

# Q4

## 2021 REPORT



OCEAN YIELD

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# FOURTH QUARTER AND PRELIMINARY RESULTS 2021

Fornebu, 11<sup>th</sup> February 2022, Ocean Yield AS (“Ocean Yield” or the “Company”) announces results for the fourth quarter and preliminary results for the year ending 31<sup>st</sup> December 2021.

## HIGHLIGHTS

- EBITDA for Q4 2021 was USD 41.5 million and EBITDA adjusted for finance lease effects was USD 66.1 million.
- Net profit for the period Q4 2021 was USD 17.9 million and adjusted net profit for Q4 2021 was USD 23.6 million.
- Acquisition of six eco-design VLCCs with long term charters to International Seaways Inc. for a total consideration of USD 375 million.
- Acquisition of two modern LR2 product tankers with 10-year bareboat charters to Scorpio Tankers Inc. for a total consideration of about USD 70 million.
- Sale of the FPSO *Dhirubhai-1* to Aker Energy AS for a total consideration of USD 35 million.
- Completion of the voluntary offer for all shares in Ocean Yield by KKR and a subsequent de-listing of the Company from the Oslo Stock Exchange. The Company was converted from ASA to AS and a new Board of Directors elected.
- Following the retirement of Lars Solbakken, Andreas Røde has been appointed new CEO of Ocean Yield, effective 4<sup>th</sup> February 2022.

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

*“I have had the pleasure of working with Lars Solbakken and the great team in Ocean Yield since the IPO in 2013, initially as an advisor and, since 2017, as responsible for Business Development. I am very much looking forward to continue to develop Ocean Yield further with KKR as our new owner and I am confident that we have the best team and a unique platform for further growth in place.”*

## SELECTED KEY FINANCIAL FIGURES

<i>Amounts in USD million</i>	3rd Quarter 2021	4th Quarter 2021	4th Quarter 2020	Jan - Dec 2021	Jan - Dec 2020
Revenues and other income	44.7	<b>47.4</b>	50.4	<b>185.1</b>	258.8
EBITDA*	33.0	<b>41.5</b>	46.3	<b>162.0</b>	241.2
EBITDA adjusted for finance lease effects*	54.7	<b>66.1</b>	67.6	<b>248.5</b>	311.1
Net profit (loss) for the period	(2.5)	<b>17.9</b>	(51.7)	<b>63.0</b>	(141.3)
Adjusted Net profit*	21.5	<b>23.6</b>	19.4	<b>89.1</b>	77.9
Adjusted Net profit from continuing operations*	22.6	<b>23.8</b>	21.6	<b>93.5</b>	88.2
Equity ratio	30.1 %	<b>28.6 %</b>	27.9 %	<b>28.6 %</b>	27.9 %
EBITDA charter backlog (USD bn)*	2.7	<b>3.1</b>	2.9	<b>3.1</b>	2.9

\* Definitions on page 20

# MAIN EVENTS DURING THE FOURTH QUARTER AND POST QUARTER END

## New investments

- In October, Ocean Yield agreed to acquire six eco-design VLCCs with 10-year bareboat charters to International Seaways Inc. (“International Seaways”) for a total consideration of about USD 375 million. Five of the vessels are built in 2016 and one in 2015. The charter agreements include purchase obligations at the end. The transaction was financed with a combination of cash and long-term debt and delivery took place in November 2021.

International Seaways is one of the largest tanker companies worldwide providing energy transportation services for crude oil and petroleum products and owns and operates a fleet of 92 vessels. The company is listed on the New York Stock Exchange under the ticker “INSW” with a market capitalization of about USD 920 million.

- In December, Ocean Yield acquired two modern LR2 product tankers with 10-year bareboat charters to Scorpio Tankers Inc. (“Scorpio Tankers”) for a total consideration of about USD 70 million. The charter agreements include purchase obligations at the end. The Company took delivery of the vessels during December 2021. Including this investment, Ocean Yield now owns six LR2 product tankers with long-term charters to Scorpio Tankers.

Scorpio Tankers currently owns, finance leases or bareboat charters-in 131 product tankers and is listed on the New York Stock Exchange under the ticker “STNG” with a market capitalization of about USD 800 million.

## Acquisition of all shares in Ocean Yield by KKR

- In December, Octopus Bidco AS, a company controlled by funds advised by Kohlberg Kravis Roberts & Co. L.P. (“KKR”) completed the voluntary offer for all shares in Ocean Yield with a price of NOK 41.259 per share, reaching approximately 94% ownership. Immediately thereafter, a compulsory acquisition of the remaining 6% shares was completed, resulting in KKR owning 100%. Following this, the shares in Ocean Yield were de-listed from the Oslo Stock Exchange and the company converted from ASA to AS. Concurrently, a new Board of Directors was elected, being Vincent Policard and Bernardo Nogueira from KKR.

## Portfolio update

- In October, 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 is expected to take place in Q1 2022. Ocean Yield expects to record a small book profit from the sales.
- In November, Aker Energy AS (“Aker Energy”) exercised the option to acquire the FPSO *Dhirubhai-1* for

a total consideration of USD 35 million. The vessel was delivered to Aker Energy during the fourth quarter. Following this, the land-based personnel related to the FPSO has also been transferred to Aker Energy.

- In December, Höegh Autoliners Shipping AS (“Höegh Autoliners”) declared an option in the charter agreement for the 2010 built car carrier *Höegh Beijing*, to purchase the vessel upon expiry of the bareboat charter in June 2022. The purchase price is USD 22 million and Ocean Yield will receive net cash proceeds after repayment of debt related to the vessel of about USD 12 million. The intention is to reinvest the net cash proceeds into new vessels with long-term charters.

## Funding

- In connection with the acquisition 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 with competitive margins.
- The Company has also entered into a new loan agreement of approximately USD 55 million for the financing of the two LR2 tankers on charter to Scorpio Tankers, which were acquired in December. The loan has a tenor of five years with competitive margin.
- For the two newbuilding Suezmax tankers scheduled for delivery in Q2 2022, the Company signed a new loan agreement in December 2021 for a USD 81.5 million loan facility with a tenor of 10 years with competitive margin.
- In connection with the voluntary offer from KKR 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. Amendment agreements for all bonds were entered into during the fourth quarter.
- The Board of Directors has declared a dividend of USD 0.23 cents per share for Q4 2021, payable in Q1 2022.

## Transition of CEO

- Post quarter end, Ocean Yield announced that Lars Solbakken had informed the Board of Directors of his retirement from his role as CEO, effective February 4<sup>th</sup>, 2022. The Board of Directors of Ocean Yield has appointed Andreas Røde as the new CEO of the Company. Mr. Røde joined Ocean Yield in 2017 and comes from the role of Head of Business Development and M&A. As part of the organisational change, Eirik Eide will continue as Chief Financial Officer, Andreas Reklef will take on the role as Chief Operating Officer and Erik Hiller Holom has been appointed

## FOURTH QUARTER FINANCIAL REVIEW

### Profit and Loss items

- **Total revenues and other income** for Q4 2021 were USD 47.4 million compared with USD 44.7 million for Q3 2021. Revenues in the fourth quarter were positively affected by the sale of two VLCCs, where the bareboat charterer, Okeanis Eco Tankers Corp. declared an option in the chartering agreements to sell the vessels to a third party. The sale resulted in a one-off profit of USD 5.6 million for Ocean Yield. Operating lease revenue and Finance lease revenue were in line with Q3 2021. Income from investments in associates, which is related to vessels owned in joint-ventures, was lower in Q4 2021 compared with Q3 2021 as a result of swap termination cost in connection with a refinancing of the joint venture company Box Holding Inc., where Ocean Yield owns 49.9%.
- **Operating profit** was USD 34.1 million in Q4 2021 compared with USD 25.6 million in Q3 2021. In addition to the comments on revenues above, Operating profit was positively affected by lower wages and personnel expenses compared with the third quarter, which included extraordinary items related to the acquisition of Ocean Yield by KKR.
- **Net Financial items** were negative USD 15.2 million in Q4 2021 compared with negative USD 10.0 million in Q3 2021. The increase is mainly related to the recognition of loan expenses in connection with the sale of two VLCCs and fees paid to bondholders and banks related to the acquisition of Ocean Yield by KKR.
- **Net profit for the period** Q4 2021 was USD 17.9 million compared with a net loss for the period of USD 2.5 million in Q3 2021. Adjusted net profit for the period was USD 23.6 million as compared with USD 21.5 million in Q3 2021.

### Balance sheet items

- **Cash & cash equivalents** at the end of Q4 2021 were USD 121.2 million, compared with USD 114.0 million at the end of Q3 2021.
- **Book equity** was USD 663.5 million at the end of Q4 2021, compared with USD 654.3 million at the end of Q3 2021. The equity ratio was 28.6% at the end of Q4 2021.
- **Total Interest bearing debt** increased compared with Q3 2021 as a result of vessel acquisitions. During the fourth quarter, the Company has drawn USD 346.0 million of debt related to the acquisition of six VLCCs and two product tankers and repaid USD 210.8 million related to the sale of vessels.

### Cash flow

- **Net cash flow from operating activities** was USD 50.5 million in Q4 2021 compared with USD 46.4 million in Q3 2021.
- **Net cash flow from investing activities** was negative USD 171.2 million compared with positive USD 25.4 million in Q3 2021. The figures in the fourth quarter is mainly related to the investment in six VLCCs and two product tankers and sale of vessels.
- **Net cash flow from financing activities** was positive USD 126.8 million compared with negative USD 60.2 million in Q3 2021. The figure in Q4 2021 is mainly related to new debt as a result of vessel acquisitions, repayment of debt related to vessel sales and dividends.

## 2021 FINANCIAL REVIEW

- **Total revenues and other income** were USD 185.1 million in 2021 compared with USD 258.8 million in 2020. The decrease compared with 2020 is mainly due to a combination of vessel sales and the establishment of two joint ventures for seven tankers in 2020, which changed the accounting method for these vessels. In addition, the figures for 2020 included the settlement of an insurance claim related to the *Höegh Xiamen*, which was declared a total loss in 2020.
- **Vessel Operating Expenses** were USD 0.8 million in 2021 compared with USD 7.9 million in 2020. This is related to the vessel *Connector*, which was sold late in 2020.
- **Operating profit** was USD 132.7 million in 2021 compared with USD 62.5 million in 2020. In addition to the comments on revenues above, Operating profit in 2020 included impairments and losses related to the sale of the oil-service vessel *Connector*.
- **Net Financial items** were negative USD 46.3 million in 2021, compared with negative USD 95.4 million in 2020. The reduction compared to the previous year is mainly related to repayment of debt as a result of vessel sales, repayment of the unsecured NOK bond OCY 04, and the establishment of a joint venture for seven tankers on long-term charters in the second quarter of 2020. In addition, the figures for 2020 included foreign exchange losses and change in fair value of financial instruments of negative USD 12.9 million, compared with a positive figure of USD 7.5 million in 2021.
- **Net loss from discontinued operations** was USD 20.7 million in 2021 compared with USD 105.1 million in 2020. This is related to the FPSO *Dhirubhai-1*, which has been in lay-up and was sold to Aker Energy in Q4 2021. The losses are mainly a result of impairments on the vessels book value of USD 16.4 million in 2021 and USD 94.8 million in 2020.
- **Net profit for the year 2021** was USD 63.0 million compared with a Net loss for the year of USD 141.3 million in 2020. Adjusted net profit was USD 89.2 million in 2021 compared with USD 77.9 million in 2020.

## CHARTER BACKLOG

The EBITDA charter backlog at the end of Q4 2021 was USD 3.1 billion with an average remaining contract duration of 9.2 years. This includes Ocean Yield's pro-rata interest in vessels owned in joint ventures. The total fleet, counted 62 vessels at the end of the fourth quarter, which includes wholly and partly owned vessels and vessels under construction.

## RISKS

The Company's fleet is fixed on long-term bareboat charters with fixed rates (only subject to interest-rate clause adjustments) and is as such not directly affected by market fluctuations in charter rates. However, for two AHTS vessels the Company is exposed to market rates, as these vessels are trading on variable, market related rates with Solstad Offshore ASA.

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

For a more detailed description of risk factors, please refer to the annual report for 2020, which is available on [www.oceanyield.no](http://www.oceanyield.no).

## OUTLOOK

With KKR as new owner, Ocean Yield's ambition is to continue to grow and diversify the fleet further in a private setting.

KKR has substantial capital available for the support of the Company in making new investments. The strategic focus will continue to be on modern tonnage and newbuildings within the conventional shipping segments.

Fornebu, 11<sup>th</sup> February 2022

Ocean Yield AS

Vincent Policard  
Chairman

Bernardo Nogueira  
Director

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# OCEAN YIELD ASA GROUP CONDENSED CONSOLIDATED FINANCIAL STATEMENT FOR THE FOURTH QUARTER 2021

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

<i>Amounts in USD million</i>	Note	3rd Quarter 2021	4th Quarter 2021	4th Quarter 2020	Jan - Dec 2021	Jan - Dec 2020
Operating lease revenue		17.4	17.8	20.6	68.6	95.5
Finance lease revenue		21.6	21.3	23.5	86.5	112.4
Income from investments in associates		5.4	2.5	6.0	19.6	22.4
Other income		0.2	5.8	0.3	10.3	28.5
<b>Total revenues and other income</b>	5	<b>44.7</b>	<b>47.4</b>	<b>50.4</b>	<b>185.1</b>	<b>258.8</b>
Vessel operating expenses		(0.0)	0.0	(1.6)	(0.8)	(7.9)
Wages and other personnel expenses		(7.5)	(1.9)	(1.6)	(12.5)	(6.0)
Other operating expenses		(4.2)	(4.0)	(0.9)	(9.8)	(3.6)
Depreciation and amortization	8	(7.3)	(7.3)	(9.1)	(29.3)	(45.7)
Impairment charges	8	-	-	-	-	(62.2)
Loss from sale of vessels		-	-	(70.7)	-	(70.7)
<b>Operating profit (loss)</b>		<b>25.6</b>	<b>34.1</b>	<b>(33.5)</b>	<b>132.7</b>	<b>62.5</b>
Financial income		0.4	0.4	0.8	2.3	2.1
Financial expenses		(12.0)	(17.2)	(15.9)	(56.1)	(84.7)
Foreign exchange gains/losses		3.9	1.0	(26.2)	5.7	(39.7)
Change in fair value of financial instruments	7	(2.3)	0.5	25.9	1.8	26.8
<b>Net financial items</b>		<b>(10.0)</b>	<b>(15.2)</b>	<b>(15.4)</b>	<b>(46.3)</b>	<b>(95.4)</b>
<b>Net profit (loss) before tax</b>		<b>15.7</b>	<b>18.9</b>	<b>(48.9)</b>	<b>86.4</b>	<b>(32.9)</b>
Tax payable		0.3	(0.6)	(0.1)	(0.8)	(0.4)
Change in deferred tax		(1.0)	(0.2)	(0.6)	(1.9)	(2.9)
<b>Net profit (loss) from continuing operations</b>		<b>15.0</b>	<b>18.1</b>	<b>(49.6)</b>	<b>83.7</b>	<b>(36.1)</b>
Net profit (loss) from discontinued operation, net of tax	6	(17.5)	(0.2)	(2.1)	(20.7)	(105.1)
<b>Net profit (loss) for the period</b>		<b>(2.5)</b>	<b>17.9</b>	<b>(51.7)</b>	<b>63.0</b>	<b>(141.3)</b>
Attributable to:						
Equity holders of the parent		(4.7)	15.8	(53.9)	54.6	(150.9)
Non-controlling interests		-	-	-	-	0.4
Dividends on hybrid capital		2.1	2.1	2.1	8.4	9.3
<b>Net profit (loss) for the period</b>		<b>(2.5)</b>	<b>17.9</b>	<b>(51.7)</b>	<b>63.0</b>	<b>(141.3)</b>
Weighted average number of shares outstanding		175.2	175.2	175.2	175.2	175.2
<b>Earnings per share (USD)</b>		<b>(0.03)</b>	<b>0.09</b>	<b>(0.31)</b>	<b>0.31</b>	<b>(0.86)</b>
<b>Earnings per share (USD), continuing operations</b>		<b>0.07</b>	<b>0.09</b>	<b>(0.30)</b>	<b>0.43</b>	<b>(0.26)</b>
Total number of shares outstanding, eksl. treasury shares		175.2	175.2	175.1	175.2	175.2

## TOTAL COMPREHENSIVE INCOME

<i>Amounts in USD million</i>	2021	2021	2020	2021	2020
Net profit (loss) for the period	(2.5)	17.9	(51.7)	63.0	(141.3)
<b>Other comprehensive income, net of income tax</b>					
<b>Items that will not be reclassified to the income statement</b>					
Remeasurements of defined benefit liability (asset)	-	-	(0.0)	-	(0.0)
Total for items that will not be reclassified to the income statement	-	-	(0.0)	-	(0.0)
<b>Items that are or may be reclassified to the income statement</b>					
Share of other comprehensive income from investment in associates	0.9	3.2	1.5	9.8	(14.7)
Change in fair value of available for sale financial assets	-	-	0.5	-	(0.1)
Currency translation differences	-	-	(0.0)	-	(0.0)
Total for items that are or may be reclassified to the income statement	0.9	3.2	2.0	9.8	(14.8)
Total change in other comprehensive income, net of income tax	0.9	3.2	2.0	9.8	(14.8)
<b>Total comprehensive income for the period</b>	<b>(1.7)</b>	<b>21.0</b>	<b>(49.8)</b>	<b>72.9</b>	<b>(156.1)</b>
Attributable to:					
Equity holders of the parent	(3.8)	18.9	(51.9)	64.5	(165.8)
Non controlling interests	-	-	-	-	0.4
Dividends on hybrid capital	2.1	2.1	2.1	8.4	9.3
<b>Total comprehensive income for the period</b>	<b>(1.7)</b>	<b>21.0</b>	<b>(49.8)</b>	<b>72.9</b>	<b>(156.1)</b>

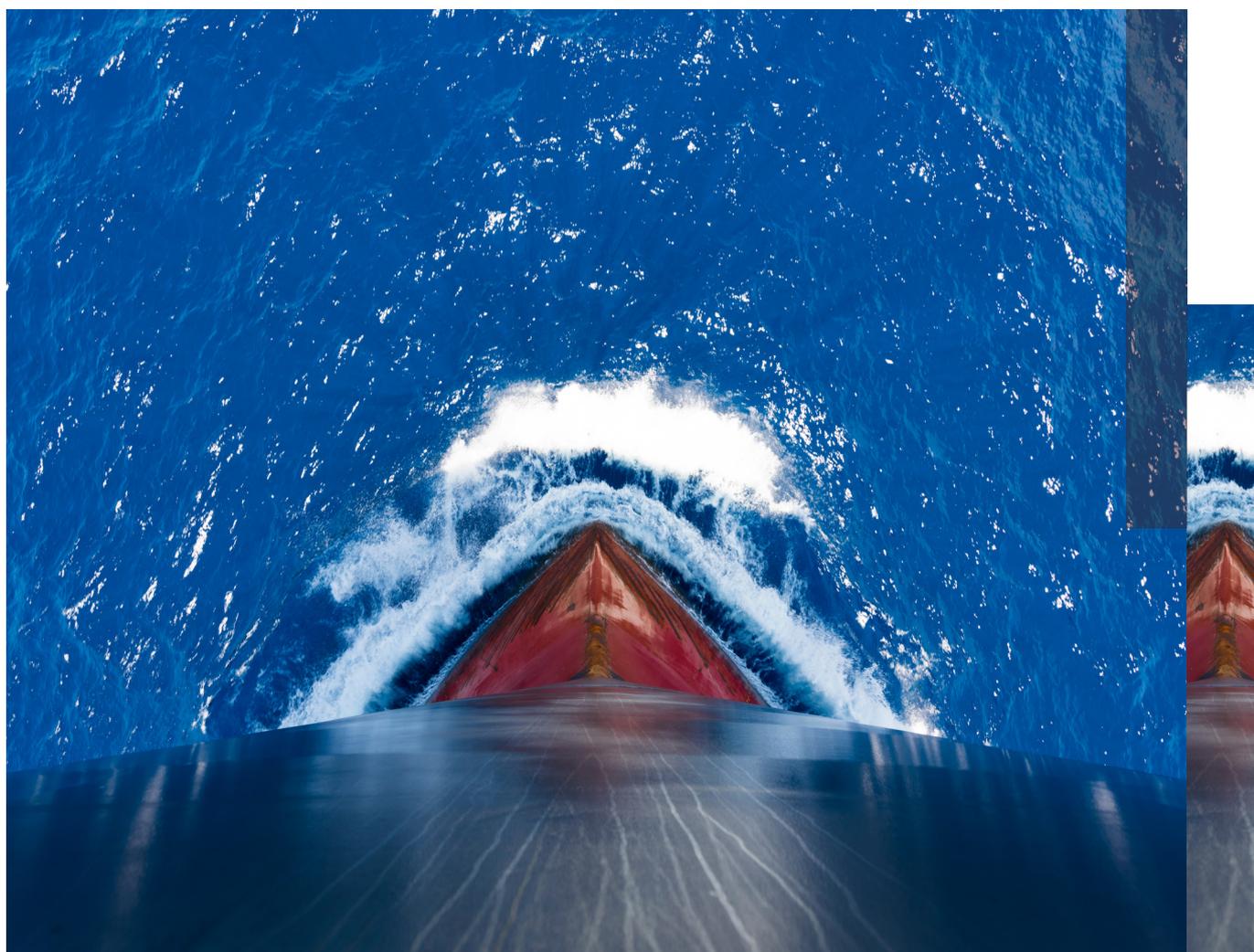


## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Amounts in USD million</i>		30 September	31 December	31 December
	Note	2021	2021	2020
<b>ASSETS</b>				
Vessels and equipment	8	529.9	522.5	550.4
Investments in associates		181.1	182.9	178.0
Finance lease receivables and related assets	9	1 050.2	1 295.0	1 220.0
Restricted cash deposits		1.4	5.5	1.3
Other shares and other non-current assets		2.6	2.1	1.6
<b>Total non-current assets</b>		<b>1 765.2</b>	<b>2 008.0</b>	<b>1 951.2</b>
Finance lease receivables, short term portion	9	252.2	191.0	164.2
Trade and other interest-free receivables		7.3	3.2	4.2
Cash and cash equivalents		114.0	121.2	112.7
<b>Current assets</b>		<b>373.5</b>	<b>315.4</b>	<b>281.1</b>
Assets held for sale	6	37.0	-	54.0
<b>Total current assets</b>		<b>410.5</b>	<b>315.4</b>	<b>335.1</b>
<b>Total assets</b>		<b>2 175.7</b>	<b>2 323.4</b>	<b>2 286.3</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital		271.0	271.0	271.0
Treasury shares		( 0.1)	-	( 0.0)
Other paid-in capital		202.1	190.2	237.3
<b>Total paid-in capital</b>	<b>13</b>	<b>473.1</b>	<b>461.2</b>	<b>508.3</b>
Retained earnings and translation reserves		56.2	77.2	4.4
<b>Total equity attributable to equity holders of the parent</b>		<b>529.3</b>	<b>538.5</b>	<b>512.7</b>
Hybrid capital		125.0	125.0	125.0
Non controlling interests		-	-	0.0
<b>Total equity</b>		<b>654.3</b>	<b>663.5</b>	<b>637.7</b>
Interest-bearing long-term debt	12	1 167.1	1 456.5	1 139.0
Deferred tax liabilities		6.8	7.0	5.2
Mobilization fee and advances		0.4	0.2	0.6
Fair value of derivatives	7	15.2	7.0	13.7
Finance lease liabilities		0.8	0.7	0.6
<b>Total non-current liabilities</b>		<b>1 190.3</b>	<b>1 471.4</b>	<b>1 159.2</b>
Interest-bearing short-term debt	12	310.2	162.4	471.8
Fair value of derivatives	7	2.4	10.1	5.3
Trade and other payables		17.0	15.9	10.1
<b>Current liabilities</b>		<b>329.6</b>	<b>188.5</b>	<b>487.2</b>
Liabilities directly associated with the assets held for sale	6	1.5	-	2.2
<b>Total current liabilities</b>		<b>331.1</b>	<b>188.5</b>	<b>489.4</b>
<b>Total liabilities</b>		<b>1 521.4</b>	<b>1 659.9</b>	<b>1 648.6</b>
<b>Total equity and liabilities</b>		<b>2 175.7</b>	<b>2 323.4</b>	<b>2 286.3</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>Amounts in USD million</i>	Share Capital	Share Premium	Treasury Shares reserve	Fair value reserve	Translation reserve	Retained earnings	Share-holders equity	Hybrid capital	Non controlling interests	Total equity
<b>Balance at 31st December 2019</b>	<b>271.0</b>	<b>366.1</b>	<b>(0.4)</b>	<b>(11.9)</b>	<b>(42.0)</b>	<b>155.6</b>	<b>738.4</b>	<b>125.0</b>	<b>13.2</b>	<b>876.6</b>
Net profit (loss) for the period	-	(47.1)	-	-	-	(94.5)	(141.6)	-	0.4	(141.3)
Other comprehensive income	-	(0.0)	-	(0.1)	(0.0)	(14.7)	(14.8)	-	-	(14.8)
<b>Total comprehensive income</b>	<b>-</b>	<b>(47.2)</b>	<b>-</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>(109.2)</b>	<b>(156.5)</b>	<b>-</b>	<b>0.4</b>	<b>(156.1)</b>
Dividend	-	(60.0)	-	-	-	-	(60.0)	-	(0.5)	(60.5)
Dividend on hybrid capital	-	(9.3)	-	-	-	-	(9.3)	-	-	(9.3)
Decrease in non-controlling interests (de-consolidation of subsidiary)	-	-	-	-	-	-	-	-	(13.0)	(13.0)
Sale of shares in Solstad Offshore AS	-	(12.0)	-	12.0	-	-	-	-	-	-
Treasury shares acquired	-	-	(0.7)	-	-	-	(0.7)	-	-	(0.7)
Treasury shares sold	-	(0.2)	1.0	-	-	-	0.7	-	-	0.7
Change of functional currency in subsidiaries	-	-	-	-	42.0	(42.0)	0.0	-	-	0.0
<b>Balance at 31st December 2020</b>	<b>271.0</b>	<b>237.4</b>	<b>(0.1)</b>	<b>-</b>	<b>-</b>	<b>4.4</b>	<b>512.7</b>	<b>125.0</b>	<b>-</b>	<b>637.7</b>
Net profit (loss) for the period	-	-	-	-	-	63.0	63.0	-	-	63.0
Other comprehensive income	-	-	-	-	-	9.8	9.8	-	-	9.8
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72.9</b>	<b>72.9</b>	<b>-</b>	<b>-</b>	<b>72.9</b>
Dividend	-	(38.9)	-	-	-	-	(38.9)	-	-	(38.9)
Dividend on hybrid capital	-	(8.4)	-	-	-	-	(8.4)	-	-	(8.4)
Treasury shares acquired	-	-	(0.4)	-	-	-	(0.4)	-	-	(0.4)
Treasury shares sold	-	(0.0)	0.5	-	-	-	0.5	-	-	0.5
Other	-	0.1	-	-	-	(0.1)	0.1	-	-	0.1
<b>Balance at 31st December 2021</b>	<b>271.0</b>	<b>190.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77.2</b>	<b>538.5</b>	<b>125.0</b>	<b>-</b>	<b>663.5</b>



## CONSOLIDATED STATEMENT OF CASH FLOWS

	3rd Quarter	4th Quarter	4th Quarter	Jan - Dec	Jan - Dec
<i>Amounts in USD million</i>	2021	2021	2020	2021	2020
Net profit (loss) for the period	(2.5)	17.9	(51.7)	63.0	(141.3)
Income tax expense	0.7	0.8	0.7	2.7	3.3
Depreciation and amortization	7.3	7.4	9.1	29.3	45.8
Impairment charges and other non-recurring items	16.4	0.0	0.9	16.4	157.0
Loss from sale of vessel	-	-	69.8	-	69.8
Repayment on finance lease receivables	21.8	24.6	21.3	86.5	97.1
Income from investments in associates	(5.4)	(2.5)	(6.0)	(19.6)	(22.4)
Dividend received from investments in associates	0.0	8.9	4.6	18.5	18.1
Net interest expenses (+)	11.3	14.1	14.6	50.3	77.5
Interest paid	(10.7)	(10.6)	(13.7)	(44.6)	(79.0)
Interest received	0.4	0.4	1.2	2.3	2.4
Unrealized foreign exchange gain/loss	(4.4)	(1.4)	21.6	(5.1)	(2.3)
Change in fair value of financial instruments	2.3	(0.5)	(25.9)	(1.8)	(26.8)
Other changes in operating activities	9.3	(8.4)	(2.7)	(6.3)	(48.1)
<b>Net cash flow from operating activities</b>	<b>46.4</b>	<b>50.5</b>	<b>43.9</b>	<b>191.6</b>	<b>151.1</b>
Acquisition of vessels and equipment	(0.1)	-	(3.8)	(0.9)	(4.2)
Sale of vessel	-	35.0	73.5	35.0	73.5
Sale of vessels (de-consolidation of subsidiary)	-	-	-	-	80.9
Proceeds from Insurance claim	-	-	-	-	26.3
Acquisition of vessels accounted for as finance lease receivables	-	(439.8)	(0.0)	(439.8)	(91.1)
Sale of vessel accounted for as finance lease	30.7	237.3	16.2	367.4	69.2
Investments in other non-current assets	-	0.0	1.9	1.1	1.9
Acquisition of shares in subsidiary, net of cash acquired	(4.9)	(0.0)	-	(4.9)	-
Net change in Investment in associated companies	-	-	-	-	10.2
Net change in long-term interest-bearing receivables	(0.3)	(3.7)	12.9	(3.9)	19.8
<b>Net cash flow from investing activities</b>	<b>25.4</b>	<b>(171.2)</b>	<b>100.7</b>	<b>(46.0)</b>	<b>186.5</b>
Proceeds from issuance of long-term interest-bearing debt	16.3	457.9	2.7	601.7	195.1
Repayment of long-term interest-bearing debt	(64.2)	(319.2)	(188.2)	(693.3)	(480.8)
Repayment of long-term interest-bearing debt (de-consolidation of subsidiary)	-	-	-	-	(50.9)
Repayment on finance lease liabilities	(0.1)	(0.1)	(0.1)	(0.3)	(0.3)
Dividend paid	(10.0)	(10.0)	(9.0)	(38.9)	(60.0)
Dividend on hybrid capital	(2.1)	(2.1)	(2.1)	(8.4)	(9.3)
Dividend paid to non-controlling interests	-	-	-	-	(0.5)
Net change in treasury shares	-	0.2	0.3	0.1	0.0
<b>Net cash flow from financing activities</b>	<b>(60.2)</b>	<b>126.8</b>	<b>(196.4)</b>	<b>(139.2)</b>	<b>(406.7)</b>
<b>Net change in cash and cash equivalents</b>	<b>11.7</b>	<b>6.1</b>	<b>(51.8)</b>	<b>6.4</b>	<b>(69.0)</b>
Exchange rate differences	0.4	0.9	1.5	1.0	(2.0)
Cash and cash equivalents at beginning of the period	101.2	114.0	158.6	112.7	185.5
Non-controlling interests' share of cash at time of de-consolidation	-	-	-	-	(1.2)
Change from associated company to subsidiary	1.0	-	-	1.0	-
Change in cash reported with assets held for sale	(0.2)	0.1	4.4	-	(0.4)
<b>Cash and cash equivalents at the end of the period</b>	<b>114.0</b>	<b>121.2</b>	<b>112.7</b>	<b>121.2</b>	<b>112.7</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT FOR OCEAN YIELD AS FOR THE FOURTH QUARTER 2021

## NOTE 1 INTRODUCTION

Ocean Yield is a company domiciled in Norway. The condensed consolidated interim financial statements for the fourth quarter and twelve months ending 31<sup>st</sup> December 2021 comprise Ocean Yield and its subsidiaries (together referred to as the “Group”).

The consolidated financial statements of the Group for the year ended 31<sup>st</sup> December 2020 and quarterly reports are available at [www.oceanyield.no](http://www.oceanyield.no).

## NOTE 2 STATEMENT OF COMPLIANCE

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by EU, and the Norwegian additional requirements in the Securities Trading Act. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as of and for the year ended 31<sup>st</sup> December 2020.

These condensed consolidated interim financial statements, which have not been subject to audit or review by independent accountants, were approved by the Board of Directors on 11<sup>th</sup> February 2022.

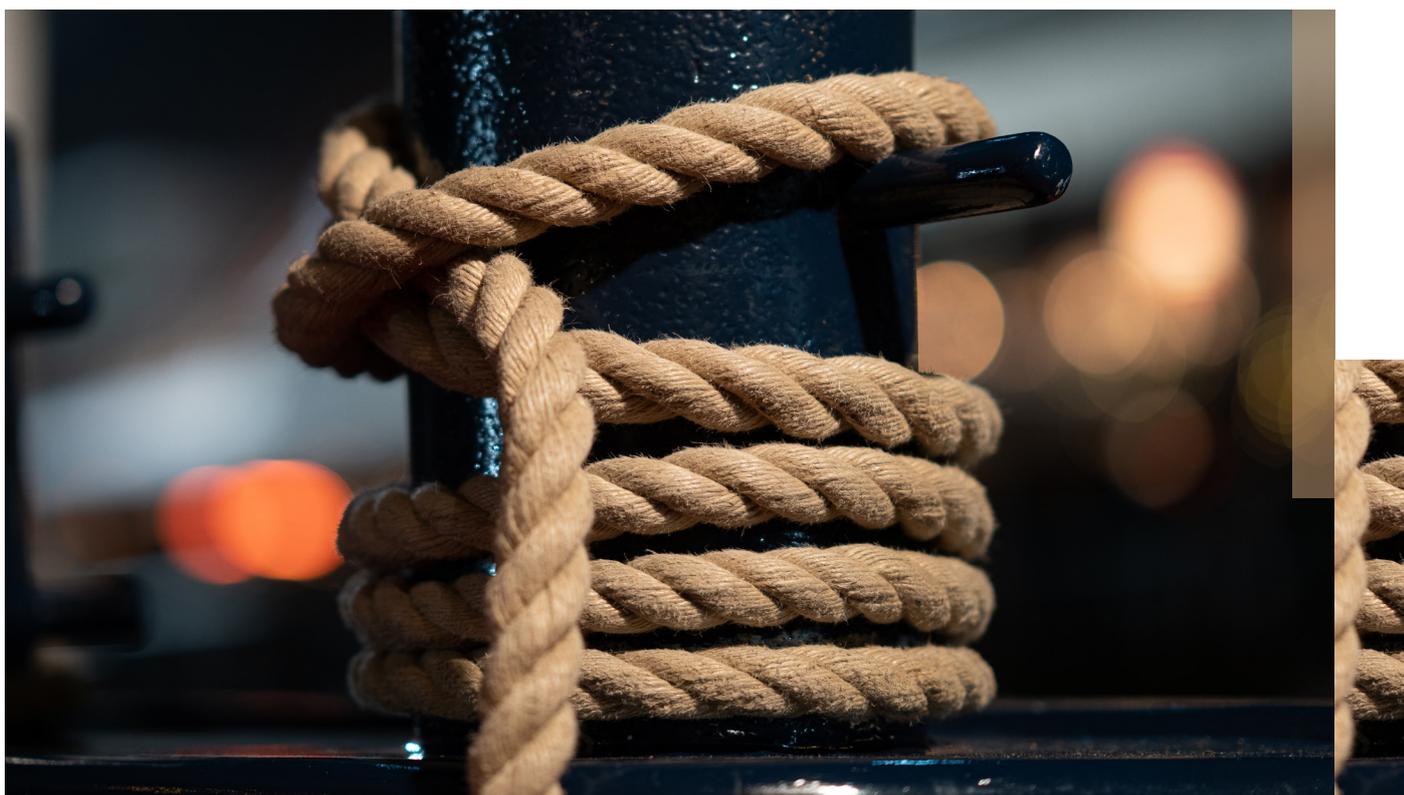
## NOTE 3 SIGNIFICANT ACCOUNTING PRINCIPLES

Accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as of and for the year ended 31<sup>st</sup> December 2020.

## NOTE 4 ESTIMATES

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The most significant judgments made by management in preparing these condensed consolidated interim financial statements in applying the Group’s accounting policies, and the key sources of estimation uncertainty, are the same as those applied to the consolidated financial statements as of the year ended 31<sup>st</sup> December 2020.



## NOTE 5 OPERATING SEGMENTS

Ocean Yield identifies segments based on the Group's management and internal reporting structure.

<b>Operating profit</b>	3rd Quarter	4th Quarter	4th Quarter	Jan - Dec	Jan - Dec	Jan - Dec
<i>Amounts in USD million</i>	2021	2021	2020	2021	2020	2020
Tankers	12.4	17.3	12.1	53.4	62.1	62.1
Container vessels	6.6	3.7	7.1	24.3	28.9	28.9
Car Carriers	4.9	4.9	5.0	19.4	22.4	22.4
Other Shipping	7.4	7.5	9.4	34.6	37.4	37.4
Other Oil Service*	6.3	6.6	(64.7)	23.5	(79.0)	(79.0)
Other companies and eliminations	(12.0)	(5.9)	(2.4)	(22.5)	(9.2)	(9.2)
<b>Operating profit</b>	<b>25.6</b>	<b>34.1</b>	<b>(33.5)</b>	<b>132.7</b>	<b>62.5</b>	<b>62.5</b>

\*The segment Other Oil Service includes an impairment of USD 34.6 million in Q3 2020 and a loss from sale of vessels of USD 70.7 million in Q4 2020.

## NOTE 6 DISCONTINUED OPERATIONS AND HELD FOR SALE ASSETS

The FPSO *Dhirubhai-1* has been marketed for sale and was reclassified as an asset held for sale as from Q1 2020, and the FPSO segment, which only relates to the FPSO *Dhirubhai-1* has been presented as 'discontinued operations'.

In November 2021 Aker Energy AS ("Aker Energy") exercised the option to acquire the FPSO for a total consideration of USD 35 million. The vessel was delivered to Aker Energy during November, and the Group no longer have any assets classified as held for sale. Following the sale, the land-based personnel related to the FPSO has also been transferred to Aker Energy.

Results from discontinued operations

	3rd Quarter	4th Quarter	4th Quarter	Jan - Dec	Jan - Dec
<i>Amounts in USD million</i>	2021	2021	2020	2021	2020
Operating revenues	0.4	0.6	0.0	1.6	0.3
<b>Total revenues and other income</b>	<b>0.4</b>	<b>0.6</b>	<b>0.0</b>	<b>1.6</b>	<b>0.3</b>
Vessel operating expenses	(0.6)	(0.8)	(0.7)	(2.9)	(4.4)
Wages and other personnel expenses	(0.4)	(0.4)	(0.3)	(1.5)	(1.1)
Other operating expenses	(0.5)	(0.0)	(1.0)	(2.0)	(4.8)
Depreciation and amortization	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)
Impairment charges and other non recurring items	(16.4)	-	-	(16.4)	(94.8)
<b>Operating profit (EBIT)</b>	<b>(17.5)</b>	<b>(0.6)</b>	<b>(2.1)</b>	<b>(21.2)</b>	<b>(104.9)</b>
Financial income	0.0	0.5	0.0	0.5	0.0
Financial expenses	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Foreign exchange gains/losses	0.0	(0.1)	(0.1)	0.0	(0.2)
<b>Net financial items</b>	<b>0.0</b>	<b>0.4</b>	<b>(0.1)</b>	<b>0.5</b>	<b>(0.1)</b>
<b>Net profit before tax</b>	<b>(17.5)</b>	<b>(0.2)</b>	<b>(2.1)</b>	<b>(20.7)</b>	<b>(105.1)</b>
Tax payable	-	-	-	-	-
Change in deferred tax	-	-	-	-	-
<b>Profit (loss) from discontinued operation, net of tax</b>	<b>(17.5)</b>	<b>(0.2)</b>	<b>(2.1)</b>	<b>(20.7)</b>	<b>(105.1)</b>

## Cash flows from discontinued operations

<i>Amounts in USD million</i>	3rd Quarter 2021	4th Quarter 2021	4th Quarter 2020	Jan - Dec 2021	Jan - Dec 2020
Profit for the period	(17.5)	(0.2)	(2.1)	(20.6)	(105.1)
Income tax expense	-	-	-	-	-
Depreciation and amortization	0.0	0.0	0.0	0.1	0.1
Impairment charges and other non-recurring items	16.4	-	-	16.4	94.8
Net interest expenses (+)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Interest paid	-	-	-	-	(0.0)
Interest received	-	-	0.0	-	0.0
Unrealized foreign exchange gain/loss	(0.0)	0.0	0.0	0.0	0.1
Other changes in operating activities	0.4	(0.5)	0.5	(0.8)	(13.7)
<b>Net cash flow from operating activities</b>	<b>(0.7)</b>	<b>(0.6)</b>	<b>(1.6)</b>	<b>(5.0)</b>	<b>(23.8)</b>
Acquisition of vessels and equipment	-	-	-	-	(0.2)
Sale of vessel	-	35.0	-	35.0	-
<b>Net cash flow from investing activities</b>	<b>-</b>	<b>35.0</b>	<b>-</b>	<b>35.0</b>	<b>(0.2)</b>
<b>Net change in cash and cash equivalents</b>	<b>(0.7)</b>	<b>34.4</b>	<b>(1.6)</b>	<b>30.0</b>	<b>(23.9)</b>
Intra Group transactions	0.9	(34.1)	(2.8)	(29.6)	17.6
Exchange rate differences	(0.0)	(0.0)	0.0	(0.0)	(0.1)
Cash and cash equivalents at beginning of the period	0.3	0.5	4.9	0.4	6.9
<b>Cash and cash equivalents at the end of the period</b>	<b>0.5</b>	<b>0.8</b>	<b>0.4</b>	<b>0.8</b>	<b>0.4</b>

## Assets held for sale and related liabilities

At 31st December 2021 the Group no longer have any assets held for sale:

<i>Amounts in USD million</i>	30 September 2021	31 December 2021
Vessels and equipment	35.0	-
Trade and other interest-free receivables	1.5	-
Cash and cash equivalents	0.5	-
<b>Assets held for sale</b>	<b>37.0</b>	<b>-</b>
Current provisions (field abandonment)	0.4	-
Trade and other payables	1.1	-
<b>Liabilities directly associated with the assets held for sale</b>	<b>1.5</b>	<b>-</b>

## NOTE 7 CHANGE IN FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

<i>Amounts in USD million</i>	Change Q4 2020	Change Jan - Dec 2020	Fair value as of 31 Dec 2020
Cross Currency Interest Rate Swaps	24.3	26.8	(12.3)
Forward exchange contracts	-	0.5	-
Interest rate swaps	1.6	(0.5)	(6.7)
<b>Total</b>	<b>25.9</b>	<b>26.8</b>	<b>(19.0)</b>

## NOTE 8 VESSELS AND EQUIPMENT

Material changes in vessels and equipment during 2021:

<i>Amounts in USD million</i>	Tankers	Container vessels	Car Carriers	Other Shipping	Other Oil Service	Other/elim	Total
<b>Balance at 1 January 2021</b>	-	-	<b>231.2</b>	<b>143.0</b>	<b>168.0</b>	<b>8.2</b>	<b>550.4</b>
Acquisitions	-	-	-	-	0.9	(0.0)	0.9
Fixed assets acquired through financial lease	-	-	-	-	-	0.5	0.5
Depreciation	-	-	(10.8)	(5.5)	(11.9)	(1.1)	(29.3)
Impairment	-	-	-	-	-	-	-
<b>Balance at 31st December 2021</b>	-	-	<b>220.4</b>	<b>137.6</b>	<b>157.0</b>	<b>7.5</b>	<b>522.5</b>

Vessels defined as finance leases are not included in Note 8 but included in Note 9 'Finance lease receivables and related assets'.

In December 2021, Höegh Autoliners Shipping AS declared an option in the charter agreement for the 2010 built car carrier Höegh Beijing, to purchase the vessel upon expiry of the bareboat charter in June 2022. The purchase price is USD 22 million.

As of quarter-end the Group has assessed the values of the vessels *Far Senator* and *Normand Statesman*. The value in use has been estimated for the vessels and has been calculated based on the present value of estimated future cash flows. The Company has estimated the charter hire expected to be received from the charter contracts, and this has been applied in the calculation of value in use. In addition the Company has made assumptions regarding the charter hire for the vessels after expiry of the contracts. The estimated cashflows are based on an assumed economic life of the vessels of 25 years. The projected cash

flows represents management's best estimate for future charter hire for the vessels.

The value in use calculations have been placed within level 3 in the fair value hierarchy, as they are based on few observable inputs.

The value in use was calculated using a discount rate of 7.5% p.a. after tax (8.0% p.a. in 2020). Implied pre-tax discount rate is equal to the discount rate after tax.

As of quarter-end the estimated value in use is equal to or higher than the book value of the vessels, and no impairment or reversal of impairment has been recognized. The book value of *Far Senator* and *Normand Statesman* was as of quarter-end USD 78.6 million.

The calculations of value in use are highly sensitive to the estimated level of future charter rates, the estimated residual values and the estimated useful life of the vessels.



## NOTE 9 FINANCE LEASE RECEIVABLES AND RELATED ASSETS

The net finance lease receivables as of 31<sup>st</sup> December 2021 was as follows:

<i>Amounts in USD million</i>	Tankers	Container vessels	Car Carriers	Other shipping	Other Oil Service	FPSO	Total
<i>Gross finance lease receivable</i>							
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
<b>Gross finance lease receivable</b>	<b>1 291.9</b>	<b>125.0</b>	<b>-</b>	<b>339.6</b>	<b>224.8</b>	<b>-</b>	<b>1 981.4</b>
Less: Unearned finance income	(299.2)	(28.3)	-	(82.5)	(84.4)	-	(494.4)
<b>Total finance lease receivables</b>	<b>992.7</b>	<b>96.7</b>	<b>-</b>	<b>257.2</b>	<b>140.4</b>	<b>-</b>	<b>1 487.0</b>
<i>Present value of minimum lease payments</i>							
Less than one year	121.9	11.7	-	30.4	27.0	-	191.0
One to two years	117.2	11.1	-	27.3	36.2	-	191.9
Two to three years	100.5	10.6	-	25.2	16.2	-	152.5
Three to four years	93.6	10.0	-	23.5	13.5	-	140.6
Four to five years	87.5	9.5	-	21.9	11.2	-	130.1
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
<b>Total finance lease receivables</b>	<b>992.7</b>	<b>96.7</b>	<b>-</b>	<b>257.2</b>	<b>140.4</b>	<b>-</b>	<b>1 487.0</b>
Pre-delivery instalments	(1.0)	-	-	-	-	-	(1.0)
<b>Total finance lease receivables and related assets</b>	<b>991.7</b>	<b>96.7</b>	<b>-</b>	<b>257.2</b>	<b>140.4</b>	<b>-</b>	<b>1 486.0</b>

The net finance lease receivables as of 31<sup>st</sup> December 2020 was as follows:

<i>Amounts in USD million</i>	Tankers	Container vessels	Car Carriers	Other shipping	Other Oil Service	FPSO	Total
<i>Gross finance lease receivable</i>							
Less than one year	85.9	12.1	-	42.7	29.5	-	170.2
One to two years	85.4	12.1	-	45.1	29.1	-	171.6
Two to three years	85.0	12.1	-	42.7	29.1	-	168.8
Three to four years	84.3	12.1	-	40.5	29.1	-	166.1
Four to five years	83.4	12.1	-	39.3	29.1	-	163.8
More than five years	477.1	54.5	-	256.1	50.8	-	838.4
Unguaranteed residual values	181.0	22.2	-	28.1	57.7	-	288.9
<b>Gross finance lease receivable</b>	<b>1,082.1</b>	<b>137.1</b>	<b>-</b>	<b>494.4</b>	<b>254.3</b>	<b>-</b>	<b>1,967.9</b>
Less: Unearned finance income	(324.1)	(33.7)	-	(121.2)	(104.7)	-	(583.7)
<b>Total finance lease receivables</b>	<b>757.9</b>	<b>103.5</b>	<b>-</b>	<b>373.2</b>	<b>149.6</b>	<b>-</b>	<b>1,384.2</b>
<i>Present value of minimum lease payments</i>							
Less than one year	83.5	11.7	-	41.6	27.4	-	164.3
One to two years	83.8	11.1	-	41.7	36.2	-	172.8
Two to three years	71.2	10.6	-	37.6	16.2	-	135.5
Three to four years	66.4	10.0	-	34.0	13.6	-	124.0
Four to five years	61.8	9.5	-	31.3	11.2	-	113.8
More than five years	296.4	37.1	-	169.6	22.4	-	525.5
Unguaranteed residual values	94.8	13.4	-	17.5	22.6	-	148.4
<b>Total finance lease receivables</b>	<b>757.9</b>	<b>103.5</b>	<b>-</b>	<b>373.2</b>	<b>149.6</b>	<b>-</b>	<b>1,384.2</b>

## Changes to financial leases in 2021

Eneti Inc., previously known as Scorpio Bulkers Inc., who took a strategic decision to exit the dry-bulk sector and declared options to sell the dry-bulk vessels *SBI Lynx*, *SBI Libra*, *SBI Virgo*, *SBI Cronos* and *SBI Achilles* to unrelated third parties. The sale of two of the vessels was completed during the first quarter and the remaining three during the second quarter. A profit of USD 3.4 million have been recognized from these sales in the first half of 2021.

Navig8 Chemical Tankers Inc. who is chartering the chemical tankers *Navig8 Topaz*, *Navig8 Tourmaline* and *Navig8 Tanzanite* declared the five-year purchase option for the vessels. The vessel *Navig8 Topaz* was delivered to Chemical Tankers Inc. in July 2021, *Navig8 Tourmaline* was delivered in October 2021, and *Navig8 Tanzanite* was delivered in November 2021.

Navig8 Ltd. who is chartering the chemical tanker *Navig8 Universe* and *Navig8 Constellation* declared the five-year purchase option on the vessels. The vessel *Navig8 Universe* was delivered to Navig8 Ltd. in October 2021 and *Navig8 Constellation* was delivered in November 2021.

The leases related to the VLCCs *Nissos Despotiko* and *Nissos Rheina* was subject to minor amendments, where

the repayments in the leases will be accelerated by USD 1.8 million over the next two years. Due to the amendments a gain of USD 1.0 million was recognized in the second quarter.

Okeanis Eco Tankers, the charterer of the VLCCs *Nissos Santorini* and *Nissos Antiparos*, declared an option in the charter contract to sell the vessels to third parties. The sale of the vessels were completed during the fourth quarter and a profit of USD 5.6 million has been recognized from these sales.

In October 2021, Ocean Yield agreed to acquire six eco-design VLCCs with 10-year bareboat charters to International Seaways Inc. for a total consideration of about USD 375 million. Five of the vessels are built in 2016 and one in 2015. The charter agreements include purchase obligations at the end, and are thus treated as finance leases.

In December 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, and are thus treated as finance leases.

## NOTE 10 INVESTMENTS IN ASSOCIATES

<i>Amounts in USD million</i>	BOX Holdings	OY Holding LR2	OY Holding Suez	Total
Ownership	49.9 %	50.0 %		
<b>Balance 1st January 2021</b>	<b>168.0</b>	<b>3.8</b>	<b>6.1</b>	<b>178.0</b>
Dividends received	(17.6)	(0.4)	(0.5)	(18.5)
Income from investments in associates	18.5	0.7	0.4	19.6
Other comprehensive income from investments in associates	9.8	-	-	9.8
Change from associated company to subsidiary	-	-	(6.1)	(6.1)
<b>Total investments in associates 31st December 2021</b>	<b>178.8</b>	<b>4.1</b>	<b>-</b>	<b>182.9</b>
<i>Carrying amount of investment in associates:</i>				
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)
<b>Net assets (100%)</b>	<b>281.6</b>	<b>8.2</b>	<b>-</b>	<b>289.8</b>
<b>Share of net assets</b>	<b>140.5</b>	<b>4.1</b>	<b>-</b>	<b>144.6</b>
<i>Adjustment to carrying value of investment:</i>				
Finance lease receivables	40.6	-	-	40.6
Adjustment to interest-bearing long-term debt	(2.3)	-	-	(2.3)
<b>Carrying amount of investments in associates 31st December 2021</b>	<b>178.8</b>	<b>4.1</b>	<b>-</b>	<b>182.9</b>

In July, Ocean Yield acquired 50% of three suezmax tankers owned 50/50 by Aker Capital and Ocean Yield. Ocean Yield's ownership is now 100% and the investment is no longer treated as an investment in associate, but as an investment in subsidiaries, which is consolidated with 100%.

The vessels have long-term charters to Nordic American

Tankers Ltd. The vessels had a total book value of approximately USD 107 million and 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 in accordance with Ocean Yield's principles for related party transactions. Skandinaviska Enskilda Banken AB provided a fairness opinion for Ocean Yield.

In Q3 2021 Ocean Yield agreed to acquire 49.9% equity interest in 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, is under construction at Hyundai Heavy Industries in South Korea and is expected to be delivered in Q3 2022. The investment will be made through Box Holdings Inc., a joint venture between Ocean Yield and Quantum Pacific Shipping formed

in 2016, which already owns six mega container vessels with long-term charters. The investment will be funded with a combination of cash and debt in Box Holdings Inc.

In October 2021, Navig8 Ltd. 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 is expected to take place in Q2 2022.

## NOTE 11 CONTRACTUAL OBLIGATIONS

Ocean Yield had as per 31<sup>st</sup> December 2021 the following contractual obligations related to the purchase of vessels:

<i>Amounts in USD million</i>	Tankers	Container vessels	Car Carriers	Other Shipping	Other Oil Service	Total
Already paid	-	-	-	-	-	-
Q1-Q2 2022	88.0	-	-	-	-	88.0
<b>Total contractual obligations</b>	<b>88.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88.0</b>
Total remaining payments	88.0	-	-	-	-	88.0
Secured bank financing	81.5	-	-	-	-	81.5
<b>Payments to be funded by cash</b>	<b>6.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.5</b>

The obligations above related to the segment 'Tankers', relates to two suezmax newbuilding tankers with 10-year bareboat charters to Nordic American Tankers Ltd. The net purchase price will be up to USD 44 million per vessel after seller's credits of minimum 20%. The vessels are scheduled for delivery during the first half of 2022.

## NOTE 12 INTEREST-BEARING DEBT

Material changes in interest-bearing debt (short- and long-term) during 2021:

<i>Amounts in USD million</i>	Tankers	Container vessels	Car Carriers	Other Shipping	Other Oil Service	Other/elim	Total
Balance at 1st January 2021	572.2	77.5	128.1	415.8	194.7	222.6	1 610.8
New loans	394.0	17.2	128.8	-	70.0	-	609.9
Paid loan fees	(5.1)	(0.9)	(1.3)	-	(1.0)	-	(8.3)
Instalments	(291.9)	(8.2)	(138.2)	(104.2)	(99.1)	(51.7)	(693.3)
Change from associated company to subsidiary	96.0	-	-	-	-	-	96.0
Effect of movements in foreign exchange and loan fees amortized	4.8	0.2	0.6	1.6	0.5	(4.0)	3.7
<b>Total interest-bearing liabilities 31st December 2021</b>	<b>770.0</b>	<b>85.8</b>	<b>118.0</b>	<b>313.2</b>	<b>165.1</b>	<b>166.9</b>	<b>1 618.9</b>
Long-term	690.4	76.6	104.9	286.6	131.1	166.9	1 456.5
1st year instalments	79.5	9.2	13.1	26.6	34.1	0.0	162.4
<b>Total interest-bearing liabilities 31st December 2021</b>	<b>770.0</b>	<b>85.8</b>	<b>118.0</b>	<b>313.2</b>	<b>165.1</b>	<b>166.9</b>	<b>1 618.9</b>
Undrawn facilities	-	-	-	-	-	-	-

During the first quarter, Ocean Yield signed a new loan agreement for a refinancing of the five car carriers on long-term charters to Høegh Autoliners. The loan facility was maturing in June 2021 and has been extended by another four years.

In two separate transactions, the Company has prepaid the bonds outstanding under the bond issue OCY04 in full. In total, NOK 450 million has been prepaid and settlement took place in April and June 2021.

In July 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 has been increased with USD 17 million and the maturity date has been extended until 2027.

In connection with the voluntary offer from KKR 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 were adjusted. For OCY05 and OCY07, a fee of 0.50% was paid.

In connection with the acquisition of the six VLCCs on charter to International Seways, 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 with competitive margins.

The Company has also entered into a new loan agreement of approximately USD 55 million for the financing of the two LR2 tankers on charter to Scorpio Tankers, which were acquired in December. The loan has a tenor of five years with competitive margins.

For the two newbuilding Suezmax tankers scheduled for delivery in Q2 2022, the Company signed a new loan agreement in December 2021 for a USD 81.5 million loan facility with a tenor of 10 years with competitive margin.

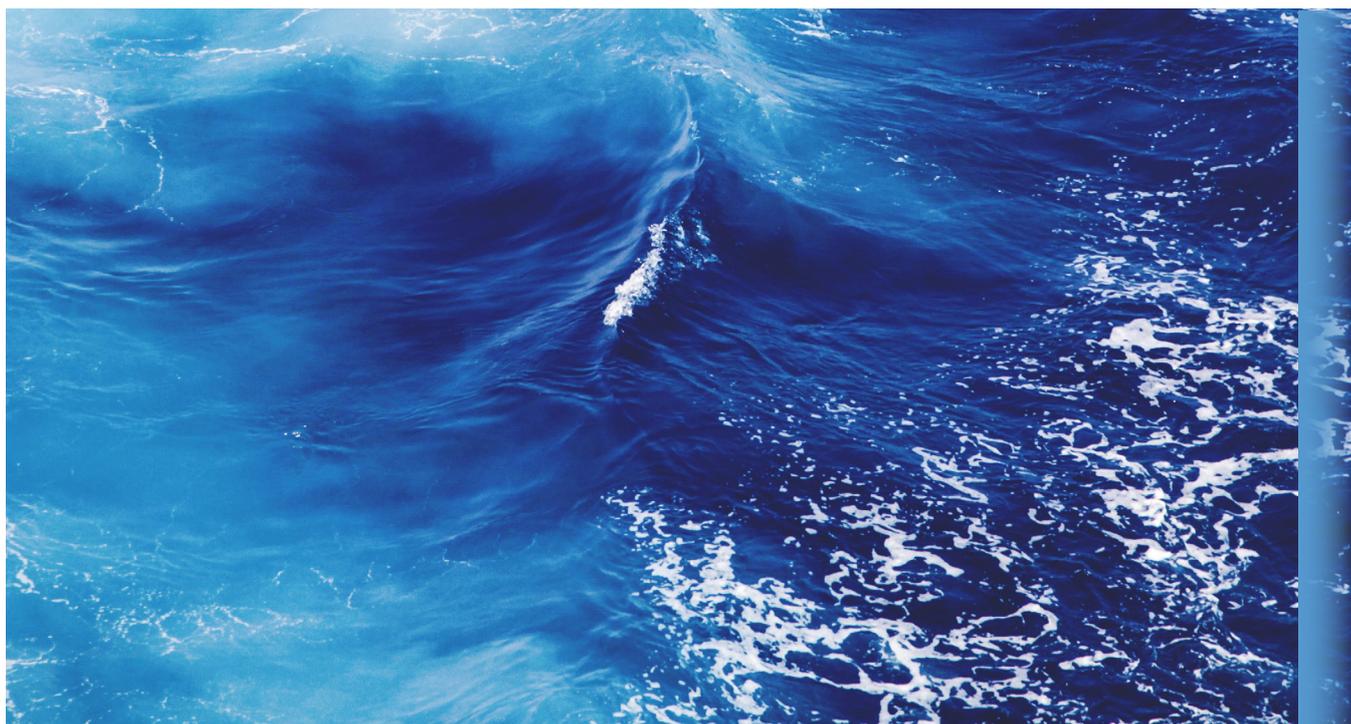
## NOTE 14 EVENTS AFTER THE BALANCE SHEET DATE

Post quarter end, Ocean Yield announced that Lars Solbakken had informed the Board of Directors of his retirement from his role as CEO, effective February 4<sup>th</sup>, 2022. The Board of Directors of Ocean Yield has appointed Andreas Røde as the new CEO of the Company.

## NOTE 13 SHARE CAPITAL AND DIVIDENDS

In Q4 2021, USD 10.0 million was paid in dividends, following the announcement of the Q3 2021 results.

In December 2021, Octopus Bidco AS, a company controlled by funds advised by Kohlberg Kravis Roberts & Co. L.P. ("KKR") completed the voluntary offer for all shares in Ocean Yield with a price of NOK 41.259 per share, reaching approximately 94% ownership. Immediately thereafter, a compulsory acquisition of the remaining 6% shares was completed, resulting in KKR owning 100%. Following this, the shares in Ocean Yield were de-listed from the Oslo Stock Exchange and the company converted from ASA to AS. Concurrently, a new Board of Directors was elected.



## USE AND RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

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

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

- EBITDA: Earnings before financial items, income taxes, depreciation, amortization and impairment charges.
- EBITDA adjusted for finance lease effects: EBITDA adjusted for Repayment of finance lease receivables.
- EBIT: Earnings before financial items and income taxes.
- Adjusted net profit from continuing operations: Net profit adjusted for discontinued operations, impairment charges, foreign exchange gains/losses, fair value adjustments of derivatives, changes in deferred tax and non-recurring items.
- EBITDA Charter Backlog: represents the estimated EBITDA backlog from signed contracts. Figures are based on management's estimates which may be subject to change. These include assumptions on certain purchase options in bareboat charter contracts not being exercised, adjustments made for finance lease effects, investments in joint ventures, currency effects and the forward interest rates for floating rate lease agreements.

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

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

<i>Amounts in USD million</i>	3rd Quarter 2021	4th Quarter 2021	4th Quarter 2020	Jan - Dec 2021	Jan - Dec 2020
Total revenues and other income	44.7	47.4	50.4	185.1	258.8
Vessel operating expenses	(0.0)	0.0	(1.6)	(0.8)	(7.9)
Wages and other personnel expenses	(7.5)	(1.9)	(1.6)	(12.5)	(6.0)
Other operating expenses	(4.2)	(4.0)	(0.9)	(9.8)	(3.6)
<b>EBITDA</b>	<b>33.0</b>	<b>41.5</b>	<b>46.3</b>	<b>162.0</b>	<b>241.2</b>
Repayment on finance lease receivables	21.8	24.6	21.3	86.5	97.1
Other revenue - insurance claim Höegh Xiamen	-	-	-	-	(27.2)
<b>EBITDA adjusted for finance lease effects</b>	<b>54.7</b>	<b>66.1</b>	<b>67.6</b>	<b>248.5</b>	<b>311.1</b>

<i>Amounts in USD million</i>	3rd Quarter 2021	4th Quarter 2021	4th Quarter 2020	Jan - Dec 2021	Jan - Dec 2020
Net profit (loss) for the period	(2.5)	17.9	(51.7)	63.0	(141.3)
Other income - insurance claim Höegh Xiamen	-	-	-	-	(27.2)
Impairment of Höegh Xiamen	-	-	-	-	27.7
Impairment of Dhirubhai-1	16.4	-	-	16.4	94.8
Impairment of Connector	-	-	71.3	-	34.6
Loss from sale of Connector	-	-	-	-	70.7
Net effects from sale of SBM Installer	-	-	-	-	(1.6)
Refinancing Far Senator/Normand Statesman (fixed NOK to floating USD)	-	-	-	-	3.6
Restructuring agreement Far Senator/Normand Statesman	-	-	(1.1)	-	(1.1)
Gain from acquisition of 50% of OY Suez Holding	(0.2)	-	-	(0.2)	-
Termination of swaps in BOX Holdings	-	1.9	-	1.9	-
Expenses related to sale of Ocean Yield ASA	8.5	5.2	-	13.7	-
Foreign exchange gains/losses	(3.9)	(1.0)	26.2	(5.7)	39.7
Change in fair value of financial instruments	2.3	(0.5)	(25.9)	(1.8)	(25.5)
Change in deferred tax	1.0	0.2	0.6	1.9	2.9
Other non-recurring items	-	-	0.1	-	0.7
<b>Adjusted Net profit</b>	<b>21.5</b>	<b>23.6</b>	<b>19.4</b>	<b>89.1</b>	<b>77.9</b>
Loss from discontinued operation, net of tax	1.1	0.2	2.1	4.3	10.3
<b>Adjusted Net profit from continuing operations</b>	<b>22.6</b>	<b>23.8</b>	<b>21.6</b>	<b>93.5</b>	<b>88.2</b>

Attributable to:

Equity holders of the parent	19.4	21.5	17.1	80.7	67.8
Non-controlling interests	-	-	0.2	-	0.8
Dividends on hybrid capital	2.1	2.1	2.1	8.4	9.3
<b>Adjusted Net profit</b>	<b>21.5</b>	<b>23.6</b>	<b>19.4</b>	<b>89.1</b>	<b>77.9</b>

Attributable to:

Equity holders of the parent	20.5	21.8	19.3	85.1	78.1
Non-controlling interests	-	-	0.2	-	0.8
Dividends on hybrid capital	2.1	2.1	2.1	8.4	9.3
<b>Adjusted Net profit from continuing operations</b>	<b>22.6</b>	<b>23.8</b>	<b>21.6</b>	<b>93.5</b>	<b>88.2</b>





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