



Q2
2023



OCEAN YIELD

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SECOND QUARTER AND FIRST HALF YEAR RESULTS 2023

Fornebu, 23rd August 2023, Ocean Yield AS (“Ocean Yield” or the “Company”) announces results for the second quarter and first half year of 2023.

HIGHLIGHTS

- EBITDA for Q2 2023 was USD 59.1 million and EBITDA adjusted for finance lease effects was USD 86.5 million.
- Net profit for Q2 2023 was USD 27.7 million.
- Strong balance sheet, with an equity ratio of 31.1% and USD 115.9 million in cash.
- Signed an agreement to acquire four LR1 newbuilding product tankers with sustainability-linked long-term bareboat charters to Braskem S.A..
- Agreement with CMB N.V. that the final transaction scope for the Newcastlemax transaction announced on 6 December 2022 will be eight or nine vessels.
- During the quarter, Ocean Yield repurchased another USD 42.3 million of its hybrid perpetual bonds, OCY06.
- An active quarter on the financing side, with refinancing and upsizing of several loan agreements, at attractive terms.
- The EBITDA charter backlog at the end of Q2 2023 was USD 3.9 billion with an average remaining contract duration of 9.8 years.

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

“Ocean Yield delivers another strong quarter, where the results were positively impacted by one-off gains related to vessel sales. During the quarter, we signed our first sustainability-linked lease for four newbuilding product tankers with Braskem S.A.. I am pleased to see that Ocean Yield, through partnering with clients that share our vision, is continuing to play an active role as facilitator for the decarbonisation of the maritime industry.”

KEY FIGURES

	1st Quarter	2nd Quarter	2nd Quarter	Jan - Jun	Jan - Jun	Jan - Dec
<i>Amounts in USD million</i>	2023	2023	2022	2023	2022	2022
Revenues and other income	61.0	61.8	47.1	122.8	90.9	197.3
EBITDA*	58.1	59.1	45.3	117.1	86.4	187.0
EBITDA adjusted for finance lease effects*	87.4	86.5	73.6	173.8	142.0	301.9
Net profit (loss) for the period	23.0	27.7	24.6	50.7	46.8	91.2
Equity ratio	30.5 %	31.1 %	29.9%	31.1 %	29.9 %	30.3 %
EBITDA charter backlog (USD bn)*	3.7	3.9	3.4	3.9	3.4	3.8

* Definitions on page 19

MAIN EVENTS DURING THE SECOND QUARTER AND POST QUARTER END

New investments

- After quarter end, Ocean Yield signed its inaugural sustainability-linked lease and agreed to purchase four LR1 product tankers, to be constructed at Guangzhou Shipyard International (GSI) in China. The vessels will be built with a design enabling them to be converted to dual-fuel operation with methanol as fuel. Upon delivery (in 2026 and 2027), the vessels will commence 15-year bareboat charters to guaranteed subsidiaries of Braskem S.A.. The bareboat charter rate will have a variable element linked to the respective vessel's actual carbon emissions, incentivizing the charterer to keep emissions low. To the Company's knowledge, this is the first sustainability-linked transaction in the maritime leasing market.

Funding

- During the quarter, Ocean Yield has refinanced two chemical tankers at improved terms and the facility has been upsized with USD 13 million. The loan facility has a tenor of 3 years.
- Two loan agreements related to six tankers were upsized with a positive liquidity effect of USD 46 million.
- During the quarter, the Company has signed a loan agreement for the long-term financing of the two LEG newbuilding vessels with long-term bareboat charters to Braskem S.A.. The loan facility has a tenor of 10 years from delivery of the vessels.
- During the quarter, the Company repurchased USD 42.3 million of its hybrid perpetual bond OCY06. Following these transactions, the Company holds USD 81.5 million in OCY06 where the total nominal outstanding amount is USD 125 million.
- After quarter end, the Company has signed a loan agreement with improved terms, for the refinancing of the two AHTS vessels that will commence bareboat charters with Viking Supply Ships AB.

Portfolio update

- During the second quarter, the Company agreed with CMB that the final transaction scope for the Newcastlemax transaction announced 6 December 2022 will be eight or nine vessels.
- During the quarter, a purchase option was declared for *Navig8 Precision*, which is held in a 50% owned JV. Also, a purchase option was declared for *Interlink Amenity*. After quarter end, a purchase option was declared for the Suezmax tanker *Milos*.

The *Navig8 Precision*, *Interlink Amenity* and *STI Supreme* will be delivered in Q3 2023 while *Milos* is expected to be delivered to its new owners in Q1 2024.

- The vessels *Höegh Trapper*, *Hafnia Turquoise* and *STI Steadfast* were delivered to its new owners during the quarter following previously declared purchase options.

Dividends

- The Board of Directors has not declared a dividend for Q2 2023.

SECOND QUARTER FINANCIAL REVIEW

Profit and Loss

- **Total revenues and other income** for Q2 2023 were USD 61.8 million compared with USD 61.0 million for Q1 2023.
- **Operating lease revenue** was USD 16.5 million compared with USD 18.8 million in Q1 2023. Operating lease revenue was reduced following the sale of *Höegh Tracer* and *Höegh Trapper* in Q1 and Q2 2023, respectively.
- **Finance lease revenue** was USD 33.6 million in Q2 2023, which was in line with the first quarter.
- **Income from investments in associates**, which is related to vessels owned in joint ventures, was USD 5.0 million, compared with USD 5.4 million in Q1 2023.
- **Other income** was USD 6.8 million in Q2 2023 and is mainly related to vessel sales and the Newcastlemax newbuildings.
- **Operating profit** was USD 53.0 million in Q2 2023 compared with USD 51.5 million in Q1 2023.
- **Net financial items** were negative USD 24.7 million in Q2 2023 compared with negative USD 27.8 million in Q1 2023. The net decrease compared to the first quarter is mainly related to debt repayments following vessel sales and increase in interest income.
- **Net profit for** Q2 2023 was USD 27.7 million compared with a net profit for the period of USD 23.0 million in Q1 2023.

Balance sheet

- **Cash & cash equivalents** at the end of Q2 2023 were USD 115.9 million, compared with USD 113.2 million at the end of Q1 2023.
- **Book equity** was USD 663.6 million at the end of Q2 2023, compared with USD 676.8 million at the end of Q1 2023. The reduction is mainly related to the buy-back of the OCY06 (the hybrid perpetual bond), which is accounted for as equity. The equity ratio was 31.1% at the end of the quarter.
- **Total interest bearing debt** was USD 1,415.7 million at the end of Q2 2023 compared with USD 1,475.7 million in Q1 2023.

Cash flow

- **Net cash flow from operating activities** was USD 41.9 million in Q2 2023 compared with USD 70.1 million in Q1 2023. The reduction compared to Q1 2023

was mainly due to a positive foreign exchange gain realised in connection with the NOK denominated bond repayment in Q1, in addition to positive working capital changes in the previous quarter.

- **Net cash flow from investing activities** was USD 70.6 million compared with USD 65.3 million in Q1 2023. This is mainly related to proceeds from sale of vessels, which were USD 108.3 million and USD 34.9 million of payments related to the Company's newbuilding program.
- **Net cash flow from financing activities** was negative USD 105.5 million compared with negative USD 142.5 million in Q1 2023. The figures in Q2 2023 are mainly related to proceeds from issuance of debt, repayments of long term interest-bearing debt and repurchase of hybrid capital.

YEAR TO DATE FINANCIAL REVIEW

- **Total revenues and other income** for the first half 2023 were USD 122.8 million compared with USD 90.9 million in the first half of 2022.
- **Depreciation** was USD 12.6 million, compared with USD 14.7 million in the first half of 2022.
- **Operating Profit** was USD 104.5 million as compared with USD 71.7 million for the first half of 2022.
- **Financial Income** was USD 5.3 million in the first half of 2023 compared with USD 0.9 million in the first half of 2022. Financial income is mainly related to interest income on cash deposits and provided predelivery financing and guarantee fees related to joint-ventures.
- **Financial expenses** were USD 56.6 million compared with USD 27.3 million in the first half of 2022.
- **Foreign exchange losses** were USD 13.5 million in the first half 2023 compared with gains of USD 17.3 million in the first half of 2022, mainly driven by change in the USD/NOK exchange rate impacting the NOK denominated bond loans.
- **Change in fair value of financial instruments** was positive USD 12.3 million compared with a negative movement of USD 14.0 million in the first half of 2022. The movement in the first half of 2023 is mainly related to change in the USD/NOK exchange rate.
- **Net profit** was USD 50.7 million for the first half of 2023 compared with USD 46.8 million for the first half of 2022.

Cash flow

- **Net cash flow from operating activities** was USD 111.8 million compared with USD 119.7 million for the first half 2022.
- **Net cash flow from investing activities** was positive USD 135.9 million compared with negative USD 14.3 million in the first half 2022. The net cash flow from investing activities in the first half of 2023 was mainly

driven by vessel sales and investments in the Company's newbuilding program.

- **Net cash flow from financing activities** was negative USD 248.0 million compared with negative USD 74.7 million in the first half 2022. The figure in the first half 2023 is mainly due to proceeds from issuance of new debt of USD 262.2 million, repayment of bank and bond debt of USD 418.1 million in total, repurchases and dividends on hybrid capital of USD 87.8 million.
- **Net change in cash and cash equivalents** was negative USD 0.2 million in the first half 2023.

CHARTER BACKLOG

The EBITDA charter backlog at the end of Q2 2023 was USD 3.9 billion with an average remaining contract duration of 9.8 years. This includes Ocean Yield's pro-rata interest in vessels owned in joint ventures and the repayment of finance lease element for those charters classified as finance lease under IFRS, in addition to purchase obligations and declared options. The total fleet, counted 64 vessels at the end of the second quarter, which included wholly and partly owned vessels and vessels under construction. The EBITDA charter backlog and contract duration stated above assumes a transaction scope of 8 vessels for the Newcastlemax transaction announced on 6th December 2022 and 26th May 2023.

RISKS

The Company's fleet is predominantly fixed on long-term bareboat charters with a floating interest rate component, this reduces the exposure to underlying charter rates. However, for two AHTS vessels the Company is exposed to volatility in market rates, as these vessels are trading on variable, market related rates in a pool with Solstad Offshore ASA until the vessels are delivered to the new charterer, Viking Supply Ships AB, expected in the second half of 2023.

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

For a more detailed description of risk factors, please refer to the annual report for 2022, which is available on www.oceanyield.no.

OUTLOOK

Ocean Yield continues to actively evaluate new investments in vessels with long-term charters, further enhancing the visibility and stability of our backlog and cash flow.


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

BÆRUM, 23RD AUGUST 2023
OCEAN YIELD AS


VINCENT POLICARD
CHAIRMAN


BERNARDO NOGUEIRA
DIRECTOR


EIRIK EIDE
DIRECTOR


ANDREAS RØDE
DIRECTOR AND CEO

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DIRECTOR'S RESPONSIBILITY STATEMENT

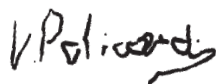
Today, the Board of Directors and the company's Chief Executive Officer reviewed and approved the interim financial report and the unaudited condensed interim consolidated financial statements for the second quarter and the first half year of 2023. The interim, condensed, consolidated financial statements have been prepared and presented in accordance with IAS 34 Interim Financial Reporting as endorsed by the EU, and the additional requirements found in the Norwegian Securities Trading Act.

To the best of our knowledge:

The interim, condensed, consolidated financial statements for the second quarter and the first half of 2023 have been

prepared in accordance with applicable accounting standards. The interim, condensed, consolidated financial statements provide a true and fair picture of the Company's assets, liabilities, financial position, and profit as of 30th June 2023. The interim financial report for the first six months of 2023 also includes a fair overview of the development and performance of the business, and it provides a true and fair description of the most important risks and uncertainties the group may face.

BÆRUM, 23RD AUGUST 2023
OCEAN YIELD AS



VINCENT POLICARD
CHAIRMAN



BERNARDO NOGUEIRA
DIRECTOR



EIRIK EIDE
DIRECTOR



ANDREAS RØDE
DIRECTOR AND CEO

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

<i>Amounts in USD million</i>	Note	1st Quarter 2023	2nd Quarter 2023	2nd Quarter 2022	Jan - Jun 2023	Jan - Jun 2022	Jan - Dec 2022
Operating lease revenue		18.8	16.5	17.7	35.3	34.3	68.9
Finance lease revenue		33.6	33.6	23.7	67.2	45.6	106.3
Income from investments in associates		5.4	5.0	4.4	10.4	9.6	18.0
Other income		3.2	6.8	1.4	9.9	1.4	4.2
Total revenues and other income	5	61.0	61.8	47.1	122.8	90.9	197.3
Vessel operating expenses		-	-	-	-	0.0	0.0
Administrative expenses		(2.9)	(2.7)	(1.8)	(5.7)	(4.5)	(10.4)
Depreciation and amortisation	7	(6.6)	(6.1)	(7.4)	(12.6)	(14.7)	(27.8)
Operating profit		51.5	53.0	38.0	104.5	71.7	159.2
Financial income		2.2	3.1	0.5	5.3	0.9	3.7
Financial expenses		(28.9)	(27.7)	(14.9)	(56.6)	(27.3)	(72.3)
Foreign exchange gains/losses		(7.1)	(6.3)	18.7	(13.5)	17.3	15.7
Change in fair value of financial instruments	6	6.0	6.3	(16.7)	12.3	(14.0)	(12.7)
Net financial items		(27.8)	(24.7)	(12.4)	(52.5)	(23.1)	(65.6)
Net profit before tax		23.6	28.3	25.6	52.0	48.6	93.6
Income tax expense		(0.6)	(0.7)	(0.9)	(1.3)	(1.9)	(2.4)
Net profit for the period		23.0	27.7	24.6	50.7	46.8	91.2
Attributable to:							
Equity holders of the parent		19.4	25.1	22.3	44.5	42.2	80.7
Dividends on hybrid capital		3.6	2.6	2.4	6.2	4.6	10.5
Net profit for the period		23.0	27.7	24.6	50.7	46.8	91.2

CONDENSED CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

<i>Amounts in USD million</i>	1st Quarter 2023	2nd Quarter 2023	2nd Quarter 2022	Jan - Jun 2023	Jan - Jun 2022	Jan - Dec 2022
Net profit for the period	23.0	27.7	24.6	50.7	46.8	91.2
Items that are or may be reclassified to the income statement						
Share of other comprehensive income from investment in associates	(7.6)	6.2	10.5	(1.5)	29.8	42.2
Total for items that are or may be reclassified to the income statement	(3.5)	6.2	10.5	(1.5)	9.8	42.2
Total change in other comprehensive income, net of income tax	(3.5)	6.2	19.3	(1.5)	9.8	42.2
Total comprehensive income for the period	17.6	33.8	43.9	49.2	72.9	133.4
Attributable to:						
Equity holders of the parent	13.9	31.2	41.5	43.0	68.3	123.0
Dividends on hybrid capital	3.6	2.6	2.4	6.2	4.6	10.5
Total comprehensive income for the period	17.6	33.8	43.9	49.2	72.9	133.4



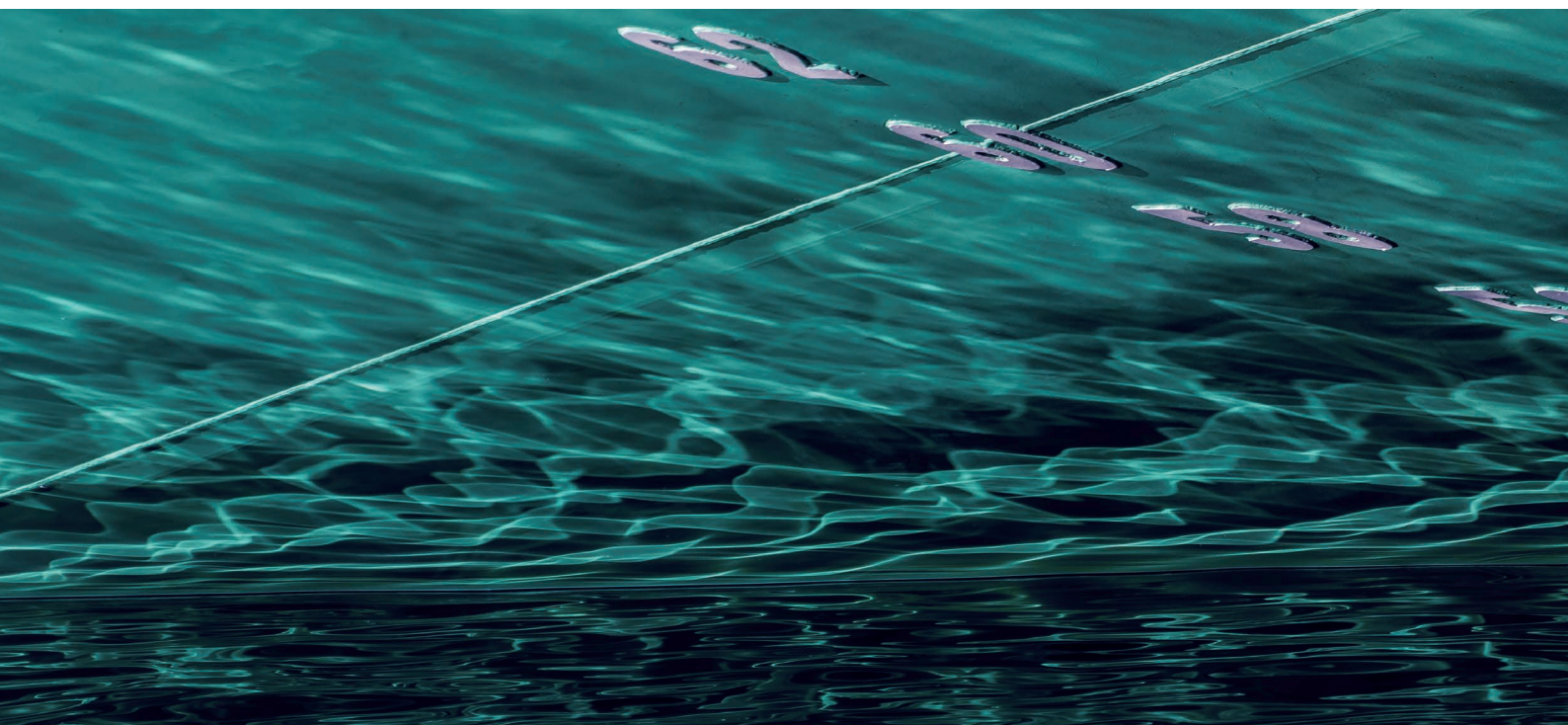
CONDENSED CONSOLIDATED BALANCE SHEET

<i>Amounts in USD million</i>	Note	31 March 2023	30 June 2023	30 June 2022	31 December 2022
ASSETS					
Vessels and equipment	7	419.7	363.4	488.7	475.4
Newbuildings	10	82.9	101.0	-	56.2
Investments in associates	9	188.3	191.9	174.3	190.5
Finance lease receivables	8	1 090.1	1 052.8	1 297.1	1 113.8
Restricted cash deposits		3.1	4.2	11.7	13.1
Other non-current assets		66.1	52.6	2.2	65.5
Total non-current assets		1 850.2	1 766.0	1 974.1	1 914.4
Finance lease receivables	8	254.1	209.5	195.0	287.5
Trade and other current assets		3.2	45.3	4.2	4.7
Cash and cash equivalents		113.2	115.9	150.3	121.9
Total current assets		370.5	370.8	349.5	414.0
Total assets		2 220.7	2 136.8	2 323.6	2 328.5
EQUITY AND LIABILITIES					
Share capital		271.0	271.0	271.0	271.0
Other paid-in capital		128.0	128.0	168.0	128.0
Total paid-in capital		399.0	399.0	439.0	398.9
Retained earnings and other reserves		192.1	221.2	131.6	182.5
Total equity attributable to equity holders of the parent		591.1	620.2	570.6	581.4
Hybrid capital		85.7	43.5	125.0	125.0
Total equity		676.8	663.6	695.6	706.4
Interest-bearing debt	11	1 281.4	1 237.8	1 309.8	1 226.0
Deferred tax liabilities		8.8	9.4	8.5	8.4
Other non-current liabilities		9.0	8.2	2.2	8.9
Fair value of derivatives	6	14.3	1.8	14.4	14.6
Total non-current liabilities		1 313.6	1 257.2	1 334.8	1 257.8
Interest-bearing debt	11	194.3	177.8	262.3	329.6
Fair value of derivatives	6	10.1	16.3	17.2	15.9
Trade and other payables		25.9	21.8	13.7	18.7
Total current liabilities		230.3	215.8	293.1	364.3
Total liabilities		1 543.9	1 473.1	1 627.8	1 622.1
Total equity and liabilities		2 220.7	2 136.8	2 323.6	2 328.5

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>Amounts in USD million</i>	Share Capital	Share Premium	Retained earnings	Share- holders equity	Hybrid capital	Total equity
Balance as of 1 January 2022	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
Dividends	-	(80.0)	-	(80.0)	-	(80.0)
Dividends on hybrid capital	-	-	(10.5)	(10.5)	-	(10.5)
Balance as of 31 December 2022	271.0	128.0	182.5	581.4	125.0	706.4
Net profit for the period	-	-	50.7	50.7	-	50.7
Other comprehensive income	-	-	(1.5)	(1.5)	-	(1.5)
Total comprehensive income	-	-	49.2	49.2	-	49.2
Dividends on hybrid capital	-	-	(6.2)	(6.2)	-	(6.2)
Other	-	-	(4.3)	(4.3)	(81.5)	(85.8)
Balance as of 30 June 2023	271.0	128.0	221.2	620.2	43.5	663.6

<i>Amounts in USD million</i>	Share Capital	Share Premium	Retained earnings	Share- holders equity	Hybrid capital	Total equity
Balance as of 1 January 2022	271.0	208.0	59.5	538.5	125.0	663.5
Net profit for the period	-	-	46.8	46.8	-	46.8
Other comprehensive income	-	-	29.8	29.8	-	29.8
Total comprehensive income	-	-	76.5	76.5	-	76.5
Dividends	-	(40.0)	-	(40.0)	-	(40.0)
Dividends on hybrid capital	-	-	(4.6)	(4.6)	-	(4.6)
Other	-	-	0.2	0.2	-	0.2
Balance as of 30 June 2022	271.0	168.0	131.6	570.6	125.0	695.6



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Amounts in USD million</i>	1st Quarter	2nd Quarter	2nd Quarter	Jan - Jun	Jan - Jun	Jan - Dec
	2023	2023	2022	2023	2022	2022
Net profit for the period	23.0	27.7	24.6	50.7	46.8	91.2
Income tax expense	0.6	0.7	0.9	1.3	1.9	2.4
Taxes paid	(0.2)	(0.3)	(0.4)	(0.5)	(0.4)	(0.4)
Depreciation and amortisation	6.6	6.1	7.4	12.6	14.7	27.8
Gains/losses and other non-cash items	(2.9)	(3.9)	(0.4)	(6.8)	(0.4)	(0.4)
Repayment of finance lease receivables	29.3	27.4	28.2	56.7	55.6	114.9
Income from investments in associates	(5.4)	(5.0)	(4.4)	(10.4)	(9.6)	(18.0)
Dividends from investments in associates	-	-	4.1	-	17.1	21.8
Net interest expenses (+)	25.6	24.1	13.9	49.7	25.6	67.4
Interest paid	(28.0)	(25.1)	(11.4)	(53.1)	(22.4)	(59.6)
Interest received	2.0	2.9	0.5	4.9	0.9	3.4
Unrealised foreign exchange gains/losses	17.6	(1.9)	(19.0)	15.7	(17.7)	(16.0)
Change in fair value of financial instruments	(6.1)	(6.3)	16.7	(12.4)	14.0	12.7
Changes in other operating assets and liabilities	7.8	(4.4)	(2.6)	3.3	(6.2)	(0.7)
Net cash flow from operating activities	70.1	41.9	58.1	111.8	119.7	246.3
Acquisition of vessels and equipment	-	(1.2)	-	(1.2)	(1.2)	(1.1)
Proceeds from sale of vessel	53.2	53.2	22.0	106.4	22.0	22.0
Additions to newbuildings	(26.7)	(15.1)	(71.5)	(41.8)	(71.5)	(56.2)
Cash outflow from vessels accounted for as finance lease	-	-	-	-	-	(101.5)
Proceeds from sale of finance leased vessels	28.3	55.1	27.6	83.5	27.6	90.6
Net cash flow from other non-current assets	-	(19.8)	0.6	(19.8)	(15.9)	(79.9)
Proceeds from capital reduction in associates	-	-	30.8	-	30.8	30.8
Net cash flow from restricted cash and other investing activities	10.5	(1.6)	(9.9)	8.9	(6.2)	(7.5)
Net cash flow from investing activities	65.3	70.6	(0.3)	135.9	(14.3)	(102.9)
Proceeds from issuance of interest-bearing debt	179.0	83.2	80.0	262.2	79.5	180.4
Repayment of interest-bearing debt	(276.5)	(141.6)	(72.6)	(418.1)	(109.5)	(230.9)
Repayment of finance lease liabilities	(0.0)	(0.0)	(0.1)	(0.0)	(0.1)	(0.3)
Dividends paid	-	-	-	-	(40.0)	(80.0)
Repayment and dividends on hybrid capital	(42.9)	(44.9)	(2.4)	(87.8)	(4.6)	(10.5)
Net change in other financing activities	(2.1)	(2.2)	-	(4.3)	-	-
Net cash flow from financing activities	(142.5)	(105.5)	4.9	(248.0)	(74.7)	(141.2)
Net change in cash and cash equivalents	(7.1)	7.0	62.7	(0.2)	30.7	2.3
Exchange rate differences	(1.6)	(4.3)	(1.7)	(5.8)	(1.6)	(1.7)
Cash and cash equivalents at beginning of the period	121.9	113.2	89.3	121.9	121.2	121.2
Cash and cash equivalents at the end of the period	113.2	115.9	150.3	115.9	150.3	121.9

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 1 CORPORATE INFORMATION

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

The condensed consolidated interim financial statements for the second quarter ending 30th June 2023 which comprise Ocean Yield and its subsidiaries (together referred to as the “Group” or the “Company”) were authorised for issue in accordance with a resolution of the directors on 23rd August 2023.

NOTE 2 BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by the EU, and the Norwegian additional requirements in the Securities Trading Act. The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2022 available at www.oceanyield.no.

These condensed consolidated interim financial state-

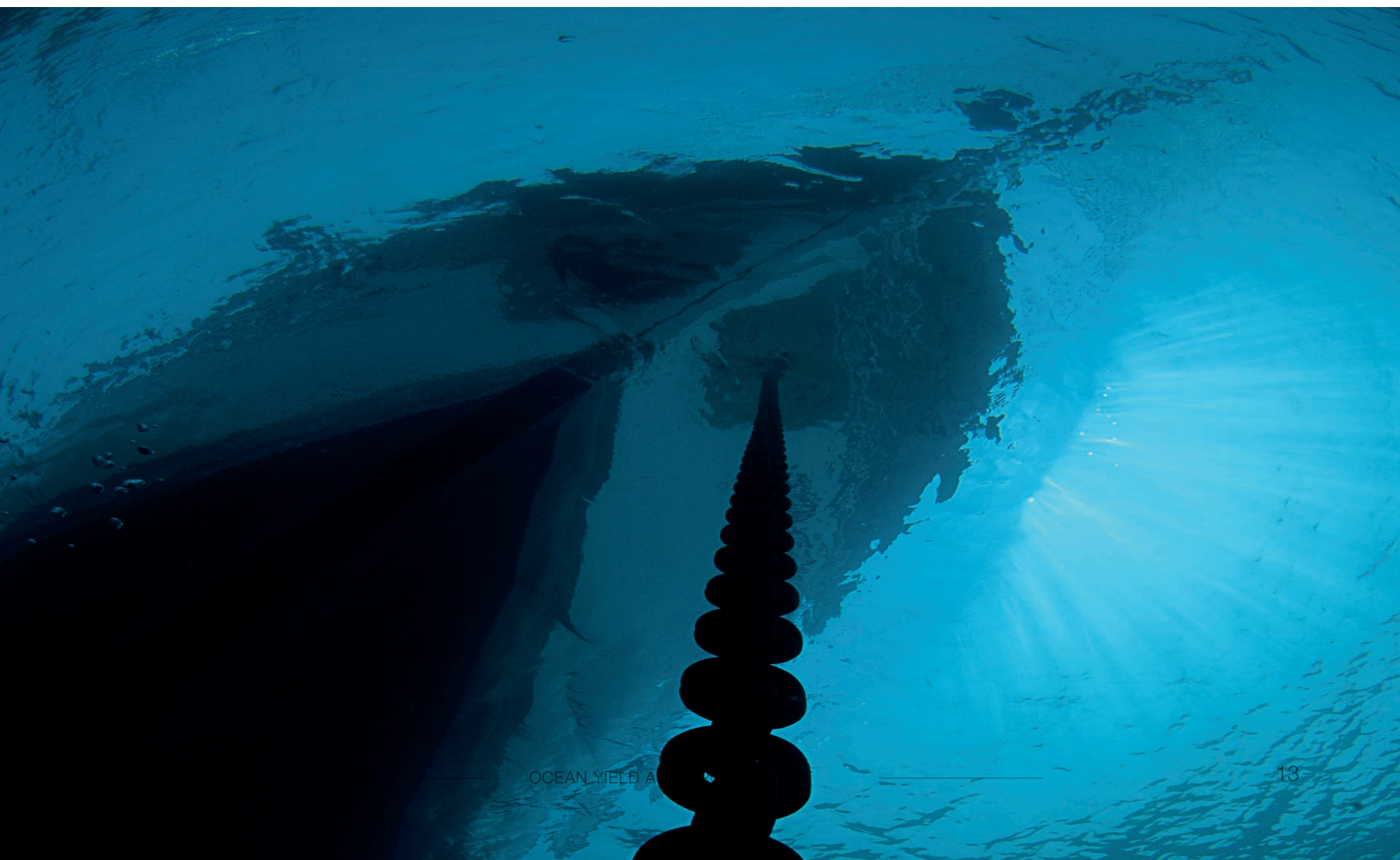
ments, have not been subject to audit or review by independent accountants.

NOTE 3 ACCOUNTING POLICIES

The preparation of these condensed consolidated interim financial statements in conformity with IFRS requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Actual results could differ from those estimates. Some accounting policies have a significant impact on amounts reported in these condensed consolidated interim financial statements. Accounting policies applied by the Group are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31st December 2022.

NOTE 4 RECENTLY ISSUED ACCOUNTING STANDARDS

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2023, but do not have a significant impact on the condensed consolidated interim financial statements of the Group.



NOTE 5 OPERATING SEGMENTS

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

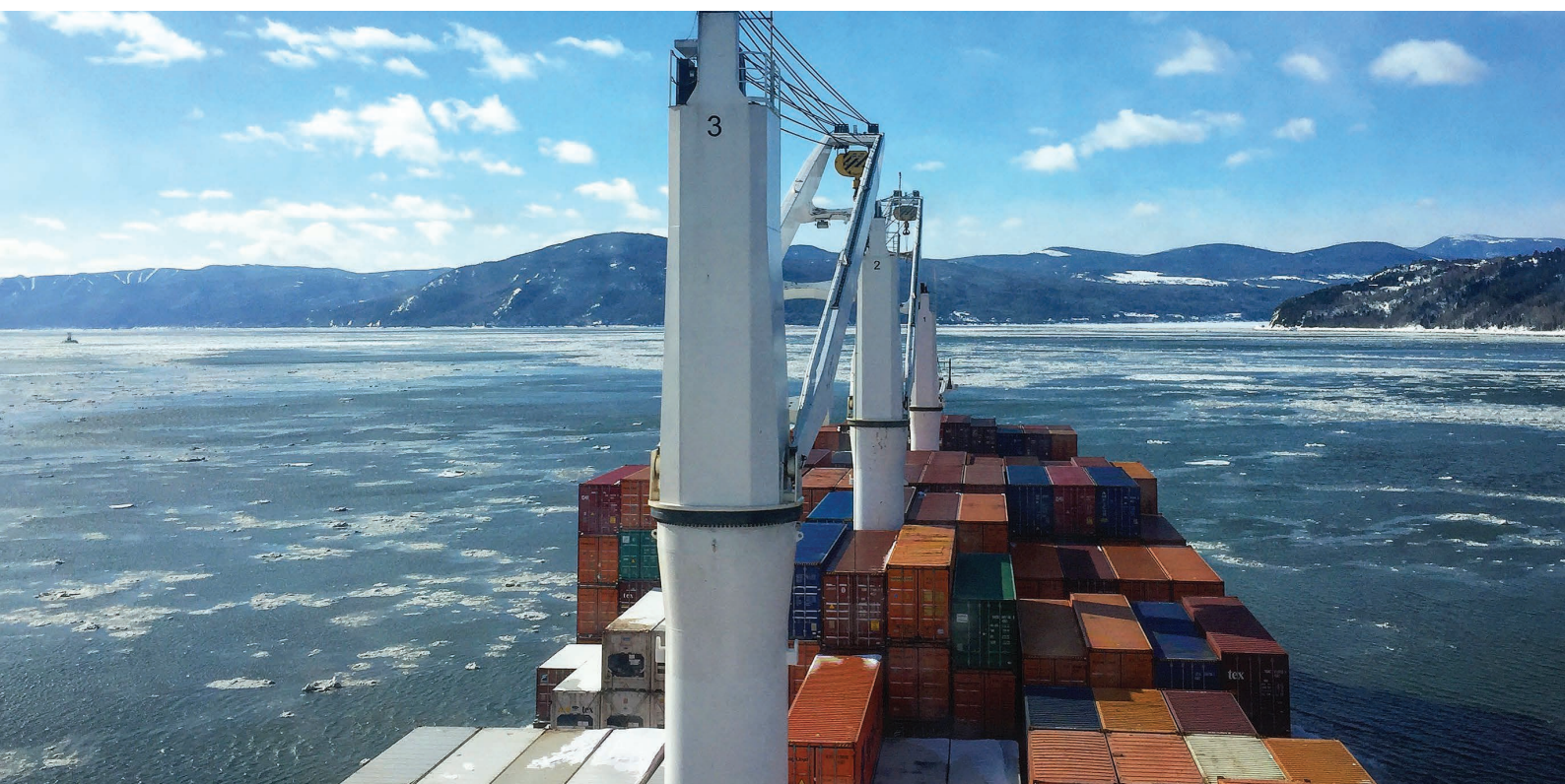
Operating profit	1st Quarter	2nd Quarter	2nd Quarter	Jan - Jun	Jan - Jun	Jan - Dec
<i>Amounts in USD million</i>	2023	2023	2022	2023	2022	2022
Tankers	22.4	21.9	14.3	44.3	27.8	68.0
Container vessels	7.9	7.7	5.7	15.6	11.5	24.6
Car Carriers	8.8	7.4	4.9	16.2	9.7	20.7
Gas Carriers	5.1	5.0	4.4	10.1	9.0	19.7
Dry Bulk Carriers	2.7	6.9	4.2	9.6	6.9	12.8
Oil Service	7.4	6.8	6.1	14.2	11.4	24.2
Other companies and eliminations	(2.7)	(2.8)	(1.6)	(5.5)	(4.6)	(10.8)
Operating profit	51.5	53.0	38.0	104.5	71.7	159.2

NOTE 6 CHANGE IN FAIR VALUE OF FINANCIAL INSTRUMENTS

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

<i>Amounts in USD million</i>	Fair value as of 31 December 2022	Change Q2 2023	Change Jan - June 2023	Fair value as of 30 June 2023
Cross Currency Interest Rate Swaps	(30.5)	6.3	12.4	(18.1)
Interest rate swaps	0.2	(0.0)	(0.2)	0.0
Total	(30.3)	6.3	12.3	(18.1)

<i>Amounts in USD million</i>	Fair value as of 31 December 2021	Change Q2 2022	Change Jan - June 2022	Fair value as of 30 June 2022
Cross Currency Interest Rate Swaps	(15.5)	(17.7)	(14.4)	(31.6)
Interest rate swaps	(1.7)	0.5	(0.0)	(0.0)
Total	(17.2)	(17.1)	(14.4)	(31.6)



NOTE 7 VESSELS AND EQUIPMENT

Changes in vessels and equipment during 2023:

<i>Amounts in USD million</i>	Tankers	Container vessels	Car Carriers	Gas Carriers	Dry Bulk Carriers	Oil Service	Other/elim	Total
Balance as of 1 January 2023	-	-	189.1	132.2	-	146.1	8.0	475.4
Acquisitions	-	-	-	-	-	-	-	-
Capital expenditure	-	-	-	-	-	1.2	-	1.2
Fixed assets acquired through financial lease	-	-	-	-	-	-	-	-
Disposals	-	-	(99.9)	-	-	-	(0.7)	(100.6)
Depreciation	-	-	(2.0)	(2.8)	-	(6.2)	(1.7)	(12.6)
Balance as of 30 June 2023	-	-	87.2	129.4	-	141.2	5.6	363.4

Vessels classified as finance leases are included in Note 8 'Finance lease receivables'.

In March and June 2023, Ocean Yield delivered the car carriers Höegh Tracer and Höegh Trapper, respectively, to their new owner as a result of purchase options previously declared. The Company recorded a gain of approximately USD 5.8 million from these transactions.



NOTE 8 FINANCE LEASE RECEIVABLES

The gross finance lease receivables and present value of lease payments were as follows:

<i>Amounts in USD million</i>	30 June 2023	31 December 2022
<i>Gross finance lease receivable</i>		
Less than one year	193.7	293.6
One to five years	723.6	670.1
Unguaranteed residual values	565.0	783.8
Gross finance lease receivable	1,482.4	1,747.4
Less: Unearned finance income	(220.1)	(346.1)
Total finance lease receivables	1,262.3	1,401.3
<i>Present value of minimum lease payments</i>		
Less than one year	206.0	287.6
One to five years	627.3	558.3
Unguaranteed residual values	429.1	555.4
Total finance lease receivables	1,262.3	1,401.3
Pre-delivery instalments	-	-
Total finance lease receivables	1 262.3	1 401.3

In March 2023, Ocean Yield delivered the product tanker *STI Sanctity* to its new owners as a result of a purchase option declared in 2022. In April and May 2023, respectively, the vessels *Hafnia Turquoise* and *STI Steadfast* were delivered to its new owners following exercise of purchase options in 2022. See also note 12 Subsequent Events for the delivery of *STI Supreme* and *Interlink Amenity* to new owners following exercise of purchase options.

NOTE 9 INVESTMENTS IN ASSOCIATES

<i>Amounts in USD million</i>	BOX Holdings	OY Holding LR2	Total
Ownership	49.9 %	50.0 %	
Balance 1st January 2023	187.4	3.1	190.5
Dividends received	(7.6)	-	(7.6)
Income from investments in associates	10.0	0.4	10.4
Other comprehensive income from investments in associates	(1.4)	-	(1.4)
Total investments in associates as of 30 June 2023	188.5	3.4	191.9
<i>Carrying amount of investment in associates:</i>			
Non-currents assets	898.6	24.1	922.7
Current assets	83.4	33.1	116.5
Non-current liabilities	(598.5)	(44.7)	(643.2)
Current liabilities	(71.1)	(5.5)	(76.6)
Net assets (100%)	312.4	7.0	319.4
Share of net assets	155.9	3.5	159.4
Adjustment to carrying value of investment:			
Finance lease receivables	34.1	-	34.1
Adjustment to interest-bearing long-term debt	(1.6)	-	(1.6)
Carrying amount of investments in associates as of 30 June 2023	188.5	3.4	191.9

During the second quarter of 2023, a purchase option was declared for *Navig8 Precision*, which is held in OY Holding LR2 Limited.

NOTE 10 CONTRACTUAL OBLIGATIONS

As of 30th June 2023, the Company had the following contractual obligations related to purchase of vessels:

<i>Amounts in USD million</i>	Tankers	Container Vessels	Car Carriers	Gas Carriers	Dry Bulk Carriers	Oil Service	Total
Total (gross) contractual obligations	-	255.6	-	166.0	522.0	-	943.6
Paid and capitalised instalments	-	73.1	-	24.9	83.8	-	181.8
Remaining obligations as of 30 June 2023	-	182.5	-	141.1	438.2	-	761.8

The payments included in the 'Container Vessels' segment, relate to three 5,500 TEU newbuilding container vessel with 7-year time charters to Zim Integrated Shipping Services Ltd. The obligations listed under 'Gas Carriers' relate to the two ethylene gas carriers with 15-year bareboat charters to Braskem S.A.. In addition, the segment 'Dry Bulk Carriers', relates to commitments for nine newbuilding Newcastlemax dry bulk vessels.

NOTE 11 INTEREST-BEARING DEBT

Changes in interest-bearing debt during 2023:

<i>Amounts in USD million</i>	Tankers	Container vessels	Car Carriers	Gas Carriers	Dry Bulk Carriers	Oil Service	Other/elim	Total
Balance at 1st January 2023	749.3	112.5	156.5	128.3	120.7	136.7	151.7	1,555.7
New loans	136.4	-	-	-	32.3	25.0	71.4	265.0
Paid loan fees	(0.4)	(1.3)	-	-	(0.4)	(0.1)	(0.9)	(3.1)
Instalments	(137.4)	(7.9)	(90.3)	(6.6)	(33.1)	(17.6)	(125.1)	(418.1)
Amortised loan fees	1.4	0.2	0.3	0.2	0.6	0.3	0.4	3.3
Effect of foreign exchange changes	-	-	-	-	-	-	13.0	13.0
Total interest-bearing liabilities as of 30 June 2023	749.2	103.4	66.4	121.9	120.0	144.3	110.5	1 415.6
Long-term	656.8	87.6	58.2	108.5	109.2	107.2	110.5	1,237.8
1st year instalments	92.5	15.8	8.2	13.4	10.8	37.1	-	177.8
Total interest-bearing liabilities as of 30 June 2023	749.2	103.4	66.4	121.9	120.0	144.3	110.5	1 415.6

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 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 the long-term financing of the two newbuilding 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 million. Also in February, the Company settled the NOK 750 million FRN Senior Unsecured Callable Bond Issue with maturity 25 May 2023.

In March 2023, Ocean Yield AS 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 and during the first

quarter of 2023, the Company repurchased in total NOK 299.5 million of outstanding bonds with ticker OCY07 and USD 39.3 million of outstanding bonds with ticker OCY06.

In May, two chemical tankers were refinanced post quarter end, at improved terms and the facility has been upsized with USD 13 million. The loan facility has a tenor of 3 years.

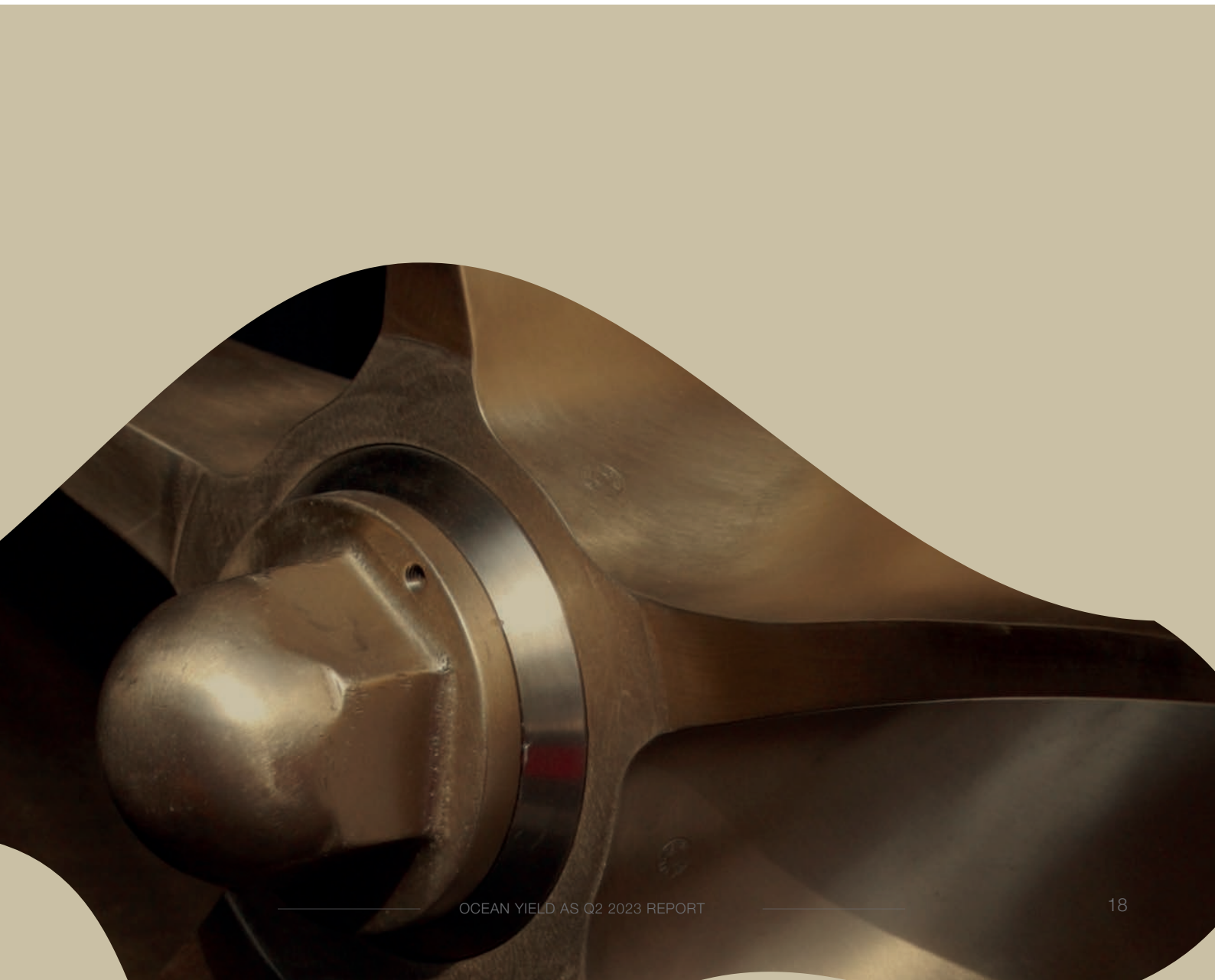
During the second quarter of 2023, two loan agreements related to a total of six tankers were upsized with a positive liquidity effect of USD 46 million, and the Company signed a loan agreement for the long-term financing of the two LEG newbuilding vessels with long-term bareboat charters to Braskem S.A.. The loan facility has a tenor of 10 years from delivery of the vessels. Also in the second quarter of 2023, the Company repurchased USD 42.3 million of its hybrid perpetual bond OCY06. Following this transaction, the Company holds USD 81.5 million in OCY06 where the total nominal outstanding amount is USD 125 million.

NOTE 12 SUBSEQUENT EVENTS

In August 2023, Ocean Yield signed its inaugural sustainability-linked lease and agreed to purchase four LR1 product tankers, to be constructed at Guangzhou Shipyard International (GSI) in China. Upon delivery (in 2026 and 2027), the vessels will commence 15-year bareboat charters to guaranteed subsidiaries of Braskem S.A.. The bareboat charter rate will have a variable element linked to the respective vessel's actual carbon emissions.

In August 2023, the Company signed a loan agreement for the refinancing of the two AHTS vessels that will commence bareboat charters with Viking Supply Ships AB with improved terms, reflecting the new charter contract.

In July 2023, a purchase option was declared for *Milos* with delivery during the first quarter of 2024. The vessels *STI Supreme* and *Interlink Amenity* were delivered to its new owners in August 2023.



ALTERNATIVE PERFORMANCE MEASURES

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

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

- EBITDA: Earnings before financial items, income taxes, depreciation, amortization and impairment charges.
- EBITDA adjusted for finance lease effects: EBITDA adjusted for Repayment of finance lease receivables.
- EBITDA Charter Backlog: represents the estimated EBITDA backlog from signed contracts. Figures are based on management's estimates which may be subject to change. These include assumptions on certain purchase options in bareboat charter contracts not being exercised, adjustments made for finance lease effects, investments in joint ventures, currency

effects and the forward interest rates for floating rate lease agreements.

The Company believes presenting EBITDA and EBITDA adjusted for finance lease effects as useful information to investors as they provide supplementing 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.

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

	1st Quarter	2nd Quarter	2nd Quarter	Jan - Jun	Jan - Jun	Jan - Dec
<i>Amounts in USD million</i>	2023	2023	2022	2023	2022	2022
Total revenues and other income	61.0	61.8	47.1	122.8	90.9	197.3
Vessel operating expenses	-	0.0	-	0.0	0.0	0.0
Administrative expenses	(2.9)	(2.7)	(1.8)	(5.7)	(4.5)	(10.4)
EBITDA	58.1	59.1	45.3	117.1	86.4	187.0
Repayment on finance lease receivables	29.3	27.4	28.2	56.7	55.6	114.9
EBITDA adjusted for finance lease effects	87.4	86.5	73.6	173.8	142.0	301.9



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