

Q2

2022 REPORT



OCEAN YIELD

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SECOND QUARTER AND FIRST HALF YEAR RESULTS 2022

Fornebu, 24th August 2022, Ocean Yield AS (“Ocean Yield” or the “Company”) announces results for the second quarter and first half year 2022.

HIGHLIGHTS

- EBITDA for Q2 2022 was USD 45.3 million and EBITDA adjusted for finance lease effects was USD 73.6 million.
- Net profit for the period Q2 2022 was USD 24.6 million and adjusted net profit for Q2 2022 was USD 23.0 million.
- Acquisition of two newbuilding 5,500 TEU container vessels with 7-year charters.
- Acquisition of two newbuilding 36,000 cbm ethylene gas vessels with 15-year charters.
- Delivery of two newbuilding Suezmax tankers with 10-year charters.
- Sale of two handysize dry-bulk vessels following exercise of options in the charter agreements.
- The Company had an EBITDA charter backlog at the end of Q2 2022 of USD 3.4 billion with an average remaining contract duration of 9.6 years.

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

“Q2 was another solid quarter for Ocean Yield and an active quarter on the investment side. We are pleased to continue to expand and diversify the portfolio of vessels on long-term charters. The latest investments are both examples of our continued ambition to invest in modern, fuel efficient vessels with future proof engine technology.”

SELECTED KEY FINANCIAL FIGURES

	1st Quarter	2nd Quarter	2nd Quarter	1st Half	1st Half	Jan - Dec
<i>Amounts in USD million</i>	2022	2022	2021	2022	2021	2021
Revenues and other income	43.8	47.1	47.3	90.9	93.0	185.1
EBITDA*	41.1	45.3	45.2	86.4	87.5	162.0
EBITDA adjusted for finance lease effects*	68.4	73.6	64.8	142.0	127.7	248.5
Net profit (loss) for the period	22.1	24.6	26.2	46.8	47.7	63.0
Adjusted Net profit*	21.4	23.0	24.3	44.4	44.0	89.1
Equity ratio	29.0 %	29.9 %	31.3 %	29.9 %	31.3 %	28.6 %
EBITDA charter backlog (USD bn)*	3.1	3.4	2.8	3.4	2.8	3.1

* Definitions on page 18

MAIN EVENTS DURING THE SECOND QUARTER AND POST QUARTER END

New investments

- In two separate transactions announced in June and post quarter end, the Company agreed to purchase two 5,500 TEU newbuild container vessels under construction at HJ Shipbuilding, Korea. The vessels will have a design enabling them to be converted to dual-fuel operation with methanol as fuel. The vessels are expected to be delivered in May and September 2023. Upon delivery, the vessels will commence seven-year time-charter contracts to ZIM Integrated Shipping Services Ltd. The investments add approximately USD 160 million to the Company's EBITDA backlog.
- Ocean Yield AS also announced the agreement to purchase two 36,000 cbm liquefied ethylene gas carrier (LEG) newbuildings, to be constructed at Jiangsu Yangzi-Mitsui Shipbuilding in China. The vessels will be built with a specification enabling them to operate with gas as fuel. The vessels are expected to be delivered in 2024 and 2025. Upon delivery, the vessels will commence fifteen-year bareboat charter contracts to a guaranteed subsidiary of Braskem S.A., a leading global petrochemical company listed on the New York Stock Exchange. Braskem S.A. currently has credit ratings of BBB- from S&P and Fitch and Ba1 from Moody's. The transaction adds approximately USD 245 million to the Company's EBITDA backlog.

Portfolio update

- During the second quarter, the Company took delivery of two newbuild Suezmax tankers from Samsung Heavy Industries in South Korea. The vessels commenced 10-year bareboat charters to Nordic American Tankers Limited upon delivery.
- The handysize dry-bulk vessels, *Interlink Dignity* and *Interlink Eternity* were employed on long-term charters to Interlink Maritime Corporation. In the charter contracts, the charterer had an option to sell the vessels to a third party, which was declared during the second quarter. The sale of the vessels was closed in the second quarter. Ocean Yield has received gross proceeds of around USD 28.0 million. A small book profit has been recorded in Q2 in connection with the closing.
- Following exercise of the purchase option for the *Höegh Beijing* in December 2021, the vessel was delivered to Höegh Autoliners during the second quarter.
- Post quarter end, Ardmore Shipping, the product tanker company chartering the two product tankers *Ardmore Dauntless* and *Ardmore Defender*, has exercised purchase options in the charter agreements for these two vessels. The vessels will be delivered to Ardmore during the fourth quarter. Ocean Yield expects gross proceeds of about USD 38.0 million from the sales.
- Also post quarter end, Louis Dreyfus Armateurs, the

dry-bulk company chartering the handysize dry-bulk vessel *Le Fresnais*, has exercised a sales option in the charter agreement. The vessel will be delivered to its new owners during the third quarter. Ocean Yield expects gross proceeds of about USD 14.0 million from the sale.

- Finally, Höegh Autoliners ASA exercised a purchase option for the PCTC vessel *Höegh Tracer* after the end of the quarter. The vessel is expected to be delivered to Höegh in Q1 2023. Ocean Yield expects gross proceeds of about USD 53.2 million from the sale.

Funding

- The Board of Directors has declared a dividend of USD 20 Million for Q2 2022.

SECOND QUARTER FINANCIAL REVIEW

Profit and Loss items

- **Total revenues and other income** for Q2 2022 were USD 47.1 million compared with USD 43.8 million for Q1 2022.
- **Operating lease revenue** was USD 17.7 million compared with USD 16.6 million in Q1 2022. The increase is mainly due to higher revenues from two AHTS vessels operating in the Solstad UT733 pool.
- **Finance lease revenue** increased to USD 23.7 million compared with USD 22.0 million in Q1 2022. The increase is mainly due to delivery of two newbuilding Suezmax tankers, but also higher interest rates in the second quarter, which affects those leases that are based on floating interest rates.
- **Income from investments in associates**, which is related to vessels owned in joint-ventures, was USD 4.4 million, compared with USD 5.2 million in Q1 2022. The reduction is mainly due to the sale of two tankers, which were delivered to its new owners during the first quarter.
- **Other income** was USD 1.4 million in Q2 2022. This is related to the sale of two dry-bulk vessels which closed in the second quarter.
- **Operating profit** was USD 38.0 million in Q2 2022 compared with USD 33.7 million in Q1 2022. In addition to the comments above, Operating profit was positively affected by lower operating expenses compared with the first quarter.
- **Net Financial items** were negative USD 12.4 million in Q2 2022 compared with negative USD 10.7 million in Q1 2022. The increase is mainly related to the higher interest rates during the quarter. Foreign exchange losses and change in fair value of financial instru-

ments were net positive USD 2.0 million, mainly due to a strengthening of the USD against the NOK.

- **Net profit for the period** Q2 2022 was USD 24.6 million compared with a net profit for the period of USD 22.1 million in Q1 2022. Adjusted net profit for the period was USD 23.0 million as compared with USD 21.4 million in Q1 2022.

Balance sheet items

- **Cash & cash equivalents** at the end of Q2 2022 were USD 150.3 million, compared with USD 89.3 million at the end of Q1 2022.
- **Book equity** was USD 695.6 million at the end of Q2 2022, compared with USD 662.7 million at the end of Q1 2022. The equity ratio was 29.9% at the end of the quarter.
- **Total Interest bearing debt** was USD 1,572.1 million at the end of Q2 2022 compared with USD 1,583.9 million in Q1 2022. The Company has drawn USD 81.0 million on a new loan facility related to the two Suezmax tankers delivered during the second quarter.

Cash flow

- **Net cash flow from operating activities** was USD 58.1 million in Q1 2022 compared with USD 61.6 million in Q1 2022.
- **Net cash flow from investing activities** was negative USD 0.3 million compared with negative USD 14.0 million in Q1 2022. The figures in the second quarter mainly relate to the sale of the *Höegh Beijing*, delivery of two Suezmax newbuildings and the sale of the two dry bulk vessels *Interlink Dignity* and *Interlink Eternity*. In addition, an extraordinary dividend from the joint-venture Box Holding Inc., where Ocean Yield owns 49.9%, is included in these figures.
- **Net cash flow from financing activities** was positive USD 4.9 million compared with negative USD 79.6 million in Q1 2022. The figures in Q2 2022 are mainly related to repayment of debt related to vessel sales and new debt related to vessel deliveries.

YEAR TO DATE FINANCIAL REVIEW

- **Total revenues and other income** for the first half 2022 were USD 90.9 million compared with USD 93.0 million in the first half of 2021.
- **Depreciation** was USD 14.7 million, compared with USD 14.6 million in the first half of 2021.
- **Operating Profit** was USD 71.7 million as compared with USD 72.9 million for the first half of 2021.
- **Financial Income** was USD 0.9 million in the first half of 2022 compared with USD 1.5 million in the first half

of 2021. Financial income is mainly related to interest income on cash deposits and guarantee fees related to joint-ventures.

- **Financial expenses** were USD 27.3 million compared with USD 27.0 million in the first half of 2021.
- **Foreign exchange gains** were USD 17.3 million in the first half 2022 compared with USD 0.8 million in the first half of 2021. The increase in the first half of 2022 is related to a strengthening of the USD against the NOK.
- **Change in fair value of financial instruments** was negative USD 14.0 million compared with a positive movement of USD 3.6 million in the first half of 2021. The movement in the first half of 2022 is mainly related to increased USD interest rates.
- **Net profit before tax** was USD 48.6 million for the first half of 2022 compared with USD 51.9 million for the first half of 2021.
- **Tax payable** was negative USD 1.0 million in the first half 2022 compared with negative USD 0.4 million in first half 2021.
- **Change in deferred tax** was negative USD 0.9 million for the first half of 2022 compared with negative 0.7 million in the first half of 2021.
- **Loss from discontinued operations** was zero in the first half of 2022 compared to USD 3.0 million in the first half of 2021. The figure in the first half of 2021 is related to the FPSO that was sold in the second half of 2021.
- **Net profit for the period** was USD 46.8 million for the first half of 2022 compared with USD 47.7 million for the first half of 2021.

Cash flow

- **Net cash flow from operating activities** was USD 119.7 million compared with USD 94.6 million for the first half 2021.
- **Net cash flow from investing activities** was negative USD 14.3 million compared with negative USD 99.9 million in the first half 2021. The figure in 2022 is mainly explained by the investment and sale of vessels plus dividends from joint ventures, while the figure for the first half 2021 is mainly related to vessel sales.
- **Net cash flow from financing activities** was negative USD 74.7 million compared with negative USD 205.8 million in the first half 2021. The figure in the first half 2022 is mainly explained by proceeds from issuance of new debt of USD 79.5 million, repayment of debt of USD 109.5 million, dividends to common shares of USD 40.0 million and dividends to hybrid capital of USD 4.6 million.
- **Net change in cash and cash equivalents** was positive USD 30.7 million in the first half 2022.

CHARTER BACKLOG

The EBITDA charter backlog at the end of Q2 2022 was USD 3.4 billion with an average remaining contract duration of 9.6 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 according to IFRS. The total fleet, counted 64 vessels at the end of the second 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 in a pool 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.

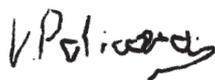
For a more detailed description of risk factors, please refer to the annual report for 2021, which is available on www.oceanyield.no.

OUTLOOK

Ocean Yield continues to evaluate new investments in vessels on long-term charters with focus on modern tonnage and newbuildings within the conventional shipping segments. The company has a strong balance sheet and is well positioned to continue to grow and diversify the fleet and customer base.

BÆRUM, 24TH AUGUST 2022

OCEAN YIELD AS



VINCENT POLICARD
CHAIRMAN



BERNARDO NOGUEIRA
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DIRECTOR'S RESPONSIBILITY STATEMENT

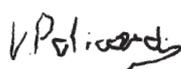
Today, the Board of Directors and the company's Chief Executive Officer reviewed and approved the interim financial report and the unaudited condensed interim consolidated financial statements for the second quarter and the first half year of 2022. The interim, condensed, consolidated financial statements have been prepared and presented in accordance with IAS 34 Interim Financial Reporting as endorsed by the EU, and the additional requirements found in the Norwegian Securities Trading Act.

To the best of our knowledge:

The interim, condensed, consolidated financial statements for the second quarter and the first half of 2022 have been

prepared in accordance with applicable accounting standards. The interim, condensed, consolidated financial statements provide a true and fair picture of the Company's assets, liabilities, financial position, and profit as of 30th June 2022. The interim financial report for the first six months of 2022 also includes a fair overview of the development and performance of the business, and it provides a true and fair description of the most important risks and uncertainties the group may face.

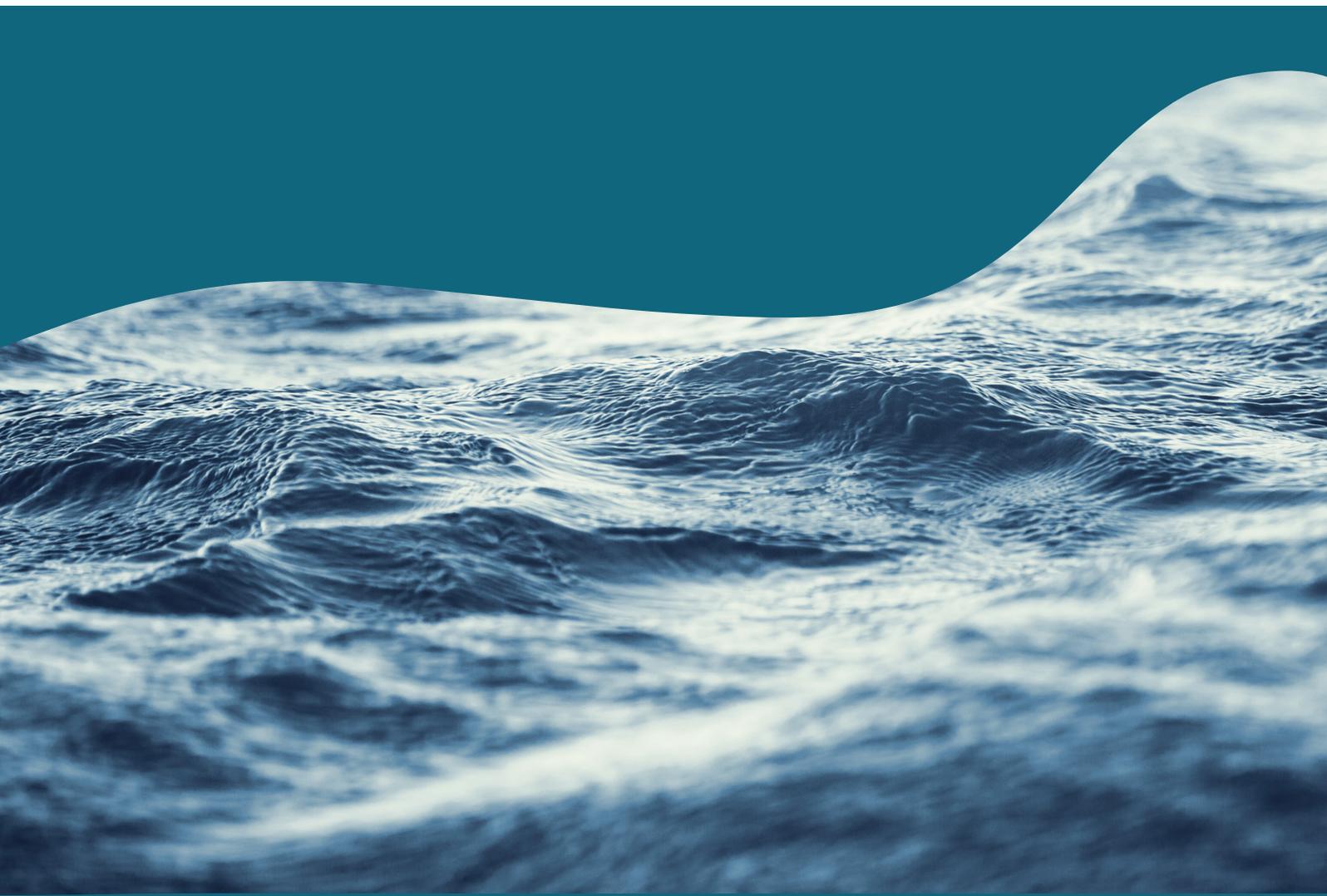
BÆRUM, 24TH AUGUST 2022
OCEAN YIELD AS



VINCENT POLICARD
CHAIRMAN



BERNARDO NOGUEIRA
DIRECTOR



CONSOLIDATED STATEMENT OF PROFIT AND LOSS

<i>Amounts in USD million</i>	Note	1st Quarter 2022	2nd Quarter 2022	2nd Quarter 2021	1st Half 2022	1st Half 2021	Jan - Dec 2021
Operating lease revenue		16.6	17.7	17.2	34.3	33.3	68.6
Finance lease revenue		22.0	23.7	21.3	45.6	43.6	86.5
Income from investments in associates		5.2	4.4	5.9	9.6	11.7	19.6
Other income		-	1.4	3.0	1.4	4.4	10.3
Total revenues and other income	5	43.8	47.1	47.3	90.9	93.0	185.1
Vessel operating expenses		0.0	-	(0.2)	0.0	(0.8)	(0.8)
Wages and other personnel expenses		(2.0)	(0.8)	(1.3)	(2.7)	(3.1)	(12.5)
Other operating expenses		(0.8)	(1.0)	(0.7)	(1.8)	(1.5)	(9.8)
Depreciation and amortization	7	(7.3)	(7.4)	(7.3)	(14.7)	(14.6)	(29.3)
Operating profit (loss)		33.7	38.0	37.9	71.7	72.9	132.7
Financial income		0.4	0.5	0.7	0.9	1.5	2.3
Financial expenses		(12.4)	(14.9)	(12.9)	(27.3)	(27.0)	(56.1)
Foreign exchange gains/losses		(1.4)	18.7	1.1	17.3	0.8	5.7
Change in fair value of financial instruments	6	2.7	(16.7)	0.8	(14.0)	3.6	1.8
Net financial items		(10.7)	(12.4)	(10.2)	(23.1)	(21.1)	(46.3)
Net profit (loss) before tax		23.1	25.6	27.7	48.6	51.9	86.4
Tax payable		(0.4)	(0.6)	(0.2)	(1.0)	(0.4)	(0.8)
Change in deferred tax		(0.6)	(0.4)	(0.0)	(0.9)	(0.7)	(1.9)
Net profit (loss) from continuing operations		22.1	24.6	27.4	46.8	50.7	83.7
Net profit (loss) from discontinued operation, net of tax		-	-	(1.2)	-	(3.0)	(20.7)
Net profit (loss) for the period		22.1	24.6	26.2	46.8	47.7	63.0
Attributable to:							
Equity holders of the parent		19.9	22.3	24.1	46.8	43.5	54.6
Dividends on hybrid capital		2.2	2.4	2.1	-	4.2	8.4
Net profit (loss) for the period		22.1	24.6	26.2	46.8	47.7	63.0
Weighted average number of shares outstanding		175.3	175.3	175.2	175.3	175.2	175.2
Earnings per share (USD)		0.11	0.13	0.14	0.27	0.25	0.31
Earnings per share (USD), continuing operations		0.11	0.13	0.14	0.27	0.27	0.43

TOTAL COMPREHENSIVE INCOME

Total comprehensive income

<i>Amounts in USD million</i>	1st Quarter	2nd Quarter	2nd Quarter	1st Half	1st Half	Jan - Dec
	2022	2022	2021	2022	2021	2021
Net profit (loss) for the period	22.1	24.6	26.2	46.8	47.7	63.0
Other comprehensive income, net of income tax						
Items that will not be reclassified to the income statement						
Remeasurements of defined benefit liability (asset)	-	-	-	-	-	-
Total for items that will not be reclassified to the income statement	-	-	-	-	-	-
Items that are or may be reclassified to the income statement						
Share of other comprehensive income from investment in associates	19.3	10.5	(1.6)	29.8	5.8	9.8
Total for items that are or may be reclassified to the income statement	19.3	10.5	(1.6)	29.8	5.8	9.8
Total change in other comprehensive income, net of income tax	19.3	10.5	(1.6)	29.8	5.8	9.8
Total comprehensive income for the period	41.4	35.1	24.7	76.5	53.5	72.9
Attributable to:						
Equity holders of the parent	39.2	32.7	22.6	72.0	49.3	64.5
Dividends on hybrid capital	2.2	2.4	2.1	4.6	4.2	8.4
Total comprehensive income for the period	41.4	35.1	24.7	76.5	53.5	72.9



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Amounts in USD million</i>	Note	31 March 2022	30-Jun 2022	30-Jun 2021	31 December 2021
ASSETS					
Vessels and equipment	7	518.0	488.7	536.6	522.5
Investments in associates		194.4	174.3	185.8	182.9
Finance lease receivables and related assets	8	1 284.8	1 297.1	975.7	1 295.0
Restricted cash deposits		1.8	11.7	1.1	5.5
Other shares and other non-current assets		2.0	1.8	2.7	2.1
Deferred tax assets		0.0	0.4	(0.0)	0.0
Total non-current assets		2 001.0	1 974.1	1 701.9	2 008.0
Finance lease receivables, short term portion	9	190.4	195.0	271.8	191.0
Trade and other interest-free receivables		2.2	4.2	3.4	3.2
Cash and cash equivalents		89.3	150.3	101.2	121.2
Current assets		281.9	349.5	376.4	315.4
Assets held for sale		-	-	53.5	-
Total current assets		281.9	349.5	430.0	315.4
Total assets		2 282.9	2 323.6	2 131.9	2 323.4
EQUITY AND LIABILITIES					
Share capital		271.0	271.0	271.0	271.0
Treasury shares		-	-	(0.1)	-
Other paid-in capital		100.2	97.8	214.4	190.2
Total paid-in capital	12	371.2	368.8	485.3	461.2
Retained earnings and translation reserves		166.5	201.8	57.8	77.2
Total equity attributable to equity holders of the parent		537.7	570.6	543.1	538.5
Hybrid capital		125.0	125.0	125.0	125.0
Total equity		662.7	695.6	668.1	663.5
Interest-bearing long-term debt	11	1 391.4	1 309.8	1 101.7	1 456.5
Deferred tax liabilities		7.5	8.5	5.8	7.0
Mobilization fee and advances		0.1	-	0.5	0.2
Fair value of derivatives	6	6.4	14.4	11.9	7.0
Finance lease liabilities		2.2	2.2	0.4	0.7
Total non-current liabilities		1 407.8	1 334.8	1 120.4	1 471.4
Interest-bearing short-term debt	11	192.5	262.3	330.6	162.4
Fair value of derivatives	6	8.0	17.2	3.5	10.1
Trade and other payables		12.0	13.7	8.0	15.9
Current liabilities		212.5	293.1	342.1	188.5
Liabilities directly associated with the assets held for sale		-	-	1.3	-
Total current liabilities		212.5	293.1	343.4	188.5
Total liabilities		1 620.2	1 628.0	1 463.8	1 659.9
Total equity and liabilities		2 282.9	2 323.6	2 131.9	2 323.4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>Amounts in USD million</i>	Share Capital	Share Premium	Retained earnings	Share- holders equity	Hybrid capital	Total equity
Balance at 31st December 2021	271.0	190.2	77.2	538.5	125.0	663.5
Net profit (loss) for the period	-	-	46.8	46.8	-	46.8
Other comprehensive income	-	-	29.8	29.8	-	29.8
Total comprehensive income	-	-	76.5	76.5	-	76.5
Dividend	-	(40.0)	-	(40.0)	-	(40.0)
Dividend on hybrid capital	-	(4.6)	-	(4.6)	-	(4.6)
Other	-	0.2	-	0.2	-	0.2
Balance at 30th June 2022	271.0	145.8	153.8	570.6	125.0	695.6

CONSOLIDATED STATEMENT OF CASH FLOWS

	1st Quarter	2nd Quarter	2nd Quarter	1st Half	1st Half	Jan - Dec
<i>Amounts in USD million</i>	2022	2022	2021	2022	2021	2021
Net profit (loss) for the period	22.1	24.6	26.2	46.8	47.7	63.0
Income tax expense	0.9	0.9	0.3	1.9	1.2	2.7
Depreciation and amortization	7.3	7.4	7.3	14.7	14.6	29.3
Impairment charges and other non-recurring items	-	(0.4)	-	(0.4)	-	16.4
Repayment on finance lease receivables	27.4	28.2	19.6	55.6	40.2	86.5
Income from investments in associates	(5.2)	(4.4)	(5.9)	(9.6)	(11.7)	(19.6)
Dividend received from investments in associates	13.0	4.1	9.3	17.1	9.6	18.5
Net interest expenses (+)	11.7	13.9	11.8	25.6	25.0	50.3
Interest paid	(11.0)	(11.4)	(10.8)	(22.4)	(23.3)	(44.6)
Interest received	0.4	0.5	0.7	0.9	1.5	2.3
Unrealized foreign exchange gain/loss	1.3	(19.0)	0.5	(17.7)	0.7	(5.1)
Change in fair value of financial instruments	(2.7)	16.7	(0.8)	14.0	(3.6)	(1.8)
Other changes in operating activities	(3.6)	(3.0)	(7.3)	(6.6)	(7.2)	(6.3)
Net cash flow from operating activities	61.6	58.1	51.0	119.7	94.6	191.6
Acquisition of vessels and equipment	(1.2)	-	0.0	(1.2)	(0.8)	(0.9)
Sale of vessel	-	22.0	-	22.0	-	35.0
Acquisition of vessels accounted for as finance lease receivables	-	(71.5)	-	(71.5)	-	(439.8)
Sale of vessel accounted for as finance lease	-	27.6	57.7	27.6	99.5	367.4
Investments in other non-current assets	(16.5)	0.6	-	(15.9)	1.1	1.1
Capital reduction from investments in associates	-	30.8	-	30.8	-	-
Acquisition of shares in subsidiary, net of cash acquired	-	-	-	-	-	(4.9)
Net change in long-term interest-bearing receivables	3.7	(9.9)	0.3	(6.2)	0.1	(3.9)
Net cash flow from investing activities	(14.0)	(0.3)	58.0	(14.3)	99.9	(46.0)
Proceeds from issuance of long-term interest-bearing debt	(0.4)	80.0	(0.1)	79.5	127.5	601.7
Repayment of long-term interest-bearing debt	(36.9)	(72.6)	(123.0)	(109.5)	(309.9)	(693.3)
Repayment on finance lease liabilities	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	(0.3)
Dividend paid	(40.0)	-	(9.6)	(40.0)	(18.8)	(38.9)
Dividend on hybrid capital	(2.2)	(2.4)	(2.1)	(4.6)	(4.2)	(8.4)
Net change in treasury shares	-	-	-	-	(0.2)	0.1
Net cash flow from financing activities	(79.6)	4.9	(134.8)	(74.7)	(205.8)	(139.2)
Net change in cash and cash equivalents	(32.0)	62.7	(25.9)	30.7	(11.3)	6.4
Exchange rate differences	0.0	(1.7)	(0.2)	(1.6)	(0.2)	1.0
Cash and cash equivalents at beginning of the period	121.2	89.3	127.1	121.2	112.7	112.7
Change from associated company to subsidiary	-	-	-	-	-	1.0
Change in cash reported with assets held for sale	-	-	0.2	-	0.1	-
Cash and cash equivalents at the end of the period	89.3	150.3	101.2	150.3	101.2	121.2

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT FOR OCEAN YIELD AS FOR THE SECOND QUARTER AND FIRST HALF 2022

NOTE 1 INTRODUCTION

Ocean Yield is a company domiciled in Norway. The condensed consolidated interim financial statements for the second quarter and first half year ending 30th June 2022 comprise Ocean Yield and its subsidiaries (together referred to as the “Group”). The consolidated financial statements of the Group for the year ended 31st December 2021 and quarterly reports are available at 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 31st December 2021.

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 24th August 2022.

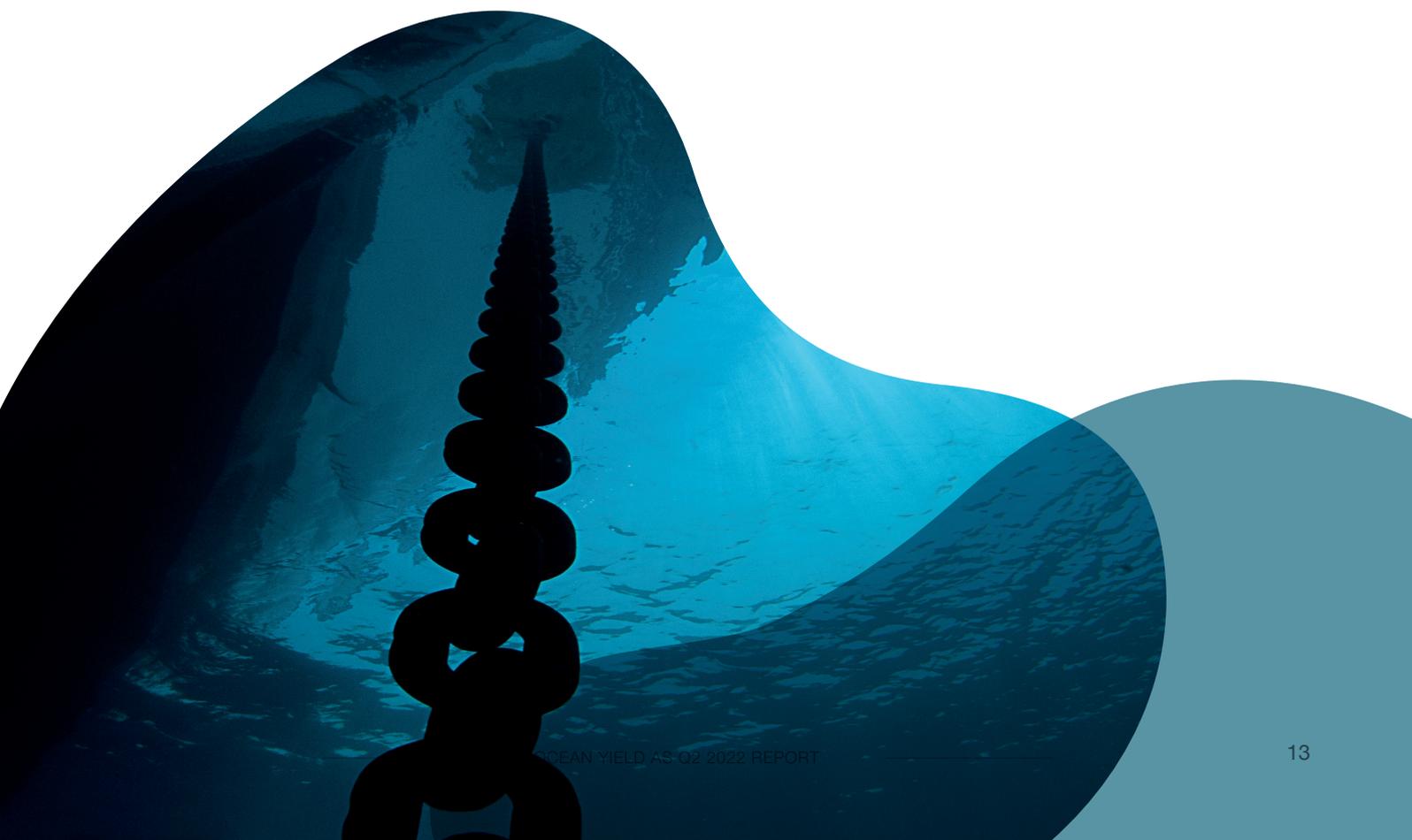
NOTE 3 SIGNIFICANT ACCOUNTING PRINCIPLES

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 31st December 2021.

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 31st December 2021.



NOTE 5 OPERATING SEGMENTS

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

Operating profit	1st Quarter	2nd Quarter	2nd Quarter	Jan - June	Jan - June	Jan - Dec
<i>Amounts in USD million</i>	2022	2022	2021	2022	2021	2021
Tankers	13.5	14.3	12.4	27.8	23.7	53.4
Container vessels	5.8	5.7	7.0	11.5	13.9	24.3
Car Carriers	4.8	4.9	4.9	9.7	9.7	19.4
Other Shipping	7.3	8.6	9.7	15.9	19.7	34.6
Other Oil Service	5.3	6.1	6.0	11.4	10.5	23.5
Other companies and eliminations	(3.0)	(1.6)	(2.0)	(4.6)	(4.6)	(22.5)
Operating profit	33.7	38.0	37.9	71.7	72.9	132.7

NOTE 6 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 Q2 2022	Change Jan - June 2022	Fair value as of 30 June 2022
Cross Currency Interest Rate Swaps	(17.7)	(14.4)	(31.6)
Interest rate swaps	0.5	-	(0.0)
Total	(17.1)	(14.4)	(31.6)

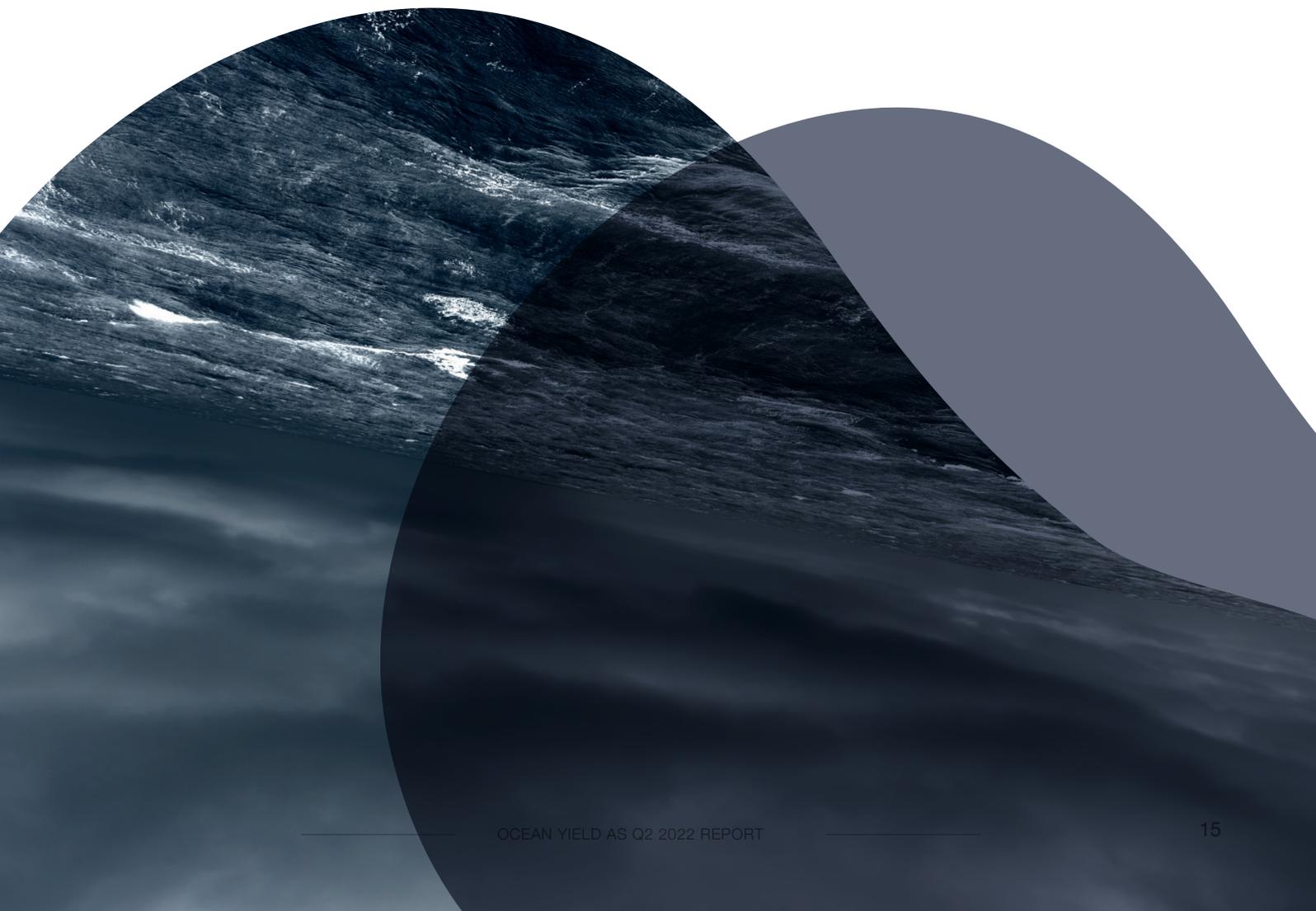
<i>Amounts in USD million</i>	Change Q2 2021	Change Jan - June 2021	Fair value as of 30th June 2021
Cross Currency Interest Rate Swaps	(0.4)	0.7	(11.6)
Interest rate swaps	1.3	3.0	(3.7)
Total	0.8	3.6	(15.3)

NOTE 7 VESSELS AND EQUIPMENT

Material changes in vessels and equipment during 2022:

<i>Amounts in USD million</i>	Tankers	Container vessels	Car Carriers	Other Shipping	Other Oil Service	Other/elim	Total
Balance at 1 January 2022	-	-	220.4	137.6	157.0	7.5	522.5
Acquisitions	-	-	-	-	-	-	-
Capital expenditure	-	-	-	-	1.2	-	1.2
Fixed assets acquired through financial lease	-	-	-	-	-	1.6	1.6
Disposals	-	-	(22.0)	-	-	0.1	(21.9)
Depreciation	-	-	(5.6)	(2.9)	(6.0)	(0.3)	(14.7)
Impairment	-	-	-	-	-	-	-
Balance at 30th June 2022	-	-	192.8	134.7	152.2	9.0	488.7

Vessels defined as finance leases are not included in Note 7 but included in Note 8 'Finance lease receivables and related assets'.



NOTE 8 FINANCE LEASE RECEIVABLES AND RELATED ASSETS

The gross finance lease receivables and present value of lease payments as of 30th June 2022 were as follows:

	1st Half	1st Half
<i>Amounts in USD million</i>	2022	2021
<i>Gross finance lease receivable</i>		
Less than one year	201.8	278.0
Four to five years	758.4	554.4
Unguaranteed residual values	962.6	864.9
Gross finance lease receivable	1 922.8	1 697.2
Less: Unearned finance income	(429.8)	(448.7)
Total finance lease receivables	1 492.9	1 248.5
<i>Present value of minimum lease payments</i>		
Less than one year	195.0	271.8
Four to five years	629.0	449.0
Unguaranteed residual values	668.9	527.7
Total finance lease receivables	1 492.9	1 248.5
Pre-delivery instalments	(0.8)	(1.0)
Total finance lease receivables and related assets	1 492.1	1 247.5

NOTE 9 INVESTMENTS IN ASSOCIATES

<i>Amounts in USD million</i>	BOX Holdings	OY Holding LR2	Total
Ownership	49.9 %	50.0 %	
Balance 1st January 2022	178.8	4.1	182.9
Dividends received	(17.0)	(1.0)	(18.0)
Reduction of share capital	(29.9)		(29.9)
Income from investments in associates	8.8	0.8	9.6
Other comprehensive income from investments in associates	29.8	-	29.8
Total investments in associates 30th June 2022	170.5	3.9	174.3
<i>Carrying amount of investment in associates:</i>			
Non-currents assets	822.9	50.8	873.7
Current assets	46.4	11.3	57.8
Non-current liabilities	(551.0)	(48.8)	(599.8)
Current liabilities	(49.7)	(5.6)	(55.3)
Net assets (100%)	268.6	7.7	276.3
Share of net assets	134.0	3.9	137.9
Adjustment to carrying value of investment:			
Finance lease receivables	38.4	-	38.4
Adjustment to interest-bearing long-term debt	(2.0)	-	(2.0)
Carrying amount of investments in associates 30th June 2022	170.4	3.9	174.3

NOTE 10 CONTRACTUAL OBLIGATIONS

Ocean Yield had as per 30th June 2022 the following contractual obligations related to the purchase of vessels:

Contractual obligations

<i>Amounts in USD million</i>	Tankers	Container vessels	Car Carriers	Other Shipping	Other Oil Service	Total
Already paid	-	-	-	-	-	-
Q2 2022	-	83.0	-	166.0	-	249.0
Total contractual obligations	-	83.0	-	166.0	-	249.0
Total remaining payments	-	83.0	-	166.0	-	249.0

The obligations above in the segment 'Container vessels', relates to one 5,500 TEU newbuilding container vessel with 7-year time charter to Zim Integrated Shipping Services Ltd. A second vessel was announced after the end of the quarter, and is hence not included in the figures as of 30th June 2022. The obligations listed

under 'Other Shipping' relates to the two ethylene gas carriers with 15-year bareboat charters to Braskem S.A.

NOTE 11 INTEREST-BEARING DEBT

Material changes in interest-bearing debt (short- and long-term) during 2022:

<i>Amounts in USD million</i>	Tankers	Container vessels	Car Carriers	Other Shipping	Other Oil Service	Other/elim	Total
Balance at 1st January 2022	770.0	119.6	118.0	315.5	129.0	166.9	1,618.9
New loans	81.5	-	-	-	-	-	81.5
Paid loan fees	(1.9)	-	-	-	(0.1)	-	(2.0)
Instalments	(35.9)	(5.7)	(20.7)	(37.7)	(9.4)	-	(109.5)
Loan fee amortized	0.9	0.2	0.3	0.5	-	0.2	2.2
Effect of movements in foreign exchange and loan fees amortized	-	0.0	-	-	0.2	(19.3)	(19.0)
Total interest-bearing liabilities 30th June 2022	814.6	114.0	97.6	278.3	119.8	147.8	1 572.1
Long-term	737.7	72.1	84.5	220.9	122.1	72.5	1,309.8
1st year instalments	77.0	9.2	13.1	58.1	29.6	75.3	262.3
Total interest-bearing liabilities 30th June 2022	814.6	81.3	97.6	279.0	151.7	147.8	1 572.0
Undrawn facilities	-	-	-	-	-	-	-

NOTE 12 EVENTS AFTER THE BALANCE SHEET DATE

Post quarter end, the Company announced the acquisition of another 5,500 TEU newbuilding container vessel. Upon delivery in 2023, the vessel will commence a seven-year time-charter contract to ZIM Integrated Shipping Services Ltd.

Ardmore Shipping, the product tanker company chartering the two product tankers *Ardmore Dauntless* and *Ardmore Defender*, has exercised purchase options in the charter agreements for these two vessels. The vessels will be de-

livered to Ardmore during the fourth quarter.

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

Finally, Höegh Autoliners ASA exercised a purchase option for the PCTC vessel *Höegh Tracer* after the end of the quarter. The vessel is expected to be delivered to Höegh in Q1 2023. Ocean Yield expects gross proceeds of about USD 53.2 million from the sale.

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

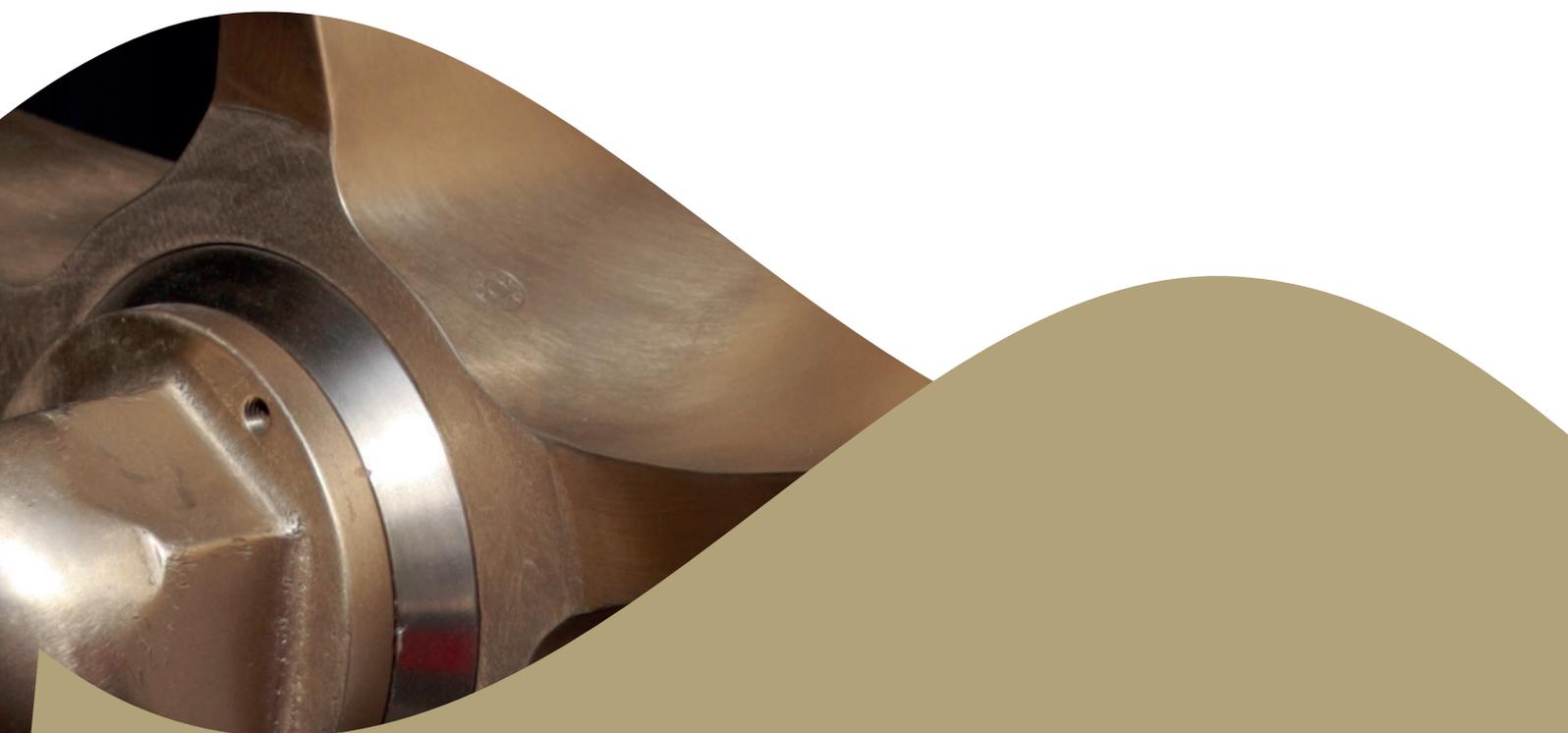
The Company believes presenting EBITDA, EBITDA adjusted for finance lease effects and Adjusted net profit from

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

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

	1st Quarter	2nd Quarter	2nd Quarter	1st Half	1st Half	Jan - Dec
<i>Amounts in USD million</i>	2022	2022	2021	2022	2021	2021
Total revenues and other income	43.8	47.1	47.3	90.9	93.0	185.1
Vessel operating expenses	0.0	-	(0.2)	0.0	(0.8)	(0.8)
Wages and other personnel expenses	(2.0)	(0.8)	(1.3)	(2.7)	(3.1)	(12.5)
Other operating expenses	(0.8)	(1.0)	(0.7)	(1.8)	(1.5)	(9.8)
EBITDA	41.1	45.3	45.2	86.4	87.5	162.0
Repayment on finance lease receivables	27.4	28.2	20.6	55.6	40.2	86.5
EBITDA adjusted for finance lease effects	68.4	73.6	65.8	142.0	127.7	248.5

<i>Amounts in USD million</i>	1st Quarter 2022	2nd Quarter 2022	2nd Quarter 2021	1st Half 2022	1st Half 2021	Jan - Dec 2021
Net profit (loss) for the period	22.1	24.6	21.5	46.8	47.7	63.0
Impairment of Dhirubhai-1	-	-	-	-	-	16.4
Gain from acquisition of 50% of OY Suez Holding	-	-	-	-	-	(0.2)
Termination of swaps in BOX Holdings	-	-	-	-	-	1.9
Expenses related to sale of Ocean Yield AS	-	-	-	-	-	13.7
Foreign exchange gains/losses	1.4	(18.7)	0.4	(17.3)	(0.8)	(5.7)
Change in fair value of financial instruments	(2.7)	16.7	(2.8)	14.0	(3.6)	(1.8)
Change in deferred tax	0.6	0.4	0.7	0.9	0.7	1.9
Adjusted Net profit	21.4	23.0	19.7	44.4	44.0	89.1
Loss from discontinued operation, net of tax	-	-	1.8	-	3.0	4.3
Adjusted Net profit from continuing operations	21.4	23.0	21.5	44.4	47.0	93.5
Attributable to:						
Equity holders of the parent	19.2	20.6	17.6	39.8	39.8	80.7
Dividends on hybrid capital	2.2	2.4	2.1	4.6	4.2	8.4
Adjusted Net profit	21.4	23.0	19.7	44.4	44.0	89.1
Attributable to:						
Equity holders of the parent	19.2	20.6	19.4	39.8	42.8	85.1
Dividends on hybrid capital	2.2	2.4	2.1	4.6	4.2	8.4
Adjusted Net profit from continuing operations	21.4	23.0	21.5	44.4	47.0	93.5





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