



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 892 749 132
Organisasjonsform: Aksjeselskap
Foretaksnavn: KGJ CEMENT AS
Forretningsadresse: Zander Kaaes gate 7
5015 BERGEN

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: 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			
Salgsinntekt	4	6 952 000	5 178 000
Sum inntekter		6 952 000	5 178 000
Kostnader			
Varekostnad	3,5,10	4 278 000	3 694 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	8	650 000	676 000
Annen driftskostnad	3,6,7	236 000	187 000
Sum kostnader		5 164 000	4 557 000
Driftsresultat		1 788 000	621 000
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	3	180 000	205 000
Sum finansinntekter		180 000	205 000
Annen rentekostnad		955 000	998 000
Annen finanskostnad	3,9	185 000	126 000
Sum finanskostnader		1 140 000	1 124 000
Netto finans		-960 000	-919 000
Ordinært resultat før skattekostnad		828 000	-298 000
Ordinært resultat etter skattekostnad		828 000	-298 000
Årsresultat		828 000	-298 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		828 000	-298 000
Sum overføringer og disponeringer		828 000	-298 000



Balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Skip, rigger, fly og lignende	8,16		14 880 000
Sum varige driftsmidler			14 880 000
Finansielle anleggsmidler			
Lån til foretak i samme konsern	3	8 476 000	7 961 000
Andre fordringer	18	110 000	71 000
Sum finansielle anleggsmidler		8 586 000	8 032 000
Sum anleggsmidler		8 586 000	22 912 000
Omløpsmidler			
Varer			
Varer	11	409 000	256 000
Sum varer		409 000	256 000
Fordringer			
Kundefordringer	12	8 000	30 000
Other current assets	13	435 000	368 000
Financial derivative	18	271 000	103 000
Asset held for sale	8	14 229 000	
Sum fordringer		14 943 000	501 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	14	923 000	125 000
Sum bankinnskudd, kontanter og lignende		923 000	125 000
Sum omløpsmidler		16 275 000	882 000
SUM EIENDELER		24 861 000	23 794 000



Balanse

Beløp i: USD	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	15	1 399 000	1 399 000
Sum innskutt egenkapital		1 399 000	1 399 000
Opptjent egenkapital			
Annen egenkapital		7 695 000	6 867 000
Sum opptjent egenkapital		7 695 000	6 867 000
Sum egenkapital		9 094 000	8 266 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Øvrig langsiktig gjeld	16		13 842 000
Sum annen langsiktig gjeld			13 842 000
Sum langsiktig gjeld		0	13 842 000
Kortsiktig gjeld			
Leases	16	13 857 000	986 000
Leverandørgjeld		606 000	400 000
Betalbar skatt	10	3 000	3 000
Other current liabilities	17	1 218 000	213 000
Financial derivatives	18	83 000	84 000
Sum kortsiktig gjeld		15 767 000	1 686 000
Sum gjeld		15 767 000	15 528 000
SUM EGENKAPITAL OG GJELD		24 861 000	23 794 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 533098

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Brønnøysundregistrene, 29.06.2022



Organisasjonsnr: 892 749 132
KGJ CEMENT AS

RESULTATREGNSKAP

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Organisasjonsnr: 892 749 132
KGJ CEMENT AS

BALANSE

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Organisasjonsnr: 892 749 132
KGJ CEMENT AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall årsverk i regnskapsåret
0.00

<u>Sum</u>	<u>Beløp</u>
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler Immaterielle eiend.</u>

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Pantstillelse</u>	<u>Beløp</u>
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<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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To the General Meeting of KGJ Cement AS

Independent Auditor's Report

Opinion

We have audited the financial statements of KGJ Cement 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.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- 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.

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 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.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are 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 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.

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 AS



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>

Bergen, 7 March 2022
PricewaterhouseCoopers AS

Fredrik Gabrielsen
State Authorised Public Accountant

(This document is signed electronically)

(2)



 Securely signed with Brevio

Revisjonsberetning

Signers:

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

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- Closing page (this page)
- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



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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.

Postadresse	Besøksadresse	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org. nr: 996250318	Telefaks
For elektronisk henvendelse se www.skatteetaten.no		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



KGJ CEMENT AS

STATEMENT OF CASH FLOWS

		31 December 2021	31 December 2020
	Notes	USD 000	USD 000
Cash flows from operating activities:			
Net income/(loss) before tax.....		828	- 298
Payable tax.....		- 3	- 3
Depreciation and amortisation.....	8	650	676
Changes in inventories.....	11	- 153	- 92
Changes in trade debtors.....		23	- 30
Changes in trade creditors.....		206	336
Changes in other current assets/liabilities.....	12, 16	732	- 4
Net cash provided by operating activities.....		<u>2 284</u>	<u>587</u>
Cash flows from investing activities:			
Loans to group companies.....	3	- 515	128
Net cash provided by/(used in) investing activities.....		<u>- 515</u>	<u>128</u>
Cash flows from financing activities:			
Loans from group companies.....	3	0	
Repayments on interest bearing debt.....	15	- 971	- 642
Net cash provided by/(used in) financing activities.....		<u>- 971</u>	<u>- 642</u>
Net increase/(decrease) in cash and cash equivalents.....		798	72
Cash and cash equivalents at beginning of year.....	13	125	53
Cash and cash equivalents at end of year.....	13	<u>923</u>	<u>125</u>



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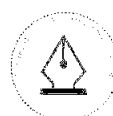
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KGJ CEMENT AS

STATEMENT OF CHANGES IN EQUITY

	Share capital USD 000	Other equity USD 000	Total equity USD 000
Equity at 31.12.2020.....	1 399	6 867	8 266
Net income/(loss) 2021.....	<u>0</u>	<u>828</u>	<u>828</u>
Equity at 31.12.2021.....	<u>1 399</u>	<u>7 695</u>	<u>9 094</u>



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KGJ CEMENT AS

NOTES TO THE FINANCIAL STATEMENTS

1. General information

KGJ Cement AS (the "Company") is fully owned by KGJ Cement Holding AS ("KGJCH"), a subsidiary of Kristian Gerhard Jebsen Skipsrederi AS ("KGJS"). KGJCH presents consolidated financial statements, which include the financial statements of the Company. The Company is located in Bergen, Norway.

The Company currently has one vessel on a financial lease agreement operating within KGJS' cement segment ("KGJ Cement"), a fleet comprising five pneumatic cement vessels ranging in size from 10 000 dwt. to 20 000 dwt. trading worldwide. Commercial and administrative services are provided by KGJS. Technical management of the Company's vessel is provided by OSM Bergen Cement AS.

2. Accounting principles

a. Basis of preparation

The Company 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 the Company 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.

d. 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.

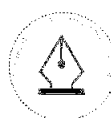
e. Classification of assets and liabilities

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.

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KGJ CEMENT AS

NOTES TO THE FINANCIAL STATEMENTS

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.

f. Segments

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

The Company's primary reporting format is based on the Company'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.

g. 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 Company expects to be entitled in exchange for those goods or services. The Company 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.

Group contributions are recorded as appropriations in the same year as it is proposed.

h. 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.

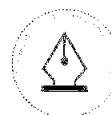
Deferred income tax is provided for all temporary variances arising between the tax bases of assets and liabilities compared to the carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the reporting date and 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.

The Company is 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

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of the equity. Other ordinary net income is not taxable. Taxation under the shipping tax rules requires compliance to certain requirements.

i. 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 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 Company 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.

j. Leases

At the inception of a contract, the Company 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.

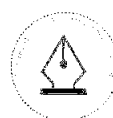
At the lease commencement date, the Company recognises a lease liability and corresponding right-of-use asset (vessels) for all lease agreements in which it is the lessee, except for the following exemptions applied:

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

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

The Company 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 Company is reasonably certain to exercise this option. The Company measures the right-of-use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The Company applies the depreciation principles in note 2 i. 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 k. are used to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

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k. 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).

The Company's one cement carrier is categorised as one CGU.

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.

l. 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 Company'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 Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus transaction costs.

The Company 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

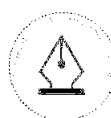
The Company measures financial assets at amortised cost if both of the following conditions are met:

- 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 Company'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 n.

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Financial assets at fair value through other comprehensive income

The Company 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 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 Company 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 Company 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 Company 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, ref note 18.

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 Company 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 Company has transferred substantially all the risks and rewards of the asset, or
 - II. the Company 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.

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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 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 Company 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 Company 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 Company 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 Company will not be able to collect all amounts due in accordance with the original terms of the receivables are identified.

The Company considers a financial asset in default when contractual payments are considerably past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. 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.

m. 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.

n. 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 Company will not be able to collect all amounts due in accordance with the original terms of the receivables are identified, ref note 2 l.

o. Cash and cash equivalents

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

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p. 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.

q. 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 Company 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.

r. Events after the reporting date

New information about the Company'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 Company's financial position at the reporting date, but which have a significant impact on future periods, are presented in notes to the accounts.

s. 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, the Company has 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:

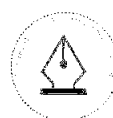
KGJS provides the Company with commercial and administrative services and charges management fees. These costs amounted to USD 0.2 mill. in 2021, compared to USD 0.3 mill. in 2020, recorded in the income statement as general and administrative expenses.

b. Transactions relating to financial items:

At 31 December 2021, the Company has made available a loan of USD 8.5 mill. to KGJCH. Interest calculated amounted to USD 0.2 mill. in 2021, same as in 2020, recorded in the income statement as interest income.

KGJCH provides the Company with a guarantee under the financial lease agreement and charged guarantee fees amounted to USD 0.1 mill. in 2021, compared to USD 0,2 in 2020, recorded in the income statement as other financial items.

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c. Receivables/payables with related parties:

For the years ended 31 December (in US Dollar thousands)	2021	2020
Non-current loans to KGJ Cement Holding AS	8 476	7 961
Total	8 476	7 961

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

4. Vessel operating income

For the years ended 31 December (in US Dollar thousands)	2021	2020
Voyage income and time charter hire	6 952	5 178
Total	6 952	5 178

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.

6. General and administrative expenses

General and administrative expenses consists of expenses for administrative services delivered by KGJS, lawyers, auditors and others.

For the years ended 31 December (in US Dollar thousands)	2021	2020
Administrative services	231	179
Statutory audit fees	4	3
Other audit services	0	0
Other expenses	1	4
Total	236	187

7. Salaries, benefits and number of employees

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

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8. Tangible assets

Book value of tangible assets recognised in the balance sheet:

For the year ended 31 December 2021			
(in US Dollar thousands)	Cost	Periodic maintenance	Right-of-use assets - vessels
Acquisition cost 01.01.2021	16 691	974	17 664
Additions	0	- 0	- 0
Disposals	0	0	0
Acquisition cost 31.12.2021	16 691	973	17 664
Accumulated depreciation at 01.01.2021	- 2 109	- 676	- 2 784
Depreciation for the year	- 480	- 170	- 650
Accumulated depreciation at 31.12.2021	- 2 589	- 846	- 3 435
Net book value 31.12.2021	14 102	128	14 229
		Right-of-use assets - vessels	
Useful life		35 years	
Depreciation method		Straight line	

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

At 31 December 2021 the vessel was classified as assets held for sale, as agreements for sale of the vessel has been signed with expected delivery before end of July 2022. Deposit of USD 0.9 mill. has already been received and is recognised as current liability.

The Company reviewed its cash-generating unit for impairment, ref. note 2 k. 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 Company'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.

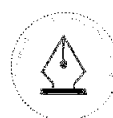
Based on the review, the Company made no impairment in 2021.

See note 16 for further information on lease agreements recognised in the balance sheet.

9. Other financial items

For the years ended 31 December		
(in US Dollar thousands)	2021	2020
Currency gains	53	124
Other financial income	0	0
Total financial income	53	124
Currency losses	- 89	- 94
Other financial expenses	- 148	- 156
Total financial expenses	- 238	- 250
Net other financial items	- 184	- 125

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10. Taxes

For the years ended 31 December (in US Dollar thousands)	2021	2020
Changes in deferred tax	- 69	- 44
Deferred tax assets expensed	69	44
Total tax expense/(income)	0	0

Reconciliation of nominal and effective tax rate:

For the years ended 31 December (in US Dollar thousands)	2021	2020
Net income/(loss) before tax	828	- 298
Estimated tax expense (22%)	182	- 65
Difference between estimated and actual tax expense	- 182	65
Total tax expense/(income)	0	0

Specification of differences between estimated and actual tax expense:

For the years ended 31 December (in US Dollar thousands)	2021	2020
Non-taxable operating result in accordance with shipping taxation .	- 393	- 137
Effect of shipping taxation – financial items	174	147
Deferred tax assets expensed	69	44
Currency transaction and other permanent differences	- 32	12
Total difference between estimated and actual tax expense	- 182	65

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.

Summary of temporary differences:

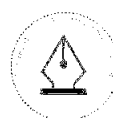
For the years ended 31 December (in US Dollar thousands)	2021	2020
Other differences	0	20
Net temporary differences	0	20
Taxable deficit	- 1 183	- 887
Total basis for deferred tax(+)/tax assets(-)	- 1 183	- 868

For the years ended 31 December (in US Dollar thousands)	2021	2020
Deferred tax (+)/ tax assets (-)	0	0
Changes in deferred tax (+)/ tax assets (-)	- 69	- 44
Non-recorded deferred tax (+)/ tax assets (-) - shipping taxation	- 260	- 191

Payable tax:

For the years ended 31 December (in US Dollar thousands)	2021	2020
Payable tax – shipping taxation	3	3
Total	3	3

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11. Inventories

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

12. Trade receivables

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

13. Other current assets

For the years ended 31 December (in US Dollar thousands)	2021	2020
Due from agents		192
Accrued revenues	58	66
Prepaid expenses	52	5
Other receivables	324	104
Total	435	368

14. Cash and cash equivalents

For the years ended 31 December (in US Dollar thousands)	2021	2020
Cash in bank	923	125
Total	923	125

15. Share capital and shareholder information

At 31 December 2021 the share capital of the Company consists of one class of 70 000 ordinary shares at NOK 100 each.

Ownership structure	Number of shares	Share of ownership	Voting rights
KGJ Cement Holding AS	70 000	100.0%	100.0%

16. Leases

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

The Company has financed its vessel through a financial lease agreement. This represents the net present value of the lease discounted at its cost of capital. The lease period is 15 years as from 2016. The Company has a purchase option from year 3 to year 15.

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For the years ended 31 December (in US Dollar thousands)	2021	2020
Opening balance lease liability	14 828	15 512
New lease liabilities recognised in the year	0	- 42
Cash payments - principal portion of the lease liability	- 986	- 657
Cash payments - interest portion of the lease liability	- 925	- 983
Interest expense on lease liabilities	940	997
Currency exchange differences	0	0
Total	13 857	14 828

For the years ended 31 December (in US Dollar thousands)	2021	2020
Lease liability	0	14 003
Debt issue costs	- 146	- 161
Current portion finance lease	14 003	986
Total	13 857	14 828

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.

Discounted lease liabilities and maturity of cash outflows:

Financial lease profile (in US Dollar thousands)	2022	2023	2024	2025	2026	2027 and thereafter	Total
Installments	1 094	1 111	1 044	1 070	1 103	8 580	14 003
Interests	867	796	725	657	588	1 786	5 419
Total	1 961	1 907	1 769	1 728	1 691	10 366	19 422

USD 12.9 mill of scheduled instalment after 2022 have been classified as current liability due to vessel classified as assets held for sale.

17. Other current liabilities

For the years ended 31 December (in US Dollar thousands)	2021	2020
Accrued vessels related expenses	- 1 066	163
Other accruals	- 152	50
Total	- 1 218	213

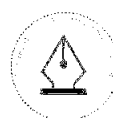
18. Risk management and other hedging activities

Risk management

a. Credit risk

The Company is exposed to credit risk in the event of failure of counter-parties to meet their obligations under a trading transaction. The Company'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 Company 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 Company does not believe it is exposed to any material concentrations of credit-risk.

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b. Liquidity risk

The Company's strategy is to have adequate liquid assets either in form of cash and/or available credit facilities at all times. Any potential shortfall of liquidity in 2021 will be addressed in close cooperation with KGJ Cement Holding AS.

c. Market risk

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

d. Interest rate risk

The Company is exposed to immaterial interest rate risk as vessels are financed through a financial lease.

e. Currency risk

The Company incurs net operating expenses in Euro and Norwegian Kroner. The Company 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 Company has no non-current monetary assets or liabilities in non-USD currencies.

f. Other risks

The Company is exposed to general freight and bunker price fluctuations for its vessel. To reduce such risks the Company may enter into bunker derivatives to hedge against fluctuations in the results for Contracts of Affreightments without World Scale compensation. The Company 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 Company effectively monitors its use of financial derivatives and the risks associated with them. To mitigate credit risk the Company contracts only with high quality counterparties. In addition, the Company'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. Bunker derivatives:

The Company 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, see also note 5.

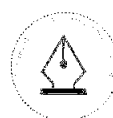
Bunker contracts:	Quantity (mt)	Average price
CAPs	5 700	446

c. Fair value financial derivatives:

The fair value of financial derivatives are based upon quotations obtained from banks or brokers that the Company 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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NOTES TO THE FINANCIAL STATEMENTS

Fair value

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

For the years ended 31 December (in US Dollar thousands)	2021	2020
Non-current assets:		
Bunker agreements	110	71
Total non-current assets	110	71
Current assets:		
Bunker agreements	271	103
Total current assets	271	103
Current liabilities:		
Bunker agreements	83	84
Total current liabilities	83	84

19. Contingencies

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

20. Subsequent events

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



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