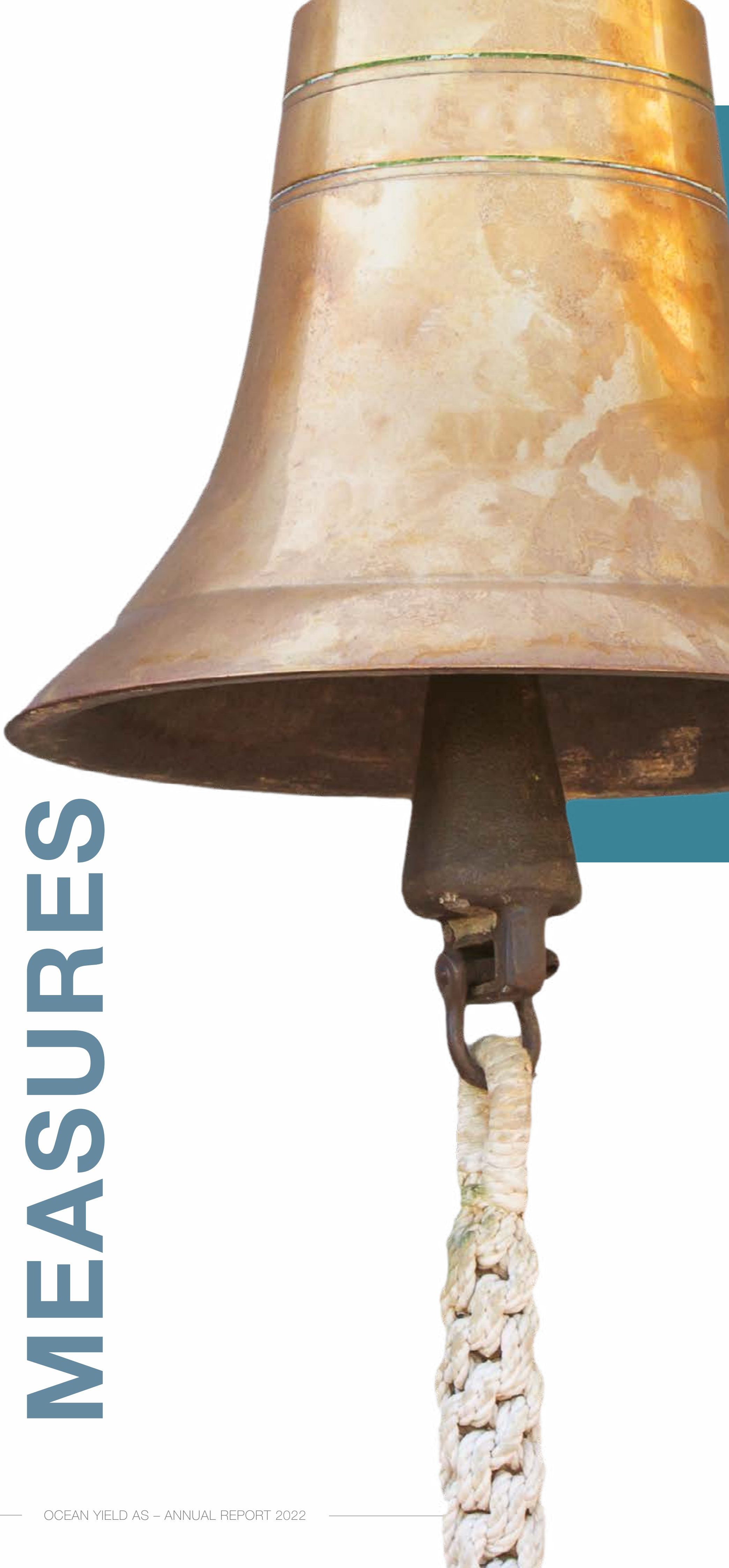
As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 28 March 2023
KPMG AS

Vegard Tangerud
State Authorised Public Accountant



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 measures may be considered an alternative performance measure:

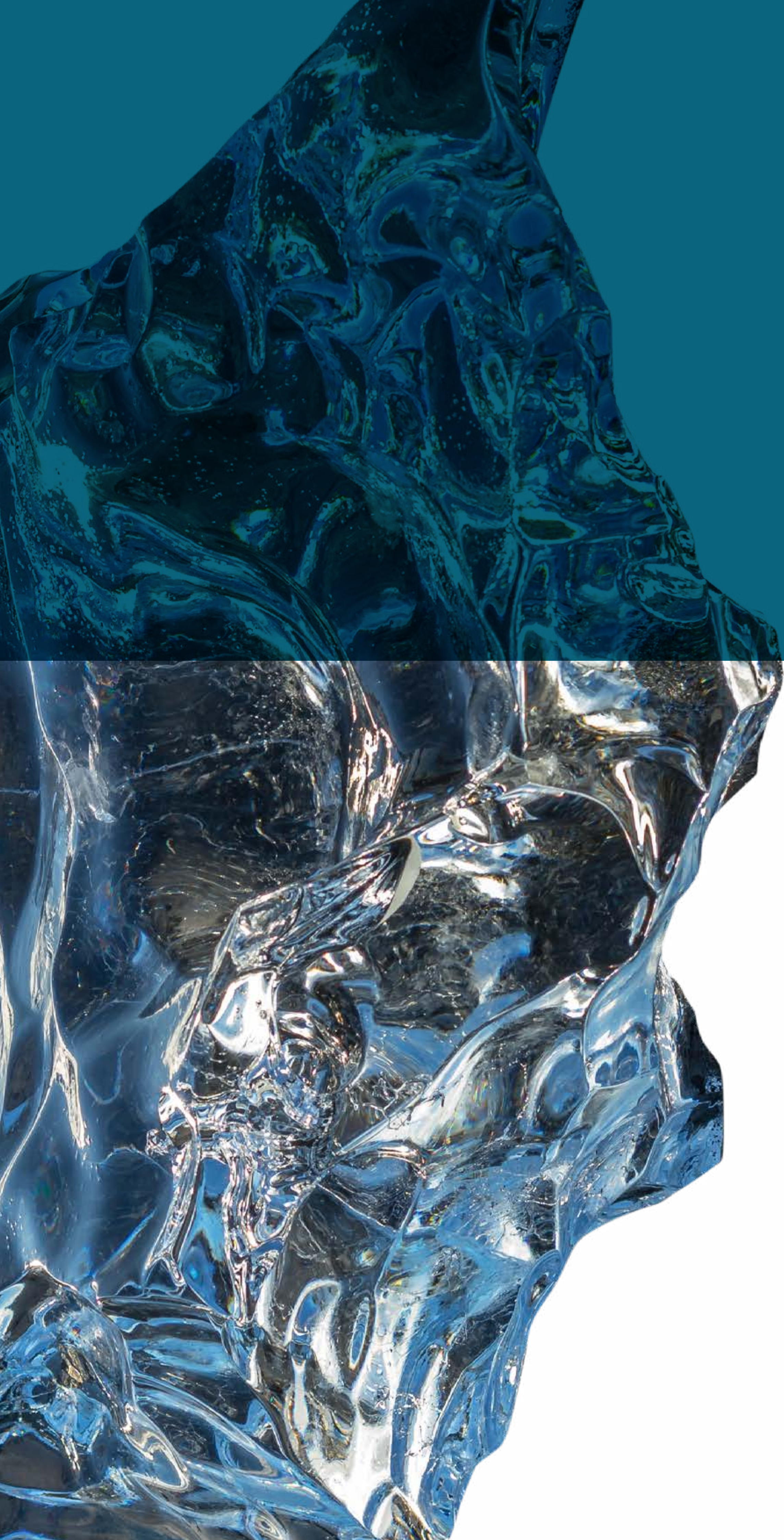
- EBITDA: Earnings before financial items, income taxes, depreciation, amortisation, impairment charges and loss from sale of vessels.
- EBITDA adjusted for finance lease effects: EBITDA adjusted for Repayment of finance lease receivables.
- EBIT: Earnings before financial items and income taxes
- Adjusted 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, Adjusted net profit and Charter Backlog 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 disclose in the condensed consolidated statement of profit and loss as separate line items.

Reconciliation of alternative performance measures to the financial statements:

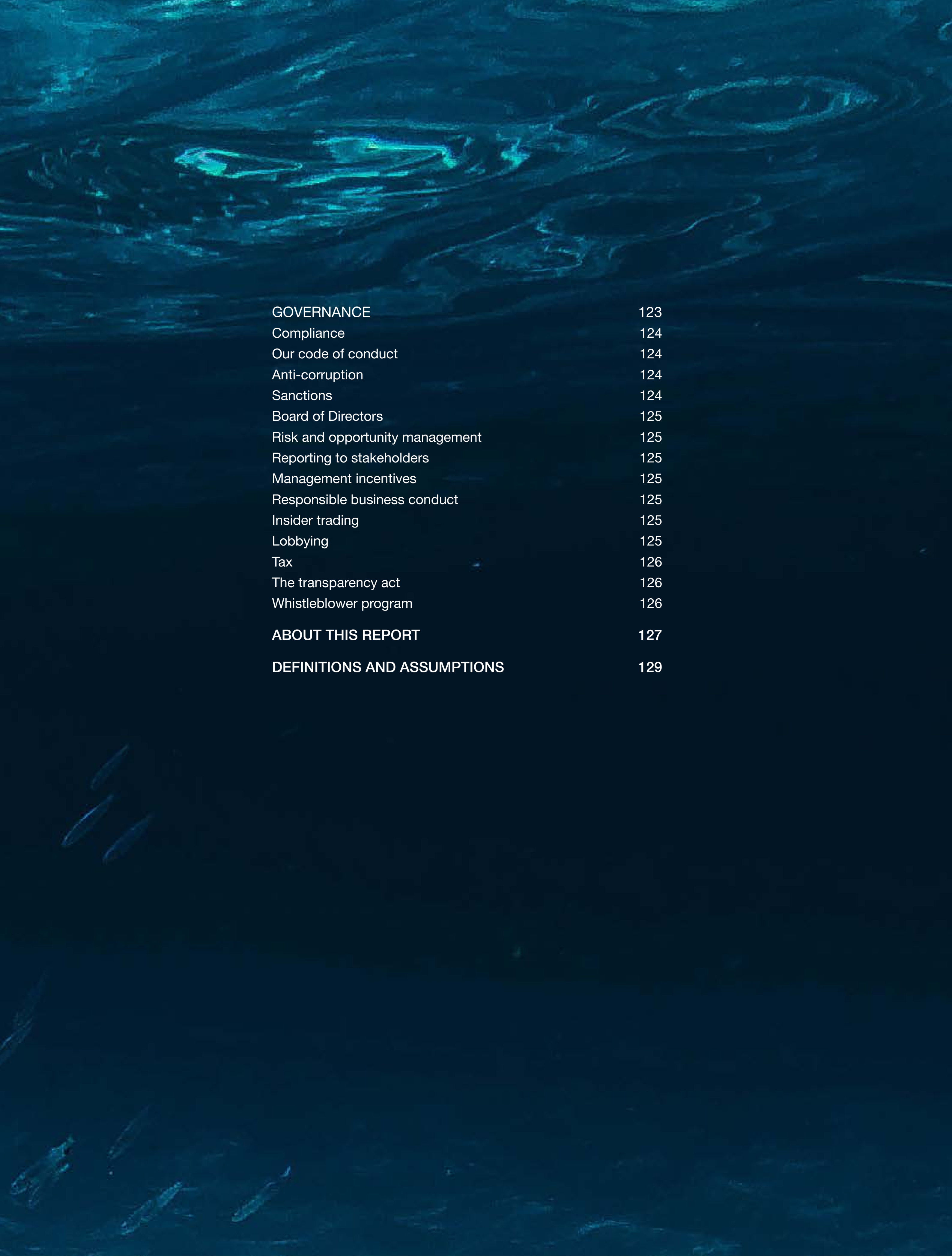
Amounts in USD million	2022	2021
Total revenues and other income	197.3	185.1
Vessel operating expenses	0.0	-0.8
Administrative expenses	-10.4	-22.3
EBITDA	**187.0**	**162.0**
Repayment on finance lease receivables	114.9	86.5
EBITDA adjusted for finance lease effects	**301.9**	**248.5**
Net profit (loss) after tax	91.2	63.0
Impairment of Dhirubhai-1	-	16.4
Termination of swaps in BOX Holdings	-	1.9
Expenses related to sale of Ocean Yield AS	-	13.7
Foreign exchange gains/losses	-15.7	-5.7
Change in fair value of financial instruments	12.7	-1.8
Change in deferred tax	1.4	1.9
Other non-recurring items	-	-0.2
Adjusted Net profit	**89.7**	**89.1**
Loss from discontinued operation, net of tax	-	4.3
Adjusted Net profit from continuing operations	**89.7**	**93.5**



ESG REPORT

2022

CONTENTS



INTRODUCTION FROM THE CEO

Sustainability and responsibility have been integrated parts of Ocean Yield's core strategy since the company was established. Once again I am proud to present Ocean Yield's ESG report, which provides a comprehensive and transparent overview of our strategy and a detailed insight into our performance and crucial efforts within Environmental, Social, and Governance topics.

A sustainable business is one that thinks and acts with a long-term focus taking the paradigm of a sustainable world into consideration. While ocean-going transportation is the most carbon-efficient means of transport available today, global emissions will have to be reduced to minimize the effects of climate change. Ocean Yield welcomes and supports the IMO 2050 strategy to reduce the CO_2 emissions from the shipping sector in line with the Paris Agreement, and we will do our part to support these global efforts.

At Ocean Yield we seek to see opportunities in change and our goal and ambition is to act as a facilitator and enabler of change as the maritime industry embarks on the next stage of the energy transition journey. Through client selection we seek to partner with the leading maritime companies of the world and take an active role in addressing the global need for gradual renewal of the maritime fleet to ensure that we jointly take these matters seriously and work to meet our stakeholders' expectations in a fast-moving and changing environment. We firmly believe that collaboration is key and we work closely with our clients, banks and other stakeholders with the firm belief that sustainable growth is the key to sustainable long-term value creation.

An essential understanding of our ESG risks, opportunities, and performance is critical to ensure the continued success of Ocean Yield and our strategic ambitions are fully supported by our shareholder KKR. Our Board of Directors is pledging its full support to the company's strategic ambitions and we integrate ESG considerations into our decision-making and management practices.

Ocean Yield has a young and diverse fleet consisting of 70 vessels as of year-end 2022, including tankers, container vessels, dry bulk vessels, car carriers, gas carriers and oil-service vessels. The average age of the fleet was 4.9 years as of year-end 2022. Our investment strategy remains firm and we continue to focus on investing in modern vessels or newbuildings with the ambition of building a modern and energy-efficient portfolio of vessels with low emissions and low carbon footprint.

The majority of our charter contracts are bareboat charters, where the counterparty is responsible for the operations of the vessels and hence, our role is mainly to facilitate and aid shipping companies around the world in their fleet renewal and decarbonization processes and through that, contribute to reduce emissions.

For Ocean Yield, 2022 was the first year with KKR as new owner and a year with hectic investment activity. We acquired several vessels and newbuildings with dual-fuel engine technology that will contribute to reduce emissions and as our exisiting fleet matures, we sold several vessels with conventional fuel technology, gradually improving our carbon footprint.

Our ambition is to continue to invest in modern, fuel-efficient vessels with long-term charters to leading shipping companies as we seek to build an even more diversified fleet and, jointly with our clients, play an active role in the continued transformation of the maritime industry.

As one of the leading asset managers of the world, KKR brings extensive experience and governance best practices to Ocean Yield. Jointly we strive to conduct ourselves with integrity in everything we do to maintain the trust of our clients and other stakeholders.

Ocean Yield seeks to be an attractive and inclusive place to work where employees are recognized and on the job training and development are promoted and supported. We actively engage and support various social initiatives both in Norway and in Malta and we share KKR's view that a sustainable investment approach is a key lever of value creation.

Andreas Røde
CEO

OCEAN YIELD **ESG FRAMEWORK**

The material issues for Ocean Yield's ESG activites are outlined in the framework on the next page. Given the nature of our business, the Company has since inception had a continuous focus on performance across all three main ESG areas, as they are considered both as a license to operate as well as a business opportunity related to the market disruption stemming from the green energy transition within the shipping industry.

We have selected the ESG topics that we consider most significant to us and our stakeholders. These topics have been selected and prioritised through internal interviews, market analysis, relevant ESG standards, the business context of the shipping industry, and financial stakeholder outreach.

Ocean Yield has identified the following material ESG aspects:

- Principles of Governance
- Responsible business conduct
- Climate-Change and Environment
- People and Communities

Further, Ocean Yield has identified the following three United Nations Sustainable Development Goals, as areas of special importance for the company's ESG initiatives.

KKR ESG STRATEGY

BOARD OF DIRECTORS

Quarterly ESG updates
Frequent discussions on ESG-related matters
Access to shareholder's ESG resources

MANAGEMENT

Client selection
Vessel selection
Discussions with clients
Third party interactions

ENVIRONMENT

- Facilitator for the green energy transition
- Reduction of greenhouse gas emissions
- Responsible recycling of vessels

SOCIAL

- Diversity and culture
- Competance and employee development
- Employee well-being
- Freedom of association
- Social initiatives and responsibility

GOVERNANCE

- Code of conduct
- Anti-corruption
- Risk and opportunity management
- Reporting
- Business ethics
- Management incentives
- Responsible business conduct
- Whistleblower program

ENVIRONMENT

Seaborne transportation remains the most cost- and energy-efficient method to transport large volumes of commodities and finished goods around the world.

CLIMATE CHANGE

Today, around 90% of the world's goods are transported by sea. As a result, global sea-going transportation is responsible for around 2-3% of total global CO_2 emissions. According to the IMO, under a "business-as-usual scenario", these emissions are projected to increase between 50% and 250% by 2050, undermining the objectives of the Paris Agreement. However, there is significant untapped potential to reduce emissions relatively effectively by implementing technical and operational measures such as slow-steaming, weather routing, and propulsion efficiency devices or initiatives.

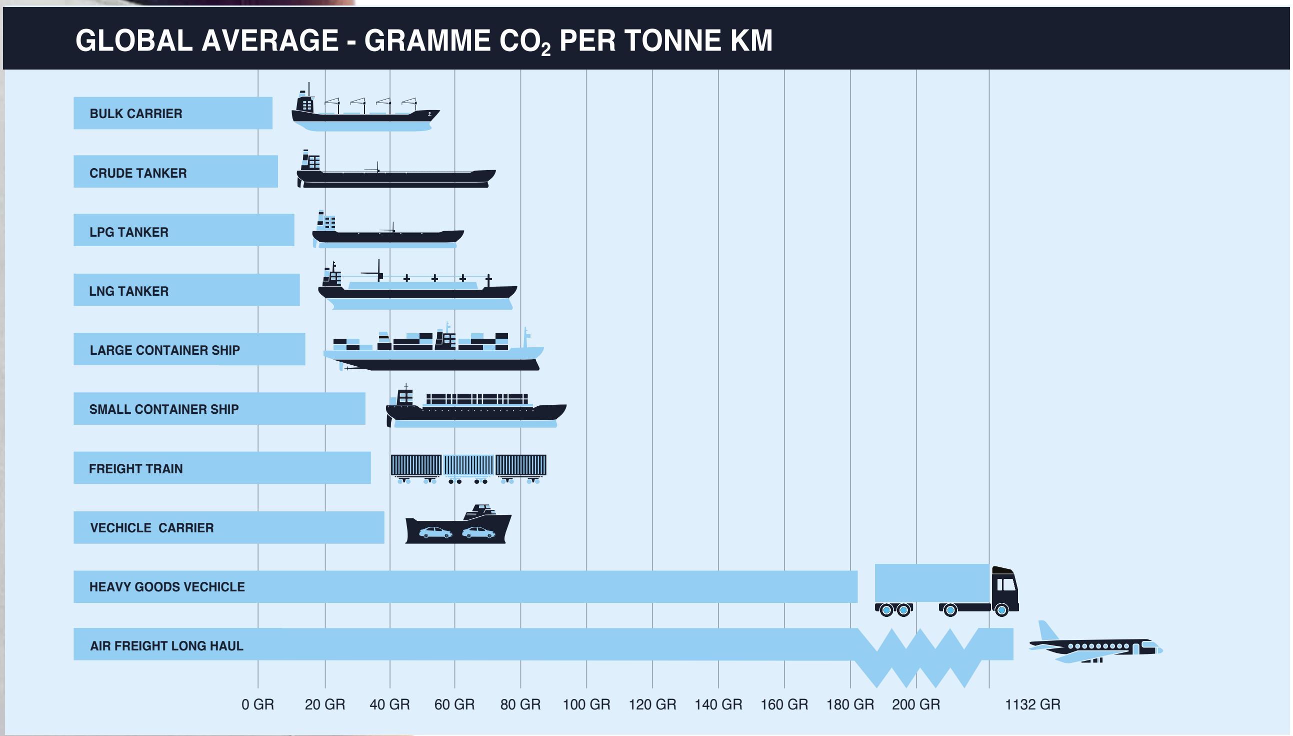
As a response, IMO launched their initial strategy to reduce Greenhouse gas (GHG) emissions from ships in 2018.

IMO's ambitions include;

- A reduction of CO_2 intensity as an average across international shipping, by at least 40% by 2030, pursuing efforts towards 70% by 2050, compared to 2008; and,

- Reduction of the total annual GHG emissions from international shipping by at least 50% by 2050 compared to 2008, consistent with the Paris Agreement goals.

IMO has given notice that the strategy will be revised in 2023.



Source: DEFRA 2019.

13 CLIMATE ACTION

Ocean Yield acknowledges the risks and challenges related to climate change and is a strong supporter of IMO's ambitions and efforts to reduce and eventually eliminate GHG emissions in the maritime sector. We recognize that we have a responsibility to do our part to reduce global warming and we therefore support the 13th UN Sustainability Development Goal on Climate Action.

Built on IMO's GHG reduction targets, new carbon regulations have come into effect in 2023. Ship operators will now be required to track their vessels' carbon intensity and ensure compliance with the new Energy Efficiency Existing Ships Index (EEXI) and Carbon Intensity Indicator (CII) regulatory frameworks. EEXI is a one-time requirement for 2023 which requires operators to reduce emissions based on a required reduction factor relative to a 2008 base line. In addition, all vessels will receive a CII rating (A-E) based on their carbon intensity. Vessels with a D rating for three consecutive years or an E rating in for a single year will need to develop corrective action plans. Operational responsibilities are in most cases allocated to Ocean Yield's clients under the respective bareboat agreements, and complying with the regulations is their responsibility as such. In cases where the Company has operational responsibilities, contractual measures have been taken to ensure that the actual operators of the vessels comply with the regulations.

Furthermore, as a part of EU's Sustainable Finance Action Plan, the EU is developing a taxonomy for sustainable activities (the Taxonomy).

The Taxonomy consists of six objectives, where screening criteria for economic activities for two of the objectives are currently being defined; 'Climate Change mitigation' and 'Climate Change adaptation'. Both objectives include technical requirements for the maritime sector.

The Taxonomy is expected to greatly influence how financial institutions direct their investments, subsequently making alignment with the Taxonomy an advantage for companies when seeking investment or access to capital in the near future.

In line with the ambitious climate targets from the EU, the European Commission in December 2022 agreed to reform the EU Emissions Trading System (EU ETS) to also cover emissions from the maritime transportation. The EU ETS is an international emissions trading system that is created on the 'cap and trade' principle. A cap is defined on the total amount of greenhouse gases that can be emitted each year by companies included in the system. Within the cap, entities can buy or receive emissions allowances. The allowances are allocated and traded between entities and the cap is reduced over time, resulting in a reduction of total emissions.

The inclusion of the maritime sector in the EU ETS will be effective from 2024 and will include:

- 100% of the emissions from intra-EU voyages
- 50% of emissions from voyages starting or ending outside an EU member state
- 100% of emissions from vessels when ships are at berth in EU ports

The inclusion will be gradually implemented, meaning that shipping companies will have to surrender allowances that cover 40% of their emissions in 2024, 70% in 2025, and 100% in 2026 and beyond. Only vessels above 5,000 gross tonnes will be included.

Ocean Yield is monitoring the developments related to the EU Taxonomy and EU ETS closely and is continuously seeking to adapt our investment strategy to align with future regulatory and market requirements.

MAIN CLIMATE AND ENVIRONMENTAL RISKS

For shipping as an industry, we see the main climate risks related to the following:

- Compliance with emerging regulations
- Lock-in to emitting fuels that become less competitive during the ship's lifetime
- Climate change may reduce global GDP growth and thereby negatively affect trade volumes

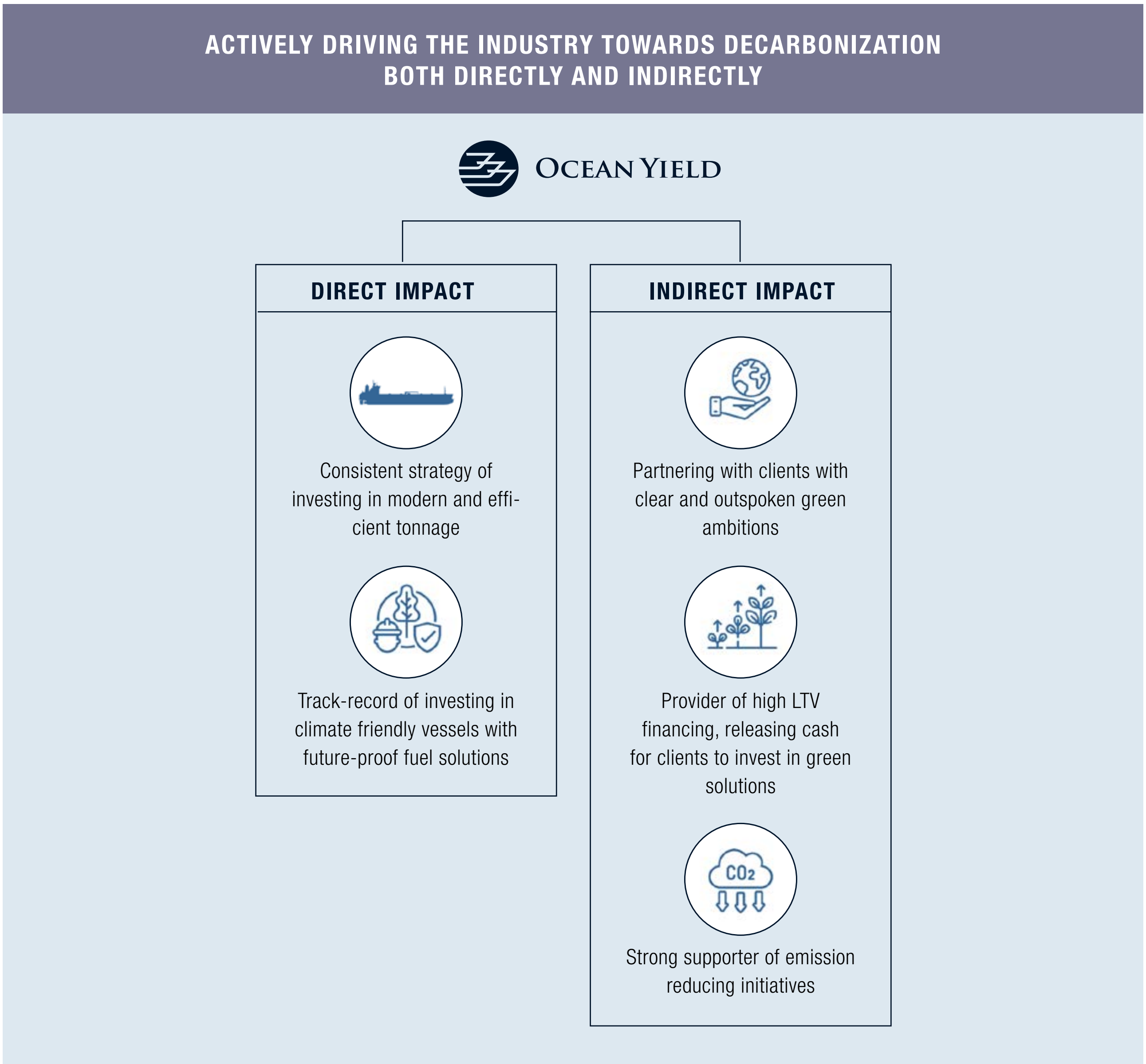
- Changing consumption patterns may change trade volumes Ocean Yield is a strong believer that these climate risks related to decarbonization of the shipping sector also will provide investment opportunities in upcoming years.

Ocean Yield is well positioned to provide financing of new vessels with low or zero greenhouse gas emissions, being part of the solution to replace the ageing world fleet.

INVESTING IN A FUTURE-PROOF FLEET

"OCEAN YIELD IS A FACILITATOR FOR THE GREEN ENERGY TRANSITION"

Ocean Yield's strategy since the inception has been to focus on investing in modern fuel-efficient vessels. Through partnering with clients with clear and outspoken green ambitions as well as being a provider of high leverage financing, we facilitate for increased environmentally friendly investments in shipping. Ocean Yield is thus a facilitator for the green energy transition – both directly and indirectly.



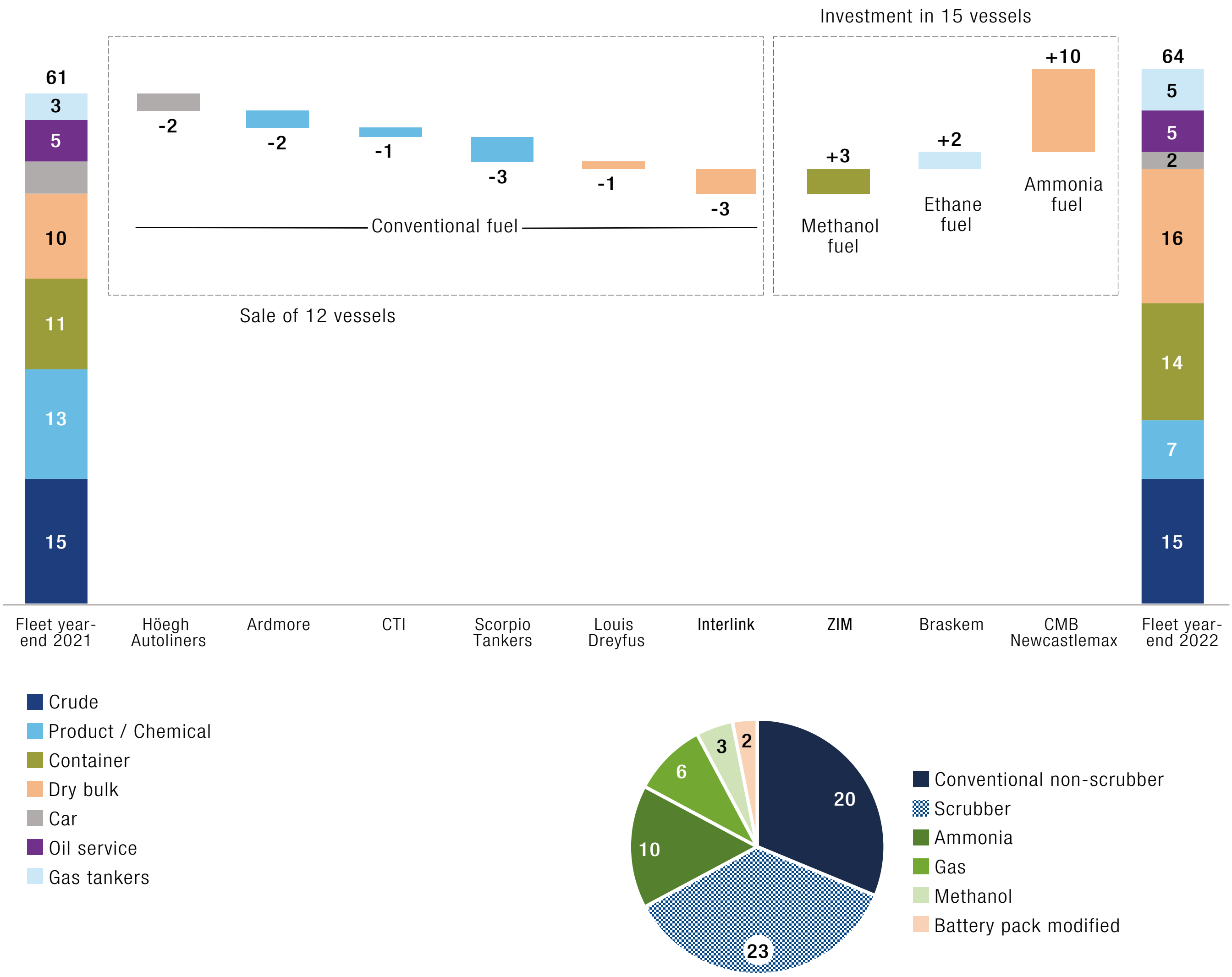
Amid the strength in several shipping segments, Ocean Yield has experienced that several purchase options have been declared. These options are typically declared for vessels that have passed its fifth anniversary or older. Sale of older vessels contribute to rejuvenate the Company's fleet, as capital is released enabling the Company to reinvest in new vessels with future-proof engine and propulsion technologies. The vessels in which the Company invested in 2022 is a testimony of the Company's strategy of facilitating the energy transition.

This strategy has resulted in a modern fleet of 70 vessels with an average age of only 4.9 years as of year end 2022[1], which is considered a young fleet relative to most shipping companies.

CONTINOUS RENEWAL OF THE FLEET

As a result of the structure of our charter agreements, Ocean Yield's fleet will continuously be renewed with older vessels being sold back to the charterers and the released capital being reinvested into modern and future-proof vessels. During 2022, a total of 12 vessels were sold, all of which used conventional fuel. During the year, the Company agreed to acquire up to 15 newbuildings, all of which are prepared for either methanol, ethane or ammonia as alternative fuel sources. These are steps towards making transportation more sustainable, in line with the 9th UN Sustainability Development Goal: Industry, Innovation and Infrastructure.

FLEET DEVELOPMENT THROUGH 2022[2]



[1]Purchase options for 6 vessels were declared as of year end 2022, with delivery in 2023.

[2]The fleet was 70 vessels as year end 2022, however purchase options for six vessels had been declared, not yet delivered

CASE STUDIES

AMMONIA-READY NEWCASTLEMAX VESSELS

In December 2022 the Company announced the investment in up to ten Newcastlemax dry bulk newbuildings with long-term bareboat charters to a subsidiary of CMB N.V. ("CMB"). CMB has partnered with one of the leading engine manufacturers, WinGD, in the development of an ammonia engine for the newbuildings, which was announced in January 2023. The ambition is that the newbuildings will be the first large dry bulk carriers to be powered by zero-carbon fuels. Using ammonia as fuel, the vessels will be able to reduce emissions significantly compared to conventional fuel. This transaction with CMB is a testament to Ocean Yield's strategy of partnering with clients with clear and outspoken green ambitions, through investments in modern vessels with future-proof engine technology.

LIQUEFIED ETHYLENE GAS CARRIERS WITH TRI-FUEL PROPULSION SPECIFICATION

In 2022, the Company announced the acquisition of 2x 36,000 cbm LEG carriers with long-term bareboat charters to Braskem S.A., a leading global petrochemical company. The vessels will be equipped with tri-fuel enigines enabling them to use various types of gas as fuel including LNG and ethane. The vessels are sister vessels to Ocean Yield's Gaschem Orca and Gaschem Beluga with similar engines, which are performing ahead of their Poseidon AER trajectories. The newbuldings are intended to be used in Braskem's own trade from Brazil to Mexico, backed by long-term offtake agreements.

METHANOL-READY 5,500 TEU CONTAINER VESSELS

During 2022, Ocean Yield announced the acquisitions of 3x 5,500 TEU container vessels to commence on long-term time charters to ZIM. The vessels will be methanol-ready, meaning that they will have the ability to be converterted to operate with methanol as fuel. Additionally, the vessels will have several modern technical specifications including waste heat recovery systems and IMO NOx Tier III compliant HP and LP SCR systems, catering for lower carbon emissions relative to comparable vessels on water. Carbon efficiency is proved through the preliminary attained EEDI score of 10.6, which is 13% lower than the EEDI phase 3 base line. The vessels will be operated by the reputable technical manager Wilhelmsen Ahrenkiel on behalf of the Company.

ENABLING LOW-CARBON SOLUTIONS WITH DUAL-FUEL TECHNOLOGY

Since 2016 our two ethylene gas carriers Gaschem Orca and Gaschem Beluga have successfully been powered by the unique MAN M-type gas-injection engines (ME-GIE) which enables the vessels to operate on almost any gas type, without reduction in efficiency. This dual-fuel capability has resulted in an AER in 2021 of 11.8 and 12.3, significantly lower than Poseidon's trajectory AER for the same vessel type at 12.6. The vessels are currently on bareboat charter to Hartmann Redereei in Germany and sub-chartered to Sabic, the Saudi Arabian petrochemical company, and mainly transport ethane derived from US shale gas to Europe.

The gas vessel Navigator Aurora is designed to use LNG as fuel in addition to conventional fuel. The ship is on a long-term bareboat charter to Navigator Holdings Ltd., transporting ethylene from the east coast of USA to Europe.

The 15,300 TEU container vessel, MSC Fatma, which was delivered in 2022 also has a dual-fuel engine, capable of operating on LNG. The vessel is owned 49.9% by Ocean Yield through Box Holding Inc., a joint venture with Quantum Pacific Shipping.

BATTERY POWERED PSVS

Ocean Yield's two platform supply vessels, NS Frayja and NS Orla, which are on bareboat charters to Aker BP, were modified in July 2020 with battery packs designed to reduce energy emissions while the vessels are operating on dynamic positioning. It is estimated that this innovative solution can decrease fuel consumption, costs and reduce CO_2 emissions by almost two tons annually for the two vessels combined. The energy storage system container is provided by Rolls-Royce.

CLIMATE RELATED RISK MANAGEMENT

Climate change related risks, most importantly transitional risk but also physical, can have significant future financial effects for Ocean Yield. We recognize this fact and climate related risks are covered in the Company's Risk Management Process.

The key risks related to climate change are related to potential new regulations to reduce greenhouse gas emissions further and introduction of new technologies that can make Ocean Yield's vessels less competitive in the market, and as a result materially affect the economic value of the vessels. Lower economic value of the vessels could increase counterparty risk and reduce the residual value of the vessels.

Ocean Yield seek to mitigating key climate risks through bareboat charter contracts, where the charterer in most instances are responsible for the vessel's compliance with environmental regulations. A further mitiating effort is that project economics is focused on the cash flow generated from the lease, rather residual value of the vessel, in order reduce exposure to potential loss of value from stricter regulation and technological improvements. We also believe that our strategy of investing solely in modern fuel-efficient vessels is a key risk mitigator.

PERFORMANCE DATA

With the exception of three newbuilding container vessels, all vessels in Ocean Yield's fleet are fixed on bareboat charter contracts. Consequently, Ocean Yield has limited operational control of the vessels. Ocean Yield has since the launch of the Poseidon Principles implemented requirements in new bareboat charters, requiring the counterparty to report to Ocean Yield with respect to our vessels in accordance with the principles. The Poseidon Principles were launched in 2019 and serves as a framework for creating common, global baselines that are consistent with and supportive of society's goals, including IMO's 2050 GHG reduction strategy. The principles are relevant for a broad group of financial institutions and will enable them to better align their portfolios with responsible environmental impacts. Relevant and available data is disclosed in this report, however, with one year delay.

The Poseidon Principles utilizes a carbon intensity metric known as the Annual Efficiency Ratio (AER). The metric is calculated using an approximation of the annual transport work performed by a ship, using the parameters of fuel consumption, distance travelled and design deadweight tonnage (DWT). AER is reported in unit grams of CO_2 per tonne-mile[3]. Ocean Yield's fleet has a weighted average AER of 5.87, which is in line with the Poseidon Principles trajectory AER for 2021 for the same fleet composition of 5.85.

The table below presents the CO_2 emissions of our fleet as reported to us by our counterparties. As part of our commitment to ESG it is important for us to be transparent and disclose the environmental impact of our assets. These emissions are beyond our direct operational control, and as such they represent our indirect scope 3 emissions as defined by the GHG protocol.

Metric	Unit	Performance 2021	Performance 2020	Performance 2019
Scope 1 emissions	Million Mt CO_2e	0.00	0.02	0.01
Scope 2 emissions	Million Mt CO_2e			0.00
Scope 3 emissions	Million Mt CO_2e	1.40	1.21	1.21
EEDI	gCO_2 per ton-nm	5.56	5.96	4.74
AER	gCO_2 per ton-nm	5.87	6.15	6.88
AER trajectory	gCO_2 per ton-nm	5.85	6.41	7.11

1) Scope 1 emissions include the operated vessel Connector which was sold in December 2020. The FPSO Dhirubhai-1 is excluded as this vessel is in lay-up and classified as discontinued operations. The vessel was sold in December 2021.

2) Scope 2 emissions are excluded as indirect emissions from energy related to office are insignificant compared to Scope 1 and Scope 3 emissions.

3) Scope 3 emissions includes 55 vessels owned in 2021 representing 91% of vessel book value. Vessels sold during the year and container vessels owned in the 49.9% owned joint venture Box Holdings Inc. was excluded due to no data. Vessels not yet delivered from yards have not been included.

4) Weighted average EEDI as per gross vessel values. Calculations were based on 53 vessels, including vessels owned in Joint Ventures.

5) Weighted average AER per gross asset value of 50 vessels. Vessels excluded are 6 container vessels owned 49.9% in a joint venture, oil-service vessels and vessels not yet delivered from the yard.

[3] gCO_2/dwt-nm

Our fleet has a relatively low average Energy Efficiency Design Index (EEDI). EEDI is an important technical measure and aims at promoting the use of more energy efficient equipment and engines and is expressed in grams of CO_2 per ship's capacity-mile. The CO_2 reduction level in the first phase is set to 10% and will be tightened every five years. Reduction rates have been established until the period 2025 and onwards when a 30% reduction is mandated for applicable ship types calculated from a reference line representing the average efficiency for ships built between 2000 and 2010.

Ships build after 1 January 2013 are required to meet the reference EEDI value for their ship type, therefore older ships do not have an EEDI value.

EEDI	AVG EEDI*
Bulk carrier	3.3
Chemical tankers	4.9
Container	9.1
Liquefied gas tankers	10.0
Oli tanker	2.6
Vehicle	10.3
Value weighted average	5.6

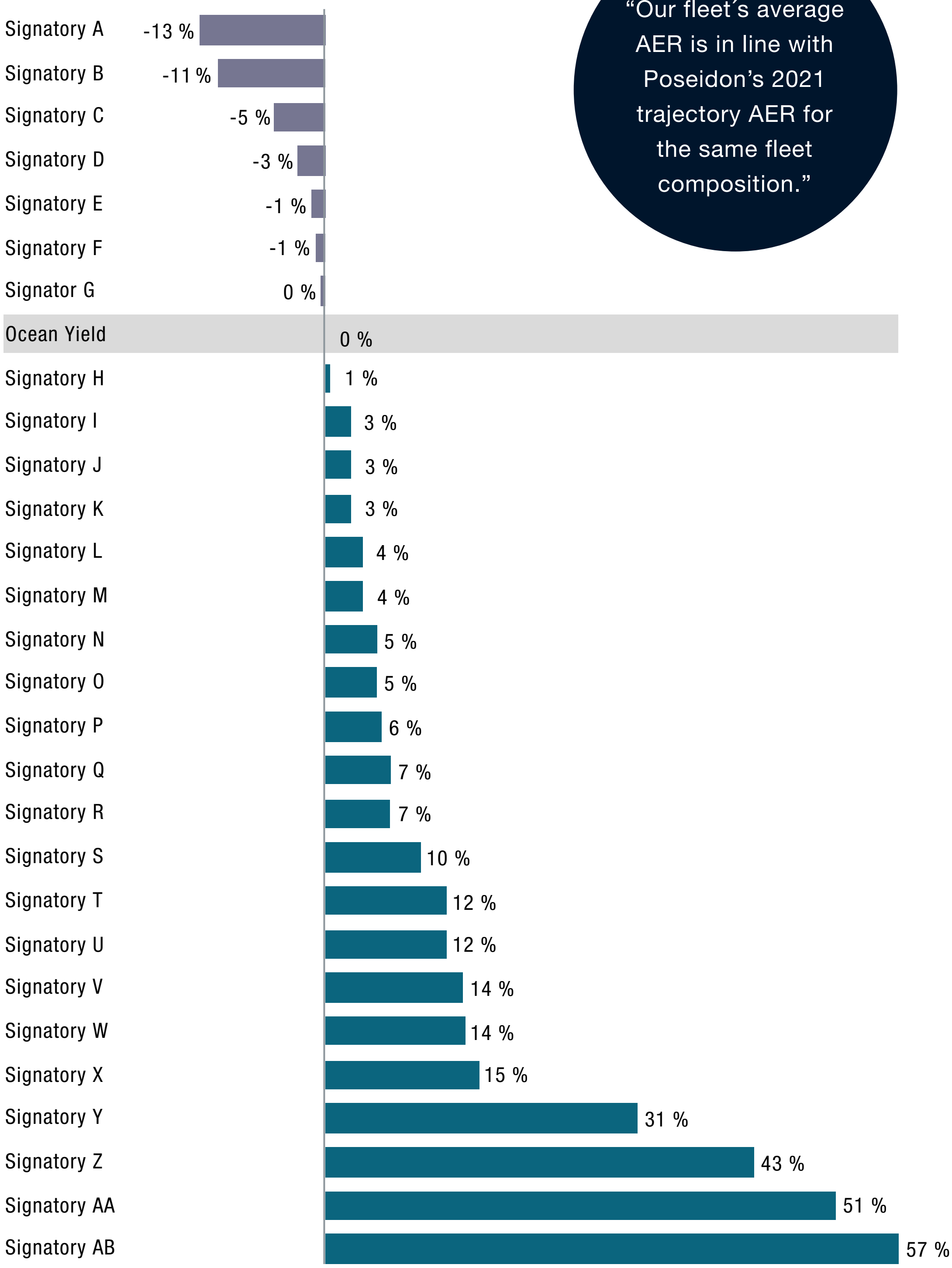
**The EEDI rating includes a total of 53 vessels. Vessels excluded in the statistics are oil-service vessels and certain vessels with no EEDI rating.*

RELATIVE PERFORMANCE

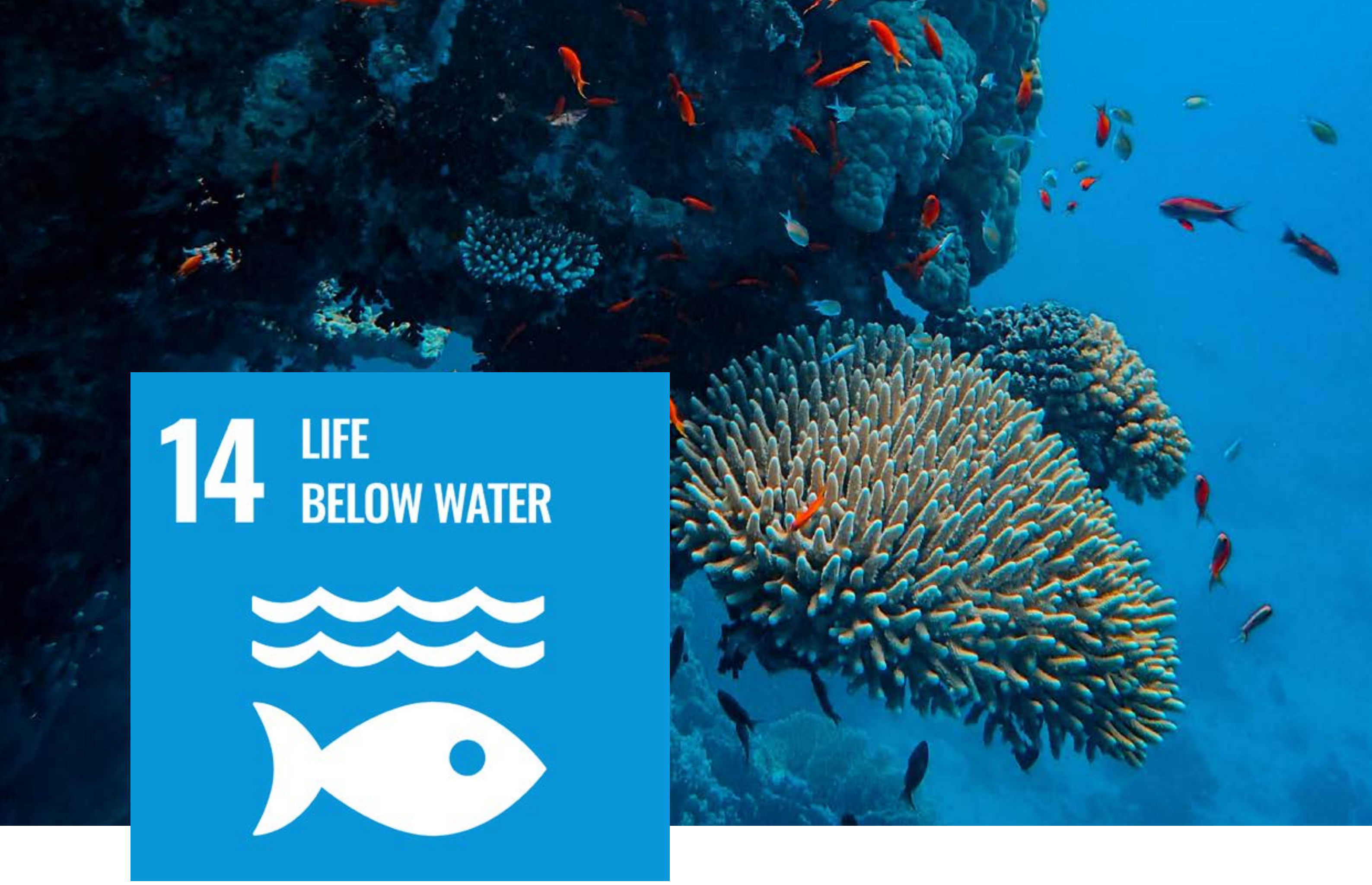
When comparing Ocean Yield's portfolio climate alignment score relative to the signatories of the Poseidon Principles performance in 2022 (for the year 2021), using the same methodology, we observe that Ocean Yield compares well against the performance of the global shipping banks with a score aligned with the Poseidon Pricinples' baseline.[4]

[4]*Source: Poseidon Principles, Annual Disclosure Report 2022*

Poseidon Principles performance vs. signatories



"Our fleet´s average AER is in line with Poseidon's 2021 trajectory AER for the same fleet composition."



A CONTRACTUAL OBLIGATION TO THE ENVIRONMENT

Ocean Yield supports the 14th UN Sustainability Development Goal to conserve and sustainably use the oceans, seas and marine resources for sustainable development.

Ocean Yield does not currently operate any vessels as all vessels are chartered out on long-term bareboat contracts to our clients. Ocean Yield's long-term charters are documented through bareboat charter contracts, which are based on the internationally recognized standard BIMCO 2001. Our bareboat charters have precise requirements for how the counterparty operating the vessels shall comply with international environmental regulations. The contracts place a legal responsibility on the counterparty for compliance with international conventions, codes, and regulations. Ocean Yield monitors the counterparties' fulfilment of these responsibilities closely.

The charter contracts also regulate that the vessels must be insured against oil spills and environmental incidents. This includes any incident in which environmentally sensitive material is released into the sea through a collision or similar, which would lead to a negative impact on the environment.

The contracts also regulate that the counterparty operating the vessel must have all relevant environmental permits in place relating to any environmentally sensitive material.

ENSURING RESPONSIBLE BALLAST WATER MANAGEMENT

The International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM Convention) requires ships to manage their ballast water to remove, render harmless, or avoid the uptake or discharge of aquatic organisms and pathogens within ballast water and sediments. All ships engaged in international trade are required to manage their ballast water to avoid the introduction of alien species into coastal areas, including exchanging their ballast water or treating it using an approved ballast water management system. The IMO BWM regulation requires that ballast water treatment systems are in place on all new vessels.

Ocean Yield has ballast water management systems in place for all vessels, with the exception of the Aker Wayfarer, as this vessel only conducts operations offshore Brazil.

RECYCLING OF VESSELS

The Company is committed to environmentally and socially responsible recycling of ships. Any vessels that are under Ocean Yield's control will be subject to responsible recycling according to the Hong Kong Convention as a minimum.

Many of our bareboat charters contain requirements towards Green Passports, which is a document prepared in accordance with the guidelines to the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, including the Guidelines for the development of the Inventory of the Hazardous Materials, listing all the potentially hazardous materials on board the Vessels.

Following the fire at Hoegh Xiamen on 4 June 2020, the vessel was declared a Total Loss. She was transported to an EU-recognized yard in Turkey for recycling. The recycling contract was entered into by Höegh Autoliners, under the supervision and at the cost of the insurers.

The direct exposure of the company towards recycling of vessels is considered low, based on a combination of a modern fleet and the fact that the vast majority of the leases includes mechanisms of purchase obligations, put options or attractively priced purchase options motivating charterers to acquire the vessels during, or at the end of the firm bareboat charter.

SOCIAL

> Ocean Yield’s employees are our most important resource and the drivers of the company’s success.

Our key activities demand a wide range of skills, and the Company relies on the competence and talent of our people to deliver on our strategic ambitions. In line with our Code of Conduct, Ocean Yield’s priorities are to maintain an inclusive environment, ensuring collaboration, continuous learning, and productivity. These priorities are supported within every business area to secure the well-being of our people.

DIVERSITY

Ocean Yield strives to achieve and maintain a diverse workforce by encouraging innovation, learning and understanding. As of year-end 2022, the Company is composed of 15 permanent employees located in Norway and Malta.

The Company aims to be an attractive employer for both new and existing employees. Our values are integrated with how we work, and we work to recruit talent that recognizes the same values. Throughout 2022 there were three new hires.

Ocean Yield believe that gender balance strengthens the Company and aim to secure an inclusive work environment where our employees can flourish. Women account for 40% of the workforce at year-end 2022, compared to 46% the year before. As of year-end 2022, the workforce consisted of 6 women and 9 men.

We are an equal opportunity employer and work to ensure an environment free of discrimination. All employees are treated equally regardless of gender, sexual orientation, disability, ethnicity, skin color, religion, or political opinions.

Ocean Yield has a zero-tolerance policy for harassment or degrading treatments in any form by or towards employees. According to work, position, and seniority, Ocean Yield has a compensation policy that ensures fair and equal compensation for all employees. Wages are market competitive, and the Company complies with the laws applicable in the countries where we are present. CEO and CFO compensation is disclosed in our annual report to secure transparency regarding wage levels.

We will continue to uphold our values of diversity and equality in all our endeavors and be transparent about our activities.

COMPETENCE

Continuous workforce development is essential for Ocean Yield’s growth and productivity. Given the small size of our employee base, our focus is specifically to increase development training on the job. Employees are encouraged to evolve and seek new knowledge. As part of our training and competency efforts and to keep our employees well informed, industry experts, product specialists, economists, and people with other relevant know-how from banks and other reputable firms are regularly invited to present and educate with the aim to provide our people with opportunities to develop their skillsets and talent.

Ocean Yield thrives on having a flat organizational structure and corporate culture, encouraging open feedback, communication, and cooperation. At least once a year, employees are subject to a performance review, in which they are also encouraged to voice opinions, concerns and make suggestions for improvements to learn and develop.

New employees are provided with the necessary training, guidance, and supervision. Additionally, all new employees have completed anti-corruption and business ethics training as part of their introduction and onboarding.

Focus on and awareness of compliance and business integrity as defined in the Code of Conduct is vital to ensure integrity in our work. New employees have to acquaint themselves with the Code of Conduct, as part of the onboarding process. Increasing competency and training on cyber security has been highlighted during this reporting year.

EMPLOYEE WELL-BEING

The safety and well-being of all our employees is our top priority. Ocean Yield has minimal operational control and responsibility of our assets, and our main activities are related to an office environment. Thus, the health and safety risk is considered to be low. During the past year, we had no fatalities or recordable injuries. Our goal is to have zero injuries, fatalities, and environmental incidents.

We work hard to accommodate employees to maintain a healthy work-life balance through flexible work hours, remote work possibilities, and stress management resources, among other initiatives. Sick leave rates remain low and have been reduced since the previous reporting year. We achieved a sick leave rate of 0.39% in 2022 compared to 0.65% in 2021.

For 2022 the retention rate was 80%, lower than in 2021 at 93%. The reduction in retention rate is broadly ascribed to organizational changes following the acquisition by KKR at the end of 2021. During 2022 Ocean Yield has been successful in attaining new talent to replace departing staff and headcount per end of 2022 was similar to end of 2021. The new employees have been onboarded to the company during the year. An offsite event was arranged during 2022 where all current employees of the Company attended.

Ocean Yield is continuously working to uphold and adjust people processes to provide our employees with the resources they need to maintain a healthy and productive work environment.

FREEDOM OF ASSOCIATION

Ocean Yield promotes a responsible employment environment and respects universal principles and norms that protect labor rights. This includes respecting the freedom of association and the freedom to conduct collective negotiations. Ocean Yield is against any form of child labour.

SOCIAL CONTRIBUTIONS

STIFTELSEN VI

Ocean Yield supports the foundation "Stiftelsen VI". Established in 2018, "Stiftelsen VI" works to ensure that persons with disabilities are given the same opportunities to a dignified life as non-disabled persons.

Studies show that many people suffering from a disability experience a reduction of quality of life, inferior health condition, and higher isolation levels. The living conditions survey published by Statistics Norway shows that there is a significant gap in the opportunities provided between non-disabled persons and persons living with a disability. "Stiftelsen VI" seeks to address this vital issue. Through motivation, promoting, and providing an arena for fellowship in sports and physical activity, the foundation aims to give persons with disabilities an increased sense of achievement and purpose - promoting equality through providing equal opportunities to function and perform.

THE SEAFARERS' CHARITY

Ocean Yield supports the Seafarers International Relief Fund, a charitable fund to respond to emergencies affecting seafarers and their families. The fund is now supporting seafarers and their families impacted by the humanitarian disaster caused by the crisis in Ukraine. The fund is overseen by The Seafarers' Charity.

ZIBEL

Ocean Yield supports the non-governmental organisation Zibel in Malta. Zibel was established in 2017 with the aim of reducing the overall waste generated in Malta and restoring the natural sea environments to their most natural states. Zibel is a local NGO focused on cleaning the seabed around the shore of the Maltese Islands. Ocean Yield has provided Zibel with marine underwater scooters to facilitate the location and transportation of plastic waste and ghost nets. During 2022 Zibel has collected 22 tons of plastic and metal and 40 ghost nets.

ST JEANNE ANTIDE FOUNDATION

St Jeanne Antide Foundation works within the Maltees community to help families that are in need of assistance, being domestic abuse, family crisis, poverty, and psychological help. Ocean Yield has made donations to the foundation during 2022.

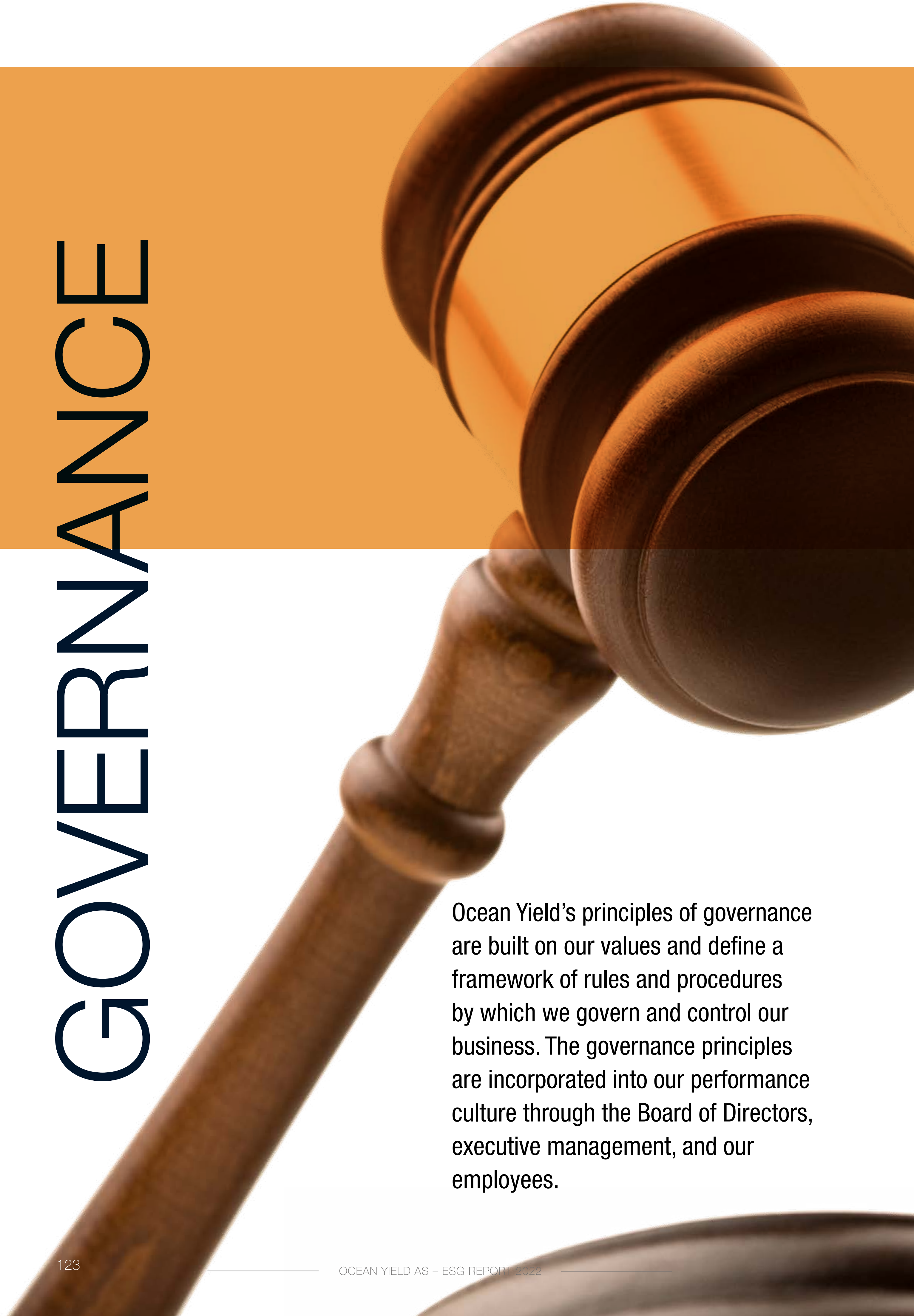
MENTAL HEALTH ASSOCIATION

Mental Health Association on Malta help whoever is in need of mental health assistance, the requests to this NGO have increased substantially during the covid pandemic. Ocean Yield has made donations to the foundation during 2022.

THE SOUP KITCHEN

The Soup Kitchen is a Maltees NGO that offers a hot meal to whoever walks in, together with the availability of showers, councilors, and laundry facilities. They hand out approximately 100 meals a day, they are there for whoever needs their help. Ocean Yield has made donations to the foundation during 2022.

GOVERNANCE



Ocean Yield's principles of governance are built on our values and define a framework of rules and procedures by which we govern and control our business. The governance principles are incorporated into our performance culture through the Board of Directors, executive management, and our employees.

> Ocean Yield does not tolerate any form of corruption and will make active efforts to ensure that this does not occur in the Company's business activities.

Ocean Yield is committed to a credible and robust approach to ESG and this is an integrated part of our investment decision-making process and day-to-day operation. We focus on the integration of sustainability into our daily operations and business decisions and cement our commitment to good governance, a good working environment, environmental and climate responsibility, diversity and inclusion, and ethical business conduct.

COMPLIANCE

Ocean Yield's corporate governance principles are in accordance with the Norwegian Accounting Act §3-3b.

OUR CODE OF CONDUCT

Ocean Yield's vision and core values are designed to cultivate and refine a corporate culture in which people deliver strong results in a responsible manner, which is reflected in our Code of Conduct that all employees are expected to follow. Our Code of Conduct is available in English and published in full on our website.

The Code of Conduct covers a wide range of essential topics, including, but not limited to:

- Working environment
- Corruption and bribery
- Conflicts of interests
- Insider trading
- Relations to suppliers

All employees are trained in the contents of the Code of Conduct, and the document is signed by all new employees when joining the Company. The Code of Conduct is reviewed annually.

We apply zero-tolerance management to violations of our Code of Conduct. Under our whistleblower procedure, most (potential) violations are reported to and dealt with by line management. If this is not considered appropriate, complaints can be reported directly to our Board of Directors, or through our whistleblower hotline available on the company website.

Reports received through the integrity channel are initially received and handled by an independent third party; PwC Law. PwC is dedicated to maintaining high ethical standards and handles all submissions confidentially.

ANTI-CORRUPTION

Ocean Yield does not tolerate any form of corruption and will make active efforts to ensure that this does not occur in the Company's business activities. Ocean Yield's Anti-corruption Policy contains principles on relevant issues such as bribes, gifts, services, and other forms of corruption and is available in full on our company website. Per the date of the publication of this report, Ocean Yield is not aware of any incidents or allegations of corruption in 2022.

The risk of corruption incidents has been considered to be low. Ocean Yield makes investments in vessels and have a small number of suppliers as vessel operations are managed by our clients.

SANCTIONS

Ocean Yield is obligated to comply with any sanctions set by relevant sanctions authorities such as the Norwegian State, the United Nations, the European Union, the United States of America, and any authority acting on behalf them in connection with sanctions. Ocean Yield's charterparties and loan agreements contain sanction clauses that include applicable laws, regulations or orders concerning any trade, economic or financial sanctions or embargoes.

BOARD OF DIRECTORS

Following the privatization of Ocean Yield in December 2021, a new board of Directors was elected. The Board of Directors currently consists of four members, two key individuals from KKR and two members from executive management in Ocean Yield. The CEO and executive management staff report directly to the Board of Directors on a frequent basis.

RISK AND OPPORTUNITY MANAGEMENT

Ocean Yield's risk management process shall identify potential threats and opportunities to develop a strategy for minimizing or eliminating risks and capturing business opportunities. This process is included in our overall business processes. It includes ESG, particularly regarding climate risks and opportunities, such as stricter climate and environmental regulations, changing stakeholder expectations, EU Taxonomy developments, and new technologies. The risk management process includes:

- Definition of business goals and identification of risks
- Risk assessment and mitigation
- Risk reporting, monitoring, and improvement

The risk assessments and related actions are reported and reviewed by the Board of Directors on a frequent basis.

REPORTING TO STAKEHOLDERS

Ocean Yield will communicate relevant business information in an accurate and timely manner to our stakeholders and employees. Ocean Yield is committed to providing the financial markets with quality information on the financial and operational status of the company, enabling investors in our bond loans and analysts to maintain a correct picture of the financial situation, ESG risks and opportunities/challenges we face in the future. Ocean Yield will provide accurate disclosures and information to the financial markets according to all relevant laws and regulations for companies with listed bonds on the Oslo Stock Exchange.

MANAGEMENT INCENTIVES

The management incentive system's primary purpose for management remuneration is to stimulate a strong and long-lasting profit-oriented culture leading to an increasing value of the Company over time. The CEO, CFO, and other key employees are entitled to a variable salary, where part of this is discretionary based on certain KPIs. In addition, management has invested alongside KKR in a management equity plan, incentivizing management to increase the long-term value of the Company. Remuneration to the Board of Directors and the fixed and variable salary of Ocean Yield's CEO and CFO is presented in note [23] of the Annual report.

More information on our Corporate governance on www.oceanyield.no

RESPONSIBLE BUSINESS CONDUCT

Ocean Yield is committed to ethical and responsible business conduct, which we regard as a prerequisite to maintaining public trust in the company.

Ocean Yield chooses its counterparts carefully and strives to work with partners that share its values and have zero tolerance for corruption, bribery, and unethical behavior. Ocean Yield does not tolerate any form of corruption and actively ensures that this does not occur in its business activities. Ocean Yield's Code of Conduct and Anti-corruption Policy contains principles on relevant issues such as bribes, gifts, services, and other forms of corruption. Ocean Yield has strict restrictions against any forms of anti-competitive practices and contractual requirements related to sanctions and restricted parties.

Ocean Yield maintains business processes, training, and controls to implement and uphold its Code of Conduct.

Ocean Yield has not incurred any monetary losses due to legal proceedings associated with bribery or corruption in 2022 or any years prior.

INSIDER TRADING

Ocean Yield is subject to several laws concerning the purchase and sale of publicly traded securities. The Company's employees and their close family members must refrain from trading securities while possessing material, non-public information relating to the Company or any other company where Ocean Yield directly or indirectly has ownership interests. Directors, officers, and other personnel defined as primary insiders are subject to various reporting and insider trading requirements.

LOBBYING

Ocean Yield maintains a neutral position on party politics and will not support, financially or otherwise, any party or its candidates. Ocean Yield has not participated in any form of lobbying.

TAX

Ocean Yield pays taxes under the ordinary tax schemes in Norway and Malta, as per the applicable rules and requirements.

THE TRANSPARENCY ACT

Ocean Yield respects fundamental human rights, provides decent working conditions and is committed to the health, safety and security of its employees, contractors and the communities in which the Company operates. The Norwegian Transparency Act, which entered into force on 1 July 2022, requires the Company to report on how it ensures compliance with fundamental human rights and decent working conditions in its operations, in its supply chain and with its business partners. The Company will disclose in accordance with the Norwegian Transparency Act requirements on its website by the deadline date of 30 June 2023

WHISTLEBLOWER PROGRAM

Ocean Yield has established a whistleblower channel where employees and others can raise concerns about improper activities or misconduct and report instances of potential non-compliance with our values without fear of retaliation. Such improper activities or misconduct may include HSE violations, harassment, insider trading, money laundering, fraud, bribery and kickback arrangements, or other breaches of Ocean Yield's Code of Conduct.

Ocean Yield's employees are encouraged to first discuss any compliance matters internally with their immediate supervisor or another member of senior management. If such measures are not appropriate or sufficient, complaints may be reported through the independent whistleblower channel, and an independent third party, PwC Law, will be processing the reports. PwC is dedicated to maintaining high ethical standards and handles all submissions confidentially.

In 2022 or prior years, no cases have been reported through the whistleblower channel or directly to management

ABOUT THIS REPORT

In this section, we outline the principles, boundaries, and scope of our ESG reporting and how we see ESG as a vital part of Ocean Yield's reporting to our stakeholders.

REPORTING STANDARDS

This report contains disclosures from the World Economic Forum's efforts to develop a core set of standard sustainability metrics and the Norwegian Shipowners' Association Guidelines on ESG reporting in the shipping and offshore industries. We also use reporting guidance from Euronext and selected recommendations from the Task Force on Climate-related Financial Disclosures.

BOUNDARIES AND SCOPE

Ocean Yield has no operational control of most of its vessels as almost all are fixed on long-term bareboat charters to reputable clients around the world. Our clients are responsible for the operations of the vessels, and we therefore classify the emissions as indirect emissions (Scope 3). We do, however strive to be transparent concerning the availability of data and reporting boundaries.

- CO_2 emissions from our vessels are included on a 100% basis to the extent our counterparties have provided the data. According to the GHG protocol, these emissions are beyond our operational control and are reported as indirect scope 3 emissions. Emission data for our vessels in this report are for 2021 as 2022 emissions are not available until after our clients submit the data to the IMO data collection system (IMO DCS), expected in Q3 2023.

- Scope 2 emissions related to electricity consumption are not included in this report as this is considered immaterial.

- We do not report safety data for our vessels as we do not have access to the data. Our clients are responsible for the operations.

- The Company previously owned an FPSO that was sold during Q4 2021. This vessel was not in operation and moored in a fixed position with a small crew during 2021. Therefore, environmental and safety data from this vessel is not included in this report.

- Our workforce data does not include temporary employees or contractors.

DEFINITIONS AND ASSUMPTIONS

AER	Annual Efficiency Ratio. The metric is calculated using an approximation of the annual transport work performed by a ship, using fuel consumption parameters, distance traveled, and design deadweight tonnage (DWT). AER is reported in unit grams of CO_2 per tonne-nautical mile.
BIMCO	Baltic and International Maritime Council
BWM	Ballast Water Management
CO_2-e	CO_2 equivalents
CoC	Code of Conduct
DWT	Deadweight Tonnage
EEDI	Energy Efficiency Design Index. A technical measure that aims at promoting the use of more energy efficient (less polluting) equipment and engines. EEDI requires a minimum energy efficiency level per capacity mile (e.g. tonne mile) for different ship types and size segments. Since 1 January 2013, following an initial two-year phase zero, new ship design needs to meet the reference level for their ship type.
ESG	Environment Social and Governance
IMO	International Maritime Organization
NM	Nautical mile
NUES	Norwegian Code of Practice for Corporate Governance
OCY	Ocean Yield
Poseidon Principles	The Poseidon Principles were launched in 2019 by several financial institutions and serve as a framework for creating common, global baselines that are consistent with and supportive of society's goals, including IMO's 2050 GHG reduction strategy.
SO_2	Sulfur dioxide
TCFD	Taskforce for Climate-related Financial Disclosures
The Taxonomy	EU Taxonomy for sustainable activities
WEF	World Economic Forum

Except for climate performance data, the information in this report represents the reporting period 01.01.2022 – 31.12.2022. The climate performance data AER and CO_2 represents the reporting period 1.1.2021 – 31.12.2021 for vessels owned by Ocean Yield in that period but excluding the container vessels owned 49.9%. The EEDI data excludes the five oil-service vessels, three car carriers, and vessels not yet delivered from the yard. All climate performance data, including AER, represent the reporting period 01.01.2021 – 31.12.2021 for vessels owned by Ocean Yield in that period, but excluding container vessels owned 49.9% and five oil-service vessels. Information used to calculate climate performance, such as distance travelled and fuel use by fuel type are provided by our counterparts. Ocean Yield follows the Greenhouse gas protocol definitions for emissions. Ocean Yield uses the emissions factors per fuel type provided by IMO in Resolution MEPC.245(66) Climate performance is calculated for 100% of the asset value of our owned vessels unless otherwise stated.

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