



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	987 625 295
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	KGJ CEMENT HOLDING AS
Forretningsadresse:	Zander Kaaes gate 7 5015 BERGEN

Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Jan Håvard Faye Vågsholm
Dato for fastsettelse av årsregnskapet:	14.06.2022

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, 19.04.2023



Resultatregnskap

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Annen driftsinntekt	4		46 000
Sum inntekter			46 000
Kostnader			
Varekostnad	5,12	80 000	64 000
Annen driftskostnad	3,6,7	9 000	11 000
Sum kostnader		89 000	75 000
Driftsresultat		-89 000	-29 000
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		111 000	
Renteinntekt fra foretak i samme konsern	3	162 000	113 000
Annen renteinntekt		24 000	57 000
Annen finansinntekt	3,10	1 374 000	726 000
Sum finansinntekter		1 671 000	896 000
Nedskrivning av finansielle eiendeler	11	16 338 000	24 000 000
Rentekostnad til foretak i samme konsern	3	380 000	413 000
Annen finanskostnad	3,10		16 000
Sum finanskostnader		16 718 000	24 429 000
Netto finans		-15 047 000	-23 533 000
Ordinært resultat før skattekostnad		-15 136 000	-23 562 000
Skattekostnad på ordinært resultat		17 000	100 000
Ordinært resultat etter skattekostnad		-15 153 000	-23 662 000
Årsresultat		-15 153 000	-23 662 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-15 153 000	-23 662 000
Sum overføringer og disponeringer		-15 153 000	-23 662 000



Balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	12	1 256 000	1 726 000
Sum immaterielle eiendeler		1 256 000	1 726 000
Finansielle anleggsmidler			
Investering i datterselskap	11	44 449 000	49 787 000
Lån til foretak i samme konsern	3	2 464 000	6 147 000
Investeringer i tilknyttet selskap	9		8 857 000
Financial derivatives	23	111 000	72 000
Non-current receivables	3,13		1 125 000
Sum finansielle anleggsmidler		47 024 000	65 988 000
Sum anleggsmidler		48 280 000	67 714 000
Omløpsmidler			
Varer			
Fordringer			
Other current assets	16	115 000	211 000
Financial derivative	23	355 000	103 000
Konsernfordringer	3	2 061 000	
Sum fordringer		2 531 000	314 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	17	519 000	53 000
Sum bankinnskudd, kontanter og lignende		519 000	53 000
Sum omløpsmidler		3 050 000	367 000
SUM EIENDELER		51 330 000	68 081 000

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: USD	Note	2021	2020
Egenkapital			
Innskutt egenkapital			
Selskapskapital	18	131 000	131 000
Overkurs		2 000	2 000
Sum innskutt egenkapital		133 000	133 000
Opptjent egenkapital			
Annen egenkapital		35 412 000	51 019 000
Sum opptjent egenkapital		35 412 000	51 019 000
Sum egenkapital		35 545 000	51 152 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld	3,21	13 179 000	16 676 000
Øvrig langsiktig gjeld	23	110 000	71 000
Sum annen langsiktig gjeld		13 289 000	16 747 000
Sum langsiktig gjeld		13 289 000	16 747 000
Kortsiktig gjeld			
Kortsiktig konserngjeld	3	2 061 000	
Financial derivatives	23	355 000	103 000
Other current liabilities	22	80 000	79 000
Sum kortsiktig gjeld		2 496 000	182 000
Sum gjeld		15 785 000	16 929 000
SUM EGENKAPITAL OG GJELD		51 330 000	68 081 000



Konsernets resultatregnskap

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	4	31 838 000	30 937 000
Annen driftsinntekt	4	1 628 000	1 606 000
Sum inntekter		33 466 000	32 543 000
Kostnader			
Varekostnad	3,5,12	22 551 000	25 918 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	8	6 513 000	7 317 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler		15 033 000	1 950 000
General and administrative expenses	3,6,7	3 498 000	2 836 000
Sales gain/(loss)	8	101 000	
Sum kostnader		47 696 000	38 021 000
Driftsresultat		-14 230 000	-5 478 000
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	9	-523 000	610 000
Annen renteinntekt		24 000	61 000
Annen finansinntekt	3,10	1 272 000	1 080 000
Sum finansinntekter		773 000	1 751 000
Rentekostnad til foretak i samme konsern	3	196 000	137 000
Annen rentekostnad		2 554 000	3 431 000
Annen finanskostnad	3,10	476 000	870 000
Sum finanskostnader		3 226 000	4 438 000
Netto finans		-2 453 000	-2 687 000
Ordinært resultat før skattekostnad		-16 683 000	-8 165 000
Skattekostnad på ordinært resultat		-1 995 000	-105 000
Ordinært resultat etter skattekostnad		-14 688 000	-8 060 000
Årsresultat		-14 688 000	-8 060 000
Overføringer og disponeringer			



Konsernets resultatregnskap

Beløp i: USD	Note	2021	2020
Overføringer til/fra annen egenkapital		-14 688 000	-8 060 000
Sum overføringer og disponeringer		-14 688 000	-8 060 000



Konsernets balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Vessels	8	16 739 000	54 203 000
Right of use assets vessels	8		51 097 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	8		21 000
Sum varige driftsmidler		16 739 000	105 321 000
Finansielle anleggsmidler			
Lån til foretak i samme konsern	3,13	2 464 000	
Investeringer i tilknyttet selskap	9		10 322 000
Non-current receivables	3,13		1 125 000
Financial derivatives	23	110 000	99 000
Sum finansielle anleggsmidler		2 574 000	11 546 000
Sum anleggsmidler		19 313 000	116 867 000
Omløpsmidler			
Varer			
Varer	14	695 000	539 000
Sum varer		695 000	539 000
Fordringer			
Kundefordringer	15	100 000	429 000
Other current assets	16	2 550 000	4 529 000
Financial derivatives	23	271 000	215 000
A	8	47 364 000	
Konsernfordringer	3	2 061 000	
Sum fordringer		52 346 000	5 173 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	17	9 069 000	2 329 000
Sum bankinnskudd, kontanter og lignende		9 069 000	2 329 000



Konsernets balanse

Beløp i: USD	Note	2021	2020
Sum omløpsmidler		62 110 000	8 041 000
SUM EIENDELER		81 423 000	124 908 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	18	131 000	131 000
Overkurs		2 000	2 000
Sum innskutt egenkapital		133 000	133 000
Opptjent egenkapital			
Translation differences		-12 000	-12 000
Other equity		37 365 000	52 507 000
Sum opptjent egenkapital		37 353 000	52 495 000
Sum egenkapital		37 486 000	52 628 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	12	1 670 000	3 212 000
Sum avsetninger for forpliktelser		1 670 000	3 212 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	19	6 801 000	16 391 000
Langsiktig konserngjeld	3,21		8 714 000
Leases	20		27 252 000
Sum annen langsiktig gjeld		6 801 000	52 357 000
Sum langsiktig gjeld		8 471 000	55 569 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	19	8 730 000	3 840 000
Leases	20	17 698 000	6 874 000
Leverandørgjeld		1 618 000	2 408 000
Betalbar skatt	12	13 000	15 000
Skyldige offentlige avgifter		62 000	94 000



Konsernets balanse

Beløp i: USD	Note	2021	2020
Kortsiktig konserngjeld	3	2 061 000	
Financial derivatives	23	91 000	84 000
Other current liabilities	22	5 193 000	3 396 000
Sum kortsiktig gjeld		35 466 000	16 711 000
Sum gjeld		43 937 000	72 280 000
SUM EGENKAPITAL OG GJELD		81 423 000	124 908 000



To the General Meeting of KGJ Cement Holding AS

Independent Auditor's Report

Opinion

We have audited the financial statements of KGJ Cement Holding AS, which comprise:

- The financial statements of the parent company KGJ Cement Holding AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of KGJ Cement Holding AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, the income statement, statement of comprehensive income, statement of changes in equity and statement 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 comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its 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, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its 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 and the Group as required by laws and regulations 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.

PricewaterhouseCoopers AS, Sandviksbodene 2A, Postboks 3984 - Sandviken, NO-5835 Bergen
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Independent Auditor's Report - KGJ Cement Holding AS



Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that 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 of financial statements that give a true and fair view in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, 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 and the Group'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 Group 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

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Independent Auditor's Report - KGJ Cement Holding AS



Bergen, 7 March 2022
PricewaterhouseCoopers AS

Fredrik Gabrielsen
State Authorised Public Accountant

(This document is signed electronically)

(3)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Gabrielsen, Fredrik	BANKID_MOBILE	2022-03-16 08:28

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Skattedirektoratet

Saksbehandler
Rune Tystad

Telefon
977 59 464

Dergs.dato
18.11.2011

Deres referanse
Nicholas Nunn

Vår dato
28.11.2011

Vår referanse
2011/1133256

Kristian Gerhard Jebsen Skipsrederi AS
Folke Bernadottes vei 38
5147 FYLLINGSDALEN

Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk for Kristian Gerhard Jebsen Skipsrederi AS med datter- og datterdatterselskaper

Det vises til deres brev av 18. november 2011 til Finansdepartementet hvor søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskapet:

Kristian Gerhard Jebsen Skipsrederi AS (konsern), org.nr. 914 530 393
KGJ Cement AS, org.nr. 892 749 132
Cement Shipinvest AS, org.nr. 987 625 295
SKS Obo & Tankers AS, org.nr. 930 197661
KGJS Tank AS, org.nr. 952 969 560
SKS Tankers Holding AS, org.nr. 993 452 009
Norship AS, org.nr. 936 101 283

Da Finansdepartementets kompetanse etter regnskapsloven § 3-4 tredje ledd annet punktum er delegert til Skattedirektoratet, er søknaden oversendt oss for behandling.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Kristian Gerhard Jebsen Skipsrederi AS med datter- og datterdatterselskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Bakgrunn

Kristian Gerhard Jebsen Skipsrederi AS er et internasjonalt konsern som har som hovedbeskjeftigelse å eie og drive skip herunder utføre administrative oppgaver som befraktning, operasjon og teknisk drift. Det er på telefon opplyst at selskapet er eid av Pyne Ltd med 61,2 %, Tom Dahl AS med 30,8 % og Stiftelsen Kristian Gerhard Jebsen med 8 %. Selskapene det søkes om dispensasjon for foruten morselskapet Kristian Gerhard Jebsen Skipsrederi AS, er alle direkte eller indirekte 100 % eid av morselskapet. Det er opplyst at konsernets arbeidsspråk er engelsk. Konsernet utarbeider i dag årsregnskaper både på norsk og engelsk for en rekke av sine datterselskaper. Konsernet er av internasjonal karakter innenfor skipsfart og dette innebærer at selskapet må utarbeide engelsk versjon av konsernregnskapet samt for en rekke tilhørende datterselskaper for å tilfredsstille kravene til sine bankforbindelser, kunder, leverandører etc. De norske versjonene utarbeides kun for å tilfredsstille regnskapsloven.

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0134 Oslo

For elektronisk henvendelse se www.skatteetaten.no

Besøksadresse

Se www.skatteetaten.no
Org. nr: 996250318

Sentralbord

800 80 000
Telefaks

22 17 08 60

**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 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, 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 konsernet er av internasjonal karakter innenfor skipsfart og at dette innebærer at selskapet må utarbeide engelsk versjon av konsernregnskapet samt for en rekke tilhørende datterselskaper for å tilfredsstille kravene til sine bankforbindelser, kunder, leverandører etc. Det er videre lagt vekt på at konsernets arbeidsspråk er engelsk.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad



DIRECTORS' REPORT 2021

KGJ Cement Holding AS (the Company)

Business summary

KGJ Cement Holding AS ("KGJCH" or the Company") and its subsidiaries ("the Group") is an owner of pneumatic cement carriers. The Company is fully owned by Kristian Gerhard Jebsen Skipsrederi AS (KGJS). The Company is located in Bergen, Norway.

As of 31 December 2021, the fleet comprised of 5 vessels of 10 000-20 000 dwt. owned and controlled through the Company's subsidiaries.

Commercial and administrative services are provided by KGJS. Technical management of the Group's vessels is provided by MF Shipping Group and OSM Bergen Cement AS.

Result

The financial statements are presented in accordance with The Norwegian Accounting Act and Regulations dated 18 December 2020, which deals with "Simplified International Financial Reporting Standards" (IFRS).

- KGJCH consolidated
 - Operating income for the year was USD 33.5 mill. compared to USD 32.5 mill. in 2020
 - Net loss for 2021 was USD 14.7 mill. (including impairment of vessels of USD 15.0 mill.) compared to a net loss of USD 8.1 mill. in 2020 (including impairment of vessels of USD 2.0 mill.)
- KGJCH AS
 - Operating income for the year was USD 0 compared to USD 46 thousand in 2020
 - The net loss in 2021 was USD 15.2 mill. (including impairment on investments in subsidiaries of USD 16.3 mill.) compared to a net loss of USD 23.7 mill. in 2020 (including impairment on investments in subsidiaries of USD 24.0 mill.)
 - The Board proposes that this year's total comprehensive loss of USD 15.2 mill. is transferred to Other equity.

The variance between the consolidated operating result and the cash flow from operating activities is mainly caused by depreciation and impairment on non-current assets.

Investments

As at the end of 2021 the Group's total investments in non-current assets amounted to USD 19.3 mill. compared to USD 116.9 mill at the end of 2020. The reduction in total investments in non-current assets is due to sale of vessels during 2021.

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In 2021, the Group sold three cement vessels and entered into a Memorandum of Agreement (MOA) for the sale of additional four vessels for delivery during 2022.

On 15 December 2021, the Group executed an agreement for the sale of 50% of KGJ Cement III AS, a company owning 50% of JT Cement AS (JTC). The agreement also included a transfer of business from KGJS to JT Cement AS of commercial functions directly related to the JTC cement business.

In January 2022, the Group entered into a MOA for the sale of the last cement vessel to complete the exit from the cement segment during 2022.

Liquidity and financing

The Group's strategy is to have adequate liquidity either in form of cash and/or available credit facilities. At the end of 2021 the cash reserve was USD 9.1 mill.

Going concern

The annual financial statements are prepared and presented based on a going concern assumption as described in clause 3.3 in the Norwegian Accounting Act and give a true and fair view of the Company's assets and liabilities, financial position and results. Based on available cash, and projected cash flow, it is the Board's opinion that the Company is in a good financial standing .

Risks

The Group applies an active approach to manage market risks, operational risks and financial risks. Risks are recognised and managed within areas like credit risk, liquidity risk, currency risk, interest rate risk, bunker price risk and other general market risks as further described in notes to the financial statements.

Hedging instruments are used in order to reduce the exposure to fluctuations in several of the above risk areas.

Insurance

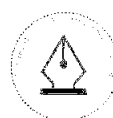
The Group has a Directors and Officers insurance in place. The insurance covers liability for financial loss of third parties due to neglect, error or omissions from any directors, officers or employees of the Group companies in their capacity of such position. The insurance does not cover damage to persons or property.

Annual renewal of the Directors and Officers insurance is in January each year and next renewal is in January 2023.

Quality, health, safety and environment

The vessel owning companies within the Group has outsourced technical management to third party ship managers. Structured monitoring and audit processes are in place to ensure that our suppliers meet specific quality requirements. The Group expects that contracted ship management suppliers maintain strong focus on vessel management following a policy based on high quality requirements. Extensive regulations, locally and internationally have become the standard requiring high quality in areas such as vessel manning, vessel operation and technical maintenance. Vessel maintenance shall be carried out continuously based on a long-term preventive maintenance program.

The vessel consume heavy fuel oil and diesel oil. Fuel consumption is carefully monitored and measures to reduce consumption have been implemented. The Group maintains full compliance



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with the global 0.5% Sulphur cap since on or before the date of implementation, and monitors fuel compliance closely as part of the continuous vessel operation.

Vessel operation in general can potentially cause pollution or other incidents. Vessels owned by the Group are equipped in accordance with international rules and regulations. Vessel operation focuses on reducing risks with the use of qualified personnel and well-developed routines.

The Company has no employees.

Subsequent event

On 10 January 2022, KGJ Cement II AS (a company within the Group) signed a Memorandum of Agreement ("MOA") to sell a vessel. Delivery took place 1 March 2022. As a result of the agreed price of the vessel, the Group recognised an impairment in 2021 of USD 2.7 mill.

On 11 February and 1 March 2022, two vessels classified as asset held for sale were delivered to new owners.

On 22 February, KGJ Cement II AS repaid its mortgaged loan in full.

Outlook

The shipping industry continues to be affected by the Covid-19 pandemic in numerous ways, including severe restrictions for the world fleet to carry out required crew changes.

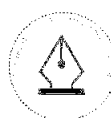
Notwithstanding ongoing vaccination of seafarers, such restrictions lead to heavy burdens on seafarers and the entire maritime supply chain. The Group is engaged in several initiatives to alleviate this situation.

The world economy continues to recover as a result of increased vaccination rates and fewer restrictions on mobility. Central banks continue to stimulate economic activity. A positive development is expected to continue in the near term, however increasing inflation, geopolitical tensions, and new outbreaks of Covid-19 may pose risks to further global economic recovery.

Demand for cement transportation is expected to improve, resulting in higher demand for pneumatic cement carriers, partly due to government sanctioned stimulus packages including construction projects. The relatively small orderbook for pneumatic cement carriers as well as expected recycling of older tonnage should be positive for the overall market balance.

During 2021 and January 2022, the Group has entered into MOAs for the sale of all its vessels and the activity will be minimal from second half of 2022 and onwards.

Currently, it is difficult to assess the impact the Russian-Ukrainian conflict will have on the shipping industry, and particularly the dry bulk markets. The Company is monitoring the development closely.



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Bergen, 7 March 2022

The board of directors of
KGJ Cement Holding AS

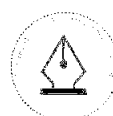
Hans Petter Høegh
Board member

Hans Peter Jebsen
Chairman

Jarle Haugsdal
Board member

Geir Bruvik Mjelde
CEO

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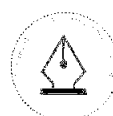
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KGJ CEMENT HOLDING AS

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Translation difference	Other equity	Total equity
	USD 000	USD 000	USD 000	USD 000	USD 000
KGJCH					
Equity at 31.12.2019.....	131	2	0	74 681	74 813
Net income/(loss) 2020.....	0	0	0	-23 662	-23 662
Equity at 31.12.2020.....	131	2	0	51 019	51 152
Net income/(loss) 2021.....	0	0	0	-15 153	-15 153
Group contribution.....	0	0	0	- 453	- 453
Equity at 31.12.2021.....	131	2	0	35 413	35 545
CONSOLIDATED					
Equity at 31.12.2019.....	131	2	- 12	60 568	60 688
Net income/(loss) 2020.....	0	0	0	-8 060	-8 060
Exchange difference on translation of foreign operations.....	0	0	0	0	0
Equity at 31.12.2020.....	131	2	- 12	52 507	52 628
Net income/(loss) 2021.....	0	0	0	-14 688	-14 688
Group contribution.....	0	0	0	- 453	- 453
Other comprehensive income:					
Exchange difference on translation of foreign operations.....	0	0	0	0	0
Equity at 31.12.2021.....	131	2	- 12	37 366	37 486



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KGJ CEMENT HOLDING AS
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NOTES TO THE FINANCIAL STATEMENTS

1. General information

KGJ Cement Holding AS ("KGJCH" or the "Company") is the parent company of an international shipping group (the "Group" or "KGJ Cement") within the cement segment. KGJCH is fully owned by Kristian Gerhard Jebsen Skipsrederi AS ("KGJS"). The Company is located in Bergen, Norway.

As of 31 December, the fleet comprised five pneumatic cement vessels ranging in size from 10 000 dwt. to 20 000 dwt. owned and controlled through the Company's subsidiaries. Commercial and administrative services are provided by KGJS. Technical management of the Group's vessels are provided by MF Shipping Group and OSM Bergen Cement AS.

2. Accounting principles

a. Basis of preparation

KGJCH and the Group prepares its financial statements according to "Simplified International Financial Reporting Standards" (IFRS) as dealt with in The Norwegian Accounting Act and Regulations dated 18 December 2020. This principally implies that all calculations and measurement methods are carried out in accordance with IFRS, while presentation and notes follows the Norwegian Accounting Act and Norwegian GAAP. The Company employs the simplifying rules relating to dividends and group contributions as regulated in the Norwegian Accounting Act.

The accounting year equals the calendar year and the items of the income statement are classified by their nature.

b. Changes in accounting principles and errors

The impact of changes in accounting principles and correction of significant errors in previous annual accounts are reported directly to equity. Comparative figures are revised accordingly.

c. Currency

The financial statements are presented in US Dollars (USD) as KGJCH and the Group operates in an international market where the functional currency is USD. Transactions in non-USD currencies are recorded at the exchange rate on the date of the transaction. Monetary items and debt in non-USD currencies are converted to USD at the rate of exchange prevailing at the reporting date. Currency gains and losses are recognised in the income statement classified as financial items.

The results and financial position of all Group entities having a functional currency different from the presentation currency are translated into the presentation currency as follows:

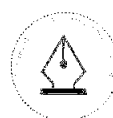
- Assets and liabilities are translated using the closing rate at the respective reporting dates.
- Income and expenses for each income statement are translated using average exchange rates.
- All resulting exchange differences are recognised as a separate component of equity.
- The Group's major currency against the USD is the Norwegian Kroner (NOK). The average exchange rate of NOK against USD was 8.5895 during 2021 (2020; 9.3952) and the exchange rate at the reporting date was 8.8088 (2020; 8.5326).

d. Consolidation principles

The consolidated financial statements include KGJCH and subsidiaries where the parent company directly or indirectly owns more than 50% of the share capital or has a controlling stake. Companies considered to be temporary owned are not consolidated. Subsidiaries are consolidated from the date of acquisition, which reflects the actual date when the parent company has attained a controlling interest and is omitted when control ceases.

The acquisition method of accounting is applied to account for the acquisitions of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. The difference between the fair value of the acquisition cost and the fair value of the acquired identifiable net assets is recognised as goodwill under intangible assets.

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Intra-group transactions and intra-group balances including internal profit and unrealised gain and loss are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

e. Long term shareholding and other shares

Subsidiaries and other long-term shareholdings are recorded in the parent company using the cost method. Investments are tested regularly for impairment and written down to fair value.

The Group has investments in joint ventures. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining whether the Group has joint control or significant influence over an entity are similar to those necessary to determine control over subsidiaries. Joint ventures are accounted for using the equity method from the date when significant influence or joint control is achieved until such influence ceases. Investments in joint ventures are initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. The income statement reflects the Group's share of the results of operations of the joint venture. If the Group's share of the loss surpasses the carrying amount of the associate, the carrying amount is set to zero and further loss is not recognised unless the Group has an obligation to make up for the loss.

f. Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable. Accounting estimates are employed in the financial statements to determine reported amounts, including the useful life and disposal value of vessels. Actual results could differ from those estimates.

g. Classification of assets and liabilities

Assets are classified as current assets when:

- the asset is expected to be disposed of or consumed within 12 months of the reporting date
- the asset is held for trading
- the asset is cash or cash equivalents, except for items having restrictions to be exchanged within 12 months of the reporting date.

All other assets are classified as non-current assets.

Liabilities are classified as current liabilities when:

- the liability is expected to be settled within 12 months of the reporting date
- the liability is held for trading
- the Company does not have an unconditional right to postpone settlement of the liability until at least 12 months after the reporting date.

All other liabilities are classified as non-current liabilities.

h. Segments

A business segment provides services that are subject to risks and returns that are different from those of other business segments.

The Group's primary reporting format is based on the Group's internal reporting which has one segment.

The Company's management does not evaluate performance by geographical region as the ships sail on a worldwide basis.

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i. Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Operating income consist of freight, charter hire and other operating related income. Freight is recognised based on the "load to discharge" method. Freight and related voyage expenses not completed at the reporting date are recognised based on the basis of the proportion of the voyage completed at the end of the reporting date. Voyage related expenses from discharge to load is considered as cost to fulfil a contract and recognised in the balance sheet if a related contract is signed before the reporting date. If no contract is signed before the reporting date the voyage related expenses are recognised in the income statement. Charter hire is recognised over the term of the contract as the service is provided.

Interest income is recorded in the income statement during the period in which it is earned.

Dividends from subsidiaries and group contributions are recorded as appropriations in the same year as it is proposed. Other dividends are recorded when the right to receive payment arise.

j. Taxes

The current income tax charge is calculated on the basis of the tax laws enacted or principally enacted at the reporting date. Management periodically evaluates the tax positions with respect to situations in which applicable tax regulations are subject to interpretation and on this basis establishes provisions for payable tax amounts.

Deferred income tax is provided for all temporary variances arising between the tax bases of assets and liabilities compared to the carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary variances can be utilised.

Both payable tax and deferred tax are recognised directly in equity, to the extent they relate to items recognised directly in equity. In cases where the equity transaction is considered a distribution and the source of the distribution is earlier years' net profit, the tax effect of the distribution should be recognised as tax expense in the year in which the distribution is recognised.

Certain parts of the Group's business are registered under the Norwegian tax legislation for shipping companies. The shipping tax-regulations include a tonnage tax and taxation of a company's net financial income and certain parts of the equity. Other ordinary net income is not taxable. Taxation under the shipping tax rules requires compliance to certain requirements.

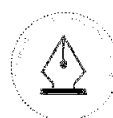
k. Tangible assets

Tangible assets are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes purchase price, capitalised interest and other expenses directly related to the investment.

Vessels residual value, which generally arises at the end of their useful life, is estimated based on the current estimated demolition value. Vessels residual value and useful life are assessed on an annual basis and changes will affect future depreciation cost.

Depreciation of assets is calculated using the straight-line method based on their estimated useful lives and residual values. Any component of a tangible asset that is significant to the total cost of the assets is depreciated separately over their estimated useful lives. Components with similar useful lives are

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included as a single component. Vessels book values are divided into two components; vessels and periodic maintenance.

Vessels are considered to have a total useful life of 35 years. Periodic maintenance costs are amortised over the period until the next periodic maintenance. The periodic maintenance occur with intervals of either 30 months or 60 months dependant on survey and vessels condition. Day-to-day repairs and maintenance cost are charged to the income statement during the period incurred. The costs of major renovations and periodic maintenance are included in the asset's carrying amount when it is probable the Group will derive future economic benefits in excess of the originally assessed standard performance of the assets. At the time of investment in a new vessel, a portion of the purchase price is defined as periodic maintenance and depreciated as other periodic maintenance.

A vessel's useful life is reviewed annually and where new estimate vary from previous estimate depreciation is adjusted accordingly.

When vessels are sold or disposed of, any gain or loss from the disposal is reported in the income statement. Profit or loss equals the variance between sales price and book value less any sales expenses.

l. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the lease commencement date, the Group recognises a lease liability and corresponding right-of-use asset (vessels) for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Group recognises the lease payments as other operating expenses in the income statement when they incur.

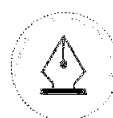
The Group measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Group is reasonably certain to exercise this option. The Group measures the right-of-use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The Group applies the depreciation principles in note 2 k. in depreciating the right-of-use asset, except if the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset. Principles in note 2 m. are used to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

m. Impairment of assets

Assets that are subject to depreciation are reviewed for impairment at each reporting date, or when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Fair value reduced by estimated sale costs is made up of an attainable sale price less expenses to an independent third party. The recoverable amount is calculated for each cash-generating unit (CGU).

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The Group's fleet of five cement carriers is categorised into several separate CGUs based on the following assumptions:

- All vessels within each category can usually be operated on a portfolio basis.
- All vessels within each category having similar specifications.
- Each vessel within each category is inter-changeable within their particular markets.

Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment losses which are reported in previous year's income statement are reversed when succeeding events indicates that the cause of the write down is no longer valid. The reversal is classified in income statement as an impairment reversal. The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years.

n. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Group's financial assets are: derivatives, trade receivables and cash and cash equivalents. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus transaction costs.

The Group classifies its financial assets in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income
- Equity instruments at fair value through other comprehensive income
- Derivatives at fair value through income statement

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held with the objective to collect contractual cash flows and,
- The contractual terms of the financial asset give rise to cash flows as 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 income statement when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables and other current deposit. Trade receivables that do not contain a significant financing component are measured at the transaction price, ref note 2 p.

Financial assets at fair value through other comprehensive income

The Group measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held with the objective of both collecting contractual cash flows and selling, and,
- The contractual terms of the financial asset give rise to cash flows as payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses/reversals are recognised in the income statement and computed in the same manner as for financial assets measured at amortised

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cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is reclassified to income statement.

The Group currently holds no investments in quoted instruments which would classify under this category.

Equity instruments at fair value through other comprehensive income

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never reclassified to income statement. Dividends are recognised as other financial income in the income statement when the right to receive payment arise. Dividends representing a recovery of part of the cost of the financial asset are instead recorded as other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

The Group currently holds no non-listed equity investments which would classify under this category.

Derivatives at fair value through income statement

Derivatives are recognised in the balance sheet at their fair value. Changes in the fair value are currently recorded in the income statement in the period in which the change in fair value occurs. Classification depends on the nature of the derivative.

The category includes bunker agreements and foreign exchange contracts, ref note 22.

Derecognition of financial assets

A financial asset or a part of a financial asset/group of similar financial assets is derecognised when:

- The right to receive cash flows from the asset have expired, or
- The Group has transferred its rights or has assumed an obligation to pay the received cash flows in full to a third party; and either
 - I. the Group has transferred substantially all the risks and rewards of the asset, or
 - II. the Group has transferred control of the asset

Financial liabilities

Financial liabilities are classified, at initial recognition, as loans and borrowings, payables or as derivatives. Derivatives are recognised initially at fair value. Loans, borrowings and payables are recognised at fair value net of directly attributable transaction costs.

Derivatives are financial liabilities when the fair value is negative, accounted for similarly as derivatives as assets.

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method if this is considered to be significant. Gains and losses are recognised in income statement when the liabilities are derecognised. 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 effective interest rate method. The effective interest rate amortisation is included as finance costs in the income statement.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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

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substantially modified, such an exchange or modification is treated as derecognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECL) for all instruments not held at fair value. If there is no substantial increase in credit risk since initial recognition, the ECLs are provided for credit losses that result from default events that are possible within the next 12-months. For those credit exposures facing a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure. Credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. A provision for impairment of trade receivables is established when a loss is expected and indications that the Group will not be able to collect all amounts due in accordance with the original terms of the receivables are identified.

The Group considers a financial asset in default when contractual payments are considerably past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Measurement of fair value

Fair value of financial instruments actively traded are valued based on quoted prices for identical instruments. Fair value of financial instruments not actively traded are valued based on models or other valuations methodologies observable for similar instruments.

o. Inventories

Inventories include the vessels' stock of bunker remaining on board at the end of the reporting period and are stated at the lower of cost or net realisable value. Cost is calculated on a first in first out (FIFO) basis. Net realisable value is based on observable market prices. For vessels on time charter out bunkers are, in most cases, sold and settled with charterers at delivery of the vessels, and repurchased at redelivery.

p. Accounts receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. The interest factor is ignored if insignificant. A provision for impairment of trade receivables is established when a loss is expected and indications that the Group will not be able to collect all amounts due in accordance with the original terms of the receivables are identified, ref note 2 n.

q. Cash and cash equivalents

Cash and cash equivalents include cash and cash deposits held at banks.

r. Equity

Ordinary shares are classified as equity. Transaction costs related to equity transactions, including any tax effect of the transaction costs, are charged directly to equity.

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s. Contingent assets, liabilities and provisions

Contingent liabilities are defined as:

- Possible liabilities resulting from past events, but where its existence relies on future events
- Liabilities which are not accounted for as it is not likely that such liabilities will result in a cash outflow
- Liabilities which cannot be measured reliably.

Any major contingent liabilities are disclosed in notes to the accounts. Contingent assets will not be recorded in the accounts, but included as a note if it is likely that the Company will benefit from such assets.

Contingent liabilities and provisions are recognised in the accounts when it is deemed the Group has a lawful obligation that can be measured reliably and it is likely with a more than 50% probability that settlement will take place. Contingent liabilities and provisions are reviewed at each reporting date and adjusted to best estimate. When timing is insignificant, the liability is reported at the estimated cost of release from the liability. Otherwise, when timing is significant for the amount of the liability, the liability is recognised at fair value. Any increase over time in the amount of the liability is reported as interest costs.

t. Events after the reporting date

New information about the Group's financial standing at the reporting date is included in the financial statements. Events occurring after the reporting date that have no impact on the Group's financial position at the reporting date, but which have a significant impact on future periods, are presented in notes to the accounts.

u. Statement of cash flows

The statement of cash flows presents the total cash flow divided into operational activities, investment activities and financing activities. The statement is prepared using the indirect model and reflects the individual activities' impact on the cash reserve.

3. Related parties

In the normal course of its business, companies within the Group have carried out a number of transactions with related parties. Related parties comprise principal owners of the Company and companies controlled by those owners, management of the Company and companies in which the Company can exercise significant influence over their management or operating policies.

a. Transactions relating to management services:

KGJS provides KGJ Cement with commercial and administrative services and charges management fees. These costs amounted to USD 3.4 mill. in 2021, compared to USD 3.7 mill. in 2020, recorded in the income statement as general and administrative expenses.

b. Transactions relating to financial items:

At 31 December 2021, the Group has made available a loan of USD 2.4 mill. to KGJS, compared to a loan from KGJS of USD 8.7 mill. at 31 December 2020.

KGJS provides the Group with a guarantee for the financial lease of vessels and charges guarantee fees amounted to USD 0.01 mill. in 2021, compared to USD 0.02 in 2020, recorded in the income statement as other financial items.

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c. Receivables/payables with related parties:

2020	2021	For the year ended 31 December	2021	2020
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
7 272	2 464	Receivables – non-currents assets	2 464	1 125
0	2 061	Receivables – current assets	2 061	0
- 16 676	- 13 179	Payables – non-current liabilities	- 0	- 8 714
0	- 2 061	Payables – current liabilities	- 2 061	0
- 9 403	- 10 715	Total	2 464	- 7 589

Settlement of inter-company balances takes place regularly. Interest is charged based on Nibor/Libor interest rates plus a margin.

The Company provides certain guarantees for loans and lease agreements for several related parties and charges guarantee fees. Guarantee fees within the Group are eliminated. See note 23 for further details.

4. Vessel operating income

2020	2021	For the year ended 31 December	2021	2020
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
0	0	Vessel operating income	31 838	30 937
46	0	Other operating income	1 628	1 606
46	0	Total	33 466	32 542

A geographical split of operating income is not presented as the ships sail on a worldwide basis.

5. Vessel related expenses

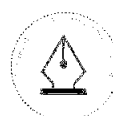
Vessel related expenses include both vessel voyage expenses and vessel operating expenses. Vessel voyage expenses include bunker consumption, port cost and other voyage related expenses. Vessel operating expenses include crewing cost, provisions, maintenance, insurance and management service cost.

2020	2021	For the year ended 31 December	2021	2020
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
0	0	Vessel voyage expenses	6 364	7 609
64	80	Vessel related operating expenses	16 187	18 309
64	80	Total	22 551	25 918

6. General and administrative expenses

2020	2021	For the year ended 31 December	2021	2020
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
3	3	Administrative services	3 388	2 739
6	6	Statutory audit fees	38	50
0	0	Tax advice	34	0
0	0	Other audit certifications	1	0
0	0	Advisory and legal services	22	9
0	0	Subscriptions	0	2
2	0	Travel expenses	0	11
0	0	Miscellaneous	14	25
11	9	Total	3 498	2 837

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7. Salaries, benefits and number of employees

The Group purchases all of its services from KGJS or its subsidiaries and other vessel managers and agents. Such services are covering both seagoing personnel and administrative services. As a consequence, the Group has no employees. There is no remuneration to the Company's board members.

8. Tangible assets

Book value of tangible assets recognised in the balance sheet:

For the year ended 31 December 2021 - Consolidated (in US Dollar thousands)	Other tangible assets	Vessels	Right-of-use assets - vessels	Total
Acquisition cost 01.01.2021	175	112 168	88 013	200 356
Additions	0	3 590	17	3 607
Disposals	- 175	- 23 681	- 48 996	- 72 852
Acquisition cost 31.12.2021	0	92 078	39 034	131 112
Accumulated depreciation at 01.01.2021	- 154	- 56 015	- 36 916	- 93 085
Depreciation for the year	- 21	- 3 508	- 2 985	- 6 513
Depreciation disposals	175	15 875	23 939	39 989
Accumulated depreciation at 31.12.2021	0	- 43 647	- 15 962	- 59 609
Accumulated impairment losses at 01.01.2021	0	- 1 950	0	- 1 950
(Impairment losses)/Reversal impairment losses for the year	0	- 6 700	- 8 333	- 15 033
Impairment losses disposals	0	1 950	7 633	9 583
Accumulated impairment losses at 31.12.2021	0	- 6 700	- 700	- 7 400
Net book value 31.12.2021	0	41 731	22 371	64 102
Useful life	3-10 years	35 years	35 years	

Periodic maintenance cost is included under vessels and right-of-use assets - vessels, depreciated straight line over a period varying from 30 to 60 months.

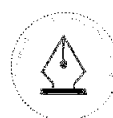
During 2021 the Group has sold three of its vessels. At 31 December 2021 four vessels were classified as assets held for sale, as agreements for sale of the vessels were already signed and expected to be delivered before summer 2022. Net book value classified as assets held for sale at 31 December 2021 amount to USD 25.0 mill. of vessels and USD 22.4 mill. of right-of-use assets - vessels. Deposit of USD 2.5 mill. has already been received and is recognised as current liability.

The Group reviewed all its cash-generating units for impairment, ref. note 2 m. An impairment loss should be recognised for the cash-generating unit if the carrying value is higher than the highest of market value and value-in-use calculation. Value-in-use calculations are made in accordance with IAS 36 and are based on the Group's best assumptions of future income and cost as well as discounting rate. Assumptions are associated with uncertainty and other parameters could generate a different value-in-use and a different outcome of the impairment assessment.

Based on the review, the Group made an impairment loss of USD 15.0 mill. on the fleet in 2021.

For further information regarding assets pledged as collateral for debt and lease agreements recognised in the balance sheet see note 19 and note 20.

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9. Joint ventures

Joint venture KGJ Cement III AS was sold during 2021. The table below summarises the recognised values and changes during the year related to investments in joint ventures:

(in US Dollar thousands)	Acquisition cost	Recognised value 01.01.21	Share of profit/(loss)	Depreciation of excess value	Recognised value 31.12.21
KGJ Cement III AS	9 330	10 322	- 504	- 19	0
Total	9 330	10 322	- 504	- 19	0

10. Other financial income and - expenses

2020 KGJCH	2021 KGJCH	For the year ended 31 December (in US Dollar thousands)	2021 Consolidated	2020 Consolidated
0	0	Unrealised gains on financial derivatives	0	237
0	0	Realised gains on financial derivatives	0	16
0	0	Currency gains	378	469
726	1 374	Other financial income	895	358
726	1 374	Total financial income	1 272	1 080
0	0	Unrealised losses on financial derivatives	- 147	0
0	0	Realised losses on financial derivatives	0	- 464
- 15	- 0	Currency losses	- 316	- 385
- 0	- 0	Other financial expenses	- 13	- 21
- 15	- 0	Total financial expenses	- 476	- 870

11. Subsidiaries

The Company has evaluated its investments for potential impairment losses. If the book value of shares is higher than the adjusted shareholders equity in the corresponding company, impairment occurs. Adjusted shareholder equity is calculated based on excess or less value in the company. Based on the review, KGJCH has in 2021 reversed impairment of USD 0.7 mill. on its investment in KGJ Cement AS, made an impairment loss of USD 7 mill. on its investment in KGJ Cement II AS, USD 9.9 mill. on its investment in KGJS Cement AS and USD 0.1 mill on its investment in KGJ Cement (Singapore) Pte Ltd. The impairment is fully eliminated in the consolidated accounts of KGJCH.

Companies owned by KGJCH:	Registered office	Owners- /voting rights
KGJ Cement AS	Bergen	100%
KGJ Cement II AS	Bergen	100%
KGJS Cement AS	Bergen	100%
KGJ Cement (Singapore) Pte Ltd	Singapore	100%

Companies owned by subsidiaries of KGJCH:	Registered office	Owners- /voting rights
Norship AS	Bergen	100%

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At 31 December 2021 the cement fleet comprise the following vessels:

Company	Number of vessels	Ownership	Dead weight per vessel
KGJS Cement AS	1	100%	10 000 - 20 000
KGJ Cement AS	1	100%	10 000 - 20 000
KGJ Cement II AS	3	100%	10 000 - 20 000
Total	5		

12. Taxes

2020	2021	For the year ended 31 December	2021	2020
KGICH	KGICH	(in US Dollar thousands)	Consolidated	Consolidated
0	- 453	Tax effect of group contribution	- 453	0
0	0	Payable tax	0	0
100	470	Changes in deferred tax	- 1 704	- 216
0	0	Deferred tax assets expensed	162	112
100	17	Total tax expense/(income)	- 1 995	- 105

Reconciliation of nominal and effective tax rate:

2020	2021	For the year ended 31 December	2021	2020
KGICH	KGICH	(in US Dollar thousands)	Consolidated	Consolidated
- 23 562	- 15 136	Net income/(loss) before tax	- 16 683	- 8 165
- 5 184	- 3 330	Estimated tax expense (22%)	- 3 670	- 1 796
5 284	3 347	Difference between estimated and actual tax expense	1 675	1 692
100	17	Total tax expense/(income)	- 1 995	- 105

Specification of differences between estimated and actual tax expense:

2020	2021	For the year ended 31 December	2021	2020
KGICH	KGICH	(in US Dollar thousands)	Consolidated	Consolidated
		Non-taxable operating result in accordance		
0	0	with shipping taxation	909	1 542
0	0	Effect of shipping taxation – financial items	453	271
0	0	Unrealised gains/losses on hedges	- 2	3
0	0	Tax of debarred internal interest expenses	161	0
0	0	Deferred tax assets expensed	162	112
		Currency transaction and other permanent		
5 284	3 347	differences	- 8	- 236
5 284	3 347	Total difference between estimated and actual tax	1 675	1 692
		expense		

Tax calculations are based on financial statements in US Dollars converted to Norwegian Kroner using varying rates of exchange for both balance sheet and income statement. The currency transaction differences arise when converting the Norwegian kroner tax calculation to US Dollar in the specification.



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Summary of temporary differences:

2020	2021	For the year ended 31 December	2021	2020
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
0	0	Profit & loss account	12 655	2 051
0	0	Non-current assets	6 553	32 099
0	0	Derivatives	0	10
0	0	Other differences	19	39
0	0	Net temporary differences	19 227	34 255
- 7 847	- 5 709	Taxable deficit	- 14 671	- 21 955
- 7 847	- 5 709	Total basis for deferred tax(+)/tax assets(-)	4 556	12 300

2020	2021	For the year ended 31 December	2021	2020
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
- 1 726	- 1 256	Deferred tax (+)/ tax assets (-)	1 670	3 212
100	470	Changes in deferred tax (+)/ tax assets (-)	- 1 704	- 105
0	0	Non-recorded deferred tax (+)/ tax assets (-) - shipping taxation	- 668	- 505

Payable tax:

2020	2021	For the year ended 31 December	2021	2020
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
0	0	Payable tax – shipping taxation	13	15
0	0	Total	13	15

13. Non-current receivables

2020	2021	For the years ended 31 December	2021	2020
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
1 125	0	Joint ventures	0	1 125
0	2 464	Loans to group companies	2 464	0
1 125	2 464	Total	2 464	1 125

Interest is charged based on Libor interest rates plus a margin.

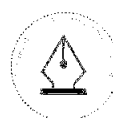
14. Inventories

Inventories comprise mainly of vessels' stock of bunkers. See note 2 o.

15. Trade receivables

2020	2021	For the year ended 31 December	2021	2020
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
0	0	Due from charterers	100	429
0	0	Total	100	429

Trade receivable represents a wide range of customers within the various segments. Credits are granted to customers in the normal course of business. The Group regularly reviews its accounts receivable and makes allowances for un-collectable receivables, ref note 2 p. The allowances are based on the age of the unpaid balance, information about customers financial condition, any disputed items and other relevant information.



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16. Other current assets

2020	2021	For the year ended 31 December	2021	2020
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
0	0	Due from agents	1 673	1 629
77	78	Accrued revenues	335	545
134	37	Other receivables	542	2 355
211	115	Total	2 549	4 529

17. Cash and cash equivalents

2020	2021	For the year ended 31 December	2021	2020
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
53	519	Cash in bank	9 069	2 329
53	519	Total	9 069	2 329

18. Share capital and shareholder information

At 31 December 2021 the share capital of the Company consists of one class of 110 ordinary shares at NOK 8 each.

Ownership structure	Number of shares	Share of ownership	Voting rights
Kristian Gerhard Jebsen Skipsrederi AS	110	100.0%	100.0%

19. Interest bearing debt

a) Overview of non-current liabilities:

- Debt maturing within five years:

2020	2021	For the year ended 31 December	2021	2020
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
0	0	Interest bearing mortgage debt	15 620	20 380
0	0	Total	15 620	20 380

b) Interest bearing mortgage debt:

2020	2021	For the year ended 31 December	2021	2020
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
0	0	Non-current mortgage loans	6 890	16 540
0	0	Debt issue costs	- 89	- 149
0	0	Current portion mortgage loans	8 730	3 840
0	0	Total	15 531	20 231

Mortgage loan related to vessels classified as assets held for sale, ref note 8, is classified as current liability.

Book value of mortgaged vessels:

2020	2021	For the year ended 31 December	2021	2020
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
0	0	Total fleet	41 731	54 204

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See note 8 for information on depreciation of tangible assets related to interest bearing mortgage debt recognised in the balance sheet.

The following table presents the scheduled and balloon repayment amounts over the next five years and thereafter, for loans drawn at 31 December 2021 :

Loan instalment profile (in US Dollar thousands)	2022	2023	2024	2025	2026	2027 and thereafter	Total
Instalments	1 840	13 780	0	0	0	0	15 620

USD 6.7 mill of scheduled instalment after 2022 have been classified as current liability due to vessel classified as assets held for sale.

KGJ Cement II AS has financed the vessels with a secured bank loan facility agreement, which amounted to USD 15.6 mill. at 31 December 2021. The loan has a quarterly repayment schedule. The loan balances shall be repaid in full at maturity in 2023. On 22 February KGJ Cement II AS repaid its mortgaged loan in full, ref note 23 and 24.

KGJ Cement II AS was not in breach of any covenants during the year.

20. Leases

This note should be read in conjunction with note 8 for further information of tangible assets recognised as right-of-use assets.

Two of the cement vessels in the Group are financed through financial lease agreements. This represents the net present value of leases discounted at their respective cost of capital. The lease period is 15 years as from the different years of initial application of the leases. On some of the leases there is a purchase option from year 3 to year 15, and on some the respective lease owners have a put option against the Group at the end of year 15.

The Group leases out some of its owned vessels to third parties with contracted non-cancellable lease terms up to 12 months. Consequently the Group has classified all of these leases as operational leases.

KGJCH Vessels	KGJCH Total	For the year ended 31 December 2021 (in US Dollar thousands)	Consolidated Total	Consolidated Vessels
0	0	Opening balance lease liability	34 126	34 126
0	0	New lease liabilities recognised in the year	0	0
0	0	Cash payments - principal portion of the lease liability	- 16 443	- 16 443
0	0	Cash payments - interest portion of the lease liability	- 1 747	- 1 747
0	0	Interest expense on lease liabilities	1 762	1 762
0	0	Currency exchange differences	0	0
0	0	Total	17 698	17 698

2020 KGJCH	2021 KGJCH	For the years ended 31 December (in US Dollar thousands)	2021 Consolidated	2020 Consolidated
0	0	Non-current lease liability	0	27 413
0	0	Debt issue costs	- 146	- 161
0	0	Current portion lease liability	17 845	6 874
0	0	Total	17 698	34 126

Lease related to vessel classified as assets held for sale, ref note 8, is classified as current liability. See note 8 for information on depreciation of tangible assets related to lease agreements recognised in the balance sheet.

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Discounted lease liabilities and maturity of cash outflows:

Lease profile (in US Dollar thousands)	2022	2023	2024	2025	2026	2027 and thereafter	Total
Installments - vessels	2 924	3 123	1 044	1 070	1 103	8 580	17 845
Interests - vessels	1 038	806	725	657	588	1 786	5 599
Total	3 962	3 929	1 769	1 728	1 691	10 366	23 444

USD 14.9 mill of scheduled instalment after 2022 have been classified as current liability due to vessel classified as assets held for sale.

21. Other current liabilities

2020 KGJCH	2021 KGJCH	For the year ended 31 December (in US Dollar thousands)	2021 Consolidated	2020 Consolidated
0	0	Accrued vessels related expenses	1 778	2 909
0	0	Prepayments	2 934	0
80	79	Other accruals	480	488
80	79	Total	5 191	3 396

22. Risk management and other hedging activities

Risk management

a. Credit risk

The Group is exposed to credit risk in the event of failure of counter-parties to meet their obligations under a trading transaction. The Group's theoretical risk is the cost of replacement at current market prices of such transactions in the event of default by counter-parties. However, counter-parties are established with high credit ratings, and management believes that the possibility of non-performance by the counter-parties is remote. The Group therefore regards its maximum exposure to credit risk as being the carrying amount of receivables and other current assets. No collateral is held as security against receivables, none of which are considered to be impaired. The Group does not believe it is exposed to any material concentrations of credit-risk.

b. Liquidity risk

The Group's strategy is to have adequate liquid assets either in form of cash and/or available credit facilities at all times.

c. Market risk

Market risk comprises interest rate- and currency risk, and other price risks. The Group's financial derivatives are aimed to mitigate currency and interest rate risk, as detailed below.

d. Interest rate risk

The Group is exposed to interest rate risk for debt with floating interest rates. The Group may enter into hedging instruments in order to hedge portions of its exposure to the floating interest rates. Realised gains or losses associated with such instruments are currently recorded as interest expenses.

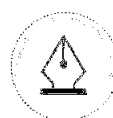
e. Currency risk

The Group incurs net operating expenses in Euro and Norwegian Kroner. The Group may enter into hedging instruments in order to hedge portions of its exposure to floating currency rates on forecast expenditures in Euro and Norwegian Kroner. Realised gains or losses associated with currency rate changes on forward currency contracts are recorded as other financial income/(expenses). At the reporting date the Group has no non-current monetary assets or liabilities in non-USD currencies.

f. Other risks

The Group is exposed to general freight and bunker price fluctuations for its vessels. To reduce such risks the Group may enter into bunker derivatives to hedge against fluctuations in the results for Contracts of

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Affreightments without World Scale compensation. The Group may also enter into forward freight agreements to mitigate the risks of the fluctuating freight market. Gains or losses associated with such instruments are currently recorded as operating income/(expenses).

Financial derivatives and hedging

The Group effectively monitors its use of financial derivatives and the risks associated with them. To mitigate credit risk the Group contracts only with high quality counterparties. In addition, the Group's hedging policy establishes the use of defined market risk limits and timely reporting.

- a. Hedge accounting:
The Group does not apply hedge accounting as per 31 December 2021.
- b. Currency contracts:
The Group estimates future expenses in non-USD currencies and secures part of the net cash flow in non-USD currencies by using hedging instruments. All currency contracts are recognised at fair value. Changes in the fair value of such derivatives are recorded as other financial income/(expenses), see also note 10.

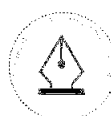
	KGJCH		Consolidated	
	(in thousands)	Currency rate of exchange	(in thousands)	Currency rate of exchange
Currency contracts:				
USD sale against NOK	0	0.0000	NOK 7 500	8.7561

- c. Bunker contract
The Group estimates bunker consumption for its activities under Contracts of Affreightments without World Scale compensation and secures part of the net cash flow of related bunker expenses by using hedging instruments. All bunker derivatives are recognised at fair value. Changes in the fair value of such derivatives are recorded as voyage expenses.

	Consolidated	
	Quantity (mt)	Average price
Bunker contracts:		
CAPs	5 700	446

- d. Fair value financial derivatives:
The fair value of financial derivatives are based upon quotations obtained from banks or brokers that the Group would receive or would have to pay if the financial derivatives had been terminated/sold at the reporting date.

The full fair value of a financial derivative is classified as a non-current asset or liability if the remaining maturity of the item is more than 12 months and, as a current asset or liability if the maturity of the item is less than 12 months.



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Fair value

The following table presents the fair value of derivative financial instruments:

2020 KGJCH	2021 KGJCH	Fair value - derivative financial instruments (in US Dollar thousands)	2021 Consolidated	2020 Consolidated
Non-current assets:				
0	0	Currency contracts	0	28
71	110	Bunker agreements	110	71
0	0	Interest rate agreements	0	0
71	110	Total non-current assets	110	99
Current assets:				
0	0	Currency contracts	0	112
103	355	Bunker agreements	271	103
0	0	Interest rate agreements	0	0
103	355	Total current assets	271	215
Non-current liabilities:				
71	110	Bunker agreements	0	0
0	0	Interest rate agreements	0	0
71	110	Total non-current liabilities	0	0
Current liabilities:				
0	0	Currency contracts	8	0
103	355	Bunker agreements	83	84
0	0	Interest rate agreements	0	0
103	355	Total current liabilities	91	84

23. Guarantees and contingencies

Guarantees:

- KGJ Cement Holding AS has provided lenders to KGJ Cement II AS guarantees of USD 15.6 mill. at 31 December 2021. On 22 February KGJ Cement II AS repaid its mortgaged loan in full, ref note 19 and 24.
- KGJ Cement Holding AS has provided lenders to KGJ Cement AS a guarantee for the financial lease of one vessel until the end of March 2031. Annual lease payment amounts to USD 2.0 mill. An agreement for sale of the vessel has been signed with expected delivery before end of July 2022.

Contingencies:

The Group maintains insurance coverage for its activities consistent with industry practice. In the course of 2021 the Group has not been involved in any incidents which have resulted in material loss or liability to the Group.

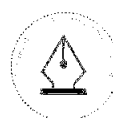
24. Subsequent events

On 10 January 2022, KGJ Cement II AS (a company within the Group) signed a Memorandum of Agreement ("MOA") to sell a vessel. Delivery took place 1 March 2022. As a result of the agreed price of the vessel, the Group recognised an impairment loss in 2021 of USD 2.7 mill., ref note 8.

On 11 February and 1 March 2022, two vessels classified as assets held for sale were delivered to new owners.

On 22 February, KGJ Cement II AS repaid its mortgaged loan in full. Reference is made to note 19 and 23 for further information.

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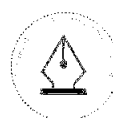
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There has not been any other events that would materially impact the financial statements for 2021 after 31 December 2021.



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