



PREMIUM MARITIME FUND

Third Quarter Report 2022

NRP

Prepared by: NRP Maritime Asset Management AS

October 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 96.5 million
Dividend Distributed:	USD 35.5 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 (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 another strong quarter in Q3 with a total return of 9.6%. The dividend adjusted NAV/share is 47% higher than 12 months ago. The board has approved a dividend distribution of up to USD 0.35 per share or USD 10 million during Q4 with exact timing depending on cash flow from investments.

Market Developments

Shipping markets had yet another strong quarter in Q3, however with divergent trends between segments.

Container TC rates have fallen 60-70% from their record highs, but are still amazingly enough double of 2019 levels, hence still quite strong. With about 7% fleet growth expected in 2023, congestion easing and potential demand weakening due to recession like economies, rates could very well go back to “normal” next year.

Bulker TC rates have softened from mid USD 20 000 per day to around USD 15-17 000 for Handy/Supra/Ultra, hence down but still healthy. Values have also dropped, but less than rates and seem to have found a floor with S&P activity up over the last weeks. Orderbook is very limited (about 6% in total) hence market dynamics look decent although somewhat dependent on Chinese demand for 2023 as well as global economic growth.

Tankers have significantly improved in Q3, with rebounding demand and shift to longer-haul trades amid the war in Ukraine. MR/LR1 time charter rates are now above USD 25 000 and USD 30 000 and the spot market have been double that at times during the quarter. Orderbook is about 5% (in total) so fleet growth will be very limited in the years to come.

The ClarkSea Index stands at USD 32 500 vs USD 41 000 in June and April and USD 34 500 on Jan 1st respectively.

Despite still strong cashflow, the shipping market outlook is increasingly sector specific. Economic concerns are building (and may impact more in container) but for shipping markets there are mitigating factors: congestion, changing trade patterns, sanctions and energy security.

2023 will also see impact from “green” regulations and lower speeds which are good for the supply/demand balance.

Portfolio development

The portfolio now consists of 21 vessels where two vessels are sold but not yet delivered to buyers. We are constantly reviewing the portfolio to take advantage of what we believe are the right sales opportunities and a few ships in the portfolio are currently marketed for sale.

NAV and Dividend information

The NAV for the fund as of end 3rd quarter is USD 3.40 per share, which corresponds to an increase of ~9.6% since last quarter, when adjusting for dividends distributed.

The board has approved further dividend payments of up to USD 0.35 for the 4th quarter which will most likely be distributed in two tranches; one in November and one in December.

The next quarterly report will come in January.



Hansa Magdeburg was delivered to new owners in September. The investment has since 2017 delivered an IRR of 52% and a total return of 561%.

Nicolai Heidenreich
Nicolai Heidenreich
Fund Manager

W. Magelssen
Wilhelm Chr. Magelssen
Fund Manager



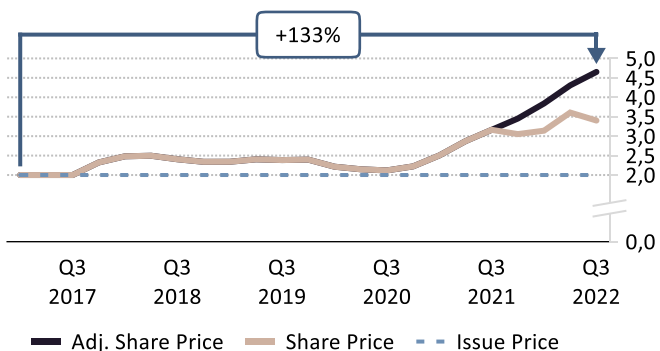
Fund & Market Performance

Quarterly Highlights

- Continued strong fund performance with an increase in NAV (dividend adjusted) of 9.6% quarter on quarter
- Continued strong earnings in dry bulk, and tankers, whilst containers experiencing drop in rates
- Full benefit of the upswing in tanker and chemical rates as most vessels are trading in pools
- Two ships soon to be delivered to new owners
- Dividend of USD 15 million or USD 0.55 per share distributed in Q3
- Dividend of up to USD 10.0 million or USD 0.35 per share to be distributed in Q4.
- High focus on steady dividend distributions going forward

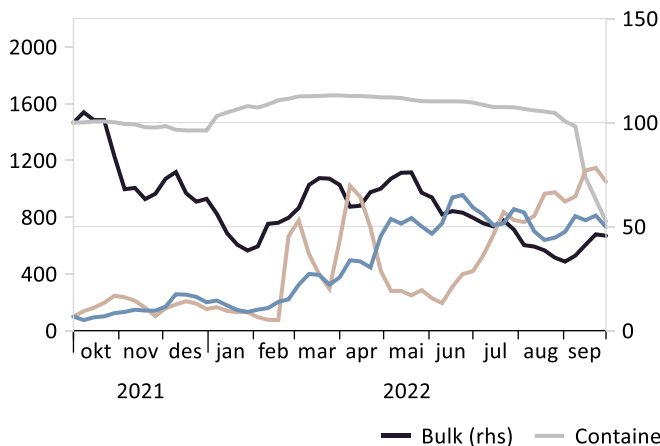
Share Price – Premium Maritime Fund

Share Price - Q3 2022	USD 3.4	▲ 9.6%
Dividend per share - Q3 2022	USD 0.55	
Share Price - Q2 2022	USD 3.61	

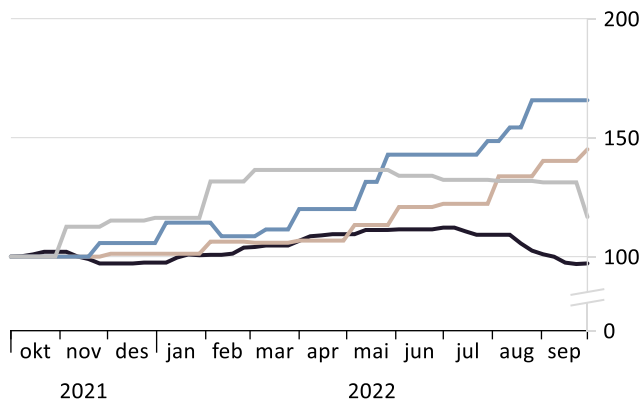


Clarksons Market Data Last 12 months (indexed, base = 100)

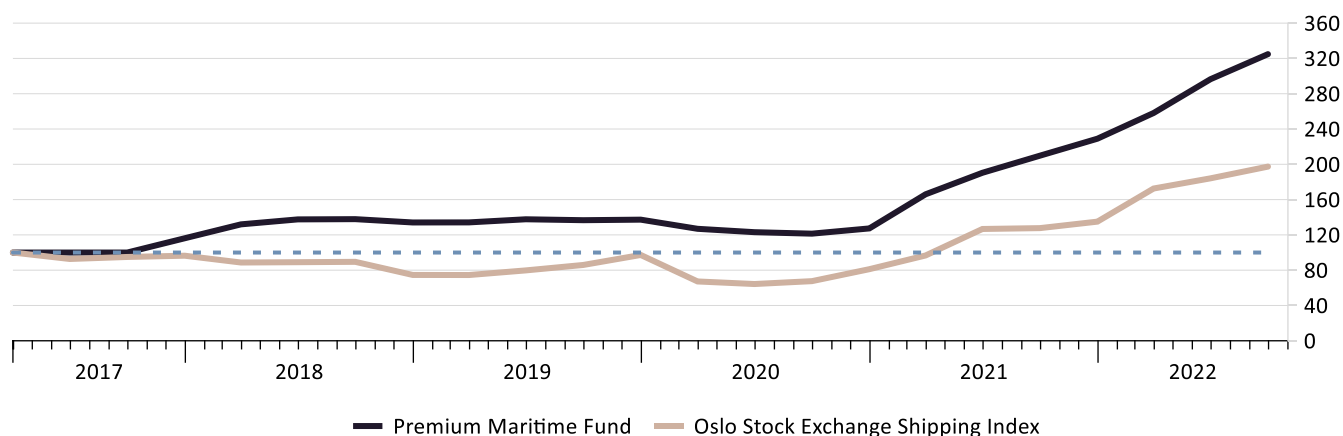
Earnings



Secondhand Values



Benchmark Performance - PMF vs. Oslo Stock Exchange Shipping Index





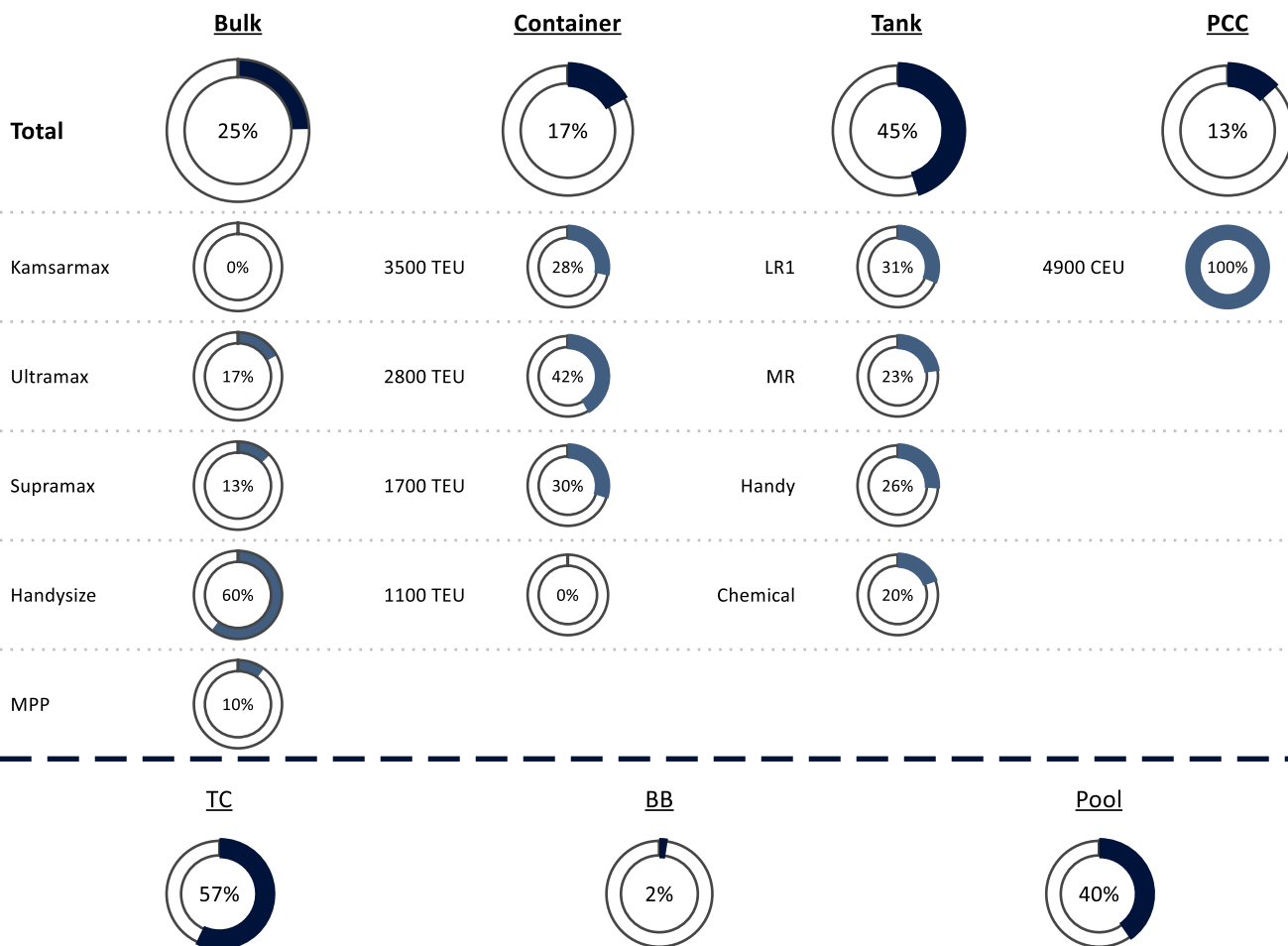
Portfolio Overview

Premium Maritime Fund Main Figures as of 30/9/2022

NAV	USD 96.5 million
- Value of Investments	USD 101.0 million
- Working Capital *	USD -4.5 million
Net IRR since inception	29.0%
Net total return since inception	118.8%
Average Weighted Leverage	27.1%
Weighted Charter Coverage	307 Days
Weighted average age of fleet	10.4 Years

* Includes success fee

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	<div style="width: 10%;"></div> 10%
Voge Sophie	25%	BULK - Handysize	TC	<div style="width: 5%;"></div> 5%
Nippon Supra AS	30%	BULK - Supramax	TC	<div style="width: 3%;"></div> 3%
Empros Ultra AS	25%	BULK - Ultramax	TC	<div style="width: 4%;"></div> 4%
Atlantic MPP AS	15%	BULK - MPP 17k 950 teu	BB	<div style="width: 2%;"></div> 2%
Atlantic Discoverer AS	35%	CONTAINER - 2800 TEU	TC	<div style="width: 7%;"></div> 7%
Ross Magdeburg AS	✓ 24%	CONTAINER - 1700 TEU	Pool	<div style="width: 0%;"></div> 0%
Burgundy Container AS	✓ 20%	CONTAINER - 3500 TEU	TC	<div style="width: 5%;"></div> 5%
London Trader Maritime Ltd.	25%	CONTAINER - 1750 TEU ECO	TC	<div style="width: 5%;"></div> 5%
Songa Passage AS	31%	TANK - MR	Pool	<div style="width: 6%;"></div> 6%
Hafnia LR1 JV	25%	TANK - LR1 ECO	Pool	<div style="width: 8%;"></div> 8%
Roberto 16 Pte Ltd	31%	TANK - MR	TC	<div style="width: 5%;"></div> 5%
Sunny Sky Shipping LLC	20%	TANK - Handy	Pool	<div style="width: 3%;"></div> 3%
Sunny Star Shipping LLC	25%	TANK - Handy	Pool	<div style="width: 4%;"></div> 4%
Macaw Shipping LLC	30%	TANK - Handy	Pool	<div style="width: 5%;"></div> 5%
MT Cape Tampa	25%	TANK - LR1	Pool	<div style="width: 6%;"></div> 6%
Chemtank Invest AS	32%	CHEMICAL - 19k	Pool	<div style="width: 4%;"></div> 4%
Chemtank III AS	21%	CHEMICAL - 33k	Pool	<div style="width: 4%;"></div> 4%
Harren Chemical AS	✓ 34%	CHEMICAL - 19k	Pool	<div style="width: 1%;"></div> 1%
Gramcar IS	✓ 20%	PCC - 4900 CEU	TC	<div style="width: 13%;"></div> 13%

Sold = ✓ Partially Sold = ✓

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

INVESTMENTS - BULK

Dry Bulk Market

Bulker earnings have strengthened over the past few weeks but are still around 30-40% below the latest peak at the end of May. Trade continues to be flat in terms of tonnes and we are seeing logistic disruptions reducing. In addition, there is of course fears over reduction in demand due to inflation and consequently a recession.

Handy & Supra/ Ultramax 2nd hand ship values have strengthened regained some of the fall during Q3 but are still about 15-30% below latest peak values.

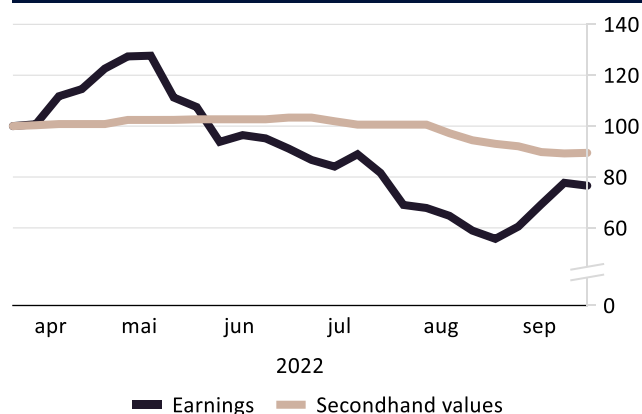
There is still very limited newbuilding activity in the segments the fund are exposed to and we believe the current orderbook will be manageable. 2023 will bring speed limitations for the oldest part of the fleet, thereby reducing supply side on the relative.

PMF Bulk Investments

% of Portfolio **Quarterly Performance**

24.6 % -9.4 % ↓

Values & Earnings Last 6 Months (Indexed)



Portfolio Investments

Investment Name	Ownership	Segment	Charter	Portfolio %
Njord Handy AS	34%	BULK - Handysize	TC	10%
Voge Sophie	25%	BULK - Handysize	TC	5%
Nippon Supra AS	30%	BULK - Supramax	TC	3%
Empros Ultra AS	25%	BULK - Ultramax	TC	4%
Atlantic MPP AS	15%	BULK - MPP 17k 950 teu	BB	2%

Quarterly News Highlights

- Both vessels in Njord Handy fixed most of 2022 at strong rates.
- Voge Sophie fixed on short term contracts at market rates
- Nippon Supra fixed until mid Q4 at strong rates
- Empros fixed until Q4 at very strong rates
- Steady dividend flow from Atlantic MPP

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 is has fallen quite dramatically over the past 1-2 months. Although there is a lack of data points for both chartering and 2nd hand values as activity has dried up brokers believe rates are down between 40-70% and values is expected to be quoted further down when activity picks up.

Lower than expected volumes combined with easing of congestion is behind this recent development and strong rumors are surfacing regarding early redeliveries and renegotiations of already entered into contracts.

Newbuild order volumes have stopped but are on the highest level since 2014 and it will be interesting to follow what owners will do with these orders going forward.

Longer term outlook is a further cause for concern depending on how inflation will impact demand and the market's ability to absorb newbuildings when they start to deliver already next year.

PMF Container Investments

% of Portfolio

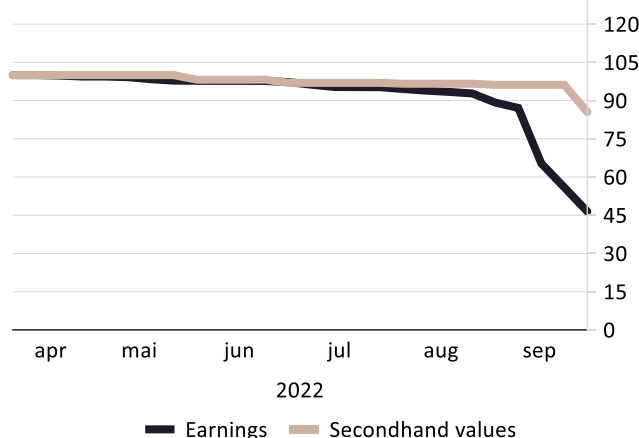
Quarterly Performance

16,9 %

6,8 %



Values & Earnings Last 6 Months (Indexed)



Portfolio Investments

Investment Name	Ownership	Segment	Charter	Portfolio %
Atlantic Discoverer AS	35%	CONTAINER - 2800 TEU	TC	7%
Ross Magdeburg AS	✓ 24%	CONTAINER - 1700 TEU	Pool	0%
Burgundy Container AS	✓ 20%	CONTAINER - 3500 TEU	TC	5%
London Trader Maritime Ltd.	25%	CONTAINER - 1750 TEU ECO	TC	5%

Quarterly News Highlights

- Discoverer fixed on contract until Q2 '23. Debt free in October
- Burgundy sold with delivery in October
- Ross Magdeburg sold and vessel delivered to new owners in Q2
- 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

*See page 2
Data from Clarksons SIN

INVESTMENTS - TANK

Tanker Market

The tanker markets experienced another strong market in this quarter and in particular for the product segment. Increased ton-mile on the back of the war in Ukraine has kept rates at very strong levels and they are showing no signs of cooling off.

MR vessels have seen rates between USD 35,000/d up to even USD 50,000/d in certain periods and for LR1 vessel the figures are even higher.

This has naturally driven prices higher and we have since the start of the year seen values increase by between 40 and 80%, most of it in the 3rd quarter.

With a very low orderbook, outlook remains positive though we don't expect the current very high rates to last for too long.

PMF Tanker/Product Investments

% of Portfolio

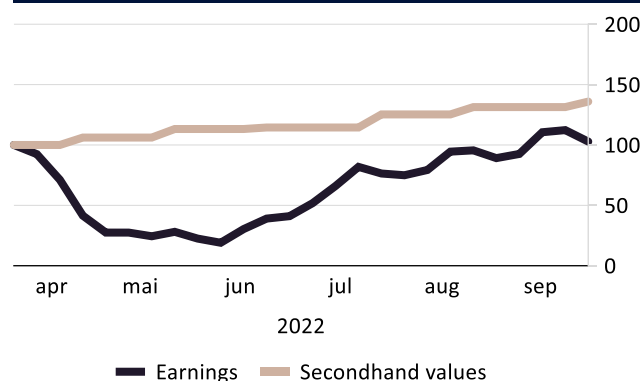
Quarterly Performance

36.3 %

32.2 %



Values & Earnings Last 6 Months (Indexed)



Portfolio Investments

Investment Name	Ownership	Segment	Charter	Portfolio %
Songa Passage AS	31%	TANK - MR	Pool	6%
Hafnia LR1 JV	25%	TANK - LR1 ECO	Pool	8%
Roberto 16 Pte Ltd	31%	TANK - MR	TC	5%
Sunny Sky Shipping LLC	20%	TANK - Handy	Pool	3%
Sunny Star Shipping LLC	25%	TANK - Handy	Pool	4%
Macaw Shipping LLC	30%	TANK - Handy	Pool	5%
MT Cape Tampa	25%	TANK - LR1	Pool	6%

Quarterly News Highlights

- Songa Passage earnings significantly above break-even as project is now debt free
- All three handy vessels currently earning very strong rates as all ships trade in pools.
- Our exposure to the LR1 segment is performing very well as earnings in both investments above USD 40 000 for the qtr.
- Looking to sell/reduce exposure through a combination of fixing out on longer term contracts and vessel sales.
- Roberto only about 5 months left at current below market rate. Refinanced in October allowing for special dividend.

Fleet list

MT Challenge Passage	Hafnia Guangzhou	MT Di Matteo	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

Q3 continued in even stronger fashion after an already pretty strong Q2. Pool rates have strengthened further in tandem with increasing product tanker rates as those vessels then focus on the clean petroleum market (CPP).

In addition, Asia and particularly China are high in activity and coupled with a lack of tonnage increases utilization and triangulation possibilities for the vessels in the Hansa pool.

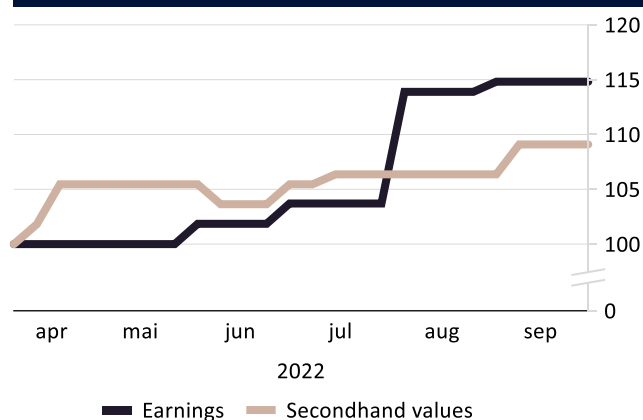
Long-term outlook continues to be positive, very much due to the historically low orderbook, albeit with high uncertainty on demand due to inflation and risk of recessions affecting industrial production.

PMF Chemical Investments

% of Portfolio **Quarterly Performance**

8.8 % 34.0 % ↑

Values & Earnings Last 6 Months (Indexed)



Portfolio Investments

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

Quarterly News Highlights

- Market for stainless steel tonnage was strong in Q3, both projects paying healthy dividends.
- Low break-even so expecting further dividend payments in 2022 and for 2023.
- Owners won claim towards the BB charterer and its Guarantor for USD 1.7m + cost at London Arbitration. Claim settled in Q3

Fleet list

Image	Image	Image
MT Dreggen	MT Skarven	MT Patras
19,994 dwt	33,625 dwt	16,745 dwt
2008, Japan	2009, Japan	2007, Turkey

INVESTMENTS – OTHER SEGMENTS

PCC Market

The Car Carrier market is now well established in record breaking territory as rumours are emerging of panamax sized vessels being fixed for up to 1 year at above USD 100 000 per day. These are ships that were making USD 15 000 only 18 months ago. Longer charters at lower levels but still at rates providing payback on investment of a little more than a year assuming one bought vessels during the low-cycle.

Both secondhand prices and newbuilding prices have been on the rise throughout the year and are currently at levels never seen in prior upcycles. Current orderbook as a percent of the fleet is 9% in terms of ships and 11% in terms of dwt – both manageable numbers and deliveries are set for 2024 and onwards.

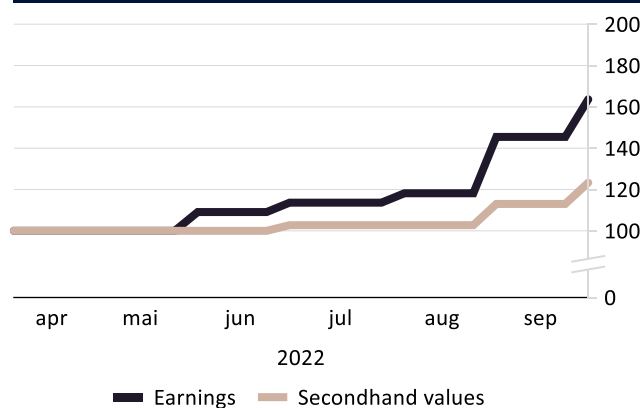
Overall, we still believe this market has promising medium term outlook but over demand for car sales will most likely be affected by lower economic growth

PMF PCC Investments

% of Portfolio **Quarterly Performance**

13.3 % 3.2 % ↑

Values & Earnings Last 6 Months (% Change)



Portfolio Investments

Investment Name	Ownership	Segment	Charter	Portfolio %
Gramcar IS ✔	20%	PCC - 4900 CEU	TC	13%

Quarterly News Highlights

- Arabian Sea, which is fixed out to a major Asian operator until 2028 has been sold to 3rd party. Delivery expected 2nd half of 4th quarter. Proceeds will be distributed in Q1 2023.
- 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

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 – Third Quarter report 2022

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 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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