

1 SUMMARY

This prospectus summary (the "**Summary**") has been prepared in accordance with Article 7 of the EU Prospectus Regulations, setting out the key information that investors need in order to understand the nature and the risks of the Issuer and the Bonds, and is to be read together with the other parts of this Prospectus to aid investors when considering whether to invest in the Bonds.

1.1 Introduction and warnings

1.1.1 The name and international securities identification number (ISIN) of the Bonds

This Prospectus relates to the Klaveness Combination Carriers ASA senior unsecured sustainability-linked callable bond issue 2023/2028 with ISIN NO 0013008656.

1.1.2 The identity and contact details of the Issuer, including its legal entity identifier (LEI)

Klaveness Combination Carriers ASA with business registration number 920 662 838, registered office at Drammensveien 260, 0283 Oslo, Norway and LEI code 213800ZFB2MQM3JA6K52.

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

The Issuer is the same person as the person asking for admission to trading on the Oslo Stock Exchange.

1.1.4 The identity and contact details of the competent authority approving the Prospectus

The competent authority approving the Prospectus is the Financial Supervisory Authority of Norway, business registration number 840 747 972, and registered office at Revierstredet 3, 0151 Oslo, Norway.

1.1.5 The date of approval of the Prospectus

This Prospectus was approved by the Financial Supervisory Authority of Norway on 18 October 2023.

1.1.6 Applicable warnings

- (i) This Summary should be read as an introduction to the Prospectus;
- (ii) Any decision to invest in the Bonds should be based on a consideration of the Prospectus as a whole by the investor;
- (iii) An investment in the Bonds involves inherent risk. Before making an investment decision, investors should carefully consider the risk factors and all information contained in the Prospectus, including the Financial Information. An investment in the Bonds is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment, as all the invested capital can be lost;
- (iv) Where a claim relating to the Bonds or the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated;
- (v) Civil liability attaches only to those persons who have tabled the Summary including any translation thereof, but only where the Summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Bonds;
- (vi) As an investment product the Bonds are not simple and may be difficult to understand.

1.2 Key information on the Issuer

1.2.1 Who is the Issuer of the Bonds?

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

The Company is a global owner and operator of combination carriers. The Company's fleet consists of 16 vessels and three newbuilds. The vessels consecutively switch between transporting tanker and dry bulk cargo and are employed in trades where standard dry bulk and tanker vessels sail empty (sail in ballast) over long distances due to trade imbalances. Most of the time, the combination carriers combine a tanker cargo in one direction and a dry bulk cargo on

the return voyage with minimum ballast in-between. By replacing the less efficient standard tankers and dry bulk vessels, the combination carriers reduce carbon emissions per transported tonne-mile by 30-40 % in KCC's main trade lanes.

1.2.1.1 The Issuer's major shareholders

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

#	Name of shareholder	Number of Shares	%
1	Rederiaksjeselskapet Torvald Klaveness	32,537,608	53.82 %
2	EGD Shipping Invest AS	5,860,819	9.69 %
3	Nordea Funds Ltd. ¹	3,482,230	5.76 %
	Total top 3 shareholders:	41,880,657	69.27 %
	Other:	18,577,574	30.73 %
	Total shareholders:		100.00 %

1.2.1.2 The identity of the Issuer's key managing directors

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

Name	Position	Served since
Engebret Dahm	CEO	January 2015 ²
Liv Hege Dynes	CFO	February 2017 ³

1.2.1.3 The identity of the Company's statutory auditors

The Company's independent auditor is Ernst & Young AS (EY), with business registration number 976 389 387, and registered address at Stortovet 7, 0155 Oslo, Norway. EY is a member of Den Norske Revisorforeningen (The Norwegian Institute of Public Accountants).

1.2.2 What is the key financial information regarding the Issuer

The summary of selected consolidated financial data below present data extracted from the Group's interim financial statements for the six-month period ended 30 June 2023 (with comparable figures for the same period in 2022) and annual financial statements for the year ended 31 December 2022 (with comparable figures for the same period in 2021). The presented data is in accordance with IFRS as endorsed by the European Union.

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

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

The selected historical consolidated financial information for the Group set out below should be read in conjunction with the Financial Information in the Prospectus.

Key financial information - Income statement:

In USD '000	Six-month period ended 30 June 2023 (unaudited)	Six-month period ended 30 June 2022 (unaudited)	Year ended 31 December 2022 (audited)	Year ended 31 December 2021 (audited)

¹ Consolidated ownership through several funds. Please see section 8.3 for an overview of the number of shares held by the individual funds.

² Engebret Dahm was appointed CEO of the Company in 2018. Before that he held the position as Head of Combination Carriers in Torvald Klaveness.

³ Liv Hege Dynes was appointed CFO of the Company in 2018. Before that she held the position as CFO of Torvald Klaveness.

Operating profit before depreciation	70,500	44,366	106,955	67,064
Operating profit after depreciation	54,041	30,135	75,611	38,398
Profit after tax	44,696	23,537	60,869	22,600

Key financial information - Balance sheet:

<i>In USD '000</i>	Six-month period ended 30 June 2023 (unaudited)	Six-month period ended 30 June 2022 (unaudited)	Year ended 31 December 2022 (audited)	Year ended 31 December 2021 (audited)
Mortgage debt	167,129	236,981	156,534	249,993
Long-term financial liabilities	7,938	3,275	2,466	2,017
Long-term lease liabilities	0	740	0	1,008
Bond loan	64,224	69,990	69,975	78,205
Short-term mortgage debt	25,199	23,936	92,769	23,936
Other interest bearing liabilities	924	830	233	2,409
Short-term financial liabilities	223	0	249	0
Short-term lease liabilities	0	595	0	618
Total financial debt	265,637	336,347	322,226	358,186
Cash and cash equivalent	83,781	67,189	64,918	53,937
Net financial debt (long term debt plus short term debt minus cash)	181,856	269,158	257,308	304,249

Key financial information - Cash flow statement

<i>In USD '000</i>	Six-month period ended 30 June 2023 (unaudited)	Six-month period ended 30 June 2022 (unaudited)	Year ended 31 December 2022 (audited)	Year ended 31 December 2021 (audited)
Net cash flow from operating activities	81,393	54,693	105,883	45,850
Net cash flow from financing activities	(55,810)	(34,142)	(82,489)	46,254
Net cash flow from investing activities	(7,411)	(5,821)	(10,238)	(105,517)

The Prospectus does not contain any profit forecasts or estimates, or any pro forma financial information. The audit reports do not include any qualifications.

1.2.3 What are the key risks that are specific to the Issuer

Below is a brief description of the most material risk factors specific to the Issuer contained in the Prospectus:

- The Group relies on its vessels obtaining exemptions from clients and terminals to operate as CLEANBU vessels.

- Dependency on a limited number of customers and renewal of key/material contracts of affreightment, particularly related to caustic soda transportation.
- The Group is dependent on certain trade flows to obtain efficient combination trading.
- Risks relating to failed delivery of and introduction of newbuilds.
- The Group is exposed to the highly cyclical nature of the dry bulk and product tanker shipping industries.
- The Group faces due diligence risk prior to making new investments, particularly investments in energy efficiency measures, as the Group is an early mover for some of these measures.
- The Group is exposed to risks in current financing arrangements and risks relating to availability of future financing.
- The Group is subject to complex laws and regulations, including environmental laws and regulations, and such regulation is expected to intensify in the future.

1.3 Key information on the Bonds

1.3.1 What are the main features of the Bonds?

The Bonds are senior unsecured sustainability-linked callable bonds, electronically registered in dematerialized form with the Norwegian central securities depository, Verdipapirsentralen ASA, with DNB Bank ASA as the registrar of the Bonds, with registered address at Dronning Eufemias gate 30, 0191 Oslo, Norway, and with ISIN NO 0013008656. The Bond Issue is governed by the Norwegian law bond terms entered into on 1 September 2023 (the "**Bond Terms**") between the Issuer as issuer and Nordic Trustee AS as the bond trustee on behalf of the bondholders (the "**Bond Trustee**").

The Bonds are issued in Norwegian Kroner (NOK), each with an initial nominal amount of NOK 500,000. The initial amount of Bonds issued were NOK 500,000,000 within a maximum borrowing limit of NOK 1,000,000,000. The tenor of the Bond Issue is five (5) years, with Issue Date on 5 September 2023 and Maturity Date on 5 September 2028.

Each Bond will accrue interest at the rate of 3 months NIBOR plus 3.65 %, and in addition the holders of the Bonds will have the right to require that the Issuer purchases all or some of the Bonds held by that bondholder at a price equal to 101.00 per cent. of the nominal amount in the event of a Change of Control in the Issuer.

The Bonds shall be repaid in full on 5 September 2028 at a) 100 % of the Nominal Amount (as defined in section 11) (plus accrued interests on redeemed amount), if no Trigger Event has occurred, or b) 101.50 % of the Nominal Amount (plus accrued interest on redeemed Bonds) in case a Trigger Event has occurred. A Trigger Event is deemed to have occurred if a) the KPI Performance (as defined in section 11) of the Group fails to meet the Sustainability Performance Target (as defined in section 11) for 2027 as of 31 December 2027, b) the Issuer has failed to provide and made public annual Sustainability-Linked Finance Progress Reports (as defined in section 11) within 120 calendar days after the end of each financial year, or c) any KPI Performance included in the Sustainability-Linked Finance Progress Report has not been subject to Verification (as defined in section 11).

To emphasize KCC's efforts within energy efficiency, trading efficiency and voyage efficiency, KCC has chosen carbon intensity, measured as EEOI (as defined in section 11), as the KPI (as defined in section 11). KCC has developed environmental targets to reduce the EEOI from 7.6 in 2018 to 5.3 by year-end 2026 and further to 4.1 by year-end of 2030, which implies a 46 % reduction by year-end 2030 compared to 2018 and a 34.2% reduction by year-end 2027 compared to 2018.

The Bonds will constitute senior debt obligations of the Issuer. The Bonds will rank *pari passu* between themselves and will rank at least *pari passu* 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).

Subject to the restrictions set forth in the Bond Terms, the Bonds are freely transferable and may be pledged. Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at own cost and expense. Notwithstanding the above, a Bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under the Bond Terms.

The Bonds are unsecured and there are no guarantees or security attached to the Bonds.

1.3.2 *Where will the securities be traded?*

Pursuant to the Bond Terms the Issuer will apply for a listing of the Bonds on the Oslo Stock Exchange as soon as possible after the Prospectus has been approved by the Financial Supervisory Authority of Norway, and admission to trading of the Bonds is expected to commence on or about 20 October 2023.

1.3.3 *What are the key risks that are specific to the Bonds?*

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

- The Bonds are unsecured obligations of the Issuer.
- Default or insolvency with subsidiaries may affect the Issuer's ability to make payments and or redeem the Bonds at full or at all at the maturity date.
- The Bonds may be subject to optional redemption by the Issuer.
- The terms and conditions of the Bond Agreement allow for modification of the Bonds or waivers or authorizations of breaches and substitution of the Company which, in certain circumstances, may be affected without consent of the bondholders.
- Enforcement of rights as a bondholder across multiple jurisdictions may prove difficult.
- In the event of a change of control, the Issuer's ability to repurchase the Bonds with cash may be limited.
- The Group may be unable to refinance all or a portion of its existing debt, including the Bonds, or to obtain additional financing.
- The Bonds may not necessarily be regarded as "sustainable bonds" in the future.

1.4 Key information on the admission to trading on a regulated market

1.4.1 *Under which conditions and timetable can I invest in the Bonds?*

The Bonds are freely transferable and have since the Issue Date on 5 September 2023 been available for trading on the secondary market through the Norwegian CSD.

Pursuant to the Bond Terms the Issuer will apply for a listing of the Bonds on the Oslo Stock Exchange as soon as possible after the Prospectus has been approved by the NFSA, and admission to trading of the Bonds is expected to commence on or about 20 October 2023.

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

The Issuer is the person asking for admission to trading of the Bonds.

1.4.3 *Why is this prospectus being produced?*

This Prospectus is being produced in connection with the Issuer's application for the admission to trading of the Bonds on Oslo Stock Exchange.

Furthermore, pursuant to Clause 4 of the Bond Agreement, the Issuer shall within 6 months of 5 September 2023 apply for the Bonds to be listed on the Oslo Stock Exchange. As such, the application for admission to trading is put forward by the Issuer to satisfy the conditions of the Bond Terms.

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

The Issuer has used the net proceeds from the initial issuance of Bonds for repurchase of bonds in the Issuer's existing NOK 700,000,000 Senior Unsecured Bond Issue 2020/2025 with ISIN NO 0010874530 and ticker KCC04.

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

There are no material conflicts of interests pertaining to the admission to trading of the Bonds.