



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 984 094 280  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: KCC CHARTERING AS  
Forretningsadresse: Drammensveien 260  
0283 OSLO

### Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Ingri Langemyhr  
Dato for fastsettelse av årsregnskapet: 29.03.2023

### Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert  
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

*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, 15.09.2023



### Resultatregnskap

Beløp i: USD	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Operating revenues, vessels	2,3	262 540 430	195 847 857
<b>Sum inntekter</b>		<b>262 540 430</b>	<b>195 847 857</b>
<b>Kostnader</b>			
Voyage costs, vessels	4	96 054 173	81 817 299
TC hire to shipowners	5	161 633 042	110 400 020
Wages and social expenses	6	308 229	0
Other operating expenses	7,8,9	3 988 875	2 994 444
<b>Sum kostnader</b>		<b>261 984 319</b>	<b>195 211 763</b>
<b>Driftsresultat</b>		<b>556 111</b>	<b>636 094</b>
<b>Finansinntekter og finanskostnader</b>			
Income from investments in shares		900 000	0
Annen renteinntekt		31 986	-7 546
Gain (Loss) on foreign exchange		60 376	43 531
<b>Sum finansinntekter</b>		<b>992 362</b>	<b>35 985</b>
Rentekostnad til foretak i samme konsern	10	476 704	394 019
Annen rentekostnad		28 510	141 222
Other financial expenses		143 259	136 776
<b>Sum finanskostnader</b>		<b>648 473</b>	<b>672 017</b>
<b>Netto finans</b>		<b>343 889</b>	<b>-636 032</b>
<b>Ordinært resultat før skattekostnad</b>		<b>900 000</b>	<b>62</b>
<b>Ordinært resultat etter skattekostnad</b>		<b>900 000</b>	<b>62</b>
<b>Årsresultat</b>		<b>900 000</b>	<b>62</b>



## Balanse

Beløp i: USD	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Sum immaterielle eiendeler		0	0
<b>Varige driftsmidler</b>			
Sum varige driftsmidler		0	0
<b>Finansielle anleggsmidler</b>			
Investments in shares	19	7 425 570	7 425 570
Sum finansielle anleggsmidler		7 425 570	7 425 570
Sum anleggsmidler		7 425 570	7 425 570
<b>Omløpsmidler</b>			
<b>Varer</b>			
Bunkers on board		17 254 206	10 810 361
Sum varer		17 254 206	10 810 361
<b>Fordringer</b>			
Accounts receivable	13	13 621 653	7 921 124
Accrued revenues	15	12 058 158	4 133 498
Prepaid expenses	15	3 360 894	3 391 134
Other short-term receivables	13	2 956 203	13 374 776
Konsernfordringer	14	77 476	817 330
Sum fordringer		32 074 384	29 637 862
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and bank deposits	16	265 507	415 985
Sum bankinnskudd, kontanter og lignende		265 507	415 985
Sum omløpsmidler		49 594 097	40 864 208
<b>SUM EIENDELER</b>		<b>57 019 667</b>	<b>48 289 778</b>



### Balanse

Beløp i: USD	Note	2022	2021
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital (100 shares at NOK 1000)	17,12	27 201	27 201
Annen innskutt egenkapital	12	7 436 087	7 436 087
<b>Sum innskutt egenkapital</b>		<b>7 463 288</b>	<b>7 463 288</b>
<b>Opptjent egenkapital</b>			
Other equity	12	874 429	-25 310
<b>Sum opptjent egenkapital</b>		<b>874 429</b>	<b>-25 310</b>
<b>Sum egenkapital</b>		<b>8 337 717</b>	<b>7 437 978</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Langsiktig konserngjeld	10	11 820 000	15 000 000
<b>Sum annen langsiktig gjeld</b>		<b>11 820 000</b>	<b>15 000 000</b>
<b>Sum langsiktig gjeld</b>		<b>11 820 000</b>	<b>15 000 000</b>
<b>Kortsiktig gjeld</b>			
Accounts payable	18	3 930 508	3 662 203
TC hire owed to shipowners	9	22 946 228	13 521 695
Debt to financial institutions	16	232 969	2 408 584
Short term debt to related party	10	659 553	632 747
Accrued expenses	15	4 607 693	2 143 009
Accrued revenue	15	4 484 999	3 476 337
Other short-term liabilities		0	7 225
<b>Sum kortsiktig gjeld</b>		<b>36 861 950</b>	<b>25 851 800</b>
<b>Sum gjeld</b>		<b>48 681 950</b>	<b>40 851 800</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>57 019 667</b>	<b>48 289 778</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 413408

#### Enheten

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Organisasjonsform: Aksjeselskap  
Foretaksnavn: KCC CHARTERING AS  
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Brønnøysundregistrene, 31.05.2023



Organisasjonsnr: 984 094 280  
KCC CHARTERING AS

## RESULTATREGNSKAP

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<b>Årsresultat</b>		<b>900 000</b>	<b>62</b>





<b>Opptjent egenkapital</b>			
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<b>Sum opptjent egenkapital</b>		<b>874 429</b>	<b>-25 310</b>
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Organisasjonsnr: 984 094 280  
KCC CHARTERING AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note  
1

Regnskapsprinsipper  
Se Financial statements 2022, note 1

Note  
6

Antall årsverk i regnskapsåret  
0.00

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

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

Fordringer

Samlet beløp - tilknyttet selskap Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets



Samlet beløp - felles kontrollert virksomhet                      Årets                      Fjorårets

Pantstillelse                      Beløp

Beholdning av egne aksjer                      Antall                      Pålydende                      Andel av aksjek.

**Note**

**Lån og sikkerhetsstillelse til medlemmer**

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

**Opplysninger om:**

**Medlemmer av:**

**Mer om lån og sikkerhetsstillelse**



Skattedirektoratet

Saksbehandler  
Torstein Kinden Helleland

Deres dato  
20.04.2009

Vår dato  
25.01.2010

Telefon  
22078139

Deres referanse  
Baard Haugen

Vår referanse  
2009/275763

28 JAN. 2010

KLAVENESS CORPORATE SERVICES AS  
Postboks 182 Skøyen  
0212 OSLO

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

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

Torvald Klaveness-gruppen omfatter følgende selskaper;

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

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

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

Postadresse	Besøksadresse	Sentraltbord
Postboks 9200 Grønland 0134 Oslo	Fredrik Selmers vei 4 Org. nr: 974761076	800 80 000 Telefaks
skattedirektoratet@skatteetaten.no		22 17 08 60



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

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

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

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

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

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

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

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



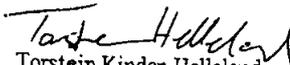
2009/275763 Side 3 av 3

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

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

  
Jan Hoelstad  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

  
Torstein Kinden Helleland



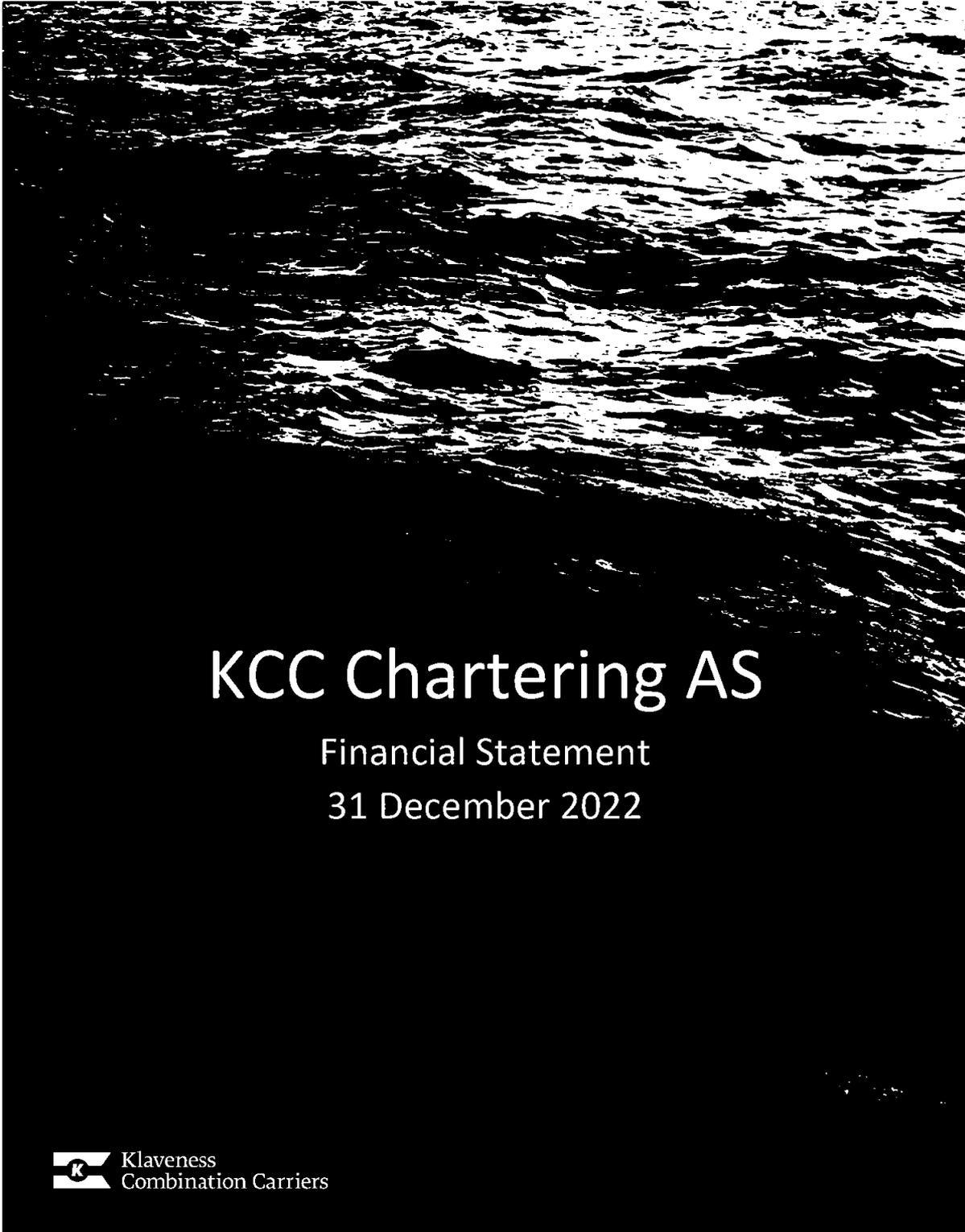
## List of Signatures Page 1/1

### KCC Chartering AS Financial Statements 2022.pdf

Name	Method	Signed at
MEYER, ERNST ANDRÉ	BANKID_MOBILE	2023-03-29 23:15 GMT+02
Dahm, Engebret	BANKID	2023-03-29 20:16 GMT+02
Dyrnes, Liv Hege	BANKID_MOBILE	2023-03-29 19:56 GMT+02
Andreassen, Gøran	BANKID_MOBILE	2023-03-29 16:13 GMT+02

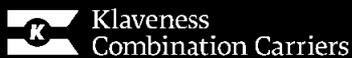


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# KCC Chartering AS

Financial Statement  
31 December 2022



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**KCC CHARTERING AS**

**BOARD OF DIRECTORS' REPORT 2022**

**Objective**

KCC Chartering AS (KCCC, Company) is a chartering company with the objective of obtaining best possible aggregated results for the operated fleet of vessels. At year-end, the Company operates eight combined caustic soda and bulk carriers (CABUs) and eight combined clean petroleum and bulk carriers (CLEANBUs) owned by KCC Shipowning AS (affiliated company). The CABU vessels have capacity to transport caustic soda solution (CSS), liquid fertilizer (UAN) and molasses as well as all dry bulk commodities. The CLEANBU vessels are both full-fledged LR1 product tankers and Kamsarmax dry bulk vessels. KCCC owns 3% of the shares in KCC Shipowning AS and is subject to the Norwegian tonnage tax regime.

KCC Chartering AS is wholly owned by Klaveness Combination Carriers ASA (KCC ASA). The ultimate parent company is Rederiaksjeselskapet Torvald Klaveness. The Company's offices are located in Drammensveien 260 in Oslo, Norway.

**Highlights 2022**

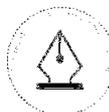
Total operating revenue and TC hire to shipowners increased compared to 2021 driven mainly by stronger tanker rates and more on-hire days from a full CLEANBU fleet in operation after delivery of three vessels during 2021.

The CABU vessels are mainly employed in combination trades with shipments of caustic soda for customers in the Australian alumina industry and dry bulk return shipments such as alumina, bauxite, iron ore and coal. The CABU service to/from Brazil was terminated from the end of 2021 mainly because of decreasing north bound dry bulk volumes over the last years and all eight vessels were from May 2022 employed in trades to/from Australia, where the CABU fleet over time has generated the highest earnings. Caustic soda shipments are mainly based on contracts of affreightment, while dry cargoes are partly spot and partly contract shipments.

Despite continued scheduling challenges through the year with port congestion in the Far East and negative effects of continued COVID-19 restrictions in the first part of the year and a tight CSS market, the share of days in main combination trades ended at 80% for 2022, up from 69% in 2021, mainly due to a record high number of CSS cargoes transported in 2022.

In sum, 2022 turned out to be a strong year for the CABU vessels with the highest TCE earnings since 2011 on the back of high caustic soda solution (CSS) volumes, a strong dry bulk market in the first half of the year and strengthening fuel prices through the year.

2022 was the first full year with the entire CLEANBU fleet in operation after the three last vessels in the newbuild program were delivered during 2021. The primary focus in 2022 was to expand the customer base and employ the vessels in efficient combination trades. The number of trades, terminals, cargoes, and customers



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## KCC CHARTERING AS

increased throughout 2022. The contract of affreightment (COA) secured in 2021 was renewed in 2022 with an additional COA secured in January 2023, both contracts with large and reputed customers in the industry. KCC continued to make good headway in its CLEANBU concept illustrated through the share of days in combination trade increasing from 66% in 2021 to 87% in 2022 and ballast in percent of total on-hire days improving from 18% in 2021 to 13% in 2022.

## Health, Safety and Environment

The operation of vessels has an impact on the environment. The Company is taking technical and operational precautions to protect the environment as embodied in ISM and MARPOL. The Company operates the vessels commercially on behalf of their owner and the ultimate responsibility for its technical operations remains with the vessel owner.

In addition to the technical precautions described in the ISM code aimed at reducing pollution from the vessels, the Company together with the other companies in the KCC ASA group and the ship manager, Klaveness Ship Management As, endeavours to reduce pollution to the atmosphere by improve efficiency through all activities, this includes optimizing trading efficiency, perfecting voyage execution and improve energy efficiency.

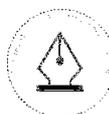
In relation to the Transparency Act which came into force 1 July 2022, the Company together with the other companies in the KCC ASA Group, has evaluated and made some minor adjustments to its Code of Conduct and Counterparty Code of Conduct. KYC Procedures and contract clauses with counterparties and suppliers were as well amended to ensure compliance with the legislation. The KYC Procedures, procedures for further due diligence and measures to stop, mitigate or prevent were updated based on a risk assessment. The Transparency Act report is published as part of the ESG Performance Report for 2022 for Klaveness Combination Carriers ASA which can be found on the website [www.combinationcarriers.com](http://www.combinationcarriers.com).

## Organization

The Company has no employees, however from 2022, one employee has been seconded from Klaveness Combination Carrier ASA to the Company as 100 % of time is related to commercial management work for KCC Chartering AS. Consequently, no measures have been taken to promote gender equality. CEO, CFO and financial services as well as administrative and business management services (G&A) such as accounting, legal, IT services and HR are delivered by KCC ASA. Commercial management services covering chartering and operation activities are purchased from Klaveness Combination Carriers Asia Ptd. Ltd., another subsidiary of KCC ASA, Klaveness Dry Bulk as and Klaveness Ship Management AS. The latter two related parties owned by Rederiaksjeselskapet Torvald Klaveness. The level of fees is based on cost + margin in the range 5%-7.5%.

The Board of Directors consists of two men and one woman.

The Company has taken out insurance cover potential litigations against the Board members and CEO.



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## KCC CHARTERING AS

### Financials

In 2022, the Company operated eight CABUs and eight CLEANBUs chartered in on open rate time charter. The vessels achieved Total operating revenues of USD 262.5 million in 2022, up from USD 195.8 million in 2021, on the back of high CSS volumes for the CABUs and stronger product tanker market with positive impact on mainly the CLEANBU fleet. The Company paid TC hire to the shipowner KCC Shipowning AS amounting to USD 161.6 million for 2022 compared to USD 110.4 million in 2021. The figures reflect freight income for the vessels and are influenced by the market level as well as the volumes under the different contracts of affreightment. The profits are distributed according to the number of days each vessel has been on-hire during the year and Vessel Earning Points (VEP) defined by the open rate TC contracts.

The current year's net profit was USD 0.9 million (2021: USD 62k), which is transferred to equity.

### Going concern

The Board of Directors confirms that the financial accounts have been prepared under a going concern assumption. The Board of Directors finds that the accounts represent a true and fair view of the Company's equity and debt, financial position and result.

### Subsequent events

The CLEANBU vessel MV Bass was sold from KCC Shipowning AS to KCC Bass AS in March 2023, and will from this date not be employed by KCC Chartering AS. There have been no major transactions or events following the closing date that would have a negative impact on the evaluation of the financial position of KCC Chartering AS.

Oslo, 31 December, 2022

Oslo, 29 March, 2023

Ernst A. Meyer  
Chair of the Board

Liv H. Dyrnes  
Board Member

Gøran Andreassen  
Board Member

Engebret Dahm  
CEO



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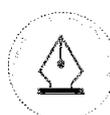
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KCC Chartering AS

## PROFIT AND LOSS ACCOUNT

USD		<u>2022</u>	<u>2021</u>
<b><u>OPERATING REVENUES AND EXPENSES</u></b>			
Operating revenues, vessels	Note 2, 3	262 540 430	195 847 857
<b>Total operating revenues</b>		<b><u>262 540 430</u></b>	<b><u>195 847 857</u></b>
Voyage costs, vessels	Note 4	(96 054 173)	(81 817 299)
TC hire to shipowners	Note 5	(161 633 042)	(110 400 020)
Wages and social expenses	Note 6	(308 229)	-
Other operating expenses	Note 7,8,9	(3 988 875)	(2 994 444)
<b>Total operating expenses</b>		<b><u>(261 984 319)</u></b>	<b><u>(195 211 763)</u></b>
<b>Operating result</b>		<b><u>556 111</u></b>	<b><u>636 094</u></b>
<b><u>FINANCIAL INCOME AND EXPENSES</u></b>			
Other interest income		31 986	(7 546)
Interest paid to group companies	Note 10	(476 704)	(394 019)
Other interest expenses		(28 510)	(141 222)
Other financial expenses		(143 258)	(136 777)
Gain / (loss) on foreign exchange		60 376	43 531
Income from investments in shares		900 000	-
<b>Result of financial items</b>		<b><u>343 890</u></b>	<b><u>(636 033)</u></b>
<b>Ordinary result before tax</b>		<b><u>900 000</u></b>	<b><u>62</u></b>
Tax on ordinary result	Note 11A	-	-
<b>Net profit / (loss) for the year</b>		<b><u>900 000</u></b>	<b><u>62</u></b>
<b><u>Details on transfers and allocations:</u></b>			
Transferred to / (from) other equity	Note 12	<b><u>900 000</u></b>	<b><u>62</u></b>



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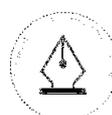
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KCC Chartering AS

## BALANCE SHEET

		<u>31 Dec 2022</u>	<u>31 Dec 2021</u>
<b>USD</b>			
<b>ASSETS</b>			
<b><u>FIXED ASSETS</u></b>			
Investments in shares	Note 19	<u>7 425 570</u>	<u>7 425 570</u>
<b>Total tangible assets</b>		<u>7 425 570</u>	<u>7 425 570</u>
<b>Total fixed assets</b>		<u>7 425 570</u>	<u>7 425 570</u>
<b>Inventory</b>			
Bunkers on board		<u>17 254 206</u>	<u>10 810 361</u>
<b>Total inventory</b>		<u>17 254 206</u>	<u>10 810 361</u>
<b>Receivables</b>			
Accounts receivable	Note 13	13 621 653	7 921 124
Short- term intra-group receivables	Note 14	77 476	817 330
Accrued revenues	Note 15	12 058 158	4 133 498
Prepaid expenses	Note 15	3 360 894	3 391 134
Other short- term receivables	Note 13	<u>2 956 203</u>	<u>13 374 777</u>
<b>Total receivables</b>		<u>32 074 384</u>	<u>29 637 862</u>
Cash and bank deposits	Note 16	<u>265 508</u>	<u>415 985</u>
<b>Total current assets</b>		<u>49 594 097</u>	<u>40 864 208</u>
<b>TOTAL ASSETS</b>		<u>57 019 667</u>	<u>48 289 778</u>



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KCC Chartering AS

## BALANCE SHEET

		<u>31 Dec 2022</u>	<u>31 Dec 2021</u>
<b>USD</b>			
<b>EQUITY AND LIABILITIES</b>			
<b><u>EQUITY</u></b>			
<b>Paid-in capital</b>			
Share capital (100 shares at NOK 1000)	Note 17,12	27 201	27 201
Other paid-in capital	Note 12	7 436 087	7 436 087
<b>Total paid-in capital</b>		<u>7 463 288</u>	<u>7 463 288</u>
<b>Retained earnings</b>			
Other equity	Note 12	874 429	(25 310)
<b>Total retained earnings</b>		<u>874 429</u>	<u>(25 310)</u>
<b>Total equity</b>		<u>8 337 717</u>	<u>7 437 978</u>
<b><u>LIABILITIES</u></b>			
<b>Long-term liabilities</b>			
Long-term debt to related party	Note 10	11 820 000	15 000 000
<b>Total long-term liabilities</b>		<u>11 820 000</u>	<u>15 000 000</u>
<b>Current liabilities</b>			
Accounts payable	Note 18	3 930 508	3 662 203
TC hire owed to shipowners	Note 9	22 946 228	13 521 695
Debt to financial institutions	Note 16	232 969	2 408 584
Short-term debt to related party	Note 10	659 553	632 747
Accrued expenses	Note 15	4 607 693	2 143 009
Accrued revenues	Note 15	4 484 999	3 476 337
Other short-term liabilities		-	7 225
<b>Total current liabilities</b>		<u>36 861 950</u>	<u>25 851 800</u>
<b>Total liabilities</b>		<u>48 681 950</u>	<u>40 851 800</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>57 019 667</u>	<u>48 289 778</u>

31 December 2022

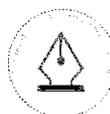
29 March 2023

Ernst Meyer  
Chair of the Board

Liv Hege Dyrnes  
Board Member

Gøran Andreassen  
Board Member

Engebret Dahm  
CEO



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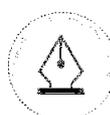


## KCC Chartering AS

### CASH FLOW STATEMENT

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Result before tax	-	62
Change in bunkers on board	(6 443 845)	(5 651 331)
Change in receivables	(2 436 522)	(13 594 424)
Change in current liabilities	13 185 504	8 417 637
<b>A: Net cash flow from operating activities</b>	<b>4 305 137</b>	<b>(10 828 057)</b>
Dividends from investments in shares	900 000	-
<b>B: Net cash flow from investment activities</b>	<b>900 000</b>	<b>-</b>
New short-term debt to group companies	-	7 490 000
Repayment of long-term debt to group companies	(3 180 000)	-
<b>C: Net cash flow from financing activities</b>	<b>(3 180 000)</b>	<b>7 490 000</b>
<b>Net change in liquidity in the period (A+B+C)</b>	<b>2 025 137</b>	<b>(3 338 057)</b>
Cash and cash equivalents at beginning of period	(1 992 599)	1 345 458
Cash and cash equivalents at close of period*	32 539	(1 992 599)
<b>Net change in cash and cash equivalents in the period</b>	<b>2 025 137</b>	<b>(3 338 057)</b>
Cash and cash equivalents	265 508	415 985
Other interest bearing liabilities (overdraft facility)*	232 969	2 408 584
<b>Cash and cash equivalents (as presented in cash flow statement)</b>	<b>32 539</b>	<b>(1 992 599)</b>

\* Cash and cash equivalents include overdraft facility of USD 0.2 million presented as other interest bearing liabilities in the balance sheet as per 31 December 2022 (2021: USD 2.4 million).



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## KCC Chartering AS

### NOTES TO FINANCIAL STATEMENTS

#### 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.

#### 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, including the first year's repayments of long-term debt, is classified as long-term debt.

#### VALUATION OF TANGIBLE ASSETS AND LIABILITIES

##### Current assets

Current assets are valued at the lower of cost and net realisable value. Accounts receivable are related to operations and consist of trade receivables. For valuation of receivables, see section "Receivables".

##### Accounts payable

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.

Management uses estimates and assumptions in connection with the calculation of accruals for losses on receivables.

#### REVENUE RECOGNITION

Market operations comprise contracts of affreightment (CoA), spot voyages, time charters (TC), and derivative contracts (forward freight agreements (FFA), fuel).

Profit is accrued for each month using the following principles:

- \* All revenues and voyage costs are recognised 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 revenues and voyage costs, 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 recognised 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 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 is distributed to shipowners in its entirety and defined as an expense (TC hire to shipowners) so that the net profit for the year is zero.



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## **COST RECOGNITION**

Expenses are recognised in the same period as the revenues 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.

## **DERIVATIVE INSTRUMENTS**

The Company uses a set of financial instruments (forward freight agreements, bunkers contracts, currency) either to manage financial risks (hedging) or within given mandates to maximise 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 that are 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.

## **TAX**

The Company is subject to the Norwegian tonnage tax regime ("NTT"). Under the tonnage tax regime, profit from operations are exempt from taxes. Taxable profit is calculated on the basis of financial income after deduction of a portion of financial expenses. The portion is calculated as financial assets in percent of total assets. Tonnage tax is payable based on the net tonnage of vessels. Tonnage tax is classified as an operating expense.

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 % on the basis of temporary differences between tax and accounting values of assets and liabilities that exist at the balance sheet date. Deferred taxes are recognized using the liability method in accordance with IAS 12. Deferred tax is only calculated for assets and liabilities for which future realization will lead to tax payable.

Income tax relating to items recognized directly in equity is included directly in equity and not in the statement of income.

## **FOREIGN CURRENCY**

The Company presents its financial statements in USD, which is the same currency as the Company's functional currency.

Transactions in currencies other than the currency used in the financial statements are translated into the currency used in the financial statements using the exchange rate in effect on the date of the transaction. Monetary assets and liabilities in foreign currency are translated into the currency used in the financial statements using the exchange rate in effect on the balance sheet date. Exchange differences arising from translations into the currency used in the financial statements are recorded in the income statement. Non-monetary assets and liabilities measured at historical cost in foreign currency are translated into the currency used in the financial statements using the historical exchange rate. Non-monetary assets and liabilities recognised at fair value are translated using the exchange rate on the date of the determination of the fair value. Assets and liabilities hedged with currency forward contracts are valued at the contract strike currency rate.

## **Investment in shares**

Long-term financial investments are recorded at historical cost, but are written down to fair market value upon identification of impairment. Write-down is reversed to the extent that the reason for the write-down no longer exists.



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## **RECEIVABLES**

Receivables are recorded at their nominal value, less expected losses. Provisions for losses are made following an assessment of each receivable.

## **BUNKER INVENTORY**

Fuel bunkers on board vessels are recorded in the balance sheet at acquisition cost. Acquisition cost is based on FIFO (first in, first out principle).

## **HIRE PAYMENTS**

The Company pays hire to vessels employed on open TC rate. Annual hire payments vary according to total profit from chartering activities. Sums earned by shipowners but not paid in the accounting year in question are recorded as hire owed to shipowners under current liabilities.

## **RELATED PARTIES**

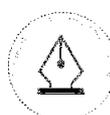
Transactions with related parties are conducted at arm's length on market terms.

## **CASH FLOW STATEMENT**

The cash flow statement is prepared and presented according to the indirect method. Cash and cash equivalents include cash, bank deposits, other short-term liquid investments with settlement within three months and drawn amount on overdraft facility

## **EVENTS AFTER THE BALANCE SHEET DATE**

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 that had been outstanding, final determination of bonuses or other performance-dependent remuneration. Material events after the balance sheet date are presented in a separate note to the financial statement.



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## KCC Chartering AS

### NOTES TO FINANCIAL STATEMENTS

#### Note 2

##### OPERATING REVENUES, VESSELS

	31 Dec 2022	31 Dec 2021
	USD	USD
Freight revenues	200 235 169	170 529 730
Sub time charter revenues	65 616 145	48 114 556
Future freight agreements	(4 200 664)	(19 997 370)
Other operating revenues	889 780	(2 799 059)
<b>Operating revenues, vessels</b>	<b>262 540 430</b>	<b>195 847 857</b>

#### Note 3

##### HEDGING

The Company uses financial instruments to hedge against certain risks.

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.

Hedging object	Hedging instrument	Profit and Loss effect		Future Market value per 31.12.2022	Future Market value per 31.12.2021	Hedge included in P&L line
		2022	2021			
Hire income	Future freight agreements	4 200 664	(19 997 370)	(246 797)	(8 487 082)	Operating revenues
Bunkers cost	Fuel contracts	(455 646)	223 828	(212 918)	18 100	Voyage costs
<b>Total effect on P&amp;L / Off balance sheet</b>		<b>3 745 017</b>	<b>(19 773 542)</b>	<b>(459 715)</b>	<b>(8 468 982)</b>	

#### Note 4

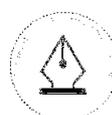
##### VOYAGE COSTS, VESSELS

	31 Dec 2022	31 Dec 2021
	USD	USD
Freight expenses	(21 538 049)	(20 209 998)
T/C-hire	(1 449 222)	(1 952 239)
Voyage expenses	(72 486 492)	(59 009 358)
Fuel hedge settlement	455 646	223 828
Various expenses	(1 036 056)	(869 532)
<b>Voyage costs, vessels</b>	<b>(96 054 173)</b>	<b>(81 817 299)</b>

#### Note 5

##### TC HIRE TO SHIPOWNERS

The net result distributed to KCC shipowning as open rate time-charter (TC) hire was USD 161 633 042 in 2022 (2021; USD 110 400 020).



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KCC Chartering AS

## NOTES TO FINANCIAL STATEMENTS

Note 6

### NUMBER OF EMPLOYEES

The Company has no employees, however one employee has been seconded from Klaveness Combination Carriers ASA to the Company as 100% of time is related to commercial management work for KCC Chartering AS.

Note 7

### REMUNERATION TO KEY PERSONNEL

The Company has no employees, but the Company has entered into service agreements with affiliated companies (see note 9).

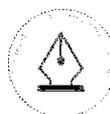
Members of the Board of Directors are employees of other companies within the Torvald Klaveness group. No special remuneration has been paid to the various members of the Board of Directors, because such positions of office are a part of their regular employment. Compensation for Board work is thus included in the regular salary of such employees.

Note 8

### REMUNERATION TO THE AUDITOR

	<u>31 Dec 2022</u>	<u>31 Dec 2021</u>
	<u>USD</u>	<u>USD</u>
Fee for statutory audit	11 480	12 466
Fee for other assurance services	-	-
<b>Total</b>	<b><u>11 480</u></b>	<b><u>12 466</u></b>

Auditor's fee are stated excluding VAT.



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## Note 9

### TRANSACTIONS WITH RELATED PARTIES

The ultimate owner of the Company is Rederiaksjeselskapet Torvald Klaveness (RASTK), which owns 53.76 % of the shares in Klaveness Combination Carriers ASA (KCC ASA). Klaveness Combination Carriers ASA owns 100 % of KCC Chartering AS.

The Company has undertaken several agreements and transactions with related parties in the RASTK Group and in the KCC ASA Group. The level of fees are mainly based on cost plus a margin in accordance with the arm's length principle and OECD's guidelines.

One vessel i KCCC was employed in the Baumarine pool (part of RASTK group) for part of 2021 and until early 2022.

#### Services provided by RASTK group companies:

Klaveness Dry Bulk AS (KDB) provides services within risk/KYC, market analysis, bunker procurement, freight and bunkering hedging and dry bulk chartering (included as commercial services below).

Klaveness Ship Management AS (KSM) provides commercial operations, cargo operations and marine accounting services.

#### Services provided by KCC ASA group companies:

Business administration services are provided by KCC ASA to all subsidiaries in the Group, with Klaveness AS (KAS) as a subcontractor for accounting, legal, IT services, rent and office services.

Commercial management (chartering and operations) are provided by affiliated companies in Oslo and Singapore. As per year-end 2022, the commercial team is employed in KCC ASA and Klaveness Combination Carriers Asia Ptd. Ltd. (KCCA). Commercial services in Singapore were transferred to a newly established subsidiary in the KCC Group, Klaveness Combination Carriers Asia Ptd. Ltd. (KCCA) in 1H 2021. Prior to this date, these services were purchased from Klaveness Asia Ptd. Ltd (KA), part of the RASTK group.

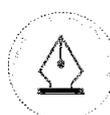
<b>Commercial and administrative services</b>	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
Business administration services fee to KCC ASA/KAS <sup>1)</sup>	739 629	482 271
Commercial management and commercial services in Oslo (KCC ASA/KAS <sup>2, 3)</sup> )	-	377 960
Commercial services in Singapore (KCCA/KAS <sup>2)</sup> )	1 536 801	1 384 786
Commercial services (operations and marine accounting) fee to KSM	809 607	621 112
Commercial services and other (risk, freight, bunker, research) to KDB <sup>4)</sup>	276 053	-
<b>Group commercial and administrative services</b>	<b>3 362 090</b>	<b>2 866 129</b>

<sup>1)</sup> G&A services purchased from KCC ASA with KAS AS as a subcontractor for parts of the services.

<sup>2)</sup> Commercial services purchased from affiliated companies in Singapore: Through KAS until 1H 2021, thereafter from KCCA, another subsidiary of KCC ASA.

<sup>3)</sup> From 2022, commercial management services from KCC ASA has been seconded to KCC Chartering (note 3)

<sup>4)</sup> Dry bulk fixtures fee part of voyage cost until 1 July 2022



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KCC Chartering AS

## NOTES TO FINANCIAL STATEMENTS

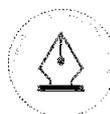
### Note 10

#### LIABILITIES TO GROUP COMPANIES

	<u>31 Dec 2022</u>	<u>31 Dec 2021</u>
	<u>USD</u>	<u>USD</u>
<b><u>Current liabilities:</u></b>		
AS Klaveness Chartering	-	312 348
Klaveness AS	29 380	70 770
Klaveness Combination Carriers Asia Pte. Ltd	421 457	192 071
Klaveness Combination Carriers ASA	37 032	21 858
Klaveness Ship Management AS	66 849	35 700
Klaveness Dry Bulk AS	104 835	-
<b>Short-term debt to related parties</b>	<b><u>659 553</u></b>	<b><u>632 747</u></b>
<b><u>Long-term liabilities:</u></b>		
Klaveness Combination Carriers ASA	11 820 000	15 000 000
<b>Long-term debt to related parties</b>	<b><u>11 820 000</u></b>	<b><u>15 000 000</u></b>

Current liabilities are defined as liabilities that fall due within one year after the close of the accounting year. Internal loans are priced in accordance with Klaveness' transfer pricing principles. The Company has incurred USD 0.5 million in interest expense to Group companies during the year.

The Company has drawn a long-term loan of USD 11.8 million from parent company Klaveness Combination Carriers ASA. The loan is due 31.12.2024.



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## Note 11A - Taxes

### Tonnage tax

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

### Ordinary taxation

The ordinary rate of corporation tax in Norway is 22 % for 2022 (2021: 22 %).

A. TAX EXPENSE	31 Dec 2022	31 Dec 2021
Tax payable	-	-
Change deferred tax / deferred tax asset	-	-
<b>Total tax expense/(income) reported in the income statement</b>	<b>-</b>	<b>-</b>
<b>Profit from shipping operations</b>	<b>(1 268 856)</b>	<b>(446 379)</b>
Net financial items according to calculation in section B.1	(368 855)	(446 317)
Use of tax losses carried forward	-	-
Exchange rate adjustment	-	-
Tax basis for the year	(368 855)	446 317
<b>Tax payable</b>	<b>-</b>	<b>-</b>
Tonnage tax (included in operation profit)	-	-
<b>Total tax payable in the balance sheet</b>	<b>-</b>	<b>-</b>

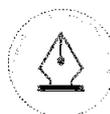
### B.1.1 CALCULATION OF PROPORTIONAL DEDUCTION OF INTEREST EXPENSE / FOREIGN CURRENCY LOSSES

Figures calculated from NOK using year-end currency rate

Share of financial assets from limited partnerships / shipowning	01 Jan 2022	31 Dec 2022	Average
Book value of investment in KCC Shipowning AS	7 425 570	7 425 570	7 425 570
Share of average financial assets in KCC Shipowning AS. (in %)	12,45 %	12,45 %	12,45 %

Calculation of share of total financial assets for KCC Shipowning AS	01 Jan 2022	31 Dec 2022	Average
Financial assets KCC Chartering AS	30 053 847	32 339 891	31 196 869
Share of financial assets in KCC KCC Shipowning	924 706	924 706	924 706
Total financial assets of the company, including underlying companies	30 978 553	33 264 598	32 121 576
Total capital in KCC Chartering AS	48 289 778	57 019 667	52 654 723
Share of financial assets (in %)	64,15 %	58,34 %	61,00 %
Exchange rate adjusted share of financial assets (in %)			61,82 %

Calculation of proportional deduction for interest expenses / foreign currency losses	31 Dec 2022
Actual interest expenses recorded in the profit and loss account	(505 214)
Capitalized interests	-
Interest expense, not deductible	-
Interest expense subject to proportional distribution	(505 214)
Calculated proportion of interest expenses for deduction in tax income 61,82%	<b>(312 340)</b>
Foreign currency losses / (gain) recorded in the profit and loss account	60 376
Calculated proportion of currency gain/ loss for increase/ decrease in tax income 61,82 %	<b>37 326</b>



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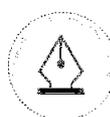
## Note 11 - Taxes cont.

<b>B.1.2 CALCULATION OF NET FINANCIAL ITEMS</b>	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
<b>Financial income and expenses recorded in the profit and loss account</b>		
Interest expense according to proportional calculation	(312 340)	(345 445)
Other financial expenses	(111 272)	(144 323)
Foreign currency loss according to proportional calculation	37 326	28 095
Foreign currency adjustment	17 430	15 356
<del>Change in temporary differences associated with:</del>		
<del>* Interest rate swaps/provisions</del>		
<b>Net financial items</b>	<b>(368 855)</b>	<b>(446 317)</b>

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

<i>-figures calculated from NOK to year end currency rate</i>	<b>01 Jan 2022</b>	<b>31 Dec 2022</b>	<b>Average</b>
Total capital KCC Chartering AS	48 289 778	57 019 667	52 654 722
A) Total, adjusted assets	48 289 778	57 019 667	52 654 722
Liabilities in KCC Chartering AS	40 851 800	48 681 950	44 766 875
B) Total, adjusted liabilities	40 851 800	48 681 950	44 766 875
C) 30% of average assets (A*30%)			15 796 417
Average equity above 70% C - B			(28 970 458)
<b>Increase in income due to high equity - Prescribed interest rate on positive amount</b>		<b>1,70 %</b>	<b>-</b>

<b>C. RECONCILIATION OF NOMINAL AND ACTUAL TAX RATES:</b>	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
Profit before tax	900 000	62
Nominal tax rate	22 %	22 %
Calculated tax payable on pre-tax profit using the nominal taxation rate	198 000	14
Tax effect, profit from shipping operations	(279 148)	(98 203)
Tax effect, change in not listed deferred tax	61 747	98 190
Currency effect	19 401	-
<b>Tax expense</b>	<b>-</b>	<b>-</b>
Effective tax rate	0,00 %	0,00 %



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Note 11B - Taxes cont.

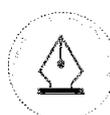
**Specification of the tax effect of temporary differences**

<b>D. DEFERRED TAX / (DEFERRED TAX ASSET)</b>	<b>Status at 01 Jan 2022</b>	<b>Change</b>	<b>Status at 31 Dec 2022</b>	<b>Tax effect at 31 Dec 2022 22 %</b>	<b>Status at 31 Dec 2021</b>	<b>Tax effect at 31 Dec 2021 22 %</b>
Total temporary differences - before financial losses carried forward	-	-	-	-	-	-
Financial losses carried forward	(658 221)	(280 669)	(938 890)	(206 556)	(658 221)	(144 809)
<b>Total temporary differences</b>	<b>(658 221)</b>	<b>(280 669)</b>	<b>(938 890)</b>	<b>(206 556)</b>	<b>(658 221)</b>	<b>(144 809)</b>
Deferred tax / (deferred tax asset) recorded in the balance sheet				-		-
Change in deferred tax / (deferred tax asset)				-		-

**Comments regarding capitalization of deferred tax / tax asset:**

The Company entered the Norwegian Tonnage Tax regime from January 1, 2020. As a consequence, the financial loss carried forward at this date was forfeited.

The deferred tax asset is not recorded in the balance sheet because it is considered unlikely that the underlying temporary differences can be applied to offset future income.



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## KCC Chartering AS

### NOTES TO FINANCIAL STATEMENTS

#### Note 12 EQUITY

USD	Share capital	Other paid-in capital	Other equity	Total equity
Equity as of 1 Jan 2021	27 201	7 436 087	(25 372)	7 437 916
<b>CHANGE IN EQUITY DURING THE YEAR 2021</b>				
Result for year			62	62
Equity as of 31 Dec 2021	27 201	7 436 087	(25 310)	7 437 978
<b>CHANGE IN EQUITY DURING THE YEAR 2022</b>				
Result for year			900 000	900 000
Equity as of 31 Dec 2022	27 201	7 436 087	874 429	8 337 717

#### Note 13

##### ACCOUNTS RECEIVABLE AND OTHER SHORT-TERM RECEIVABLES

	31 Dec 2022 USD	31 Dec 2021 USD
Receivables	13 621 653	7 921 124
Accounts receivable	13 621 653	7 921 124
Other short-term receivables		
	31 Dec 2022 USD	31 Dec 2021 USD
M-t-M Clearing house	2 742 631	13 311 465
Other short-term receivables	213 572	63 312
Other short-term receivables	2 956 203	13 374 777

Accounts receivable and Other short-term receivables comprise all items that fall due for payment within one year after the close of the accounting year.

#### Note 14

##### INTRAGROUP RECEIVABLES

	31 Dec 2022 USD	31 Dec 2021 USD
Klaveness Combination Carriers ASA	12 755	57 398
KCC Shipowning AS	-	255 414
Baumarine AS	-	504 518
Klaveness Chartering AS	64 721	-
Short-term intra-group receivables	77 476	817 330

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

#### Note 15

##### ACCRUAL OF VOYAGE PROFIT

The balance sheet items; accrued estimated revenues, accrued revenues, prepaid expenses and accrued expenses include accruals for voyages not-yet completed at year end.

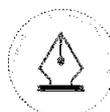
As of 31.12.2022, 20 voyages were not-yet-completed. The total days for these voyages were 965 days, where of 427 days were finalized in 2022.

#### Note 16

##### CASH AND BANK DEPOSITS

	31 Dec 2022 USD	31 Dec 2021 USD
Bank deposits, USD	265 508	415 985
Total cash and bank deposits	265 508	415 985

The Company has an undrawn amount on the overdraft facility of USD 14.8 million per year end. No cash was restricted as per 31 December 2022.



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KCC Chartering AS

## NOTES TO FINANCIAL STATEMENTS

Note 17

### SHARE CAPITAL AND SHAREHOLDER INFORMATION

The Company's share capital comprises the following share classes:

	Number	Par value	Book value
Ordinary shares	100	272,01	27 201
<b>Total</b>	<b>100</b>	<b>272,01</b>	<b>27 201</b>

### Ownership structure

Shareholders as of 31 December:

	Number of shares	Ownership interest	Votes (in %)
Klaveness Combination Carriers ASA	100	100 %	100 %
<b>Total number of shares</b>	<b>100</b>	<b>100 %</b>	<b>100 %</b>

The Company is included in the consolidated accounts of Klaveness Combination Carriers ASA (annual accounts available at [www.combinationcarriers.com](http://www.combinationcarriers.com)) and Rederiaksjeselskapet Torvald Klaveness (annual accounts available at [www.klaveness.com](http://www.klaveness.com)).

Note 18

### ACCOUNTS PAYABLE

	31 Dec 2022	31 Dec 2021
	USD	USD
Vendors	3 930 508	3 662 203
<b>Accounts payable</b>	<b>3 930 508</b>	<b>3 662 203</b>

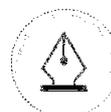
Accounts payable are liabilities that fall due in their entirety within one year after the end of the accounting year.

Note 19

### Investment in shares

	Ownership	31 Dec 2022	31 Dec 2021
		USD	USD
KCC Shipowning AS	3 %	7 425 570	7 425 570

Investments in shares are recorded at historical cost. Impairments are recognised if the fair value of equity is lower than book value of the shares.



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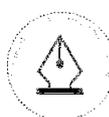
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**Note 20 - Events after balance sheet date**

The CLEANBU vessel MV Bass was sold from KCC Shipowning AS to KCC Bass AS in March 2023, and will from this date not be employed by KCC Chartering AS.

There are no events after the balance sheet date that have material effect on the financial statement as of 31 December 2022.



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Medlemmer av Den norske Revisorforening

## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of KCC Chartering AS

### Opinion

We have audited the financial statements of KCC Chartering AS (the Company), which comprise the balance sheet as at 31 December 2022, balance sheet 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 as at 31 December 2022 and its 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 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 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the



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going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Oslo, 29 March 2023  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Johan Lid Nordby  
State Authorised Public Accountant (Norway)

Independent auditor's report - KCC Chartering AS 2022

A member firm of Ernst & Young Global Limited

Penneo dokumentnøgle: CM1Z6-IFHY5-31PLE-TKLC3-Q5E4I-NHNFM



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### Johan Nordby

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