

Second Quarter 2024



HIGHLIGHTS

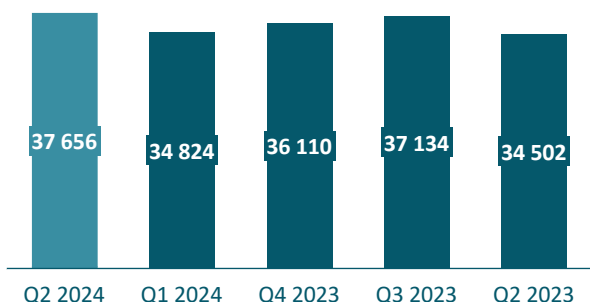
- EBITDA of USD 36.2 million for Q2 2024 (Q1 2024: 37.6) and EBT of USD 25.1 million (Q1 2024: 26.0) resulting in record half-year financial results
- Record CABU TCE earnings of \$37,656/day (Q1 2024: \$34,824/day) supported by strong MR tanker markets and efficient trading
- Continued high CLEANBU TCE earnings of \$39,093/day (Q1 2024: \$46,593/day) with high share of tanker trading (79%)
- Renewal of fixed rate dry bulk contract out of Australia for 2025 with higher volume and higher rates
- Q2 dividend of USD 0.30 per share (~USD 18.1 million in total), bringing total dividends paid since listing in 2019 to USD 185.4 million



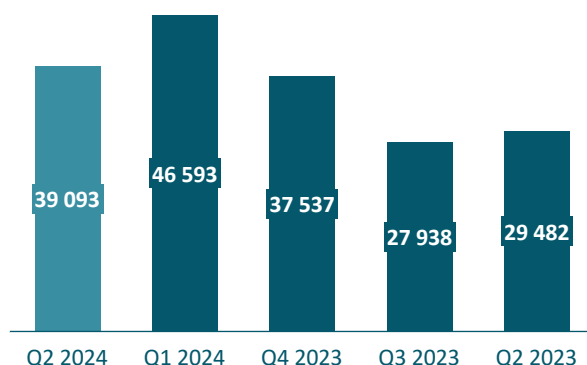
“Based on robust market conditions and exceptional CABU TCE earnings, KCC delivered strong results in second quarter 2024 culminating in the best half-yearly results in our history. With our diversified market exposure and fleet flexibility, we are confident in our ability to deliver solid operational and financial performance and attractive quarterly dividends to our shareholders going forward despite the ongoing high volatility in the product tanker market.”

- Engebret Dahm, CEO Klaveness Combination Carriers ASA

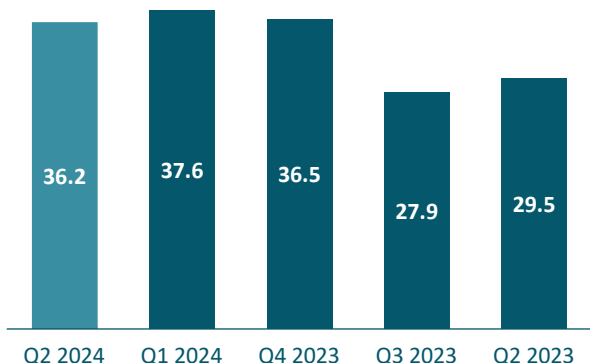
Average CABU TCE earnings (\$/day)¹



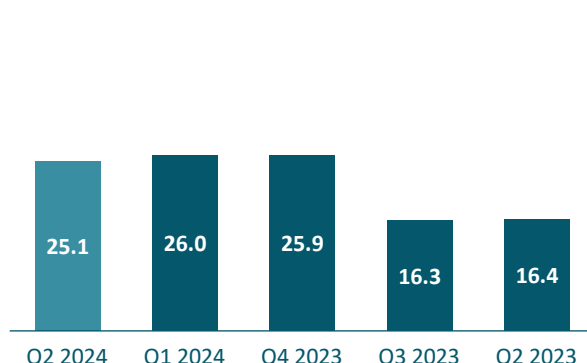
Average CLEANBU TCE earnings (\$/day)¹



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 “APM2Q2024” published on the Company’s homepage (www.combinationcarriers.com) Investor Relations/Reports and Presentations under the section for the Q2 2024 report.

> FINANCIAL PERFORMANCE

(USD '000)	Q2 2024	Q1 2024	Q2 2023	1H 2024	1H 2023
Net revenues from vessel operations	52 303	53 365	44 529	105 669	99 899
EBITDA	36 168	37 599	29 505	73 767	70 500
Profit after tax	25 081	25 980	16 447	51 061	44 696
Earnings per share (USD)	0.41	0.43	0.30	0.84	0.83
Total assets	644 404	623 700	640 598	644 404	640 598
Equity	369 722	366 358	354 089	369 722	354 098
Equity ratio ¹	57%	59%	55%	57%	55%
ROCE annualised ¹	18%	20%	14%	19%	18%
ROE annualised ¹	27%	28%	19%	28%	25%
	Q2 2024	Q1 2024	Q2 2023	1H 2024	1H 2023
Average TCE \$/day ¹	38 376	40 514	31 955	39 427	35 383
OPEX \$/day ¹	9 270	9 007	8 664	9 139	8 279
On-hire days	1 363	1 317	1 394	2 680	2 824
Off-hire days, scheduled	89	130	59	219	59
Off-hire days, unscheduled	4	9	3	13	13
% of days in combination trades ²	81%	80%	86%	80%	83%
Utilisation ³	92%	90%	93%	91%	95%

CONSOLIDATED RESULTS

Second quarter

EBITDA and Profit after tax for the second quarter ended at USD 36.2 million and USD 25.1 million respectively, slightly down from the previous quarter. Lower average TCE rates for the fleet were partly offset by less off-hire Q-o-Q. Compared to the same quarter last year, the financial results strengthened considerably with an increase in EBITDA of 23% and Profit after tax of 52%.

Operating expenses increased by USD 0.4 million/3% Q-o-Q mainly due to timing effects related to procurement and crew costs, while service fees, salaries and other administrative expenses decreased by USD 0.3 million/10% Q-o-Q caused by an adjustment in bonus provision in Q1 2024. Depreciation was in line with last quarter. Net finance cost decreased by USD 0.6 million/15% Q-o-Q driven by gain on currency contracts and interest on bank deposits, partly offset by higher interest costs on bond loan due to the KCC05 tap issue of NOK 300 million in May 2024.

First half

EBITDA and Profit after tax for first half 2024 were USD 73.8 million and USD 51.1 million respectively, up from USD 70.5 million and USD 44.7 million in first half 2023. Considerably stronger tanker and dry-bulk markets and lower depreciation and net finance costs had a positive impact, while more off-hire related to dry-docking and higher OPEX had a negative impact Y-o-Y.

CAPITAL AND FINANCING

Cash and cash equivalents ended at USD 83.3 million by end June 2024, an increase of USD 23.2 million from end of Q1

2024. The increase is mainly driven by proceeds from the KCC05 bond tap issue in May, partly offset by repayment on a revolving credit facility in addition to the ordinary cash flow items.

Total equity at end of June 2024 was USD 369.7 million, an increase of USD 3.4 million from end Q1 2024. The change was mainly driven by Profit after tax of USD 25.1 million, partly offset by dividends of USD 21.1 million. The equity ratio was 57.4% per end of Q2 2024, down from 58.7% at end of Q1 2024.

Interest-bearing debt was USD 248.7 million at the end of Q2 2024 and up USD 18.3 million from end Q1 2024 mainly due to the bond tap issue (USD 29.2 million) partly offset by ordinary debt repayments and repayment of revolving credit facility capacity. The Group had per end of Q2 2024 USD 125.0 million available and undrawn under 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 25 July 2024, KCC exercised a call option to redeem all outstanding bonds under the Klaveness Combination Carriers ASA FRN Senior Unsecured NOK 700,000,000 Bond 2020/2025 ISIN NO0010874530. The Company held NOK 508.5 million of the bond and hence repaid on 12 August 2024 NOK 191.5 million plus interests and buy-back premium (100.75%). The repayment was refinanced in May 2024 through the KCC05 tap issue.

On 22 August 2024, the Company's Board of Directors declared to pay a cash dividend of USD 0.30 per share for Q2 2024, in total approximately USD 18.1 million.

¹ Alternative performance measures (APMs) are defined and reconciled in the excel sheet "APM2Q2024" published on the Company's homepage (www.combinationcarriers.com) Investor Relations/Reports and Presentations under the section for the Q2 2024 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 (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.

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

> THE CABU BUSINESS

(USD '000)	Q2 2024	Q1 2024	Q2 2023	1H 2024	1H 2023
Average TCE \$/day ¹	37 656	34 824	34 502	36 239	32 962
OPEX \$/day ¹	8 882	8 458	7 140	8 670	7 134
On-hire days	680	680	687	1 360	1 400
Off-hire days, scheduled	45	39	41	84	41
Off-hire days, unscheduled	3	9	1	12	7
% of days in combination trades ²	98%	96%	85%	98%	90%
Ballast days in % of total on-hire days ⁴	13%	8%	16%	11%	13%
Utilisation ³	92%	93%	92%	92%	94%

Second quarter

The CABUs delivered record high TCE earnings in Q2 2024 at average \$37,656/day. TCE earnings for the CABU fleet were slightly above the spot market for standard MR⁵ tankers in the quarter (multiple 1.1). Compared to Q1 2024, TCE earnings increased by approximately \$2,800/day mainly driven by a very strong MR tanker market positively impacting earnings under the index-linked caustic soda contracts. CABU dry bulk earnings in the quarter also improved relative to Q1 2024. The fleet continued to be employed in very efficient trades with 13% ballast and 98% combination trading for Q2 2024. Compared to same quarter last year, TCE earnings increased by approximately \$3,200/day due to both stronger dry bulk and product tanker markets and more efficient trading.

Average operating expenses of \$8,882/day for the second quarter were up approximately \$420/day from the previous quarter and up approximately \$1,740/day compared to Q2 2023. The effects are in large expected to be temporary and are driven by timing effects of procurement and higher crew costs.

The CABU fleet had three unscheduled off-hire days in Q2 2024 due to minor repairs on three vessels. One CABU vessel completed regular dry-docking in Q2 2024 with a total of 45 off-hire days, approximately 16 days longer than planned due to bad weather and manpower shortage at the yard.

First half

Average TCE earnings per on-hire day for the CABU vessels for the first half 2024 ended at \$36,239/day, compared to \$32,962/day for the first half 2023. 1H 2024 was positively impacted by a considerably stronger dry bulk market and highly efficient trading with 98% of days in combination trades and 11% ballast compared to 90% and 13% in 1H 2023.

Average operating expenses of \$8,670/day for first half 2024 were up approximately \$1,500/day from first half 2023

mainly due to timing effects of procurement and higher crew costs. Operating expenses are expected to be lower in second half 2024 compared to first half 2024. The CABU fleet had 12 days unscheduled off-hire in 1H 2024 mainly due to extra maintenance of two vessels. Two vessels completed regular dry docking in 1H 2024 with a total of 84 off-hire days.



¹ Alternative performance measures (APMs) are defined and reconciled in the excel sheet "APM2Q2024" published on the Company's homepage (www.combinationcarriers.com) Investor Relations/Reports and Presentations under the section for the Q2 2024 report.

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

³ Utilisation = (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)	Q2 2024	Q1 2024	Q2 2023	1H 2024	1H 2023
Average TCE \$/day ¹	39 093	46 593	29 482	42 712	37 763
OPEX \$/day ¹	9 659	9 556	10 189	9 608	9 423
On-hire days	683	637	707	1 320	1 424
Off-hire days, scheduled	44	91	19	135	19
Off-hire days, unscheduled	1	0	3	1	5
% of days in combination trades ¹	63%	61%	86%	62%	77%
Ballast days in % of total on-hire days ³	18%	23%	19%	20%	18%
Utilisation ²	92%	87%	94%	89%	96%

Second quarter

Average CLEANBU TCE earnings per on-hire day ended at a strong historic level at \$39,093/day, but a decrease of approximately \$7,500/day from the record strong TCE earnings in Q1 2024 and up approximately \$9,600/day compared to Q2 2023. A continued strong LR1 product tanker market and a high share of days employed in tanker trades (79%) had a positive impact on earnings in Q2 2024, however average CLEANBU tanker earnings were lower compared to Q1 partly due to higher unpaid waiting time in the quarter. Percentage of days in ballast decreased from 23% in Q1 2024 to 18% in Q2 2024, still high due to in particular two longer ballast voyages to position the vessels for tanker trades. Compared to same quarter last year the dry bulk market has strengthened and % in tanker trades has increased from 57% in Q2 2023 to 79% in Q2 2024. Average TCE earnings for the CLEANBU fleet were slightly below the spot market for standard LR1⁴ tanker vessels in second quarter 2024 (multiple 0.9).

Average operating costs for the CLEANBU vessels ended at \$9,659/day, up approximately \$100/day from the previous quarter and down approximately \$530/day compared to the

same quarter last year mainly due to timing effects of procurement.

The CLEANBU fleet had one unscheduled off-hire day and 44 scheduled off-hire days in Q2 2024 in relation to regular dry-docking of one vessel. The vessel completed dry-dock in Q2 with in total 143 off-hire days. The dry-docking was considerably delayed due to unplanned repair of a damage to the propeller shaft.

First half

Average TCE earnings for first half 2024 were \$42,712/day compared to \$37,763/day for first half 2023 driven by the historically strong product tanker markets, improved dry bulk market earnings and high tanker market trading (80% in 1H 2024 compared to 74% in 1H 2023).

Average operating expenses of \$9,608/day for first half 2024 were up approximately \$190/day from first half 2023 mainly due to timing effects of procurement and somewhat higher crew costs.



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	Q2 2024	Q1 2024	Q2 2023	1H 2024	2023
P5TC dry bulk earning \$/day	17 000	15 400	13 900	16 200	12 600
Average MR Clean tanker earnings \$/day	35 500	34 200	30 500	34 900	31 500
Average LR1 tanker earning \$/day	41 700	49 000	40 200	45 300	39 100
Fuel price USD/mt	630	620	590	630	620

The average Panamax **dry bulk** earnings increased from average ~\$15,400/day in Q1 2024 to an average of ~\$17,000/day in Q2 2024 (one month lagged average earnings). The development in the Panamax market in Q2 2024 differed between trades and regions with slow demand for Transatlantic volumes, while the fronthaul market in both the South- and North Atlantic continued to be strong. The Suez Canal remained a constant disruption factor as Houthis continued attacking merchant ships, while the Panama Canal situation gradually normalized as water returned to the Gatun Lake. Port efficiency remained high for the Panamaxes, increasing the effective trading capacity of the fleet. The year-on-year nominal fleet growth at the end of Q2 2024 for the total dry bulk fleet was negative ~3%².

Average **product tanker** TCE earnings were still at healthy levels for the quarter with LR1 at approximately \$41,700/day, down from \$49,000/day in Q1 2024, and MR rates in average slightly up from approximately \$34,200/day in Q1 2024, to \$35,500/day in Q2 2024. While the market fundamentals remain favorable and the market continues to be impacted by the disruption in the Red Sea and the resulting increased ton-mile of routing vessels around the Cape of Good Hope, the product tanker market weakened considerably towards the end of Q2. The product tanker fleet (in particular LRs) experienced increased competition from crude tankers, as vessels cleaned and switched from trading dirty to trading clean amid weakness in the dirty tanker market. The influx of tonnage has put pressure on clean rates towards the end of Q2 and into Q3.



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 Clarksons Shipping Intelligence Weekly 9th of August 2024

³ Tecnon OrbiChem

> HEALTH, SAFETY AND ENVIRONMENT

Health and safety KPIs	Q2 2024	Q1 2024	Q2 2023	1H 2024	1H 2023	TARGET
Lost Time Injury Frequency (LTIF) ⁵	1.1	0.0	0.0	0.5	0.0	<0.5
High-risk potential accidents	0	0	0	0	0	0
# of spills to the environment	0	0	0	0	0	0

Lost Time Injury Frequency (LTIF) for the KCC fleet in Q2 2024 was 1.1 as the fleet experienced one injury with a crew member falling in the stairs and breaking a finger. LTIF for first half is 0.5 in line with target as the fleet had no Lost Time Injuries in Q1 2024.

KCC had no High-risk potential accidents and no spills to the environment in Q2 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	Q2 2024	Q1 2024	Benchmark Q2	Last 12 months	2023	TARGET 2026
CO ₂ -emissions per ton transported cargo per nautical mile (EEOI) (grams CO ₂ /(tons cargo x nautical miles)) ^{2,6}	6.9	6.9	9.3	6.6	6.5	5.3
Average CO ₂ emission per vessel-year (metric tons CO ₂ /vessel-year)	19,000	20,200	n.a	19,600	18,700	16,900
% of days in combination trades	80%	80%	n.a	84%	85%	85%
Ballast days in % of total on-hire days	16%	15%	33%	14%	14%	10%

The Q2 2024 carbon intensity of the KCC fleet remained at similar levels as in Q1 2024. The CLEANBU fleet saw a slight decrease in ballast share versus Q1, but well above the long-term target of 10% as chartering decisions involving long ballasts were made to take advantage of the historically high tanker market, resulting in EEOI of 7.4 for the CLEANBUs. The CABU fleet continued with a strong share of combination trading, as in Q1, and its EEOI remained at 6.4. More time at sea had a negative impact on EEOI in Q2 compared to Q1 but was offset by a slight speed reduction and increase in cargo quantity carried.

Excluding the vessels with the highest EEOI in the quarter, Bass and Baleen, EEOI stood at 6.5. Bass is out on time charter,

employed solely in tanker trades (no combination trades), and Baleen carried out one long ballast journey in April, to take advantage of the strong tanker market.

The target of 6.4 for 2024 is now likely out of reach for both the CLEANBU fleet and the KCC fleet in total even though the CABU fleet has a strong EEOI performance so far this year.

The most important factor driving “Average CO₂ emission per vessel-year” is how much time vessels spend sailing at sea. Time at sea in percentage of total on-hire time decreased from 64% in Q1 to 60% in Q2 resulting in a decrease in average CO₂ emissions per vessel-year.

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 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 gCO₂/tNM in 2024 compared to the previous method.

> OUTLOOK

While the **product tanker** spot market has fallen back considerably over the summer, the underlying market fundamentals for the balance of 2024 and for 2025 look strong. The negative effect from the influx of crude carriers into the clean petroleum market looks likely to abate over the next months as there are reduced incentives for switching from crude to clean trading. The disruptions in the Red Sea look likely to persist well into 2025 supporting total ton-mile demand due to longer sailing distances around Cape Good Hope. Expected higher product tanker fleet growth, however, will likely have a moderating effect on the product tanker market in 2025 and a resolution to the situation in the Red Sea at some point will weaken market balance. The product tanker orderbook has increased during Q2 2024, in August reaching around 20%¹ and around 12%¹ of the current fleet for product tanker and total tankers, respectively.

Based on a continued historically low orderbook to fleet ratio in the **dry bulk** market and fleet growth below 3%¹ in both 2024 and 2025, demand growth looks likely to outpace supply growth and dry bulk spot earnings are expected to remain positive compared to the 2023 levels. The very high year-on-year growth in dry bulk demand in first half of 2024 is, however, expected to moderate for the balance of 2024. Downside risks in the dry bulk market are especially linked to a possible slowdown in Chinese iron ore and steel demand and the eventual resumption of Suez transits while particularly higher than expected shipments of grains offer upside potential in the market.

Average Q3 2024 TCE earnings for the **CABUs** will end below the record-high TCE earnings in Q2 2024. A weaker MR-tanker spot market during the summer will have an impact on earnings under the index linked caustic soda contracts in Q3 2024. Lower caustic soda contract shipments in Q3 2024 following an uneven caustic soda shipment program, will in addition have impact on earnings due to more and lower paid dry bulk trading in the quarter. Caustic soda contract shipments will, however, be higher in Q4 2024 and is expected to keep the CABU fleet in combination trading

throughout the fourth quarter. Based on a current 92% of the CABU days fixed and assuming forward freight pricing (FFA)² for open days, the CABU TCE earnings guidance for Q3 2024 is \$28,000-29,000/day. Expected number of CABU on-hire days in Q3 2024 is 734.

The renewal of contracts of affreightment (COA) for the CABU fleet for 2025 has started and an important fixed-rate dry bulk contract for shipment of iron ore from Australia to the Far East has been concluded for 2025. The cargo volume under the contract doubled and TCE earnings considerably improved compared to 2024. As of this report 21% of the dry bulk market exposure for the total KCC fleet is covered for 2025. The outlook for caustic soda contract renewals for 2025 is positive despite the recent weakening in the MR-tanker spot rates. Main contract renewals look likely to be concluded in Q4 2024.

The weaker product tanker market towards the end of Q2 and into Q3 2024 will also result in somewhat lower **CLEANBU** earnings in Q3 compared to Q2. The CLEANBU fleet will maintain a high share in tanker trading at around 68% in Q3 2023 due to the large earnings difference between dry bulk and product tanker markets in the early part of the summer. Based on current fixed days equal to 90% of fleet capacity and assuming forward freight pricing (FFA)² for the open days, TCE earnings for the CLEANBU fleet in Q3 2024 are expected to end at \$33,500-35,500/day. Expected number of CLEANBU on-hire days are 704 for Q3 2024, positively impacted by two retrofit projects being postponed to 2025.

In summary, both the dry bulk and the product tanker markets are expected to remain strong and especially the product tanker market is expected to be highly volatile during second half of 2024. However, KCC's flexibility, efficiency and diversified market exposure position the company well to deliver continued robust financial performance and attractive quarterly dividends going forward based on the company's policy of distributing minimum 80% of an adjusted cash flow to equity³.

The Board of Directors of

Klaveness Combination Carriers ASA

Oslo, 22 August 2024

Ernst Meyer

Chair of the Board

Gøran Andreassen

Board member

Magne Øvreås

Board member

Marianne Møgster

Board member

Brita Eilertsen

Board member

Engbret Dahm

CEO

¹ Clarksons Shipping Intelligence Network

² Source: Klaveness and Baltic Exchange as of August 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.

³ Adjusted cash flow to equity: EBITDA - debt service - maintenance CAPEX

RESPONSIBILITY STATEMENT BY THE BOARD AND CEO

The Board and CEO have reviewed and approved the condensed financial statements for the period 1 January to 30 June 2024. To the best of our knowledge, we confirm that:

- The condensed financial statements for the period 1 January to 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Statements.
- The information presented in the condensed financial statements gives a true and fair view of the Company's assets, liabilities, financial position and profit.
- The management report includes a fair review of important events that have occurred during the period and their impact on the consolidated financial statements and a description of the principal risks and uncertainties for the period.
- The information presented in the condensed interim financial statements gives a true and fair view on related-party transactions.

The Board of Directors of

Klaveness Combination Carriers ASA

Oslo, 22 August 2024

Ernst Meyer

Chair of the Board

Gøran Andreassen

Board member

Magne Øvreås

Board member

Marianne Møgster

Board member

Brita Eilertsen

Board member

Engebret Dahm

CEO

INCOME STATEMENT

USD '000	Notes	Unaudited		Unaudited		Audited
		Q2 2024	Q2 2023	H1 2024	H1 2023	2023
Freight revenue	3	62 524	57 640	123 240	132 798	247 542
Charter hire revenue	3	10 900	6 459	23 724	12 415	39 624
Total revenue, vessels		73 425	64 099	146 964	145 213	287 166
Voyage expenses		(21 122)	(19 570)	(41 296)	(45 313)	(90 362)
Net revenues from operation of vessels		52 303	44 529	105 669	99 899	196 805
Other income	3	-	-	278	-	-
Operating expenses, vessels		(13 498)	(12 615)	(26 612)	(23 975)	(50 237)
Group commercial and administrative services	10	(1 244)	(1 150)	(2 599)	(2 306)	(5 403)
Salaries and social expenses		(915)	(757)	(2 074)	(1 892)	(4 086)
Tonnage tax		(45)	(40)	(83)	(81)	(198)
Other operating and administrative expenses		(432)	(460)	(811)	(1 147)	(1 933)
Operating profit before depreciation (EBITDA)		36 168	29 505	73 767	70 500	134 947
Depreciation	4	(7 584)	(7 956)	(15 098)	(16 458)	(31 842)
Operating profit after depreciation (EBIT)		28 584	21 550	58 669	54 041	103 105
Finance income	7	1 983	2 030	3 677	3 800	7 533
Finance costs	7	(5 487)	(7 133)	(11 286)	(13 145)	(23 739)
Profit before tax (EBT)		25 081	16 447	51 061	44 696	86 899
Income tax expenses		-	-	-	-	-
Profit after tax		25 081	16 447	51 061	44 696	86 899
Attributable to:						
Equity holders of the Parent Company		25 081	16 447	51 061	44 696	86 899
Total		25 081	16 447	51 061	44 696	86 899
Earnings per Share (EPS):						
Basic earnings per share		0.41	0.30	0.84	0.83	1.52
Diluted earnings per share		0.41	0.30	0.84	0.83	1.52

STATEMENT OF COMPREHENSIVE INCOME

USD '000	Unaudited		Unaudited		Audited
	Q2 2024	Q2 2023	H1 2024	H1 2023	2023
Profit/ (loss) of the period	25 081	16 447	51 061	44 696	86 899
<i>Other comprehensive income to be reclassified to profit or loss</i>					
Net movement fair value on cross-currency interest rate swaps (CCIRS)	654	(1 552)	(3 805)	(6 744)	2 100
Reclassification to profit and loss (CCIRS)	(542)	2 237	3 009	5 916	(6 044)
Net movement fair value on interest rate swaps	(552)	1 377	(172)	(224)	(2 245)
Net movement fair value bunker hedge	(301)	121	71	20	126
Net movement fair value FFA futures	-	12	-	133	247
Net other comprehensive income to be reclassified to profit or loss	(741)	2 195	(896)	(900)	(5 816)
Total comprehensive income/(loss) for the period, net of tax	24 340	18 643	50 165	43 796	81 083
Attributable to:					
Equity holders of the Parent Company	24 340	18 643	50 165	43 796	81 083
Total	24 340	18 643	50 165	43 796	81 083

STATEMENT OF FINANCIAL POSITION

ASSETS			Unaudited	Audited
USD '000		Notes	30 Jun 2024	31 Dec 2023
Non-current assets				
Vessels	4		497 482	497 072
Newbuilding contracts	5		18 307	17 591
Long-term financial assets	6		5 756	6 325
Long-term receivables			159	107
Total non-current assets			521 704	521 095
Current assets				
Short-term financial assets	6		2 158	1 699
Inventories			12 795	12 123
Trade receivables and other current assets			24 479	24 942
Short-term receivables from related parties			-	110
Cash and cash equivalents			83 267	68 071
Total current assets			122 700	106 947
TOTAL ASSETS			644 404	628 041
EQUITY AND LIABILITIES				
USD '000		Notes	Unaudited	Audited
			30 Jun 2024	31 Dec 2023
Equity				
Share capital			6 977	6 977
Other paid in capital			202 949	202 852
Other reserves			9 888	10 722
Retained earnings	8		149 908	141 147
Total equity			369 722	361 698
Non-current liabilities				
Mortgage debt	6		130 693	154 835
Long-term financial liabilities	6		226	657
Long-term bond loan	6		74 973	66 897
Total non-current liabilities			205 892	222 388
Current liabilities				
Short-term mortgage debt	6		25 199	25 199
Short-term financial liabilities	6		2 531	328
Short-term bond loan	6, 11		17 826	-
Trade and other payables			22 215	17 052
Short-term debt to related parties			926	1 179
Tax liabilities			92	196
Total current liabilities			68 790	43 954
TOTAL EQUITY AND LIABILITIES			644 404	628 041

The Board of Directors of
Klaveness Combination Carriers ASA

Oslo, 22 August 2024

Ernst Meyer

Chair of the Board

Gøran Andreassen

Board member

Magne Øvreås

Board member

Marianne Møgster

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 2024	6 977	202 852	(97)	11 533	(714)	141 147	361 698
Profit (loss) for the period	-	-	-	-	-	51 061	51 061
Other comprehensive income for the period	-	-	-	(896)	-	-	(896)
Share purchase (note 8, 9)	-	97	66	-	-	-	163
Dividends	-	-	-	-	-	(42 299)	(42 299)
Equity at 30 June 2024	6 977	202 949	(32)	10 634	(714)	149 908	369 722

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	-	-	-	-	-	44 696	44 696
Other comprehensive income for the period	-	-	-	(900)	-	-	(900)
Private placement May 2023	721	48 619	-	-	-	-	49 340
Share purchase (note 8)	-	21	50	-	-	-	71
Dividends	-	-	-	-	-	(36 660)	(36 660)
Equity at 30 June 2023	6 956	202 372	(97)	16 451	(714)	129 122	354 090

Audited

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
Share options granted through LTIP	-	-	-	-	-	(2)	(2)
Dividends	-	-	-	-	-	(66 836)	(66 836)
Equity at 31 December 2023	6 977	202 852	(97)	11 533	(714)	141 147	361 698

STATEMENT OF CASH FLOWS

USD '000	Notes	Unaudited		Unaudited		Audited
		Q2 2024	Q2 2023	H1 2024	H1 2023	2023
Profit before tax		25 081	16 447	51 061	44 696	86 899
Tonnage tax expensed		45	40	83	81	198
Depreciation	4	7 584	7 956	15 098	16 458	31 842
Amortization of upfront fees bank loans		296	783	584	1 167	1 784
Financial derivatives loss / gain (-)	6	11	58	269	118	18
Gain /loss on foreign exchange	7	(156)	207	(98)	132	169
Interest income	7	(1 317)	(2 030)	(2 218)	(3 799)	(7 246)
Interest expenses	7	4 712	6 085	9 071	11 727	21 481
Change in current assets		7 766	8 262	(98)	6 506	11 985
Change in current liabilities		(181)	(2 502)	4 890	(251)	(2 539)
Collateral paid/received on cleared derivatives	6	(182)	651	(570)	757	(186)
Interest received	7	1 317	2 030	2 218	3 799	4 593
A: Net cash flow from operating activities		44 976	37 988	80 289	81 391	148 999
Acquisition of tangible assets	4	(11 361)	(4 249)	(15 509)	(7 411)	(12 843)
Installments and other cost on newbuilding contracts	5	(358)	-	(715)	-	(17 591)
B: Net cash flow from investment activities		(11 720)	(4 249)	(16 225)	(7 411)	(30 434)
Paid in registered capital increase	8	-	49 828	-	49 828	49 828
Transaction costs on capital increase		-	(1 093)	-	(1 093)	(1 093)
Proceeds from long term incentive plan	8	102	-	102	-	27
Paid in from exercise of warrants		-	-	-	-	501
Transaction costs on issuance of debt	6	(444)	(1 589)	(444)	(1 589)	(2 303)
Repayment of mortgage debt	6	(11 300)	(145 894)	(24 600)	(151 433)	(164 033)
Drawdown of mortgage debt	6	-	95 000	-	95 000	95 000
Repurchase bond incl premium (KCC04)		-	(8 099)	-	(13 864)	(55 478)
Premium paid on cross-currency interest rate swap (KCC05)	6	(1 697)	-	(1 697)	-	-
Proceeds from new bond issue (KCC05)		29 203	-	29 203	-	47 112
Interest paid	6	(4 758)	-	(9 134)	-	(21 905)
Termination of interest rate derivatives	6	-	4 001	-	4 001	4 001
Dividends		(21 139)	(20 949)	(42 299)	(36 660)	(66 836)
C: Net cash flow from financing activities		(10 034)	(28 794)	(48 870)	(55 810)	(115 179)
Net change in liquidity in the period		23 223	4 945	15 195	18 170	3 386
Cash and cash equivalents at beginning of period		60 044	77 912	68 071	64 685	64 685
Cash and cash equivalents at end of period		83 267	82 857	83 267	82 857	68 071
Net change in cash and cash equivalents in the period		23 222	4 945	15 195	18 170	3 386
Cash and cash equivalents		83 267	83 781	83 267	83 781	68 071
Other interest bearing liabilities (overdraft facility)		-	924	-	924	-
Cash and cash equivalents (as presented in cash flow statement)		83 267	82 857	83 267	82 857	68 071

NOTES

01 Accounting policies

02 Segment reporting

03 Revenue from contracts with customers

04 Vessels

05 Newbuildings

06 Financial assets and liabilities

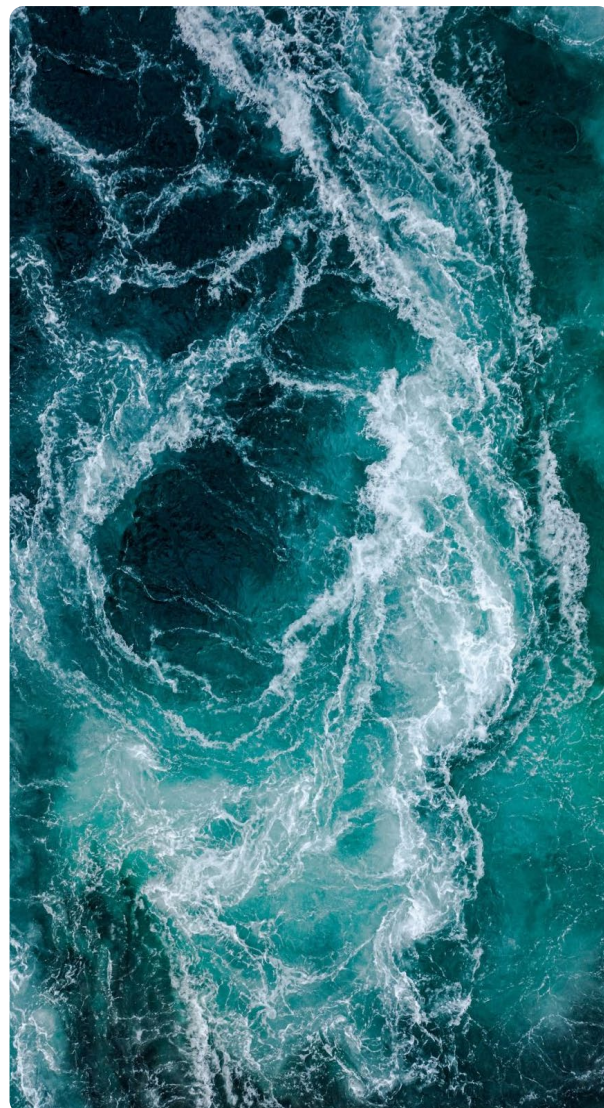
07 Financial items

08 Share capital, shareholders and dividends

09 Long-term incentive plan

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 "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 from 1 January 2024. 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	Q2 2024			Q2 2023		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
Operating revenue, vessels	37 554	35 871	73 425	37 465	26 633	64 099
Voyage expenses	(11 952)	(9 171)	(21 122)	(13 779)	(5 791)	(19 569)
Net operating revenues from operations of vessels	25 602	26 701	52 303	23 687	20 843	44 529
Operating expenses, vessels	(6 466)	(7 032)	(13 498)	(5 198)	(7 418)	(12 615)
Group administrative services	(596)	(648)	(1 244)	(474)	(676)	(1 150)
Salaries and social expense	(439)	(477)	(915)	(312)	(445)	(757)
Tonnage tax	(24)	(21)	(45)	(23)	(17)	(40)
Other operating and adm expenses	(207)	(225)	(432)	(190)	(271)	(460)
Operating profit before depreciation (EBITDA)	17 871	18 298	36 168	17 491	12 015	29 505
Depreciation	(3 387)	(4 197)	(7 584)	(3 261)	(4 694)	(7 956)
Operating profit after depreciation (EBIT)	14 485	14 100	28 584	14 229	7 321	21 550

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

USD '000	Q2 2024			Q2 2023		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
Net revenues from operations of vessels	25 602	26 701	52 303	23 687	20 843	44 529
On-hire days	680	683	1 363	687	707	1 394
Average TCE earnings (\$/day)	37 656	39 093	38 376	34 502	29 482	31 955

Reconciliation of opex \$/day

USD '000	Q2 2024			Q2 2023		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
Operating expenses, vessels	6 466	7 032	13 498	5 198	7 418	12 615
Operating days	728	728	1 456	728	728	1 456
Opex \$/day	8 882	9 659	9 270	7 140	10 189	8 664

NOTE 2- SEGMENTS REPORTING CONT.

Operating income and operating expenses per segment

USD '000	1H 2024			1H 2023		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
Operating revenue, vessels	74 358	72 606	146 964	73 740	71 496	145 236
Voyage expenses	(25 064)	(16 232)	(41 296)	(27 608)	(17 729)	(45 337)
Net operating revenues from operations of vessels	49 295	56 374	105 669	46 132	53 767	99 899
Other income	278	-	278	-	-	-
Operating expenses, vessels	(12 623)	(13 989)	(26 612)	(10 330)	(13 645)	(23 975)
Group administrative services	(1 233)	(1 366)	(2 599)	(993)	(1 312)	(2 305)
Salaries and social expense	(984)	(1 090)	(2 074)	(815)	(1 077)	(1 892)
Tonnage tax	(47)	(36)	(83)	(47)	(34)	(81)
Other operating and adm expenses	(385)	(426)	(811)	(494)	(653)	(1 147)
Operating profit before depreciation (EBITDA)	34 301	39 467	73 767	33 452	37 047	70 500
Depreciation	(6 992)	(8 106)	(15 098)	(6 581)	(9 877)	(16 458)
Operating profit after depreciation (EBIT)	27 310	31 360	58 669	26 871	27 170	54 041

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

USD '000	1H 2024			1H 2023		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
Net revenues from operations of vessels	49 295	56 374	105 669	46 132	53 767	99 899
On-hire days	1 360	1 320	2 680	1 400	1 424	2 824
Average TCE earnings (\$/day)	36 239	42 712	39 427	32 962	37 763	35 383

Reconciliation of opex \$/day

USD '000	1H 2024			1H 2023		
	CABU	CLEANBU	Total	CABU	CLEANBU	Total
Operating expenses, vessels	12 623	13 989	26 612	10 330	13 645	23 975
Operating days	1 456	1 456	2 912	1 448	1 448	2 896
Opex \$/day	8 670	9 608	9 139	7 134	9 423	8 279

NOTE 2- SEGMENTS REPORTING CONT.

Operating income and operating expenses per segment

	2023		
USD '000	CABU	CLEANBU	Total
Operating revenue, vessels	145 785	141 380	287 166
Voyage expenses	(50 120)	(40 242)	(90 362)
Net revenues	95 665	101 139	196 805
Operating expenses, vessels	(22 618)	(27 618)	(50 237)
Group 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 adm expenses	(870)	(1 063)	(1 933)
Operating profit before depreciation (EBITDA)	67 804	67 142	134 947
Depreciation	(13 476)	(18 366)	(31 842)
Operating profit after depreciation (EBIT)	54 328	48 776	103 105

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

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

Reconciliation of opex \$/day

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

NOTE 3- REVENUE AND OTHER INCOME

Revenue types

USD '000	Classification	Q2 2024	Q2 2023	H1 2024	H1 2023	2023
Revenue from COA contracts	Freight revenue	38 479	54 277	74 239	92 177	138 880
Revenue from spot voyages	Freight revenue	24 045	3 363	49 000	40 622	108 662
Revenue from TC contracts	Charter hire revenue	10 900	6 459	23 724	12 415	39 624
Total revenue, vessels		73 425	64 099	146 964	145 213	287 166

Other income

USD '000	Classification	Q2 2024	Q2 2023	H1 2024	H1 2023	2023
Other income	Other income	-	-	278	-	-
Total other income		-	-	278	-	-

Other income of USD 0.3 million in first half 2024 consists of compensation from loss of hire insurance related to an incident in 2022.

NOTE 4- VESSELS

Vessels

USD '000	30 Jun 2024	31 Dec 2023
Cost price 1.1	755 564	742 721
Dry-docking	7 274	4 959
Energy efficiency upgrade	7 164	7 566
Technical upgrade	1 071	319
Costprice end of period	771 073	755 564
Acc. depreciation 1.1	258 492	226 650
Depreciation vessels	15 098	31 842
Acc. depreciation end of period	273 590	258 492
Carrying amounts end of period*	497 482	497 072

*) 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 depreciation

USD '000	Q2 2024	Q2 2023	H1 2024	H1 2023	2023
Depreciation vessels	7 584	7 956	15 098	16 458	31 842
Depreciation for the period	7 584	7 956	15 098	16 458	31 842

ADDITIONS

One CABU vessel and one CLEANBU vessel completed dry-dock in the first half of 2024. Total costs of USD 7.3 million for these dry-docks were recognized in 1H 2024. Technical upgrades of USD 1.1 million and energy efficiency upgrades of USD 7.2 million are related to general improvement of the technical performance of the vessels and energy efficiency initiatives, the latter partly deducted by grants from ENOVA¹. KCC has secured in total approximately USD 1.4 million in grants from ENOVA¹ 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 June 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 June 2024.

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

NOTE 5- NEWBUILDINGS

(USD '000)	30 Jun 2024	31 Dec 2023
Cost 1.1	17 591	-
Yard installments paid	-	17 205
Other capitalized cost	715	386
Net carrying amount	18 307	17 591

The Group had per 30 June 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 estimated delivery costs are approximately USD 60 million per vessel. The expected delivery of the vessels is Q1-Q3 2026.

The equity of the newbuilds are fully financed through equity raised in 2023 and cash on the balance sheet, and there were no borrowings related to the newbuilds as of 30 June 2024.

NOTE 6- FINANCIAL ASSETS AND LIABILITIES

In April 2024, a subsidiary of KCC repaid USD 5 million under a revolving credit facility and USD 7 million were repaid in January 2024.

In May 2024, the Group issued NOK 300 million in bonds in a tap issue under the KCC05 bond loan. The issue price was 104.26% of par and the total outstanding amount under the KCC05 bond loan is NOK800 million. The NOK 300 million was converted to USD floating rate loan via cross currency interest rate swaps

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	82 037
Nordea/Credit Agricole Facility*	Term Loan/RCF, USD 60 million	Term SOFR + 2.25 %	March 2027	18 529
Nordea/ Danske Facility**/**	Term Loan, USD 80 million	Term SOFR + CAS + 2.1 %	December 2026	58 235
Capitalized loan fees				(2 909)
Mortgage debt 30 June 2024				155 892

* 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

	Face value		Carrying Amount
Bond loan	NOK'000	Maturity	30 June 2024
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			3 718
Capitalized expenses			(52)
Bond discount			(44)
Sum KCC04	191 500		17 826
KCC05	800 000	05.09.2028	75 088
Exchange rate adjustment			(219)
Capitalized expenses			(1 071)
Bond premium			1 175
Sum KCC05	800 000		74 973

KCC04 matures in February 2025 and is classified as short-term liabilities as of 30 June 2024 (note 11) .

As per 30 June 2024, USD 73k 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 June 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 Jun 2024	30 Jun 2024	31 Dec 2023
Interest bearing liabilities			
Mortgage debt	133 602	133 602	158 201
Capitalized loan fees	-	(2 909)	(3 367)
Bond loan	77 737	74 869	67 777
Bond premium	-	1 175	-
Bond discount	-	-	(82)
Capitalized expenses bond loan	-	(1 071)	(797)
Total non-current interest bearing liabilities	211 339	205 666	221 732
Mortgage debt, current	25 199	25 199	25 199
Bond loan, current	18 252	17 922	-
Bond discount	-	(44)	-
Capitalized expenses bond loan	-	(52)	-
Total interest bearing liabilities	254 790	248 692	246 931

USD '000	30 Jun 2024	31 Dec 2023
Financial assets		
Financial instruments at fair value through OCI		
Cross-currency interest rate swap	1 056	1 891
Interest rate swaps	6 823	5 762
Fuel Hedge	-	87
Financial instruments at fair value through P&L		
Forward currency contracts	36	285
Financial assets	7 914	8 024
Current	2 158	1 699
Non-current	5 756	6 325

USD '000	30 Jun 2024	31 Dec 2023
Financial liabilities		
Financial instruments at fair value through OCI		
Cross-currency interest rate swap	2 757	985
Financial liabilities	2 757	985
Current	2 531	328
Non-current	226	657

NOTE 7- FINANCIAL ITEMS

USD' 000

Finance income	Q2 2024	Q2 2023	H1 2024	H1 2023	2023
Other interest income	1 317	2 030	2 218	3 799	4 594
Gain on currency contracts	14	-	5	-	285
Gain on terminated cross-currency swaps	-	-	-	-	2 652
Fair value changes interest rate swaps	42	1	-	1	1
Other financial income	-	1	-	1	1
Gain on foreign exchange	156	-	98	-	-
Finance income	1 530	2 031	2 321	3 801	7 533

USD' 000

Finance cost	Q2 2024	Q2 2023	H1 2024	H1 2023	2023
Interest expenses mortgage debt	2 542	4 386	5 140	8 627	13 590
Interest expenses bond loan	1 851	1 379	3 301	2 740	5 756
Amortization capitalized fees on loans	296	783	584	1 167	1 784
Other financial expenses	319	319	630	361	2 135
Loss on currency contracts	25	-	271	-	-
Fair value changes interest rate swaps	-	58	3	118	303
Loss on foreign exchange	-	207	-	132	169
Finance cost	5 033	7 133	9 929	13 145	23 739

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.

Other financial expenses of USD 2.1 million in 2023, include premium paid on the repurchase of KCC04 of USD 1.9 million.

NOTE 8 – SHARE CAPITAL, SHAREHOLDERS AND DIVIDENDS

Dividends of USD 21.2 million were paid to the shareholders in May 2024 (USD 0.35 per share). A total of USD 42.3 million in dividends were paid to shareholders during the first two 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 executives were awarded 60 525 share options in the Company of which 30 000 options were awarded to the CEO. As of 30 June 2024, the CEO, Engebret Dahm, holds 60 000 options in the Company (note 9).

	Q2 2024	Q2 2023	1H 2024	1H 2023	2023
Weighted average number of ordinary shares for basic EPS	60 441 731	54 953 332	60 436 692	53 642 627	56 996 430
Share options (note 9)	71 885	27 927	56 193	27 313	43 717
Warrants	-	229 088	-	229 088	155 255
Weighted average number of ordinary shares for the effect of dilution	60 513 616	55 210 347	60 492 885	53 899 028	57 195 402

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 for options granted in 2023 are described in Annual report 2023, note 17, published on the Company's homepage (www.combinationcarriers.com) 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 Q2 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, executives 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 to executives. As of Q2 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 significant 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 (%)**	3,68%
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 3.68% 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 June 2024:

	Average exercise price	2024	2023
Opening balance beginning of period	NOK 69.5	40 500	65 280
Granted during the year	NOK 107.1	60 525	40 500
Exercised during the year		-	(65 280)
Forfeited during the year		-	-
Expired during the year		-	-
Closing balance end of period		101 025	40 500

The fair value of the share options granted is calculated to USD 182, i.e. USD 3.01 per share option. The cost to be recognized in 2024 is USD 12k.

NOTE 10 – TRANSACTIONS WITH RELATED PARTIES

Type of services/transactions	Provider ¹	Price method	Q2 2024	Q2 2023	H1 2024	H1 2023	2023
Business adm. services	KAS	Cost + 5%	554	469	1 118	831	1 944
Business adm. services	KA Ltd	Cost + 5%	25	48	41	94	139
Business adm. services	KD	Priced as other Cargo value services	3	-	6	-	5
Commercial services*	KAD	Cost + 7.5%	184	-	255	-	381
Commercial services	KDB	Cost + 7.5%	39	65	96	142	293
Commercial services	KSM	Cost + 7.5%	248	245	456	446	990
Board member fee	KD	Fixed fee as per annual general meeting	(6)	-	(12)	-	(24)
Project management	KSM	Cost + 7.5%	237	324	639	793	1 674
Total Group commercial and administrative services			1 244	1 150	2 599	2 306	5 403

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 a 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 ¹	Price method	Q2 2024	Q2 2023	H1 2024	H1 2023	2023
Technical mngmnt fee (opex)	KSM	Fixed fee per vessel	1 053	1 002	2 106	2 005	4 117
Crewing and IT fee (opex)	KSM	Fixed fee per vessel	373	363	798	724	1 496
Board member fee (administrative expenses)	KAS	Fixed fee as per annual general meeting	20	20	40	40	80
Total other services/ transactions			1 446	1 386	5 693	2 769	5 693

¹ 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 (KD)

NOTE 11 – EVENTS AFTER THE BALANCE SHEET DATE

On 22 August 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 second quarter 2024, in total approximately USD 18.1 million.

On 25 July 2024, KCC exercised its call option to redeem all outstanding bonds under the Klaveness Combination Carriers ASA FRN Senior Unsecured NOK 700,000,000 Bond 2020/2025 ISIN NO0010874530. The Company held NOK 508.5 million of the bond and hence repaid on 12 August 2024 NOK 191.5. In connection to the exercise of the call option the company paid a premium of NOK 1.4 million.

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