



Klaveness  
Combination Carriers

# Third Quarter 2024



# HIGHLIGHTS

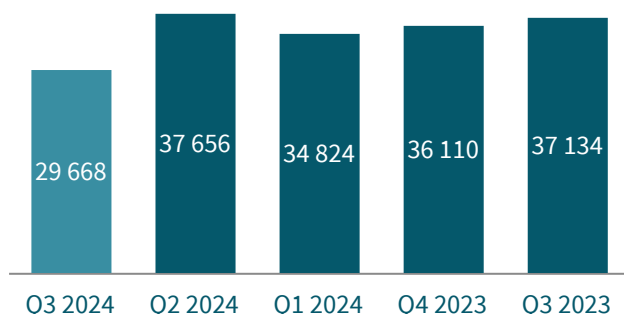
- Q3 2024 EBITDA of USD 32.6 million (Q2 2024: USD 36.2 million) and EBT of USD 21.7 million (Q2 2024: USD 25.1 million)
- Both KCC's segments outperformed the dry bulk and product tanker markets in the quarter
- Quite stable CLEANBU TCE earnings of \$38,673/day (Q2 2024: \$39,093/day), despite significantly weaker spot markets
- CABU TCE earnings of \$29,668/day (Q2 2024: \$37,656/day) impacted by a weaker MR-tanker market and temporary lower caustic soda volume
- Record low carbon intensity (EEOI 6.1) driven by limited ballasting and high cargo intake (Q2 2024: 6.9)
- Q3 dividend of USD 0.30 per share amounting to USD 18.1 million (Q2 2024: USD 0.30 per share), marking the 24th consecutive quarterly dividend distribution



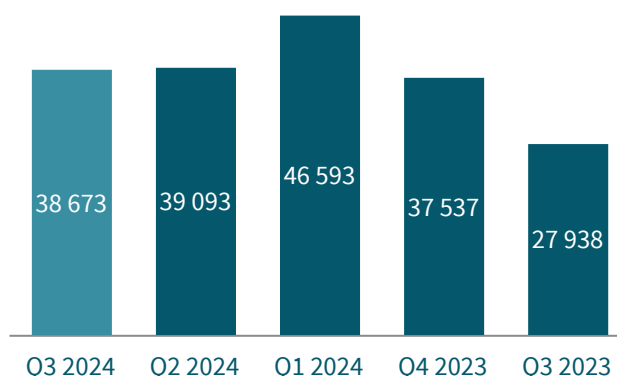
“KCC delivered strong results in the quarter amid more challenging markets with substantially weaker product tanker markets. Our CLEANBU vessels returned to more efficient combination trading, positively impacting earnings and emission performance, and both segments outperformed the standard dry bulk and product tanker markets.”

- Engebret Dahm, CEO Klaveness Combination Carriers ASA

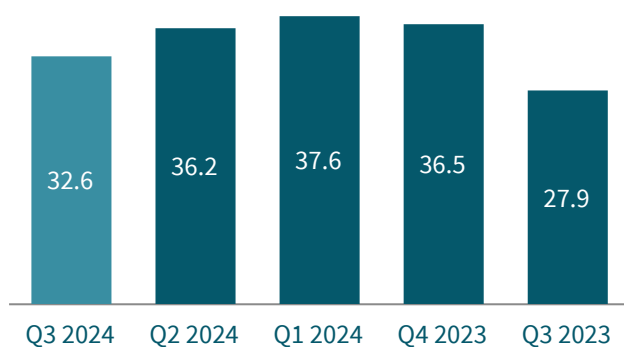
Average CABU TCE earnings (\$/day)<sup>1</sup>



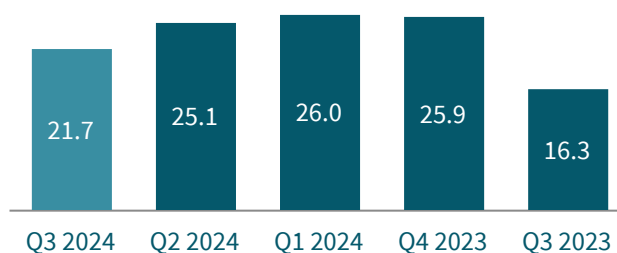
Average CLEANBU TCE earnings (\$/day)<sup>1</sup>



EBITDA (MUSD)



Profit/(loss) after tax (MUSD)



<sup>1</sup> Average TCE earnings \$/day, Return On Capital Employed (ROCE) and Return On Equity (ROE) are alternative performance measures (APMs) which are defined and reconciled in the excel sheet "APM3Q2024" published on the Company's homepage ([www.combinationcarriers.com](http://www.combinationcarriers.com)) Investor Relations/Reports and Presentations under the section for the Q3 2024 report.

<sup>2</sup> Clarksons, MR (CABU) and LR1 (CLEANBU) tanker multiple calculated based on assumption of one-month advance cargo fixing/«lag»

## > FINANCIAL PERFORMANCE

(USD '000)	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
Net revenues from vessel operations	48 768	52 303	43 796	154 437	143 714
EBITDA	32 557	36 168	27 912	106 324	98 411
Profit after tax	21 687	25 081	16 311	72 795	61 007
Earnings per share (USD)	0.36	0.41	0.27	1.20	1.09
Total assets	614 451	644 404	627 676	614 451	627 676
Equity	370 113	369 722	353 401	370 113	353 401
Equity ratio <sup>1</sup>	60%	57%	56%	60%	56%
ROCE annualised <sup>1</sup>	17%	18%	13%	19%	16%
ROE annualised <sup>1</sup>	23%	27%	18%	26%	23%
	<b>Q3 2024</b>	<b>Q2 2024</b>	<b>Q3 2023</b>	<b>YTD 2024</b>	<b>YTD 2023</b>
Average TCE \$/day <sup>1</sup>	34 052	38 376	32 214	37 555	34 353
OPEX \$/day <sup>1</sup>	9 315	9 270	8 961	9 198	8 510
On-hire days	1 432	1 363	1 360	4 112	4 183
Off-hire days, scheduled	38	89	108	257	168
Off-hire days, unscheduled	2	4	4	15	17
% of days in combination trades <sup>2</sup>	86%	77%*	89%	81%	85%

\*% of days in combination trades for Q2 2024 adjusted from 81 % to 77 % compared to Q2 2024 reporting

### THIRD QUARTER

EBITDA and Profit after tax for the third quarter ended at USD 32.6 million and USD 21.7 million respectively, down from USD 36.2 million and USD 25.1 million previous quarter. Fleet average TCE earnings for the quarter were approximately \$4,300/day lower than in Q2 2024 mainly due to lower CABU TCE earnings impacted by lower caustic soda volumes in the quarter and a weaker product tanker market. Compared to same quarter last year, the financial results strengthened considerably with an increase in EBITDA of 17% and Profit after tax of 33% due to both higher earnings and less off-hire.

Operating expenses increased by USD 0.2 million/2% Q-o-Q mainly due to timing effects for procurement. Service fee, wages and other administrative expenses increased by USD 0.4 million/15% Q-o-Q mainly due to salary adjustments and changes to bonus provisions. Depreciations were in line with last quarter. Net finance cost decreased by USD 0.2 million/6% Q-o-Q mainly due to a gain on terminated cross-currency interest rate swaps.

### CAPITAL AND FINANCING

Cash and cash equivalents ended at USD 51.3 million by the end of Q3 2024, a decrease of USD 31.9 million from end of June 2024. The decrease was mainly driven by the repayment of the remaining part of the KCC04 bond issue (USD 20.8 million) in addition to the ordinary cash flow items. The KCC04 bond issue was refinanced in Q3 2023 and Q2 2024.

Total equity ended at USD 370.1 million at the end of Q3 2024, quite flat from end of Q2 2024. Profit after tax of USD 21.7 million was offset by dividends of USD 18.1 million paid during the quarter and other comprehensive income of negative USD 3.2 million. The equity ratio ended at 60.2% per end of Q3 2024, up from 57.4% at the end of Q2 2024 mainly due to lower total assets following the KCC04 bond repayment.

Interest-bearing debt was USD 225.6 million at the end of Q3 2024, down USD 23.1 million from end of Q2 2024 mainly due to repaid bond debt in addition to ordinary debt repayments. The Group had per end of Q3 2024 USD 125.0 million available and undrawn under a long-term revolving credit facilities and USD 8.0 million available and undrawn under a 364-days overdraft facility, the latter falling due in December 2024.

### EVENTS AFTER THE BALANCE SHEET DATE

On 29 October 2024, the Company's Board of Directors declared to pay a cash dividend to the Company's shareholders of USD 0.30 per share for the third quarter 2024, in total approximately USD 18.1 million. The dividend equals 92% of adjusted cash flow to equity (ACFE) for the quarter, in line with the company's policy to distribute quarterly dividends of at least 80% of the ACFE (see slide 40 in Q3 Presentation for details).

<sup>1</sup> Alternative performance measures (APMs) are defined and reconciled in the excel sheet "APM3Q2024" published on the Company's homepage ([www.combinationcarriers.com](http://www.combinationcarriers.com)) Investor Relations/Reports and Presentations under the section for the Q3 2024 report.

<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 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 (drybulk) voyages followed by a dry bulk (tanker) 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.

KCC's fleet of 16 vessels are under technical management of Klaveness Ship Management AS ("KSM"), a company owned by KCC's majority shareholder Rederiaksjeselskapet Torvald Klaveness ("RASTK"). In October 2024, RASTK entered into an agreement with OSMT Thome ("OSMT"), a world-leading ship management company, to sell its shares in KSM.

In connection with this sale, shipowning subsidiaries of KCC has entered into new ship management agreements with KSM under ownership of OSMT for its current fleet and newbuildings. In the discussions with OSMT, it has been critical to protect KCC's and KSM's unique competency of operating combination carriers, to safeguard continuity in the operation of KCC's fleet and to protect the integrated operational model based on the close co-operation between KSM and KCC. Under the new ship management agreement with KSM/OSMT, the existing team of ship managers and marine superintendents will continue working exclusively for KCC.

Importance has also been placed on maintaining and protecting the crew pool securing the same dedicated crew onboard KCC's fleet.

Currently, KSM in addition to technical management provides commercial operations and technical project services to KCC. The latter two functions will not be part of the sale and these positions will become a part of the KCC organization.

The new structure and agreements will be effective 1 January 2025.

## > THE CABU BUSINESS

	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
Average TCE \$/day <sup>1</sup>	29 668	37 656	37 134	33 934	34 291
OPEX \$/day <sup>1</sup>	8 521	8 882	7 963	8 620	7 413
On-hire days	735	680	632	2 095	2 032
Off-hire days, scheduled	-	45	100	84	140
Off-hire days, unscheduled	1	3	4	13	12
% of days in combination trades <sup>2</sup>	88%	98%	94%	94%	91%
Ballast days in % of total on-hire days <sup>4</sup>	12%	13%	10%	10%	12%

Average TCE earnings per on-hire day for the CABU vessels ended at \$29,668/day in Q3 2024 which is down approximately \$8,000/day from the record strong Q2 2024 as the fleet experienced a lower number of caustic soda shipments this quarter as well as a weaker MR-tanker market from the end of Q2 2024 and through Q3 2024, negatively impacting the index-linked caustic soda contracts. However, the CABU fleet traded efficiently with 88% combination trading and 12% ballast for the quarter. TCE earnings for the CABU fleet were slightly above the spot market for standard MR<sup>5</sup> tankers in the third quarter (multiple 1.1).

Compared to Q3 2023, TCE earnings in Q3 2024 decreased by approximately \$7,500/day mainly due to a ~10% points lower share of days in tanker trades and less efficient trading.

Average operating expenses of \$8,521/day for the third quarter were down approximately \$360/day from the previous quarter and up approximately \$560/day compared to Q3 2023 mainly due to timing effects of procurement.

The CABU fleet had one unscheduled off-hire day in Q3 2024 and no scheduled off-hire.

## > THE CLEANBU BUSINESS

	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
Average TCE \$/day <sup>1</sup>	38 673	39 093	27 938	41 315	34 412
OPEX \$/day <sup>1</sup>	10 110	9 659	9 959	9 776	9 606
On-hire days	697	683	727	2 017	2 152
Off-hire days, scheduled	38	44	9	173	28
Off-hire days, unscheduled	1	1	-	2	6
% of days in combination trades <sup>2</sup>	84%	56%*	84%	67%	79%
Ballast days in % of total on-hire days <sup>4</sup>	11%	18%	17%	17%	18%

\*% of days in combination trades for Q2 2024 adjusted from 63 % to 56 % compared to Q2 2024 reporting

The CLEANBU fleet maintained strong TCE earnings in Q3 2024 which ended at \$38,673/day, down approximately \$400/day from last quarter despite a significantly weaker product tanker spot market in the quarter relative to Q2 2024. The strong TCE earnings were backed by high trading efficiency with 84% combination trading and 11% ballast for the quarter. Average TCE earnings for the CLEANBU fleet outperformed the spot market for standard LR1<sup>5</sup> tanker vessels in the third quarter (multiple 1.3).

Compared to Q3 2023, the TCE earnings were up approximately \$10,700/day, due to both a stronger product tanker market and stronger dry bulk markets.

Average operating expenses for the CLEANBU vessels ended at \$10,110/day, up approximately \$450/day from the previous quarter and up approximately \$150/day compared to the same quarter last year mainly due to somewhat higher maintenance cost this quarter.

The CLEANBU fleet had 38 scheduled off-hire days in Q3 2024 related to dry-docking of two vessels which entered yard in September 2024. Total off-hire days for these two vessels are expected to be 49 and 58 days, respectively, in total 25 days longer than expected in the Q2 Report mainly due to extreme weather and change of yard.

<sup>1</sup> Alternative performance measures (APMs) are defined and reconciled in the excel sheet "APM3Q2024" published on the Company's homepage ([www.combinationcarriers.com](http://www.combinationcarriers.com)) Investor Relations/Reports and Presentations under the section for the Q3 2024 report.

<sup>2</sup> % of days in combination trades = see definition on [page 2](#)

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

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

## > MARKET DEVELOPMENT

Average Market Rates with One Month Lag	Q3 2024	Q2 2024	Q3 2023	YTD 2024	2023
P5TC dry bulk earning \$/day	15 000	17 000	10 400	15 800	12 600
Average MR Clean tanker earnings \$/day	27 500	35 500	23 700	32 400	31 500
Average LR1 tanker earning \$/day	30 900	41 700	28 800	40 500	39 100
Fuel price USD/mt	610	630	600	620	620

The average Panamax **dry bulk** earnings decreased from ~\$17,000/day in Q2 2024 to an average of ~\$15,000/day in Q3 2024 (one month lagged average)<sup>1</sup>. The negative development is primarily rooted in a weak trans-Atlantic market, where particularly coal demand has been lacking. Panama Canal normalization which led to additional inflow of vessels meeting the decent front haul demand as well put pressure on rates. Towards the end of the quarter there was also a notable decline in East Coast South America demand for vessels, as the South American soybean season moved towards its end and lost competitiveness against the cheap US grains. The Pacific market was the outlier as it delivered well through the quarter driven by continued strong Chinese and Indian coal demand.

The **product tanker** market fell back markedly in third quarter. Average LR1 tanker earnings ended at approximately \$30,900/day and MR tankers at approximately \$27,500/day in Q3 2024, compared to \$41,700/day and \$35,600/day for the two segments in Q2 2024<sup>2</sup>.

The softer Q3 earnings were driven by several factors. Firstly, the tanker demand was hit by both weaker oil demand and weak refinery margins. For example, Chinese oil consumption declined by estimated 0.13mnbbl year-over-year in Q3 according to EIA<sup>3</sup>. Secondly, competition from crude tankers cleaning up to do CPP rounds due to the comparatively weak crude market increased supply substantially in the third quarter. Nonetheless, disruptions in the Red Sea and the resulting increased ton-mile of routing vessels around the Cape of Good Hope continued to support overall product tanker demand and earnings were still at healthy levels compared to historical averages.

**Caustic soda** prices increased compared to Q2 2024 across regions. Producer outages in the US has tightened the market. Firm alumina prices imply high utilization and caustic soda demand from the alumina refinery industry.

Brent **crude oil** prices weakened from USD 87 per barrel at the end of June 2024 to USD 72 per barrel at the end of September 2024. Average fuel oil price (VLSFO) ended at USD 610/mt (one month lagged) in Q3 2024, a decrease of 3% Q-o-Q.



<sup>1</sup> Source: Baltic Dry as of October 2024 (All series lagged by one month to reflect advance cargo fixing)

<sup>2</sup> Source: Shipping Intelligence Network and Clarkson's Securities; Average LR1 tanker earnings are MEG-Cont and MED-Japan triangulation; All series lagged by one month to reflect advance cargo fixing)

<sup>3</sup> EIA, STEO October 2024

## > HEALTH, SAFETY AND ENVIRONMENT

Health, Safety and Environment	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023	TARGET
Lost Time Injury Frequency (LTIF) <sup>5</sup>	0.0	1.1	0.0	0.4	0.0	<0.5
High-risk potential accidents	0	0	2	0	2	0
# of spills of the environment	0	0	0	0	0	0

KCC had zero Lost Time Injury Frequency, no High-risk potential accidents and no spills to the environment in Q3 2024. The High-risk

potential accidents KPI is tracked with the purpose of putting focus on and learning from the potential accident to improve safety.

Environmental KPIs	Q3 2024	Q2 2024	Benchmark Q3	Last 12 months	2023	TARGET 2026
CO <sub>2</sub> -emissions per ton transported cargo per nautical mile (EEOI) (grams CO <sub>2</sub> /(tons cargo x nautical miles)) <sup>2,6</sup>	6.1	6.9	9.3	6.5	6.5	5.3
Average CO <sub>2</sub> emission per vessel year (metric tons CO <sub>2</sub> /vessel-year)	19 200	19 000	n.a	19 100	18 700	16 900
% of days in combination trades	86%	77%*	n.a	82%	85%	85%
Ballast days in % of total on-hire days	11%	16%	34%	13%	14%	10%

\*% of days in combination trades for Q2 2024 adjusted from 81 % to 77 % compared to Q2 2024 reporting

The carbon intensity of the KCC fleet improved significantly to reach 6.1, the lowest level ever achieved for a quarter. This was driven by a 19% Q-o-Q drop in CLEANBU EEOI, caused by the high vessel utilization as ballast share for the CLEANBU fleet dropped from 18% in Q2 2024 to 11% in Q3 2024 and average cargo weight when laden increased from 63kt to 67kt. This is mainly explained by substantially higher combination trading, leading to less ballast time, following a significant narrowing of the difference between the product tanker market and the dry bulk market. Higher cargo intake due to higher lotsizes in dry bulk trading had also positive effect on the reported CLEANBU EEOI.

Compared to the CLEANBU fleet's drop in emissions intensity, CABU fleet EEOI was very stable achieving 6.3 in Q3, around the same range as the previous four quarters (6.3-6.4).

The most important factor driving "Average CO<sub>2</sub> emission per vessel year" is how much time vessels spend sailing at sea, which was stable Q-o-Q, rising slightly from 59.6% to 60.0%.



<sup>1</sup> LTIF per 1 million working hour. Lost Time Injuries (LTIs) are the sum of fatalities, permanent total disabilities, permanent partial disabilities and lost workday cases (injuries leading to loss of productive work time). In line with OCIMF (Oil Companies International Marine Forum)

<sup>2</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>3</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>4</sup> % of days in combination trades = see definition on [page 2](#).

<sup>5</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>6</sup> Benchmark: The EEOI and % ballast for "Benchmark standard vessels" are calculated based on standard vessels (Panamax/Kamsarmax dry bulk vessels, MR-tankers and LR1-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 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. From Q1 2024 onwards the calculation method for the EEOI has been revised by weighting it based on the transport work instead of the number of voyages in each trade. The change reduces the benchmark of around 0.5 gCO<sub>2</sub>/tNM in 2024 compared to the previous method.

## > OUTLOOK

While both the tanker and dry bulk markets are fundamentally strong with a predictable and historically attractive supply side, the current geopolitical and macroeconomic landscape create short- and medium-term uncertainties and risks. On one hand, disruptions caused by the Red Sea situation and the war in Ukraine drive tonne-mile demand in both markets and these disruptions are unlikely to be resolved in the foreseeable future. However, a continued or deepening slowdown in China could dampen global oil demand and demand for coal and iron ore, signalling a potential period of weaker global demand growth for both dry bulk and tanker shipping.

The product tanker market, however, looks likely to strengthen towards the end of the year driven by seasonality and expected lower competition from crude tankers. Demand in the dry bulk market having less seasonal support in the fourth quarter looks likely to moderate relative to the latest quarters.

The Red Sea situation and the geopolitical tensions in the Middle East have to date had no direct financial impact on KCC as the vessels seldom trade through the Red Sea. The Middle East region is an important trading area for KCC and a potential escalation of the situation involving additional countries in the region might have negative financial and operational impact.

For the CABU segment, the caustic soda cargo volume has increased in Q4 2024 compared to Q3 2024, resulting in a better balance between dry and wet cargoes and more efficient combination trading in the quarter. However, a weaker product tanker market to date in Q4 have a negative impact on the CABU Q4 TCE earnings compared to Q3. Based on the current 75% of the CABU days fixed and assuming forward freight pricing (FFA)<sup>3</sup> for open days, the CABU TCE earnings guidance for Q4 2024 is \$28,000-29,000/day. The expected number of CABU on-hire days in Q4 2024 is 680. One CABU vessel will dry-dock in Q4 2024 with an estimated 54 days off-hire in Q4.

The annual caustic soda contract renewal discussions are ongoing, and contracts covering most of the CABU fleet's tanker capacity for 2025 are targeted to be booked before the end of the year. The fixed-rate contract earnings are likely to remain at high levels for 2025.

For the CLEANBU segment, market development over the last quarter, in which tanker markets have declined significantly, incentivize combination trading. Based on current fixed days equal to 62% of fleet capacity and assuming FFA<sup>3</sup> for the open days, TCE earnings guidance for the CLEANBU fleet is \$31,000-33,000/day. One CLEANBU vessel is employed on time charter until February 2025, secured in early 2023. The estimated split of dry and wet trading for Q4 2024 is 29%/71% and the expected number of CLEANBU on-hire days is 650. Two ongoing CLEANBU dry-dockings will be completed in Q4 with an estimated total of 84 days off-hire in the quarter.

With expected lower rate differences between the dry bulk and tanker markets going forward KCC's combination carriers are expected to prove its superior value creation through its combination trading and look set to deliver premium earnings relative to standard dry bulk and product tankers.

The Board of Directors of

### Klaveness Combination Carriers ASA

Oslo, 29 October 2024

**Ernst A. Meyer**

**Chair of the Board**

**Göran Andreassen**

**Board member**

**Magne Øvreås**

**Board member**

**Marianne Møgster**

**Board member**

**Brita Eilertsen**

**Board member**

**Engebret Dahm**

**CEO**

<sup>1</sup> EIA STEO October 2024

<sup>2</sup> Clarksons Research Oil and Tanker Trades Outlook October 2024

<sup>3</sup> Source: Klaveness and Baltic Exchange as of October 2024. KMAX dry bulk vessel = P5TC, MR tanker = TC7 TCE, LR1 tanker = TC5 TCE, VLSFO = VSLFO Singapore. Forward TC5/TC7 TCE based on TC5/TC7 FFA assessment and forward VLSFO price.



# INCOME STATEMENT

USD '000	Notes	Unaudited		Unaudited		Audited
		Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Freight revenue	3	63 644	57 794	186 883	190 586	247 542
Charter hire revenue	3	9 084	7 437	32 809	19 851	39 624
<b>Total revenue, vessels</b>		<b>72 728</b>	<b>65 230</b>	<b>219 692</b>	<b>210 437</b>	<b>287 166</b>
Voyage expenses		(23 960)	(21 434)	(65 257)	(66 724)	(90 362)
<b>Net revenues from operation of vessels</b>		<b>48 768</b>	<b>43 796</b>	<b>154 437</b>	<b>143 714</b>	<b>196 805</b>
Other income	3	540	-	817	-	-
Operating expenses, vessels		(13 712)	(13 190)	(40 324)	(37 171)	(50 237)
Group commercial and administrative services	10	(1 449)	(1 233)	(4 048)	(3 578)	(5 403)
Salaries and social expenses		(1 079)	(1 010)	(3 153)	(2 923)	(4 086)
Tonnage tax		(43)	(44)	(126)	(125)	(198)
Other operating and administrative expenses		(467)	(407)	(1 277)	(1 507)	(1 933)
<b>Operating profit before depreciation (EBITDA)</b>		<b>32 557</b>	<b>27 912</b>	<b>106 324</b>	<b>98 411</b>	<b>134 947</b>
Depreciation	4	(7 588)	(7 929)	(22 639)	(24 387)	(31 842)
<b>Operating profit after depreciation (EBIT)</b>		<b>24 969</b>	<b>19 983</b>	<b>83 685</b>	<b>74 024</b>	<b>103 105</b>
Finance income	7	2 385	4 940	4 694	8 741	7 533
Finance costs	7	(5 667)	(8 612)	(15 584)	(21 757)	(23 739)
<b>Profit before tax (EBT)</b>		<b>21 687</b>	<b>16 311</b>	<b>72 795</b>	<b>61 007</b>	<b>86 899</b>
Income tax expenses		-	-	-	-	-
<b>Profit after tax</b>		<b>21 687</b>	<b>16 311</b>	<b>72 795</b>	<b>61 007</b>	<b>86 899</b>
Attributable to:						
Equity holders of the Parent Company		21 687	16 311	72 795	61 007	86 899
<b>Total</b>		<b>21 687</b>	<b>16 311</b>	<b>72 795</b>	<b>61 007</b>	<b>86 899</b>
<b>Earnings per Share (EPS):</b>						
Basic earnings per share		0.36	0.27	1.20	1.09	1.52
Diluted earnings per share		0.36	0.27	1.20	1.09	1.52

# STATEMENT OF COMPREHENSIVE INCOME

USD '000	Unaudited		Unaudited		Audited
	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
<b>Profit/ (loss) of the period</b>	<b>21 687</b>	<b>16 311</b>	<b>72 795</b>	<b>61 007</b>	<b>86 899</b>
<i>Other comprehensive income to be reclassified to profit or loss</i>					
Net movement fair value on cross-currency interest rate swaps (CCIRS)	2 965	(9 042)	(840)	(3 126)	2 100
Reclassification to profit and loss (CCIRS)	(3 424)	5 737	(415)	(1 007)	(6 044)
Net movement fair value on interest rate swaps	(2 441)	408	(2 613)	184	(2 245)
Net movement fair value bunker hedge	(265)	413	(193)	433	126
Net movement fair value FFA futures	-	43	-	176	247
<b>Net other comprehensive income to be reclassified to profit or loss</b>	<b>(3 165)</b>	<b>(2 441)</b>	<b>(4 061)</b>	<b>(3 340)</b>	<b>(5 816)</b>
<b>Total comprehensive income/(loss) for the period, net of tax</b>	<b>18 522</b>	<b>13 871</b>	<b>68 734</b>	<b>57 667</b>	<b>81 083</b>
Attributable to:					
Equity holders of the Parent Company	18 522	13 871	68 734	57 667	81 083
<b>Total</b>	<b>18 522</b>	<b>13 871</b>	<b>68 734</b>	<b>57 667</b>	<b>81 083</b>

# STATEMENT OF FINANCIAL POSITION

<b>ASSETS</b>			<b>Unaudited</b>	<b>Audited</b>
USD '000		<b>Notes</b>	<b>30 Sep 2024</b>	<b>31 Dec 2023</b>
<b>Non-current assets</b>				
Vessels	4		493 291	497 072
Newbuilding contracts	5		18 718	17 591
Long-term financial assets	6		4 350	6 325
Long-term receivables			162	107
<b>Total non-current assets</b>			<b>516 521</b>	<b>521 095</b>
<b>Current assets</b>				
Short-term financial assets	6		1 937	1 699
Inventories			12 568	12 123
Trade receivables and other current assets			32 028	24 942
Short-term receivables from related parties			72	110
Cash and cash equivalents	6		51 324	68 071
<b>Total current assets</b>			<b>97 930</b>	<b>106 947</b>
<b>TOTAL ASSETS</b>			<b>614 451</b>	<b>628 041</b>
<b>EQUITY AND LIABILITIES</b>				
USD '000		<b>Notes</b>	<b>Unaudited</b>	<b>Audited</b>
			<b>30 Sep 2024</b>	<b>31 Dec 2023</b>
<b>Equity</b>				
Share capital			6 977	6 977
Share premium			202 949	202 852
Other reserves			6 726	10 722
Retained earnings	8		153 460	141 147
<b>Total equity</b>			<b>370 113</b>	<b>361 698</b>
<b>Non-current liabilities</b>				
Mortgage debt	6		124 626	154 835
Long-term financial liabilities	6		32	657
Long-term bond loan	6		75 802	66 897
<b>Total non-current liabilities</b>			<b>200 460</b>	<b>222 388</b>
<b>Current liabilities</b>				
Short-term mortgage debt	6		25 199	25 199
Short-term financial liabilities	6		77	328
Trade and other payables			18 087	17 052
Short-term debt to related parties			387	1 179
Tax liabilities			130	196
<b>Total current liabilities</b>			<b>43 879</b>	<b>43 954</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>614 451</b>	<b>628 041</b>

The Board of Directors of

**Klaveness Combination Carriers ASA**

Oslo, 29 October 2024

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**Ernst A. Meyer**

**Chair of the Board**

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**Gøran Andreassen**

**Board member**

---

**Magne Øvreås**

**Board member**

---

**Marianne Møgster**

**Board member**

---

**Brita Eilertsen**

**Board member**

---

**Engebret Dahm**

**CEO**

# STATEMENT OF CHANGES IN EQUITY

## Attribute to equity holders of the parent

### Unaudited

USD '000	Share capital	Other paid in capital	Treasury Shares	Hedging reserve	Cost of hedging reserve	Retained earnings	Total
<b>Equity 1 January 2024</b>	<b>6 977</b>	<b>202 852</b>	<b>(97)</b>	<b>11 533</b>	<b>(714)</b>	<b>141 147</b>	<b>361 698</b>
Profit (loss) for the period	-	-	-	-	-	72 795	72 795
Other comprehensive income for the period	-	-	-	(4 061)	-	-	(4 061)
Employee share purchase (note 8,9)	-	97	66	-	-	-	163
Dividends	-	-	-	-	-	(60 482)	(60 482)
<b>Equity at 30 September 2024</b>	<b>6 977</b>	<b>202 949</b>	<b>(31)</b>	<b>7 472</b>	<b>(714)</b>	<b>153 460</b>	<b>370 113</b>

### Unaudited

USD '000	Share capital	Other paid in capital	Treasury Shares	Hedging reserve	Cost of hedging reserve	Retained earnings	Total
<b>Equity 1 January 2023</b>	<b>6 235</b>	<b>153 732</b>	<b>(147)</b>	<b>17 352</b>	<b>(714)</b>	<b>121 087</b>	<b>297 545</b>
Profit (loss) for the period	-	-	-	-	-	61 007	61 007
Other comprehensive income for the period	-	-	-	(3 340)	-	-	(3 340)
Private placement May 2023 (note 8)	721	48 619	-	-	-	-	49 340
Warrants (note 8)	21	480	-	-	-	-	501
Employee share purchase (note 8)	-	21	50	-	-	-	71
Dividends	-	-	-	-	-	(51 721)	(51 721)
<b>Equity at 30 September 2023</b>	<b>6 977</b>	<b>202 852</b>	<b>(97)</b>	<b>14 011</b>	<b>(714)</b>	<b>130 372</b>	<b>353 401</b>

### Audited

USD '000	Share capital	Other paid in capital	Treasury Shares	Hedging reserve	Cost of hedging reserve	Retained earnings	Total
<b>Equity 1 January 2023</b>	<b>6 235</b>	<b>153 732</b>	<b>(147)</b>	<b>17 352</b>	<b>(714)</b>	<b>121 087</b>	<b>297 545</b>
Profit (loss) for the period	-	-	-	-	-	86 899	86 899
Other comprehensive income for the period	-	-	-	(5 816)	-	-	(5 816)
Private placement May 2023 (note 8)	721	48 619	-	-	-	-	49 340
Warrants (note 8)	21	480	-	-	-	-	501
Employee share purchase (note 8)	-	21	50	-	-	-	71
Dividends	-	-	-	-	-	(66 836)	(66 836)
<b>Equity at 31 December 2023</b>	<b>6 977</b>	<b>202 852</b>	<b>(97)</b>	<b>11 533</b>	<b>(714)</b>	<b>141 147</b>	<b>361 698</b>

# STATEMENT OF CASH FLOWS

USD '000	Notes	Unaudited		Unaudited		Audited
		Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Profit before tax		21 687	16 311	72 795	61 007	86 899
Tonnage tax expensed		43	44	126	125	198
Depreciation	4	7 588	7 929	22 639	24 387	31 842
Amortization of upfront fees bank loans		303	319	887	1 486	1 784
Financial derivatives loss / gain (-)	6	(278)	185	283	303	18
Gain /loss on foreign exchange	7	(189)	187	(287)	318	169
Interest income	7	(1 893)	(4 940)	(4 111)	(8 739)	(7 246)
Interest expenses	7	5 339	7 921	14 409	19 648	21 481
Change in current assets		(7 395)	7 849	(7 493)	14 355	11 985
Change in current liabilities		(4 928)	972	(203)	720	(2 539)
Collateral paid/received on cleared derivatives	6	506	(621)	(64)	136	(186)
Interest received	7	1 893	2 287	4 111	6 088	4 594
<b>A: Net cash flow from operating activities</b>		<b>22 676</b>	<b>38 443</b>	<b>103 092</b>	<b>119 834</b>	<b>148 999</b>
Acquisition of tangible assets	4	(3 350)	(4 068)	(18 859)	(11 479)	(12 843)
Installments and other cost on newbuilding contracts	5	(412)	(17 481)	(1 127)	(17 481)	(17 591)
<b>B: Net cash flow from investment activities</b>		<b>(3 762)</b>	<b>(21 549)</b>	<b>(19 986)</b>	<b>(28 960)</b>	<b>(30 434)</b>
Paid in registered capital increase	8	-	-	-	49 828	49 828
Transaction costs on capital increase		-	-	-	(1 093)	(1 093)
Proceeds from long term incentive plan	8	-	-	102	27	27
Paid in from exercise of warrants		-	501	-	501	501
Transaction costs on issuance of debt	6	-	(714)	(444)	(2 303)	(2 303)
Repayment of mortgage debt	6	(6 300)	(6 300)	(30 900)	(157 733)	(164 033)
Drawdown of mortgage debt	6	-	-	-	95 000	95 000
Repurchase bond incl premium (KCC04)	6	(18 259)	(55 478)	(18 259)	(55 478)	(55 478)
Proceeds from new bond issue (KCC05)	6	-	47 112	29 203	47 112	47 112
Interest paid	7	(5 634)	(5 618)	(14 874)	(19 506)	(21 904)
Termination of interest rate derivatives	6	(2 527)	-	(2 502)	4 001	4 001
Dividends		(18 137)	(15 061)	(60 482)	(51 721)	(66 836)
<b>C: Net cash flow from financing activities</b>		<b>(50 857)</b>	<b>(35 558)</b>	<b>(99 853)</b>	<b>(91 365)</b>	<b>(115 179)</b>
<b>Net change in liquidity in the period</b>		<b>(31 943)</b>	<b>(18 663)</b>	<b>(16 747)</b>	<b>(491)</b>	<b>3 386</b>
Cash and cash equivalents at beginning of period		83 267	82 857	68 071	64 685	64 685
Cash and cash equivalents at end of period		51 324	64 194	51 324	64 194	68 071
<b>Net change in cash and cash equivalents in the period</b>		<b>(31 943)</b>	<b>(18 663)</b>	<b>(16 747)</b>	<b>(491)</b>	<b>3 386</b>
Cash and cash equivalents		51 324	64 194	51 324	64 194	68 071
Other interest bearing liabilities (overdraft facility)	6	-	-	-	-	-
<b>Cash and cash equivalents (as presented in cash flow statement)</b>		<b>51 324</b>	<b>64 194</b>	<b>51 324</b>	<b>64 194</b>	<b>68 071</b>

## NOTES

- 01** ACCOUNTING POLICIES

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- 02** SEGMENT REPORTING

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- 03** REVENUE AND OTHER INCOME

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- 04** VESSELS

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- 05** NEWBUILDINGS

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- 06** FINANCIAL ASSETS AND LIABILITIES

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- 07** FINANCIAL ITEMS

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- 08** SHARE CAPITAL, SHAREHOLDERS AND DIVIDENDS

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- 09** LONG-TERM INCENTIVE PLAN

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- 10** TRANSACTIONS WITH RELATED PARTIES

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- 11** EVENTS AFTER THE BALANCE SHEET DATE



# Note 1 - 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 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 are to provide transportation for dry bulk, chemical and product tanker clients, as well as to develop new investment and acquire assets that fit the Group's existing business platform. The Group has eight CABU vessels (see note 4) with capacity to transport caustic soda solution (CSS), floating fertilizer (UAN) and molasses as well as all dry bulk commodities, and three CABU vessels under construction. 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 2023, which have been prepared in accordance with IFRS Accounting Standards, as adopted by the European Union.

## Tax

The Group has subsidiaries in various tax jurisdictions, including ordinary and tonnage tax regimes in Norway and ordinary taxation in Singapore. Income from international shipping operations is tax exempt under the Norwegian tax regime, while financing costs are partly deductible. As such, the Group does not incur material tax expenses.

## 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 2023 except for the adoption of any new accounting standards or amendments with effective date after 1 January 2024. There was no material impact of new accounting standards or amendments adopted in the period.



## Note 2 - SEGMENT REPORTING

### Operating income and operating expenses per segment

USD '000	Q3 2024			Q3 2023		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
Total revenue, vessels	36 198	36 530	72 728	32 692	32 539	65 230
Voyage expenses	(14 398)	(9 562)	(23 960)	(9 219)	(12 215)	(21 434)
<b>Net revenues from operations of vessels</b>	<b>21 802</b>	<b>26 968</b>	<b>48 768</b>	<b>23 473</b>	<b>20 323</b>	<b>43 796</b>
Other income	-	540	540	-	-	-
Operating expenses, vessels	(6 271)	(7 441)	(13 712)	(5 860)	(7 330)	(13 190)
Group commercial and administrative services	(663)	(786)	(1 449)	(548)	(685)	(1 233)
Salaries and social expense	(494)	(586)	(1 079)	(449)	(561)	(1 010)
Tonnage tax	(20)	(24)	(43)	(25)	(19)	(44)
Other operating and administrative expenses	(213)	(253)	(467)	(181)	(226)	(407)
<b>Operating profit before depreciation (EBITDA)</b>	<b>14 141</b>	<b>18 418</b>	<b>32 557</b>	<b>16 411</b>	<b>11 500</b>	<b>27 912</b>
Depreciation	(3 470)	(4 117)	(7 588)	(3 489)	(4 439)	(7 929)
<b>Operating profit after depreciation (EBIT)</b>	<b>10 670</b>	<b>14 301</b>	<b>24 969</b>	<b>12 921</b>	<b>7 061</b>	<b>19 983</b>

### Reconciliation of average revenue per on-hire day (TCE earnings \$/day)

USD '000	Q3 2024			Q3 2023		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
<b>Net revenues from operations of vessels</b>	<b>21 802</b>	<b>26 968</b>	<b>48 768</b>	<b>23 473</b>	<b>20 323</b>	<b>43 796</b>
On-hire days	735	697	1 432	632	727	1 360
<b>Average TCE earnings (\$/day)</b>	<b>29 668</b>	<b>38 673</b>	<b>34 052</b>	<b>37 134</b>	<b>27 938</b>	<b>32 214</b>

### Reconciliation of opex \$/day

USD '000	Q3 2024			Q3 2023		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
<b>Operating expenses, vessels</b>	<b>6 271</b>	<b>7 441</b>	<b>13 712</b>	<b>5 860</b>	<b>7 330</b>	<b>13 190</b>
Operating days	736	736	1 472	736	736	1 472
<b>Opex \$/day</b>	<b>8 521</b>	<b>10 110</b>	<b>9 315</b>	<b>7 963</b>	<b>9 959</b>	<b>8 961</b>

## NOTE 2 - SEGMENT REPORTING CONT.

### Operating income and operating expenses per segment

USD '000	YTD 2024			YTD 2023		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
Total revenue, vessels	110 557	109 135	219 692	106 432	104 006	210 437
Voyage expenses	(39 462)	(25 794)	(65 257)	(36 755)	(29 968)	(66 723)
<b>Net revenues from operations of vessels</b>	<b>71 096</b>	<b>83 341</b>	<b>154 437</b>	<b>69 677</b>	<b>74 038</b>	<b>143 714</b>
Other income	278	540	817	-	-	-
Operating expenses, vessels	(18 895)	(21 429)	(40 324)	(16 190)	(20 980)	(37 171)
Group commercial and administrative services	(1 897)	(2 151)	(4 048)	(1 558)	(2 019)	(3 578)
Salaries and social expense	(1 478)	(1 676)	(3 153)	(1 273)	(1 650)	(2 923)
Tonnage tax	(67)	(59)	(126)	(47)	(78)	(125)
Other operating and administrative expenses	(599)	(679)	(1 277)	(656)	(851)	(1 507)
<b>Operating profit before depreciation (EBITDA)</b>	<b>48 439</b>	<b>57 887</b>	<b>106 324</b>	<b>49 952</b>	<b>48 460</b>	<b>98 411</b>
Depreciation	(10 513)	(12 126)	(22 639)	(10 070)	(14 317)	(24 387)
<b>Operating profit after depreciation (EBIT)</b>	<b>37 926</b>	<b>45 761</b>	<b>83 685</b>	<b>39 882</b>	<b>34 143</b>	<b>74 024</b>

### Reconciliation of average revenue per on-hire day (TCE earnings \$/day)

USD '000	YTD 2024			YTD 2023		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
<b>Net revenues from operations of vessels</b>	<b>71 096</b>	<b>83 341</b>	<b>154 437</b>	<b>69 677</b>	<b>74 038</b>	<b>143 714</b>
On-hire days	2 095	2 017	4 112	2 032	2 152	4 183
<b>Average TCE earnings (\$/day)</b>	<b>33 934</b>	<b>41 315</b>	<b>37 555</b>	<b>34 291</b>	<b>34 412</b>	<b>34 353</b>

### Reconciliation of opex \$/day

USD '000	YTD 2024			YTD 2023		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
<b>Operating expenses, vessels</b>	<b>18 895</b>	<b>21 429</b>	<b>40 324</b>	<b>16 190</b>	<b>20 980</b>	<b>37 171</b>
Operating days	2 192	2 192	4 384	2 184	2 184	4 368
<b>Opex \$/day</b>	<b>8 620</b>	<b>9 776</b>	<b>9 198</b>	<b>7 413</b>	<b>9 606</b>	<b>8 510</b>

## NOTE 2 - SEGMENT REPORTING CONT.

### Operating income and operating expenses per segment

			2023
USD '000	CABU	CLEANBU	Total
Total revenue, vessels	145 785	141 380	287 166
Voyage expenses	(50 120)	(40 242)	(90 362)
<b>Net revenues from operations of vessels</b>	<b>95 665</b>	<b>101 139</b>	<b>196 805</b>
Operating expenses, vessels	(22 618)	(27 618)	(50 237)
Group commercial and administrative services	(2 433)	(2 970)	(5 403)
Salaries and social expense	(1 840)	(2 246)	(4 086)
Tonnage tax	(100)	(98)	(198)
Other operating and administrative expenses	(870)	(1 063)	(1 933)
<b>Operating profit before depreciation (EBITDA)</b>	<b>67 804</b>	<b>67 142</b>	<b>134 947</b>
Depreciation	(13 476)	(18 366)	(31 842)
<b>Operating profit after depreciation (EBIT)</b>	<b>54 328</b>	<b>48 776</b>	<b>103 105</b>

### Reconciliation of average revenue per on-hire day (TCE earnings \$/day)

			2023
USD '000	CABU	CLEANBU	Total
<b>Net revenues from operations of vessels</b>	<b>95 665</b>	<b>101 139</b>	<b>196 805</b>
On-hire days	2 754	2 872	5 626
<b>Average TCE earnings (\$/day)</b>	<b>34 742</b>	<b>35 214</b>	<b>34 983</b>

### Reconciliation of opex \$/day

			2023
USD '000	CABU	CLEANBU	Total
<b>Operating expenses, vessels</b>	<b>22 618</b>	<b>27 618</b>	<b>50 237</b>
Operating days	2 920	2 920	5 840
<b>Opex \$/day</b>	<b>7 746</b>	<b>9 458</b>	<b>8 602</b>

## NOTE 3 - REVENUE AND OTHER INCOME

### Revenue types

USD '000	Classification	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Revenue from COA contracts	Freight revenue	48 958	48 115	122 753	140 286	138 880
Revenue from spot voyages	Freight revenue	14 686	9 679	64 130	50 300	108 662
Revenue from TC contracts	Charter hire revenue	9 084	7 437	32 809	19 851	39 624
<b>Total revenue, vessels</b>		<b>72 728</b>	<b>65 230</b>	<b>219 692</b>	<b>210 438</b>	<b>287 166</b>

### Other income

USD '000	Classification	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Other income	Other income	540	-	817	-	-
<b>Total other income</b>		<b>540</b>	<b>-</b>	<b>817</b>	<b>-</b>	<b>-</b>

Other income of USD 0.5 million in Q3 2024 consists of compensation from loss of hire insurance.

## NOTE 4 - VESSELS

<b>Vessels</b>		
USD '000	30 Sep 2024	31 Dec 2023
Cost price 1.1	755 564	742 721
Dry-Docking	8 116	4 959
Energy efficiency upgrade	9 332	7 566
Technical upgrade	1 412	319
<b>Costprice end of period</b>	<b>774 423</b>	<b>755 564</b>
Acc. Depreciation 1.1	258 492	226 650
Depreciation vessels	22 639	31 842
<b>Acc. Depreciation end of period</b>	<b>281 131</b>	<b>258 492</b>
<b>Carrying amounts end of period*</b>	<b>493 291</b>	<b>497 072</b>
*) carrying value of vessels includes dry-docking		
No. of vessels	16	16
Useful life (vessels)	25	25
Useful life (dry-docking)	2-3	2-3
Depreciation schedule	Straight-line	Straight-line

### Reconciliation of depreciations

USD '000	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Depreciation vessels	7 588	7 929	22 639	24 387	31 842
<b>Depreciations for the period</b>	<b>7 588</b>	<b>7 929</b>	<b>22 639</b>	<b>24 387</b>	<b>31 842</b>

### ADDITIONS

Three vessels have completed dry-dock so far in 2024, two CLEANBU vessels will complete dry-dock in Q4 2024 and one CABU vessel is planned for dry-dock in the last quarter of 2024. Total costs of USD 8.1 million have been recognized year-to-date 2024 (whereof Q3 USD 0.8 million). Technical upgrades of USD 1.4 million (USD 0.3 million in Q3) and energy efficiency upgrades of USD 9.3 million (USD 2.2 million in Q3) are related to general improvement of the technical performance of the vessels and energy efficiency initiatives, the latter deducted by grants from ENOVA. KCC has secured in total approximately USD 1.4 million in grants from ENOVA to finance investments in energy saving solutions for one CABU vessel and one CLEANBU vessel. Both vessels have completed dry-docking and the full USD 1.4 million is capitalized as of 30 September 2024.

### IMPAIRMENT

Identification of impairment indicators are 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. Rises in interest rates in isolation, increase the discount rate used in the calculation of recoverable amount. As previous sensitivity analysis of recoverable amount shows that the decrease in recoverable amount is unlikely to result in a material impairment loss, as per IAS 36.16, this has not been considered an impairment indicator. Expected future TCE earnings for both CABUs and CLEANBUs, diversified market exposure, development in secondhand prices and the combination carriers' trading flexibility support the conclusion of no impairment indicators identified as per 30 September 2024.

<sup>1</sup> ENOVA = A Norwegian government enterprise responsible for promotion of environmentally friendly production and consumption of energy

## NOTE 5 - NEWBUILDINGS

(USD '000)	30 Sep 2024	31 Dec 2023
Cost 1.1	17 591	-
Yard installments paid	-	17 205
Other capitalized cost	1 127	386
<b>Net carrying amount</b>	<b>18 718</b>	<b>17 591</b>

The Group had per 30 September 2024 three CABU combination carrier newbuilds on order at Jiangsu New Yangzi Shipbuilding Co., Ltd in China. The contract price is USD 57.4 million per vessel and delivery cost will include costs for change orders, supervision and project management fee, upstoring costs and energy efficiency investments. The expected delivery of the vessels is Q1-Q3 2026.

Instalments of USD 17.2 million were paid as of third quarter 2024. The newbuilds are partly financed through equity raised in 2024 and cash on the balance sheet, and there were no borrowings related to the newbuilds as of 30 September 2024.

## NOTE 6 - FINANCIAL ASSETS AND LIABILITIES

In July 2024, KCC exercised the call option to voluntarily early redeem all outstanding bonds under the Klaveness Combination Carriers ASA FRN Senior Unsecured NOK 700,000,000 Bonds 2020/2025 (KCC04). KCC has held NOK 508.5 million of the outstanding bonds after a repurchase of the KCC04 bond issue in September 2023. The redemption price was 100.75% of the nominal amount for each redeemed bond plus accrued and unpaid interest. All related swaps are terminated (note 7).

USD '000

Mortgage debt	Description	Interest rate	Maturity	Carrying amount
DNB/SEB/SRB/SPV Facility**	Term Loan/RCF, USD 190 million	Term SOFR + 2.1 %	June 2028	78 796
Nordea/Credit Agricole Facility*	Term Loan/RCF, USD 60 million	Term SOFR + 2.25 %	March 2027	17 647
Nordea/Danske Facility**/**	Term Loan, USD 80 million	Term SOFR + CAS + 2.1 %	December 2026	56 058
Capitalized loan fees				(2 676)
<b>Mortgage debt 30 Sep 2024</b>				<b>149 825</b>

\* 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.

\*\*\* CAS= Credit Adjusted Spread. For three months Term SOFR, the CAS is approx 0.26%

The Group has available undrawn long-term revolving credit facilities of USD 125 million and USD 8 million available capacity under a 364-days overdraft facility.

USD '000

Bond loan	Face value	Maturity	Carrying Amount
	NOK'000		30 Sep 2024
KCC04	700 000	11.02.2025	76 390
Realized exchange rate gain at buyback			
Buyback KCC04 (Q3 2024)	(191 500)		(21 411)
Buyback KCC04 (Q3 2023)	(508 500)		(54 978)
<b>Sum KCC04</b>	-		-
KCC05	800 000	05.09.2028	75 088
Exchange rate adjustment			644
Capitalized expenses			(1 035)
Bond Premium			1 106
<b>Sum KCC05</b>	<b>800 000</b>		<b>75 802</b>
<b>Total bond loan</b>	<b>800 000</b>		<b>75 802</b>

As per 30 September 2024, USD 71k of the Group's total cash balance was classified as restricted cash. The restricted cash consists of employee tax withholding.

The Group is subject to certain financial covenants and other undertakings in financing arrangements. As per 30 September 2024 the Group was in compliance with all financial covenants. For further details on covenants please see the 2023 Annual Report.

**NOTE 6 - FINANCIAL ASSETS AND LIABILITIES CONT.**

USD '000	Fair value	Carrying amount	Carrying amount
	30 Sep 2024	30 Sep 2024	31 Dec 2023
<b>Interest bearing liabilities</b>			
Mortgage debt	127 302	127 302	158 201
Capitalized loan fees	-	(2 676)	(3 367)
Bond loan	78 361	75 732	67 777
Bond premium	-	1 106	-
Bond discount	-	-	(82)
Capitalized expenses bond loan	-	(1 035)	(797)
<b>Total non-current interest bearing liabilities</b>	<b>205 663</b>	<b>200 429</b>	<b>221 732</b>
Mortgage debt, current	25 199	25 199	25 199
<b>Total interest bearing liabilities</b>	<b>230 862</b>	<b>225 628</b>	<b>246 931</b>

USD '000	30 Sep 2024	31 Dec 2023
<b>Financial assets</b>		
<b>Financial instruments at fair value through OCI</b>		
Cross-currency interest rate swap	1 372	1 891
Interest rate swaps	4 868	5 762
Fuel Hedge	-	87
<b>Financial instruments at fair value through P&amp;L</b>		
Forward currency contracts	48	285
<b>Financial assets</b>	<b>6 288</b>	<b>8 025</b>
Current	1 937	1 699
Non-current	4 350	6 326

USD '000	30 Sep 2024	31 Dec 2023
<b>Financial liabilities</b>		
<b>Financial instruments at fair value through OCI</b>		
Cross-currency interest rate swap	108	985
<b>Financial liabilities</b>	<b>108</b>	<b>985</b>
Current	77	328
Non-current	32	657



## NOTE 7 - FINANCIAL ITEMS

USD '000

<b>Finance income</b>	<b>Q3 2024</b>	<b>Q3 2023</b>	<b>YTD 2024</b>	<b>YTD 2023</b>	<b>2023</b>
Other interest income	1 893	2 287	4 111	6 087	4 594
Gain on currency contracts	12	-	5	-	285
Gain on terminated cross-currency swaps	291	2 652	291	2 652	2 652
Other financial income	-	-	1	1	1
Gain on foreign exchange	189	-	287	-	-
<b>Finance income</b>	<b>2 385</b>	<b>4 940</b>	<b>4 694</b>	<b>8 741</b>	<b>7 533</b>

USD '000

<b>Finance cost</b>	<b>Q3 2024</b>	<b>Q3 2023</b>	<b>YTD 2024</b>	<b>YTD 2023</b>	<b>2023</b>
Interest expenses mortgage debt	3 056	3 635	8 195	12 262	13 590
Interest expenses bond loan	1 798	1 890	5 099	4 630	5 756
Amortization capitalized fees on loans	303	319	887	1 486	1 784
Other financial expenses	485	2 396	1 115	2 756	2 135
Loss on currency contracts	26	-	288	-	-
Fair value changes interest rate swaps	-	185	-	303	303
Loss on foreign exchange	-	187	-	318	169
<b>Finance cost</b>	<b>5 667</b>	<b>8 612</b>	<b>15 584</b>	<b>21 757</b>	<b>23 739</b>

Other financial expenses of USD 0.5 million in Q3 2024 include commitment fees of USD 0.3 million and USD 0.2 million in costs related to repurchase of KCC04. Other financial income of USD 0.3 million in Q3 is from gain on terminated cross-currency interest rate swaps.

In 2024, other interest income from hedged swaps are reclassified to interest expense mortgage debt and interest expenses bond loan. The reclassification has no net effect on the Profit and Loss.

## NOTE 8 - SHARE CAPITAL, SHAREHOLDERS AND DIVIDENDS

Dividends of USD 18.1 million were paid to the shareholders in September 2024 (USD 0.30 per share). A total of USD 60.5 million in dividends were paid to shareholders during the first three quarters of 2024.

On 15 May 2024, employees in the Company purchased in total 20 295 shares in KCC through the Company's LTIP program, where 10 000 shares were purchased by the CEO. The Company used Treasury shares to settle the transactions. In connection to these share purchases, the employees were awarded 60 525 share options in the Company of which 30 000 options were awarded to the CEO. As of 30 September 2024, the CEO, Engebret Dahm, holds 60 000 options in the Company (note 9).

	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
<b>Weighted average number of ordinary shares for basic EPS</b>	<b>60 451 948</b>	<b>60 264 590</b>	<b>60 441 777</b>	<b>55 849 948</b>	<b>56 996 430</b>
Share options (note 9)	101 025	67 200	71 137	40 609	43 717
Warrants	-	162 842	-	207 006	155 255
<b>Weighted average number of ordinary shares for the effect of dilution</b>	<b>60 552 973</b>	<b>60 494 632</b>	<b>60 512 914</b>	<b>56 097 563</b>	<b>57 195 402</b>

## NOTE 9 - LONG-TERM INCENTIVE PLAN

The Board proposed a Long-Term Incentive Plan (LTIP) that was approved by the General Meeting in April 2023. Details on options granted and fair value calculation are described in Annual report 2023, note 17, published on the Company's homepage ([www.combinationcarriers.com](http://www.combinationcarriers.com)) under "Investor Relations/Reports and Presentations."

On 21 May 2024, employees of the Company purchased in total 20 295 shares in KCC as part of the Company's long term incentive program (of which the CEO, Engebret Dahm, purchased 10 000 of the total shares). The shares were acquired at a price of NOK 85.70 per share. The Q3 effect of the equity settled share-based payment is an increase in equity of USD 0.2 million.

In connection with the share purchases in May 2024, and in accordance with the terms of the LTIP, employees were awarded 60 525 share options in KCC (of which the CEO, Engebret Dahm, was awarded 30 000 share options) at a strike price of NOK 107.10, adjusted for any distribution of dividends made before the relevant options are exercised. The share purchases are partly financed through loans. As of Q3 2024, the CEO, Engebret Dahm, has loans of USD 0.1 million in relation to the share purchase part of the LTIP (Annual Report 2023, note 7).

The fair value of the share options granted on 21 May 2024 was calculated based on the Black-Scholes Merton method. The key assumptions used to estimate the fair value of the share options are set out below:

	Model inputs
Dividend yield (%)	14%
Expected volatility (%)*	28%
Risk-free interest rate (%)**	6.80%
Expected life of share options (year)	5
Weighted average share price (NOK)	105

\*The expected volatility reflects the assumption that the historical shipping industry average is indicative of future trends, which may not necessarily be the actual outcome.

\*\*We used the average five-year Norwegian Government bond risk-free yield-to-maturity rate of 6.8% as of May 2024 as an estimate for the risk-free rate to match the expected five-year term of the share options.

The following table summarizes the option activity as per 30 September 2024:

	Average exercise price	2024	2023
<b>Opening balance beginning of period</b>		<b>40 500</b>	<b>65 280</b>
Granted during the year	NOK 69.5	60 525	40 500
Exercised during the year		-	(65 280)
Forfeited during the year		-	-
Expired during the year		-	-
<b>Closing balance end of period</b>		<b>101 025</b>	<b>40 500</b>

The fair value of the share options granted is calculated to USD 119k, i.e. USD 1.91 per share option. The cost to be recognized in 2024 is USD 12k.

## NOTE 10 - TRANSACTIONS WITH RELATED PARTIES

USD '000

Type of services/transactions	Provider <sup>1</sup>	Price method	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Business adm. services	KAS	Cost + 5%	623	580	1 745	1 461	1 944
Business adm. services	KA Ltd	Cost + 5%	15	20	51	114	139
Business adm. services	KD	Priced as other Cargo value services	3	-	9	-	5
Commercial services	KAD*	Cost + 7.5%	189	217	445	217	381
Commercial services	KDB	Cost + 7.5%	57	81	153	223	293
Commercial services	KSM	Cost + 7.5%	193	216	650	662	990
Board member fee	KD	Fixed fee as per annual general meeting	-	(6)	(12)	(18)	(24)
Project management	KSM	Cost + 7.5%	368	124	1 007	917	1 674
<b>Total group commercial and administrative services</b>			<b>1 449</b>	<b>1 233</b>	<b>4 048</b>	<b>3 578</b>	<b>5 403</b>

Some bunker purchases are done through AS Klaveness Chartering which holds the bunker contracts with suppliers in some regions. No profit margin is added to the transactions, but a service fee is charged based on time spent (cost +7.5%) by the bunkering team in KDB and charged as part of the commercial services from KDB.

\*Two employees were transferred from Singapore to Dubai from 1 August 2023. KCC does not have set-up in Dubai and the employees have hence been transferred from a KCC company to a related company in the Torvald Klaveness Group and are hired back by a KCC company at cost + 7.5%. The amount includes salary and employee bonus.

USD '000

Type of services/transactions	Provider <sup>1</sup>	Price method	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Technical mngmnt fee (opex)	KSM	Fixed fee per vessel	1 053	1 002	3 158	3 007	4 117
Crewing and IT fee (opex)	KSM	Fixed fee per vessel	431	377	1 292	1 100	1 496
Board member fee (administrative expenses)	KAS	Fixed fee as per annual general meeting	19	20	58	60	80
<b>Total other services/ transactions</b>			<b>1 503</b>	<b>1 400</b>	<b>4 507</b>	<b>4 167</b>	<b>5 693</b>

<sup>1</sup> Klaveness AS (KAS), Klaveness Ship Management AS (KSM), Klaveness Asia Pte.Ltd (KA Ltd), Klaveness Dry Bulk AS (KDB), AS Klaveness Chartering (KC), Klaveness Asia Pte. Ltd - Dubai Branch (KAD), Klaveness Digital AS (KAD)

## NOTE 11 - EVENTS AFTER THE BALANCE SHEET DATE

On 29 October 2024, the Company's Board of Directors declared to pay a cash dividend to the Company's shareholders of USD 0.30 per share for third quarter 2024, in total approximately USD 18.1 million.

KCC's fleet of 16 vessels are under technical management of Klaveness Ship Management AS ("KSM"), a company owned by KCC's majority shareholder Rederiaksjeselskapet Torvald Klaveness ("RASTK"). In October 2024, RASTK entered into an agreement with OSM Thome ("OSMT"), a world-leading ship management company, to sell its shares in KSM.

In connection with this sale, shipowning subsidiaries of KCC have entered into new ship management agreements with KSM under ownership of OSMT for its current fleet and newbuildings. In the discussions with OSMT, it has been critical to protect KCC's and KSM's unique competency of operating combination carriers, to safeguard continuity in the operation of KCC's fleet and to protect the integrated operational model based on the close co-operation between KSM and KCC. Under the new ship management agreements with KSM/OSMT, the existing team of ship managers and marine superintendents will continue working exclusively for KCC.

Importance has also been placed on maintaining and protecting the crew pool securing the same dedicated crew onboard KCC's fleet.

Currently, KSM in addition to technical management provides commercial operations and technical project services to KCC. The latter two functions will not be part of the sale and these positions will become a part of the KCC organization.

The new structure and agreements will be effective 1 January 2025.

There are no other events after the balance sheet date that have material effect on the Financial Statement as of 30 September 2024.