



Longship Group B.V. EUR 60,000,000 Senior Secured Bond Issue 2024/2027

Admission Document

This admission document (the "**Admission Document**") has been prepared by Longship Group B.V. (the "**Issuer**") in connection with listing of the bonds (the "**Bonds**") issued under the Issuer's EUR 60,000,000 Senior Secured Bond Issue 2024/2027 with ISIN NO0013233171 (the "**Bond Issue**").

The Bond Issue is guaranteed by Longdawn B.V., a company incorporated under the laws of the Netherlands with company number 86961403 (the "**Guarantor**").

This Admission Document does not constitute a prospectus under the Prospectus Regulation (Regulation (EU) 2017/1129) or the Norwegian Securities Trading Act of 29 June 2007 no. 75 (together with ancillary rules and regulations, the "**Prospectus Regulations**"), and has not been prepared to comply with the Prospectus Regulations. This Admission Document has been inspected by Euronext Oslo Stock Exchange as part of the Nordic ABM listing process, but has not been reviewed by or approved by the Norwegian Financial Supervisory Authority or any other public authority.

This Admission Document has been prepared solely for information purposes in connection with listing of the Bonds on the Nordic ABM, a list of registered bonds operated by Oslo Børs ASA and for which Oslo Børs ASA determines the rules (the "**ABM Rules**") in consultation with market participants. The Admission Document does not constitute or form part of any offer or other solicitation to subscribe for or purchase any bonds or other securities, and is not intended to form the basis of any investment decision.

Distribution of this Admission Document may be restricted by local securities legislation and failure to comply with these restrictions may violate applicable securities legislation. Persons who become in possession of this Admission Document may be required to inform themselves about, and to observe, all such restrictions.

Neither the Issuer, the Guarantor nor any of their Affiliates (as defined in the bond terms (the "**Bond Terms**") attached hereto) shall be held responsible or liable for any violation of such restrictions by recipients of this Admission Document.

THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**US SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES. ACCORDINGLY, THE BONDS MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A "US PERSON" EXCEPT IN TRANSACTIONS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS.

The information included in this Admission Document is as of the date hereof. Any publication or distribution of this Admission Document subsequent to such date shall not be taken as a representation that the information included herein is still correct and accurate.

This Admission Document is subject to Norwegian law. Any dispute arising in respect of this Admission Document is subject to the exclusive jurisdiction of Norwegian courts, with Oslo District Court (*No. Oslo tingrett*) as legal venue.

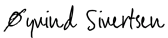
RESPONSIBILITY STATEMENT

This admission document is dated 14 November 2024 and has been prepared by the Issuer in connection with the listing of the Bonds on Nordic ABM. The person responsible for the information given in this Prospectus is as follows:

Longship Group B.V.
Helperpark 272 4, 9723ZA Groningen, the Netherlands

The Issuer confirm that to the best of its knowledge the information contained in this admission document is in accordance with the facts and the document contains no omission likely to affect its import.

14 November 2024
Longship Group B.V.

DocuSigned by:

SNP 4460DF3244

Name: Øyvind Sivertsen
Title: Director and CEO

ADMISSION DOCUMENT

This document has been prepared in accordance with the ABM Rules section 2.7 to provide certain additional information requested by the Oslo Stock Exchange, as further described in the ABM Rules section 2.7.2.3, no 8, 10, 17, 19, and 21.

1 If the Issuer belongs to a group, or to a group of undertakings that are interrelated through common ownership or common management, a brief description of the structure and ownership of the group and the Issuer's role within the group.

The Issuer is jointly owned by JOKA Holding B.V. and Huge Shipping S.A., holding respectively 66.66% and 33.33% stakes in the Issuer. The ownership is tied directly to the leadership of the Issuer as the Issuers CEO, Øyvind Sivertsen, owns JOKA Holding B.V., and the Issuer's Managing Partner, Michel Cigrang, controls Huge Shipping S.A.

The Issuer operates a fleet in the range of 14 vessels, held by special purpose vehicles (together, the "SPVs"). In addition, the Issuer holds 8 ship newbuildings under construction, and have 6 ship newbuildings under negotiation. The Issuer is considered as the main entity in the Issuer's corporate group (hereinafter, the "**Group**").

The Issuer's ownership in the fleet of vessels are structured through ownership and investments in the following corporate entities: Cargow B.V., Longship Invest B.V. and Longship B.V., which directly or indirectly – through ownership interests in Binnacle Holding B.V., GSF B.V., Crow's Nest Holding B.V., Forsail Holding B.V. and Figurehead Holding B.V. – carry ownership in the SPVs holding the vessels:

- (i) Longship Invest B.V.: The Issuer holds 95% of the ownership interest, while the trust foundation STAK LSI holds the remaining 5% without any voting rights. Longship Invest B.V. is the Issuer's asset management company and holds ownership of 27 vessels, including 8 newbuildings to be delivered (whereof 2 joint venture vessels with reputable co-owners) and 6 newbuildings under negotiation.
- (ii) Longship B.V.: The Issuer holds 100% of the ownership interest. Longship B.V. is the commercial management company of the Issuer, and is a short sea player with long term connections to the industry, leading to consistent contract coverage, with 15 years proven track record in commercial management. Longship B.V. is the co-owner of 1 vessel.
- (iii) Longship Management B.V. (holding Longship Crewing B.V. ultimately): The Issuer holds 100% of the ownership interest directly/indirectly. Longship Management B.V. is the operational management company of the Issuer, and has a complete range of tailor-made management solutions and is specialised on gearless/geared vessels built in the Netherlands, Germany, China, Korea and Turkey.
- (iv) Wagle Chartering AS: The Issuer holds 50% of the ownership interest. Wagle Chartering AS is a commercial and chartering company, and is a competitive broker, agent and commercial manager based in both Norway and the Netherlands. Wagle Chartering AS is the co-owner in 2 joint venture vessels.
- (v) Cargow B.V.: The Issuer holds 18,69% of the ownership interest. Cargow BW is a Dutch shipping company providing transport between the Continent, Norway, UK, Faroe Islands and Iceland, with focus on liner services with container, reefer and project cargo capabilities. In 2021, Cargow acquired all shares in Thor Shipping PLC, a comprehensive logistics and transport service company.

- (vi) Chr Th Boe & Søn AS: The Issuer holds 50% of the ownership interest, while the remaining 50% is held by Wagle Chartering AS, in which the Issuer holds 50% of the ownership interest. Chr Th Boe & Søn AS is a Norwegian shipbroker firm, representing ship-owners, managers, operators, charterers and freight forwarders from all over the world.
- (vii) Binnacle Holding B.V.: The Issuer hold 100% of the ownership interest and control indirectly. Binnacle Holding B.V., is a holding company currently holding 6 vessels.
- (viii) Crow's Nest Holding B.V.: The Issuer hold 100% of the ownership interest and control indirectly. Crow's Nest Holding B.V., is a holding company currently holding 3 vessels.
- (ix) Forsail Holding B.V.: The Issuer hold 100% of the ownership interest and control indirectly. Forsail Holding B.V., is a holding company currently holding 2 vessels.
- (x) Figurehead Holding B.V.: The Issuer hold 100% of the ownership interest and control indirectly. Figurehead Holding B.V., is a holding company currently holding 2 vessels.

The sole guarantor of the Bond Issue is Longdawn B.V., a company existing under the laws of the Netherlands with registration number 86961403. The Issuer holds 100% of the shares in Longdawn B.V., and is required to continue to do so pursuant to the Bond Terms.

Longdawn B.V. is the owner of the cargo vessel m/v Longdawn with IMO number 9501679 (the "**Collateral Vessel**"). The Bonds are among others secured by way of:

- (i) a mortgage over the Collateral Vessel, including all relevant equipment being legally part of the Collateral Vessel Under applicable law (including any deed of covenants supplemental to such mortgage and to the Security thereby created between the Collateral Vessel Owner and the Bond Trustee (on behalf of the Bondholders);
- (ii) an assignment pledge over all relevant insurances related to the Collateral Vessel and the equipment related thereto;
- (iii) a pledge over all the shares (100 per cent., including shares in any class) in the Collateral Vessel Owner;
- (iv) to the extent possible under applicable laws, an assignment of pledge of all earnings related to the Collateral Vessel;
- (v) an all asset security agreement (omnibus deed of pledge) in respect of all assets of the Collateral Vessel Owner;
- (vi) an assignment of pledge over all loans made by a Group Company to the Collateral Vessel Owner.

Further reference is made to the Loan Description, and the Bond Terms attached hereto under Appendix 4.

The Collateral Vessel is a general cargo vessel/containership built by Dalian Fishing Vessel Co., PRC in 2013, and certified under the flag state Antigua and Barbuda. For the sake of completeness, please note that the Collateral Vessel during 16 May 2024, was involved in a collision with a fishing boat off the south-west of Iceland. The incident is still under investigation, both by Icelandic police and relevant insurance companies. Pending further investigations of the exact nature and circumstances of the incident by the Icelandic police, certain of the Group's

officers have been ordered not to leave Iceland. In this respect, we highlight that the Collateral Vessel has not been arrested following the incident nor are there any maritime liens on the Collateral Vessel. As from July 2024 it has become clear that the collision was solely the fault of the captain/owner of the Hadda, as confirmed by the Icelandic police and court. Consequently no claim was or will be issued and it is most unlikely that anything further will derive from this.

Further reference is made to the corporate group chart attached hereto as [Appendix 2](#).

2 Description of the Issuer's principal activities, stating the main categories of products sold and/or services performed, as well as a description of the Issuer's corporate structure or organisational structure. If relevant, an indication of any significant new products and/or activities.

The Issuer is a privately owned ship operator and logistics company. The Issuer is incorporated under Dutch laws and currently operates a fleet of 14 vessels, in addition to 8 ship newbuildings under construction and 6 ship newbuildings under negotiation.

The Issuer was founded in 2009 by Øyvind Sivertsen and his former partner, initially as a brand in the deep sea dry bulk shipping sector. This involved transport of dry bulk commodities globally, utilising ships capable of crossing oceans and navigating routes including the North Atlantic, South Atlantic, Indian Ocean, North Pacific, and South Pacific. During 2019-2021 the company went through a transition to pure European shortsea operations, transporting various types of cargo, e.g. aluminium, steel products, biomass solid fuels and secondary fuels, but also grains, peat and other common bulk cargos. Continuing into 2022-2023, the company made a strategic shift towards owning more vessels as opposed to vessels being chartered-in. The mentioned transition has e.g. involved mergers, acquisitions, investments and the forming of joint ventures (cf. section 3 below).

Reference is made to section 1 above for a description of the Issuer's corporate- and organisational structure.

3 Description, with figures, of the main investments made, including investment in shares, units, bonds etc., over the past three financial years and so far in the current financial year.

Since its inception in 2009, the Group has completed a number of transactions. With reference to the corporate group chart attached as [Appendix 2](#) and the information provided under Section 1 above, the main investments of the Issuer in the period between 2021 and 2024 have been the following:

(i) Main investments 2021:

The Group purchased 33% of the ownership interests in [Binnacle Holding B.V.](#), and merged with [HVMS B.V.](#), resulting in 56% ownership in 6 vessels. The book value of the Issuer's interests in associates per 31 December 2021 was 38,571,062 EUR.

(ii) Main investments 2022:

The Group acquired a further 43,59 % of the shareholding in [Binnacle Holding B.V.](#) for a price of 11,6 MEUR. Furthermore the Group established a new holding structure through [Crow's Nest Holding B.V.](#) to purchase two vessels (approx. 11,6 MEUR and 11,6 MEUR) for sale and lease-back purpose. In addition the [Figurehead Holding B.V.](#) structure was established. The book value of the Issuer's interests in associates per 31 December 2022 was 55,059,903 EUR.

- (iii) Main investments 2023:
The Group and Cargow B.V. established LCT Shipping B.V. as a 50/50 joint venture, to potentially build new MPP (Multi-Purpose Product) vessels. Furthermore, the Issuer signed contracts to build 2x Eco freighters. The book value of the Issuer's interest in associates per 31 December 2023 was 61,174,605 EUR.
- (iv) Main investments 2024:
The Issuer's profits have primarily been used to re-invest in 6 ship newbuildings. The bond issue of 40 MEUR have mainly been utilised for the purpose of a strategic investment in Cargow B.V. equivalent to 18.69% of the ownership interests, in addition to investments in a ship newbuilding program. The Group has signed contracts to build 4 vessels and an option for 4 additional vessels to be lifted in 2025. Furthermore, the Issuer Group has placed a strategic investment in Chr Th Boe & Søn AS equivalent to 50% of the shares.

Further reference is made to the Issuer's financial statements attached hereto as Appendix 1.

4 Information concerning any major future investments planned by the Issuer that have been approved by its corporate bodies.

There are no firm major investment decisions regarding future investments made or planned by the Issuer's corporate bodies as at the date of this Admission Document.

5 General information on the development of the Issuer's activities since the end of the financial year covered by the last published annual accounts. Information on the most significant recent trends in production, sales and stocks and the state of the order book, and recent trends in costs and selling prices and other factors of material significance for operations. Oslo Børs ASA reserves the right to require that pro forma figures are included.

Reference is made to the main investments made during 2024, as elaborated under Section 3 above. In the process of the 40 MEUR initial bond issue in 2024, the shareholders were asked to contribute 14 MEUR in the Group to strengthen its position.

Further reference is made to the main investments made during 2023, as elaborated under Section 3 above. LCT Shipping B.V. was sold to Cargow B.V. during the Q4 2024, implying Cargow B.V. now holding 100% of the shares in LCT Shipping B.V. With reference to bullet point (v) under Section 1 above, and Section 6 below, the Issuer holds 18,69% of the ownership interests in Cargow B.V.

There are no other significant trends in the Group's activities or other trends of material significance for the Group's operations since the end of the financial year covered by the latest published annual accounts of the Group.

6 Information of use of proceeds from the Bond Issue

The net proceeds from the initial Bond Issue are reserved for the following purposes:

- (i) the refinancing of financial indebtedness incurred under an EUR 5,400,000 facilities agreement and an EUR 2,750,000 facilities agreement,

- (ii) the funding of the acquisition of at least 18.6% of the shares of Cargow B.V,
- (iii) with respect to any residual amount, the general corporate purposes of the Group.

The Issuer will use any net proceeds derived from the issuance of any additional bonds, taking part as a tap issue pursuant to the Bond Terms for the general corporate purposes of the Group (unless otherwise set out in the relevant tap issue addendum).

Further reference is made to the Bond Terms Clause 1.1 (*Definitions*) and Clause 2.3 (*Use of proceeds*).

APPENDIX 1
AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE ISSUER COVERING THE FINANCIAL YEARS
ENDED 31 DECEMBER 2021, 31 DECEMBER 2022 AND 31 DECEMBER 2023



Consolidated Annual Account 2021

Longship Group B.V.
Peizerweg 87-F
9727 AH Groningen



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Audit report



Management report

The management report is available for consultation at company's office.



Taxation report

Tax entity for corporate tax

Longship Group B.V. is a tax entity for corporate tax with Longship B.V., Longship Invest B.V., Beheermaatschappij m.s. Leah B.V. and Beheermaatschappij m.s. Francisca B.V. based on tonnage tax and are therefore jointly and several liable for the tax liability of the tax unit.

Taxation is recognized in the annual account of Longship Group B.V.



Consolidated Annual Account 2021



Consolidated balancesheet after profit allocation per 31 december 2021

	31 dec 2021	31 dec 2020
	€	€
ASSETS		
Goodwill	119.974	165.119
Intangible assets	119.974	165.119
Vessels	14.131.389	2.407.416
Inventories	29.764	24.323
Property, plant and equipment	14.161.153	2.431.739
Interests in associates	22.755.127	12.063.912
Associate receivables	28.812	330.438
Non-current financial assets	22.783.939	12.394.350
Inventories	214.095	56.753
Work in progress	45.000	0
Inventories and work in progress	259.095	56.753
Receivables	115.042	107.890
Associate receivables	2.694.913	1.781.752
Taxes and social security contributions receiv.	3.093	17.587
Other receivables	713.508	272.036
Receivables and prepayments	3.526.556	2.179.265
Current account	5.654.387	2.575.174
Cash	13.723	4.299
Cash and cash equivalents	5.668.110	2.579.473
Assets	<u>46.518.827</u>	<u>19.806.699</u>



Consolidated balancesheet after profit allocation per 31 december 2021

	<u>31 dec 2021</u>	<u>31 dec 2020</u>
	€	€
LIABILITIES		
Subscribed share capital	100.000	100.000
Share premium account	12.076.206	12.076.206
Statutory reserve	9.366.845	975.153
General reserve	17.283.361	4.400.235
Share third parties	<u>781.473</u>	<u>869.680</u>
Equity	39.607.885	18.421.274
Major maintenance provision	<u>40.500</u>	<u>93.000</u>
Provisions	40.500	93.000
Mortgage loans	<u>5.580.000</u>	<u>0</u>
Borrowings	5.580.000	0
Overdrafts	10.333	10.333
Trade payables and trade credit	676.685	236.659
Taxes and social security contributions payable	371.275	195.205
Current account overdraft	80.731	750.057
Other payables	<u>151.418</u>	<u>100.171</u>
Current liabilities	1.290.442	1.292.425
Equity and liabilities	<u><u>46.518.827</u></u>	<u><u>19.806.699</u></u>



Consolidated profit & loss account for 2021

	<u>2021</u>	<u>2020</u>
	€	€
Revenue	32.614.387	20.909.764
Cost of sales	<u>-22.521.308</u>	<u>-17.098.990</u>
Gross margin	10.093.079	3.810.774
Staff costs	2.050.928	1.557.802
Amortisation and depreciation expense	505.459	432.716
Accommodation	79.687	81.788
Operating expenses	813.677	416.073
Vehicle expenses	145.252	117.561
Office expenses	102.579	76.739
Distribution costs	62.688	40.114
General expenses	656.896	525.773
Managementfee	<u>200.124</u>	<u>324.724</u>
Total expenses	4.617.290	3.573.290
Operating result	5.475.789	237.484
Net finance cost	342.717	25.340
Non-operating income & expenses	-12.307	-1.294
Result before taxation	5.806.199	261.530
Tax on profit	-31.221	-28.991
Result of participations	7.063.617	1.716.551
Share third parties	88.209	-139.802
Result after taxation	<u>12.926.804</u>	<u>1.809.288</u>



Consolidated cashflow for 2021

	2021	2020
	€	€
Operating result	5.475.789	237.484
Adjustments for:		
Depreciations	505.459	432.716
Changes in provisions	<u>-52.500</u>	<u>62.000</u>
	452.959	494.716
Changes in working capital:		
Operational claims	-1.347.291	-1.495.632
Stock & work in progress	-202.342	22.190
Operational debts	<u>-1.983</u>	<u>-794.656</u>
	<u>-1.551.616</u>	<u>-2.268.098</u>
Cashflow from business operations	4.377.132	-1.535.898
Net finance cost	342.717	25.340
Dividends	0	0
Non-operating income & expenses	0	0
Extraordinary income and expenses	0	0
Taxation	-31.221	-28.991
Changes in participations	7.063.617	1.716.551
Changes third party share	88.209	-139.802
Change in value of receivable, non-current assets	0	0
Additional changes	<u>-12.307</u>	<u>-1.294</u>
	<u>7.451.015</u>	<u>1.571.804</u>
Cashflow from operational activities	11.828.147	35.906
(Dis) investments intangible assets	45.145	45.144
(Dis) investments tangible assets	-11.729.414	384.577
(Dis) investements financial assets	-10.389.589	-1.296.380
Whereof depreciatons	<u>-505.459</u>	<u>-432.716</u>
Cashflow from investements activities	-22.579.317	-1.299.375
Changes current account overdraft banks	0	0
Changes in equity	8.259.807	-501.119
Changes in borrowings	<u>5.580.000</u>	<u>0</u>
Cashflow from finance activites	13.839.807	-501.119
Net cashflow	3.088.637	-1.764.588
Exchanges rate difference	0	0
Changes in cash	<u>3.088.637</u>	<u>-1.764.588</u>



Disclosure notes to the consolidated balance sheet and the profit & loss account

General

Activities

The activities of Longship Group B.V., statutory established in Groningen consists of investments related to the shipping sector. Longship Group B.V. is registered at the Chamber of Commerce under number 71415750.

Group relationships

Longship Group B.V. forms a group with Longship B.V., Beheermaatschappij m.s. Leah B.V., Beheermaatschappij m.s. Francisca B.V., Longship Invest B.V. and Wagle Chartering AS. Longship Group B.V. is head of this group.

Consolidation principles

Financial information relating to group companies and other legal entities which are controlled by Longship Group B.V. or where central management is conducted has been consolidated in the financial statements of Longship Group B.V. The consolidated financial statements have been prepared in accordance with the accounting principles of Longship Group B.V.

The financial information relating to Longship Group B.V. is presented in the consolidated financial statements. Accordingly, in accordance with art. 2:402 of the Dutch Civil Code, the company-only financial statements only contain an abridged profit and loss account.

Financial information relating to the group companies and the other legal entities and companies included in the consolidation is fully included in the consolidated financial statements, eliminating the intercompany relationships and transactions. Third party shares in equity and result of group companies are disclosed separately in the consolidated financial statements.

The companies included in the consolidation are: Longship B.V. and Longship Invest B.V.

Continuity

In the fiscal year 2021, the company has to contend with the consequences of COVID-19. It is unclear what (financial) consequences COVID-19 will have for Longship B.V. in the long run. However, there is no reasonable or serious doubt about the continuity of the company. Longship B.V. was able to continue its business. However, it was expected that the turnover would decrease as a result, for this reason the Tijdelijke Noodmaatregel Overbrugging Werkgelegenheid was requested for the first two terms (NOW 1 and NOW 2). With the help of this, Longship B.V. expects that it can continue its business activities. No other emergency were used.

The board have confidence in the sustainable continuation of the business activities by the taken measures and the continuation of the assignments. Therefore the financial statements have been prepared on the basis of the going concern assumption.

Estimates

In applying the principles and policies for drawing up the financial statements, the directors of Longship B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements.

If it is necessary in order to provide the transparency required under section 362, sub 1, book 2 of the Dutch Civil Code the nature of these estimates and judgments, including related assumptions, is disclosed in the Notes to the relevant financial statement item.



General principles

The financial statements are drawn up in accordance with the provisions of the Title 9, Book 2 of the Dutch Civil Code and the Dutch Accounting Standards applicable to small legal persons, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving', hereafter RJ).

Assets en liabilities are generally valued at historical costs, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet and profit and loss account, references are made to the Notes.

Foreign currency

Functional currency

Items included in the financial statements of Longship B.V. are valued with due regard for the currency in the economic environment in which the company carries out most of its activities (the functional currency).

The financial statements are denominated in euro; this is both the functional currency and presentation currency of Longship B.V..

Transactions, receivables and liabilities

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date. Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the profit and loss account. Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date. Non-monetary assets valued at fair value in a foreign currency are converted at the exchange rate on the date on which the fair value was determined.

Operational lease

The company may have lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of or incurred by the company. The lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis, taking into account reimbursements from the lessor, in the profit and loss account for the duration of the contract.

Accounting principles applied to the valuation of assets and liabilities

Intangible fixed assets

The intangible fixed assets are valued at purchase price less depreciation. Account is taken of impairments, which is the case if the book value of the asset (or of the cash flow generating unit to which the asset belongs) is higher than its realizable value.

Goodwill arising from acquisitions and calculated in accordance with paragraph " amortization of intangible and tangible fixed assets" is capitalized and amortized on a straight-line bases over the expected economic useful life.

Tangible fixed assets

Tangible fixed assets are presented at cost less, if applicable, Impairments less straight-line depreciation. Other tangible fixed assets are valued at historical cost or production cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments.

Financial fixed assets

Participations in which significant influence on business and financial policies is exercised are valued at net asset value, but not lower than zero. The net asset value is calculated on the basis of Longship B.V. foundations



Participations over which no significant influence can be exercised are valued at historical cost. The result represents the dividend declared in the reporting year, whereby dividend not distributed in cash is valued at fair value.

The claims included under financial fixed assets are initially measured at the real value after deduction of transaction costs (if material). Then these receivables carried at amortised costs, which in general equal to the nominal value. In the valuation shall take into account any write-downs.

Inventories

Inventories are valued at acquisition price or lower net realizable value. This lower net realizable value is determined by individual assessment of the inventories.

Receivables

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Trade receivables are subsequently valued at the amortized cost price. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash at bank and in hand

Cash at bank and in hand represent cash in bank, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognized as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Long-term liabilities

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs.

Other provisions

A provision is recognized for expenditures incurred on major maintenance work on buildings in order to spread these costs over a number of financial years. The addition to the provision is determined based on the expected amount of the maintenance work and the intervals between the times when major maintenance work is carried out.

Current liabilities

Current liabilities are initially recognised at fair value. Short-term debts are valued after first inclusion at the amounts at which the debt must be repaid.

Principles for the determination of the result

General

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Revenue recognition

Net turnover comprises the income from the supply of goods and services and realised income from construction contracts after deduction of discounts and such like and of taxes levied on the turnover.

Supply of services

Revenues from the services rendered are recognised in proportion to the services delivered, based on the services rendered up to the balance sheet date in proportion to the total of services to be rendered.



Costs

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Wages and salaries

The rewards are due to staff on the basis of the terms and conditions of employments included in the profit and loss account.

Pension costs

The company has processed all pension schemes in accordance with the obligations approach. The premium is payable as an expense over the year accounted for. The premiums are recognised as staff costs once they are owed. Prepayments of insurance premiums are recognised as prepayments and accrued income if this results in a refund or leads to a reduction in future payments. Not yet paid premiums are recorded as obligation at the balance sheet.

Depreciation

Tangible fixed assets are from the time the asset is available for its intended use are amortised over the estimated useful lives/future expected useful life of the asset.

Government subsidies

Operating subsidies are recorded as income in the profit and loss account in the year in which the subsidised costs were incurred or income was lost or when there was a subsidised operating deficit. Income is recognised when it is probable that it will be received.

Financial income and expenses

Interest income and interest expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Exchanges differences

Exchanges differences that arise from the settlement or translation of monetary items are recorded in the profit and loss account in the period in which they occur, unless hedge-accounting is applied.

Taxes

Taxes are based on tonnagetax.

Result of participation

The result is the amount by which the carrying amount of the participations has changed since the previous financial statements as a result of the earnings achieved by the participations to the extent that this can be attributed to Longship Group B.V.



Notes to the consolidated balance per 31 december 2021

Intangible assets

An overview of the intangible assets is included below:

	<u>Goodwill</u>
	€
Purchases	451.444
Cum. Depreciation	-286.325
Bookvalue 1 January 2021	<u>165.119</u>
(Dis) investments	-1
Depreciation	-45.144
Changes	<u>-45.145</u>
Bookvalue 31 December 2021	<u><u>119.974</u></u>
Purchases	451.444
Cum.depreciation	-331.470
Bookvalue 31 December 2021	<u><u>119.974</u></u>

The annual depreciation percentage used is 10%.

Property, plant and equipment

An overview of the tangible assets is included below:

	<u>Vessels</u>	<u>Inventories</u>	<u>Totaal</u>
	€	€	€
Purchases	5.562.729	115.923	5.678.652
Cum.depreciation	-3.155.313	-91.600	-3.246.913
Bookvalue 1 January 2021	<u>2.407.416</u>	<u>24.323</u>	<u>2.431.739</u>
(Dis) investments	12.171.187	18.542	12.189.729
Depreciation	-447.214	-13.101	-460.315
Changes	<u>11.723.973</u>	<u>5.441</u>	<u>11.729.414</u>
Bookvalue 31 December 2021	<u><u>14.131.389</u></u>	<u><u>29.764</u></u>	<u><u>14.161.153</u></u>

Notes to the consolidated balance per 31 december 2021

Purchases	17.733.916	134.465	17.868.381
Cum.depreciation	-3.602.527	-104.701	-3.707.228
Bookvalue 31 December 2021	14.131.389	29.764	14.161.153

The annual depreciation percentage used for the vessel is 6,75%. The residual value is € 1.000.000.

The annual depreciation percentage used for the vessel is 33,33%. The residual value is € 2.800.000.

The annual depreciation percentage used for inventories is 20% and 33,33%.

Non-current financial assets

List of associates:

	Participation	Location
GSF IV B.V.	50%	Groningen
HVMS B.V.	50%	Groningen
Groninger Scheepvaart Fonds B.V.	50%	Groningen
Scheepvaartonderneming M.S. Francisca CV	40%	Groningen
Binnacle Holding BV	33%	Groningen
Wagle Chartering AS	50%	Moss (NO)
Figurehead Holding B.V.	50%	Groningen

Interests in associates

	GSF IV B.V.	HVMS B.V.	Groninger Scheepvaart Fonds B.V.	Scheepvaarton derneming M.S. Francisca CV	Binnacle Holding BV
	€	€	€	€	€
Bookvalue 1 January	1.030.097	3.906.054	4.363.450	831.894	1.609.145
Merge/buy	0	-3.906.054	0	0	5.681.054
Revaluation	0	0	1.300.000	0	3.074.320
Dividend/Profit share	-285.828	0	-950.000	-80.000	-1.029.588
Result	826.600	0	2.025.887	108.100	3.698.807
Changes	540.772	-3.906.054	2.375.887	28.100	11.424.593
Bookvalue 31 December 2021	1.570.869	0	6.739.337	859.994	13.033.738



Notes to the consolidated balance per 31 december 2021

	Figurehead B.V.	Wagle Chartering AS	Totaal
	€	€	€
Bookvalue 1 January 2021	5	323.267	12.063.912
Merge/buy	0	0	1.775.000
Revaluation	0	0	4.374.320
Dividend/Profit share/exchange difference	0	-132.629	-2.478.045
Result	0	360.546	7.019.940
Changes	0	227.917	10.691.215
Bookvalue 31 December 2021	5	551.184	22.755.127

Associate receivables

	Groninger Scheepvaartf onds IV B.V.	Private loan Grona Shipping BV	Totaal
	€	€	€
Bookvalue 1 January 2021	254.262	76.176	330.438
Redemption	254.262	47.364	301.626
Changes	-254.262	-47.364	-301.626
Bookvalue 31 December 2021	0	28.812	28.812

The loan Grona Shipping B.V. will be repaid by deduction form commissions. Interest rate 7,2%. Loan is repaid in 2022.
Longship Invest B.V. apply a loan € 250.000 to Groninger Scheepvaartfonds IV B.V. to finance the Class Renewal and docking of MV Longdijk. Repayment shall be repaid together with the accrued interest on the earlier of 1 October 2024. Interest fixe rate if 8,00%. No securities have been agreed. The total loan is been repaid in 2021.

	31 dec 2021	31 dec 2020
	€	€
<u>Inventories and work in progress</u>		
Inventories		
Bunker supply vessels	214.095	56.753
	214.095	56.753
Work in progress		
Work in progress	45.000	0
	45.000	0



Notes to the consolidated balance per 31 december 2021

	<u>31 dec 2021</u>	<u>31 dec 2020</u>
	€	€
<u>Receivables and prepayments</u>		
Receivables		
Trade debtors	115.042	107.890
	<u>115.042</u>	<u>107.890</u>
Associate receivables		
Figurehead B.V.	2.672.812	1.758.702
Scheepvaartonderneming ms Francisca CV	22.050	23.050
	<u>2.694.913</u>	<u>1.781.752</u>

Concerns a short-term loan with Figurehead B.V. there is 2% interest payable and repayment will take place when both new building vessels will be delivered in 2021. In 2022 a dispute arose over the cooperation within Figurehead Holding B.V. and Binnacle Holding B.V. The parties entered into mutual consultation and terminated the cooperation both within Figurehead and Binnacle Holding B.V. The loan is repaid in 2022.

	<u>31 dec 2021</u>	<u>31 dec 2020</u>
	€	€
Taxes and social security contributions receivable		
Corporation tax	0	920
Value added tax receivable	3.093	16.667
	<u>3.093</u>	<u>17.587</u>
Other receivables		
Prepaid expenses	516.015	0
Amounts receivable	121.440	215.968
Guarantee deposit	15.833	15.833
Loan	50.220	0
Cash to Master	10.000	0
CN Bulkers Holding B.V.	0	40.235
	<u>713.508</u>	<u>272.036</u>

Cash and cash equivalents

Current account		
Current account ABN Bank USD	11.992	126.617
Current account ABN Bank EUR	5.053.260	1.438.074
Current account Rabobank EUR	360.462	1.009.093
KBC Bank EUR	0	202
Current account ABN AMRO bank NOK	673	1.188
Survey account ABN EUR	228.000	0
	<u>5.654.387</u>	<u>2.575.174</u>
Cash		
Cash EUR	13.723	4.299
	<u>13.723</u>	<u>4.299</u>

Notes to the consolidated balance per 31 december 2021

Equity

Equity is detailed in the notes to the balance sheet in the separate financial statements.

Provisions

	Major maintenance provision €
Bookvalue 1 January 2021	93.000
Dotation	71.500
Maintance	372.338
Withdrawel	248.338
Changes	-52.500
Bookvalue 31 December 2021	40.500

Borrowings

An overview of the borrowings is given below:

Mortgage loans

	Mortgage loan ABN AMRO bank
Bookvalue begin	0
Provided	5.580.000
Totaal mutaties	5.580.000
Bookvalue end	5.580.000

A mortgage loan was granted for the vessel MV Longwave of November 1, 2021. The interest rate is 2,65% plus three months EURIBOR (if EURIBOR falls below zero, such rate is deemed to be zero). Repayment will take place in 24 consecutive quarterly instalment, whereby the first 8 repayment instalments will be each € 200.208,50, the next 16 repayments will be each € 142.083,25 combined with a final repayment instalment of € 1.705.000.

May 18, 2022 MV Longwave will do a sale and lease back and the total mortgage loan is been repaid.



Notes to the consolidated balance per 31 december 2021

Current liabilities

	<u>31 dec 2021</u>	<u>31 dec 2020</u>
	€	€
Overdrafts		
Current account Rabobank	10.333	10.333
	<u>10.333</u>	<u>10.333</u>
Trade payables and trade credit		
Trade payables	676.685	236.659
	<u>676.685</u>	<u>236.659</u>
Taxes and social security contributions payable		
Value added tax payable	274.160	154.126
Wage tax	97.115	41.079
	<u>371.275</u>	<u>195.205</u>
Current account overdraft		
Current account overdraft Vessel (Longship BV)	80.731	750.057
	<u>80.731</u>	<u>750.057</u>
Other payables		
Costs to pay / transitoria	135.418	79.770
Cash to Master	14.000	5.000
Other payables	2.000	15.401
	<u>151.418</u>	<u>100.171</u>

Off-balance commitments

Longship Group B.V. is a tax entity for corporate tax with Longship B.V., Longship Invest B.V., Beheermaatschappij m.s. Leah B.V. and Beheermaatschappij m.s. Francisca B.V. based on tonnage tax and are therefore jointly and several liable for the tax liability of the tax unit.



Notes to the consolidated profit & loss 2021

	<u>2021</u>	<u>2020</u>
	€	€
Pensions		
Pensions, staff	117.074	100.837
Pensions charged	<u>19.000</u>	<u>0</u>
	136.074	100.837
Other staff costs		
Kilometre allowance	1.180	5.071
Catering	52.716	52.223
Medical expenses	5.945	8.980
Training costs	2.042	7.319
Company clothing	10.915	3.604
Other Personnel expenses	93.414	74.004
Travel expenses crew	<u>69.010</u>	<u>34.238</u>
	235.222	185.439
Amortisation and depreciation expense	505.459	432.716
Amortisation of intangible assets		
Amortisation of goodwill	<u>45.144</u>	<u>45.144</u>
	45.144	45.144
Depreciation of property, plant and equipment		
Depreciation vessels	447.214	375.484
Depreciation of inventories	<u>13.101</u>	<u>12.088</u>
	460.315	387.572
Other operating expenses	2.060.903	1.582.772
Accommodation		
Rent for accommodation	53.974	53.622
Maintenance of accommodation	5.099	8.376
Cost of energy	13.399	12.921
Cleaning costs	<u>7.215</u>	<u>6.869</u>
	79.687	81.788
Operating expenses		
Maintenance of machinery and equipment	52.315	0
Insurance on machinery and equipment	87.978	69.103
Cost of repair of machinery and equipment	196.822	163.200
Samples/Filters/Water/Paint	5.705	3.331
Luboil	83.457	66.249
Survey/Certificates	<u>288.107</u>	<u>78.680</u>
Dekstores	44.748	21.457
Maps & nautical expenses	38.751	14.053
Other operating expenses	<u>15.794</u>	<u>0</u>
	813.677	416.073

VAN DER MEER
 Accountants & Adviseurs
 24 JUNI 2022

 Postbus 18, 8430 AA Oosterwolde
 Venekoterweg 44, 8431 HH Oosterwolde

Notes to the consolidated profit & loss 2021

	<u>2021</u>	<u>2020</u>
	€	€
Vehicle expenses		
Leases	84.718	71.852
Fuel	23.358	18.825
Other vehicle expenses	37.176	26.884
	<u>145.252</u>	<u>117.561</u>
Office expenses		
Postage	423	510
Office supplies	3.972	3.521
Memberships and subscriptions	10.905	11.678
IT costs	87.279	61.030
	<u>102.579</u>	<u>76.739</u>
Distribution costs		
Cost of advertising	13.899	8.865
Travel and accommodation expenses	37.209	20.639
Representation	5.063	4.904
Other distribution costs	6.517	5.706
	<u>62.688</u>	<u>40.114</u>
General expenses		
Cost of advisory services	26.764	14.663
Auditor's fee	49.390	12.486
Insurance	71.490	57.413
Management fee	386.825	363.456
Bankcosts	53.627	15.270
Telephone expenses	31.692	32.847
Other general expenses	35.569	28.085
Representation	1.539	1.553
	<u>656.896</u>	<u>525.773</u>
Managementfee		
Managementfee	200.124	324.724
	<u>200.124</u>	<u>324.724</u>
Net finance cost	-342.717	-25.340
Interest receivable and similar income		
Interest on associate receivable	256.683	26.597
Commission Ebury	28.409	10.693
	<u>285.092</u>	<u>37.290</u>

Notes to the consolidated profit & loss 2021

	<u>2021</u>	<u>2020</u>
	€	€
Interest payable and similar expenses		
Interest payable to bank	168	0
Interest payable on mortgage loans	0	6.893
Interest on current account overdrafts	296	0
Interest payable on current account at banks	12.730	4.347
Interest payable to tax authorities	0	710
Interest on private loan	-70.819	0
	<u>-57.625</u>	<u>11.950</u>
Non-operating income & expenses	-12.307	-1.294
Other non-operating income & expenses		
Exchange rate difference	0	-12.403
Damage	0	13.632
Others	12.307	65
	<u>12.307</u>	<u>1.294</u>
Tax on profit		
Corporation tax	31.221	28.991
	<u>31.221</u>	<u>28.991</u>
Result of participations		
Scheepvaartonderneming ms Francisca CV	-108.100	-55.739
Binnacle Holding B.V.	-3.698.807	-278.793
Groninger Scheepvaart Fonds B.V.	-2.025.887	-1.178.110
GSF IV B.V.	-826.600	264.676
HVMS B.V.	0	-724.177
Wagle Chartering AS	-360.546	147.104
CN Bulkera Holding B.V.	0	6.789
Crows Nest B.V.	0	101.699
Beheermaatschappij M.S. Francisca BV	-22.352	0
Beheermaatschappij m.s. Leah B.V.	-21.325	0
	<u>-7.063.617</u>	<u>-1.716.551</u>



Annual account 2021



Balance sheet after profit allocation per 31 december 2021

	<u>31 dec 2021</u>		<u>31 dec 2020</u>
	€		€
ASSETS			
Interests in associates	<u>38.571.062</u>		<u>17.068.817</u>
Non-current financial assets	38.571.062		17.068.817
Associate receivables	0		2.660.500
Taxes and social security contributions receiv.	1.417		1.786
Other receivables	<u>10.563</u>		<u>9.964</u>
Receivables and prepayments	11.980		2.672.250
Current account	<u>245.626</u>		<u>3.662</u>
Cash and cash equivalents	245.626		3.662
Assets	<u>38.828.668</u>		<u>19.744.729</u>



Balance sheet after profit allocation per 31 december 2021

	<u>31 dec 2021</u>		<u>31 dec 2020</u>
	€		€
LIABILITIES			
Subscribed share capital	100.000		100.000
Share premium account	12.076.206		12.076.206
Statutory reserve	9.366.845		975.153
General reserve	<u>17.283.362</u>		<u>4.356.557</u>
Equity	38.826.413		17.507.916
Associate payables	0		2.230.302
Other payables	<u>2.255</u>		<u>6.511</u>
Current liabilities	2.255		2.236.813
Equity and liabilities	<u><u>38.828.668</u></u>		<u><u>19.744.729</u></u>



Profit & loss account for 2021

	<u>2021</u>	<u>2020</u>
	€	€
General expenses	<u>39.331</u>	<u>21.997</u>
Total expenses	39.331	21.997
Operating result	<u>-39.331</u>	<u>-21.997</u>
Net finance cost	70.000	-4.283
Result before taxation	<u>30.669</u>	<u>-26.280</u>
Tax on profit	-31.221	-28.991
Result of participations	12.927.357	1.864.727
Result after taxation	<u><u>12.926.805</u></u>	<u><u>1.809.456</u></u>



Disclosure notes to the balance sheet and the profit & loss account

General

The company financial statements have been prepared in accordance with the statutory provisions of Part 9 of Book 2 of the Netherlands Civil Code and the distinct statements contained in the Guidelines for Annual Reporting issued by the Council for Annual Reporting.

The accounting principles for the company financial statements and the consolidated financial statements are the same. Participations in group companies are valued at net asset value in accordance with (the relevant) section of the consolidated financial statements

For the principles of valuation of assets and liabilities and for the determination of the result, see the notes to the consolidated balance sheet and profit and loss account on pages 15 until 23.



Notes to the balance sheet per 31 december 2021

Non-current financial assets

List of associates:	Participation	Location
Longship BV	100%	Groningen
Longship Invest BV	100%	Groningen
Wagle Chartering AS	50%	Moss (NO)

Interests in associates

	Longship BV	Longship Invest BV	Wagle Chartering AS	Totaal
	€	€	€	€
Bookvalue 1 January 2021	6.429.116	10.316.434	323.267	17.068.817
Share premium payment	0	7.469.046	0	7.469.046
Dividend/Profit share/exchange difference	0	0	-132.629	-132.629
Mutation revaluation reserve	-7.285.847	500.001	0	-6.785.846
Result	5.671.062	6.895.749	360.546	12.927.357
Changes	-1.614.785	22.889.113	227.917	21.502.245
Bookvalue 31 December 2021	4.814.331	33.205.547	551.184	38.571.062
	<u>31 dec 2021</u>			<u>31 dec 2020</u>
	€			€

Receivables and prepayments

Associate receivables

Claim to Longship Invest BV	0	2.660.500
	<u>0</u>	<u>2.660.500</u>

Concerns a short-term receivables for which no securities has been issued and 4% rent has been calculated on the debt of € 1.750.000, which was provided on October 1, 2020. This rent has been added to the debt. No rent is calculated on the rest of the debt.

Taxes and social secur

Corporation tax	0	920
Value added tax receivable	1.417	866
	<u>1.417</u>	<u>1.786</u>

Other receivables

Amounts receivable	10.563	9.964
	<u>10.563</u>	<u>9.964</u>

Cash and cash equivalents

Current account

Current account ABN Bank EUR

Notes to the balance sheet per 31 december 2021

Equity

Subscribed share capital

The issued share capital consists of 100.000 ordinary share of € 1.

Equity

	Subscribed share capital	Share premium account	Statutory reserve	General reserve	Totaal
	€	€	€	€	€
Bookvalue 1 January 2021	100.000	12.076.206	0,00	4.356.557	16.532.763
Deposits	0	0	9.366.845	0	9.366.845
Withdrawals	0	0	0	1.464.012	1.464.012
Result	0	0	0	12.926.805	12.926.805
Changes	0	0	9.366.845	12.926.805	22.293.650
Bookvalue 31 December 2021	100.000	12.076.206	9.366.845	17.283.362	38.826.413

The result for the financial year 2021 amounting €12.926.805 is added to the general reserve.
This financial statement reflects this proposal.

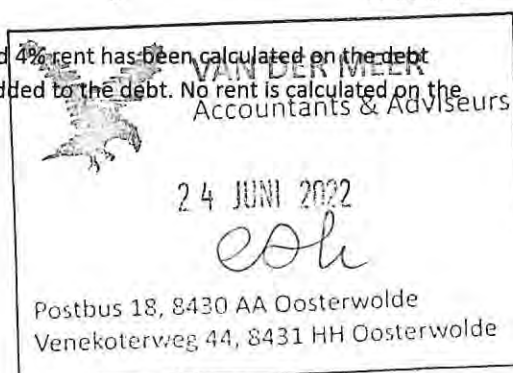
The difference between the statutory and consolidated equity and earnings developed as follows during the financial year:

	2021 €
Equity according to consolidated financial statement	39.607.885
Less: share third parties	781.472
Equity according to annual financial statement	<u>38.826.413</u>

Current liabilities

	31 dec 2021	31 dec 2020
Associate payables		
Longship B.V.	0	2.230.302
	<u>0</u>	<u>2.230.302</u>

Concerns a short-term receivables for which no securities has been issued and 4% rent has been calculated on the debt of € 1.750.000, which was provided on October 1, 2020. This rent has been added to the debt. No rent is calculated on the rest of the debt.



Notes to the balance sheet per 31 december 2021

	<u>31 dec 2021</u>	<u>31 dec 2020</u>
	€	€
Other payables		
Costs to pay / transitoria	2.255	6.511
	<u>2.255</u>	<u>6.511</u>

Off-balance commitments

Longship Group B.V. is a tax entity for corporate tax with Longship B.V., Longship Invest B.V., Beheermaatschappij m.s. Leah B.V. and Beheermaatschappij m.s. Francisca B.V. based on tonnage tax and are therefore jointly and several liable for the tax liability of the tax unit.



Notes to profit & loss 2021

	<u>2021</u>	<u>2020</u>
	€	€
General expenses		
Cost of advisory services	0	5.645
Auditor's fee	24.000	1.750
Insurance	15.247	14.530
Bankcosts	83	72
Other general expenses	1	0
	<u>39.331</u>	<u>21.997</u>
Interest receivable and similar income		
Interest on associate receivable	0	-21.073
	<u>0</u>	<u>-21.073</u>
Interest payable and similar expenses		
Interest on associate payables	-70.000	-17.500
Interest payable to tax authorities	0	710
	<u>-70.000</u>	<u>-16.790</u>
Tax on profit		
Corporation tax	31.221	28.991
	<u>31.221</u>	<u>28.991</u>
Result of participations		
Share of profit/loss Longship BV	-5.671.062	-389.012
Share of profit/loss Longship Invest BV	-6.895.749	-1.622.819
Wagle Chartering AS	-360.546	147.104
	<u>-12.927.357</u>	<u>-1.864.727</u>



Other notes

Employees

During the financial year, in accordance with the previous financial year, no employees served the company.

Statement of approval

Groningen

Authorized representatives,

Ø. Sivertsen
director

M.J. Cigrang
director



Other information

Statutory rules on profit appropriation and distributions

The bylaws include the following in Article 24 regarding the appropriation of profits and distributions:
(this translation an attempt has been made to be as literal as possible without jeopardizing the overall continuity.
Inevitably, differences may occur in translation, and if so the dutch text shall prevail.)

1. The General Meeting shall be authorised to determine the appropriation of the profits as determined by the adoption of the Annual Accounts and to determine the distributions. The power of the General Meeting to determine the distributions shall apply both to distributions for the charges of not yet reserved profits and to distributions for the charges of any reserve, and both to distributions at the occasion of the adoption of the Annual Accounts and to interim distributions, provided with due observance of the provisions set forth in the law and this Article.
2. The Company may only make distributions to the Shareholders and other parties entitled to the profits that are available for distributions in so far as the equity exceeds the reserves that have to be maintained under the law and the Articles of Association.
3. A resolution for distribution of profits shall have no consequences as long as the Management Board has not granted its approval thereto. The Management Board shall only deny the approval if it knows or reasonably should foresee that the Company after the distribution will not be able to continue paying its due and payable debts.
4. If the Company after a distribution cannot continue paying its due and payable debts, the Managing Directors who at the time of the distribution knew or reasonably should have foreseen the same shall towards the Company be severally bound and liable for the deficit as referred to in Article 216 paragraph 3 of Book 2 of the Dutch Civil Code that has arisen by the distribution, together with the statutory interest as from the date of the distribution. Not bound and liable is the Managing Director who proves that he cannot be blamed for the fact that the Company has made the distribution and that he has not been negligent in taking measures to avert or prevent the consequences thereof. The party who received the distribution whereas he could foresee of reasonably should have foreseen that the Company after the distribution would not be able to continue paying its due and payable debts, shall towards the Company be held to compensate the deficit as referred to in Article 216 paragraph 3 of Book 2 of the Dutch Civil Code that was created by the distribution, each for at most the amount or the valued of the distribution received by him, with the statutory interest thereon as from the date of the distribution. With respect to a debt on account of the first sentence, the debtor shall not be authorised to setoff.
5. In the calculation of the amount that will be paid out on each Share, only the amount of the obligatory payments on the relevant Shares shall be taken into account. Each time deviations are possible from the sentence with the approval of all Shareholders.
6. On Shares no profit shall be distributed for the benefit of the Company, and in the calculation of the appropriation of profits the Shares that the Company holds in its own capital shall not be counted, unless these Shares are encumbered with a right of usufruct otherwise than for the benefit of the Company, or Depositary Receipts thereof have been issued that are not held by the Company itself.
7. The dividend shall as from one month after it has been declared be available to the Shareholders, unless the General Meeting sets another period. The entitlement of a Shareholder to the dividend shall prescribe by the lapse of a period of five years. Dividends that have not been taken within five years after they have been made available shall devolve on the Company.



INDEPENDENT AUDITOR'S REPORT

To: The shareholders of Longship Group B.V.

A. Report on the audit of the financial statements 2021 included in the annual report

Our qualified opinion

We have audited the financial statements 2021 of Longship Group B.V. based in Groningen.

In our opinion, except for the possible effects of the matter described in the 'Basis for our qualified opinion' section, the accompanying financial statements give a true and fair view of the financial position of Longship Group B.V. as at 31 December 2021 and of its result for 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the consolidated and company balance sheet as at 31 December 2021;
2. the consolidated and company profit and loss account for 2021; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our qualified opinion

We have obtained insufficient and insufficient auditing information to express an opinion on the opening balance sheet at 01-01-2021.

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Longship Group B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the management report;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Except for the possible effects of the matter described in point 1 of the 'Basis for our 'qualified opinion' section, and except for the effects of the matter described in point 2 of the 'Basis for our qualified section', we conclude, based on the following procedures performed, that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

C. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Management is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Oosterwolde, June 24, 2022

Van der Meer Accountants B.V.



drs. R. Hooiveld RA





Consolidated Annual Account 2022

Longship Group B.V.
Peizerweg 87-F
9727 AH Groningen

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Audit report



Management report

General information

Longship started its activities in 2009 as an independent shipping company in the short sea market with a limited number of vessels in commercial management. Gradually, Longship expanded its fleet by becoming more and more involved in the (full and partial) ownership of vessels and by hiring vessels on timecharter. By building a modern, homogenous fleet, Longship was able to focus on its primary goal of becoming a solid partner for industrial customers with long term. As the company has been expanding considerably from the start in 2009, it was decided to set up an organizational structure that would reflect the current activities and would be more in line with the future growth expectation. For this purpose Longship Group B.V. (hereafter LSG) a private limited company was founded on April 12, 2018. This company serves as a holding which harbours subsidiary companies that deal with activities in the area of commercial management and deployment and ownership of sea-going vessels. In 2022 we expanded our activities with inhouse technical- & crewmanagement to serve as a fully integrated shipping company.

These activities have an international character with suppliers and customers mainly located in Europe. Our strength is the ability to offer resourceful and flexible logistic solutions to our customers. Having established ourselves as an industrial carrier with extensive knowledge of industrial shipping, we have long term relations with our customers. Our aim is to optimise supply chains in maritime shipping and secure efficient and reliable transport.

After 2020 & 2021 were dominated by the COVID-19 pandemic, 2022 was the year were COVID measures were phased out and society was reopened. The market picked up and trade disruptions were lifted. The positive mood did not last long, the war between Russia and Ukraine started late February. The West reacted with maximum sanctions against Russia, blocking trade and withdraw activities with Russia and stop the import of gas and oil.

The impact on our activities was fortunately limited because we have no trade exposure to Russia. Energy prices rose sharply but the impact on our group was limited because the higher costs were covered in fixed contracts or otherwise could be passed on to our customers. The impact of the war on our revenues was also limited because of the high demand for transporting biomass and coal as replacement for Russian oil and gas.

Due to the generous monetary policy of governments worldwide in combination with low interest rates, inflation has increased. LSG is feeling the effects of this which is reflected in increased costs for personnel, equipment and operational. Management is grateful to all of our crew and office staff for their efforts in keeping the operation running as efficiently as we experienced throughout the year.

In 2022 we established the following acquisitions, disinvestments and structure changes;

1. As per January 2022 Longship Invest acquired the remaining 43,59% shareholding in the Dutch company Binnacle Holding B.V. for a price of EUR 11,6 million.
2. As per January 2022 Longship Invest sold her 50,00% shareholding in the Dutch company Figurehead Holding B.V. for a price of EUR 7,1 million and at the same time repayed the EUR 1,4 million investor loans.
3. As per February 2022 LSG established the new company's Longship Management B.V. and Longship Crewing B.V. to employ technical and crew activities for sea going vessels.
4. LSG established a new holding structure Crow's Nest Holding B.V. to purchase the vessels "Arklow DALE" (Longwolf B.V. EUR 11,6 million) and "Arklow DAWN" (Longwood B.V. EUR 11,6 million). Together with the vessel "Longwave" (Longwave B.V. was replaced under this holding structure) all 3 vessels are sold and leased back with Flexam Invest Ireland between May and July 2022. The lease commitment amounts to 26,4 million. The senior loan commitment from ABN AMRO to Longwave B.V. was fully repayed.



5. Together with Dutch naval architect Ankerbeer BV LSG has developed a ship design which reduces emissions to latest standards. The 8600t vessel design will be equipped with a diesel-electric hybrid propulsion which can be retrofitted in the future to run on alternative fuels. In December 2022 LSG signed a contract of approx. EUR 80 million with Atlas Shipyard in Turkey to build 4 of these vessels. For this reason LSG established a new holding structure Figurehead Holding B.V. with four SPV's. The first two vessels are scheduled for delivery in the first half of 2024 and will be sold and leased back with ESMI SPV 3 Limited in Malta. The last two vessels are scheduled for delivery end 2024/beginning 2025 and will be financed with a senior loan from ABN AMRO. LSG signed a 4 year contract of affreightment with Orsted with an additional 1+1 year option which will cover 50% of the employment of this project.
6. "ms Leah" was sold for a price of EUR 4,0 million. The bookvalue of this vessel amounts to 2,0 million. LSG indirectly holds a 67% participation in this vessel.
7. LSG acquired the vessel "ms Louis" in September 2022 (Longdawn B.V. EUR 9,9 million). ABN AMRO provided a EUR 7,1 million senior loan.
8. Within the project GSF B.V. ABN AMRO provided a new EUR 7,4 million senior loan related to the vessels "Longrun" and "Longrose". LSG indirectly holds a 50% participation in these vessels.

Financial information

Revenues in 2022 were EUR 66 million, compared to EUR 32 million in 2021 (+ 106%). The economic situation further improved and there was increasing trust and activity in the market regardless the Ukraine war. Gross Margin was EUR 33,7 million compared to EUR 10,1 million, Operating result amounted to 16,9 million compared to EUR 5,5 million in 2021.

Total result after taxation was EUR 18,7 million compared to EUR 12,9 million in 2021. Following the decision from the General meeting of the shareholders a dividend of EUR 2,0 million is distributed to the shareholders. The rest of the result is attributed to the general reserve. Also in 2022 there is a EUR 0,9 million mutation in equity relating to revaluation of assets in the GSF shareholding and an exchange rate difference in our Wagle Chartering shareholding which results in an equity position at the end of the financial year at EUR 55,4 million compared to EUR 39,6 million at the beginning of the year. The Solvency and Liquidity positions are adequate and showed a healthy development during the financial year.

Information about the main risks and uncertainties

In the spot trade our fleet employment results are mainly depending on the actual market developments. Due to the existing long term Contracts of Afreightment with our industrial clients, a down-side risk is partly covered for the short-medium term. The company can make the decision to charter in vessels for a fixed rate per day to meet our commitments to customers and to provide for flexibility (currently 1 vessel in 2023). Also a number of vessels are chartered out where we receive a fixed hire per day. As a company we are constantly balancing these risks according to market conditions and our customers' demand.

Future Outlook

High inflation and increasing interest rates are causing low estimations on global growth in 2023 and 2024 which also can lead to a recession. Rates in our main markets are still at a good level but not as high as we have seen in 2022. Also the geo-political situation has enough challenges ahead that could potentially affect world wide growth numbers.

In 2022, as part of our strategy to become a full-service shipping company, LSG established its own technical management division under the name Longship Management. As from 2023 also in house Crew management will be a service provided to our fleet.

As the focus on digitalization increases LSG invested in a new web based commercial operating system and cloud solution workspace.

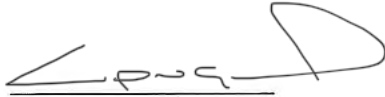
A new development for our industry is that the European Union extended the EU ETS regulation by also including the shipping sector as from 2024. The proposal for the new scheme is to reduce emissions from the ETS sectors by 62% by 2030, compared to 2005 levels. The ETS will apply for ships over 5,000 gross tonnage. Offshore ships above 5,000 gross tonnage will be included from 2027 on. General cargo and offshore ships between 400 – 5,000 gross tonnage will be evaluated in 2026. LSG is following all new regulation and developments closely but it is almost certain that our industry will be taxed for CO2 emissions. From 2024 this will impact 3 vessels in our fleet.

Increased focus on ESG has made this a vital issue for corporations worldwide. In general we think LSG is well positioned towards the future because our relatively young fleet and our investment in a low emission ship design.

The financing climate in shipping is stable, however banks are more and more focusing on newbuildings with a green profile. Also the current uncertainties combined with higher valuations are making financiers more cautious.

Last but not least, we came to an agreement to sell the "ms Longduin" for a price of EUR 4,7 million with a delivery scheduled in July 2023.

Signed for and on behalf of Longship Group B.V. May 30, 2023



M.J. Cigrang



Ø. Sivertsen

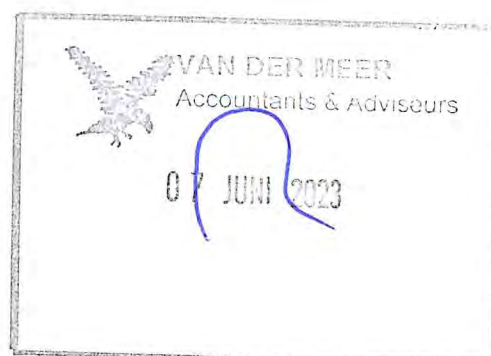


Taxation report

Tax entity for corporate tax

Longship Group B.V. is a tax entity for corporate tax with Longship B.V., Longship Invest B.V., Beheermaatschappij m.s. Leah B.V. and Beheermaatschappij m.s. Francisca B.V., Longship Management and Longship Crewing B.V. based on tonnage tax and are therefore jointly and several liable for the tax liability of the tax unit.

Taxation is recognized in the annual account of Longship Group B.V.



Consolidated Annual Account 2022



Consolidated balancesheet after profit allocation per 31 December 2022

		<u>31 dec 2022</u>		<u>31 dec 2021</u>
		€		€
ASSETS				
Goodwill		16.900		119.974
Intangible assets	1	16.900		119.974
Vessels		94.278.733		14.131.389
Inventories		104.026		29.764
Property, plant and equipment	2	94.382.759		14.161.153
Interests in associates		7.295.010		22.755.127
Associate receivables		60.580		28.812
Non-current financial assets	3	7.355.590		22.783.939
Inventories		900.436		214.095
Work in progress		0		45.000
Inventories and work in progress	4	900.436		259.095
Receivables		103.772		115.042
Associate receivables		23.050		2.694.862
Taxes and social security contributions receivable		32.440		3.093
Other receivables		3.309.393		633.146
Receivables and prepayments	5	3.468.655		3.446.143
Current account		12.990.624		5.654.387
Cash		31.682		13.723
Cash and cash equivalents	6	13.022.306		5.668.110
Assets		<u>119.146.646</u>		<u>46.438.414</u>



Consolidated balancesheet after profit allocation per 31 December 2022

		<u>31 dec 2022</u>		<u>31 dec 2021</u>
		€		€
LIABILITIES				
Subscribed share capital		100.000		100.000
Share premium account		12.076.206		12.076.206
Statutory reserve		10.144.314		9.366.845
General reserve		32.985.135		17.283.361
Share third parties		97.806		781.473
Equity	7	<u>55.403.461</u>		<u>39.607.885</u>
Major maintenance provision		1.858.250		40.500
Provisions	8	<u>1.858.250</u>		<u>40.500</u>
Mortgage loans		5.646.805		5.580.000
Obligations under finance leases		47.321.442		0
Borrowings	9	<u>52.968.247</u>		<u>5.580.000</u>
Overdrafts		0		10.333
Repayments		5.236.531		0
Trade payables and trade credit		3.023.404		676.685
Taxes and social security contributions payable		148.839		371.644
Other payables		507.914		151.367
Current liabilities	10	<u>8.916.688</u>		<u>1.210.029</u>
Equity and liabilities		<u><u>119.146.646</u></u>		<u><u>46.438.414</u></u>



Consolidated profit & loss account for 2022

		<u>2022</u>	<u>2021</u>
		€	€
Revenue	11	65.649.349	32.510.068
Cost of sales	12	<u>-31.895.277</u>	<u>-22.416.989</u>
Gross margin		33.754.072	10.093.079
Staff costs	13	5.943.501	2.050.928
Amortisation and depreciation expenses	14	2.613.350	505.459
Other changes in the value of intangible assets	15	-1.773.195	0
Accommodation	16	86.047	79.687
Operating expenses	17	7.343.602	813.677
Vehicle expenses	18	137.870	145.252
Office expenses	19	136.415	102.579
Distribution costs	20	132.642	62.688
General expenses	21	2.042.973	656.895
Managementfee	22	<u>173.050</u>	<u>200.124</u>
Total expenses		16.836.255	4.617.289
Operating result		16.917.817	5.475.790
Net finance cost	23	-3.037.221	342.717
Non-operating income & expenses	24	1.935.886	-12.307
Result before taxation		15.816.482	5.806.200
Tax on profit	25	30.300	-31.221
Result of participations	26	3.478.529	7.063.617
Share third parties		-623.538	88.209
Result after taxation		18.701.773	12.926.805



Consolidated cashflow for 2022

	2022	2021
	€	€
Operating result	16.917.817	5.475.790
Adjustments for:		
Depreciations	2.613.350	505.459
Changes in provisions	1.817.750	-52.500
	<u>4.431.100</u>	<u>452.959</u>
Changes in working capital:		
Operational claims	-22.512	-1.347.291
Stock & work in progress	-641.341	-202.342
Operational debts	7.716.992	-1.983
	<u>7.053.139</u>	<u>-1.551.616</u>
Cashflow from business operations	28.402.056	4.377.133
Net finance cost	-3.037.221	342.717
Dividends	-3.000.000	0
Non-operating income & expenses	0	0
Extraordinary income and expenses	0	0
Taxation	30.300	-31.221
Changes in participations	3.478.529	7.063.617
Changes third party share	-623.538	88.209
Change in value of receivable, non-current assets	0	0
Additional changes	1.935.886	-12.307
	<u>-1.216.044</u>	<u>7.451.015</u>
Cashflow from operational activities	27.186.012	11.828.148
(Dis) investments intangible assets	103.074	45.145
(Dis) investments tangible assets	-80.221.606	-11.729.414
(Dis) investements financial assets	15.428.349	-10.389.589
Whereof depreciatons	-2.613.350	-505.459
Cashflow from investements activities	-67.303.533	-22.579.317
Changes current account overdraft banks	-10.333	0
Changes in equity	93.803	8.259.807
Changes in borrowings	47.388.247	5.580.000
Cashflow from finance activites	47.471.717	13.839.807
Net cashflow	7.354.196	3.088.638
Exchanges rate difference	0	0
Changes in cash	7.354.196	3.088.638



Disclosure notes to the consolidated balance sheet and the profit & loss account

General

Activities

The activities of Longship Group B.V., statutory established in Groningen consists of investments related to the shipping sector. Longship Group B.V. is registered at the Chamber of Commerce under number 71415750.

Group relationships

Longship Group B.V. forms a group with Longship B.V., Beheermaatschappij m.s. Leah B.V., Beheermaatschappij m.s. Francisca B.V., Longship Invest B.V., Longship Management B.V. , Longship Crewing B.V. and Wagle Chartering AS. Longship Group B.V. is head of this group.

Consolidation principles

Financial information relating to group companies and other legal entities which are controlled by Longship Group B.V. or where central management is conducted has been consolidated in the financial statements of Longship Group B.V. The consolidated financial statements have been prepared in accordance with the accounting principles of Longship Group B.V.

The financial information relating to Longship Group B.V. is presented in the consolidated financial statements. Accordingly, in accordance with art. 2:402 of the Dutch Civil Code, the company-only financial statements only contain an abridged profit and loss account.

Financial information relating to the group companies and the other legal entities and companies included in the consolidation is fully included in the consolidated financial statements, eliminating the intercompany relationships and transactions. Third party shares in equity and result of group companies are disclosed separately in the consolidated financial statements.

The companies included in the consolidation are:

Longship B.V.	Longship Invest B.V.	Crow's Nest Holding B.V.
Longship Management B.V.	Binnacle Holding B.V.	Longwolf B.V.
Longship Crewing B.V.	M.V. Longvann B.V.	Longwood B.V.
Beheermaatschappij ms Leah B.V.	M.V. Longvik B.V.	Longwave B.V.
Beheermaatschappij ms Francisca BV	M.V. Longviking B.V.	Figurehead Holding B.V.
Longdawn B.V.	M.V. Longvind B.V.	Longera B.V.
	M.V. Longfaith B.V.	Longeon B.V.
	M.V. Longfortune B.V.	Longearth B.V.
		Longeden B.V.

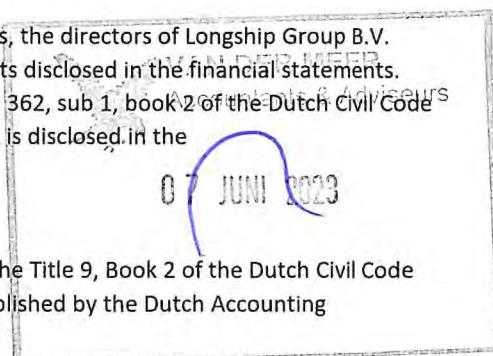
Estimates

In applying the principles and policies for drawing up the financial statements, the directors of Longship Group B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements.

If it is necessary in order to provide the transparency required under section 362, sub 1, book 2 of the Dutch Civil Code the nature of these estimates and judgments, including related assumptions, is disclosed in the Notes to the relevant financial statement item.

General principles

The financial statements are drawn up in accordance with the provisions of the Title 9, Book 2 of the Dutch Civil Code and the Dutch Accounting Standards applicable to small legal persons, as published by the Dutch Accounting Standards Board ("Raad voor de Jaarverslaggeving", hereafter RJ).



Assets en liabilities are generally valued at historical costs, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet and profit and loss account, references are made to the Notes.

Foreign currency

Functional currency

Items included in the financial statements of Longship B.V. are valued with due regard for the currency in the economic environment in which the company carries out most of its activities (the functional currency).

The financial statements are denominated in euro; this is both the functional currency and presentation currency of Longship Group B.V..

Transactions, receivables and liabilities

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date. Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the profit and loss account. Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date. Non-monetary assets valued at fair value in a foreign currency are converted at the exchange rate on the date on which the fair value was determined.

Operational lease

The company may have lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of or incurred by the company. The lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis, taking into account reimbursements from the lessor, in the profit and loss account for the duration of the contract.

Accounting principles applied to the valuation of assets and liabilities

Intangible fixed assets

The intangible fixed assets are valued at purchase price less depreciation. Account is taken of impairments, which is the case if the book value of the asset (or of the cash flow generating unit to which the asset belongs) is higher than its realizable value.

Goodwill arising from acquisitions and calculated in accordance with paragraph " amortization of intangible and tangible fixed assets" is capitalized and amortized on a straight-line bases over the expected economic usefull life.

Tangible fixed assets

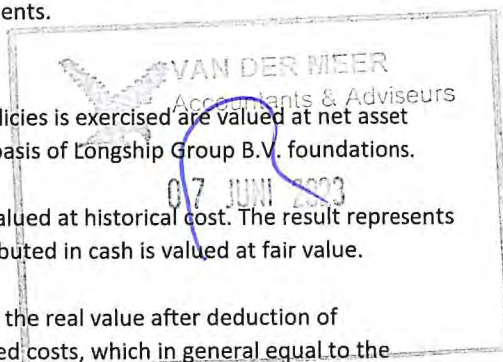
Tangible fixed assets are presented at cost less, if applicable, impairments less straight-line depreciation. Other tangible fixed assets are valued at historical cost or production cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments.

Financial fixed assets

Participations in which significant influence on business and financial policies is exercised are valued at net asset value, but not lower than zero. The net asset value is calculated on the basis of Longship Group B.V. foundations.

Participations over which no significant influence can be exercised are valued at historical cost. The result represents the dividend declared in the reporting year, whereby dividend not distributed in cash is valued at fair value.

The claims included under financial fixed assets are initially measured at the real value after deduction of transaction costs (if material). Then these receivables carried at amortised costs, which in general equal to the



nominal value. In the valuation shall take into account any write-downs.

Inventories

Inventories are valued at acquisition price or lower net realizable value. This lower net realizable value is determined by individual assessment of the inventories.

Receivables

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Trade receivables are subsequently valued at the amortized cost price. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash at bank and in hand

Cash at bank and in hand represent cash in bank, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognized as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Long-term liabilities

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs.

Other provisions

A provision is recognized for expenditures incurred on major maintenance work on buildings in order to spread these costs over a number of financial years. The addition to the provision is determined based on the expected amount of the maintenance work and the intervals between the times when major maintenance work is carried out.

Current liabilities

Current liabilities are initially recognised at fair value. Short-term debts are valued after first inclusion at the amounts at which the debt must be repaid.

Principles for the determination of the result

General

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Revenue recognition

Net turnover comprises the income from the supply of goods and services and realised income from construction contracts after deduction of discounts and such like and of taxes levied on the turnover.

Supply of services

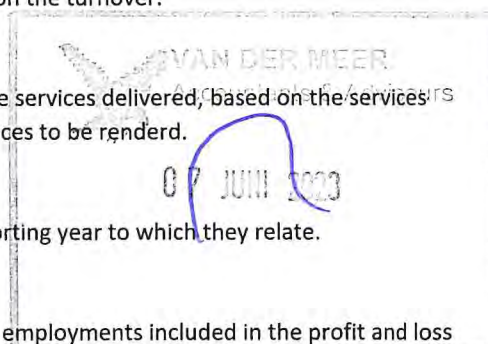
Revenues from the services rendered are recognised in proportion to the services delivered, based on the services rendered up to the balance sheet date in proportion to the total of services to be rendered.

Costs

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Wages and salaries

The rewards are due to staff on the basis of the terms and conditions of employments included in the profit and loss account.



Pension costs

The company has processed all pension schemes in accordance with the obligations approach. The premium is payable as an expense over the year accounted for. The premiums are recognised as staff costs once they are owed. Prepayments of insurance premiums are recognised as prepayments and accrued income if this results in a refund or leads to a reduction in future payments. Not yet paid premiums are recorded as obligation at the balance sheet.

Depreciation

Tangible fixed assets are from the time the asset is available for its intended use are amortised over the estimated useful lives/future expected useful life of the asset.

Government subsidies

Operating subsidies are recorded as income in the profit and loss account in the year in which the subsidised costs were incurred or income was lost or when there was a subsidised operating deficit. Income is recognised when it is probable that it will be received.

Financial income and expenses

Interest income and interest expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Exchanges differences

Exchanges differences that arise from the settlement or translation of monetary items are recorded in the profit and loss account in the period in which they occur, unless hedge-accounting is applied.

Taxes

Taxes are based on tonnage tax.

Result of participation

The result is the amount by which the carrying amount of the participations has changed since the previous financial statements as a result of the earnings achieved by the participations to the extent that this can be attributed to Longship Group B.V.



Notes to the consolidated balance per 31 December 2022

1 Intangible assets

An overview of the intangible assets is included below:

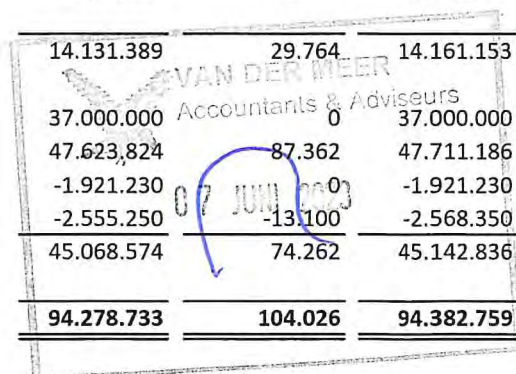
	<u>Goodwill</u>
	€
Purchases	451.444
Cum. Depreciation	-331.470
Bookvalue 1 January 2022	<u>119.974</u>
Desinvestement	-58.074
Depreciation	-45.000
Changes	<u>-103.074</u>
Bookvalue 31 December 2022	<u>16.900</u>
Purchases	101.215
Cum.depreciation	-84.315
Bookvalue 31 December 2022	<u>16.900</u>

The annual depreciation percentage used is 10%. M.V. Leah is sold in 2022 .

2 Property, plant and equipment

An overview of the tangible assets is included below:

	<u>Vessels</u>	<u>Inventories</u>	<u>Total</u>
	€	€	€
Purchases	17.733.916	114.444	17.848.360
Cum.depreciation	-3.602.527	-84.680	-3.687.207
Bookvalue 1 January 2022	14.131.389	29.764	14.161.153
Expanding financial asset to 100%	37.000.000	0	37.000.000
Investments	47.623.824	87.362	47.711.186
Desinvestments	-1.921.230	0	-1.921.230
Depreciation	-2.555.250	-13.100	-2.568.350
Changes	45.068.574	74.262	45.142.836
Bookvalue 31 December 2022	<u>94.278.733</u>	<u>104.026</u>	<u>94.382.759</u>



Notes to the consolidated balance per 31 December 2022

Purchases	96.623.824	201.806	96.825.630
Cum.depreciation	-2.345.091	-97.780	-2.442.871
Bookvalue 31 December 2022	94.278.733	104.026	94.382.759

The annual depreciation percentage used for the vessel is 6,75%. The residual value is € 1.000.000. MV Leah is sold in 2022.
The annual depreciation percentage used for the vessel is 33,33%. The residual value is € 2.800.000.
The annual depreciation percentage used for inventories is 20% and 33,33%.

3 Non-current financial assets

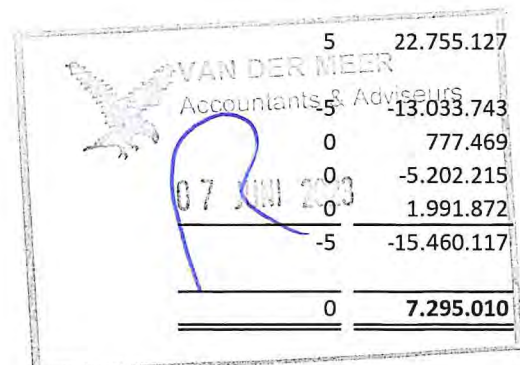
List of associates:

	Participation	Location
GSF IV B.V.	50%	Groningen
Groninger Scheepvaart Fonds B.V.	50%	Groningen
Scheepvaartonderneming M.S. Francisca CV	40%	Groningen
Wagle Chartering AS	50%	Moss (NO)

	Wagle Chartering AS	GSF IV B.V.	Groninger Scheepvaart Fonds B.V.	Scheepvaarton derneming M.S. Francisca CV	Binnacle Holding BV
	€	€	€	€	€
Bookvalue 1 January	551.184	1.570.869	6.739.337	859.994	13.033.738
Expanding financial asset to 100%	0	0	0	0	-13.033.738
Revaluation	-22.531	0	800.000	0	0
Dividend/Profit share	-292.215	-425.000	-4.325.000	-160.000	0
Result	456.186	443.117	1.062.693	29.876	0
Changes	141.440	18.117	-2.455.807	-130.124	-13.033.738
Bookvalue 31 December 2022	692.624	1.588.986	4.283.530	729.870	0

	Figurehead Holding B.V.	Totaal
	€	€

Bookvalue 1 January	5	22.755.127
Expanding financial asset to 100%	5	-13.033.743
Revaluation	0	777.469
Dividend/Profit share	0	-5.202.215
Result	0	1.991.872
Changes	-5	-15.460.117
Bookvalue 31 December 2022	0	7.295.010



Notes to the consolidated balance per 31 December 2022

Associate receivables

	Private loan Grona Shipping BV	Totaal
	€	€
Bookvalue 1 January 2022	28.812	28.812
Redemption	47.364	47.364
Changes	31.768	31.768
Bookvalue 31 December 2022	60.580	60.580

The loan Grona Shipping B.V. repayment will take place in 2023. Interest rate 7,2%.

	<u>31 dec 2022</u>	<u>31 dec 2021</u>
	€	€

4 Inventories and work in progress

Inventories

Bunker supply vessels	900.436	214.095
	900.436	214.095

Work in progress

Work in progress	0	45.000
	0	45.000

5 Receivables and prepayments

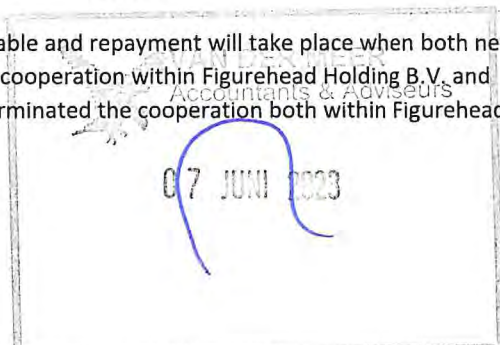
Receivables

Trade debtors	103.772	115.042
	103.772	115.042

Associate receivables

Figurehead B.V.	0	2.672.812
Scheepvaartonderneming M.S. Francisca C.V.	23.050	22.050
	23.050	2.694.862

Concerns a short-term loan with Figurehead B.V. there is 2% interest payable and repayment will take place when both new building vessels will be delivered in 2021. In 2022 a dispute arose over the cooperation within Figurehead Holding B.V. and Binnacle Holding B.V. The parties entered into mutual consultation and terminated the cooperation both within Figurehead and Binnacle Holding B.V. The loan is repaid in 2022.



Notes to the consolidated balance per 31 December 2022

	<u>31 dec 2022</u>	<u>31 dec 2021</u>
	€	€
Taxes and social security contributions receivable		
Corporation tax	30.300	0
Value added tax receivable	2.140	3.093
	<u>32.440</u>	<u>3.093</u>
Other receivables		
Prepaid expenses	1.653.549	435.653
Amounts receivable	1.613.511	121.440
Guarantee deposit	32.333	15.833
Loan	0	50.220
Cash to Master	10.000	10.000
	<u>3.309.393</u>	<u>633.146</u>
 <u>6 Cash and cash equivalents</u>		
Current account		
ABN AMRO Bank USD	1.945	2.465
ABN AMRO Bank EUR	9.119.254	5.053.260
Ebury Bank NOK	135.664	9.527
Ebury Bank USD	160.921	0
Rabobank EUR	241.075	360.462
Debt service account ABN AMRO Bank EUR	520.031	0
Lease Service Reserve Account (flexam)	1.914.981	228.000
ABN AMRO bank NOK	503	673
Survey account ABN AMRO Bank EUR	896.250	0
	<u>12.990.624</u>	<u>5.654.387</u>
Cash		
Cash EUR	31.682	13.723
	<u>31.682</u>	<u>13.723</u>

7 Equity

Equity is detailed in the notes to the balance sheet in the separate financial statement.



Notes to the consolidated balance per 31 December 2022

8 Provisions

	Major maintenance provision €
Bookvalue 1 January 2022	40.500
Expanding financial asset to 100%	1.003.000
Dotation	1.692.750
Release due to sale of vessel	-62.000
Maintance	-816.000
Changes	1.817.750
Bookvalue 31 December 2022	<u>1.858.250</u>

A provision recognized for expenditures incurred on major maintenance work on vessel.

9 Borrowings

An overview of the borrowings is given below:

Mortgage loans

	Mortgage loan ABN AMRO bank
Bookvalue begin	5.580.000
Granted	7.085.000
Repayment	5.867.639
Value 31 December	6.797.361
Repayment next financial year	1.150.556
Bookvalue end	<u>5.646.805</u>

A mortgage loan was granted for the vessel MV Longwave of November 1, 2021. The interest rate is 2,65% plus three months EURIBOR (if EURIBOR falls below zero, such rate is deemed to be zero). Repayment will take place in 24 consecutive quarterly instalment, whereby the first 8 repayment instalments will be each € 200.208,50; the next 16 repayments will be each € 142.083,25 combined with a final repayment instalment of € 1.705.000.

May 18, 2022 MV Longwave has done a sale and lease back and the total mortgage loan is been repaid.

A mortgage loan was granted for the vessel MV Longdawn of July 27, 2022. The interest rate is 2,85% plus one month EURIBOR (if EURIBOR falls below zero, such rate is deemed to be zero). Repayment will take place in 20 consecutive quarterly instalments, whereby the first 12 repayment instalments will be each € 287.639, the next 7 repayment instalments will be each € 151.389 combined with a final repayment instalment of € 2.573.609.

Notes to the consolidated balance per 31 December 2022

Obligations under finance leases

	<u>Totaal</u>
Bookvalue begin	0
Expanding financial asset to 100% Granted	28.490.641
Repayment	3.483.224
Mutations	<u>51.407.417</u>
Repayment next financial year	4.085.975
Bookvalue end	<u><u>47.321.442</u></u>

A finance lease was granted for the vessels M.V. Longfaith, M.V. Longfortune, M.V. Longvann, M.V. Longvik, M.V. Longvind, and M.V. Longviking as of December 29, 2021.

The total obligation is € 28.900.000 which is divided in € 5.311.351 for M.V. Longfaith and M.V. Longfortune, € 4.608.378,38 for M.V. Longvann, M.V. Longvik and M.V. Longvind and € 4.452.162,16 for M.V. Longviking. Repayment will take place via a charter hire of € 1.899 per day. Intererst rate of 6,25% per annum of the difference between (A) the amount of the Lease Service Account funded by the Charterers under the CP from time to time, and (B) the required balance of the Debt Service Account (as defined in the Loan Agreement).

Call option:

The Charterers shall have an option to purchase the Vessel each year as from 2026 to 2029 against the Call Option Price.

Put option & extension option:

In 2028 the Owner shall have the right i) extending the Charter Period for 2 years until 2030 (the Extension Option) or ii) requiring that the Charterers purchase and take delivery of the Vessel for the Put Option Price.

A finance lease was granted for the vessels M.V. Longwolf, M.V. Longwood and M.V. Longwave as of May 18, 2022.

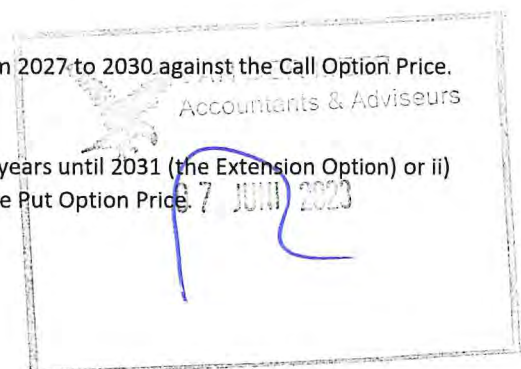
The total obligation is € 26.400.000 which is divided in € 8.700.000 for M.V. Longwood and M.V. Longwolf , € 9.000.000 for M.V. Longwave. Repayment will take place via a charter hire of € 9.882,07 per day. Intererst rate of 6,25% per annum of the difference between (A) the amount of the Lease Service Account funded by the Charterers under the CP from time to and (B) the required balance of the Debt Service Account (as defined in the Loan Agreement).

Call option:

The Charterers shall have an option to purchase the Vessel each year as from 2027 to 2030 against the Call Option Price.

Put option & extension option:

In 2029 the Owner shall have the right i) extending the Charter Period for 2 years until 2031 (the Extension Option) or ii) requiring that the Charterers purchase and take delivery of the Vessel for the Put Option Price.



Notes to the consolidated balance per 31 December 2022

10 Current liabilities

	<u>31 dec 2022</u>	<u>31 dec 2021</u>
	€	€
Overdrafts		
Rabobank	0	10.333
	<u>0</u>	<u>10.333</u>
Repayments		
Repayment, mortgage loan	1.150.556	0
Repayment, finance lease	4.085.975	0
	<u>5.236.531</u>	<u>0</u>
Trade payables and trade credit		
Trade payables	3.023.404	676.685
	<u>3.023.404</u>	<u>676.685</u>
Taxes and social security contributions payable		
Corporation tax	2.621	0
Value added tax payable	40.191	274.529
Wage tax	106.027	97.115
	<u>148.839</u>	<u>371.644</u>
Other payables		
Costs to pay / transitory	351.689	135.367
Cash to Master	47.599	14.000
Other payables	108.626	2.000
	<u>507.914</u>	<u>151.367</u>

Off-balance commitments

Longship Group B.V. is a tax entity for corporate tax with Longship B.V., Longship Invest B.V., Beheermaatschappij m.s. Leah B.V. and Beheermaatschappij m.s. Francisca B.V., Longship Management and Longship Crewing B.V. based on tonnage tax and are therefore jointly and several liable for the tax liability of the tax unit.

On November 16, 2022 there is signed a shipbuilding contract for the construction and delivery of 4 Dry Cargo Vessels a 8,600 dwt. The total contract price of € 75.180.000 delivery will take place in 2024 beginning 2025.

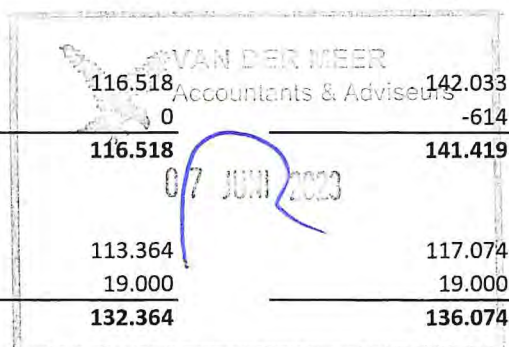
There is a full operational carlease obligation of € 88.728 per year wiht an average term of 4 year. There is a lease obligation office building of € 53.098 wich will terminated December 31,2023.

Longship B.V. has a management agreement with JoKa Holding for € 246.000 and with Huge Shipping SA for € 120.000. The management agreements with VMS Shipping Group will be terminated in 2023 for all the vessels.



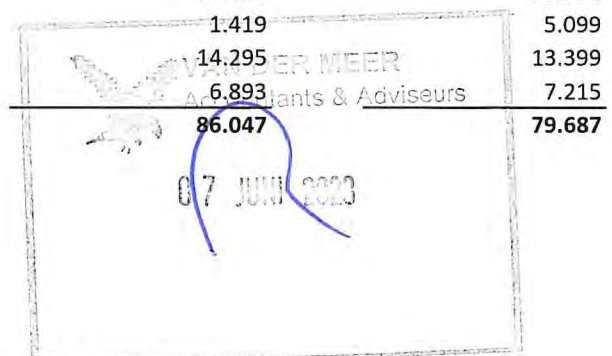
Notes to the consolidated profit & loss 2022

	2022	2021
	€	€
11 Revenue	65.649.349	32.510.068
Net revenue		
Commissions	1.571.019	2.595.441
Freight third parties	153.612	259.959
Compensation phone & bank	24.990	26.975
Gross Freight	62.105.269	28.574.382
Despatch & Demurrage	1.751.459	1.049.811
Other Income	43.000	3.500
	65.649.349	32.510.068
12 Cost of sales	31.895.277	22.416.989
Purchases		
Bunker expenses	12.228.977	1.315.895
Port expenses	4.897.920	336.497
Commissions	1.363.965	67.947
Other expenses	8.714	0
Voyage expenses	13.395.701	20.696.650
	31.895.277	22.416.989
13 Staff costs	5.943.501	2.050.928
Wages and salaries		
Gross wages and salaries	4.076.678	969.216
Bonuses	123.549	106.776
Reserved holiday pay	75.079	73.763
13th month	9.300	8.827
Sick pay received	-4.782	-76.236
Crew gross wages and salaries	309.710	429.794
Government allowance	-18.192	0
Other pay components	41.517	26.073
	4.612.859	1.538.213
Social security costs		
Social security costs	116.518	142.033
Wage tax on employee savings	0	-614
	116.518	141.419
Pensions		
Pensions, staff	113.364	117.074
Pensions charged	19.000	19.000
	132.364	136.074



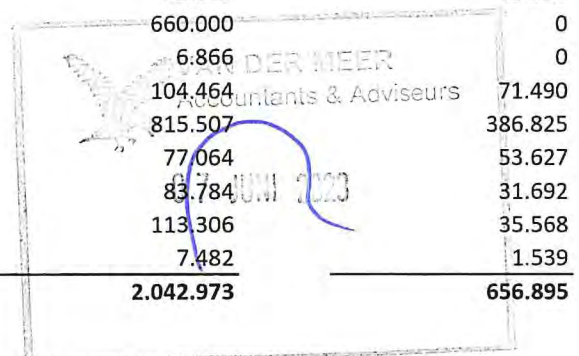
Notes to the consolidated profit & loss 2022

	<u>2022</u>	<u>2021</u>
	€	€
Other staff costs		
Kilometre allowance	982	1.180
Catering	354.212	52.716
Medical expenses	26.506	5.945
Training costs	1.750	2.042
Company clothing	41.248	10.915
Other Personnel expenses	179.708	93.414
Travel expenses crew	477.354	69.010
	<u>1.081.760</u>	<u>235.222</u>
14 Amortisation and depreciation expenses	2.613.350	505.459
Amortisation of intangible assets		
Amortisation of goodwill	45.000	45.144
	<u>45.000</u>	<u>45.144</u>
Depreciation of property, plant and equipment		
Depreciation vessels	2.555.250	447.214
Depreciation of inventories	13.100	13.101
	<u>2.568.350</u>	<u>460.315</u>
15 Other changes in the value of intangible assets	-1.773.195	0
Other changes in the value of intangible fixed assets		
Other changes in the value of intangible fixed assets	58.075	0
	<u>58.075</u>	<u>0</u>
Other changes in the value of property, plant and equipment		
Other changes in the value of property, plant and equipment	-1.831.270	0
	<u>-1.831.270</u>	<u>0</u>
Other operating expenses	10.052.599	2.060.902
16 Accommodation		
Rent for accommodation	63.440	53.974
Maintenance of accommodation	1.419	5.099
Cost of energy	14.295	13.399
Cleaning costs	6.893	7.215
	<u>86.047</u>	<u>79.687</u>



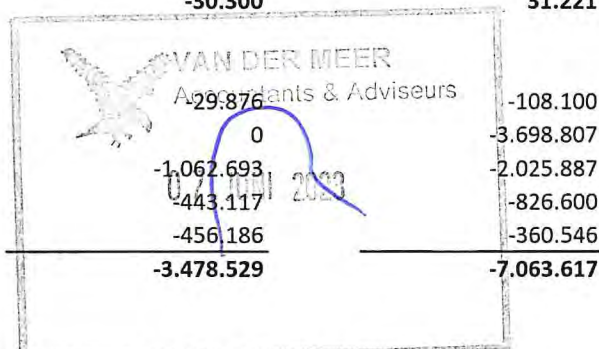
Notes to the consolidated profit & loss 2022

	<u>2022</u>	<u>2021</u>
	€	€
17 Operating expenses		
Maintenance of machinery and equipment	1.286.988	52.315
Insurance on machinery and equipment	820.653	87.978
Cost of repair of machinery and equipment	90.916	196.822
Samples/Filters/Water/Paint	95.149	5.705
Luboil	476.242	83.457
Survey/Certificates	4.020.068	288.107
Dekstores	164.855	44.748
Maps & nautical expenses	312.129	38.751
Other operating expenses	76.602	15.794
	<u>7.343.602</u>	<u>813.677</u>
18 Vehicle expenses		
Leases	78.541	84.718
Fuel	30.435	23.358
Other vehicle expenses	28.894	37.176
	<u>137.870</u>	<u>145.252</u>
19 Office expenses		
Postage	295	423
Office supplies	4.897	3.972
Memberships and subscriptions	12.359	10.905
IT costs	118.864	87.279
	<u>136.415</u>	<u>102.579</u>
20 Distribution costs		
Cost of advertising	38.825	13.899
Travel and accommodation expenses	75.338	37.209
Representation	11.079	5.063
Other distribution costs	7.400	6.517
	<u>132.642</u>	<u>62.688</u>
21 General expenses		
Cost of advisory services	101.613	26.764
Auditor's fee	72.887	49.390
Administration fees	660.000	0
Cost of legal advice	6.866	0
Insurance	104.464	71.490
Management fee	815.507	386.825
Bankcosts	77.064	53.627
Telephone expenses	83.784	31.692
Other general expenses	113.306	35.568
Representation	7.482	1.539
	<u>2.042.973</u>	<u>656.895</u>



Notes to the consolidated profit & loss 2022

	<u>2022</u>	<u>2021</u>
	€	€
22 Managementfee		
Managementfee	173.050	200.124
	<u>173.050</u>	<u>200.124</u>
23 Net finance cost	3.037.221	-342.717
Interest receivable and similar income		
Interest on associate receivable	3.090	256.683
Commission bank	37.089	28.409
	<u>40.179</u>	<u>285.092</u>
Interest payable and similar expenses		
Interest on subordinated loans	43.436	0
Interest payable to bank	70.123	168
Interest payable on mortgage loans	90.733	0
Interest payable on finance lease	2.805.213	0
Interest on current account overdrafts	72	296
Interest payable on current account at banks	34.316	12.730
Bank fees and commissions	35.000	0
Interest payable to tax authorities	-1.539	0
Interest on private loan	0	-70.819
Other interest payable	46	0
	<u>3.077.400</u>	<u>-57.625</u>
24 Non-operating income & expenses	1.935.886	-12.307
Other non-operating income & expenses		
Exchange rate difference	219	0
Damage	-188.542	0
Others	-1.747.563	12.307
	<u>-1.935.886</u>	<u>12.307</u>
25 Tax on profit		
Corporation tax	-30.300	31.221
	<u>-30.300</u>	<u>31.221</u>
26 Result of participations		
Scheepvaartondermering M.S. Francisca C.V.	29.876	-108.100
Binnacle Holding B.V.	0	-3.698.807
Groninger Scheepvaart Fonds B.V.	-1.062.693	-2.025.887
GSF IV B.V.	-443.117	-826.600
Wagle Chartering AS	-456.186	-360.546
	<u>-3.478.529</u>	<u>-7.063.617</u>



Annual account 2022



Balance sheet after profit allocation per 31 december 2022

		<u>31 dec 2022</u>		<u>31 dec 2021</u>
		€		€
ASSETS				
Interests in associates		55.059.903		38.571.062
Non-current financial assets	1	55.059.903		38.571.062
Associate receivables		374		0
Taxes and social security contributions receivable		32.295		1.417
Other receivables		10.563		10.563
Receivables and prepayments	2	43.232		11.980
Current account		203.252		245.626
Cash and cash equivalents	3	203.252		245.626
Assets		<u>55.306.387</u>		<u>38.828.668</u>



Balance sheet after profit allocation per 31 december 2022

	<u>31 dec 2022</u>	€	<u>31 dec 2021</u>	€
LIABILITIES				
Subscribed share capital	100.000		100.000	
Share premium account	12.076.206		12.076.206	
Statutory reserve	10.144.314		9.366.845	
General reserve	32.985.132		17.283.362	
Equity	4	55.305.652	38.826.413	
Other payables	735		2.255	
Current liabilities	5	735	2.255	
Equity and liabilities		55.306.387	38.828.668	



Profit & loss account for 2022

	<u>2022</u>	€	<u>2021</u>	€
General expenses	<u>41.411</u>		<u>39.331</u>	
Total expenses	6	41.411	39.331	39.331
Operating result		<u>-41.411</u>	<u>-39.331</u>	
	7			
Net finance cost		1.539	70.000	
Result before taxation		<u>-39.872</u>	<u>30.669</u>	
Tax on profit	8	30.300	-31.221	
Result of participations	9	18.711.342	12.927.357	
Result after taxation		<u><u>18.701.770</u></u>	<u><u>12.926.805</u></u>	



Disclosure notes to the balance sheet and the profit & loss account

General

The company financial statements have been prepared in accordance with the statutory provisions of Part 9 of Book 2 of the Netherlands Civil Code and the distinct statements contained in the Guidelines for Annual Reporting issued by the Council for Annual Reporting.

The accounting principles for the company financial statements and the consolidated financial statements are the same. Participations in group companies are valued at net asset value in accordance with (the relevant) section of the consolidated financial statements

For the principles of valuation of assets and liabilities and for the determination of the result, see the notes to the consolidated balance sheet and profit and loss account on pages 15 until 23.



Notes to the balance sheet per 31 december 2022

1 Non-current financial assets

List of associates:

	Participation	Location
Longship BV	100%	Groningen
Longship Invest BV	100%	Groningen
Longship Management B.V.	100%	Groningen
Longship Crewing B.V.	100%	Groningen
Wagle Chartering AS	50%	Moss (NO)

Interests in associates

	Longship Crewing B.V.	Longship Management B.V.	Longship BV	Longship Invest BV	Wagle Chartering AS	Totaal
	€	€	€	€	€	€
Bookvalue 1 January 2022	0	0	4.814.331	33.205.547	551.184	38.571.062
Establish Share premium payment	15	15	0	0	0	30
Dividend	0	0	0	4.000.000	0	4.000.000
Mutation revaluation reserve	0	0	-6.707.785	0	-292.215	-7.000.000
Result	0	52.092	5.299.089	12.903.975	456.186	18.711.342
Changes	15	52.107	-1.408.696	17.703.975	141.440	16.488.841
Bookvalue 31 December 2022	15	52.107	3.405.635	50.909.522	692.624	55.059.903
				31 dec 2022		31 dec 2021
				€		€

2 Receivables and prepayments

Associate receivables

Longship Management B.V.	374	0
	374	0

Taxes and social secur

Corporation tax	30.300	0
Value added tax receivable	1.995	1.417
	32.295	1.417

VAN DER MEER	
Accountants & Adviseurs	
30.300	0
1.995	1.417
32.295	1.417
07 JUNI 2023	

Notes to the balance sheet per 31 december 2022

	<u>31 dec 2022</u>	<u>31 dec 2021</u>
	€	€
Other receivables		
Amounts receivable	10.563	10.563
	<u>10.563</u>	<u>10.563</u>
<u>3 Cash and cash equivalents</u>		
Current account		
ABN AMRO Bank EUR	203.252	245.626
	<u>203.252</u>	<u>245.626</u>

4 Equity

Subscribed share capital

The issued share capital consists of 100.000 ordinary share of € 1.

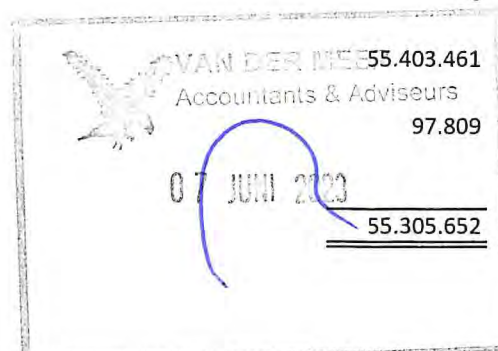
Equity

	Subscribed share capital	Share premium account	Statutory reserve	General reserve	Totaal
	€	€	€	€	€
Bookvalue 1 January 2022	100.000	12.076.206	9.366.845	17.283.362	38.826.413
Deposits	0	0	777.469	0	777.469
Dividend	0	0	0	3.000.000	3.000.000
Result	0	0	0	18.701.770	18.701.770
Changes	<u>0</u>	<u>0</u>	<u>777.469</u>	<u>15.701.770</u>	<u>16.479.239</u>
Bookvalue 31 December 2022	<u>100.000</u>	<u>12.076.206</u>	<u>10.144.314</u>	<u>32.985.132</u>	<u>55.305.652</u>

The result for the financial year 2022 amounting €18.701.770 is added to the general reserve.
This financial statement reflects this proposal.

The difference between the statutory and consolidated equity and earnings developed as follows during the financial year:

	<u>2022</u>
	€
Equity according to consolidated financial statement	55.403.461
Less: share third parties	97.809
Equity according to annual financial statement	<u>55.305.652</u>



Notes to the balance sheet per 31 december 2022

5 Current liabilities

	<u>31 dec 2022</u>	<u>31 dec 2021</u>
	€	€
Other payables		
Costs to pay / transitory	735	2.255
	<u>735</u>	<u>2.255</u>

Off-balance commitments

Longship Group B.V. is a tax entity for corporate tax with Longship B.V., Longship Invest B.V., Beheermaatschappij m.s. Leah B.V. and Beheermaatschappij m.s. Francisca B.V., Longship Management and Longship Crewing B.V. based on tonnage tax and are therefore jointly and several liable for the tax liability of the tax unit.



Notes to profit & loss 2022

	<u>2022</u>	<u>2021</u>
	€	€
6 General expenses		
Cost of advisory services	927	0
Auditor's fee	29.600	24.000
Insurance	10.279	15.247
Bankcosts	606	83
	<u>41.411</u>	<u>39.331</u>
7 Interest payable and similar expenses		
Interest on associate payables	0	-70.000
Interest payable to tax authorities	-1.539	0
	<u>-1.539</u>	<u>-70.000</u>
8 Tax on profit		
Corporation tax	-30.300	31.221
	<u>-30.300</u>	<u>31.221</u>
9 Result of participations		
Longship B.V.	-5.299.089	-5.671.062
Longship Invest B.V.	-12.903.975	-6.895.749
Wagle Chartering AS	-456.186	-360.546
Longship Management B.V.	-52.092	0
	<u>-18.711.342</u>	<u>-12.927.357</u>



Other notes

Employees

During the financial year, in accordance with the previous financial year, no employees served the company.


Statement of approval

Groningen

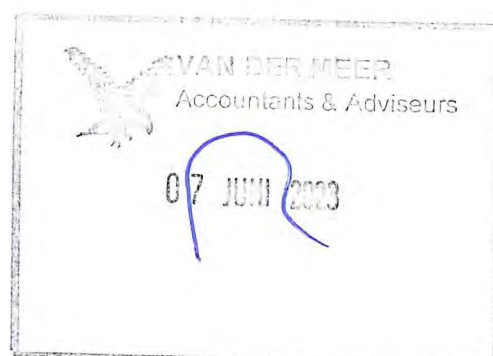
Authorized representatives,



Ø. Sivertsen
director



M.J. Cigrang
director



Other information

Statutory rules on profit appropriation and distributions

The bylaws include the following in Article 24 regarding the appropriation of profits and distributions:
(this translation an attempt has been made to be as literal as possible without jeopardizing the overall continuity. Inevitably, differences may occur in translation, and if so the dutch text shall prevail.)

1. The General Meeting shall be authorised to determine the appropriation of the profits as determined by the adoption of the Annual Accounts and to determine the distributions. The power of the General Meeting to determine the distributions shall apply both to distributions for the charges of not yet reserved profits and to distributions for the charges of any reserve, and both to distributions at the occasion of the adoption of the Annual Accounts and to interim distributions, provided with due observance of the provisions set forth in the law and this Article.
2. The Company may only make distributions to the Shareholders and other parties entitled to the profits that are available for distributions in so far as the equity exceeds the reserves that have to be maintained under the law and the Articles of Association.
3. A resolution for distribution of profits shall have no consequences as long as the Management Board has not granted its approval thereto. The Management Board shall only deny the approval if it knows or reasonably should foresee that the Company after the distribution will not be able to continue paying its due and payable debts.
4. If the Company after a distribution cannot continue paying its due and payable debts, the Managing Directors who at the time of the distribution knew or reasonably should have foreseen the same shall towards the Company be severally bound and liable for the deficit as referred to in Article 216 paragraph 3 of Book 2 of the Dutch Civil Code that has arisen by the distribution, together with the statutory interest as from the date of the distribution. Not bound and liable is the Managing Director who proves that he cannot be blamed for the fact that the Company has made the distribution and that he has not been negligent in taking measures to avert or prevent the consequences thereof. The party who received the distribution whereas he could foresee or reasonably should have foreseen that the Company after the distribution would not be able to continue paying its due and payable debts, shall towards the Company be held to compensate the deficit as referred to in Article 216 paragraph 3 of Book 2 of the Dutch Civil Code that was created by the distribution, each for at most the amount or the value of the distribution received by him, with the statutory interest thereon as from the date of the distribution. With respect to a debt on account of the first sentence, the debtor shall not be authorised to set off.
5. In the calculation of the amount that will be paid out on each Share, only the amount of the obligatory payments on the relevant Shares shall be taken into account. Each time deviations are possible from the sentence with the approval of all Shareholders.
6. On Shares no profit shall be distributed for the benefit of the Company, and in the calculation of the appropriation of profits the Shares that the Company holds in its own capital shall not be counted, unless these Shares are encumbered with a right of usufruct otherwise than for the benefit of the Company, or Depositary Receipts thereof have been issued that are not held by the Company itself.
7. The dividend shall as from one month after it has been declared be available to the Shareholders, unless the General Meeting sets another period. The entitlement of a Shareholder to the dividend shall prescribe by the lapse of a period of five years. Dividends that have not been taken within five years after they have been made available shall devolve on the Company.



Independent auditors report



INDEPENDENT AUDITOR'S REPORT

To: The shareholders of Longship Group B.V.

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements 2022 of Longship Group B.V. based in Groningen.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Longship Group B.V. as at 31 December 2022 and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the consolidated and company balance sheet as at 31 December 2022;
2. the consolidated and company profit and loss account for 2022; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Longship Group B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board

We evaluated the design and relevant aspects of the system of internal control. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due fraud is present.

The fraud risks identified by us and the specific procedures performed are as follows:

Fraud risk	Specific procedures performed	Observation
Management override of internal controls	<p>The mentioned fraud risk is an assumed risk. We have performed the following procedures:</p> <ul style="list-style-type: none"> - Determining the design and existence of internal control measures regarding the processing of manual journal entries. - Assessing the acceptability of manual journal entries recorded in the general ledger during the preparation of the financial statements. - Evaluating the estimates for tendencies and assessing whether any circumstances leading to the tendency pose a risk of material misstatement due to fraud. The most significant estimates in the financial statements are disclosed in the notes to the consolidated financial statements in the estimates section. 	Our audit procedures did not result in any indications or other reasonable suspicions of fraud and non-compliance with laws and regulations that are materially significant to our audit.
The risk of an employee abusing granted payment authorities	We have determined, among other things, based on a summary of payment rights from the bank, that the authority for independent payments is limited. We have received a download of the bank transactions. We performed various analyses on the bank transactions. Additionally, we have conducted a sample-based	Our procedures did not reveal any indications of fraudulent payments.

Fraud risk	Specific procedures performed	Observation
	verification to ensure the legitimacy of the payments.	

Audit approach going concern

Management has performed an assessment on the company's ability to continue as a going concern and considering the impact of financial its continuity assessment and has not identified any significant continuity risks. Our procedures to evaluate the management's continuity assessment include, among others:

- Considering whether the management's continuity risk analysis includes all relevant information that we have knowledge of as a result of the audit.

Based on these procedures, we did not identify any reportable findings related to the entity's ability to continue as a going concern.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the management report
- other information as required by Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

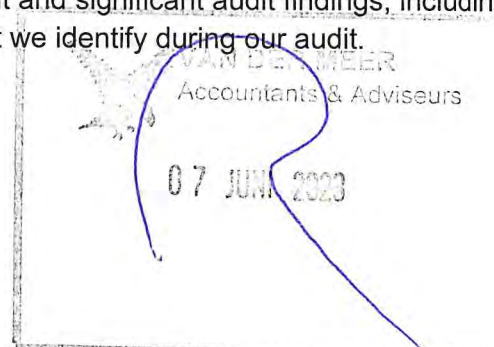
- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Groningen, 7 juni 2023

Van der Meer Accountants B.V.

drs. R. Hooiveld RA





Consolidated Annual Account 2023

Longship Group B.V.
Helperpark 272-4
9723 ZA GRONINGEN

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Management report

General information

Longship Group B.V. (hereafter LSG) is a private limited company founded on April 12, 2018. The company serves as a holding which harbours subsidiary companies with activities in the area of management, deployment and ownership of sea-going vessels.

These activities have an international character with suppliers and customers mainly located in Europe. Our strength is the ability to offer resourceful and flexible logistic solutions to our customers. Having established ourselves as an industrial carrier with extensive knowledge of industrial shipping, we have long term relations with our customers. Our aim is to optimise supply chains in maritime shipping and secure efficient and reliable transport.

2023 is characterized by continuing geopolitical tensions in Europe, the Middle East and China. In Europe the energy transition gains momentum. With the Fit for 55 package the EU will adapt stricter policies to meet climate targets. Together with limited growth in Europe, high inflation and rising interest rates, 2023 was a year with continuing uncertainty.

The impact on our trade has been relatively limited although inflation caused higher operating costs. Increased interest rates had limited impact on our earnings because of a good balance between fixed and floating interest rates in our funding. In 2023 we continued to build our technical and crew management and increased the number of ships in

In 2023 we established the following acquisitions, disinvestments and/or structural changes;

(1) As of February 2023, Longship Invest has established a new intermediate holding company under the name Forsail Holding B.V. to separately structure the financing for the subsidiaries Longera BV and Longeon BV. Delivery of the first vessel in this series of four is expected in the second quarter of 2024.

(2) In Oct 2023, LCT Shipping B.V. was established as a Joint Venture between Cargow B.V. (50%) and Longship Invest B.V. (50%) for a future development for one of our clients.

(3) In December 2023 we established Longsun C.V. and Longsky C.V. to purchase two newbuilding GS ECO freighters from GS Projects B.V. in Waterhuizen. The vessels are financed and have an expected delivery in the third quarter of 2024. Commercial management will be performed by Wagle Chartering A.S. and the technical & crew management will be provided by Longship Management B.V.

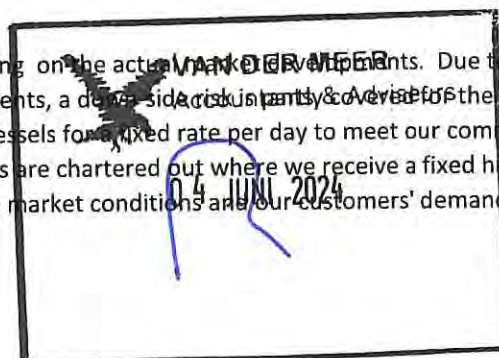
Financial information

Revenues in 2023 were EUR 54 million, compared to EUR 66 million in 2022 (-18%). The economic situation was stable but there was also uncertainty due to geopolitical tensions. Gross Margin was EUR 28 million compared to EUR 34 million in 2022, Operating result amounted to 9 million compared to EUR 17 million in 2022.

Total result after taxation was EUR 8 million compared to EUR 19 million in 2022. Following the decision from the General meeting of the shareholders a dividend of EUR 1 million is distributed to the shareholders. The rest of the result is attributed to the general reserve. Also in 2023 there is a EUR 2 million mutation in equity relating to revaluation of assets, exchange rate difference and a mutation the share third parties which results in an equity position at the end of the financial year at EUR 64 million compared to EUR 55 million at the beginning of the year. The Solvency and Liquidity positions are adequate and showed a healthy development during the financial year.

Information about the main risks and uncertainties

In the spot trade our fleet employment results are mainly depending on the actual market developments. Due to the existing long term Contracts of Afreightment with our industrial clients, a de-risking strategy is used to hedge the short-medium term. The company can make the decision to charter in vessels for a fixed rate per day to meet our commitments to customers and to provide for flexibility. Also a number of vessels are chartered out where we receive a fixed hire per day. As a company we are constantly balancing these risks according to market conditions and our customers' demand.



Future Outlook

In 2024 we have to get used to higher levels of inflation and interest rates than in the past decade. Higher interest rates will have a limited impact on the short term. Estimations on global growth in 2024 are still on a low level but we see rates in our main markets improving in the beginning of 2024. The geo-political situation has enough challenges ahead that could potentially affect world wide growth numbers.

In 2024, we will be further improving and extending our technical- and crewmanagement division. Focus will remain on data-IT, digitalization and sustainability (CSRD, ESG). The energy transition will have an effect on our industry. As part of de European Fit for 55 program the EU ETS regulation is applicable for the shipping sector as from 2024. The ETS will apply for ships over 5,000 gross tonnage which are currently 4 vessels in our fleet with 4 newbuildings entering as from the second quarter. General cargo and offshore ships between 400 – 5,000 gross tonnage will be most likely taxed as from 2027.

Increased focus on sustainability has made this a vital topic for corporations worldwide. In general we think LSG is well prepared towards the future considering our young fleet and our investments in low emission's newbuildings.

Signed for and onbehalf of Longship Group B.V.

M.J. Cigrang

Ø. Sivertsen



Consolidated Annual Account 2023



Consolidated balance sheet after profit allocation per 31 December 2023

		<u>31 dec 2023</u>	<u>31 dec 2022</u>
		€	€
ASSETS			
Goodwill		6.900	16.900
Intangible assets	1	6.900	16.900
Vessels		110.181.469	94.278.733
Inventories		205.469	104.026
Property, plant and equipment	2	110.386.938	94.382.759
Interests in associates		6.263.851	7.295.010
Associate receivables		0	60.580
Non-current financial assets	3	6.263.851	7.355.590
Inventories		777.448	900.436
Inventories and work in progress	4	777.448	900.436
Receivables		123.225	103.772
Associate receivables		23.050	23.050
Taxes and social security contributions receivable		0	32.440
Other receivables		3.826.666	3.309.393
Receivables and prepayments	5	3.972.941	3.468.655
Current account, bank		7.722.501	12.990.624
Cash		56.353	31.682
Cash and cash equivalents	6	7.778.854	13.022.306
Assets		<u>129.186.932</u>	<u>119.146.646</u>



Consolidated balance sheet after profit allocation per 31 December 2023

		<u>31 dec 2023</u>	€	<u>31 dec 2022</u>	€
LIABILITIES					
Subscribed share capital		100.000		100.000	
Share premium account		12.076.206		12.076.206	
Statutory reserve		9.547.355		10.144.314	
General reserve		39.651.839		32.985.135	
Share third parties		3.087.245		97.806	
Equity	7	<u>64.462.645</u>		<u>55.403.461</u>	
Major maintenance provision		2.054.092		1.858.250	
Provisions	8	<u>2.054.092</u>		<u>1.858.250</u>	
Mortgage loans		7.146.364		5.646.805	
Obligations under finance leases		42.970.433		47.321.442	
Borrowings	9	<u>50.116.797</u>		<u>52.968.247</u>	
Repayments		5.601.448		5.236.531	
Trade payables and trade credit		2.855.645		3.023.404	
Taxes and social security contributions payable		116.700		148.839	
Other payables		3.979.605		507.914	
Current liabilities	10	<u>12.553.398</u>		<u>8.916.688</u>	
Equity and liabilities		<u><u>129.186.932</u></u>		<u><u>119.146.646</u></u>	



Consolidated profit & loss account for 2023

		<u>2023</u>	<u>2022</u>
		€	€
Revenue	11	47.852.404	65.649.349
Total Revenue		47.852.404	65.649.349
Cost of sales	12	31.647.893	43.025.580
Staff costs	13	1.543.060	1.176.006
Social security costs and pensions	14	288.863	248.882
Depreciation expenses	15	3.149.455	2.613.350
Other changes in the value of intangible assets	16	0	-1.773.195
Other operating expenses	17	2.218.203	3.252.586
Total expenses		38.847.474	48.543.209
Operating result		9.004.930	17.106.140
Net finance cost	18	-3.854.772	-3.037.221
Miscellaneous income and expenses	19	0	1.747.563
Result before taxation		5.150.158	15.816.482
Tax on profit	20	25.831	30.300
Result of participations	21	2.474.771	3.478.529
Share third parties		15.948	-623.538
Result after taxation		7.666.708	18.701.773



Consolidated cashflow for 2023

	2023	2022
	€	€
Operating result	9.004.930	17.106.140
Adjustments for:		
Depreciations	3.149.455	2.613.350
Changes in provisions	<u>195.842</u>	<u>1.817.750</u>
	3.345.297	4.431.100
Changes in working capital:		
Change in current receivables	-504.286	-22.512
Change in inventories	122.988	-641.341
Change in current liabilities (excluding accrued interest)	<u>3.636.710</u>	<u>7.716.992</u>
	3.255.412	7.053.139
Cashflow from business operations	15.605.639	28.590.379
Net finance cost	-3.854.772	-3.037.221
Dividends	-1.000.000	-3.000.000
Taxation	25.831	30.300
Result in participations	2.474.771	3.478.529
Result third party share	15.948	-623.538
Additional changes	<u>0</u>	<u>1.747.564</u>
	-2.338.222	-1.404.366
Cashflow from operational activities	13.267.417	27.186.013
Investments intangible assets	10.000	103.074
Investments tangible assets	-16.004.179	-80.221.606
Investments financial assets	1.091.739	15.428.349
Whereof depreciations	<u>-3.149.455</u>	<u>-2.613.350</u>
Cashflow from investments activities	-18.051.895	-67.303.533
Changes current account overdraft banks	0	-10.333
Changes in equity	2.392.476	93.803
Changes in borrowings	<u>-2.851.450</u>	<u>47.388.247</u>
Cashflow from finance activities	-458.974	47.471.717
Net cashflow	-5.243.452	7.354.197
Exchanges rate difference	0	0
Changes in cash		
Cash and cash equivalents begin	13.022.306	5.668.109
Cash and cash equivalents end	<u>7.778.854</u>	<u>13.022.306</u>
Changes in cash	<u>5.243.452</u>	<u>-7.354.197</u>

-5.243.452	VAN DER MEER	7.354.197
	Accountants & Adviseurs	
13.022.306		5.668.109
7.778.854	04 JUNI 2024	13.022.306
5.243.452		-7.354.197

Disclosure notes to the consolidated balance sheet and the profit & loss account

General

Activities

The activities of Longship Group B.V., statutory established in Groningen consists as a holding which harbours subsidiary companies with activities in the area of management, deployment and ownership of seagoing vessels. Longship Group B.V. is registered at the Chamber of Commerce under number 71415750.

Group relationships

Longship Group B.V. forms a group with Longship B.V., Beheermaatschappij m.s. Francisca B.V., Longship Invest B.V., Longship Management B.V. and Wagle Chartering AS. Longship Group B.V. is head of this group.

Consolidation principles

The consolidation includes the financial data of Longship Group B.V. together with its group companies and other legal entities in which it can exercise dominant control or over which it has central management. Group companies are legal entities in which Longship Group B.V. can directly or indirectly exercise dominant control through holding the majority of voting rights or otherwise controlling the financial and operating activities. This includes potential voting rights that can be exercised directly on the balance sheet date.

Group companies and other legal entities over which it can exercise dominant control or over which it has central management are included 100% in the consolidation. Minority interests in group equity and group result are stated separately. Participating interests over which no dominant control can be exercised (associates) are not included in the consolidation.

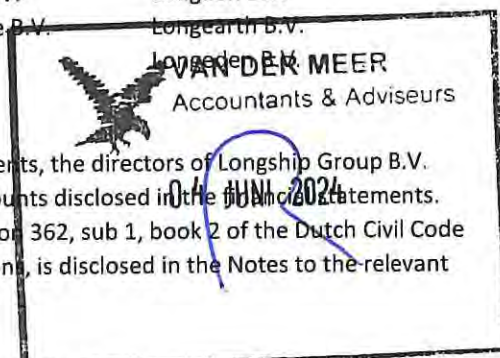
Intercompany transaction, intercompany profits and intercompany receivables and payables between group companies and other legal entities included in the consolidation are eliminated to the extent that the results have not been realized through transactions with third parties outside the group. Unrealized losses on intercompany transactions are also eliminated unless there is an impairment. Accounting policies of group companies and other legal entities included in the consolidation have been changed where necessary to conform to the applicable accounting policies for the group.

The companies included in the consolidation of Longship Group B.V. are:

Longship B.V.	Longship Invest B.V.	Crow's Nest Holding B.V.
Longship Management B.V.	Binnacle Holding B.V.	Longwolf B.V.
Longship Crewing B.V.	M.V. Longvann B.V.	Longwood B.V.
Beheermaatschappij ms Francisca B.V.	M.V. Longvik B.V.	Longwave B.V.
Longdawn B.V.	M.V. Longviking B.V.	Figurehead Holding B.V.
Forsail Holding B.V.	M.V. Longvind B.V.	Longera B.V.
Longsky Beheer B.V.	M.V. Longfaith B.V.	Longeon B.V.
Longsun Beheer B.V.	M.V. Longfortune B.V.	Longearth B.V.
Longsun C.V.	Longsky C.V.	Longede B.V.

Estimates

In applying the principles and policies for drawing up the financial statements, the directors of Longship Group B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under section 362, sub 1, book 2 of the Dutch Civil Code the nature of these estimates and judgments, including related assumptions, is disclosed in the Notes to the relevant financial statement item.



General principles

The financial statements are drawn up in accordance with the provisions of the Title 9, Book 2 of the Dutch Civil Code and the Dutch Accounting Standards (Dutch GAAP) applicable to large legal persons, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving', hereafter RJ).

Assets and liabilities are generally valued at historical costs, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet and profit and loss account, references are made to the Notes.

Foreign currency

Functional currency

Items included in the financial statements of Longship Group B.V. are valued with due regard for the currency in the economic environment in which the company carries out most of its activities (the functional currency).

The financial statements are denominated in euro; this is both the functional currency and presentation currency of Longship Group B.V..

Transactions, receivables and liabilities

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date. Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the profit and loss account. Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date. Non-monetary assets valued at fair value in a foreign currency are converted at the exchange rate on the date on which the fair value was determined.

Operational lease

The company may have lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of or incurred by the company. The lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis, taking into account reimbursements from the lessor, in the profit and loss account for the duration of the contract.

Financial lease

The company leases part of its vessels; the company largely assumes the benefits and risks associated with the ownership of these assets. These assets are capitalized on the balance sheet at the commencement of the lease agreement at the fair value of the assets or the lower present value of the minimum lease payments. The lease payments are allocated on an annuity basis into a repayment and an interest component. The lease obligations are recorded under long-term liabilities, excluding the interest component.

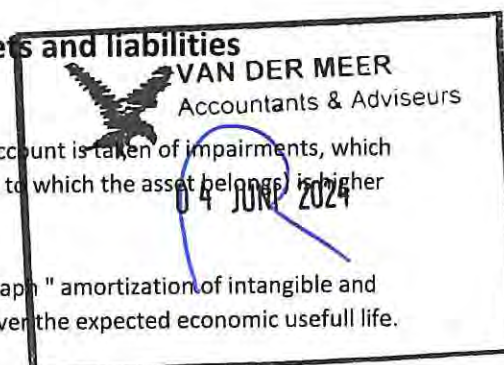
The interest component is included in the profit and loss account over the term of the contract at a fixed interest rate on the average remaining repayment component. The relevant assets are depreciated over the remaining useful life.

Accounting principles applied to the valuation of assets and liabilities

Intangible fixed assets

The intangible fixed assets are valued at purchase price less depreciation. Account is taken of impairments, which is the case if the book value of the asset (or of the cash flow generating unit to which the asset belongs) is higher than the value that can be realised.

Goodwill arising from acquisitions and calculated in accordance with paragraph "amortization of intangible and tangible fixed assets" is capitalized and amortized on a straight-line bases over the expected economic useful life.



Tangible fixed assets

Tangible fixed assets are presented at costs less, if applicable, impairments less straight-line depreciation. Other tangible fixed assets are valued at historical cost or production cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments.

Financial fixed assets

Participations in which significant influence on business and financial policies is exercised are valued at net asset value, but not lower than zero. The net asset value is calculated on the basis of Longship Group B.V. principles. Participations over which no significant influence can be exercised are valued at historical cost. The result represents the dividend declared in the reporting year, whereby dividend not distributed in cash is valued at fair value.

Inventories

Inventories are valued at acquisition price or the lower value to be realised. This lower net realizable value is determined by individual assessment of the inventories.

Receivables

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Trade receivables are subsequently valued at the amortized cost. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash at bank and in hand

Cash at bank and in hand represent cash in bank, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognized as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Other provisions

Provisions are established for legally enforceable or constructive obligations existing at the balance sheet date, where it is probable that an outflow of resources will be required and the amount can be reliably estimated.

Provisions are measured at the best estimated of the amounts required to settle the obligations at the balance sheet date. Other provisions with an expected term up to one year are measured at the nominal value of the expenditures expected to be required to settle the obligations, unless otherwise stated. Other provisions where the effect of the time value of money is material are measured at present value. The change in the provision due to the addition of interest is presented as an interest expense.

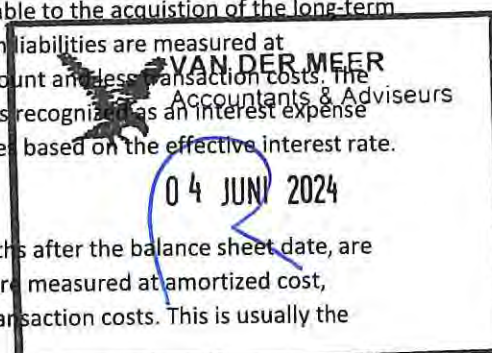
When is expected that a third party will reimburse the obligations, and it is probable that this reimbursement will be received upon settlement of the obligations and losses, this reimbursement is recognized as an asset on the balance sheet.

Long-term liabilities

Long-term liabilities, which are obligations that cannot be claimed within 12 months after the balance sheet date, are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition of the long-term liabilities are included in the initial valuation. After initial recognition, long-term liabilities are measured at amortized cost, which is the amount received considering any premium or discount and less transaction costs. The difference between the carrying amount and the ultimate repayment amount is recognized as an interest expense in the profit and loss account over the estimated term of the long-term liabilities based on the effective interest rate.

Current liabilities

Short-term liabilities, which are obligations that can be claimed within 12 months after the balance sheet date, are initially recognized at fair value. After initial recognition, short-term liabilities are measured at amortized cost, which is the amount received considering any premium or discount and less transaction costs. This is usually the nominal value.



Principles for the determination of the result

General

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Revenue recognition

Net turnover comprises the income from the supply of goods and services and realised income from construction contracts after deduction of discounts and such like and of taxes levied on the turnover. The individual performance obligations are identified in this process. Then, the transaction price is determined and allocated to the individual performance obligations, taking into account discounts and similar deductions, as well as taxes levied on revenue.

Cost of sales

Cost of sales refers to the direct and indirect costs attributable to the revenue, including personnel costs, as well as other business expenses attributable to the costs.

Supply of services

Revenues from the services rendered are recognised in proportion to the services delivered, based on the services rendered up to the balance sheet date in proportion to the total of services to be rendered.

Costs

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Wages and salaries

The rewards are due to staff on the basis of the terms and conditions of employments included in the profit and loss account.

Pension costs

The company has processed all pension schemes in accordance with the obligations approach. The premium is payable as an expense over the year accounted for. The premiums are recognised as staff costs once they are owed. Prepayments of insurance premiums are recognised as prepayments and accrued income if this results in a refund or leads to a reduction in future payments. Not yet paid premiums are recorded as obligation at the balance sheet.

Depreciation

Intangible and tangible fixed assets are from the time the asset is available for its intended use are amortised over the estimated useful lives/future expected useful life of the asset.

Government subsidies

Operating subsidies are recorded as income in the profit and loss account in the year in which the subsidised costs were incurred or income was lost or when there was a subsidised operating deficit. Income is recognised when it is probable that it will be received.

Financial income and expenses

Interest income and interest expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Exchanges differences

Exchanges differences that arise from the settlement or translation of monetary items are recorded in the profit and loss account in the period in which they occur.



Taxes

Taxes are based on tonnage tax.

Result of participation

The result is the amount by which the carrying amount of the participations has changed since the previous financial statements as a result of the earnings achieved by the participations to the extent that this can be attributed to Longship Group B.V.

Principles of the consolidated statement of cash flows

The cash flow statement is prepared using the indirect method. Cash in the cash flow statement consists of cash and cash equivalents, excluding deposits with a maturity longer than three months. Cash flows in foreign currencies have been translated at an estimated average exchange rate. Dividends paid are included in cash flow from financing activities. Transactions involving no cash inflows or outflows, including financial leases, are not included in the statement of cash flows. The value of related assets and lease liabilities are recognized in the notes of the balance sheet items.

The payment of lease installments under financial lease have been classified as an expense from financing activities for the portion related to repayment and as an expense from operating activities for the portion related to interest.



Notes to the consolidated balance sheet per 31 December 2023

1 Intangible assets

An overview of the intangible assets is included below:

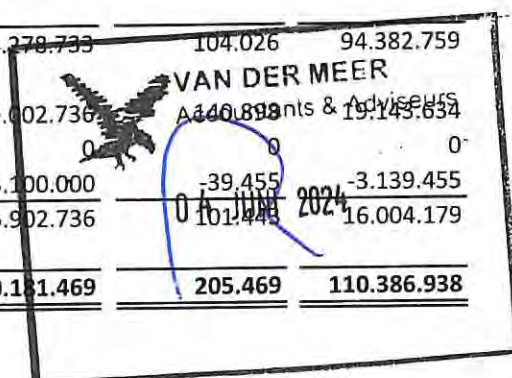
	<u>Goodwill</u>
	€
Acquisition costs	101.215
Cum. Depreciation	-84.315
	<u>16.900</u>
Bookvalue 1 January 2023	16.900
Desinvestement	0
Depreciation	-10.000
	<u>-10.000</u>
Changes	<u>-10.000</u>
Bookvalue 31 December 2023	<u>6.900</u>
Acquisition costs	101.215
Cum.depreciation	-94.315
	<u>6.900</u>
Bookvalue 31 December 2023	<u>6.900</u>

The annual depreciation percentage used is 10%.

2 Property, plant and equipment

An overview of the tangible assets is included below:

	<u>Vessels</u>	<u>Inventories</u>	<u>Total</u>
	€	€	€
Investments	96.623.824	201.806	96.825.630
Cum.depreciation	-2.345.091	-97.780	-2.442.871
	<u>94.278.733</u>	<u>104.026</u>	<u>94.382.759</u>
Bookvalue 1 January 2023	94.278.733	104.026	94.382.759
Investments	19.002.736	146.899	19.149.634
Desinvestments	0	0	0
Depreciation	-3.100.000	-39.455	-3.139.455
Changes	<u>15.902.736</u>	<u>107.444</u>	<u>16.004.179</u>
Bookvalue 31 December 2023	<u>110.181.469</u>	<u>205.469</u>	<u>110.386.938</u>



Notes to the consolidated balance sheet per 31 December 2023

Investments	115.626.560	342.704	115.969.264
Cum.depreciation	-5.445.091	-137.235	-5.582.326
Bookvalue 31 December 2023	110.181.469	205.469	110.386.938

Depreciation for the vessels will be applied in thirty years to residual value.
The annual depreciation percentage used for inventories is 20% and 33,33%.

3 Non-current financial assets

List of associates:	Participation	Location
GSF B.V.	50%	Groningen
GSF IV B.V.	50%	Groningen
Scheepvaartonderneming M.S. Francisca C.V.	40%	Groningen
Wagle Chartering AS	50%	Moss (NO)
LCT Shipping B.V.	50%	Groningen

An overview of the non-current financial assets is included below:

	GSF B.V.	GSF IV B.V.	Scheepvaart nderneming M.S. Francisca C.V.	Wagle Chartering AS	LCT Shipping B.V.
	€	€	€	€	€
Bookvalue 1 January	4.283.530	1.588.986	729.870	692.624	0
Investments	0	0	0	0	85
Revaluation	-543.444	0	16.258	-48.117	0
Dividend/Profit share	-150.000	-2.485.000	-60.000	-260.852	0
Result	916.936	1.201.788	-41.557	422.744	0
Changes	223.492	-1.283.212	-85.299	113.775	85
Bookvalue 31 December 2023	4.507.022	305.774	644.571	806.399	85

	Totaal
	€
Bookvalue 1 January	7.295.010
Investments	85
Revaluation	-575.303
Dividend/Profit share	-2.955.852
Result	2.499.911
Changes	-1.031.160
Bookvalue 31 December 2023	6.263.851



Notes to the consolidated balance sheet per 31 December 2023

	<u>31 dec 2023</u> €	<u>31 dec 2022</u> €
<u>4 Inventories and work in progress</u>		
Inventories		
Bunker supply vessels	777.448	900.436
	<u>777.448</u>	<u>900.436</u>
<u>5 Receivables and prepayments</u>		
Receivables		
Trade receivables	123.225	103.772
	<u>123.225</u>	<u>103.772</u>
Associate receivables		
Scheepvaartonderneming M.S. Francisca C.V.	23.050	23.050
	<u>23.050</u>	<u>23.050</u>
Taxes and social security contributions receivable		
Corporation tax	0	30.300
Value added tax receivable	0	2.140
	<u>0</u>	<u>32.440</u>
Other receivables		
Prepaid expenses	1.735.115	1.653.549
Amounts receivable	1.973.996	1.613.511
Guarantee deposit	56.792	32.333
Loan	60.763	0
Cash to master	0	10.000
	<u>3.826.666</u>	<u>3.309.393</u>
<u>6 Cash and cash equivalents</u>		
Current account, bank		
Current account bank	7.722.501	12.990.624
	<u>7.722.501</u>	<u>12.990.624</u>
Cash		
Cash EUR	56.353	31.682
	<u>56.353</u>	<u>31.682</u>

7 Equity

Equity is detailed in the notes to the balance sheet in the separate financial statement.



Notes to the consolidated balance sheet per 31 December 2023

8 Provisions

	Major maintenance provision €
Bookvalue 1 January 2023	1.858.250
Dotation	1.160.000
Maintenance	-1.037.068
Result	72.910
Changes	195.842
Bookvalue 31 December 2023	2.054.092

A provision recognized for expenditures incurred on major maintenance work on vessel.
Of the provisions, an amount of € 0 is to be classified as long-term (more than one year).

9 Borrowings

An overview of the borrowings is given below:

Mortgage loans

	Mortgage loan term 1	Mortgage loan FC105962848	Total
Bookvalue begin	0	6.797.361	6.797.361
Granted	2.750.000	0	2.750.000
Repayment	0	1.150.556	1.150.556
Value 31 December	2.750.000	5.646.805	8.396.805
Repayment next financial year	99.885	1.150.556	1.250.441
Bookvalue end	2.850.115	4.496.249	7.146.364

FC105962848 has an interest rate of 2,85% plus one month EURIBOR (if EURIBOR falls below zero, such rate is deemed to be zero). Repayment will take place in 20 consecutive quarterly instalments, which by 31/12/2024 repayment instalments will be each € 287.639, the next 7 repayment instalments will be each € 151.389 combined with a final repayment instalment of € 2.573.609.

Term 1 has an interest rate of 3,00% plus the EURIBOR for the interest-fixed period of three months (if EURIBOR falls below zero, such rate is deemed to be zero). Repayment will take place in 27 consecutive quarterly instalments of € 99.885,00, starting September 30, 2024. On April 30, 2031 a last instalment of € 5.004.995,00 will be charge

Notes to the consolidated balance sheet per 31 December 2023

Obligations under financial lease

	<u>Financial lease</u>
Bookvalue begin	51.407.417
Repayment	4.085.977
Value 31 December	<u>47.321.440</u>
Repayment next financial year	4.351.007
Bookvalue end	<u><u>42.970.433</u></u>

Financial leases have a maturity ending between 2030 and 2031. Interest rate is between 6,25% en 6,85%.

10 Current liabilities

	<u>31 dec 2023</u>	<u>31 dec 2022</u>
	€	€
Repayments		
Repayment mortgage loan	1.250.441	1.150.556
Repayment financial lease	4.351.007	4.085.975
	<u>5.601.448</u>	<u>5.236.531</u>
Trade payables and trade credit		
Trade payables	2.855.645	3.023.404
	<u>2.855.645</u>	<u>3.023.404</u>
Taxes and social security contributions payable		
Corporation tax	0	2.621
Value added tax payable	57.700	40.191
Wage tax	59.000	106.027
	<u>116.700</u>	<u>148.839</u>
Other payables		
Costs to pay / transitoria	22.242	351.689
Cash to Master	33.379	17.599
Other payables	280.344	108.626
Loan	363.500	0
	<u>5.379.605</u>	<u>507.914</u>



Notes to the consolidated balance sheet per 31 December 2023

Off-balance commitments

Longship Group B.V. is a tax entity for corporate tax with Longship B.V., Longship Invest B.V., Beheermaatschappij m.s. Leah B.V., Beheermaatschappij m.s. Francisca B.V. and Longship Management based on tonnage tax and are therefore jointly and several liable for the tax liability of the tax unit.

On November 16, 2022 the group signed a shipbuilding contract for the construction and delivery of 4 Dry Cargo Vessels a 8,600 dwt. The remaining obligation per the first of January is € 55 mln.

On December 6, 2023 the group signed a shipbuilding contract for the construction and delivery of 2 Eco Freighter vessels. The remaining obligation is € 15 mln.

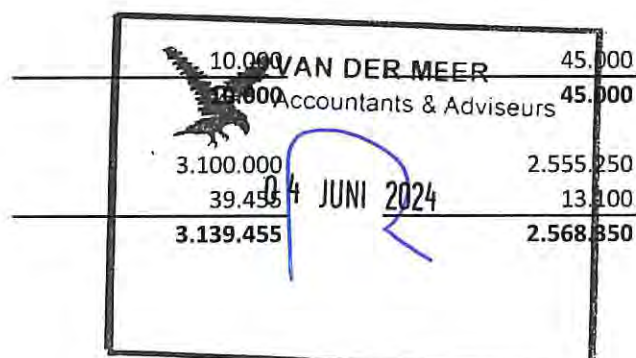
There is a full operational carlease obligation of € 88.728 per year with an average term of 4 year. There is a lease obligation for the office building of € 77.526.

Longship B.V. has a management agreement for € 366.000.



Notes to the consolidated profit & loss account 2023

	2023	2022
	€	€
11 Revenue	47.852.404	65.649.349
Commissions	540.053	1.571.019
Gross freight	46.006.411	62.105.269
Despatch & Demurrage	684.453	1.751.459
Freight third parties	455.744	153.612
Other income	-16.817	67.990
Management fees	182.560	0
	47.852.404	65.649.349
12 Cost of sales	31.647.893	43.025.580
Crew expenses	4.848.656	3.975.024
Operating expenses	5.288.680	7.155.279
Bunker expenses	10.518.304	12.228.977
Port expenses	5.568.203	4.897.920
Commissions	943.934	1.363.965
Other expenses	10.514	8.714
Voyage expenses	4.469.602	13.395.701
	31.647.893	43.025.580
13 Wages and salaries	1.543.060	1.176.006
Wages and salaries	1.543.060	1.176.006
During the financial year, the average number of staff is	17	13
14 Social security costs and pensions	288.863	248.882
Social security costs	147.197	116.518
Pensions	141.666	132.364
15 Depreciation expenses	3.149.455	2.613.350
Depreciation of intangible assets		
Amortisation of goodwill	10.000	45.000
Depreciation of property, plant and equipment		
Depreciation of vessels	3.100.000	2.555.250
Depreciation of inventories	39.455	13.100
	3.139.455	2.568.350



Notes to the consolidated profit & loss account 2023

	2023	2022
	€	€
16 Other changes in the value of intangible assets and property, plant and equipment	0	-1.773.195
Other changes in the value of intangible fixed assets		
Other changes in the value of intangible fixed assets	0	58.075
	<u>0</u>	<u>58.075</u>
Other changes in the value of property, plant and equipment		
Other changes in the value of property, plant and equipment	0	-1.831.270
	<u>0</u>	<u>-1.831.270</u>
17 Other operating expenses	2.218.203	3.252.586
Other staff costs	130.957	68.945
Accommodation	133.915	86.047
Vehicle expenses	159.203	137.870
Office expenses	110.790	136.415
Selling expenses	968.729	607.285
General expenses	714.609	2.216.023
18 Net finance cost	3.854.772	3.037.221
Interest receivable and similar income		
Interest on associate receivable	0	3.090
Interest income on current account at bank	8.482	0
Commission income	29.085	37.089
	<u>37.567</u>	<u>40.179</u>
Interest payable and similar expenses		
Interest payable to bank	4.196	104.439
Interest payable on mortgage loans	384.355	134.169
Interest payable on finance lease	3.349.808	2.805.213
Interest payable to tax authorities	312	-1.539
Bank fees & commissions	153.768	35.118
	<u>3.892.339</u>	<u>3.077.400</u>
19 Miscellaneous income and expenses		
Miscellaneous income and expenses		
Others	0	-1.747.563
	<u>0</u>	<u>-1.747.563</u>



Notes to the consolidated profit & loss account 2023

	<u>2023</u>	<u>2022</u>
	€	€
20 Tax on profit	-25.831	-30.300
Corporation tax	-25.831	-30.300
	<u>-25.831</u>	<u>-30.300</u>
21 Result participations	-2.474.771	-3.478.529
Result of sale participations	0	-1.546.478
Scheepvaartonderneming M.S. Francisca C.V.	41.557	29.876
Beheermaatschappij M.S. Leah B.V.	14.180	0
GSF B.V.	-916.936	-1.062.693
GSF IV B.V.	-1.190.828	-443.117
Wagle Chartering AS	-422.744	-456.117
	<u>-2.474.771</u>	<u>-3.478.529</u>



Annual account 2023



Balance sheet after profit allocation per 31 december 2023

		<u>31 dec 2023</u>	<u>31 dec 2022</u>
		€	€
ASSETS			
Interests in associates		<u>61.174.605</u>	<u>55.059.903</u>
Non-current financial assets	1	61.174.605	55.059.903
Associate receivables		0	374
Taxes and social security contributions receivable		5.309	32.395
Other receivables		<u>10.563</u>	<u>10.563</u>
Receivables and prepayments	2	15.872	43.332
Current account, bank		<u>185.659</u>	<u>203.252</u>
Cash and cash equivalents	3	185.659	203.252
Assets		<u><u>61.376.136</u></u>	<u><u>55.306.487</u></u>



Balance sheet after profit allocation per 31 december 2023

	<u>31 dec 2023</u>	€	<u>31 dec 2022</u>	€
LIABILITIES				
Subscribed share capital	100.000		100.000	
Share premium account	12.076.206		12.076.206	
Statutory reserve	9.547.355		10.144.314	
General reserve	<u>39.651.840</u>		<u>32.985.132</u>	
Equity	4	61.375.401		55.305.652
Other payables	<u>735</u>		<u>735</u>	
Current liabilities	5	735		735
Equity and liabilities		<u><u>61.376.136</u></u>		<u><u>55.306.387</u></u>



Profit & loss account for 2023

	<u>2023</u>	€	<u>2022</u>	€
Other operating expenses	73.689		41.411	
Total expenses	6	73.689	41.411	41.411
Operating result		-73.689	-41.411	7
Net finance cost		-269	1.539	
Result before taxation		-73.958	-39.872	
Tax on profit	8	28.991	30.300	
Profit/loss attributable to equity interests	9	7.711.675	18.711.342	
Result after taxation		<u>7.666.708</u>	<u>18.701.770</u>	



Disclosure notes to the balance sheet and the profit & loss account

General

The company financial statements have been prepared in accordance with the statutory provisions of Part 9 of Book 2 of the Netherlands Civil Code and the distinct statements contained in the Guidelines for Annual Reporting issued by the Council for Annual Reporting.

The accounting principles for the company financial statements and the consolidated financial statements are the same. Participations in group companies are valued at net asset value in accordance with (the relevant) section of the consolidated financial statements

For the principles of valuation of assets and liabilities and for the determination of the result, see the notes to the consolidated balance sheet and profit and loss account on pages 9 until 13.



Notes to the balance sheet per 31 december 2023

1 Non-current financial assets

List of associates:	Participation	Location
Longship B.V.	100%	Groningen
Longship Invest B.V.	100%	Groningen
Longship Management B.V.	100%	Groningen
Wagle Chartering AS	50%	Moss (NO)

Interests in associates

	Wagle Chartering AS	Longship Management B.V.	Longship Invest B.V.	Longship B.V.	Totaal
	€	€	€	€	€
Bookvalue 1 January 2023	692.624	52.122	50.909.522	3.405.635	55.059.903
Other mutations	0	-15	0	-16.358	-16.373
Share premium payment	0	0	2.343.131	0	2.343.131
Dividend	-260.852	0	0	-3.082.279	-3.343.131
Mutation revaluation reserve	-48.116	0	-532.484		-580.600
Result	422.744	-24.170	6.829.172	483.929	7.711.675
Changes	113.776	-24.185	8.639.819	-2.614.708	6.114.702
Bookvalue 31 December 2023	806.400	27.937	59.549.341	790.927	61.174.605
			31 dec 2023		31 dec 2022
			€		€

2 Receivables and prepayments

Associate receivables

Longship Management B.V.	0	374
	0	374

Taxes and social security contribution

Corporation tax	0	30.300
Value added tax receivable	5.309	1.995
	5.309	32.295



Notes to the balance sheet per 31 december 2023

	<u>31 dec 2023</u>	<u>31 dec 2022</u>
	€	€
Other receivables		
Amounts receivable	10.563	10.563
	<u>10.563</u>	<u>10.563</u>
3 Cash and cash equivalents		
Current account, bank		
Abn Amro Bank	185.659	203.252
	<u>185.659</u>	<u>203.252</u>

4 Equity

Subscribed share capital

The issued share capital consists of 100.000 ordinary share of € 1.

Equity

	Subscribed share capital	Share premium account	Statutory reserve	General reserve	Totaal
	€	€	€	€	€
Bookvalue 1 January 2023	100.000	12.076.206	10.144.314	32.985.132	55.305.652
Deposits	0	0	-596.959	0	-596.959
Dividend	0	0	0	-1.000.000	-1.000.000
Result	0	0	0	7.666.708	7.666.708
Changes	<u>0</u>	<u>0</u>	<u>-596.959</u>	<u>6.666.708</u>	<u>6.069.749</u>
Bookvalue 31 December 2023	<u>100.000</u>	<u>12.076.206</u>	<u>9.547.355</u>	<u>39.651.840</u>	<u>61.375.401</u>

The result for the financial year 2023 amounting €7.666.708 is added to the general reserve.

This financial statement reflects this proposal.

The difference between the statutory and consolidated equity and earnings developed as follows during the financial year:

Equity according to consolidated financial statement	64.462.645
Less: share third parties	3.087.245
Equity according to annual financial statement	<u>61.375.400</u>



Notes to the balance sheet per 31 december 2023

5 Current liabilities

	<u>31 dec 2023</u>	<u>31 dec 2022</u>
	€	€
Other payables		
Costs to pay / transitory	735	735
	<u>735</u>	<u>735</u>

Off-balance commitments

Longship Group B.V. is a tax entity for corporate tax with Longship B.V., Longship Invest B.V., Beheermaatschappij m.s. Leah B.V., Beheermaatschappij m.s. Francisca B.V. and Longship Management based on tonnage tax and are therefore jointly and several liable for the tax liability of the tax unit.



Notes to profit & loss 2023

	<u>2023</u>	<u>2022</u>
	€	€
6 Other operating expenses		
General expenses	73.689	41.411
7 Interest payable and similar expenses		
Bank fees and commissions	269	0
Interest payable to tax authorities	<u>0</u>	<u>-1.539</u>
	269	-1.539
8 Tax on profit		
Corporation tax	<u>-28.991</u>	<u>-30.300</u>
	-28.991	-30.300
9 Profit/loss attributable to equity interests		
Longship B.V.	-483.929	-5.299.089
Longship Invest B.V.	-6.829.172	-12.903.975
Wagle Chartering AS	-422.744	-456.186
Longship Management B.V.	<u>24.170</u>	<u>-52.092</u>
	-7.711.675	-18.711.342



Other notes

Employees

During the financial year, in accordance with the previous financial year, no employees served the company.

Statement of approval

Groningen

Authorized representatives,

Ø. Sivertsen
director

M.J. Cigrang
director



Other information

Statutory rules on profit appropriation and distributions

The bylaws include the following in Article 24 regarding the appropriation of profits and distributions: (this translation an attempt has been made to be as literal as possible without jeopardizing the overall continuity. Inevitably, differences may occur in translation, and if so the dutch text shall prevail.)

1. The General Meeting shall be authorised to determine the appropriation of the profits as determined by the adoption of the Annual Accounts and to determine the distributions. The power of the General Meeting to determine the distributions shall apply both to distributions for the charges of not yet reserved profits and to distributions for the charges of any reserve, and both to distributions at the occasion of the adoption of the Annual Accounts and to interim distributions, provided with due observance of the provisions set forth in the law and this Article.
2. The Company may only make distributions to the Shareholders and other parties entitled to the profits that are available for distributions in so far as the equity exceeds the reserves that have to be maintained under the law and the Articles of Association.
3. A resolution for distribution of profits shall have no consequences as long as the Management Board has not granted its approval thereto. The Management Board shall only deny the approval if it knows or reasonably should foresee that the Company after the distribution will not be able to continue paying its due and payable debts.
4. If the Company after a distribution cannot continue paying its due and payable debts, the Managing Directors who at the time of the distribution knew or reasonably should have foreseen the same shall towards the Company be severally bound and liable for the deficit as referred to in Article 216 paragraph 3 of Book 2 of the Dutch Civil Code that has arisen by the distribution, together with the statutory interest as from the date of the distribution. Not bound and liable is the Managing Director who proves that he cannot be blamed for the fact that the Company has made the distribution and that he has not been negligent in taking measures to avert or prevent the consequences thereof. The party who received the distribution whereas he could foresee or reasonably should have foreseen that the Company after the distribution would not be able to continue paying its due and payable debts, shall towards the Company be held to compensate the deficit as referred to in Article 216 paragraph 3 of Book 2 of the Dutch Civil Code that was created by the distribution, each for at most the amount or the value of the distribution received by him, with the statutory interest thereon as from the date of the distribution. With respect to a debt on account of the first sentence, the debtor shall not be authorised to setoff.
5. In the calculation of the amount that will be paid out on each Share, only the amount of the obligatory payments on the relevant Shares shall be taken into account. Each time deviations are possible from the sentence with the approval of all Shareholders.
6. On Shares no profit shall be distributed for the benefit of the Company, and in the calculation of the appropriation of profits the Shares that the Company holds in its own capital shall not be counted, unless these Shares are encumbered with a right of usufruct otherwise than for the benefit of the Company, or Depositary Receipts thereof have been issued that are not held by the Company itself.
7. The dividend shall as from one month after it has been declared be available to the Shareholders, unless the General Meeting sets another period. The entitlement of a Shareholder to the dividend shall prescribe by the lapse of a period of five years. Dividends that have not been taken within five years after they have been made available shall devolve on the Company.



INDEPENDENT AUDITOR'S REPORT

To: The shareholders of Longship Group B.V.

Report on the audit of the financial statements 2023 included in the annual report

Our opinion

We have audited the financial statements 2023 of Longship Group based in Groningen.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Longship Group as at 31 December 2023 and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the consolidated and company balance sheet as at 31 December 2023;
2. the consolidated and company profit and loss account for 2023; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Longship Group in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes.

We evaluated the design and relevant aspects of the system of internal control. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due fraud is present.

The fraud risks identified by us and the specific procedures performed are as follows:

Management override of internal controls

The mentioned fraud risk is an assumed risk. We have performed the following procedures:

- Determining the design and existence of internal control measures regarding the processing of manual journal entries.
- Assessing the acceptability of manual journal entries recorded in the general ledger during the preparation of the financial statements.
- Evaluating the estimates for tendencies and assessing whether any circumstances leading to the tendency pose a risk of material misstatement due to fraud. The most significant estimates in the financial statements are disclosed in the notes to the consolidated financial statements in the estimates section.

Our audit procedures did not result in any indications or other reasonable suspicions of fraud and non-compliance with laws and regulations that are materially significant to our audit.

The risk of an employee abusing granted payment authorities.

We have determined, among other things, based on a summary of payment rights from the bank, that the authority for independent payments is limited. We have received a download of the bank transactions. We performed various analyses on the bank transactions. Additionally, we have conducted a sample-based verification to ensure the legitimacy of the payments.

Our procedures did not reveal any indications of fraudulent payments.

Audit approach going concern

Management has performed an assessment on the company's ability to continue as a going concern and considering the impact of financial its continuity assessment and has not identified any significant continuity risks. Our procedures to evaluate the management's continuity assessment include, among others:

- Considering whether the management's continuity risk analysis includes all relevant information that we have knowledge of as a result of the audit.

Based on these procedures, we did not identify any reportable findings related to the entity's ability to continue as a going concern.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the management report;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to

liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
-

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

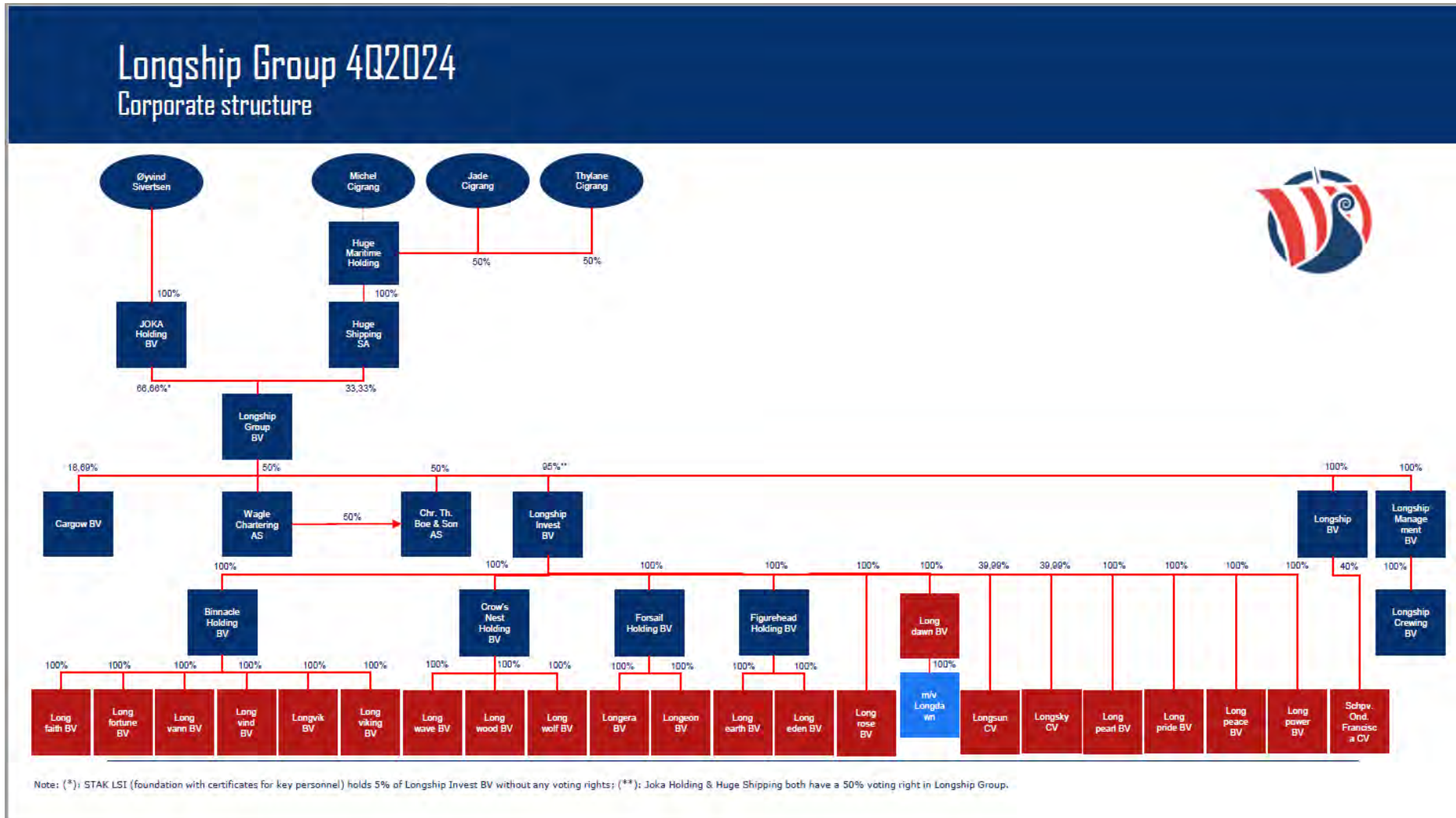
Groningen, 4 juni 2024

Van der Meer Accountants B.V.

drs. R. Hooiveld RA



APPENDIX 2
CORPORATE GROUP CHART



APPENDIX 3
THE ISSUER'S ARTICLES OF ASSOCIATION

51800154/AWB/1509

NOTE ABOUT TRANSLATION:

This document is an English translation of a document prepared in Dutch. In preparing this document, an attempt has been made to translate as literally as possible without jeopardizing the overall continuity of the text. Inevitably, however, differences may occur in translation and if they do, the Dutch text will govern by law.

In this translation, Dutch legal concepts are expressed in English terms and not in their original Dutch terms. The concepts concerned may not be identical to concepts described by the English terms as such terms may be understood under the laws of other jurisdictions.

INTEGRAL TEXT OF THE ARTICLES OF ASSOCIATIONConcerning: **Longship Group B.V.****ARTICLES OF ASSOCIATION****DEFINITIONS**

In these articles of association the following definitions apply:

- **Share:** a share in the capital of the company;
- **Shareholder:** a holder of one or more shares;
- **Shareholders' Agreement:** a shareholders' agreement in respect of shares already entered into or to be entered into by the shareholders and the company, as amended from time to time;
- **Accountant:** a certified public accountant or another accountant as referred to in Article 393 of Book 2 of the Dutch Civil Code, or an organization in which such accountants cooperate;
- **Dependant Society:**
 - a legal person to which the Company or one or more Dependant Societies either alone or together for their own account provide at least half of the issued capital;
 - a company of which an enterprise has been registered in the Trade Register

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and for which the Company or a Dependant Society as a partner is fully liable —
towards third parties for all debts; _____

- **General Meeting:** the constituent body that is formed by the Shareholders who _____
have the right to vote and other parties who have the right to vote in the Company —
or in meetings of Holders of Meeting Rights; _____
- **Depository Receipt:** a registered depository receipt of a Share in the capital of the —
Company. Unless the context directs otherwise, the term “Depository Receipt” _____
includes both a depository receipt to which a Meeting Right is connected and a _____
depository receipt to which no Meeting Right is connected; _____
- **Holder of Depository Receipts:** a Holder of a Depository Receipt to which in or _____
under these Articles of Association a Meeting Right is connected; _____
- **the Company:** the company of which the internal organization is governed by these
Articles of Association; _____
- **Managing Director:** a member of the Management Board; _____
- **Management Board:** the management board of the Company; _____
- **Subsidiary Company:** a company as referred to in Article 24a of Book 2 of the _____
Dutch Civil Code; _____
- **Group:** an economic entity in which legal persons and companies are connected on
an organisational level; _____
- **Group Company:** a legal person that is connected with the Company in a Group; —
- **Annual Accounts:** the individual or simple Annual Accounts, consisting of a _____
balance sheet, a profit and loss account and explanatory notes to those documents;
- **in writing:** by letter, fax, electronic mail or any other Electronic Means of _____
Communication, provided that the message is reported in a readable and _____
reproducible form; _____
- **Holders of Meeting Rights:** _____
 - holders of one or more Shares in the capital of the Company; _____
 - usufructuaries and pledgees who have a right to vote; _____
 - usufructuaries and pledgees who have no right to vote and in respect of whom—
it has been stipulated at the establishment or the transfer of the right of usufruct—
or the right of pledge that they have a Meeting Right; _____
- **Meeting Right:** the right either in person or via a proxy holder to attend and _____
address the General Meeting. _____

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Article 33: Unforeseen Cases _____

Article 1 - Name and Registered Seat _____

1. The name of the Company is: **Longship Group B.V.** _____

2. The Company has its registered seat in Groningen. _____

Article 2 - Objects _____

The objects of the Company are: _____

- a. to manage, invest, exploit, possess, own, acquire and alienate shares in other _____ companies and all other goods, including all movable goods, immovable goods and _____ other registered goods, as well as all proprietary and property rights, both for its _____ own account and for the account of third parties, to provide loans, to bind itself as _____ (jointly and severally liable) co-debtor for debts of third parties, and to provide _____ personal or collateral securities for debts of the Company as well debts of others; _____
- b. to establish and incorporate, buy and give advice to, to participate in any way in, to _____ acquire any interest in and/or to collaborate with, other companies and/or _____ enterprises, as well as to carry out the management, administration and the _____ (interim) management of other companies and/or enterprises; _____
- c. to enter into and carry out pension agreements and other periodical obligations and _____ liabilities, and to manage any capital made available to the Company for that _____ purpose; _____
- d. to finance or have others finance other companies and enterprises, irrespective of _____ their objects, and to provide services of whatever nature; _____
- e. to perform any acts in the areas of finance, commerce and industry; _____ as well as to do all that which is connected with the aforesaid objects or may be _____ conducive thereto in the broadest sense of the words used. _____

Article 3 - Capital and Shares _____

1. The capital of the Company shall consist of one or more ordinary Shares, each _____ Share having a par value of one Euro (€1.00). _____

The Shares shall be numbered consecutively from 1 and up. _____

The Management Board may, with due observance of the provisions set forth in the _____ previous sentence, change the numbering of the Shares. _____

2. The Company cannot issue share certificates. _____

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Article 4 - Shareholding

1. No obligations of a contractual nature as referred to in Article 192, paragraph 1 sub a of Book 2 of the Dutch Civil Code shall be attached to holding Shares, other than the obligation to pay up the Shares in full.
2. Shares may only be held by persons (private persons or legal entities) who are party to the Shareholders' Agreement and by the Company, with the provision that the quality requirement no longer applies at the time that:
 - a. the Shareholders' Agreement has terminated in accordance with its terms; or
 - b. if the Company has only one (1) Shareholder.No other requirements as referred to in Article 192 paragraph 1 sub b of Book 2 of the Dutch Civil Code, other than those provided for in these articles of association, shall be attached to the shareholding.
3. No obligations as referred to in Article 192 paragraph 1 sub c of Book 2 of the Dutch Civil Code shall be attached to the holding of shares, other than the obligations as set out in Article 16.
4. A resolution to amend Article 4 may only be passed with due observance of the provisions of Article 31 paragraphs 1 and 2, and with due observance of the provisions of Article 192 paragraph 1 final sentence of Book 2 of the Dutch Civil Code.

Article 5 - Issue of Shares

1. An issue of Shares that have not been issued on incorporation (including the granting of rights to take Shares) shall take place on the basis of a resolution of the General Meeting.
2. In that resolution the General Meeting shall also set the price and the conditions of the issue, with due observance of that which has been provided in respect thereof in these Articles of Association, and shall arrange everything relating to the execution of the relevant resolution.
3. The General Meeting may transfer its power to adopt resolutions as referred to hereinbefore in the paragraphs 1 and 2 to another constituent body of the Company and may revoke that transfer.
4. The issue price cannot be below par.
5. An issue of Shares that have not been issued on incorporation shall take place by means of a notarial deed, in accordance with the provisions set forth in the law.

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Article 6 - Pre-Emptive Right

1. At an issue of Shares each Shareholder shall have a pre-emption right in proportion to the joint amount of his Shares, unless it concerns an issue of Shares to employees of the Company or of a Group Company in accordance with the provisions set forth in Article 206a paragraph 1 of Book 2 of the Dutch Civil Code.
2. The pre-emption right shall not be transferable.
3. The pre-emption right cannot be limited, restricted or excluded by the constituent body of the Company that is authorised to issue Shares.
4. The provisions set forth in this Article shall be applicable *mutatis mutandis* to the granting of rights to take Shares. Shareholders have no pre-emptive right on Shares that are issued to a party who exercises an already earlier acquired right to take Shares.

Article 7 - Payments on Shares

1. At the issue of each Share the full nominal amount has to be paid up thereon. It may be stipulated that the entire nominal amount or any part thereof does not have to be paid up until after a specific period of time has lapsed or after the Company has called the same.
2. Payments on a Share have to be made in cash in so far as no other form of contribution has been agreed. Payment in another currency than the currency in which the nominal amount of the Shares is expressed can only take place with permission of the Company.

Article 8 - Register / Form of Communication

1. The Management Board shall keep a register in which the names and addresses of all Shareholders are recorded and the dates at which they acquired the Shares, the date of acknowledgement by - or service to - the Company, the indication of the Shares, as well as the amount paid up on each Share.
2. In the register shall furthermore be recorded the names and addresses of those who have a right of usufruct or a right of pledge on Shares, and the dates at which they acquired that right, the date of acknowledgement or service, as well as which rights connected to the Shares accrue to them.
3. In the register shall furthermore be recorded the names and addresses of the Holders of Depositary Receipts of Shares to which a Meeting Right is connected and the date of acknowledgement or service.

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4. If also an electronic address has been submitted for registration in the register, this submission shall also include the permission to receive all notifications and communications as well as convening notices for the General Meetings electronically.
5. The register shall be updated regularly; in the register shall also be recorded each granted release or discharge from liability for payments that have not been made yet.
6. Shareholders and others from whom information has to be recorded in the register pursuant to the previous provisions, shall provide to the Management Board the required information in a timely manner.
7. The Management Board shall on request provide to a Shareholder, a usufructuary, a pledgee and to a Holder of a Depositary Receipt of a Share to which in or under the Articles of Association a Meeting Right is connected, a free extract from the register concerning his rights to a Share or a Depositary Receipt of a Share. If a right of usufruct or a right of pledge rests on the Share, the extract shall also state to whom the rights referred to in the Articles 197, 198 and 227 of Book 2 of the Dutch Civil Code accrue.
8. The Management Board shall make the register available at the office of the Company for inspection to the Shareholders, the usufructuaries and pledgees to whom the rights referred to in Article 227 paragraph 2 of Book 2 of the Dutch Civil Code accrue, and the Holders of Depositary Receipts of a Share to which in or under the Articles of Association a Meeting Right is connected. The information of the register regarding Shares that have not been paid up in full shall be available for public inspection; a copy or an extract of that information shall be provided at no more than cost.

Article 9 - Acquisition and Alienation of Own Shares

1. Acquisition by the Company of Shares in its own capital that have not been paid up in full shall be null and void.
2. The Company cannot, save for no consideration, acquire own Shares that have not been paid up in full if:
 - a. the equity, reduced with the acquisition price, is smaller than the reserves that have to be maintained under the law or under these Articles of Association; or
 - b. the Management Board knows or reasonably should foresee that the Company

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after the acquisition will not be able to continue paying its due and payable debts;

- c. and in so far as by that acquisition not at least one Share is held by another party than the Company or a Subsidiary Company.

A resolution to acquire own Shares requires the authorisation of the General Meeting.

3. If the Company after an acquisition otherwise than for no consideration cannot continue paying its due and payable debts, the Managing Directors who at the time of the acquisition knew or reasonably should have foreseen that, shall towards the Company be severally held to compensate the deficit created by the acquisition, with due observance of the provisions set forth in the law.
4. The previous paragraphs of this Article do not apply to Shares that the Company acquires under universal title.
5. Alienation of own Shares held by the Company shall take place pursuant to a resolution of the General Meeting. The resolution to alienate own Shares shall also state the conditions of the alienation.
6. The term "Shares" in this Article shall also include Depositary Receipts thereof.

Article 10 - Reduction of Capital

1. The General Meeting may resolve to reduce the issued capital by cancelling Shares or by reducing the amount of Shares by means of an amendment of the Articles of Association. In the relevant resolution the Shares to which the reduction relates have to be designated and the execution of the resolution has to be arranged.
2. The paragraphs 2 up to and including 4 of Article 216 of Book 2 of the Dutch Civil Code shall be applicable *mutatis mutandis* to a resolution to reduce the issued capital with repayment on Shares.

Article 11 - Depositary Receipts

1. Holders of Depositary Receipts of a Share have no Meeting Right.
2. Bearer Depositary Receipts of a Share cannot be issued. If the preceding provision is breached, as long as bearer Depositary Receipts are outstanding the rights connected to the relevant Shares cannot be exercised.

Article 12 - Right of Usufruct and Right of Pledge on Shares

1. On Shares a right of usufruct can be established.

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If at the establishment of the right of usufruct, or after that in a written agreement between the Shareholder and the usufructuary, it has been stipulated that the right to vote accrues to the usufructuary, that right to vote shall only accrue to him if the devolution of the right to vote has been approved by the General Meeting.

2. The Shareholder who does not have a right to vote and the usufructuary who does have a right to vote shall have the rights granted by the law to the Holders of Depository Receipts of Shares to which a Meeting Right is connected. The usufructuary who does not have a right to vote does not have these rights, unless provided otherwise at the establishment or transfer of the right of usufruct.
3. No pledge may be established on Shares without the prior approval by the General Meeting.

The provisions set forth in the paragraphs 1 and 2 of this Article shall then be applicable *mutatis mutandis*.

Article 13 - Shares in a Community of Property

1. If a Share, a right of usufruct or a right of pledge on a Share or a Depository Receipt with Meeting Rights belongs to a community of property to which Title 7 of Book 3 of the Dutch Civil Code applies, then the joint participants, who also have to be registered in the register as referred to in Article 8, can towards the Company only be represented by a person to be designated by them for that purpose in writing.
2. The personal details of the designated person shall be recorded in the register referred to in Article 8, whereas all notifications and convening notices to the joint participants can be sent to the address of the designated person as recorded in the register.

Article 14 - Transfer of Shares and Establishment of a Right of Usufruct or a Right of Pledge

1. For the transfer of a Share or the establishment of a restricted right thereon, a notarial deed is required in accordance with the provisions of the law.
2. The provisions set forth in paragraph 1 of this Article shall be applicable *mutatis mutandis* to the establishment or transfer of a right of usufruct on Shares and to the establishment or transfer of a right of pledge on Shares.

Article 15 - Restrictions on the Transfer of Shares / Obligation to Offer Shares for Sale

1. If all issued Shares in the capital of the Company are held by one Shareholder, the transfer of Shares is not restricted in the sense of Article 195 of Book 2 of the Dutch Civil Code. If there is more than one Shareholder, a transfer of Shares can only take place in a legally valid manner after the Shares have been offered for sale to the Other Shareholder(s), hereinafter also referred to as: "the Other Shareholders", in the manner as specified hereinafter.

2. The Shareholder shall notify the Management Board of which Share or which Shares (hereinafter also referred to as: "the Shares") he wishes to transfer. This notification shall be considered to be an offer to sell of all those Shares to the Other Shareholders.

The Company shall only be included in these Other Shareholders if the Company is holder of Shares in its own capital and if the offeror in his offer has declared that he agrees with that.

The Management Board shall be held to notify the Other Shareholders of the offer within eight days after receipt of the aforementioned notification.

3. During fourteen days after the offer has been notified to the Other Shareholders, each of the Other Shareholders shall have the opportunity to respond to the offer while stating the number of Shares he wants to buy; he will have to notify the Management Board thereof within the aforesaid period of fourteen days. For the Shareholders from whom within the period of fourteen days mentioned in the preceding sentence no notification has been received, the offer expires.

4. The Management Board shall within eight days after the expiry of the aforesaid period of fourteen days notify all Shareholders whether there are candidates, and if so, who is candidate / who are candidates with specification of the number of Shares desired by (each of) the candidate(s). The candidate Shareholder(s) will hereinafter also be referred to as: "the Candidates".

If none of the Other Shareholders has responded to the offer, and also if there are only candidates for a part of the offered Shares, the offering Shareholder shall be free to transfer all of the Shares offered by him to third parties, provided that the transfer takes place within three months after the Management Board has made

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the notification referred to in the first full sentence of this Article paragraph to all Shareholders.

5. The price for the totality of the offered Shares shall be determined by the offering Shareholder and the candidates in mutual consultation.

If the offering Shareholder and the candidates within thirty days after the Management Board has sent the notification referred to in the first full sentence of paragraph 4 of this Article to all Shareholders have not reached consensus concerning the price, the price shall be determined by one or more independent experts who will be appointed by the offering Shareholder and the candidates in mutual consultation.

If the offering Shareholder and the candidates do not reach consensus in respect of the appointment of the aforesaid expert(s) within fourteen days after the end of the period of thirty days referred to in the previous sentence, the willing party shall request the Chairman of the Chamber of Commerce where the Company is registered, or, if the Company has more than one office, where the principal office of the Company is registered, to appoint three independent experts. The appointed or designated expert(s) will hereinafter also be referred to as: "the Experts". The Experts shall be authorized to inspect all books and records of the Company and to obtain all information they in their opinion need to determine the price. The Experts shall issue their report to the Management Board as soon as possible. The Management Board shall within eight days after receipt of the report referred to in the previous sentence notify the offering Shareholder and each of the candidates of the price that the Experts have determined.

6. If and after the price has been determined by the Experts as referred to hereinbefore, each of the candidates shall during fourteen days after the notification referred to in the previous paragraph has been sent have the opportunity to declare that he no longer is a candidate; a candidate can only declare this in respect of all Shares in which he was interested, and this declaration has to be sent to the Management Board. After the expiry of the aforesaid period of fourteen days, the candidates from whom no declaration as referred to in the previous sentence has been received are irrevocably held to comply with their declaration as referred to hereinbefore in paragraph 3.

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If all candidates have declared that they are no longer interested, and also if there are only candidates for a part of the offered Shares, the offering Shareholder shall be free to transfer the totality of the Shares offered by him to third parties, provided that the transfer takes place within three months after the expiry of the aforesaid period of fourteen days.

7. a. If the Other Shareholders jointly are candidates for more Shares than have been offered, the apportionment by the Management Board shall take place as much as possible in proportion to the number of Shares that each of them already holds.

If a Shareholder is candidate for less Shares than would accrue to him on the basis of the aforesaid proportionality, the Shares that are released as a result thereof shall be apportioned to the other candidates on the basis of the aforesaid proportionality.

A number of Shares that cannot be apportioned on the basis of application of the above arrangement or any remaining Shares shall be apportioned by a casting of lots by the Management Board within eight days after the end of the period of fourteen days referred to in the previous paragraph; each candidate shall as then be requested to be present at the aforesaid casting of lots.

A candidate to whom a Share is apportioned in the casting of lots shall not take part in the further casting of lots until to each of the other candidates in the casting of lots at least one Share has been apportioned.

- b. The Management Board shall forthwith notify the number of Shares that have been apportioned to each candidate to the offering Shareholder and to each candidate who has not declared that he no longer is a candidate.

8. The offering Shareholder shall at all times have the right to withdraw his offer, provided that this takes place within thirty days after it is definitively known to which candidate(s) he can transfer the offered Shares and against which price. Withdrawal of the offer shall only be possible in full, and has to be effected by means of a notification to the Management Board. The Management Board shall within eight days after the expiry of the aforementioned period of thirty days, or so much earlier as the offering Shareholder has stated in his offer, notify each candidate who has not declared that he no longer is a candidate of whether or not the offering Shareholder has withdrawn his offer.

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9. Transfer of the offered Shares in execution of the aforementioned offer _____ arrangement has to take place within thirty days after the expiry of the _____ aforementioned period of eight days. _____
10. The costs and the fees due to the Experts referred to in paragraph 5 shall be for the charge of: _____
- a. the offering Shareholder if he withdraws his offer; _____
 - b. the offering Shareholder for one half and the acquiring Shareholders for the _____ other half if the offer arrangement has led to a sale to the Other Shareholders, _____ on the understanding that each acquiring Shareholder contributes thereto in _____ proportion to the number of Shares bought by him; _____
 - c. the Company, if the Shareholders have not made use of the offer in full or at _____ all. _____
11. Contrary to the provisions set forth hereinbefore in this Article, the Shareholder who wishes to transfer one or more of his Shares shall be free to transfer that Share or _____ those Shares to a third party - including a Shareholder - if all Shareholders have _____ declared that they waive their rights as provided hereinbefore in this Article. In such _____ a case the transfer to that third party has to take place within three months after all _____ Shareholders have made the aforesaid declaration, at which the declaration of the _____ last Shareholder before the commencement of the aforesaid period of three months is decisive. _____
12. The provisions set forth in this Article shall apply as much as possible *mutatis* _____ *mutandis* in case of alienation by the Company of Shares bought by it or acquired _____ by it in any other manner. _____
13. The provisions set forth in this Article shall not apply if the Shareholder under the _____ law is held to transfer his Share to an earlier holder. _____

Article 16 - Special Obligation to Offer Shares for Sale _____

1. If there is more than one Shareholder, and: _____
- a. a Shareholder dies, unless the Shares as a result of that death have devolved _____ on a person who already was a Shareholder or have become part of a _____ community of property to which no other persons are entitled than persons _____ who already were Shareholders; _____
 - b. a Shareholder is declared bankrupt and this declaration of bankruptcy has _____ become irrevocable or if a Shareholder is granted a suspension of payments or

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- is placed under administration or trusteeship, if in respect of a Shareholder the Debt Repayment Scheme for Natural Persons has been declared to be applicable or if the capital of a Shareholder or his Shares in the Company are placed under administration by the court;
- c. a matrimonial community of property or a community of property on the basis of a registered partnership of which Shares constitute a part is dissolved otherwise than by the death of the Shareholder, unless the Shares have within nine months after the creation of the undivided community of property been apportioned to the original Shareholder;
 - d. there is dissolution of a shareholder that is a legal entity, a partnership, a general partnership, a limited partnership or any other company, or the loss of legal personality by a shareholder;
 - e. a legal entity that is a shareholder as a result of a legal merger in which it acts as a disappearing company ceases to exist;
 - f. an event under the law of any other country which constitutes the equivalent of one of the events described above under a. to e. inclusive under Dutch law, on the Shareholder, his successors in title or legal representative, or on the new Shareholders, the obligation rests to offer his/their Shares within thirty days after the creation of that obligation.

The previous Article shall as then apply *mutatis mutandis*, on the understanding that the offeror:

- a. has the right to withdraw his offer;
- b. can keep his Shares if the offer is not used in full.

In a case in which the offeror on the basis of the eleventh paragraph of the previous Article is free to transfer his Shares to third parties, the Shareholder and his successors in title or the new Shareholders shall have the right to keep those Shares.

As from the moment of the creation of the aforementioned offer obligation up to the moment that the Shares have been transferred or the Shareholder, his successors in title or legal representative or the new Shareholders have acquired the right to keep the Shares:

- without the written approval of the Other Shareholders the Meeting Rights and the right to vote connected to the relevant Share/Shares cannot be exercised;

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- the entitlement to distributions is suspended. _____
- 2. If the Shareholder or his successors in title or legal representative or, as the case may be, the new Shareholders, in spite of being instructed by the Management Board to do so, fail to offer the relevant Share(s) for sale, then the Company is irrevocably authorized to make that offer on behalf of the Shareholder. If the parties concerned after a Share has been assigned remain in default with transferring the relevant Share against payment of the agreed or determined price, then the Company shall irrevocably be authorized to effect the transfer on behalf of him (them) and to sign the deed(s) that is/are necessary for that. The agreed or determined price will as then have to be paid to the Company for and on behalf of the former owner. _____
- 3. The provisions set forth in paragraph 1 of this Article shall not apply to the transfer or devolution in respect of which all Shareholders have stated that they waive compliance with those provisions. _____
- 4. For the application of this Article rights to acquire Shares are deemed to be equal to Shares. _____

Article 17 - Management Board: Appointment, Suspension and Dismissal _____

- 1. The Company shall be managed by a Management Board consisting of one or more Managing Directors. _____
 - 2. The Managing Directors shall be appointed by the General Meeting, which shall also determine the salary and further employment conditions of the Managing Directors, as well as the number of Managing Directors. _____
 - 3. The General Meeting decides concerning dismissal and suspension of Managing Directors. Furthermore it may grant the title of General Manager to a Managing Director, and may withdraw that title. _____
- A resolution for suspension, dismissal, or the granting or withdrawal of a title can only be adopted with a majority of at least two thirds of the votes cast, which two thirds represent more than half of the issued capital. _____
- When determining the extent to which the capital is represented, no account shall be taken of shares in respect of which the law stipulates that no votes can be cast. If this capital is not represented, a new meeting shall be convened, to be held within thirty days after the first, but not earlier than fourteen days thereafter, not counting the day of convening and holding the meeting, at which, regardless of the _____

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capital then represented, the resolutions referred to in this paragraph may be passed by a majority of at least two-thirds of the votes cast.

4. If within two months after a Managing Director has been suspended by the General Meeting or the Supervisory Board it has not been resolved by the General Meeting to extend the suspension or to dismiss the relevant Managing Director, the relevant Managing Director is back in office.
5. In case of absence or impediment of one or more Managing Directors, the other Managing Directors or the sole remaining Managing Director shall temporarily be charged with the management of the Company.

In case of absence or impediment of the entire Management Board, the management of the Company shall temporarily be carried out by the Supervisory Board, which shall always be authorised to charge the temporary management to one or more Managing Directors or other persons, whereas if there are no Managing Directors, the Company will temporarily be managed by the person or persons designated for that purpose by the General Meeting.

Article 18 - Management Board: Tasks and Decision-Making

1. The Management Board shall be charged with the management of the Company, with due observance of the restrictions set forth in these Articles of Association and in the law. In the performance of its tasks, the Management Board shall let itself be led by the interests of the Company and the enterprise(s) connected to it.
2. If the Management Board consists of more than one Managing Director, the Managing Directors shall divide their tasks in mutual consultation. The Management Board may adopt regulations in which internal matters are arranged. Such regulations must not be contrary to the provisions set forth in these Articles of Association and in the law. The regulations shall require the approval of the General Meeting.
3. Management Board resolutions shall be adopted by the Management Board with an absolute majority of the votes cast. At meetings of the Management Board each Managing Director shall cast one vote. If the votes tie within the Management Board, the General Meeting shall be authorised to adopt a resolution concerning the relevant subject.

A Managing Director may have himself represented at Management Board meetings exclusively by another Managing Director. Representation has to be

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evidenced at the start of the meeting by submitting a written power of attorney to the Chairman of the meeting.

The Management Board may also adopt resolutions outside a meeting. For such resolutions it is required that all Managing Directors have been consulted and that none of them has declared that he is against this manner of decision-making.

4. A Managing Director shall not take part in the deliberations and decision-making if he has a direct or an indirect personal interest in that which is in conflict with the interest referred to in paragraph 1.

If because of this provisions set forth in the preceding full sentence no resolution can be adopted by the Management Board, the resolution shall be adopted by the General Meeting.

Article 19 - Approval of Management Board Resolutions and Instructions

1. Both the General Meeting and the Supervisory Board shall be authorised to make resolutions of the Management Board subject to the approval of the General Meeting or the Supervisory Board respectively. These resolutions have to be described clearly and have to be notified to the Management Board in writing.
2. Absence of the approval as referred to in the previous paragraph shall not affect the powers of representation of the Management Board or of the Managing Directors.
3. The Management Board shall be held to act in accordance with the instructions of the General Meeting. The Management Board shall be held to follow the instructions unless these are in conflict with the interests of the Company and of the enterprises connected with it.

Article 20 - representation

1. The Management Board shall represent the Company.
 - a. each General Manager separately;
 - b. two Managing Directors acting jointly.
2. The Management Board may appoint officials with general or limited powers of representation. Each official shall represent the Company with due observance of the limits set to his power of representation. Their titles shall be determined by the Management Board.

Article 21 - Financial Year

The financial year of the Company shall run from the first day of January up to and

including the thirty-first day of December.

Article 22 - Annual Accounts

1. Annually within five months after the end of the financial year the Annual Accounts shall be drawn up by the Management Board in accordance with generally accepted accounting standards.

On the basis of special circumstances this period of five months may be extended by the General Meeting with a period of at the most six months.

2. The Annual Accounts shall be submitted for adoption to the Shareholders at the General Meeting referred to in Article 25 paragraph 1. If the period for preparing the annual accounts has been extended by the General Meeting and the Annual Accounts, because they are not yet ready, cannot be dealt with at the General Meeting referred to in the previous sentence, a general meeting shall be convened by the Management Board within two months after the extended period for preparing the Annual Accounts has expired, at which meeting the Annual Accounts shall be dealt with.

3. The Company may, and if it is held to do so under the law, will, instruct an Accountant to audit the Annual Accounts. The General Meeting shall be authorised to grant the instruction.

The Accountant shall be authorized to inspect all books and records of the Company of which inspection is necessary for a proper performance of his task, this fully to his own discretion.

4. At the General Meeting in which the Annual Accounts are discussed, the Management Board shall submit a report concerning the course of affairs within the Company and concerning the management tasks carried out by it in the last financial year.

The Annual Accounts shall be signed by all Managing Directors.

If the signature of one or more Managing Directors is lacking, the reason for that shall be stated in the Annual Accounts.

As from the date of the convocation until the end of the meeting in which the Annual Accounts are discussed, the Annual Accounts shall at the office of the Company be made available for inspection by the Shareholders and Holders of Depositary Receipts, as well as the Annual Report and the records referred to in Article 392 paragraph 1 of Book 2 of the Dutch Civil Code, as well as the opinion of

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the Accountant referred to in this Article. A copy of the Annual Accounts shall be provided to them free of charge, as well as - if the Annual Accounts are changed - a copy of the changed Annual Accounts.

5. Also if all Shareholders are also Managing Director of the Company, the signing of the Annual Accounts by all Managing Directors shall not also be considered to be an adoption of the Annual Accounts.

Article 23 - Publication

1. The Company shall be held to publish the Annual Accounts within eight days after the adoption thereof. On the copy the date of adoption and approval must be stated.
2. If the Annual Accounts have not been adopted within two months after the expiry of the period set for that in or under the law, the Management Board shall forthwith publish the drawn up Annual Accounts; the Annual Accounts will as then have to state that they have not been adopted yet.
3. If because of the size of the enterprise of the Company the exemptions as referred to in Article 396 paragraphs 3 up to and including 8 of Book 2 of the Dutch Civil Code or in Article 397 paragraphs 4 up to and including 7 of Book 2 of the Dutch Civil Code apply to the Company, publication shall take place with due observance of the applicable exemptions. The provisions set forth hereinbefore in this Article shall not apply if the Company belongs to a Group and the exemption referred to in Article 403 of Book 2 of the Dutch Civil Code applies for the Company.
4. At the latest twelve months after the end of the financial year the Company must have published the Annual Accounts in the manner as prescribed in the law.

Article 24 - Appropriation of Profits and Distributions

1. The General Meeting shall be authorised to determine the appropriation of the profits as determined by the adoption of the Annual Accounts and to determine the distributions.

The power of the General Meeting to determine the distributions shall apply both to distributions for the charge of not yet reserved profits and to distributions for the charge of any reserve, and both to distributions at the occasion of the adoption of the Annual Accounts and to interim distributions, provided with due observance of the provisions set forth in the law and this Article.

2. The Company may only make distributions to the Shareholders and other parties entitled to the profits that are available for distribution in so far as the equity

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- exceeds the reserves that have to be maintained under the law and the Articles of Association.
3. A resolution for distribution of profits shall have no consequences as long as the Management Board has not granted its approval thereto. The Management Board shall only deny the approval if it knows or reasonably should foresee that the Company after the distribution will not be able to continue paying its due and payable debts.
 4. If the Company after a distribution cannot continue paying its due and payable debts, the Managing Directors who at the time of the distribution knew or reasonably should have foreseen the same shall towards the Company be severally bound and liable for the deficit as referred to in Article 216 paragraph 3 of Book 2 of the Dutch Civil Code that has arisen by the distribution, together with the statutory interest as from the date of the distribution. Not bound and liable is the Managing Director who proves that he cannot be blamed for the fact that the Company has made the distribution and that he has not been negligent in taking measures to avert or prevent the consequences thereof. The party who received the distribution whereas he could foresee or reasonably should have foreseen that the Company after the distribution would not be able to continue paying its due and payable debts, shall towards the Company be held to compensate the deficit as referred to in Article 216 paragraph 3 of Book 2 of the Dutch Civil Code that was created by the distribution, each for at most the amount or the value of the distribution received by him, with the statutory interest thereon as from the date of the distribution. With respect to a debt on account of the first sentence, the debtor shall not be authorised to setoff.
 5. In the calculation of the amount that will be paid out on each Share, only the amount of the obligatory payments on the nominal amount of the relevant Shares shall be taken into account. Each time deviations are possible from the previous sentence with the approval of all Shareholders.
 6. On Shares no profit shall be distributed for the benefit of the Company, and in the calculation of the appropriation of profits the Shares that the Company holds in its own capital shall not be counted, unless these Shares are encumbered with a right of usufruct otherwise than for the benefit of the Company, or Depository Receipts thereof have been issued that are not held by the Company itself.

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7. The dividend shall as from one month after it has been declared be available to the Shareholders, unless the General Meeting sets another period. The entitlement of a Shareholder to the dividend shall prescribe by the lapse of a period of five years. Dividends that have not been taken within five years after they have been made available shall devolve on the Company.

Article 25 - Annual Meeting

1. If the Annual Accounts concerning the previous financial year have not been adopted, at least one General Meeting shall be held, hereinafter also referred to as: "the Annual Meeting", or there shall be decided at least once in accordance with Article 30.
2. At the Annual Meeting shall inter alia be discussed:
 - a. the Annual Accounts;
 - b. the profit appropriation;
 - c. acquittal and discharge of the Managing Directors for the policy pursued by them (in the relevant financial year), in so far as of that policy appears from the Annual Accounts or that policy has been made known to the General Meeting;
 - d. the management report, unless article 396 paragraph 7 in conjunction with article 391 or article 403 of Book 2 of the Dutch Civil Code applies to the Company.

Article 26 - General Meetings: Place, Convocation and Agenda

1. The General Meetings shall be held in the Municipality where the Company has its registered seat.
A General Meeting can also be held elsewhere than as prescribed, provided that all Holders of Meeting Rights have agreed with the other place of where the meeting will be held and the Managing Directors prior to the decision-making has been given the opportunity to give their opinion.
2. General Meetings shall be convened if a Managing Director or a Shareholder considers that to be necessary. The relevant Managing Director or Shareholder shall independently and without authorisation of the courts being required be authorised to convene the relevant meeting with due observance of all that which has been provided otherwise in respect thereof in this Article.
The provisions set forth in the Articles 220, 221 and 222 of Book 2 of the Dutch Civil Code shall apply to the Company in full.

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3. The convocation of Holders of Meeting Rights for a General Meeting shall take place by sending a written notification specifically drawn up for that purpose to the (electronic) addresses of the Holders of Meeting Rights as these are recorded in the register referred to in Article 8.
4. The convening notice shall state the subjects to be dealt with. Subjects that are not mentioned in the convening notice may be announced later with due observance of the requirements set for that in this Article. If applicable, the convening notice shall also state subject to which conditions participation to the General Meeting can take place and votes may be cast thereat by means of an electronic Means of Communication.
5. The convocation shall take place no later than on the eighth day before the day of the meeting. If the period of convocation is shorter or if no convocation has taken place, no legally valid resolutions can be adopted, unless all Holders of Meeting Rights have agreed that decision-making can nevertheless take place, and the Managing Directors have prior to the decision-making been given the opportunity to give an advice.
6. Regarding subjects of which the discussion has not been announced at the convocation with due observance of the period agreed for convocation, no legally valid resolutions can be adopted, unless all Holders of Meeting Rights have agreed that decision-making in respect thereof can nevertheless take place, and the Managing Directors have prior to the decision-making been given the opportunity to give an advice.
7. A subject of which discussion and treatment has been requested in writing by one or more Holders of Meeting Rights who either alone or jointly represent at least one hundredth part of issued capital, shall be included in the convening notice or be announced in the same manner if the Company has received the request not later than on the thirtieth day before the day of the meeting, and provided that no weighty interest of the Company directs otherwise.

Article 27 - General Meetings: Electronic Participation

1. Without prejudice to the provisions set forth in Article 221 of Book 2 of the Dutch Civil Code, the meeting shall designate a chairman. Up to this moment the meeting shall be chaired by the oldest present Managing Director, and if no Managing Director is present, by the oldest person present.

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2. The Chairman of the meeting shall designate one of the persons present to act as secretary to keep the minutes of the meeting, unless a notarial record is drawn up of the meeting.
3. The Management Board shall keep record of the adopted resolutions. The record shall at the office of the Company be made available for inspection by the Holders of Meeting rights. To each of them shall on request a copy or an extract of those records be provided at no more than cost.
4. Each Holder of Meeting Rights may have himself represented at the general meeting by another person by means of an - in the opinion of solely the chairman of the meeting - adequate written power of attorney.
5. Each Holder of Meeting rights shall be authorised to take part in the General Meeting in person or via a holder of a written power of attorney or by means of an electronic means of communication, to address the meeting and in so far as applicable to exercise the right to vote. For participation in the General Meeting on the basis of the preceding sentence, it is required that the person entitled to attend meetings can be identified via the electronic means of communication, can take note directly of the proceedings of the meeting, can exercise his/her voting rights, if applicable, and can participate in the deliberations via the electronic Means of Communication.
The Management Board may set conditions to the use of an electronic means of communication. The conditions that are set to the use of the electronic Means of Communication shall be made known at the convocation.
6. The Managing Directors shall have as such an advisory vote in the General Meeting.
7. The Chairman of the meeting shall decide whether other persons than Holders of Meeting Rights have access to the General Meeting.

Article 28 - General Meetings: Votes and Casting Votes

1. Each Share shall give the right to cast one vote.
2. Votes cast by means of an electronic Means of Communication prior to the General Meeting but not earlier than on the thirtieth day before the day of the meeting, shall be deemed to be equal with votes cast at the meeting.
3. For a Share that belongs to the Company or to a Subsidiary Company no vote can be cast at the General Meeting; nor for a Share of which one of them holds a

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Depository Receipt. Usufructuaries and pledgees of Shares that belong to the Company or its Subsidiary Companies are not excluded from their right to vote, however, if the right of usufruct or the right of pledge was established before the Share belonged to the Company or a Subsidiary Company. The Company or a Subsidiary Company may cast no vote for a Share on which it has a right of usufruct or a right of pledge.

4. When determining to what extent the Shareholders vote, are present or are represented, or to what extent the Share capital is provided or is represented, Shares of which the law provides that for those shares no votes can be cast shall not be taken into account.

Artikel 29 - Algemene vergaderingen: meerderheid van stemmen en quorum

1. Insofar as no greater majority is prescribed by law or these Articles of Association, all resolutions shall be passed by an absolute majority of votes. Resolutions may only be passed at a General Meeting at which one hundred percent (100%) of the issued capital is represented, with the exception of the resolutions contained in Article 17 paragraph 3 of these Articles of Association, which resolutions shall be passed with the quorum and majority specified therein. However, resolutions on mergers and demergers may by law require a larger majority of the votes cast.
2. If the capital referred to in paragraph 1 is not represented, a new meeting shall be convened, to be held within thirty days after the first one, but not earlier than fourteen days thereafter, not counting the day of convening and holding the meeting, at which, irrespective of the capital then represented, the resolutions referred to in paragraph 1 of this article may be passed by an absolute majority of the votes cast.
3. For the determination of the majority referred to in the previous paragraphs as well as for the determination of a possible quorum, the moment of voting shall be decisive.
4. Blank votes and invalid votes shall be deemed to have not been cast.
5. Concerning matters votes shall be cast orally, concerning persons in writing.
6. If the votes concerning matters tie, the proposal is rejected.
If in a vote concerning persons nobody has received the absolute majority of the votes cast in the first vote, then a second vote shall be held between the two

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persons who in the first vote received the largest number of votes. If more than two persons at the first vote receive the same highest number of votes, then a second vote shall be held between these persons.

If at the second vote the votes tie, lots shall decide.

Appointment of persons by acclamation shall be possible, unless a person entitled to vote raises objections against that.

Article 30 - Decision-Making Outside a Meeting

1. Decision-making of Shareholders can also take place in another manner than at a meeting, provided that all Holders of Meeting Rights have agreed with this manner of decision-making in writing.
2. In case of decision-making outside a meeting, the votes shall be cast in writing. The requirement of the votes being cast in writing shall be deemed to have been met also if the resolution is recorded in writing while stating the manner in which each of the Shareholders has voted.
3. The Managing Directors shall before the decision-making be given the opportunity to give advice.
4. The provisions set forth in Article 27 paragraph 3 of these Articles of Association shall be applicable *mutatis mutandis*.

Article 31 - amendment of the articles of association

If at the general meeting a proposal to amend the articles of association is made, at the same time a copy of the proposal together with the convening notice for the meeting in which the proposed amendment is included verbatim will have to be made available at the office of the company for inspection by each holder of meeting rights until the end of the meeting.

Article 32 - Dissolution

1. In case of dissolution of the Company the liquidation shall be carried out by the members of the Management Board, unless the General Meeting provides otherwise.
2. During the liquidation the provisions of these Articles of Association shall as much as possible continue to be in full force and effect. The provisions set forth therein regarding Managing Directors shall then apply to the liquidators.

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3. Any positive balance of the liquidation account shall be paid out to the Holders of the Shares and other parties entitled thereto in proportion to each one's right or entitlement in accordance with the provisions set forth in Article 24 paragraph 5.
4. The Company shall cease to exist at the moment that no more assets are present that are known to the liquidators. The liquidators shall record the same in the registers in which the Company is registered.
5. After the liquidation the books and records of the dissolved Company shall during the period prescribed by the law be kept in custody by the person designated to do so by the General Meeting in the resolution to dissolve the Company. If a designation as referred to hereinbefore has not been made by the General Meeting, this shall be done by the liquidators.

Article 33 - Unforeseen Cases

The General Meeting shall within the boundaries set by the law and these Articles of Association have all powers that have not been granted to other constituent bodies of the Company.

**APPENDIX 4
BOND TERMS**

BOND TERMS

FOR

Longship Group B.V. FRN senior secured EUR 60,000,000 bonds 2024/2027

ISIN NO0013233171

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ATTACHMENT 1 COMPLIANCE CERTIFICATE

ATTACHMENT 2 RELEASE NOTICE – ESCROW ACCOUNT

BOND TERMS between	
ISSUER:	Longship Group B.V., a company existing under the laws of the Netherlands with registration number 71415750 and LEI-code 724500350630V98N8717; and
BOND TRUSTEE:	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624 and LEI-code 549300XAKTM2BMKIPT85.
DATED:	<u>28</u> June 2024
These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.	

1. INTERPRETATION

1.1 Definitions

The following terms will have the following meanings:

“**Accounting Standard**” means generally accepted accounting practices and principles in the country in which the Issuer is incorporated including, if applicable, IFRS.

“**Additional Bonds**” means the debt instruments issued under a Tap Issue, including any Temporary Bonds.

“**Affiliate**” means, in relation to any person:

- (a) any person which is a Subsidiary of that person;
- (b) any person with Decisive Influence over that person (directly or indirectly); and
- (c) any person which is a Subsidiary of an entity with Decisive Influence over that person (directly or indirectly).

“**Annual Financial Statements**” means the audited consolidated annual financial statements of the Issuer for any financial year, prepared in accordance with the Accounting Standard, such financial statements to include a profit and loss account, balance sheet, cash flow statement and report of the board of directors.

“**Approved Flag State**” means the Antigua & Barbuda, Cyprus, Madeira, Malta, Netherlands and any flag state within Europe or any other flag state with a reputable and internationally recognised ship registry acceptable to the Bond Trustee.

“**Attachment**” means any schedule, appendix or other attachment to these Bond Terms.

“**Bond Currency**” means the currency in which the Bonds are denominated, as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Bond Terms**” means these terms and conditions, including all Attachments which form an integrated part of these Bond Terms, in each case as amended and/or supplemented from time to time.

“**Bond Trustee**” means the company designated as such in the preamble to these Bond Terms, or any successor, acting for and on behalf of the Bondholders in accordance with these Bond Terms.

“**Bond Trustee Fee Agreement**” means the agreement entered into between the Issuer and the Bond Trustee relating, among other things, to the fees to be paid by the Issuer to the Bond Trustee for the services provided by the Bond Trustee relating to the Bonds.

“**Bondholder**” means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to Clause 3.3 (*Bondholders’ rights*).

“**Bondholders’ Meeting**” means a meeting of Bondholders as set out in Clause 15 (*Bondholders’ Decisions*).

“**Bonds**” means (a) the debt instruments issued by the Issuer pursuant to these Bond Terms, including any Additional Bonds, and (b) any overdue and unpaid principal which has been issued under a separate ISIN in accordance with the regulations of the CSD from time to time.

“**Business Day**” means a day on which both the relevant CSD settlement system is open, and which is a TARGET Day.

“**Business Day Convention**” means that if the last day of any Interest Period originally falls on a day that is not a Business Day, the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day (*Modified Following*).

“**Call Option**” has the meaning ascribed to such term in Clause 10.2 (*Voluntary early redemption – Call Option*).

“**Call Option Repayment Date**” means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (*Voluntary early redemption – Call Option*), paragraph (d) of Clause 10.3 (*Mandatory repurchase due to a Put Option Event*) or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

“**Chairperson**” has the meaning ascribed to such term in paragraph (g) of Clause 15.2 (*Procedure for arranging a Bondholders’ Meeting*).

“**Change of Control Event**” means the occurrence of an event or series of events whereby the Existing Owners jointly cease to have Decisive Influence over the Issuer.

“**Closing Procedure**” means an agreed closing procedure between the Bond Trustee, the Issuer and the existing creditors of the Obligors, pursuant to which the conditions precedent set out in paragraph (b) of Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) may be

delivered prior to or in connection with (including, subject to such closing procedure, after) the release of funds from the Escrow Account, provided that:

- (a) such closing procedure shall include a description of flow of funds, acceptable to the Bond Trustee;
- (b) as part of such closing procedure, disbursement from the Escrow Account may take place in several tranches; and
- (c) perfection of the Transaction Security shall be established as soon as possible on or after the relevant release of funds from the Escrow Account according to the terms of such closing procedure, meaning that any documents to be registered may be filed for registration on the date of disbursement of the Net Proceeds from the Escrow Account and that the proceeds may be prepositioned with an escrow agent or pursuant to conditional SWIFT or similar arrangements.

“**Collateral Vessel**” means the cargo vessel m/v Longdawn with IMO number 9501679.

“**Collateral Vessel Owner**” means Longdawn B.V., a company existing under the laws of the Netherlands with registration number 86961403, being the owner of the Collateral Vessel.

“**Compliance Certificate**” means a statement substantially in the form as set out in Attachment 1 (*Compliance Certificate*) hereto.

“**CSD**” means the central securities depository in which the Bonds are registered, being Verdipapirsentralen ASA (VPS).

“**Cure Amount**” has the meaning ascribed to such term in paragraph (a) of Clause 13.16 (*Equity Cure*).

“**Decisive Influence**” means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):

- (a) a majority of the voting rights in that other person; or
- (b) a right to elect or remove a majority of the members of the board of directors of that other person.

“**Default Notice**” has the meaning ascribed to such term in Clause 14.2 (*Acceleration of the Bonds*).

“**Default Repayment Date**” means the settlement date set out by the Bond Trustee in a Default Notice requesting early redemption of the Bonds.

“**Defeasance Account**” has the meaning ascribed to such term in paragraph (a)(i) of Clause 18.4 (*Defeasance*).

“**Defeasance Amount**” has the meaning ascribed to such term in paragraph (a)(i) of Clause 18.4 (*Defeasance*).

“**Defeasance Pledge**” has the meaning ascribed to such term in paragraph (a)(ii) of Clause 18.4 (*Defeasance*).

“**Distribution**” means any:

- (a) payment of dividends on shares;
- (b) repayment or payment of cash interest on Shareholder Loans;
- (c) repurchase of own shares; or
- (d) any other similar distribution or transfer of value to the relevant entity’s direct or indirect shareholders.

“**DOC**” means a valid document of compliance issued for the Collateral Vessel under the ISM Code.

“**Equity Cure**” has the meaning ascribed to such term in paragraph (a) of Clause 13.16 (*Equity Cure*).

“**Equity Cure End Date**” has the meaning ascribed to such term in paragraph (a)(i) of Clause 13.16 (*Equity Cure*).

“**Escrow Account**” means an account (or several accounts in different currencies) in the name of the Issuer, held with Nordic Trustee Services AS or a bank acceptable to the Bond Trustee (or a client account or client accounts with the Paying Agent), to be blocked and pledged on first priority as security for the Issuer’s obligations under the Finance Documents.

“**Escrow Account Pledge**” means a first priority Norwegian law pledge over the Escrow Account, where the bank operating the account has waived any set-off rights.

“**Event of Default**” means any of the events or circumstances specified in Clause 14.1 (*Events of Default*).

“**Exchange**” means:

- (a) Nordic ABM, a self-regulated marketplace organised and operated by Oslo Børs;
- (b) Oslo Børs (the Oslo Stock Exchange); or
- (c) any “regulated market” as such term is understood in accordance with the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and Regulation (EU) No. 600/2014 on markets in financial instruments (MiFIR).

“**Existing Debt**” means the Financial Indebtedness incurred under the EUR 5,400,000 facilities agreement and EUR 2,750,000 facilities agreement, which shall be refinanced using part of the proceeds of the Bond Issue.

“**Existing Owners**” means JoKa Holding B.V. and Huge Shipping S.A.

“**Finance Documents**” means these Bond Terms, the Bond Trustee Fee Agreement, any Transaction Security Document, any Security Agent Agreement and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

“**Financial Covenants**” means the financial covenants set out in Clause 13.15 (*Financial Covenants*).

“**Financial Indebtedness**” means any indebtedness for or in respect of:

- (a) moneys borrowed (and debit balances at banks or other financial institutions);
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including the Bonds;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Standard, be capitalised as an asset and booked as a corresponding liability in the balance sheet;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under the Accounting Standard are met);
- (f) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of a person which is not a Group Company which liability would fall within one of the other paragraphs of this definition;
- (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Maturity Date or are otherwise classified as borrowings under the Accounting Standard;
- (i) any amount of any liability under an advance or deferred purchase agreement, if (i) the primary reason behind entering into the agreement is to raise finance or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 120 calendar days after the date of supply;
- (j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under the Accounting Standard; and

- (k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

“**Financial Reports**” means the Annual Financial Statements and the Interim Accounts.

“**First Call Date**” means the Interest Payment Date falling in January 2026.

“**Group**” means the Issuer and its Subsidiaries from time to time.

“**Group Company**” means any person which is a member of the Group.

“**Guarantee**” means the unconditional Norwegian law guarantee and indemnity (Nw.: *selvskyldnerkausjon*) issued by the Guarantor in respect of the Secured Obligations.

“**Guarantor**” means the Collateral Vessel Owner.

“**IFRS**” means the International Financial Reporting Standards and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof) in force from time to time and to the extent applicable to the relevant financial statement.

“**Initial Bond Issue**” means the amount to be issued on the Issue Date as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Initial Nominal Amount**” means the Nominal Amount of each Bond on the Issue Date as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Insolvent**” means that a person:

- (a) is unable or admits inability to pay its debts as they fall due;
- (b) suspends making payments on any of its debts generally; or
- (c) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its centre of main interest as such term is understood pursuant to Regulation (EU) 2015/848 on insolvency proceedings (as amended from time to time).

“**Interest Payment Date**” means the last day of each Interest Period, the first Interest Payment Date being 2 October 2024 and the last Interest Payment Date being the Maturity Date.

“**Interest Period**” means, subject to adjustment in accordance with the Business Day Convention, the periods between 2 January, 2 April, 2 July and 2 October each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

“**Interest Quotation Day**” means, in relation to any period for which Interest Rate is to be determined, 2 Quotation Business Days before the first day of the relevant Interest Period.

“**Interest Rate**” means the percentage rate per annum which is the aggregate of the Reference Rate for the relevant Interest Period plus the Margin.

“**Interim Accounts**” means the unaudited consolidated quarterly financial statements of the Issuer for the quarterly period ending on each Quarter Date in each year, prepared in accordance with the Accounting Standard.

“**ISIN**” means International Securities Identification Number.

“**ISM Code**” means the International Management Code for Safe Operation of Ships and for Pollution Prevention, as adopted by the International Maritime Organisation (including the guidelines on its implementation), as any of the same may be amended, supplemented or replaced from time to time.

“**ISPS Code**” means the International Ship and Port Facility Security Code, as adopted by the International Maritime Organisation, as the same may be amended, supplemented or replaced from time to time.

“**ISSC**” means a valid international ship security certificate for the Collateral Vessel insured under the ISPS Code.

“**Issue Date**” means 2 July 2024.

“**Issuer**” means the company designated as such in the preamble to these Bond Terms.

“**Issuer’s Bonds**” means any Bonds which are owned by the Issuer or any Affiliate of the Issuer.

“**Liquidity**” means, at any date, the aggregate amount of freely available and unrestricted cash and cash equivalents of the Group, in each case reported in accordance with IFRS, and any undrawn amounts available under any revolving credit facility for working capital or general corporate purposes.

“**Listing Failure Event**” means:

- (a) that the Bonds (save for any Temporary Bonds) have not been admitted to listing on an Exchange within six months following the Issue Date;
- (b) in the case of a successful admission to listing, that a period of six months has elapsed since the Bonds ceased to be admitted to listing on an Exchange; or
- (c) that the Temporary Bonds have not been admitted to listing on the Exchange where the other Bonds are listed within six months following the issue date for such Temporary Bonds.

“**Longstop Date**” means 2 October 2024.

“**Make Whole Amount**” means an amount equal to the sum of the present value on the Repayment Date of:

- (a) the Nominal Amount of the redeemed Bonds at the price as set out in paragraph (ii) of Clause 10.2 (*Voluntary early redemption – Call Option*) as if such payment originally had taken place on the First Call Date; and

- (b) the remaining interest payments of the redeemed Bonds (less any accrued and unpaid interest on the redeemed Bonds as at the Repayment Date) to the First Call Date,

where the present value shall be calculated by using a discount rate of 3.8 per cent. per annum, and where the Interest Rate applied for the remaining interest payments until the First Call Date shall be the applicable Interest Rate on the Call Option Repayment Date.

“**Manager**” means Clarksons Securities AS, Munkedamsveien 62 C, 0270 Oslo, Norway.

“**Mandatory Redemption Event**” means that:

- (a) the conditions precedent set out in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have not been fulfilled within the Longstop Date; or
- (b) at any time prior to the Longstop Date, the Issuer concludes (in its sole discretion) that the conditions precedent set out in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) will not be fulfilled.

“**Mandatory Redemption Repayment Date**” means the settlement date for the Mandatory Redemption Event pursuant to Clause 10.5 (*Mandatory early redemption due to a Mandatory Redemption Event*).

“**Margin**” means 8.75 per cent.

“**Material Adverse Effect**” means a material adverse effect on:

- (a) the ability of the Issuer or any other Obligor to perform and comply with its obligations under any Finance Document; or
- (b) the validity or enforceability of any Finance Document.

“**Maturity Date**” means 2 July 2027, adjusted according to the Business Day Convention.

“**Maximum Issue Amount**” means the maximum amount that may be issued under these Bond Terms as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Net Proceeds**” means the proceeds from the issuance of the Bonds (net of fees and legal costs of the Manager and, if required by the Bond Trustee, the Bond Trustee fee, and any other costs and expenses incurred in connection with the issuance of the Bonds).

“**Nominal Amount**” means the nominal value of each Bond at any time. The Nominal Amount may be amended pursuant to paragraph (j) of Clause 16.2 (*The duties and authority of the Bond Trustee*).

“**Obligor**” means the Issuer, the Guarantor and any Security Provider.

“**Outstanding Bonds**” means any Bonds not redeemed or otherwise discharged.

“**Overdue Amount**” means any amount required to be paid by an Obligor under the Finance Documents but not made available to the Bondholders on the relevant Payment Date or otherwise not paid on its applicable due date.

“**Parallel Debt**” has the meaning ascribed to such term in paragraph (a)(i) of Clause 16.7 (*Parallel Debt (covenant to pay the Security Agent)*).

“**Parallel Debt Covenant**” has the meaning ascribed to such term in paragraph (b) of Clause 16.7 (*Parallel Debt (covenant to pay the Security Agent)*).

“**Partial Payment**” means a payment that is insufficient to discharge all amounts then due and payable under the Finance Documents.

“**Paying Agent**” means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD.

“**Payment Date**” means any Interest Payment Date or any Repayment Date.

“**Permitted Financial Indebtedness**” means any Financial Indebtedness:

- (a) incurred under the Bond issue or arising under any other Finance Documents;
- (b) arising under any unsecured bonds, notes or similar instruments or loans issued by the Issuer (without any financial support (loans, indemnities or guarantees) from any other Group Company) and maturing no earlier than six months after the Maturity Date;
- (c) arising under any Existing Debt;
- (d) arising under any Shareholder Loans;
- (e) arising under any loans between Group Companies;
- (f) existing or incurred in future by any Group Company which has first priority security in one or several of the Group’s vessels;
- (g) existing or incurred in future in the form of any lease or hire purchase contract which would, in accordance with the Accounting Standard, be treated as a finance or capital lease, or operating lease;
- (h) incurred by any Group Company in the ordinary course of business;
- (i) in the form of existing and future bid-, payment- and performance bonds, guarantees and letters of credit incurred by (including under any counter-indemnity obligations in respect thereof) any Group Company in the ordinary course of business;
- (j) incurred under any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price in the ordinary course of business, including (but not limited to) any Forward Freight Agreements (FFAs) and EU ETS (EUA) transactions; and

- (k) not permitted by paragraphs (a) to (j) above, in an aggregate outstanding principal amount which does not at any time exceed EUR 5,000,000 (or its equivalent in other currencies).

“Permitted Guarantee” means:

- (a) any guarantee made or granted under the Finance Documents;
- (b) any guarantee issued in respect of a liability incurred by another Group Company;
- (c) any guarantee of, or constituted by, Permitted Financial Indebtedness;
- (d) any guarantee made in substitution for an extension of credit which is a Permitted Loan to the extent that the issuer of the relevant guarantee would have been entitled to make a loan in an equivalent amount pursuant to the definition of Permitted Loan to the person whose obligations are being guaranteed;
- (e) the endorsement of negotiable instruments in the ordinary course of trade;
- (f) any guarantee granted in respect of netting or set-off arrangements permitted pursuant to paragraph (c) of the definition of Permitted Security; and
- (g) any guarantee not falling within paragraphs (a) to (f) above, the aggregate outstanding principal amount of which across the Group does not at any time exceed EUR 5,000,000 (or its equivalent in other currencies).

“Permitted Loan” means:

- (a) any loan or credit granted by any Group Company under the Finance Documents;
- (b) normal trade credit and prepayment of suppliers made or granted by any Group Company in the ordinary course of business;
- (c) any loan in respect of deferred consideration for, or any vendor loan in connection with, any disposal not prohibited hereunder;
- (d) Financial Indebtedness which is referred to in the definition of, or otherwise constitutes, Permitted Financial Indebtedness;
- (e) any loan granted by a Group Company in the ordinary course of documentation of a charter-in lease agreement, to the counterparty (or an Affiliate of such counterparty) thereunder; and
- (f) not falling within paragraphs (a) to (e) above, the aggregate outstanding principal amount of which across the Group does not at any time exceed EUR 5,000,000 (or its equivalent in other currencies).

“Permitted Security” means any Security:

- (a) granted in relation to Permitted Financial Indebtedness, except in respect of paragraphs (b), (d), (e) or (k) of the definition thereof;
- (b) in the form of any lien arising by operation of law in the ordinary course of business;
- (c) in the form of any netting or set-off arrangement entered into by any Group Company in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of any Group Companies (if applicable), including any security interest arising under clause 24 or 25 of the general terms and conditions (*algemene bankvoorwaarden*) of any member of the Dutch Bankers' Association (*Nederlandse Vereniging van Banken*) or any similar term applied by a financial institution in the Netherlands pursuant to its general terms and conditions;
- (d) over rental deposits arising in the ordinary course of business in respect of any property leased or licensed by any Group Company;
- (e) arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to any Group Company in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any such Group Company; and
- (f) over assets having an aggregate value, or which secure Financial Indebtedness in an aggregate amount of, up to EUR 5,000,000 (or its equivalent in other currencies) not otherwise permitted under paragraphs (a) to (e) above.

"Piracy Event" means an expropriation or act of piracy in respect of the Collateral Vessel (to the extent not an actual or constructive total loss and in the case of an act of piracy, provided always that such act of piracy shall have continued for a period of more than 180 calendar days).

"Principal Obligations" has the meaning ascribed to such term in paragraph (a)(ii) of Clause 16.7 (*Parallel Debt (covenant to pay the Security Agent)*).

"Put Option" has the meaning ascribed to such term in Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

"Put Option Event" means a Change of Control Event.

"Put Option Repayment Date" means the settlement date for the Put Option pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

"Quarter Date" means each 31 March, 30 June, 30 September and 31 December.

"Quotation Business Day" means a day which is a TARGET Day.

"Reference Rate" means EURIBOR (European Interbank Offered Rate) being;

- (a) the interest rate displayed on Reuters screen EURIBOR01 (or through another system or website replacing it) as of or around 11:00 a.m. (Brussels time) on the Interest

Quotation Day for the offering of deposits in Euro and for a period comparable to the relevant Interest Period; or

- (b) if no screen rate is available for the interest rate under paragraph (a) above for the relevant Interest Period:
 - (i) the linear interpolation between the two closest relevant interest periods, and with the same number of decimals, quoted under paragraph (a) above; or
 - (ii) a rate for deposits in the Bond Currency for the relevant Interest Period as supplied to the Bond Trustee at its request quoted by a sufficient number of commercial banks reasonably selected by the Bond Trustee; or
- (c) if the interest rate under paragraph (a) above is no longer available, the interest rate shall be set by the Bond Trustee in consultation with the Issuer to:
 - (i) any relevant replacement reference rate generally accepted in the market; or
 - (ii) such interest rate that best reflects the interest rate for deposits in the Bond Currency offered for the relevant Interest Period,

and provided that, in each case, if any such rate is below zero, the Reference Rate shall be deemed to be zero.

“**Relevant Jurisdiction**” means the country in which the Bonds are issued, being Norway.

“**Relevant Period**” means each period of 12 months ending on each Quarter Date.

“**Relevant Record Date**” means the date on which a Bondholder’s ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time; or
- (b) for the purpose of casting a vote with regard to Clause 15 (*Bondholders’ Decisions*), the date falling on the immediate preceding Business Day to the date of that Bondholders’ decision being made, or another date as accepted by the Bond Trustee.

“**Repayment Date**” means any Call Option Repayment Date, the Default Repayment Date, any Put Option Repayment Date, the Tax Event Repayment Date, the Total Loss Or Disposal Repayment Date, the Mandatory Redemption Repayment Date or the Maturity Date.

“**Representative**” has the meaning ascribed to such term in paragraph (h) of Clause 15.2 (*Procedure for arranging a Bondholders’ Meeting*).

“**Secured Obligations**” means all present and future liabilities and obligations of the Obligors to any of the Secured Parties under the Finance Documents, including but not limited to principal, premium, interest, default interest, fees and expenses.

“**Secured Parties**” means the Security Agent and the Bond Trustee on behalf of itself and the Bondholders.

“**Securities Trading Act**” means the Securities Trading Act of 2007 no.75 of the Relevant Jurisdiction.

“**Security**” means any encumbrances, mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“**Security Agent**” means the Bond Trustee or any successor Security Agent, acting for and on behalf of the Secured Parties in accordance with any Security Agent Agreement or any other Finance Document.

“**Security Agent Agreement**” means any agreement other than these Bond Terms whereby the Security Agent is appointed to act as such in the interest of the Bond Trustee (on behalf of itself and the Bondholders).

“**Security Provider**” means any person granting Transaction Security.

“**Shareholder Loan**” means any existing or future loan provided to the Issuer by any direct or indirect shareholder of the Issuer, which pursuant to a subordination statement acceptable to the Bond Trustee is fully subordinated to the obligations of the Issuer under the Finance Documents, and where any repayment of principal, or payment of interest under, any such loan, other than by way of conversion to equity, is subject to the Secured Obligations having been discharged in full.

“**SMC**” means a valid safety management certificate issued for the Collateral Vessel under paragraph 13.7 of the ISM Code.

“**Subsidiary**” means a person over which another person has Decisive Influence.

“**Summons**” means the call for a Bondholders’ Meeting or a Written Resolution as the case may be.

“**Sunshine Acquisition**” means the acquisition of at least 18.6 per cent. of the shares of Cargow B.V.

“**Tap Issue**” has the meaning ascribed to such term in paragraph (a) of Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Tap Issue Addendum**” has the meaning ascribed to such term in paragraph (a) of Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**TARGET Day**” means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments in Euro.

“**Tax Event Repayment Date**” means the date set out in a notice from the Issuer to the Bondholders pursuant to Clause 10.4 (*Early redemption option due to a tax event*).

“**Temporary Bonds**” has the meaning ascribed to such term in paragraph (a) of Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Total Assets**” means the book value on a consolidated basis of all assets of the Group according to the Accounting Standard.

“**Total Debt**” means the aggregate amount of the consolidated total liabilities of the Group, calculated in accordance with the Accounting Standard.

“**Total Interest Bearing Debt**” means the Group’s aggregate interest-bearing Financial Indebtedness (calculated on each Quarter Date).

“**Total Loss Or Disposal Repayment Date**” means the settlement date pursuant to Clause 10.6 (*Mandatory early redemption due to total loss, Piracy Event or disposal*).

“**Transaction Security**” means the Security created or expressed to be created in favour of the Security Agent (on behalf of the Secured Parties) pursuant to the Transaction Security Documents.

“**Transaction Security Documents**” means, collectively, the Escrow Account Pledge and all of the documents which shall be executed or delivered pursuant to Clause 2.5 (*Transaction Security*).

“**Voting Bonds**” means the Outstanding Bonds less the Issuer’s Bonds.

“**Written Resolution**” means a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 15.5 (*Written Resolutions*).

1.2 Construction

In these Bond Terms, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number will include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of these Bond Terms;
- (d) references to a time are references to Central European Time unless otherwise stated;
- (e) references to a provision of “**law**” are a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;
- (f) references to a “**regulation**” includes any regulation, rule, official directive, request or guideline by any official body;
- (g) references to a “**person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality;

- (h) references to Bonds being “**redeemed**” means that such Bonds are cancelled and discharged in the CSD in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Bond Terms;
- (i) references to Bonds being “**purchased**” or “**repurchased**” by the Issuer means that such Bonds may be dealt with by the Issuer as set out in Clause 11.1 (*Issuer’s purchase of Bonds*);
- (j) references to persons “**acting in concert**” shall be interpreted pursuant to the relevant provisions of the Securities Trading Act; and
- (k) an Event of Default is “**continuing**” if it has not been remedied or waived.

1.3 Dutch terms

In these Bond Terms, where it relates to a party incorporated in the Netherlands, a reference to:

- (a) “**the Netherlands**” means the European part of the Kingdom of The Netherlands and “**Dutch**” means in or of the Netherlands.
- (b) a necessary action to authorise where applicable, includes without limitation:
 - (i) any action required to comply with the Works Councils Act of the Netherlands (*Wet op de ondernemingsraden*); and
 - (ii) obtaining positive advice (*advies*) from each competent works council which, if conditional, contains conditions which can reasonably be complied with and would not cause and are not reasonably likely to cause a breach with any term of any the Finance Documents;
- (c) “**articles of association**” includes *statuten* and a deed of incorporation includes an *akte van oprichting*;
- (d) “**works council**” includes a works council (*ondernemingsraad*), central works council (*centrale ondernemingsraad*), group works council (*groepsondernemingsraad*) and SE works council (*SE-ondernemingsraad*);
- (e) a “**security interest**” or “**security**” includes any mortgage (*hypotheek*), pledge (*pandrecht*), retention of title arrangement (*eigendomsvoorbehoud*), right of retention (*recht van retentie*), right to reclaim goods (*recht van reclame*), and, in general, any right in rem (*beperkt recht*), created for the purpose of granting security (*goederenrechtelijk zekerheidsrecht*);
- (f) a “**winding-up**”, “**administration**” or “**dissolution**” includes a bankruptcy (*faillissement*) or dissolution (*ontbinding*);
- (g) a “**moratorium**” includes *surseance van betaling* and a moratorium being declared or occurring includes *surseance verleend*;

- (h) “**insolvency**” includes a bankruptcy, moratorium and emergency regulation (*noodregeling*);
- (i) any step or procedure taken in connection with insolvency proceedings includes a Dutch entity having filed a notice under section 36 of the Tax Collection Act of the Netherlands (*Invorderingswet 1990*) or Section 60 of the Social Insurance Financing Act of the Netherlands (*Wet Financiering Sociale Verzekeringen*) in conjunction with Section 36 of the Tax Collection Act of the Netherlands (*Invorderingswet 1990*);
- (j) a “**receiver**”, “**interim receiver**”, “**receiver**”, “**manager**”, “**trustee**”, “**custodian**”, “**conservator**”, “**liquidator**” or “**mortgagee in possession**” includes a *curator*, *beoogd curator*, *beoogd rechter-commissaris*, or *herstructureringsdeskundige*;
- (k) an “**administrator**” includes a *bewindvoerder*, *stille bewindvoerder*, *beoogd bewindvoerder* or *observator*;
- (l) an “**attachment**” includes a *beslag*;
- (m) “**negligence**” means *schuld*;
- (n) “**gross negligence**” means *grove schuld*;
- (o) “**wilful misconduct**” means *opzet*; and
- (p) a Subsidiary includes a *dochtermaatschappij* as defined in section 2:24a of the Dutch Civil Code (*Burgerlijk Wetboek*).

2. THE BONDS

2.1 Amount, denomination and ISIN of the Bonds

- (a) The Issuer has resolved to issue a series of Bonds up to EUR 60,000,000 (the “**Maximum Issue Amount**”). The Bonds may be issued on different issue dates and the Initial Bond Issue will be in the amount of EUR 40,000,000. The Issuer may, provided that the conditions set out in Clause 6.3 (*Tap Issues*) are met, on one or more occasions issue Additional Bonds (each a “**Tap Issue**”) until the Nominal Amount of all Additional Bonds equals in aggregate the Maximum Issue Amount less the Initial Bond Issue. Each Tap Issue will be subject to identical terms as the Bonds issued pursuant to the Initial Bond Issue in all respects as set out in these Bond Terms, except that Additional Bonds may be issued at a different price than for the Initial Bond Issue, which may be equal to or above the Nominal Amount, but not a discount to the Nominal Amount. The Bond Trustee shall prepare an addendum to these Bond Terms evidencing the terms of each Tap Issue (a “**Tap Issue Addendum**”). If the Bonds are listed on an Exchange and there is a requirement for a new prospectus in order for the Additional Bonds to be listed together with the Bonds, the Additional Bonds may be issued under a separate ISIN (such Bonds being referred to as the “**Temporary Bonds**”). Upon the approval of the prospectus, the Issuer shall (i) notify the Bond Trustee, the Exchange and the Paying Agent and (ii) ensure that the Temporary Bonds are converted into the ISIN for the Bonds. For Tap Issues not settled on an Interest Payment Date, accrued interest will be calculated using standard market practice in the secondary bond market.

- (b) The Bonds are denominated in Euro (EUR), being the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.
- (c) The Initial Nominal Amount of each Bond is EUR 100,000.
- (d) The ISIN of the Bonds is set out on the front page. These Bond Terms apply with identical terms and conditions to (i) all Bonds issued under this ISIN, (ii) any Temporary Bonds and (iii) any Overdue Amounts issued under one or more separate ISIN in accordance with the regulations of the CSD from time to time.
- (e) Holders of Overdue Amounts related to interest claims will not have any other rights under these Bond Terms than their claim for payment of such interest claim which claim shall be subject to paragraph (b) of Clause 15.1 (*Authority of the Bondholders' Meeting*).

2.2 Tenor of the Bonds

The tenor of the Bonds is from and including the Issue Date to but excluding the Maturity Date.

2.3 Use of proceeds

- (a) The Issuer will use the Net Proceeds from the Initial Bond Issue for:
 - (i) the refinancing in full of the Existing Debt;
 - (ii) funding of the Sunshine Acquisition; and
 - (iii) with respect to any residual amount, the general corporate purposes of the Group.
- (b) The Issuer will use the Net Proceeds from the issuance of any Additional Bonds for the general corporate purposes of the Group (unless otherwise set out in the relevant Tap Issue Addendum).

2.4 Status of the Bonds

The Bonds shall constitute senior debt obligations of the Issuer. The Bonds shall rank *pari passu* between themselves and at least *pari passu* with all other obligations of the Issuer (save for such claims as are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

2.5 Transaction Security

- (a) As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall procure that the following Transaction Security is granted in favour of the Security Agent on behalf of the Secured Parties with first priority (subject to any mandatory limitations under applicable law) within the times agreed in Clause 6 (*Conditions for Disbursement*):
 - (i) the Escrow Account Pledge;
 - (ii) a mortgage over the Collateral Vessel, including all relevant equipment being legally part of the Collateral Vessel under applicable law (including any deed of covenants supplemental to such mortgage and to the Security thereby created

between the Collateral Vessel Owner and the Bond Trustee (on behalf of the Bondholders));

- (iii) an assignment or pledge over all relevant insurances related to the Collateral Vessel and the equipment related thereto;
 - (iv) a pledge over all the shares (100 per cent., including shares in any class) in the Issuer;
 - (v) a pledge over all the shares (100 per cent., including shares in any class) in the Collateral Vessel Owner;
 - (vi) a pledge over all the shares owned by any Group Company in Cargow B.V. (equal to no less than 18.6 per cent. of the issued shares);
 - (vii) to the extent possible under applicable laws, an assignment or pledge of all earnings related to the Collateral Vessel;
 - (viii) an all asset security agreement (omnibus deed of pledge) in respect of all assets of the Collateral Vessel Owner;
 - (ix) an assignment or pledge over all loans made by a Group Company to the Collateral Vessel Owner;
 - (x) an assignment or pledge over all Shareholder Loans; and
 - (xi) a Guarantee from the Guarantor.
- (b) The Transaction Security shall be entered into on such terms and conditions as the Security Agent and the Bond Trustee in its discretion deems appropriate in order to create the intended benefit for the Secured Parties under the relevant document.
- (c) The Escrow Account Pledge shall be established no later than two Business Days before the Issue Date. The Transaction Security set out in paragraphs (a)(ii) to (a)(xi) above shall be established prior to (or, as the case may be, in connection with) the release of funds from the Escrow Account, subject to any Closing Procedure.
- (d) The Security Agent is irrevocably authorised to release any Transaction Security over assets which are sold or otherwise disposed of (directly or indirectly): (i) in any merger, de-merger or disposal permitted hereunder; and (ii) following an enforcement.

3. THE BONDHOLDERS

3.1 Bond Terms binding on all Bondholders

- (a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by these Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party.
- (b) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

3.2 Limitation of rights of action

- (a) No Bondholder is entitled to take any enforcement action, instigate any insolvency procedures or take other legal action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with the Finance Documents, other than through the Bond Trustee and in accordance with these Bond Terms, provided, however, that the Bondholders shall not be restricted from exercising any of their individual rights derived from these Bond Terms, including the right to exercise the Put Option.
- (b) Each Bondholder shall immediately upon request by the Bond Trustee provide the Bond Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Bond Trustee), as the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.

3.3 Bondholders' rights

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Bond Trustee.
- (b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 3.3 and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Bond Trustee has actual knowledge to the contrary.

4. ADMISSION TO LISTING

The Issuer shall use its reasonable endeavours to ensure that the Bonds are listed on an Exchange within six months of the Issue Date and thereafter remain listed on an Exchange until the Bonds have been redeemed in full. The Issuer shall use its reasonable endeavours to ensure that any Temporary Bonds are listed on an Exchange within six months of the issue date for such Temporary Bonds.

5. REGISTRATION OF THE BONDS

5.1 Registration in the CSD

The Bonds shall be registered in dematerialised form in the CSD according to the relevant securities registration legislation and the requirements of the CSD.

5.2 Obligation to ensure correct registration

The Issuer will at all times ensure that the registration of the Bonds in the CSD is correct and shall immediately upon any amendment or variation of these Bond Terms give notice to the CSD of any such amendment or variation.

5.3 Country of issuance

The Bonds have not been issued under any other country's legislation than that of the Relevant Jurisdiction. Save for the registration of the Bonds in the CSD, the Issuer is under no obligation to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of the Relevant Jurisdiction.

6. CONDITIONS FOR DISBURSEMENT

6.1 Conditions precedent for disbursement to the Issuer

- (a) Payment of the Net Proceeds from the Initial Bond Issue to the Escrow Account shall be conditional on the Bond Trustee having received in due time (as determined by the Bond Trustee) prior to the Issue Date each of the following documents, in form and substance satisfactory to the Bond Trustee:
- (i) these Bond Terms duly executed by all parties hereto;
 - (ii) copies of all necessary corporate resolutions of the Issuer to issue the Bonds and execute the Finance Documents to which it is a party;
 - (iii) a copy of a power of attorney (unless included in the corporate resolutions) from the Issuer to relevant individuals for their execution of the Finance Documents to which it is a party;
 - (iv) copies of the Issuer's articles of association and of a full extract from the relevant company register in respect of the Issuer evidencing that the Issuer is validly existing;
 - (v) the Escrow Account Pledge duly executed by all parties thereto and perfected in accordance with applicable law (including all applicable acknowledgements and consents from the account bank);
 - (vi) copies of the Issuer's latest Financial Reports;
 - (vii) confirmation that the applicable prospectus requirements (ref. the EU prospectus regulation ((EU) 2017/1129)) concerning the issuance of the Bonds have been fulfilled;
 - (viii) copies of any necessary governmental approval, consent or waiver (as the case may be) required at such time to issue the Bonds;
 - (ix) confirmation that the Bonds are registered in the CSD (by obtaining an ISIN for the Bonds);
 - (x) confirmation of acceptance from any process agent;
 - (xi) copies of any written documentation used in marketing the Bonds or made public by the Issuer or any Manager in connection with the issuance of the Bonds;
 - (xii) the Bond Trustee Fee Agreement duly executed by all parties thereto; and

- (xiii) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of these Bond Terms and the Finance Documents).
- (b) The Net Proceeds from the issuance of the Bonds (on the Escrow Account) will not be disbursed to the Issuer unless the Bond Trustee has received or is satisfied that it will receive in due time (as determined by the Bond Trustee) prior to such disbursement to the Issuer each of the following documents, in form and substance satisfactory to the Bond Trustee:
 - (i) a duly executed release notice from the Issuer, as set out in Attachment 2 (*Release notice – Escrow Account*);
 - (ii) unless delivered under paragraph (a) above as pre-settlement conditions precedent:
 - (A) copies of all necessary corporate resolutions of each Obligor required to provide the Transaction Security and execute the Finance Documents to which it is a party;
 - (B) a copy of a power of attorney (unless included in the relevant corporate resolutions) from each Obligor to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the relevant Obligor; and
 - (C) copies of each Obligor's articles of association and a full extract from the relevant company register in respect of each Obligor evidencing that it is validly existing;
 - (iii) the Transaction Security Documents duly executed by all parties thereto and evidence of the establishment and perfection of the Transaction Security;
 - (iv) documentation of insurance policies relating to the Collateral Vessel evidencing that the Issuer is in compliance with paragraph (d) (*Insurance*) of Clause 13.14 (*Collateral Vessel undertakings*), including an insurance report from BankServe or other third party insurance advisor acceptable to the Bond Trustee;
 - (v) copies of loan agreements for any loan made by any Group Company to the Collateral Vessel Owner;
 - (vi) copies of any Shareholder Loan and corresponding subordination statement, duly executed by all parties thereto;
 - (vii) a copy of the class certificate for the Collateral Vessel from the relevant classification society, confirming that the Collateral Vessel is classed with the highest class normally used for such vessels, free of material overdue recommendations and adverse notations affecting the Collateral Vessel's class;

- (viii) a copy of the current DOC, ISSC and SMC for the Collateral Vessel;
 - (ix) evidence that new equity (in the form of share capital or Shareholder Loans) in an amount of EUR 14,000,000 has been contributed to the Issuer (or will, in connection with the payment for the shares in Cargow B.V., be contributed to the Issuer);
 - (x) evidence, in the form of a release letter or similar documentation from the lenders under such debt, that the relevant part of Existing Debt will be repaid in full;
 - (xi) evidence, in the form of a closing memorandum or similar, showing that the Sunshine Acquisition will be completed upon receipt by the relevant recipient of the funds to be released from the Escrow Account; and
 - (xii) legal opinions or other statements as may be required by the Bond Trustee, including in respect of corporate matters relating to the Obligors and the legality, validity and enforceability of the Finance Documents (unless delivered under paragraph (a) above as pre-settlement conditions precedent).
- (c) The Bond Trustee, acting in its sole discretion, may, regarding this Clause 6.1, waive the requirements for documentation or decide that delivery of certain documents shall be made subject to a Closing Procedure.

6.2 Disbursement of the proceeds

Disbursement of the proceeds from the issuance of the Bonds is conditional on the Bond Trustee's confirmation to the Paying Agent that the conditions in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have been either satisfied in the Bond Trustee's discretion or waived by the Bond Trustee pursuant to paragraph (c) of Clause 6.1 (*Conditions precedent for disbursement to the Issuer*).

6.3 Tap Issues

The Issuer may issue Additional Bonds if:

- (a) a Tap Issue Addendum has been duly executed by all parties thereto;
- (b) the Issuer provides to the Bond Trustee (in form and substance satisfactory to the Bond Trustee), evidence that:
 - (i) new equity (in the form of share capital or Shareholder Loans) has been contributed to the Issuer for the purpose of the Tap Issue, in an amount no less than the aggregate Nominal Amount to be issued in the Tap Issue; and
 - (ii) the pricing of the Tap Issue is equal to or above the Nominal Amount, and not a discount to the Nominal Amount; and
- (c) the representations and warranties contained in Clause 7 (*Representations and Warranties*) of these Bond Terms are true and correct in all material respects and repeated by the Issuer as at the date of issuance of such Additional Bonds.

7. REPRESENTATIONS AND WARRANTIES

The Issuer makes the representations and warranties set out in this Clause 7 (*Representations and Warranties*), in respect of itself and in respect of each Group Company to the Bond Trustee (on behalf of the Bondholders) at the following times and with reference to the facts and circumstances then existing:

- (a) on the date of these Bond Terms;
- (b) on the Issue Date;
- (c) on each date of disbursement of proceeds from the Escrow Account; and
- (d) on the date of issuance of any Additional Bonds.

7.1 Status

It is a limited liability company, duly incorporated and validly existing and registered under the laws of its jurisdiction of incorporation, and has the power to own its assets and carry on its business as it is being conducted.

7.2 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated by those Finance Documents.

7.3 Valid, binding and enforceable obligations

These Bond Terms and each other Finance Document to which it is a party constitutes (or will constitute, when executed by the respective parties thereto) its legal, valid and binding obligations, enforceable in accordance with their respective terms, and (save as provided for therein) no further registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against it.

7.4 Non-conflict with other obligations

The entry into and performance by it of these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated thereby do not and will not conflict with (a) any law or regulation or judicial or official order; (b) its constitutional documents; or (c) any agreement or instrument which is binding upon it or any of its assets.

7.5 No Event of Default

- (a) No Event of Default exists or is likely to result from the making of any disbursement of proceeds or the entry into, the performance of, or any transaction contemplated by, any Finance Document.
- (b) No other event or circumstance has occurred which constitutes (or with the expiry of any grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on it or any of its

Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which has or is likely to have a Material Adverse Effect.

7.6 Authorisations and consents

All authorisations, consents, approvals, resolutions, licences, exemptions, filings, notarisations or registrations required:

- (a) to enable it to enter into, exercise its rights and comply with its obligations under these Bond Terms or any other Finance Document to which it is a party; and
- (b) to carry on its business as presently conducted and as contemplated by these Bond Terms,

have been obtained or effected and are in full force and effect.

7.7 Litigation

No litigation, arbitration or administrative proceedings or investigations of or before any court, arbitral body or agency which, if adversely determined, is likely to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

7.8 Financial Reports

Its most recent Financial Reports fairly and accurately represent the assets and liabilities and financial condition as at their respective dates, and have been prepared in accordance with the Accounting Standard, consistently applied.

7.9 No Material Adverse Effect

Since the date of the most recent Financial Reports, there has been no change in its business, assets or financial condition that is likely to have a Material Adverse Effect.

7.10 No misleading information

Any factual information provided by it to the Bondholders or the Bond Trustee for the purposes of the issuance of the Bonds was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

7.11 No withholdings

The Issuer is not required to make any deduction or withholding from any payment which it may become obliged to make to the Bond Trustee or the Bondholders under the Finance Documents.

7.12 Pari passu ranking

Its payment obligations under these Bond Terms or any other Finance Document to which it is a party ranks as set out in Clause 2.4 (*Status of the Bonds*).

7.13 Security

No Security exists over any of the present assets of any Group Company in conflict with these Bond Terms.

8. PAYMENTS IN RESPECT OF THE BONDS

8.1 Covenant to pay

- (a) The Issuer will unconditionally make available to or to the order of the Bond Trustee and/or the Paying Agent all amounts due on each Payment Date pursuant to the terms of these Bond Terms at such times and to such accounts as specified by the Bond Trustee and/or the Paying Agent in advance of each Payment Date or when other payments are due and payable pursuant to these Bond Terms.
- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD on the Relevant Record Date, by, if no specific order is made by the Bond Trustee, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.
- (c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Bond Terms will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.
- (d) If a Payment Date or a date for other payments to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary has been set out for such payment in the relevant Finance Document.

8.2 Default interest

- (a) Default interest will accrue on any Overdue Amount from and including the Payment Date on which it was first due to and excluding the date on which the payment is made at the Interest Rate plus three percentage points per annum.
- (b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full.
- (c) Upon the occurrence of a Listing Failure Event and for as long as such Listing Failure Event is continuing, the interest on any principal amount outstanding under these Bonds Terms will accrue at the Interest Rate plus one percentage point per annum. In the event the Listing Failure Event relates to Temporary Bonds, the Interest Rate will only be increased in respect of such Temporary Bonds.

8.3 Partial Payments

- (a) If the Paying Agent or the Bond Trustee receives a Partial Payment, such Partial Payment shall, in respect of the Issuer's debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:

- (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee (and any Security Agent);
 - (ii) secondly, towards accrued interest due but unpaid; and
 - (iii) thirdly, towards any other outstanding amounts due but unpaid under the Finance Documents.
- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders, shall, after the above mentioned deduction of outstanding fees, liabilities and expenses, be applied: firstly, towards any principal amount due but unpaid and secondly, towards accrued interest due but unpaid, in the following situations:
- (i) if the Bond Trustee has served a Default Notice in accordance with Clause 14.2 (*Acceleration of the Bonds*); or
 - (ii) if a resolution according to Clause 15 (*Bondholders' Decisions*) has been made.

8.4 Taxation

- (a) Without prejudice to paragraph (d) below, the Issuer shall pay any stamp duty and other public fees accruing in connection with the Bond issue or any Transaction Security Document.
- (b) Each Obligor is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents.
- (c) The Obligors shall, if any tax is withheld in respect of the Bonds under the Finance Documents:
 - (i) gross up the amount of the payment due from it up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee, as the case may be, receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required; and
 - (ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made.
- (d) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.
- (e) The Bond Trustee shall not have any responsibility to obtain information about the Bondholders relevant for the tax obligations pursuant to these Bond Terms.

8.5 Currency

- (a) All amounts payable under the Finance Documents shall be payable in the Bond Currency. If, however, the Bond Currency differs from the currency of the bank account

connected to the Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.

- (b) Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its account manager in the CSD) within five Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

8.6 Set-off and counterclaims

No Obligor may apply or perform any counterclaims or set-off against any payment obligations pursuant to these Bond Terms or any other Finance Document.

9. INTEREST

9.1 Calculation of interest

- (a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.
- (b) Any Additional Bond will accrue interest at the Interest Rate on the Nominal Amount commencing on the first date of the Interest Period in which the Additional Bonds are issued and thereafter in accordance with paragraph (a) above.
- (c) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Interest Rate will be reset at each Interest Quotation Day by the Bond Trustee on behalf of the Issuer, who will notify the Issuer and the Paying Agent and, if the Bonds are listed, the Exchange, of the new Interest Rate and the actual number of calendar days for the next Interest Period.

9.2 Payment of interest

Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date.

10. REDEMPTION AND REPURCHASE OF BONDS

10.1 Redemption of Bonds

The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount.

10.2 Voluntary early redemption - Call Option

- (a) The Issuer may redeem all or part of the Outstanding Bonds (the "Call Option") on any Business Day from and including:

- (i) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount;
 - (ii) the First Call Date to, but not including, the Interest Payment Date in July 2026 at a price equal to 105.880 per cent. of the Nominal Amount for each redeemed Bond;
 - (iii) the Interest Payment Date in July 2026 to, but not including, the Interest Payment Date in January 2027 at a price equal to 103.920 per cent. of the Nominal Amount for each redeemed Bond;
 - (iv) the Interest Payment Date in January 2027 to, but not including, the Interest Payment Date in April 2027 at a price equal to 101.960 per cent. of the Nominal Amount for each redeemed Bond; and
 - (v) the Interest Payment Date in April 2027 to, but not including, the Maturity Date at a price equal to 100.595 per cent. of the Nominal Amount for each redeemed Bond.
- (b) Any redemption of Bonds pursuant to paragraph (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.
 - (c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least 10 Business Days prior to the proposed Call Option Repayment Date. Any such notice (i) shall be irrevocable, (ii) shall specify the Call Option Repayment Date and the aggregate Nominal Amount of Bonds to be redeemed and (iii) may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent which shall be satisfied or waived no later than three Business Days prior to the Call Option Repayment Date (and, if such conditions precedent have not been satisfied or waived by that date, such exercise of the Call Option shall automatically be cancelled).
 - (d) Any Call Option exercised in part will be used for *pro rata* payment to the Bondholders in accordance with the applicable regulations of the CSD.

10.3 Mandatory repurchase due to a Put Option Event

- (a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the "**Put Option**") to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101 per cent. of the Nominal Amount.
- (b) The Put Option must be exercised within 15 Business Days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 12.3 (*Put Option Event*). Once notified, the Bondholders' right to exercise the Put Option is irrevocable.
- (c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the fifth Business Day after the end of 15 Business Days exercise period referred to in paragraph (b) above. However, the settlement of the Put

Option will be based on each Bondholder's holding of Bonds at the Put Option Repayment Date.

- (d) If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased pursuant to this Clause 10.3, the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after the Put Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.

10.4 Early redemption option due to a tax event

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 40 Business Days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.

10.5 Mandatory early redemption due to a Mandatory Redemption Event

Upon a Mandatory Redemption Event, the Issuer shall promptly, and in any event not later than on the date occurring two Business Days after the Mandatory Redemption Event, redeem all the Outstanding Bonds at a price equal to 101 per cent. of the Nominal Amount plus accrued interest, by *inter alia* applying the funds deposited on the Escrow Account for such redemption.

10.6 Mandatory early redemption due to total loss, Piracy Event or disposal

- (a) Upon an actual or constructive total loss relating to the Collateral Vessel or a Piracy Event occurring, the Issuer shall, as soon as the insurance proceeds related to such total loss or Piracy Event are available, and in any event within 180 days of the relevant event, redeem Bonds in an amount equal to the higher of (i) the insurance proceeds received, or (ii) EUR 10,000,000, at a price equal to 100 per cent. of the Nominal Amount.
- (b) Upon a disposal by any Group Company of the Collateral Vessel, any shares in the Collateral Vessel Owner or any shares in Cargow B.V., the Issuer shall redeem Bonds in an amount equal to the full cash proceeds received in respect of such disposal, at a price equal to the applicable Call Option price at the time such disposal occurred.

11. PURCHASE AND TRANSFER OF BONDS

11.1 Issuer's purchase of Bonds

The Issuer may purchase and hold Bonds and such Bonds may be retained, sold or cancelled in the Issuer's sole discretion, including with respect to Bonds purchased pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

11.2 Restrictions

- (a) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible for ensuring compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.
- (b) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

12. INFORMATION UNDERTAKINGS**12.1 Financial Reports**

- (a) The Issuer shall prepare Annual Financial Statements in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than four months after the end of the financial year.
- (b) The Issuer shall prepare Interim Accounts in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than two months after each Quarter Date.

12.2 Requirements as to Financial Reports

- (a) The Issuer shall supply to the Bond Trustee, in connection with the publication of its Financial Reports pursuant to Clause 12.1 (*Financial Reports*), a Compliance Certificate with a copy of the Financial Reports attached thereto. The Compliance Certificate shall be duly signed by the chief executive officer or the chief financial officer of the Issuer, certifying *inter alia* that the Financial Reports fairly represent its financial condition as at the date of the relevant Financial Report and setting out (in reasonable detail) computations evidencing compliance with Clause 13.15 (*Financial covenants*) as at such date.
- (b) The Issuer shall procure that the Financial Reports delivered pursuant to Clause 12.1 (*Financial Reports*) are prepared using the Accounting Standard consistently applied.

12.3 Put Option Event

The Issuer shall promptly inform the Bond Trustee in writing after becoming aware that a Put Option Event has occurred.

12.4 Listing Failure Event

The Issuer shall promptly inform the Bond Trustee in writing if a Listing Failure Event has occurred. However, no Event of Default shall occur if the Issuer fails (a) to list the Bonds in accordance with Clause 4 (*Admission to Listing*) or (b) to inform of such Listing Failure Event, and such failure shall result in the accrual of default interest in accordance with paragraph (c) of Clause 8.2 (*Default interest*) for as long as such Listing Failure Event is continuing.

12.5 Information: Miscellaneous

The Issuer shall:

- (a) promptly inform the Bond Trustee in writing of any Event of Default or any event or circumstance which the Issuer understands or could reasonably be expected to understand may lead to an Event of Default and the steps, if any, being taken to remedy it;
- (b) at the request of the Bond Trustee, report the balance of the Issuer's Bonds (to the best of its knowledge, having made due and appropriate enquiries);
- (c) send the Bond Trustee copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;
- (d) if the Bonds are listed on an Exchange, send a copy to the Bond Trustee of its notices to the Exchange;
- (e) if the Issuer and/or the Bonds are rated, inform the Bond Trustee of its and/or the rating of the Bonds, and any changes to such rating;
- (f) inform the Bond Trustee of changes in the registration of the Bonds in the CSD; and
- (g) within a reasonable time, provide such information about the Issuer's and the Group's business, assets and financial condition as the Bond Trustee may reasonably request.

13. GENERAL AND FINANCIAL UNDERTAKINGS

The Issuer undertakes to (and shall, where applicable, procure that the other Group Companies will) comply with the undertakings set forth in this Clause 13.

13.1 Authorisations

The Issuer shall, and shall procure that each other Group Company will, in all respects obtain, maintain and comply with the terms of any authorisation, approval, licence and consent required for the conduct of its business as carried out from time to time, if failure to do so would have a Material Adverse Effect.

13.2 Compliance with laws

The Issuer shall, and shall procure that each other Group Company will, comply in all respects with all laws and regulations to which it may be subject from time to time (including any environmental laws and regulations), if failure to do so would have a Material Adverse Effect.

13.3 Continuation of business

The Issuer shall procure that no material change is made to the general nature of the business from that carried on by the Group at the Issue Date, provided that any expansion of any current business or into any ancillary or compatible business shall not be considered a change to the general nature of the Group's business.

13.4 Corporate status

The Issuer shall not change its type of organization or jurisdiction of incorporation.

13.5 Mergers and demergers

The Issuer shall not, and shall procure that no other Group Company will, carry out:

- (a) any merger or other business combination or corporate reorganisation involving the consolidation of assets and obligations of the Issuer or any other Group Company with any other person other than with a Group Company; or
- (b) any demerger or other corporate reorganisation having the same or equivalent effect as a demerger involving the Issuer or any Group Company,

if such merger, demerger, combination or reorganisation would have a Material Adverse Effect.

13.6 Financial Indebtedness

The Issuer shall not, and shall procure that no other Group Company will, incur, create or permit to subsist any Financial Indebtedness other than Permitted Financial Indebtedness.

13.7 Negative pledge

The Issuer shall not, and shall procure that no other Group Company will, create or permit to subsist any Security over any of its assets or enter into arrangements having a similar effect, other than Permitted Security.

13.8 Loans or credit

The Issuer shall not, and shall procure that no other Group Company will, be a creditor in respect of any Financial Indebtedness, other than any Permitted Loan.

13.9 No guarantees or indemnities

The Issuer shall not, and shall procure that no other Group Company will, incur or allow to remain outstanding any guarantee in respect of any obligation of any person, other than any Permitted Guarantee.

13.10 Ownership

The Issuer shall:

- (a) not sell, transfer, assign or otherwise dilute or dispose of any shares or any other ownership interest in any Group Company to any person not being a Group Company, unless the transaction is carried out in the ordinary course of business and further would not have a Material Adverse Effect; and
- (b) ensure that the Group remains the owner of the Collateral Vessel, all shares in the Collateral Vessel Owner and at least 18.6 per cent. of the shares in Cargow B.V., in each case unless disposed of for consideration in cash in a transaction which complies Clause 10.6 (*Mandatory early redemption due to total loss, Piracy Event or disposal*).

13.11 Arm's length transactions

Without limiting Clause 13.2 (*Compliance with laws*), the Issuer shall, and shall procure that each other Group Company will, conduct all business transactions on terms no less favourable to the Group Company than on an arm's length basis.

13.12 Distributions

The Issuer shall not make any Distributions.

13.13 Maintenance of Security

- (a) The Issuer shall, and shall procure that each other Group Company will, maintain the Transaction Security Documents in full force and effect, and do all acts which may be necessary to ensure that such Security remains duly created, enforceable and perfected with first priority ranking, creating the Security contemplated thereunder, at the expense of the Issuer or the relevant security provider (as the case may be).
- (b) The Issuer shall ensure that any new assets acquired which are of a type covered by the Transaction Security shall, immediately upon acquisition, be included in the Transaction Security (and that relevant other conditions precedent documents are delivered in connection therewith).

13.14 Collateral Vessel undertakings

The Issuer and the Collateral Vessel Owner (where applicable) shall procure that:

- (a) the Collateral Vessel is operated in all material respects in accordance with laws and regulations (and in compliance with all EU (including each of the individual member states), Norwegian, UK, UN and US sanctions regimes at all times) and good industry standards;
- (b) the Collateral Vessel Owner shall remain a single purpose company, conducting no other business than such activities naturally related to its ownership of the Collateral Vessel;
- (c) the Collateral Vessel and all relevant equipment related thereto are reasonably and satisfactorily maintained at all times, hereunder to retain the Collateral Vessel in class;
- (d) *Insurance*:
 - (i) insurance of the Collateral Vessel is taken out and maintained with financially sound and reputable insurance companies, funds or underwriters, including adequate insurance arrangements with respect to its assets, equipment and business against such liabilities, casualties and contingencies and of such types and in such amounts as are consistent with prudent business practice in their relevant jurisdiction;
 - (ii) the Collateral Vessel is adequately insured against: (A) Hull & Machinery risks at least covering the market value of the Collateral Vessel, (B) third party liability as per industry standards (P&I), (C) war risk (including expropriation risk) as per industry standards, and (D) any additional insurances required under law or any charter contract; and

- (iii) for the benefit of the Bond Trustee (on behalf of the Bondholders), Mortgagee Interest Insurance (MII) and Mortgagee Additional Perils (Pollution) Insurance (MAPI) or similar insurance is taken out (at the expense of the Issuer), if the Bond Trustee so requires; and
- (e) there is no change of flag, name and registry unless to an Approved Flag State.

13.15 Financial Covenants

- (a) The Issuer shall on a consolidated basis comply with the following Financial Covenants during the term of the Bonds:
 - (i) *Minimum Liquidity*: the Issuer shall procure that the Group maintains Liquidity of no less than an amount equal to 10.00 per cent. of the aggregate Nominal Amount of the Outstanding Bonds; and
 - (ii) *Total Debt to Total Assets*: the Issuer shall procure that the ratio of Total Debt to Total Assets at any time does not exceed 75.00 per cent.
- (b) The Issuer undertakes to comply with the Financial Covenant in paragraph (a)(i) above at all times and the Financial Covenant in paragraph (a)(ii) above on each Quarter Date, such compliance to be certified by the Issuer with a Compliance Certificate delivered in accordance with paragraph (a) of Clause 12.2 (*Requirements as to Financial Reports*).

13.16 Equity Cure

- (a) If the Issuer is in breach of the Financial Covenant in paragraph (a)(ii) of Clause 13.15 (*Financial covenants*), the Issuer shall have the right to remedy such breach (an “**Equity Cure**”) by receiving new equity capital or Shareholder Loans (the amount thereof being the “**Cure Amount**”), provided that:
 - (i) the Cure Amount has been paid to the Issuer within 20 Business Days after the delivery date for the Compliance Certificate evidencing such breach (the “**Equity Cure End Date**”);
 - (ii) the Cure Amount is sufficient to ensure that a recalculation of the Financial Covenants at the relevant calculation date would not show a breach of the relevant financial undertaking on such calculation date if the Cure Amount had at such time been taken into consideration in such calculations;
 - (iii) the Issuer, no later than on the Equity Cure End Date, provides to the Bond Trustee a Compliance Certificate evidencing compliance with the Financial Covenant in paragraph (a)(ii) of Clause 13.15 (*Financial covenants*) as at the relevant calculation date, taking into account the Equity Cure; and
 - (iv) no more than two Equity Cures may be effected during the tenor of the Bonds.
- (b) For the purposes of recalculation of the Financial Covenant in paragraph (a)(ii) of Clause 13.15 (*Financial covenants*), the Cure Amount shall be added to Total Assets.

14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

14.1 Events of Default

Each of the events or circumstances set out in this Clause 14.1 shall constitute an Event of Default:

(a) *Non-payment*

An Obligor fails to pay any amount payable by it under the Finance Documents when such amount is due for payment, unless:

- (i) its failure to pay is caused by administrative or technical error in payment systems or the CSD and payment is made within 5 Business Days following the original due date; or
- (ii) in the discretion of the Bond Trustee, the Issuer has substantiated that it is likely that such payment will be made in full within 5 Business Days following the original due date.

(b) *Breach of other obligations*

A Group Company does not comply with any provision of the Finance Documents other than set out under paragraph (a) (*Non-payment*) above, unless such failure is capable of being remedied and is remedied within 20 Business Days after the earlier of the Issuer's actual knowledge thereof, or notice thereof is given to the Issuer by the Bond Trustee.

(c) *Misrepresentation*

Any representation, warranty or statement (including statements in Compliance Certificates) made by any Group Company under or in connection with any Finance Documents is or proves to have been incorrect, inaccurate or misleading in any material respect when made, unless the circumstances giving rise to the misrepresentation are capable of remedy and are remedied within 20 Business Days after the earlier of the Issuer's actual knowledge of such misrepresentation, or notice thereof is given to the Issuer by the Bond Trustee.

(d) *Cross default and cross acceleration*

If for any Group Company:

- (i) any Financial Indebtedness is not paid when due nor within any applicable grace period; or
- (ii) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
- (iii) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described); or

- (iv) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of an event of default (however described) relating to non-payment, insolvency, insolvency proceedings or creditor's process, but not as a result of breach of any maintenance financial covenants,

provided however that the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above exceeds a total of EUR 5,000,000 (or the equivalent thereof in any other currency).

(e) *Insolvency and insolvency proceedings*

Any Group Company:

- (i) is Insolvent; or
- (ii) is the object of any corporate action or any legal proceedings are taken in relation to:
 - (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganisation; or
 - (B) a composition, compromise, assignment or arrangement with any creditor which may materially impair its ability to perform its obligations under these Bond Terms; or
 - (C) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or
 - (D) enforcement of any Security over any of its or their assets having an aggregate value exceeding the threshold amount set out in paragraph (d) (*Cross default*) above; or
 - (E) for paragraphs (A) to (D) above, any analogous procedure or step taken in any jurisdiction in respect of any such company,

in each case, provided that this shall not apply to any petition which is frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days of commencement.

(f) *Creditor's process*

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any Group Company having an aggregate value exceeding the threshold amount set out in paragraph (d) (*Cross default*) above and is not discharged within 20 Business Days.

(g) *Unlawfulness*

It is or becomes unlawful for any Group Company to perform or comply with any of its obligations under the Finance Documents to the extent this may materially impair:

- (i) the ability of the Issuer to perform its obligations under these Bond Terms; or
- (ii) the ability of the Bond Trustee or any Security Agent to exercise any material right or power vested to it under the Finance Documents.

14.2 Acceleration of the Bonds

If an Event of Default has occurred and is continuing, the Bond Trustee may, in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the Bondholders pursuant to Clause 14.3 (*Bondholders' instructions*) below, by serving a Default Notice to the Issuer:

- (a) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (b) exercise (or direct the Security Agent to exercise) any or all of its rights, remedies, powers or discretions under the Finance Documents or take such further measures as are necessary to recover the amounts outstanding under the Finance Documents.

14.3 Bondholders' instructions

The Bond Trustee shall serve a Default Notice pursuant to Clause 14.2 (*Acceleration of the Bonds*) if:

- (a) the Bond Trustee receives a demand in writing from Bondholders representing a simple majority of the Voting Bonds, that an Event of Default shall be declared, and a Bondholders' Meeting has not made a resolution to the contrary; or
- (b) the Bondholders' Meeting, by a simple majority decision, has approved the declaration of an Event of Default.

14.4 Calculation of claim

The claim derived from the Outstanding Bonds due for payment as a result of the serving of a Default Notice shall be calculated at the call prices set out in Clause 10.2 (*Voluntary early redemption – Call Option*), as applicable at the following dates (and regardless of the Default Repayment Date):

- (a) for any Event of Default arising out of a breach of paragraph (a) (*Non-payment*) of Clause 14.1 (*Events of Default*), the claim shall be calculated at the call price applicable at the date when such Event of Default occurred; and
- (b) for any other Event of Default, the claim shall be calculated at the call price applicable at the date when the Default Notice was served by the Bond Trustee,

provided that, if any situation described in paragraph (a) or (b) above takes place prior to the First Call Date, the calculation shall be based on the call price applicable on the First Call Date.

15. BONDHOLDERS' DECISIONS

15.1 Authority of the Bondholders' Meeting

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- (b) The Bondholders' Meeting cannot resolve that any overdue payment of any instalment shall be reduced unless there is a pro rata reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.
- (c) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
- (d) Subject to the power of the Bond Trustee to take certain action as set out in Clause 16.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
- (e) At least 50 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
- (f) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (g) below.
- (g) Save for any amendments or waivers which can be made without resolution pursuant to paragraph (a)(i) and (a)(ii) of Clause 17.1 (*Procedure for amendments and waivers*), a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of these Bond Terms.

15.2 Procedure for arranging a Bondholders' Meeting

- (a) A Bondholders' Meeting shall be convened by the Bond Trustee upon the request in writing of:
 - (i) the Issuer;
 - (ii) Bondholders representing at least 1/10 of the Voting Bonds;
 - (iii) the Exchange, if the Bonds are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or
 - (iv) the Bond Trustee.

The request shall clearly state the matters to be discussed and resolved.

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within 10 Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the requesting party may call the Bondholders' Meeting itself.
- (c) Summons to a Bondholders' Meeting must be sent no later than 10 Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).
- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.
- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or disposing of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (*Redemption and Repurchase of Bonds*).
- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by the Bondholders' Meeting (the Bond Trustee or such other representative, the "**Chairperson**").
- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The Chairperson may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt regarding whether a person is a Representative or entitled to vote, the Chairperson will decide who may attend the Bondholders' Meeting and exercise voting rights.
- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.

- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairperson. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairperson and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.
- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

15.3 Voting rules

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 3.3 (*Bondholders' rights*). The Chairperson may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.
- (b) Issuer's Bonds shall not carry any voting rights. The Chairperson shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) For the purposes of this Clause 15, a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 3.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.
- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the Chairperson will have the deciding vote.

15.4 Repeated Bondholders' Meeting

- (a) Even if the necessary quorum set out in paragraph (e) of Clause 15.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within 10 Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 15.3 (*Voting rules*) shall apply *mutatis mutandis* to a

repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (e) of Clause 15.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.

- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 15.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

15.5 Written Resolutions

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 15.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.
- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), 15.2 (*Procedure for arranging a Bondholders' Meeting*), Clause 15.3 (*Voting rules*) and Clause 15.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:
 - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 15.2 (*Procedure for arranging Bondholders Meetings*); or
 - (ii) provisions which are otherwise in conflict with the requirements of this Clause 15.5,
 shall not apply to a Written Resolution.
- (e) The Summons for a Written Resolution shall include:
 - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
 - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite

majority, which shall be at least 10 Business Days but not more than 15 Business Days from the date of the Summons (the “**Voting Period**”).

- (f) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders’ rights*), will be counted in the Written Resolution.
- (g) A Written Resolution is passed when the requisite majority set out in paragraph (f) or (g) of Clause 15.1 (*Authority of Bondholders’ Meeting*) has been obtained, based on a quorum of the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution will also be resolved if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
- (h) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being obtained.
- (i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the time specified in the summons on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (e) to (g) of Clause 15.1 (*Authority of Bondholders’ Meeting*).

16. THE BOND TRUSTEE

16.1 Power to represent the Bondholders

- (a) The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- (b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders’ rights and/or carrying out its duties under the Finance Documents.

16.2 The duties and authority of the Bond Trustee

- (a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.
- (b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other Obligor unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy between the indicative

terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.

- (c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.
- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.
- (f) The Bond Trustee shall facilitate that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to implement resolutions that may be in conflict with these Bond Terms, any other Finance Document, or any applicable law.
- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
 - (i) complying with instructions of the Bondholders; or
 - (ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 16.4 (*Expenses, liability and indemnity*), the Bond Trustee may refrain from acting in accordance with such instructions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

- (i) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.
- (j) The Bond Trustee may instruct the CSD to split the Bonds to a lower nominal value in order to facilitate partial redemptions, write-downs or restructurings of the Bonds or in other situations where such split is deemed necessary.

16.3 Equality and conflicts of interest

- (a) The Bond Trustee shall not make decisions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders. The Bond Trustee shall,

when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.

- (b) The Bond Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee is entitled to delegate its duties to other professional parties.

16.4 Expenses, liability and indemnity

- (a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee acting in accordance with instructions given by the Bondholders in accordance with these Bond Terms.
- (b) The Bond Trustee will not be liable to the Issuer for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss.
- (c) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.
- (d) The Bond Trustee shall not be considered to have acted negligently in:
 - (i) acting in accordance with advice from or opinions of reputable external experts; or
 - (ii) taking, delaying or omitting any action if acting with reasonable care and provided the Bond Trustee considers that such action is in the interests of the Bondholders.
- (e) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.
- (f) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. The Bond Trustee's obligations under the

Finance Documents are conditioned upon the due payment of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Bond Trustee Fee Agreement.

- (g) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any Finance Document which the Bond Trustee reasonably believes may constitute or lead to a breach of any Finance Document or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.
- (h) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to any Obligors, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee or the Security Agent in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, irrespective of such funds being subject to Transaction Security, and to set-off and cover any such costs and expenses from those funds.
- (i) As a condition to effecting any instruction from the Bondholders (including, but not limited to, instructions set out in Clause 14.3 (*Bondholders' instructions*) or Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

16.5 Replacement of the Bond Trustee

- (a) The Bond Trustee may be replaced by a majority of 2/3 of Voting Bonds in accordance with the procedures set out in Clause 15 (*Bondholders' Decisions*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 16.5, initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 16.5. The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.
- (d) The change of Bond Trustee shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the

Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits and any unpaid fees or expenses under the Finance Documents before the change has taken place.

- (e) Upon change of Bond Trustee, the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

16.6 Security Agent

- (a) The Bond Trustee is appointed to act as Security Agent for the Bonds, unless any other person is appointed. The main functions of the Security Agent may include holding Transaction Security (as agent) on behalf of the Secured Parties and monitoring compliance by the Issuer and other relevant parties of their respective obligations under the Transaction Security Documents with respect to the Transaction Security on the basis of information made available to it pursuant to the Finance Documents.
- (b) The Bond Trustee shall, when acting as Security Agent for the Bonds, at all times maintain and keep all certificates and other documents received by it, that are bearers of right relating to the Transaction Security in safe custody on behalf of the Bondholders. The Bond Trustee shall not be responsible for or required to insure against any loss incurred in connection with such safe custody.
- (c) Before the appointment of a Security Agent other than the Bond Trustee, the Issuer shall be given the opportunity to state its views on the proposed Security Agent, but the final decision as to appointment shall lie exclusively with the Bond Trustee.
- (d) The functions, rights and obligations of the Security Agent may be determined by a Security Agent Agreement to be entered into between the Bond Trustee and the Security Agent, which the Bond Trustee shall have the right to require each Obligor and any other party to a Finance Document to sign as a party, or, at the discretion of the Bond Trustee, to acknowledge. The Bond Trustee shall at all times retain the right to instruct the Security Agent in all matters, whether or not a separate Security Agent Agreement has been entered into.
- (e) The provisions set out in Clause 16.4 (*Expenses, liability and indemnity*) shall apply *mutatis mutandis* to any expenses and liabilities of the Security Agent in connection with the Finance Documents.
- (f) The parties hereto acknowledge and agree that any resignation by the retiring Security Agent is not effective with respect to its rights and obligations under the Parallel Debt until such rights and obligations have been assigned to and assumed by the successor Security Agent. The retiring Security Agent will reasonably cooperate in assigning its rights under the Parallel Debt to any such successor Security Agent, and will reasonably cooperate in transferring all rights under any Security Document governed by Dutch law to such successor Security Agent. All other parties hereby, in advance, irrevocably grant their cooperation to such transfer of all rights and obligations by the retiring Security Agent to a successor Security Agent.

16.7 Parallel debt (covenant to pay the Security Agent)

- (a) For the purpose of this Clause 16.7 the following terms shall have the following meaning:
 - (i) **“Parallel Debt”** means, in relation to any Obligor at any given time, an amount equal to the aggregate of the Principal Obligations at that time expressed in the relevant currency; and
 - (ii) **“Principal Obligations”** means, in relation to any Obligor and at any given time, each amount (whether matured or not) owing by that Obligor at that time to a Secured Party under the Finance Documents (other than the Parallel Debt);
- (b) Without prejudice to the other provisions of the Finance Documents and for the purpose of ensuring and preserving the validity, effect and continuity of the security rights granted and to be granted by the Issuer pursuant to the Security Documents, the Issuer hereby unconditionally and irrevocably undertakes to pay to the Security Agent its Parallel Debt on terms and conditions specified in this Clause 16.7 (the aforesaid being the **“Parallel Debt Covenant”**).
- (c) The Issuer and the Security Agent acknowledge that (i) for this purpose, the Parallel Debt created pursuant to the Parallel Debt Covenant constitutes undertakings, obligations and liabilities of the Issuer to the Security Agent that are separate and independent from, and without prejudice to, the Principal Obligations and (ii) the relevant Parallel Debt represents the Security Agent's own claim against the Issuer to receive payment of the relevant Parallel Debt, provided that the total amount which may become due under the relevant Parallel Debt shall never exceed the total amount which may become due under the relevant Principal Obligations.
- (d) The Issuer may not pay any of its Parallel Debt other than at the instruction of, and in the manner determined by, the Security Agent. Without prejudice to the preceding sentence, the Issuer shall be obliged to pay the Parallel Debt only when its relevant Principal Obligations have fallen due.
- (e) Any payment made, or amount recovered, in respect of the Parallel Debt shall reduce the relevant Principal Obligations to any Secured Party by the amount which that Secured Party has received out of that payment or recovery under the Finance Documents.
- (f) All parties hereto acknowledge and agree with the provisions of this Clause 16.7.
- (g) The parties hereto acknowledge that the Security Agent acts in its own name and not as agent or representative of any other Party in respect of the Parallel Debt Covenant.
- (h) For the avoidance of doubt, the Issuer and the Security Agent acknowledge and agree that the rules applicable in respect of common property (*gemeenschap*) do not apply, whether or not by analogy, to the relation between any relevant parties as a result of the Parallel Debt Covenant.

17. AMENDMENTS AND WAIVERS

17.1 Procedure for amendments and waivers

- (a) The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:
 - (i) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Bondholders' Decisions*).
- (b) Any changes to these Bond Terms necessary or appropriate in connection with the appointment of a Security Agent other than the Bond Trustee shall be documented in an amendment to these Bond Terms, signed by the Bond Trustee (in its discretion). If so desired by the Bond Trustee, any or all of the Transaction Security Documents shall be amended, assigned or re-issued, so that the Security Agent is the holder of the relevant Security (on behalf of the Bondholders). The costs incurred in connection with such amendment, assignment or re-issue shall be for the account of the Issuer.

17.2 Authority with respect to documentation

If the Bondholders have resolved the substance of an amendment to any Finance Document, without resolving on the specific or final form of such amendment, the Bond Trustee shall be considered authorised to draft, approve and/or finalise (as applicable) any required documentation or any outstanding matters in such documentation without any further approvals or involvement from the Bondholders being required.

17.3 Notification of amendments or waivers

- (a) The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 17, setting out the date from which the amendment or waiver will be effective, unless such notice according to the Bond Trustee's sole discretion is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.
- (b) Prior to agreeing to an amendment or granting a waiver in accordance with paragraph (a)(i) of Clause 17.1 (*Procedure for amendments and waivers*), the Bond Trustee may inform the Bondholders of such waiver or amendment at a relevant information platform.

18. MISCELLANEOUS

18.1 Limitation of claims

All claims under the Finance Documents for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of the Relevant Jurisdiction.

18.2 Access to information

- (a) These Bond Terms will be made available to the public and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee will not have any obligation to distribute any other information to the Bondholders or any other person, and the Bondholders have no right to obtain information from the Bond Trustee, other than as explicitly stated in these Bond Terms or pursuant to statutory provisions of law.
- (b) In order to carry out its functions and obligations under these Bond Terms, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.
- (c) The information referred to in paragraph (b) above may only be used for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

18.3 Notices, contact information

- (a) Written notices to the Bondholders made by the Bond Trustee will be sent to the Bondholders via the CSD with a copy to the Issuer and the Exchange (if the Bonds are listed). Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.
- (b) The Issuer's written notifications to the Bondholders will be sent to the Bondholders via the Bond Trustee or through the CSD with a copy to the Bond Trustee and the Exchange (if the Bonds are listed).
- (c) Notwithstanding paragraph (a) above and provided that such written notification does not require the Bondholders to take any action under the Finance Documents, the Issuer's written notifications to the Bondholders may be published by the Bond Trustee on a relevant information platform only.
- (d) Unless otherwise specifically provided, all notices or other communications under or in connection with these Bond Terms between the Bond Trustee and the Issuer will be given or made in writing, by letter or e-mail. Any such notice or communication will be deemed to be given or made as follows:
 - (i) if by letter, when delivered at the address of the relevant party;
 - (ii) if by e-mail, when received; and
 - (iii) if by publication on a relevant information platform, when published.
- (e) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address and telephone and contact persons.
- (f) When determining deadlines set out in these Bond Terms, the following will apply (unless otherwise stated):

- (i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
 - (ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
 - (iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.
- (g) The address of the Issuer for the purposes of paragraph (d) above is:

Longship Group B.V.
Øyvind Sivertsen & Dirk-Jan Miedema
Helperpark 272-4, 9723 ZA Groningen, The Netherlands
os@longship.com & djm@longship.com

18.4 Defeasance

- (a) Subject to paragraph (b) below and provided that:
- (i) an amount sufficient for the payment of principal and interest on the Outstanding Bonds to the relevant Repayment Date (including, to the extent applicable, any premium payable upon exercise of a Call Option), and always subject to paragraph (c) below (the “**Defeasance Amount**”) is credited by the Issuer to an account in a financial institution acceptable to the Bond Trustee (the “**Defeasance Account**”);
 - (ii) the Defeasance Account is irrevocably pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the “**Defeasance Pledge**”); and
 - (iii) the Bond Trustee has received such legal opinions and statements reasonably required by it, including (but not necessarily limited to) with respect to the validity and enforceability of the Defeasance Pledge,

then;

- (A) the Issuer shall be relieved from its obligations under paragraph (a) of Clause 12.2 (*Requirements as to Financial Reports*), Clause 12.3 (*Put Option Event*), Clause 12.5 (*Information: miscellaneous*) and Clause 13 (*General and Financial Undertakings*);
- (B) any Transaction Security shall be released and the Defeasance Pledge shall be considered replacement of the Transaction Security; and
- (C) any Obligor shall be released from any Guarantee or other obligation applicable to it under any Finance Document.

- (b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.
- (c) The Bond Trustee may, if the Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems necessary.
- (d) A defeasance established according to this Clause 18.4 may not be reversed.

19. GOVERNING LAW AND JURISDICTION

19.1 Governing law

These Bond Terms are governed by the laws of the Relevant Jurisdiction, without regard to its conflict of law provisions.

19.2 Main jurisdiction

The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the City Court of the capital of the Relevant Jurisdiction shall have jurisdiction with respect to any dispute arising out of or in connection with these Bond Terms. The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court.

19.3 Alternative jurisdiction

Clause 19 (*Governing law and jurisdiction*) is for the exclusive benefit of the Bond Trustee and the Bondholders and the Bond Trustee have the right:

- (a) to commence proceedings against the Issuer or any other Obligor or any of their respective assets in any court in any jurisdiction; and
- (b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

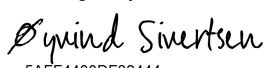
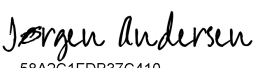
19.4 Power of Attorney.

If a party to these Bond Terms is represented by an attorney or attorneys in connection with the execution of these Bond Terms or any agreement or document pursuant hereto, and the relevant power of attorney is expressed to be governed by Dutch law, such choice of law is hereby accepted by the other party in accordance with article 14 of the Hague Convention on the Law Applicable to Agency of 14 March 1978.

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These Bond Terms have been executed by way of electronic signatures.

SIGNATURES:

<p>The Issuer:</p> <p>Longship Group B.V.</p> <p>DocuSigned by: 5AFF4480DF3244A.....</p> <p>By: Øyvind Sivertsen</p> <p>Position: Director</p>	<p>As Bond Trustee and Security Agent:</p> <p>Nordic Trustee AS</p> <p>DocuSigned by: 58A2C1FDB37C41Q.....</p> <p>By: Jørgen Andersen</p> <p>Position: PP</p>
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**ATTACHMENT 1
COMPLIANCE CERTIFICATE**

[date]

Longship Group B.V. FRN senior secured EUR 60,000,000 bonds 2024/2027

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer. Pursuant to paragraph (a) of clause 12.2 (*Requirements as to Financial Reports*) of the Bond Terms, a Compliance Certificate shall be issued in connection with each delivery of Financial Reports to the Bond Trustee.

This letter constitutes the Compliance Certificate for the period [●].

Capitalised terms used herein have the same meaning as in the Bond Terms.

With reference to Clause 12.2 (*Requirements as to Financial Reports*), we hereby certify that all information delivered under cover of this Compliance Certificate is true and accurate. Copies of our latest consolidated [Annual Financial Statements] / [Interim Accounts] are enclosed.

The Financial Covenants set out in Clause 13.15 (*Financial Covenants*) are met, please see the calculations and figures in respect of the covenants attached hereto.

We confirm that, to the best of our knowledge, no Event of Default has occurred or is likely to occur.

Yours faithfully,

Longship Group B.V.

Name of authorised person

Enclosure: Annual Financial Statements / Interim Accounts; [any other written documentation]

**ATTACHMENT 2
RELEASE NOTICE – ESCROW ACCOUNT**

[date]

Dear Sirs,

Longship Group B.V. FRN senior secured EUR 60,000,000 bonds 2024/2027

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer.

Capitalised terms used herein will have the same meaning as in the Bond Terms.

We hereby give you notice that we on [date] wish to draw all amounts from the Escrow Account to be applied pursuant to the purpose set out in the Bond Terms and in accordance with the flow of funds enclosed herewith, and request you to instruct the bank to release the above mentioned amount.

We hereby represent and warrant that (a) no Event of Default has occurred and is continuing or is likely to occur as a result of the release from the Escrow Account, and (b) the representations and warranties set out in the Bond Terms are true and accurate in all material respects at the date hereof.

Yours faithfully,

Longship Group B.V.

Name of authorised person

Enclosure I: Funds flow

APPENDIX 5
LOAN DESCRIPTION



Longship Group B.V. EUR 60,000,000 Senior Secured Bond Issue 2024/2027

Terms:

Documentation:

The Loan Agreement ¹⁾ is described more closely in Standard Terms

Before investing in the bond, the investor is encouraged to become familiar with relevant documents such as this term sheet, the Loan Agreement and the Issuer's financial accounts and articles of association and if relevant, admission document, cf. ABM-rules section 2.7.2.3. The documents are available from the Issuer and in Relevant Places. In the case of any discrepancies between the Loan Agreement and this term sheet, the Loan Agreement will apply.

Relevant Places:

<https://www.longship.com/>

Issuer/Borrower:

Longship Group B.V.

Borrowing Limit – Tap Issue:

EUR 60,000,000

First Tranche / Loan Amount: ²⁾

EUR 40,000,000

Disbursement Date: ³⁾

2 July 2024

Maturity Date: ⁴⁾

2 July 2027

NIBOR: ⁵⁾

N/A (Reference Rate of the Bonds is 3 months EURIBOR)

Margin:

8.75% p.a.

Interest Rate: ⁶⁾

3 months EURIBOR + margin. See Special (distinct) conditions below.

Day Count Fraction– Interest Rate:

Actual/360

Interest Payment Date: ⁷⁾⁹⁾

2 January, 2 April, 2 July and 2 October each year, with the first Interest Payment Date being 2 October 2024, and the last Interest Payment Date being the Maturity Date. Business day convention is modified following.

Business Day Convention: ⁸⁾

Disbursement Date (2 July 2024)

Interest accrual date (from and including):

Disbursement Date (2 July 2024)

Final interest payment date (to):

Maturity Date (2 July 2027)

days first term:

92 days

Status of the Loan ¹⁰⁾

Senior secured

Issue Price: ¹¹⁾

100% of par value

Denomination:

EUR 100,000, the minimum permissible investment in the bonds is EUR 100,000, and integral multiples of EUR 100,000 in excess thereof

Call: ¹²⁾

Redemption Date(s): See Special (distinct) conditions
Price: See Special (distinct) conditions

Issuer's org. number/LEI-code:

NL 71415750/724500350630V98N8717

Number / Codes:

Sector Code:	9100	Geographic code:	811	Industry (trade) Code:	50201
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Usage of funds:

The Issuer will use the Net Proceeds from the Initial Bond Issue for:

- refinancing in full of the Existing Debt;
- funding of the Sunshine Acquisition; and
- any residual amount for general corporate purposes of the Group.

The Issuer will use the Net Proceeds from the issue of any Additional Bonds for general corporate purposes of the Group (unless otherwise set out in the relevant Tap Issue addendum).

Please refer to the Loan Agreement clause 1.1 (*Definitions*) for definitions and clause 2.3 (*Use of proceeds*).

Approvals / Permissions:

- The issuance was approved by the board of directors on 28 June 2024

	<ul style="list-style-type: none"> The admission document has been inspected by Oslo Børs, cf. ABM-rules sec. 2.7
Trustee / Bondholders' Representative:	Nordic Trustee AS, P.O. Box 1470, N-0116 Oslo, Norway
Arranger(s):	Clarksons Securities AS, Munkedamsveien 62 C, N-0270 Oslo, Norway
Paying Agent:	Nordic Trustee AS, P.O. Box 1470, N-0116 Oslo, Norway
Securities Depository:	Verdipapirsentralen ASA
FISN- and CFI-code	FISN: Longship Group/VAR BD 20270702, CFI: DBVGGR
Market making:	No market-maker agreement has been entered into for the issuance of the Bonds.
MiFiD II target market of end clients:	Eligible counterparties, professional clients and retail clients (all distribution channels) who a) have at least a common/normal understanding of the capital markets, b) are able to bear the losses of their invested amount, c) are willing to accept risks connected with the Bonds, and d) have an investment horizon which takes into consideration the liquidity of the Bonds.
Withholding tax: ¹³⁾	<p>Non PRIIPS, No KID</p> <p>Gross up, with customary repayment option at par value if gross up is required due to change in applicable laws following the date of the Loan Agreement.</p> <p>Please refer to the Loan Agreement clause 1.1 (<i>Definitions</i>) for definitions and clause 10.4 (<i>Early redemption option due to a tax event</i>).</p>
Special (distinct) conditions:	<p>EURIBOR:</p> <p>The Reference Rate of the Bonds is EURIBOR. If EURIBOR is less than zero, EURIBOR shall be deemed to be zero (not the Interest Rate, as stated under Interest Determination below).</p> <p>Interest Rate:</p> <p>The Interest Rate is calculated on the Interest Quotation Day (being 2 Quotation Business Days before the first day of the relevant Interest Period). This does not necessarily equal 2 Business Days (as stated under Interest Determination Date below).</p> <p>Please refer to the Loan Agreement clause 1.1 (<i>Definitions</i>) for definitions and clause 9 (<i>Interest</i>).</p> <p>Default Interest:</p> <p>Interest Rate plus 3 percentage points p.a. (not the default interest rate stated under Disbursement Date below).</p> <p>Please refer to the Loan Agreement clause 1.1 (<i>Definitions</i>) for definitions and clause 8.2 (<i>Default interest</i>).</p> <p>Tap Issues:</p> <p>The Issuer may, provided that (i) no Event of Default is continuing and (ii) the Conditions Precedent for Tap Issues are fulfilled, on one or more occasions issue Additional Bonds under the Bond Issue (each such issue, a "Tap Issue"), until the aggregate Nominal Amount of all Bonds outstanding equals the Maximum Issue Amount (less the Nominal Amount of any previously redeemed Bonds).</p> <p>The Additional Bonds issued in a Tap Issue shall be subject to the terms and conditions of the Bond Terms and have the same rights as the Bonds issued under the initial Bond Issue. Any such Additional Bonds may be issued at par or at a premium to par, but not at a discount to par (not necessarily on market prices, as stated under Issue price – Tap Issues below). For Tap Issues not falling on an Interest Payment Date, accrued interest will be calculated using standard market practice in the secondary bond market.</p> <p>If the Bonds are listed on an Exchange and there is a requirement for a new prospectus for such Additional Bonds to be listed together with the existing Bonds, the Additional Bonds may be issued under a separate ISIN (such Bonds being referred to as the "Temporary Bonds"). Upon the approval of the prospectus by the relevant Exchange, the Issuer shall notify the Bond Trustee, the relevant Exchange and the Paying Agent and ensure that the Temporary Bonds are converted into the ISIN for the existing Bonds.</p> <p>Please refer to the Loan Agreement clause 1.1 (<i>Definitions</i>) for definitions and clause 6.1 (<i>Tap Issues</i>).</p> <p>Voluntary early redemption – Call Option:</p> <p>The Issuer may redeem all or part of the Outstanding Bonds (the "Call Option") on any Business Day from and including:</p> <ul style="list-style-type: none"> (i) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount (ii) the First Call Date to, but not including, the Interest Payment Date falling 24 months after the Issue Date at a price equal to 105.88% (the "First Call Price") of the Nominal Amount of the redeemed Bonds;

- (iii) the Interest Payment Date falling 24 months after the Issue Date, but not including, the Interest Payment Date falling 30 months after the Issue Date at a price equal to 103.92% of the Interest Rate of the Nominal Amount of the redeemed Bonds;
- (iv) the Interest Payment Date falling 30 months after the Issue Date, but not including, the Interest Payment Date falling 33 months after the Issue Date at a price equal to 101.96% of the Interest Rate of the Nominal Amount of the redeemed Bonds; and
- (v) the Interest Payment Date falling 33 months after the Issue Date, but not including, the Maturity Date falling at a price equal to 100.595% of the Interest Rate of the Nominal Amount of the redeemed Bonds,

in each case, including any accrued but unpaid interest on the redeemed Bonds.

The Call Option can be made subject to the satisfaction of one or more conditions precedent to be satisfied or waived by the Issuer no later than 3 Business Days prior to the Call Option Repayment Date. If such conditions precedent have not been satisfied or waived by that date, the call notice shall be null and void.

Please refer to the Loan Agreement clause 1.1 (*Definitions*) for definitions and clause 10.2 (*Voluntary early redemption – Call Option*).

Mandatory repurchase due to a Put Option Event:

Upon the occurrence of a Change of Control Event ("**Put Option Event**"), each Bondholder will have a right to require that the Issuer repurchases all or some of the Bonds held by that Bondholder ("**Put Option**") at a price equal to 101% of the Nominal Amount during a period of 15 Business Days following the notice of a Change of Control Event. The Put Option repayment date will be the fifth Business Day after the end of the 15 Business Days exercise period (the "**Put Option Repayment Date**").

If Bonds representing more than 90% of the Outstanding Bonds have been repurchased due to the Put Option, the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated above by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after the Put Option Repayment Date.

"**Change of Control Event**" means the occurrence of an event or series of events whereby the Existing Owners jointly cease to have Decisive Influence over the Issuer.

Please refer to the Loan Agreement clause 1.1 (*Definitions*) for definitions and clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

Mandatory early redemption due to total loss, Piracy Event or disposal:

- (a) Upon an actual or constructive total loss relating to the Collateral Vessel or Piracy Event occurring, the Issuer shall, as soon as insurance proceeds related to such total loss or Piracy Event are available and in any event within 180 days of the relevant event, redeem Bonds with an amount equal to the higher of (i) the insurance proceeds received or (ii) EUR 10,000,000, at a price equal to 100% of the Nominal Amount, plus accrued and unpaid interest on the redeemed Bonds.
- (b) Upon a disposal by any member of the Group of the Collateral Vessel, any share in the Collateral Vessel Owner or any share in Cargow B.V., such disposal shall be for cash and the Issuer shall redeem Bonds with an amount equal to the full cash proceeds received in such disposal at a price equal to the applicable call price at the time such disposal occurred, plus accrued and unpaid interest on the redeemed Bonds.

Please refer to the Loan Agreement clause 1.1 (*Definitions*) for definitions and clause 10.6 (*Mandatory early redemption due to total loss, Piracy Event or disposal*).

Undertakings:

General and financial undertakings/covenants

The Issuer shall, and shall to the extent applicable ensure that all other Group Companies will comply with the undertakings set forth in the Loan Agreement clause 13 (*General and financial undertakings*), which includes restrictions on Mergers and demergers, Financial Indebtedness, Negative pledge, Loans or credit, No guarantees or indemnities, Ownership, Arm's length transactions, Distributions, Maintenance of Security and Collateral Vessel undertakings.

Please refer to clause 1.1 (*Definitions*) for definitions and clause 13 (*General and financial undertakings*).

Financial Covenants

The Issuer shall on a consolidated basis comply with the following Financial Covenants during the term of the Bonds:

- (i) Minimum Liquidity: the Issuer shall procure that the Group maintains a Liquidity of no less than an amount equal to 10% of the aggregate Nominal Amount of the Outstanding Bonds;

- and
- (ii) Total Debt to Total Asset: the Issuer shall procure that the ratio of Total Debt to Total Assets at any time does not exceed 75%.

The Issuer undertakes to comply with the requirement for minimum Liquidity at all times and the requirement for Total Debt to Total Assets ratio on each Quarter Date, such compliance to be certified by the Issuer with a compliance certificate delivered in connection with each Annual Financial Statement and Interim Account.

If the Issuer is in breach of the Total Debt to Total Assets covenant, the Issuer shall have the right to remedy such breach (an "Equity Cure") by receiving new equity capital or Shareholder Loans (the amount thereof being the "Cure Amount"), provided that:

- (i) the Cure Amount has been paid to the Issuer within 20 Business Days after the delivery date for the compliance certificate (the "Equity Cure End Date");
- (ii) the Cure Amount is sufficient to ensure that a recalculation of the Financial Covenants at the relevant calculation date would not show a breach of the relevant financial undertaking on such calculation date if the Cure Amount had at such time been taken into consideration in such calculations;
- (iii) the Issuer, no later than on the Equity Cure End Date, provides to the Bond Trustee a Compliance Certificate evidencing compliance with the Financial Covenant in paragraph (a)(ii) of Clause 13.15 (*Financial covenants*) as at the relevant calculation date, taking into account the Equity Cure; and
- (iv) no more than two Equity Cures may be effected during the tenor of the Bonds.

For the purpose of recalculation of the Total Debt to Total Assets the Cure Amount shall be added to Total Assets.

Please refer to the Loan Agreement clause 1.1 (*Definitions*) for definitions, clause 13.15 (*Financial Covenants*) and clause 13.16 (*Equity Cure*).

Issuer's purchase of Bonds:

The Issuer may purchase and hold Bonds and such Bonds may be retained, sold or cancelled in the Issuer's sole discretion, including with respect to Bonds purchased pursuant to a mandatory repurchase due to a Put Option Event, considering restrictions related to applicable local laws and regulations.

Please refer to the Loan Agreement clause 1 (*Definitions*) for definitions, clause 11 (*Purchase and transfer of Bonds*) and clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

Financial reports:

The Issuer shall prepare Annual Financial Statements in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than four months after the end of the financial year.

The Issuer shall prepare Interim Accounts in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than two months after each Quarter Date.

Please refer to the Loan Agreement clause 1.1 (*Definitions*) for definitions, clause 12.1 (*Financial Reports*) and clause 12.2 (*Requirements as to Financial Reports*).

Supplementary information about the status of the loan and collateral:¹⁰⁾

The Bonds will constitute senior debt obligations of the Issuer. The Bonds will rank at least *pari passu* with each other and with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation, or other similar laws of general application).

The Bonds shall be secured by the Transaction Security on a first-priority basis, subject only to liens preferred by mandatory laws.

Transactions Security:

All amounts outstanding under the Finance Documents, including but not limited to principal, premium, interest, default interest, fees and expenses, shall (subject to any mandatory limitations under applicable law and the Closing Procedure) at all times be secured by the following:

- (i) a first priority Norwegian law pledge over the Escrow Account (the "**Escrow Account Pledge**");
- (ii) first priority mortgages over the Collateral Vessel including all relevant equipment being legally part of the Collateral Vessel under the applicable law (the "**Mortgage**"), (including any deed of covenants supplemental to the Mortgage and to the security thereby created between the Collateral Vessel Owner and the Bond Trustee (on behalf of the Bondholders));

- (iii) first priority assignment over all relevant insurances related to the Collateral Vessel and the equipment related thereto (the "**Assignment of Insurances**");
- (iv) first priority pledge over all the shares (100%, including shares in any class) in the Issuer (the "**Issuer Share Pledge**"), together with relevant letters of resignation and authority to appoint new board members;
- (v) first priority pledge over all the shares (100%, including shares in any class) in the Collateral Vessel Owner (the "**Vessel Owner Share Pledge**"), together with relevant letters of resignation and authority to appoint new board members;
- (vi) first priority pledge over all the shares owned by any Group Company in Cargow B.V. (equal to no less than 18.6% of the issued shares) (the "**Cargow Share Pledge**");
- (vii) to the extent possible under applicable laws, a first priority assignment of all earnings related to the Collateral Vessel (the "**Assignments of Earnings**");
- (viii) an all asset security agreement (general floating charge) in respect of all assets of the Collateral Vessel Owner (the "**Asset Security Agreement**");
- (ix) first priority assignment over all loans made by a Group Company to the Collateral Vessel Owner (the "**Assignment of Intragroup Loans**");
- (x) assignment over all Shareholder Loans (the "**Assignment of Shareholder Loans**"); and
- (xi) joint and several guarantee (Norwegian: "selvskyldnerkausjon") or similar under Norwegian or other applicable law (as determined by the Bond Trustee) from the Guarantor, which shall constitute senior obligations of the Guarantor (the "**Guarantee**").

The documents and agreements relating to the Transaction Security listed in items (i) through (xi) above shall collectively be referred to as the "**Transaction Security Documents**" and the security interests created thereby shall be referred to as the "**Transaction Security**", and shall be made in favour of the Bond Trustee (on behalf of the Bondholders).

The Pre-Settlement Security shall be established no later than two (2) Business Days before the Issue Date. The relevant Pre-Disbursement Security shall be established prior to (or as the case may be, in connection with) the release of funds from the Escrow Account, subject to the Closing Procedure.

The Bond Trustee shall (in its capacity as security agent) in the case of a disposal permitted hereunder, immediately release any Transaction Security divested through such disposal.

Please refer to the Loan Agreement clause 1.1 (*Definitions*) for definitions and clause 2.5 (*Transaction Security*).

Standard Terms:

If any discrepancy should occur between this Loan Description and the Loan Agreement, then the Loan Agreement will apply.

Loan Agreement: ¹⁾	The Loan Agreement will be entered into between the Issuer and the Trustee prior to Disbursement Date. The Loan Agreement regulates the Bondholder's rights and obligations in relations with the Issue. The Trustee enters into this agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Loan Agreement. When bonds are subscribed/purchased, the Bondholder has accepted the Loan Agreement and is bound by the terms of the Loan Agreement. If subscription is made prior to finalisation of the Loan Agreement, the subscriber is deemed to have granted authority to the Trustee to finalise the Loan Agreement. For tap issues, the Loan Agreement will apply for later issues made within the Borrowing Limit. The parties' rights and obligations are also valid for subsequent issued bonds within the Borrowing Limit.
Open / Close: ³⁾⁴⁾	Tap Issues will be opened on Disbursement Date and closed no later than five banking days before Maturity Date.
Disbursement Date: ³⁾	Payment of the First Tranche / Loan Amount takes place on the banking date ahead of the Disbursement Date as agreed with the Manager(s). In case of late payment, the applicable default interest rate according to "lov 17. desember 1976 nr 100 om renter ved forsinket betaling m.m." will accrue.
Expansions – Tap Issues: ²⁾	For Tap Issues the Issuer can increase the loan above the First Tranche/Loan Amount. For taps not falling on Interest Payment Dates, Accrued Interest will be calculated using standard market practice in the secondary bond market. The Issuer may apply for an increase of the Borrowing Limit.
Issue price – Tap Issues: ¹¹⁾	Any taps under the Tap Issue will be made at market prices.
Interest Determination Date: ⁷⁾	2 Business Days prior to Date of Interest Payment Date

Interest Determination: ^{6/7)}	The regulation of the Interest Rate is effective from each Interest Payment Date. The new interest rate is determined on Interest Determination Date based on NIBOR with additional margin. If the Interest Rate becomes negative, the Interest Rate is set to zero. The new interest rate and the next interest term/period will be notified the Bondholders in writing through the Securities Depository. The Trustee and Nordic ABM shall also be notified immediately.
NIBOR – definition: ⁵⁾	(Norwegian Interbank Offered Rate) Interest rate fixed for a defined period as distributed by Global Rate Set Systems (GRSS) at approximately 12.00 Oslo time on Interest Determination Date. In the event that this rate is not available, either a linear interpolation between the two closest interest rate periods using the same number of decimals, or another available interest rate for deposits for similar currency and period. If none of the above is available, the interest rate will be defined by the Bond Trustee in consultation with the issuer. In this latter case the rate will be set to the rate that is generally accepted by market participants as replacement for NIBOR or a rate that reflects the interest rate offered in the deposit market in NOK for the relevant Interest Period. NIBOR is calculated to two Business Days prior to every Interest Payment Date, rounded to the nearest hundredth of a percentage point, for the Interest Period stated. NIBOR applies with effect from each Interest Payment Date to the next Interest Payment Date. If NA is specified, Reference Rate does not apply.
Interest Period: ^{9/7)}	The interest is due in arrears on the Interest Payment Date. The first interest period matures on the first Interest Payment Date after the Disbursement Date. The next period runs from this date until the next Interest Payment Date. The last period of interest ends on Maturity Date.
Accrued interest:	Accrued Interest for trades in the secondary bond market are calculated on the basis of current recommendations of Norsk Finansanalytikerforening (The Norwegian Society of Financial Analysts).
Standard Business Day Convention: ⁸⁾	Modified Following: If the Interest Payment Date is not a banking day, the Interest Payment Date shall be postponed to the next banking day. However, if this day falls in the following calendar month, the Interest Payment Date is moved to the first banking day preceding the original date.
Condition – Issuer’s call option: ¹³⁾	Exercise of Call shall be notified by the Issuer to the Bondholders and the Bond Trustee at least ten Business Days prior to the relevant Call Date. Partial exercise of Call shall be carried out pro rata between the Bonds (according to the procedures in the Securities Register).
Registration:	The loan must prior to disbursement be registered in the Securities Depository. The bonds are being registered on each Bondholders account or nominee account in the Securities Depository.
Issuer’s acquisition of bonds:	The Issuer has the right to acquire Bonds and to retain, sell or discharge such Bonds in the Securities Depository. Subordinated bonds may not be purchased, sold or discharged by the Issuer without the consent of Finanstilsynet, provided that such consent is required.
Amortisation: ⁴⁾	The bonds will run without instalments and be repaid in full on Maturity Date at par, provided the Issuer has not called the bonds.
Redemption:	Matured interest and matured principal will be credited each Bondholder directly from the Securities Registry. Claims for interest and principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period Claims of May 18 1979 no 18, p.t. 3 years for interest rates and 10 years for principal.
Sale:	Tranche 1/ Loan Amount has been sold by the Arranger(s). Later taps can also be made by other authorized investment firms.
Legislation:	Disputes arising from or in connection with the Loan Agreement, which are not resolved amicably, shall be resolved in accordance with Norwegian law and the Norwegian courts. Legal suits shall be served at the Trustee’s competent legal venue.
Fees and expenses:	Any public fees payable in connection with the Bond Agreement and fulfilling of the obligations pursuant to the Bond Agreement shall be covered by the Issuer. The Issuer is not responsible for reimbursing any public fees levied on the trading of Bonds.
Withholding tax: ¹³⁾	The issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the bonds. In case of Gross up, the issuer shall be liable to gross up any payments in relation to the bonds by virtue of withholding tax, public levy or similar taxes. In case of No gross up, the issuer shall not be liable to gross up any payments in relation to the bonds by virtue of withholding tax, public levy or similar taxes.



LONGSHIP

11 November

2024



CLARKSONS