



PREMIUM MARITIME FUND

FOURTH QUARTER REPORT 2021

NRP

Prepared by: NRP Maritime Asset Management AS
January 2022



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 86.6 million
Dividend Distributed:	USD 11.3 million
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 (NMAM). 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. NMAM 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.

This update is intended only to those who receive it directly, and must not be copied or in other ways be distributed. NMAM disclaims all liability, both legal and financial, for any losses (directly or indirectly) due to the usage and interpretation of this update and its contents.



Managers Quarterly Comment

Dear Investors

Premium Maritime Fund had another good quarter in Q4. The dividend adjusted NAV/share is at its highest since inception. Last quarter saw the first dividend distribution since the merger at \$0.4 per share.

Please note that all historical figures – present and historical - in this report are basis the merged fund.



María, the last remaining vessel in the Parchem III project was sold and delivered in Q4. The project has since 2016 returned an IRR of 14.4%

Market Developments

2021 was the strongest year for shipping in terms of earnings since 2008. The rapid recovery in trade volumes from the depressing 2020 together with congestion, supply chain disturbance and modest supply growth all contributed to demand outweighing supply. Global seaborne trade is estimated to have grown by 3.6% in the full year 2021 to 12 bn tonnes, which is above pre-Covid levels. Containers, car carriers and drybulk were all winners where trade came back to reach new all-time highs, whilst tanker trades have yet to recover and are still 8% below 2019.

Newbuild activity was significantly up, though orders were predominantly made for containers and gas carriers. For drybulk and tankers order activity is still muted. Fleet growth was low with only a 2.9% growth towards average of above 4% last 10 years. Demolition was on the average. The S&P market has also seen record activity with 145m dwt changing hands over the year worth an estimated USD 46bn.

Looking forward we expect demand to be steady without any exceptional growth indicators being present and supply growth to remain moderate. Technological uncertainty and increased cost of capital are main contributors to a far more disciplined shipping industry in terms of new orders than what has been usual in similar earning environments. This situation allows for an optimistic view of the medium-term shipping markets, though volatility is expected also going forward.

Portfolio development

The portfolio now consists of 22 vessels after sale of 2 vessels in the quarter. We are constantly reviewing the portfolio to take advantage of what we believe are the right sales opportunities. For the time being, we are staying focused on securing charter contracts at historically high levels for containers as well as for our drybulk vessels but do expect a steady divestment pace as we move towards the end of the fund life.

NAV and Dividend information

The NAV for the fund as of end 4th quarter is USD 3.05 per share. This is an increase of ~9% since last quarter taken the 40 cents per share distributed during Q4 into account. The fund is up 55% since the merger of the PMF funds in March this year.

A further dividend of 30 cents/share will be distributed in Q1 reflecting the present strong cashflow in the fund.

The next quarterly report will come in April.

Nicolai Heidenreich
Fund Manager

Wilhelm Chr. Magelssen
Fund Manager



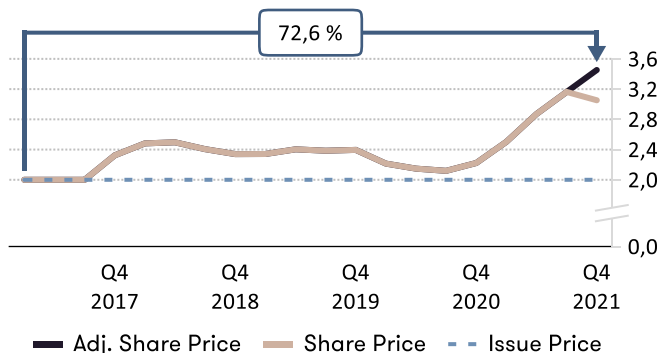
Fund & Market Performance

Quarterly Highlights

- Continued strong fund performance with an increase in NAV (dividend adjusted) of ~9% quarter on quarter
- Dividend of USD 40 cents/share distributed
- Strong earnings in dry bulk, containers and car carriers are the main drivers for strong return
- All ships sold are now delivered to new owners
- No immediate sales candidates on the block but continuously looking for attractive divestment scenarios
- High focus on steady dividend distributions going forward

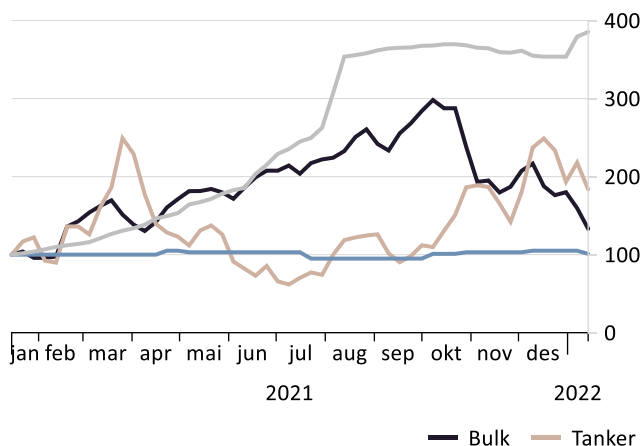
Share Price – Premium Maritime Fund

Share Price - Q4 2021	USD 3.05	▲ 9.2%
Dividend per share - Q4 2021	USD 0.4	
Share Price - Q3 2021	USD 3.16	

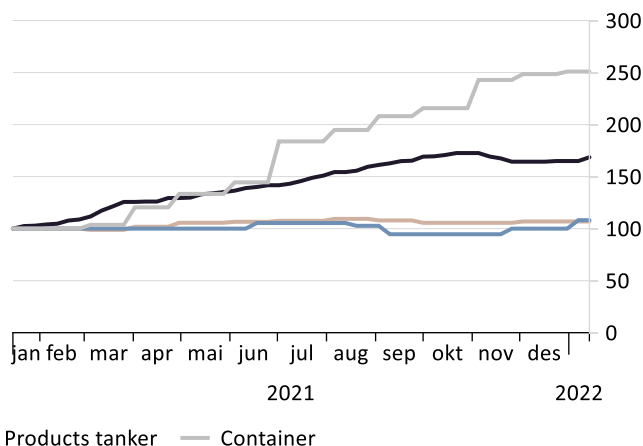


Clarksons Market Data Last 12 months (indexed, base = 100)

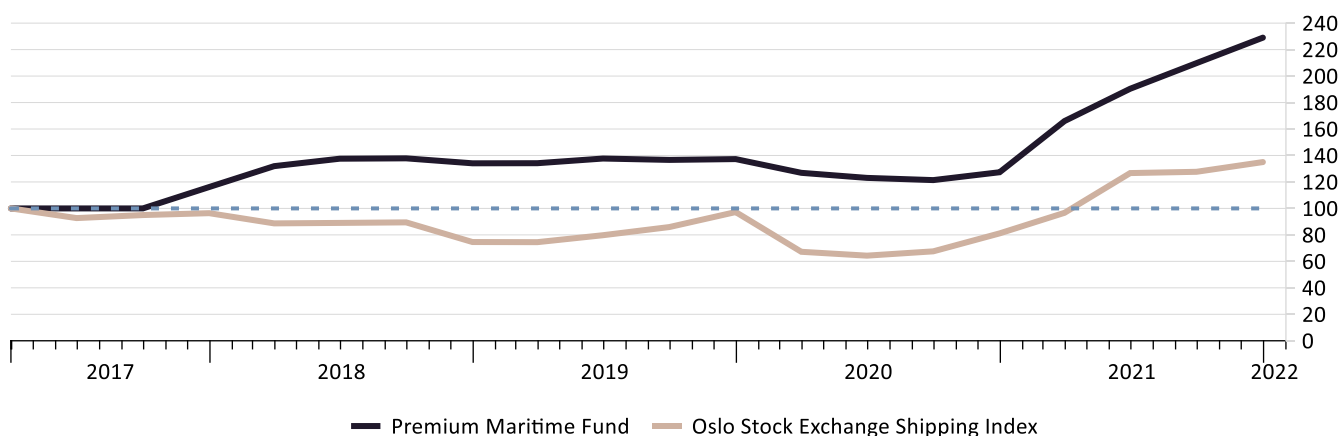
Earnings



Secondhand Values



Benchmark Performance - PMF vs. Oslo Stock Exchange Shipping Index



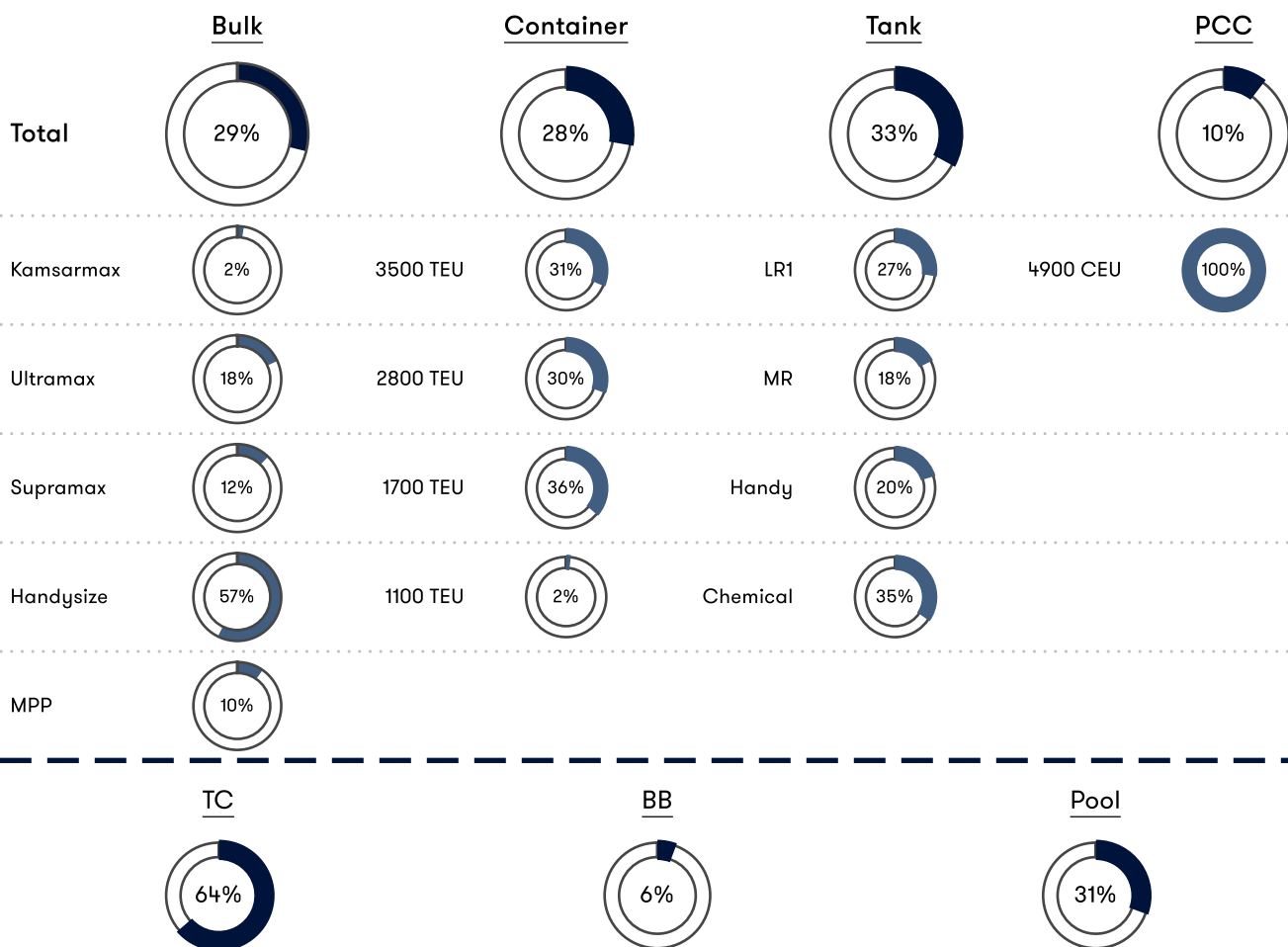


Portfolio Overview

Premium Maritime Fund Main Figures as of 31/12/2021

NAV	USD 86.6 million
- Value of Investments	USD 83.5 million
- Working Capital	USD 3.1 million
Net IRR since inception	22.7%
Net total return since inception	62.4%
Average Weighted Leverage	29.8%
Weighted Charter Coverage	307 Days
Weighted average age of fleet	10.8 Years

Portfolio Segment & Charter Distribution



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



Portfolio Overview

Investment List

Investment Name	Ownership	Segment	Charter	Portfolio %
Njord Handy AS	34%	BULK - Handysize	TC	11%
Voge Sophie	25%	BULK - Handysize	TC	6%
Nippon Supra AS	30%	BULK - Supramax	TC	4%
Empros Ultra AS	25%	BULK - Ultramax	TC	5%
Golden Kamsar IS	20%	BULK - Kamsarmax	Pool	1%
Atlantic MPP AS	15%	BULK - MPP 17k 950 teu	BB	3%
Atlantic Discoverer AS	35%	CONTAINER - 2800 TEU	TC	8%
Ross Magdeburg AS	24%	CONTAINER - 1700 TEU	Pool	5%
Burgundy Container AS	20%	CONTAINER - 3500 TEU	TC	9%
London Trader Maritime Ltd.	25%	CONTAINER - 1750 TEU ECO	TC	5%
Parchem III AS	45%	CHEMICAL - 11k	BB	3%
Songa Passage AS	31%	TANK - MR	Pool	3%
Hafnia LR1 JV	25%	TANK - LR1 ECO	Pool	6%
Roberto 16 Pte Ltd	31%	TANK - MR	TC	3%
Sunny Sky Shipping LLC	20%	TANK - Handy	Pool	2%
Sunny Star Shipping LLC	25%	TANK - Handy	TC	2%
Macaw Shipping LLC	30%	TANK - Handy	Pool	2%
MT Cape Tampa	25%	TANK - LR1	Pool	3%
Chemtank Invest AS	32%	CHEMICAL - 19k	Pool	4%
Chemtank III AS	21%	CHEMICAL - 33k	Pool	3%
Harren Chemical AS	34%	CHEMICAL - 19k	Pool	1%
Gramcar IS	20%	PCC - 4900 CEU	TC	10%

Sold =

Portfolio weight is based on % of the latest current value of the investments in the portfolio.*

INVESTMENTS - BULK

Dry Bulk Market

The strengthening in the drybulk segments took a breather in the 2nd half of the quarter although the bigger vessels took most of the beating.

Charter rates for the market segments the fund are exposed to is still averaging above USD 20 000 and we were able to fix several vessels at strong rates before the market softened.

Supra/Ultramax 2nd hand ship values are slightly softer whilst for handies they are flat. Newbuilding prices flattened out during the quarter but delivery times are now further out so in reality this implies a further increase.

Newbuilding orders have slowed down and with 10% of the fleet older than 20 years an orderbook of around 6% seems very manageable.

PMF Bulk Investments

% of Portfolio

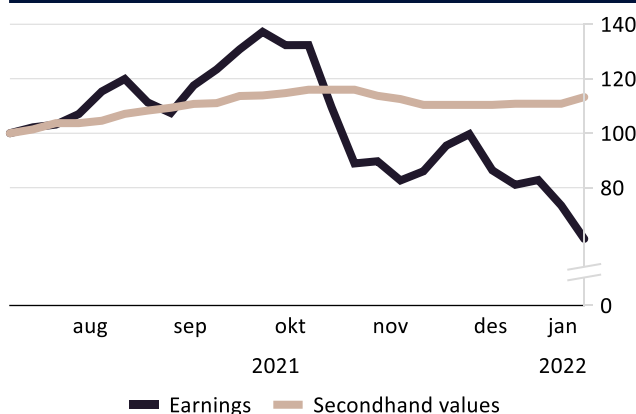
28,9 %

Quarterly Performance

9,8 %



Values & Earnings Last 6 Months (Indexed)



Portfolio Investments

Investment Name	Ownership	Segment	Charter	Portfolio %
Njord Handy AS	34%	BULK - Handysize	TC	11%
Voge Sophie	25%	BULK - Handysize	TC	6%
Nippon Supra AS	30%	BULK - Supramax	TC	4%
Empros Ultra AS	25%	BULK - Ultramax	TC	5%
Golden Kamsar IS	20%	BULK - Kamsarmax	Pool	1%
Atlantic MPP AS	15%	BULK - MPP 17k 950 teu	BB	3%

Quarterly News Highlights

- Fixed one vessel in Njord Handy for all of 2022 at strong rates. Open position for 2nd vessel is March
- Voge Sophie continues until July 2022 at below market rates
- Nippon Supra fixed until mid Q2 at strong rates
- Empros fixed until this summer at very strong rates
- Steady dividend flow from Atlantic MPP
- Arbitration with Golden Ocean scheduled for end Q1

Fleet list

MV Voge Emma	MV Voge Mia	MV Voge Sophie	MV Lista	MV Almira	MV Condor Bilbao	MV Valparaiso
36,866 dwt	36,866 dwt	38,800 dwt	55,868 dwt	61,496 dwt	17,257 dwt	17,257 dwt
2011, Korea	2011, Korea	2019, China	2011, Japan	2011, Japan	2012, China	2011, China

*See page 2
Data from Clarksons SIN



INVESTMENTS - CONTAINER

Container Market

The container market had a fantastic year in 2021 with charter rates up 260% y-o-y to their highest levels ever. Container trade rebounded significantly and impacts from severe logistical disruption gave a favorable supply demand situation for shipowners.

Container freight rates have continued strong levels into early 2022, however we have seen some softening over the last couple of weeks.

Newbuild order volumes rose to the highest level since 2014 and the container owners were not slowing down with USD 42bn worth of containerships ordered last year, about 23% of the existing fleet in terms of dwt.

The orderbook delivering together with normalization of global supply chain will eventually cool down the market but there is still uncertainty if this will take months or years.

PMF Container Investments

% of Portfolio

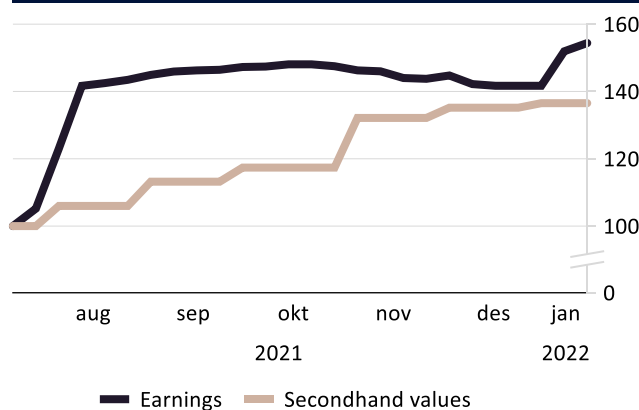
27,7 %

Quarterly Performance

19,1 %



Values & Earnings Last 6 Months (Indexed)



Portfolio Investments

Investment Name	Ownership	Segment	Charter	Portfolio %
Atlantic Discoverer AS	35%	CONTAINER - 2800 TEU	TC	8%
Ross Magdeburg AS	24%	CONTAINER - 1700 TEU	Pool	5%
Burgundy Container AS	20%	CONTAINER - 3500 TEU	TC	9%
London Trader Maritime Ltd.	25%	CONTAINER - 1750 TEU ECO	TC	5%

Quarterly News Highlights

- Discoverer fixed on contract until Q2 '23. Significant dividend payments going forward
- Burgundy fixed on contract until Q4 '23. Significant dividend payments going forward.
- Ross Magdeburg employed in pool with strong upward revisions in earnings last quarter.
- London Trader is fixed to Maersk until 2024 but with profit split based on rolling 3 month market.

Fleet list

MV Discoverer	MV Hansa Magdeburg	MV Burgundy	MV London Trader
2800 TEU	1700 TEU	3500 TEU	1750 TEU ECO
2004, Poland	2003, China	2008, Germany	2019, China

INVESTMENTS - TANK

Tanker Market

The 4th quarter was yet another challenging one as the tanker recovery starts to develop like the “story of manana”. Tanker demand is still 8% behind pre-Covid levels with volumes estimated to have increased by only around 1% overall last year after a 9% decline in 2020.

Some positivity was starting to show towards end of last year for product tankers and in December our handy pool earnings were USD 14,000/day.

In 2022, a firm 7% rebound is projected overall as pandemic impacts and OPEC+ supply cuts are expected to gradually ease, though challenges including the Omicron variant remain.

PMF Tank Investments

% of Portfolio

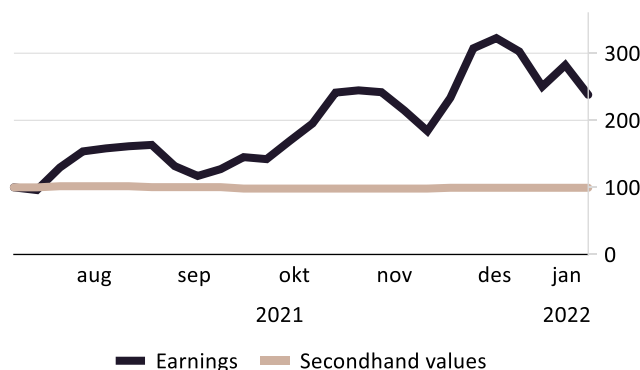
21,5 %

Quarterly Performance

0,6 %



Values & Earnings Last 6 Months (Indexed)



Portfolio Investments

Investment Name	Ownership	Segment	Charter	Portfolio %
Songa Passage AS	31%	TANK - MR	Pool	3%
Hafnia LR1 JV	25%	TANK - LR1 ECO	Pool	6%
Roberto 16 Pte Ltd	31%	TANK - MR	TC	3%
Sunny Sky Shipping LLC	20%	TANK - Handy	Pool	2%
Sunny Star Shipping LLC	25%	TANK - Handy	TC	2%
Macaw Shipping LLC	30%	TANK - Handy	Pool	2%
MT Cape Tampa	25%	TANK - LR1	Pool	3%

Quarterly News Highlights

- Songa Passage earnings still below break-even and completed a minor fund raise in Q4.
- Our exposure to the LR1 segment is still performing OK as very modern vessels get a premium in the market
- Roberto re-fixed 6+5 months at well above break even.
- All three handy vessel currently earnings above break even after some challenging months in a combination of pool and TC.
- Cape Tampa installed BWTS during the quarter, unfortunately significantly over budget on time and cost.

Fleet list

MT Challenge Passage	Hafnia Guangzhou	MT Di Mateo	MT Sunny Sky	MT Sunny Star	MT Mount Kibo	MT Cape Tampa
48,658 dwt	75,000 dwt	46,646 dwt	38,375 dwt	37,857 dwt	37,843 dwt	73,600 dwt
2005, Japan	2019, China	2009, Japan	2008, China	2010, Korea	2010, Korea	2009, China

INVESTMENTS - CHEMICAL

Chemical Market

Q4 developed in a positive way with TCE earnings strengthening steadily in the quarter with December ending about 15% higher than October. The outbreak of Omicron has increased the market uncertainty going into Q1'22 but fixing levels so far for January are reported at firm levels although below December.

The markets in Asia have softened slightly, while the markets in the West have continued to firm albeit from lower levels. The product tanker market has firmed approaching the winter market.

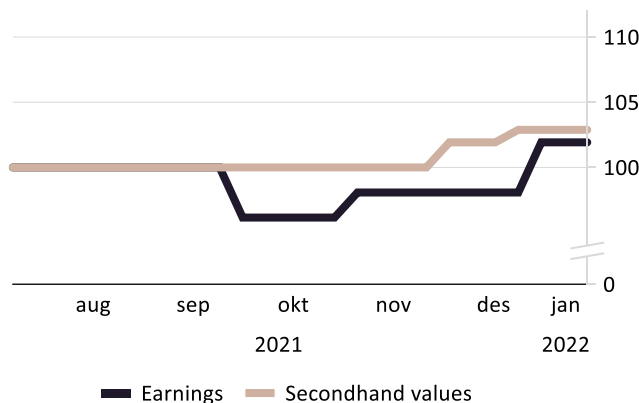
Long-term outlook continues to be positive with expected pick up in GDP growth post pandemic combined with historically low orderbooks.

PMF Chemical Investments

% of Portfolio Quarterly Performance

11,4 % 6,3 % ↑

Values & Earnings Last 6 Months (Indexed)



Portfolio Investments

Investment Name	Ownership	Segment	Charter	Portfolio %
Parchem III AS ✓	45%	CHEMICAL - 11k	BB	3%
Chemtank Invest AS	32%	CHEMICAL - 19k	Pool	4%
Chemtank III AS	21%	CHEMICAL - 33k	Pool	3%
Harren Chemical AS ✓	34%	CHEMICAL - 19k	Pool	1%

Quarterly News Highlights

- 3rd and final vessel in Parchem III sold with delivery in December. Return of 15% p.a. over 6 years. Final payment expected early Feb.
- Market for stainless steel tonnage was strong in Q4 both projects paid out dividend before year end. Low break even so expecting further payments in 2022.
- Patras sold and delivered in Q2 2021. Owners have a claim towards the BB charterer and its Guarantor for USD 1.7m to be argued before and decided by London Arbitration.

Fleet list

SOLD	SOLD			SOLD
MT Cristina	MT Maria	MT Dreggen	MT Skarven	MT Patras
11,300 dwt	11,300 dwt	19,994 dwt	33,625 dwt	16,745 dwt
2006, Korea	2006, Korea	2008, Japan	2009, Japan	2007, Turkey

INVESTMENTS – OTHER SEGMENTS

PCC Market

The Car Carrier market recovery was remarkable in 2021 moving from “rock bottom” to “best in a decade” in less than 12 months. Years with zero contracting combined with recent logistical disruption has resulted in very attractive supply/demand metrics.

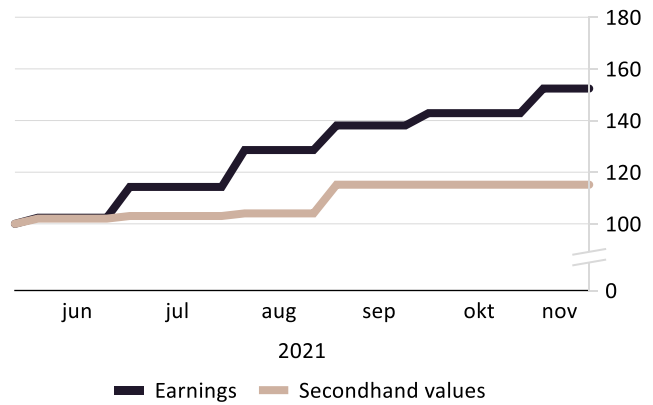
Newbuilding interest has naturally followed this year and 37 ships of 259,000 ceu were ordered in Jan-Oct against yearly average of only 4 ships in 2016-2020. More orders are likely to be confirmed with fleet renewal in focus. The orderbook in the segment now stands at 42 ships of 284,000 ceu, still only 7% of fleet capacity which seems very manageable.

Some correction in rates from current highs remains possible as and when congestion and other disruption factors ease back. However, with ongoing disruption and the shift to electric vehicles boosting new car sales, the forward sentiment is still looking strong.

PMF PCC Investments

% of Portfolio	Quarterly Performance
10,5 %	24,5 % ↑

Values & Earnings Last 6 Months (% Change)



Portfolio Investments

Investment Name	Ownership	Segment	Charter	Portfolio %
Gramcar IS	20%	PCC - 4900 CEU	TC	10%

Quarterly News Highlights

- Mediterranean Sea fixed from early May 2022 for 3 years at rates not seen in the period market since before the financial crises. Includes profit split on scrubber premium
- Arabian Sea fixed until August 2022.
- Company will refinance during Q2

Fleet list

	
MV Arabian Sea	MV Mediterranean Sea
4900 CEU	4900 CEU
2010, China	2010, China

*See page 2
Data from Clarksons SIN



Risk Management – Fourth Quarter report 2021

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.

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 Board of NRP Maritime Asset Management
- To the Financial Supervisory Authority ("Finanstilsynet")

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

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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