



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 912 189 775
Organisasjonsform: Aksjeselskap
Foretaksnavn: KLAVENESS CONTAINER AS
Forretningsadresse: Drammensveien 260
0283 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Solveig Sundby
Dato for fastsettelse av årsregnskapet: 22.03.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 16.06.2023



Resultatregnskap

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Operating revenue, Vessels		20 506 000	23 146 000
Gain from sale of fixed assets		34 067 000	0
Other income		399 000	
Sum inntekter		54 972 000	23 146 000
Kostnader			
Ordinary depreciation	6	2 484 000	6 426 000
Impairment loss (-) / reversal	6	-28 775 000	975 000
Operating expenses, vessels	2	13 285 000	19 086 000
Tonnage tax		44 000	69 000
Group administrative services	16	2 048 000	2 297 000
Other operating and administrative expenses	3	21 000	15 000
Sum kostnader		-10 893 000	28 868 000
Driftsresultat		65 865 000	-5 722 000
Finansinntekter og finanskostnader			
Finance income	4	137 000	96 000
Sum finansinntekter		137 000	96 000
Finance costs	4	2 111 000	3 507 000
Sum finanskostnader		2 111 000	3 507 000
Netto finans		-1 974 000	-3 411 000
Ordinært resultat før skattekostnad		63 891 000	-9 133 000
Ordinært resultat etter skattekostnad		63 891 000	-9 133 000
Årsresultat		63 891 000	-9 133 000



Balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Vessels	6	0	108 177 000
Right of use asset	6	0	903 000
Sum varige driftsmidler		0	109 080 000
Finansielle anleggsmidler			
Investment in shares and partnerships	9	70 000	0
Sum finansielle anleggsmidler		70 000	0
Sum anleggsmidler		70 000	109 080 000
Omløpsmidler			
Varer			
Inventories		0	495 000
Sum varer		0	495 000
Fordringer			
Accounts receivable		745 000	0
Other short-term receivables	7	625 000	1 675 000
Konsernfordringer	7	32 412 000	39 000
Sum fordringer		33 782 000	1 714 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	8	45 733 000	4 213 000
Sum bankinnskudd, kontanter og lignende		45 733 000	4 213 000
Sum omløpsmidler		79 515 000	6 422 000
SUM EIENDELER		79 585 000	115 502 000

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: USD	Note	2021	2020
Egenkapital			
Innskutt egenkapital			
Share capital	15	12 876 000	46 501 000
Overkurs		68 410 000	133 366 000
Annen innskutt egenkapital		3 350 000	3 350 000
Sum innskutt egenkapital		84 636 000	183 217 000
Opptjent egenkapital			
Retained earnings		-71 574 000	-135 463 000
Sum opptjent egenkapital		-71 574 000	-135 463 000
Sum egenkapital		13 062 000	47 754 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld	11	0	13 510 000
Long-term lease obligation	6	0	552 000
Sum annen langsiktig gjeld		0	14 062 000
Sum langsiktig gjeld		0	14 062 000
Kortsiktig gjeld			
Leverandørgjeld	14	213 000	719 000
Tonnage tax payable	5	43 000	70 000
Kortsiktig konserngjeld	13	65 334 000	24 000
Short-term mortgage dept	12	0	49 856 000
Short-term lease obligation		0	351 000
Other current liabilities	14	933 000	2 666 000
Sum kortsiktig gjeld		66 523 000	53 686 000
Sum gjeld		66 523 000	67 748 000
SUM EGENKAPITAL OG GJELD		79 585 000	115 502 000



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 20.03.2014	Vår dato 20.03.2014
Telefon 22078139	Deres referanse Ingrid Nygaard	Vår referanse 2009/275763

AS KLAVENESS CHARTERING
Postboks 182 Skøyen
0212 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Det vises til deres brev av 20. mars 2014 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

Klaveness Container Holding AS	org. nr. 912 189 716
Klaveness Container AS	org. nr. 912 189 775
Klaveness Bulk Holding AS	org. nr. 912 478 017
Klaveness Bulk AS	org. nr. 912 477 983

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Selskapene som søker om dispensasjon ble stiftet i 2013 og inngår i Torvald Klaveness Gruppen. Selskapene som inngikk i Torvald Klaveness Gruppen fikk i vedtak (2009/275763) av 25. januar 2010 dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk språk. Det søkes derfor om dispensasjon for disse nye selskapene. Øvrige forhold som ble lagt til grunn i det tidligere vedtaket er fortsatt gjeldende.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal ”årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “*informative regnskaper for ulike grupper av regnskapsbrukere*”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapene som søker om dispensasjon er nye selskaper som inngår i et konsern som tidligere er gitt dispensasjon.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad

seniorrådgiver

Rettsavdelingen, foretaksskatt

Skattedirektoratet

Torstein Kinden Helleland



**Torvald
Klaveness**

Klaveness Container AS

FINANCIAL STATEMENT 31. DECEMBER 2021



Klaveness Container AS

Income Statement

USD '000	Note	Year ended 31	
		2021	December 2020
Discontinued operations			
Operating revenue, vessels		20 506	23 146
Gain from sale of fixed assets		34 067	0
Other income		399	
Total revenue and other income		54 972	23 146
Operating expenses, vessels	Note 2	(13 285)	(19 086)
Ordinary depreciation	Note 6	(2 484)	(6 426)
Impairment loss (-) / reversal	Note 6	28 775	(975)
Tonnage tax		(44)	(69)
Group administrative services	Note 16	(2 048)	(2 297)
Other operating and administrative expenses	Note 3	(21)	(15)
Total operating expenses		10 892	(28 868)
Operating profit		65 863	(5 722)
Finance income	Note 4	137	96
Finance costs	Note 4	(2 111)	(3 507)
Profit before tax		63 889	(9 134)
Income tax expenses	Note 5	0	0
Profit after tax		63 889	(9 134)



Klaveness Container AS

Statement of Other Comprehensive Income

USD '000	Note	2021	2020
Discontinued operations			
Profit of the period		63 889	(9 134)
Profit loss from discontinued operations			
Post-tax profit or loss of discontinued operations		29 822	(9 134)
Post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets		34 067	
Net profit loss from discontinued operations		63 889	(9 134)
Other comprehensive income not to be reclassified to profit or loss		0	0
Net other comprehensive income not to be reclassified to profit or loss		0	0
<hr/>			
Other comprehensive income/(loss) for the period, net of tax		63 889	(9 134)
<hr/>			
Total comprehensive income/(loss) for the period, net of tax		63 889	(9 134)



Klaveness Container AS

Balance Sheet Statement

		As of 31 December	
USD '000	Note	2021	2020
ASSETS			
Non-current assets			
Vessels	Note 6	-	108 177
Right of use asset	Note 6		903
Investment in shares and partnerships	Note 9	70	
Total non-current assets		70	109 080
Current assets			
Inventories		0	495
Accounts receivable		745	(0)
Receivables from related parties	Note 7	32 412	39
Other short-term receivables	Note 7	625	1 675
Cash and cash equivalents	Note 8	45 733	4 213
Total current assets		79 514	6 421
TOTAL ASSETS		79 584	115 501



Klaveness Container AS

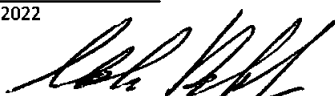
Balance Sheet Statement

				As of 31 December	
USD '000	Note	2021	2020		
EQUITY AND LIABILITIES					
Equity					
Share capital	Note 15	12 876	46 501		
Share premium		68 410	133 366		
Other paid-in capital		3 350	3 350		
Retained earnings		(71 574)	(135 463)		
Total equity		13 061	47 753		
Non-current liabilities					
Long-term debt to related parties	Note 11	0	13 510		
Long-term lease obligation	Note 6	0	552		
Total non-current liabilities		0	14 062		
Current liabilities					
Short-term mortgage debt	Note 12	0	49 856		
Accounts payable	Note 14	213	719		
Current debt to related parties	Note 14	65334	24		
Short-term lease obligation		0	351		
Tonnage tax payable	Note 5	43	70		
Other current liabilities	Note 14	933	2 666		
Total current liabilities		66 523	53 687		
TOTAL EQUITY AND LIABILITIES		79 584	115 501		

Oslo, 31 December 2021

Oslo, 22 March 2022


Lasse Kristoffersen
Chairman of the Board


Martin Prokosch
Board member


Morten Skedsmo
Managing Director



Klavness Container AS

Statement of Changes in Equity

Attributable to equity holders of the parent

USD '000	Share capital	Share premium	Other paid in capital	Other reserves	Retained earnings	Total
Equity at 1 January 2020	46 501	133 366	3 350	0	(126 330)	56 886
Profit (loss) for the year				0	(9 134)	(9 134)
Other comprehensive income for the year				0	-	0
Total comprehensive income for the year	-	0	0	0	(9 134)	(9 134)
Equity at 31 December 2020	46 501	133 366	3 350	0	(135 463)	47 752
Profit (loss) for the year				0	63 889	63 889
Other comprehensive income for the year					-	0
Total comprehensive income for the year	0	0	0	0	63 889	63 889
Capital reduction 7 December 2021	(33 625)					-33 625
Capital contribution 2021		(64 956)				-64 956
Equity at 31 December 2021	12 876	68 410	3 350	0	(71 574)	13 061



Klavness Container AS

Statement of Cash Flows

USD '000	2021	2020
Discontinued operations		
Profit before tax	63 889	(9 134)
Tonnage tax expensed	44	69
Ordinary depreciation	Note 6 2 484	6 426
Impairment loss (-) / reversal	Note 6 (28 775)	975
Sales gain vessels	Note 6 (34 067)	-
Interest income	(137)	(37)
Interest expenses	688	2 748
Tax paid for the period	(43)	-
Amortization of upfront fees bank loans	144	185
Change in current assets	305	(703)
Change in current liabilities	(2 236)	1 361
Change in other accruals	495	368
Interest received	137	37
A: Net cash flow from operating activities	2 929	2 296
Acquisition of tangible assets	Note 6	(72)
Sale of vessels and newbuildings contracts	170 200	
Investment in shares and partnerships	(70)	
B: Net cash flow from investment activities	170 130	(72)
Proceeds from borrowings	5 000	22 000
Transaction costs on issuance of loans	(144)	(185)
Repayment of borrowings	Note 12 (55 000)	
Capital reduction	(34 426)	-
New loans to group companies	(32 920)	
Repayment of internal borrowing	(13 510)	(25 500)
Interest paid	Note 11 (554)	(2 008)
C: Net cash flow from financing activities	(131 554)	(5 693)
Net change in liquidity in the period (A + B + C)	41 505	(3 469)
Net foreign exchange difference	15	17
	41 520	(3 452)
Cash and cash equivalents at beginning of period	4 213	7 665
Cash and cash equivalents at end of period	45 733	4 213
Net change in cash and cash equivalents in the period	41 520	(3 452)



NOTE 1 ACCOUNTING POLICIES | KLAVENESS CONTAINER AS

CORPORATE INFORMATION

Klaveness Container AS ("the company") is a private limited company domiciled and incorporated in Norway. The company has headquarter and is registered in Drammensveien 260, 0212 Oslo.

The company sold the whole fleet of eight medium sized container vessels in 2021. The ultimate parent of the company is Rederiaksjeselskapet Torvald Klaveness. The consolidated financial statements for the ultimate parent are available at www.klaveness.com.

The financial statements for Klaveness Container AS for the fiscal year 2021 are approved in the board meeting at 22 March 2022.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with simplified IFRS ("Financial Reporting Standards") pursuant to the Norwegian Accounting Act §3-9 and regulations regarding simplified application of IFRS issued by the Norwegian Ministry of Finance on 3 November 2014.

The financial statements are based on historical cost, except for derivative financial instruments which are measured at fair value.

Klaveness Container AS changed from IFRS to simplified IFRS reporting as per 31 December 2021 with retrospective effect. The Company has not prepared any restatement of the Income Statement, Statement of Comprehensive Income, Statement of Financial Position or Statement of Changes in Equity for 2020 after moving from full IFRS to simplified as there are no changes to present. The company neither gave nor received any dividend nor group contribution in 2020, other accounting areas have not been identified as subjected to differences between the two accounting standards.

DIVIDEND/GROUP CONTRIBUTION

Dividends will be reflected as Dividends payable within current liabilities. Group contributions to other entities within the Klaveness Group are reflected in the balance sheet as current liabilities within Liabilities to group companies. Under simplified IFRS the presentation of dividends payable and payable group contributions would differ from the presentation under full IFRS, as it would also include dividend and group contributions payable which at the date of the balance sheet would be subject to a future general assembly approval before distribution.

FOREIGN CURRENCY TRANSACTIONS

The presentation currency for the company is US Dollar (USD). Transactions in foreign currencies are recorded in the functional currency rate at the date of the transaction. Monetary assets and liabilities in foreign currency are translated at the functional currency rate prevailing at the balance sheet date. Exchange differences arising from translations into functional currency are recorded in the income statement.

Non-monetary assets and liabilities measured at historical cost in foreign currency are translated into the functional currency using the historical exchange rate. Non-monetary assets and liabilities recognized at fair value are translated using the exchange rate on the date of the determination of the fair value.

Income and expenses in NOK are converted at the rate of exchange on the transaction date. The average exchange rate was USD/NOK 8.5973 in 2021 (2020: 9.4264). At year-end 2021 an exchange rate of USD/NOK 8.8363 (2020: 8.5375) was used for the valuation of balance sheet items.



NOTE 1 ACCOUNTING POLICIES | KLAVENESS CONTAINER AS

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Preparing financial statements in conformity with simplified IFRS requires the management to make judgements, use of estimates and assumptions which affect the application of the accounting policies and the reported amounts of assets and liabilities, revenues and expenses.

The estimates are based on the actual underlying business, its present and forecast profitability over time, and expectations about external factors such as freight rates, interest rates, foreign exchange rates, oil prices and more which are outside the company's control. Changes in accounting estimates are recognized in the period the changes occur. When changes to estimates also affect future periods the effect is distributed between of the current and future periods.

Significant estimates and assumptions

Management has made estimates and assumptions which have significant effect on the amounts recognized in the financial statements. In general, accounting estimates are considered significant if:

- the estimates require assumptions about matters that are highly uncertain at the time the estimates are made
- different estimates could have been used
- changes in the estimates have a material impact on Klaveness Container's financial position

Carrying amount of vessels, residual value, depreciation and impairment

In addition to the purchase price, the carrying amount of vessels has been based on management's assumptions of useful life and residual value of the vessels. Useful life may change due to changes in technological developments, competition, environmental

and legal requirements, freight rates and steel prices.

The residual value of the vessel was calculated as the light displacement of the vessel multiplied with the estimated steel prices minus the estimated cost in connection with the scrapping. Residual values have been challenging to estimate given the long lives of the vessels, the uncertainty as to future economic conditions and the future price of steel, which is considered as the main determinant of the residual price.

When value in use calculations has been performed, management estimated the expected future cash flows from the assets or cash-generating unit (defined in the section of "judgments") and determined a suitable discount rate in order to calculate the present value of those cash flows. This has been based on management's evaluations, including estimating future performance, revenue generating capacity, and assumptions of future market conditions and appropriate discount rates. Changes in circumstances and management's evaluation and assumptions may give rise to impairment losses.

On a quarterly basis, management assesses indicators of impairment for non-financial assets and whether the assumptions in the value in use calculations are reasonable. Recoverable amount is set as the highest of market values and value in use. If carrying value exceeds the estimated recoverable amount, impairment is recognized. Impairments are reversed in a later period if recoverable amount exceeds carrying amount.

Judgements

In the process of applying Klaveness Container's accounting policies, management has made the following judgements which have significant effect on the amounts recognized in the financial statements.



NOTE 1 ACCOUNTING POLICIES | KLAVENESS CONTAINER AS

Impairment

The company has defined each vessel as a separate CGU as the cash flows from the vessels can be separated on an individual level.

is categorised in two groups, the leasing element of the vessel and the service element related to the leased vessel.

Expenses between discharge and load are deferred and amortized over the voyage to the extent it qualifies as cost to fulfil under IFRS 15.

SEGMENT REPORTING

The operating segments are reported in a manner consistent with the internal financial reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive management who makes the strategic decisions.

The vessels are structured into segments based on type of freight the vessels transport. The internal financial reports are structured into one reporting segment; Container vessels. The shipping market in general offers a global service covering major trade routes with worldwide activities. Due to this, financial position is not allocated to geographical segments.

The time charter revenue is generated from fixed rate time charter contracts. Revenue from time charters are accounted for as lease in accordance with IFRS 16 and is classified as charter hire revenue in the income statement. The time charter contracts have a duration of 3-24 months and a significant portion of the risks and rewards of ownership are retained by the lessor, hence the lease is classified as operating lease. Payments received under operating leases are recognised as revenue on a straight line basis over the lease term.

OPERATING EXPENSES

Vessel operating expenses include crewing, repairs and maintenance, insurance, stores, lubricant oils and management fees. When vessels are on hire, the majority of vessel operating expenses are reimbursed from the charterer. When the vessel is off hire, vessel operating expenses are mainly for owners account.

REVENUE RECOGNITION

The company's revenue derives from chartering (hiring) out its vessels to operating companies based on time charter contracts (TC).

IFRS 15 requires the company for each contract with a customer, to identify the performance obligations, determine the transaction price, allocate the transaction price to performance obligations to the extent that the contract covers more than one performance obligation, determine whether revenue should be recognised over time or at a point in time and recognise revenue when or as performance obligations are recognised. TC contracts qualify for recognition over time. The nature of the revenues from TC contracts with its customers

INCOME TAX

The company is organized in compliance with the Norwegian tonnage tax regime ("NTT"). The NTT entails no tax on operating profits or tax on dividends from companies within the scheme. Net financials, allowed for some special regulations, are taxed on an ongoing basis, currently at a rate of 22 % (2020: 22 %). A tonnage fee is charged per vessel depending on the size of the vessel taxed under the NTT. This tonnage tax is classified as an operating cost.

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 % on the basis of



NOTE 1 ACCOUNTING POLICIES | KLAVENESS CONTAINER AS

temporary differences between tax and accounting values of assets and liabilities that exist at the balance sheet date. Deferred taxes are recognized using the liability method in accordance with IAS 12. Deferred tax assets are recognized for all deductible temporary differences, unused tax credits carried forward and unused tax losses carried forward to the extent it is probable that future taxable profits may be used against deductible temporary differences and unused tax losses carried forward.

Temporary differences, both positive and negative, are balanced out within the same period. Deferred tax liabilities/deferred tax assets within the same tax system are recorded on a net basis. Income tax relating to items recognized directly in equity is included directly in equity and not in the statement of income.

VESSELS, NEWBUILDINGS AND DOCKING

Non-current assets such as vessels and the cost of dry-docking are carried at cost less accumulated depreciation and impairment charges. Cost is defined as directly attributable cost plus borrowing cost during the construction period.

Depreciation of vessels

Depreciation is calculated on a straight-line basis over the estimated useful life of a vessel taking its residual value into consideration. Useful life is estimated to be 25 years for the container vessels. Certain capitalized elements like costs related to periodic maintenance/dry-docking have shorter estimated useful lives and are depreciated until the next planned dry-docking, typically over a three to five years period.

Costs of day-to-day servicing, maintenance and repairs are expensed.

The useful life and residual values are reviewed at each balance sheet date. Residual value is further described under "Significant estimates and assumptions".

Held for sale

Vessels who are available for immediate sale and where sale within the next 12 months is highly probable are classified as held for sale, were the asset is measured at the lower of carrying amount and fair value less cost to sell as described under "Significant estimates and assumptions". Depreciation on such assets have ceased on the date of signing the sales agreement and the asset have been presented separately in the balance until delivery.

LEASING

The company adopted IFRS 16, Leases, with effect 1 January 2019. The new standard was applied using the modified retrospective method. On initial application of IFRS 16, the Company elected to use the following practical expedients:

- Lease contracts with a duration of less than 12 months will continue to be expensed to the income statement.
- Lease contracts for underlying assets of a low value will continue to be expensed to the income statement.

The company has elected to use the exemptions proposed by the standard on lease contracts with a term of less than 12 months, and lease contracts for which the underlying asset is of low value. Lease payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Lease contracts which is not part of the exemptions are measured at the present value of remaining lease payments, discounted using the incremental borrowing rate. The right-of-use assets are measured at an amount equal to the lease liability at the date of implementation. The right-of-use asset is depreciated on a straight line basis over the lease term.



NOTE 1 ACCOUNTING POLICIES | KLAVENESS CONTAINER AS

The company has leasing agreements related to the container vessels. Lease payments received are recognized in profit or loss on a straight-line basis over the term of the lease, typically 3-24 months.

FAIR VALUE MEASUREMENT

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

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

FINANCIAL ASSETS

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss
-

Financial assets at amortised cost

This category is the most relevant to the company. The company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Financial assets at amortised cost includes trade receivables, and loan to related parties.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading,



NOTE 1 ACCOUNTING POLICIES | KLAVENESS CONTAINER AS

financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

FINANCIAL LIABILITIES

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

This is the category most relevant. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

INVENTORIES

Inventories consist mainly of lubricant oil and are recognized at cost in accordance with the first in – first out method (FIFO). Inventories are valued at the lower of cost and net realizable value. Impairment losses are recognized if the net realizable value is lower than the cost price.

CASH AND CASH EQUIVALENTS

Cash includes cash in hand, bank deposits and other highly liquid investments with original maturities of three months or less.



NOTE 1 ACCOUNTING POLICIES | KLAVENESS CONTAINER AS

EQUITY

Transaction costs related to an equity transaction are recognized directly in equity, net of tax.

PROVISIONS

A provision is recognized when the company has a present obligation (legal and constructive) as a result of a past event, it is probable that the company will be required to settle the obligation and a reliable estimate can be made of the amount.

Provisions usually relate to legal claims.

Provisions for loss-making contracts are recognized when the company's estimated revenues from a contract are lower than unavoidable costs which were incurred to meet the obligations pursuant to the contract (ref description of onerous contracts in section "Significant estimates and assumptions").

RELATED PARTIES

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence. Related parties transactions are recorded to estimated fair value.

EVENTS AFTER BALANCE SHEET DATE

New information on the company's financial position at the balance sheet date is taken into account in the annual financial statements. Subsequent events that do not affect the company's position at the balance sheet date, but which will affect the company's position in the future, are disclosed if significant.

CLASSIFICATION OF ITEMS IN THE BALANCE SHEET

Current assets and short-term liabilities include items due less than one year from the balance sheet date, as well as items due more than one year from the balance sheet date, that are related to the operating cycle.

Liabilities with maturity less than one year from the balance sheet date are classified as current. All other debt is classified as long-term debt. The first year's repayment of long-term debt is classified as current.

CASH FLOW STATEMENTS

The cash flow statements are based on the indirect method.

STANDARDS, AMENDMENTS AND INTERPRETATIONS

The financial statements have been prepared based on standards, amendments and interpretations effective for the year ending 31 December 2021.

Several other amendments and interpretations apply for the first time in 2021, but do not have an impact on the financial statements of the Company. The Company has not early adopted the mandatory amendments and interpretations to existing standards that have been published, and are relevant to the Group's annual accounting periods beginning on 1 January 2022 or later periods.



Klavness Container AS

Note 2 - Operating expenses

USD '000	2021	2020
Technical expenses	5 852	7 558
Crew costs	5 560	8 293
Insurance	984	1 554
Crewing agency fee to Klavness Ship Management AS (note 16)	444	557
Other operating expenses	242	1 112
Initial and upstoring costs	203	13
Total operating expenses	13 285	19 087

Technical expenses are costs related to spare parts, consumables, power supply, navigation and communication. Crew costs include sea personnel expenses such as wages, social costs, travel expenses and training. Crew cost was affected negatively by the ongoing COVID-19 outbreak. Costs related to technical management, maintenance and crewing services are recognised as operating expenses, see note 16 for transactions with related parties.



Klaveness Container AS

Note 3 - Other operating and administrative expenses

The company has no employees and has thus no wage expenses or pension liabilities. Management services including management, technical, commercial and crewing are acquired from other companies within Rederiaksjeselskapet Torvald Klaveness (RASTK), see note 16. The managing director and members of the Board of Directors are employees of other companies within RASTK. No special remuneration has been paid to the members of the Board of Directors, because such positions of office are a part of their regular employment.

Remuneration to the auditor

USD '000	2021	2020
Statutory audit	10	15
Other assurance services	12	0
Total expensed audit fee	21	15

Auditor's fees are stated excluding VAT.



Klavness Container AS

Note 4 - Finance income and finance costs

USD '000	2021	2020
Interest income	137	37
Other interest income	0	59
Total finance income	137	96

USD '000	2021	2020
Interest expenses paid to related parties	230	740
Interest expenses interest bearing debt	458	2 008
Guarantee fee to related parties	116	401
Other financial expenses	1 307	357
Total finance costs	2 111	3 507



Klavness Container AS

Note 5 - Taxes

USD '000	2021	2020
A. TAX EXPENSE		
Tax payable	0	0
Adjustment of provision for tax	0	0
Change deferred tax/deferred tax asset	0	0
Total tax expense/(income) reported in the Income statement	0	0
Net (gain)/loss on revaluation of cash flow hedges	0	0
Deferred tax charged to OCI	0	0

B. CALCULATION OF TAX BASIS - TAX PAYABLE	2021	2020
Pre-tax profit/(loss)	63 889	(9 134)
(Profit)/loss from shipping operations	(62 696)	8 328
Net financial items according to calculation in section B.1.2	1 194	(805)
Tax loss carried forward	(1 194)	805
Tax basis for the year	0	0
Tax payable	0	0

B.1. CALCULATION OF NET FINANCIAL ITEMS	2021	2020
Net financial items, own items in Klavness Container AS according to calculations in section B.1.2	1 194	(805)
Net financial items	1 194	(805)

Share of financial assets from limited partnerships / shipowning comp.	01.01.2021	31.12.2021	Average
Book value of investment in underlying Company 1	-	68	34
Share of average financial assets in underlying Company 1 (In %)	0	28,60 %	28,60 %

- figures calculated from NOK to Year end currency rate

B.1.1 CALCULATION OF PROPORTIONAL DEDUCTION OF INTEREST EXPENSE / FOREIGN CURRENCY LOSSES

Calculation of share of total financial assets	01.01.2021	31.12.2021	Average
Share of financial assets in underlying Company 1	-	19,4	10
Financial assets Klavness Container AS	5 596	80 956	43 276
Total financial assets of the company, including underlying companies	5 596	80 975	43 286
Total capital in Klavness Container AS	108 532	81 024	94 778
Share of financial assets in %	5,16 %	99,94 %	45,67 %

Calculation of proportional deduction for interest expenses/foreign currency losses 2021

Actual interest expenses recorded in the profit and loss account	(912)
Interest expense on tax payable	0
Interest expense subject to proportional distribution	(912)
Calculated proportion of interest expenses for deduction in tax income 0%	(417)
Foreign currency loss recorded in the profit and loss account	(1 723)
Reversed unrealised currency gain/loss long term debt 01.01.21	5 249
Unrealised currency gain/loss long term debt 31.12.21	0
	3 525
Calculated proportion of currency loss for increase/decrease in tax income 45,67%	1 610

B.1.2 CALCULATION OF NET FINANCIAL ITEMS 2021 2020

Financial income and expenses recorded in the profit and loss account	2021	2020
Income from other investments	15	0
Other interest income	28	44
Other financial income	0	0
Interest expense according to proportional calculation	(417)	-222
Interest income from Group companies	108	0
Other financial expenses	(151)	-439
Foreign currency gain/(loss) according to proportional calculation	1 610	-390
Unrealized currency gain/loss long term debt	0	202
Net financial income / (expenses), investment Company 1	(1)	0
Net financial items	1 194	(805)



Klaveness Container AS

Note 5 - Taxes (cont.)

USD '000

B.2 CALCULATION OF INCREASE IN INCOME DUE TO HIGH EQUITY

- figures calculated from NOK to year end currency rate	01.01.2021	31.12.2021	Average 2021
Total capital Klaveness Container AS	112 330	81 024	96 677
Adjustment, book value in underlying companies		(68)	(34)
Share of total capital in underlying company		233	117
A) Total, adjusted assets	112 330	81 189	96 760
Liabilities Klaveness Container AS	66 679	66 592	66 635
Share of liability in underlying company		125	63
B) Total, adjusted liabilities	66 679	66 717	66 698
C) 30% of average assets (A*30%)			29 028
Average equity above 70% C - B			(37 670)
Increase in income due to high equity - Prescribed interest rate on positive amount		1,70 %	0

C. RECONCILIATION OF NOMINAL AND ACTUAL TAX RATES

	2021	2020
Profit/(loss) before tax	63 889	(9 134)
Nominal tax rate	22 %	22 %
Calculated tax payable on pre-tax profit using the nominal taxation rate	14 056	(2 009)
Tax effect, profit from shipping operations	(13 793)	1 832
Tax effect, change in temporary differences, long-term	(75)	78
Tax effect, deferred tax asset not recorded	(187)	99
Tax expense	0	-0
Effective tax rate	0,00 %	0,00 %



Klaveness Container AS

Note 5 - Taxes (cont.)

D. DEFERRED TAX / (DEFERRED TAX ASSET)

Specification of the tax effect of temporary differences:

USD '000	Status at 01.01.2021	Change	Status at 31.12.2021	Tax effect at 31.12.2021 22 %	Status at 31.12.2020	Tax effect at 31.12.2020 22 %
Foreign currency loans	354	(354)	0	0	354	78
Total temporary differences - before financial losses carried forward	354	(354)	0	0	354	78
Financial losses carried forward	(6 791)	1 425	(5 366)	(1 181)	(6 791)	(1 494)
Total	(6 437)	1 069	(5 366)	(1 181)	(6 437)	(1 416)
Deferred tax/(deferred tax asset)*				0		0
Change in deferred tax/(deferred tax asset)				0		0

*At year-end 2021 the company has chosen not to record deferred tax asset due to uncertain possibility to net against future gain. Temporary differences mainly relate to financial losses carried forward.

Reconciliation of deferred tax asset in the balance sheet:

USD '000	2021	2020
As of 1 January	0	0
Tax income/ (expense) during the period recognised in profit or loss	0	0
Tax income/ (expense) during the period recognised in OCI	0	0
As at 31 December	0	0

USD '000			2021	2020
Tonnage tax	Vessel	Ownership %		
Klaveness Containers AS	M/V Baro	100 %	3	7
Klaveness Containers AS	M/V Barry	100 %	6	9
Klaveness Containers AS	M/V Balao	100 %	8	9
Klaveness Containers AS	M/V Ballenita	100 %	8	9
Klaveness Containers AS	M/V Balsa	100 %	8	9
Klaveness Containers AS	M/V Baleares	100 %	1	9
Klaveness Containers AS	M/V Bardu	100 %	1	9
Klaveness Containers AS	M/V Banak	100 %	5	9
Tonnage tax on owned tonnage			42	69



Klavness Container AS

Note 6 - Vessels

USD '000	2021	2020
Cost price 1.1	222 792	222 869
Reversal of impairment		0
Additions (mainly upgrading and docking of vessels)	0	72
Disposals of vessels	(222 792)	(149)
Costprice 31.12	-	222 792
Acc. depreciation 1.1	(46 183)	(40 069)
Depreciation for the year	(2 784)	(6 125)
Disposals of vessels	48 967	0
Acc. depreciation 31.12	0	(46 183)
Acc. impairment losses 1.1	(68 432)	(67 457)
Reversal of impairment	28 775	(975)
Disposals of vessels	39 657	0
Acc. impairment losses 31.12	0	(68 432)
Carrying amounts at balance sheet date*	0	108 177
No. of vessels	0	8
Useful life	25	25
Depreciation schedule	Straight-line	Straight-line

*) Carrying amount of vessels include dry-docking

Reversal of impairment

As the container market improved in 2021 an assessment of reversal of prior impairments where made in Q2 2021. At that time the company had entered into sales agreement for the whole fleet and recoverable amount was as such based on sales price less cost of sale. The total reversal was calculated to be USD 28.8 million for the vessel M/V Barry, MV/Balao, M/V Ballenita, M/V Balsa and M/V Banak.

The three vessels M/V Baro, M/V Baleares and M/V Bardu where sold prior to the impairment assessment and was therefore not included. The reversal potential for these three is calculated to be USD 7.9 million.

Disposals

All container vessels were sold during the year. This resulted in a gain of USD 34.1 million in 2021.

Held for sale

All vessels have been classified as held for sale and delivered to new owners during 2021, whereas all depreciation stopped when the agreements where signed.

Right-of use of assets Container vessel equipment (USD '000)	2021	2020
Cost price 1.1	1504	1504
Addition of right-of-use	0	0
Disposals	-1504	0
Costprice end of period	0	1504
Acc. Depreciation 1.1	601	300
Depreciation	300	301
Disposal	-901	0
Acc. Depreciation end of period	0	601
Carrying amounts end of period	0	903

The Company had leasing agreements related to satellite communication and IT equipment onboard the vessels until the vessels were sold in 2021. The equipment were then either scrapped, responsibility taken over by a third party or delivered back to the lessor. As such at year end 2021 no right of use nor lease liability is presented in the balance per 31.12.2021.



Klaveness Container AS

Note 7 - Receivables

USD '000	2021	2020
Rederiselskapet Torvald Klaveness AS	25 096	0
Klaveness Finans AS	7 382	39
Klaveness Ship Management AS	453	
Total short-term receivables to related parties	32 412	39

Short-term receivables are defined as items that fall due within one year after the close of the accounting year.

USD '000	2021	2020
Prepaid expenses	96	0
Other short-term receivables	530	1 675
Total other short-term receivables	625	1 675

Klaveness Maritime Agency Inc is owned 25 % by Klaveness Ship Management AS (affiliated company).
USD 75k of other short-term receivables is from Klaveness Maritime Agency Inc.



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Note 8 - Cash and cash equivalents

The company has bank deposits in the following currencies:

USD '000	2021	2020
Cash	0	106
Bank deposits, NOK	452	248
Bank deposits, USD	45 281	3 859
Total cash and cash equivalents	45 733	4 213

The company has no restricted cash per year end 2021.



Note 9 - Investment in shares and partnerships

	Salgsinntekt 2021/2021	Inngående balanse 2021/2021	Bokført verdi per 31. desember 2021	IFRS 9 and andrettsregning	Outflow	Balance 31. desember 2021
Investments in shares and partnerships:						
31. Oktober 2021	0	0	0	70	0	70
SLAV	0	0	0	70	0	70



Klavness Container AS

Note 10 - Financial risk management

Capital management

The capital structure of the company is intended to ensure financial stability for the purpose of limiting its cost of capital and maintain sufficient financial stability to reach its strategic goals.

The company is exposed to operational risk, market risk (including, but not limited to currency risk, freight rate and vessel values), credit/counterparty risk and liquidity risk.

Operational risk

Operational risks was mainly related to the operation of vessels under the management of Klavness Ship Management AS (affiliated company). The company's vessels was on technical management to Klavness Ship Management AS which ensures compliance with IMO, flag and port state regulations. Quality and safety audits was performed regularly and the crew and officers onboard are trained to ensure that regulatory requirements are met. Operational risk was managed through quality assurance procedures and systematic training of seafarers and land based employees. All vessels sailing through piracy exposed areas take necessary steps to mitigate the threat of such attacks.

Operational risk was also covered by insurance where relevant to cover loss of assets, revenues and contract commitments. The vessels were insured for loss of hire, protection and indemnity (P&I) and complete loss (hull and machinery). Insurance covers were aligned with vessel values and limits in loan agreements. The financial impact of a total loss of a vessel would not be material for the company.

The COVID-19 pandemic had impact on vessel operations in 2021. The vessels were particularly vulnerable to any infection cases onboard. To ensure health & safety of our crew and reduce risk of off-hire, management implemented a COVID-19 plan with strict testing, quarantine procedures and routines for crew and visitors onboard the vessels. As all the vessels were sold on 2021, no such risk are expected in 2022 going forward.

Market risk

Ownership of vessels involves risks related to vessel values, future vessel employment, revenues and costs. These risks are partly managed through time charter contracts, regular maintenance and the use of budgets related to operational costs. As all the vessels are sold, the only market exposure is limited to dividend from purchased shares.

Climate risk

Climate-related risks, either due to physical effects of climate change or the transition to a lower-carbon economy, and opportunities can impact the company to make strategic decisions in response. The can be related to extreme weather impacting cargo and voyage routes and increase in fuel prices. As the whole fleet of container vessel is sold in 2021 the impact going forward is considered limited.

Foreign currency risk and interest rate risk

The company has paid off their long term interest bearing and does not have any material debt per year end. The company's revenue and costs are primarily in US Dollar (USD) which is the functional currency of the company. No direct currency hedge has been made towards the small portion of costs incurred in foreign currencies, but if there are significant transactions in other currencies, hedging is evaluated. Fluctuations in USD against NOK may affect the company's tax payable, which is calculated and paid in NOK. This effect is considered to be limited.



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USD '000	Change in interest rate	2021	2020
USD LIBOR	+ 1,00%	0	636
	+ 0,5%	0	318
	- 0,5%	0	(318)
	- 1,00%	0	(636)

Counterparty/ credit risk

Counterparty risk is risk related to charterers not meeting their obligations under the charter party contract, leading to a financial loss. The company was exposed to credit risk from its operating activities (primarily trade receivables). The permitted exposure for each contractual partner is defined through a rating process. The company recognizes claims to the extent the company has legal right to insurance coverage or it is virtually certain that the claim will result in cash inflows from the insurance company, a counterparty or a bankruptcy estate. The credit risk is limited as all charter party hires are paid in advance. Counterparty risk against insurance institutions exists.

The company recognises claims to the extent it is reasonable certain that the claim will result in cash inflows from the insurance company. Counterparty risk against insurance institutions exists. As all activity is discontinued in 2021 the risk is considered limited.

Liquidity risk

Liquidity risk is the risk that the company may not be able to meet its liabilities when they fall due. Liquidity risk is managed by the group's treasury department. The company keeps its liquidity reserves mainly in cash and bank deposits. The liquidity risk is considered to be limited as the deposits are considered sufficient for all needs in the foreseeable future. The company's bank financing are subject to financial and non-financial covenant clauses, see note 11.

The company's liquidity was positively affected by the sale of the remaining fleet during 2021 and closed the year with USD 45.733 million in cash. At year end 2020 the company had USD 6.65 million in undrawn and available capacity under the revolving credit facility, however due to the strong financial situation in 2021 the credit facility was discontinued. The liquidity situation is considered to be satisfactory for the next 12 months period.

Maturity profile of financial liabilities at 31 December 2021	< 1 year	1-5 years	> 5 years	Total
Accounts payable	213	0	0	213
Short-term interest bearing debt to related parties	65 334	0	0	65 334
Total maturity profile	65 547	0	0	65 547

Maturity profile of financial liabilities at 31 December 2020	< 1 year	1-5 years	> 5 years	Total
Intercompany interest bearing debt (incl. interests)	0	1205	0	1 205
Accounts payable	29	0	0	29
Total maturity profile	29	1205	0	1 234



Klaveness Container AS

Note 11 - Fair value measurement

Fair value measurement

Set out below is a comparison by class of the carrying amounts and fair value of the company's financial assets and liabilities included in the financial statements.

	Carrying amount		Fair value	
	2021	2020	2021	2020
Loans and receivables at amortised cost				
Short-term receivables from related parties	32 412	39	32 412	39
Other short-term receivables	625	1 675	625	1 675
Total loans and receivables	33 037	1 714	33 037	1 714
Cash and cash equivalents	45 733	4 213	45 733	4 213
Total loans and receivables at amortised cost	78 770	5 927	78 770	5 927
Total current	78 770	5 927	78 770	5 927
Total non-current	0	0	0	0

	Carrying amount		Fair value	
	2021	2020	2021	2020
Financial liabilities at amortised cost				
Interest bearing debt	0	49 856	0	50 000
Accounts payable	213	719	213	719
Current interest bearing debt to related parties	0	13 510	0	13 510
Other current liabilities	66 310	3 111	66 310	3 111
Total financial liabilities at amortised cost	66 523	80 706	66 523	80 850
Total current	66 523	67 196	66 523	67 340
Total non-current	0	13 510	0	13 510

The fair value of the financial assets and liabilities is recognised as the value at which they could be exchanged in a transaction between willing parties other than in a forced or liquidation transactions. The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

- Cash and restricted cash, trade receivables, trade payables and other current liabilities are deemed to have equal fair value and book value due to the short term maturities of these financial instruments.
- Fair value of loans from banks and other financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps and foreign exchange forward contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. Valuation is performed by the banks and assessed by the company.



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Note 12 - Interest bearing debt

The below table presents the company's carrying amount of interest bearing debt by non-current and current portions for the year ended 31 December 2021 and 31 December 2020. All debt is denominated in USD and are subject to an interest rate of LIBOR plus a margin.

The company's container vessel fleet was financed by a revolving credit facility (RCF) secured by all eight vessels and a maximum limit of USD 56.65 million per 31.12.2020. The facility had a tenor of 4.25 years and is guaranteed by Klaveness Ship Holding AS. The total loan was paid back in 2021 when the fleet was fully sold, as such the company has no interest bearing debt per 31.12.2021.

Capitalized transaction cost consist of up-front fee, commitment fee, legal costs etc. The fees are capitalized and depreciated over the tenor of the loan.

Interest bearing debt	Description	Maturity	Carrying amount	Fair value*
RCF	DNB/SEB USD 50.0 mill	November 2021	0	0
Total interest bearing debt 31 December 2021			0	0

*Fair value is estimated to carrying amount less transaction cost as the difference between market margin and carrying margin is considered to be immaterial. Fair value is not based on observable market date.

2021 - Interest bearing debt	Non-current	Current	Total
Interest bearing debt	0	0	0
Transaction costs	0	0	0
Total interest bearing debt	0	0	0

2020 - Interest bearing debt	Non-current	Current	Total
Interest bearing debt	0,0	50 000	50 000
Transaction costs	0,0	(144)	(144)
Total interest bearing debt	0,0	49 856	49 856

Covenants

The credit facility imposes restrictions which may limit or prohibit the ability for the company to change the nature of the business, engage in mergers and de-mergers, purchase and sell vessels and give financial assistance without the consent of lenders (non-financial covenants). In addition, lenders may accelerate the maturity of the indebtedness under financing agreements and foreclose upon the collateral securing the indebtedness upon the occurrence of certain events of defaults.

The credit facility also contains financial covenants related to equity and cash based on the consolidated accounts of Klaveness Ship Holding AS (KSH). In addition the loan contain a minimum value clause related to the value of the vessels compared to outstanding loan. Certain cross-defaults exists.

The company was in compliance for all of its covenants during 2021 until the loan was paid in full.

Securities

All the company's vessels were mortgaged and in addition the banks had assignment in earnings and insurances of the vessel and pledge over earnings accounts until the loan was repaid in 2021.

Book value of collateral, mortgaged and leased assets	2021	2020
Vessels	0	108 177
Total book value of collateral, mortgaged and leased assets	0	108 177



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Note 13 - Commitments and guarantees

Capital commitments

The company had in 2020 capital commitments related to borrowings, see note 9 for maturity profile for interest bearing debt. The debt was paid in full in 2021, hence the capital commitments were discontinued.

Guarantees

The company has not provided any guarantees.

Commitments TC contracts (company as lessor)

The company had its container vessels on short-term time charter parties (3-24 months) accounted for as operational leases. These commitments ended in 2021 as the whole fleet was sold.



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Note 14 - Current Liabilities

USD '000	2021	2020
Klaveness Ship Management AS (affiliated company)	49	24
Klaveness AS (affiliated company)	329	95
Rederiselskapet Torvald Klaveness AS (affiliated company)	15 600	0
Klaveness Finans AS (affiliated company)	49 356	0
Total current debt to related parties	65 334	119

Current debt to related parties per Decemebr 31 2021 consists of group contributions totalling up to USD 65 million.

USD '000	2021	2020
Accrued salary	92	620
Unearned income	233	830
Other current liabilities	608	1 216
Total other current liabilities	933	2 666

The company recognise claims to the extent the company has legal right to insurance coverage and it is virtually certain that the claim will result in cash inflows from the insurance company. Insurance claims relates fully to deductibles for incidents of vessels under operation. The company expect the majority of the claims to be settled within 12 months.



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Note 15 - Share capital, shareholders, dividends and reserves

Accounting information	2021		2020		
	Number	Book value	Number	Book value	
Ordinary shares of KCR	6 258	11 466	71 752 209	11 455	380 633 809

All shares are issued and fully paid. In October 2021, share capital was reduced by NOK 308 081 600 by an outgoing payment to the shareholders. No changes was made to the number of shares.

Ownership information	2021		
	Number of shares	Ownership interest	Withhold %
Rederiskipsselskapet Torvald Klaveness	11 066	95,5 %	95,5 %
TKR Equity AS	292	2,5 %	2,5 %
Total number of shares	11 466	100 %	100 %

In November 2021 an acquisition was executed between Klaveness Ship Holding AS and Rederiskipsselskapet Torvald Klaveness (RASK), whereas RASK was the acquiring company. The consolidated financial statements for the ultimate parent is available at www.klaveness.com



Klaveness Container AS

Note 16 - Transactions with related parties

The ultimate owner is Rederiaksjeselskapet Torvald Klaveness (RASTK), which owns 96,5 % of the shares in Klaveness Container AS.

The company has undertaken several agreements and transactions with related parties in the RASTK Group. The level of fees are based on market terms and are in accordance with the arm's length principle.

Klaveness AS (affiliated company) delivers administrative and business management services (G&A) to the company such as management, accounting, legal, IT services, rent and office services. Commercial management services (Commercial management fee) covering chartering and operation are also purchased from Klaveness AS.

Technical management services for all vessels such as crewing, maintenance, repair, drydock supervision, supplies and provisioning, insurance, procurement of spares, IT and administration are purchased from Klaveness Ship Management AS (affiliated company).

USD '000	Type of agreement	2021	2020
Klaveness AS (affiliated company)	Accounting fee and other adm fee	968	773
Klaveness Ship Management AS (affiliated company)	Ship management fee	1 079	1 483
Total group administrative services		2 048	2 256
Klaveness Ship Management AS (affiliated company)	Crewing agency fee (Note 2)	444	557
Klaveness Ship Management AS (affiliated company)	IT fee	25	40
Klaveness Ship Holding AS (parent)	Guarantee interest	116	401
Total other fees		584	998
Total transactions with related parties		2 632	3 255



Note 17 - Discontinued operations

In 2021 the company sold all the container vessels in the fleet and delivered the last three in December 2021.

As the container vessels represented the only business area in Klaveness Container AS, all financial information in the financial statement as of December 2021 is classified as discontinued operations, as well as comparative figures. The company continues to manage its position in BB Octopus DIS and cash position following the vessel sale.

Note 18 - Subsequent events

In March 2022 THK Equity AS sold all shares in Klaveness Container AS to Rederiaksjeselskapet Torvald Klaveness (RASTK), now owning 100 % of the shares in Klaveness Container AS.



KLAVENESS CONTAINER AS

Board of Directors' report 2021

Klaveness Container AS was established 2 July 2013 and was in 2021 owned by Rederiaksjeselskapet Torvald Klaveness (96.53%) and THK Equity AS (3.47%). The company has its offices in Oslo, Norway. The company's main activity is the owning and operation of container vessels. The company is subject to the Norwegian tonnage tax system.

Klaveness Container owned and operated a fleet of eight geared container vessels in the feeder segment between 1,700 TEU and 3,100 TEU in the beginning of 2021. All vessels were employed on short term time charter contracts to liner companies during the year.

The charter market for container vessels soared through 2021 on the back of steep increases in cargo volumes and severe logistical disruptions. Period lengths for charter fixtures, which averaged under 6 months across the previous decade, reached 27 months by mid-2021. As a result, second-hand prices followed suit to set new records.

Through 2021, Klaveness sold and delivered all eight container vessels to new owners. As the container vessels represented the only business area in Klaveness Container AS, all profit and loss activity described below is related to discontinued operations. Further activities are limited to the management of excess liquidity and the investment in BB Octopus DIS.

All vessels were under technical management with Klaveness Ship Management AS and commercial management with Klaveness AS. All vessels were managed under the principles for quality control in accordance with the ISM code. The technical manager was taking technical and operational precautions to protect the environment as embodied in the ISM code and MARPOL. Environmental laws and regulations often impose strict liability for remediation of spills and releases of oil and hazardous substances, which could subject the Company to liability without regard to whether the Company was negligent or at fault. Additionally, the Company cannot predict the cost of compliance with any new environmental protection and other laws and regulations that may become effective in the future. Quality and risk management is reflected in the approach to all aspects of business activities including vessel owning, management and operations. The policy is to conduct operations with the utmost regard for the safety of employees, the public and the environment, in accordance with sound business practice and in compliance with environmental regulations.

In June, the company purchased 3% of the shares in BB Octopus DIS, a Norwegian company owning an anchor handling tug supply (AHTS) vessel "BB Octopus", operated by marine service provider Buksér & Berging.

There are no employees in the company, hence no actions were planned or implemented to promote equality or prevent discrimination. The company has taken out insurance to cover potential litigations against the board members and general manager.



Net result and financial position

Gross revenues from operation of vessels ended at USD 20.9 million (2020: USD 23.1 million). The revenues were impacted by higher charter rates and fewer vessel days due to the sale of the vessels in 2021. Gain from sale of vessels totaled USD 34.1 million. A reversal of impairment charge of USD 29 million for the container fleet was also recognized as vessel values improved ahead of the sales.

The company had an EBITDA of USD 39.6 million (2020: USD 1.7 million) and a profit after tax of USD 63.9 million (2020: loss USD 9.1 million). The financial result of negative USD 2.0 million (2020: negative USD 3.4 million) consists mainly of interest expenses related to the financing of the vessels.

At year-end 2021, the equity was USD 13.1 million (2020: USD 47.8 million), corresponding to a book equity ratio of 16.4 % (2020: 41.3 %). The revolving credit facility for Klaveness Container, which was drawn by USD 49.9 million at year-end 2020, was repaid in 2021 following the sale of the entire container fleet. Per year end the company had no long-term debt and current debt to related party mainly consisted of a group contribution of USD 65 million. The Company's liquidity reserve as of 31.12.2021 amounted to USD 45.7 million and total assets at year-end amounted to USD 79.6 million, compared to USD 115.5 million last year.

During 2021, the company had a positive cash flow from operating activities of USD 67.9 million (2020: USD 2.3 million). Cash flow from investing activities was USD 170.1 million (2020: negative USD 0.01 million) and cash flow from financing activities was negative USD 196.5 million (2020: negative USD 5.7 million) mainly related to repayment of internal debt partly off-set by net proceeds from external borrowing.

Financial risks

The company is exposed to financial risk in different areas, especially interest and exchange rate fluctuations. However as the substantial part of debt is intercompany the risk is considered low. The goal is to reduce the financial risk as much as possible. The company's current strategy does not include the use of financial instruments. This is however, continuously being assessed by the Board of Directors. The liquidity risk of the Company is considered acceptable. Current cash and projected operating cash flow are considered sufficient to cover the Company's commitments.

Credit risk

The risk for losses on receivables is considered to be low, as the material receivables are from group companies. The Company has not yet experienced significant losses on receivables, but will continue to assess the risk going forward. Hence the liquidity situation is considered to be satisfactory for the next 12 months period.

Going concern

The accounts are prepared under the assumption of going concern. The liquidity situation is considered to be satisfactory for the next 12 months period.



Events after balance sheet date

On March 15 2022 THK Equity AS sold all of its shares in Klaveness Container AS to the majority shareholder Rederiselskapet Torvald Klaveness. No other subsequent events with effect on the statutory accounts of the company as of 31 December 2021 have been identified.

The Board of Directors finds that the accounts represent a true and fair view of the company's equity and debt, financial position and result.

The Board of Directors in Klaveness Container AS

Oslo, 31 December 2021

22 March 2022

Lasse Kristoffersen
Chairman of the Board

Martin Prokosch
Board Member

Morten Skedsmo
Managing Director



Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6a, 0191 Oslo
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Klaveness Container AS

Opinion

We have audited the financial statements of Klaveness Container AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for opinion

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

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the general manager) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the



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going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Oslo, 22 March 2022
ERNST & YOUNG AS

The auditor's report is signed electronically

Johan Lid Nordby
State Authorised Public Accountant (Norway)

Independent auditor's report - Klaveness Container AS 2021

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Johan Nordby

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