



PREMIUM MARITIME FUND

Fourth Quarter Report 2023

NRP

**Prepared by: NRP Maritime Asset Management AS
January 2024**

**Premium Maritime Fund AS**

Fund Name:	Premium Maritime Fund AS
Inception:	February 2017*
Lifetime:	September 2025*
Fund Structure:	Alternative Investment Fund (AIF)
Company:	Premium Maritime Fund AS (Norwegian Limited Liability Company), Company Number (org.no) 914 218 985
Committed Fund Capital:	USD 60.3 million
Latest NAV:	USD 37.1 million
Dividend Distributed:	USD 105.0 million since inception
Fund Manager:	NRP Maritime Asset Management AS

* The above information is based on the post merger details following the merger between Premium Maritime Fund AS, Premium Maritime Fund II AS and Premium Maritime Fund III AS, with Premium Maritime Fund II AS as the surviving entity (renamed Premium Maritime Fund AS), which was completed in the first half of 2021.

** The stated NAV's is an estimate based upon each project manager's budgets and evaluations, external public sources, and the Fund manager's examination and evaluations of the above-mentioned. The NAV is verified and documented by NRP Maritime Asset Management's Risk manager to the extent applicable and relevant as stated in section 7 (articles 67-74) of EU Regulation 231/2013 , incorporated to Norwegian AIFM regulations. The quoted NAV is based on the merger being completed.

DISCLAIMER

This fund update has been prepared by NRP Maritime Asset Management AS (MAM). The update solely aims to provide guidance and information. Under no circumstances is this update meant to be considered as a tool in financial or investment advising, hereunder recommendations of purchase or sale, with or without compensation, of financial instruments or other forms of financial assets.

The information contained herein has been obtained from sources believed to be reliable and in good faith. MAM can however not guarantee or be held financially or legally responsible for the accuracy, completeness or correctness of the information contained in this fund update. We underline that investing in shipping and/or offshore projects are associated with risk. All investors must be prepared that such investments might result in monetary losses. Anyone who uses this update as a basis for purchasing shares at a later time must make sure that all relevant and updated information is obtained. The information in this fund update is only valid per date of preparation. Possible investors are encouraged to go through the projects thoroughly before investing. All documentation and analyses can be explained by contacting our offices.

Investors are encouraged to seek advice in any type of financial investments made in private or as a corporation. Investors must comply that any statements or comments on future predictions made in this update might not occur. Hereunder, investors must understand and accept that present gains is not a guarantee for future gains. Any investment described or mentioned in this update is risk sensitive with the possibility of losses occurring.

Employees in the NRP Group and any related parties will from time to time own shares in projects arranged by NRP Project Finance, or in funds and companies managed by NRP Maritime Asset Management. A list of shares owned by employees in the NRP Group is available upon request to Ness, Risan & Partners' Compliance Officer.

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Managers Quarterly Comment

Dear Investors

Premium Maritime Fund had a stable quarter in Q4 with a total return of 0.3% and the dividend adjusted NAV is 9.1% higher than 12 months ago.

Dividends of USD 0.25 per share, representing 16.1% of the Q3 NAV, was distributed during Q4. Since the merger in 2021, the fund has delivered a total return of 100% and distributed dividends corresponding to 174% of invested capital.



MT Sunny Sky was delivered to new owners during the quarter. The investment has delivered an IRR of 36% and a total return of 209%.

Market Developments

The shipping markets are overall performing strongly, as reflected by the Clarksea Index ending the year at almost USD 26,000 per day, surpassing the long-term average by over 50%. Despite this positive trend, global and external events such as the war in Ukraine, Red Sea disruptions, Panama drought, environmental regulations, and economic policies keeps driving volatility and affecting the different segments to varying degrees.

In the container market, conditions have softened due to elevated fleet growth and weak demand trends, exerting significant pressure on rates. Although containerized trade is projected to grow by 3.6% (TEU-miles) in 2024, the rapid pace of deliveries (expected fleet growth of 7% in 2024) suggests continued challenges ahead.

The dry bulk market witnessed firm gains during Q4, although with some reversion towards the end of the year. As we enter 2024, the overall market appears balanced, with potential for some improvement caused by ongoing disruptions, increased recycling activity, and improved economic conditions for key importers. Tonne-mile growth for dry bulk is forecasted at 1.5% next year compared to expected fleet growth of 2.3%.

The tanker market, particularly product tankers, continues to perform strongly, benefiting from shifting sailing patterns due to the embargo on Russian oil and products, along with structural changes in the refinery landscape supporting longer haul trading. With a favorable supply-side backdrop, the segment enjoys an encouraging outlook, with estimated tonne-mile growth for product tankers at about 6% in 2024, outpacing the 1.6% fleet growth.

Portfolio development


Following the sale of MT Sunny Sky, the current portfolio now comprises 5x dry bulk vessels, 1x feeder container, 2x product tankers and 1x stainless steel chemical tanker. We are constantly reviewing the portfolio to take advantage of what we believe are the right sales opportunities.

NAV and Dividend information

The NAV for the fund as of end 4th quarter is USD 1.31 per share, which corresponds to an increase of 0.3% since last quarter, when adjusting for dividends distributed. The liquidity position in the fund is still strong but the board have decided to not distribute any dividends in the first quarter of 2024 unless any new sales are concluded. The Managers expect next dividend payment mid April.

The next quarterly report will come in April 2024.


Nicolai Heidenreich
Fund Manager


Wilhelm Chr. Magelssen
Fund Manager



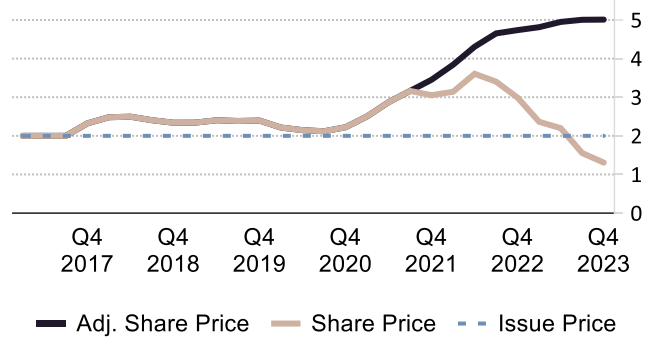
Fund & Market Performance

Quarterly Highlights

- The fund continues to deliver positive performance with an increase in dividend adjusted NAV of 0.3%.
- The product- and chemical tanker investments continues to generate strong cash flow
- Bulker earnings picked up in Q4, although softened again in December.
- One committed vessel delivered to new owners
- Dividends of USD 7.1 million or USD 0.25 per share were distributed to investors in October
- Estimated tax claim of about USD 2 million for 2023 following the sale of several non-EU investments included in the NAV.
- Adjusted for the inclusion of tax liability the fund quarterly performance was 4.4%

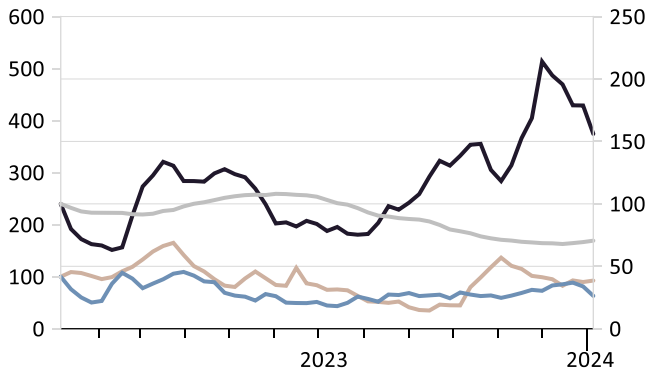
Share Price – Premium Maritime Fund

Share Price - Q4 2023	USD 1.31	▲ 0.3%
Dividend per share - Q4 2023	USD 0.25	
Share Price - Q3 2023	USD 1.55	

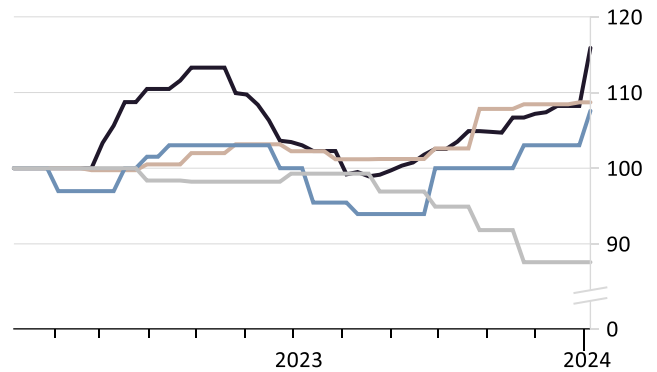


Clarksons Market Data Last 12 months (indexed, base = 100)

Earnings

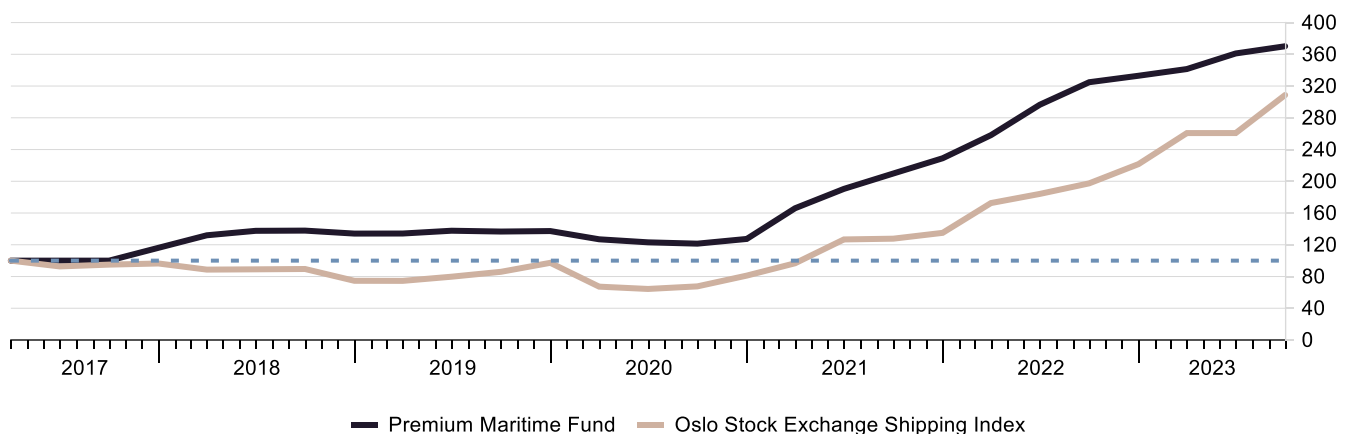


Secondhand Values



— Bulk (rhs) — Container (rhs) — Tanker — Products tanker

Benchmark Performance - PMF vs. Oslo Stock Exchange Shipping Index





Portfolio Overview

Premium Maritime Fund Main Figures as of 31/12/2023

NAV	USD 37.1 million
- Value of Investments	USD 37.5 million
- Working Capital*	USD -0.4 million
Net IRR since inception	26.6%
Net total return since inception	135.6%
Average Weighted Leverage	28.1%
Weighted Charter Coverage	75 Days
Weighted average age of fleet	11.8 Years

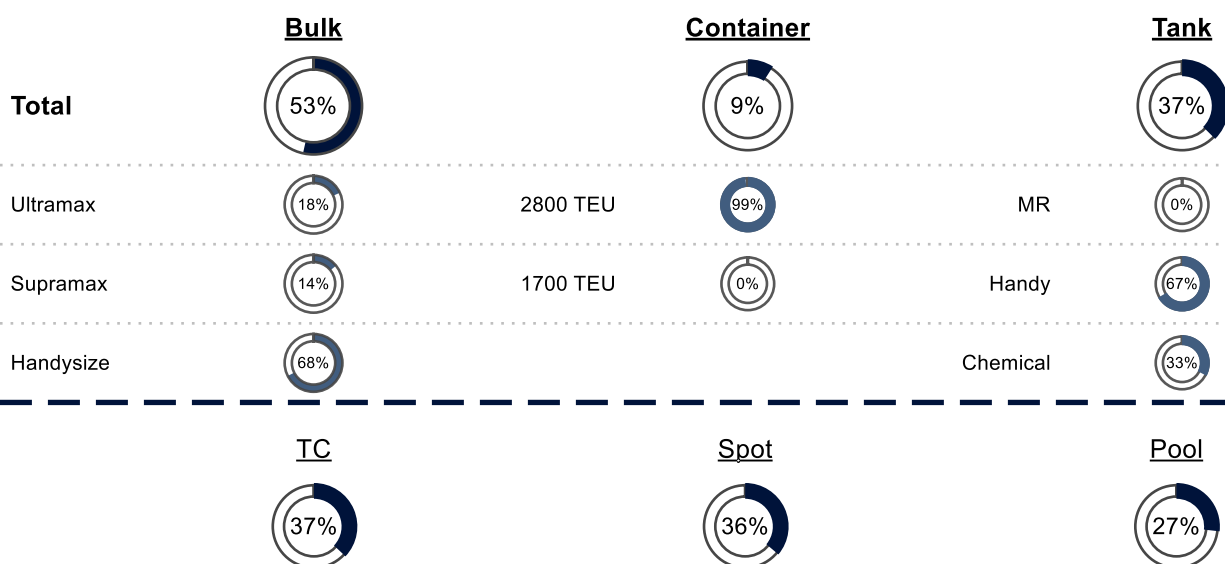
* Includes success fee

Fleet list

Investment Name	Ownership	Segment	Charter	Portfolio %
Njord Handy AS	34%	BULK - Handysize	Spot	21%
Voge Sophie	25%	BULK - Handysize	Spot	15%
Nippon Supra AS	34%	BULK - Supramax	TC	8%
Empros Ultra AS	25%	BULK - Ultramax	TC	10%
Atlantic Discoverer AS	35%	CONTAINER - 2800 TEU	TC	9%
Sunny Sky Shipping LLC <input checked="" type="checkbox"/>	20%	TANK - Handy	Pool	1%
Sunny Star Shipping LLC	25%	TANK - Handy	Pool	14%
Macaw Shipping LLC	30%	TANK - Handy	TC	11%
Chemtank III AS	21%	CHEMICAL - 33k	Pool	12%

Sold =

Portfolio Segment & Charter Distribution



Above charts is based on % of the latest current value of the investments in the portfolio.

INVESTMENTS - BULK

Dry Bulk Market

The recovery the dry bulk market experienced in Q4 marks the strongest market since the sharp decline mid-2022. TC rates for geared segments have risen by 5-15% over the quarter, currently ranging between USD 12,000 to 17,000 per day depending on positioning. Values have strengthened by 0-10%, contingent on size and age.

As we enter the first quarter of 2024, some seasonal weakening is anticipated in connection with the Chinese New Year. Uncertainties persist regarding the development of the global economy, the sustainability of Chinese import growth, and the impact of disruptions related to the war in Ukraine, the Red Sea/Suez Canal, and the Panama Canal.

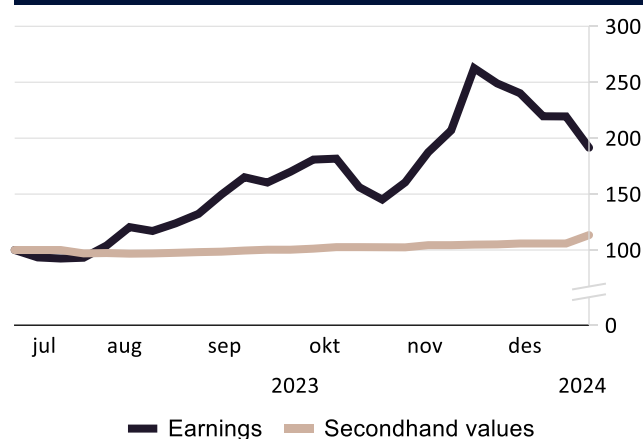
On the supply side, with an order book equivalent to about 8.5% of the existing fleet, reduced sailing speeds, increased average age, and limited port inefficiencies provide a reassuring backdrop as we step into 2024.

PMF Bulk Investments

% of Portfolio **Quarterly Performance**

53.5 % 7.0 % ↑

Values & Earnings Last 6 Months (Index)



Portfolio Investments

Investment Name	Ownership	Segment	Charter	Portfolio %
Njord Handy AS	34%	BULK - Handysize	Spot	21%
Voge Sophie	25%	BULK - Handysize	Spot	15%
Nippon Supra AS	34%	BULK - Supramax	TC	8%
Empros Ultra AS	25%	BULK - Ultramax	TC	10%

Quarterly News Highlights

- Emma & Mia are currently trading spot / short TC.
- Almira fixed until mid Feb.
- Voge Sophie currently on short TC/trip charter.
- Lista fixed until Feb/Apr. Fund increased ownership by 3.5% at start of the 4th quarter at favourable price

Fleet list

				
MV Voge Emma	MV Voge Mia	MV Voge Sophie	MV Lista	MV Almira
36,866 dwt	36,866 dwt	38,800 dwt	55,868 dwt	61,496 dwt
2011, Korea	2011, Korea	2019, China	2011, Japan	2011, Japan



INVESTMENTS - CONTAINER

Container Market

The container market continues to face pressure, primarily due to accelerated deliveries, representing over 2% of the fleet's capacity during the quarter (total 8% in 2023). Recent incidents in the Red Sea and Gulf of Aden, however, have led to a sharp increase in box rates, as several major operators are rerouting vessels via the Cape of Good Hope, thereby tying up capacity.

The TC market for feeder vessels has experienced a downward correction of approximately 20%, with current quotes for 6-12 months ranging from USD 7,000 to 12,000 p.d. for vessels below TEU 3,000. Values have also decreased by 0-20%, with older tonnage being the most affected.

Fleet growth among larger container ships is anticipated to persist, exerting downward pressure on rates for feeders as we move into 2024, driven by the cascading effect leading to increased competition.

PMF Container Investments

% of Portfolio

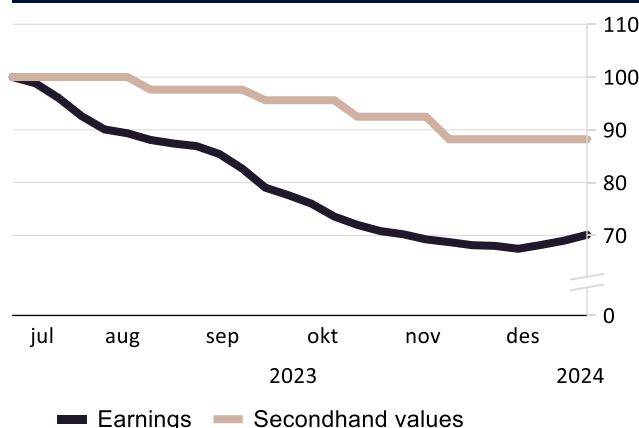
9,0 %

Quarterly Performance

-10,4 %



Values & Earnings Last 6 Months (Index)



Portfolio Investments

Investment Name	Ownership	Segment	Charter	Portfolio %
Atlantic Discoverer AS	35%	CONTAINER - 2800 TEU	TC	9%

Quarterly News Highlights

- Atlantic Discoverer fixed on contract until mid Q1 '24
- Debt free and recently docked

Fleet list



MV Atlantic Discoverer

2800 TEU

2004, Poland



INVESTMENTS - TANK

Tanker Market

The tanker market experienced another robust quarter, although it was somewhat constrained by ongoing production cuts from OPEC+. While some vessel owners have temporarily halted transits through the Suez Canal due to recent attacks in the Gulf of Aden, the impact is not as prominent as observed for containers.

TC rates for MRs and Handy's saw a modest increase during the quarter, currently standing at around USD 26,000 per day for 1-year contracts. Vessel values also continued to trend upwards, varying between 0-10% based on size and age

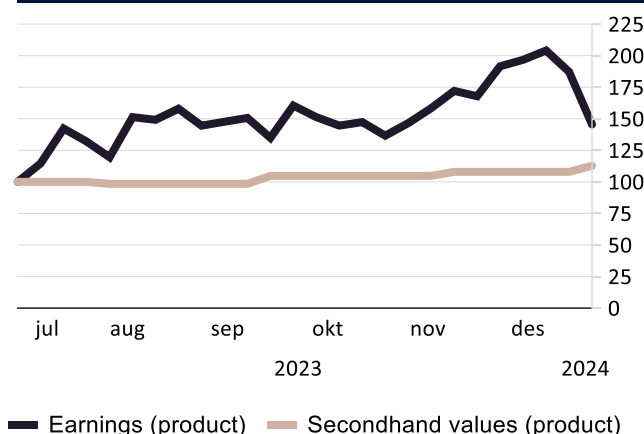
The CPP market maintains a promising outlook, driven by shifts in refinery capacity from west to east and persistent disruptions caused by the war in Ukraine, leading to increased tonne-miles. Potential reversion of OPEC+ production cuts and escalations of the situation in the Red Sea could further bolster market conditions in 2024.

PMF Tanker/Product Investments

% of Portfolio **Quarterly Performance**

25.2 % 8.7 % ↑

Values & Earnings Last 6 Months (Index)






Portfolio Investments

Investment Name	Ownership	Segment	Charter	Portfolio %
Sunny Sky Shipping LLC ✓	20%	TANK - Handy	Pool	1%
Sunny Star Shipping LLC	25%	TANK - Handy	Pool	14%
Macaw Shipping LLC	30%	TANK - Handy	TC	11%

Quarterly News Highlights

- Sunny Sky was delivered to new owners during the quarter
- Mount Kibo fixed until Oct 2024 at solid rate.
- Star are still earning strong rates in pool.

Fleet list

		
MT Sunny Sky	MT Sunny Star	MT Mount Kibo
38,375 dwt	37,857 dwt	37,843 dwt
2008, China	2010, Korea	2010, Korea

INVESTMENTS - CHEMICAL

Chemical Market

The chemical tanker market gained some momentum in Q4, driven by robust seasonal demand for chemical transportation. Similar to the broader tanker markets, the situation in the Red Sea had some impact, though not as evident as for the container sector.

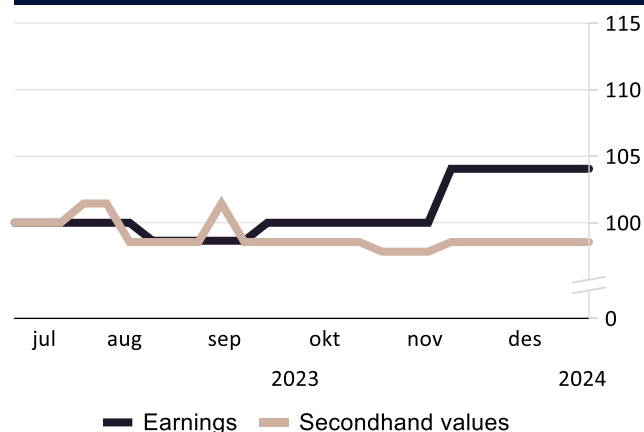
Currently, the 1-year TC rate for 19k stainless tonnage stands at USD 19,250 per day, with quoted secondhand values being remaining stable across the quarter.

The chemical tanker segment maintains a positive outlook, with expected ton-mile growth of approximately 3.3% in 2024. The limited orderbook, constituting only about 8% of the existing fleet, contributes to this optimistic outlook. Furthermore, chemical tankers are poised to keep benefitting from the promising prospects in the CPP market is expected to continue to mute swing trading between the segments.

PMF Chemical Investments

% of Portfolio	Quarterly Performance
12.3 %	7.0 % ↑

Values & Earnings Last 6 Months (Index)



Portfolio Investments

Investment Name	Ownership	Segment	Charter	Portfolio %
Chemtank III AS	21%	CHEMICAL - 33k	Pool	12%

Quarterly News Highlights

- Current pool earnings for Q4 came in higher than corresponding TC market
- Low break-even so expecting further dividends going forward

Fleet list



MT Skarven

33,625 dwt

2009, Japan



Risk Management – Fourth Quarter report 2023

The Risk Management Function: In the Alternative Investment Funds Act (AIFM Act) § 3-7 it is stated that the AIF manager shall have a risk management function that is separated from the manager's operational activities. In NRP Maritime Asset Management this is, among other things, carried out by having separate leaders for the Portfolio Management functions and the Risk Management functions. The Risk Management function shall not perform any tasks that may be in conflict with the operational activities. The Board of NRP Maritime Asset Management has also adopted instructions and a routine collection that all employees must be familiar with and comply with in their daily work.

The Risk Management function's aim is also to support the Management team in the identification and reduction of risk. Central to this work is to facilitate, follow up and control the manager's due diligence process in the implementation of new investments. With due diligence means review, evaluation and control of the investment object's legal, technical, financial and other essential elements before the investment decision.

Risk Management: NRP Maritime Asset Management establishes a Risk Policy for each AIF. Central to the Risk Policy is the AIF's investment mandate, and in addition the Risk Policy contains other qualitative and quantitative management frameworks. The risk-elements are divided into and considered as follows:

- **Market risk**

Market risk is the risk of losses or reduced future income and sales proceeds resulting from changes in market prices.

- **Credit and Counterparty risk**

Credit risk is the risk of financial loss due to charterer for each investment to meet their payment obligations.

- **Liquidity risk**

Liquidity risk is the risk that the company is unable to meet short term financial demands when due. This usually occurs due to the inability to convert an asset to cash without a loss of capital in the process.

- **Operational risk**

Operational risk is the risk of loss resulting from the operation of the investments or as a result of operational errors or weaknesses in the management of the Fund Company.

- **Risk associated with leverage in the Portfolio Companies**

Risks associated with leverage is the risk of financial loss as a result of leverage in the Portfolio Companies, including non-fulfillment of covenants, amended swap- terms and -conditions, etc.

- **Sustainability risk**

Sustainability risk is defined as "an environmental, social or governance event that, if it occurs cause an actual or potential material impact on the value of the investment".

Reporting: Ongoing reporting to the responsible functions is a key part of the Risk Management function. The purpose of these reports is to document compliance to the relevant commitments and mandates, to document non-compliance and to establish reporting lines for handling exceptions. The Risk Management function reports quarterly as follows:

- To investors in the AIF's (this report)
- To each Board of the AIF's
- To the Financial Supervisory Authority ("Finanstilsynet")

In addition, it is reported continuously to the Management team of NRP Maritime Asset Management and to the Depositary.

The routines contain rules for escalation of the issues that the Risk Management function may uncover, including breach of an AIF's investment mandate and risk policy.

Conflicts of Interest: AIF management entails several potential conflicts of interest that require transparency and information according to the AIF framework. The Investor presentation and subscription agreement forming the official documentation for Premium Maritime Fund describes such conflicts of interest and the management of these.

All entities in the NRP Group have guidelines for managing conflicts of interest in their rules and procedures.

All agreements involving Premium Maritime Fund and agreements between entities in the NRP Group are entered into on an arm's length principle.



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