

## PROSPECTUS SUMMARY



### KLAVENESS COMBINATION CARRIERS ASA

(A public limited liability company incorporated under the laws of Norway)

#### **Transfer of listing of the shares in Klaveness Combination Carriers ASA from Euronext Expand to Oslo Børs**

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The information in this prospectus summary (the "**Prospectus Summary**") relates to the transfer of listing of 52,372,000 shares (the "**Shares**") in Klaveness Combination Carriers ASA ("**KCC**" or the "**Company**") and together with its consolidated subsidiaries (the "**Group**") from listing on Euronext Expand to Oslo Børs (the "**Transfer of Listing**").

No offering of Shares will be completed in connection with the Transfer of Listing. The first day of trading in the Shares on Oslo Børs will be [21] December 2021. The Shares will be listed on Oslo Børs under the Company's current ticker code "KCC".

Investing in the Company's Shares involves risks. See Section 2.2.3 "What are the key risks specific to the issuer?" and Section 2.2.3 "What are the key risks that are specific to the securities?" for a summary of applicable risk factors.

This Prospectus Summary serves as a transfer of listing document only as required under Norwegian law and regulations, including Article 1 (5) (j) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act.

The Prospectus Summary does not in any jurisdiction constitute an offer to buy, subscribe for or sell any of the securities described herein, and no securities are being offered or sold pursuant to this Prospectus Summary.

The Prospectus Summary is not intended to form the basis for any investment decisions.

The date of this Prospectus Summary is [21] December 2021

## **1 INTRODUCTION**

The information contained in this Prospectus Summary relates to the Transfer of Listing of 52,372,000 Shares in the Company, each with a par value of NOK 1.00, together being all the currently issued and outstanding Shares of the Company.

The Company's application for the Transfer of Listing was approved by Oslo Børs ASA on [17] December 2021. The last day of listing on Euronext Expand was [20] December 2021, and the first day of listing on Oslo Børs will be on [21] December 2021. No offering or other sale of Shares will be completed in connection with the Transfer of Listing.

The Shares will be listed on Oslo Børs under the Company's current ticker code "KCC". All Shares are registered in the Norwegian Central Securities Depository (the "VPS"), in book-entry form, and all Shares rank pari passu and carry one vote each.

This Prospectus Summary has been prepared in reliance upon Article 1 (5) (j) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act.

This Prospectus Summary is not a prospectus, and contains considerably less information than a prospectus. The Prospectus Summary has not been reviewed and approved by the Financial Supervisory Authority of Norway (Finanstilsynet).

Financial information published by the Company in accordance with the continuing obligations of companies listed on Euronext Expand and Oslo Børs may be found at [www.newsweb.no](http://www.newsweb.no) and [www.combinationcarriers.com](http://www.combinationcarriers.com).

The Prospectus Summary has been prepared solely in the English language.

The Prospectus Summary does not constitute and shall not imply in any jurisdiction an offer to buy, subscribe or sell any of the securities described herein, and the information in the Prospectus Summary is not intended to form the basis for any investment decisions. The Prospectus Summary serves as a summary only as required by Norwegian law and regulations, and no securities are being offered or sold pursuant to it. This Prospectus Summary speaks as of [21] December 2021, and the Company assumes no obligation to update it unless required by law.

Any reproduction or redistribution of the Prospectus Summary, in whole or in part, is prohibited.

Investing in the Company involves inherent risks. Please refer to Section 2.2.3 "What are the key risks specific to the issuer?" and Section 2.3.3 "What are the key risks that are specific to the securities?" for a description of certain material risk factors.

The Prospectus Summary shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo District Court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Prospectus Summary

## **2 SUMMARY**

### **2.1 Introduction and warnings**

#### *2.1.1 The name and international securities identification number (ISIN) of the Shares*

This Prospectus relates to the shares of Klaveness Combination Carriers ASA with ISIN NO 0010833262.

#### *2.1.2 The identity and contact details of the Company, including its legal entity identifier (LEI)*

Klaveness Combination Carriers ASA with business registration number 920 662 838, registered office at Drammensveien 260, NO-0283 Oslo, Norway and LEI code 213800ZFB2MQM3JA6K52.

#### *2.1.3 The identity and contact details of the person asking for admission to trading on a regulated market*

The Company is the same person as the person asking for admission to trading on Oslo Børs.

#### *2.1.4 The identity and contact details of the competent authority approving the Prospectus*

Not applicable. The Prospectus Summary has not been approved by any competent authority.

#### *2.1.5 The date of approval of the Prospectus Summary*

Not applicable. The Prospectus Summary is not subject to approval by any competent authority.

#### *2.1.6 Applicable warnings*

- (i) An investment in the Shares involves inherent risk. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment, as all the invested capital can be lost;
- (ii) Where a claim relating to the Shares or the Prospectus Summary is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus Summary before the legal proceedings are initiated;
- (iii) Civil liability attaches only to those persons who have tabled the Prospectus Summary including any translation thereof, but only where the Prospectus Summary is misleading, inaccurate or inconsistent or where it does not provide key information in order to aid investors when considering whether to invest in the Shares.
- (iv) The Prospectus Summary does not in any jurisdiction constitute an offer to buy, subscribe for or sell any of the securities described herein, and no securities are being offered or sold pursuant to this Prospectus Summary.

### **2.2 Key information on the Company**

#### *2.2.1 Who is the issuer of the Shares?*

The Company is a Norwegian public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act with registration number 920 662 838 and LEI code 213800ZFB2MQM3JA6K52. The Company was incorporated on 23 March 2018.

The Company is the leading, global owner and operator of combination carriers. The Company's fleet consists of 16 vessels that on a consecutive basis switch between transporting tanker and dry bulk cargo. The vessels are employed in trades where standard dry bulk and tanker vessels sail empty (sail in ballast) over long distances due to trade imbalances. Most of the time, the combination carriers combine a tanker cargo in one direction and a dry bulk cargo on the return voyage with minimum ballast in-between. By replacing the less efficient standard tankers and dry bulk vessels, the combination carriers have less volatile TCE-earnings than standard dry bulk and tanker vessels, over time earn a premium to that of standard dry bulk and tanker vessels and in average reduce carbon emissions per transported tonne-mile by 30-40% in KCC's main trade lanes compared to that of standard dry bulk and tanker vessels in the same trades.

### 2.2.1.1 The Company's major shareholders

Set out below is an overview of shareholders owning 5% or more of the shares in the Company:

#	Name of shareholder	Number of Shares	%
1	Klaveness Ship Holding AS	28 154 231	53.76%
2	EGD Shipholding AS	8 805 128	16.81%
<b>Total top 2 shareholders:</b>		36 959 359	70.57%
Other:		15 412 641	29.43%
<b>Total shareholders:</b>			<b>100.00%</b>

### 2.2.1.2 The identity of the Company's key managing directors

As at the date of this Prospectus, the Company's key management team consists of the following two individuals:

Name	Position	Served since
Engebret Dahm	CEO	January 2015
Liv Hege Dynes	CFO	February 2017

### 2.2.1.3 The identity of the Company's statutory auditors

The Company's independent auditor is Ernst & Young AS (EY), with business registration number 976 389 387, and registered address at Dronning Eufemias gate 6, 0191 Oslo. EY is a member of Den Norske Revisorforeningen (The Norwegian Institute of Public Accountants).

### 2.2.2 What is the key financial information regarding the issuer?

The summary of selected consolidated financial data below presents data extracted from the Group's consolidated audited annual financial statements for 2020 and 2019 and the unaudited interim financial statements for the first nine months ended 30 September 2021 and 30 September 2020. The annual financial statements of the Group have been prepared in accordance with IFRS as adopted by the European Union. The interim financial statements of the Group have been prepared in accordance with IAS 34.

The Group's consolidated financial statements comprise KCC and all subsidiaries over which the Group has control. Control is normally obtained when the Group owns more than 50% of the shares in the company or through agreements, is capable of exercising control over the company. Non-controlling interests are included in the Group's equity.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and consolidation is continued until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same accounting period as the parent company, using consistent accounting principles for similar transactions and events under otherwise similar circumstances.

#### Consolidated income statement:

In USD '000	Nine months ended 30 September 2021 <b>(unaudited)</b>	Nine months ended 30 September 2020 <b>(unaudited)</b>	Year ended 31 December 2020 <b>(audited)</b>	Year ended 31 December 2019 <b>(audited)</b>
Total revenues, vessels	141 103	121 018	162 731	136 521
Operating profit/loss before depreciation (EBITDA)	40 066	37 802	48 125	25 763
Operating profit/loss after depreciation (EBIT)	18 606	24 269	28 971	11 692
Profit/loss after tax	7 485	13 983	15 182	597

Consolidated balance sheet:

<i>In USD '000</i>	Nine months ended 30 September 2021 <b>(unaudited)</b>	Nine months ended 30 September 2020 <b>(unaudited)</b>	Year ended 31 December 2020 <b>(audited)</b>	Year ended 31 December 2019 <b>(audited)</b>
Total assets	630 459	502 166	549 043	459 262
Total equity	207 531	216 115	216 532	212 941
Total liabilities	422 928	286 051	332 511	246 321
Total equity and liabilities	630 459	502 166	549 043	459 262

Consolidated cash flow statement

<i>In USD '000</i>	Nine months ended 30 September 2021 <b>(unaudited)</b>	Nine months ended 30 September 2020 <b>(unaudited)</b>	Year ended 31 December 2020 <b>(audited)</b>	Year ended 31 December 2019 <b>(audited)</b>
Net cash flow from operating activities	16 587	30 544	39 513	31 873
Net cash flow from investment activities	(116 180)	(57 055)	(92 905)	(164 295)
Net cash flow from financing activities	54 660	28 956	63 822	101 587

2.2.3 *What are the key risks that are specific to the issuer?*

Below is a brief description of the most material risk factors specific to the Company:

- Acceptance and/or exemptions in relation to the CLEANBU vessels from clients and terminals, where policies require clean petroleum products (CPP) as the last two or three cargoes to avoid cargo contamination.
- Introduction of new ship types or concepts will normally require technical adjustments and modifications, which will take time and may lead to off-hire and delayed deliveries. There are outstanding guarantee items relating to two of the CLEANBU vessels, implying additional off-hire related to the repairs in 2022. While the shipyard is obliged to bear the cost of repairs, additional related costs may incur, and off-hire will be borne by KCC unless covered by KCC's loss of hire insurance.
- The Group is, to a certain degree, dependent on a limited number of key customers and renewal of key/material contracts with these customers, particularly related to caustic soda transportation. Unfavourable changes in trade flows and volumes may adversely affect the Group's earnings and financial position.
- The Group may face increased competition both from standard vessels and companies entering combination trading, the failure of the Group to maintain competitive offering of its services could have a material adverse effect on the Group's business, operating results and financial condition.
- The Group may face a realisation risk due to illiquidity of assets. The vessels can be sold as standard dry bulk vessels and/or product tankers, however the full value may be difficult to realize if the buyer is unable to operate the vessels as combination carriers.
- The Group's risk management policies and procedures may leave it exposed to unidentified or unanticipated risks. The Group's activities are exposed to e.g. freight rate risk, bunker fuel price risk, as well as risks relating to foreign exchange, interest rate, counterparties (including credit), operations, regulations and other risks.
- The Group is exposed to counterparty risk, inter alia and in particular under COAs on fixed rate. The cash flows and financial condition of the Group may be materially adversely affected should its counterparties terminate, renegotiate or suspend their obligations under such contracts.
- The vessels operated by the Group are subject to perils particular to marine operations, including capsizing, grounding, collision and loss and damage from severe weather, as well as unintended accidents.

- The Group is exposed to technical risks, where failure to adequately maintain the technical operation of a vessel may adversely affect the operating expenses of the fleet.
- The Group is exposed to effects from future environmental regulations setting minimum standards to energy or operational efficiency, requirements to new fuels or blends of fuels and new carbon taxes or mandatory emission trading schemes.

## **2.3 Key information on the Shares**

### *2.3.1 What are the main features of the Shares?*

The Shares are governed by the Norwegian Public Limited Liability Companies Acts, are electronically registered in dematerialized form with the Norwegian central securities depository, Verdipapirsentralen ASA, with ISIN NO 0010833262.

The Shares are issued in Norwegian Kroner (NOK). As of the date of this Prospectus Summary, the Company's share capital is NOK 52,372,000, divided into 52,372,000 shares, each with a par value of NOK 1.00.

The Company has one class of Shares and each Share carries one vote. All the Shares are validly issued and fully paid. All shareholders have equal voting rights in the Company. Pursuant to the Norwegian Public Limited Liability Companies Act, the Shares have equal rights to the Company's profits, in the event of liquidation and to receive dividend, unless all the shareholders agree otherwise. In the event of insolvency, the Shares will be subordinated all debt.

Neither the Norwegian Public Limited Liability Companies Act nor the Articles of Associations provide for any restrictions on the transfer of Shares or a right of first refusal for the Company or its shareholders. Share transfers are not subject to approval by the Board of Directors. The transferability of the Shares may, however, be restricted in certain jurisdictions, and each investor in the Company should inform themselves about and observe such restrictions.

The Company currently intends to distribute a minimum 80% of operating cash flow less debt service and maintenance capex as dividends to its shareholders, provided that all known, future capital and debt commitments are accounted for and the Group's financial standing remains acceptable. Although there can be no assurance of any such distribution being made. The Company further intends for any new material investments to be subject to separate funding through equity, debt or otherwise.

### *2.3.2 Where will the securities be traded?*

The Shares are listed and tradable on Euronext Expand, under ticker "KCC". The Oslo Børs ASA approved the Transfer of Listing of the Shares on [17] December 2021, and the first day of trading on Oslo Børs is expected to be [21] December 2021. The Shares of the Company will trade on Oslo Børs under the Company's current ticker, "KCC".

The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

### *2.3.3 What are the key risks that are specific to the Shares?*

Below is a brief description of the most material risk factors specific to the Shares:

- The Company's major shareholders own a significant percentage of Shares and are able to exercise significant influence over matters subject to shareholder approval.
- The Company's ability to pay dividends is dependent on the availability of distributable reserves and the willingness of the Company to pay any dividends in the future.

## **2.4 Key information on the admission to trading on a regulated market**

### *2.4.1 Under which conditions and timetable can I invest in the Shares?*

Not applicable. No Shares are being offered or sold pursuant to this Prospectus Summary.

### *2.4.2 Who is the offeror and/or the person asking for admission to trading?*

The Company is the person asking for admission to trading of the Shares.

### *2.4.3 Why is this prospectus summary being produced?*

This Prospectus Summary has been produced in connection with the Transfer of Listing.

- (i) The use and estimated net amount of the proceeds

Not applicable. No Shares are being offered or sold pursuant to this Prospectus Summary.

(ii) An indication of the most material conflicts of interest pertaining to the admission to trading

There are no material conflicts of interests pertaining to the Transfer of Listing.