



PREMIUM MARITIME FUND

First Quarter Report 2023

NRP

Prepared by: NRP Maritime Asset Management AS
April 2023

**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 67.0 million
Dividend Distributed:	USD 69.5 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 another steady quarter in Q1 with a total return of 2.5% and the dividend adjusted NAV is 31% higher than 12 months ago.

Dividends of USD 0.7 per share, representing 23.4% of the Q4 NAV, was distributed during Q1. The manager estimates distributions of minimum USD 0.2 per share during Q2.



Challenge passage was sold during the quarter. The investment has since 2015 delivered an IRR of 18% and a total return of 178%.

Market Developments

At the beginning of 2023, the shipping markets experienced a decline, with the Clarksea index falling by 10% in the quarter. Although there was a contraction, the current levels are still considered very strong in a historical context. Uncertainty lingers regarding the magnitude of the effect of factors such as economic headwinds, the reopening of China and shifting trade patterns following the Russian invasion of Ukraine, which continue to drive volatility in the various markets.

Container box rates trended downwards during the quarter, while TC rates seems to have found its bottom and finished the quarter on a positive note, marking the first positive movement seen since mid-2022. 2nd hand values had a flat development.

Bulk TC and spot rates contracted prior to the seasonally weak market around the Chinese New Year but quickly rebounded, ending the quarter with positive momentum. Asset values remained stable, even increasing, reflecting the anticipation of strengthening market conditions driven by the reopening of China.

The product tanker market has remained strong throughout the quarter, particularly after the EU embargo on Russian products came into effect on February 5th. The disruption in trade patterns and the resulting increase in haul lengths have led to a reduction in available tonnage, which is beneficial for owners.

Clarksons project total trade growth in 2023 of 1.6% (2.9% in tonne-miles) and an overfall fleet growth of 2.5% pre-demolition (driven by large containerships and gas carriers).

Portfolio development


The portfolio now consists of 17 vessels where one vessel is sold but not yet delivered to buyer. Further two vessels are also currently in the process of being sold. 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 1st quarter is USD 2.36 per share, which corresponds to an increase of 2.5% since last quarter, when adjusting for dividends distributed. The board has approved the distribution of USD 0.2 per share during Q2.

The next quarterly report will come in July.


Nicolai Heidenreich
Fund Manager


Wilhelm Chr. Magelssen
Fund Manager



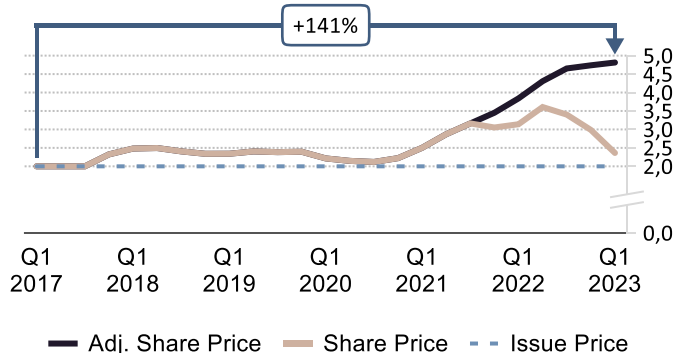
Fund & Market Performance

Quarterly Highlights

- The fund continues to deliver steady performance with an increase in the dividend adjusted NAV of 2.5%.
- The product- and chemical tanker investments continues to generate exceptional cash flow while the bulkers received an uplift in values during the quarter.
- Two sold vessels delivered to new owners in Q1 with another committed for sale.
- Dividends of USD 19.9m or USD 0.7 per share distributed through the quarter.

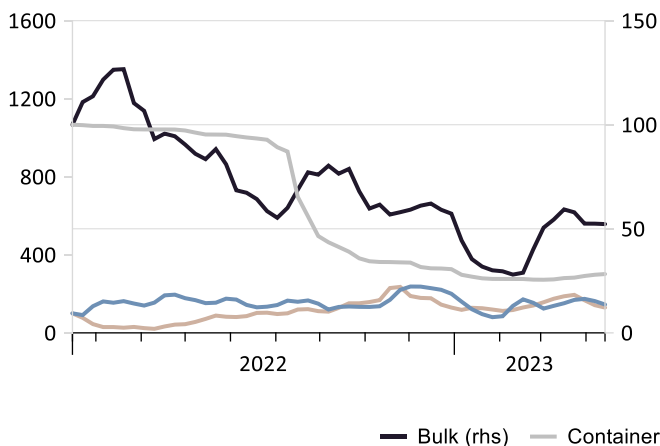
Share Price – Premium Maritime Fund

Share Price - Q1 2023	USD 2.36	▲ 2.5%
Dividend per share - Q1 2023	USD 0.7	
Share Price - Q4 2022	USD 2.99	

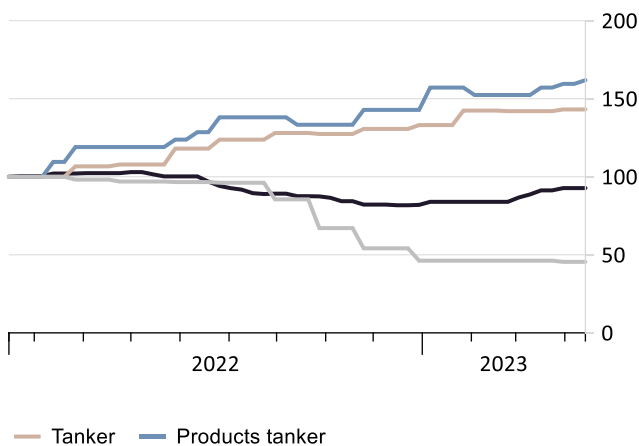


Clarksons Market Data Last 12 months (indexed, base = 100)

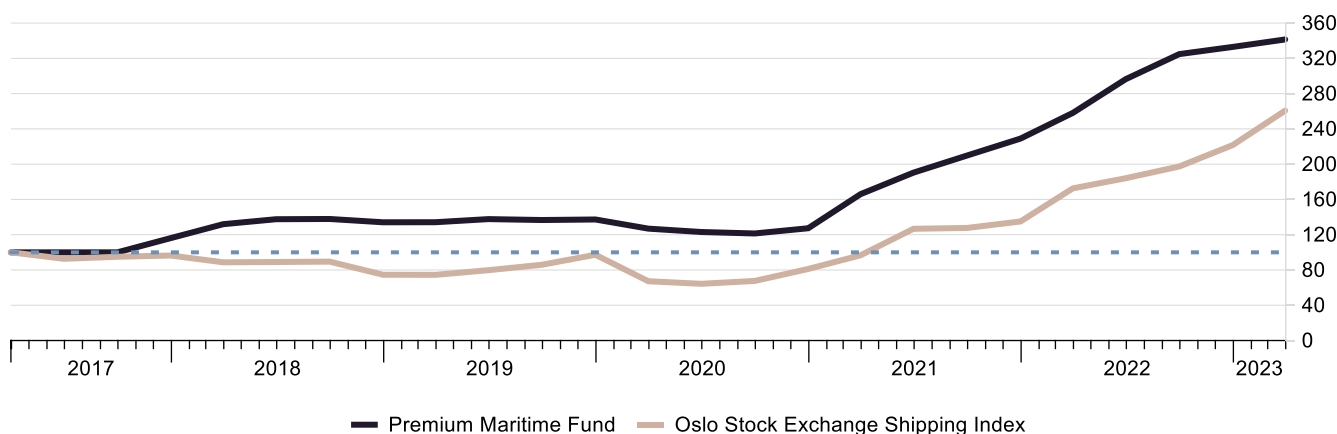
Earnings



Secondhand Values



Benchmark Performance - PMF vs. Oslo Stock Exchange Shipping Index





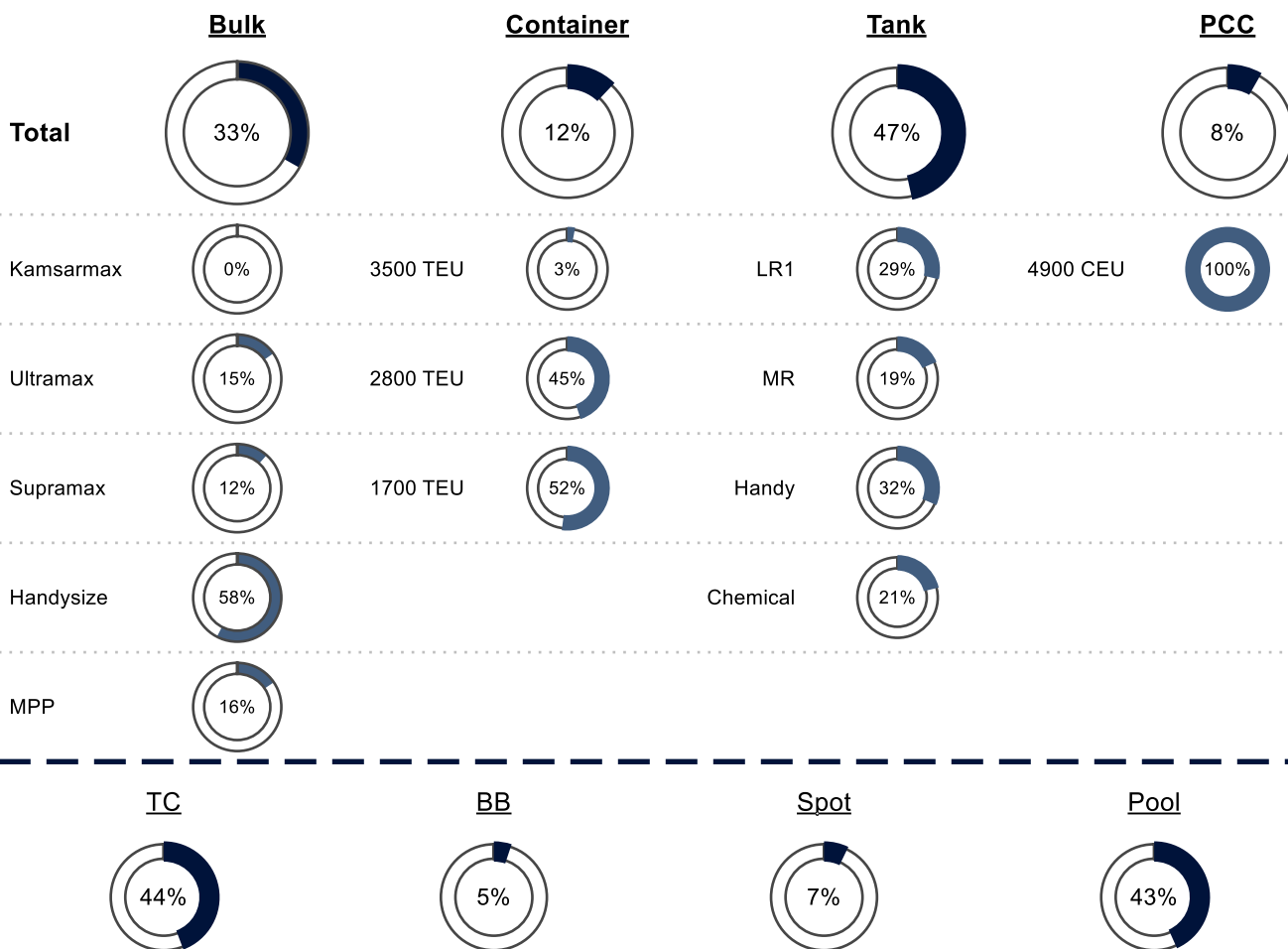
Portfolio Overview

Premium Maritime Fund Main Figures as of 31/3/2023

NAV	USD 67.0 million
- Value of Investments	USD 72.1 million
- Working Capital*	USD -5.1 million
Net IRR since inception	27.4%
Net total return since inception	126.4%
Average Weighted Leverage	31.0%
Weighted Charter Coverage	153 Days
Weighted average age of fleet	10.1 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	12%
Voge Sophie	25%	BULK - Handysize	Spot	7%
Nippon Supra AS	30%	BULK - Supramax	TC	4%
Empros Ultra AS	25%	BULK - Ultramax	TC	5%
Atlantic MPP AS	15%	BULK - MPP 17k 950 teu	BB	5%
Atlantic Discoverer AS	35%	CONTAINER - 2800 TEU	TC	5%
London Trader Maritime Ltd.	25%	CONTAINER - 1750 TEU ECO	TC	3%
Madrid Trader Maritime Ltd.	25%	CONTAINER - 1750 TEU ECO	TC	3%
Songa Passage AS	31%	TANK - MR	Pool	3%
Hafnia LR1 JV	25%	TANK - LR1 ECO	Pool	13%
Roberto 16 Pte Ltd	31%	TANK - MR	Pool	6%
Sunny Sky Shipping LLC	20%	TANK - Handy	Pool	5%
Sunny Star Shipping LLC	25%	TANK - Handy	Pool	6%
Macaw Shipping LLC	30%	TANK - Handy	TC	3%
Chemtank Invest AS	32%	CHEMICAL - 19k	Pool	5%
Chemtank III AS	21%	CHEMICAL - 33k	Pool	5%
Gramcar IS	20%	PCC - 4900 CEU	TC	8%

Sold = Partially Sold =

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

INVESTMENTS - BULK

Dry Bulk Market

The weakening of the dry bulk market seen in December persisted through the early months of 2023. However, following the conclusion of the Chinese New Year, the market began to recover, consistent with its typical seasonal pattern.

Periodically, spot earnings for bulkers dipped into loss-making-territory (USD 6-7k per day), while 1-year TC rates fared better and ending the quarter at USD 14-16k per day for handy & supra. Market participants remained optimistic, as evidenced by the strengthening of 2nd hand values, which increased in the region 10-20%.

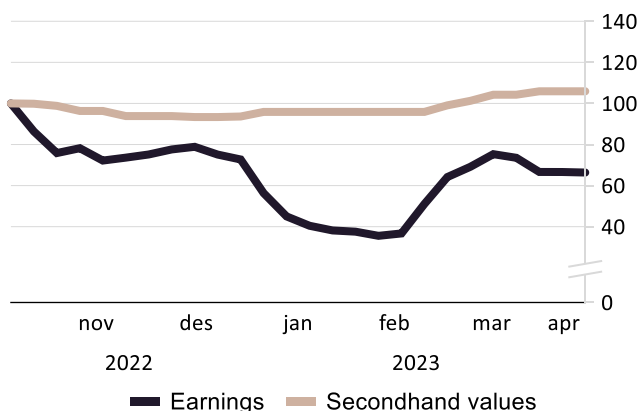
The main source of optimism arises from the prospects of reopening of the Chinese economy post Covid-19 coupled with the supply side outlook, which is driven by an orderbook at historical low levels (about 7% of current fleet).

PMF Bulk Investments

% of Portfolio **Quarterly Performance**

33.1 % 10.3 % ↑

Values & Earnings Last 6 Months (Index)



Portfolio Investments

Investment Name	Ownership	Segment	Charter	Portfolio %
Njord Handy AS	34%	BULK - Handysize	TC	12%
Voge Sophie	25%	BULK - Handysize	Spot	7%
Nippon Supra AS	30%	BULK - Supramax	TC	4%
Empros Ultra AS	25%	BULK - Ultramax	TC	5%
Atlantic MPP AS	15%	BULK - MPP 17k 950 teu	BB	5%

Quarterly News Highlights

- Emma & Mia are currently trading spot / short TC.
- Almira fixed until Aug/Sept.
- Voge Sophie currently on short TC/trip charter.
- Discussion with BB charterer to sell both vessels after expiry of the BBCP, at levels well above the fund's put options.
- Lista fixed until September.

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



INVESTMENTS - CONTAINER

Container Market

The container market remained mostly flat during the quarter, having dropped about 80% from record highs in the first half of 2022 on the back of easing congestion and a weakened global economy.

However, 1-year TC rates for 1,700 and 2,800 TEU feeders continue to be quoted in the range of USD 16-19k per day, which is significantly higher than in previous downturns. While the period market experienced a slight rise towards the end of the quarter, it is still too early to determine if the sentiment has changed.

The world container orderbook may raise concerns, as it represents about 29% of current fleet. Nonetheless, the orderbook for feeders stands considerably lower at 13%. Recycling activity has been recorded in the segment for the first time since 2020. If this trends continues it could help it mitigate the upcoming supply growth.

PMF Container Investments

% of Portfolio

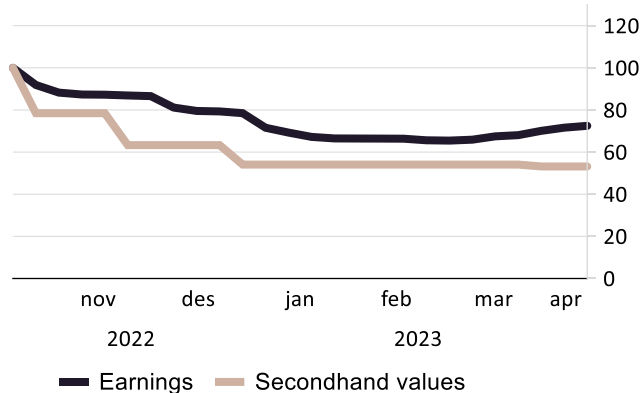
12,1 %

Quarterly Performance

-19,9 %



Values & Earnings Last 6 Months (Index)



Portfolio Investments

Investment Name	Ownership	Segment	Charter	Portfolio %
Atlantic Discoverer AS	35%	CONTAINER - 2800 TEU	TC	5%
London Trader Maritime Ltd.	25%	CONTAINER - 1750 TEU ECO	TC	3%
Madrid Trader Maritime Ltd.	25%	CONTAINER - 1750 TEU ECO	TC	3%

Quarterly News Highlights

- Discoverer fixed on contract until Q2 '24. Debt free and recently docked.
- London & Madrid Trader is fixed to Maersk until Q4 2024 but with floor and profit split based on rolling 3 month market.

Fleet list

		
MV Discoverer	MV London Trader	MV Madrid Trader
2800 TEU	1750 TEU ECO	1750 TEU ECO
2004, Poland	2019, China	2019, China



INVESTMENTS - TANK

Tanker Market

Despite a slight decline from its peak in November 2022, the tanker market enjoyed another strong quarter. The disruption of trading patterns caused by the Russian product embargo boosted tonne-miles, though the full impact of the embargo is yet to be determined.

1-Year TC rates for MRs and handy's are now at USD 33,500 and 27,500 per day, the highest levels on record. 2nd hand prices have also continued to rise, increasing between 4-16% depending on age and size.

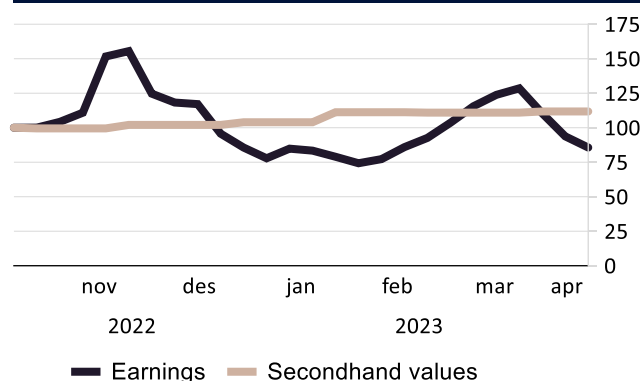
The fundamentals for the product tanker market are undoubtedly strong, with an expected tonne-mile growth of 11% and 7% for 2023 and 2024 respectively, comparing to an orderbook that accounts for only 6% of the current fleet.

PMF Tanker/Product Investments

% of Portfolio **Quarterly Performance**

36.7 % 5.2 % ↑

Values & Earnings Last 6 Months (Index)






Portfolio Investments

Investment Name	Ownership	Segment	Charter	Portfolio %
Songa Passage AS	31%	TANK - MR	Pool	3%
Hafnia LR1 JV	25%	TANK - LR1 ECO	Pool	13%
Roberto 16 Pte Ltd	31%	TANK - MR	Pool	6%
Sunny Sky Shipping LLC	20%	TANK - Handy	Pool	5%
Sunny Star Shipping LLC	25%	TANK - Handy	Pool	6%
Macaw Shipping LLC	30%	TANK - Handy	TC	3%

Quarterly News Highlights

- Challenge Passage was sold and delivered during the quarter.
- Hafnia LR1 performs well in Hafnia pool.
- Di Matteo are committed for sale with delivery in Q2
- Sunny Sky and Star are currently earning very strong rates in pool. Mount Kibo fixed until Oct 2024 at solid rate.
- Looking to sell/reduce exposure through a combination of fixing out on longer term contracts and vessel sales.

Fleet list

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

INVESTMENTS - CHEMICAL

Chemical Market

The chemical market continued to perform strongly in Q1, albeit with a similar softening as witnessed in the product market. The tight CPP market and corresponding outlook are expected to keep swing-tonnage at low levels, which should continue to support chemical tankers.

During the quarter, TC rates for 19k stainless steel tankers fell by 7% and are currently quoted at USD 20,000 per day.

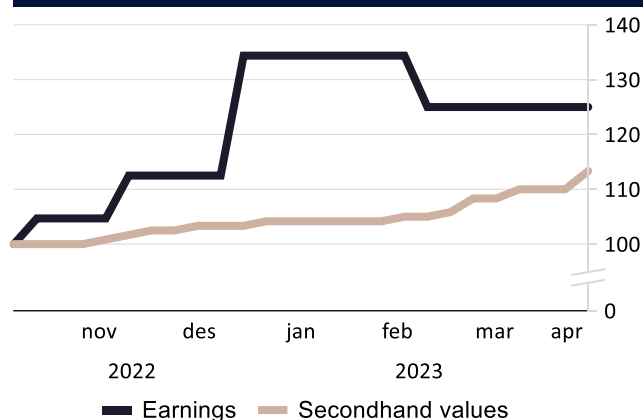
Looking ahead, the long-term market appears encouraging, with projected demand growth of 2-3% over the next couple of years. Meanwhile, the expected fleet growth is only 2% for 2023 and less than 1% for 2024.

PMF Chemical Investments

% of Portfolio **Quarterly Performance**

9.9 % 6.9 % ↑

Values & Earnings Last 6 Months (Index)



Portfolio Investments

Investment Name	Ownership	Segment	Charter	Portfolio %
Chemtank Invest AS ✓	32%	CHEMICAL - 19k	Pool	5%
Chemtank III AS	21%	CHEMICAL - 33k	Pool	5%

Quarterly News Highlights

- Market for stainless steel tonnage was strong in Q1. Low break-even so expecting further dividends from Skarven (Chemtank III) in 2023.
- Dreggen (Chemtank Invest) was delivered to new owners in Q1.

Fleet list



MT Dreggen

19,994 dwt

2008, Japan



MT Skarven

33,625 dwt

2009, Japan

INVESTMENTS – OTHER SEGMENTS

PCC Market

The car carrier market remains exceptionally robust, fuelled by rebounding volumes and increased long-haul exports from China. While port congestion has eased since mid-2022, logistical disruptions still continue to constrain fleet capacity.

The 1-year TC market has been stable throughout the quarter with 5,000 & 6,500 CEU vessels being quoted at USD 90,000 and 110,000 p.d. respectively.

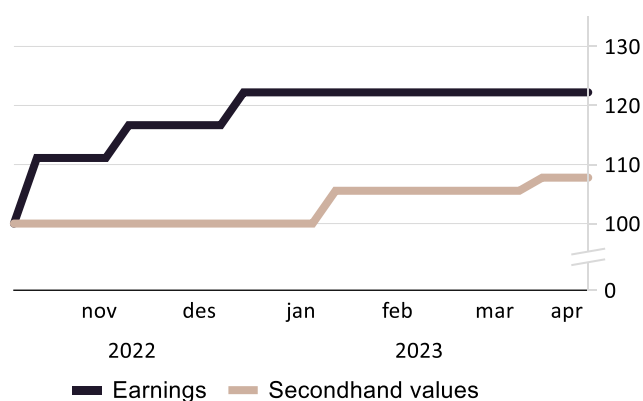
The increase in contracting volumes for car carriers that emerged last year has persisted into Q1, resulting in the current orderbook representing 26% of current fleet in terms of CEU capacity. As the majority of the current orderbook is scheduled for delivery in the period 2024-2026, the medium term outlook appears to be firm.

PMF PCC Investments

% of Portfolio **Quarterly Performance**

8.2 % 0.7 % ↑

Values & Earnings Last 6 Months (Index)



Portfolio Investments

Investment Name	Ownership	Segment	Charter	Portfolio %
Gramcar IS	20%	PCC - 4900 CEU	TC	<div style="width: 8%; background-color: #c08060;"></div> 8%

Quarterly News Highlights

- Mediterranean Sea fixed until mid 2025. Expect healthy dividends going forward.
- Arabian Sea was sold and delivered in Q4 '22

Fleet list



MV Arabian Sea

4900 CEU

2010, China



MV Mediterranean Sea

4900 CEU

2010, China



Risk Management – First 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.



Fund investors

Investor name	Number of shares	Ownership
Albatross Investment AS	765 226	2,70%
Alcides Shipping AS	444 675	1,57%
Amble Investment AS	47 000	0,17%
AS Clipper	1 399 428	4,93%
AWK Holding AB	240 226	0,85%
Badstuggu AS	100 000	0,35%
Baggins AS	708 506	2,50%
Barbinvest AS	23 045	0,08%
Bergtor Invest AS	40 000	0,14%
Bluship Technologies Co. Ltd.	236 168	0,83%
BSN AS	111 168	0,39%
Capreca AS	250 000	0,88%
Castel AS	305 305	1,08%
Cebenotto AS	111 168	0,39%
Chrisanic Asset Management AS	222 337	0,78%
Compass Capital AS	270 862	0,95%
Compton Investments Ltd	115 226	0,41%
Coruna AS	351 394	1,24%
Defy AS	55 584	0,20%
EEF Vekst AS	41 666	0,15%
Eggert AS	40 000	0,14%
Eidsiva Holding AS	80 000	0,28%
Elinvest AS	25 441	0,09%
Farvatn Capital AS	2 500 000	8,81%
Fjellbakke AS	190 453	0,67%
Fraternitas A/S	897 466	3,16%
Gjerdingen AS	125 000	0,44%
Global Breakbulk Logistics Ltd	115 226	0,41%
Grant Invest AS	55 584	0,20%
Gunners Invest AS	50 000	0,18%
Halleluja AS	61 168	0,22%
Heidenreich Real Estate Investment LLC	691 361	2,44%
Helling Holding AS	383 402	1,35%
Heyern AS	150 000	0,53%
Hinvest AS	226 394	0,80%
Holter-Sørensen & Co AS	361 168	1,27%
Horn Bull AS	62 504	0,22%
Interest AS	333 505	1,18%
Investire Invest AS	444 675	1,57%
Jaren Industrier AS	257 258	0,91%
JLI Sweden AB	115 226	0,41%
Johan Vinje AS	637 563	2,25%
Kazha AS	62 496	0,22%
Klaveness Invest AS	3 374 026	11,89%
Knut Røer Eiendom AS	41 667	0,15%
Kyrox Capital AB	155 226	0,55%
Laboremus Prospera AS	41 667	0,15%
Larsson Shipping AB	470 680	1,66%
Letron AS	168 781	0,59%
Liv Fond AS	222 337	0,78%
Løren Holding AS	698 731	2,46%
Meran AS	361 168	1,27%
Montanus Invest AS	115 226	0,41%
Navio AS	101 169	0,36%
NC Special Situation AS	350 000	1,23%
Nistua AS	573 731	2,02%
Nordpolen Holding AS	947 337	3,34%
NRP Investing AS	347 337	1,22%
Ola Rustad AS	266 805	0,94%
Optimuspistor AS	253 499	0,89%
Oradell AS	23 044	0,08%
Oskar Investment AS	133 402	0,47%
Paus & Paus Eiendom AS	115 226	0,41%
Petroservice AS	115 226	0,41%
Pikhaugen 3 AS	520 435	1,83%
Scorpio Kapital AS	115 226	0,41%
Skips AS Tudor	3 391 984	11,96%
SMV Invest AS	587 563	2,07%
Spartoi Invest AB	115 226	0,41%
Sunil Kapoor	111 168	0,39%
Tarago AS	248 628	0,88%
Tek Sin AS	111 168	0,39%
Thomas Dertz	236 168	0,83%
Tiara AS	50 000	0,18%
Ticon Invest AS	300 000	1,06%
Total	28 368 725	100%



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NRP Maritime Asset Management

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