



PREMIUM MARITIME CREDIT FUND

Fourth Quarter Report 2023

Prepared by

NRP Maritime Asset Management

NRP



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PREMIUM MARITIME CREDIT FUND

Company:	Premium Maritime Credit Fund, SCA SICAV-RAIF (LUX)
Fund Name:	Premium Maritime Credit Fund
Legal Structure:	Reserved Alternative Investment Fund ("RAIF")
Fund Manager/External AIFM:	FundRock Management Company S.A. (LUX)
Investment Advisor:	NRP Maritime Asset Management AS (NO)
Total Investor Commitments:	USD 112.82m

Fourth Quarter Highlights

Amount Drawn During Quarter	Distributions During Quarter	Value of Investments	Liquidity	Other WC	NAV	Net IRR:*
USD 0m	USD 0m	USD 45,21m	USD 28,27m	USD 0,74m	USD 74,23m	3.81%

* Based on USD Share Class A, Ordinary Shares 1

Deployment, pipeline and development





UPDATE FROM THE INVESTMENT ADVISOR

Fund update

We left a notably muted S&P market in Q3, with weak rates and a misalignment between the buyers and sellers where the latter were asking for prices not matching to the earnings. Pricing and timing is much more sensitive for our key clients, who are typically smaller family-owned companies, compared to the larger players of the world. So, when the earnings firmed up in Q4 we experienced a significant increase in requests from buyers now willing to pull the trigger as the rates started to make sense for them. While the Q4 improvement in rates in the Fund's key segments were moderate, and y-o-y down, the earnings provided some comfort that the assets at least would not drain cash from delivery.

The world orderbook remains relatively low at ~11% of fleet capacity, and remains highly sector specific. The yard capacity is however down 35% compared to the highs a decade ago, but there has been some yard capacity expansion over the last years especially in China but it's difficult draw any conclusions on the effect. Recycling has also been limited, down almost 70% (in dwt) compared to 2010.

On a macro level, and without the fear of repeating ourselves, the headlines continue to be influenced by the continuous inflationary pressure and elevated interest rates, albeit consensus is a moderate global economic growth in 2024. The uncertainty in China will continue to influence seaborne trade going forward, with every shipowner hoping for a rapid recovery this year. Despite a lacklustre Chinese activity, seaborne trade experienced a slight growth in 2023 in tandem with growing trade volumes.

At the end of Q4, MV Vyssos, one of our Borrowers' vessels mortgaged with Oceanus, was hit by a derelict mine while transiting the Danube River to load grain in Ukraine. None of the crew members suffered any serious injuries but the vessel is most probably a constructive total loss. The lender has Mortgagee Interest Insurance, and the case is therefore now brought forward to the insurance underwriters. As there are always uncertainties regarding final outcome in these types of cases and combined with a precautionary approach, we expect given the situation as it stands today to perform a write down in Q1. We expect to report more on the situation in Q2.

Investment Advisors



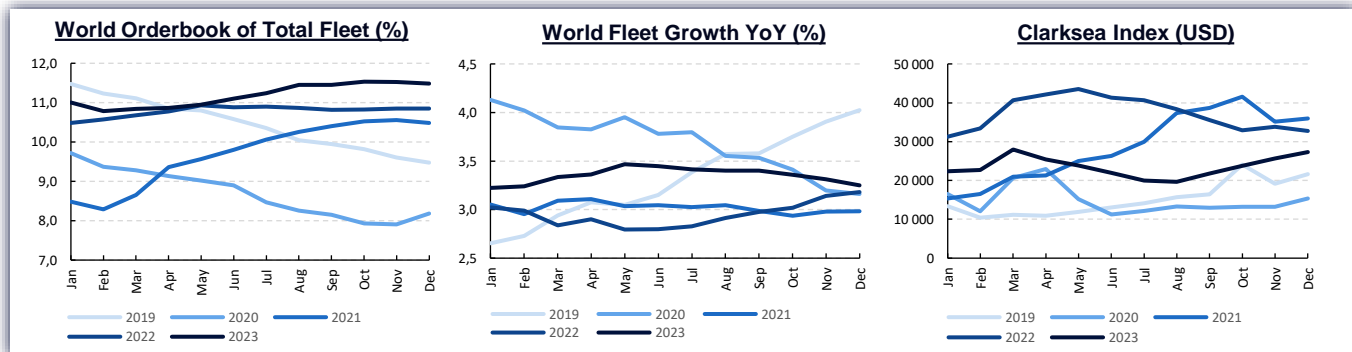
Nicolai Heidenreich
MD / Partner



Wilhelm Magelssen
Partner

Market Development

- ↳ The Clarksea Index rose to USD 27,300 by YE'24 (Q3.: USD 21,800) and ~54% above 10-year average.
- ↳ The orderbook (as % of existing fleet) remains favorable at slightly above 11%, which is more or less same as a year ago.
- ↳ Fleet growth has remained fairly steady between high two's and low four's, over the past years.



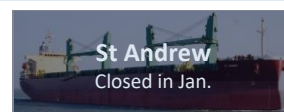
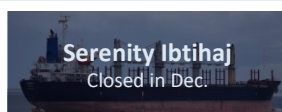
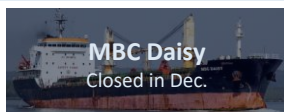
Deal Update

In Q4 the Fund deployed USD 11.8m in financing, all of which was announced in the Q3-report:

- ↳ USD 4.0m financing an expedition cruise vessel. The owner took delivery in early November.
- ↳ USD 2.5m financing a smaller handysize drybulk vessel. The owner took delivery in mid-December.
- ↳ USD 5.3m financing a handysize drybulk vessel. The owner took delivery in mid-December.
- ↳ In addition, Bharadwaj (our first loan) was repaid in full during Q4.

We received several new prospects, one of which was deployed already this January (USD 6.0m) for financing the acquisition of a handysize drybulk vessel. In addition, we are currently in advanced stages of financing several container vessels. These transactions are expected to close in February/March and will generate an additional deployment of USD 10.4m. Given the current pipeline and deals in advanced stages we will call on USD 20m in new capital from Investors during March.

Latest Transactions



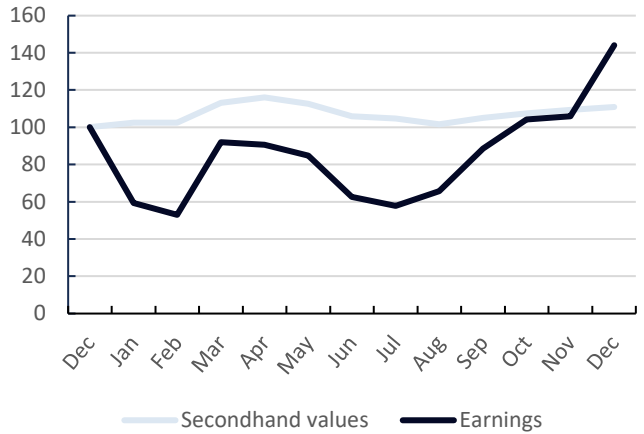
Dry Bulk Market

Market Update

Last year was fairly soft and lacklustre for bulkcarriers, albeit Q4 proved encouraging with secondhand values experiencing a modest uptick and with earnings reaching a 12-month high. Despite recent improvements, 2023 has been fairly subdued and nothing to cheer on about, and consensus is that we will not see a complete rebound in 2024 while there might be some short-term highlights in the coming year. China's post-covid reopening will still be the lid for a full drybulk comeback, as the orderbook remains favourable at ~8% with an expectation of a modest trade rebound this year.

Yard slots remain strangled, although there has been a ramp-up of Chinese yards over the past years, but we have yet to see how this plays out on the orderbook and the fleet balance. Interest rates remain high, providing a higher barrier to commit to newbuildings, albeit we expect interest rates to come down over time to more normalised levels.

Values & Earnings Last 12 Months (Indexed)



Portfolio Overview Q4-2023

Of total fleet

91%

MPP

7%

Handysize

72%

Supramax

20%

Fleet List Per Q4-2023

Investment Name:	Built	Size	Charter Type	Debt	Debt Domicile	Area
Vbulk MPP AS	2003	MPP	TC	Repaid	Norway	Non-EU
Christina Marine Inc.	2011	Handysize	TC	USD 6,50m	Greece	EU
** Lyra Mare Limited	2007	MPP	TC	USD 3,00m	Greece	EU
Unity Fortune Inc.	2007	Handysize	Spot	USD 5,10m	Greece	EU
Athanasia Marine Inc.	2010	Handysize	Spot	USD 4,00m	Greece	EU
Oak Bulk AS	2011	Supramax	TC	USD 8,25m	Norway	Non-EU
Vera Maritime S.A	2011	Handysize	Spot	USD 6,00m	Greece	EU
Mediterranean Bulk Asset Ltd	2011	Handysize	Spot	USD 2,50m	Malta	EU
Serenity Shipping Co. Ltd.	2006	Handysize	Spot	USD 5,30m	Greece	EU

*Employment status is a «snapshot», and may vary from time to time over the course of the tenor.

**Client is in default, with default mechanisms put in place. The vessel was on TC prior to being hit by a Russian mine.

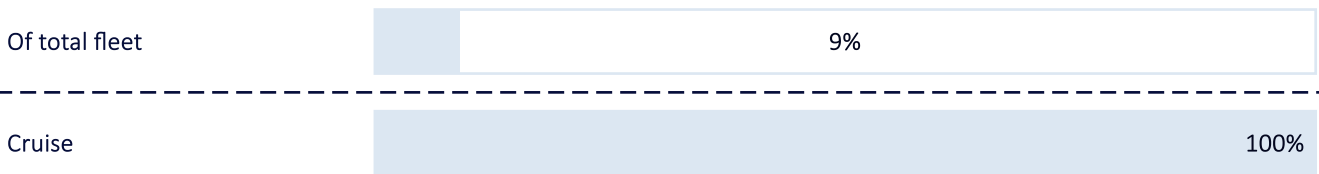
Cruise

In Q4'23 we completed the financing of MS Quest (26 cabins, 52 pax), to Northern Expeditions AS, which is chartered to a reputable Norwegian travel company specialised in offering classic cruise experiences with smaller expedition vessels. The itinerary include cruises in the centre of the Polar Region, between Narvik, Lofotoen and Tromsø as well as charters to Svalbard during the mid-year months. In 2005 and 2018, the vessel underwent major refurbishments to remain up-to-date with demanding passengers.

- Expedition cruises in the Northern hemisphere is a niche market that has experienced a strong demand by consumers preferring more immersive experiences.
- These cruises can often charge a premium compared to the major and more mass-cruise targeting operators, and are more aimed towards travellers seeking unique adventures and closer encounters with nature which expedition cruises excel at providing.
- These travellers are often wealthy and/or seeking a once in a lifetime experience, and appreciates a more unique personal involvement.
- Largest player in this market is the Norwegian cruise line “Hurtigruten” with their expedition class – who offers similar expeditions amongst others, but aimed at a grander audience as their vessels are significantly larger (530 pax) thus less personal and provides more of a combination of traditional cruise and expedition.



Portfolio Overview Q4-2023



Fleet List Per Q4-2023

<u>Investment Name:</u>	<u>Built</u>	<u>Size</u>	<u>Charter Type</u>	<u>Debt</u>	<u>Debt Domicile</u>	<u>Area</u>
Northern Expedition AS	1992	Cruise	BB	USD 4,00m	Norway	Non-EU



FUND OVERVIEW

Overview Table

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Fund Manager/External AIFM:	FundRock Management Company S.A. (LUX)
Investment Advisor:	NRP Maritime Asset Management AS (NO)
Total Investor Commitments:	USD 112.82m
First Closing Date:	January 2022
Final Closing Date:	July 2023 (extendable by 6 months)
First Investment Date:	July 2022
Lifetime:	January 2031
End Investment Period:	January 2025 (Extension option was declared in 2023)
Term:	9 years from First Closing Date
Extension Permitted:	Up to 2 years
Fund Currency:	United States Dollar (USD)
Fund Structure:	Closed-end
Max. Investment Size:	10% of Total Committed Fund Capital
Other Restrictions:	<p>Exposure to Greece not exceeding 50% of Total Committed Fund Capital</p> <p>Fund Size <= USD 175m, then:</p> <ul style="list-style-type: none"> • the 5 largest borrowers not to exceed 35% Committed Fund Capital • the 10 largest borrowers not to exceed 65% of Committed Fund Capital <p>Fund Size > USD 175, then:</p> <ul style="list-style-type: none"> • the 5 largest borrowers not to exceed 30% of Committed Fund Capital • the 10 largest borrowers not to exceed 50% of Committed Fund Capital <p>Min. asset coverage ratio of borrower: 150%</p> <p>Bullet Loans: Max 60% of Committed Fund Capital</p> <p>Senior Secured Loans: Min. 80% of Committed Fund Capital.</p> <p>Follow-on Investments: Max. 20% of Committed Fund Capital</p> <p>Tenor: Up to 7 years</p>
Re-investment Policy:	Principal proceeds may be re-invested up to 4 years after the first drawdown notice
Accounting Principle:	Luxembourg GAAP
ESG Policy:	https://www.nrp.no/ESG/

Investment Focus:

Stage:	All stages in the company's cycle
Sector:	Shipping
Geography Focus:	Europe

Key Economic Terms GP

Advisory Fee:	1%
Carried Interest:	15% above 6% IRR (no catch-up)

Operations and Governance

Auditor:	PWC Luxembourg
Administrator:	European Fund Administrations S.A
Legal Counsel:	Wikborg Rein (London) and Allen & Overy (Luxembourg)
Bank:	ING Luxembourg
Tax and Regulatory:	Luxembourg tax authorities
Regulator of Manager:	CSSF
Depository:	ING Luxembourg
Independant Value Expert:	VesselsValue Ltd.
Independant Risk Manager:	FundRock Management Company S.A.



FUND OVERVIEW

Fund Performance Status

Committed Fund Capital:	\$ 112,82m
Paid-in Capital:	\$ 71,05m
Invested Capital:	\$ 50,60m
Outstanding Loans:	\$ 44,45m
NAV (current):	\$ 74,23m
NAV (previous):	\$ 72,52m
Change:	\$ 1,71m
Quarterly Return ¹	1,81%
Value of investments (current):	\$ 45,21m
Value of investments (previous):	\$ 31,55m
Change:	\$ 13,66m
Adj. Change in %: ²	16,30%
Total distributions to Investors:	\$ 0,00m
Total Liquidity: ³	\$ 28,27m

Net IRR: ¹	3,81%
Total Interests and Fees Received:	\$ 3,03m
Distributions to Paid-In Capital (DPI):	0,0x
Total Value to Paid-In Capital (TVPI):	1,04x
Paid-In Capital to Committed Capital (PiCC):	0,63x

Fees and expenses

External AIFM fee:	15bps of NAV
Ongoing expenses:	Max. 1% of Committed Fund Capital
Advisory Fee:	1% of Invested Capital

1. Based on Share Class A, Ordinary Shares 1. Pro-rate NAV may vary between different share classes. Please refer to the Position Statement for individual values.
 2. Adjusted for deployed capital, drawdowns and distributions.
 3. Majority of the liquidity is placed in money-market funds, and not characterized as Invested Capital.



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