


Fourth Quarter 2021

 Klaveness
Combination Carriers



KEY DEVELOPMENTS

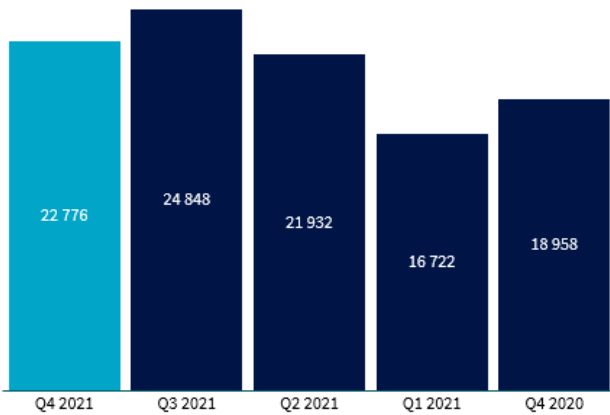
- Average fleet TCE earnings 23,617 \$/day, 2-4 times higher than standard tanker vessel earnings
- EBT USD 15.1 million and adjusted EBITDA USD 19.5 million, 149 % and 9% increase Q-o-Q respectively
- 94% combination trading for the CLEANBU fleet
- Positive effect on profit and loss and cash from the sale of MV Banasol
- Raised net USD 24.1 million in equity to fund energy efficiency initiatives
- High booking of caustic soda contracts for 2022 including the conclusion of a six years COA with South32
- Continued improvement in environmental KPIs
- Dividends for Q4 more than doubled from previous quarter to USD 0.1 per share, in total USD 5.2 million

“The CLEANBU fleet showed its potential in fourth quarter with a high 94% share of capacity in combination trade and TCE earnings of 24,460 \$/day, and the CABU fleet maintained strong earnings of 22,776 \$/day. Based on a record high result for fourth quarter and a strong outlook, dividend for fourth quarter 2021 is USD 0.1 per share, more than a doubling compared to third quarter 2021”.

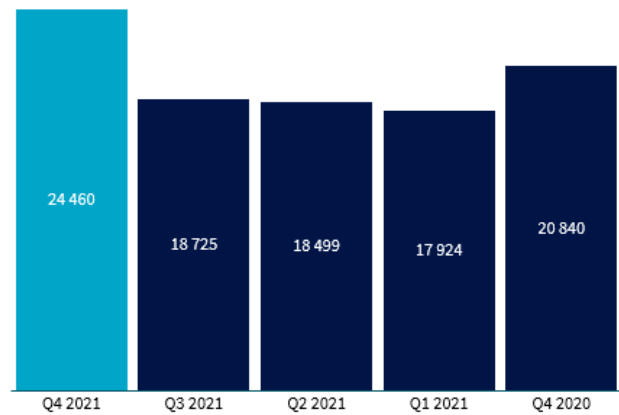


Engebret Dahm, CEO
Klaveness Combination Carriers ASA

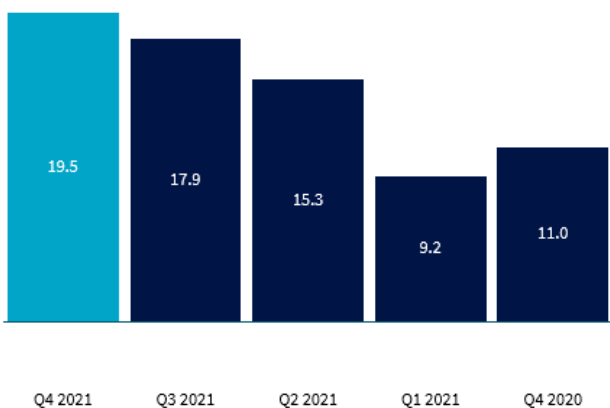
Average CABU TCE earnings (\$/d)



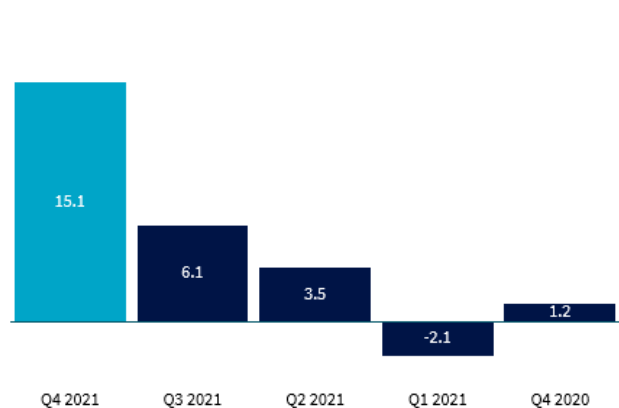
Average CLEANBU TCE earnings (\$/d)



Adjusted EBITDA (MUSD)



Profit/(loss) after tax (MUSD)



¹ TCE earnings and adjusted EBITDA are alternative performance measures (APMs) defined and reconciled in appendix 1.

FINANCIAL PERFORMANCE

KEY FIGURES

(USD '000)	Q4 2021	Q3 2021	Q4 2020	2021	2020
Net revenues from vessel operations	34 556	31 850	22 871	115 868	91 139
EBITDA (appendix 1)	26 998	17 640	10 323	67 064	48 125
EBITDA adjusted (appendix 1)	19 466	17 859	10 953	61 782	49 517
Profit/(loss) for the period	15 115	6 074	1 198	22 600	15 182
Earnings per share (USD)	0.30	0.13	0.02	0.46	0.32
Total assets	629 931	630 459	549 043	629 931	549 043
Equity	254 417	207 531	216 532	254 417	216 532
Equity ratio	40 %	33 %	39 %	40 %	39 %
ROCE adjusted (appendix 1)	8 %	7 %	4 %	5 %	6 %

	Q4 2021	Q3 2021	Q4 2020	2021	2020
Average TCE earnings (appendix 1)	23 617 \$/d	21 947 \$/d	19 597 \$/d	20 961 \$/d	20 990 \$/d
Opex per day (appendix 1)	8 577 \$/d	7 800 \$/d	7 991 \$/d	7 960 \$/d	7 848 \$/d
Onhire days	1 443	1 469	1 162	5 523	4 300
Off-hire days, scheduled	53	60	33	210	119
Off-hire days, unscheduled	44	28	39	83	110
% of days in combination trades ¹	75 %	69 %	76 %	68 %	70 %
Utilisation ²	91 %	92 %	90 %	92 %	91 %

CONSOLIDATED RESULTS

Fourth quarter

Net profit after tax for fourth quarter ended at USD 15.1 million compared to USD 6.1 million in Q3 2021 and USD 1.2 million in Q4 2020. Adjusted EBITDA for the period ended at USD 19.5 million up from USD 17.9 million in Q3 2021 and USD 11.0 million in Q4 2020. The increase Q-o-Q is mainly due to higher TCE earnings from the CLEANBU vessels, partly offset by somewhat higher operating expenses and lower CABU TCE earnings and on-hire days. The tanker market had a moderate short-lived upturn in part of fourth quarter, the traditional seasonally strong part of the year. Dry bulk earnings fell back from early November and weakened through most of the quarter but remained at historically strong levels. The CABU vessel MV Banasol was delivered to new owners in December and a gain of USD 6.4 million was recognised in Q4. Administrative expenses were in total quite stable in fourth quarter compared to third quarter, depreciation was down approximately USD 0.2 million due to the sale of MV Banasol and net finance cost increased approximately USD 0.5 million driven by foreign exchange effects.

COVID-19 related off-hire was 7 days in fourth quarter due to deviations for crew changes. The total negative COVID-19 impact (cost and lost earnings) is estimated to be approximately USD 0.7 million for Q4 2021, down from USD 1.5 million in Q3 which was impacted by a cancelled drydock for one vessel.

Full year

Net profit for the year ended at USD 22.6 million, an increase of USD 7.4 million from 2020. The 2021 profit includes gain from sale of MV Banasol and repayment of equity from the war risk provider, in total USD 7.8 million. Adjusted EBITDA for 2021 increased by 25% from USD 49.5 million in 2020 to USD 61.8 million in 2021 driven by a larger CLEANBU fleet representing an increase of 3.4 vessel-years compared to 2020. Average TCE earnings of \$20,961/day for the fleet for 2021 ended in line with 2020, however the underlying markets were substantially different. TCE earnings for 2021 were driven by a strong dry bulk market and stable earnings from caustic soda contracts, but a historically weak tanker market had negative impact throughout the year. 2020 on the contrary, was driven by a very strong product tanker market and a weak dry bulk market during the first half of the year while fortunes changed for both markets during second half of the year.

Delivery of three newbuilds in the first half of 2021 was challenging during the pandemic with extra costs and delayed start of trading. Total COVID-19 effects are estimated to be approximately USD 6.3 million in lost earnings and higher than normal costs for 2021, of which approximately 45% of the impact related to delivery of the newbuilds.

¹ % 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 cargo 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.

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

CAPITAL AND FINANCING

Cash and cash equivalents ended at USD 53.9 million by the end of the year, an increase of USD 18.0 million from the end of Q3 2021. In addition to a positive operating cash flow of USD 29.3 million in fourth quarter, the main effects were net proceeds from equity issue of USD 24.1 million, net proceeds from sale of MV Banasol of USD 10.6 million, net cash effect of refinancing of mortgage debt of USD 9.7 million and USD 42.8 million repayment of a revolving credit facility and a short-term overdraft facility, whereof the latter USD 42.8 million is available for reborrowing.

Total equity increased by USD 46.9 million during the quarter and ended the year at USD 254.4 million. The main changes were in addition to the equity issue and Profit after tax, Net other comprehensive income of in USD 9.8 million less paid dividends in the period of USD 2.2 million.

Interest-bearing debt decreased by USD 40.5 million during fourth quarter and ended at USD 354.5 million at year-end following the already mentioned refinancing of an existing bank facility into a USD 80 million senior secured sustainability linked term loan facility as well as USD 42.8 million in repayments of a revolving credit facility, an overdraft facility and the Banasol tranche in addition to ordinary repayments. KCC, through a subsidiary, had per year-end USD 30.0 million available and undrawn under a long-term revolving credit facility and USD 17.6 million available and undrawn under a 364-days overdraft facility. The overdraft facility was renewed in December 2021 for 364 days.

The equity ratio ended at 40.4 % per year end, up from 32.9% at the end of third quarter.

EVENTS AFTER THE BALANCE SHEET DATE

On 17 February 2022, the Company's Board of Directors declared to pay a cash dividend to the Company's shareholders of USD 0.1 per share for fourth quarter 2021, in total USD 5.2 million.

THE CABU BUSINESS

KEY FIGURES	Q4 2021	Q3 2021	Q4 2020	2021	2020
Average TCE earnings (note 2)	22 776 \$/d	24 848 \$/d	18 958 \$/d	21 571 \$/d	19 886 \$/d
Opex per day (note 2)	8 317 \$/d	7 393 \$/d	7 162 \$/d	7 662 \$/d	7 333 \$/d
Onhire days	723	773	767	3 073	3 102
Off-hire days, scheduled	53	45	33	143	115
Off-hire days, unscheduled	28	8	27	46	77
% of days in combination trades ¹	50 %	75 %	81 %	69 %	75 %
Ballast days in % of total on-hire days ³	20 %	13 %	13 %	16 %	13 %
Utilisation ²	88 %	92 %	90 %	92 %	90 %

Fourth quarter

Average TCE earnings per on-hire day for the CABU vessels for Q4 2021 ended at \$22,776/day, a decrease of approximately \$2,100/day from Q3 2021 and approximately \$3,800/day up from Q4 2020. TCE earnings for the CABU fleet were almost four times higher than the spot market for standard MR tankers¹, driven by a strong, although weakening dry bulk market. The CABU's faced some scheduling challenges with increasing port congestion in the Far East and negative effects of a tight caustic soda (CSS) market. To maintain on-time service to the caustic soda customers, CLEANBU vessels lifted four CSS cargoes in Q4. Consequently, CABU fleet capacity was reallocated to dry bulk trading, explaining a lower than normal % of days in combination trade this quarter. MV Banasol left the fleet in November impacting the number of on-hire days in Q4.

Operating costs for the fourth quarter were up approximately \$900/day from previous quarter and \$1,150/day compared to Q4 2020 mainly due to high travel costs for crew and costs related to the sale of MV Banasol. The CABU fleet had 28 unscheduled off-hire days in Q4 2021 of which 18 days related to preparation for sale of MV Banasol and four days COVID-19 related, and 53 scheduled off-hire days related to dry docking of MV Banastar and MV Baffin.

Full year

Average TCE earnings per on-hire day increased by approximately \$1,700/day from 2020 to 2021 and ended at \$21,571/day, a multiple of 3.4 to standard spot earnings for MR tankers¹. The main drivers were a strong dry bulk market and a high contract coverage for caustic soda shipments. One of two vessels trading in the Atlantic was reallocated to the strong dry bulk market and entered the MaruKlav Baumarine Panamax dry bulk pool from August 2021 to January 2022. KCC also took advantage of the very strong dry bulk market by selling MV Banasol, KCC's oldest CABU vessels built in 2001.

The pandemic continued to impact costs and off-hire negatively in 2021. Opex per day ended at \$7,662/day, an increase of approximately \$300/day from 2020, partly due to COVID-19. Unscheduled off-hire decreased from 77 days in 2020 to 46 days in 2021 mainly due to less COVID-19 related off-hire from quarantine. Four CABU vessels have been through regular dry-docking in 2021 compared to three vessels in 2020.

EBITDA for the CABU fleet increased by 34% Y-o-Y from USD 34.4 million in 2020 to USD 45.5 million in 2021.

¹ % of days in combination trades = see definition on page 3.

² Utilisation = Operating days less waiting time less off-hire days/operating days.

³ 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.

⁴ Clarksons, MR (CABU) and LR1 (CLEANBU) tanker multiple calculated based on assumption of one month advance cargo fixing/«lag».

THE CLEANBU BUSINESS

KEY FIGURES	Q4 2021	Q3 2021	Q4 2020	2021	2020
Average TCE earnings (note 2)	24 460 \$/d	18 725 \$/d	20 840 \$/d	20 195 \$/d	23 851 \$/d
Opex per day (note 2)	8 862 \$/d	8 257 \$/d	9 527 \$/d	8 321 \$/d	9 125 \$/d
Onhire days	720	696	395	2 450	1 198
Off-hire days, scheduled	-	15	-	68	-
Off-hire days, unscheduled	16	20	12	38	31
% of days in combination trades ¹	94 %	63 %	67 %	66 %	59 %
Ballast days in % of total on-hire days ³	13 %	12 %	19 %	18 %	20 %
Utilisation ²	94 %	91 %	93 %	91 %	95 %

Fourth quarter

CLEANBU TCE earnings per on-hire day ended at \$24,460/day, an increase of approximately \$5,700/day from last quarter and \$3,600/day from Q4 2020. The CLEANBU fleet outperformed the LR1 tanker vessel spot earnings by a multiple of 2.2² in fourth quarter. TCE earnings were driven by a continued strong dry bulk market and high percentage of combination trading which increased to 94% in fourth quarter.

Average operating costs for the CLEANBU vessels ended at \$8,862/day, an increase of approximately \$600/day compared to previous quarter and down \$700/day compared to the same quarter last year. Opex per day in fourth quarter was above the average for 2021 due to postponed maintenance and expensive crew changes in Europe. Unscheduled off-hire of 16 days in fourth quarter mainly relates to repairs of a cargo pump.

Full year

Average TCE earnings ended at \$20,195/day for the year, approximately \$3,650/day lower than in 2020 due to fixing of three vessels on tanker time charters at the market peak in second quarter of 2020. The fleet had in total approximately 3.4 more vessel years on-hire compared to last year due to delivery of newbuilds.

Average operating costs for the CLEANBU vessels ended at \$8,321/day in 2021, approximately \$800/day lower than 2020, partly reflecting normalization of technical operation of the CLEANBU vessels delivered in 2019 and 2020. Total off-hire was 106 days in 2021, of which 85 days related to guarantee repairs for Barramundi and waiting related to cancelled guarantee repairs for Barracuda due to the COVID-19 situation in China. Remaining unscheduled off-hire amounted to 21 days, whereof five days COVID-19 related to crew changes.

¹ % of days in combination trades = see definition on page 3.

² Utilisation = see definition on page 4.

³ Ballast in % of on-hire days = see definition on page 4.

⁴ Clarksons, MR (CABU) and LR1 (CLEANBU) = see definition on page 4.

MARKET DEVELOPMENT

AVERAGE MARKET RATES ²	Q4 2021	Q3 2021	Q4 2020	2021	2020
Dry Bulk rates - P5TC (\$/day) ¹	29 127	33 612	12 067	26 735	9 899
MR Tanker rates - TC7 (\$/day) ¹	7 632	8 846	8 582	7 652	14 282
LR1 Tanker rates - TC5 (\$/day) ¹	7 383	6 432	9 101	6 208	19 441
Bunkers price - VLSFO (\$/mt) ²	610	541	363	535	369

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

The **dry bulk** freight market delivered a strong quarter in Q4 2021. All dry bulk segments experienced high earnings as freight rates reached the highest level seen since the 2009/2010 period on the back of strong overall demand for commodities combined with high fleet congestion. Panamax earnings averaged approximately \$29,100/day for the quarter as the market peaked during the first half of October before cooling down towards the end of the year, largely driven by seasonality, falling dry bulk commodity prices, lower steel production in China and lower congestion.

Total demand measured by ton duration for shipping of dry bulk commodities increased by 2.5% Y-o-Y in Q4, while total Panamax demand across all commodities were down 0.9% Y-o-Y. Demand for minor bulks and bauxite continued to grow strongly, +11% and +10% Y-o-Y respectively as global industrial production carried on recovering from COVID-19. Iron ore demand increased a modest 3% Y-o-Y in Q4 as demand from China was hit by a 20% Y-o-Y decrease in steel production caused by the real estate market slow down. Coal demand was down 1% Y-o-Y and grain demand dropped 10% Y-o-Y caused by smaller crop, heavy rain and rising export taxes affecting crop from major exporters negatively.

The nominal fleet growth for dry bulk fleet was 3.5% Y-o-Y in Q4, while the growth in the Panamax segment was marginally lower at 3.4%. However, effective fleet growth was far lower in Q4 following increased port congestion.

Product tanker earnings improved in the fourth quarter compared to third quarter, albeit still at low levels. Product tanker average earnings, represented by the TC5 (LR1 Middle East to Japan route), improved by around \$950/day from the third quarter. While oil demand has seen a substantial recovery, oil production is lagging demand as OPEC+ struggles to fulfil production quotas. The deficit has been made up by drawdowns on inventories and the overall demand for seaborne transportation of crude and oil products has remained weak.

The international **caustic soda** market continued to be tight during Q4 2021. US demand remained strong and inventory levels were low resulting in limited availability of export cargoes from US Gulf. US prices export prices were 30-40% above North-East Asia prices at the end of 2021. North-East Asia caustic soda plants were running at high operating rates during the quarter to meet strong domestic and export demand. As a consequence, North-East Asian export prices have risen by 50-60% over the last 6 months.

Brent crude oil prices ended at around USD 91.2 per barrel at year-end 2021, up 16% Q-o-Q. Average fuel oil price (VLSFO) ended at USD 610/mt, an increase of around 12% Q-o-Q.

¹ Baltic Exchange.

² Clarksons SIN.

³ Klaveness Research.

HEALTH, SAFETY AND ENVIRONMENT

HEALTH AND SAFETY KPIS	Q4 2021	Q3 2021	Q4 2020	2021	2020
# of medium ⁶ injuries	-	-	-	-	3
# of major ⁷ injuries	-	1	-	1	-
# of navigational incidents	-	-	-	-	1
# of spills to the environment	-	-	-	-	1

Safety performance has the highest priority and to the Board's satisfaction there were no "major" or "medium" rated incidents and no navigational incidents or spills to the environment in fourth quarter 2021.

The COVID-19 management plan that was implemented in Q3 2020 has worked well and there have not been any infections on board KCC vessels after the implementation until January 2022, when crew on board one vessel were infected by the more contagious Omicron COVID-19 virus variant, having only mild symptoms. It is recognized that the management plan with extensive periods of isolation and uncertainty for people on-board has caused stress. High attention to mental health has been key in this period.

Focus continues to be on repatriating crew at the end of their service period without delays. By the end of 2021 the Omicron COVID-19 virus variant resulted in more crew testing positive on COVID-19 when going into isolation prior embarkation. This impacted crew changes and KCC had 13% crew on extended contracts by the end of 2021, compared to 10% by the end of Q3 2021. No crew in KCC had been onboard for more than 12 months by the end of 2021. Approximately 75% of KCC's crew are fully vaccinated. Despite increased numbers of vaccinated crew, no initiative was taken by any country to ease travel restrictions and embarkation/disembarkation for vaccinated crew. Hence, crew changes continued to be challenging again contributing to increased number of extended contracts.

ENVIRONMENTAL KPIS	BENCHMARK Q4	Q4 2021	Q3 2021	2021	2020	TARGET 2022
CO ₂ emission per ton transported cargo per nautical mile (EEOI)(grams CO ₂ /(tons cargo x nautical miles)) ^{1,5}	9.5	7.1	7.2	7.4	7.4	5.8
Average CO ₂ emission per vessel (metric tons CO ₂ /vessel-year) ²	N.A.	19,400	17,600	18,800	20,700	17,700
% of days in combination trades ³	N.A.	75 %	69 %	68 %	70 %	90 %
Ballast days in % of total on-hire days ^{4,5}	30 %	17 %	12 %	17 %	15%	7.5%

CO₂ emissions per ton transported cargo per nautical mile (EEOI) ended at 7.1 for fourth quarter 2021, quite stable compared to third quarter 2021 (7.2). Fourth quarter EEOI was negatively impacted by more ballast, higher speed, and lower combination trading for the CABU fleet. The performance is as well impacted by the CABU II vessels that are in the end of their 5-year drydocking schedule, which means that the eroded anti-fouling paint allows for rapid growth of hull fouling leading to increased water resistance. The completion of the docking program of CABU II vessels in April 2022 is expected to have a positive effect on the CABU emission performance coming into 2022. The negative development for the CABU fleet, was offset by very strong CLEANBU EEOI mainly due to 94% of days in combination trade and hence a 25% increase in the amount of transport work performed by the vessels compared to third quarter 2021.

The average EEOI for 2021 was 7.4, equal to the EEOI in 2020, which is below target. Time spent in combination trade was down from 75% in 2020 to 69% in 2021 and ballast was up from 13% to 16% partly due to the trading of the CLEANBU fleet as dry bulk vessels in especially Q2 2021 and the CABU scheduling problems in Q4 2021. A 16% increase in both distance sailed and transport work performed nevertheless resulted in stable EEOI.

Average CO₂ emissions per vessel was 19,400 in fourth quarter 2021, up from 17,600 in third quarter 2021 and reflects an increase for all segments driven by speed increases mainly reflecting tight scheduling for especially the CABU fleet.

Average CO₂ emissions per vessel were 18,800 mt in 2021, a solid improvement from 20,700 mt in 2020, being in line with the trajectory to meet KCC's target for 2022 of 17,700 mt. The delivery of three new CLEANBU vessels in 2021 improved the technical performance of the fleet. Similarly, five of the six CABU I vessels were drydocked during second half of 2020 and 2021. During drydocking the vessels were recoated with high grade silicone anti-fouling coating and several energy saving devices were installed, such as propeller boss cap fins and mewis ducts. MV Baffin entered drydock in end of November 2021 where several energy saving devices were installed, and top-grade silicone anti-fouling coating was applied. It is expected that both the EEOI and average CO₂ emission per vessel for the CABU II fleet will improve in 2022.

¹ EEOI (Energy Efficiency Operational Index) is defined by IMO and represents grams CO₂ emitted per transported ton cargo per nautical mile for a period of time (both fuel consumption at sea and in port included).

² Average CO₂ emissions per vessel = total CO₂ 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.

³ % of days in combination trades = see definition on page 3.

⁴ 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.

⁵ 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.

⁶ Medium = medical treatment and repatriation, will return to work.

⁷ Major = Severe injury death.

OUTLOOK

After the weakening of the dry bulk market towards the end of the year, the average Kamsarmax spot earnings are currently at around \$21,300/day after bottoming out in early February. The dry bulk market is expected to strengthen further after Chinese New Year holidays and the completion of the Olympic Games in Beijing and the FFA curve for Q2 2022 is currently trading at around \$27,600/day.

While the short-term outlook continues to be challenging for tankers there are reasons for optimism for the medium to long-term outlook. According to EIA oil demand will continue to improve during 2022 and the tightness in oil markets is also expected to ease as both OPEC and non-OPEC production is expected to grow, and production set to outpace demand. Furthermore, a historic low orderbook and tight yard capacity will cap fleet growth for the next couple of years. Refinery closures in Australia, Europe and the US and refinery additions in the Middle East could in addition improve ton-mile demand further on a medium to long-term horizon.

The CABU fleet has a positive earnings outlook based on high caustic soda contract booking for 2022 being renewed at higher TCE earnings compared to 2021 and an expected continued strong dry bulk market outlook. KCC and South32 signed a six-year sustainability-linked COA for the transportation of caustic soda to Australia in January. Currently 37 caustic soda cargoes have been booked for 2022, with an expectation of reaching a record high 42 cargoes during the year, implying efficient combination trading and hence strong TCE earnings for the fleet. Following the sale of MV Banasol and return of one vessel from the MaruKlav Baumarine Panamax dry bulk pool, all eight vessels will going forward be employed in trades to/from Australia, where the CABU fleet over time has generated the highest earnings.

KCC expects the CLEANBU fleet to maintain a high and increasing combination trading in 2022 and targets to continue optimizing trading and freight pricing during the year. The CLEANBU TCE earnings are, however, expected to continue to be more volatile than the CABUs in 2022 due to the full tanker market spot exposure of this segment.

Guarantee work for MV Barracuda and MV Baru is targeted for second quarter 2022 and first half of 2023 respectively with total off-hire estimated to be in total around 50 days in 2022. Approximately 50% of off-hire days connected to the guarantee work is estimated to be covered by loss of hire insurance.

Oslo, 17 February 2022

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

INCOME STATEMENT

USD'000	Notes	Unaudited		Unaudited	Audited
		Q4 2021	Q4 2020	2021	2020
Freight revenue	3	40 933	36 444	155 564	142 289
Charter hire revenue	3	15 919	5 269	41 909	20 442
Other revenue	3	-	-	482	-
Total revenues, vessels		56 852	41 713	197 955	162 731
Voyage expenses		(22 296)	(18 842)	(82 087)	(71 592)
Net revenues from operation of vessels		34 556	22 871	115 868	91 139
Gain on sale of vessels	4	6 360	-	6 360	-
Other income	3	1 422	-	1 422	-
Operating expenses, vessels		(13 327)	(10 693)	(49 221)	(37 193)
Group commercial and administrative services	8	(939)	(1 164)	(3 709)	(3 538)
Salaries and social expenses	8	(750)	(414)	(2 374)	(1 327)
Tonnage tax		(50)	(82)	(214)	(180)
Other operating and administrative expenses		(274)	(194)	(1 069)	(776)
Operating profit before depreciation (EBITDA)		26 998	10 323	67 064	48 125
Depreciation	4	(7 206)	(5 623)	(28 666)	(19 155)
Operating profit after depreciation (EBIT)		19 792	4 701	38 398	28 971
Finance income	6	29	161	74	529
Finance costs	6	(4 703)	(3 664)	(15 868)	(14 317)
Profit before tax (EBT)		15 118	1 198	22 606	15 182
Income tax expenses		(3)	-	(7)	-
Profit after tax		15 115	1 198	22 600	15 182
Attributable to:					
Equity holders of the parent company		15 115	1 198	22 600	15 182
Total		15 115	1 198	22 600	15 182
Earnings per Share (EPS):					
Basic earnings per share		0.30	0.02	0.46	0.32
Diluted earnings per share		0.30	0.02	0.46	0.32

STATEMENT OF COMPREHENSIVE INCOME

USD '000	Unaudited		Unaudited	Audited
	Q4 2021	Q4 2020	2021	2020
Profit/ (loss) of the period	15 115	1 198	22 600	15 182
<i>Other comprehensive income to be reclassified to profit or loss</i>				
Net movement fair value on cross-currency interest rate swaps (CCIRS)	94	9 877	(404)	1 253
Reclassification to profit and loss (CCIRS)	1 575	(8 191)	2 773	(3 715)
Net movement fair value on interest rate swaps	1 430	811	4 500	(2 491)
Net movement fair value bunker hedge	(14)	242	(69)	87
Net changes on cost of hedging FFA hedge	(450)	-	(714)	-
Net movement fair value FFA hedge	7 201	(1 154)	(7 730)	(1 814)
Net other comprehensive income to be reclassified to profit or loss	9 838	1 586	(1 644)	(6 679)
Total comprehensive income/(loss) for the period, net of tax	24 953	2 783	20 955	8 503
Attributable to:				
Equity holders of the Parent Company	24 953	2 783	20 955	8 503
Total	24 953	2 783	20 955	8 503

STATEMENT OF FINANCIAL POSITION

(Figures in USD '000)

ASSETS	Notes	Unaudited 31 Dec 2021	Audited 31 Dec 2020
Non-current assets			
Vessels	4	536 864	404 258
Newbuilding contracts		-	48 441
Right-of-use assets		1 553	1 672
Long-term financial assets	5	4 048	3 427
Long-term receivables		70	70
Total non-current assets		542 535	457 868
Current assets			
Short-term financial assets	5, 8	678	87
Inventories		12 279	6 159
Trade receivables and other current assets		18 484	18 501
Short-term receivables from related parties		2 018	742
Cash and cash equivalents		53 937	65 685
Total current assets		87 396	91 174
TOTAL ASSETS		629 931	549 043

EQUITY AND LIABILITIES		Unaudited 31 Dec 2021	Audited 31 Dec 2020
Equity			
Share capital	7	6 235	5 725
Share premium		153 732	130 155
Other reserves		(8 154)	(6 511)
Retained earnings		102 605	87 162
Total equity		254 417	216 532
Non-current liabilities			
Mortgage debt	5	249 993	206 813
Long-term financial liabilities	5	2 017	5 409
Long-term lease liabilities		1 008	1 239
Bond loan	5	78 205	80 649
Total non-current liabilities		331 223	294 109
Current liabilities			
Short-term mortgage debt	5	23 936	22 473
Other interest bearing liabilities	5	2 409	-
Short-term financial liabilities	5	-	757
Short-term lease liabilities		618	493
Trade and other payables		16 199	13 165
Short-term debt to related parties		895	1 339
Tax liabilities		233	175
Total current liabilities		44 291	38 401
TOTAL EQUITY AND LIABILITIES		629 931	549 043

Oslo, 17 February 2022

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)

Attributable to equity holders of the parent

Unaudited 2021	Share capital	Other paid in capital	Treasury Shares	Hedging reserve	Cost of hedging reserve	Retained earnings	Total
Equity 1 January 2021	5 725	130 155	(147)	(6 363)	-	87 162	216 532
Profit (loss) for the period	-	-	-	-	-	22 600	22 600
Other comprehensive income for the period	-	-	-	(931)	(714)	-	(1 644)
Share option program	-	-	-	-	-	47	47
Dividends	-	-	-	-	-	(7 204)	(7 204)
Capital increase (November 4, 2021)	510	23 576	-	-	-	-	24 086
Equity at 31 December 2021	6 235	153 732	(147)	(7 294)	(714)	102 605	254 417

Audited 2020	Share capital	Other paid in capital	Treasury Shares	Hedging reserve	Cost of hedging reserve	Retained earnings	Total
Equity 1 January 2020	5 725	130 155	-	316	-	76 744	212 941
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
Equity at 31 December 2020	5 725	130 155	(147)	(6 363)	-	87 162	216 532

CASH FLOW STATEMENT

(Figures in USD '000)

	Notes	Unaudited		Unaudited	Audited
		Q4 2021	Q4 2020	2021	2020
Profit before tax		15 118	1 198	22 606	15 182
Tonnage tax expensed		50	82	214	180
Depreciation	4	7 206	5 623	28 666	19 155
Amortization of upfront fees bank loans		257	207	882	693
Financial derivatives unrealised loss / gain (-)	5	3	86	82	(342)
Gain on sale of vessels	4	(6 360)	-	(6 360)	-
Gain/loss on foreign exchange		734	(107)	726	(4)
Interest income	6	(29)	(14)	(74)	(271)
Interest expenses	6	3 709	3 195	14 175	11 884
Taxes paid for the period		-	-	-	-
Change in current assets		7 831	(5 322)	(8 797)	(3 797)
Change in current liabilities		(4 351)	4 507	2 045	(3 438)
Collateral paid/refunded on FFA (variation margin)	5	5 065	-	(8 390)	-
Interest received	6	29	14	74	271
A: Net cash flow from operating activities		29 261	9 469	45 848	39 513
Acquisition of tangible assets	4	(2 924)	(991)	(13 782)	(4 271)
Cash proceeds from sale of vessels	4	13 800	-	13 800	-
Transaction costs related to sale of vessels		(212)	-	(212)	-
Installments and other cost on newbuilding contracts**		-	(34 859)	(105 322)	(88 634)
B: Net cash flow from investment activities		10 663	(35 850)	(105 517)	(92 905)
Proceeds from mortgage debt		80 000	60 450	169 000	60 450
Proceeds from bond loan (KCC04)	5	-	-	-	76 390
Buyback of bond loan (KCC03)	5	-	(16 221)	-	(33 861)
Transaction costs on issuance of loans	5	(893)	(709)	(1 944)	(1 914)
Repayment of mortgage debt	5	(105 584)	(4 342)	(123 041)	(17 367)
Terminated financial instruments		-	-	-	(3 101)
Interest paid	6	(3 716)	(3 246)	(14 073)	(11 370)
Repayment of lease liabilities		(149)	(125)	(582)	(454)
Paid in registered capital increase	7	24 977	-	24 977	-
Transaction costs on capital increase		(878)	-	(878)	-
Purchase of own shares		-	-	-	(147)
Dividends		(2 161)	(1 441)	(7 204)	(4 802)
C: Net cash flow from financing activities		(8 406)	34 366	46 254	63 822
Effect of exchange rate changes on cash		(742)	-	(742)	-
Net change in liquidity in the period		30 777	7 986	(14 156)	10 431
Cash and cash equivalents at beginning of period		20 752	57 699	65 685	55 254
Cash and cash equivalents at end of period*		51 529	65 685	51 529	65 685
Net change in cash and cash equivalents in the period		30 777	7 986	(14 156)	10 431
Cash and cash equivalents		53 937	65 685	53 937	65 685
Other interest bearing liabilities (overdraft facility)		2 409	-	2 409	-
Cash and cash equivalents (as presented in cash flow statement)		51 529	65 685	51 529	65 685

* Cash and cash equivalents include overdraft facility of USD 2.4 million presented as interest bearing liabilities in the balance sheet.

** Yard installement of USD 105 million paid in 2021 is related to delivery of the CLEANBU newbuildings MV Baiacu, MV Bass and MV Balzani.

Notes

- 01** Accounting policies

- 02** Segment reporting

- 03** Revenue from contracts with customers

- 04** Vessels

- 05** Financial assets and financial liabilities

- 06** Financial items

- 07** Share capital, shareholders, dividends and reserves

- 08** Transactions with related parties

- 09** Events after the balance sheet date



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 Oslo Stock Exchange (transferred from Euronext Expand as per 21 December 2021) 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 eight CABU vessels (see note 4), vessels with capacity to transport caustic soda (CSS), floating fertilizer (UAN) and molasses as well as all dry bulk commodities. Further, the Group has eight CLEANBU vessels. The CLEANBUs are both full-fledged LR1 product tankers and Kamsarmax dry bulk vessels.

ACCOUNTING POLICIES

The interim condensed financial statements of the Group have been prepared in accordance with 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 unrecognized losses for the year. Tax expenses for the Group in 2021 are zero.

Subsidiaries

Klaveness Combination Carriers Asia Pte Ltd (Singapore) was incorporated on 22 March 2021 based on a capital injection of USD 300 000 from Klaveness Combination Carriers ASA (100% ownership, 300 000 shares). The commercial and operation team of four employees from Klaveness Asia Pte Ltd were transferred to this company on 1 June 2021.

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 eight CABUs and eight CLEANBUs.

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.

Operating income and operating expenses per segment						
USD'000	Q4 2021			Q4 2020		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
Operating revenue, vessels	26 554	30 298	56 852	28 918	12 795	41 713
Voyage expenses	(10 122)	(12 175)	(22 296)	(14 216)	(4 626)	(18 842)
Net revenue from operations of vessels	16 433	18 123	34 556	14 702	8 169	22 871
Gain on sale of vessels (note 4)	6 360	-	6 360	-	-	-
Other income (note 3)	1 422	-	1 422	-	-	-
Operating expenses, vessels	(6 626)	(6 701)	(13 327)	(5 850)	(4 844)	(10 693)
Group administrative services	(467)	(472)	(939)	(637)	(527)	(1 164)
Salaries and social expense	(373)	(377)	(750)	(226)	(187)	(414)
Tonnage tax	(30)	(20)	(50)	(61)	(21)	(82)
Other operating and administrative expenses	(136)	(138)	(274)	(106)	(88)	(194)
Operating profit before depreciation (EBITDA)	16 582	10 415	26 998	7 822	2 501	10 323
Depreciation	(3 017)	(4 189)	(7 206)	(3 035)	(2 588)	(5 623)
Operating profit after depreciation (EBIT)	13 566	6 226	19 792	4 788	(87)	4 701

Reconciliation of average revenue per onhire day (TCE earnings USD/day)						
USD'000	Q4 2021			Q4 2020		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
Net revenue from operations of vessels	16 433	18 123	34 556	14 702	8 169	22 871
Adjustment*	33	(511)	(478)	(156)	57	(99)
Net revenue ex adjustment	16 466	17 611	34 078	14 546	8 226	22 772
Onhire days	723	720	1 443	767	395	1 162
Average TCE earnings per onhire day (\$/d)	22 776	24 460	23 617	18 958	20 840	19 597

Reconciliation of opex per day						
USD'000	Q4 2021			Q4 2020		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
Operating expenses, vessels	6 626	6 701	13 327	5 850	4 844	10 693
Leasing cost (presented as depreciation)	78	72	149	81	45	125
Start-up cost CLEANBU vessels	-	(250)	(250)	-	(630)	(630)
Operating expenses, vessels adjusted	6 704	6 522	13 226	5 930	4 259	10 189
Operating days	806	736	1 542	828	447	1 275
Opex per day (\$/d)	8 317	8 862	8 577	7 162	9 527	7 991

* Adjustment: Net revenue in Income Statement is recognized from load-to-discharge, while revenue basis for average TCE earnings is based on discharge-to-discharge. The difference/adjustment relates to days in ballast from discharge to loading on next voyage.

Operating income and operating expenses per segment

USD'000	2021			2020		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
Operating revenue, vessels	116 218	81 255	197 473	122 208	40 523	162 730
Other revenue	-	482	482	-	-	-
Voyage expenses	(50 099)	(31 989)	(82 087)	(60 281)	(11 311)	(71 592)
Net revenue from operations of vessels	66 119	49 749	115 868	61 926	29 212	91 139
Gain on sale of vessels (note 4)	6 360	-	6 360	-	-	-
Other income (note 3)	1 422	-	1 422	-	-	-
Operating expenses, vessels	(24 684)	(24 537)	(49 221)	(23 829)	(13 364)	(37 193)
Group administrative services	(1 860)	(1 849)	(3 708)	(2 251)	(1 287)	(3 538)
Salaries and social expense	(1 191)	(1 184)	(2 374)	(844)	(483)	(1 327)
Tonnage tax	(126)	(88)	(214)	(134)	(46)	(180)
Other operating and administrative expenses	(536)	(533)	(1 069)	(503)	(272)	(776)
Operating profit before depreciation (EBITDA)	45 505	21 559	67 064	34 364	13 760	48 125
Depreciation	(13 362)	(15 303)	(28 665)	(11 643)	(7 513)	(19 155)
Operating profit after depreciation (EBIT)	32 143	6 256	38 398	22 722	6 248	28 971

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

USD'000	2021			2020		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
Net revenues	66 119	49 749	115 868	61 926	29 212	91 139
Adjustment	177	213	390	(234)	(512)	(746)
Other revenue	-	(482)	(482)	-	(134)	(134)
Net revenue ex adjustment	66 296	49 479	115 776	61 692	28 566	90 259
Onhire days	3 073	2 450	5 523	3 102	1 198	4 300
Average TCE earnings per onhire day (\$/d)	21 571	20 195	20 961	19 886	23 851	20 990

Reconciliation of opex per day

USD'000	2021			2020		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
Operating expenses, vessels	24 685	24 537	49 221	23 829	13 364	37 193
Leasing cost (presented as depreciation)	318	265	582	326	127	453
Start-up cost CLEANBU vessels	-	(2 500)	(2 500)	-	(1391)	(1 391)
Operating expenses, vessels adjusted	25 002	22 301	47 304	24 156	12 099	36 255
Operating days	3 263	2 680	5 943	3 294	1 326	4 620
Opex per day (\$/d)	7 662	8 321	7 960	7 333	9 125	7 848

03 Revenue from contracts with customers

Disaggregated revenue information

The Group has income from COA contracts, 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	Q4 2021	Q4 2020	2021	2020
Revenue from COAs	Freight revenue	19 289	23 109	83 626	100 659
Revenue from spot voyages	Freight revenue	21 644	13 336	71 938	41 631
Revenue from TC contracts	Charter hire revenue	15 919	5 269	41 909	20 308
Other revenue	Other revenue	-	-	482	134
Total revenue, vessels		56 852	41 713	197 955	162 731
Gain on sale of vessels (note 4)	Gain on sale of vessels	6 360	-	6 360	-
Other income	Other income	1 422	-	1 422	-
Total other income		7 782	-	7 782	-

Other income of USD 1.4 million in Q4 2021 relates to equity distribution from the Norwegian Shipowners' Mutual War Risks Insurance Association (Den Norske Krigsforsikring for Skib, DNK).

04 Vessels

Vessels			
USD '000		31 Dec 2021	31 Dec 2020
Cost price 1.1		599 826	492 075
Delivery of newbuildings		153 763	103 708
Adjustments acquisition value newbuildings delivered		2 001	(809)
Dry Docking		8 342	4 852
Technical upgrade		3 439	-
Disposal of vessel		(10 434)	-
Cost price end of period		756 937	599 826
Acc. Depreciation 1.1		195 568	176 866
Disposal of vessel		(3 576)	-
Depreciation for the period		28 083	18 702
Acc. Depreciation end of period		220 073	195 568
Carrying amounts end of period*		536 864	404 258
*carrying value of vessels includes dry-docking			
No. of vessels		16	14
Useful life (vessels)		25	25
Useful life (dry docking)		5	5
Depreciation schedule		Straight-line	Straight-line

Reconciliation of depreciations				
USD'000		Q4 2021	Q4 2020	
		2021	2020	
Depreciation vessels	7 057	5 497	28 083	18 702
Depreciation right of use assets	149	125	582	453
Depreciations for the period	7 206	5 623	28 666	19 155

ADDITIONS

Three CLEANBU vessels MV Baiacu, MV Bass and MV Balzani were delivered from Jiangsu New Yangzi Shipbuilding Co.Ltd in January, March and May 2021 respectively. Addition for scheduled dry-docking amounts to USD 7.9 million and is related to dry-docking of vessels, MV Barcarena, MV Banastar, MV Banasol, MV Balboa, MV Baffin and USD 0.4 million is related to yard repairs of MV Barramundi. Technical upgrade of USD 3.4 million is related to general improvement of the technical performance of the vessels and energy efficiency initiatives.

DISPOSALS

MV Banasol was sold in December 2021 and gain of USD 6.4 million has been recognised in Q4 2021. Gain is calculated as sales price less book value of the vessel at time of sale less any direct costs of sale.

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. Expected future TCE earnings for both fleets of CABU's and CLEANBU's, diversified market exposure, development in secondhand prices and the combination carriers' trading flexibility support the conclusion of no impairment indicators identified as per 31 December 2021.

05 Financial assets and liabilities

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

During the fourth quarter the Group refinanced the USD100 million Nordea/Danske Bank facility into a USD 80 million senior secured sustainability linked term loan credit facility agreement with Nordea and Danske Bank. The interest rate on the new facility is LIBOR + 210bps. The margin will be adjusted, up or down, based on the Group's sustainability performance, as defined by the Group's ability to meet its goal of reducing CO2 emissions per ton of transported cargo per nautical mile (EEOI) and reducing absolute CO2 emissions per vessel. The new facility will refinance the CABU vessels MV Bantry, MV Bakkedal, MV Baffin, MV Ballard and MV Balboa built 2005-2017. The vessels MV Bangor and MV Barcarena, which were financed under the USD100 million Nordea/Danske Bank facility, will be left unencumbered. The new facility will mature in December 2026 and has a repayment profile of 9.2 years reflecting an age adjusted eighteen to zero repayment profile based on the average age of the vessels.

During the fourth quarter the Group repaid USD 2.7 million in debt prior to the sale of the MV Banasol under the USD105 million DNB/SEB Facility. Furthermore, the Group repaid USD 30 million under a revolving credit facility and remaining part of USD 65.4 million under the refinanced USD 100 million Nordea/Danske Bank Facility.

USD '000				
Mortgage debt	Description	Interest rate	Maturity	Carrying amount
Nordea/Danske Facility	Term loan, USD 100 mill	LIBOR + 2.3 %	March 2022	-
DNB/SEB Facility	Term loan, USD 105 mill	LIBOR + 2.3 %	December 2023	83 344
SEB/SR-Bank/SPV Facility	Term loan/RCF, USD 90.75 mill	LIBOR + 2.3 %	October 2025	85 786
Nordea/Credit Agricole Facility*	Term Loan/RCF, USD 60 mill	LIBOR + 2.75 %	March 2025	27 353
Nordea/Danske Facility **	Term loan, USD 80 mill	LIBOR + 2.1 %	December 2026	80 000
Capitalized loan fees				(2 554)
Mortgage debt 31 December 2021				273 929

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

** Potential margin adjustments up to +/- 5 bps once every year based on sustainability KPIs.

As per 31 December 2021, the Group has available revolving credit facility capacity of USD 30 million related to the SEB/SR-Bank/SPV Facility and USD 17.6 million available capacity under a 364-days overdraft facility.

Bond loan	Face value	Maturity	Carrying amount
	NOK'000		31 Dec 2021
			USD'000
KCC04	700 000	11.02.2025	80 649
Exchange rate adjustment			(1 430)
Capitalized expenses			(779)
Bond discount			(234)
Total bond loan	700 000		78 205

USD '000	Fair value	Carrying amount	Carrying amount
			31 Dec 2021
Interest bearing liabilities			
Mortgage debt	252 547	252 547	208 052
Capitalized loan fees	-	(2 554)	(1 239)
Bond loan	75 456	79 219	81 991
Bond discount	-	(234)	(310)
Capitalized expenses bond loan	-	(779)	(1 032)
Total non-current interest bearing liabilities	328 003	328 198	287 462
Mortgage debt, current	23 936	23 936	22 473
Overdraft facility (Secured)	2 409	2 409	-
Total interest bearing liabilities	354 347	354 543	309 935

MATURITY PROFILE TO FINANCIAL LIABILITIES AT 31 DECEMBER 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 include interest payments and interest hedge.

USD '000					
Maturity profile financial liabilities at 31 Dec 2021	< 1 year	1-3 years	3-5 years	> 5 years	Total
Mortgage debt (incl. interest)	33 815	129 950	178 242	-	342 007
Bond loan (incl. interest)	4 757	9 515	77 110	-	91 382
Total	38 572	139 465	255 352	-	433 389

COVENANTS

As per 31 December 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 and a change of control clause. In case of KCC Shipowning AS a change of control event occurs if it ceases to be owned, directly or indirectly, 100% (in issued shares and voting rights) by KCC and in case of KCC, if it ceases to be owned, directly or indirectly, 33.1/3% (in issued shares and voting rights) by Trond Harald Klaveness and/or his direct lineal descendants or if any other person or group of persons acting in concert, other than Trond Harald Klaveness and/or his direct lineal descendants, directly or indirectly, gain control of 33.1/3% or more of the shares and/or voting rights in KCC.

Financial assets		
USD '000	31 Dec 2021	31 Dec 2020
Financial instruments at fair value through OCI		
Cross-currency interest rate swap	2 556	2 917
Interest rate swap	1 421	356
Forward freight agreements	660	-
Fuel Hedge	18	87
Financial instruments at fair value through P&L		
Interest rate swaps	71	154
Financial assets	4 727	3 515
Current	678	87
Non-current	4 048	3 427

Financial liabilities		
USD '000	31 Dec 2021	31 Dec 2020
Financial instruments at fair value through OCI		
Interest rate swaps	1 973	5 409
Cross-currency interest rate swap (CCIRS)	43	-
Forward freight agreements	-	757
Financial instruments at fair value through P&L		
Interest rate swaps	-	-
Financial liabilities	2 017	6 166
Current	-	757
Non-current	2 017	5 409

06 Financial items

USD '000				
Finance income	Q4 2021	Q4 2020	2021	2020
Other interest income	29	54	74	398
Gain on foreign exchange	-	107	-	131
Finance income	29	161	74	529

USD '000				
Finance cost	Q4 2021	Q4 2020	2021	2020
Interest expenses mortgage debt	2 430	1 921	9 477	7 729
Interest expenses bond loan	1 126	1 246	4 371	4 062
Interest expenses lease liabilities	49	27	103	94
Amortization capitalized fees on loans	257	207	882	693
Other financial expenses	104	176	224	906
Fair value changes in FFA	-	-	-	21
Fair value changes interest rate swaps	3	86	82	687
Loss on foreign exchange	734	-	726	126
Finance cost	4 703	3 664	15 868	14 317

07 Share capital, shareholders, dividends and reserves

A capital increase of USD 25 million was completed on 4 November 2021 through a private placement to fund energy efficiency initiatives for the existing fleet. The Board approved the allocation of 4 345 000 shares in the Privat Placement at a price of NOK 49.00 per share.

Dividends of USD 2.2 million were paid to the shareholders in November 2021 (USD 0.045 per share). Dividends of in total USD 7.2 million were paid to the shareholders in 2021 (in average USD 0.15 per share).

Date	Shares	Notional (NOK)	Share capital (NOK)
Shares and sharecapital at 31 December 2019	48 027 000		48 027 000
Shares and sharecapital at 31 December 2020	48 027 000		48 027 000
Shares issued 04 November 2021	4 345 000	1	4 345 000
Shares and sharecapital at 31 December 2021	52 372 000		52 372 000

All shares have equal voting rights and equal rights to dividends. The ordinary shares are listed on Oslo Stock Exchange.

Basic earnings per Share (EPS) in Income Statement is calculated based on the weighted average number of ordinary shares for the period, whereas diluted earnings per Share (EPS) is based on all outstanding shares including dilutive shares if all convertible shares were exercised.

In an Extraordinary General Meeting held on 24 September 2018, the Company issued 229,088 non-transferable warrants, each of which entitle the holder to subscribe one new share of the Company at a subscription price of NOK 44.38 per share.

The warrants for each subscriber may be exercised with one third from such time as when the Company's shares on a volume-weighted basis have traded at a price equal to minimum NOK 55.48 per share for ten consecutive trading days with an aggregate trading volume over such ten days of a minimum of USD 1 million. Another third may be exercised when there has been such trading at a price equal to a minimum of NOK 66.57 per share, and the last third when there has been such trading at a price equal to a minimum of NOK 77.67 per share. The warrants must be exercised no later than 24 September 2023. The exercise price and the threshold trading prices which trigger the right to exercise warrants shall be adjusted for paid dividends or other distributions to the shareholders.

Holder	No. of warrants	Subscription price (NOK)	Exercise Levels (NOK)*	Expiry
Klaveness Ship Holding AS	159,377	44.38	55.48/66.57/77.67	September 2023
EGD Shipholding AS	55,691	44.38	55.48/66.57/77.67	September 2023
Hundred Roses Corporation Inc	14,020	44.38	55.48/66.57/77.67	September 2023
Total	229,088			

* Not adjusted for dividends

08 Transactions with related parties

USD'000							
Type of services/transactions	Provider*	Receiver*	Price method	Q4 2021	Q4 2020	2021	2020
Pool Participation	BAU	KCCC	Standard pool agreement	2 380*	-	3 735*	-
Dry Bulk	KAS	KCCC	1.25 % of transaction value	(173)	(1)	(255)	(199)
Total net revenues from related parties				2 207	(1)	3 480	(199)

Relets of dry bulk cargoes between KCC Chartering AS and AS Klaveness Chartering (related party in the Torvald Klaveness Group) are made at spot pricing without any compensation either way.

* Hire from BAU to KCCC less pool fee from KCCC to BAU.

USD'000							
Type of services/transactions	Provider*	Receiver*	Price method	Q4 2021	Q4 2020	2021	2020
Business adm. services	KAS	KCC, on behalf of KCC companies	Cost + 5% or overhead per employee	338	413	1 457	1 754
Business adm. services	KA Ltd	KCCA Ltd	Cost + 5%	53	-	119	-
Commercial mngmt	KSM, KAS	KCCC	Cost + 7.5%	186	626	1 203	1 588
FFA trading	KAS	KCCC	0.1 % of transaction value	49	16	49	16
Project management	KSM, KAS	KCCS, KCC	Cost + 7.5 %	314	110	881	180
Total group commercial and administrative services				939	1 164	3 709	3 538

As of 1 June 2021, employment of four key employees in Singapore were transferred from Klaveness Asia Pte. Ltd to the newly established company, Klaveness Combination Carriers Asia Pte Ltd, 100 % owned by KCC ASA (parent company). Prior to the transfer, the services of these employees were purchased through Klaveness AS.

All bunkers purchase is done through AS Klaveness Chartering (KC), a related party in the Torvald Klaveness Group, which holds the bunker contracts with the suppliers. The bunker purchase process has been centralized to enhance negotiating and purchasing power towards the suppliers. No profit margin is added to the transactions, but a service fee is charged on a cost-plus basis reflecting the time spent by the bunkering team and charged as part of the Business administration services from Klaveness AS.

USD'000							
Type of services/transactions	Provider*	Receiver*	Price method	Q4 2021	Q4 2020	2021	2020
Technical mngmnt fee (opex)	KSM	KCCS	Fixed fee per vessel	1 011	842	3 979	3 100
Crewing and IT fee (opex)	KSM	KCCS	Fixed fee per vessel	400	292	1 550	809
Supervision fee (newbuilding)	KSM, KAS	KCCS	Partly cost and partly cost + 7.5 %	-	499	1 333	1 279
Board member fee (administrative expenses)	KAS	KCC	Fixed fee as per annual general meeting	23	23	94	181
Sales support, sale of vessel (gain on sale of vessels)	KAS	KCCS	Cost for time used + 7.5 %	31	-	31	-
Technical mngmnt fee for termination of agreement (gain on sale of vessels)	KSM	KCCS	3 months termination period	44	-	44	-
Total other services/ transactions				1 509	1 656	7 031	5 369

KCC Chartering AS sold 105 days P4TC FFAs OTC for November and December 2021 to Baumarine AS, and 180 days P4TC for Q3 and Q4 2022 to AS Klaveness Chartering, related parties in the Torvald Klaveness Group, at screen market pricing. Credit premium has not been included as the companies have the same rating. Market value of portfolio with AS Klaveness Chartering was USD 660k as per 31 December 2021 presented as financial assets in Statement of Financial Position.

*Klaveness AS (KAS), Klaveness Ship Management AS (KSM), Klaveness Asia Pte.Ltd (KA Ltd), Klaveness Combination Carrier ASA (KCC), KCC Shipowning AS (KCCS), KCC Chartering AS (KCCC), Klaveness Combination Carriers Asia Pte.Ltd (KCCA Ltd), Baumarine AS (BAU)

09 Events after the balance sheet date

On 17 February 2022, the Company's Board of Directors declared to pay a cash dividend to the Company's shareholders of USD 5.2 million for Q4 (USD 0.1 per share).

There are no events after the balance sheet date that have material effect on the Financial Statement as of 31 December 2021.

Appendix 1 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 Company's homepage: <https://www.combinationcarriers.com/alternative-performance-measures>

Reconciliation of EBITDA adjusted and EBIT adjusted				
USD'000	Q4 2021	Q4 2020	2021	2020
EBITDA	26 998	10 323	67 064	48 125
Gain on sale of vessels (note 4)	(6 360)	-	(6 360)	-
Other income (note 3)	(1 422)	-	(1 422)	-
Start-up costs CLEANBU vessels	250	630	2 500	1 391
EBITDA adjusted	19 466	10 953	61 782	49 517
EBIT	19 792	4 701	38 398	28 971
Gain on sale of vessels (note 4)	(6 360)	-	(6 360)	-
Other income (note 3)	(1 422)	-	(1 422)	-
Start-up costs CLEANBU vessels	250	630	2 500	1 391
EBIT adjusted	12 260	5 331	33 116	30 362
Reconciliation of average revenue per onhire day (TCE earnings)				
USD'000	Q4 2021	Q4 2020	2021	2020
Net revenues from operations of vessels	34 556	22 871	123 650	91 139
Other revenue (note 3)	-	-	(482)	(134)
Adjustment (note 2)	(478)	(99)	390	(746)
Net revenue ex adjustment	34 078	22 772	115 776	90 259
Onhire days	1 443	1 162	5 523	4 300
Average revenue per onhire day (\$/d) (TCE earnings)	23 617	19 597	20 961	20 990
Reconciliation of opex per day				
USD'000	Q4 2021	Q4 2020	2021	2020
Operating expenses, vessels	13 327	10 693	49 221	37 193
Leasing cost (presented as depreciation)	149	125	582	453
Start-up costs CLEANBU vessels	(250)	(630)	(2 500)	(1 391)
Operating expenses, vessels adjusted	13 226	10 189	47 304	36 255
Operating days	1 542	1 275	5 934	4 620
Opex per day (\$/d)	8 577	7 991	7 960	7 848
Reconciliation of total assets to capital employed and return on capital employed (ROCE) calculation				
USD'000	Q4 2021	Q4 2020	2021	2020
Total assets	629 931	549 043	629 931	549 043
Total liabilities	375 514	332 510	375 514	332 510
Total equity	254 418	216 532	254 418	216 532
Total interest-bearing debt	354 543	309 934	354 543	309 934
Capital employed	608 961	526 466	608 961	526 466
EBIT adjusted annualised	49 040	21 323	33 116	30 362
ROCE adjusted	8 %	4 %	5 %	6 %

Reconciliation of equity ratio				
USD'000	Q4 2021	Q4 2020	2021	2020
Total assets	629 931	549 043	629 931	549 043
Total equity	254 417	216 532	254 417	216 532
Equity ratio	40 %	39 %	40 %	39 %
Reconciliation of total interest-bearing debt				
USD'000	Q4 2021	Q4 2020	2021	2020
Mortgage debt	249 993	206 813	249 993	206 813
Long-term bond loan	78 205	80 649	78 205	80 649
Short-term mortgage debt	23 936	22 473	23 936	22 473
Other interest bearing liabilities	2 409	-	2 409	-
Total interest-bearing debt	254 543	309 934	254 543	309 934

RESPONSIBILITY STATEMENT BY THE BOARD AND CEO

The Board and CEO have reviewed and approved the condensed financial statements for the period 1 January to 31 December 2021. To the best of our knowledge, we confirm that:

- The condensed financial statements for the period 1 January to 31 December 2021 have been prepared in accordance with IAS 34 Interim Financial Statements.
- The information presented in the condensed financial statements gives a true and fair view of the company's assets, liabilities, financial position and profit.
- The management report includes a fair review of important events that have occurred during the period and their impact on the consolidated financial statements and a description of the principal risks and uncertainties for the period.
- The information presented in the condensed interim financial statements gives a true and fair view on related-party transactions.

Oslo, 17 February 2022

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

