



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

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

### Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

### Konsern

Mørselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Nils Per Hellesund  
Dato for fastsettelse av årsregnskapet: 17.06.2021

### Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 29.06.2022



### Resultatregnskap

Beløp i: USD	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Annen driftsinntekt	4	46 000	200 000
<b>Sum inntekter</b>		<b>46 000</b>	<b>200 000</b>
<b>Kostnader</b>			
Varekostnad	3,5,12	64 000	43 000
Annen driftskostnad	3,6,7	11 000	10 000
<b>Sum kostnader</b>		<b>75 000</b>	<b>53 000</b>
<b>Driftsresultat</b>		<b>-29 000</b>	<b>147 000</b>
<b>Finansinntekter og finanskostnader</b>			
Renteinntekt fra foretak i samme konsern	3	113 000	175 000
Annen renteinntekt		57 000	48 000
Annen finansinntekt	3,10	726 000	722 000
<b>Sum finansinntekter</b>		<b>896 000</b>	<b>945 000</b>
Nedskrivning av finansielle eiendeler	11	24 000 000	4 000 000
Rentekostnad til foretak i samme konsern	3	413 000	463 000
Annen finanskostnad	3,10	16 000	71 000
<b>Sum finanskostnader</b>		<b>24 429 000</b>	<b>4 534 000</b>
<b>Netto finans</b>		<b>-23 533 000</b>	<b>-3 589 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-23 562 000</b>	<b>-3 442 000</b>
Skattekostnad på ordinært resultat	12	100 000	71 000
<b>Ordinært resultat etter skattekostnad</b>		<b>-23 662 000</b>	<b>-3 513 000</b>
<b>Årsresultat</b>		<b>-23 662 000</b>	<b>-3 513 000</b>
<b>Overføringer og disponeringer</b>			
Overføringer til/fra annen egenkapital		-23 662 000	-3 513 000
<b>Sum overføringer og disponeringer</b>		<b>-23 662 000</b>	<b>-3 513 000</b>



## Balanse

Beløp i: USD	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	12	1 726 000	1 826 000
<b>Sum immaterielle eiendeler</b>		<b>1 726 000</b>	<b>1 826 000</b>
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	11	49 787 000	73 787 000
Lån til foretak i samme konsern	3	6 147 000	2 892 000
Investeringer i tilknyttet selskap	9	8 857 000	8 857 000
Financial derivatives	23	72 000	
Non-current receivables	3,13	1 125 000	1 750 000
<b>Sum finansielle anleggsmidler</b>		<b>65 988 000</b>	<b>87 286 000</b>
<b>Sum anleggsmidler</b>		<b>67 714 000</b>	<b>89 112 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Other current assets	16	211 000	324 000
Financial derivative	23	103 000	
Konsernfordringer	3		168 000
<b>Sum fordringer</b>		<b>314 000</b>	<b>492 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	17	53 000	406 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>53 000</b>	<b>406 000</b>
<b>Sum omløpsmidler</b>		<b>367 000</b>	<b>898 000</b>
<b>SUM EIENDELER</b>		<b>68 081 000</b>	<b>90 010 000</b>

## BALANSE - EGENKAPITAL OG GJELD



## Balanse

Beløp i: USD	Note	2020	2019
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	18	131 000	131 000
Overkurs		2 000	2 000
<b>Sum innskutt egenkapital</b>		<b>133 000</b>	<b>133 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital		51 019 000	74 681 000
<b>Sum opptjent egenkapital</b>		<b>51 019 000</b>	<b>74 681 000</b>
<b>Sum egenkapital</b>		<b>51 152 000</b>	<b>74 814 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Langsiktig konserngjeld	3,21	16 676 000	15 025 000
Øvrig langsiktig gjeld	23	71 000	
<b>Sum annen langsiktig gjeld</b>		<b>16 747 000</b>	<b>15 025 000</b>
<b>Sum langsiktig gjeld</b>		<b>16 747 000</b>	<b>15 025 000</b>
<b>Kortsiktig gjeld</b>			
Financial derivatives	23	103 000	
Other current liabilities	22	79 000	171 000
<b>Sum kortsiktig gjeld</b>		<b>182 000</b>	<b>171 000</b>
<b>Sum gjeld</b>		<b>16 929 000</b>	<b>15 196 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>68 081 000</b>	<b>90 010 000</b>



## Konsernets resultatregnskap

Beløp i: USD	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	4	30 937 000	37 743 000
Annen driftsinntekt	4	1 606 000	1 786 000
<b>Sum inntekter</b>		<b>32 543 000</b>	<b>39 529 000</b>
<b>Kostnader</b>			
Varekostnad	3,5,12	25 918 000	31 229 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	8	7 317 000	8 148 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler		1 950 000	
Annen driftskostnad	3,6,7	2 836 000	3 224 000
<b>Sum kostnader</b>		<b>38 021 000</b>	<b>42 601 000</b>
<b>Driftsresultat</b>		<b>-5 478 000</b>	<b>-3 072 000</b>
<b>Finansinntekter og finanskostnader</b>			
Inntekt på investering i datterselskap og tilknyttet selskap	9	610 000	518 000
Renteinntekt fra foretak i samme konsern	3		115 000
Annen renteinntekt		61 000	110 000
Annen finansinntekt	3,10	1 080 000	1 055 000
<b>Sum finansinntekter</b>		<b>1 751 000</b>	<b>1 798 000</b>
Rentekostnad til foretak i samme konsern	3	137 000	
Annen rentekostnad		3 431 000	4 245 000
Annen finanskostnad	3,10	870 000	1 068 000
<b>Sum finanskostnader</b>		<b>4 438 000</b>	<b>5 313 000</b>
<b>Netto finans</b>		<b>-2 687 000</b>	<b>-3 515 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-8 165 000</b>	<b>-6 587 000</b>
Skattekostnad på ordinært resultat	12	-105 000	-226 000
<b>Ordinært resultat etter skattekostnad</b>		<b>-8 060 000</b>	<b>-6 361 000</b>
<b>Årsresultat</b>		<b>-8 060 000</b>	<b>-6 361 000</b>
<b>Overføringer og disponeringer</b>			



## Konsernets resultatregnskap

<b>Beløp i: USD</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
Overføringer til/fra annen egenkapital		-8 060 000	-6 361 000
<b>Sum overføringer og disponeringer</b>		<b>-8 060 000</b>	<b>-6 361 000</b>



### Konsernets balanse

Beløp i: USD	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Vessels	8	54 203 000	59 175 000
Righth-of-use-assets - vessels	8	51 097 000	52 297 000
Other tangible assets	8	21 000	31 000
<b>Sum varige driftsmidler</b>		<b>105 321 000</b>	<b>111 503 000</b>
<b>Finansielle anleggsmidler</b>			
Investeringer i tilknyttet selskap	9	10 322 000	9 712 000
Non-current receivables	3,13	1 125 000	1 750 000
Financial derivatives	23	99 000	
<b>Sum finansielle anleggsmidler</b>		<b>11 546 000</b>	<b>11 462 000</b>
<b>Sum anleggsmidler</b>		<b>116 867 000</b>	<b>122 965 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer	14	539 000	700 000
<b>Sum varer</b>		<b>539 000</b>	<b>700 000</b>
<b>Fordringer</b>			
Kundefordringer	15	429 000	838 000
Other current assets	16	4 529 000	3 818 000
Financial derivative	23	215 000	
Konsernfordringer	3		168 000
<b>Sum fordringer</b>		<b>5 173 000</b>	<b>4 824 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	17	2 329 000	4 260 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>2 329 000</b>	<b>4 260 000</b>
<b>Sum omløpsmidler</b>		<b>8 041 000</b>	<b>9 784 000</b>



### Konsernets balanse

Beløp i: USD	Note	2020	2019
<b>SUM EIENDELER</b>		<b>124 908 000</b>	<b>132 749 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	18	131 000	131 000
Overkurs		2 000	2 000
<b>Sum innskutt egenkapital</b>		<b>133 000</b>	<b>133 000</b>
<b>Opptjent egenkapital</b>			
Translation differences		-12 000	-12 000
Other equity		52 507 000	60 568 000
<b>Sum opptjent egenkapital</b>		<b>52 495 000</b>	<b>60 556 000</b>
<b>Sum egenkapital</b>		<b>52 628 000</b>	<b>60 689 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	12	3 212 000	3 316 000
<b>Sum avsetninger for forpliktelser</b>		<b>3 212 000</b>	<b>3 316 000</b>
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	19	16 391 000	18 638 000
Langsiktig konserngjeld	3,21	8 714 000	1 830 000
Leases	20	27 252 000	33 451 000
<b>Sum annen langsiktig gjeld</b>		<b>52 357 000</b>	<b>53 919 000</b>
<b>Sum langsiktig gjeld</b>		<b>55 569 000</b>	<b>57 235 000</b>
<b>Kortsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	19	3 840 000	3 040 000
Leases	20	6 874 000	6 410 000
Leverandørgjeld		2 408 000	1 561 000
Betalbar skatt	12	15 000	11 000
Skyldige offentlige avgifter		94 000	0
Financial derivatives	23	84 000	97 000
Other current liabilities	22	3 396 000	3 706 000



## Konsernets balanse

<b>Beløp i: USD</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
Sum kortsiktig gjeld		16 711 000	14 825 000
Sum gjeld		72 280 000	72 060 000
<b>SUM EGENKAPITAL OG GJELD</b>		<b>124 908 000</b>	<b>132 749 000</b>



Skattedirektoratet

Saksbehandler  
Rune Tystad

Dergs.dato  
18.11.2011

Vår dato  
28.11.2011

Telefon  
977 59 464

Deres referanse  
Nicholas Nunn

Vår referanse  
2011/1133256

Kristian Gerhard Jebsen Skipsrederi AS  
Folke Bernadottes vei 38  
5147 FYLLINGSDALEN

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

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

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

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

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

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

#### Bakgrunn

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

Postadresse

Postboks 9200 Grønland  
0134 Oslo

For elektronisk henvendelse se [www.skatteetaten.no](http://www.skatteetaten.no)

Besøksadresse

Se [www.skatteetaten.no](http://www.skatteetaten.no)  
Org. nr: 996250318

Sentralbord

800 80 000  
Telefaks

22 17 08 60



### Skattedirektoratets vurdering

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

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

*”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”*

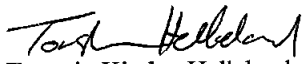
Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “*informative regnskaper for ulike grupper av regnskapsbrukere*”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

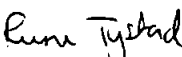
Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at konsernet er av internasjonal karakter innenfor skipsfart og at dette innebærer at selskapet må utarbeide engelsk versjon av konsernregnskapet samt for en rekke tilhørende datterselskaper for å tilfredsstille kravene til sine bankforbindelser, kunder, leverandører etc. Det er videre lagt vekt på at konsernets arbeidsspråk er engelsk.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

  
Torstein Kinden Helleland  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

  
Rune Tystad



To the General Meeting of KGJ Cement Holding AS

## *Independent Auditor's Report*

### *Report on the Audit of the Financial Statements*

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#### *Opinion*

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

- The financial statements of the parent company KGJ Cement Holding AS (the Company), which comprise the balance sheet as at 31 December 2020, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of KGJ Cement Holding AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

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#### *Basis for Opinion*

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in

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*PricewaterhouseCoopers AS, Sandviksbodene 2A, Postboks 3984 - Sandviken, NO-5835 Bergen  
T: 02316, org. no.: 987 009 713 VAT, www.pwc.no  
State authorised public accountants, members of The Norwegian Institute of Public Accountants, and  
authorised accounting firm*



## Independent Auditor's Report - KGJ Cement Holding AS



accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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### *Other information*

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

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 other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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Independent Auditor's Report - KGJ Cement Holding AS



### *Report on Other Legal and Regulatory Requirements*

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#### *Opinion on the Board of Directors' report*

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

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#### *Opinion on Registration and Documentation*

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

Bergen, 8 March 2021  
**PricewaterhouseCoopers AS**

Fredrik Gabrielsen  
State Authorised Public Accountant

(This document is signed electronically)

(3)



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Revisjonsberetning

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<b>Name</b>	<b>Method</b>	<b>Date</b>
Gabrielsen, Fredrik	BANKID_MOBILE	2021-03-08 11:11

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## DIRECTORS' REPORT 2020

### KGJ Cement Holding AS (the Company)

#### Business summary

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

As of 31 December 2020, the fleet comprised of 8 vessels owned and controlled through the Group's subsidiaries and a 25% ownership in 8 vessels owned through an associated Company, detailed as follows:

- 8 cement vessels of 10 000 – 20 000 dwt.
- 8 cement vessels of 3 500 – 10 000 dwt.

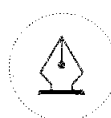
Commercial and administrative services are provided by KGJS. Technical management of the Group's vessels is provided by MF Shipping Group and OSM Bergen Cement AS, the latter replacing KGJ Cement Fleet Management AS (a company within the KGJS Group) as from 3 August 2020..

#### Result

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

- KGJCH consolidated
  - Operating income for the year was USD 32.5 mill. compared to USD 39.5 mill. in 2019
  - Net loss for 2020 was USD 8.1 mill. compared to a net loss of USD 6.4 mill. in 2019
- KGJCH AS
  - Operating income for the year was USD 46 thousand compared to USD 0.2 mill. in 2019
  - The net loss in 2020 was USD 23.7 mill. (including impairment on investments in subsidiaries of USD 24.0 mill.) compared to a net loss of USD 3.5 mill. in 2019 (including impairment on investments in subsidiaries of USD 4.0 mill.)
  - The Board proposes that this year's total comprehensive loss of USD 23.7 mill. is transferred to Other equity.

The financial statements are prepared on a going concern assumption as described in clause 3.3 in the Norwegian Accounting Act. It is the Board's opinion that the Company is in a satisfactory and good financial standing and that the financial statements give a true and fair view of assets and liabilities and results of KGJCH and KGJCH consolidated.



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

#### **Investments**

As at the end of 2020 the Group's total investments in non-current assets amounted to USD 116.9 mill. compared to USD 123.0 mill at the end of 2019.

#### **Liquidity and financing**

The Group's strategy is to have adequate liquidity either in form of cash and/or available credit facilities. At the end of 2020 the cash reserve was USD 2.3 mill. Any potential shortfall of liquidity in 2021 will be addressed in close cooperation with KGJS.

#### **Going concern**

The annual financial statements are presented based on a going concern assumption and give a true and fair view of the Company's assets and liabilities, financial position and results. Based on available cash, lender, planned investments, projected cash flow and uncommitted capital contribution from its shareholders, the Company believes it has a satisfactory financial position.

#### **Risks**

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

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

#### **Quality, health, safety and environment**

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

The vessel consume heavy fuel oil and diesel oil. Fuel consumption is carefully monitored and measures to reduce consumption have been implemented. The Group maintains full compliance with the global 0.5% Sulphur cap since on or before the date of implementation, and monitors fuel compliance closely as part of the continuous vessel operation.

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

The Company has no employees.

#### **Subsequent event**

On 9 February 2021, KGJ Cement II AS (a company within the Group) signed a Memorandum of Agreement ("MOA") to sell a vessel. According to the MOA, delivery will take place before 20



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March 2021. As a result of the agreed price of the vessel, the Group recognised an impairment in 2020 of USD 2.0 mill..

## **Covid-19**

The Covid-19 pandemic developed rapidly in 2020 and the measures taken by various governments to contain the virus has had a negative effect on the global economy, including the international shipping industry. Travel restrictions imposed by governments around the world have created hurdles to crew changes and repatriation of seafarers, which has led to significant concerns for the safety of seafarers. Supply chain disruptions, shortage of workforce, port restrictions and implementation of social distancing measures in ports and shipyards have caused delays.

The Group has taken a number of measures to monitor and mitigate the effects of Covid-19, such as safety and health measures for our people – both onshore and at sea.

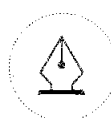
In 2020, Covid-19 had a negative effect on the cement trade activity during the year and then the rates and activity have steadily recovered in response to the increased activity mainly in China. Because of numerous measures related to the health and safety of seafarers and increased cost related to travel, the Group experienced a slight increase in operational expenses.

Depending on the duration of the Covid-19 pandemic and any corresponding impact on the global market, the Group might experience negative impact on business and results. However, the exact impact is uncertain and cannot be predicted. The Group continues to take the necessary measures to ensure the health and safety of our people.

## **Outlook**

Global economic activity is expected to improve in 2021, as the world recovers from the pandemic and its restrictions on mobility. Production and distribution of effective vaccines will be key to reopening of societies globally. The global macro picture remains uncertain with economic growth threatened by geopolitical tensions, trade disputes and recovery from the virus outbreak.

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



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Bergen, 8 March 2021

The board of directors of  
KGJ Cement Holding AS

Hans Petter Høegh  
Board member

Hans Peter Jebsen  
Chairman

Jarle Haugsdal  
Board member

Geir Bruvik Mjelde  
CEO

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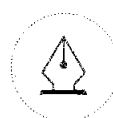
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## KGJ CEMENT HOLDING AS

### STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Translation difference	Other equity	Total equity
	USD 000	USD 000	USD 000	USD 000	USD 000
<b>KGJCH</b>					
Equity at 31.12.2018.....	131	2	0	78 063	78 196
Net income/(loss) 2019.....	0	0	0	-3 513	-3 513
Group contribution.....	0	0	0	131	131
Equity at 31.12.2019.....	131	2	0	74 681	74 813
Net income/(loss) 2020.....	0	0	0	-23 662	-23 662
Equity at 31.12.2020.....	131	2	0	51 018	51 152
<b>CONSOLIDATED</b>					
Equity at 31.12.2018.....	131	2	-12	66 797	66 918
Net income/(loss) 2019.....	0	0	0	-6 361	-6 361
Group contribution.....	0	0	0	131	131
<u>Other comprehensive income:</u>					
Exchange difference on translation of foreign operations.....	0	0	0	0	0
Equity at 31.12.2019.....	131	2	-12	60 568	60 688
Net income/(loss) 2020.....	0	0	0	-8 060	-8 060
Group contribution.....	0	0	0	0	0
<u>Other comprehensive income:</u>					
Exchange difference on translation of foreign operations.....	0	0	0	0	0
Equity at 31.12.2020.....	131	2	-12	52 507	52 628



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## NOTES TO THE FINANCIAL STATEMENTS

### 1. General information

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

KGJ Cement currently operates a fleet comprising sixteen pneumatic cement vessels ranging in size from 3 500 dwt. to 20 000 dwt. trading worldwide. Eight of the vessels are owned or leased 100% by the Group, while the remaining eight vessels are owned 25% through KGJ Cement III AS and JT Cement AS. Commercial and administrative services is provided by KGJS. Technical management of the Group's vessels are provided by MF Shipping Group and OSM Bergen Cement AS, the latter replacing KGJ Cement Fleet Management AS (a company within the KGJS Group) as from August 3<sup>rd</sup> 2020.

### 2. Accounting principles

#### a. Basis of preparation

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

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

#### b. Changes in accounting principles and errors

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

#### c. Currency

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

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

- Assets and liabilities are translated using the closing rate at the respective reporting dates.
- Income and expenses for each income statement are translated using average exchange rates.
- All resulting exchange differences are recognised as a separate component of equity.
- The Group's major currency against the USD is the Norwegian Kroner (NOK). The average exchange rate of NOK against USD 9.3952 was during 2020 (2019; 8.8004) and the exchange rate at the reporting date was 8.5326 (2019; 8.7803).

#### d. Consolidation principles

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

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

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## NOTES TO THE FINANCIAL STATEMENTS

acquisition. The difference between the fair value of the acquisition cost and the fair value of the acquired identifiable net assets is recognised as goodwill under intangible assets. Intra-group transactions and intra-group balances including internal profit and unrealised gain and loss are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### e. Long term shareholding and other shares

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

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

### f. Use of estimates

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

### g. Classification of assets and liabilities

Assets are classified as current assets when:

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

All other assets are classified as non-current assets.

Liabilities are classified as current liabilities when:

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

All other liabilities are classified as non-current liabilities.

### h. Segments

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

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

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

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## NOTES TO THE FINANCIAL STATEMENTS

### i. Revenue recognition

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

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

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

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

### j. Taxes

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

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

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

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

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

### k. Tangible assets

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

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

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

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## NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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

### **l. Leases**

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

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

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

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

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

### **m. Impairment of assets**

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

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

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## NOTES TO THE FINANCIAL STATEMENTS

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

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

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

### n. Financial instruments

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

#### Financial assets

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

The Group classifies its financial assets in four categories:

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

#### Financial assets at amortised cost

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

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

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in income statement when the asset is derecognised, modified or impaired.

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

#### Financial assets at fair value through other comprehensive income

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

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

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

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## NOTES TO THE FINANCIAL STATEMENTS

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

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

### Equity instruments at fair value through other comprehensive income

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

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

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

### Derivatives at fair value through income statement

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

The category includes bunker agreements and foreign exchange contracts, ref note 23.

### **Derecognition of financial assets**

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

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

### **Financial liabilities**

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

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

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method if this is considered to be significant. Gains and losses are recognised in income statement when the liabilities are derecognised. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate method. The effective interest rate amortisation is included as finance costs in the income statement.

### **Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are

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## NOTES TO THE FINANCIAL STATEMENTS

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

### **Impairment of financial assets**

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

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

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

### **Measurement of fair value**

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

#### **o. Inventories**

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

#### **p. Accounts receivables**

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

#### **q. Cash and cash equivalents**

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

#### **r. Equity**

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

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## NOTES TO THE FINANCIAL STATEMENTS

### s. Contingent assets, liabilities and provisions

Contingent liabilities are defined as:

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

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

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

### t. Events after the reporting date

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

### u. Statement of cash flows

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

## 3. Related parties

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

### a. Transactions relating to management services:

KGJS and companies within its group provides KGJ Cement with administrative services and charges management fees. Until August 3<sup>rd</sup> 2020 KGJS also delivered technical services and charged management fees. These costs amounted to USD 3.7 mill. in 2020, compared to USD 4.9 mill. in 2019, recorded in the income statement as vessel related expenses and general and administrative expenses.

### b. Transactions relating to financial items:

At 31 December 2020, KGJS has made available a loan of USD 8.7 mill. to the Group.

KGJS provides the Group with a guarantee for the financial lease of three vessels and charges guarantee fees amounted to USD 0.02 mill. in 2020, same as in 2019, recorded in the income statement as other financial items.

The Company has made available a loan of USD 1.1 mill. to its joint venture company KGJ Cement III AS, ref note 9 and 13.

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## NOTES TO THE FINANCIAL STATEMENTS

### c. Receivables/payables with related parties:

2019	2020	For the years ended 31 December	2020	2019
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
4 642	7 272	Receivables – non-currents assets .....	1 125	1 750
168	0	Receivables – current assets .....	0	168
- 15 025	- 16 676	Payables – non-current liabilities .....	- 8 714	- 1 830
- 10 215	- 9 403	Total	- 7 589	87

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

The Company provides certain guarantees for loans and lease agreements for several related parties and charges guarantee fees. Guarantee fees within the Group are eliminated. See note 24 for further details.

### 4. Vessel operating income

2019	2020	For the years ended 31 December	2020	2019
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
0	0	Vessel operating income .....	30 937	37 743
200	46	Other operating income .....	1 606	1 786
0	0	Profit from sale of non-current assets .....	0	0
200	46	Total	32 542	39 529

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

### 5. Vessel related expenses

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

2019	2020	For the years ended 31 December	2020	2019
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
0	0	Vessel voyage expenses .....	7 609	11 232
43	64	Vessel operating expenses .....	18 309	19 997
43	64	Total	25 918	31 229

### 6. General and administrative expenses

2019	2020	For the years ended 31 December	2020	2019
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
3	3	Administrative services .....	2 739	2 990
6	6	Statutory audit fees .....	50	50
0	0	Other audit certifications .....	0	0
0	0	Advisory and legal services .....	9	21
1	2	Travel expenses .....	11	127
0	0	Miscellaneous .....	25	36
10	11	Total	2 837	3 224

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## NOTES TO THE FINANCIAL STATEMENTS

### 7. Salaries, benefits and number of employees

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

### 8. Tangible assets

Book value of tangible assets recognised in the balance sheet:

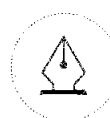
For the year ended 31 December 2020 - Consolidated (in US Dollar thousands)	Other tangible assets	Vessels	Right-of-use assets - vessels	Total
Acquisition cost 01.01.2020 .....	175	110 990	86 106	197 272
Additions .....	0	1 178	1 907	3 085
Disposals .....	0	0	0	0
Translation adjustment .....	0	0	0	0
Acquisition cost 31.12.2020 .....	175	112 169	88 013	200 356
Accumulated depreciation at 01.01.2020 .....	- 144	- 51 816	- 33 809	- 85 769
Depreciation for the year .....	- 11	- 4 199	- 3 107	- 7 317
Depreciation disposals .....	0	0	0	0
Accumulated depreciation at 31.12.2020 .....	- 154	- 56 015	- 36 916	- 93 085
Accumulated impairment losses at 01.01.2020 .....	0	0	0	0
(Impairment losses)/Reversal impairment losses for the year .....	0	- 1 950	0	- 1 950
Impairment losses disposals .....	0	0	0	0
Accumulated impairment losses at 31.12.2020 .....	0	- 1 950	0	- 1 950
Net book value 31.12.2020 .....	21	54 204	51 097	105 321
Useful life .....	3-10 years	35 years	35 years	

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

At 31 December 2020, the Group reviewed all its cash-generating units for impairment, ref. note 2 m. An impairment loss should be recognised for the cash-generating unit if the carrying value is higher than the highest of market value and value-in-use calculation. Value-in-use calculations are made in accordance with IAS 36 and are based on the Group's best assumptions of future income and cost as well as discounting rate. Assumptions are associated with uncertainty and other parameters could generate a different value-in-use and a different outcome of the impairment assessment.

Based on the review, the Group made an impairment of USD 2.0 mill. on the fleet in 2020.

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



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## NOTES TO THE FINANCIAL STATEMENTS

### 9. Joint ventures

Joint ventures owned by companies within the Group:	Registered office	Owners- /voting rights	Measurement method
KGJ Cement III AS .....	Bergen	50%	Equity

KGJ Cement III AS owns a 50% of JT Cement AS.

The table below summarises the recognised values and changes during the year related to investments in joint ventures:

(in US Dollar thousands)	Acquisition cost	Recognised value 01.01.20	Share of profit/(loss)	Depreciation of excess value	Contributed capital in 2020	Recognised value 31.12.20
KGJ Cement III AS .....	9 330	9 712	629	- 19	0	10 322
Total	9 330	9 712	629	- 19	0	10 322

### 10. Other financial income and - expenses

2019 KGJCH	2020 KGJCH	For the years ended 31 December (in US Dollar thousands)	2020 Consolidated	2019 Consolidated
0	0	Unrealised gains on financial derivatives .....	237	362
0	0	Realised gains on financial derivatives .....	16	39
0	0	Currency gains .....	469	331
722	726	Other financial income .....	358	322
722	726	Total financial income	1 080	1 055
0	0	Unrealised losses on financial derivatives .....	0	0
0	0	Realised losses on financial derivatives .....	- 464	- 605
- 70	- 15	Currency losses .....	- 385	- 436
- 0	- 0	Other financial expenses .....	- 21	- 27
- 70	- 15	Total financial expenses	- 870	- 1 068

### 11. Subsidiaries

The Company has evaluated its investments for potential impairment losses. If the book value of shares is higher than the adjusted shareholders equity in the corresponding company, impairment occurs. Adjusted shareholder equity is calculated based on excess or less value in the company. Based on the review, KGJCH has in 2020 made an impairment of USD 2 mill. on its investment in KGJ Cement AS, USD 14 mill. on its investment in KGJ Cement II AS and USD 8 mill. on its investment in KGJS Cement AS. The impairment is fully eliminated in the consolidated accounts of KGJCH.

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

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

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At 31 December 2020 the cement fleet comprise the following vessels:

Company	Number of		Dead weight per vessel
	vessels	Ownership	
KGJS Cement AS .....	3	100%	10 000 - 20 000
KGJ Cement AS .....	1	100%	10 000 - 20 000
KGJ Cement II AS .....	4	100%	10 000 - 20 000
JT Cement AS .....	4	25%	5 000 - 10 000
JT Cement AS .....	4	25%	3 500 - 5 000
<b>Total</b>	<b>16</b>		

## 12. Taxes

2019	2020	For the years ended 31 December (in US Dollar thousands)	2020	2019
KGJCH	KGJCH		Consolidated	Consolidated
- 37	0	Tax effect of group contribution .....	0	- 37
88	100	Changes in deferred tax .....	- 216	- 310
0	0	Changes in deferred tax - effect of changes in tax rate.....	0	0
0	0	Deferred tax assets expensed .....	112	101
<b>71</b>	<b>100</b>	<b>Total tax expense/(income)</b>	<b>- 105</b>	<b>- 226</b>

Reconciliation of nominal and effective tax rate:

2019	2020	For the years ended 31 December (in US Dollar thousands)	2020	2019
KGJCH	KGJCH		Consolidated	Consolidated
- 3 442	- 23 562	Net income/(loss) before tax .....	- 8 165	- 6 587
- 757	- 5 184	Estimated tax expense (22%) .....	- 1 796	- 1 449
828	5 284	Difference between estimated and actual tax expense ....	1 692	1 223
<b>71</b>	<b>100</b>	<b>Total tax expense/(income)</b>	<b>- 105</b>	<b>- 226</b>

Specification of differences between estimated and actual tax expense:

2019	2020	For the years ended 31 December (in US Dollar thousands)	2020	2019
KGJCH	KGJCH		Consolidated	Consolidated
0	0	Non-taxable operating result in accordance with shipping taxation .....	1 542	824
0	0	Effect of shipping taxation – financial items .....	271	527
0	0	Unrealised gains/losses on hedges .....	3	45
0	0	Effect of changes in tax rate .....	0	0
0	0	Tax of debarred internal interest expenses .....	0	0
0	0	Deferred tax assets expensed .....	112	101
828	5 284	Currency transaction and other permanent differences .....	- 236	- 274
<b>828</b>	<b>5 284</b>	<b>Total difference between estimated and actual tax expense</b>	<b>1 692</b>	<b>1 223</b>

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



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## NOTES TO THE FINANCIAL STATEMENTS

Summary of temporary differences:

2019	2020	For the years ended 31 December	2020	2019
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
0	0	Profit & loss account .....	2 051	2 491
0	0	Non-current assets .....	32 099	32 071
0	0	Derivatives .....	10	- 97
0	0	Other differences .....	39	57
0	0	Net temporary differences .....	34 255	34 522
- 8 301	- 7 847	Recorded taxable deficit .....	- 21 955	- 21 302
- 8 301	- 7 847	Total basis for deferred tax(+)/tax assets(-)	14 598	15 074

2019	2020	For the years ended 31 December	2020	2019
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
- 1 826	- 1 726	Deferred tax (+)/ tax assets (-) .....	3 212	3 316
108	100	Changes in deferred tax (+)/ tax assets (-) .....	- 105	- 189
0	0	Non-recorded deferred tax (+)/ tax assets (-) - shipping taxation .....	- 505	- 408

Payable tax:

2019	2020	For the years ended 31 December	2020	2019
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
0	0	Payable tax – ordinary taxation .....	0	0
0	0	Group contribution- tax effect .....	0	0
0	0	Payable tax – shipping taxation .....	15	11
0	0	Total	15	11

### 13. Non-current receivables

2019	2020	For the years ended 31 December	2020	2019
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
1 750	1 125	Joint ventures .....	1 125	1 750
1 750	1 125	Total	1 125	1 750

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

### 14. Inventories

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

### 15. Trade receivables

2019	2020	For the years ended 31 December	2020	2019
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
0	0	Due from charterers .....	429	838
0	0	Other trade receivables .....	0	0
0	0	Total	429	838

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

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## NOTES TO THE FINANCIAL STATEMENTS

### 16. Other current assets

2019	2020	For the years ended 31 December	2020	2019
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
0	0	Due from agents .....	1 629	1 199
49	77	Accrued revenues .....	545	671
275	134	Other receivables .....	2 355	1 949
324	211	Total	4 529	3 818

### 17. Cash and cash equivalents

2019	2020	For the years ended 31 December	2020	2019
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
406	53	Cash in bank .....	2 329	4 260
0	0	Time deposits .....	0	0
406	53	Total	2 329	4 260

### 18. Share capital and shareholder information

At 31 December 2020 the share capital of the Company consists of one class of 110 ordinary shares at NOK 8 each.

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

### 19. Interest bearing debt

#### a) Overview of non-current liabilities:

- Debt maturing within five years:

2019	2020	For the years ended 31 December	2020	2019
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
0	0	Interest bearing mortgage debt .....	20 380	21 900
0	0	Total	20 380	21 900

#### b) Interest bearing mortgage debt:

2019	2020	For the years ended 31 December	2020	2019
KGJCH	KGJCH	(in US Dollar thousands)	Consolidated	Consolidated
0	0	Interest bearing mortgage debt .....	20 380	21 900
0	0	Debt issue costs .....	- 149	- 222
0	0	Total	20 231	21 678

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## NOTES TO THE FINANCIAL STATEMENTS

Book value of mortgaged vessels:

2019 KGJCH	2020 KGJCH	For the years ended 31 December (in US Dollar thousands)	2020 Consolidated	2019 Consolidated
0	0	Total fleet	54 204	59 174

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

The following table presents the scheduled and balloon repayment amounts over the next five years and thereafter, for loans drawn at 31 December 2020:

Loan instalment profile (in US Dollar thousands)	2021	2022	2023	2024	2025	2026 and thereafter	Total
Instalments	3 840	1 840	14 700	0	0	0	20 380

KGJ Cement II AS has financed the vessels with a secured bank loan facility agreement, which amounted to USD 20.4 mill. at 31 December 2020. The loan has a quarterly repayment schedule. The loan balances shall be repaid in full at maturity in 2023. KGJ Cement II AS and its lender made an agreement in June 2020 whereby KGJ Cement II AS was granted options to postpone two quarterly instalments until the maturity of the Loan Facility. In addition, a minimum liquidity threshold was reduced until June 2021.

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

## 20. Leases

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

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

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

2019 KGJCH	2020 KGJCH	For the years ended 31 December (in US Dollar thousands)	2020 Consolidated	2019 Consolidated
0	0	Lease liability	34 287	40 037
0	0	Debt issue costs	- 161	- 176
0	0	Total	34 126	39 862

KGJCH Vessels	KGJCH Total	For the year ended 31 December: 2020 (in US Dollar thousands)	Consolidated Total	Consolidated Vessels
0	0	Opening balance lease liability	39 862	39 862
0	0	New lease liabilities recognised in the year	- 42	- 42
0	0	Cash payments - principal portion of the lease liability	- 5 708	- 5 708
0	0	Cash payments - interest portion of the lease liability	- 2 315	- 2 315
0	0	Interest expense on lease liabilities	2 330	2 330
0	0	Currency exchange differences	0	0
0	0	Total	34 126	34 126

See note 8 for information on depreciation of tangible assets related to lease agreements recognised in the balance sheet.

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Discounted lease liabilities and maturity of cash outflows:

Lease profile (in US Dollar thousands)	2021	2022	2023	2024	2025	2026 and thereafter	Total
Installments - vessels.....	6 874	10 645	4 970	1 044	1 070	9 683	34 287
Interests - vessels.....	1 942	1 487	815	725	657	2 374	8 000
Total	8 817	12 132	5 785	1 769	1 728	12 057	42 287

### 21. Loans from group companies

At 31 December 2020, the Group has drawn USD 8.7 mill. from a loan made available by KGJS. Interest calculated on the credit facility is 3 months LIBOR plus a margin of 2 %.

### 22. Other current liabilities

2019 KGJCH	2020 KGJCH	For the years ended 31 December (in US Dollar thousands)	2020 Consolidated	2019 Consolidated
0	0	Accrued interest expenses .....	0	0
0	0	Accrued vessels related expenses .....	2 909	2 854
172	80	Other accruals .....	488	851
172	80	Total	3 396	3 705

### 23. Risk management and other hedging activities

#### Risk management

##### a. Credit risk

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

##### b. Liquidity risk

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

##### c. Market risk

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

##### d. Interest rate risk

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

##### e. Currency risk

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

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## NOTES TO THE FINANCIAL STATEMENTS

### f. Other risks

The Group is exposed to general freight and bunker price fluctuations for its vessels. To reduce such risks the Group may enter into bunker derivatives to hedge against fluctuations in the results for Contracts of Affreightments without World Scale compensation. The Group may also enter into forward freight agreements to mitigate the risks of the fluctuating freight market. Gains or losses associated with such instruments are currently recorded as operating income/(expenses).

### Financial derivatives and hedging

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

#### a. Hedge accounting:

The Group does not apply hedge accounting as per 31 December 2020.

#### b. Currency contracts:

The Group estimates future expenses in non-USD currencies and secures part of the net cash flow in non-USD currencies by using hedging instruments. All currency contracts are recognised at fair value. Changes in the fair value of such derivatives are recorded as other financial income/(expenses), see also note 10.

	KGJCH		Consolidated	
	(in thousands)	Currency rate of exchange	(in thousands)	Currency rate of exchange
Currency contracts:				
USD sale against NOK .....	0	0.0000	NOK 73 298	8.6910

#### c. Bunker contract

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

	Consolidated	
Bunker contracts:	Quantity (mt)	Average
CAPs .....	5 700	288

#### d. Fair value financial derivatives:

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

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



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## NOTES TO THE FINANCIAL STATEMENTS

### Fair value

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

2019 KGJCH	2020 KGJCH	Fair value - derivative financial instruments (in US Dollar thousands)	2020 Consolidated	2019 Consolidated
<u>Non-current assets:</u>				
0	0	Currency contracts .....	28	0
0	71	Bunker agreements .....	71	0
0	71	Total non-current assets .....	99	0
<u>Current assets:</u>				
0	0	Currency contracts .....	112	0
0	103	Bunker agreements .....	103	0
0	103	Total current assets .....	215	0
<u>Non-current liabilities:</u>				
0	71	Bunker agreements .....	0	0
0	71	Total non-current liabilities .....	0	0
<u>Current liabilities:</u>				
0	0	Currency contracts .....	0	97
0	103	Bunker agreements .....	84	0
0	103	Total current liabilities .....	84	97

### 24. Guarantees and contingencies

#### Guarantees:

- KGJ Cement Holding AS has provided lenders to KGJ Cement AS a guarantee for the financial lease of one vessel until the end of March 2031. Annual lease payment amounts to USD 2.0 mill.
- KGJ Cement Holding AS has provided lenders to KGJ Cement II AS guarantees of USD 20.4 mill. at 31 December 2020.
- KGJ Cement Holding AS has provided lenders to JT Cement AS, guarantees of EUR 0.9 mill. and USD 11.6 mill. in aggregate at 31 December 2020.

#### Contingencies:

The Group maintains insurance coverage for its activities consistent with industry practice. In the course of 2020 the Group has not been involved in any incidents which have resulted in material loss or liability to the Group.

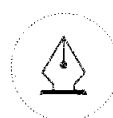
### 25. Covid-19

The Covid-19 pandemic developed rapidly in 2020 and the measures taken by various governments to contain the virus has had a negative effect on the global economy, including the international shipping industry. Travel restrictions imposed by governments around the world have created hurdles to crew changes and repatriation of seafarers, which has led to significant concerns for the safety of seafarers. Supply chain disruptions, shortage of workforce, port restrictions and implementation of social distancing measures in ports and shipyards have caused delays.

The Group has taken a number of measures to monitor and mitigate the effects of Covid-19, such as safety and health measures for our people – both onshore and at sea.

In 2020, Covid-19 had a negative effect on the cement trade activity during the year and then the rates and activity have steadily recovered in response to the increased activity mainly in China. Because of numerous

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## NOTES TO THE FINANCIAL STATEMENTS

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measures related to the health and safety of seafarers and increased cost related to travel, the Group experienced a slight increase in operational expenses.

Depending on the duration of the Covid-19 pandemic and any corresponding impact on the global market, the Group might experience negative impact on business and results. However, the exact impact is uncertain and cannot be predicted. The Group continues to take the necessary measures to ensure the health and safety of our people.

### 26. Subsequent events

On 9 February 2021, KGJ Cement II AS (a company within the Group) signed a Memorandum of Agreement ("MOA") to sell a vessel. According to the MOA, delivery will take place before 20 March 2021. As a result of the agreed price of the vessel, the Group recognised an impairment in 2020 of USD 2.0 mill., ref note 8.

There has not been any other events that would materially impact the financial statements for 2020 after 31 December 2020.



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