



CLARKSONS

5th Athens Triennial Meeting

Capital Markets Panel, 9th October 2024

Clarksons Project Finance AS

Clarksons Project Finance Shipping AS

Oslo-based shipping projects facilitator

Non-recourse ship finance through co-investment

Structure: Create independent ship owning companies with non-recourse loans

Financing: Mix of debt and equity based on asset value, age and cash flow

Asset plays, sale-leasebacks and preferred equity structures

Opportunity: Shipowners can expand by owning fractions of multiple vessels

Diversification: Mitigate project interdependence risk

Open to international shipowners and investors

Investor Access: External investors can co-invest with the shipowner

Deal Range: USD 5-150 million, no segment or age restrictions

Full-service structuring, syndication and follow-up

End-to-End Involvement: CPFS manages projects from initiation to asset liquidation

Investor Roles: External investors may participate on the Board of Directors, often as passive investors



The Norwegian Project Finance Model

Norway is a shipping nation with long traditions

The Norwegian shipping project market has been a front runner for a number of reasons

Historical development

Generally good shipping knowledge among investors



Good support from local shipping banks



A cluster of shipping services including legal, ship management, insurance, flag, class



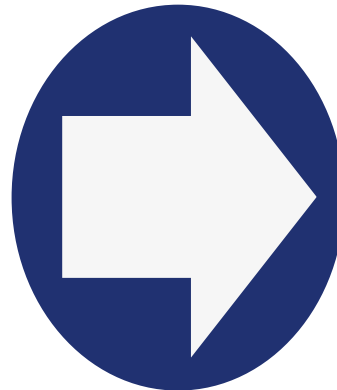
Governmental support through competitive tax structure and simple legal structure



Direct investments into the asset gives higher transparency



Historically, equity providers were mainly Norwegian investors



The project market has matured and international investors and shipowners are investing

Current state of the Project Finance market



Clarksons Project Finance is one of 4 leading arrangers authorized by the Norwegian Financial Authorities



Oslo is an established market for project arrangers, shipping banks and shipowners, disponent owners and other service providers



No limitation to the segment or age of the assets



Open to international investors. Requires an equity participation of approx. 20-25% from the shipowner,



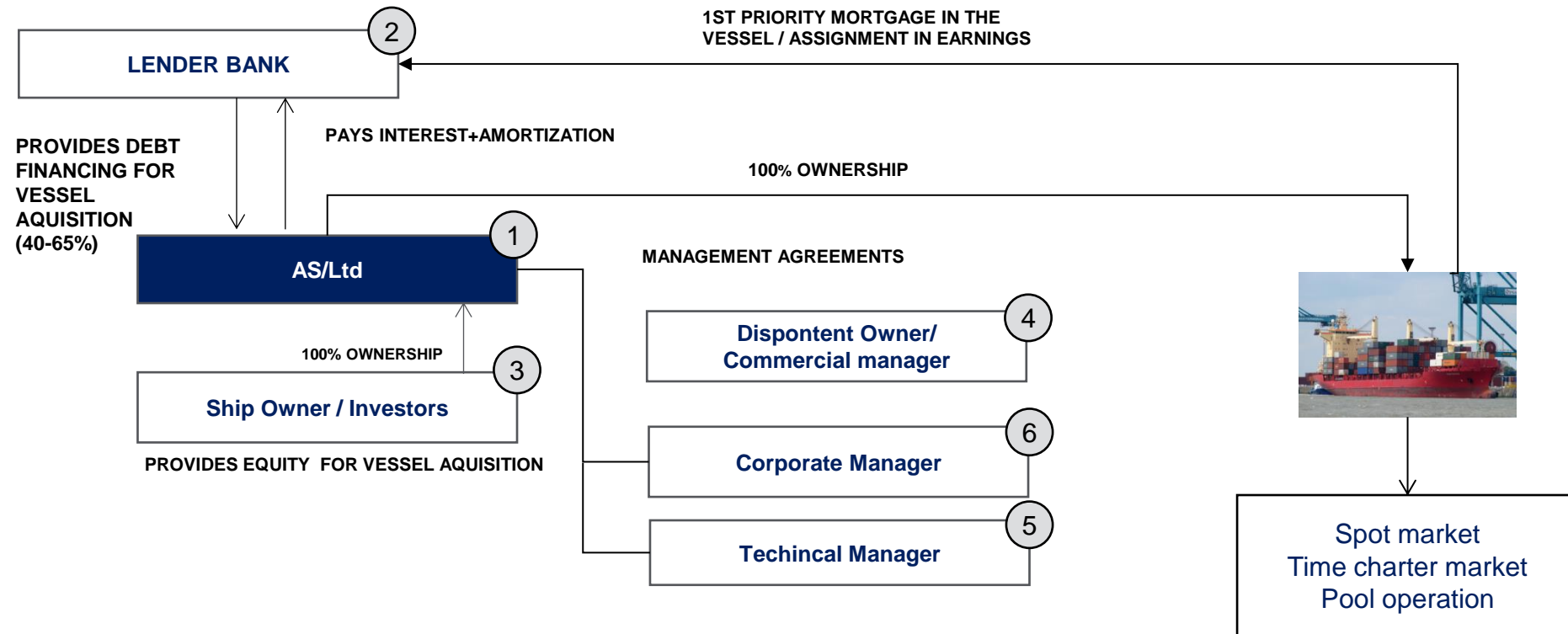
International investors, particularly German and Greek, have been active in the project market lately



Minimum equity participation: USD equivalent of min. EUR 100,000

Example Structure

Project Finance (AS/Ltd)

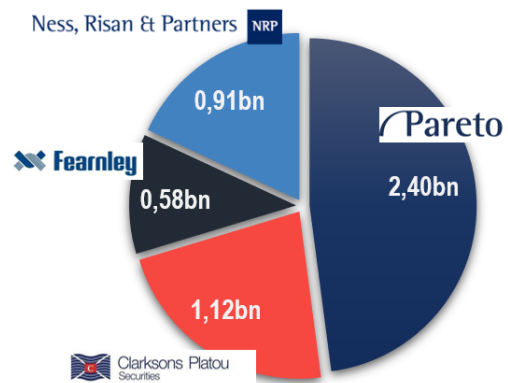


- 1) THE LTD is the vessel owning company, likely to be registered in a tax friendly country
- 2) LENDER BANK provides loan financing for the acquisition of the vessel, in return for interest plus downpayment of the principal.
- 3) THE EQUITY PROVIDERS are the Ship owner and Investors providing equity on non-recourse basis
- 4) THE COMMERCIAL MANAGER is providing the service required to commercially operate the vessel. A ship owner would use in-house resources, a fund would outsource this job
- 5) THE TECHNICAL MANAGER is in charge of the technical operation of the vessel.
- 6) THE CORPORATE MANAGER has the responsibility for all accounts and tax papers. In addition, they act as secretary to the Board

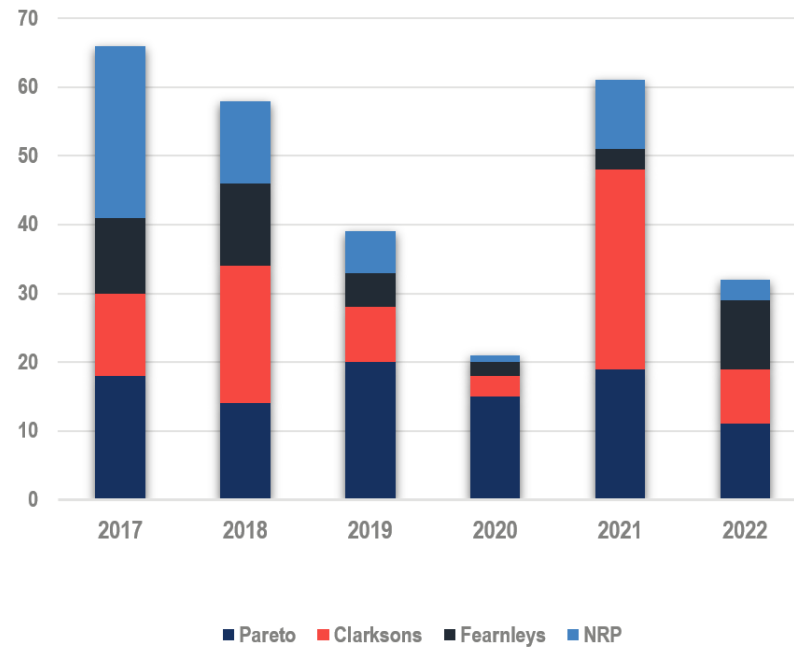
Norwegian project market

Deal volume for the past 5 years

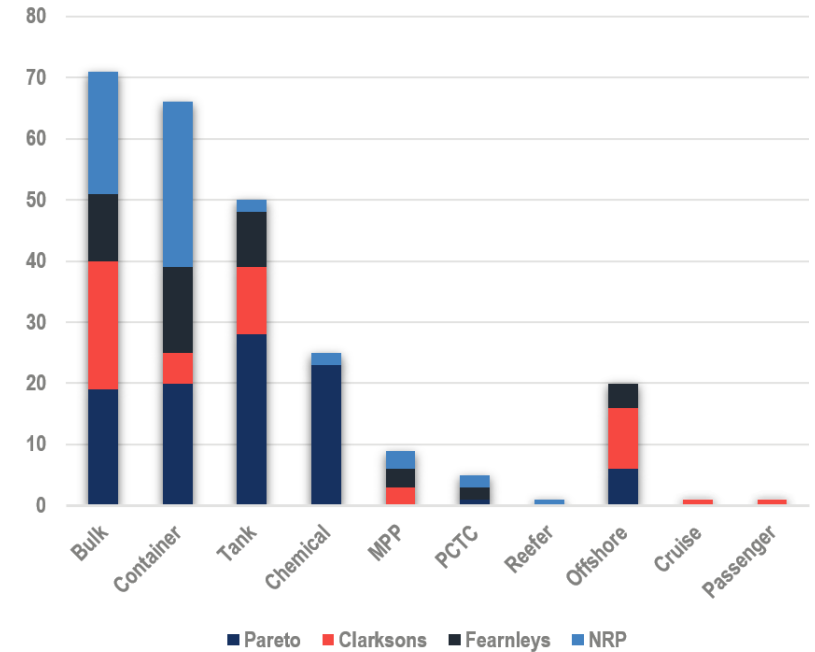
Market Total Since 2017 – USD 5.0bn



Number of Vessels since 2017 – 277 Vessels



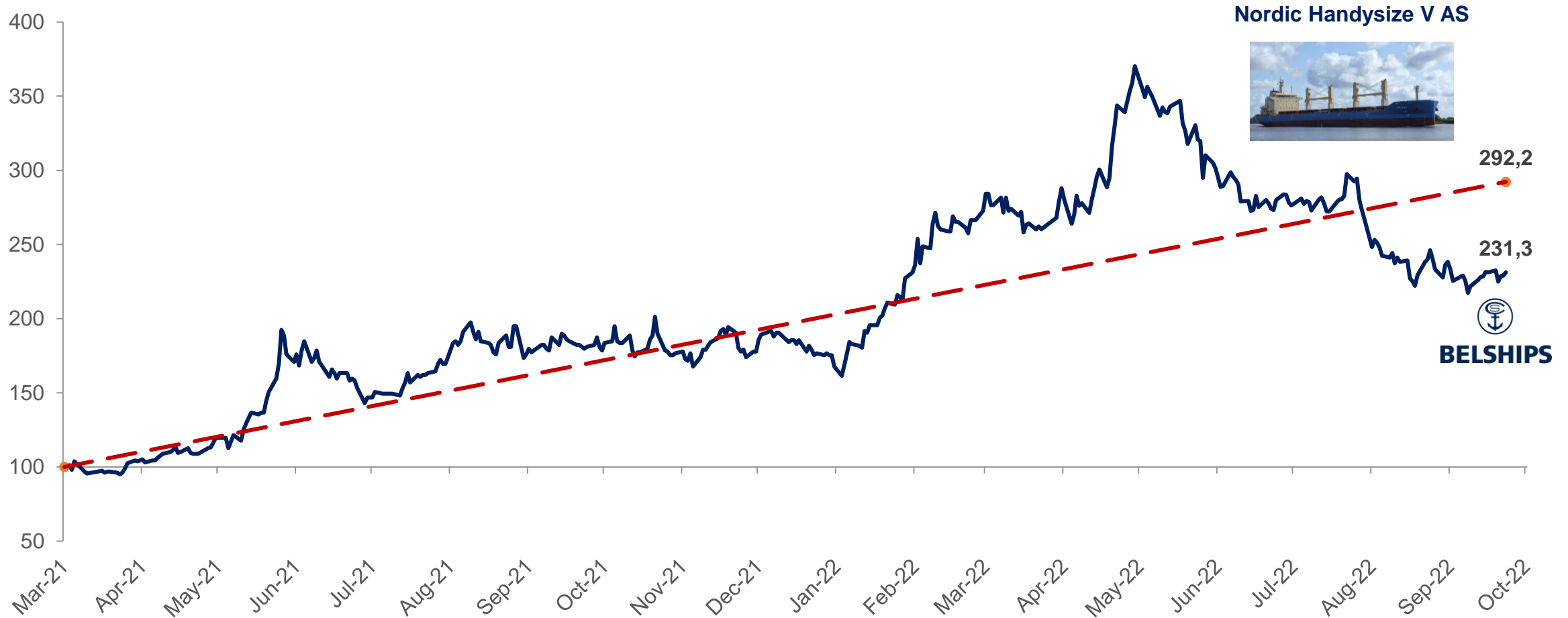
Breakdown Per Segment



Source: MPC Capital

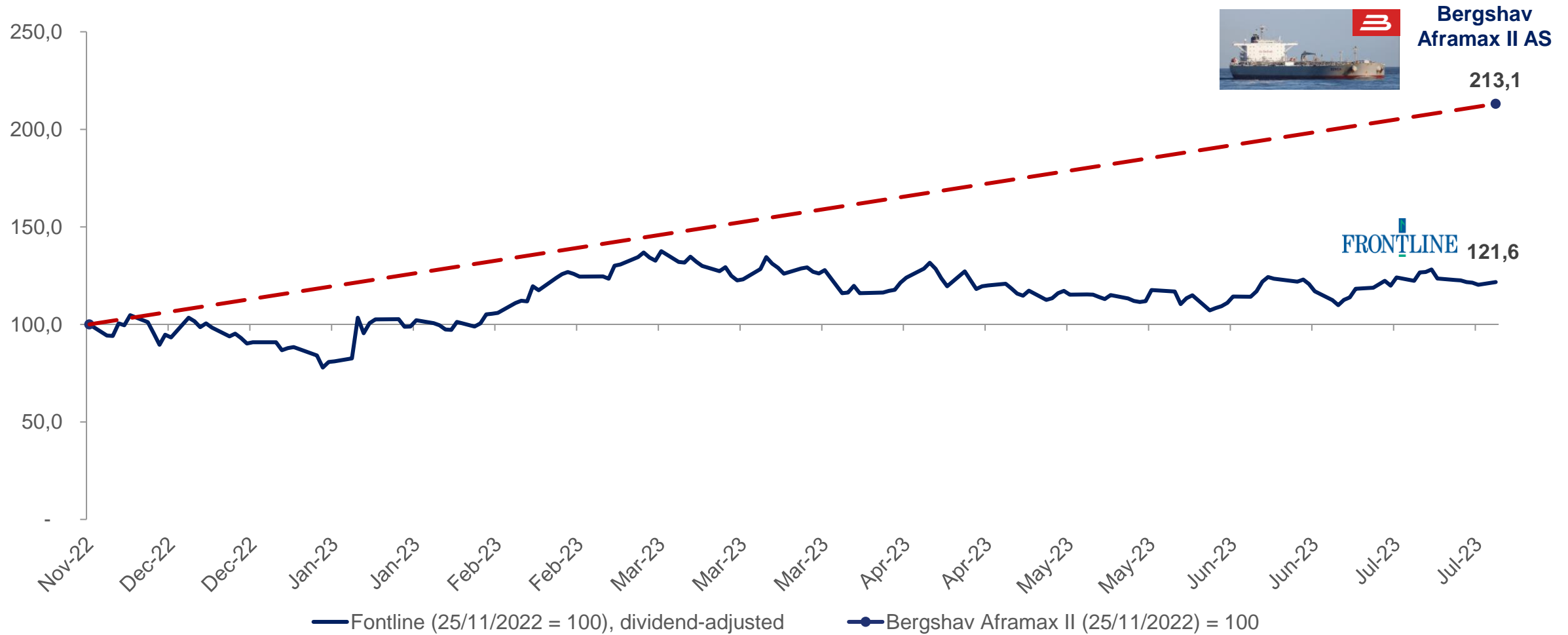
Investing in stock-listed shipping companies vs projects

Nordic Handysize V AS (est. Mar-21, sold Oct-22) vs Belships (OSE: BELCO) stock in the same period, 100 = Mar-21



Investing in stock-listed shipping companies vs projects

Bergshav Aframax II AS (est. Nov-22, sold Jul-23) vs Frontline (NYSE/OSE: FRO) stock in the same period, 100 = Nov-22



Projects sold

Returns | 2021 | 2022 | 2023

Acquisitions	2021	2022	2023
Total vessels acquired	25	9	11
Total vessels sold	9	8	13

Project	Type	Duration (years)	IRR% NOK	IRR% USD
Feeder Container II DIS (2021)	Bareboat	5.34	6.5%	4.91%
Smart Energy Logistics AS (2021)	TC/Asset play	1.02	4.8%	1.60%
Golden Kamsar DIS (2021)	Bareboat	12.76	10.7%	6.14%
Henrietta Product DIS (2021)	Bareboat	5.76	15.2%	11.2%
Nordic Handysize DIS (2021)	TC/Asset play	1.89	24.3%	24.6%
Northern Product DIS (2021)	Bareboat	1.44	10.5%	8.5%
Panda Chemical II DIS (2021)	Bareboat	1.37	12.4%	6.9%
RF Container AS (2021)	TC/Asset play	1.38	18.3%	19.6%
Dongguan Chemical Tankers DIS (2021)	Bareboat	13.17	11.2%	5.0%
Hav Coasters DIS (EUR) (2022)	Bareboat	3.42	26.0%	23.5% (EUR)
Atlantic Navigator II DIS (2022)	TC/Asset play	1.83	29.2%	29.3%
Tasmanic Heavylift DIS (2022)	TC/Asset play	3.67	47.0%	40.0%
Nordic Handysize V AS (2022)	TC/Asset play	1.67	175.4%	144.2%
Nordic Handysize II DIS (2023)	TC/Asset play	5.92	25.6%	22.8%
Nordic Handysize III AS (2023)	TC/Asset play	6.00	23.7%	18.9%
Geneva Tankers AS (2023)	TC/Asset play	5.25	29.2%	23.1%
Nordic LR1 AS (2023)	TC/Asset play	5.25	20.2%	15.0%
Northern Tankers DIS (2023)	Bareboat	5.00	19.1%	13.7%
Bergshav Aframax II AS (2023)	TC/Asset play	0.58	169.8%	152.4%
Standard Defender AS (2023)	TC/Asset Play	1.42	33.0%	30.0%
Standard Duke AS (2023)	TC/Asset Play	1.44	41.0%	45.0%
Southern Chemical (2023)	Bareboat	15.52	0.0%	3.0%
Northern Supply AS (2023)	TC/Asset Play	5.42	4.4%	1.2%
Northern Tankers DIS (2023)	TC/Asset Play	4.59	19.9%	14.3%
Average		4.3	32.4%	27.7%
Average Bareboat projects		6.0	16.0%	13.0%
Average TC/Asset play projects		4.5	35.0%	32.2%

Shipping vs real estate stocks: 10-Year trend has been reversed

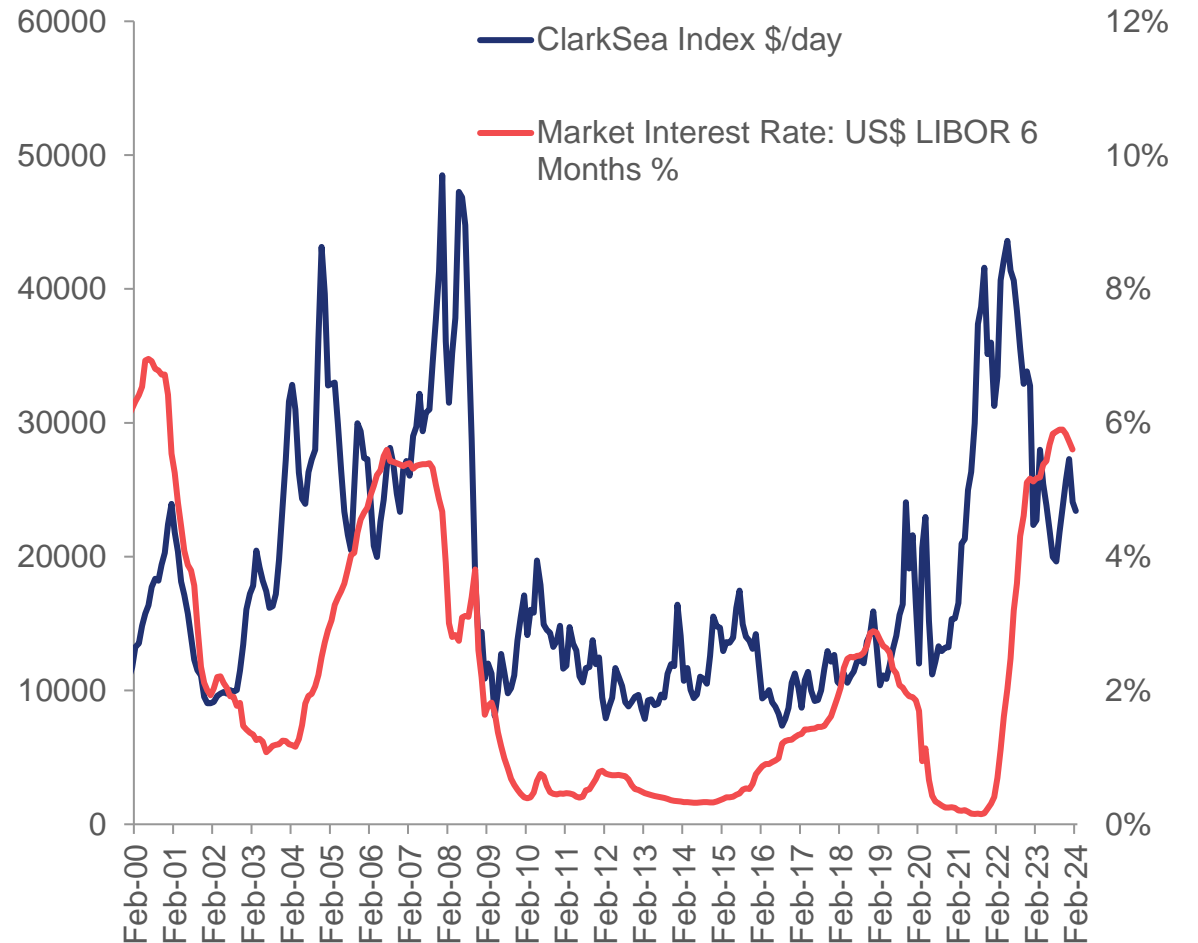
Shipping markets soaring, real estate feeling the impact from interest rate hikes

Oslo Shipping Index vs Nordic Real Estate Index



Source: Nasdaq, Clarksons SIN

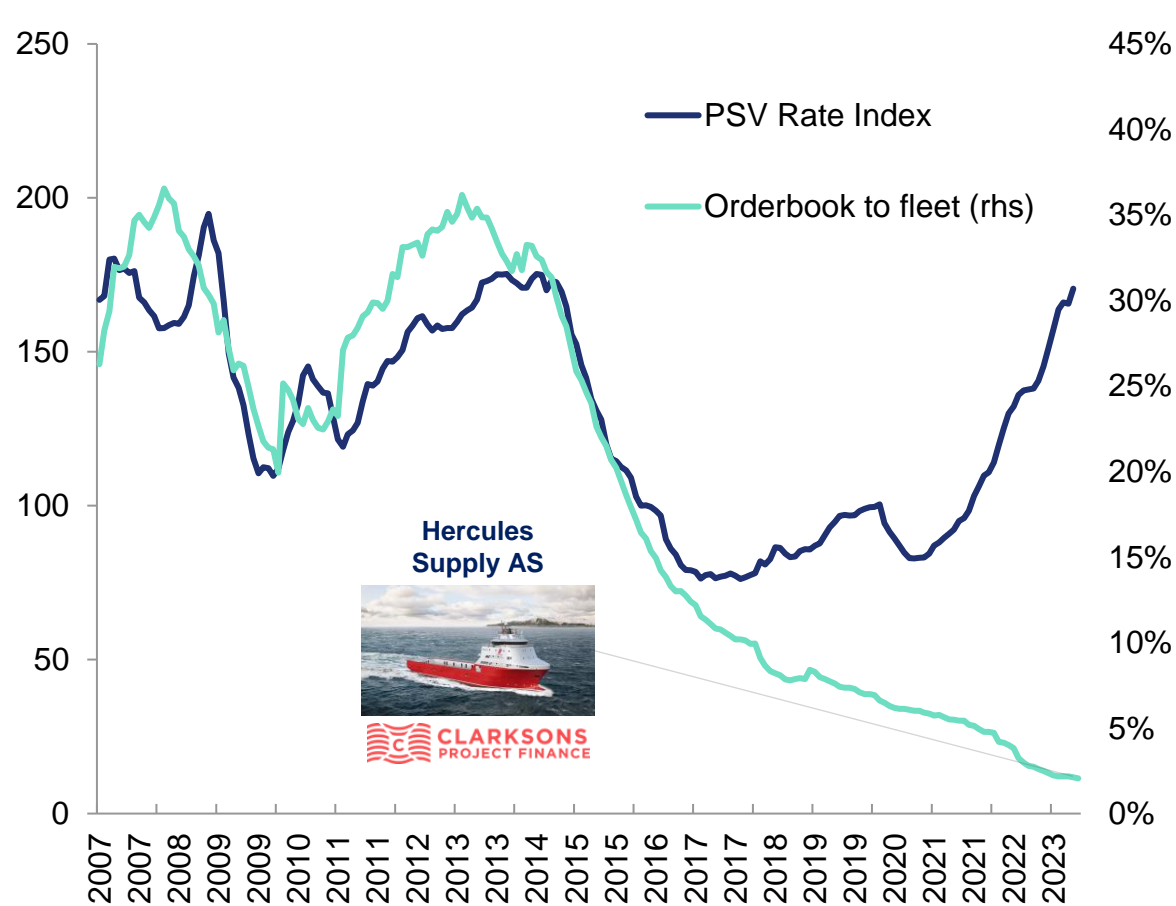
Weighted freight market index (lhs) and interest rates (rhs)



Offshore Markets: Catching up to 10 Years of Underinvestment

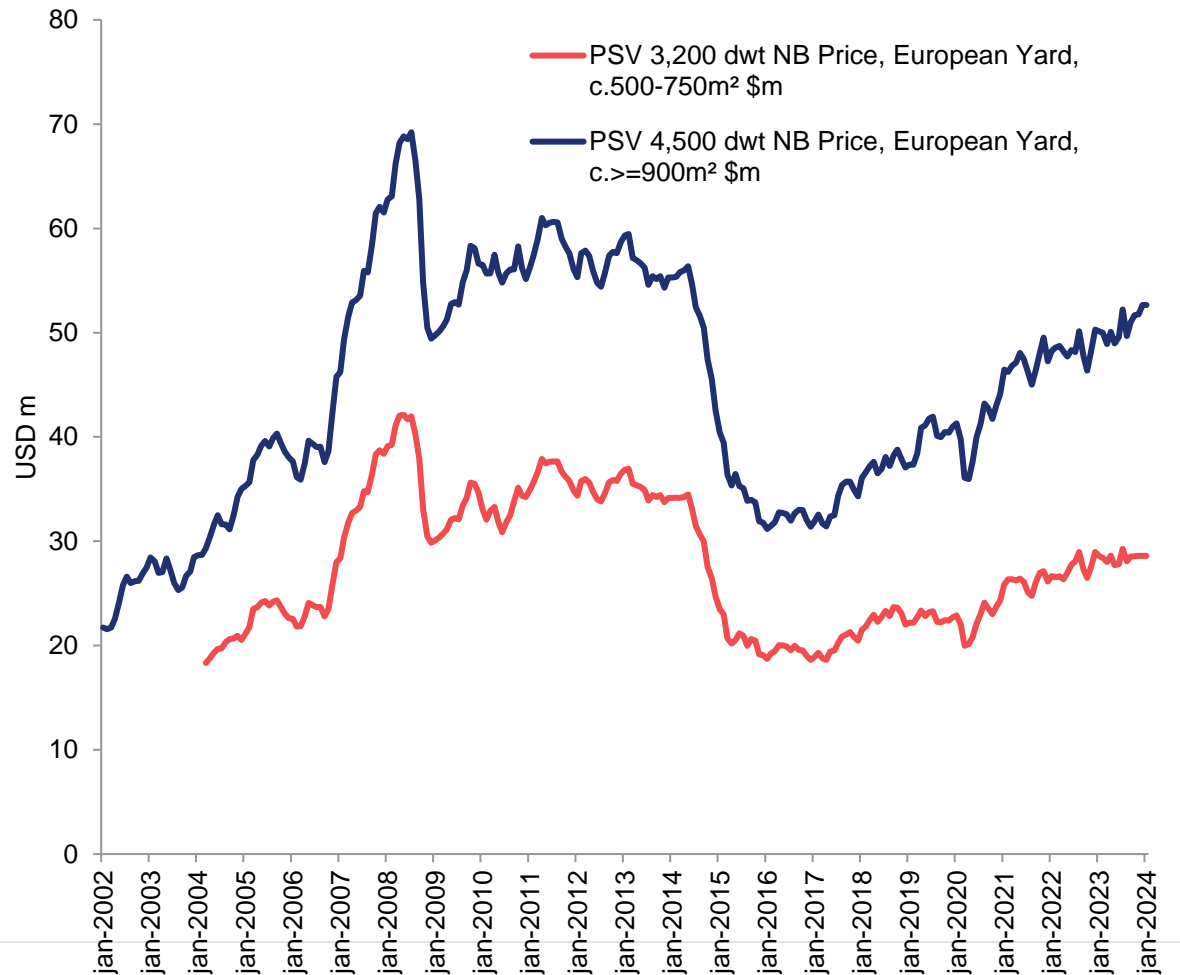
Almost no new deliveries in PSV markets ahead

Close to all-time high PSV rates but almost no newbuilding



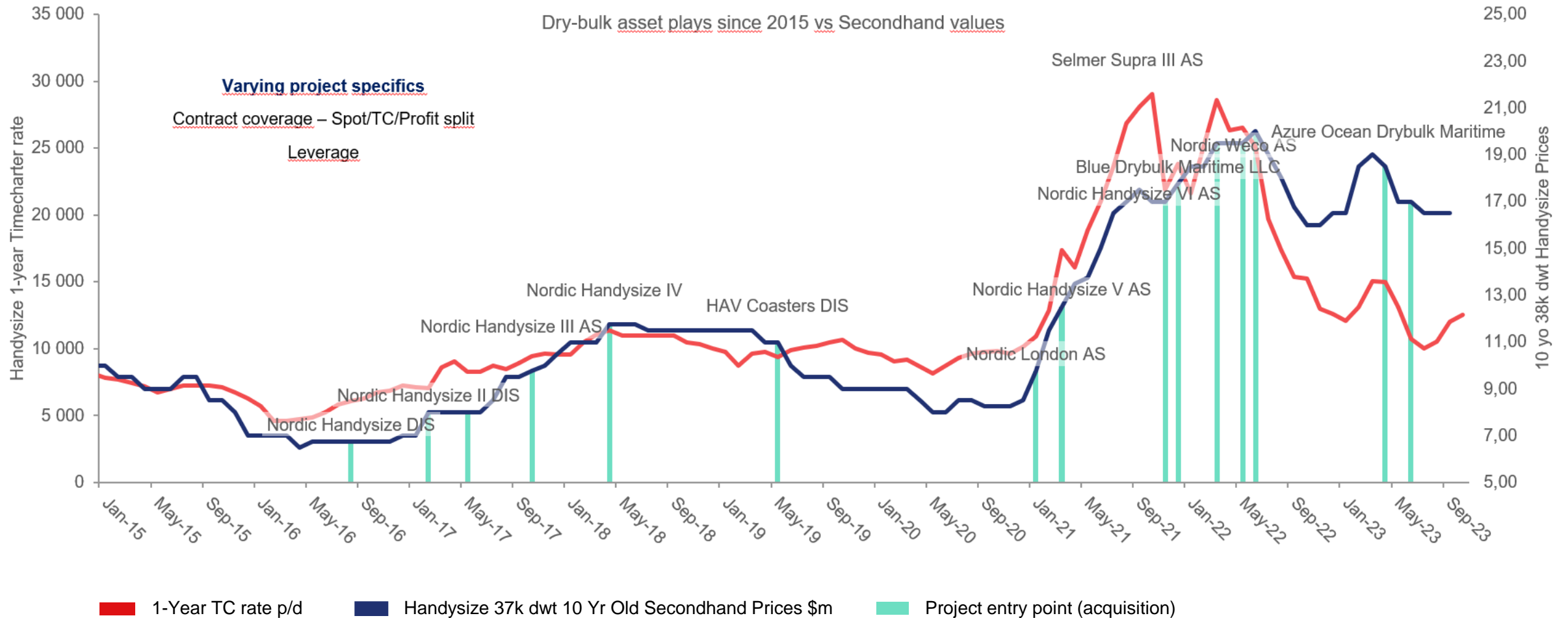
Source: Rystad Energy, Clarksons

Newbuilding prices continuing to increase



Asset play projects

Bet on rising asset values



Selected active projects with different structures

Active projects with vessels represented in most segments

Asset play projects with market exposure



Selmer Bulk AS (2021)

- 8x Handysize, 2x Supramax Bulk Carriers
- Asset Play
- TC coverage: Spot and medium term
- High leverage: 70% LTV
- Current leverage: ~50% LTV

Transaction size: USD 112.0m



Nordic Handysize III AS (2017)

- 2x Handysize Bulk Carriers
- Asset Play
- TC coverage: Spot and medium term
- Moderate leverage: 40%
- Current leverage: ~20% LTV

Transaction size: USD 22.8m



Tacoma Trader AS (2023)

- 1x 1,100 TEU Container Vessel
- Asset Play
- TC coverage: 6 months
- Moderate leverage: ~52% LTV

Transaction size: USD 19.5m

Asset play projects with medium- and long term timecharter employment



Nordic MPP AS (2021)

- 6x Multipurpose/Heavylift vessels
- Asset Play
- TC coverage: 3 years + 1 y + 1 y
- High leverage: ~62% LTV

Transaction size: USD 88.0m



Northern Supply AS (2014-2016)

- 9x Platform Supply Vessels | Offshore
- Asset Play
- TC coverage: Spot / Medium / Long term
- 100 % Equity

Transaction size: USD 48.0m



Nordic Chemtankers AS (2023)

- 2x6,700 dwt Chemical Tankers
- Asset play
- TC coverage: 2-Years
- Moderate leverage: 50%

Transaction size: USD 27.0m

Bareboat and sale-leaseback projects



Project Pissarro DIS (2021)

- 2x PX121 PSVs | Offshore
- Bareboat
- Bareboat charter: 5 years + 1 year
- High leverage: ~80% LTV
- Residual: Market exposure / Scrap

Transaction size: USD 35.5m



Northern Expeditions DIS (2023)

- 1x Expedition Cruise Vessel
- Bareboat
- Bareboat charter: 5 years
- Moderate leverage: ~57% LTV
- Residual: Purchase obligation

Transaction size: USD 7.4m





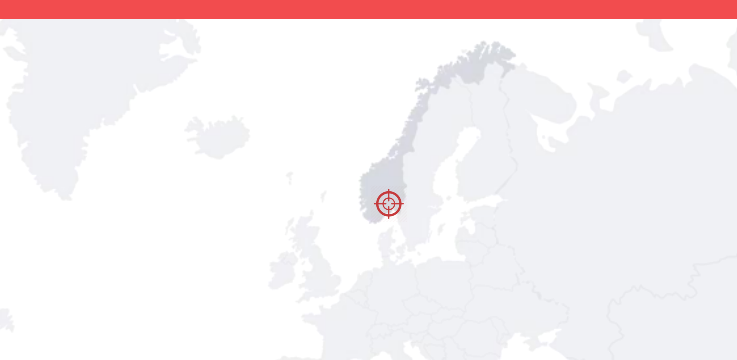
Medtank DIS (2023)

- 1x MR Tanker
- Bareboat
- Bareboat charter: 8 years
- High leverage: ~74% LTV
- Purchase obligation

Transaction size: USD 23.0m

Selected projects with negative returns

	Project	Project details	What happened
	Bergshav Chemical KS (Jul-2005)	<ul style="list-style-type: none"> • 2x 14 Year-Old Chemical Tankers • 5.5-year Bareboat Charter to Finbeta S.p.A Savona • Gearing: 80% • Project size: USD 20.5m 	<ul style="list-style-type: none"> • Charterer performed throughout the BB period • Project in breach on LTV and dividends stopped • Exit value far below estimates
	Asian Bulkers DIS (Oct-2007)	<ul style="list-style-type: none"> • 3xResale Supramax Vessels, delivery 2009 • Asset play • Gearing: 70% • Project size: USD 142.9m 	<ul style="list-style-type: none"> • Project initiated at peak of the market • Possible exit at a small profit rejected • Value dropped below bank debt and the ownership handed over to the bank
	Seminyak DIS (Sep-2008)	<ul style="list-style-type: none"> • 1x1-year-old & 1x 4-year-old 20k dwt chemical tankers • 12-year Bareboat to Indonesian entity • USD 15,200/15,100 p.d. (no back-end timecharter) • Purchase options (no put-option at end) • Gearing: 85% 	<ul style="list-style-type: none"> • Large stock listed chemical tanker owner refinanced two vessels with a sale/leaseback at peak of the market • Three years later they went bankrupt and the vessels value was equal to bank debt
	Sudong Offshore DIS (Sep-2013)	<ul style="list-style-type: none"> • 1x 8-year-old 12,240 BHP Anchor Handler Tug Supply Vessel • 10+2 Years Bareboat Charter to EMAS Offshore • Gearing: 70% • Project Size: USD 26.0m 	<ul style="list-style-type: none"> • Vessel refinanced at end of existing lease • Offshore market collapsed in 2015 and BB charterer went bankrupt. • Outstanding value of vessel was below bank debt.



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