



Bruton Limited

Company presentation

20 October 2025

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Governing law. The Presentation is subject to Norwegian law, and any dispute arising in respect of thereof is subject to the exclusive jurisdiction of Norwegian courts with Oslo District Court as first venue.

- Bruton Ltd currently have two newbuilding contracts for two dual fuel Very Large Crude Carriers (VLCC) currently under construction at New Times Shipbuilding Co Ltd (NTS) scheduled for delivery in July 2026 and January 2027
- On October 13th, Bruton launched a tender offer to shareholders in Andes Tankers II, owner of 2 scrubber fitted VLCC newbuilds at New Times Shipyard.
 - Certain larger shareholders of Andes Tankers representing 83% of the outstanding shares, which includes Koch Shipping Pte Ltd and Drew Holdings Ltd, have pre-committed to accepting the offer
 - Should all shares in Andes Tankers II be tendered, Bruton will issue approximately 11.2m new shares giving a new share count of approximately 26.8m shares
 - The tender offer is conditional upon completion of the contemplated Bruton equity raise
- On Oct 20th, Bruton announced a letter of intent with NTS for the potential order of two more scrubber fitted VLCC's at USD 118m per vessel.
 - In addition, the Company has options for two additional VLCC newbuilding orders at the same price with the options valid until December 2025
 - The vessels are a repeat order of the newbuilding orders the Company has placed at NTS, and all 4 vessels have the option to be converted to LNG dual fuel ready ships, at an additional price of USD 19 million per vessel
 - The payment schedule is similar to the existing newbuilding orders placed by the Company, with a backend-loaded payment structure
 - The firm vessels are scheduled for deliveries between Q4 2028 and Q2 2029, whilst the optional vessels, if declared, are scheduled for deliveries between Q3 and Q4 2029

Overview

- Assuming completion of the Andes Tankers tender offer and the conclusion of the newly entered into LOI, Bruton will have a fleet of 6 VLCCs under construction at New Times
- Bruton is contemplating an equity raise of up to USD 100m at a share price of the NOK equivalent of USD 4.29/share to pay instalments under the newbuilding program
- KOCH and Drew Holding have pre-committed to subscribe for USD 38m and USD 11m, respectively. Both will have pro-forma ownership of ~25% post completion of the tender offer and the contemplated equity raise
- Bruton/Andes Tankers II has raised, and paid the first instalments on vessel 1-4 (10%), equal to USD 50 million
- Pro-forma the contemplated up to USD 100 million equity raise, Bruton has approximately USD 597 million of “unfunded capex” related to its six vessels under construction (all-in cost)
- A substantial part of the unfunded CAPEX can be funded through debt or lease structures at delivery should the Company elect to
- Bruton’s strategy is to explore a potential listing at a reputable international stock exchange closer to delivery of its vessels

Pro-forma capitalization

USDm	Current	Adj.	Pro Forma
Total Cash	7	97 ²⁾	104
Debt	-	-	-
NIBD	-7	-97	-104
Remaining Capex	701	-	701
NIBD, inc. Remaining Capex	694	-97	597
Market Capitalization ¹⁾	115	100	215
Enterprise Value	809	3	812



Fleet overview: six vessels on order with two option vessels

Bruton Ltd.

Firm vessels¹

Ship	Yard Price (USDm)	Paid (USDm)	Remaining (USDm)	Yard	Size (DWTk)	Ship Type	Target Delivery Date
Ship 1	135	14	122	New Times Shipyard	300	LNG Dual Fuel VLCC	July 2026
Ship 2	135	14	122	New Times Shipyard	300	LNG Dual Fuel VLCC	January 2027
Ship 3	118	12	107	New Times Shipyard	300	VLCC	August 2027
Ship 4	118	12	107	New Times Shipyard	300	VLCC	October 2027
Ship 5	118	0	118	New Times Shipyard	300	VLCC (option for LNG DF)	December 2028
Ship 6	118	0	118	New Times Shipyard	300	VLCC (option for LNG DF)	April 2029
Total	743	50	693				

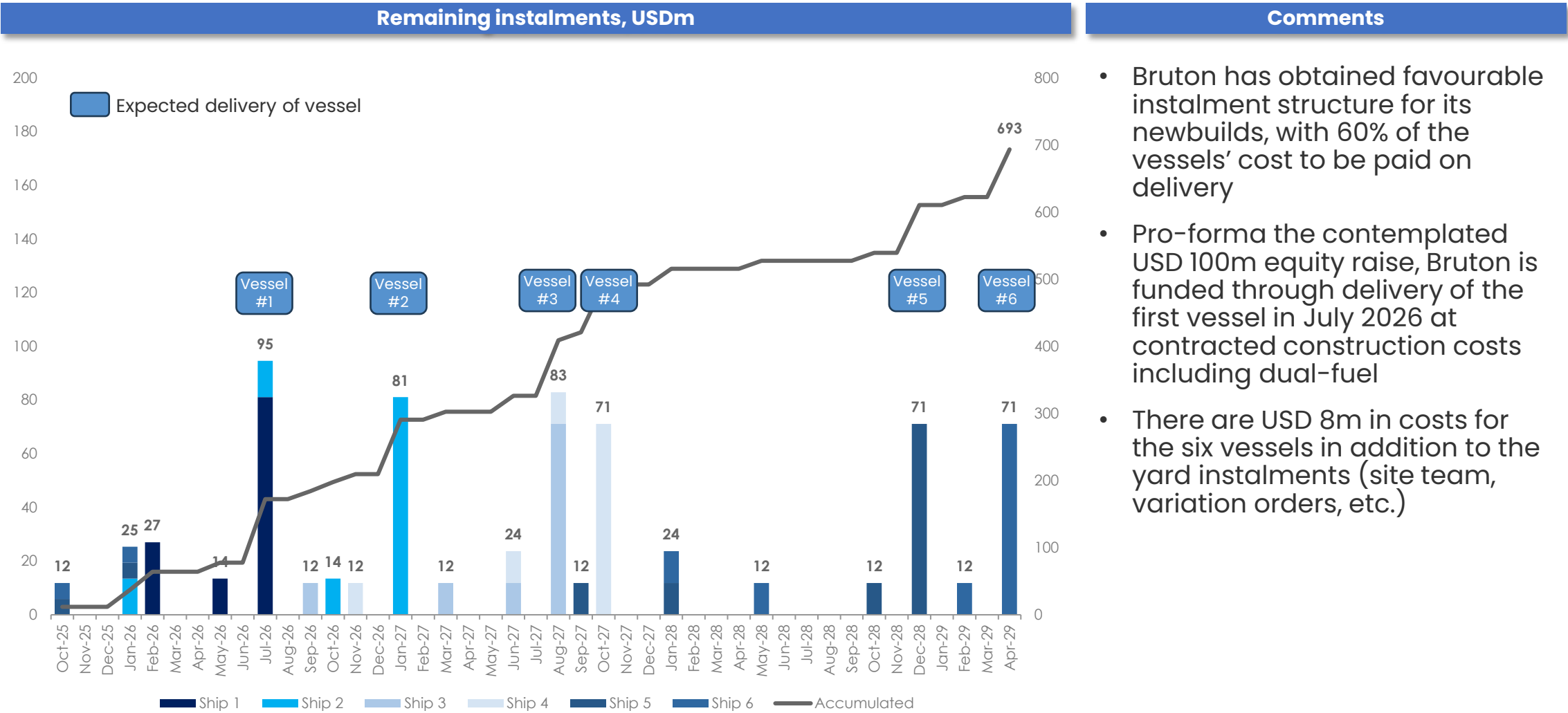
Optional vessels

Ship	Yard Price (USDm)	Paid (USDm)	Remaining (USDm)	Yard	Size (DWTk)	Ship Type	Target Delivery Date
Ship 7	118	0	118	New Times Shipyard	300	VLCC (option for LNG DF)	Q3 2029
Ship 8	118	0	118	New Times Shipyard	300	VLCC (option for LNG DF)	Q4 2029

- The ships are being built at New Times Shipyard in China
- Biggest private shipyard in China established in 1971
- Built all 2020 Bulkera and Himalaya Newcastlemax ships

¹) Subject to completion of ongoing tender offer for Andes Tankers II and the LOI with New Times being converted into firm newbuilding contracts

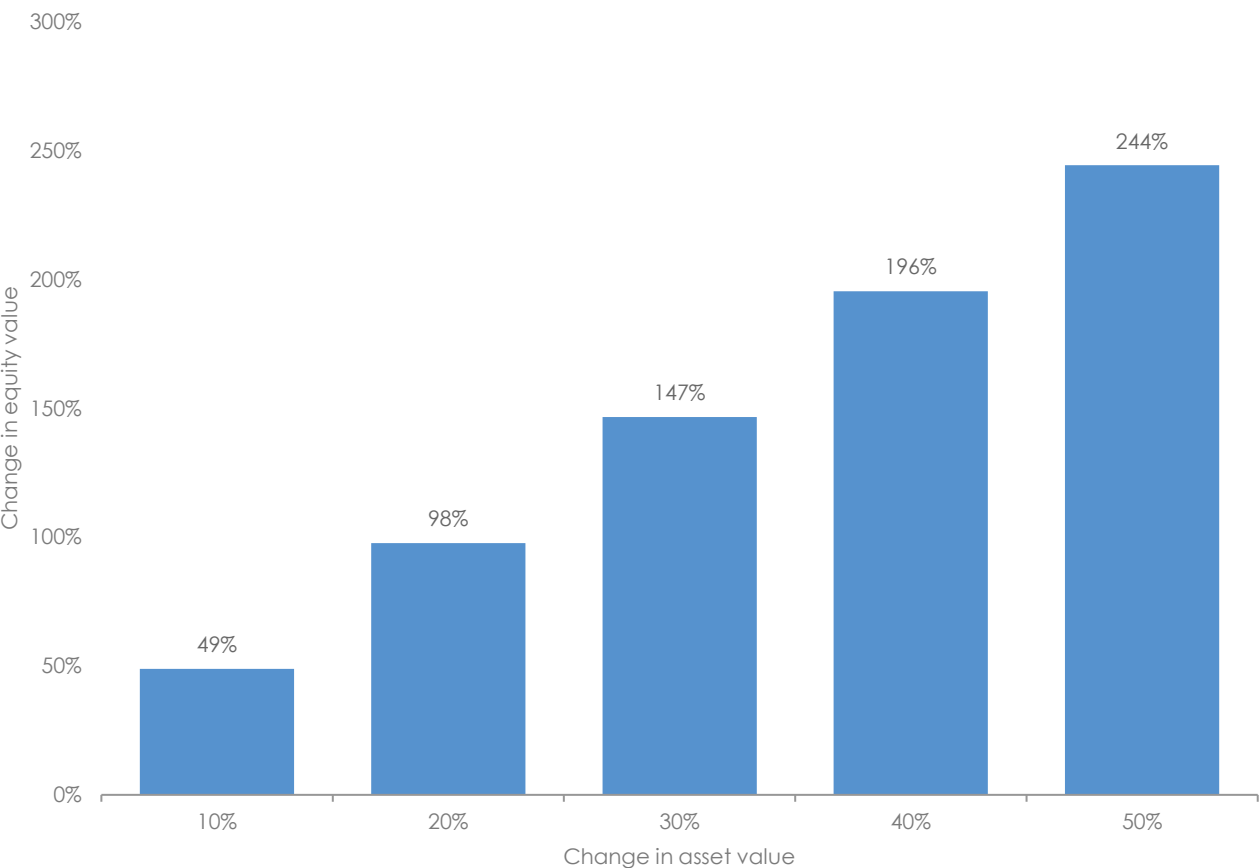
Tail heavy instalment structure



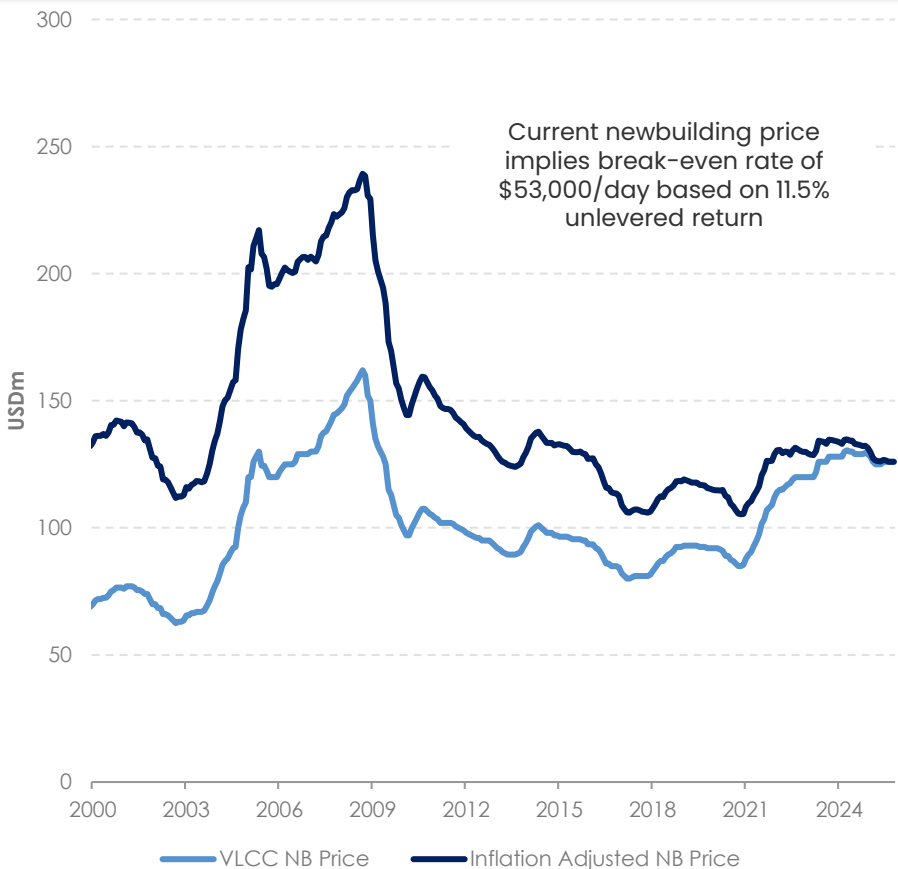
1) Note: Instalment structure is based on vessels 3-6 being without LNG DF.

Significant leverage to higher asset values

Change in equity value vs change in asset values¹⁾



Historical VLCC newbuilding prices, Korean built²⁾



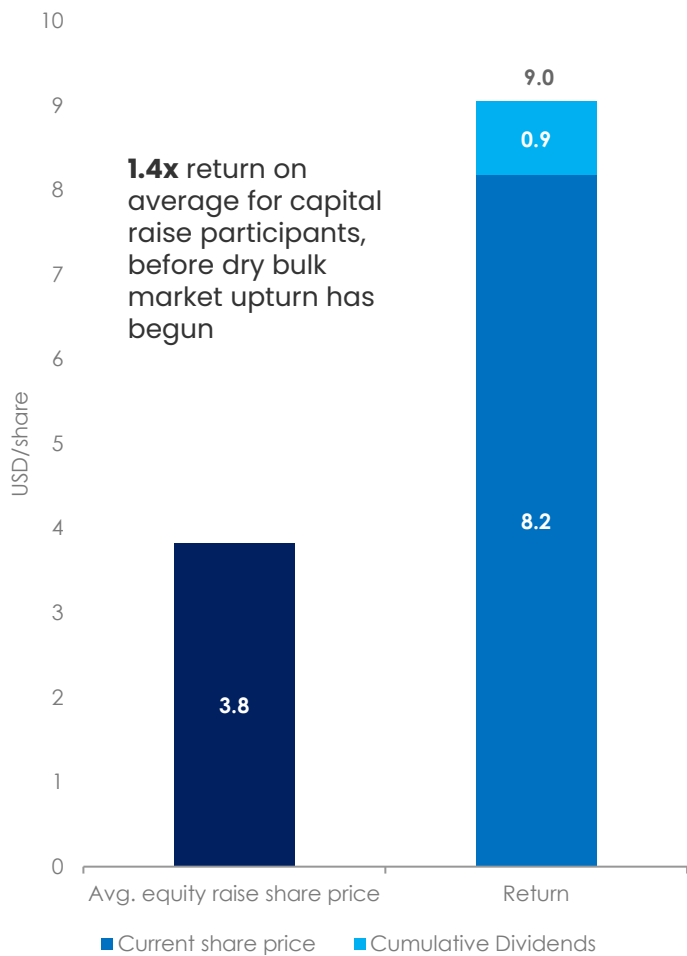
Source: Clarksons Securities AS. 1) Assuming pro-forma EV of USD 1,050m, basis post money equity value of USD 215m, cash of USD 104m and remaining CAPEX of USD 939m. Remaining CAPEX of USD 939m includes the two optional vessel #7 and #8. 2) Based on inflation figures from Federal Reserve Bank of St. Louis

Case study #1: Himalaya Shipping

HSHP – Share price development

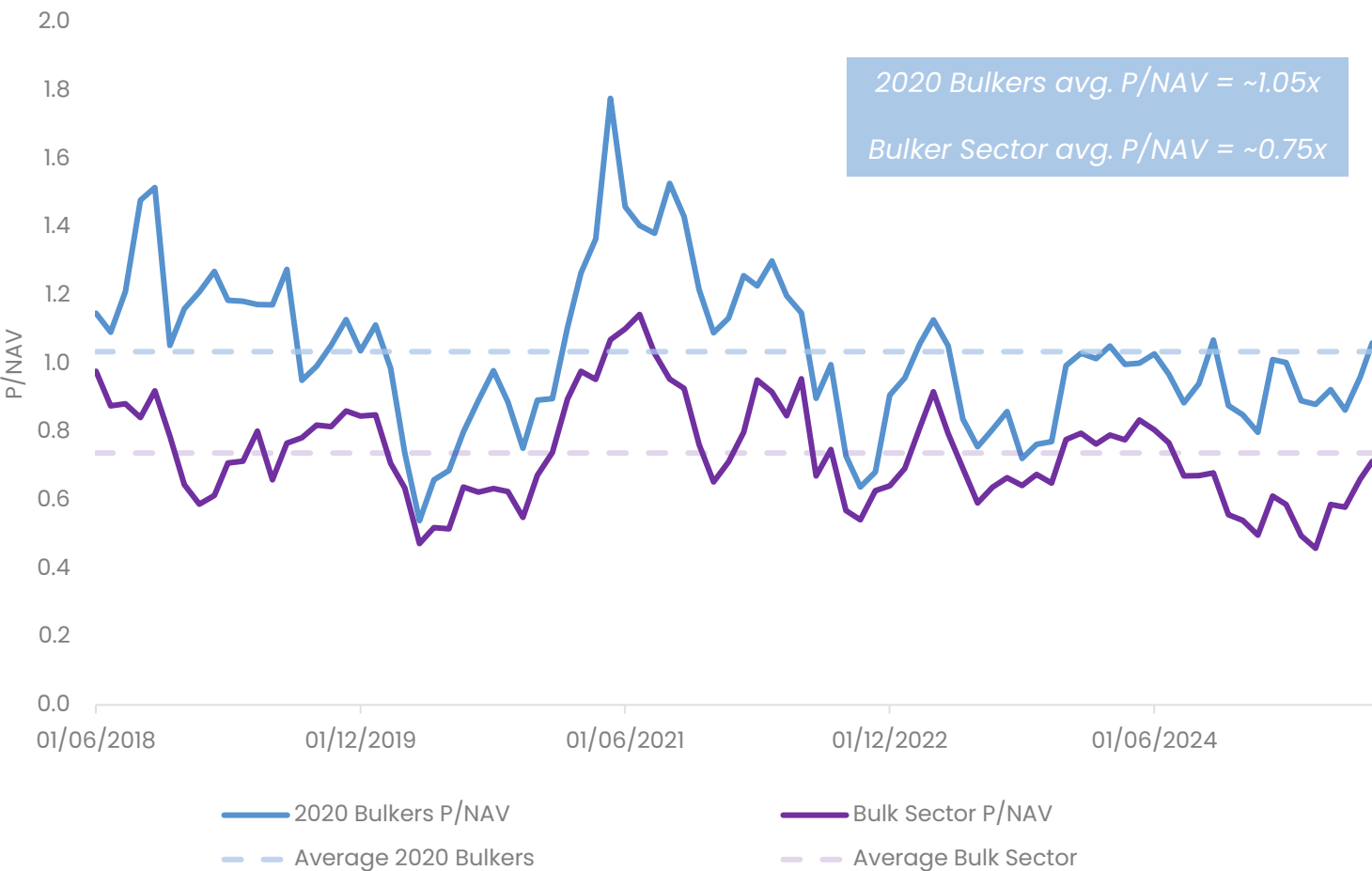


1.4x return

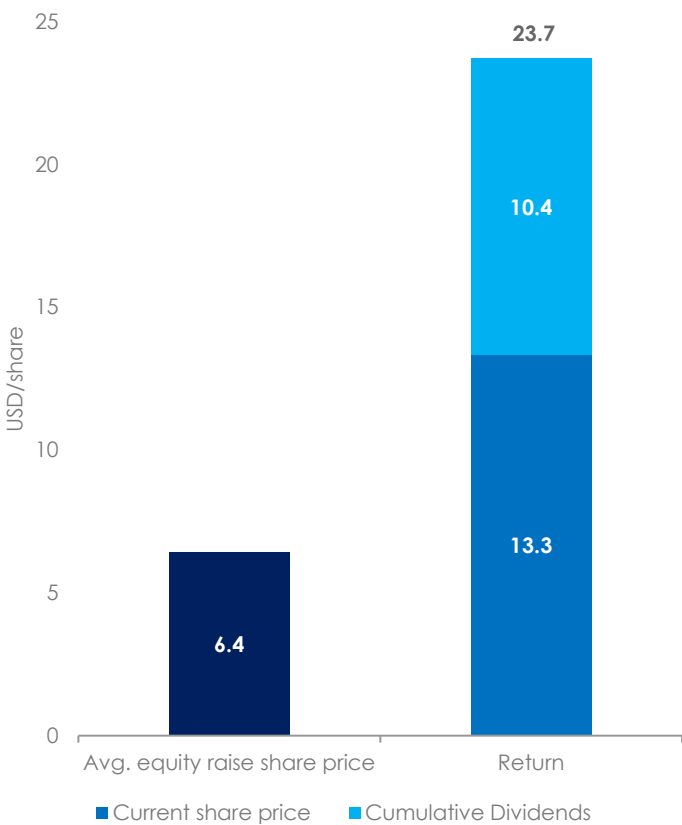


Source: Company Data, Clarksons Securities AS. ¹Current run-rate yield basis last close of USD 8.2/share & September dividend of USD 0.1/share.

Low leverage & monthly dividend payouts – a proven business model



2.7x return since listing

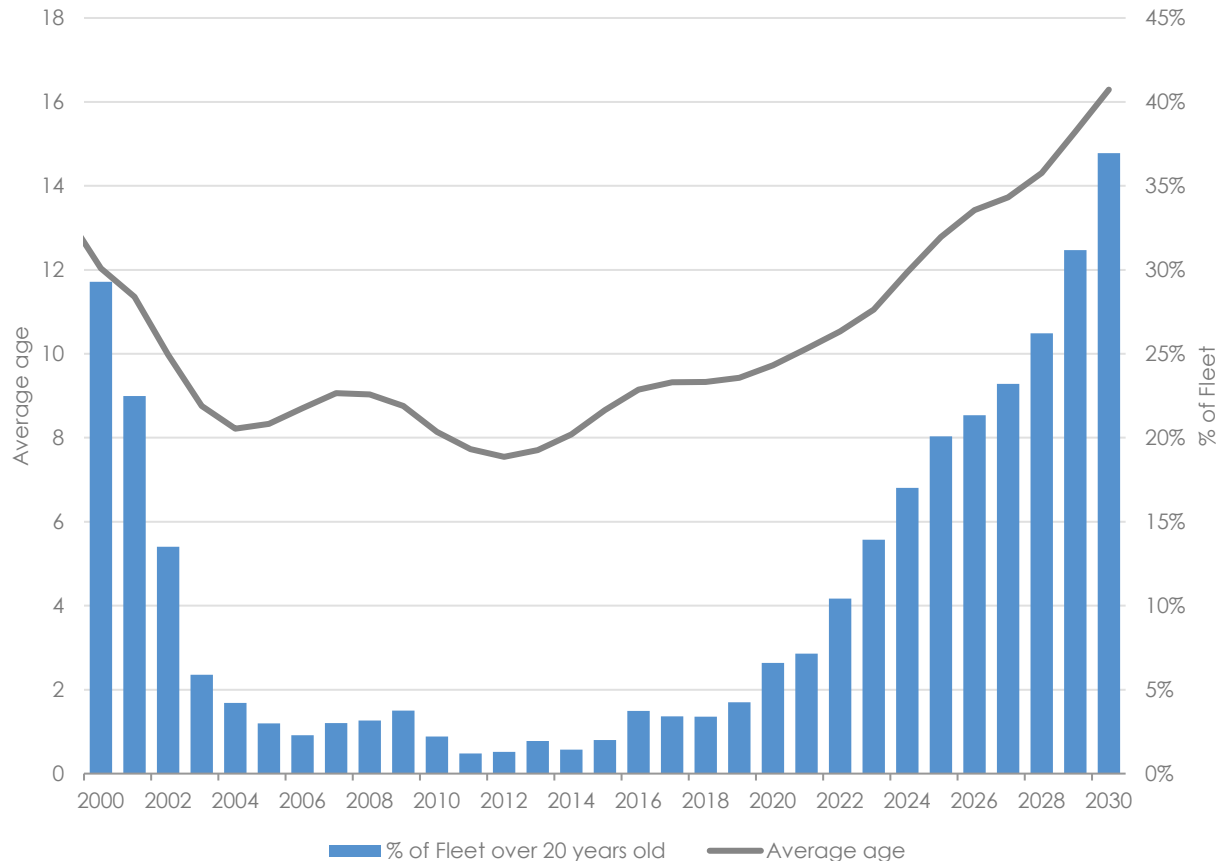


Source: Company Data, Clarksons Securities AS, Fearnleys Securities.

Low VLCC orderbook outpaced by an aging fleet

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VLCC fleet age development



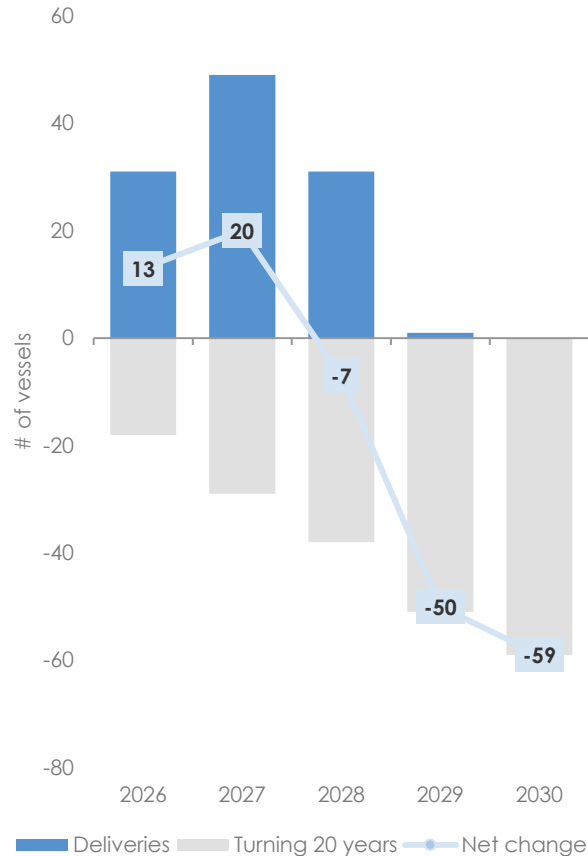
- The VLCC fleet is on average ~13 years old, with 20% of the fleet (18% including orderbook) more than 20 years
- Based on the current orderbook, 37% of the VLCC fleet will be more than 20 years by 2030, with an average fleet age of more than 16 years
- Oil companies prefer modern vessels, and many have internal policies on only chartering vessels below 20 years
- Older vessels require significant investments to maintain classing
- Large part of old fleet is sanctioned and unlikely to return to the “compliant” market

A limited VLCC orderbook vs an ageing fleet will lead to an average VLCC fleet age of more than 16 years – highest on record in modern times

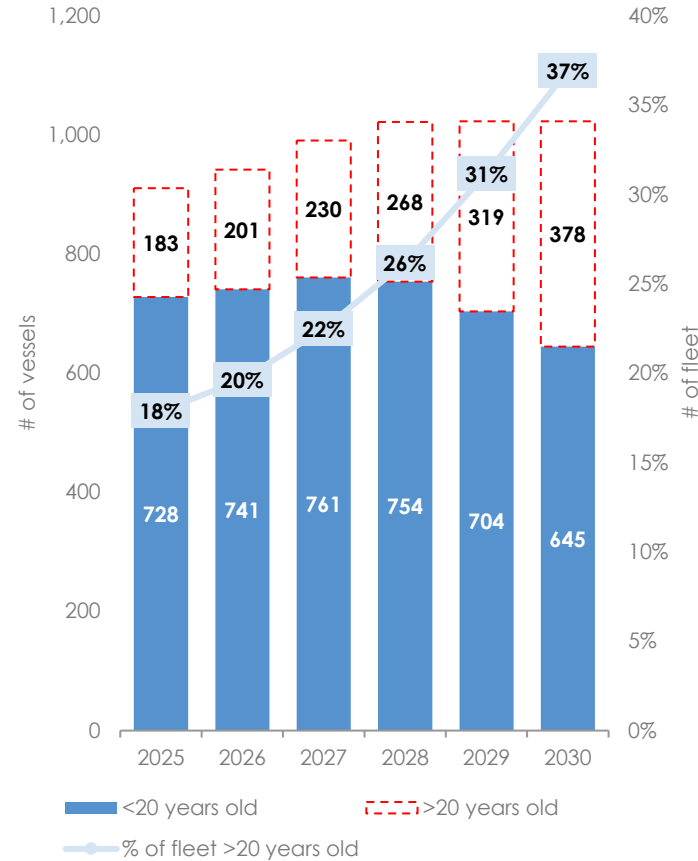
The VLCC fleet below 20 years to decrease by 11% (83 vessels) by 2030 based on current orderbook

Bruton Ltd.

VLCC fleet below 20 years development



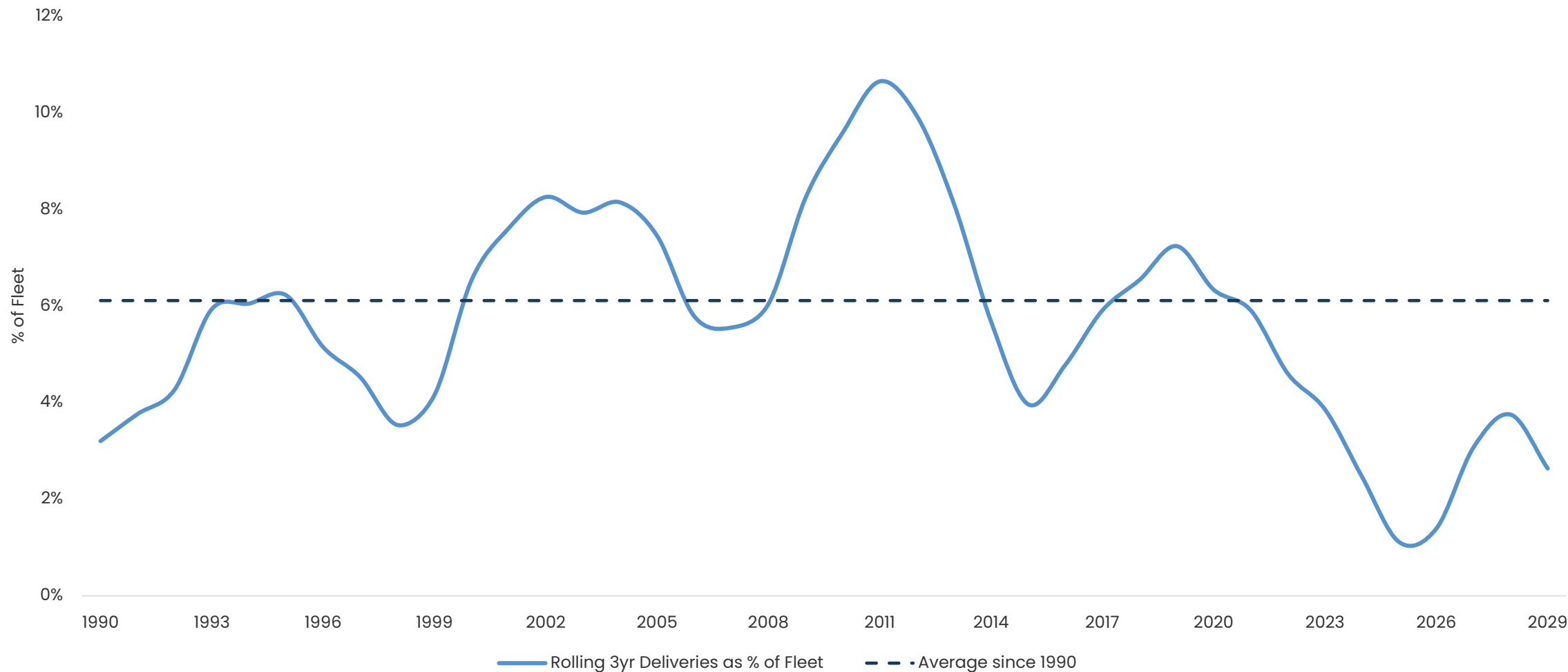
VLCC fleet



- At year end 2025, the VLCC fleet will consist 911 vessels, of which 728 are below 20 years
- There are currently 112 vessels in the orderbook, equal to 12% of the fleet
- The numbers of vessels above 20 years will increase from 183 to 378 by year end 2030

While the orderbook is 12% of the current fleet, the number of vessels below 20 years will decrease by 11% to 645 vessels by 2030 based on current orderbook

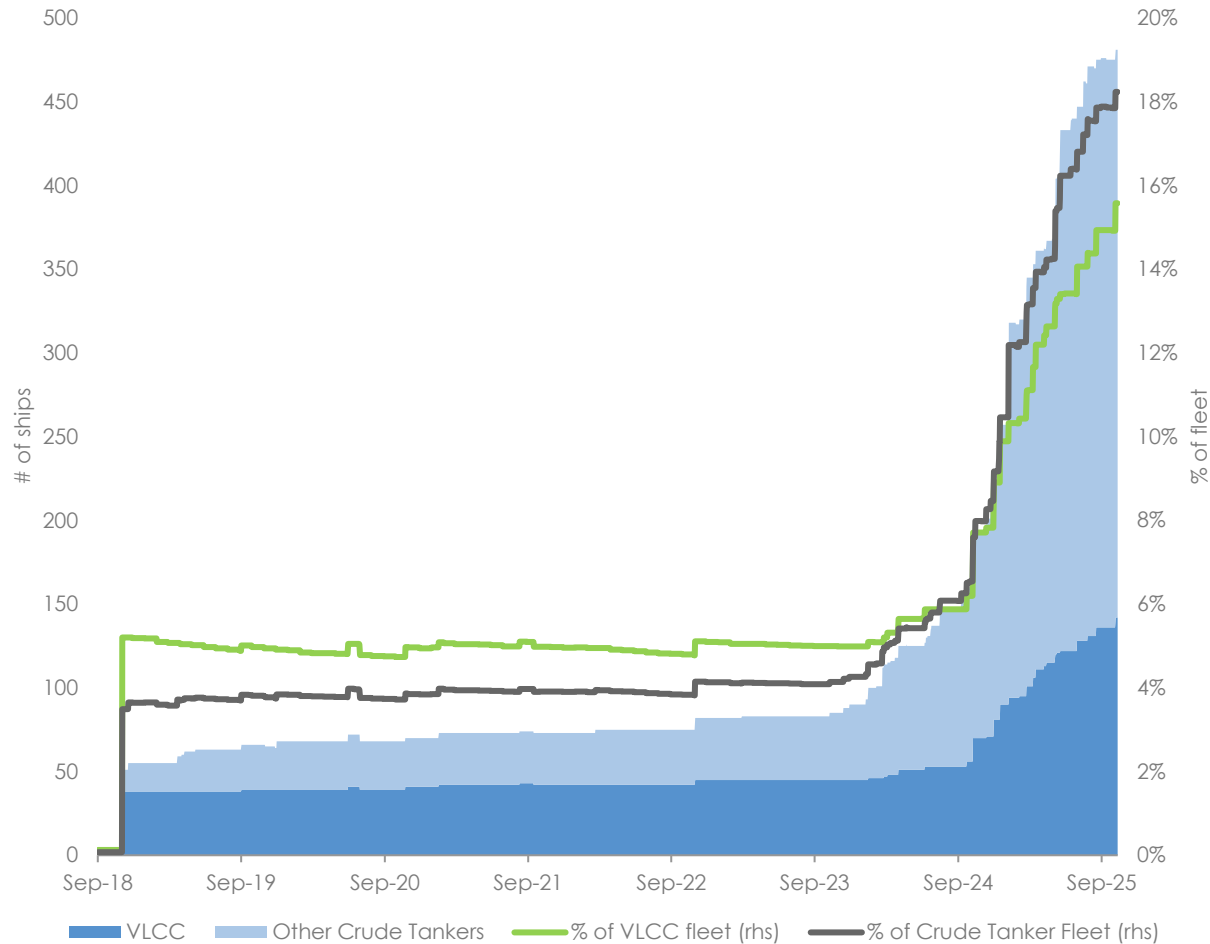
Tanker Deliveries as percentage of VLCC fleet at historical low levels



Source: Clarksons Shipping Intelligence Index

Close to 20% of crude tanker fleet is sanctioned and unlikely to return to the “compliant” market

Sanctioned crude tanker fleet



- 16% of the VLCC fleet and 18% of the total crude fleet are sanctioned
- 90% of the sanctioned VLCCs are 15 years or older

Ageing fleet and elevated sanctions will increase the demand for the compliant fleet and the need for fleet renewal

Favourable entry point, low orderbook and limited yard capacity

Utilizing strong relationship with shipyard creating unique exposure and optionality towards the VLCC market

Significant leverage to higher asset values

Youngest fleet & with DF LNG optionality

Strong shareholder alignment and experienced management

APPENDIX



Tor Olav Troim, Main Principal

Mr. Tor Olav Troim serves as the main principal, and brings extensive industry knowledge and experience, from several leading management positions, in among others, Frontline, Seadrill, Marine Harvest and Golar LNG. In 2014, Troim started his independent investment office, and founded Magni Partners. Troim is a Norwegian citizen and a resident in Monaco.



Bjørn Isaksen, Chairman

Mr. Bjørn Isaksen has served as a Director on our Board of Directors since 12 July 2023. Mr. Isaksen was employed by ABG Sundal Collier Ltd. as a partner from 2005 until 2014 and has been employed by Magni Partners Limited since 2014. Mr. Isaksen is a Norwegian citizen and a resident in Monaco.



Gunnar Winther Eliassen, contracted CEO Bruton Ltd.

Mr. Gunnar Winther Eliassen was employed by Pareto Securities AS and Pareto Securities New York as a Partner from 2010 to 2015. From 2016 to 2023 Eliassen was employed by Seatankers Services UK LLP. Eliassen has been employed by Magni Partners UK since 2024. Eliassen is a Norwegian citizen and a resident in the United Kingdom.



Lars-Christian Svensen, contracted CEO Andes Tankers I Ltd

Mr. Lars-Christian Svensen is the CEO of 2020 Bulkera and Himalaya Shipping. From 2009 to 2017, Svensen was employed by Western Bulk, followed by several management positions in Golden Ocean Group. Svensen will provide services as contracted CEO to Andes Tankers I. Svensen is a Norwegian citizen



Patrick Schorn, Director

Mr. Patrick Schorn was appointed Director in October 2024. Mr. Schorn is the CEO of Borr Drilling Limited since September 2020 and was previously the EVP of Wells for Schlumberger Limited. During his 32-year career at Schlumberger, he held various global management positions including President of Operations; President Production Group; President of Well Services; President of Completions; and GeoMarket Manager.



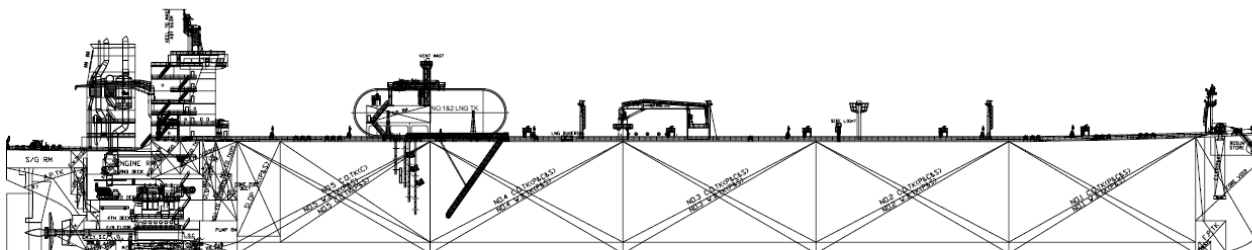
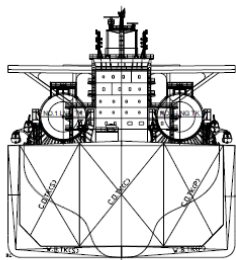
Mi Hong Yoon, Director

Ms. Mi Hong Yoon has served as a Director on our BoD since 12 July 2023. Ms. Yoon was employed by Digicel Bermuda as Chief Legal, Regulatory and Compliance Officer from Mar 2019 until Feb 2022 and as Senior Legal Counsel of Telstra Corp. Limited's global operations in Hong Kong and London from 2009 to 2019. Ms. Yoon is an Australian citizen and a resident of Bermuda.



Vidar Hasund, Contracted CFO Bruton Ltd.

Mr. Vidar Hasund is the CFO of 2020 Bulkera and the Contracted CFO of Himalaya Shipping. Previously he has been employed by Borr Drilling, PGS, BW GAS and KPMG. Hasund is a Norwegian citizen.



MAIN PARTICULARS

L.O.A	abt. 332.95 m
L.B.P	327.00 m
Breadth (mld)	60.00 m
Depth (mld)	29.60 m
Designed draft	20.50 m
Scantling draft	21.70 m
DWT on Td	280,000 MT
DWT on Ts	302,000 MT
Cruising range: (FO/MGO)	23,800 n.mile
(LNG)	17,400 n.mile
Speed	14.5 knots
(draft at 20.50m at NCR with 15% sea margins)	

COMPLEMENT

Crew of 30+6 Suez crew

CLASS

DNV
 ✱1A TANKER FOR OIL, CSR, ESP, BIS, LCS,
 COAT-PSPC(B,C), CLEAN, ERS VCS(2),
 BWME(S,T), ER(SCR, TIER III), NAUT(NAV),
 RECYCLABLE, SPM, TMON(OIL LUBRICATED),
 CYBER SECURE(ESSENTIAL), E0,ER(EGCS
 OPEN), GAS FUELLED LNG, CMON

ENERGY SAVING DEVICES:

Pre-Shrouded Vans + Hub Vortex Absorbed Fin

TANK CAPACITY

Cargo tanks capacity	abt. 341,000 m ³
(Including slop tanks)	
Slop tanks	abt. 8,200 m ³
Water ballast	abt. 92,700 m ³
Fuel oil	abt. 5,250 m ³
Marine gas oil	abt. 1,100 m ³
Fresh water	abt. 600 m ³
LNG fuel tanks (Type C)	abt. 8,000 m ³

CARGO & BALLAST EQUIPMENT

Cargo Pump	3 Sets
Type	Steam turbine driven
Capacity	5,000 m ³ /hr x 150 mlc
Stripping pump	1 Set
Type	Steam driven
Capacity	400 m ³ /hr x 150 mlc

BALLAST PUMP:

Type	Electric driven
Capacity	2 x 3,000m ³ /hr
Ballast water treatment	6,000m ³ /hr

NAVIGATION EQUIPMENT

Radar plant	1 x S-band
	1 x X-band
DGPS navigator	2 Sets
AIS	1 Set

MAIN ENGINE

Type :	6G80ME-C10.5-GI-Tier III	1 Set
SMCR (kW/RPM)	18,800 kW / 59 rpm	
NCR (kW/RPM)	15,980 kW / 55.9 rpm	
Fixed-pitch propeller	4 Blades	

FUEL CONSUMPTION OF MAIN ENGINE

D.F.O.C at NCR: approx. 61.1 MT/Day (Tier II)
 (L.C.V = 42,700 kJ/kg, without 5% tolerance)
 D.G.C at NCR: approx. 49.1 MT/Day (Tier II)
 (L.C.V = 50,000 kJ/kg, without 5% tolerance)

POWER SUPPLY

Diesel generators (DF)	3 X 1,550 kWe
Emergency generator	1 X 400 kWe

BOILER (DF)

Capacity	40,000 kg/h
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COMPOSITE BOILER (DF)

Fired section	3,000 kg/h
Exhaust side:	1,300 kg/h

EXHAUST GAS CLEANING SYSTEM

Type:	Open loop	1 Set
Connections to M/E, three (3) AEs and one (1) composite boiler		

EEDI

Phase 3

300,000 DWT
VERY LARGE CARGO OIL CARRIER



Fax: +86-523-84215129 Tel: +86-523-80686819
 Email: business@ncship.com.cn
 New Times Shipbuilding Co., Ltd.

Add.: Dan Hua Port, Jing Jiang City, Jiangsu Province, P. R. China 214518

RISK FACTORS

An investment in the Company's securities involves inherent risk. Before making an investment decision, investors should carefully consider the risk factors below and all information contained in this Presentation. The risks and uncertainties described below are the principal known risks and uncertainties faced by the Company as of the date hereof that the Company believes are the material risks relevant to an investment in the securities. An investment in the securities 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. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision in respect of the securities. If any of the following risks were to materialise, individually or together with other circumstances, they could have a material and adverse effect on the Group and/or its business, financial condition, results of operations, cash flows and/or prospects, which could cause a decline in the value and trading price of the securities, resulting in the loss of all or part of an investment in the same.

The risks and uncertainties described below are not the only risks the Company may face. Additional risks and uncertainties that the Company currently believes are immaterial, or that are currently not known to the Company, may also have a material adverse effect on its business, financial condition, results of operations and cash flow. The order in which risks are presented below does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the Company's business, financial condition, cash flows and/or prospects. The information herein is as of the date of this Presentation.

1.1. Risks related to the Group's business

1.1.1 Risks relating to future business opportunities

Whilst the Company's is principally focused on the VLCC segment through its vessel acquisitions, the Company has a broader corporate strategy based on an opportunistic approach to M&A, including sourcing opportunities in maritime sectors, as well as other cyclical businesses. As such, the Company may pursue additional M&A opportunities in the future, potentially diversifying its portfolio beyond the current VLCC focus.

Such diversification could expose investors to risks associated with different maritime sectors or other cyclical businesses. Cyclical businesses are subject to market fluctuations, making it challenging to predict attractive opportunities. Even if such businesses are identified, volatile pricing and variations in valuations could lead to the Company paying a premium or misjudging the business cycle, resulting in suboptimal investments. Economic downturns may also cause reduced profitability or losses, which in turn may result in reductions in shareholder value.

1.1.2 Risks relating to financing

The Group's primary source of liquidity has so far been the net proceeds from two private placements completed in October and December 2023 respectively, which have been used to finance the instalments under the shipbuilding contracts with New Times and for general corporate purposes.

The Company has received indicative financing proposals for parts of the Vessels' construction costs. However, such proposals remain non-binding and no definitive financing agreements or term sheets have been entered into as of the date hereof. Should the Company fail to negotiate and conclude definitive financing documentation as contemplated, the Group will need to rely on other financing arrangements. There can be no assurances that such alternative financing is available, or available at the same terms as the contemplated proposals, the financing costs under alternative financing may be higher than anticipated, and/or the Company may need a higher degree of equity financing.

The Company's ability to meet its future financing needs remains contingent upon successfully securing financing commitments, raising additional equity, selling assets, or implementing a combination of such measures. While the Group may benefit from a strong track record and extensive experience, there is no guarantee that the Company will successfully obtain the necessary financing, on acceptable commercial terms or within the required timeframes. Should the Company be unable to secure sufficient funding, it may attempt to negotiate deferrals of its contractual obligations. Should such negotiations fail, the Group may be forced to divest assets, which could trigger liability claims from contractual counterparties, including claims to retain payments already made. Failure to secure financing could result in reduced shareholder value or, in the worst case, insolvency proceedings.

1.1.3 Delays or non-performance by New Times in the construction of the Vessels

Subject to the completion of the acquisition of Andes Tankers II Ltd. and the conclusion of firm newbuilding contracts pursuant to the LOI with New Times, the Group will have six newbuilding crude oil tankers on order from New Times Shipbuilding Co. Ltd. in Jingjiang, China ("**New Times**"), with options to construct another two vessels. Risk of delays and failure of New Times to deliver exists until the Vessels are delivered. Vessel construction projects are generally subject to risks of delay that are inherent in any large construction project, which may be caused by numerous factors, including shortages of equipment, resources, electrical power, materials or skilled labour; unscheduled delays in the delivery of ordered materials and equipment or shipyard construction; failure of equipment to meet quality and/or performance standards; financial or operating difficulties experienced by equipment vendors or the shipyard; unanticipated actual or purported change orders; inability to obtain required permits or approvals; design or engineering changes and work stoppages and other labour disputes, adverse weather conditions or any other events of force majeure. Furthermore, the Group's entire newbuilding programme is under construction at the same shipyard, creating significant concentration risk. Any systemic issues affecting the New Times, including financial distress, operational difficulties, regulatory sanctions, facility damages, could simultaneously impact all vessel deliveries and jeopardise the Group's entire fleet expansion. Should New Times experience significant difficulties, causing them to default on the building contracts.

Delays and failure of New Times to deliver would adversely affect the Group's financial position, results of operations and cash flows. Additionally, failure to take delivery of a vessel on time may result in the delay of revenue from the affected vessel, and the Group may continue to incur costs and expenses related to delayed vessels, such as supervision expense and interest expense on any pre-delivery financing arrangements. Failure by New Times to complete and deliver the Vessels to the Group will impact the Company's ability to achieve its ambitions or result in increased costs in connection with relocation and completion of the construction elsewhere. The Group's rights to claim a refund of pre-delivery instalments are guaranteed by a reputable financial institution but failure of any guarantor to make payment to the Group of any claim made under these refund guarantees would result in a financial loss to the Group which would adversely affect its overall financial position.

1.1.4 The Group may not be able to enter into charters at an attractive rate, or enter into charters at all

When taking delivery of the Vessels, the Group's strategies will include international operations and the entry into charter parties or other type of operational contracts for such assets. The Group has not, to date, entered into any such contracts. Establishing, maintaining and expanding the Group's operations and achieving its objectives involve inherent costs and uncertainties and there is no assurance that the Group will achieve its objectives or other anticipated benefits. Although the Group has contracted with experienced partners, the Group's lack of operating history may affect its ability to obtain customer contracts and there is no assurance that the Group will be able to secure contracts for all Vessels or other assets acquired from time to time, or that such contracts will be available on favourable terms to the Company. Any failures, material delays or unexpected costs related to implementation of the Group's strategies and contracting of its assets could have a material adverse effect on its business, financial condition, results of operations and cash flow.

1.1.5 The value of the Group's assets may fluctuate

The Company's strategy exposes investors to inherent market timing risk and risk of loss. For the ongoing newbuilding program at New Times, the market value of tanker vessels is sensitive to, among other things, changes in the worldwide economy. Changes to global economic conditions may affect the price of oil and, as the Company's business depends to a significant extent on customers' expectations in respect of the price of oil, changing global economic conditions may significantly impact demand from customers. Also, changes in seaborne activity levels for oil and global trading patterns could have a similar impact on demand from customers. Furthermore, if the value of the Group's assets deteriorates significantly, the Group may have to record an impairment adjustment in its financial statements, which would adversely affect its financial results and further hinder its ability to raise capital. The fair market value of the Group's assets may decline, which could limit the amount of funds that the Group can borrow, or result in an impairment charge, and cause the Group to incur a loss if it sells assets following a decline in their market value, or negatively impact the financial condition of the Group.

1.16 Counterparty risk in the target markets

The Company has entered, and may enter in the future, into various contracts, including newbuilding contracts (with related refund guarantees), charter parties with the Group's future customers, financing agreements with financiers, vessel management, pooling arrangements and other agreements with other entities, which subject the Company to counterparty risks. Should a counterparty fail to honour its obligations under any such contract, the Company could sustain significant losses which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

1.17 The Group's future cost base is uncertain

Upon taking delivery of the Vessels and commencing their commercial operations, the Group must conclude various agreements to establish an infrastructure suitable for operating such tanker vessels. Such agreements include, i.a. supply agreements for spares and consumables, insurance cover and agreements with technical and operational management companies. The same applies to other projects the Company may realize within its business strategy from time to time. The Group has no guarantees that the terms of such agreements will be favourable for the Group, and the future cost base for the Group's operations is currently unknown. Should such costs increase and be higher than anticipated by the Group, the financial results and free cash flow of the Group may be adversely affected.

1.2 Risks related to applicable laws and regulations

1.2.1 The Group is subject to complex laws and regulations

The international aspects of the Group's business

The Group's operations will be subject to numerous international and local laws, regulations, treaties and conventions in force, for example those in force in international waters and the jurisdictions in which its vessels or assets may operate or be registered, which can significantly affect the ownership and operation of its vessels.

For assets, compliance with such laws and regulations, where applicable, may require installation of costly equipment or operational changes and may affect the resale value or useful lives of the Group's assets, including the Vessels. Compliance with such laws and regulations may also require the Group to obtain certain permits or authorizations prior to commencing operations. Failure to obtain such permits or authorizations could materially impact the Group's business results of operations, financial condition and ability to pay dividends or cash distributions by delaying or limiting its ability to accept charterers. The Group may also incur additional costs in order to comply with other existing and future regulatory obligations, including, but not limited to, costs relating to climate, environmental or health and safety measures.

Environmental law

Environmental laws often impose strict liability for remediation of spills and releases of oil and hazardous substances, which could subject us to strict liability for environmental and natural resource damages without regard to negligence or fault on the Group's part. Implementation of new environmental laws or regulations applicable to tanker vessels or other assets the Company may invest in from time to time may subject the Group to fines, penalties and/or increased costs; may limit the operational capabilities of its assets or reduce the value of the Company's potential investments in or contractual rights to such assets; and could materially and adversely affect its operations and financial condition. The Group may be required to satisfy insurance and financial responsibility requirements for potential oil (including marine fuel) spills and other pollution incidents. The Group cannot predict the cost of compliance with any new environmental protection and other laws and regulations that may become effective and applicable to the Group's assets and/or investments in the future.

Furthermore, environmental protection movements may result in decreased oil production over time, which would lead to a decrease in demand for the Group's vessels, having a negative impact on the financial prospects of the vessels.

Tax risk

The Company has, as of the date hereof, no tax liability to other states than Bermuda.

Different states have different conditions for companies to be considered tax resident in their respective states. The Company may become tax resident in Norway if its de facto management is located in Norway. In assessing whether the Company's de facto management is in Norway, due heed shall be paid to where board level management and daily management are carried out, but also to other circumstances relating to the organisation and business activities of the company. The Company may also have limited tax liability to Norway if it has business activities carried out or operated in- or managed from Norway.

Norway currently has special tax rules for controlled-foreign-companies (CFC-rules). The CFC-rules apply where Norwegian companies or individuals, jointly or separately, directly or indirectly, hold 50 percent or more of the share capital of a company resident in a low-tax jurisdiction (i.e. a tax jurisdiction with an effective tax rate less than 2/3 of the applicable Norwegian tax rate for similar sort of income). If these conditions are met, Norwegian investors of the relevant non-resident low-taxed company would be required to pay Norwegian income taxes for its prorated share of the Company's net income, annually. Investors tax resident in Norway currently holds less than 1/3 of the shares of the Company. Should the Norwegian ownership increase towards the levels that may result in Norwegian CFC taxation, the Company will assess its alternatives in the best interest of the shareholders.

The Company may also become tax resident or be considered partly tax liable in/to other jurisdictions based on similar assessments as set out above. The Company will monitor its potential tax liabilities to other states than Bermuda. Should the Company or any Group companies have a full or limited tax liability to any other jurisdiction, this could increase the Company's and investors' tax costs, which would reduce the return on an investment in the Company's securities.

Insufficient insurance to cover environmental claims

The Group will, upon taking delivery of the Vessels or other assets in the future, be required by various governmental agencies to obtain certain permits, licenses and certificates with respect to its operations of such assets and to satisfy insurance and financial responsibility requirements, for example, in relation to the Vessels, for potential oil (including marine fuel) spills and other pollution incidents. The Group has not yet entered into agreements with insurers for coverage of the insurance type and in amounts it believes to be customary in the industry, and there can be no assurance that the Group will be able to find sufficient insurance sufficient to cover all such risks on favourable terms in the future. Further, any such insurance may not be sufficient to cover all such liabilities and it may be difficult to obtain adequate coverage on acceptable terms. Claims against the Group's assets, or in relation to the Group's business, whether covered by insurance or not, may result in a material adverse effect on the Company's business, result of operations, cash flows and financial condition.

Economic and other sanctions

Many economic sanctions can relate to the Group's business, including prohibitions on doing business with certain countries or governments, as well as prohibitions on dealings of any kind with entities and individuals that appear on sanctioned party lists issued by the United States, the EU, and other jurisdictions (and, in some cases, entities owned or controlled by such listed entities and individuals). For example, on charterers' instructions, vessels may from time to time call on ports located in countries subject to sanctions imposed by the United States, the EU or other applicable jurisdictions.

As another example, charterers or other parties that the Group enter into contracts with, may be affiliated with persons or entities that are the subject of sanctions imposed by the United States, the EU or other applicable jurisdictions as a result of the annexation of Crimea by Russia in 2014 or subsequent developments in Ukraine. If the Company determines that such sanctions require it to terminate contracts, there would be risk of loss and periods of off-hire, and there is a connected risk of reputational harm. Furthermore, current geopolitical tensions, for example between US and China or between Russia and Europe and the US, may affect our business, for example through trade embargoes, tariffs or port fees issued by any state as a result of geopolitical conditions.

Although the Group believes that it is in compliance with applicable sanctions laws and regulations, and intends to maintain such compliance, there can be no assurance that it will be in compliance in the future, particularly as the relevant sanctions restrictions are often ambiguous and change regularly. Any such violation could result in fines or other penalties that could severely impact the Group's ability to access U.S. and European capital markets and conduct its business, and could result in some investors deciding, or being required, to divest their interest, or not to invest, in the Company. A failure to comply with applicable laws and regulations may result in administrative and civil penalties, criminal sanctions or the suspension or termination of the Group's operations, which in turn could have an adverse effect on the Group's results.

The International Safety Management Code ("**ISM Code**")

Upon taking delivery and commencing operations of the Vessels, and other potential assets within the shipping and offshore industry, the Group may be required to comply with requirements set forth in IMO's ISM Code. The ISM Code requires asset owners, ship managers and bareboat charterers to develop and maintain an extensive "Safety Management System". Failure to comply with the regulations set forth in the ISM Code may subject the Group to increased liability and adversely affect the Group's insurance coverage. It may also result in a denial of access to, or detention in, certain ports. This could in turn have an adverse effect on the Group's result.

1.2.2 Failure to comply with applicable anti-corruption laws, sanctions or embargoes

The Group expects to do business in a number of countries, and in some developing economies, which can involve inherent risks associated with fraud, bribery and corruption and where strict compliance with anti-corruption laws may conflict with local customs and practices. As a result, the Group may be subject to risks under the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act 2010, the Bermuda Bribery Act 2016 and similar laws in other jurisdictions that generally prohibit companies and their intermediaries from making, offering or authorizing improper payments to government officials for the purpose of obtaining or retaining business.

The Group is required to do business in accordance with applicable anti-corruption laws as well as sanctions and embargo laws and regulations (including U.S. Department of the Treasury Office of Foreign Assets Control requirements) and the Group has adopted policies and procedures, including a code of business conduct and ethics, which are designed to promote legal and regulatory compliance with such laws and regulations. However, either due to the Group's acts or omissions or due to the acts or omissions of others, including the Group's agents, local sponsors or others, the Group may be determined to be in violation of such applicable laws and regulations or such policies and procedures. Any such violation could result in substantial fines, sanctions, deferred settlement agreements, civil and/or criminal penalties and curtailment of operations in certain jurisdictions and the seizure of the Group's assets and might as a result materially adversely affect the Group's business, financial condition and results of operations.

The Group's customers in relevant jurisdictions could seek to impose penalties or take other actions adverse to the Group's interests. In addition, actual or alleged violations could damage the Group's reputation and ability to do business and could cause investors to view the Group negatively and adversely affect the market for the Company's securities. Furthermore, detecting, investigating and resolving actual or alleged violations are expensive and can consume significant time and attention of executive and senior management regardless of the merit of any allegation.

1.3 Risks related to the securities

1.3.1 Investors' rights and responsibilities as shareholders will be governed by Bermuda law, which may differ from other jurisdictions

The Company's corporate affairs are governed by the memorandum of association and its bye-laws. The rights of shareholders as they relate to, for example, the exercise of shareholder rights, are governed by Bermuda law and the Bye-laws could differ from the rights of shareholders under other jurisdictions, including Norway. The holders of the securities may have more difficulty in protecting their interests in the face of actions by the board of directors than if it were incorporated in the United States, Norway or another jurisdiction.

Under the Bermuda Companies Act, no shareholder has a pre-emptive right to subscribe for additional issues of a company's shares unless, and to the extent that, the right is expressly granted to the shareholder under the bye-laws of a company or under any contract between the shareholder and the company. The Bye-Laws do not provide for pre-emptive rights in the Company. As such, the investors of the Company may be diluted by issues of new common shares in the Company.

1.3.2 The market price of the Company's securities may fluctuate

The trading volume and price for the Company's securities may fluctuate significantly and may not always reflect the underlying asset value of the Company. A number of factors outside the Company's control may impact its performance and the price of the securities, including but not limited to, adverse business and sector developments, changes in market sentiment regarding the securities and/or the sectors the Company is operating in, the operating and share price performance of other companies in the industry in which the Company operates, changes in financial estimates and investment recommendations or ratings. Changes in market sentiment may be due to speculation about the Company's business in the media or investment community, changes to the Company's profit estimates (if such have been provided), the publication of research reports by analysts and changes in general market conditions. If any of these factors occur, it may have a material adverse effect on the pricing of the securities.

1.3.3 Future sales, or the possibility of future sales of substantial numbers of securities could affect the market price

The Company cannot predict what effect, if any, future sales of the securities, or the availability of securities for future sales, will have on the market price of the securities. Sales of substantial amounts of the securities in the public market or the perception that such sales could occur, could adversely affect the market price of the securities, making it more difficult for holders to sell their securities or the Company to sell equity securities in the future at a time and price that they deem appropriate.

1.3.4 The Company's ability to pay dividends is dependent on the availability of distributable reserves and the willingness of the Company to pay any dividends in the future

The amount and timing of dividends will depend on the Company's earnings, financial condition, cash position, Bermuda law affecting the payment of distributions and other factors. However, the Company could incur other expenses or contingent liabilities that would reduce or eliminate the cash available for distribution as dividends. In addition, the timing and amount of dividends, if any, is at the discretion of the board of directors. The Company cannot guarantee that the Board will declare dividends in the future.

1.3.5 The Company's shares are registered and delivered to the subscribers as Norwegian Depository Receipts

The offer shares in the Private Placement will be issued to the Company's registrar, Equoro Issuer Services AS ("Equoro"). Equoro will be recorded as the sole shareholder in the Company's register of members. Equoro will subsequently issue Norwegian Depository Receipts ("NDRs") reflecting the beneficial ownership rights to the underlying shares. Whilst the shareholder rights are governed by Bermuda law, the NDRs are issued under Norwegian law.

Whenever the terms "shares", "securities" and "shareholder" are used herein, they refer to the beneficial ownership rights represented by the NDRs, or holders thereof, respectively. The offer shares in the private placement will be represented by and delivered to the subscribers in the VPS as NDRs. The rights available to the holder of NDRs may differ from the rights of a direct shareholder.

NDRs issued in the VPS have certain limitations and risks. The subscribers can read more about these limitations and risks in Equoro's general business terms and conditions available at www.equoro.com and that a service description for the NDRs is available at www.euronextvps.no.

1.3.6 The tender offer to the shareholders in Andes Tankers II and the newbuilding contracts for the LOI vessels have not yet been concluded

As at the date hereof, neither the tender offer nor the newbuilding contracts under the LOI have been finally concluded. The tender offer is subject to the formal acceptance from the shareholders in Andes Tankers II. The newbuilding contracts for the two vessels to be entered into pursuant to the LOI are subject to final form documentation and final board approval from the Company and New Times.