



Klaveness
Combination Carriers

Fourth
Quarter
2023



HIGHLIGHTS

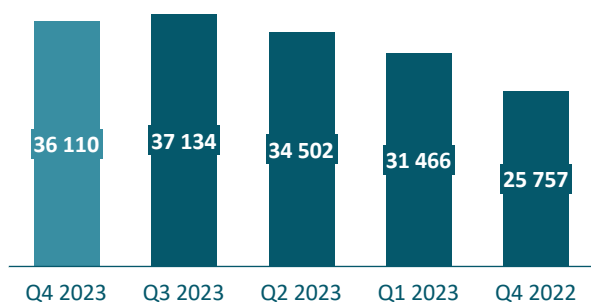
- EBT of USD 25.9 million and EBITDA of USD 36.5 million for Q4 2023
- Historically solid Q4 TCE earnings
- Record high 2023 financial result – 17% ROCE and 24% ROE
- 2023 carbon intensity (EEOI) performance 6% better than 2022
- Close to 100% of CABU wet capacity secured for 2024
- KCC Board of Directors declares dividend of USD 0.35 per share (~USD 21.2 million in total)



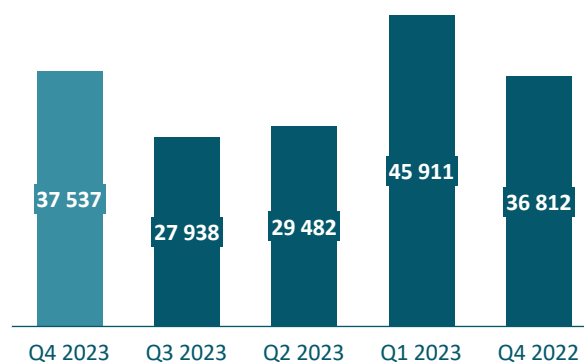
“A strong Q4 2023 closes a record year for KCC, a year of record profitability and solid strategic progress across the business. Both the CABUs and CLEANBUs delivered some of our highest TCE-earnings to date, getting the most out of a substantially stronger product tanker market in Q4 2023. After a solid start to the new year, KCC is on course to deliver another exciting quarter in Q1 2024.”

- Engebret Dahm, CEO Klaveness Combination Carriers ASA

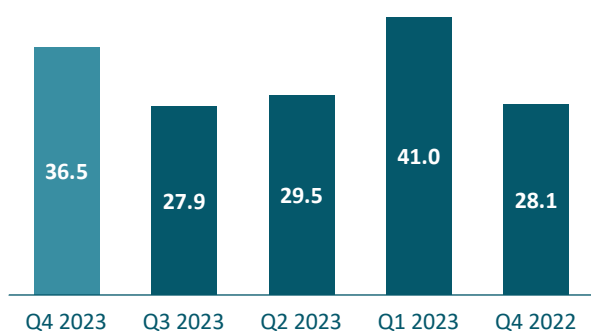
Average CABU TCE earnings (\$/day)¹



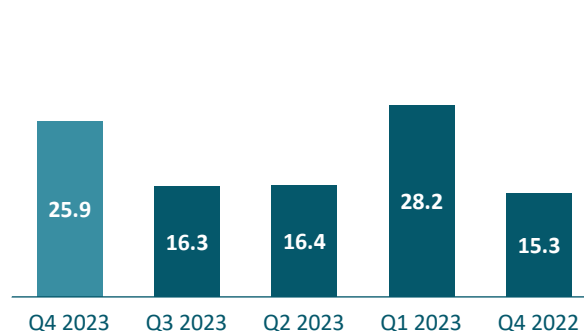
Average CLEANBU TCE earnings (\$/day)¹



EBITDA (MUSD)



Profit/(loss) after tax (MUSD)



¹ 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 “APM4Q2023” published on the Company’s homepage (www.combinationcarriers.com) Investor Relations/Reports and Presentations under the section for the Q4 2023 report.

> FINANCIAL PERFORMANCE

(USD '000)	Q4 2023	Q3 2023	Q4 2022	2023	2022
Net revenues from vessel operations	53 110	43 796	44 383	196 805	164 620
EBITDA	36 536	27 911	28 134	134 947	106 955
Profit/(loss) for the period	25 892	16 311	15 343	86 899	60 869
Earnings per share (USD)	0.43	0.27	0.29	1.52	1.16
Total assets	628 041	627 676	642 021	628 041	642 906
Equity	361 698	353 401	297 545	361 698	297 545
Equity ratio*	58%	56%	46%	58%	46%
ROCE annualised*	19%	13%	12%	17%	12%
ROE annualised*	29%	18%	21%	24%	20%

Fourth quarter

Net profit after tax for the fourth quarter ended at USD 25.9 million compared to USD 16.3 million in Q3 2023 and USD 15.3 million in Q4 2022. EBITDA for the period ended at USD 36.5 million, a 31% increase Q-o-Q driven by stronger CLEANBU TCE earnings and more on-hire days.

Operating expenses were in line with last quarter, while administrative expenses were up USD 0.7 million/28% Q-o-Q mainly due to exercised share options settled in cash, higher project costs and year-end provisions. Net finance cost decreased by USD 0.5 million/-13% Q-o-Q mainly due to positive FX effects and fair value development on derivatives, partly offset by higher net interest cost.

Full year

Net profit for the year ended at USD 86.9 million, an increase of USD 26.1 million/43% from 2022. EBITDA increased by 26% from USD 107.0 million in 2022 to USD 134.9 million in 2023. Average TCE earnings of the fleet were up 18% Y-o-Y from \$29,764/day in 2022 to \$34,983/day in 2023 mainly due to higher revenues from vessel operations. The latter driven by solid earnings on fixed rate caustic soda contracts of affreightment for 2023 relative to 2022 and a healthy product tanker market throughout the year.

CAPITAL AND FINANCING

Cash and cash equivalents ended at USD 68.1 million by year-end 2023, an increase of USD 3.9 million during the quarter and USD 3.2 million from year-end 2022. Available long-term liquidity (cash and cash equivalents and available capacity on long-term revolving credit facilities) increased by USD 101.8 million Y-o-Y, reflected by strong EBITDA and positive working capital changes, cash from equity issue in May 2023 and up-sizing revolving credit facility capacity, partly offset by cost of dockings, newbuilding installments, debt service and dividend payments.

Total equity ended at USD 361.7 million, an increase of USD 8.3 million from end of Q3 2023 and an increase of USD 64.2

million from year-end 2022. The Y-o-Y change was mainly driven by EBT of USD 86.9 million and equity issue of USD 49.3 million, partly offset by negative other comprehensive income of USD 5.8 million and dividends of USD 66.8 million. The equity ratio ended at 57.5% per end of Q4 2023, up from 56.3% per end of Q3 2023 and 46.3% year-end 2022.

Interest-bearing debt ended at USD 246.9 million at the end of 2023, down USD 3.2 million from end of Q3 2023 mainly due to ordinary debt repayments, and down USD 72.6 million from year-end 2022 following ordinary debt repayments and lower drawdowns on revolving credit facilities. The Group had per year-end 2023 USD 113.0 million available and undrawn under a long-term revolving credit facility and USD 8.0 million available and undrawn under a 364-days overdraft facility, the latter falling due in December 2024.

KCC raised USD 49.3 million of equity in Q2 2023 to part fund the investment of three CABU newbuilds with delivery in 2026. The newbuilds will be partly funded by debt, which will be secured closer to delivery. Two mortgage debt facilities were refinanced and merged into one facility in June 2023. The new facility falls due after five years and the amount was upsized by approximately USD 38 million. In Q3 2023, KCC issued a five years sustainability-linked bond loan of NOK 500 million (KCC05) and repurchased NOK 508.5 million of the KCC04 bond issue falling due in February 2025.

EVENTS AFTER THE BALANCE SHEET DATE

Based on the escalating situation in the Red Sea area, KCC has decided to not trade any of its vessels through the Red Sea until the situation improves. The CABUs do not trade in the area, while the CLEANBUs from time-to-time transit through the Red Sea. The decision is expected to have limited impact on KCC business activities and financial performance.

On 15 February 2024, the Company's Board of Directors declared to pay a cash dividend to the Company's shareholders of USD 0.35 per share for the fourth quarter 2023, in total approximately USD 21.2 million.

1 Alternative performance measures (APMs) are defined and reconciled in the excel sheet "APM4Q2023" published on the Company's homepage (www.combinationcarriers.com) Investor Relations/Reports and Presentations under the section for the Q4 2023 report.

2 % 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 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.

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

> THE CABU BUSINESS

(USD '000)

	Q4 2023	Q3 2023	Q4 2022	2023	2022
Average TCE \$/day*	36 110	37 134	25 757	34 742	26 796
OPEX \$/day*	8 784	7 963	9 014	7 746	7 848
On-hire days	722	632	677	2 754	2 703
Off-hire days, scheduled	0	100	55	140	114
Off-hire days, unscheduled	14	4	5	26	104
% of days in combination trades ¹	95%	94%	86%	92%	80%
Ballast days in % of total on-hire days	10%	10%	13%	12%	11%
Utilisation ²	95%	86%	89%	93%	90%

Fourth quarter

The CABUs delivered continued solid TCE earnings in Q4 2023 at average \$36,110/day. Compared to Q3 2023, TCE earnings decreased by approximately \$1,000/day mainly due to lower operational efficiency, but ended substantially higher, up approximately \$10,350/day compared to Q4 2022. Share of days in combination trades and share of days in ballast were quite in line with last quarter, at approximately 95% and 10%, respectively. TCE earnings for the CABU fleet were 1.3 times higher than the spot market for standard MR⁵ tankers in the fourth quarter.

Average operating costs of \$8,784/day for the fourth quarter were up approximately \$820/day from the previous quarter and down approximately \$230/day compared to Q4 2022 mainly due to timing effects of procurement. The CABU fleet had 14 unscheduled off-hire days in Q4 2023 mainly related to Port State detentions of two vessels in Australia.

Full year

Average TCE earnings per on-hire day increased by approximately \$7,950/day from 2022 to 2023 and ended at \$34,742/day, 1.1 times higher than average standard spot earnings for MR⁵ tankers in 2023. The historic high TCE earnings in 2023 were driven by high freight rates on the fixed-rate caustic soda solution ("CSS") contracts and high trading efficiency.

Average operating costs per day for the CABU vessels ended at \$7,746/day in 2023, approximately \$102/day lower than 2022, mainly due to some minor claim settlements with positive effects in 2023.

Three CABU vessels were through regular dry-docking in 2023 with a total of 140 off-hire days. One vessel completed installation of several energy efficiency measures including retrofit installation of shaft generator and air lubrication system and had in total 90 off-hire days. The initial results of the retrofit are good with an estimated fuel consumption reduction of around 15%.



¹ Alternative performance measures (APMs) are defined and reconciled in the excel sheet "APM4Q2023" published on the Company's homepage (www.combinationcarriers.com) Investor Relations/Reports and Presentations under the section for the Q4 2023 report.

² % of days in combination trades = see definition on page 2

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

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

> THE CLEANBU BUSINESS

(USD '000)	Q4 2023	Q3 2023	Q4 2022	2023	2022
Average TCE \$/day*	37 537	27 938	36 812	35 214	32 614
OPEX \$/day*	9 034	9 959	9 395	9 458	8 787
On-hire days	721	727	740	2 872	2 814
Off-hire days, scheduled	10	9	0	37	87
Off-hire days, unscheduled	5	0	-4	11	18
% of days in combination trades ¹	78%	84%	88%	79%	87%
Ballast days in % of total on-hire days	14%	17%	12%	17%	13%
Utilisation ²	98%	99%	97%	97%	92%

Fourth quarter

Average CLEANBU TCE earnings per on-hire day ended at \$37,537/day, an increase of approximately \$9,600/day from last quarter and up approximately \$725/day compared to Q4 2022. The increase from last quarter reflects mainly a stronger product tanker market supported by a somewhat stronger dry-bulk market. A high share of the capacity continued to be employed in tanker trades (78% in Q4 2023 and 76% in Q3 2023), while share of days in combination trades was down to 78% for Q4 2023 compared to 84% in Q3. Despite two vessels trading mainly in tanker trades to benefit from a very strong US Gulf spot product tanker market, % of days in ballast fell from 17% in Q3 2023 to 14% in Q4 2023. Average TCE earnings for the CLEANBU fleet were in line with the spot market for standard LR1⁴ tanker vessels in the fourth quarter (multiple 1.0).

Average operating costs for the CLEANBU vessels ended at \$9,034/day, down approximately \$925/day from the previous quarter and down approximately \$361/day compared to the same quarter last year mainly due to the settlement of historic CLEANBU newbuilding claims in 2023.

The CLEANBU fleet had 10 scheduled off-hire days in Q4 in relation to the start of one dry-docking. Unscheduled off-hire in Q4 related mainly to repairs (5 days).

Full year

Average TCE earnings ended at \$35,214/day for the year, up approximately \$2,600/day from 2022 mainly due to a strong product tanker market and a high share of capacity employed in wet trades. Average TCE earnings for the CLEANBU fleet were somewhat outperformed by the spot market for standard LR1⁴ tanker vessels in 2023 (multiple 0.9).

Average operating costs per day for the CLEANBU vessels ended at \$9,458/day in 2023, approximately \$671//day higher than in 2022, mainly due to general inflation, high forwarding costs and condition-based maintenance.

One vessel completed periodic dry-dock in 2023, and one vessel started dry-dock at the end December 2023. The fleet had 11 unscheduled off-hire days in 2023 mainly related to repairs and service time.



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

² Utilization = (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»

> MARKET DEVELOPMENT

Average Market Rates with One Month Lag ¹	Q4 2023	Q3 2023	Q4 2022	2023	2022
P5TC dry bulk earning \$/day	15 000	10 400	16 600	12 600	21 500
Average MR Clean tanker earnings \$/day	28 000	23 700	38 700	31 500	28 100
Average LR1 tanker earning \$/day	36 300	28 800	45 000	39 100	32 000
Fuel price USD/mt	670	600	690	620	750

The average Panamax **dry bulk** earnings increased from \$10,400/day in Q3 2023 to \$15,000/day in Q4 2023 (one month lagged average). Average earnings increased sharply during the fourth quarter from \$14,500/day average in October to ~\$18,300/day in December. The sharp increase can be attributed to delayed effects from the high congestion in East Coast South America where a high share of the Panamax fleet was occupied in port or carrying grain eastward towards the Pacific, restricting available tonnage elsewhere, particularly in the Atlantic basin.

The year-on-year nominal fleet growth at the end of Q3 2023 for the total dry bulk fleet was at ~3.2%². Moving forward the current disruptions to the Suez and Panama canals increase average sailing distances. As long as these disruptions persist average earnings should trend higher.

The **product tanker** market strengthened significantly during December partly due to the drought situation in Panama leading to a tonnage supply shortage in the US Gulf. Average spot earnings were at strong levels with LR1 tankers earnings at approximately \$36,300/day and MR tankers at approximately \$28,000/day in Q4 2023, compared to \$28,800/day and \$23,700/day for the two segments in Q3².

Mainly due to the disruption in the Red Sea and the resulting increased ton-mile of routing vessels around the Cape of Good Hope instead of the Suez Canal, the market strengthened further in January 2024. Irrespective of the short or medium-term effects of the situation in the Red Sea, the underlying ton-mile growth is expected to outpace the supply growth throughout the year, resulting in a strong product tanker market for 2024.

Due to weaker domestic demand in China during the winter months, Chinese **caustic soda** export prices weakened compared to levels in Q3. The Northeast Asian export prices decreased as well due to both weak domestic and international demand, while the prices in the US Gulf seemed to have bottomed out with several of the US producers increasing prices lately. With higher freight costs for imports from US Gulf, Australian importers continue to source caustic soda mainly from the Far East³.

Brent **crude oil** prices weakened from USD 93 per barrel at the end of September 2023 to USD 77 per barrel at the end of December 2023 with high volatility during the quarter due to the Gaza situation and OPEC+ production numbers. Average fuel oil price (VLSFO) ended at USD 670/mt (one month lagged) in Q4 2023, an increase of 12% Q-o-Q².

¹ 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)

² Klaveness Research February 2024

³ Tecnon OrbiChem

> HEALTH, SAFETY AND ENVIRONMENT

Health and safety KPIs	Q4 2023	Q3 2023	Q4 2022	2023	2022	TARGET
Lost Time Injury Frequency (LTIF) ⁵	0.0	0.0	0.0	0.0	1.0	<0.5
High-risk potential accidents	0	2	0	2	3	0
# of spills to the environment	0	0	0	0	0	0

KCC had zero Lost Time Injury Frequency and no spills to the environment for Q4 2023 and for 2023 in total, in line with targets. During the year, the fleet experienced two incidents without injury which the ship manager categorized as having high-risk potential. The high-risk potential KPI is tracked

with the purpose of putting focus on and learning from the potential accident to improve safety. Both the high-risk potential accidents in 2023 were investigated and preventive actions have or will be implemented.

ENVIRONMENTAL KPIs	Q4 2023	Q3 2023	Benchmark Q4	2023	2022	TARGET 2026
CO ₂ -emissions per ton transported cargo per nautical mile (EEOI) (grams CO ₂ /(tons cargo x nautical miles))	6.3	6.4	9.6	6.5	6.9	5.3
Average CO ₂ emission per vessel per year (metric tons CO ₂ /vessel-year)	18,200	19,800	n.a	18,700	17,900	16,900
% of days in combination trades	87%	89%	n.a	85%	83%	85%
Ballast days in % of total on-hire days	12%	14%	34%	14%	12%	10%

Fourth quarter

The carbon intensity (EEOI) of the KCC fleet was quite stable the last three quarters of 2023 and ended at 6.3 grams CO₂ per ton-mile in Q4 2023, while average CO₂ emissions per vessel-year decreased by 8% Q-on-Q down to 18,300 mt.

Transport work performed by the fleet remained fairly constant Q-on-Q as longer laden sailed distance and lower ballast were cancelled out by a decrease in average cargo weight. Speed remained quite constant, but the amount of time the vessels spent sailing at speeds above 13 knots decreased from 30% in Q3 to 21% in Q4, contributing to lower CO₂ emissions as fuel consumption increases exponentially with vessel speed. The fleet spent more time idling and in port in Q4 compared to Q3, consuming less fuel than when sailing, and operational performance improved as the full fleet was operating with optimized weather routing advise as well as routing focusing on maintaining steady engine load.

Full year

KCC's carbon intensity (EEOI) for the full year 2023 improved considerably from 6.9 grams CO₂/(tons cargo x nautical miles) in 2022 to 6.5 in 2023. This is 5.8% better than the target for the year as stated in the Environmental Strategy and in the Sustainability-Linked Financing Framework. The Y-o-Y change was driven by more transport work mainly due to higher cargo weight and more time spent sailing at sea as well as lower average speed and continued improved technical performance of the fleet, partly offset by a higher proportion of time sailing in ballast.

The average CO₂ emissions per vessel-year for the KCC fleet increased to 18,700 tons in 2023 from 17,900 tons in 2022, an increase of approximately 4% Y-o-Y. The main contributor is time spent sailing at sea which increased from 2022 to 2023, contributing to higher total CO₂ emissions.

¹ 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)

² 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).

³ 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.

⁴ % of days in combination trades = see definition on page 2.

⁵ 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.

⁶ 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 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.

> OUTLOOK

The outlook for the product **tanker market** for 2024 remains strong irrespective of the likely temporary effects from the draught situation in the Panama Canal and the disruption of vessel transits through the Red Sea and Suez. A shift to longer haul trades following the European ban on Russian imports and new refinery capacity east of Suez continue to support ton-mile trade growth prospects.

After an encouraging start to 2024, the **dry bulk** market outlook for the year is moderately positive. The Panama and the Red Sea situations have also lent support to the dry bulk market in the seasonally weak first quarter of the year. The dry bulk market also looks tight in the second quarter with continued disruptions and expected large grains and coal shipments. Low effective fleet growth and possible prolonged rerouting of vessels from the ongoing disruptions could make the dry bulk market surprise on the upside for the remaining 2024. Uncertainties around Chinese dry bulk demand growth remain the largest risk factor.

During January 2024, the annual caustic soda solution (CSS) contract renewals were finalized. These contracts cover close to the full wet capacity of the CABU fleet for 2024. Approximately 40% of the secured contract days have fixed freight rates concluded at historically strong levels, but somewhat below the 2023 contract rates. The remaining approximately 60% of contract days are covered by index-linked contracts, accounting for a considerably higher share of contract days than in 2023 (25%-points). With the strong product tanker market to date in 2024, the higher share of

index-linked contracts will likely be positive for the CABU TCE earnings in Q1 2024. Based on a current 90% of the CABU days fixed and forward freight pricing (FFA)¹ for open days, the CABU TCE earnings guiding for Q1 2024 is \$32,000-33,000/day.

Alcoa announced in January the full curtailment of their alumina refinery in Kwinana in Western Australia. This close-down will have limited impact on the CABU operations in 2024. It will furthermore not alter KCC's ambition to grow its Australian caustic soda business over the next years, backed by increasing imports to the new Australian lithium refinery industry.

The strong start of the year in the product tanker market is expected to result in record high CLEANBU TCE earnings in Q1 2024. Based on current fixed days equal to 90% of fleet capacity and forward freight pricing (FFA)¹ for the open days, TCE earnings for the CLEANBU fleet in Q1 2024 are expected to end at \$48,000-50,000/day.

Due to the large earning's difference between the dry bulk and the product tanker markets, the CLEANBU fleet is expected to maintain a higher share in tanker trading at around 60-70% over the next quarters. The vessels will mainly be employed on index-linked contracts and on spot voyages, and hence are expected to benefit from a likely continued strong product tanker market through 2024. One CLEANBU vessel is employed on time charter until February 2025, secured in early 2023.

Oslo, 15 February 2024

The Board of Directors of

Klaveness Combination Carriers ASA

Ernst Meyer

Chair of the Board

Gøran Andreassen

Board member

Magne Øvreås

Board member

Winifred Patricia Johansen

Board member

Brita Eilertsen

Board member

Engebret Dahm

CEO

¹ Source: Klaveness and Baltic Exchange as of February 2024. KMAX dry bulk vessel = P5TC, MR tanker = TC7 TCE, LR1 tanker = TC5 TCE, VLSFO = VLSFO Singapore. Forward TC5/TC7 TCE based on TC5/TC7 FFA assessment and forward VLSFO price.

INCOME STATEMENT

USD '000	Notes	Unaudited		Unaudited	Audited
		Q4 2023	Q4 2022	2023	2022
Freight revenue	3	65 065	59 122	247 542	205 769
Charter hire revenue	3	11 664	13 975	39 624	54 509
Other revenue	3	-	(271)	-	396
Total revenue, vessels		76 728	72 827	287 166	260 674
Voyage expenses		(23 618)	(28 444)	(90 362)	(96 054)
Net revenues from operation of vessels		53 110	44 383	196 805	164 620
Operating expenses, vessels		(13 114)	(13 549)	(50 237)	(48 575)
Group commercial and administrative services	10	(1 825)	(1 232)	(5 403)	(4 203)
Salaries and social expenses		(1 135)	(932)	(4 086)	(3 458)
Tonnage tax		(74)	(63)	(198)	(188)
Other operating and administrative expenses		(426)	(475)	(1 933)	(1 242)
Operating profit before depreciation (EBITDA)		36 536	28 134	134 947	106 955
Depreciation	4	(7 455)	(9 105)	(31 842)	(31 344)
Operating profit after depreciation (EBIT)		29 081	19 029	103 105	75 611
Finance income	7	1 681	1 971	7 533	3 516
Finance costs	7	(4 872)	(5 658)	(23 739)	(18 257)
Profit before tax (EBT)		25 892	15 343	86 899	60 869
Income tax expenses		-	-	-	-
Profit after tax		25 892	15 343	86 899	60 869
Attributable to:					
Equity holders of the Parent Company		25 892	15 343	86 899	60 869
Total		25 892	15 343	86 899	60 869
Earnings per Share (EPS):					
Basic earnings per share		0.43	0.29	1.52	1.16
Diluted earnings per share		0.43	0.29	1.52	1.16

STATEMENT OF COMPREHENSIVE INCOME

USD '000	Unaudited		Unaudited	Audited
	Q4 2023	Q4 2022	2023	2022
Profit/ (loss) of the period	25 892	15 343	86 899	60 869
<i>Other comprehensive income to be reclassified to profit or loss</i>				
Net movement fair value on cross-currency interest rate swaps (CCIRS)	3 107	7 089	2 100	(3 707)
Reclassification to profit and loss (CCIRS)	(2 918)	(5 918)	(6 044)	8 559
Net movement fair value on interest rate swaps	(2 429)	(244)	(2 245)	11 663
Net movement fair value bunker hedge	(306)	(221)	126	(231)
Net movement fair value FFA futures	71	337	247	8 240
Net change on cost of hedging FFA option	-	(313)	-	-
Net change on initial value of FFA option	-	(44)	-	123
Net other comprehensive income to be reclassified to profit or loss	(2 475)	686	(5 816)	24 647
Total comprehensive income/(loss) for the period, net of tax	23 417	16 028	81 083	85 516
Attributable to:				
Equity holders of the Parent Company	23 417	16 028	81 083	85 516
Total	23 417	16 028	81 083	85 516

STATEMENT OF FINANCIAL POSITION

ASSETS			Unaudited	Audited
USD '000		Notes	31 Dec 2023	31 Dec 2022
Non-current assets				
Vessels	4		497 072	516 072
Newbuilding contracts	5		17 591	-
Long-term financial assets	6		6 325	7 762
Long-term receivables			107	70
Total non-current assets			521 095	523 905
Current assets				
Short-term financial assets	6		1 699	4 923
Inventories			12 123	18 898
Trade receivables and other current assets			24 942	30 061
Short-term receivables from related parties			110	202
Cash and cash equivalents	6		68 071	64 918
Total current assets			106 947	119 002
TOTAL ASSETS			628 041	642 906
EQUITY AND LIABILITIES				
USD '000		Notes	Unaudited	Audited
			31 Dec 2023	31 Dec 2022
Equity				
Share capital			6 977	6 235
Share premium			202 852	153 732
Other reserves			10 722	16 491
Retained earnings	8		141 147	121 087
Total equity			361 698	297 545
Non-current liabilities				
Mortgage debt	6		154 835	156 534
Long-term financial liabilities	6		657	2 466
Long-term bond loan	6		66 897	69 975
Total non-current liabilities			222 388	228 975
Current liabilities				
Short-term mortgage debt	6		25 199	92 769
Other interest bearing liabilities	6		-	233
Short-term financial liabilities	6		328	249
Trade and other payables			17 052	22 250
Short-term debt to related parties			1 179	693
Tax liabilities			196	193
Total current liabilities			43 954	116 387
TOTAL EQUITY AND LIABILITIES			628 041	642 906

The Board of Directors of
Klaveness Combination Carriers ASA

Oslo, 15 February 2024

Ernst Meyer

Chair of the Board

Gøran Andreassen

Board member

Magne Øvreås

Board member

Winifred Patricia Johansen

Board member

Brita Eilertsen

Board member

Engebret Dahm

CEO

STATEMENT OF CHANGES IN EQUITY

Attributable 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
Equity 1 January 2023	6 235	153 732	(147)	17 352	(714)	121 087	297 545
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)
Equity at 31 December 2023	6 977	202 852	(97)	11 533	(714)	141 147	361 698

Audited

USD '000	Share capital	Other paid in capital	Treasury Shares	Hedging reserve	Cost of hedging reserve	Retained earnings	Total
Equity 1 January 2022	6 235	153 732	(147)	(7 294)	(714)	102 605	254 417
Profit (loss) for the period	-	-	-	-	-	60 869	60 869
Other comprehensive income for the period	-	-	-	24 647	-	-	24 647
Share option program	-	-	-	-	-	35	35
Dividends	-	-	-	-	-	(42 421)	(42 421)
Equity at 31 December 2022	6 235	153 732	(147)	17 352	(714)	121 087	297 545

STATEMENT OF CASH FLOWS

USD '000	Notes	Unaudited		Unaudited	Audited
		Q4 2023	Q4 2022	2023	2022
Profit before tax		25 892	15 343	86 899	60 869
Tonnage tax expensed		74	63	198	188
Depreciation	4	7 455	9 105	31 842	31 344
Amortization of upfront fees bank loans		297	365	1 784	1 352
Gain related to modification of debt		-	-	-	(1 175)
Financial derivatives loss / gain (-)	6	(285)	(30)	18	(232)
Gain /loss on foreign exchange	7	(149)	(532)	169	207
Interest income	7	(1 247)	(1 409)	(7 246)	(3 284)
Interest expenses	7	4 573	5 293	21 481	16 698
Change in current assets		(2 371)	(2 198)	11 985	(16 504)
Change in current liabilities		(3 259)	2 628	(2 539)	4 488
Collateral paid/received on cleared derivatives	6	(322)	613	(186)	8 901
Interest received	7	1 247	1 158	4 593	3 030
A: Net cash flow from operating activities		31 905	30 399	148 999	105 883
Acquisition of tangible assets	4	(1 364)	(2 549)	(12 843)	(10 238)
Installments and other cost on newbuilding contracts	5	(110)	-	(17 591)	-
B: Net cash flow from investment activities		(1 474)	(2 549)	(30 434)	(10 238)
Paid in registered capital increase	8	-	-	49 828	-
Transaction costs on capital increase		-	-	(1 093)	-
Paid in long term incentive plan	8	-	-	27	-
Paid in from exercise of warrants		-	-	501	-
Transaction costs on issuance of debt	6	-	-	(2 303)	(193)
Repayment of mortgage debt	6	(6 300)	(6 098)	(164 033)	(24 049)
Drawdown of mortgage debt	6	-	-	95 000	-
Repurchase bond incl premium (KCC04)		-	-	(55 478)	-
Proceeds from new bond issue (KCC05)		-	-	47 112	-
Interest paid	7	(5 139)	(4 662)	(21 905)	(15 378)
Repayment of lease liabilities		-	-	-	(382)
Interest paid leasing		-	-	-	(66)
Termination of interest rate derivatives	6	-	-	4 001	-
Dividends		(15 115)	(15 712)	(66 836)	(42 421)
C: Net cash flow from financing activities		(26 554)	(26 472)	(115 179)	(82 489)
Net change in liquidity in the period		3 877	1 378	3 386	13 156
Cash and cash equivalents at beginning of period		64 194	63 307	64 685	51 529
Cash and cash equivalents at end of period		68 071	64 685	68 071	64 685
Net change in cash and cash equivalents in the period		3 877	1 378	3 386	13 156
Cash and cash equivalents		68 071	64 918	68 071	64 918
Other interest bearing liabilities (overdraft facility)		-	233	-	233
Cash and cash equivalents (as presented in cash flow statement)		68 071	64 685	68 071	64 685

NOTES

01 Accounting policies

02 Segment reporting

03 Revenue from contracts with customers

04 Vessels

05 Newbuildings

06 Financial assets and liabilities

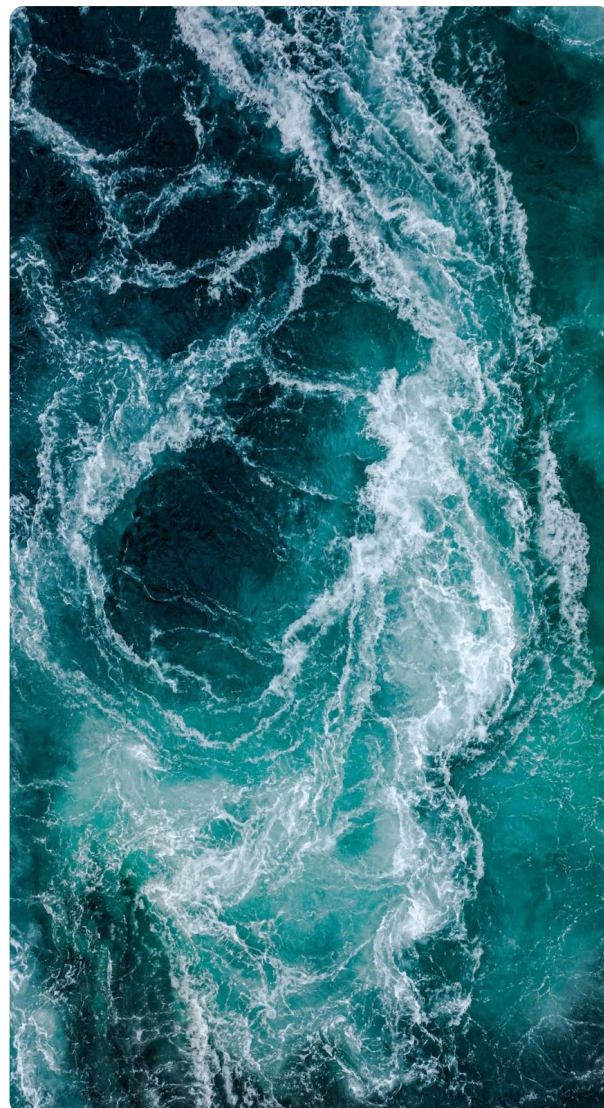
07 Financial items

08 Share capital, shareholders and dividends

09 Salaries

10 Transactions with related parties

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 2022, 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.

Subsidiaries

Klaveness Combination Carriers ASA has during 2023 purchased a company, KCC Bass AS, included as a subsidiary in the Group. Purchase price of NOK 80k represented cash in the company with no other business activities at the purchase date.

Internal sale transaction

In March 2023, the CLEANBU vessel, MV Bass was sold from KCC Shipowning AS ("KCCS") to KCC Bass AS (both companies 100 % owned by Klaveness Combination Carriers ASA). The sale was made on arm's length terms based on observable and comparable prices for standard vessels, adjusted for CLEANBU features and based on a discounted cash flow model. KCC Bass AS and KCCS are co-borrowers in the bank debt facility and one of the bank loan tranches was transferred to KCC Bass AS. KCCS also distributed dividends used to capitalize KCC Bass AS. The internal sale transaction and the internal restructuring of loans have no effect on consolidated figures.

Long term incentive program

In April 2023, a new Long Term Incentive Program (LTIP) was approved. The new program consists of two elements: 1) a share purchase program where employees are offered to purchase shares at a discount, and 2) a share option program with a strike price equal to the market price at the time of grant. The equity-settled share-based payments are treated as an increase in equity at fair value. The purchase price is recognized as a capital increase immediately, and the discount is periodized as a wage/equity increase over the vesting period. Employee share options are calculated at fair value at the time they are granted and charged to expense over the vesting period as payroll cost with a corresponding increase in equity. The market value of the employee share options are estimated based on the Black-Scholes-Merton model.

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 2022 except for the adoption of any new accounting standards or amendments with effective date after 1 January 2023. There was no material impact of new accounting standards or amendments adopted in the period.

NOTE 2- SEGMENTS REPORTING

Operating income and operating expenses per segment

USD '000	Q4 2023			Q4 2022		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
Operating revenue, vessels	39 896	36 832	76 728	36 773	36 324	73 097
Voyage expenses	(13 836)	(9 782)	(23 618)	(19 348)	(9 096)	(28 444)
Other revenue	-	-	-	-	(271)	(271)
Net operating revenues from operations of vessels	26 060	27 049	53 110	17 426	26 958	44 383
Operating expenses, vessels	(6 465)	(6 649)	(13 114)	(6 634)	(6 915)	(13 549)
Group administrative services	(900)	(925)	(1 825)	(603)	(629)	(1 232)
Salaries and social expense	(560)	(576)	(1 135)	(456)	(475)	(932)
Tonnage tax	(29)	(45)	(74)	(31)	(31)	(63)
Other operating and adm expenses	(210)	(216)	(426)	(232)	(242)	(475)
Operating profit before depreciation (EBITDA)	17 897	18 638	36 536	9 468	18 665	28 132
Depreciation	(3 423)	(4 031)	(7 455)	(3 584)	(5 521)	(9 105)
Operating profit after depreciation (EBIT)	14 474	14 607	29 080	5 884	13 144	19 027

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

USD '000	Q4 2023			Q4 2022		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
Net revenues from operations of vessels	26 060	27 049	53 110	17 426	26 958	44 383
Other revenue (note 3)	-	-	-	-	271	271
Net revenue ex adjustment	26 060	27 049	53 110	17 426	27 228	44 654
On-hire days	722	721	1 442	677	740	1 416
Average TCE earnings (\$/day)	36 110	37 537	36 823	25 757	36 812	31 531

Reconciliation of opex \$/day

USD '000	Q4 2023			Q4 2022		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
Operating expenses, vessels	6 465	6 649	13 114	6 634	6 915	13 549
Operating expenses, vessels adjusted	6 465	6 649	13 114	6 634	6 915	13 549
Operating days	736	736	1 472	736	736	1 472
Opex \$/day	8 784	9 034	8 909	9 014	9 395	9 204

NOTE 2- SEGMENTS REPORTING CONT.

Operating income and operating expenses per segment

USD '000	2023			2022		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
Operating revenue, vessels	145 785	141 380	287 166	127 455	132 823	260 278
Other revenue	-	-	-	-	396	396
Voyage expenses	(50 120)	(40 242)	(90 362)	(55 018)	(41 036)	(96 054)
Net revenues	95 665	101 139	196 805	72 436	92 183	164 620
Operating expenses, vessels	(22 618)	(27 618)	(50 237)	(22 917)	(25 657)	(48 575)
Group administrative services	(2 433)	(2 970)	(5 403)	(1 983)	(2 220)	(4 203)
Salaries and social expense	(1 840)	(2 246)	(4 086)	(1 631)	(1 826)	(3 458)
Tonnage tax	(100)	(98)	(183)	(105)	(83)	(188)
Other operating and adm expenses	(870)	(1 063)	(1 933)	(586)	(656)	(1 242)
Operating profit before depreciation (EBITDA)	67 804	67 142	134 947	45 214	61 740	106 955
Depreciation	(13 476)	(18 366)	(31 842)	(12 465)	(18 880)	(31 344)
Operating profit after depreciation (EBIT)	54 328	48 776	103 105	32 749	42 860	75 611

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

USD '000	2023			2022		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
Net revenues from operations of vessels	95 665	101 139	196 805	72 436	92 183	164 620
Other revenue	-	-	-	-	(396)	(396)
Net revenue ex adjustment	95 665	101 139	196 805	72 436	91 787	164 224
On-hire days	2 754	2 872	5 626	2 703	2 814	5 518
Average TCE earnings per on-hire day (\$/day)	34 742	35 214	34 983	26 796	32 614	29 764

Reconciliation of opex \$/day

USD '000	2023			2022		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
Operating expenses, vessels	22 618	27 618	50 237	22 917	25 657	48 575
Operating expenses, vessels adjusted	22 618	27 618	50 237	22 917	25 657	48 575
Operating days	2 920	2 920	5 840	2 920	2 920	5 840
Opex (\$/day)	7 746	9 458	8 602	7 848	8 787	8 318

NOTE 3- REVENUE AND OTHER INCOME

Revenue types					
USD '000	Classification	Q4 2023	Q4 2022	2023	2022
Revenue from COA contracts	Freight revenue	31 654	25 922	138 880	92 852
Revenue from spot voyages	Freight revenue	33 411	33 200	108 662	112 917
Revenue from TC contracts	Charter hire revenue	11 664	13 975	39 624	54 509
Other revenue	Other revenue	-	(271)	-	396
Total revenue, vessels		76 728	72 827	287 166	260 674

NOTE 4- VESSELS

Vessels

USD '000	31 Dec 2023	31 Dec 2022
Cost price 1.1	742 721	734 955
Dry Docking	4 959	5 620
Energy efficiency upgrade	7 566	2 772
Technical upgrade	319	1 845
Disposal of vessel and drydock	-	(2 472)
Costprice end of period	755 564	742 721
Acc. Depreciation 1.1	226 650	198 092
Disposal of vessel and dry dock	-	(2 472)
Depreciation vessels	31 842	31 029
Acc. Depreciation end of period	258 492	226 650
Carrying amounts end of period*	497 072	516 072

*) 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	Q4 2023	Q4 2022	2023	2022
Depreciation vessels	7 455	9 105	31 842	31 029
Depreciation right of use assets	-	-	-	315
Depreciations for the period	7 455	9 105	31 842	31 344

ADDITIONS

Three CABU vessels and one CLEANBU vessel completed scheduled dry-docking in 2023 at a total cost of USD 5.0 million. Technical and energy efficiency upgrades of USD 7.9 million are related to general improvement of the technical performance of the vessels and energy efficiency initiatives, deducted by grants from ENOVA of in total USD 1.1 million recognized as per year end 2023. 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. The dry-dock of the CABU vessel was completed in 2023 and USD 0.8 million in funding was collected from ENOVA. The CLEANBU vessel will complete dry-dock in March 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, increases 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 31 December 2023.

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

NOTE 5- NEWBUILDINGS

(USD '000)	31 Dec 2023	31 Dec 2022
Cost 1.1	-	-
Yard installments paid	17 205	-
Other capitalized cost	386	-
Net carrying amount	17 591	-

The Group had per 31 December 2023 three CABU combination carrier newbuildings on order at Jiangsu New Yangzi Shipbuilding Co., Ltd in China. The contract price is USD 56.7 million per vessel and estimated delivery costs are approximately USD 60 million per vessel. The expected delivery of the vessels is Q1-Q3 2026.

Installments of USD 17.2 million were paid as of year end 2023. The newbuildings are partly financed through equity raised in 2023 and cash on the balance sheet, and there were no borrowings related to the newbuilds as of 31 December 2023. Project fees of USD 0.4 million were capitalized during 2023.

NOTE 6- FINANCIAL ASSETS AND LIABILITIES

In December 2023 the 364-days overdraft facility was extended by additional 364 days. The commitment under the overdraft facility was reduced from USD 15 million to USD 8 million based on the Group's reevaluated need.

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	88 518
Nordea/Credit Agricole Facility*	Term Loan/RCF, USD 60 million	Term SOFR + 2.25 %	March 2027	32 294
Nordea/ Danske Facility**/**	Term Loan, USD 80 million	Term SOFR + CAS + 2.1 %	December 2026	62 588
Capitalized loan fees				(3 367)
Mortgage debt 31 December 2023				180 033

In September 2023, KCC completed a new senior unsecured sustainability-linked bond issue of NOK 500 million with maturity date 5 September 2028 (KCC05). The bond carries a coupon of 3 months NIBOR + 365 bps p.a. with quarterly interest payments. The bond has a borrowing limit of NOK 1 bn and the repayment amount is linked to the Company's sustainability performance. The sustainability-linked financing framework and the bond terms can be found on the Company's website. The bond issue has been hedged to USD at USDNOK 10.613 and bears an interest rate of 3 months SOFR + 414 bps p.a. In connection with the issue of KCC05, KCC repurchased NOK 508.5 million of the KCC04 bond issue.

USD'000

Bond loan	Face value NOK'000	Maturity	Carrying Amount 31 Dec 2023
KCC04	700 000	11.02.2025	76 390
Realized exchange rate gain at buyback			(7 208)
Buyback KCC04 (Q3 2023)	(508 500)		(54 978)
Exchange rate adjustment			4 566
Capitalized expenses			(86)
Bond discount			(82)
Sum KCC04	191 500		18 602
KCC05	500 000	05.09.2028	46 971
Exchange rate adjustment			2 035
Capitalized expenses			(711)
Sum KCC05	500 000		48 295
Total bond loan	691 500		66 897

As per 31 December 2023, USD 178k 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 31 December 2023 the Group was in compliance with all financial covenants. For further details on covenants please see the 2022 Annual Report.

NOTE 6- FINANCIAL ASSETS AND LIABILITIES CONT.

USD '000	Fair value 31 Dec 2023	Carrying amount 31 Dec 2023	Carrying amount 31 Dec 2022
Interest bearing liabilities			
Mortgage debt	158 201	158 201	159 664
Capitalized loan fees	-	(3 367)	(3 131)
Bond loan	68 798	67 777	70 660
Bond discount	-	(82)	(158)
Capitalized expenses bond loan	-	(797)	(527)
Total non-current interest bearing liabilities	226 999	221 732	226 509
Mortgage debt, current	25 199	25 199	92 769
Overdraft facility (Secured)	-	-	233
Total interest bearing liabilities	252 198	246 931	319 511

USD '000	31 Dec 2023	31 Dec 2022
Financial assets		
Financial instruments at fair value through OCI		
Cross-currency interest rate swap	1 891	1 272
Interest rate swaps	5 762	11 110
Fuel Hedge	87	-
Financial instruments at fair value through P&L		
Forward currency contracts	285	-
Interest rate swaps	-	303
Financial assets	8 024	12 685
Current	1 699	4 923
Non-current	6 325	7 762

USD '000	31 Dec 2023	31 Dec 2022
Financial liabilities		
Financial instruments at fair value through OCI		
Cross-currency interest rate swap	985	2 466
Fuel hedge	-	249
Financial liabilities	985	2 715
Current	328	249
Non-current	657	2 466

NOTE 7- FINANCIAL ITEMS

USD' 000

Finance income	Q4 2023	Q4 2022	2023	2022
Other interest income	1 247	1 409	4 594	2 109
Gain related to modification of debt	-	-	-	1 175
Fair value changes interest rate swaps	-	30	-	232
Gain on currency contracts	285	-	285	-
Gain on terminated cross-currency swaps	-	-	2 652	-
Other financial income	-	-	1	-
Gain on foreign exchange	149	532	-	-
Finance income	1 681	1 971	7 533	3 516

USD' 000

Finance cost	Q4 2023	Q4 2022	2023	2022
Interest expenses mortgage debt	3 181	3 900	13 590	11 769
Interest expenses bond loan	1 126	1 394	5 756	4 767
Interest expenses lease liabilities	-	-	-	66
Amortization capitalized fees on loans	297	365	1 784	1 352
Other financial expenses	266	-	2 135	97
Fair value changes interest rate swaps	-	-	303	-
Loss on foreign exchange	-	-	169	207
Finance cost	4 872	5 658	23 739	18 257

Other financial expenses of USD 2.1 million in 2023, include premium paid on the repurchase of KCC04 of USD 1.9 million. Gain of USD 0.3 million on USD/NOK futures maturing in 2024.

NOTE 8 – SHARE CAPITAL, SHAREHOLDERS AND DIVIDENDS

Dividends of USD 15.1 million were paid to the shareholders in November 2023 (USD 0.25 per share). A total of USD 66.8 million in dividends were paid to shareholders during 2023.

On 22 June 2023, Senior Executives in the Company purchased in total 13 500 shares in KCC through the Company's Long-Term Incentive Plan (LTIP), where 10 000 were purchased by the CEO. The Company used Treasury shares to settle the transactions. In connection to this share purchase, the Senior Executives were awarded 40 500 share options in the Company of which 30 000 were awarded to the CEO. As of 31 December 2023, the CEO, Engebret Dahm holds 30 532 shares and 30 000 options in the Company.

On 30 May 2023, the Company completed a capital increase of USD 49.8 million through a private placement to partly fund three CABU newbuildings. The Board approved the allocation of 7 857 143 shares in the private placement at a price of NOK 70.00 per share.

On 11 August and 6 September 2023, Hundred Roses Corporation, EGD Shipholding AS and Rederiaksjeselskapet Torvald Klaveness exercised all their warrants in the Company. The exercises increased equity by USD 0.5 million. As of 31 December 2023, there are no outstanding warrants.

	Shares	Share capital (NOK)
Shares and share capital at 31 December 2022	52 372 000	52 372 000
Shares issued 30 May 2023	7 857 143	7 857 143
Shares issued 11 August 2023 (warrants)	14 020	14 020
Shares issued 6 September 2023 (warrants)	215 068	215 068
Shares and share capital at 31 December 2023	60 458 231	60 458 231

	Q4 2023	Q4 2022
Weighted average number of ordinary shares for basic EPS	60 458 231	52 331 922
Effects of dilution from:		
Share options (note 9)	50 587	65 280
Warrants	-	229 088
Weighted average number of ordinary shares for the effect of dilution	60 508 818	52 626 290

	2023	2022
Weighted average number of ordinary shares for basic EPS	56 996 430	52 331 922
Effects of dilution from:		
Share options (note 9)	43 717	65 280
Warrants	155 255	229 088
Weighted average number of ordinary shares for the effect of dilution	57 195 402	52 626 290

NOTE 9 - SALARIES

In the option program granted in December 2019, the CEO and CFO were granted 38,580 and 26,700 options, respectively. As all options under the 2019 Long-Term Incentive Plan (LTIP) have vested, the Board proposed a new LTIP that was approved by the General Meeting in April 2023. Details on the new LTIP, options granted in June 2023 and fair value calculation are described in the Q2 2023 report, note 8, published on the Company's homepage (www.combinationcarriers.com) Investor Relations/Reports and Presentations under the section for the Q2 2023 report.

On 22 February 2023, the CEO of Klaveness Combination Carriers ASA, Engebret Dahm, exercised all his 38,580 options in the Company against cash settlement by the Company. The share options were granted in December 2019 and were fully vested in December 2022. The option settlement in cash of USD 0.2 million is recognized as payroll expenses in Q1 2023.

On 4 November 2023, the CFO of Klaveness Combination Carriers ASA, Liv Hege Dyrnes, exercised all her 26,700 options in the Company against cash settlement by the Company. The share options were granted in December 2019 and were fully vested in December 2022. The option settlement in cash of USD 0.2 million is recognized as payroll expenses in Q4 2023.

The following table summarizes the option activity as per 31 December 2023:

	Average exercise price	2023	2022
Opening balance 1 January		65 280	65 280
Granted during the year	NOK 69.5	40 500	0
Exercised during the year		- 65 280	0
Forfeited during the year		0	0
Expired during the year		0	0
Outstanding at 31 December		40 500	65 280

The fair value of the share options granted is calculated to USD 119k, i.e. USD 1.91 per share option. The cost incurred in 2023 was USD 16k where USD 8k was recognized in Q4.

NOTE 10 – TRANSACTIONS WITH RELATED PARTIES

USD' 000

Type of services/transactions	Provider ¹	Price method	Q4 2023	Q4 2022	2023	2022
Pool participation ²	BAU	Standard pool agreement	-	-	-	49
Dry bulk chartering	KC	1.25% of transaction value ³	-	-	-	(472)
Total net revenue from related parties			-	-	-	(423)

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

Type of services/transactions	Provider ¹	Price method	Q4 2023	Q4 2022	2023	2022
Business adm. services	KAS	Cost + 5%	483	471	1 944	1 641
Business adm. services	KA Ltd	Cost + 5%	25	46	139	160
Business adm. services	KD	Priced as other Cargo value services	5	-	5	-
Commercial services*	KAD	Cost + 7.5%	163	-	381	-
Commercial services	KDB	Cost + 7.5% ⁴	70	149	293	279
Commercial services	KSM	Cost + 7.5%	327	182	990	825
Board member fee	KD	Fixed fee as per annual general meeting	(6)	-	(24)	-
Subscription Cargo Value (linked to COA with external party)	CIA	Fixed fee	-	-	-	60
Project management	KSM	Cost + 7.5%	757	384	1 674	1 237
Total group commercial and administrative services			1 825	1 232	5 403	4 202

Some bunker purchases are done through KC 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%) reflecting the time spent by the bunkering team 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 for 2023.

USD' 000

Type of services/transactions	Provider ¹	Price method	Q4 2023	Q4 2022	2023	2022
Technical mngmnt fee (opex)	KSM	Fixed fee per vessel	1 109	955	4 117	3 819
Crewing and IT fee (opex)	KSM	Fixed fee per vessel	368	391	1 496	1 565
Board member fee (administrative expenses)	KAS	Fixed fee as per annual general meeting	20	21	80	85
Total other services/ transactions			1 497	1 366	5 693	5 468

¹ Klavness AS (KAS), Klavness Ship Management S (KSM), Klavness Asia Pte.Ltd (KA Ltd), Baumarine AS (BAU), Cargo Intelligence AS (CIA), Klavness Dry Bulk AS (KDB), AS Klavness Chartering (KC), Klavness Asia Pte. Ltd – Dubai Branch (KAD), Klavness Digital AS (KD)

² Pool hire from BAU to KCC less pool management fee. MV Bangor entered the pool in August 2021 and exited the pool agreement on 3 January 2022.

³ Fixture fee applicable for fixtures in first half 2022. From 1 July 2022 the service fee was based on time spent (cost + 7.5%) and included in "Total group commercial and administrative services".

⁴ From 1 July 2022 the service fee for dry bulk chartering and FFA/bunker derivatives trading is based on time spent (cost + 7.5%), prior to this the fee was 0.1% of transaction fee.

NOTE 11 – EVENTS AFTER THE BALANCE SHEET DATE

On 15 February 2024, the Company's Board of Directors declared to pay a cash dividend to the Company's shareholders of USD 0.35 per share for fourth quarter 2023, in total approximately USD 21.2 million.

Based on the escalating situation in the Red Sea area, KCC has decided to not trade any of its vessels through the Red Sea until the situation improves. The CABUs do not trade in the area, while the CLEANBUs from time-to-time transits through the Red Sea. The decision is expected to have limited impact on KCC business activities and financial performance.

There are no other events after the balance sheet date that have material effect on the Financial Statement as of 31 December 2023.