



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: ⁸⁾

Business day convention is modified following.

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
---------------------	------	-------------------------	-----	-------------------------------	-------

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