



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 993 345 911
Organisasjonsform: Aksjeselskap
Foretaksnavn: KLAVENESS FINANS AS
Forretningsadresse: Drammensveien 260
0283 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Solveig Sundby
Dato for fastsettelse av årsregnskapet: 22.03.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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, 01.07.2022



Resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Kostnader			
Other administration expenses	4	53 793	100 860
Sum kostnader		53 793	100 860
Driftsresultat		-53 793	-100 860
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	6	411 323	924 060
Annen renteinntekt		36 684	290 411
Annen finansinntekt		22 000	20 000
Sum finansinntekter		470 007	1 234 471
Changes in market value of financial current assets incl.interest	9	334 023	674 995
Write-down of financial assets		2 156	0
Rentekostnad til foretak i samme konsern	12	30 682	150 134
Annen rentekostnad	13	397 139	456 353
Other financial expenses		63 344	53 445
Gain / (loss) on foreign exchange	5	187 611	-54 466
Sum finanskostnader		1 014 955	1 280 461
Netto finans		-544 948	-45 990
Ordinært resultat før skattekostnad		-598 741	-146 850
Tax on ordinary result	15A	-199 564	4 155
Ordinært resultat etter skattekostnad		-399 177	-151 005
Årsresultat		-399 177	-151 005
Overføringer og disponeringer			
Net paid / (received) group contribution with tax effect		-1 223 725	121 448
Net paid / (received) group contribution without tax effect		1 640 816	1 920 653
Transferred to / (from) equity		-816 268	-2 193 105
Sum overføringer og disponeringer		-399 177	-151 004



Balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	15D	0	125 425
Sum immaterielle eiendeler		0	125 425
Finansielle anleggsmidler			
Lån til foretak i samme konsern	6	14 153 883	17 650 624
Investments in shares		644	2 800
Sum finansielle anleggsmidler		14 154 527	17 653 424
Sum anleggsmidler		14 154 527	17 778 849
Omløpsmidler			
Varer			
Fordringer			
Other short-term receivables	7	7 962	82 212
Other financial instruments	9	1 201 676	8 357
Konsernfordringer	6	3 936 072	5 546 482
Sum fordringer		5 145 710	5 637 051
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	8	6 182 698	10 930 497
Sum bankinnskudd, kontanter og lignende		6 182 698	10 930 497
Sum omløpsmidler		11 328 408	16 567 548
SUM EIENDELER		25 482 935	34 346 397
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital (383.139 shares of NOK 1)	10,11	65 362	65 362



Balanse

Beløp i: USD	Note	2020	2019
Annen innskutt egenkapital	11	18 585 746	19 002 793
Sum innskutt egenkapital		18 651 108	19 068 155
Opptjent egenkapital			
Other equity / (uncovered losses)	11	-10 443 285	-10 044 108
Sum opptjent egenkapital		-10 443 285	-10 044 108
Sum egenkapital		8 207 823	9 024 047
Gjeld			
Langsiktig gjeld			
Utsatt skatt	15D	20 165	0
Sum avsetninger for forpliktelser		20 165	0
Annen langsiktig gjeld			
Langsiktig konserngjeld	13	10 763 102	9 999 307
Sum annen langsiktig gjeld		10 763 102	9 999 307
Sum langsiktig gjeld		10 783 267	9 999 307
Kortsiktig gjeld			
Kortsiktig konserngjeld	12	5 011 996	12 912 297
Debt to related parties	13	1 410 268	2 014 745
Other financial instruments	9	0	354 638
Other current liabilities	14	69 580	41 362
Sum kortsiktig gjeld		6 491 844	15 323 042
Sum gjeld		17 275 111	25 322 349
SUM EGENKAPITAL OG GJELD		25 482 934	34 346 396



Skattedirektoratet

Saksbehandler
Torstein Kinden Helleland

Deres dato
20.04.2009

28 JAN. 2010

Vår dato
25.01.2010

Telefon
22078139

Deres referanse
Baard Haugen

Vår referanse
2009/275763

KLAVENESS CORPORATE SERVICES AS
Postboks 182 Skøyen
0212 OSLO

Søknad om tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Torvald Klaveness-gruppen

Det vises til Deres brev av 20. april 2009 og 12. november 2009 samt telefonsamtale i sakens anledning. De søker på vegne av Torvald Klaveness-gruppen om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk.

Torvald Klaveness-gruppen omfatter følgende selskaper;

Rederiaksjeselskapet Torvald Klaveness	org. nr. 932 578 247
Klaveness Corporate Services AS	org. nr. 963 109 466
Klaveness Finans AS	org. nr. 993 345 911
Klaveness Maritime Logistics AS	org. nr. 985 303 665
AS Klaveness Chartering	org. nr. 913 419 472
Klaveness Cement Logistics AS	org. nr. 988 306 428
T Klaveness Shipping AS	org. nr. 963 109 288
Klaveness Ship Investments AS	org. nr. 988 247 081
Klaveness Invest AS	org. nr. 988 913 685
Bulkhandling Cabu AS	org. nr. 984 094 280
Bulkhandling Beltunloader AS	org. nr. 984 094 191
Bulkhandling Handymax AS	org. nr. 984 094 256
Baumarine AS	org. nr. 979 964 684
Bulkhandling Handysize AS	org. nr. 984 094 221
KCL Shipholding AS	org. nr. 986 500 472

Torvald Klaveness-gruppen er en norskeiet selskapsgruppe som er engasjert hovedsakelig i shipping samt i fast eiendom og finansielle investeringer. Gruppens hovedkontor er i Oslo. I tillegg har gruppen operative kontorer i Singapore, Beijing og Manila. Det er opplyst at bakgrunnen for søknaden er at gruppen ønsker å avlegge årsoppgjør på engelsk fordi dette vil bidra til en administrativ forenkling. Gruppen bruker i dag engelsk som arbeidsspråk. All regnskapsdokumentasjon, arbeidsutkast til styreberetning, regnskap og noter m.v. utarbeides på engelsk. Regnskapslovens hovedregel som tilsier at årsoppgjøret må avlegges med norsk tekst, medfører en omfattende oversettelse av alle styreberetninger og regnskaper med noter som en del av arbeidet med årsoppgjøret. Dette er et merarbeid som ikke er verdiskapende eller nødvendigjgjøres av reelle hensyn og som vi ønsker å unngå.

Eierne av gruppen er fire holdingselskaper som igjen eies av brødrene Tom Erik og Trond Harald Klaveness samt deres barn. Begge hovedeiere er aktivt involvert i driften av gruppen som henholdsvis

Postadresse	Besøksadresse	Sentraltbord
Postboks 9200 Grønland 0134 Oslo	Fredrik Selmers vei 4 Org. nr: 974761076	800 80 000 Telefaks
skattedirektoratet@skatteetaten.no		22 17 08 60



2009/275763 Side 2 av 3

styreleder og administrerende direktør. Det er ingen eksterne eierinteresser ut over disse familiene. Gruppens finanskreditorer er i hovedsak norske finansinstitusjoner. Dette er imidlertid banker som er svært aktive i internasjonal shipping- og næringsfinansiering og som ikke har noe problem med å forholde seg til engelsk som arbeidsspråk. Gruppens leverandører og øvrige kreditorer vil også normalt være selskap som leverer varer og tjenester til rederisektoren, en sektor som av sterk internasjonal karakter. Det må legges til grunn at disse ikke vil ha noe problem med å forholde seg til engelsk som arbeidsspråk. Flertallet av gruppens landbaserte ansatte er av norsk nasjonalitet og har Oslo som arbeidssted. Utekontorene har primært ikke-norske ansatte og vi har også et innslag av ikke-norske ansatte ved kontoret i Oslo. Blant annet av denne grunn har gruppen for et par år tilbake besluttet å benytte engelsk som arbeidsspråk. I dag er det trykte årsoppgjøret som sendes eksterne forretningsforbindelser, deles ut blant ansatte m.v., kun på engelsk.

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 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. Offentlige myndigheter må også anses som en sentral regnskapsbruker, idet ulike myndigheter, som lignings- og tilsynsmyndigheter, benytter regnskapene som sentrale verktøy i sin kontrollvirksomhet.

Det er etter Skattedirektoratets vurdering derfor avgjørende at spørsmål om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, ikke på vesentlige områder fraviker fra hensynet til brukere av regnskapsinformasjon. Søkeren må som et utgangspunkt for vurderingen ha en særlig interesse for kun å utarbeide årsregnskap og/eller årsberetning på et annet språk enn norsk.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. Det framgår av søknaden at alle aksjonærene ønsker at årsregnskapet utarbeides på engelsk språk. Gruppen opererer inne en sektor med sterk internasjonal karakter og arbeidsspråket er engelsk. Dette er imidlertid banker som er svært aktive i internasjonal shipping- og næringsfinansiering og som ikke har noe problem med å forholde seg til engelsk som arbeidsspråk. Gruppens leverandører og øvrige kreditorer vil også normalt være selskap som leverer varer og tjenester til rederisektoren, en sektor som av sterk internasjonal karakter.

Skattedirektoratet gir på bakgrunn av en helhetsvurdering de overnevnte selskapene i Torvald Klaveness-gruppen dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.




2009/275763 Side 3 av 3

Dispensasjonen er gitt under den forutsetning at de ovennevnte opplysninger som vedtaket baserer seg på ikke endres vesentlig.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen


Jan Hoelstad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet


Torstein Kinden Helleland



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Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6, NO-0191 Oslo
Postboks 1156 Sentrum, NO-0107 Oslo

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

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Klaveness Finans AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Klaveness Finans AS, which comprise the balance sheet as at 31 December 2020, the income statement and statements of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations 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 Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the audit of 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 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, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs) will always detect a material



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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 law, regulations and generally accepted auditing principles in Norway, including 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 those charged with governance 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.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 22 March 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Johan Lid Nordby
State Authorised Public Accountant

Independent auditor's report - Klaveness Finans AS

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Johan Nordby

Statsautorisert revisor

På vegne av: Ernst & Young AS

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KLAVENESS FINANS AS

BOARD OF DIRECTORS REPORT 2020

Klaveness Finans AS (KF) was established 3 September 2008. The company is 100% owned by Rederiaksjeselskapet Torvald Klaveness and the company's offices are located in Drammensveien 260 in Oslo, Norway

KF is a provider of financial services to other Torvald Klaveness companies and is the internal Klaveness bank. This includes among other services, management of excess liquidity, providing loans and being the parent company in the multi-currency group account system.

The activities in KF do not have any environmental impact.

There are no employees in KF, hence no actions were planned or implemented to promote equality or prevent discrimination. Personnel were hired from Klaveness AS in 2020.

The net loss for the year was USD 399,177. The main positive impact on the result was from interest income from loans to group companies, while the main negative impact on the result was from other interest expenses related to loans provided by related companies and from change in market value of foreign currency contracts.

By year end 2020 cash and bank deposits amounted to USD 6.2 million. The company has a short-term debt to group companies related to the multi-currency group account system of USD 3.8 million. The equity was USD 8.2 million and corresponds to an equity ratio of 32 %. The company's debt is to related parties and group companies.

The company has closely followed the development related to the COVID-19 outbreak and did take precautionary measures, preserved cash and assessed all potential risks. As of the date of this report, the direct effects for KF and affiliated companies are limited. The COVID-19 outbreak has resulted in significant macroeconomic uncertainty. The remaining duration and scale remain uncertain, and COVID-19 could still have material impact on earnings and cash flow. However, it is not possible to quantify such effects for the time being.

No other significant events which would affect the evaluation of the company have occurred after year-end. In the opinion of the Board of Directors, the accounts provide a true and fair view of KF's assets, liabilities, result and financial position as of 31 December 2020 and the company's financial position is considered satisfactory. The accounts are reported under the going concern assumption.

Klaveness Finans AS

Oslo, December 31, 2020
22 March, 2021

Lasse Kristoffersen
Chairman

Trine Hellum
Board member

Morten Skedsmo
Board member

Martin Prokosch
Managing director



KLAVENESS FINANS AS

FINANCIAL STATEMENT DECEMBER 31ST, 2020



KLAVENESS FINANS AS

PROFIT AND LOSS ACCOUNT

		<u>2020</u> <u>USD</u>	<u>2019</u> <u>USD</u>
<u>OPERATING REVENUES AND EXPENSES</u>			
Total operating revenues		<u>0</u>	<u>0</u>
Other administration expenses	Note 4	-53 793	-100 860
Total operating expenses		<u>-53 793</u>	<u>-100 860</u>
Operating result		<u>-53 793</u>	<u>-100 860</u>
<u>FINANCIAL INCOME AND EXPENSES</u>			
Interest received from group companies	Note 6	411 323	924 060
Other interest income		36 684	290 411
Other financial income		22 000	20 000
Changes in market value of financial current assets incl.interest	Note 9	-334 023	-674 995
Write-down of financial assets		-2 156	0
Interest paid to group companies	Note 12	-30 682	-150 134
Other interest expenses	Note 13	-397 139	-456 353
Other financial expenses		-63 344	-53 445
Gain / (loss) on foreign exchange	Note 5	-187 611	54 466
Result of financial items		<u>-544 949</u>	<u>-45 989</u>
Ordinary result before tax		<u>-598 742</u>	<u>-146 849</u>
Tax on ordinary result	Note 15A	199 564	-4 155
Ordinary result		<u>-399 177</u>	<u>-151 004</u>
Net profit / (loss) for the year		<u>-399 177</u>	<u>-151 004</u>
<u>Details on transfers and allocations:</u>			
Net paid / (received) group contribution with tax effect		-1 223 725	121 448
Net paid / (received) group contribution without tax effect		1 640 816	1 920 653
Transferred to / (from) equity		<u>-816 268</u>	<u>-2 193 105</u>
		<u>-399 177</u>	<u>-151 004</u>



KLAVENESS FINANS AS

BALANCE SHEET

		<u>At December 31, 2020 USD</u>	<u>At December 31, 2019 USD</u>
ASSETS			
<u>FIXED ASSETS</u>			
Intangible assets			
Deferred tax asset	Note 15 D	0	125 425
Total intangible assets		<u>0</u>	<u>125 425</u>
Financial fixed assets			
Investments in shares		644	2 800
Loans to group companies	Note 6	14 153 883	17 650 624
Total financial fixed assets		<u>14 154 526</u>	<u>17 653 424</u>
Total fixed assets		<u>14 154 526</u>	<u>17 778 849</u>
<u>CURRENT ASSETS</u>			
Receivables			
Receivables from group companies	Note 6	3 936 072	5 546 482
Other short-term receivables	Note 7	7 962	82 212
Other financial instruments	Note 9	1 201 676	8 357
Total receivables		<u>5 145 709</u>	<u>5 637 051</u>
Cash and bank deposits	Note 8	6 182 698	10 930 497
Total current assets		<u>11 328 408</u>	<u>16 567 548</u>
TOTAL ASSETS		<u>25 482 934</u>	<u>34 346 397</u>



KLAVENESS FINANS AS

BALANCE SHEET

		At December 31, 2020 USD	At December 31, 2019 USD
EQUITY AND LIABILITIES			
<u>EQUITY</u>			
Paid-in capital			
Share capital (383.139 shares of NOK 1)	Note 10,11	65 362	65 362
Other paid-in capital	Note 11	18 585 746	19 002 793
Total paid-in capital		18 651 108	19 068 155
Retained earnings			
Other equity / (uncovered losses)	Note 11	-10 443 285	-10 044 108
Total retained earnings		-10 443 285	-10 044 108
Total equity		8 207 822	9 024 047
<u>LIABILITIES</u>			
Provisions			
Deferred tax	Note 15 D	20 165	0
Total provisions		20 165	0
Other long-term liabilities			
Liabilities to related parties	Note 13	10 763 102	9 999 307
Total other long-term liabilities		10 763 102	9 999 307
Current liabilities			
Debt to group companies	Note 12	5 011 996	12 912 297
Debt to related parties	Note 13	1 410 268	2 014 745
Other financial instruments	Note 9	0	354 638
Other current liabilities	Note 14	69 580	41 362
Total current liabilities		6 491 844	15 323 042
Total liabilities		17 275 111	25 322 349
TOTAL EQUITY AND LIABILITIES		25 482 934	34 346 397

Oslo, 31 December 2020

22 March 2021

Lasse Kristoffersen
Chairman of the board

Trine Hellum
Member of the board

Martin Prokosch
General manager

Morten Skedsmo
Member of the board



KLAVENESS FINANS AS

CASH FLOW STATEMENT

	2020	2019
	USD	USD
Ordinary result before tax	(598 742)	(146 849)
Write-downs / (reversal of write-downs)	2 156	0
Changes in market value of financial current assets	(1 547 957)	985 643
Change in receivables	(88 607)	5 248 323
Change in current liabilities to related parties - not interest bearing	(4 122 659)	(2 443 546)
Change in current liabilities to related parties - interest bearing	(604 477)	(10 610)
Change in current liabilities	28 262	9 009
Effect of exchange rate changes	(187 770)	(171 984)
A: Net cash flow from operating activities	(7 119 793)	3 469 985
Net increase in long term receivables from group companies	(7 590 858)	(11 087 599)
Net decrease in long term receivables from group companies	11 087 599	1 968 127
B: Net cash flow from investment activities	3 496 741	(9 119 472)
Payments of group contribution	(2 696 693)	(4 048,625)
Group contributions received	808 151	383 872
Increase in long term liabilities to related parties - interest bearing	763 795	282 213
C: Net cash flow from financing activities	(1 124 747)	(3 382 540)
Net change in liquidity in the period (A+B+C)	(4 747 799)	(9 032 027)
Cash and cash equivalents at beginning of period	10 930 497	19 962 524
Cash and cash equivalents at close of period	6 182 698	10 930 497
Net change in cash and cash equivalents in the period	(4 747 799)	(9 032 027)
Specification of cash and bank deposits at close of period		
Cash and cash equivalents at close of period	6 182 698	10 930 497



KLAVENESS FINANS AS

NOTES TO FINANCIAL STATEMENT

Note 1

ACCOUNTING PRINCIPLES

The financial statements have been prepared and presented according to Norwegian Accounting Act and generally accepted accounting principles in Norway. The most important accounting principles applied by the company are described below.

CHANGE IN ACCOUNTING PRINCIPLES

No changes have been made in accounting principles in the current year.

CLASSIFICATION OF ITEMS IN THE ACCOUNTS

Assets designed for permanent ownership or use and receivables with maturities exceeding one year from the balance sheet date are presented as fixed assets. Other assets are classified as current assets. Debt with maturity within one year from the balance sheet date, is classified as current debt. All other debt is classified as long-term debt.

VALUATION OF ASSETS AND LIABILITIES

Fixed assets are stated at historical cost, less subsequent depreciation and impairment. Fixed assets with a limited useful life are depreciated according to a depreciation schedule which has been determined based on best estimates taking into account each operating asset's wear and tear and age, and expected useful life. Fixed assets are written down to the recoverable amount if it is expected that the decline in value is not temporary. The recoverable amount is defined as the higher of the net sales value and value in use.

Current assets are valued at the lower of cost and net realizable value.

Bonds are classified as current assets and are valued at fair market value.

Loans are recognized at cost, being the fair value of the consideration received net of transaction costs associated with the borrowing. First year instalments are classified as other short term receivables.

In accordance with the Norwegian Accounting Act, some items are valued according to special valuation rules. A more detailed presentation of these is provided below.

ESTIMATES AND ASSUMPTIONS

Preparation of financial statements according to generally accepted accounting principles requires management to use estimates and assumptions that affect the profit and loss account and the valuation of assets and liabilities, and requires disclosure of information about liabilities that, as of the balance sheet date, are not yet certain. Actual figures generally will differ from such estimates. Conditional losses which are likely to occur and which are quantifiable are expensed on a current basis.

The company uses estimates and assumptions in connection with determination of accruals for losses on receivables.

The company uses estimates and assumptions in connection with determination of fair market value for the purpose of asset write-downs.

REVENUE RECOGNITION

The company's revenues are largely generated by financial services, loans and guarantees provided to other companies within Torvald Klaveness.

INVESTMENTS IN SHARES, EQUITY FUNDS, BONDS, CERTIFICATES, AND OTHER FINANCIAL INSTRUMENTS

Financial current assets that are included in a held-for-sale portfolio and that feature adequate ownership spread and liquidity (such as shares, bonds, and certificates that are listed on a stock exchange or other regulated marketplace), are recorded at their market value. Short-term liquid investments, defined as cash equivalents, are financial instruments that can readily be converted into cash and that have a maturity of less than 3 months. Other financial current assets are assessed individually and recorded at the lower of acquisition cost or fair market value.

Long-term financial investments are recorded at historical cost, but are written down to fair market value upon identification of impairment that is not expected to be temporary. The write-down is reversed to the extent that the reason for the write-down no longer exists.

DERIVATIVES

The company uses derivatives (as interest rate swap, interest rate cap and foreign currency contracts) either to manage financial risks (hedging) or within given mandates to maximise profit (non-hedging). The purpose of the derivatives determines which accounting principle is applied.



KLAVENESS FINANS AS

NOTES TO FINANCIAL STATEMENT

Note 1

ACCOUNTING PRINCIPLES

Hedging

A hedging instrument is an instrument whose fair value or cashflows are expected to offset changes in the fair value or cash flows of an underlying object (asset/liability). Cash flow hedges are recorded in the profit and loss account in the same period as the cash flow from the associated asset or physical contract. Fair value hedges are reflected in the book value of the underlying asset, and gains or losses in the fair value of the hedging instrument are recognised immediately in the profit and loss account.

Non-hedging

Foreign currency contracts not considered as hedging are measured at fair market value. All other derivatives entered into for non-hedging purposes are recorded at the lower of historical cost or fair market value.

TAX

Tax expense in the profit and loss account includes both tax payable for the period, adjustment of previous years' tax expense, and changes in deferred tax liability and deferred tax asset. The year's payable tax is the tax expense that falls due for payment as a result of the period's taxable profit. Deferred tax represents the tax that on the balance sheet date is associated with profit for the year and previous years and that will fall due for payment in subsequent periods. The deferred tax asset comprises tax already paid but not yet expensed in the accounts and future tax savings associated with loss carried forward. Deferred tax and deferred tax assets are calculated using 22 percent of the value of the temporary differences between accounting and tax values and the tax loss to be carried forward at the close of the accounting year. Tax-increasing and tax-reducing temporary differences that are reversed or can be reversed in the same period and under the same tax regime are offset. Net deferred tax asset is entered in the balance sheet to the extent it is likely that it will be used.

PRESENTATION CURRENCY AND FUNCTIONAL CURRENCY

The company presents its accounts in USD, which is also the company's functional currency.

Functional currency

Transactions in currencies other than the functional currency are translated into functional currency using the exchange rate in effect on the date of the transaction. Monetary assets and liabilities in foreign currency are translated into functional currency using the exchange rate in effect on 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 recognised at fair value are translated using the exchange rate on the date of the determination of the fair value. Assets and liabilities hedged with currency forward contracts are valued at the contract strike currency rate.

RECEIVABLES

Receivables are recorded at their nominal value, less expected losses. Provisions for losses are made following assessment of each receivable.

RELATED PARTIES

Transactions with related parties are conducted at arm's length on market terms.

Interest on long-term loans between companies in the Torvald Klaveness group is calculated at arm's length, mainly based on NIBOR/LIBOR + a margin. The margin is based on an evaluation of risk associated with the loan.

Interest on long-term loans between companies in the Torvald Klaveness group and related parties is calculated at arm's length, mainly based on NIBOR/LIBOR + a margin. Related parties are defined as individuals or companies that directly or indirectly own an interest in Rederiaksjeselskapet Torvald Klaveness or that are associated with such persons or companies. Interest on loans to/from related companies are mainly based on NIBOR/LIBOR + a margin based on evaluation of risk associated with the loan. For agreements with related individuals interest is based on the risk-free rate for extra tax on loans ("skjermingsrenten").

CASH FLOW STATEMENT

The cash flow statement is prepared and presented according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short-term liquid investments with settlement within three months.



KLAVENESS FINANS AS

NOTES TO FINANCIAL STATEMENT

Note 1

ACCOUNTING PRINCIPLES

EVENTS AFTER THE BALANCE SHEET DATE

Assets and liabilities that are recorded in the balance sheet may be based on assumptions and uncertainties. Events that occur after the balance sheet date and that result in new information that leads to a reassessment of an item of asset or liability, are accounted for accordingly. Examples of such events after the close of the balance sheet date are legal decisions, payments and settlements received from customers that had been outstanding, final determination of bonuses or other performance-dependent remuneration. Material events after the balance sheet date are presented in a separate note to the financial statement.

COMPARATIVE FIGURES

Comparative figures are adjusted to reflect material changes in accounting principles and significant errors in previous years' financial statements. Significant changes in accounting principles are presented as a separate item under accounting principles.

If changes are made to the classification and grouping of accounting items, comparative figures are correspondingly adjusted.



KLAVENESS FINANS AS

NOTES TO FINANCIAL STATEMENT

Note 2

NUMBER OF EMPLOYEES

The company has no employees.

Note 3

REMUNERATION TO KEY PERSONNEL

The managing director is in-sourced from an affiliated company in the Torvald Klaveness group. The managing director's remuneration is a component of the applicable management fee charged by Klaveness AS.

Members of the Board of Directors are employees of the group. No special remuneration has been paid to the various members of the Board of Directors, because such positions of office are a part of their regular employment. Compensation for Board work is thus included in the regular salary of such employees.

Note 4

REMUNERATION TO THE AUDITOR

Fee for statutory audit, including VAT

Total

	<u>2020</u>	<u>2019</u>
	<u>USD</u>	<u>USD</u>
	9 809	11 499
Total	<u>9 809</u>	<u>11 499</u>

Note 5

GAIN/-LOSS FOREIGN EXCHANGE

Realised gain/-loss foreign exchange short term receivables and payables as per 31.12.

Total

	<u>2020</u>	<u>2019</u>
	<u>USD</u>	<u>USD</u>
	-187 611	54 566
Total	<u>-187 611</u>	<u>54 566</u>



KLAVENESS FINANS AS

NOTES TO FINANCIAL STATEMENT

Note 6		At December 31, 2020	At December 31, 2019
<u>INTRAGROUP RECEIVABLES</u>		<u>USD</u>	<u>USD</u>
<u>Long-term receivables</u>	Currency Interest rate		
Rederiaksjeselskapet Torvald Klaveness	USD LIBOR 3m + margin	14 153 883	6 563 025
Klaveness Ship Holding AS	USD	0	11 087 599
Total long-term receivables		<u>14 153 883</u>	<u>17 650 624</u>

The calculations of interest for the above loans are a floating rate LIBOR + margin. None of the loans have fixed loan instalments. The related parties are other 100% owned subsidiaries within the group, except for the parent company Rederiaksjeselskapet Torvald Klaveness, which is the sole owner of Klaveness Finans AS.

	At December 31, 2020	At December 31, 2019
<u>Short-term receivables</u>	<u>USD</u>	<u>USD</u>
Multi-currency group account system	0	2 673 849
Other short-term receivables	3 936 072	2 872 633
Total short-term receivables	<u>3 936 072</u>	<u>5 546 482</u>

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

Several companies in the Torvald Klaveness group participate in a multi-currency group account system operated by DNB Bank ASA. Klaveness Finans AS is the account holder of the group account system. Group companies' deposits and withdrawals in the accounts system are regulated by the group account agreements and treated as receivables / liabilities in the account of Klaveness Finans AS, and are classified accordingly in the annual accounts. All companies that participate in the group account system are jointly and severally liable for any deficit in the group account structure.



KLAVENESS FINANS AS

NOTES TO FINANCIAL STATEMENT

	At December 31, 2020	At December 31, 2019
	USD	USD
Note 7		
<u>OTHER SHORT-TERM RECEIVABLES</u>		
Accrued interest	7 962	82 212
Total short-term receivables	7 962	82 212

	At December 31, 2020	At December 31, 2019
	USD	USD
Note 8		
<u>BANK DEPOSITS</u>		
Bank deposit, NOK	1 278 191	750 116
Bank deposit, USD	4 904 508	10 180 381
Total bank deposits	6 182 698	10 930 497



KLAVENESS FINANS AS

NOTES TO FINANCIAL STATEMENT

Note 9

OTHER FINANCIAL INSTRUMENTS

	December 31, 2020	December 31, 2019
	USD	USD
<u>Interest rate cap:</u>		
Market value per 31.12:	0	8 357
Upfront premium:	334 000	334 000
Unrealised loss interest rate cap	-334 000	-325 643
Reversed unrealized loss 1.1.	325 643	0
Unrealized loss interest rate cap 31.12.	<u>-8 357</u>	<u>-325 643</u>

Foreign currency interest contracts:

	December 31, 2020	December 31, 2019
	USD	USD
Market value per 31.12:	<u>1 201 676</u>	<u>-354 638</u>
Unrealised profit/-loss future foreign currency contracts 31 December	1 201 676	-354 638
Reversed unrealised -profit/loss 1.1.	354 638	1 295 264
Realised foreign currency contracts	-1 881 980	-1 289 978
Effect on profit	<u>-325 666</u>	<u>-349 352</u>

Foreign currency contracts entered into for non-hedging purposes are measured at fair market value.

Total profit/-loss other financial instruments

-334 023

-674 995

Total market value

1 201 676

-346 281



KLAVENESS FINANS AS

NOTES TO FINANCIAL STATEMENT

Note 10

SHARE CAPITAL AND SHAREHOLDER INFORMATION

The company's share capital comprises the following share classes

	Number	Par value USD	Book value USD
Ordinary shares	383 139	0,171	65 362
Total	383 139	0,171	65 362

Ownership structure

Shareholders as of 31 December

	Number of shares	Ownership Interest	Vote (in %)
Rederiaksjeselskapet Torvald Klaveness	383 139	100 %	100 %
Total number of shares	383 139	100 %	100 %

The company is included in the consolidated accounts of Rederiaksjeselskapet Torvald Klaveness, Drammensveien 260, Postboks 182 Skøyen, 0212 Oslo. The annual accounts of Rederiaksjeselskapet Torvald Klaveness are available at www.klaveness.com.

Note 11

EQUITY

USD	Share capital	Other paid in equity	Other equity	Total equity
Equity as of 1 January	65 362	21 044 894	-9 893 104	11 217 152
CHANGE IN EQUITY DURING THE YEAR				
Profit of the year			-151 004	-151 004
Paid dividend(s)				0
Net group contribution received/(paid) without tax effect		-1 920 653		-1 920 653
Net group contribution received/(paid) with tax effect		-121 448		-121 448
Equity as of 31 December 2019/1 January 2020	65 362	19 002 793	-10 044 108	9 024 047
CHANGE IN EQUITY DURING THE YEAR				
Profit/-Loss of the year			-399 177	-399 177
Net group contribution received/(paid) without tax effect		-1 640 816		-1 640 816
Net group contribution received/(paid) with tax effect		1 223 725		1 223 725
Other changes		43		43
Equity as of 31 December 2020	65 362	18 585 746	-10 443 285	8 207 822

Expected income tax according to the nominal taxation rate (22 %)



KLAVENESS FINANS AS

NOTES TO FINANCIAL STATEMENT

Note 12	December 31, 2020	December 31, 2019
<u>LIABILITIES TO GROUP COMPANIES</u>	<u>USD</u>	<u>USD</u>
Current liabilities:		
Multi-currency group account system	3 823 828	7 963 352
Other current liabilities	<u>1 188 168</u>	<u>4 948 945</u>
Total current liabilities	<u>5 011 996</u>	<u>12 912 297</u>

Current liabilities are defined as liabilities that fall due within one year after the close of the accounting year.

Several companies in the Torvald Klaveness group participate in a multi-currency group account system operated by DNB Bank ASA. Klaveness Finans AS is the account holder of the group account system. Group companies' deposits and withdrawals in the system are regulated through the group account agreements as receivables / liabilities in the account of Klaveness Finans AS, and classified accordingly in the annual accounts. All companies that participate in the group account system are jointly and severally liable for any deficit in the group account structure.



KLAVENESS FINANS AS

ACCOUNTING PRINCIPLES

Note 13

December 31, 2020 December 31, 2019

LIABILITIES TO RELATED PARTIES

USD

USD

Long-term

Brigantina AS	NIBOR 6 m + margin	3 127 789	2 904 918
THK Holding AS	NIBOR 6 m + margin	2 257 054	2 097 153
THK Partner AS	NIBOR 6 m + margin	2 023 754	1 880 381
JWI Holding AS	NIBOR 6 m + margin	1 683 902	1 564 606
MMK Holding AS	NIBOR 6 m + margin	1 670 603	1 552 249
Total long-term liability to related parties		10 763 102	9 999 307

Loans granted by Brigantina AS, THK Holding AS, THK Partner AS, JWI Holding AS and MMK Holding AS are guaranteed by Rederiaksjeselskapet Torvald Klaveness and a guarantee fee is paid based on arms length principle. None of the loans have fixed loan instalments.

Current liabilities

Persons related to the shareholders of Rederiaksjeselskapet Torvald Klaveness	("Skjermingsrenten")	1 410 268	2 014 745
Total current liabilities to related parties		1 410 268	2 014 745

Note 14

December 31, 2020 December 31, 2019

OTHER LIABILITIES

USD

USD

Current liabilities

Accrued non-paid interest		28 145	41 362
Liabilities to external creditors		41 435	0
Total other current liabilities		69 580	41 362



KLAVENESS FINANS AS

NOTES TO FINANCIAL STATEMENT

Note 15

A. TAX EXPENSE

Tax expense in the profit and loss account consists of:

	2020 USD	2019 USD
Change in deferred tax / deferred tax asset	145 589	-30 100
Effect of group contribution	-345 153	34 254
Total tax expense	-199 564	4 155

B. CALCULATION OF TAX BASIS - TAX PAYABLE

	2020 Basis	2020 Tax 22 %	2019 Basis	2019 Tax 22 %
Profit/-Loss before tax	-598 742	-131 723	-146 849	-32 307
Exchange rate adjustment	-310 523	-68 315	165 733	36 461
Accounting write-down of shares / ownership interests	2 156	474	0	0
Accounting loss on realisation of financial instruments (FX)	1 881 980	414 036	1 289 978	283 795
Taxable loss on realisation of financial instruments (FX)	-1 881 980	-414 036	-1 289 978	-283 795
Unrealised profit/-loss future foreign currency contracts	-1 556 314	-342 389	-785 350	-172 777
Unrealised loss interest rate cap	0	0	0	0
Subtotal - permanent differences	-1 864 680	-410 230	-619 617	-136 316
Change in temporary differences	-61 358	-13 499	922 167	202 877
Group contribution to KLAVENESS FINANS AS from:				
Baumarine AS	0	0	22 133	4 869
Bulkhandling Handymax AS	469 513	103 293	657 260	144 597
Klaveness Ship Management AS	1 099 366	241 860	1 274 969	280 493
Klaveness Ship Holding AS	0	0	884 563	194 604
Group contribution from KLAVENESS FINANS AS to:				
AS Klaveness Chartering	0	0	-2 964 876	-652 273
Bulktransfer, Inc.	0	0	-29 751	-6 545
Subtotal - group contribution	1 568 878	345 153	-155 702	-34 254
Tax losses carried forward	955 902	210 298	0	0
Total tax basis and tax payable	0	0	0	0

C. RECONCILIATION OF NOMINAL AND ACTUAL TAX RATES:

	2020	2019
Profit/-Loss before tax	-598 742	-146 849
Expected income tax according to the nominal taxation rate (22 %)	-131 724	-32 307
Tax effect exchange rate adjustments	-68 315	36 461
Tax effect, non-deductible costs	474	0
Tax expense for the year	-199 564	4 155
Effective tax rate	33,33 %	2,83 %



KLAVENESS FINANS AS

NOTES TO FINANCIAL STATEMENT

Note 15

D. DEFERRED TAX / (DEFERRED TAX ASSET)

Specification of the tax effect of temporary differences:

USD	Status at January 1, 2020	Change	Status at December 31, 2020	Tax effect at December 31, 2020 22 %	Status at December 31, 2019	Tax effect at December 31, 2019 22 %
Temporary differences, long-term items	0	0	0			
Temporary differences, capitalized purchase price interest rate cap	-215 474	61 358	-154 117	-33 906	-215 474	-47 404
Total temporary differences that have not been specially adjusted	-215 474	61 358	-154 117	-33 906	-215 474	-47 404
Unrealised profit/-loss future foreign currency contracts	-354 638	1 556 314	1 201 676	264 369	-354 638	-78 020
Unrealised loss interest rate cap						
Total temporary differences - adjusted / not adjusted	-570 113	1 617 672	1 047 559	230 463	-570 113	-125 425
Tax losses carried forward	0	-955 902	-955 902	-210 298	0	0
Total temp. differences - basis for calc. deferred tax/deferred tax asset	-570 113	661 770	91 658	20 165	-570 113	-125 425
Deferred tax / (deferred tax asset) recorded in the balance sheet				20 165		-125 425
Change in deferred tax / (deferred tax asset)				145 589		-30 100

Comment regarding capitalization of deferred tax asset:

The deferred tax asset is recorded in its entirety since the underlying differences are expected to be reversed through future earnings.



KLAVENESS FINANS AS

NOTES TO FINANCIAL STATEMENT

Note 16

OPERATIONAL AND FINANCIAL RISKS

Klaveness Finans AS is a provider of financial services to other Torvald Klaveness companies and is the internal Klaveness bank. This includes among other services, management of excess liquidity, giving loans and being the parent company in the Multicurrency Group Account System.

Operational risks

Operational risk is by the Basel Committee defined as the risk of loss resulting from inadequate internal processes, system failures and human errors.

Klaveness Finans AS has developed processes and well suited systems to reduce risk of system failures and human errors. Klaveness Finans AS is dependent on third-party suppliers for payment and cash management systems and their ability to minimize downtime for critical systems.

Financial risks

Financial risks may be classified as credit risks, liquidity risks and market risks, hereunder interest rate and currency related risks.

Credit risk

Klaveness Finans AS is exposed to credit risk through the loans to affiliated companies and related parties as well as through being the parent company in the Multicurrency Group Account System (MGAS). The participants in the MGAS are jointly and severally liable.

Further, Klaveness Finans AS is exposed to credit risk through its deposits. Deposits are made with banks that have A-rating or higher.

Liquidity risk

Klaveness Finans AS keeps its liquidity reserves mainly in bank deposits, time deposit and in money market funds with high liquidity. The time horizon of these deposits depends on the underlying forecasted need for liquidity in Torvald Klaveness. The liquidity risk is considered to be limited, as the funds are invested mainly in bank deposits and other liquid products.

Foreign exchange risk

Klaveness Finans AS' functional currency is USD. Some of the cash, bank deposits, funds and debt are nominated in NOK. At year-end 2020, Klaveness Finans AS had a currency forward portfolio of NOK 135.5 million to secure future NOK costs for the Torvald Klaveness group. NOK 105.5 million of the contracts mature in 2021 and the remaining NOK 30 million mature in 2022. Both open positions related to NOK costs, balance sheet positions in NOK and the currency futures are exposed to USD/NOK movements.

The financial assets and liabilities have the following currency distribution :

Financial liquid assets nominated in USD:	USD 5 million
Financial liquid assets nominated in other currencies:	USD 1 million
Interest-bearing debt in other currencies:	USD 11 million

Interest rate risk

Interest rate risk is related to interest-bearing investments and borrowings. To some extent Torvald Klaveness manages these positions on a net basis and positions have historically been taken in Klaveness Finans AS to partly neutralise the exposure elsewhere in Torvald Klaveness (excluding Klaveness Combination Carriers, which actively manages interest rate risks on their own). The main external interest rate exposure of Torvald Klaveness (excl. KCC) is the revolving credit facility (RCF) of Klaveness Container AS. The Administration may take market positions in the interest rate market within board approved mandates (reviewed annually). By year-end 2020, the company held one interest rate CAP at 3.25% 3M LIBOR of USD 40 million. This principal corresponds well with the amount of the expected drawdown of the RCF over time. However, at today's low interests rates it is unlikely that this cap will be utilized before maturity in January 2023.