



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 928 221 830
Organisasjonsform: Aksjeselskap
Foretaksnavn: KLAVENESS DRY BULK AS
Forretningsadresse: Drammensveien 260
0283 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Lena Evensen
Dato for fastsettelse av årsregnskapet: 13.02.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

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

Brønnøysundregistrene, 01.04.2025



Resultatregnskap

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Management fee to group companies	2	15 828 575	18 110 362
Sum inntekter		15 828 575	18 110 362
Kostnader			
Salaries and personnel expenses	3	2 564 222	4 092 201
Operating expenses	4	13 111 286	13 873 382
Sum kostnader		15 675 508	17 965 583
Driftsresultat		153 067	144 779
Finansinntekter og finanskostnader			
Dividend from subsidiaries		5 000 000	504 714
Annen renteinntekt		59 882	
Net other financial income/expenses		134	
Net currency gain/loss		324 526	198 255
Sum finansinntekter		5 384 542	702 969
Annen rentekostnad			2 200
Net other financial income/expenses			266
Net other financial income/expenses group companies		6 000	3 000
Sum finanskostnader		6 000	5 466
Netto finans		5 378 542	697 503
Ordinært resultat før skattekostnad		5 531 609	842 282
Taxes		125 140	75 007
Ordinært resultat etter skattekostnad		5 406 469	767 275
Årsresultat		5 406 469	767 275



Balanse

Beløp i: USD	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	5	322 484	447 624
Sum immaterielle eiendeler		322 484	447 624
Finansielle anleggsmidler			
Investering i datterselskap	6	16 066 926	16 066 926
Sum finansielle anleggsmidler		16 066 926	16 066 926
Sum anleggsmidler		16 389 410	16 514 550
Omløpsmidler			
Varer			
Fordringer			
Short-term receivables		96 290	47 250
Konsernfordringer	7	1 011 713	4 264 074
Sum fordringer		1 108 003	4 311 324
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	8	1 353 273	2 616 343
Sum bankinnskudd, kontanter og lignende		1 353 273	2 616 343
Sum omløpsmidler		2 461 276	6 927 667
SUM EIENDELER		18 850 686	23 442 217
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital (1000 shares of NOK 200)	9	23 056	23 056
Overkurs	9	11 043 870	16 043 870
Sum innskutt egenkapital		11 066 926	16 066 926



Balanse

Beløp i: USD	Note	2023	2022
Opptjent egenkapital			
Other equity	9	4 320 780	
Udekket tap	9		1 085 689
Sum opptjent egenkapital		4 320 780	-1 085 689
Sum egenkapital		15 387 706	14 981 237
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		5 039	2 684
Public duties payable		55 552	71 753
Kortsiktig konserngjeld	10	2 141 823	5 556 691
Other short-term liabilities		1 260 566	2 826 852
Sum kortsiktig gjeld		3 462 980	8 457 980
Sum gjeld		3 462 980	8 457 980
SUM EGENKAPITAL OG GJELD		18 850 686	23 439 217



Konsernets resultatregnskap

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Net trading profit/loss	4,5,6	15 222 670	35 015 610
Pool revenue/operating vessel revenue	6,7	147 689 998	236 111 363
Internal fees from group companies	8	4 028 575	5 214 463
Bunker sale	9	23 902 248	58 170 909
Other revenue	10	0	161 594
Sum inntekter		190 843 491	334 673 939
Kostnader			
Voyage expenses	11	49 316 619	39 066 271
Bunker purchase	9	23 902 248	58 170 909
Poolhire to shipowners	12	97 582 520	196 748 665
Salaries and personnel expenses	13	2 564 222	4 092 201
Other administrative expenses	14,15	96 696	83 108
Group internal services	15,16	13 081 859	19 722 759
Sum kostnader		186 544 164	317 883 913
Driftsresultat		4 299 327	16 790 026
Finansinntekter og finanskostnader			
Annen renteinntekt	17	1 370 723	304 175
Net currency gain / (loss)	17	1 120 900	256 282
Sum finansinntekter		2 491 623	560 457
Other financial income/expenses	17	205 568	146 711
Sum finanskostnader		205 568	146 711
Netto finans		2 286 055	413 746
Ordinært resultat før skattekostnad		6 585 382	17 203 772
Tax on ordinary result	18	1 844 533	4 464 834
Ordinært resultat etter skattekostnad		4 740 849	12 738 938
Årsresultat		4 740 849	12 738 938



Konsernets resultatregnskap

Beløp i: USD	Note	2023	2022
Overføringer og disponeringer			
Konsernbidrag	19	-6 654 361	11 675 044
Avgitt konsernbidrag	19	5 117 281	7 982 080
Transferred to / (from) other equity	19	6 277 930	-6 918 184
Sum overføringer og disponeringer		4 740 850	12 738 940



Konsernets balanse

Beløp i: USD	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	18	607 989	1 009 186
Sum immaterielle eiendeler		607 989	1 009 186
Sum anleggsmidler		607 989	1 009 186
Omløpsmidler			
Varer			
Bunkers on board vessel	20	24 216 885	32 871 384
Sum varer		24 216 885	32 871 384
Fordringer			
Accounts receivable	21	12 212 793	10 468 308
Other short-term receivables	22	19 978 626	12 386 597
Prepaid expenses	24	14 464 910	10 739 300
Konsernfordringer	23	333 164	1 957 291
Sum fordringer		46 989 493	35 551 496
Investeringer			
Derivates	17	21 605	27 623
Sum investeringer		21 605	27 623
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	25	26 085 564	41 219 223
Cash and bank deposits restricted	25	0	10 000 000
Sum bankinnskudd, kontanter og lignende		26 085 564	51 219 223
Sum omløpsmidler		97 313 547	119 669 726
SUM EIENDELER		97 921 536	120 678 912

BALANSE - EGENKAPITAL OG GJELD



Konsernets balanse

Beløp i: USD	Note	2023	2022
Egenkapital			
Innskutt egenkapital			
Share capital (1 000 shares at NOK 200)	19	23 056	23 056
Overkurs	19	11 043 870	16 043 870
Sum innskutt egenkapital		11 066 926	16 066 926
Opptjent egenkapital			
Other equity	19	22 433 074	21 433 425
Sum opptjent egenkapital		22 433 074	21 433 425
Sum egenkapital		33 500 000	37 500 351
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Debt to financial institutions	25	10 712 843	14 146 679
Leverandørgjeld	26	10 450 202	16 153 359
Kortsiktig konserngjeld	27	2 665 016	18 689 556
Pool hire owned to shipowners	12	5 202 029	6 407 626
Accrued estimated expenses	28	14 073 457	9 810 719
Accrued revenue	28	14 375 165	139 914 139
Other current liabilities	29	6 942 824	4 056 483
Sum kortsiktig gjeld		64 421 536	209 178 561
Sum gjeld		64 421 536	209 178 561
SUM EGENKAPITAL OG GJELD		97 921 536	246 678 912



Klaveness Dry Bulk – Board of Director's report 2023



DIRECTORS' REPORT 2023

The group Klaveness Dry Bulk (Klaveness) was established 12.11.2021 and was fully owned by Rederiaksjeselskapet Torvald Klaveness (RASTK) at year-end. It consists of the companies Klaveness Dry Bulk AS (KDB), Baumarine AS ("The Pool") and AS Klaveness Chartering (KC). The companies are all located in Oslo, Norway.

Klaveness Dry Bulk is an operator and pool manager in the dry bulk segment and operates a fleet of around 70 vessels in the Panamax, Kamsarmax and Post-Panamax segments. The operator business consists of a portfolio of cargo contracts of affreightment, time-chartered period vessels, and freight and fuel derivatives; delivering safe and competitive transportation to cargo owners. The pool business, through Baumarine by Maruklav, aims to deliver service offerings that enable vessel owners to take control in optimizing their earnings while giving them greater flexibility. In addition to the delivering spot earnings based on the Pool's performance, the Pool is able to offer pool participants the option to convert freely between spot and fixed rate at any given time, in line with forward market levels. The product allows owners to take control of their market exposure in utilizing peaks to lock-in fixed earnings at present target levels.

In addition to being an operator and pool manager, Klaveness Dry Bulk has built a Software-as-a-Service (SaaS) platform incorporating extensive commercial expertise and backed by our best-in-class research team. The platform incorporates three core modules Pre-Vetting, Port Predictor and Freight Optimizer, enabling its customers to drive new value to the topline and make better informed decisions to navigate the shipping markets. The data-driven freight decision-making tool has established itself as a robust sparring partner in delivering solutions to the everyday pain points experienced by the company and by other ship owners and industrial participants. The platform has in 2023 been commercialized into product offerings and gaining traction in the external market. Through 2023 the Group has seen new customers come in for some of these products.

Financially, 2023 was a good year for the Group with revenues of USD 190.8 million and profit after tax of USD 4.7 million. With an equity ratio of 34.2 % and USD 26.1 million in liquid assets, Klaveness Dry Bulk has a strong financial position.

Sustainability

In terms of environmental impact, dry bulk shipping is an efficient way of transporting industrial commodities. Nevertheless, the shipping industry has a significant environmental footprint both globally and locally. Both the Pool and KC requires that all vessels operated by the company are ISM certified. All vessels operated are however, chartered in and the responsibility for their technical condition remains with the owners of the vessels. In addition, the company aims to reduce the use of fossil fuels and associated emissions to the atmosphere as far as possible by optimizing trading patterns and reducing ballasting. Cleaning of the vessels is performed according to the MARPOL rules.

As of 1st of January 2024, the EU's Emissions Trading System (EU ETS) was extended to cover CO2 emissions from all large ships (of 5,000 gross tonnage and above) entering EU ports, regardless of the flag they fly.

Ship owners are ultimately responsible to deliver emission allowances via emission allowance Compliance Accounts to the respective EU member states. As a commercial manager, the group does not fall under the compliance scheme, but will however assume volume and price risk of emission allowances when sailing to the EU. The group will collect emission allowances from its sub-charterers and purchase allowances in the secondary market to transfer the allowances to the ship owners in due course. In q4 2023 both KC and The Pool established a Trading Account with the Norwegian Environment Agency enabling transfer of allowances to ship owners. The group will also utilize emission allowance derivatives to manage risks associated with EU voyages.

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Klaveness Dry Bulk – Board of Director's report 2023



Business areas

Klaveness Chartering (KC)

KC is a leading operator and trader in the dry bulk market, providing transportation of dry bulk commodities to industrial customers and employment opportunities to owners of bulk carriers. KC is engaged in operation of a portfolio of physical and financial freight contracts including time-charter contracts (T/C), contracts of affreightment (CoA) and forward freight derivatives (FFAs), referred to herein as "market maker" activities. Contracts are predominantly entered into for vessels in the Panamax segment.

KC also uses financial bunker swaps to manage the risk of its bunker oil exposure. KC hedges most of the bunker oil exposure, and the counterpart of the contracts Skandinaviska Enskilda Banken (SEB) as clearing provider and OTC contracts with investment grade institutions. In addition, KC has a mandate to take marginal proprietary positions in the fuel markets.

In addition to being an operator KC has a goal to become a "market manager" for its customers, through a range of Software-as-a-Service products.

Baumarine "The Pool"

Baumarine AS is a commercial pool which operates and charters vessels for independent ship owners. The objective is to obtain the best possible pool result relative to the spot market for distribution to the participating vessels' owners. The Pool also aims to deliver service offerings that enable vessel owners to take control in optimizing their own earnings and give them greater flexibility. In addition to delivering the general floating rate earnings based on the pool's performance, the Pool also offers pool participants the option to convert freely between floating and fixed rate at any given time, in line with forward market levels. The product allows owners to take control of their market exposure in utilizing market peaks to lock in fixed earnings at present target levels.

The results are distributed according to Vessel Earning Points (VEP) governed by the pool agreements. The VEP reflects the vessels' characteristics (dead-weight, draft, speed & consumption etc.), which determine the vessels' relative earning potentials.

The Pool purchases management services from Maruklav Management Inc, which is a jointly owned company between Marubeni and Klaveness. However, from January 1st, 2024, the management services are purchased from Klaveness Dry Bulk AS. The daily management of the Pool activities is managed out of Klaveness' offices in Oslo, Dubai and Singapore, where the existing teams have been strengthened with experienced employees from Marubeni. According to the management agreements, the company pays 1.25% management fee on freight income, T/C income, and an additional USD 385 per pool day to Maruklav Management Inc. The management fee covers chartering, operation, accounting, reporting, financing, risk management and legal counselling.

Panamax freight rates through 2023 averaged at 12,959 USD/day, down 7,704 USD/day compared to average rate for 2022. The average rate in the Pool for 2023 ended at 10,936 USD/day (Benchmark Index P5TC_82, lagged was 12,005 USD/d). The participants had a total of 28 vessels in the Pool at year-end 2023 and 28 vessels on average in 2023.

Organization

Klaveness Dry Bulk had a total of 14 employees located in Oslo at year-end 2023. Women represented 7.1% of the workforce.

Klaveness is built on talented and dedicated employees. All employment-related decisions are based upon relevant qualifications, merit, performance, and other job-related factors. Klaveness ensures equal rights for all, irrespective of gender, gender identification, ethnicity, religion, sexual orientation, disability, or social status.

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Klaveness Dry Bulk – Board of Director's report 2023



Absence due to sick leave was satisfactory, averaging 0.52% for the Group in 2023. Working conditions for employees are considered good. The company holds a Directors & Officers (D&O) liability insurance.

The Transparency act report can be found on Klaveness' web pages at www.klaveness.com and will be updated in due time before June 30th 2024.

Financial results

Gross revenue from the portfolio of physical and financial freight agreements ended at USD 15.2 million, while revenue from pool activities amounted to USD 147.7 million. For the Group in total, 2023 resulted in total operating revenue of USD 190.8 million.

EBITDA ended at USD 4.3 million and operating expenses amounted to USD 186.5 million. The net result from financial items was in total positive by USD 2.3 million.

The Group earned a profit before tax (EBT) of USD 6.6 million while net income after taxes was 4.7 MUSD.

Financial position

At year-end 2023, consolidated equity was USD 33.5 million (2022: USD 37.5 million), corresponding to a book equity ratio of 34.2 % (2022: 31.1 %). Cash and bank deposits were USD 26.1 million at year-end 2023 (2022: USD 51.2 million) and in addition the Group had available revolving credit and overdraft facilities of USD 30.0 million (2022: USD 30.0 million).

Cash flow

During 2023, The Group had a cash flow from operating activities of USD 0.3 million. The net cash flow from investing activities was nil and the cash flow from financing activities was negative by USD 25.4 million, whereof the main items were repayment of capital to parent company, paid group contribution and repayment of debt to financial institutions.

Financing and going concern

Both AS Klaveness Chartering and Baumarine AS have renewed their overdraft facilities in Q1 2024, with no changes to the amount which is USD 15 million in both AS Klaveness Chartering and Baumarine AS.

The parent company is also considered solid with profits in 2023, as well as an equity ratio of 81.6%. The accounts are reported under the assumption of a going concern. The Board of Directors considers the financial position of the Group at year-end 2023 to be solid and the liquidity to be satisfactory. The group's current cash flow, existing and committed debt and liquidity position are considered sufficient to cover all approved commitments.

The market

Panamax spot dry bulk market had an unusually weak start of the year with earnings (PSTC) of \$11.800 /day during first half 2023. The Market gradually improved second half of the year lifting the second half average earnings to ~\$14.000, primarily resulting from a sharp increase in earnings in November and December. For the year as a whole the PSTC index landed on ~\$12.950/day, down ~37% from 2022. 2023 saw a healthy demand growth of 4.4% measured in volumes loaded year-on-year (YoY). However, despite a lower nominal fleet growth of ~3.2% for the dry bulk fleet as a whole, the effective fleet growth substantially higher primarily because of lower port congestion.

Going into 2024 we have had a very positive market in a normal seasonally weak period of the year. Current disruptions to both Panama and Suez canals are increasingly affecting average sailing distances and average fleet utilization. For 2024 the nominal fleet growth is expected around a historical low 2%. On the demand side, we should see continuation of improving demand from the world excluding China as inflationary pressure moderates. Demand growth from Iron ore, grains, bauxite and minor bulks are expected to exceed nominal fleet growth. The coal demand side seems most uncertain given the very strong Chinese import levels this year, 2024 levels typically come off a bit. Overall, the supply-demand balance looks positive.

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Klaveness Dry Bulk – Board of Director's report 2023



Risk and risk management

Market risk

Market risks in the shipping markets relate primarily to changes in freight rates, fuel prices and counterparty credit risk. For contracts extending into 2024 and beyond, EU ETS may also entail market risk. These risks are monitored and managed according to procedures and mandates. The mandates for the chartering and trading activity within Klaveness Dry Bulk are regularly tested against extreme market scenarios to ensure a high probability that capital and liquidity are sufficient to cover potential losses. Most of the fuel price risk is hedged through either bunker adjustment factor clauses (BAFs) and fuel derivatives. The dry bulk market exposure is managed by combining COAs with TC-In contracts and freight forward agreements (FFA), maintaining the total financial exposure within approved risk limits.

Financial risks

Klaveness income and costs are mainly USD-denominated, but port costs are in several currencies. The group may use financial instruments to hedge against currency risk. No such hedges were made in 2023.

The liquidity risk of the company is considered acceptable. Current cash, available undrawn credit and projected operating cash flow are considered sufficient to cover the company's commitments.

Digital risks

Klaveness Dry Bulk has not become victim of any serious cyber-attacks during 2023. However, the amount of information security risks that could disrupt Klaveness' business operations are steadily increasing. Our employees are the first line of defense in preventing cyber-attacks. Throughout 2023 we have conducted a series of phishing simulations and other types of awareness activities. Such activities will continue in 2024. Furthermore, technical upgrades and vulnerability assessments have been carried out in 2023 to better protect the IT infrastructure. Klaveness continues to subscribe to NORMA's services, providing us intelligence to adequately manage cyber threats.

Regulatory risks

Changes in the political, legislative, fiscal and/or other regulatory framework governing the activities of Klaveness may have material impact on its business. To limit this exposure, procedures have been implemented and are continuously updated to comply with all applicable legislation, and all counterparties go through due diligence assessments.

The parent company

Klaveness Dry Bulk AS registered business address is Drammensveien 260, 0283 Oslo, Norway. The result for the parent company in 2023 was a profit after tax of USD 5.4 million. The profit is proposed transferred to equity.



Klaveness Dry Bulk – Board of Director's report 2023



Events after balance sheet date

On January 1, 2024, Lilac Investment Co. Ltd, a company owned by Marubeni Corporation, purchased and took ownership of 25 % of the shares in Klaveness Dry Bulk AS.

In January 2024, Klaveness Dry Bulk established a subsidiary in Tokyo, Japan, named Klaveness Japan KK.

Starting January 1, 2024, Klaveness Dry Bulk AS will take over as pool manager for Baumarine AS. This was previously managed by Maruklav Management Inc.

Oslo, December 31, 2023

13 February 2024

Ernst André Meyer

Chair

Gøran Andreassen

Board member

Solveig Sundby

Board member

Taku Nakamoto

Board member

Petter Markussen

Managing Director



Skatteetaten

Vår dato
03.10.2022

Din/Deres dato
16.09.2022

Saksbehandler
Nina Gulbrandsen

800 80 000
Skatteetaten.no

Din/Deres referanse
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Org.nr
974761076

Vår referanse
2022/5781261

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0134 OSLO

U.off.

KLAVENESS AS
Postboks 182 Skøyen
0212 OSLO

Att. Lena Christin Evensen

Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk

Vi viser til Klaveness AS (org.nr. 997 553 667) søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk for følgende selskap:

Klaveness Maritime Services AS (org.nr. 929 418 417)

Klaveness Dry Bulk AS (org.nr. 928 221 830)

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapet dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

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

Bakgrunn

Selskapene som søker om dispensasjon ble stiftet i 2021/22 og inngår i Torvald Klaveness Gruppen. Selskapene som inngikk i Torvald Klaveness Gruppen fikk i vedtak (2009/275763) av 25. januar 2010 dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk språk. Selskaper som har kommet til senere har også fått dispensasjon. Det søkes derfor om dispensasjon for disse nye selskapene. Øvrige forhold som ble lagt til grunn i det tidligere vedtaket er fortsatt gjeldende.

Skattekontorets vurdering

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

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., 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, kunder og lokalsamfunnet.

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

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

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lene Bjørkevoll
underdirektør
Innsats, storbedrift
Skatteetaten

Nina Gulbrandsen

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



Statsautoriserte revisorer
Ernst & Young AS
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www.ey.no
Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Klaveness Dry Bulk AS

Opinion

We have audited the financial statements of Klaveness Dry Bulk AS (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the Group comprise the balance sheet as at 31 December 2023, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company and the Group as at 31 December 2023 and their financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

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

Other information

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

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

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

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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

Auditor's responsibilities for the audit of the financial statements

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

Misstatements can arise from fraud or error and are considered material if, individually or in 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 and the Group'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 and the Group'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 and the Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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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, 13 February 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Johan Lid Nordby
State Authorised Public Accountant (Norway)

Penneo document key: EBFGO-B7DW8-JEYEN-48XIT-MX8PM-W315S



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

Johan Lid Nordby

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: UN:NO-9578-5997-4-729076

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KLAVENESS DRY BULK AS

FINANCIAL STATEMENT DECEMBER 31, 2023



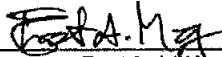
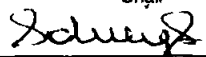

INCOME STATEMENT- PARENT COMPANY

USD	Note	12.11.2021 -	
		2023	31.12.2022
Operating income and expenses			
Management fee to group companies	2	15 828 575	18 110 362
Total operating income		15 828 575	18 110 362
Salaries and personnel expenses	3	-2 564 222	-4 092 201
Operating expenses	4	-13 111 286	-13 873 382
Total operating expenses		-15 675 508	-17 965 583
Operating profit/(loss)		153 068	144 778
Financial income and expenses			
Dividend from subsidiaries		5 000 000	504 714
Net interest income/expenses		59 882	-2 200
Net other financial income/(expenses)		134	-266
Net other financial income/(expenses), group companies		-6 000	-3 000
Net currency gain/(loss)		324 526	198 255
Net financial income/(expenses)		5 378 541	697 503
Profit/(loss) before taxes		5 531 609	842 282
Taxes	5	-125 140	-75 007
Profit/(loss) for the year		5 406 469	767 275

Klavness Dry Bulk AS was established 12.11.2021, as such the result from the period 12.11-31.12.2021 has been included in the 2022 result.

**BALANCE SHEET - PARENT COMPANY**

USD	Note	31.12.2023	31.12.2022
ASSETS			
Intangible assets			
Deferred tax asset	5	322 484	447 624
Total intangible fixed assets		322 484	447 624
Financial fixed assets			
Investments in subsidiaries	6	16 066 926	16 066 926
Total fixed assets		16 389 410	16 066 926
Current assets			
Receivables, group companies	7	1 011 713	4 264 074
Short-term receivables		96 291	47 250
Cash and bank deposits	8	1 353 273	2 613 343
Total current assets		2 461 276	6 924 667
TOTAL ASSETS		18 850 686	23 439 217
EQUITY AND LIABILITIES			
EQUITY			
Paid-in-capital			
Share capital (1 000 shares of NOK 200)	9	23 056	23 056
Other paid in equity	9	11 043 870	16 043 870
Retained earnings			
Other equity	9	4 320 760	-1 085 689
Total equity		15 387 706	14 981 237
LIABILITIES			
Current liabilities			
Public duties payable		55 552	71 753
Accounts payable		5 039	2 684
Short-term liabilities, group companies	10	2 141 823	5 556 691
Other short-term liabilities		1 260 565	2 826 852
Total current liabilities		3 462 980	8 457 980
Total liabilities		3 462 980	8 457 980
TOTAL EQUITY AND LIABILITIES		18 850 686	23 439 217

Oslo, December 31, 2023
February 13, 2024
Ernst André Meyer
Chair
Solveig Suddby
Board Member
Petter Markussen
Managing Director
Gøran Andreassen
Board Member
Taku Nakamoto
Board Member



CASH FLOW STATEMENT - PARENT COMPANY

USD	2023	12.11.2021-31.12.2022
Profit/(loss) before taxes	5 531 609	842 282
Change in current assets	2 729 952	-4 311 324
Change in current liabilities	-4 995 000	6 082 386
Income from subsidiaries	-5 000 000	0
Net cash from operating activities (1)	-1 733 438	2 613 344
Dividend from subsidiaries	5 000 000	0
Received group contribution	473 368	0
Net cash from investing activities (2)	5 473 368	0
Paid back capital	-5 000 000	0
Repayment of short-term loan	-3 000 000	-850 000
Loans from group companies	3 000 000	850 000
Net cash from financing activities (3)	-5 000 000	0
Net increase/decrease (-) in cash (1+2+3)	-1 260 070	2 613 343
Cash at January 1	2 613 343	0
Cash at December 31	1 353 273	2 613 343
Net increase/decrease (-) in cash	-1 260 070	2 613 343



Note 1 ACCOUNTING PRINCIPLES

The financial statements are prepared in accordance with the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Principles.

Investments in subsidiaries

Investments in subsidiaries are stated according to the historical cost method. If there is a decrease in value that is not temporary, the shares are written down. Previously recognised impairments are reversed if the reason for the impairments no longer exists.

For other accounting principles refer to group accounting principles.

Note 2 MANAGEMENT FEE

The company sells administration services to Maruklav Management Inc and AS Klaveness Chartering with a mark-up depending on the type of services which is provided. This includes finance, tax, legal services, commercial operations, chartering, HR and management. In addition they also sell other management services to other companies in the Rederiaktjeselskapet Torvald Klaveness Group (RASTK).

LSC	2023	12.11.2021-31.12.2022
AS Klaveness Chartering	11 800 000	12 895 899
Maruklav Management Inc	3 686 000	4 771 380
Klaveness AS	3 540	116 449
Cargo Intelligence AS	0	15 266
Klaveness Ship Management AS	24 783	17 991
KCC Chartering AS	293 009	293 387
Klaveness Digital AS	21 243	0
Total management fee	16 828 576	18 110 362

Note 3 SALARIES AND OTHER PERSONNEL EXPENSES

USD	2023	12.11.2021-31.12.2022
Salaries including bonus	1 875 357	3 349 713
Employer's social security contribution	485 091	504 302
Net pension cost	179 367	174 576
Other remuneration	44 407	63 810
Total operating expenses	2 664 222	4 092 401

Defined contribution plan

All employees in Klaveness Dry Bulk AS have a defined contribution plan. This plan currently consists of annual savings of 5% of salaries between 0 and 12G plus 15% of salaries between 7,1G and 12G. 1G is currently set to NOK 118.820. The annual pension payable depends on the size of the contributions, the number of contributions paid and the return during the savings and pension-payment period. The employee may start taking their pension from the age of 62, given that it is paid out over a minimum of 10 years and at least until the age of 77. The responsibility for managing the individual pension account, within the insurance company's prevailing selection of funds, lies with the employee. As of December 31, 2023 the defined pension plan included 16 employees. All payments to the defined contribution plan are expensed as they are paid-in.

The contributions recognised as expenses amounted to USD 179 thousand (2022: 174 thousand).

Number of employees

The average number of employees in the company was 14 in 2023.

Remuneration to key personnel

USD	2023	12.11.2021-31.12.2022
Salary	306 027	336 718
Pension cost	16 152	15 236
Total remuneration to key personnel	322 179	351 952

The salary expense for the General Manager includes all salary and bonus paid during the period. Accrued bonus to be paid is not included.

The board of directors

Per 31.12.2023 members of the Board of Directors are employees of the RASTK Group. No special remuneration has been paid to the various members of the Board of Directors, because such positions of office are a part of their regular employment. Compensation for Board work is thus included in the regular salary of such employees.

Note 4 OPERATING EXPENSES AND REMUNERATION TO AUDITOR

USD	2023	12.11.2021-31.12.2022
Internal fees from group companies	11 632 253	12 063 840
External services	207 399	197 183
Other operating expenses	1 271 634	1 612 360
Total operating expenses	13 111 286	13 873 382

Klaveness Dry Bulk AS buys administration services from The RASTK group with a mark-up depending on the type of service which is provided. This includes accounting, finance, tax, legal services, IT, commercial operations, chartering, HR and management.

USD	2023	12.11.2021-31.12.2022
Auditing ex. VAT, statutory	5 173	2 991
Tax and other services ex. VAT	129	1 498
Total remuneration to the auditor	5 302	4 488



Note 5		TAXES				
A. TAXES						
			2023	12.11.2021-31.12.2022		
Change in deferred tax / deferred tax assets			125 139	522 631		
Tax payable*			0	-447 624		
TOTAL TAX INCOME (-)/EXPENSE			125 140	75 007		
* Tax payable will be settled through group contributions						
B. CALCULATION OF TAX BASIS - TAX PAYABLE						
	2023	2023	21.11.2021-31.12.2022			
	Basis	Tax 22%	Basis	Tax 22%		
Profit before tax	6 531 609	1 216 954	642 282	185 302		
Exchange rate adjustment	22 603	4 973	-2 340	-515		
Group contribution without tax effect	0	0	-504 714	-111 037		
Non-deductible expenses	14 604	3 213	5 712	1 257		
Non-taxable dividend	-5 000 000	-1 100 000	0	0		
Subtotal - permanent differences	-4 962 793	-1 091 814	-501 342	-110 295		
Change in temporary differences	-1 202 814	-264 619	2 034 654	447 624		
Group contribution from Klaveness Dry Bulk AS to:						
Rederiaktjeselskapet Torvald Klaveness	0	0	-2 375 594	-522 631		
Subtotal - group contribution differences	0	0	-2 375 594	-522 631		
Total basis and tax payable before tax carried forward	-633 998	-139 480	-0	-0		
Tax deficit carried forward	633 998	139 480	0	0		
Total tax basis and tax payable	0	0	0	0		
C. RECONCILIATION OF NOMINAL AND ACTUAL TAX RATES						
			2023	2022		
Profit before tax			5 531 609	642 282		
Nominal tax rate (22%)			1 216 954	185 302		
Tax effect, permanent differences			8 186	-110 295		
Tax effect, shares, group contribution etc.			-1 100 000	0		
TOTAL TAX EXPENSE FOR THE YEAR			125 140	75 007		
EFFECTIVE TAX RATE			2 %	9 %		
D. DEFERRED TAX / (DEFERRED TAX ASSETS)						
	Status January 1, 2023	Change	Status December 31, 2023	Tax effect December 31, 2023	Status December 31, 2022	Tax effect December 31, 2022
Bonus provision	-2 034 654	1 202 814	-831 839	-183 005	-2 034 654	-447 624
Total temporary differences that have not been specially adjusted	-2 034 654	1 202 814	-831 839	-183 005	-2 034 654	-447 624
Tax losses carried forward	0	-633 999	-633 999	-139 480	0	0
Total temp. differences - basis for calc. deferred tax/(deferred tax assets)	-2 034 654	568 816	-1 465 838	-322 484	-2 034 654	-447 624
Deferred tax / (deferred tax assets) recorded in the balance sheet				-322 484		-447 624
Change in deferred tax / (deferred tax assets)				125 139		-447 624
Deferred tax asset is recognised in the balance sheet to the extent that future utilisation is probable. The assessment is carried out at RASTK Group level for companies within ordinary Norwegian taxation; as these companies can use group contribution to offset taxable income in one company against deductible loss in another. Within the RASTK Group, taxable income is generated in the trading portfolio of AS Klaveness Chartering, as well as through the pools and through the sale of internal services to companies within the tonnage tax regime. Based on the company's tax positions per December 31, 2023, and forecasted future revenues, the tax position is expected to be utilised over a period of 3-5 years. Consequently, the value of the tax position has been recognised in the balance sheet.						



Note 6 INVESTMENTS IN SUBSIDIARIES

USD	Share capital	Group contr. & dividends in 2023	BV changes in 2023	Book value 2023
Subsidiaries acquired on year				
AS Klavness Chartering (2021)	NOK 1 000	5 000 000	0	16 051 537
Baumarine AS (2021)	NOK 100	0	0	15 389
Total investments in subsidiaries		5 000 000	0	16 066 926

The shares in AS Klavness Chartering and Baumarine AS was transferred as a contribution in-kind from Federiksjeselskapet Torvald Klavness during 2021, in relation to the establishment of Klavness Dry Bulk AS.

Note 7 RECEIVABLES, GROUP COMPANIES

USD	31.12.2023	31.12.2022
Klavness AS	309	33 210
Cargo Intelligence AS	0	5 334
Klavness Digital AS	1 855	0
Klavness Combination Carriers ASA	0	16 297
Klavness Ship Management AS	8 747	1 421
Maruklav Management Inc	0	182 364
KCC Chartering AS	802	104 835
AS Klavness Chartering	1 000 000	3 415 899
AS Klavness Chartering - Group contribution with tax effect	0	504 714
Total receivables, group companies	1 011 713	4 284 074

Note 8 CASH AND BANK DEPOSITS

USD	31.12.2023	31.12.2022
Bank accounts USD	1 128 649	2 363 888
Bank accounts NOK	141 574	162 939
Employee tax withholding, restricted	83 051	86 516
Total cash and bank deposits	1 353 273	2 613 343



Note 9		EQUITY			
USD	Share capital	Other paid-in capital	Other equity	Total equity	
Equity at 12 November, 2021	23 066	16 043 870	0	16 066 936	
Profit/(loss) for the year	0	0	767 275	767 275	
Group contribution with tax effect	0	0	-1 852 963	-1 852 963	
Equity at 31 December, 2022	23 066	16 043 870	-1 085 689	14 981 237	
Profit/(loss) for the year	0	0	5 406 469	5 406 469	
Repayment of capital	0	-5 000 000	0	-5 000 000	
Equity at 31 December, 2023	23 066	11 043 870	4 320 780	15 387 706	

Note 10		SHORT-TERM LIABILITIES, GROUP COMPANIES	
USD	31.12.2023	31.12.2022	
Klaveness AS	322 038	192 321	
Klaveness Ship Management AS	0	28 175	
Klaveness Shore Services Ltd	4 417	17 170	
Klaveness Asia Pte	1 494 033	2 948 430	
Maruklav Management Inc	317 000	0	
KCC Chartering AS	4 337	0	
Rederiaksjeselskapet Torvald Klaveness - Group contribution with tax effect	0	2 375 594	
Total short-term liabilities, group companies	2 141 823	5 556 694	

Note 11 SUBSEQUENT EVENTS

Sale of shares in Klaveness Dry Bulk AS

On January 1, 2024 Litac Investment Co. Ltd purchased and took ownership of 25 % of the shares in Klaveness Dry Bulk AS.

New office established in Japan

In January, 2024 Klaveness Dry Bulk AS established a new entity in Japan (Klaveness Japan KK).

Pool manager for Baumarine AS

Starting January 1, 2024 Klaveness Dry Bulk AS will take over as pool manager for Baumarine AS. This was previously managed by Maruklav Management Inc.



DRY BULK
by Klaveness

Klaveness Dry Bulk AS

Consolidated Financial
statement

31 December, 2023



CONSOLIDATED INCOME STATEMENT

		2023	30.11.2021 - 31.12.2022*
		USD	USD
OPERATING REVENUES AND EXPENSES			
Net trading profit/(loss)	Note 4, 5, 6	15 222 670	35 015 610
Pool revenue/operating vessel revenue	Note 6, 7	147 689 998	236 111 363
Internal fees from group companies	Note 8	4 028 575	5 214 463
Bunker sale	Note 9	23 902 248	58 170 909
Other revenue	Note 10	0	161 594
Total net revenues		190 843 491	334 673 939
Voyage expenses	Note 11	-49 316 619	-39 066 271
Bunker purchase	Note 9	-23 902 248	-58 170 909
Pool hire to shipowners	Note 12	-97 582 520	-196 748 865
Salaries and personnel expenses	Note 13	-2 564 222	-4 092 201
Other administration expenses	Note 14, 15	-96 696	-83 108
Group internal services	Note 15, 16	-13 081 859	-19 722 759
Total operating expenses		-186 544 164	-317 883 913
Operating result		4 299 328	16 790 027
FINANCIAL INCOME AND EXPENSES			
Other interest income/(expenses)	Note 17	1 370 723	304 175
Other financial income/(expenses)	Note 17	-205 568	-146 711
Gain / (loss) on foreign exchange	Note 17	1 120 900	256 282
Result of financial items		2 286 055	413 746
Ordinary result before tax		6 585 383	17 203 773
Tax on ordinary result	Note 18	-1 844 533	-4 464 834
Net Profit / (loss) for the year		4 740 850	12 738 939
Details on transfers and allocations:			
Net paid / (received) group contribution without tax effect	Note 19	-6 654 361	11 675 044
Net paid / (received) group contribution with tax effect	Note 19	5 117 281	7 982 080
Transferred to / (from) other equity	Note 19	6 277 930	-6 918 184
		4 740 850	12 738 939

* Klavness Dry Bulk Group was established in November 2021, and the period from establishment to 31.12.2022 represents the first accounting year for the company. The prior years figures have been revised according to a new principle for elimination within the Klavness Dry Bulk group, please refer to note 1.



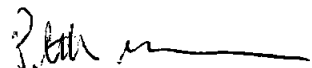
CONSOLIDATED BALANCE SHEET

USD		31.12.2023	31.12.2022
ASSETS			
FIXED ASSETS			
Intangible assets			
Deferred tax assets	Note 18	607 989	1 009 186
Total tangible fixed assets		607 989	1 009 186
Total fixed assets		607 989	1 009 186
CURRENT ASSETS			
Inventory			
Bunkers on board vessels	Note 20	24 216 885	32 871 384
Total inventory		24 216 885	32 871 384
Receivables			
Account receivable	Note 21	12 212 793	10 468 308
Other short term receivables	Note 22	19 978 626	12 386 597
Receivables from group companies	Note 23	333 164	1 957 291
Prepaid expenses	Note 24	14 464 911	10 739 300
Total receivables		46 989 494	35 551 496
Investments			
Derivatives	Note 17	21 605	27 623
Total investments		21 605	27 623
Cash and bank deposits			
Cash and bank deposits	Note 25	26 085 564	41 219 223
Cash and bank deposits, restricted	Note 25	0	10 000 000
Total cash and bank deposits		26 085 564	51 219 223
Total current assets		97 313 548	119 669 726
Total ASSETS		97 921 536	120 678 912



CONSOLIDATED BALANCE SHEET

USD		31.12.2023	31.12.2022
EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital (1 000 share of NOK 200)	Note 19	23 056	23 056
Other paid-in capital	Note 19	11 043 870	16 043 870
Total paid-in capital		11 066 926	16 066 926
Retained earnings			
Other equity / (uncovered losses)	Note 19	22 433 074	21 433 425
Total retained earnings		22 433 074	21 433 425
Total equity		33 500 000	37 500 351
Current liabilities			
Accounts payable	Note 26	10 450 202	16 153 359
Pool hire owed to shipowner	Note 12	5 202 029	6 407 626
Debt to financial institutions	Note 25	10 712 843	14 146 679
Debt to group companies	Note 27	2 665 016	18 689 556
Accrued estimated expenses	Note 28	14 073 457	9 810 719
Accrued revenues	Note 28	14 375 165	13 914 139
Other current liabilities	Note 29	6 942 824	4 056 484
Total current liabilities		64 421 536	83 178 562
Total liabilities		64 421 536	83 178 562
TOTAL EQUITY AND LIABILITIES		97 921 536	120 678 912

Oslo, December 31, 2023
February 13, 2024
Ernst André Meyer
Chair
Solveig Sundby
Board member
Petter Markussen
Managing Director
Gøran Andreassen
Board Member
Taku Nakamoto
Board Member



CONSOLIDATED CASH FLOW STATEMENT

USD	2023	30.11.2021-31.12.2022
Cash flow from operating activities		
Ordinary result before tax	6 585 383	17 203 773
Changes in market value of financial assets	6 018	37
Change in bunkers on board	8 654 499	-10 593 818
Change in current assets	-11 344 254	22 743 184
Change in current liabilities	-3 620 718	-10 626 194
Exchange rate effects	0	51 634
Net cash flow from operating activities (1)	280 929	18 778 596
Net cash flow from investment activities (2)	0	0
Cash flow from financing activities		
Changes of debt to financial institutions	-3 433 837	11 860 834
Paid group contribution	-16 980 751	-7 051 632
Repaid capital to parent company	-5 000 000	0
Net cash flow from financing activities (3)	-25 414 588	4 809 200
Cash and cash equivalents at beginning of period	61 219 223	27 631 428
Net change in cash and cash equivalents	-25 133 659	23 587 796
Cash and cash equivalents December 31	26 085 564	51 219 223
SPECIFICATION OF CASH AND CASH EQUIVALENTS		
Cash and bank deposits	26 002 513	41 132 707
Restricted cash	83 051	10 086 516
Cash and cash equivalents December 31	26 085 564	51 219 223



NOTE 1: ACCOUNTING PRINCIPLES

The financial statements are prepared in accordance with the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Principles (NGAAP). The most significant accounting principles are described below.

Basis of consolidation

The consolidated financial statements include the parent company Klaveness Dry Bulk AS (KDB), and all its subsidiaries (collectively referred to as "The Group"). Subsidiaries are all entities in which a parent company directly or indirectly has a controlling interest. Controlling interest is normally gained when such company owns, directly or indirectly, more than 50 per cent of the shares in the company and/or is capable of exercising actual control over the company. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Minority interests equal the share of profit/loss and net assets in the subsidiaries held by owners external to the Group. There are currently no external owners, as such there is no minority interest taken into account when presenting the financial statement.

The financial statements of all subsidiaries are prepared for the same reporting period as the parent company. Where accounting principles of subsidiaries are different from the principles of the Group, figures are restated in order to be in line with Group accounting principles. Intra-group transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transferred assets are impaired. In order to eliminate the internal pool revenue included in the net trading portfolio, an allocation key is used to determine the intercompany share of pool revenue, voyage expenses and pool hire to shipowners. As the allocation key was set in 2023, the 2022 numbers are revised. This does not effect the net result, merely eliminating revenue and cost equally. Sales and purchases between the Klaveness Dry Bulk group and Maruklav Management Inc has not been eliminated.

KDB was established November 12, 2021 and founded with the shares in AS Klaveness Chartering (KC) and Baumarine AS (BAU) contributed as equity and is considered a continuation of the underlying business in these entities. The first financial year includes therefore transactions from founding date 12.11.2021 to 31.12.2022 for the parent company, whereas in the consolidated accounts The Group have (for practical reasons due to monthly close and overall materiality) presented it as if KC and BAU had been owned from 30.11.2021.

Business combinations

Acquisition of subsidiaries is accounted for using the purchase method. Under the purchase method of accounting the cost of the business combination is allocated to the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition.

Classification of assets and liabilities

Current assets and short-term liabilities include items due less than one year from the balance sheet date, as well as items due more than one year from the balance sheet date, that are related to the operating cycle. Assets intended for permanent ownership or use and receivables with maturities exceeding one year from the balance sheet date are presented as fixed assets. Liabilities with maturity less than one year from the balance sheet date are classified as current. All other debt is classified as long-term debt. The first year's repayment of long-term debt is classified as current liabilities in the balance sheet.

Valuation of tangible assets and liabilities

Non-financial fixed assets are stated at historical cost, less subsequent depreciation and impairment.

Current assets are valued at the lower of cost and net realizable value. Receivables is related to operations and consist of account receivables, other short-term receivables and prepayments. For valuation of receivables, see section "Receivables".

Loans are recognized at cost (the fair value of the consideration received) net of transaction costs associated with borrowing.



Accounts payable are valued at nominal amount at the transaction date. Accounts payable are liabilities related to operations and other short-term payables. All these items represent interest free liabilities. In accordance with the Norwegian Accounting Act, some items are valued according to special valuation rules. A more detailed presentation of these is provided under each principle below.

Estimates and assumptions

Preparation of financial statements according to generally accepted accounting principles requires management to use estimates and assumptions that affect the profit and loss account and the valuation of assets and liabilities, and requires disclosure of information about liabilities that, as of the balance sheet date, are not yet certain. Actual figures will generally differ from such estimates. Conditional losses which are likely to occur and which are quantifiable are expensed on a current basis. The Group uses estimates and assumptions in connection with the calculation of pension liabilities, the determination of accruals for contract losses and for losses on receivables, the calculation of risks related to contract fulfillment and the determination of fair market value for the purpose of assessing added values as well as impairment of assets.

Revenue recognition

The Group generates most of its revenues from shipping activities. This includes operating revenue from the vessels in the pools managed by the Group and profit from proprietary portfolio management.

Pool income

The pools in the Group generate their results by operating pool vessels in the market, as well as by conducting market operations. Market operations comprise contracts of affreightment, time charters, and forward freight agreements. Forward freight agreements are used to hedge a portion of the spot days in the pools, refer to the principle concerning hedging below. The mandate for the pools limits the scope of open positions.

For vessels operating in chartering pools, revenues and voyage expenses are pooled and allocated to each pool participant on a time charter equivalent basis in accordance with an agreed-upon formula, such that the net result of the pools, less service revenues, is zero. Total revenues, expenses, assets and liabilities of the pools operated by the Group are included line by line in the consolidated financial statement.

Profit is accrued for each month using the following principles:

- All voyage revenues and voyage expenses are recognized on a percentage of completion basis. The company uses a discharge-to-discharge basis in determining percentage of completion for all spot voyages and voyages servicing under CoA. Under this method, voyage revenue is recognized evenly over the period from the departure of a vessel from its original discharge port to departure from the next discharge port.
- For vessels that have completed unloading without obtaining an agreement as to the next voyage, no estimated revenues are accrued.
- All contracts of affreightment and vessel charters generate voyages, which are accrued as described above.
- FFA contracts are settled monthly according to contract maturity. FFA option premium is recognized across the term to maturity.
- Administrative, non-voyage-related revenues and expenses are recognized in the month in which they are incurred.
- Demurrage / despatch are taken into account if it is probable that a claim will occur.
- Monthly profit is distributed among those vessels that have been employed in the pool for that specific month. The monthly distribution of profit is a product of the vessel's net days in the specific month and the vessel's pool earnings points (VEP). VEP calculations are based on vessel performance; the main criteria being the vessel's speed, fuel consumption, and maximum load intake. Profit for the year for the pool is distributed to pool participants in its entirety and defined as a pool expense so that the net profit for the year is zero.

Net trading profit/(loss)

Income from proprietary portfolio management. The proprietary portfolio consists of physical and financial freight contracts, primarily contracts of affreightment (CoA), time charters (TC) and forward freight agreements (FFA). The contracts are managed as a single portfolio. For further description of the accounting treatment of the portfolio, refer to the presentation below of the accounting principles for derivatives.



Sales of services are recognized upon performance. Voyage revenues and expenses are recognized on a pro rata basis over the estimated length of each voyage, on a discharge to discharge basis. At the time of discharge, management normally knows the next load port and expected discharge port, so that the discharge-to-discharge calculation of voyage revenues and expenses can be estimated with a reasonable degree of accuracy. For vessels without contract in place at discharge, no revenue is recognized before a new contract is entered into. Voyage related expenses incurred for vessels in idle time are expensed. Revenues from time charters are recognized over the time when the services are performed. Demurrage and despatch are taken into account if it is probable that a claim will occur.

Provisions are made for unrealized losses if it is likely that such losses will occur.

Other income

Sale of Software-as-a-Service (SaaS) platform access and settlements from the liquidated former subsidiary Bulkhandling Handymax AS (2021) is presented as part of the operating profit or loss. Other income is recognized when it is earned (the earned income principle).

Cost recognition

Expenses are recognised in the same period as the revenue to which they are related. Expenses that cannot be directly attributed to revenues are expensed as they are incurred. In recording projects in progress but not completed at the close of an accounting period, expenses are accrued according to the proportion incurred.

Provisions are made for unrealized losses if it is likely that such losses will occur.

Derivate instruments

The Group may use a set of financial instruments (forward freight agreements, bunkers contracts, foreign currency contracts and interest rate swaps, among others) either to manage financial risks (hedging) or within given mandates to maximize profit (non-hedging). The purpose of the derivatives determines which accounting principle is applied.

Hedging

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

Non-hedging

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

Physical and financial freight contracts

The Group uses financial instruments (forward freight agreements (FFA), fuel swaps and currency swaps, among others) both to manage financial risk and as elements in its trading. These physical and financial freight contracts entered into to profit from short-term fluctuations in market rates are managed and valued as a single portfolio. The portfolio is valued at the lower of acquisition cost and fair market value. Both physical and financial freight contracts are valued against the forward curves as of December 31st. The fair market value of these contracts also includes estimated future losses due to counterparty risk. Loss provisions are made to the extent the fair market value of the portfolio is negative. Such provisions are classified in the balance sheet as provisions for loss of contracts. Any positive value exceeding acquisition cost is not recognised. The fuel swaps in the fuel trading portfolio are recognized separately at fair value.

Financial investments

Subsidiaries as defined above are consolidated in the Group accounts on a 100 per cent basis. These investments are accounted for in the Group accounts according to the proportionate consolidation method. Other long-term



investments are stated according to the cost method. Short term investments are valued at the lower of cost or fair market value.

In the parent company accounts, all long-term investments are stated according to the cost method, while short-term investments are valued at the lower of cost or fair market value.

Investments in financial current assets

Financial current assets, listed shares and bonds included in a trading portfolio and traded on a regular basis, are recorded at market value. Short-term liquid investments defined as cash equivalents are financial instruments that can be converted at any time into a known amount of cash and have a maximum maturity of three months.

Tax

Tax expenses in the profit and loss account comprise the sum of tax payable for the year and changes in deferred tax assets and liabilities. Deferred tax assets and liabilities are calculated at 22 per cent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at year-end. Temporary differences, both positive and negative, are balanced out within the same period. Deferred tax assets are recognized in the balance sheet only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the entity.

Foreign currency

The presentation currency for the Group is US dollar (USD). Group companies, excluding the parent company using NOK, has USD as their functional currency. Each entity in the Group determines its own functional currency in accordance with NGAAP and items included in the financial statements of each entity are measured using that functional currency.

Functional currency

Transactions in currencies other than the functional currency are translated into functional currency using the exchange rate in effect on the date of the transaction. Monetary assets and liabilities in foreign currency are translated into functional currency using the exchange rate in effect on the balance sheet date. Exchange differences arising from translations into functional currency are recorded in the income statement. Non-monetary assets and liabilities measured at historical cost in foreign currency are translated into the functional currency using the historical exchange rate. Non-monetary assets and liabilities recognized at fair value are translated using the exchange rate on the date of the determination of the fair value.

Where the functional currency of consolidated entities differs from the functional currency of the Group, income statements are translated into USD using the average exchange rate for the year. Exchange differences arising on the translation are recognized directly in equity.

Income and expenses in NOK are converted at the rate of exchange on the transaction date. The average exchange rate was 10.5658 in 2023 (2022: 9.6197). At year-end 2023, an exchange rate of 10.2025 (2022: 9.9066) was used for the valuation of balance sheet items.

Receivables

Short-term trade receivables are recorded at their nominal value less provisions for bad/doubtful debt, as an approximation of their fair value. The Group regularly reviews its accounts receivable, estimates the amount of unrecoverable receivables each period and establishes an allowance for unrecoverable amounts. The amount of the allowance is based on the age of unpaid amounts, information about the current financial strength of customers, and other relevant information.

Provisions for losses on receivables more than 90 days past due are recorded at 50 percent of their nominal value. The 50 percent rate has been arrived at based on experience. Further, provisions are recorded for major unpaid receivables based on individual assessments.

Bunker inventories

Inventories, which consist primarily of bunker fuel are stated at cost. Cost is determined on a first-in, first-out (FIFO) basis. Bunkers is recognized in the balance sheet when the Group has legal ownership of the stock. Legal ownership of the bunker is considered established when the chartered pays fully for the bunker on delivery.



On short term time charter contracts, it is common not to pay for the bunker but rather return the vessel to the owner at the end of the contract period with the same amount of bunker on board. In such cases the ownership of the bunker remains with the owner and the charterer recognizes a liability to fuel the vessel with consummated amount, before delivering it back.

Legal ownership of the bunker is also not established in cases where the charterer prepays for the estimated consumed bunker. The value of prepayments are decreased in line with realization.

Bunkers are considered to be material and used for execution of voyages. These are not written down below cost if the voyage result where the bunkers are consumed is positive. However, when a decline in the price of bunker stock indicates that the voyage result turns negative, the bunker stock is written down to net realizable value.

Pool payment

The Group pays pool hire to pool participating vessels. Annual pool payments vary according to total pool profit. Sums earned by pool shipowners but not paid in the accounting year in question are recorded as pool hire owed to shipowners under current liabilities.

Related parties

Transactions with related parties are conducted at arm's length on market terms. Related parties are defined to include the Group's top management and the Board of directors.

Pensions

All current employees in the Group have a defined contribution plan. All the pension plans in the Group are in compliance with local laws and regulations.

A defined contribution plan is one under which the Group pays fixed contributions to a separate legal entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Currency gain/loss related to net pension assets is presented as part of the pension costs.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term highly liquid investments with original maturities of three months or less.

Events after the balance sheet date

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



NOTE 2: SUBSIDIARIES

Klaveness Dry Bulk AS owns two subsidiaries. Subsidiaries are entities in which a parent company directly or indirectly holds a controlling interest.

Subsidiaries are fully consolidated from the date of acquisition. Where accounting principles of subsidiaries are different from the principles of the Group, figures are restated in line with Group accounting principles.

Unless otherwise stated, the companies are located in Oslo, Norway.

Subsidiaries:

Company name	Ownership interest per 31 Dec, 2023	Ownership interest per 31 Dec, 2022
Baumarine AS	100 %	100 %
AS Klaveness Chartering	100 %	100 %

NOTE 3: SUBSEQUENT EVENTS

2024: Subsequent events

Sale of shares in Klaveness Dry Bulk AS

On January 1, 2024, Lilac Investment Co. Ltd purchased and took ownership of 25 % of the shares in Klaveness Dry Bulk AS.

New office established in Japan

In January 2024, Klaveness Dry Bulk AS established a new fully owned entity in Japan (Klaveness Japan KK).

Pool manager for Baumarine AS

Starting January 1, 2024, Klaveness Dry Bulk AS will take over as pool manager for Baumarine AS. The pool was previously managed by Maruklav Management Inc.



NOTE 4: OPERATIONAL AND FINANCIAL RISKS

Klaveness Dry Bulk operates globally in a capital intensive industry subjected to strong business cycles and volatility in underlying markets. The group is exposed to both operational and financial risks.

Operational risks:

Operational risk is managed through insurances and procedures to manage risks such as piracy, health and safety, environmental risks, off-hire and accidents. All vessels sailing through piracy exposed areas take necessary steps to mitigate the threat. The vessels are insured for loss of hire, protection and indemnity (P&I), and complete loss. Operational risk are related to the execution of cargo contracts and time charter contracts in AS Klaveness Chartering, and to the management of a spot pool.

The chartering and trading and pool management activities are governed by well-defined and board-approved mandates, management procedures and reporting requirements.

Financial risks

Market risk

The trading of physical and financial freight contracts, which includes COAs, TCs and FFAs, conducted by AS Klaveness Chartering, involves risks related to movements in the overall market price levels and market movements between sub-markets, e.g. geographical areas. These risks are monitored continuously and managed according to scenario-based mandates and kept within market- and liquidity risk limits decided by the board.

Currency risk

For Klaveness Dry Bulk, including all subsidiaries, functional currency is USD. Some of the cash, bank deposits, and debt to related parties are denominated in NOK and EUR, however the main revenues and costs are in USD. There were no currency hedges used in 2023.

Credit and counterparty risk

Klaveness Dry Bulk is exposed to credit risk towards all counterparties. The group monitors the net exposure to all counterparties, and recognises provisions for expected counterparty losses based on individual ratings of each counterparty. Any OTC derivatives are entered with counterparties with strong credit rating and with caps on counterparty exposure.

Liquidity risk

The Group's cash position is impacted by market and credit risk. There are three main uncertainties regarding the cash flow; clearing margin payments, changes in net working capital and cash flow shortfall from key counterparty defaults. The daily settlement for mark-to-market of derivatives, including cleared FFAs, is based on changes in the forward market. In addition, clearing houses require collateral for possible future market changes. Clearing of derivatives therefore has an impact on the cash requirements. The group has sufficient funds to manage this volatility.



NOTE 5: NET TRADING PROFIT/(LOSS)

USD	2023	30.11.2021-31.12.2022
Realised portfolio value	15 222 670	35 015 610
Net trading profit/(loss)	15 222 670	35 015 610

The portfolio takes positions in physical and financial freight contracts including time charter agreements, forward freight agreements, contracts of affreightment and options. The positions in physical and financial freight agreements are managed as one portfolio.

The portfolio is managed within a given trading mandate regulating market- and liquidity risks with maximum exposure limits. Limits and exposures are supervised on a daily basis. The derivative portfolio mainly consists of cleared forward freight agreements, some over-the-counter agreements with investment grade institutions and negligible positions with non-investment grade counterparts. All physical and financial contract counterparties are rated in-house and given a designated credit exposure limit.

The portfolio of contracts is managed through defined mandates and risk measures and is therefore treated as a portfolio for accounting purposes. As a consequence of the accounting principles followed, a negative future portfolio value requires a provision, whereas a positive future portfolio value will only be recognized in the accounts in future years, as it is realized.

The mark-to-market value of the portfolio of contracts related to the Panamax and Financial Trading segments per end of December 2023 and forward was, assuming no credit risk, USD 1.6 million (2022: USD 9.1 million). This is based on a valuation of each separate contract's cash flow relative to the forward market in the relevant contract period, which is aggregated and discounted using the USD swap interest curve. The net mark-to-market value of the portfolio, after deducting the statistically estimated counterparty losses, was positive by USD 1.3 million (2022: USD 8.3 million).

The portfolio has an average of 11 ship-years of time charter-in contracts with maturity below 1 year, and 0 ship-years of time charter-in contracts with maturity between 1 and 2 years. The average daily lease rate is USD 14 832. In addition the portfolio has 1 ship years with index based lease rate.

The initial margin equals the guarantee obligation the group has to the clearing houses for the trade of cleared Forward Freight Agreements (FFA's). The deposits vary daily according to the forward market. ADM Investor Services International Limited is the group's Clearing Agent.



NOTE 6: HEDGING

The Group through its subsidiaries Baumarine AS and AS Klavness Chartering use financial instruments to hedge against certain financial risks. Future Freight Agreements (FFAs) and Fuel Swaps have been used to hedge against market fluctuations. FFA agreements are entered into to hedge a portion of open spot days.

Cash flow hedges are recorded in the profit and loss account in the same period as the cash flow from the associated asset or physical contract. Fair value hedges are reflected in the book value of the underlying asset, and gains or losses in the fair value of the hedging instrument are recognised immediately in the profit and loss account.

Hedge subject	Hedging instrument	Profit and Loss effect	Future Market	Future Market value	Hedge included in
		2023	value per 31.12.2023	per 31.12.2023	P&L line
Pool income/Freight income	Future freight agreements	-1 492 457	1 850 507	-435 409	Operating revenues
Bunkers cost	Fuel contracts	-1 488 350	-207 694	-1 549 185	Voyage costs
Total effect on P&L / Off balance sheet		-2 980 807	1 642 813	-1 984 594	

NOTE 7: POOL REVENUE/OPERATING REVENUE VESSELS

US\$	30.11.2021 -	
	2023	31.12.2023
Freight revenues	51 239 670	57 857 297
Sub time charter revenues	109 034 494	221 346 469
Forward Freight Agreements (FFA)	-1 889 099	-1 817 922
Other operating revenues	3 063 610	-2 648 164
Elimination of internal share of pool revenue *	-13 973 877	-38 626 318
Total pool revenue/operating revenue vessels	147 885 898	238 111 363

* Refer to accounting principles (note 1) for information regarding elimination within the Klavness Dry Bulk Group.



NOTE 8: MANAGEMENT FEE TO GROUP COMPANIES

The group sells administration services to Maruklav Management Inc with a mark-up depending on the type of services which is provided. This includes finance, tax, legal services, commercial operations, chartering, HR and management. Maruklav in turn sells pool management services back to Baumarine. This is not eliminated on group level, refer to note 1. In addition the group also sell other management services to other companies in the Rederiaksjeselskapet Torvald Klaveness (RASTK) group. The agreement with Maruklav Management Inc. was discontinued from 31.12.2023

USD	2023	30.11.2021-31.12.2022
Maruklav Management Inc	3 686 000	4 771 380
Klaveness AS	3 540	116 449
Cargo Intelligence AS	0	15 256
Klaveness Digital AS	21 243	0
Klaveness Ship Management AS	24 783	17 991
KCC Chartering AS	293 009	293 387
Total Management fee	4 028 575	5 214 463

NOTE 9: BUNKERS PURCHASE AND SALE

AS Klaveness Chartering is responsible for all bunker purchases in the Klaveness Dry Bulk group. Occasionally, the company is also responsible for bunker purchases for KCC Chartering AS, another company in the RASTK Group. For bunker resold to companies within the RASTK Group, AS Klaveness Chartering has all the risk and responsibilities towards the bunker suppliers, hence the bunker purchase and resale is presented gross in the financial statement.

NOTE 10: OTHER REVENUE

All activity in Bulkhandling Handymax AS was discontinued by the end of 2020, as such no vessels were active in the pool in the period from 30.11.2021 to 31.12.2022. The company was liquidated in 2022 and the result from 30.11.2021 to 31.12.2022 is made up of minor adjustment of the voyages of previous years.

USD	2023	30.11.2021-31.12.2022
Other operating revenues	0	161 594
Total operating revenues	0	161 594

NOTE 11: POOL RELATED VOYAGE COST, VESSELS

USD	2023	30.11.2021-31.12.2022
Freight expenses	-292 577	0
T/C-hire	-45 844	-544 657
Voyage expenses	-50 450 384	-37 844 166
Bunker hedge	-2 651 547	-5 809 487
Various expense	-544 023	-1 241 852
Elimination of internal share of pool cost *	4 667 757	6 373 891
Total voyage cost, vessels	-49 316 619	-39 066 271

Voyage corrections from the discontinued operations in Bulkhandling Handymax AS were included in the pool related voyage cost for the period 30.11.2021-31.12.2022.

* Refer to accounting principles (note 1) for information regarding elimination within the Klaveness Dry Bulk Group.



NOTE 12: POOLHIRE OWED TO SHIPOWNERS

The pool hire owed to shipowners as at December 31, 2023 is based on an estimated pool distribution during the year in Baumarine AS. The estimated pool distribution has been calculated using Vessel Earnings Points (VEP) which is a distribution key and is the basis for the distribution of the pool income amongst the pool participants, reference is made to note 1. The VEP has during 2023 been calculated using the ships' estimated performance and will be updated with the ships' actual performance for 2023. The actual VEP for all vessels is calculated quarterly. The last quarter of 2023 will be calculated and set in Q1 2024. Even though the estimated VEP shall reflect as correctly as possible the relative earning potential for each ship compared with the other pool ships, there may be differences that will trigger a redistribution of the 2023 pool result. The redistribution may require some pool participants to repay some of the pool distribution received in 2023 if their ship has underperformed compared to estimated VEP, while some pool participants may receive more than previously distributed.

USD	Poolhire 2023	Balance at December 31, 2023	Poolhire 30.11.2021-31.12.2022	Balance at December 31, 2022
Fleet total	106 818 585	-8 134 878	228 935 496	-8 601 299
Elimination of internal share *	-9 236 066	932 850	-32 186 831	2 193 673
External fleet total	97 582 520	-5 202 029	196 748 665	-6 407 626

The net result distributed to the pool vessel owners in the Baumarine pool in 2023 was USD 106 818 586 (allocated result to group company KC was USD 9 236 066 in the same period). The average number of vessels employed in the pool in 2023 was 28 vessels, of which all 28 are pool participating vessels.

* Refer to accounting principles (note 1) for information regarding elimination within the Klavness Dry Bulk Group.



NOTE 13: SALARY AND PERSONNEL EXPENSES

USD	2023	30.11.2021-31.12.2022
Salaries, including bonus	1 875 357	3 349 713
Employer's social security contribution	465 091	504 302
Net pension cost	179 367	174 576
Other remuneration	44 407	63 610
Total salary and personnel expenses	2 564 222	4 092 201

Defined contribution plan

All employees in Klavness Dry Bulk AS have a defined contribution plan. This plan currently consists of annual savings of 5% of salaries between 0 and 12G plus 15 % of salaries between 7.1G and 12G. 1G is currently set to NOK 118.620. The annual pension payable depends on the size of the contributions, the number of contributions paid and the return during the savings and pension-payment period. The employee may start taking their pension from the age of 62, given that it is paid out over a minimum of 10 years and at least until the age of 77. The responsibility for managing the individual pension account, within the insurance company's prevailing selection of funds, lies with the employee. As of December 31, 2023 the defined pension plan included 16 employees. All payments to the defined contribution plan are expensed as they are paid-in.

The contributions recognised as expenses amounted to USD 179 thousand.

Number of employees

The average number of employees in the company was 14 in 2023.

Remuneration to key personnel

USD	2023	30.11.2021-31.12.2022
Salary	306 027	336 716
Pension cost	16 152	15 236
Total remuneration to key personnel	322 179	351 952

The salary expenses for the General Manager includes all salary and bonus paid during the period. Accrued bonus to be paid in 2024 is not included.

The board of directors

Per 31.12.2023 members of the Board of Directors were employees of the RASTK Group. No special remuneration has been paid to the various members of the Board of Directors, because such positions of office are a part of their regular employment. Compensation for Board work is thus included in the regular salary of such employees.

NOTE 14: OTHER ADMINISTRATIVE EXPENSES

USD	2023	30.11.2021-31.12.2022
Audit fee	94 600	81 610
Other services from the auditor	2 096	1 498
Total	96 696	83 108



NOTE 15: MANAGEMENT AGREEMENTS

Maruklav Management Inc

The Baumarine pool purchases pool management services from Maruklav Management Inc. For this service the pool pays a management fee of 1.25 % on freight and T/C income and USD 385 per pool day. The contribution of management fee in 2023 from the company amounts to USD 5 619 421 (2022: USD 6 958 355). Maruklav Management Inc. purchases commercial and administrative services from Klaveness Dry Bulk AS. As of 01.01.2024 the parent company Klaveness Dry Bulk will take over as pool manager.

The pool offers fixed rate agreements to its participants for a certain period of time up to a maximum of 90 days. To cover the difference between the fixed rate paid to the pool participant and the spot pool earnings, the pool entered into a Contract of Difference with the joint venture company, Maruklav Management Inc. During 2023 this agreement was transferred to another company in the RASTK group, AS Klaveness Chartering (KC). For each fixed rate agreement Baumarine AS enters into with a pool participant, there is an agreement between Baumarine and KC to transfer the risk. KC agrees to assume the market and performance risk, i.e. any negative or positive difference between the fixed hire and daily pool hire that would otherwise be payable under the Pool Participate Agreement.

Contracts entered into by AS Klaveness Chartering on behalf of the group
All bunkers is purchased from AS Klaveness Chartering.

NOTE 16: GROUP INTERNAL SERVICES

The group purchases administration services from Klaveness AS with a mark-up depending on the type of services provided. This includes accounting, finance, tax, legal services and HR. In addition the group purchases commercial services in Dubai and Singapore from the group company Klaveness Asia, and various services from Klaveness Shore services Inc. (Philippines) and Klaveness Ship Management AS (Oslo).

USD	2023	30.11.2021-31.12.2022
Klaveness AS	-3 457 881	-9 223 181
Klaveness Ship Management AS	-270 979	-288 359
Klaveness Asia Pte. Ltd	-7 735 998	-8 244 106
Klaveness Shore Services Inc	-167 395	-180 315
Total group internal services	-11 632 253	-17 935 962



NOTE 17: OTHER FINANCIAL INCOME / EXPENSES (-)

USD	2023	30.11.2021-31.12.2022
Other interest income/expenses	1 370 723	304 175
Other financial expenses	-199 550	-198 042
Gain/loss (-) on foreign exchange	1 120 900	256 282
MtM Fuel swaps	-6 018	51 331
Total	2 286 055	413 746



NOTE 18: TAXES

USD	2023	2022	30.11.2021-31.12.2022
Change in deferred tax / deferred tax assets	401 197	2 298 084	2 298 084
Tax payable**	1 443 336	2 239 189	2 239 189
Subtotal	1 844 533	4 537 253	4 537 253
Adjustment of previous year's provision	0	0	-72 419
Total tax income (-) / expense	1 844 533	4 537 253	4 464 834

* Tax expense for period 30.11.2021-31.12.2022 is calculated by adding 1/12 of the tax expense (869 028 / 12 = 72 419) from 2021 to the tax expense for 2022. As tax is calculated at year end we have included a proportional part of the total tax from 2021 and added it to the tax expense for 2022 to visualise the total tax expense for the period 30.11.2021-31.12.2022.

** Tax payable will be settled through group contributions.

B. CALCULATION OF TAX BASIS - TAX PAYABLE

USD	2023 Basis 2023	2023 Tax 2023	2022 Basis 2022	2022 Tax 2022
Profit before tax	6 585 383	1 448 784	18 070 803	3 635 401
Unrealised change in market value FX contracts	5 373	1 182	-3 915	-861
Non deductible expenses	14 604	3 213	5 712	1 257
Exchange rate adjustment	1 784 249	392 535	7 879 147	1 733 412
Subtotal - permanent differences	1 804 226	396 930	7 880 944	1 733 808
Change in temporary differences	-2 482 991	-541 858	3 175 802	698 676
Group contribution from the Klaveness Dry Bulk Group to: Rederiaksjeselskapet Torvald Klaveness	-6 560 617	-1 443 336	-10 178 132	-2 239 189
Subtotal - group contribution	-6 560 617	-1 443 336	-10 178 132	-2 239 189
Total basis and tax payable before tax deficit carried forward	-633 999	-139 480	16 948 617	3 728 896
Tax deficit carried forward	633 999	139 480	-16 948 617	-3 728 896
Total tax basis and tax payable	0	0	0	0

C. RECONCILIATION OF NOMINAL AND ACTUAL TAX RATES:

USD	2023	2022
Profit before tax	6 585 383	18 070 803
Nominal tax rate	22 %	22 %
Expected income tax according to the nominal taxation rate	1 448 784	3 935 401
Impairment of deferred tax asset	0	-732 817
Tax effect, exchange rate adjustment	392 535	1 733 412
Tax effect on non deductible expenses	3 213	1 257
Total expense for the year	1 844 533	4 537 253
Effective tax rate	28 %	28 %



NOTE 18: DEFERRED TAX / (DEFERRED TAX ASSETS)

Specification of the tax effect of temporary differences:

G/C	Status January 1, 2023	Change	Status December 31, 2023	Tax effect December 31, 2023 2023	Status December 31, 2022	Tax effect December 31, 2022 2022
Provision loss on contracts	-2 580 176	1 260 176	-1 320 000	-290 400	-2 580 176	-667 639
Bonus provision	-2 034 854	1 202 615	-831 839	-183 906	-2 034 854	-447 624
Total temporary differences that have not been specially adjusted	-4 614 930	2 462 791	-2 151 839	-474 306	-4 614 930	-1 115 263
Unrealised market value financial instruments	27 623	-9 373	22 250	4 965	27 623	6 077
Total temporary differences - adjusted / not adjusted	27 623	-9 373	22 250	4 965	27 623	6 077
Tax losses carried forward	0	-633 999	-633 999	-139 480	0	0
Total temp. differences - basis for calc. deferred tax/(deferred tax assets)	-4 587 207	1 823 619	-2 763 688	-507 986	-4 587 207	-1 009 186
Write-down deferred tax asset				0		0
Deferred tax / (deferred tax assets) recorded in the balance sheet				-507 986		-1 009 186
Change in deferred tax / (deferred tax assets)				401 197		2 299 964

Deferred tax asset is recognised in the balance sheet to the extent that future utilization is probable. The assessment is carried out at RASTK Group level for companies within ordinary Norwegian taxation, as those companies can use group contribution to offset taxable income in one company against deductible loss in another. Within the RASTK Group, taxable income is generated in the trading portfolio of Kleveness Chartering, as well as through the pools and through the sale of internal services to companies. Based on the company's tax positions per December 31, 2023, and forecasted future revenues, the tax position is expected to be utilised over a period of 3-5 years. Consequently, the value of the tax position has been recognised in the balance sheet.



NOTE 19: EQUITY

EQUITY

	Share capital	Other paid-in equity	Other equity	Total equity
Equity 31 December, 2022	23 056	16 043 870	21 433 426	37 500 351
Profit/loss of the year	0	0	4 740 850	4 740 850
Net group contribution received / (paid) with tax effect	0	0	-5 117 281	-5 117 281
Repayment of capital	0	-5 000 000	0	-5 000 000
Net group contribution received / (paid) without tax effect	0	0	1 375 905	1 375 905
Other adjustments*	0	0	175	175
Equity 31 December, 2023	23 056	11 043 870	22 433 074	33 500 000

*Adjustment on equity is related to correction of group contribution from 2019.

Shareholders	Ownership	Shares
Rederiaksjeselskapet Torvald Klaveness	100 %	1 000
TOTAL	100 %	1 000

The Group (Klaveness Dry Bulk AS) is included in the consolidated accounts of Rederiaksjeselskapet Torvald Klaveness (RASTK), Drammensveien 280, P.O. Box 182 Skøyen, NO-0212 Oslo, Norway as Klaveness Dry Bulk AS is 100 % owned by RASTK at 31.12.2023. The annual accounts of RASTK are available at www.klaveness.com



NOTE 20: INVENTORY

USD	31.12.2023	31.12.2022
Fuel on board	20 255 115	26 425 136
Diesel on board	3 961 769	6 446 248
Total bunkers on board vessels	24 216 885	32 871 384



NOTE 21: ACCOUNTS RECEIVABLE

USD	31.12.2023	31.12.2022
Customers, charter	11 569 071	12 203 723
Customers, owner	1 582 373	2 387 059
Provision loss on accounts receivables	-938 651	-4 122 475
Total accounts receivable	12 212 793	10 468 307

Accounts receivable comprise all items that fall due for payment within one year after the close of the accounting year.

NOTE 22: OTHER SHORT-TERM RECEIVABLES

USD	31.12.2023	31.12.2022
Public duties receivable	0	2 361
Prepaid market-to-market margin on cleared FFAs	6 525 387	4 567 216
Accrued voyage income	13 453 240	7 707 496
Other short-term receivables	0	109 525
Total other short-term receivables (external)	19 978 626	12 386 597

NOTE 23: RECEIVABLE FROM GROUP COMPANIES

USD	31.12.2023	31.12.2022
Maru Klav Management Inc	0	182 384
Klaveness AS	309	33 210
Cargo Intelligence AS	0	5 334
Klaveness Digital AS	1 855	0
Klaveness Combination Carriers ASA	0	1 630 127
Rederiaksjeselskapet Torvald Klaveness - group contribution with tax effect	-6 560 617	0
Rederiaksjeselskapet Torvald Klaveness - group contribution without tax effect	6 654 361	0
Klaveness Ship Management AS	8 747	1 421
KCC Chartering AS	228 508	104 835
Total short-term receivables - Group companies	333 164	1 957 291

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

NOTE 24: PREPAID EXPENSES

USD	31.12.2023	31.12.2022
Prepaid expenses, on-going voyages	13 257 428	9 318 817
Other prepaid expenses	1 207 482	1 420 482
Total prepaid expenses	14 464 911	10 739 300



NOTE 25: CASH AND BANK DEPOSITS

USD	31.12.2023	31.12.2022
Cash and bank deposits	26 002 513	41 219 223
Cash and bank deposits, restricted	0	10 000 000
Employee tax withholding, restricted	83 051	86 516
Total cash and bank deposits	26 085 564	51 219 223

Skandinaviska Enskilda Banken (SEB) provides the group with an overdraft facility of USD 15 million, whereas USD 2.5 million is restricted as cash guarantee. The facility is with a one-year tenor, it is for general purposes and can partly be used as security for guarantees provided by the bank, without cash draw-down. No cash amount was drawn per 31. December 2023. The overdraft facility is secured by a pledge in current assets, including bank accounts and there is a minimum equity covenant of USD 20 million. At 31.12.2022 USD 10 million cash was on a restricted deposit account, this was released in 2023.

The group has an undertaking in its loan agreement that any dividend or other group contributions causing Equity to fall below USD 35m must be pre-approved by the Lender. The group received an approval 30 November 2023 from the Lender, allowing the Equity to be reduced to a minimum of USD 32m. There are no ongoing Event of Default or violations of covenants in the Loan agreement.

The group also has a short-term drawing right of USD 15 million with DnB Bank ASA. The overdraft facility is renewed annually.

The unused part of the ODF was per year-end 2023 USD 4 287 157 and the draw of USD 10 712 157 is classified as debt to financial institutions in the balance sheet.

The overdraft facility is secured by an assignment of accounts receivables recorded in the Registry for Movable Property in Brønnøysund, pledge over inventory and tangible assets.

**NOTE 26: ACCOUNTS PAYABLE**

USD	31.12.2023	31.12.2022
Vendors	10 450 202	16 153 359
Total account payable	10 450 202	16 153 359

Accounts payable are liabilities that fall due in their entirety within one year after the end of the accounting year.

NOTE 27: DEBT TO GROUP COMPANIES

USD	31.12.2023	31.12.2022
Klaveness AS	322 038	259 526
Maruklav Management Inc	840 194	518 270
KCC Chartering AS	4 337	64 721
Rederiaksjeselskapet Torvald Klaveness - group contribution with tax effect	0	10 178 132
Rederiaksjeselskapet Torvald Klaveness	0	5 465
Klaveness Ship Management AS	0	23 175
Klaveness Shore Services Inc.	4 417	17 170
Klaveness Asia Pte. Ltd.	1 494 033	2 948 430
Rederiaksjeselskapet Torvald Klaveness - Group contribution without tax effect	0	4 674 661
Total liabilities to group companies	2 665 016	18 689 556

NOTE 28: ACCRUED ESTIMATED EXPENSES AND REVENUE

The balance sheet items; accrued estimated revenues, accrued revenues, accrued estimated expenses, prepaid expenses and accrued expenses show the accrual for voyages not yet completed at year end.

As of 31.12.2023 there are 27 voyages not yet completed in the Baumarine pool and 31 voyages not yet completed in AS Klaveness Chartering. The total days for the voyages are 4 045 days, whereof 2 155 days in 2023.

USD	31.12.2023	31.12.2022
Accrued voyage expenses	14 073 457	9 810 719
Accrued revenue related to voyages	14 375 165	13 914 139
Total accrued expenses	28 448 622	23 724 858

NOTE 29: OTHER CURRENT LIABILITIES

USD	31.12.2023	31.12.2022
Other current liabilities	6 831 648	3 948 981
Public duties	111 176	107 503
Total current liabilities	6 942 824	4 056 484

In general, current liabilities are defined as liabilities that fall due within one year after the end of the accounting year.