

*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*



# Premium Maritime Credit Fund

## Second Quarter Report 2024

August 2024

## Disclaimer

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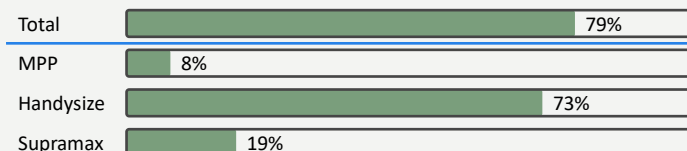
# Portfolio overview

## Quarterly highlights

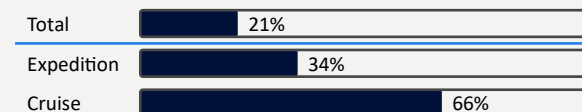
- Market values in the Fund's key segments continued to rise throughout Q2. The prevailing price increases have placed additional pressure on the purchasing power of smaller shipowners, who tend to be more price-sensitive and constitute a significant portion of the Fund's borrowers. Although the volume of financing requests remains robust, the execution ratio has been notably impacted by the competitive S&P market. Nevertheless, this underscores the continued relevance and necessity of the Fund's offerings as an important source of capital for numerous smaller shipowners.
- As mentioned in the Q1 report, the Fund is pleased to have successfully completed a USD 6.9 million financing of a cruise vessel in Q2. This financing was extended to a new venture led by highly experienced management and was secured on favourable terms.
- Additionally, in July, the Fund closed a USD 5.5 million dry bulk financing deal with a Norwegian shipowner. Further details will be provided in the Q3 report.
- In June, one facility was fully repaid following the sale of the vessel, resulting in an attractive IRR of approximately 18%. The client expressed strong satisfaction with the financing process and has since approached the Fund for potential financing of their next project.
- The sentiment in the dry bulk market continues to strengthen, improving the Fund's recovery position.
- The ongoing disruptions in the Red Sea have positively influenced rates and the effective supply of vessels, as longer routes around South Africa become more prevalent.
- For information on MV Vyssos, please refer to the next slide.

## Fleet overview

### Dry Bulk



### Cruise



Investment Name:	Segment	Size	Original Debt	Area
Christina Marine Inc.	Bulk	Handysize	USD 6.10m	EU
Lyra Mare Limited	Bulk	MPP	USD 3.00m	EU
Unity Fortune Inc.	Bulk	Handysize	USD 4.82m	EU
Athanasia Marine Inc.	Bulk	Handysize	USD 3.88m	EU
Oak Bulk AS	Bulk	Supramax	USD 7.50m	Non-EU
Vera Maritime S.A	Bulk	Handysize	USD 5.40m	EU
Northern Expeditions AS	Cruise	Expedition	USD 3.60m	Non-EU
Mediterranean Bulk Asset Ltd	Bulk	Handysize	USD 2.45m	EU
Serenity Shipping Co. Ltd.	Bulk	Handysize	Repaid	EU
Dimitra Marine Inc	Bulk	Handysize	USD 5.80m	EU
VV Odyssey LLC	Cruise	Cruise	USD 6.90m	Non-EU

\$-20.0m

Amount Drawn During Quarter

\$0.0m

Distributions During Quarter

\$48.9m

Value of Investments

\$45.7m

Liquidity

\$0.7m

Other WC

\$95.3m

NAV

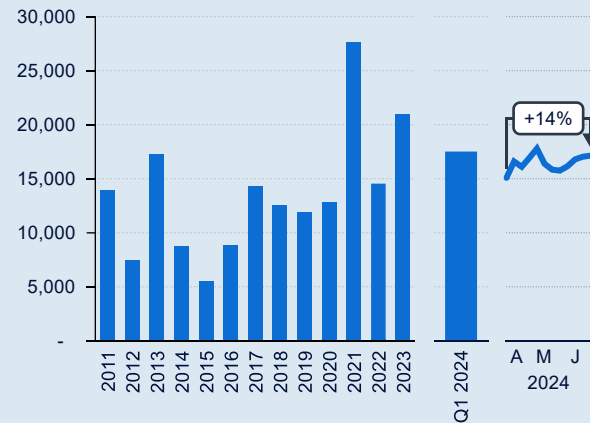
3.5%

Net IRR:

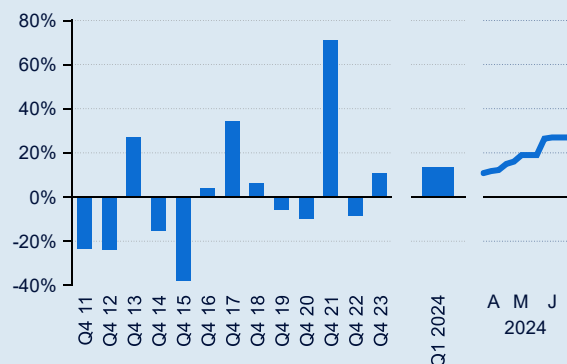
## Dry bulk business

### Market development

Clarksons Average Bulker Earnings - \$/day



Clarksons Second-hand Price Index %, YoY



### Words from the Advisor

- The rising second-hand values and earnings continued into Q2, driven by several factors but the shifting trading patterns caused by disruptions in the Red-Sea and restriction in the Panama canal has contributed to the short-term outlook. The long-term outlook is more supported by the continued low orderbook of 9%, and an aging fleet..
- While the momentum in the dry bulk market is beneficial for existing fleet, it has created some barriers to entry for new acquisitions for a lot of our clients - hampering the Fund's ability to execute on several deals under discussion.
- With regards to the insurance case related to MV Vyssos; the case is soon to be filed to the UK court. As informed in the last quarter report, given the uncertainty of any such legal process we have as a precautionary measure performed a 50% write-down of the Fund's exposure to Lyra Mare, which is reflected in the Q2'24 NAV.

### Quarterly highlights

- Our Borrowers have reported solid earnings throughout the quarter in tandem with increased second-hand values, strengthening the Fund's collateral position.
- No reported issues, and the vessels have been performing well.
- During the quarter we initiated and closed a new USD 5.5m MPP financing to a Norwegian shipowner. The transaction was a refinancing of existing vessel, allowing the company to acquire another. This transaction closed in July.

Project	Built	Size	Debt	Debt Domicile	Portfolio %
Vera Maritime S.A	2011	Handysize	USD 5.40m	Greece	10.9 %
Unity Fortune Inc.	2007	Handysize	USD 4.82m	Greece	9.8 %
Serenity Shipping Co. Ltd.	2006	Handysize	USD 0.00m	Greece	
Oak Bulk AS	2011	Supramax	USD 7.50m	Norway	15.2 %
Mediterranean Bulk Asset Ltd	2011	Handysize	USD 2.45m	Malta	5.0 %
Lyra Mare Limited	2007	MPP	USD 3.00m	Greece	6.1 %
Dimitra Marine Inc	2010	Handysize	USD 5.80m	Greece	11.7 %
Christina Marine Inc.	2011	Handysize	USD 6.10m	Greece	12.3 %
Athanasia Marine Inc.	2010	Handysize	USD 3.88m	Greece	7.8 %

### Projects

#### Northern Expeditions AS:



#### VV Odyssey LLC:



### Words from the Advisor

- The cruise market has picked up where it left prior to the Covid-19 pandemic. All major operators are reporting strong booking numbers which is a testimony to the resilience of the cruise business.
- Top source market in terms of passenger volumes last year was USA, but major European countries saw significant increase. The Caribbean remains top destination, but the overall cruise market saw increases throughout all the major destinations.
- According to CLIA, expedition and exploration are the fastest growing market in terms number of passengers, up 71% in 2023 compared to 2019.
- There is a high barrier to entry due to capital intensive nature of the business, limiting the orderbook and fleet capacity in a rising passenger demand environment – making it highly attractive should you have the financial capacity to invest. Our typical client in this space is buying older small/midsize vessels who either need refurbishment or have just undergone upgrades – extending the lifespan significantly.
- Given the lack of finance providers in these segments (unless you are one of the larger top cruise lines), there is a huge deal sourcing potential for the Fund. The limited supply of debt financing in the space enables the Fund to capitalise on the rising demand, attracting significant interest premiums. This in combination with moderate leverage provides attractive risk-adjusted returns.

### Quarterly highlights

- Northern Expeditions AS is currently operating in the northern hemisphere around Svalbard, Norway. The vessel is on a 5-year contract to a Scandinavian operator creating strong visibility on earnings.
- As announced in the last Q-report, the USD 6.9m cruise financing was closed in April. This transaction was a refinancing as the owner initially purchased the vessel with pure equity. The vessel is currently in its final stages of a wet dock where the company has invested in upgrading the vessel to meet today's standard. On its maiden voyage, the vessel is bound for European waters before heading to the Caribbean later this year/early next year where it will cruise for the next three months. After that the vessel is sailing along the South American coast, before heading up north to North-America. On its final voyages, the vessel will be sailing across Asia and Oceania. The whole itinerary floats the passenger across the globe in 3.5 years.

Project	Built	Size	Debt	Debt Domicile	Area	Portfolio %
VV Odyssey LLC	1993	Cruise	USD 6.90m	USA	Non-EU	14.6 %
Northern Expeditions AS	1992	Expedition	USD 3.40m	Norway	Non-EU	7.2 %

# Premium Maritime Credit Fund

## Fund Overview

### Overview Table

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
First Closing Date:	januar 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:	Exposure to Greece not exceeding 50% of Total Committed Fund Capital Fund Size <= USD 175m, then: <ul style="list-style-type: none"><li>the 5 largest borrowers not to exceed 35% Committed Fund Capital</li><li>the 10 largest borrowers not to exceed 65% of Committed Fund Capital</li></ul> Fund Size > USD 175, then: <ul style="list-style-type: none"><li>the 5 largest borrowers not to exceed 30% of Committed Fund Capital</li><li>the 10 largest borrowers not to exceed 50% of Committed Fund Capital</li></ul> Min. asset coverage ratio of borrower: 150% Bullet Loans: Max 60% of Committed Fund Capital Senior Secured Loans: Min. 80% of Committed Fund Capital. Follow-on Investments: Max. 20% of Committed Fund Capital Tenor: Up to 7 years Principal proceeds may be re-invested up to 4 years after the first drawdown notice
Re-investment Policy:	
Accounting Principle:	Luxembourg GAAP
ESG Policy:	<a href="https://www.nrp.no/ESG/">https://www.nrp.no/ESG/</a>

### 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: Apex Group

Legal Counsel: Wikborg Rein (London) and Allen & Overy (Luxembourg)

Bank: European Depositary Bank

Tax and Regulatory: Luxembourg tax authorities

Regulator of Manager: CSSF

Depository: European Depositary Bank

Independant Value Expert: VesselsValue Ltd.

Independant Risk Manager: FundRock Management Company S.A.

# Premium Maritime Credit Fund

## Fund Performance Status

### Fund Performance Status

Committed Fund Capital:	\$ 112.82m
Paid-in Capital:	\$ 91.00m
Invested Capital:	\$ 63.50m
Outstanding Loans:	\$ 47.95m
NAV (current):	\$ 95.25m
NAV (previous):	\$ 75.26m
Change:	\$ 19.98m
Quarterly Return (1)	0.14%
Value of investments (current):	\$ 48.85m
Value of investments (previous):	\$ 50.09m
Change:	\$ -1.23m
Adj. Change in % (2):	-0.97%
Total distributions to Investors:	\$ 0.00m
Total Liquidity (3):	\$ 45.65m

Net IRR (1):	3.53%
Total Interests and Fees Received:	\$ 5.66m
Distributions to Paid-In Capital (DPI):	0.0x
Total Value to Paid-In Capital (TVPI):	1.05x
Paid-In Capital to Committed Capital (PICC):	0.81x

### 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 Holding 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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