

# First Quarter 2021

 Klaveness  
Combination Carriers



# KEY DEVELOPMENTS

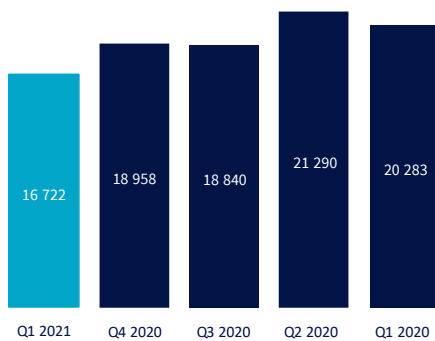
- TCE earnings<sup>1</sup> 1.7-2.6 times higher than standard tanker vessel earnings
- Loss for the period of USD 2.0 million and adjusted EBITDA<sup>1</sup> of USD 9.2 million down 16% Q-o-Q on the back of a historically weak tanker market
- Continued expansion of the CLEANBU combination–trading pattern with two new trades started during the quarter
- Two CLEANBU newbuilds delivered during the quarter and only one newbuild remains for delivery (Q2 2021)
- The Board of Directors declares dividends of USD 0.03 per share, total USD 1.44 million for Q1

*“KCC continued to deliver substantially higher TCE earnings than standard tanker vessels in a historically weak tanker market in first quarter. The strong dry bulk market will have considerably positive effect on KCC’s earnings in second quarter.”*

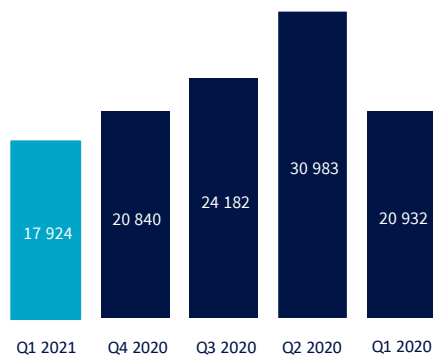


**Engebret Dahm, CEO**  
Klaveness Combination Carriers ASA

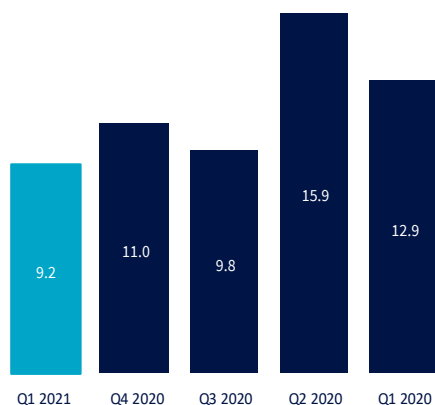
Average CABU TCE earnings (\$/d)



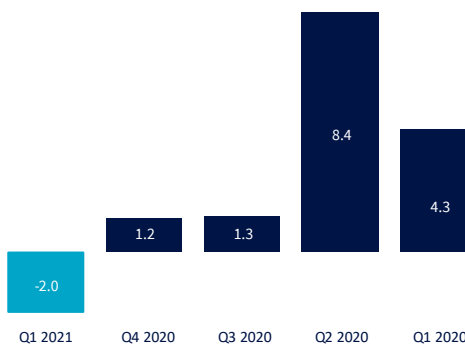
Average CLEANBU TCE earnings (\$/d)



Adjusted EBITDA (mUSD)



Profit/(loss) after tax (mUSD)



<sup>1</sup> TCE earnings and adjusted EBITDA are alternative performance measures (APMs) defined and reconciled in note 11

## FINANCIAL PERFORMANCE

### KEY FIGURES

(USD '000)	Q1 2021	Q4 2020	Q1 2020	2020
Net revenues from vessel operations	21 128	22 871	22 403	91 139
EBITDA (note 11)	8 273	10 323	12 825	48 125
EBITDA adjusted (note 11)	9 186	10 953	12 857	49 517
Profit/(loss) for the period	(2 045)	1 212	4 314	15 182
Earnings per share (USD) <sup>1</sup>	(0.04)	0.02	0.09	0.32
Total assets	596 776	549 043	486 785	549 043
Equity	211 622	216 532	209 237	216 532
Equity ratio	35 %	39 %	43 %	39 %
ROCE adjusted (note 11)	2 %	4 %	8 %	6 %

	Q1 2021	Q4 2020	Q1 2020	2020
Average TCE earnings (note 11)	17 184 \$/d	19 597 \$/d	20 441 \$/d	20 990 \$/d
Opex per day (note 11)	7 693 \$/d	7 991 \$/d	7 627 \$/d	7 848 \$/d
Onhire days	1 244	1 162	1 083	4 300
Off-hire days, scheduled	47	33	-	119
Off-hire days, unscheduled	5	39	9	110
% of days in main combination trades <sup>2</sup>	68 %	72 %	74 %	69 %
Utilisation <sup>3</sup>	91 %	90 %	99 %	91 %

### CONSOLIDATED RESULTS

Adjusted EBITDA for the period ended at USD 9.2 million down from USD 12.9 million in Q1 2020 and USD 11.0 million last quarter mainly due to weaker TCE earnings. The tanker market was historically weak throughout the quarter and the strengthening dry bulk market had limited effect on voyages performed in first quarter but will contribute positively in Q2 2021. The fleet continued to grow with delivery of the sixth and seventh CLEANBU vessels in first quarter. Vessel on-hire days were up equivalent to approx. 0.2 and 0.4 vessel years relative to Q4 2020 and Q1 2020, respectively. Operating expenses increased in first quarter mainly due to a higher number of vessels. Net profit after tax for first quarter ended at negative USD 2.0 million compared to positive USD 1.2 million in Q4 2020 and USD 4.3 million in Q1 2020.

Travel restrictions related to COVID-19 continue to impact the delivery of newbuilds and the number of days from delivery until start of trading has been quite stable compared to Q4. The COVID-19 impact on daily operations was considerably better in Q1 2021 compared to second half 2020 with limited off-hire related to deviations for crew changes etc of four days, down from 27 days in Q4 2020. The total negative COVID-19 impact is estimated to be approximately USD 1.9 million in costs and lower earnings for Q1 2021 compared to approximately USD 2.7 million in Q4 2020.

### CAPITAL AND FINANCING

Cash and cash equivalents ended at USD 36.1 million by end of Q1 2021, down from USD 65.7 million at year-end 2020. The equity ratio ended at 35% per end of Q1 2021 down from 39% at year-end 2020, while mortgage debt increased by USD 49.2 million during the quarter. These balance sheet items were mainly driven by delivery and debt financing of two CLEANBU vessels. KCC and its subsidiaries have USD 5 million in available and undrawn capacity under a revolving credit facility related to newbuilds and USD 20 million available and undrawn under a 364-days overdraft facility. KCC's capital commitments are fully funded.

### EVENTS AFTER THE BALANCE SHEET DATE

On 26 April 2021, the Company's Board of Directors declared to pay a cash dividend to the Company's shareholders of USD 1.44 million for Q1 (USD 0.03 per share).

<sup>1</sup> Earnings per share from operations. Based on average outstanding shares for the different periods.

<sup>2</sup> % of days in combination trades = number of days in combination trades as a percentage of total on-hire days. A combination trade starts with wet cargo (usually caustic soda or clean petroleum products), followed by a dry bulk cargo. A combination trade is one which a standard tanker or dry bulk vessel cannot perform. The KPI is a measure of KCC's ability to operate our combination carriers in trades with efficient and consecutive combination of wet and dry cargos versus trading as a standard tanker or dry bulk vessel. There are two exceptions to the main rule where the trade is considered to be a combination trade: Firstly, in some rare instances a tanker cargo is fixed instead of a dry bulk cargo out of the dry bulk exporting region where KCC usually transports dry bulk commodities. E.g. the vessel transports clean petroleum products to Argentina followed by a veg oil cargo instead of a grain cargo on the return leg. Secondly, triangulation trading which combines two tanker voyages followed by a dry bulk voyage with minimum ballast in between the three voyages (e.g. CPP Middle East-Far East+CPP Far East Australia-Dry bulk Australia-Middle East) are also considered combination trade. The KPI has been changed with effect from 1 January 2021 and 2020 figures have been adjusted. Previously the definition of a combination trade was based on the main trading patterns and contract of affreightment portfolio (CABU trades Far East/Middle East - Australia and US Gulf-Brazil, CLEANBU trades Middle East/India-South America). The CLEANBU segment has been established and the CABU business has developed, hence the updated definition better reflects how often KCC succeeds to combine wet and dry cargo.

<sup>3</sup> Utilization = (Operating days less waiting time less off-hire days)/operating days

## THE CABU BUSINESS

KEY FIGURES	Q1 2021	Q4 2020	Q1 2020	2020
Average TCE earnings (note 2)	16 722 \$/d	18 958 \$/d	20 283 \$/d	19 886 \$/d
Opex per day (note 2)	7 457 \$/d	7 162 \$/d	7 104 \$/d	7 333 \$/d
Onhire days	766	767	815	3 102
Off-hire days, scheduled	39	33	-	115
Off-hire days, unscheduled	4	27	4	77
% of days in main combination trades <sup>1</sup>	65 %	75 %	76 %	73 %
Ballast days in % of total on-hire days	16 %	13 %	15 %	13 %
Utilisation <sup>2</sup>	93 %	90 %	99 %	90 %

Average TCE earnings per on-hire day for the CABU vessels ended at \$16,722/day, below both Q4 2020 (\$18,958/day) and Q1 2020 (\$20,283/day). However, the TCE earnings are 2.6 times higher than the spot market for standard MR tankers<sup>4</sup>, driven by 85% combination trading in the Pacific basin where approx. 70% of the fleet was employed in Q1. Repositioning of one vessel from Pacific to Atlantic, representing 13% of CABU on-hire days in Q1, had negative impact on the TCE earnings this quarter.

Unscheduled off-hire ended at four days for Q1 2021 (all COVID-19 related), down in total 23 days compared to Q4 2020 whereof 15 less COVID-19 related off-hire days (deviations for crew changes, quarantine etc). Two CABU vessels completed periodic dry docking respectively early January and early April with a total of 39 off-hire days in Q1 2021. Operating costs were up approximately \$300-350/day compared to Q4 and Q1 2020 mainly due to periodisation effects and timing of procurement to vessels.

## THE CLEANBU BUSINESS

KEY FIGURES	Q1 2021	Q4 2020	Q1 2020	2020
Average TCE earnings (note 2)	17 924 \$/d	20 840 \$/d	20 932 \$/d	23 851 \$/d
Opex per day (note 2)	8 053 \$/d	9 527 \$/d	9 198 \$/d	9 125 \$/d
Onhire days	478	395	268	1 198
Off-hire days, scheduled	8	-	-	-
Off-hire days, unscheduled	0	12	5	31
% of days in main combination trades <sup>1</sup>	73 %	67 %	65 %	59 %
Ballast days in % of total on-hire days <sup>3</sup>	24 %	19 %	17 %	20 %
Utilisation <sup>2</sup>	88 %	93 %	98 %	95 %

The CLEANBU fleet outperformed the LR1 tanker vessel spot earnings by a multiple of 1.7<sup>4</sup>. Average CLEANBU TCE earnings per on-hire day ended at \$17,924/day, down by \$2,900-3,000/day compared to last quarter and same quarter last year, a reflection of the weakest start of the year for the tanker market since 2012. The fleet had in total approx. 0.2 more vessel years on-hire compared to last quarter due to delivery of one vessel in fourth quarter 2020 and two vessels in Q1 2021.

With the dry bulk market substantially stronger than the tanker market, two CLEANBU vessels were fixed on TC-trips in the dry bulk market during the quarter. The tanker time charter for one of the vessels secured in the strong tanker market in April 2020 ended in early February 2021. The remaining vessel capacity was employed in combination trades in both the Pacific and the Atlantic. The CLEANBU fleet continued to build trades to Australia and performed the first dry bulk/CPP combination-voyage from Middle East into Australia in Q1 2021. The first Atlantic combination voyage started in Q1 2021 with iron ore shipped from Brazil to Europe with a return cargo of naphtha to Brazil to be performed in Q2 2021.

The fleet had no unscheduled off-hire in Q1 2021 down from 12 days in Q4 2020 (whereof eight days COVID-19 related). Average operating costs for the CLEANBU vessels ended at \$8,053/day, approximately \$1,475/day lower than last quarter, mainly due to periodisation effects and timing on procurement to the vessels.

The sixth CLEANBU vessel MV Baiacu was delivered on 11 January 2021 and the vessel started trading at the end of February. The seventh CLEANBU vessel was delivered 25 March 2021 and will start trading mid-May. The number of days from delivery of newbuilds to start of trading continues to be negatively impacted by COVID-19 as a Chinese crew takes delivery of the vessels prior to changing crew in South Korea. The fleet as of the end of March consisted of seven CLEANBU vessels on water and one vessel on order with expected delivery in Q2 2021.

Yard guarantee work related to MV Barramundi started towards the end of March and is expected to be completed towards end of May, with an estimated 60-70 days off-hire. Guarantee work for additional two CLEANBU vessels is targeted to be rectified in the period July- October 2021. Total off-hire is estimated to be in total 90-110 days. Estimated 25-35% of off-hire days connected to these three vessels will be covered by loss of hire insurance.

<sup>1</sup> % of days in combination trades = see definition on page 3.

<sup>2</sup> Utilization = (Operating days less waiting time less off-hire days)/operating days.

<sup>3</sup> Ballast in % of on-hire days = Number of days in ballast /number of on-hire days. Ballast days when the vessel is off-hire are not included.

<sup>4</sup> Baltic Exchange

## MARKET DEVELOPMENT

AVERAGE MARKET RATES	Q1 2021	Q4 2020	Q1 2020	2020
Dry Bulk rates - P5TC (\$/day) <sup>1</sup>	18 493	12 045	7 080	9 906
MR Tanker rates - TC7 (\$/day) <sup>1</sup>	6 641	8 582	16 172	14 282
LR1 Tanker rates - TC5 (\$/day) <sup>1</sup>	5 168	9 101	17 231	19 441
Bunkers price - VLSFO (\$/mt) <sup>2</sup>	479	361	511	371

Earnings of KCC's combination carriers are driven by the Panamax dry bulk market, MR and LR1 product tanker markets and fuel markets.

First quarter average earnings for **dry bulk** Panamax vessels were approx. \$18,500/day, the strongest first quarter in over ten years. Strong iron ore volumes out of Australia supported the Panamax rates. Brazilian iron ore exports, while still low compared to the five-year average, were up 23% from same period last year. While the Brazilian soybean harvest was significantly delayed, unusually strong January exports from the US provided further support to the market. The Brazilian soybean harvest is now well on the way, with March exports at all-time high. With the Chinese ban on Australian coal still in place, the coal trade was a negative factor for the dry bulk market in the first quarter.

According to Clarksons, the Panamax fleet growth was 6.6% Y-o-Y for the first quarter, although speed and congestion adjusted effective fleet growth ended at just 1.6% according to Klaveness Research. A low orderbook will lead to sequentially lower fleet growth going forward, while effective fleet growth is also impacted by global congestion and the fleet speed.

The **product tanker market** continued to weaken during first quarter. The average rate for the LR1 route from Middle East to Japan (TC5) was \$5,200/day in first quarter, the weakest first quarter since 2012. Product tanker rates continued to be negatively impacted by muted oil consumption, high inventories and general low refinery runs on the back of the supply/demand disruptions caused mainly by the COVID-19 pandemic. While the development in the COVID-19 situation is mixed with e.g. renewed lockdowns in Europe and India and strong vaccination progress in the US and UK, the expectation is still that oil demand gradually will resume to pre-COVID-19 levels. Higher demand coupled with low fleet growth, may spur an improvement in rates during 2021 and into 2022. Refinery closures in Australia, Europe and the US and refinery additions in the Middle East could in addition improve ton-mile demand further.

US **caustic soda** demand has seen a bit of an uptick year-to-date. There were some production issues caused by the cold weather in February and two major producers declared force majeure temporarily stopping US exports to Australia. Market balance in the Far East is expected to tighten for March shipments due to plant turnarounds and expected demand recovery after the holidays.

Brent crude oil prices ended at around USD 64 per barrel at end of Q1 2021, up 23% Q-o-Q. Average **fuel oil price** (VLSFO) ended at USD 479/mt an increase of around 32% Q-o-Q.

## HEALTH, SAFETY AND ENVIRONMENT

HEALTH AND SAFETY KPIS	Q1 2021	Q4 2020	Q1 2020	2020
# of medium <sup>3</sup> injuries	-	-	3	3
# of major <sup>4</sup> injuries	-	-	-	-
# of navigational incidents	-	-	1	1
# of spills to the environment	-	-	-	1

Safety is KCC's priority number one and to the Board's satisfaction there were no "major" or "medium" rated incidents and no navigational incidents or spills to the environment in Q1 2021. Klaveness Ship Management's continuous focus on safety, and the launch of "KLASS" (Klaveness Always Safe and Secure) safety culture program throughout the fleet has delivered positive results with no major or medium personal injuries on KCC's fleet since early March 2020.

The COVID-19 management plan implemented in Q3 2020 to ensure the health and safety of our crew, with increased testing and strict quarantine procedures for crew, has worked as intended and there have not been any COVID-19 cases onboard our vessels since the management plan was implemented. Special focus has been placed on carrying through scheduled crew changes and to repatriate as many as possible of KCC's crew at the end of their service period without delays. The number of crew changes has stabilized in Q1 2021, and by the end of first quarter 2021 only 4.8% of crew have extended their contract by more than 30 days.

<sup>1</sup> Baltic Exchange

<sup>2</sup> Clarksons SIN

<sup>3</sup> Medium = Medical treatment and repatriation, will return to work

<sup>4</sup> Major = Severe injury or death

ENVIRONMENTAL KPIS	TARGET 2022	LAST 12 MONTHS	2020	Q1 2021	BENCHMARK <sup>5</sup>
CO <sub>2</sub> emission per ton transported cargo per nautical mile (EEOI) (grams CO <sub>2</sub> /(tons cargo x nautical miles)) <sup>1,5</sup>	5.8	7.5	7.4	7.4	9.9
Average CO <sub>2</sub> emission per vessel (metric tons CO <sub>2</sub> /vessel-year) <sup>2,6</sup>	17,700	20,600	20,700	20,900	n.a.
% of days in main combination trades <sup>3</sup>	90%	64%	77%	66%	n.a.
Ballast days in % of total on-hire days <sup>4,5</sup>	7.5%	30%	15%	19%	31%

CO<sub>2</sub> emissions per ton transported cargo per nautical mile (EEOI) ended at 7.4 for first quarter 2021, in line with the 2020 average EEOI and slightly below average for the last 12 months. Average CO<sub>2</sub> emissions per vessel was 20,900 in first quarter, compared to an average of 20,600 over the last 12 months. The weaker average CO<sub>2</sub> performance is mainly due to eroded hull coating and depleted anti-fouling systems on some of the CABU vessels which will be drydocked over the next year. The performance of these vessels is expected to improve considerably after the docking. Other factors contributing to the higher average CO<sub>2</sub> emissions are longer total distance sailed and higher weight of cargo carried in Q1 2021 than in average for 2020. Ballast days in % of total on-hire days of 19% for first quarter is above the 2020 average of 15%, which had negative impact on the EEOI performance in first quarter. The higher ballast is mainly due to repositioning of two CABU vessels and lower share of the CLEANBU fleet in combination-trading with two vessels fixed on TC-trips in the dry bulk market during the quarter. With the additions of new energy efficient CLEANBU vessels contributing positively and with the full CLEANBU fleet back in combination-trading during towards the end of Q2 2021, environmental performance is expected to improve over the coming quarters.

## OUTLOOK

- The contrary development of the tanker, dry bulk and fuel markets during first quarter and to date in second quarter demonstrates the value of KCC's business model with diversified sources of earnings. While the tanker market has improved since reaching the trough in February, tanker earnings continue to be weak and will have negative effects on KCC's TCE earnings into second quarter. The strong dry bulk market, however, will have significant positive effect on KCC's TCE earnings in Q2 with dry bulk voyages and TC-trips fixed at historically high earnings levels. Dry bulk voyages/TC-trips fixed to date for Q2 2021, representing 64% of planned CABU and CLEANBU dry bulk capacity in the quarter, gives estimated TCE-earnings of USD 21,200/day compared to average dry bulk TCE-earnings in Q1 2021 of USD 13,900/day. High fuel prices in Q1 and to date in Q2 give additional support to earnings of vessels employed in combi-trades.
- The outlook for the dry bulk market is strong with demand growth likely to exceed fleet growth in 2021, while the conditions in the tanker market will likely remain challenging well into second half of 2021. Once the ongoing oil market destocking process is completed, the supply-demand balance in the tanker markets is promising with a historic low orderbook and possible positive "catch up" demand effects.
- The implemented COVID-19 management plan works as intended, and COVID-19 related off-hire was as low as four days in Q1 2021, however, operating costs and off-hire will likely continue to be higher than normal over the coming quarters.
- The delivery of the eighth and last CLEANBU newbuild in late May 2021 will represent the completion of KCC's CLEANBU newbuild program. While second quarter will be impacted by start-up costs and delays in start of trading of the last newbuild, the extraordinary start-up and delivery costs connected to the newbuilds will be limited coming into second half of 2021.

Oslo, 26 April 2021

The Board of Directors of  
**Klaveness Combination Carriers ASA**

<sup>1</sup> EEOI (Energy Efficiency Operational Index) is defined by IMO and represents grams CO<sub>2</sub> emitted per transported ton cargo per nautical mile for a period of time (both fuel consumption at sea and in port included).

<sup>2</sup> Average CO<sub>2</sub> emissions per vessel = total CO<sub>2</sub> emissions in metric tons/vessel years. Vessel years = days available - off-hire days at yard. When new vessels are delivered to the fleet, the vessel years are calculated from the date the vessel is delivered.

<sup>3</sup> % of days in combination trades = number of days in combination trades as a percentage of total on-hire days. A combination trade starts with wet cargo (usually caustic soda or clean petroleum products), followed by a dry bulk cargo. A combination trade is one which a standard tanker or dry bulk vessel cannot perform. The KPI is a measure of KCC's ability to operate our combination carriers in trades with efficient and consecutive combination of wet and dry cargos versus trading as a standard tanker or dry bulk vessel. There are two exceptions to the main rule where the trade is considered to be a combination trade: Firstly, in some rare instances a tanker cargo is fixed instead of a dry bulk cargo out of the dry bulk exporting region where KCC usually transports dry bulk commodities. E.g. the vessel transports clean petroleum products to Argentina followed by a veg oil cargo instead of a grain cargo on the return leg. Secondly, triangulation trading which combines two tanker voyages followed by a dry bulk voyage with minimum ballast in between the three voyages (e.g. CPP Middle East-Far East+CPP Far East Australia+Dry bulk Australia-Middle East) are also considered combination trade. The KPI has been changed with effect from 1 January 2021 and 2020 figures have been adjusted. Previously the definition of a combination trade was based on the main trading patterns and contract of affreightment portfolio (CABU trades Far East/Middle East - Australia and US Gulf-Brazil, CLEANBU trades Middle East/India-South America). The CLEANBU segment has been established and the CABU business has developed, hence the updated definition better reflects how often KCC succeeds to combine wet and dry cargo.

<sup>4</sup> Ballast in % of on-hire days = Number of days in ballast / number of on-hire days. Ballast days when the vessel is off-hire are not included.

<sup>5</sup> Benchmark: The EEOI and % ballast for "Benchmark standard vessels" are calculated based on standard vessels (Panamax/Kamsarmax dry bulk vessels, MR-tankers and LRI-tankers) making the same transportation work in the same trades as performed by KCC's CABU and CLEANBU vessels. The EEOI for "Benchmark standard vessels" is calculated as the weighted average of EEOI for the individual trades performed. There is a degree of uncertainty related to the benchmark values as these are estimated using data from Baltic Exchange and AXS Marine.

<sup>6</sup> Data for one of the newly delivered vessels has not been available in first quarter, hence this vessel is not included in the numbers.

## INCOME STATEMENT

USD'000	Notes	Quarter ended		Year ended
		Unaudited 31 Mar 2021	Unaudited 31 Mar 2020	Audited 31 Dec 2020
Freight revenue	3	31 620	43 977	142 289
Charter hire revenue	3	5 767	761	20 442
<b>Total revenues, vessels</b>	<b>3</b>	<b>37 387</b>	<b>44 738</b>	<b>162 731</b>
Voyage expenses		(16 260)	(22 335)	(71 592)
<b>Net revenues from operations of vessels</b>		<b>21 128</b>	<b>22 403</b>	<b>91 139</b>
Operating expenses, vessels		(11 127)	(8 253)	(37 193)
Group commercial and administrative services	9	(1 012)	(825)	(3 538)
Salaries and social expense		(405)	(234)	(1 327)
Tonnage tax		(41)	(8)	(180)
Other operating and administrative expenses		(270)	(258)	(776)
<b>Operating profit before depreciation (EBITDA)</b>		<b>8 273</b>	<b>12 825</b>	<b>48 125</b>
Ordinary depreciation	4	(6 994)	(4 354)	(19 155)
<b>Operating profit after depreciation (EBIT)</b>		<b>1 279</b>	<b>8 472</b>	<b>28 971</b>
Finance income	7	138	256	529
Finance costs	7	(3 461)	(4 414)	(14 317)
<b>Profit before tax (EBT)</b>		<b>(2 045)</b>	<b>4 314</b>	<b>15 182</b>
Income tax expenses		-	-	-
<b>Profit after tax</b>		<b>(2 045)</b>	<b>4 314</b>	<b>15 182</b>
<b>Attributable to:</b>				
Equity holders of the parent company		(2 045)	4 314	15 182
<b>Total</b>		<b>(2 045)</b>	<b>4 314</b>	<b>15 182</b>
<b>Earnings per Share (EPS):</b>				
Basic and diluted, profit for the period attributable to ordinary equity holders of the parent		(0.04)	0.09	0.32

## STATEMENT OF COMPREHENSIVE INCOME

USD '000	Quarter ended		Year ended
	Unaudited 31 Mar 2021	Unaudited 31 Mar 2020	Audited 31 Dec 2020
<b>Profit/ (loss) of the period</b>	<b>(2 045)</b>	<b>4 314</b>	<b>15 182</b>
<i>Other comprehensive income to be reclassified to profit or loss</i>			
Net movement fair value on cross-currency interest rate swaps (CCIRS)	1 398	(11 327)	1 253
Reclassification to profit and loss (CCIRS)	332	7 430	(3 715)
Net movement fair value on interest rate swaps	2 885	(2 876)	(2 491)
Net movement fair value bunker hedge	(100)	(1 152)	87
Net movement fair value FFA hedge	(5 950)	(532)	(1 814)
<b>Net other comprehensive income to be reclassified to profit or loss</b>	<b>(1 435)</b>	<b>(8 457)</b>	<b>(6 680)</b>
<b>Total comprehensive income/(loss) for the period, net of tax</b>	<b>(3 480)</b>	<b>(4 143)</b>	<b>8 502</b>
Attributable to:			
Equity holders of the parent company	(3 480)	(4 143)	8 502
<b>Total</b>	<b>(3 480)</b>	<b>(4 143)</b>	<b>8 502</b>



# STATEMENT OF FINANCIAL POSITION

(Figures in USD '000)

ASSETS	Notes	Unaudited 31 Mar 2021	Audited 31 Dec 2020
<b>Non-current assets</b>			
Vessels	4	504 590	404 258
Newbuilding contracts	5	15 602	48 441
Right-of-use assets		1 896	1 672
Long-term financial assets	6	6 042	3 427
Long-term receivables		70	70
<b>Total non-current assets</b>		<b>528 201</b>	<b>457 868</b>
<b>Current assets</b>			
Short-term financial assets	6	-	87
Inventories		9 867	6 159
Trade receivables and other current assets		22 487	18 501
Short-term receivables from related parties		124	742
Cash and cash equivalents		36 099	65 685
<b>Total current assets</b>		<b>68 575</b>	<b>91 174</b>
<b>TOTAL ASSETS</b>		<b>596 776</b>	<b>549 043</b>

EQUITY AND LIABILITIES		Unaudited 31 Mar 2021	Audited 31 Dec 2020
<b>Equity</b>			
Share capital	8	5 725	5 725
Share premium		130 155	130 155
Other reserves		(9 376)	(6 511)
Retained earnings		85 117	87 162
<b>Total equity</b>		<b>211 622</b>	<b>216 532</b>
<b>Non-current liabilities</b>			
Mortgage debt	6	189 542	206 813
Long-term financial liabilities	6	4 273	5 409
Long-term lease liabilities		1 395	1 239
Bond loan	6	80 399	80 649
<b>Total non-current liabilities</b>		<b>275 609</b>	<b>294 110</b>
<b>Current liabilities</b>			
Short-term mortgage debt	6	88 965	22 473
Short-term financial liabilities	6	6 241	757
Short-term lease liabilities		564	493
Trade and other payables		13 004	13 165
Short-term debt to related parties		707	1 339
Tax liabilities		63	175
<b>Total current liabilities</b>		<b>109 544</b>	<b>38 402</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>596 776</b>	<b>549 043</b>

Oslo, 26 April 2021

The Board of Directors of  
Klaveness Combination Carriers ASA

Lasse Kristoffersen

Chair of the Board

Magne Øvreås

Board member

Morten Skedsmo

Board member

Winifred Patricia Johansen

Board member

Rebekka Glasser Herlofsen

Board member

Engebret Dahm

CEO

## STATEMENT OF CHANGES IN EQUITY

(figures in USD '000)

Unaudited 2021	Attributable to equity holders of the parent					Total
	Share capital	Other paid in capital	Treasury Shares	Hedging reserve	Retained earnings	
<b>Equity 1 January 2021</b>	<b>5 725</b>	<b>130 155</b>	<b>(147)</b>	<b>(6 363)</b>	<b>87 162</b>	<b>216 532</b>
Profit (loss) for the period	-	-	-	-	(2 045)	(2 045)
Other comprehensive income for the period	-	-	-	(1 435)	-	(1 435)
Share option program	-	-	-	11	-	11
Dividends	-	-	-	(1 441)	-	(1 441)
<b>Equity at 31 March 2021</b>	<b>5 725</b>	<b>130 155</b>	<b>(147)</b>	<b>(9 229)</b>	<b>85 117</b>	<b>211 622</b>

Audited 2020	Attributable to equity holders of the parent					Total
	Share capital	Other paid in capital	Treasury Shares	Hedging reserve	Retained earnings	
<b>Equity 1 January 2020</b>	<b>5 725</b>	<b>130 155</b>	-	<b>316</b>	<b>76 744</b>	<b>212 941</b>
Profit (loss) for the period	-	-	-	-	15 182	15 182
Other comprehensive income for the period	-	-	-	(6 679)	-	(6 679)
Dividends	-	-	-	-	(4 803)	(4 803)
Purchase of own shares	-	-	(147)	-	-	(147)
Share option program	-	-	-	-	39	39
<b>Equity at 31 December 2020</b>	<b>5 725</b>	<b>130 155</b>	<b>(147)</b>	<b>(6 363)</b>	<b>87 162</b>	<b>216 532</b>

## CASH FLOW STATEMENT

USD '000	Notes	Quarter ended		Year ended
		Unaudited 31 Mar 2021	Unaudited 31 Mar 2020	Audited 31 Dec 2020
Profit before tax		(2 045)	4 314	15 182
Tonnage tax expensed		41	8	180
Ordinary depreciation	4	6 994	4 354	19 155
Amortization of upfront fees bank loans		191	215	693
Financial derivatives loss / gain (-)	6	53	(754)	(342)
Gain /loss on foreign exchange		(52)	255	(4)
Interest income	7	(138)	(231)	(271)
Interest expenses	7	3 461	2 987	11 884
Taxes paid for the period		-	-	-
Change in current assets		(7 074)	(3 103)	(3 797)
Change in current liabilities		(821)	(5 011)	(3 438)
Interest received	7	138	231	271
<b>A: Net cash flow from operating activities</b>		<b>748</b>	<b>3 264</b>	<b>39 513</b>
Acquisition of tangible assets	4	(4 414)	(162)	(4 271)
Installments and other cost on newbuilding contracts **	5	(69 938)	(5 658)	(88 634)
<b>B: Net cash flow from investment activities</b>		<b>(74 352)</b>	<b>(5 820)</b>	<b>(92 905)</b>
Proceeds from mortgage debt	6	55 000	-	60 450
Proceeds from bond loan	6	-	54 028	76 390
Buyback of bond loan	6	-	(17 879)	(33 861)
Transaction costs on issuance of loans	6	(676)	(870)	(1 914)
Repayment of mortgage debt	6	(5 231)	(4 342)	(17 367)
Terminated financial instruments		-	(3 101)	(3 101)
Collateral paid in financial instruments		-	(2 900)	-
Interest paid	7	(3 501)	(2 268)	(11 370)
Repayment of financial lease liabilities		(134)	(108)	(454)
Purchase of own shares		-	(8)	(147)
Dividends		(1 441)	(480)	(4 802)
<b>C: Net cash flow from financing activities</b>		<b>44 017</b>	<b>22 072</b>	<b>63 824</b>
Effect of exchange rate changes on cash		-	(2 836)	-
<b>Net change in liquidity in the period</b>		<b>(29 586)</b>	<b>16 680</b>	<b>10 431</b>
Cash and cash equivalents at beginning of period*		65 685	55 254	55 254
Cash and cash equivalents at end of period*		36 099	71 934	65 685
<b>Net change in cash and cash equivalents in the period</b>		<b>(29 586)</b>	<b>16 680</b>	<b>10 431</b>
Cash and cash equivalents		36 099	77 873	65 685
Other interest bearing liabilities		-	5 939	-
<b>Cash and cash equivalents (as presented in cash flow statement)</b>		<b>36 099</b>	<b>71 934</b>	<b>65 685</b>

\* Cash and cash equivalents include drawn amount on overdraft facility.

\*\* Yard installement of USD 70 million paid in Q1 is related to delivery of newbuildings Baiacu and Bass respectively, 11 January 2021 and 25 March 2021.

# Notes

- 01** Accounting policies

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- 02** Segment reporting

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# 01 Accounting policies

## CORPORATE INFORMATION

Klaveness Combination Carriers ASA ("Parent Company/The Company/KCC") is a public limited liability company domiciled and incorporated in Norway. The share is listed on Euronext Expand (formerly Oslo Axess) with ticker KCC. The consolidated interim accounts include the parent company and its subsidiaries (referred to collectively as "the Group").

The objectives of the Group is to provide transportation for dry bulk, chemical and product tanker clients, as well as to develop new investment and acquisition opportunities that fit the Group's existing business platform. The Group has nine CABU vessels, vessels with capacity to transport caustic soda (CSS), floating fertilizer (UAN) and molasses as well as all dry bulk commodities. In addition, the Group has seven CLEANBU vessels in operation and one CLEANBU newbuilding with estimated delivery Q2 2021. The CLEANBUs are both full fledged LR1 product tankers and Kam-sarmax dry bulk vessels.

## ACCOUNTING POLICIES

The interim condensed financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union and are based on IAS 34 *Interim Financial Reporting*. The interim condensed financial statements of the Group should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2020, which have been prepared in accordance with IFRS, as adopted by the European Union.

### Tax

In Q1 2021, MV Barracuda was resold internally from KCC KBA AS to KCC Shipowning AS. KCC KBA AS is under ordinary taxation, and the company will have a tax cost for the year related to the vessel operation and resale carried out in Q1; however, this will be covered by losses carried forward in the Group such that the Group as a whole does not have any tax cost in the quarter.

## NEW ACCOUNTING STANDARDS

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements of the year ended 31 December 2020 except for the adoption of any new accounting standards or amendments with effective date after 1 January 2021. There was no material impact of new accounting standards or amendments adopted in the period.

## 02 Segment reporting

The Group is an owner and operator of combination carriers and operates mainly within the dry bulk shipping industry and the product tanker industry. The Group owns nine CABUs, seven CLEANBUs on water and one CLEANBU on order with expected delivery in Q2 2021.

The CABUs are from 72,456 dwt to 80,344 dwt and have the capacity to transport caustic soda solution (CSS), floating fertilizer (UAN) and molasses as well as all types of dry bulk commodities.

The CLEANBUs have approximately 82,500 dwt carrying capacity. The CLEANBUs are both full-fledged LR1 product tankers and Kamsarmax bulk carriers transporting clean petroleum products (CPP), heavy liquid cargoes such as CSS, UAN and molasses as well as all types of dry bulk products. The sixth and seventh CLEANBU vessels were delivered on 11 January and 25 March 2021 respectively.

### Operating income and operating expenses per segment

(USD'000)	Q1 2021			Q1 2020		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
Operating revenue, vessels	24 332	13 055	37 387	34 798	9 939	44 738
Voyage expenses	(11 667)	(4 593)	(16 260)	(18 349)	(3 986)	(22 335)
<b>Net revenues from operations of vessels</b>	<b>12 666</b>	<b>8 462</b>	<b>21 128</b>	<b>16 450</b>	<b>5 953</b>	<b>22 403</b>
Operating expenses, vessels	(5 960)	(5 168)	(11 127)	(5 738)	(2 515)	(8 253)
Salaries and social expenses	(217)	(188)	(405)	-	-	-
Group administrative services	(542)	(470)	(1 012)	(574)	(251)	(825)
Tonnage tax	(23)	(18)	(41)	(7)	(1)	(8)
Other operating and adm expenses	(145)	(125)	(270)	(342)	(150)	(491)
<b>Operating profit before depreciation (EBITDA)</b>	<b>5 780</b>	<b>2 493</b>	<b>8 273</b>	<b>9 793</b>	<b>3 036</b>	<b>12 825</b>
Ordinary depreciation	(3 882)	(3 112)	(6 994)	(2 817)	(1 537)	(4 354)
<b>Operating profit after depreciation (EBIT)</b>	<b>1 898</b>	<b>(619)</b>	<b>1 279</b>	<b>6 976</b>	<b>1 499</b>	<b>8 471</b>

### Reconciliation of average revenue per onhire day (TCE earnings USD/day)

(USD '000)	Q1 2021			Q1 2020		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
Net revenues from operations of vessels	12 666	8 462	21 128	16 453	5 953	22 403
IFRS 15 adjustment*	151	104	256	80	(340)	(259)
Net revenue ex IFRS adjustment	12 817	8 566	21 383	16 533	5 613	22 144
Onhire days	766	478	1 244	815	268	1 083
<b>Average TCE earnings per onhire days (\$/d)</b>	<b>16 722</b>	<b>17 924</b>	<b>17 185</b>	<b>20 283</b>	<b>20 932</b>	<b>20 441</b>

### Reconciliation of opex per day

(USD'000)	Q1 2021			Q1 2020		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
Operating expenses, vessels	5 960	5 168	11 127	5 738	2 515	8 253
Leasing cost previously presented as opex	81	54	134	81	27	108
Start up costs CLEANBU vessels	-	(913)	(913)	-	(31)	(31)
<b>Operating expenses, vessels adjusted</b>	<b>6 040</b>	<b>4 308</b>	<b>10 349</b>	<b>5 818</b>	<b>2 511</b>	<b>8 329</b>
Operating days	810	535	1 345	819	273	1 092
<b>Opex per day (\$/d)</b>	<b>7 457</b>	<b>8 053</b>	<b>7 693</b>	<b>7 104</b>	<b>9 198</b>	<b>7 627</b>

\* IFRS 15 adjustment: Revenue recognized from load-to-discharge and not from discharge-to-discharge, resulting in higher volatility in revenues from month to month.

## 03 Revenue from contracts with customers

### Disaggregated revenue information

The Group has income from COA contracts (1-3 years duration), spot voyages and TC contracts. Set out below is the disaggregation of the Group's revenue from contracts with customers.

Revenue types (USD'000)	Classification	Quarter ended		Year ended
		31 Mar 2021	31 Mar 2020	31 Dec 2020
Revenue from COA contracts	Freight revenue	19 413	31 073	100 659
Revenue from spot voyages	Freight revenue	12 207	12 904	41 631
Revenue from TC contracts	Charter hire revenue	5 767	761	20 308
Other revenue	Charter hire revenue	-	-	134
<b>Total revenues, vessels</b>		<b>37 387</b>	<b>44 738</b>	<b>162 731</b>

## 04 Vessels

Vessels (USD '000)	31 Mar 2021	31 Dec 2020
Cost price 1.1	599 826	492 075
Delivery of newbuildings	102 778	103 708
Adjustment acquisition value newbuildings delivered	1 101	(809)
Additions (mainly upgrading and docking of vessels)	3 313	4 852
<b>Costprice end of period</b>	<b>707 017</b>	<b>599 826</b>

Acc. Depreciation 1.1	195 568	176 866
Depreciation vessels	6 860	18 702
<b>Acc. Depreciation end of period</b>	<b>202 428</b>	<b>195 568</b>

<b>Carrying amounts end of period*</b>	<b>504 590</b>	<b>404 258</b>
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\*) carrying value of vessels includes dry-docking

No. of vessels	16	14
Useful life	25	25
Depreciation schedule	Straight-line	Straight-line

Reconciliation of depreciations (USD'000)	Quarter ended		Year ended
	31 Mar 2021	31 Mar 2020	31 Dec 2020
Depreciation vessels	6 860	4 246	18 702
Depreciation right of use assets	134	108	453
<b>Depreciations for the period</b>	<b>6 994</b>	<b>4 354</b>	<b>19 155</b>

### ADDITIONS

The CLEANBU vessels MV Baiacu and MV Bass were delivered from Jiangsu New Yangzi Shipbuilding Co.Ltd, respectively, 11 Januar 2021 and 25 March 2021. Additions for scheduled dry-docking amounts USD 2.6 million in Q1 and is mainly related to dry-docking of the CABU vessels MV Bana-sol and MV Barcarena. Investments and technical upgrade for the fleet amounts USD 0.7 million.

### IMPAIRMENT ASSESSMENT

Identification of impairment indicators is based on an assessment of development in market rates (dry bulk, MR tanker, LR1 tanker and fuel), TCE earnings for the fleet, vessel opex, operating profit, technological development, change in regulations, interest rates and discount rate. The Group has experienced somewhat higher opex and offhire caused by Covid-19, however, TCE earnings for Q1 for both the fleet of CABUs and the fleet of CLEANBUs and diversified market exposure support the conclusion of no impairment indicators identified as per 31 March 2021. Contract coverage for the CABUs for 2021 is high, while the CLEANBUs is trading in the spot market. The CLEANBU fleet shows good progress expanding service into the clean petroleum product markets. New milestones related to acceptance from new customers and new ports as well as expanding into new trading patterns are reached every quarter.

## 05 Newbuildings

The Group has per March 2021 one CLEANBU combination carrier newbuilding on order at Jiangsu New Yangzi Shipbuilding Co., Ltd in China with expected delivery in Q2 2021. The newbuilding is fully financed. During Q1 2021, the Group took delivery of the sixth and seventh CLEANBU vessels, respectively MV Baiacu on 11 January 2021 and MV Bass on 25 March 2021.

(USD '000)	31 Mar 2021	31 Dec 2020
Cost 1.1	48 441	62 316
Borrowing cost	166	1 023
Yard installments paid	68 278	80 850
Other capitalized cost	1 494	7 960
Delivery of newbuildings	(102 778)	(103 708)
<b>Net carrying amount</b>	<b>15 602</b>	<b>48 441</b>

### CAPITAL COMMITMENT

The commitments related to the final newbuilding is set out below.

Remaining installments at 31 March 2021		
(USD '000)	2021	Total
Combination carriers	32 550	32 550
<b>Total commitments newbuildings</b>	<b>32 550</b>	<b>32 550</b>



## 06 Financial assets and liabilities

The below tables present the Group's financing arrangements as per 31 March 2021.

In connection with the deliveries of MV Baiacu and MV Bass in Q1 2021, the Group made a total of USD 25 million in drawdowns under the SEB/SR-Bank/SPV Revolving credit facility and USD 30 million under the term loan facility of Nordea/Credit Agricole Sustainability Linked Term loan and revolving credit facilities.

<b>(USD '000)</b>				
<b>Mortgage debt</b>	<b>Description</b>	<b>Interest rate</b>	<b>Maturity</b>	<b>Carrying amount</b>
Nordea/Danske Facility	Term loan, USD 100 mill	LIBOR + 2.3 %	March 2022	74 313
DNB/SEB Facility	Term loan, USD 105 mill	LIBOR + 2.3 %	December 2023	91 419
SEB/SR-Bank/SPV Facility	Term loan/RCF, 90.675 mill	LIBOR + 2.3 %	October 2025	84 561
Nordea/Credit Agricole Facility *	Term loan/RCF, 60 mill	LIBOR + 2.75%	March 2026	30 000
Capitalized loan fees				(1 787)
<b>Mortgage debt 31 March 2021</b>				<b>278 507</b>

\*Potential margin adjustments up to +/- 10 bps once every year based on sustainability KPIs.

The Group has available revolving credit facility capacity of USD 5.225 million related to the SEB/SR-Bank/SPV Facility and USD 20 million available capacity under 364-days overdraft facility.

<b>Bond loan</b>	<b>Face value NOK'000</b>	<b>Maturity</b>	<b>Carrying amount USD'000</b>
KCC04	700 000	11.02.2025	80 649
Exchange rate adjustment			1 010
Capitalized expenses			(969)
Bond discount			(291)
<b>Total bond loan</b>	<b>700 000</b>		<b>80 399</b>

<b>(USD '000)</b>			
<b>Interest bearing liabilities</b>	<b>Fair value 31 Mar 2021</b>	<b>Carrying amount 31 Mar 2021</b>	<b>Carrying amount 31 Dec 2020</b>
Mortgage debt	191 329	191 329	208 052
Capitalized loan fees	-	(1 787)	(1 239)
Bond loan	77 780	81 659	81 991
Bond premium	-	(291)	(310)
Capitalized expenses bond loan	-	(969)	(1 032)
<b>Total non-current interest bearing liabilities</b>	<b>269 109</b>	<b>269 941</b>	<b>287 462</b>
Mortgage debt, current	88 965	88 965	22 473
Overdraft facility (Secured)	-	-	-
<b>Total interest bearing liabilities</b>	<b>358 074</b>	<b>358 906</b>	<b>309 935</b>

## MATURITY PROFILE TO FINANCIAL LIABILITIES AT 31 MARCH 2021

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

<b>(USD '000)</b>					
<b>Maturity profile financial liabilities at 31 March 2021</b>					
	<b>&lt; 1 year</b>	<b>1-3 years</b>	<b>3-5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
Mortgage debt (incl interests)	97 016	109 873	98 214	-	305 103
Bond loan (incl interest)	4 757	9 515	79 488	-	93 760
	<b>101 773</b>	<b>119 388</b>	<b>177 702</b>	<b>-</b>	<b>398 863</b>

Loan facilities to be refinanced during the next 12 months are included in <1 year. The Nordea/Danske Facility matures in March 2022 and is included in the <1 year numbers.

## COVENANTS

As per 31 March 2021, the Group is in compliance with all financial covenants. On Group level financial covenants relate to minimum equity (USD 125 million), equity ratio (30%), and cash (USD 15 million). Financial covenants on KCC Shipowning AS level relate to minimum cash (the higher of USD 10 million and 5 % of net interest-bearing debt) and net interest-bearing debt to EBITDA (NIBD/EBITDA) of max 7x. The NIBD/EBITDA ratio can be higher than 7x for one reporting period (measured semi-annually) provided that the NIBD/EBITDA was below 7x in the prior reporting period. In addition, all secured loans contain minimum value clauses related to the value of the vessel compared to outstanding loan.

<b>Financial assets</b> <b>(USD '000)</b>	<b>31 Mar 2021</b>	<b>31 Dec 2020</b>
<b>Financial instruments at fair value through OCI</b>		
Interest rate swaps	1 627	356
Cross-currency interest rate swap	4 315	2 917
Forward freight agreements	-	-
<i>Fuel Hedge</i>	-	87
<b>Financial instruments at fair value through P&amp;L</b>		
Forward freight agreements	-	-
Interest rate swaps	100	154
<b>Financial assets</b>	<b>6 042</b>	<b>3 515</b>
Current	-	87
Non-current	6 042	3 427

<b>Financial liabilities</b> <b>(USD '000)</b>	<b>31 Mar 2021</b>	<b>31 Dec 2020</b>
<b>Financial instruments at fair value through OCI</b>		
Cross-currency interest rate swap (CCIRS)	3 794	-
Interest rate swaps	13	5 409
Forward freight agreements	6 707	757
<b>Financial instruments at fair value through P&amp;L</b>		
Interest rate swaps	-	-
<b>Financial liabilities</b>	<b>10 515</b>	<b>6 166</b>
Current	6 241	757
Non-current	4 273	5 409

## 07 Financial items

(USD '000)	Quarter ended		Year ended
Finance income	31 Mar 2021	31 Mar 2020	31 Dec 2020
Other interest income	86	256	398
Gain on foreign exchange	52	-	131
<b>Finance income</b>	<b>138</b>	<b>256</b>	<b>529</b>

(USD '000)	Quarter ended		Year ended
Finance cost	31 Mar 2021	31 Mar 2020	31 Dec 2020
Interest expenses mortgage debt	2 032	2 140	7 729
Interest expenses bond loan	1 100	824	4 062
Interest expenses lease liabilities	24	23	94
Amortization capitalized fees on loans	191	214	693
Other financial expenses	60	665	906
Fair value changes in FFA	-	-	21
Fair value changes interest rate swaps	53	293	686
Loss on foreign exchange	-	255	126
<b>Finance cost</b>	<b>3 461</b>	<b>4 414</b>	<b>14 317</b>

## 08 Share capital, shareholders, dividends and reserves

Dividends of USD 1.4 million were paid to the shareholders in March 2021 (USD 0.03 per share).

## 09 Transactions with related parties

USD'000	Quarter ended		Year ended
	31 Mar 2021	31 Mar 2020	31 Dec 2020
<b>Commercial and administrative services</b>			
G&A fee to Klaveness AS	398	442	1 614
Commercial management fee to Klaveness AS	253	344	1 588
Project management and G&A fee to Klaveness Ship Management AS	361	-	180
Travel expenses and operating cost re invoiced from Klaveness AS	-	39	156
<b>Group commercial and administrative services</b>	<b>1 012</b>	<b>825</b>	<b>3 538</b>

(USD'000)	Quarter ended		Year ended
	31 Mar 2021	31 Mar 2020	31 Dec 2020
<b>Other services</b>			
Technical management fee to KSM* (reported as part of opex)	965	758	3 163
Crewing agency fee to KSM* (reported as part of opex)	340	265	1 101
Supervision fee to KSM (capitalised on newbuildings)	446	395	1 778
<b>Total other transactions with related parties</b>	<b>1 751</b>	<b>1 418</b>	<b>6 042</b>

\* KSM refers to Klaveness Ship Management AS

## 10 Events after the balance sheet date

On 26 April 2021, the Company's Board of Directors declared to pay a cash dividend to the Company's shareholders of USD 1.44 million for Q1 (USD 0.03 per share).

There are no events after the balance sheet date that have material effect on the financial statement as of 31 March 2021.

# 11 Reconciliation of alternative performance measures

Non-GAAP financial alternative performance measures (APM) that are used are consistent with those used in the previous quarterly reports. Description and definitions of such measures can be found on the Group's homepage: <https://www.combinationcarriers.com/alternative-performance-measures>

Reconciliation of EBITDA adjusted USD'000	Quarter ended		Year ended
	31 Mar 2021	31 Mar 2020	31 Dec 2020
<b>EBITDA</b>	<b>8 273</b>	<b>12 825</b>	<b>48 125</b>
Start up costs CLEANBU vessels	913	31	1 391
<b>EBITDA adjusted</b>	<b>9 186</b>	<b>12 856</b>	<b>49 517</b>

Reconciliation of EBIT adjusted USD'000	Quarter ended		Year ended
	31 Mar 2021	31 Mar 2020	31 Dec 2020
<b>EBIT</b>	<b>1 279</b>	<b>8 472</b>	<b>28 971</b>
Start up costs CLEANBU vessels	913	31	1 391
<b>EBIT adjusted</b>	<b>2 192</b>	<b>8 503</b>	<b>30 362</b>

Reconciliation of average revenue per onhire day (TCE earnings) USD'000	Quarter ended		Year ended
	31 Mar 2021	31 Mar 2020	31 Dec 2020
Net revenues from operations of vessels	21 128	22 403	91 139
IFRS 15 adjustment *	256	(259)	(746)
Net revenue ex IFRS adjustment	21 383	22 144	90 393
Onhiredays	1 244	1 083	4 300
<b>Average revenue per onhire days (\$/d) (TCE earnings)</b>	<b>17 185</b>	<b>20 441</b>	<b>20 990</b>

Reconciliation of opex per day USD'000	Quarter ended		Year ended
	31 Mar 2021	31 Mar 2020	31 Dec 2020
Operating expenses, vessels	11 127	8 253	37 193
Leasing cost previously presented as opex	134	108	453
Reversal of provision	-	-	-
Start up costs CLEANBU vessels	(913)	(31)	(1 391)
Operating expenses, vessels adjusted	10 348	8 329	36 255
Operating days	1 345	1 092	4 620
<b>Opex per day (\$/d)</b>	<b>7 693</b>	<b>7 627</b>	<b>7 848</b>

Reconciliation of total assets to capital employed and return on capital employed (ROCE) calculation USD'000	Quarter ended		Year ended
	31 Mar 2021	31 Mar 2020	31 Dec 2020
Total assets	596 776	486 785	549 043
Total liabilities	385 154	277 548	332 510
Total equity	211 622	209 237	216 532
Total interest-bearing debt	358 906	247 890	309 934
<b>Capital employed</b>	<b>570 528</b>	<b>457 127</b>	<b>526 467</b>
EBIT adjusted annualised	8 768	34 532	30 362
<b>ROCE adjusted</b>	<b>2 %</b>	<b>8 %</b>	<b>6 %</b>

\* IFRS 15 adjustment: Revenue recognized from load-to-discharge and not from discharge-to-discharge, resulting in higher volatility in revenues from month to month.

Reconciliation of equity ratio USD'000	Quarter ended		Year ended
	31 Mar 2021	31 Mar 2020	31 Dec 2020
Total assets	596 776	486 785	549 043
Total equity	211 622	209 237	216 532
<b>Equity ratio</b>	<b>35 %</b>	<b>43 %</b>	<b>39 %</b>

Reconciliation of total interest- bearing debt USD'000	Quarter ended		Year ended
	31 Mar 2021	31 Mar 2020	31 Dec 2020
Mortgage debt	189 542	165 033	206 813
Long- term bond debt	80 399	59 552	80 649
Short- term mortgage debt	88 965	17 367	22 473
Other interest bearing liabilities	-	5 939	-
<b>Total interest- bearing debt</b>	<b>358 906</b>	<b>247 891</b>	<b>309 935</b>

