



PREMIUM MARITIME FUND

Third Quarter Report 2023

NRP

Prepared by: NRP Maritime Asset Management AS
October 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 44.1 million
Dividend Distributed:	USD 97.9 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 strong quarter in Q3 with a total return of 2.5% and the dividend adjusted NAV is 10.4% higher than 12 months ago.

Dividends of USD 0.7 per share, representing 31.8% of the Q2 NAV and the highest dividend in the fund's history, was distributed during Q3. October.



The fund's stake in MV Mediterranean Sea was sold during the quarter. The investment has since 2017 delivered an IRR of 37% and a total return of 322%.

Market Developments

Conditions in the shipping industry have exhibited a mixed performance in recent months. The wet segments have shown strength, while the dry and container markets have faced pressure. The Clarksea index, while having its weakest quarter since Q1 2021 on average, remains above USD 20,000 per day, a robust figure by historical standards.

The container market has regressed, losing the positive momentum seen in the first half of the year. Expectations of restrained economic growth due to persistent inflation and tightening monetary policies may put pressure on the demand for containerized goods going forward. When factoring in the significant supply growth on the horizon, particularly for larger vessels, it is reasonable to anticipate continued downward pressure in the medium term.

The dry bulk market has been subdued in recent months due to reduced congestion and slower demand from key markets. Although Chinese dry bulk demand has improved after the phasing out of zero COVID measures, it has yet to meet initial expectations. Despite short- and medium-term economic uncertainties, the limited expected supply growth over the next few years provides confidence that the market will eventually improve. The start of which we believe we have seen over the last few week.

In the tanker market, conditions remain tight, although the crude segment experienced a weaker Q3 due to OPEC+ output cuts. Notably, changes in trade patterns and longer sailing distances caused by the Russia-Ukraine conflict, along with strong demand from China, continue to support the market. While there has been an increase in contracting within the product segment, the tanker orderbook remains limited. Overall, the tanker markets are expected to remain robust in the coming years.

Portfolio development


All the previously communicated sold vessels has been successfully delivered to their new respective owners and the current portfolio now comprises 10 ships. During the quarter the fund sold its shares in Gram Car Carriers at a significant premium to last done as well as higher than our internal valuation. Since end of Q3, one additional vessel has been committed for sale. 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 3rd quarter is USD 1.56 per share, which corresponds to an increase of 2.5% since last quarter, when adjusting for dividends distributed. The manager and the board have decided that the fund will distribute another USD 0.25 per share payable in October.

The next quarterly report will come in January 2024.


Nicolai Heidenreich
Fund Manager


Wilhelm Chr. Magelssen
Fund Manager



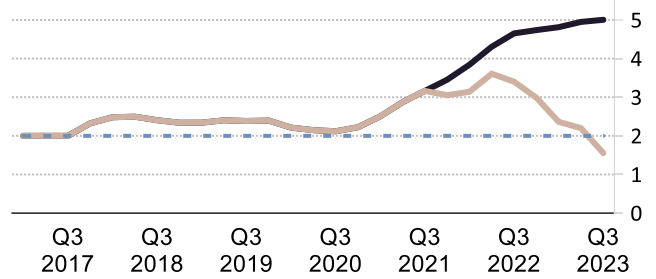
Fund & Market Performance

Quarterly Highlights

- The fund continues to deliver solid performance with an increase in the dividend adjusted NAV of 2.5%.
- The product- and chemical tanker investments continues to generate strong cash flow, while the bulkers have seen continued suppressed earnings.
- Three vessels previously sold were delivered to new owners during the quarter
- The fund divested its interest in one vessel and committed another for sale
- Dividends of USD 19.9m or USD 0.7 per share were distributed to shareholders through the quarter.
- The manager and the board have decided to distribute further USD 0.25 per share in October

Share Price – Premium Maritime Fund

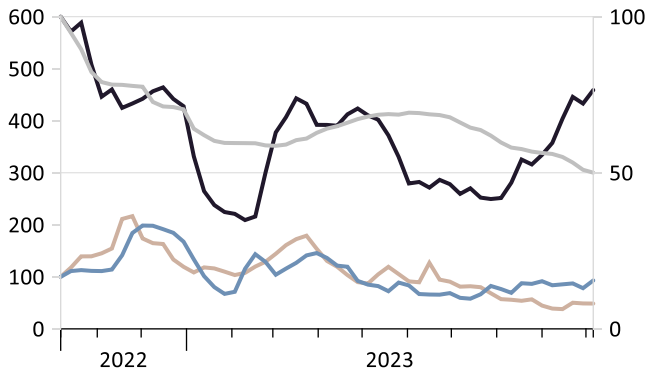
Share Price - Q3 2023	USD 1.55	▲ 2.5%
Dividend per share - Q3 2023	USD 0.7	
Share Price - Q2 2023	USD 2.2	



— Adj. Share Price — Share Price - - Issue Price

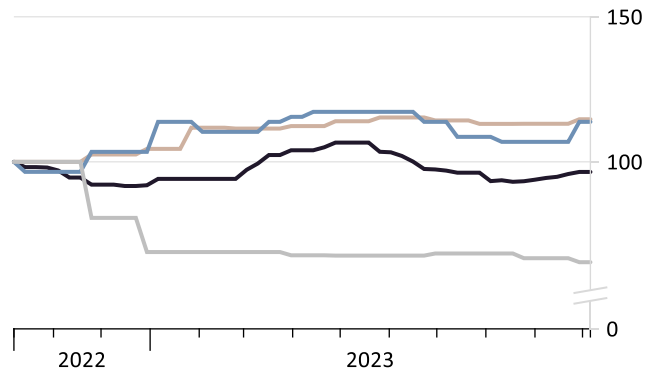
Clarksons Market Data Last 12 months (indexed, base = 100)

Earnings

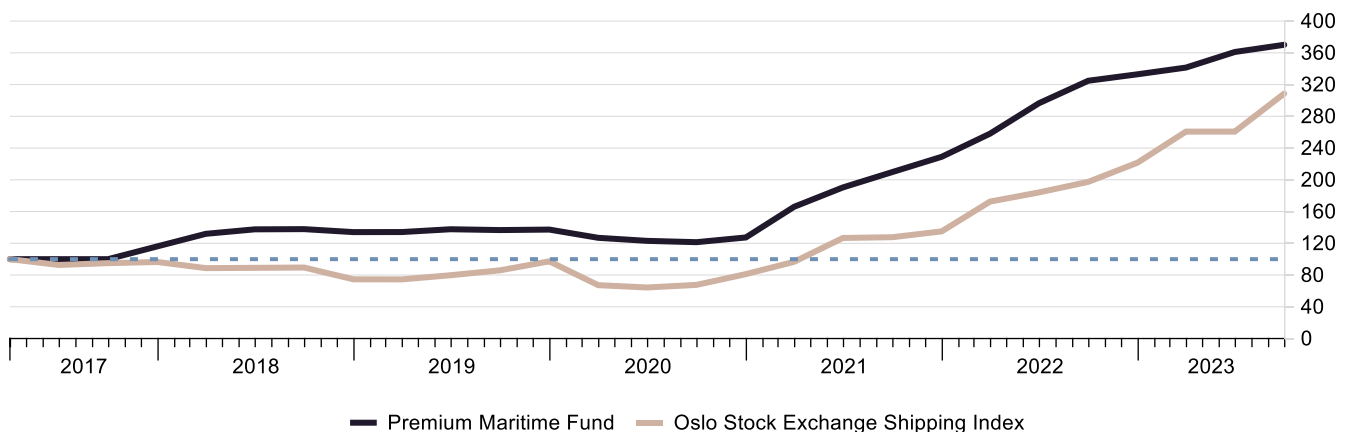


— Bulk (rhs) — Container (rhs) — Tanker — Products tanker

Secondhand Values



Benchmark Performance - PMF vs. Oslo Stock Exchange Shipping Index



— Premium Maritime Fund — Oslo Stock Exchange Shipping Index



Portfolio Overview

Premium Maritime Fund Main Figures as of 30/9/2023

NAV	USD 44.1 million
- Value of Investments	USD 39.5 million
- Working Capital*	USD 4.6 million
Net IRR since inception	27.0%
Net total return since inception	135.4%
Average Weighted Leverage	27.9%
Weighted Charter Coverage	82 Days
Weighted average age of fleet	10.9 Years

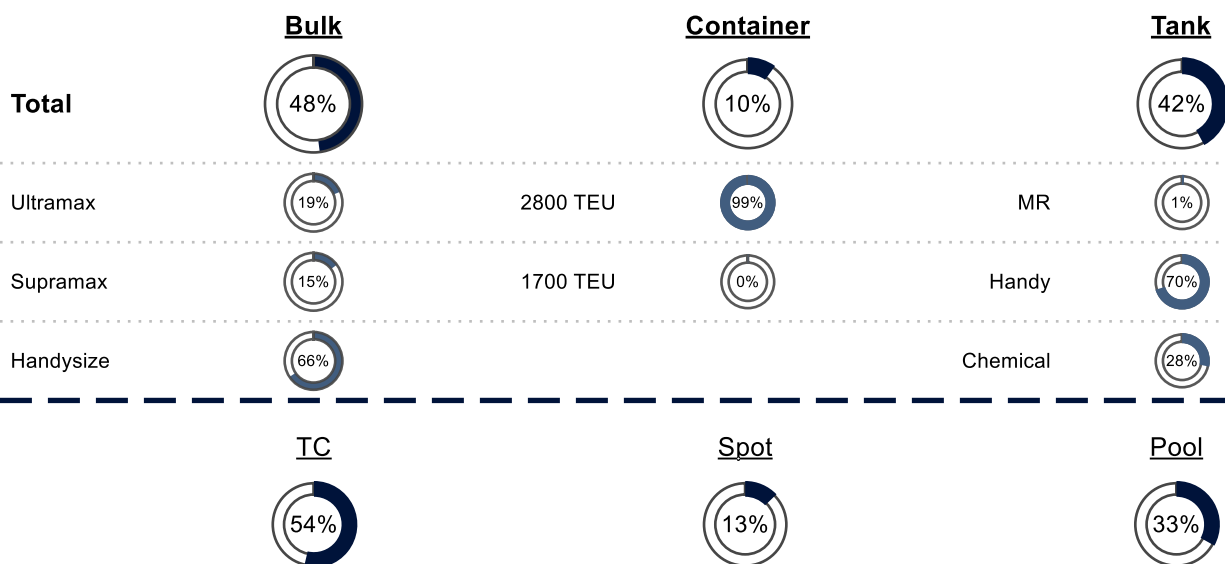
* Includes success fee

Fleet list

Investment Name	Ownership	Segment	Charter	Portfolio %
Njord Handy AS	34%	BULK - Handysize	TC	19%
Voge Sophie	25%	BULK - Handysize	Spot	13%
Nippon Supra AS	30%	BULK - Supramax	TC	7%
Empros Ultra AS	25%	BULK - Ultramax	TC	9%
Atlantic Discoverer AS	35%	CONTAINER - 2800 TEU	TC	10%
Sunny Sky Shipping LLC <input checked="" type="checkbox"/>	20%	TANK - Handy	Pool	9%
Sunny Star Shipping LLC	25%	TANK - Handy	Pool	12%
Macaw Shipping LLC	30%	TANK - Handy	TC	9%
Chemtank III AS	21%	CHEMICAL - 33k	Pool	12%
Gramcar IS <input checked="" type="checkbox"/>	20%	PCC - 4900 CEU	TC	0%

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 dry bulk market experienced a period of sluggishness during the summer but saw a notable improvement in the latter part of Q3, particularly in the Atlantic Basin. Initially, smooth port operations and reduced fleet inefficiencies had a dampening effect on the market. However, as congestion started to increase in September, it contributed to the recent market improvement.

As of now, TC rates for handies to kamsarmaxes range between USD 12,000 and 15,000 per day, showing a 10-25% increase since the end of Q2, while secondhand values have remained relatively stable.

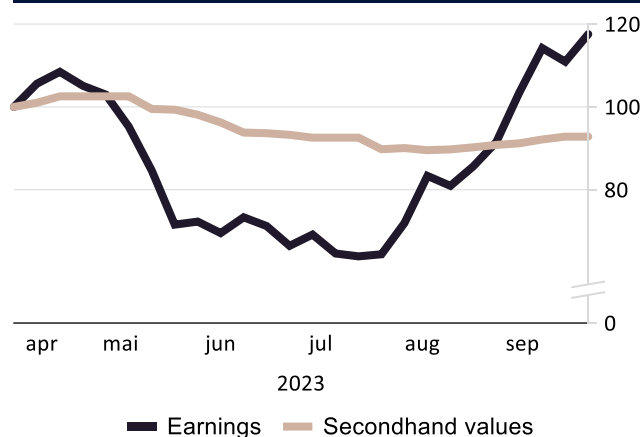
The short-term outlook for the bulk shipping market appears moderate, with the potential for gains due to several factors. These include low anticipated fleet growth (current orderbook as at abt 8% of existing fleet), the persistence of fleet inefficiencies, and continued speed reductions necessitated by environmental regulations.

PMF Bulk Investments

% of Portfolio **Quarterly Performance**

48.0 % -1.7 % ↓

Values & Earnings Last 6 Months (Index)



Portfolio Investments

Investment Name	Ownership	Segment	Charter	Portfolio %
Njord Handy AS	34%	BULK - Handysize	TC	19%
Voge Sophie	25%	BULK - Handysize	Spot	13%
Nippon Supra AS	30%	BULK - Supramax	TC	7%
Empros Ultra AS	25%	BULK - Ultramax	TC	9%

Quarterly News Highlights

- Emma & Mia are currently trading spot / short TC.
- Voge Sophie currently on short TC/trip charter.
- Almira fixed until end Oct.
- Lista fixed until Feb/Apr. Fund increased ownership by 3.5% after quarter end at favourable prices

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, which exhibited positive momentum in the first half of 2023, saw a reversal and further weakening in Q3. This was driven by subdued economic conditions in Western economies and a significant influx of newbuilding deliveries.

TC rates for feeders outperformed the spot market, despite a 20-30% drop during the quarter. Currently, 1-year TC rates range from USD 10,000 to 17,000 per day, depending on vessel size, with eco vessels receiving premiums of about 10-25%. Secondhand values held up better but still experienced a 0-5% decline for feeders below 3,000 TEU.

The short-term outlook remains challenging, with a significant influx of new capacity, primarily larger vessels, and cascading effects putting pressure on smaller sizes. However, a moderate rebound is anticipated as global economic challenges gradually recede.

PMF Container Investments

% of Portfolio

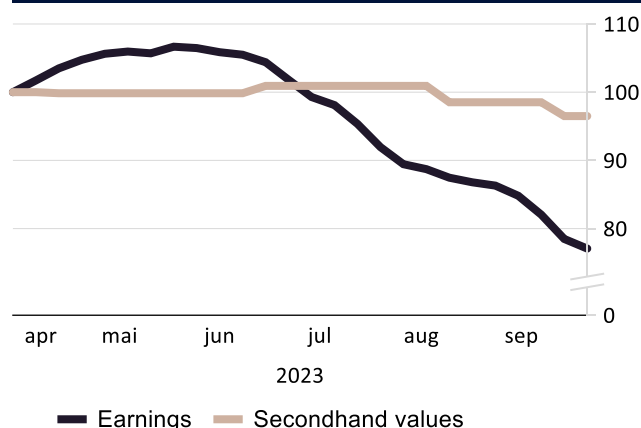
9,9 %

Quarterly Performance

4,2 %



Values & Earnings Last 6 Months (Index)



Portfolio Investments

Investment Name	Ownership	Segment	Charter	Portfolio %
Atlantic Discoverer AS	35%	CONTAINER - 2800 TEU	TC	10%

Quarterly News Highlights

- Discoverer fixed on contract until Q2 '24.
- Debt free and recently docked so pays dividends quarterly

Fleet list



MV Atlantic Discoverer

2800 TEU

2004, Poland



INVESTMENTS - TANK

Tanker Market

The crude tanker market experienced a softening trend throughout the quarter, primarily due to the impact of OPEC+ output cuts, while in contrast, the products market demonstrated more resilience.

1-year TC rates for handies and MRs are currently quoted at levels exceeding USD 25,000 per day, while secondhand values have displayed modest firming, particularly among older vintages.

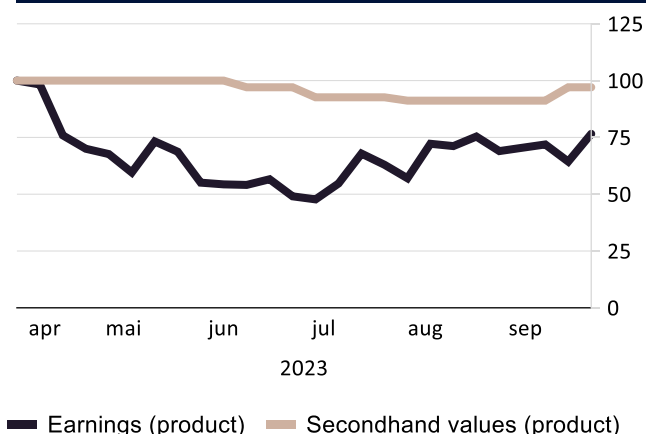
As we approach the winter season, the tanker market appears strong. This optimism is driven by increasing oil demand, robust Atlantic exports combined with new refinery capacity in Asia, healthy refinery margins, and lingering disruptions in Russia-related trade patterns. Notably, the tanker orderbook remains relatively subdued at approximately 6% of the existing fleet (comprising 4% for crude and 10% for product vessels), indicating a favorable supply-demand balance on the horizon.

PMF Tanker/Product Investments

% of Portfolio **Quarterly Performance**

30.2 % 7.3 % ↑

Values & Earnings Last 6 Months (Index)






Portfolio Investments

Investment Name	Ownership	Segment	Charter	Portfolio %
Sunny Sky Shipping LLC ✓	20%	TANK - Handy	Pool	9%
Sunny Star Shipping LLC	25%	TANK - Handy	Pool	12%
Macaw Shipping LLC	30%	TANK - Handy	TC	9%

Quarterly News Highlights

- Sunny Sky sold with delivery scheduled in November
- 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 experienced a slight weakening during Q3, but regained momentum towards the end of the quarter. Despite the recent development, the market remains robust when compared to historic levels.

Currently, the 1-year time charter rate for 19k stainless tonnage stands at USD 18,500 per day. Quoted secondhand values are stable.

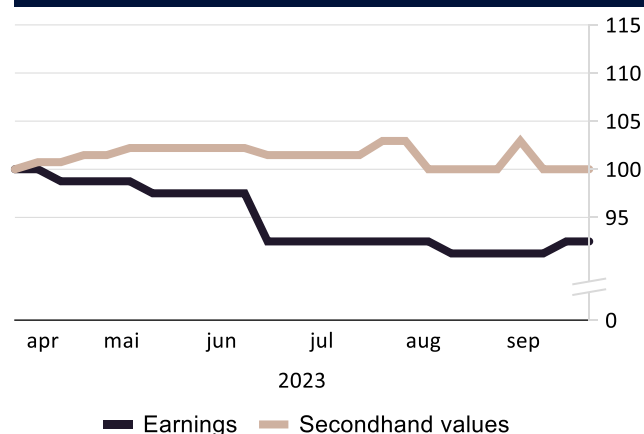
The chemical tanker segment continues to maintain a favorable outlook, with an anticipated ton-mile growth of approximately 3.2% in 2023 and 3.5% in 2024, while the orderbook for stainless tankers remains limited, accounting for only about 6% of the existing fleet. Moreover, chemical tankers are poised to benefit from the strong prospects in the CPP market, which is expected to reduce swing trading between the segments.

PMF Chemical Investments

% of Portfolio **Quarterly Performance**

11.9 % 7.5 % ↑

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 Q3 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 – Third 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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