Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	963 109 288
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	KCC SHIPOWNING AS
Forretningsadresse:	Drammensveien 260 0283 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2024 - 31.12.2024

Konsern

Morselskap i konsern:	Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Ingri Langemyhr
Dato for fastsettelse av årsregnskapet:	28.03.2025

Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert

År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

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, 12.08.2025

Resultatregnskap

Beløp i: USD	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Operating revenue, vessels	3	174 391 000	181 900 000
Gain from sale of fixed assets	3	0	13 130 000
Other operating income		817 000	0
Sum inntekter		**175 208 000**	**195 030 000**
Kostnader			
Other operating expenses, vessels	2	51 099 000	47 691 000
Depreciation	7	31 405 000	32 544 000
Group commercial and administrative services	5	2 221 000	1 990 000
Tonnage tax		153 000	175 000
Other operating and administrative expenses	2	90 000	202 000
Sum kostnader		**84 968 000**	**82 602 000**
Driftsresultat		**90 240 000**	**112 428 000**
Finansinntekter og finanskostnader			
Finance income	5	3 921 000	2 502 000
Sum finansinntekter		**3 921 000**	**2 502 000**
Finance costs	5	11 951 000	14 747 000
Sum finanskostnader		**11 951 000**	**14 747 000**
Netto finans		**-8 030 000**	**-12 245 000**
Resultat før skattekostnad		**82 210 000**	**100 183 000**
Årsresultat		**82 210 000**	**100 183 000**
OCI		-1 564 000	-2 245 000
Sum resultatkomponenter for IFRS-foretak		-1 564 000	-2 245 000
Totalresultat		**80 646 000**	**97 938 000**
Overføringer og disponeringer			
Profit/loss for the year		80 646 000	97 938 000

Resultatregnskap

Beløp i: USD	Note	2024	2023
Sum overføringer og disponeringer		**80 646 000**	**97 938 000**

Balanse

Beløp i: USD	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Vessels	7	464 904 000	469 574 000
Newbuilding contracts	8	19 170 000	17 591 000
Sum varige driftsmidler		**484 074 000**	**487 165 000**
Finansielle anleggsmidler			
Financial assets	11	4 382 000	4 435 000
Sum finansielle anleggsmidler		**4 382 000**	**4 435 000**
Sum anleggsmidler		**488 456 000**	**491 600 000**
Omløpsmidler			
Varer			
Inventories		2 234 000	1 179 000
Sum varer		**2 234 000**	**1 179 000**
Fordringer			
Short-term financial assets	11	2 022 000	1 587 000
Short-term receivables from related parties	15	20 720 000	21 725 000
Prepaid expenses	9	1 361 000	1 360 000
Other short term receivables	9	1 403 000	818 000
Sum fordringer		**25 506 000**	**25 490 000**
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	10	37 627 000	42 075 000
Sum bankinnskudd, kontanter og lignende		**37 627 000**	**42 075 000**
Sum omløpsmidler		**65 367 000**	**68 744 000**
SUM EIENDELER		**553 823 000**	**560 344 000**

Balanse

Beløp i: USD	Note	2024	2023
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital		298 000	298 000
Overkurs		151 341 000	151 341 000
Sum innskutt egenkapital		**151 639 000**	**151 639 000**
Opptjent egenkapital			
Retained earnings		222 485 000	241 839 000
Sum opptjent egenkapital		**222 485 000**	**241 839 000**
Sum egenkapital		**374 124 000**	**393 478 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	13	115 519 000	138 352 000
Long-term debt tp related party	15	32 750 000	0
Sum annen langsiktig gjeld		**148 269 000**	**138 352 000**
Sum langsiktig gjeld		**148 269 000**	**138 352 000**
Kortsiktig gjeld			
Short-term interest bearing debt	13	21 669 000	21 669 000
Current debt to related parties		2 324 000	1 388 000
Leverandørgjeld		2 536 000	1 006 000
Tonnage tax		159 000	179 000
Other current liabilities		4 740 000	4 273 000
Sum kortsiktig gjeld		**31 428 000**	**28 515 000**
Sum gjeld		**179 697 000**	**166 867 000**
SUM EGENKAPITAL OG GJELD		**553 821 000**	**560 345 000**

Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Journalnummer:	2025 727043

Enheten

Organisasjonsnummer:	963 109 288
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	KCC SHIPOWNING AS
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Brønnøysundregistrene, 11.08.2025

Brønnøysundregistrene
Postadresse: Postboks 900, 8910 Brønnøysund
Telefon: 75 00 75 00
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673

Organisasjonsnr: 963 109 288
KCC SHIPOWNING AS

RESULTATREGNSKAP

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Organisasjonsnr: 963 109 288
KCC SHIPOWNING AS

BALANSE

Beløp i: USD	Note	2024	2023
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Organisasjonsnr: 963 109 288
KCC SHIPOWNING AS

NOTEOPPLYSNINGER - SELSKAP

- alle poster oppgitt i hele tall

Note
1

Regnskapsprinsipper
Se financial statements 2024, note 1.

Note

Antall årsverk i regnskapsåret
0.00

Sum	Beløp

Balanseført verdi 31.12.	Varige driftsmidler	Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Konsern, tilknyttet selskap m.v. - fordringer og gjeld

Fordringer

Samlet beløp - tilknyttet selskap	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - felles kontrollert virksomhet	Årets	Fjorårets

Pantstillelse	Beløp

Beholdning av egne aksjer	Antall	Pålydende	Andel av aksjek.

Note

Lån og sikkerhetsstillelse til medlemmer
Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Opplysninger om: **Medlemmer av:**

Mer om lån og sikkerhetsstillelse

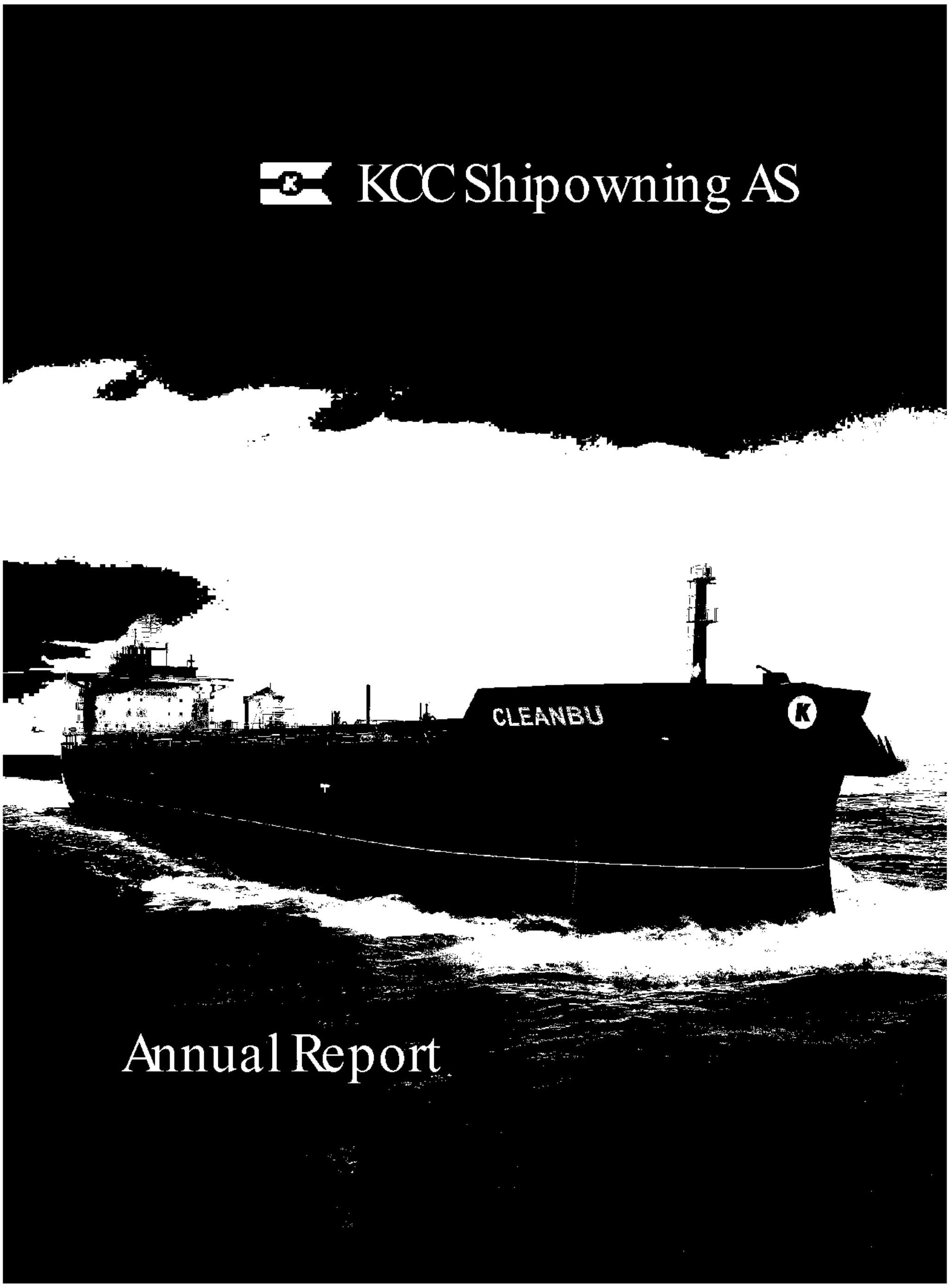
Admincontrol

List of Signatures

Page 1/1

KCCS BOD + annual report 31.12.24.pdf

Name	Method	Signed at
Dahm, Engebret	BANKID	2025-03-28 14:57 GMT+01
MEYER, ERNST ANDRÉ	BANKID	2025-03-28 13:45 GMT+01
Dyrnes, Liv Hege	BANKID	2025-03-28 12:49 GMT+01
Andreassen, Gøran	BANKID	2025-03-28 12:45 GMT+01


KCC Shipowning AS
CLEANBU
Annual Report

KCC SHIPOWNING AS

BOARD OF DIRECTORS' REPORT 2024

KCC Shipowning AS ("KCCS" or the "Company") was incorporated 1 January 1992 and is owned by Klaveness Combination Carriers ASA (97%) and KCC Chartering AS (3%). KCCS is located in Oslo, Norway. The Company's main activity is shipping investments in combination carriers. As per year-end 2024, the Company's fleet consisted of eight CABU vessels, seven CLEANBU vessels and three CABU newbuildings with delivery in 2026. The CABU vessels have capacity to transport caustic soda (CSS), liquid fertilizer (UAN) and molasses as well as all dry bulk commodities. The CLEANBU vessels are both full-fledged LR1 product tankers and Kamsarmax dry bulk vessels. The vessels owned by the Company are managed by the chartering company KCC Chartering AS (KCCC, affiliated company) covering chartering and commercial vessel operation. KCC Shipowning AS is subject to the Norwegian tonnage tax system.

Key development 2024 and future priorities

2024 was characterized by extreme market volatility, especially in the product tanker market, and continued geopolitical tensions. The Company delivered historically strong financial results. TCE earnings matched product tanker spot earnings at the peak of the market in the first half and outperformed the spot markets in a weaker second half, demonstrating the value of efficiency, flexibility and diversification achieved by the combination carrier concept.

The CABU fleet delivered strong time charter earnings supported by high caustic soda contract volumes and high trading efficiency.

Time charter earnings for the CLEANBU fleet hit another record in 2024. The fleet benefitted from an exceptionally strong product tanker market in the first half of 2024, the CLEANBU fleet continued to expand the numbers of customers and trades in 2024 and, during the year, re-entered the efficient combination trade between South American and the Middle East/India.

The fleet experienced no major or medium injuries, or accidents in 2024, but registered one high-risk potential accident.

Anticipating less difference between the product tanker and dry bulk markets in 2025 compared to 2024, KCC's business model with efficient combination trading is expected to deliver increased earnings premiums compared to the standard markets.

For the CABUs, focus is on increasing KCC's market share with existing caustic soda solution import customers and to establish business with the new Australian lithium refineries which are expected to increase their caustic soda solution imports over the next years. The construction of the three CABU newbuild vessels, starting in 2025, is also an important milestone for KCC.

For the CLEANBUs, KCC will focus on further expanding the customer base and the terminal acceptance of the vessels and to diversify trading in the most efficient combination trades to North/South America and Australia.

The business

ESG

The Company's main priority the crew's health and safety. 2024 was a strong safety year for the fleet. The Lost Time Injury Frequency (LTIF) was 0.3 for 2024, better than the target of 0.5.

While the Company did not experience any serious accidents during the year, one high-risk potential accident was registered in 2024, compared to two in 2023. We use all actual and high-risk potential accidents and incidents to learn and improve the way operations are performed and to prevent serious accidents from happening in the future.

The vessels are all under the technical management of Klaveness Ship Management AS. To meet the requirements related to safety and environment as well as to prevent pollution, significant resources are used on quality- and risk management. All vessels are operated under the principles for quality control in accordance with the ISM code. In addition to operating according to technical precautions established in ISM and MARPOL to protect the environment, the Company seeks to reduce the burden on the environment by increasing the efficiency of transport and reducing ballast voyages.

The Company did not detect severe human rights violations or substandard working conditions in our own operations in 2024. The Transparency Act report for Klaveness Combination Carriers ASA and its subsidiaries for 2024 is published on the website www.combinationcarriers.com.

CABU
By year-end 2024, the CABU combination carrier fleet consisted of eight vessels employed in trades between Far East and Middle East to/from Australia. In addition, the Group concluded in 2023 a shipbuilding contract with Jiangsu New Yangzi Shipbuilding Co., Ltd in China, to build three third generation CABU vessels with delivery in 2026.

The chartering company in the group, KCC Chartering AS (KCCC), employing all the CABU vessels increased its market share of caustic soda solution (CSS) shipments to Australia, increasing the share of days in main combination trades. CSS Contract of Affreightment (COAs) covered the full wet capacity of the CABU fleet also for 2024. Approximately 40% of the secured contract days for 2024 had fixed freight rates concluded at historically strong levels, but somewhat below the 2023 contract rates. The remaining 60% of contract days were covered by index-linked contracts. For 2025 approximately 95% of the wet capacity is fixed, whereof approximately 30% of the COA volume is fixed-rate and 70% index-linked.

Three vessels were dry-docked in 2024 with in total 130 scheduled off-hire days. One vessel completed the installation of several energy efficiency measures including a retrofit installation of a shaft generator and an air lubrication system. Unscheduled off-hire ended at 19 days for 2024, down from 26 days in 2023.

CLEANBU
The seven CLEANBU vessels service the petroleum and petrochemical industries trading wet products, mainly Clean Petroleum Products (CPP) into dry bulk export hubs and dry bulk products back to the CPP loading areas.

The number of customers using the vessels and the number of terminals accepting the vessels increased throughout 2024, improving further the trading flexibility and efficiency as well as the competitive strength of the CLEANBU fleet. The main trades in 2024 were from India and the Middle East into South America and the US with CPP, returning with sugar, vegetable oils, or grains.

The CLEANBU fleet maintained a high share of capacity allocated in wet trades to benefit from a significantly stronger product tanker market compared to the dry bulk market through 2024. This had some negative impact on trading efficiency with share of days in combination trading falling somewhat in 2024 compared to 2023, whereof days in ballast remained steady.

Three CLEANBU vessels completed periodic dry-dock in 2024, with a total of 278 scheduled off-hire days. Two of the vessels experienced technical issues and bad weather during the dry-dock which negatively impacted the number of off-hire days. The fleet had two unscheduled off-hire days in 2024.

Market development
Earnings of KCCS' combination carriers are driven by the Panamax dry bulk market, MR[1] and LR1[2] product tanker markets and fuel markets.

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[1] Average MR TCE earnings as reported by Clarksons. One month lag due to normal time of fixing.
[2] Average LR1 TCE earnings as reported by Clarksons. One month lag due to normal time of fixing.

Freight rates for global seaborne transportation are highly volatile and cyclical. The demand for global seaborne transportation depends on global economic growth, and in particular the development in the energy and commodities markets.

Dry bulk market[3]
Average TCE spot earnings for Panamax vessel (P5TC) were approximately $14,700/day in 2024, up from approximately $12,600/day in 2023. The first quarter, often seasonally weak, was stronger than expected. This is largely explained by high ton-mile demand lifting fleet utilization particularly for the Capesize segment where both Brazilian iron ore and Guinea bauxite exports posted strong growth. The positive Capesize fundamentals also lifted the sentiment in the Panamax segment, which was further supported by increased South American grain exports and by disruption to both the Suez and the Panama canals. Panamax rates continued to increase through Q2 on the back of the disruption in the Red Sea, resulting in increased ton-mile demand.

Markets weakened in the second half of the year both due to normalization of the Panama Canal resulting in shorter sailing distances and low Chinese demand of especially grains following several quarters with high imports.

After a seasonally very weak start of 2025, the dry bulk market has strengthened in March 2025supported by the South American grain season. While dry bulk demand outlook in South Asia is positive, there are more risks to Chinese dry bulk demand in 2025. Both Chinese iron ore and coal inventories are high and tight financing conditions might impact the dry bulk market negatively. The dry bulk order book, however, remains at historically low levels, supporting the supply-demand balance going forward.

Product tanker market[4]
While the respective average TCE rates for both MR and LR1 of $28,600/day and $35,600/day were somewhat down from 2023 (MR: $31,500/day, LR1: $39,100/day), the rates in 2024 still represent historically high levels.

The product tanker market continued to strengthen in the beginning of 2024, from already elevated levels, following the disruption in the Red Sea and the resulting increased sailing distances from routing vessels around the Cape of Good Hope. In the last three quarters of the year product tanker earnings fell back, mainly due to increased competition from crude tankers, as crude tankers cleaned and switched to trading clean products, weaker oil demand, and weak refinery margins. The normal seasonally strong winter market, which typically starts in the fourth quarter, failed to materialize as clean petroleum products (CPP) tonmile demand fell by approximately 8% Q-o-Q . In particular, East-to-West clean shipment volumes fell markedly. This was likely due to contraseasonal stock-builds in Europe during the second and third quarter on the back of influx of the large crude carriers cleaning up to carry CPP on the East/ West route.

Average clean tanker earnings for the full year of 2025 are expected to soften compared to the record-strong earnings in 2024. While market fundamentals continue to be relatively strong, there are large uncertainties following high geopolitical and macroeconomic risks. Oil demand and production is expected to continue to grow, supporting demand for seaborne transportation of oil products. The main risks to the product tanker market balance are linked to increased fleet growth, lower ton-mile demand growth from a potential resolution to the Red Sea disruption and the war in Ukraine, and a possible continued or deepening slowdown in China. The impact of the US tariffs are uncertain.

Risk and risk management
It is important for the Board of Directors that the right risk reward assessment is made and that the internal control routines are good. Risk assessment, monitoring and implementation of mitigating actions are a part of the Company's daily activities. A probability and impact matrix is used to identify risks and based on this assessment mitigating actions are outlined for the main risks. Risks related to vessel technical operation and crew safety are assessed, monitored, and handled by the ship manager, Klaveness Ship Management AS.

3 Source: Klaveness Research
4 Source: Clarksons Securities and Shipping Intelligence Network (SIN) Oil and Tanker Trades outlook market January 2025

Below is a list of some of the principal risks identified that may affect business operations, reputation, financial position and operations with focus on the next 12 months:

- Volatile freight rates and unfavorable changes in trade flows and volumes, whether due to structural shifts or events such as geopolitical conflicts and supply chain disruptions, continue to pose risks.
- Owning and operating vessel concepts that are not standard such as the CLEANBUs entail commercial and technical risks, including but not limited to establishing and maintaining trades and a brand in the clean petroleum market, and obtaining acceptance and/or exemptions from clients and terminals to operate in combination trades where the vessels trade consecutively with dry bulk and clean petroleum product (CPP) cargoes.
- Dependence on key customers and contract renewals, particularly related to caustic soda solution transportation
- Increased risk to vintage tonnage due to stricter emissions regulations (e.g. CII and EEXI) and customer requirements.
- The Company is an early adopter of energy efficiency technology, and success depends on cost-effective execution and performance meeting expectations.

In a longer-term perspective, the current assessment includes the following risks:

- Global economic growth and the impact on energy and commodity markets
- Impact of a low-carbon future with introduction of emission regulations, zero-emission vessels, and lower demand for transportation of fossil fuels.
- Newbuilding program with delivery of three CABU newbuilds in 2026

A description of the risks can be found in the Consolidated Financial Statements for 2024 for Klaveness Combination Carriers ASA, note 16 and identified impacts, risks and opportunities for sustainability reporting is described in detail in the sustainability statement.

Net result and financial position

Total operating revenue for 2024 was USD 174.4 million (2023: USD 181.9 million) and operating expenses, vessels amounted to USD 51.1 million (2023: USD 47.7 million). The decrease in revenue is mainly due to less on-hire days in 2024 mainly related to the CLEANBU dry-docking program.

Operating profit before depreciation was USD 121.6 million for 2024 (2023: USD 145.0 million). 2023 was impacted by gain from sale of the vessel MV Bass to KCC Bass AS of USD 13.1 million. Depreciation for 2024 of USD 31.4 million was slightly down from 2023 (USD 32.5 million) due to fully depreciated capitalized dry-docks and delays in dry-dock schedule (note 7). Net financial items were negative by USD 8.0 million in 2024 up from negative USD 12.2 million in 2023. Net profit after tax was USD 82.2 million for 2024 (2023: USD 100.2 million).

Total assets decreased by USD 6.5 million in 2024 from USD 560.3 million at year-end 2023 to USD 553.8 million at year-end 2024 mainly due to the depreciation of vessels and lower cash holdings, partly offset by investments in vessels. Total interest-bearing debt ended at USD 137.2 million at the end of 2024, down from USD 160.0 million at year-end 2023, reflecting debt repayments.

Total equity ended at USD 374.1 million at year-end 2024, a decrease of USD 19.4 million during the year (2023: USD 393.5 million) due to paid dividends of USD 100.0 million partly offset by profit for the year. The equity ratio ended at 68 % per year-end 2024, slightly down from 70 % per year-end 2023.

Cash and cash equivalents ended at USD 37.6 million by the end of 2024, down from USD 42.1 million at year-end 2023. The cash flow from operating activities was USD 125.0 million in 2024 (2023: USD 134.3 million) mainly driven by EBITDA. Cash flow from investing activities was negative USD 28.3 million (2023: positive USD 6.7 million) following dry-docking and energy efficiency investments of in total USD 26.7 million in addition to newbuild costs of USD 1.6 million.. The cash flow from financing activities was negative USD 101.1 million (2023: negative USD 153.2 million) which mainly consists of loan installments, interest payments and dividends paid.

The Company has no employees. The Board of Directors consists of two men and one woman.

The Company has taken out insurance cover potential litigations against the board members and general manager.

The Board of Directors confirms that the financial accounts have been prepared under a going concern assumption.

Subsequent events
On 21 January 2025, the steel cutting for the newbuilding Hull #1560 was made and USD 5.7 million was paid to the yard. On 24 March 2025, the steel cutting for newbuilding Hull #1561 was made and USD 5.7 million was paid to the yard.

There have been no major transactions or events following the closing date that would have a negative impact on the evaluation of the financial position of KCC Shipowning AS as per 31 December 2024.

The Board of Directors of KCC Shipowning AS

~~Oslo, 31 December 2024~~
Oslo, 28 March 2025

Ernst Meyer Chair of the Board	Liv Hege Dyrnes Board Member
Gøran Andreassen Board Member	Engebret Dahm CEO

KCC Shipowning AS

Income Statement

USD '000	Note	Year ended 31 December 2024	2023
Operating revenue, vessels	3	174 391	181 900
Other revenue	3	-	-
Total operating revenue		**174 391**	**181 900**
Gain from sale of fixed assets	3	-	13 130
Other operating income		817	-
Operating expenses, vessels	2	(51 099)	(47 691)
Group administrative services	5	(2 221)	(1 990)
Tonnage tax		(153)	(175)
Other operating and administrative expenses	2	(90)	(202)
Operating profit before depreciation		**121 646**	**144 972**
Depreciation	7	(31 405)	(32 544)
Reversal of impairment	7	-	-
Operating profit after depreciation		**90 240**	**112 428**
Finance income	5	3 921	2 502
Finance costs	5	(11 951)	(14 747)
Profit/(loss) before tax		**82 210**	**100 183**
Income tax expenses	6	-	-
Profit/(loss) for the year		**82 210**	**100 183**

KCC Shipowning AS

Statement of Other Comprehensive Income

USD '000	Note	Year ended 31 December 2024	2023
Profit for the year		**82 210**	**100 183**
Other comprehensive income to be reclassified to profit or loss			
Net movement fair value on interest rate swaps		(1 564)	(2 245)
Other comprehensive income/(loss) for the period, net of tax		**(1 564)**	**(2 245)**
Total comprehensive income/(loss) for the period, net of tax		**80 647**	**97 938**

KCC Shipowning AS

Balance Sheet Statement

ASSETS USD '000	Note	31 Dec 2024	31 Dec 2023
Non-current assets			
Vessels	7	464 904	469 574
Newbuilding contracts	8	19 170	17 591
Financial assets	11	4 382	4 434
Total non-current assets		**488 456**	**491 600**
Current assets			
Short-term financial assets	11	2 022	1 587
Inventories		2 234	1 179
Short-term receivables from related parties	15	20 720	21 725
Prepaid expenses	9	1 361	1 360
Other short-term receivables	9	1 403	818
Cash and cash equivalents	10	37 627	42 075
Total current assets		**65 366**	**68 745**
TOTAL ASSETS		**553 822**	**560 344**

EQUITY AND LIABILITIES USD '000	Note	31 Dec 2024	31 Dec 2023
Equity			
Share capital		298	298
Share premium		151 341	151 341
Retained earnings		222 485	241 839
Total equity		**374 124**	**393 478**
Non-current liabilities			
Mortgage debt	13	115 519	138 352
Long-term debt to related party	15	32 750	-
Total non-current liabilities		**148 269**	**138 352**
Current liabilities			
Short-term interest bearing debt	13	21 669	21 669
Accounts payable		2 536	1 006
Short-term payables to related party	15	1 274	1 388
Current debt to related parties	15	1 050	-
Tonnage tax payable		159	179
Other current liabilities		4 740	4 273
Total current liabilities		**31 428**	**28 514**
TOTAL EQUITY AND LIABILITIES		**553 822**	**560 344**

Oslo, 31 December 2024

Oslo, 28 March 2025

Ernst Meyer
Chair of the Board

Gøran Andreassen
Board member

Liv Hege Dyrnes
Board member

Engebret Dahm
CEO

KCC Shipowning AS

Statement of Changes in Equity

Attributable to equity holders of the parent

2024	Share capital	Share premium	Retained earnings	Total
Equity 1 January 2024	**298**	**151 340**	**241 839**	**393 477**
Profit (loss) for the year	-	-	82 210	82 210
Other comprehensive income for the year	-	-	(1 564)	(1 564)
Total comprehensive income for the year	**-**	-	**80 647**	**80 647**
Dividends (note 1)	-	-	(100 000)	(100 000)
Equity at 31 December 2024	**298**	**151 340**	**222 485**	**374 124**

2023	Share capital	Share premium	Retained earnings	Total
Equity 1 January 2023	**298**	**151 340**	**217 902**	**369 540**
Profit (loss) for the year	-	-	100 183	100 183
Other comprehensive income for the year	-	-	(2 245)	(2 245)
Total comprehensive income for the year	-	-	**97 938**	**97 938**
Dividends	-	-	(74 000)	(74 000)
Equity at 31 December 2023	**298**	**151 340**	**241 839**	**393 477**

KCC Shipowning AS

Statement of Cash Flows

USD '000	Note	2024	2023
Profit before tax		82 210	100 183
Tonnage tax expensed		153	175
Gain of sale of vessels	2	-	(13 130)
Depreciation	2	31 405	32 544
Amortization of upfront fees bank loans	4	843	1 445
Gain (-)/ loss on foreign exchange	4	87	(146)
Financial derivatives unrealised loss / gain (-)	4	-	303
Interest income	4	(3 921)	(2 355)
Interest expenses	4	11 021	12 998
Change in receivables		1 920	2 441
Change in current liabilities		(1 612)	(2 164)
Change in other working capital		(1 055)	(366)
Interest received	4	3 921	2 355
A: Net cash flow from operating activities		**124 972**	**134 283**
Acquisition of tangible assets	2	(26 736)	(12 643)
Installments and cost on newbuilding contracts		(1 578)	(17 591)
Cash proceeds from sale of vessels	2	-	36 959
B: Net cash flow from investing activities		**(28 315)**	**6 724**
Proceeds from borrowings	3	10 000	130 000
Transaction costs on issuance of loans	3	-	(1 589)
Repayment of borrowings	3	(33 669)	(196 635)
Repayment of borrowings to related party		(25 000)	-
Loan to KCC ASA		(15 000)	-
Interest paid	4	(11 236)	(14 993)
Termination of interest rate derivatives	3	-	4 001
Dividends	1	(26 200)	(74 000)
C: Net cash flow from financing activities		**(101 105)**	**(153 216)**
Net change in liquidity in the period		**(4 448)**	**(12 209)**
Cash and cash equivalents at beginning of period		42 075	54 284
Cash and cash equivalents at end of period		37 627	42 075
Net change in cash and cash equivalents in the period		**(4 448)**	**(12 209)**

Note 2 - Operating expenses

(USD '000)	2024	2023
Technical expenses	10 780	10 709
Crew costs	22 666	21 784
Insurance	3 175	3 153
Crewing agency fee to Klaveness Ship Management AS (note 15)	1 383	1 396
Ship management fee to Klaveness Ship Management AS (note 15)	4 198	3 917
Other operating expenses	8 897	6 733
Total operating expenses	**51 099**	**47 691**

Technical expenses are costs related to spare parts, consumables, cargo handling, power supply, navigation and communication. Crew costs include sea personnel expenses such as wages, social costs, travel expenses and training. Costs related to technical management, maintenance and crewing services are recognised as operating expenses, see note 16 for transactions with related parties.

Note 3 - Revenue from contracts with customers

Disaggregated revenue information
The Company has income from chartering (hiring) out its vessels to operating companies. Set out below is the Company's revenue from time charter contracts.

Revenue types (USD'000)	Classification	2024	2023
Revenue from TC contracts	Charter hire revenue	174 391	181 900
Total revenue, vessels		**174 391**	**181 900**
Other income	Loss of hire compensation	817	-
Gain on sale of vessels (note 7)	Gain on sale of vessels	-	13 130
Total other income		**817**	**13 130**

In March 2023, the CLEANBU vessel, MV Bass was sold from KCC Shipowning AS to KCC Bass AS and a gain on vessel of USD 13.1 million was recorded.

Accounting policy

The Company is in the business of transporting cargo by sea.

The Company's revenue in ship owning companies derives from chartering (hiring) out its vessels to operating companies. Vessels owned by the Company are operated by KCC Chartering AS (KCCC), affiliated Company, and the Company receives a variable time charter revenue. Revenue from time charters are accounted for as operating leases under IAS 17. The Company's time charter contracts have a duration of less than 12 months.

Charter hire from KCCC is recognized in accordance with revenue recognition in KCCC which is based on discharge-to-discharge basis (percentage of completion method). Charter revenue from KCCC has been recognized over time based on obtained charter hire rate.

Revenues and costs associated with the vessels' voyages are accrued according to the share of voyage days that occur before closing (percentage of completion method). Voyage accounting consists of actual figures for completed voyages and estimates for voyages in progress. Except for any period when a vessel is declared off-hire due to techincal or others owner's matters, a ship is always allocated to a voyage.

Note 4 - Other operating expenses

The Company has no employees, and as such no wage expenses or pension liabilities have occurred in 2024. Management services are aquired from Klaveness Combination Carriers ASA, where the managing director is employed. Members of the Board of Directors are employed of other companies within Rederiaskjeselskapet Torvald Klaveness (RASTK). No special remuneration has been paid to the members of the Board of Directors, as such positions are a part of their regular employment.

Remuneration to the auditor

USD'000	2024	2023
Statuatory audit	42	49
Other assurance services	3	2
Total expensed audit fee	**44**	**51**

Auditor's fees are stated excluding VAT.

Note 5 - Finance income and finance costs

USD '000 Finance income	2024	2023
Other interest income	3 684	2 355
Other financial income	1	1
Interest received from related parties	236	-
Gain on foreign exchange	-	146
Finance income	**3 921**	**2 502**

USD '000 Finance cost	2024	2023
Interest paid to related parties	500	500
Interest expenses mortgage debt	9 086	11 235
Amortization capitalized fees on loans	843	1 445
Other financial expenses	1 142	863
Fair value interest rate swaps	-	303
Financial expenses to related parties	293	400
Loss on foreign exchange	87	-
Finance cost	**11 951**	**14 746**

Amortization of capitalized fees on loans of USD 1.4 million in 2023 includes derecognition of remaining loan fees of USD 0.6 million for re-financed loan facilities (note 14).

Note 6 - Taxes

Tonnage tax
The Company is subject to the tonnage tax regime and is exempt from ordinary tax on its shipping income. Companies within this regime pay a tonnage fee based on the size of the vessels. The fee is recognized as an operating expense. Financial income is taxed in line with ordinary Norwegian corporate tax, however only a portion of the interest and currency expenses are tax deductible.

Ordinary taxation
The ordinary rate of corporation tax in Norway is 22 % for 2024 (2023: 22 %).

(USD '000) A. TAX EXPENSE	31 Dec 2024	31 Dec 2023
Tax payable	-	-
Change deferred tax / deferred tax asset	-	-
Total tax expense/(income) reported in the income statement	-	-
Tax net gain /loss on revaluation of cash flow hedges	-	-
Tax effects in other comprehensive income	-	-
Deferred tax charged to OCI	-	-

B. CALCULATION OF TAX BASIS - TAX PAYABLE	31 Dec 2024	31 Dec 2023
Pre -tax profit	80 647	97 938
Profit from shipping operations	(81 131)	(95 387)
Net financial items according to calculation in section B.1	(485)	2 551
Use of tax losses carried forward	520	(4 992)
Exchange rate adjustment	(35)	(3)
Tax basis for the year	(0)	(2 444)
Tax payable	-	-
Tonnage tax (included in operation profit)	153	175
Correction prior year tonnage tax	-	-
Tonnage tax payable in the balance sheet	**153**	**175**

B.1.1 CALCULATION OF PROPORTIONAL DEDUCTION OF INTEREST EXPENSE / FOREIGN CURRENCY LOSSES
(Figures calculated from NOK to USD at year-end rate of exchange)

Calculation of share of total financial assets for KCC Shipowning AS	**At January 1, 2024**	**At December 31, 2024**	**Average**
Financial assets KCC Shipowning AS	72 928	63 162	68 045
Total financial assets of the company, including underlying companies	72 928	63 162	68 045
Total capital in KCC Shipowning AS	447 619	452 892	450 256
Share of financial assets (in %)	16,29 %	13,95 %	15,11 %
Exchange rate adjusted share of financial assets (in %)			12,65 %

Calculation of proportional deduction for interest expenses / foreign currency losses	**2024**
Actual interest expenses recorded in the profit and loss account	(9 586)
Interest expense, not deductable	-
Interest expense subject to proportional distribution	(9 586)
Calculated proportion of interest expenses for deduction in tax income 12,65%	**(1 213)**
Foreign currency losses / (gain) recorded in the profit and loss account	87
Calculated proportion of currency gain/ loss for increase/ decrease in tax income 12,65 %	**11**

Note 6 - Taxes cont.

B.1.2 CALCULATION OF NET FINANCIAL ITEMS	31 Dec 2024	31 Dec 2023
Financial income and expenses recorded in the profit and loss account		
Interest income from Group companies	236	-
Other interest income	3 684	2 355
Other financial income	1	1
Interest expense according to proportional calculation	(1 213)	(1 650)
Realized swap interest - including change in temporary difference on accrued interests)	49	113
Realized IRS instruments terminated in 2023	(1 817)	3 017
Other financial expenses	(1 435)	(1 263)
Foreign currency loss according to proportional calculation	11	(21)
Forreign currency adjustment	-	-
Net financial items	**(485)**	**2 551**

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

(Figures calculated from NOK to USD at year-end rate of exchange)

	At January 1, 2024	At December 31, 2024	Average
Total capital KCC Shipowning AS	447 619	452 892	450 256
A) Total, adjusted assets	447 619	452 892	450 256
Liabilities in KCC Shipowning AS	166 866	179 697	173 282
B) Total, adjusted liabilities	166 866	179 697	173 282
C) 30% of average assets (A*30%)			135 077
Average equity above 70% C - B			(38 205)
Increase in income due to high equity - Prescribed interest rate on positive amount (1.30 %)			-

C. RECONCILIATION OF NOMINAL AND ACTUAL TAX RATES:	31 Dec 2024	31 Dec 2023
Profit before tax	80 647	97 938
Nominal tax rate	22 %	22 %
Calculated tax payable on pre-tax profit using the nominal taxation rate	17 742	21 546
Tax effect, profit from shipping operations	(17 857)	(20 986)
Tax effect, change in not listed deferred tax	(438)	(777)
Tax effect, temporary differences	552	216
Tax expense	**(0)**	**(0)**
Effective tax rate	0,00 %	0,00 %

Note 6 - Taxes cont.

Specification of the tax effect of temporary differences

D. DEFERRED TAX / (DEFERRED TAX ASSET) (USD'000)	Status at Jan 1, 2024	Change	Status at Dec 31, 2024	Tax effect at Dec 31, 2024 22 %	Status at Dec 31, 2023	Tax effect at Dec 31, 2023 22 %
Provision for loss on interest rate instrument	6 328	76	6 404	1 409	6 328	1 392
Estimated, unpaid swap interest	(444)	5	(440)	(97)	(444)	(98)
IFRS: Financial instruments valued at fair value		-		-		-
Terminated IRS instruments 2023	(3 017)	2 119	(898)	(197)	(3 017)	(664)
Temporary differences (Omvurderingskonto)	(308)	308	-	-	(308)	(68)
Total temporary differences	2 558	2 508	5 067	1 115	2 558	563
Total temporary differences - before financial losses carried forward	**2 558**	**2 508**	**5 067**	**1 115**	**2 558**	**563**
Financial losses carried forward	(9 787)	(520)	(10 307)	(2 268)	(9 787)	(2 153)
Total temporary differences	**(7 229)**	**1 989**	**(5 240)**	**(1 153)**	**(7 229)**	**(1 590)**

Deferred tax / (deferred tax asset) recorded in the balance sheet	-		-
Change in deferred tax / (deferred tax asset)	-		-

Note 7 - Vessels

(USD '000)	2024	2023
Cost price 1.1	627 270	661 427
Energy efficiency upgrade	11 444	7 368
Technical upgrade	1 810	316
Dry-docking	13 482	4 959
Disposals	-	(46 800)
Costprice end of period	**654 007**	**627 270**
Acc. Depreciation 1.1	150 862	119 291
Acc. Depreciation disposal of vessel	-	(973)
Depreciation vessels	31 405	32 544
Acc. depreciation end of period	**182 267**	**150 862**
Acc. impairment losses 1.1	6 835	6 835
Impairment for the year	-	-
Acc. impairment losses end of period	**6 835**	**6 835**
Carrying amounts end of period*	**464 904**	**469 574**
*) carrying value of vessels includes dry-docking		
No. of vessels	15	15
Useful life (vessels)	25	25
Useful life (drydock)	2-3	2-3
Depreciation schedule	Straight-line	Straight-line

Reconciliation of depreciations (USD '000)	2024	2023
Depreciation vessels	31 405	32 544
Depreciations for the period	**31 405**	**32 544**

Disposals
In March 2023, the CLEANBU vessel, MV Bass was sold from KCC Shipowning AS to KCC Bass and a gain of USD 13.1 million was recognised in 2023. Gain is calculated as sales price less book value of the vessel at the time of sale less any direct costs of sale.

Additions
Six vessels dry-docked in 2024 for a total cost of USD 13.5 million. Technical upgrades of USD 1.8 million and energy efficiency upgrades of USD 11.4 million are related to general improvement of the technical performance of the vessels and energy efficiency initiatives, the latter deducted by grants from ENOVA. KCC Shipowning has secured in total approximately USD 1.4 million in grants from ENOVA to finance investments in energy saving solutions for one CABU vessel and one CLEANBU vessel. Both vessels have completed the installations and the full USD 1.4 million is capitalized as of 31 December 2024.

Pledged Vessels

All owned vessels except MV Bangor, MV Banastar and MV Barcarena are pledged to secure the various loan facilities (refer to note 13 for further information).

Impairment assessment
Identification of impairment indicators is based on an assessment of development in market rates (dry bulk, MR tanker, LR1 tanker and fuel), TCE earnings for the fleet, vessel opex, operating profit, technological development, change in regulations, interest rates and discount rate. The rise in the interest rates increases the discount rate used in calculation of recoverable amount. As previous sensitivity analysis of recoverable amount shows that the decrease in recoverable amount is unlikely to result in a material impairment loss, as per IAS 36.16, this has not been considered an impairment indicator. Expected future TCE earnings for both fleets of CABUs and CLEANBUs, diversified market exposure, development in secondhand prices and the combination carriers' trading flexibility support the conclusion of no impairment indicators identified as per 31 December 2024.

ENOVA= A Norwegian government enterprise responsible for promotion of environmentally friendly production and consumption of energy.

Accounting Policy

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

Useful life and residual values
The carrying amount of vessels is based on management's assumptions of useful life. Useful life for the combination carrier vessels is reassessed on an annual basis. Useful life may change due to change in technological developments, competition, environmental and legal requirements, freight rates and steel prices. Management has also considered the impact of decarbonisation and climate related risks on the existing assets' useful lives. Such risks include new climate related legislation restricting the use of certain assets, new technology demanded by climate related legislation and customer requirements (see note 14).

Based on the updated dry docking schedule, the vessels are planned for dry docking with a limited scope during each intermediated survey, first time approximately 2.5 years after delivery.

KCCS commits to perform recycling of its vessels in compliance with the Hong Kong convention and, the Norwegian Shipowner's Association's guidelines. Annual assessment of residual value is based on observable market prices and available scrapping alternatives as of today. Residual value estimates for the KCCS vessels have been calculated based on average price for Turkey and India, deducted by best estimate of direct costs for scrapping. There is a high degree of uncertainty in net green pricing for recycling. KCCS has concluded to retain a scrap value of USD 3.8/5.3/5.9 million for CABUI/CABUII/CLEANBU for 2025.

Impairment testing
At the end of each reporting period the Company assesses whether there is any indication of impairment. If any indication exists, the Company will estimate the recoverable amount of the asset. Recoverable amount is set as the highest of fair value less cost to sell and value in use. If carrying value exceeds the estimated recoverable amount, impairment is recognised. Impairments are reversed in a later period if recoverable amount exceeds carrying amount.
Identification of impairment indicators is based on an assessment of development in market rates (dry bulk, MR tanker, LR1 tanker and fuel), TCE earnings for the fleet, vessel opex, operating profit, technological development, change in regulations, interest rates and discount rate. As per year end 2023 and 2024 no indicators for impairment were identified.

Cash-generating units
The Company operates combination carrier vessels that can switch between dry and wet cargo. The CABUs have the same characteristics in respect of what cargo to transport, number of cargo holds and size of the vessel. All the CLEANBUs are identical vessels with same characteristics. CLEANBU vessels have higher cargo carrying capacity than the CABUs, and can in addition transport other types of wet commodities. All the CABU vessels are interchangeable, same for all the CLEANBU vessels. Investment, continuance and disposal decisions are made by class of vessels. The CABU and CLEANBU vessels are operated by KCC Chartering AS (KCCC). Contracts (COAs) are normally not negotiated based on a specific vessel. It is the sum of vessel capacity at any time that determines the optimization of voyages. A portion of the voyages are also executed in the spot market, and KCCC is dependent on operating the vessels as a portfolio according to free vessel capacity and available cargos.

The Company has defined the fleet of CABUs (including newbuildings) and the fleet of CLEANBUs as two separate cash generating units.

Government grants

The government grants related to assets are presented in the statement of financial position by deducting the grants from the carrying amounts of the assets. Government grants are recognized according to the percentage of completion method in the proportion to which depreciation expense of the assets are recognized. The grants are recognized in profit or loss over the life of the depreciable asset as a reduced depreciation expense.

Note 8- Newbuildings

(USD '000) Cost 1.1	31 Dec 2024	31 Dec 2023
Cost 1.1	17 591	-
Yard installments paid	-	17 205
Other capitalized cost	1 578	386
Net carrying amount	**19 170**	**17 591**

Remaining newbuilding installments[1] (USD '000)	2025	2026	Total
CABU III - Hull 1560	20 073	31 543	51 616
CABU III - Hull 1561	20 073	31 543	51 616
CABU III - Hull 1562	14 338	37 278	51 616
Net carrying amount	**54 484**	**100 364**	**154 848**

As of 31 December 2024, the Company has three CABU combination carrier newbuildings on order at Jiangsu New Yangzi Shipbuilding Co., Ltd in China. The contract price is USD 57.4 million per vessel and estimated fully delivered costs are approximately USD 193.7 million for all three vessels. The expected delivery of the vessels is Q1-Q3 2026.

Installments of USD 17.2 million were paid as of year end 2024. The newbuildings are partly financed through equity raised in 2023 and cash on the balance sheet, and there were no borrowings related to the newbuilds as of 31 December 2024. Project fees of USD 1.6 million were capitalized during 2024.

[1]Delivery costs not included. Delivery costs will include costs for change orders, supervision and project management fee, upstoring costs and energy efficiency investments.

Note 9 - Trade receivables and other current assets

(USD'000)	31 Dec 2024	31 Dec 2023
Receivables from related parties (note 15)	20 720	21 725
Prepaid expenses	1 361	1 360
Insurance claim	555	70
Other short-term receivables	848	748
Other short-term receivables	**23 483**	**23 903**

Note 10 - Cash and cash equivalents

The Company has bank deposits in the following currencies:

(USD'000)	31 Dec 2024	31 Dec 2023
Cash and bank deposits, NOK	465	890
Bank deposits, USD	36 043	40 461
Bank deposits, EUR	1 119	-
Bank deposits, other currencies	-	724
Total cash and cash equivalents	**37 627**	**42 075**

Cash includes cash in hand, bank deposits and other highly liquid investments with original maturities of three months or less. No cash is restricted.

Note 11 - Financial assets & liabilities

To reduce interest rate risk, the Company has entered into interest rate swaps.

The Company holds interest rate swaps that qualify for hedge accounting. These instruments have a net market value of positive USD 6.4 million. Interest rate swaps qualifying for hedge accounting are recognised at fair value with changes through other comprehensive income. The Company also holds interest rate options recognized at fair value through profit and loss.

Financial assets at 31 December	31 Dec 2024	31 Dec 2023
Financial instruments at fair value through OCI		
Interest rate swaps	6 404	4 434
Financial assets	**6 404**	**4 434**

Financial liabilities at 31 December	31 Dec 2024	31 Dec 2023
Financial instruments at fair value through OCI		
Interest rate swaps	-	-
Financial liabilities	-	-

Note 12 - Fair value measurement

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

	Carrying amount		Fair value	
(USD'000)	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Financial assets at fair value through OCI				
Interest rate swaps	6 404	4 434	6 404	4 434
Financial assets measured at amortized costs				
Short-term receivables to related parties	20 720	21 725	20 720	21 725
Other short-term receivables	1 403	818	1 403	818
Total financial assets measured at amortized costs	**22 122**	**22 543**	**22 122**	**22 543**
Cash and cash equivalents	**37 627**	**42 075**	**37 627**	**42 075**
Total	**66 153**	**69 052**	**66 153**	**69 052**
Total current	61 771	64 618	61 771	64 618
Total non-current	4 382	4 434	4 382	4 434

	Carrying amount		Fair value	
(USD'000)	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Financial liabilities at amortised cost				
Long-term interest bearing debt	115 519	138 352	117 767	141 437
Short-term interest bearing debt	21 669	21 669	21 669	21 669
Accounts payable	2 536	1 006	2 536	1 006
Current debt to related parties	1 274	1 388	1 274	1 388
Other current liabilities	4 740	4 273	4 740	4 273
Total financial liabilities at amortised cost	**145 738**	**166 688**	**147 987**	**169 772**
Total	**145 738**	**166 688**	**147 987**	**169 772**
Total current	30 219	28 335	30 219	28 335
Total non-current	115 519	138 352	117 767	141 437

The fair value of the financial assets and liabilities is recognised as the value at which they could be exchanged in a transaction between willing parties other than in a forced or liquidation transactions. The following methods and assumptions are used to estimate the fair value of each class of financial instrument:
- Cash and restricted cash, trade receivables, trade payables and other current liabilities are recognized at their carrying amounts largely due to the short term maturities of these instruments.
- Fair value of loans from banks and other financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- Fair value of derivatives are based on mark to market reports recieved from banks.

Note 12 - Fair value measurement (cont.)

Fair value hierarchy
The Company use the financial hierarchy in IFRS 13 for determining and disclosing the fair value of financial instruments by valuation techniques. Below table presents fair value measurements to the Company's assets and liabilities at 31 December 2024.

31 December 2024 Assets (USD'000)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through OCI				
Interest rate swaps		6 404		**6 404**

31 December 2024 Liabilities (USD'000)	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value, but for which fair value is disclosed				
Mortgage debt, non-current			117 767	**117 767**
Mortgage debt, current			21 669	**21 669**

Accounting policy

Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as interest rate swaps to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:
- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

As per 31 December 2024 all the Company hedges are classified as cash flow hedges.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:
- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not dominate the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

The effective portion of the gain or loss on the hedging instrument is recognised directly as other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit and loss. Amounts recognised as other comprehensive income are transferred to profit and loss when the hedged transaction affects profit and loss, such as when the hedged financial income or expense is recognised or when a forecast transaction occurs.

Derivative financial instruments that are designated as, and are effective hedging instruments are separated into a current and non-current portion consistent with the classification of the underlying item.

Fair value measurement
Derivatives are measured at fair value. The fair value of financial instruments traded in active markets is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs. The fair value of financial instruments not traded in active markets is determined using appropriate evaluation techniques.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 – Quoted (unadjusted) market prices in active markets for identical assets and liabilities
Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instruments are included in level 2.

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. During the reporting periods there were no transfers between any of the levels.

Note 13 - Interest bearing debt

In December 2024, the Company made a drawdown of USD 10 million under the DNB/SEB/SRB/SPV revolving credit facility.

The Company had available and undrawn revolving credit facility capacity of USD 115 million as per year-end 2024.

USD '000 Mortgage debt	Description	Interest rate	Maturity	Carrying amount
DNB/SEB/SRB/SPV Facility**	Term Loan/RCF, USD 190 million	Term SOFR + 2.1 %	June 2028	85 555
Nordea/Credit Agricole Facility*	Term Loan/RCF, USD 60 million	Term SOFR + 2.25 %	March 2027	-
Nordea/ Danske Facility***	Term loan, USD 80 million	Term SOFR + CAS + 2.1 %	December 2026	53 882
Capitalized loan fees**				(2 248)
Mortgage debt 31 December 2024				**137 189**

* Potential margin adjustments up to +/- 10 bps once every year based on sustainability KPIs. Joint facility with KCC Bass AS.
** Potential margin adjustments up to +/- 5 bps once every year based on sustainability KPIs.
*** CAS= Credit adjusted spread. For three months Term SOFR, the CAS is approx 0.26%

USD '000 Interest bearing liabilities	Fair value 31 Dec 2024	Carrying amount 31 Dec 2024	Carrying amount 31 Dec 2023
Mortgage debt, non current	117 767	117 767	141 437
Capitalized loan fees	-	(2 248)	(3 084)
Total non-current interest bearing liabilties	**117 767**	**115 519**	**138 353**
Mortgage debt, current	21 669	21 669	21 669
Total interest bearing debt	**139 437**	**137 189**	**160 022**

Fair value is estimated to carrying amount less financing costs as the difference between market margin and carrying margin is considered to be immaterial. Fair value is not based on observable market data (fair value hierarchy level 3).

Covenants

As per year end 2024, the Company is in compliance with all financial covenants. Financial covenants on KCC Shipowning level relate to minimum cash (the higher of USD 10 million and 5 % of net interest-bearing debt) and net interest-bearing debt to EBITDA (NIBD/EBITDA) of max 7x. The NIBD/EBITDA ratio can be higher than 7x for one reporting period (measured semi-annually) provided that the NIBD/EBITDA was below 7x in the prior reporting period. In addition, all secured loans contain minimum value clauses related to the value of the vessel compared to outstanding loan.

Securities

As security for the mortgage debt, the subsidiary KCC Shiopwning AS has provided a first priority pledge in all vessels built after 2002 (13 out of 16 vessels), security in earnings accounts, and assignment of the earnings and insurances of the vessels in favour of the creditors.

Book value of collateral, mortgaged and leased assets:	31 Dec 2024	31 Dec 2023
Vessels	424 140	432 136
Total book value of collateral, mortgaged and leased assets	**424 140**	**432 136**

Reconciliation of movements of liabilities and equity to cash flow arising from financing activities

(USD '000)	Interest payable	Short term lease liabilities	Interest bearing short-term debt	Interest bearing long-term debt	Share capital/premium reserve	Other equity
Balance at 1 January 2024	**-**	**-**	**21 669**	**138 352**	**151 638**	**217 902**
Repayment of mortgage loan				(33 669)		
Proceeds from mortgage loan (net transaction cost)				10 000		
Transaction costs on issuance of loans				-		
Interest paid	(11 236)					
Total Changes from financing cash flow	(11 236)	-	-	(23 669)	-	-
Liability- related						
Expensed capitalised borrowing costs				843		
Gain related to modification of debt				-		
Non-cash movement		-	-	(7)		
Total liability- related changes	**-**	**-**	**-**	**836**	**-**	**-**
Total equity-related other changes						
Balance at 31 December 2024		**-**	**21 669**	**115 519**	**151 638**	**217 902**
				(0)		

(USD '000)	Interest payable	Short term lease liabilities	Interest bearing short-term debt	Interest bearing long-term debt	Share capital/premium reserve	Other equity
Balance at 1 January 2023	**-**	**-**	**92 769**	**156 535**	**151 638**	**217 902**
Repayment of mortgage loan			(71 100)	(125 535)		
Proceeds from mortgage loan (net transaction cost)				130 000		
Transaction costs on issuance of loans				(1 589)		
Interest paid	(14 993)					
Repayment of lease		-				
Total Changes from financing cash flow	(14 993)	-	(71 100)	2 876	-	-
Liability- related						
Expensed capitalised borrowing costs				-		
Gain related to modification of debt				-		
Non-cash movement		-	-	(21 059)	-	-
Total liability- related changes	**-**	**-**	**-**	**(21 059)**	**-**	
Total equity-related other changes					**-**	**-**
Balance at 31 December 2023		**-**	**21 669**	**138 352**	**151 638**	**217 902**

Note 14 - Financial risk management

Capital management

The Company intends to maintain an efficient capital structure, provide financial ability to execute on the strategy and ensure the Company has sufficient liquidity to meet liabilities and commitments as they fall due.

Main risks
The following table presents the risks considered to be the main risks for the Company over the next 12 months and the main longer-term risks.

Risk	Description	Risk type
Main risks next 12 months		
Weak freight rates and changes in trade flows	The Company's primary revenue driver is freight rates. Low freight rates for dry bulk commodities, caustic soda, or clean petroleum products can significantly impact the Company's financial performance. The effect of lower freight is somewhat offset by the low historical correlation between dry bulk and product tanker freight rates. Partly fixed-rate contract coverage for the CABU fleet in 2025 reduces freight rate risk over the next 12 months. The Company is dependent on certain trade flows to obtain efficient combination trading. Production issues at plants, mines, and refineries, regional commodity price differences, and geopolitical conflicts may impact these flows. Unfavourable changes in trade patterns and volumes may adversely affect the Company's earnings and financial position. To mitigate these risks, the Company maintains operational flexibility to adjust its trade routes as needed. Geopolitical risks arising from territorial and other disputes between countries, war, political instability, terrorism, piracy and trade wars might impact the trading pattern and market levels. These risks could lead to higher costs for KCCS, including crew expenses and insurance premiums, while also affecting revenue through market disruptions and trade restrictions. Limitations on the Company's ability to operate in key regions or efficiently employ vessels in combination trading may have a material adverse effect on its business, financial performance, and operations. However, these disruptions might as well results in opportunities, as longer-haul trades could support market conditions.	Market
CABU vessel age	Due to stricter environmental regulations and customer requirements, older tonnage is in danger of both being re-rated and has a higher risk of being detained and losing competitiveness to more modern tonnage. The consequences can be lower utilization due to more waiting time, risk of increased discounts and in worst case not being accepted by some customers. For the Company this can result in less flexibility and lower net revenue for the oldest vessels in the fleet. As per year-end 2024, the Group owns three CABU vessels above 20 year age.	Operational & technical
CABU caustic soda contracts	The Company is, to a certain degree, dependent on a limited number of key customers and renewal of key/material contracts with these customers, particularly related to caustic soda transportation. Lack of renewal of such contracts and unfavourable changes in trade flows and volumes may adversely affect the Company's earnings and financial position.	Market
CLEANBU commercial and technical performance	Acceptance and/or exemptions are required in relation to the CLEANBU vessels from clients and terminals where policies may require clean petroleum products (CPP) as the last cargo or the three last cargoes to avoid cargo contamination or where policies may exclude the use of combination carriers like the CLEANBU vessels. Should the Company not obtain the relevant acceptances or exemptions from clients or terminals, this may have a material adverse effect on the operations of the CLEANBU vessels and consequently the Company's operations and results. Although CLEANBU commercial and technical performance was strong and continued to improve in 2024, among other things due to increased experience in transitioning between wet and dry cargoes and gaining wider acceptance from new customers and type of cargoes, it is important to acknowledge that commercial and technical risks still remain, which may adversely affect the Company's earnings and financial position.	Operational & technical

Energy efficiency measures		In 2024, the Company retrofitted two vessels with air lubrication system and shaft generator to reduce fuel consumption. Additional three vessels will go through the same procedure in 2025 and 2026. KCC has as well decided to install suctions sails on one of the newbuildings with delivery in 2026. One of the main pillars of the Company's strategy is to improve the energy efficiency of the existing vessels, aligned with its emission reduction ambition. Success depends on the ability to deliver on retrofit/energy saving device projects at the budgeted cost and time, and that the retrofits deliver the estimated fuel/emission savings. Emission reductions from the initial vessels retrofitted with air lubrication and shaft generator have increased over time since initial observations, due to configuration improvements. Further work is currently underway to activate the full potential of this technology on the three vessels where it is already installed as of February 2025, and to ensure that future installations will be able to meet or exceed expectations. Moving forward, the Company faces due diligence risk as it considers new investments in energy efficiency. Being an early adopter of certain measures, there is a lack of large-scale testing prior to installation, introducing an element of risk.	Operational & technical
Main long-term risks			
Global economic growth and the impact on energy and commodity markets		The general development of the global economy, in particular the oil and commodities markets, may affect demand and the profitability of the company. Furthermore, the demand for seaborne transportation is dependent on open economies and low barriers to trade. There has historically been a strong link between the development of the world economy and demand for dry bulk and oil commodities. A period of deterioration in the outlook for the world economy could reduce the overall demand for these commodities and for the Company's services. Trade restrictions such as tariffs and embargoes have a negative impact on the demand for seaborne transportation. This may lead to a downturn in the future prospects of the sectors the Company has invested in and, impact revenues negatively and may also make it more difficult to raise equity or debt.	Market
Impact of a low-carbon future with introduction of emission regulations, zero-emission vessels and lower demand for transportation of fossil fuels		A move to a low-carbon economy can potentially have material negative impact on the Company through several ways: - Emerging propulsion technologies and fuels might negatively affect the competitiveness of the Company's existing fleet, potentially leading to lower revenue and/or impairment of vessel values. The increasing diversity of alternatives also heightens the risk of selecting the wrong technology. - New regulations can lead to material cost related to upgrades and retrofits to comply with regulations and/or material impairment of operational flexibility and/or operational limitations. Ultimately, it could lead to higher vessel recycling activity and/or stranded vessels for vessels that are not compliant. - Increased pressure on financial institutions to incentivize reduction in CO_2 emissions and new regulations, such as the EU taxonomy, could reduce and restrict access to capital, increase cost of capital, and raise breakeven levels for the Company. - The demand for the transportation of fossil fuels could be materially impacted, reducing demand for dry bulk and product tanker vessels. - New customer requirements related to sustainability and carbon emissions could negatively affect the Company's competitive position. - New carbon pricing regulations, such as the EU ETS, along with FuelEU Maritime, which aim to reduce the carbon intensity of maritime fuels, may result in higher operating costs. The introduction of these initiatives, combined with stricter IMO regulations on vessel emissions, could further increase compliance costs and operational complexity.	Climate related
Newbuilds		The CABU newbuilds are an upgraded design based on the existing CABU vessels built in 2016–2017, incorporating experience gained from the design and construction of the CLEANBU vessels delivered from the same shipyard in 2019–2021. There are technical, operational, and commercial risks that the new vessels may not perform as intended, potentially affecting their earnings capacity and market value. In addition, the construction phase carries risks related to delays, cost overruns, and quality issues at the shipyard. Supply chain disruptions, labour shortages, unforeseen technical challenges or sanctions could impact delivery timelines and vessel specifications. Any significant deviation from the expected performance, schedule, or budget could have financial and operational and financial consequences for the Company.	Operational and technical

Note 14 - Financial risk management continued

Risk types

The risks have been divided into the following categories

Financial risk

The Company is exposed to i.e. freight rate risk, bunker fuel price risk, as well as risks relating to foreign currency exchange, interest rate, counterparties (including credit), operations, technical, regulations and other risks. The Company's management oversees the management of these risks and they are governed by appropriate policies and procedures. The Board of Directors reviews and agrees policies for managing these risks.

Operational risk and techincal risk

Operational risks are mainly related to the operation of vessels. The Company's vessels are on technical management to Klaveness Ship Management AS (affiliated company in 2024) which ensures compliance with IMO, flag, class and port state regulations. Quality and safety audits are performed regularly and the crew and officers onboard are trained to ensure that regulatory requirements are met.

Operational risk is managed through quality assurance procedures and systematic training of crew and land-based employees. All vessels sailing through piracy exposed areas take necessary steps to mitigate the threat of such attacks. Operational risk is also covered by insurance where relevant to cover loss of assets, revenues and contract commitments. The vessels are insured for loss of hire, war risk, protection and indemnity (P&I), physical damage to vessel and its equipment (Hull and Machinery) and total loss. The insurances are aligned with vessel values, earning levels and loan agreements. The financial impact of a total loss of a vessel will not be material for the Company.

Market risk

Ownership of vessels involves risks related to vessel values, future vessel employment, freight rates and costs. Freight rates are volatile and a fall in freight rates may impact financial results of the Company negatively. Over time, vessel values may fluctuate, which may result in an impairment of the book value of the Company's vessels.

From 1 January 2024, shipping was part of EU's emission trading system (EU ETS). The Company must submit allowances for 100% of emissions for voyages within EU, and 50% of voyages in and out of EU (including ballast leg). The share of emissions that must be covered by allowances gradually increases each year from 40% of emissions reported for 2024, 70% of emissions reported for 2025 and from 2026 100% of reported emissions. From 1 January 2025, Fuel EU Maritime was introduced. The regulation sets a maximum level required level of GHG intensity of the energy used onboard the vessels to incentivize the uptake of more sustainable fuels and shore power. In practice, this means that from 2025, the GHG intensity must be reduced by 2% per year compared to standard fossil fuels,The Company has a limited exposure as it's vessels have a limited part of their trading in and out of EU and the cost will in most cases be covered by the customers

Foreign currency risk and interest rate risk

The Company's revenue and costs are denominated primarily in US Dollar (USD) which is the functional currency of all significant entities in the Company. Fluctuations in USD against NOK may affect the company's tax payable, which will be calculated and paid in NOK. This effect is considered to be limited.

All interest-bearing debt is denominated in USD. Loans have various amortization profiles, but the majority are floating rate with CME Term SOFR as a benchmark. The Company uses financial interest rate derivatives, mainly interest rate swaps, to reduce the unwanted variability of interest expenses due to changes in the benchmark. As of 31 December 2024, 26% of the floating long-term interest-bearing debt loans are hedged including undrawn RCF commitments and 48% on drawn amount per year-end 2024. The Company evaluates on an ongoing basis the need to adjust interest rate exposure and coverage rate.

Note 14 - Financial risk management continued

Counterparty/credit risk

The performance of the Company depends on its counterparties' ability to perform their obligations under agreed contracts, a continued client need for the services performed by the combination carriers and ability to renew contracts with these clients (the Company is exposed to such risk through the chartering company KCC Chartering AS). Default by a counterparty of its obligations under, mainly cargo customers (CoA's), may have material adverse consequences on the contract portfolio earnings. The counterparty's financial strength will thus be very important. The Company makes provision only for the deductible amount to the extent that the Company has the legal right to insurance coverage. As such, default by an insurance institution may have material financial consequences.

Total unrisked credit risk at 31 December 2024 amounts to USD 59.7 million (book value of receivables and bank deposits).

Liquidity risk

Liquidity risk is the risk that the Company may not be able to fulfill its liabilities when they fall due.

The Company has capital commitments relating to borrowings. The Company keeps its liquidity reserves mainly in cash and bank deposits. The liquidity risk is considered to be limited as the deposits, committed bank debt and estimated cash flow are considered sufficient to cover all needs for the foreseeable future. The Company's bank financing is subject to financial and non-financial covenants.

Maturity profile of financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments. Interest bearing debt includes interest payments.

Maturity profile financial liabilities 31 Dec 2024	< 1 year	1-2 years	3-5 years	> 5 years	Total
Mortgage debt (incl interests)	29 339	79 743	47 751	-	156 833
Trade and other payables	2 536	-	-	-	2 536
Current debt to related parties	1 274	-	-	-	1 274
	33 149	**79 743**	**47 751**	**-**	**160 643**

Loan facilities to be refinanced during the next 12 months are included in <1 year.

Maturity profile financial liabilities at 31 Dec 2023	< 1 year	1-2 years	3-5 years	> 5 years	Total
Mortgage debt (incl interests)	21 669	93 834	74 239	-	189 742
Trade and other payables	1 006	-	-	-	1 006
Current debt to related parties	1 388	-	-	-	1 388
	24 063	**93 834**	**74 239**	**-**	**192 136**

Climate-related risks

Includes both transition risks and physical risks with focus on transition risks as this is considered to have a larger impact and probability for KCCS. The risk mainly relates to effect of reduced demand for the Company's services and the risk of stranded assets and new regulations as the fleet moves to low-carbon fuel.

Note 15 - Transactions with related parties

SERVICES

The ultimate owner of KCC Shipowning AS is Rederiaksjeselskapet Torvald Klaveness (RASTK), which owns 53.8 % of the shares Klaveness Combination Carriers ASA (KCC ASA). KCC ASA owns 100 % of the shares in KCC Shipowning AS (of which 3 % indirectly through KCC Chartering AS).

The Company has undertaken several agreements and transactions with related parties both under control of Klaveness Combination Carriers ASA and in the RASTK Group. The level of fees are based on cost + a margin in range 5-10 % in accordance with the arm's length principle and OECDs guidelines. Technical management is based on a fixed annual fee in line with market practice for such services.

Klaveness AS (affiliated company) delivers administrative and business management services (G&A) to the KCC Group. G&A services have been provided by KCC ASA to all subsidiaries in the Group, with Klaveness AS as a subcontractor for accounting, legal, risk/KYC and IT services, rent and office services.

Technical management services for all vessels such as crewing, maintenance, repair, drydock supervision, supplies and provisioning, insurance, procurement of spares, IT and administration are purchased from Klaveness Ship Management AS (affiliated company). For the newbuildings in the Company, KSM has performed supervision and project management services (capitalized as part of newbuilding cost).

Internal sale transaction

In March 2023, the CLEANBU vessel, MV Bass was sold from KCC Shipowning AS ("KCCS") to KCC Bass AS (both companies directly and indirecly 100 % owned by Klaveness Combination Carriers ASA). The sale was made on arm's length terms based on observable and comparable prices for standard vessels adjusted for CLEANBU features and based on a discounted cash flow model. KCC Bass AS and KCCS are co-borrowers in the bank debt facility and one of the bank loan tranches was transferred to KCC Bass AS. KCCS also distributed dividends used to capitalize KCC Bass AS.

(USD'000) Commercial and administrative services	Provider [1]	2024	2023
Business administration services	KAS, KCC [2]	1 171	1 097
Project management fee	KSM	1 050	893
Group administrative services		**2 221**	**1 990**

(USD'000)	Provider[1]	2024	2023
Technical management fee (opex)	KSM	4 198	3 917
Project management fee (newbuilding)	KSM	(1 578)	(1 396)
Interest income from related parties	KCC	(236)	-
Interest expenses from related parties	KCC	793	900
Total other transactions with related parties		**3 177**	**3 420**

(USD'000) Receivables and debt to related parties	Counterparty[1]	31 Dec 2024	31 Dec 2023
Receivables from related parties	KCC Bass AS	3	3
Receivables from related parties	KSM	149	77
Receivables from related parties	KAS	-	-
Receivables from related parties	KCC	-	16
Receivables from related parties	KCCC	20 568	21 629
Short-term receivables from		**20 720**	**21 722**
Current debt to related parties	KCC	87	-
Current debt to related parties	KSM	70	425
Current debt to related parties	KCCC	2 018	961
Current debt to related parties	KAS	148	2
Current debt to related parties		**2 324**	**1 388**
Long-term debt to related parties	KCC	32 750	-
Long-term debt to related parties		**32 750**	**-**

[1] Klaveness AS (KAS), Klaveness Ship Management AS (KSM), KCC Shipowning AS (KCCS), KCC Chartering AS (KCCC), Klaveness Combination Carriers ASA (KCC), KCC Bass AS
[2] G&A services purchased from KCC ASA with KAS AS as a subcontractor for parts of the services.

Accounting policy

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

Note 16 - Share capital, shareholders, dividends and reserves

	2024		2023	
Share capital	Number	NOK	Number	NOK
Ordinary shares	1 000	2 100 000	1 000	2 100 000

All shares are issued and fully paid.

	2024	2023
The ownership is as follows:	Number of shares	
Klaveness Combination Carriers ASA	970	970
KCC Chartering AS	30	30

Note 17 - Events after the balance sheet date

On 21 January 2025, the steel cutting for the Hull #1560 started and USD 5.7 million was paid in installments.

On 24 March 2025, the steel cutting for the Hull #1561 started and USD 5.7 million was paid in installments.

There are no events after the balance sheet date that have material effect on the financial statement as of 31 December 2024.

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Statsautoriserte revisorer
Ernst & Young AS

Stortorvet 7, 0155 Oslo
Postboks 1156 Sentrum, 0107 Oslo

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

www.ey.no
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To the General Meeting in KCC Shipowning AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of KCC Shipowning AS (the Company), which comprise Balance Sheet Statement as at 31 December 2024, Income Statement and Statement of Other Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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 2024 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for opinion

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

Other information

The Board of Directors (management) is responsible for the information in the Board of Directors' report. 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 information in the Board of Directors' report. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or otherwise the information in 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 statutory requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, 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.

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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Oslo, 28 March 2025
ERNST & YOUNG AS

The auditor's report is signed electronically

Johan Lid Nordby
State Authorised Public Accountant (Norway)

PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Nordby, Johan Lid
Statsautorisert revisor
På vegne av: EY
Serienummer: no_bankid:9578-5997-4-729076
IP: 147.161.xxx.xxx
2025-03-28 12:21:26 UTC

bankID

Penneo Dokumentnøkkel: UMPK5-PT2OM-6UILS-XXOL5-SG0MC-K44DF

Skattedirektoratet

Saksbehandler
Torstein Kinden Helleland
Telefon
22078139

Deres dato
20.04.2009
Deres referanse
Baard Haugen

28 JAN. 2010

Vår dato
25.01.2010
Vår referanse
2009/275763

KLAVENESS CORPORATE SERVICES AS
Postboks 182 Skøyen
0212 OSLO

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

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

Torvald Klaveness-gruppen omfatter følgende selskaper;

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

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

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

Postadresse
Postboks 9200 Grønland
0134 Oslo
skattedirektoratet@skatteetaten.no

Besøksadresse
Fredrik Selmers vei 4
Org. nr: 974761076

Sentralbord
800 80 000
Telefaks
22 17 08 60

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

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

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:
"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet. Offentlige myndigheter må også anses som en sentral regnskapsbruker, idet ulike myndigheter, som lignings- og tilsynsmyndigheter, benytter regnskapene som sentrale verktøy i sin kontrollvirksomhet.

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

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

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

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

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Jan Hoelstad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland