



Q3  
2023



OCEAN YIELD

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# THIRD QUARTER RESULTS 2023

Fornebu, 21<sup>st</sup> November 2023, Ocean Yield AS (“Ocean Yield” or the “Company”) announces results for the third quarter 2023.

## HIGHLIGHTS

- EBITDA for Q3 2023 was USD 51.5 million and Adjusted EBITDA\* was USD 79.0 million.
- Net profit for Q3 2023 was USD 18.5 million.
- Strong balance sheet, with an equity ratio of 30.6% and USD 133.8 million in cash.
- During the third quarter, the Company signed an agreement to acquire four LR1 newbuilding product tankers with sustainability-linked long-term bareboat charters to Braskem S.A.
- Also during the quarter, the Company took delivery of a newbuilding container vessel with seven-year time charter.
- During the quarter, the Company issued a new NOK 750 million senior unsecured bond loan (OCY09) with a five-year tenor. The proceeds were used to refinance outstanding debt and for general corporate purposes.
- Post quarter end, the Company agreed to acquire a 2016-built Suezmax tanker with eight-year bareboat charter to Nordic American Tankers Ltd.
- Post quarter end, the Company agreed to acquire two 2022-built Suezmax tankers with 14-year bareboat charters to guaranteed subsidiaries of Euronav NV.
- Also post quarter end, the two AHTS vessels previously trading in a pool with Solstad Offshore ASA, commenced new five-year bareboat charters to Viking Supply Ships AB.
- The EBITDA charter backlog at the end of Q3 2023 was USD 4.1 billion with an average remaining contract duration of 10.2 years.

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

*“This has been an active period for Ocean Yield, where we during the third quarter and after quarter end, have signed agreements for seven new vessels with long-term charters, in addition to taking delivery of a newbuilding container vessel and delivering the two AHTS vessels on new long-term bareboat charters. The Company continues to focus on accretive growth opportunities while maintaining a strong balance sheet. Our charter backlog per quarter end was record high at USD 4.1 billion with more than 10 years average contract duration, with all vessels fixed on long-term charters.”*

## KEY FIGURES

	2nd Quarter	3rd Quarter	3rd Quarter	Jan - Sep	Jan - Sep	Jan - Dec
<i>Amounts in USD million</i>	2023	2023	2022	2023	2022	2022
Revenues and other income	61.8	<b>54.5</b>	51.1	<b>177.2</b>	142.0	197.3
EBITDA*	59.1	<b>51.5</b>	48.8	<b>168.6</b>	135.2	187.0
EBITDA adjusted for lease effects*	86.5	<b>79.0</b>	77.0	<b>252.8</b>	219.1	301.9
Net profit for the period	27.7	<b>18.5</b>	23.4	<b>69.2</b>	70.1	91.2
Equity ratio	31.1 %	<b>30.6 %</b>	31.0%	<b>30.6 %</b>	31.0 %	30.3 %
EBITDA charter backlog (USD bn)*	3.9	<b>4.1</b>	3.4	<b>4.1</b>	3.4	3.8

\* Definitions on page 18

# MAIN EVENTS DURING THE THIRD QUARTER AND POST QUARTER END

## New investments

- During the third quarter, Ocean Yield signed its inaugural sustainability-linked lease for 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.
- Post quarter end, Ocean Yield announced that it has agreed to acquire a 2016-built Suezmax tanker with an eight-year bareboat charter to Nordic American Tankers Ltd. with a purchase obligation at the end of the charter period. The vessel will be delivered to Ocean Yield during the fourth quarter.
- Also post quarter end, the Company announced that it has agreed to acquire two 2022-built Suezmax tankers with long-term sustainability-linked bareboat charters to guaranteed subsidiaries of Euronav NV. The vessels are built at Daehan Shipbuilding in Korea and are expected to be delivered during the fourth quarter of 2023 and the first quarter of 2024. 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. The charter agreements contain purchase obligations at the end of the charter period. Euronav NV is listed on the New York Stock Exchange and on Euronext Brussels.

## Funding

- During the quarter, the Company has signed a new loan agreement for the refinancing of the two AHTS vessels that commenced new five-year bareboat charters to Viking Supply Ships AB after quarter end.
- Also during the quarter, the Company issued a new NOK 750 million senior unsecured bond loan (OCY09) with a five-year tenor. The bond loan carries a coupon of 3m NIBOR + 375 bps p.a., payable quarterly. In conjunction with the new bond issue and other subsequent transactions, the Company has bought back significant amounts in the bond issues OCY06 and OCY07 and currently holds USD 94.1 million in OCY06, where the total nominal outstanding amount is USD 125 million and NOK 460.5 million in OCY07 where the total nominal outstanding amount is NOK 750 million.
- After quarter end, the Company has signed two new loan agreements for the long-term financing of six Newcastlemax newbuildings with long-term charters to CMB N.V. Financing of the remaining two to three Newcastlemax newbuilding vessels is in the documentation phase and is expected to be finalized shortly.

- After quarter end, the Company has signed two loan agreements for the long-term financing of two Suezmax tankers, one of which will be on long-term charter to a guaranteed subsidiary of Euronav NV and one vessel on long-term charter to Nordic American Tankers Ltd.

## Portfolio update

- During the quarter, the 5,500 TEU container vessel *ZIM Danube* was delivered from the shipyard in South Korea and commenced a seven-year time charter to ZIM Integrated Shipping Services Ltd ("ZIM"). The vessel's design enables it to be converted to dual fuel operation with methanol as fuel. Ocean Yield has two additional newbuilding sister vessels that are expected to be delivered towards the end of 2023 and during the first half of 2024. These vessels are also chartered to ZIM on seven-year time charters.
- During the quarter, a purchase option was declared for *Navig8 Prestige JKB*, which is held in a 50% owned JV. Also, a purchase option was declared for the Suezmax tanker *Milos*. After quarter end, purchase options were declared for the PCTC *Höegh Jacksonville* and the Suezmax tanker *Poliegos*. The vessels *Navig8 Prestige JKB* and *Milos* are expected to be delivered to their new owners in Q1 2024, while *Höegh Jacksonville* and *Poliegos* are expected to be delivered to their new owners in Q2 2024.
- During the quarter, the vessels *STI Supreme*, *Interlink Amenity* and *Navig8 Precision* were delivered to its new owners following previously declared purchase options.
- After quarter end, the two AHTS vessels *Andreas Viking* (previously named *FAR Senator*) and *Odin Viking* (previously named *Normand Statesman*) that traded on variable, market related rates in a pool with Solstad Offshore ASA, commenced new five-year bareboat charters to Viking Supply Ships AB.

## Dividends

- The Board of Directors has declared a dividend of USD 30.0 million for Q3 2023.

## THIRD QUARTER FINANCIAL REVIEW

### Profit and Loss

- **Total revenues and other income** for Q3 2023 were USD 54.5 million compared with USD 61.8 million for Q2 2023.
- **Operating lease revenue** was USD 15.6 million compared with USD 16.5 million in Q2 2023. The reduction is mainly due to the sale of the *Höegh Trapper in Q2 2023*, but partly offset by the delivery of the container vessel *ZIM Danube* in September 2023.
- **Finance lease revenue** was USD 33.1 million in Q3

2023 compared with USD 33.6 million in Q2 2023. The decrease was mainly a result of the deliveries of *STI Supreme* and *Interlink Amenity* to their new owners during the third quarter.

- **Income from investments in associates**, which is related to vessels owned in joint ventures, was USD 5.8 million, compared with USD 5.0 million in Q2 2023.
- **Other income** was negative USD 0.1 million in Q3 2023 and was related to the sale of the *Interlink Amenity* and declaration of the purchase option for the Suezmax tanker *Milos*.
- **Operating profit** was USD 45.2 million in Q3 2023 compared with USD 53.0 million in Q2 2023.
- **Net financial items** were negative USD 27.0 million in Q3 2023 compared with negative USD 24.7 million in Q2 2023. The change in financial items was primarily related to drawdown on debt for vessel deliveries in the quarter, higher underlying interest rates and a net negative effect from foreign exchange losses and change in fair value of financial instruments.
- **Net profit for Q3 2023** was USD 18.5 million compared with a net profit for the period of USD 27.7 million in Q2 2023.

#### Balance sheet

- **Cash & cash equivalents** at the end of Q3 2023 were USD 133.8 million, compared with USD 115.9 million at the end of Q2 2023.
- **Book equity** was USD 672.8 million at the end of Q3 2023, compared with USD 663.6 million at the end of Q2 2023. The equity ratio was 30.6% at the end of the quarter.
- **Total interest bearing debt** was USD 1,462.5 million at the end of Q3 2023 compared with USD 1,415.7 million in Q2 2023.

#### Cash flow

- **Net cash flow from operating activities** was USD 58.9 million in Q3 2023 compared with USD 41.9 million in Q2 2023. The increase compared to Q2 2023 was mainly due to dividends received from JV companies classified as investments in associates, in addition to positive working capital movements in the quarter.
- **Net cash flow from investing activities** was negative USD 73.3 million compared with positive USD 70.6 million in Q2 2023. The figures for Q3 2023 are mainly driven by further payments in relation to the Company's newbuilding programme and proceeds from sale of vessels.
- **Net cash flow from financing activities** was positive USD 29.4 million compared with negative USD 105.5 million in Q2 2023. This was mainly due to issuance of new long-term debt of USD 125.2 million, repayment of long-term interest bearing debt of USD 81.2 million and buy-back and dividends on hybrid capital of USD 13.9 million.

## CHARTER BACKLOG

The EBITDA charter backlog at the end of Q3 2023 was USD 4.1 billion with an average remaining contract duration of 10.2 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 65 vessels at the end of the third 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 Newcastle-max transaction announced on 6<sup>th</sup> December 2022 and 26<sup>th</sup> May 2023.

## RISKS

The Company's fleet is chartered out on fixed rate, long-term, time-charters or bareboat charters with a floating interest rate component, that reduces the exposure to underlying market rates. The Company is also exposed to a number of other risks, including counterparty-, financing-, interest rate-, currency-, impairment- and residual value risk for its vessels and operating risk for those vessels fixed on time-charters.

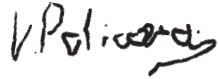
For a more detailed description of risk factors, please refer to the annual report for 2022, which is available on [www.oceanyield.no](http://www.oceanyield.no).

## OUTLOOK

Ocean Yield expects to take delivery of another three vessels during the fourth quarter, that will positively contribute to revenues going forward.

The portfolio and charter backlog remains strong and well performing and the Company experiences continued strong access to financing with an influx of new banks. As such the Company is well positioned to continue to invest in modern vessels with long-term charters.

BÆRUM, 21<sup>ST</sup> NOVEMBER 2023  
OCEAN YIELD AS



VINCENT POLICARD  
CHAIRMAN



BERNARDO NOGUEIRA  
DIRECTOR



EIRIK EIDE  
DIRECTOR



ANDREAS RØDE  
DIRECTOR AND CEO

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## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

<i>Amounts in USD million</i>	Note	2nd Quarter 2023	3rd Quarter 2023	3rd Quarter 2022	Jan - Sep 2023	Jan - Sep 2022	Jan - Dec 2022
Operating lease revenue		16.5	15.6	17.1	50.9	51.4	68.9
Finance lease revenue		33.6	33.1	28.3	100.3	74.0	106.3
Income from investments in associates		5.0	5.8	4.4	16.2	14.1	18.0
Other income		6.8	(0.1)	1.2	9.8	2.6	4.2
<b>Total revenues and other income</b>	5	<b>61.8</b>	<b>54.5</b>	<b>51.1</b>	<b>177.2</b>	<b>142.0</b>	<b>197.3</b>
Vessel operating expenses		-	(0.3)	-	(0.3)	0.0	0.0
Administrative expenses		(2.7)	(2.7)	(2.3)	(8.4)	(6.8)	(10.4)
Depreciation and amortisation	7	(6.1)	(6.2)	(6.5)	(18.9)	(21.1)	(27.8)
<b>Operating profit</b>		<b>53.0</b>	<b>45.2</b>	<b>42.3</b>	<b>149.7</b>	<b>114.1</b>	<b>159.2</b>
Financial income		3.1	3.6	1.0	8.9	1.9	3.7
Financial expenses		(27.7)	(28.6)	(20.0)	(85.2)	(47.3)	(72.3)
Foreign exchange gains/losses		(6.3)	(6.8)	11.0	(20.3)	28.3	15.7
Change in fair value of financial instruments	6	6.3	4.8	(10.9)	17.1	(24.8)	(12.7)
<b>Net financial items</b>		<b>(24.7)</b>	<b>(27.0)</b>	<b>(18.8)</b>	<b>(79.5)</b>	<b>(41.9)</b>	<b>(65.6)</b>
<b>Net profit before tax</b>		<b>28.3</b>	<b>18.2</b>	<b>23.5</b>	<b>70.2</b>	<b>72.1</b>	<b>93.6</b>
Income tax expense		(0.7)	0.3	(0.1)	(1.0)	(2.0)	(2.4)
<b>Net profit for the period</b>		<b>27.7</b>	<b>18.5</b>	<b>23.4</b>	<b>69.2</b>	<b>70.1</b>	<b>91.2</b>
Attributable to:							
Equity holders of the parent		25.1	17.3	20.6	61.7	62.8	80.7
Dividends on hybrid capital		2.6	1.3	2.8	7.5	7.3	10.5
<b>Net profit for the period</b>		<b>27.7</b>	<b>18.5</b>	<b>23.4</b>	<b>69.2</b>	<b>70.1</b>	<b>91.2</b>

# CONDENSED CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

<i>Amounts in USD million</i>	2nd Quarter 2023	3rd Quarter 2023	3rd Quarter 2022	Jan - Sep 2023	Jan - Sep 2022	Jan - Dec 2022
Net profit for the period	27.7	18.5	23.4	69.2	70.1	91.2
<b>Items that are or may be reclassified to the income statement</b>						
Share of other comprehensive income from investment in associates	6.2	5.2	16.0	3.7	45.8	42.2
Total for items that are or may be reclassified to the income statement	6.2	5.2	16.0	3.7	45.8	42.2
Total change in other comprehensive income, net of income tax	6.2	5.2	16.0	3.7	45.8	42.2
<b>Total comprehensive income for the period</b>	<b>33.8</b>	<b>23.7</b>	<b>39.4</b>	<b>72.9</b>	<b>115.9</b>	<b>133.4</b>
Attributable to:						
Equity holders of the parent	31.2	22.5	36.6	65.5	108.6	123.0
Dividends on hybrid capital	2.6	1.3	2.8	7.5	7.3	10.5
<b>Total comprehensive income for the period</b>	<b>33.8</b>	<b>23.7</b>	<b>39.4</b>	<b>72.9</b>	<b>115.9</b>	<b>133.4</b>





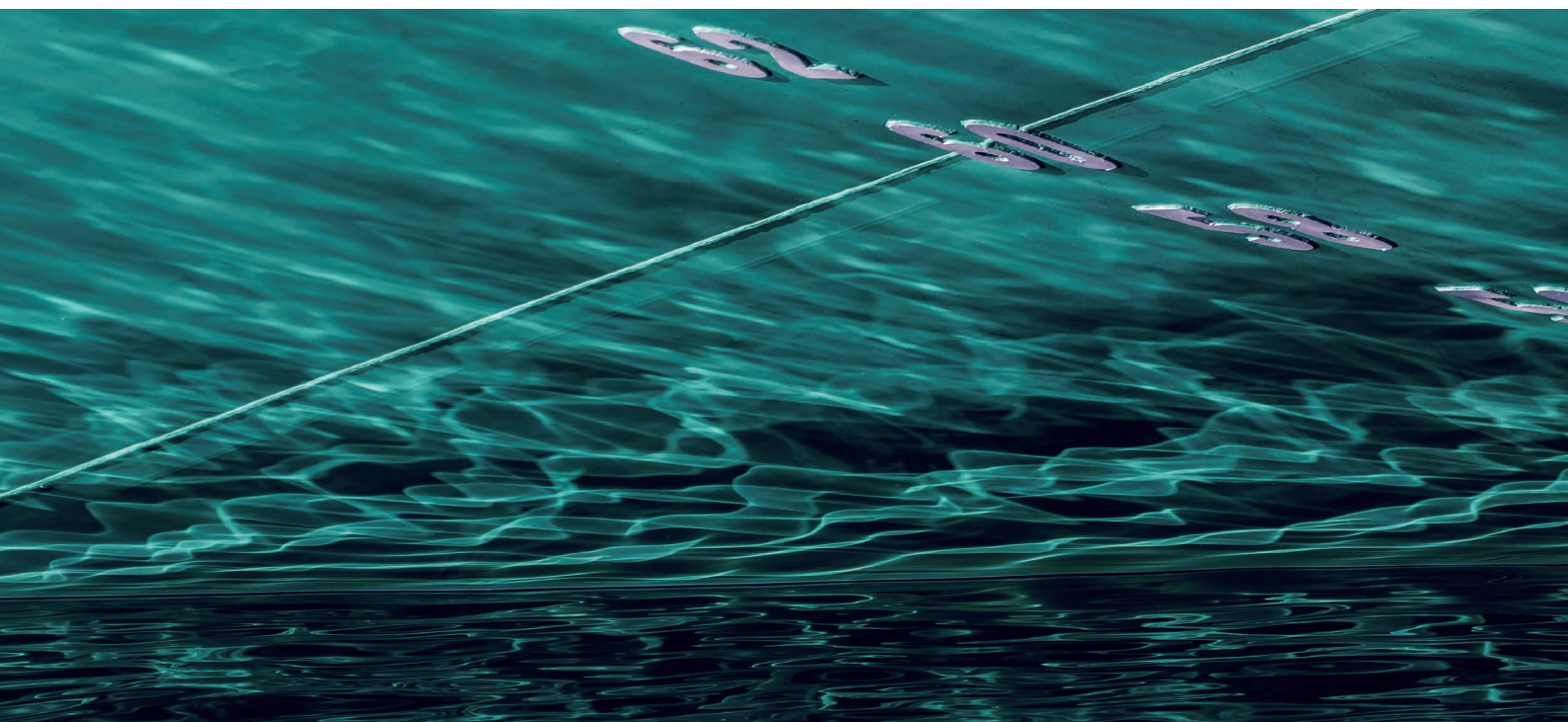
## CONDENSED CONSOLIDATED BALANCE SHEET

<i>Amounts in USD million</i>	Note	30 June 2023	30 September 2023	30 September 2022	31 December 2022
<b>ASSETS</b>					
Vessels and equipment	7	363.4	445.1	495.3	475.4
Newbuildings	10	101.0	113.7	16.6	56.2
Investments in associates	9	191.9	196.2	191.1	190.5
Finance lease receivables	8	1 052.8	994.8	1 174.6	1 113.8
Restricted cash deposits		4.2	4.2	16.3	13.1
Other non-current assets		52.6	71.8	2.8	65.5
<b>Total non-current assets</b>		<b>1 766.0</b>	<b>1 825.8</b>	<b>1 896.8</b>	<b>1 914.4</b>
Finance lease receivables	8	209.5	199.3	274.5	287.5
Trade and other current assets		45.3	37.3	3.0	4.7
Cash and cash equivalents		115.9	133.8	121.9	121.9
<b>Total current assets</b>		<b>370.8</b>	<b>370.3</b>	<b>399.4</b>	<b>414.0</b>
<b>Total assets</b>		<b>2 136.8</b>	<b>2 196.1</b>	<b>2 296.2</b>	<b>2 328.5</b>
<b>EQUITY AND LIABILITIES</b>					
Share capital		271.0	271.0	271.0	271.0
Other paid-in capital		128.0	128.0	148.0	128.0
<b>Total paid-in capital</b>		<b>399.0</b>	<b>399.0</b>	<b>419.0</b>	<b>398.9</b>
Retained earnings and other reserves		221.2	242.8	168.2	182.5
<b>Total equity attributable to equity holders of the parent</b>		<b>620.2</b>	<b>641.8</b>	<b>587.1</b>	<b>581.4</b>
Hybrid capital		43.5	30.9	125.0	125.0
<b>Total equity</b>		<b>663.6</b>	<b>672.8</b>	<b>712.1</b>	<b>706.4</b>
Interest-bearing debt	11	1 237.8	1 299.5	1 184.2	1 226.0
Deferred tax liabilities		9.4	8.2	9.5	8.4
Other non-current liabilities		8.2	14.2	3.3	8.9
Fair value of derivatives	6	1.8	10.6	19.7	14.6
<b>Total non-current liabilities</b>		<b>1 257.2</b>	<b>1 332.5</b>	<b>1 216.7</b>	<b>1 257.8</b>
Interest-bearing debt	11	177.8	163.0	327.6	329.6
Fair value of derivatives	6	16.3	2.7	22.8	15.9
Trade and other payables		21.8	25.1	17.0	18.7
<b>Total current liabilities</b>		<b>215.8</b>	<b>190.8</b>	<b>367.4</b>	<b>364.3</b>
<b>Total liabilities</b>		<b>1 473.1</b>	<b>1 523.3</b>	<b>1 584.0</b>	<b>1 622.1</b>
<b>Total equity and liabilities</b>		<b>2 136.8</b>	<b>2 196.1</b>	<b>2 296.2</b>	<b>2 328.5</b>

## 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
<b>Balance as of 1 January 2022</b>	<b>271.0</b>	<b>208.0</b>	<b>59.5</b>	<b>538.5</b>	<b>125.0</b>	<b>663.5</b>
Net profit for the period	-	-	91.2	91.2	-	91.2
Other comprehensive income	-	-	42.2	42.2	-	42.2
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>133.4</b>	<b>133.4</b>	<b>-</b>	<b>133.4</b>
Dividends	-	(80.0)	-	(80.0)	-	(80.0)
Dividends on hybrid capital	-	-	(10.5)	(10.5)	-	(10.5)
<b>Balance as of 31 December 2022</b>	<b>271.0</b>	<b>128.0</b>	<b>182.5</b>	<b>581.4</b>	<b>125.0</b>	<b>706.4</b>
Net profit for the period	-	-	69.2	69.2	-	69.2
Other comprehensive income	-	-	3.7	3.7	-	3.7
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>72.9</b>	<b>72.9</b>	<b>-</b>	<b>72.9</b>
Dividends on hybrid capital	-	-	(7.5)	(7.5)	-	(7.5)
Other	-	-	(5.1)	(5.1)	(94.1)	(99.2)
<b>Balance as of 30 September 2023</b>	<b>271.0</b>	<b>128.0</b>	<b>242.8</b>	<b>641.8</b>	<b>30.9</b>	<b>672.8</b>

<i>Amounts in USD million</i>	Share Capital	Share Premium	Retained earnings	Share- holders equity	Hybrid capital	Total equity
<b>Balance as of 1 January 2022</b>	<b>271.0</b>	<b>208.0</b>	<b>59.5</b>	<b>538.5</b>	<b>125.0</b>	<b>663.5</b>
Net profit for the period	-	-	70.1	70.1	-	70.1
Other comprehensive income	-	-	45.8	45.8	-	45.8
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>115.9</b>	<b>115.9</b>	<b>-</b>	<b>115.9</b>
Dividends	-	(60.0)	-	(60.0)	-	(60.0)
Dividends on hybrid capital	-	-	(7.3)	(7.3)	-	(7.3)
Other	-	-	0.1	0.1	-	0.1
<b>Balance as of 30 September 2022</b>	<b>271.0</b>	<b>148.0</b>	<b>168.2</b>	<b>587.1</b>	<b>125.0</b>	<b>712.1</b>



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Amounts in USD million</i>	2nd Quarter	3rd Quarter	3rd Quarter	Jan - Sep	Jan - Sep	Jan - Dec
	2023	2023	2022	2023	2022	2022
Net profit for the period	27.7	18.5	23.4	69.2	70.1	91.2
Income tax expense	0.7	(0.3)	0.1	1.0	2.0	2.4
Taxes paid	(0.8)	0.0	0.0	(0.8)	(0.4)	(0.4)
Depreciation and amortisation	6.1	6.2	6.5	18.9	21.1	27.8
Gains/losses and other non-cash items	(3.9)	0.1	-	(6.6)	(0.4)	(0.4)
Repayment of finance lease receivables	27.4	26.7	28.3	83.4	83.9	114.9
Income from investments in associates	(5.0)	(5.8)	(4.4)	(16.2)	(14.1)	(18.0)
Dividends from investments in associates	-	12.6	3.7	12.6	20.8	21.8
Net interest expenses (+)	24.1	24.5	18.9	74.3	44.5	67.4
Interest paid	(25.1)	(29.8)	(15.8)	(82.9)	(38.3)	(59.6)
Interest received	2.9	3.6	1.0	8.5	1.9	3.4
Unrealised foreign exchange gains/losses	(1.9)	2.1	(11.0)	17.8	(28.7)	(16.0)
Change in fair value of financial instruments	(6.3)	(4.7)	10.9	(17.1)	24.8	12.7
Changes in other operating assets and liabilities	(3.9)	5.0	3.1	8.7	(3.1)	(0.7)
<b>Net cash flow from operating activities</b>	<b>41.9</b>	<b>58.9</b>	<b>64.5</b>	<b>170.8</b>	<b>184.2</b>	<b>246.3</b>
Acquisition of vessels and equipment	(1.2)	(3.4)	(29.7)	(4.6)	(30.9)	(1.1)
Proceeds from sale of vessel	53.2	(0.0)	(0.0)	106.4	22.0	22.0
Additions to newbuildings	(15.1)	(96.8)	-	(138.6)	(71.5)	(56.2)
Cash outflow from vessels accounted for as finance lease	-	-	-	-	-	(101.5)
Proceeds from sale of finance leased vessels	55.1	41.4	14.7	124.9	42.4	90.6
Net cash flow from other non-current assets	(19.8)	(19.4)	-	(39.2)	(15.9)	(79.9)
Proceeds from capital reduction in associates	-	1.6	(0.0)	1.6	30.8	30.8
Net cash flow from restricted cash and other investing activities	(1.6)	3.3	(4.6)	12.1	(10.8)	(7.5)
<b>Net cash flow from investing activities</b>	<b>70.6</b>	<b>(73.3)</b>	<b>(19.6)</b>	<b>62.6</b>	<b>(34.0)</b>	<b>(102.9)</b>
Proceeds from issuance of interest-bearing debt	83.2	125.2	(0.8)	387.4	78.8	180.4
Repayment of interest-bearing debt	(141.6)	(81.2)	(48.4)	(475.1)	(157.9)	(230.9)
Repayment of finance lease liabilities	-	-	(0.1)	-	(0.2)	(0.3)
Dividends paid	-	-	(20.0)	-	(60.0)	(80.0)
Repayment and dividends on hybrid capital	(44.9)	(13.9)	(2.8)	(101.7)	(7.3)	(10.5)
Net change in other financing activities	(2.2)	(0.7)	-	(5.0)	-	-
<b>Net cash flow from financing activities</b>	<b>(105.5)</b>	<b>29.4</b>	<b>(72.0)</b>	<b>(194.4)</b>	<b>(146.6)</b>	<b>(141.2)</b>
<b>Net change in cash and cash equivalents</b>	<b>7.1</b>	<b>14.9</b>	<b>(27.1)</b>	<b>39.0</b>	<b>3.6</b>	<b>2.3</b>
Exchange rate differences	(4.2)	2.8	(1.3)	(27.0)	(3.0)	(1.7)
Cash and cash equivalents at beginning of the period	113.1	116.0	150.3	121.9	121.2	121.2
<b>Cash and cash equivalents at the end of the period</b>	<b>115.9</b>	<b>133.8</b>	<b>121.9</b>	<b>133.8</b>	<b>121.9</b>	<b>121.9</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## NOTE 1 CORPORATE INFORMATION

Ocean Yield is a limited company incorporated and domiciled in Norway. The registered office is located at Okseøyveien 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 third quarter ending 30<sup>th</sup> September 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 21<sup>st</sup> November 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](http://www.oceanyield.no).

These condensed consolidated interim financial state-

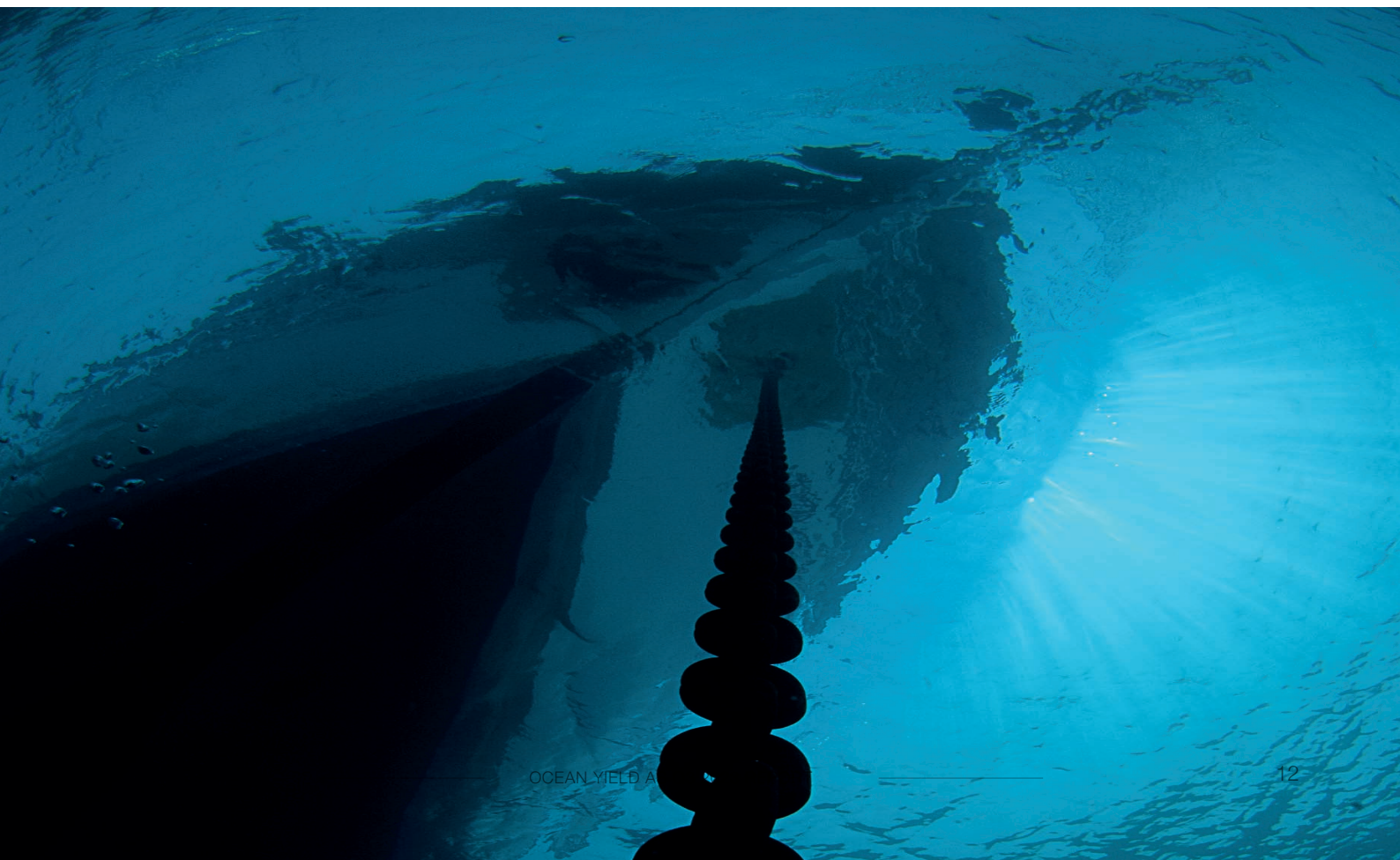
ments, have not been subject to audit or review by independent accountants.

## NOTE 3 ACCOUNTING POLICIES

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

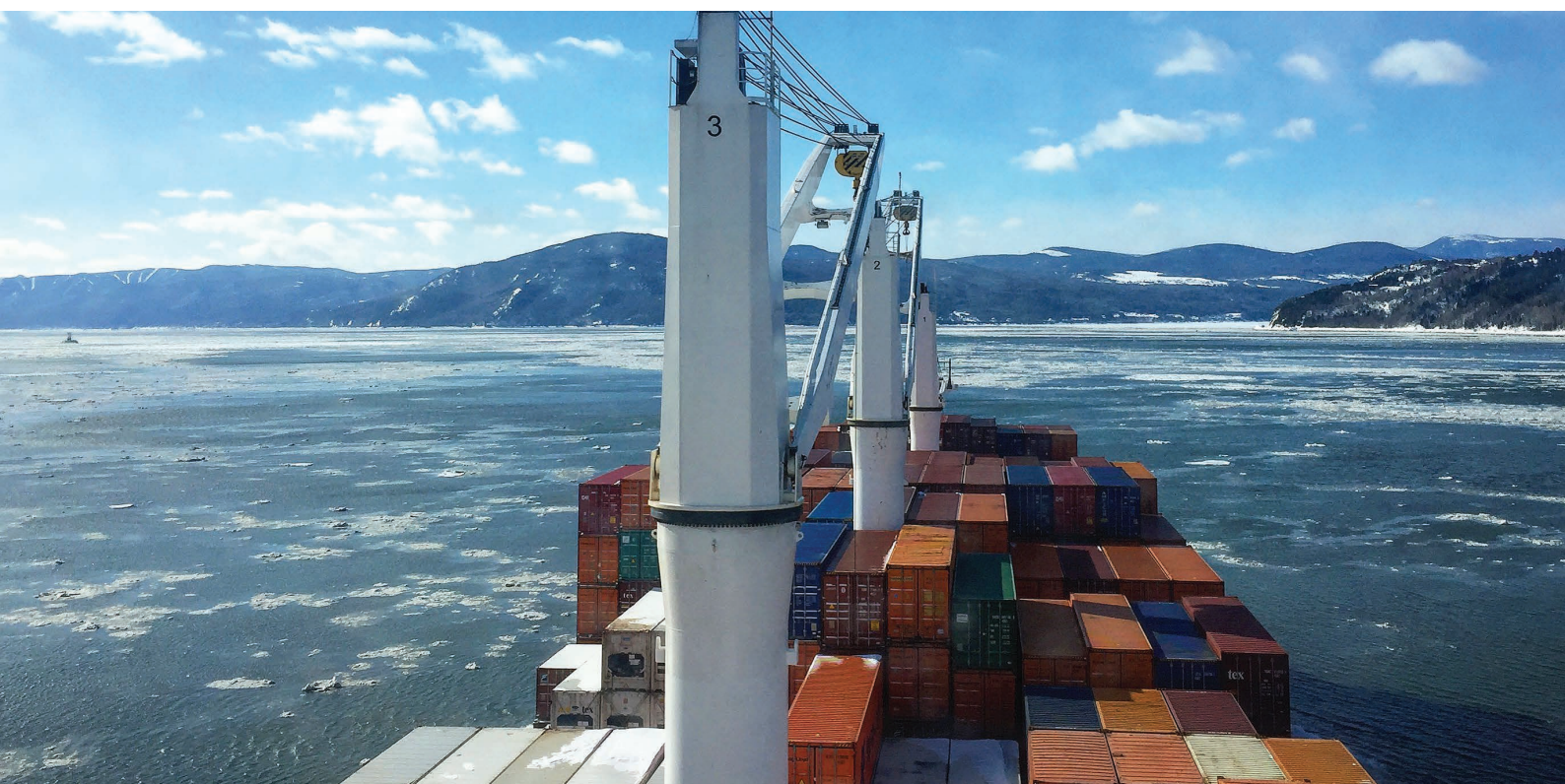
<b>Operating profit</b>	2nd Quarter	3rd Quarter	3rd Quarter	Jan - Sep	Jan - Sep	Jan - Dec
<i>Amounts in USD million</i>	2023	2023	2022	2023	2022	2022
Tankers	21.9	20.3	19.3	64.6	47.1	68.0
Container vessels	7.7	8.9	6.2	24.5	17.7	24.6
Car Carriers	7.4	3.2	5.2	19.4	14.9	20.7
Gas Carriers	5.0	5.1	5.0	15.2	14.0	19.7
Dry Bulk Carriers	6.9	4.2	3.0	13.8	9.9	12.8
Oil Service	6.8	6.3	6.3	20.5	17.8	24.2
Other companies and eliminations	(2.8)	(2.8)	(2.8)	(8.3)	(7.3)	(10.8)
<b>Operating profit</b>	<b>53.0</b>	<b>45.2</b>	<b>42.3</b>	<b>149.7</b>	<b>114.1</b>	<b>159.2</b>

## NOTE 6 CHANGE IN FAIR VALUE OF FINANCIAL INSTRUMENTS

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

<i>Amounts in USD million</i>	Fair value as of 31 December 2022	Change Q3 2023	Change Jan - Sep 2023	Fair value as of 30 September 2023
Cross Currency Interest Rate Swaps	(30.5)	4.8	17.3	(13.2)
Interest rate swaps	0.2	-	(0.2)	0.0
<b>Total</b>	<b>(30.3)</b>	<b>4.8</b>	<b>17.1</b>	<b>(13.2)</b>

<i>Amounts in USD million</i>	Fair value as of 31 December 2021	Change Q3 2022	Change Jan - Sep 2022	Fair value as of 30 September 2022
Cross Currency Interest Rate Swaps	(15.5)	(11.1)	(27.2)	(42.7)
Interest rate swaps	(1.7)	0.2	1.9	0.2
<b>Total</b>	<b>(17.2)</b>	<b>(10.9)</b>	<b>(25.3)</b>	<b>(42.4)</b>



## NOTE 7 VESSELS AND EQUIPMENT

Changes in vessels and equipment during 2023:

Amounts in USD million	Tankers	Container vessels	Car Carriers	Gas Carriers	Dry Bulk Carriers	Oil Service	Other/elim	Total
<b>Balance as of 1 January 2023</b>	-	-	<b>190.6</b>	<b>136.2</b>	-	<b>146.1</b>	<b>1.9</b>	<b>475.4</b>
Reclassification from newbuildings	-	84.3	-	-	-	-	-	<b>84.3</b>
Capital expenditure	-	1.2	-	-	-	3.4	-	<b>4.6</b>
Disposals	-	-	(99.9)	-	-	-	-	<b>( 99.9)</b>
Depreciation	-	(0.2)	(4.6)	(4.2)	-	(9.5)	(0.4)	<b>( 18.9)</b>
<b>Balance as of 30 September 2023</b>	-	<b>85.3</b>	<b>86.1</b>	<b>132.0</b>	-	<b>140.0</b>	<b>1.5</b>	<b>445.1</b>

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.

In September 2023, the Company took delivery of the container vessel *ZIM Danube*, classified as a newbuilding in prior periods, and commenced a seven-year time charter to ZIM Integrated Shipping Services Ltd.



## 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 September 2023	31 December 2022
<i>Gross finance lease receivable</i>		
Less than one year	200.3	293.6
One to five years	709.5	670.1
Unguaranteed residual values	572.6	783.8
<b>Gross finance lease receivable</b>	<b>1,482.3</b>	<b>1,747.4</b>
Less: Unearned finance income	(288.2)	(346.1)
<b>Total finance lease receivables</b>	<b>1,194.1</b>	<b>1,401.3</b>
<i>Present value of minimum lease payments</i>		
Less than one year	195.6	287.6
One to five years	596.9	558.3
Unguaranteed residual values	401.6	555.4
<b>Total finance lease receivables</b>	<b>1,194.1</b>	<b>1,401.3</b>
Pre-delivery instalments	-	-
<b>Total finance lease receivables</b>	<b>1 194.1</b>	<b>1 401.3</b>

In March, April and May 2023, *STI Sanctity*, *Hafnia Turquoise* and *STI Steadfast*, respectively, were delivered to their new owners following the declaration of purchase options in 2022. In August 2023, the vessels *STI Supreme* and *Interlink Amenity* were delivered to new owners following the exercise of purchase options. Also in August 2023, a purchase option was declared for the Suezmax tanker *Milos* with delivery during the first quarter of 2024.

## NOTE 9 INVESTMENTS IN ASSOCIATES

<i>Amounts in USD million</i>	BOX Holdings	OY Holding LR2	Total
Ownership	49.9 %	50.0 %	
<b>Balance 1st January 2023</b>	<b>187.4</b>	<b>3.1</b>	<b>190.5</b>
Dividends received	(12.2)	(2.0)	(14.2)
Income from investments in associates	15.6	0.6	16.2
Other comprehensive income from investments in associates	3.8	-	3.8
<b>Total investments in associates as of 30 September 2023</b>	<b>194.5</b>	<b>1.7</b>	<b>196.2</b>
<i>Carrying amount of investment in associates:</i>			
Non-currents assets	900.3	0.8	901.1
Current assets	64.1	30.2	94.3
Non-current liabilities	(582.0)	(22.3)	(604.3)
Current liabilities	(55.8)	(5.3)	(61.1)
<b>Net assets (100%)</b>	<b>326.5</b>	<b>3.5</b>	<b>330.0</b>
<b>Share of net assets</b>	<b>162.9</b>	<b>1.7</b>	<b>164.7</b>
Adjustment to carrying value of investment:			
Finance lease receivables	32.9	-	32.9
Adjustment to interest-bearing long-term debt	(1.4)	-	(1.4)
<b>Carrying amount of investments in associates as of 30 September 2023</b>	<b>194.5</b>	<b>1.7</b>	<b>196.2</b>

In September 2023, the *Navig8 Precision*, which is held in OY Holding LR2 Limited, was delivered to its new owner and a purchase option for the *Navig8 Prestige JKB* was declared with delivery in January 2024.

## NOTE 10 CONTRACTUAL OBLIGATIONS

As of 30<sup>th</sup> September 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	217.3	167.9	-	166.0	522.0	-	1 073.2
Paid and capitalised instalments	32.6	52.4	-	24.9	71.2	-	181.1
<b>Remaining obligations as of 30 September 2023</b>	<b>184.7</b>	<b>115.5</b>	<b>-</b>	<b>141.1</b>	<b>450.8</b>	<b>-</b>	<b>892.1</b>

The payments included in the 'Tankers' segment relate to four LR1 product tankers newbuildings that upon delivery will commence 15-year bareboat charters to guaranteed subsidiaries of Braskem S.A. Ten percent of the gross commitments will be paid by the charterer to Ocean Yield upon each payment to the yard. The payments included in the 'Container Vessels' segment, relate to two 5,500 TEU newbuilding container vessel with seven-year time charters to ZIM Integrated Shipping Services Ltd. The obligations listed under 'Gas Carriers' relate to two newbuilding, 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	58.2	-	-	32.3	25.0	141.3	393.1
Paid loan fees	(0.7)	(1.5)	-	(1.5)	(0.4)	(0.1)	(1.8)	(5.9)
Instalments	(175.2)	(11.9)	(91.8)	(9.9)	(47.5)	(26.4)	(112.4)	(475.1)
Amortised loan fees	1.7	0.2	0.3	0.2	0.8	(0.1)	0.5	3.8
Effect of foreign exchange changes		-	-	-	-	-	(9.0)	(9.0)
<b>Total interest-bearing liabilities as of 30 September 2023</b>	<b>711.5</b>	<b>157.5</b>	<b>64.9</b>	<b>117.1</b>	<b>105.8</b>	<b>135.1</b>	<b>170.3</b>	<b>1 462.5</b>
Long-term	638.7	131.6	58.8	103.7	96.4	99.9	170.3	1,299.5
1st year instalments	72.9	25.9	6.1	13.4	9.5	35.3	-	163.0
<b>Total interest-bearing liabilities as of 30 September 2023</b>	<b>711.5</b>	<b>157.5</b>	<b>64.9</b>	<b>117.1</b>	<b>105.8</b>	<b>135.1</b>	<b>170.3</b>	<b>1 462.5</b>

During the first quarter of 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 addition, the Company signed long-term loan agreements for the remaining two newbuilding container vessels with long-term charters to ZIM Integrated Shipping Services Ltd. Further, 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 *S71 Symphony*, which included an upsizing of USD 8 million. Also during the first quarter of 2023, the Company settled the NOK 750 million FRN Senior Unsecured Callable Bond Issue with maturity 25 May 2023.

During the first quarter of 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.

During the second quarter of 2023, two chemical tankers were refinanced, at improved terms and the facility was upsized with USD 13 million. The loan facility has a tenor

of 3 years. In addition, 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.

During the third quarter of 2023, the Company issued a new NOK 750 million senior unsecured bond loan (OCY09) with a five year tenor. The bond loan carries a coupon of 3m NIBOR + 375 bps p.a., payable quarterly. In conjunction with the new bond issue and other subsequent transactions, the Company bought back USD 12.6 million and NOK 124.0 million in the bond issues OCY06 and OCY07, respectively, and as of September 30<sup>th</sup>, 2023, held USD 94.1 million in OCY06, where the total nominal outstanding amount is USD 125 million and NOK 423.5 million in OCY07 where the total nominal outstanding amount is NOK 750 million.

During the third quarter of 2023, the Company signed a loan agreement for the refinancing of the two AHTS vessels that commenced bareboat charters to Viking Supply Ships AB in November 2023.



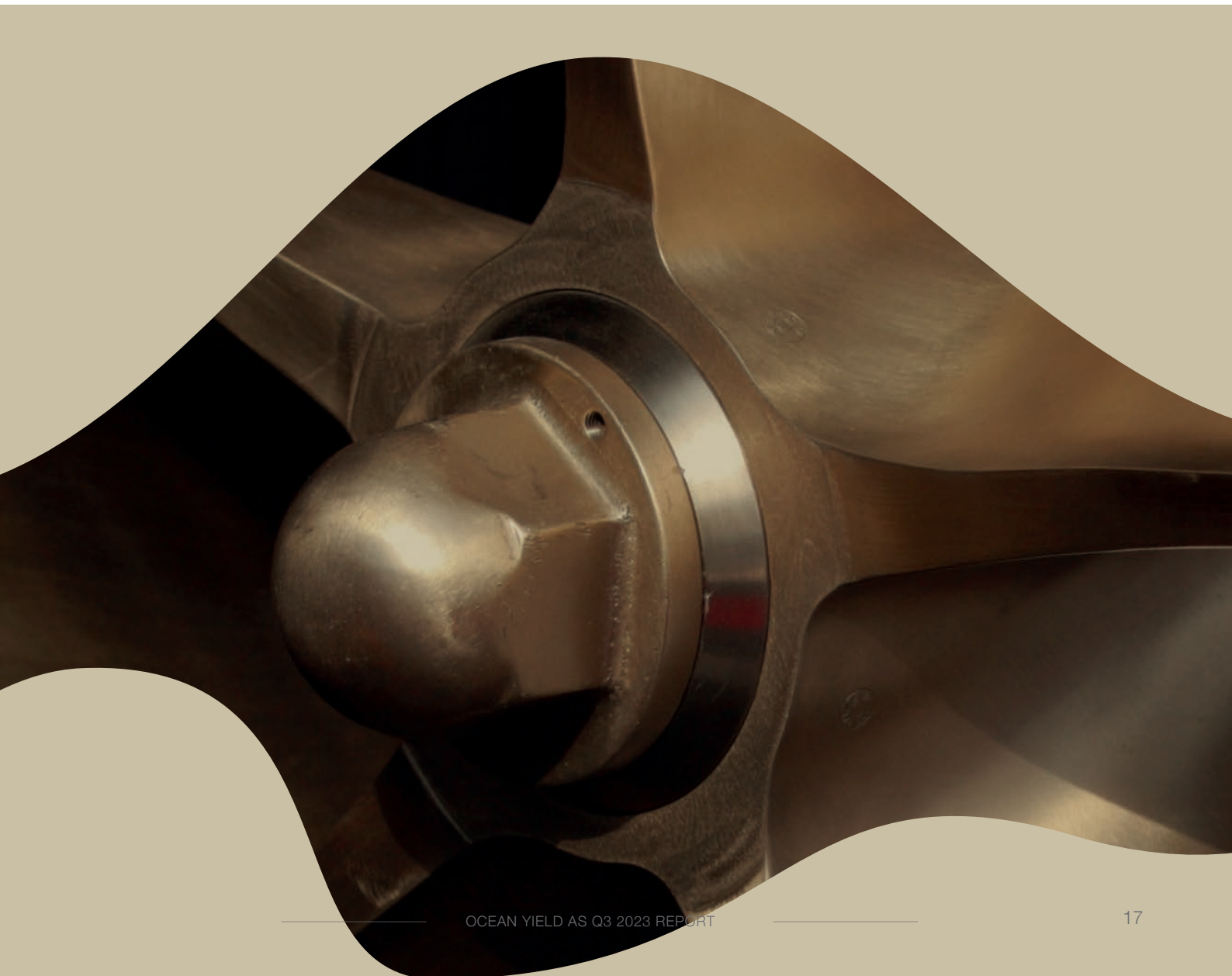
## NOTE 12 SUBSEQUENT EVENTS

During October 2023, the Company agreed to acquire a 2016-built Suezmax tanker with eight-year bareboat charter to Nordic American Tankers Ltd. Also during October 2023, a purchase option for the car carrier *Høegh Jacksonville* was declassified. The vessel is expected to be delivered to its new owners during second quarter 2024.

During November 2023, the Company agreed to acquire two 2022-built Suezmax tankers with 14-year bareboat charters to guaranteed subsidiaries of Euronav NV. Also during November 2023, the two AHTS vessels previously trading in a pool with Solstad Offshore ASA, commenced new five-year bareboat charters to Viking Supply Ships AB. Further, during November 2023, a purchase option for

the Seuzmax tanker *Poliegos* was declassified. The vessel is expected to be delivered to its new owners during the second quarter of 2024.

After the end of the quarter, the Company has bought back another NOK 37 million in the unsecured bond issue OCY07.



## 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.
- Adjusted EBITDA: EBITDA adjusted for Repayment of finance lease receivables and IFRS treatment (straightlining) of operating lease revenue.
- 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

lease accounting 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 lease accounting effects is useful information to investors as they provide supplementing measures of Ocean Yield's profitability from its operations. Regarding EBITDA adjusted for lease accounting 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:

	2nd Quarter	3rd Quarter	3rd Quarter	Jan - Sep	Jan - Sep	Jan - Dec
<i>Amounts in USD million</i>	2023	2023	2022	2023	2022	2022
Total revenues and other income	61.8	54.5	51.1	177.2	142.0	197.3
Vessel operating expenses	-	(0.3)	-	(0.3)	0.0	0.0
Administrative expenses	(2.7)	(2.7)	(2.3)	(8.4)	(6.8)	(10.4)
<b>EBITDA</b>	<b>59.1</b>	<b>51.5</b>	<b>48.8</b>	<b>168.6</b>	<b>135.2</b>	<b>187.0</b>
Repayment on finance lease receivables	27.4	26.7	28.3	83.4	83.9	114.9
Adjustment for straightlining of operating lease revenue	-	0.8	-	0.8	-	-
<b>EBITDA adjusted for lease effects</b>	<b>86.5</b>	<b>79.0</b>	<b>77.0</b>	<b>252.8</b>	<b>219.1</b>	<b>301.9</b>



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