



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

| | |
|----------------------|------------------------------------|
| Organisasjonsnummer: | 930 355 054 |
| Organisasjonsform: | Allmennaksjeselskap |
| Foretaksnavn: | STAINLESS TANKERS ASA |
| Forretningsadresse: | Henrik Ibsens gate 90 0255 OSLO |

Regnskapsår

| | |
|-------------------------|-------------------------|
| Årsregnskapets periode: | 01.12.2022 - 31.12.2023 |
|-------------------------|-------------------------|

Konsern

| | |
|---------------------------|----|
| Mørselskap i konsern: | Ja |
| Konsernregnskap lagt ved: | Ja |

Regnskapsregler

| | |
|--|------|
| Regler for små foretak benyttet: | Nei |
| Benyttet ved utarbeidelsen av årsregnskapet til selskapet: | IFRS |
| Benyttet ved utarbeidelsen av årsregnskapet til konsernet: | IFRS |

Årsregnskapet fastsatt av kompetent organ

| | |
|--|---------------|
| Bekreftet av representant for selskapet: | Irini Michael |
| Dato for fastsettelse av årsregnskapet: | 22.05.2024 |

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 15.06.2025



Resultatregnskap

| Beløp i: USD | Note | 2023 | 2022 |
|--|------|-----------------------|----------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Revenue | 6 | 639 300 000 | |
| Sum inntekter | | 639 300 000 | |
| Kostnader | | | |
| Administrative expenses | 7 | 1 908 353 000 | |
| Sum kostnader | | 1 908 353 000 | |
| Driftsresultat | | -1 269 053 000 | |
| Finansinntekter og finanskostnader | | | |
| Dividend income | | 4 188 553 000 | |
| Annen renteinntekt | 8 | 167 308 000 | |
| Sum finansinntekter | | 4 355 861 000 | |
| Netto finans | | 4 355 861 000 | |
| Ordinært resultat før skattekostnad | | 3 086 808 000 | 0 |
| Taxes | | 34 137 000 | |
| Ordinært resultat etter skattekostnad | | 3 052 671 000 | 0 |
| Årsresultat | | 3 052 671 000 | 0 |



Balanse

| Beløp i: USD | Note | 2023 | 2022 |
|--|------|-----------------------|----------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| Finansielle anleggsmidler | | | |
| Investering i datterselskap | 12 | 63 412 500 000 | |
| Sum finansielle anleggsmidler | | 63 412 500 000 | |
| Sum anleggsmidler | | 63 412 500 000 | 0 |
| Omløpsmidler | | | |
| Varer | | | |
| Fordringer | | | |
| Prepayments and other receivables | 9 | 93 289 000 | |
| Sum fordringer | | 93 289 000 | |
| Bankinnskudd, kontanter og lignende | | | |
| Cash at bank | 10 | 638 000 | |
| Sum bankinnskudd, kontanter og lignende | | 638 000 | |
| Sum omløpsmidler | | 93 927 000 | 0 |
| SUM EIENDELER | | 63 506 427 000 | 0 |
| BALANSE - EGENKAPITAL OG GJELD | | | |
| Egenkapital | | | |
| Innskutt egenkapital | | | |
| Share capital | 11 | 13 072 672 000 | |
| Overkurs | | 46 901 047 000 | |
| Sum innskutt egenkapital | | 59 973 719 000 | |
| Opptjent egenkapital | | | |
| Retained earnings | | 3 052 671 000 | |



Balanse

| Beløp i: USD | Note | 2023 | 2022 |
|---------------------------------|-------------|-----------------------|-------------|
| Sum opptjent egenkapital | | 3 052 671 000 | |
| Sum egenkapital | | 63 026 390 000 | 0 |
| Sum langsiktig gjeld | | 0 | 0 |
| Kortsiktig gjeld | | | |
| Trade and other payables | 13 | 480 038 000 | |
| Sum kortsiktig gjeld | | 480 038 000 | |
| Sum gjeld | | 480 038 000 | 0 |
| SUM EGENKAPITAL OG GJELD | | 63 506 428 000 | 0 |



Konsernets resultatregnskap

| Beløp i: USD | Note | 2023 | 2022 |
|--|------|-------------------|----------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Operating revenue | 6 | 32 777 080 | |
| Sum inntekter | | 32 777 080 | |
| Kostnader | | | |
| Depreciation | | 6 079 469 | |
| Vessel voyage expenses | 7 | 1 403 575 | |
| Administration expenses | 9 | 2 043 383 | |
| Vessel operating expenses | 8 | 12 734 884 | |
| Other income | | -12 905 | |
| Sum kostnader | | 22 248 406 | |
| Driftsresultat | | 10 528 674 | |
| Finansinntekter og finanskostnader | | | |
| Annen renteinntekt | 10 | 290 176 | |
| Sum finansinntekter | | 290 176 | |
| Annen rentekostnad | 10 | 4 521 251 | |
| Debt commitment fees | 10 | 112 300 | |
| Sum finanskostnader | | 4 633 551 | |
| Netto finans | | -4 343 375 | |
| Ordinært resultat før skattekostnad | | 6 185 299 | 0 |
| Taxes | | 34 137 | |
| Ordinært resultat etter skattekostnad | | 6 151 162 | 0 |
| Årsresultat | | 6 151 162 | 0 |



Konsernets balanse

| Beløp i: USD | Note | 2023 | 2022 |
|--|------|--------------------|----------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| Varige driftsmidler | | | |
| Vessels | 12 | 142 079 020 | |
| Sum varige driftsmidler | | 142 079 020 | |
| Sum anleggsmidler | | 142 079 020 | 0 |
| Omløpsmidler | | | |
| Varer | | | |
| Fordringer | | | |
| Charterers balances receivable | 13 | 1 832 032 | |
| Other receivables and prepayments | 13 | 3 561 911 | |
| Restricted cash | 13 | 3 854 293 | |
| Sum fordringer | | 9 248 236 | |
| Bankinnskudd, kontanter og lignende | | | |
| Cash at bank | 14 | 2 345 378 | |
| Sum bankinnskudd, kontanter og lignende | | 2 345 378 | |
| Sum omløpsmidler | | 11 593 614 | 0 |
| SUM EIENDELER | | 153 672 634 | 0 |
| BALANSE - EGENKAPITAL OG GJELD | | | |
| Egenkapital | | | |
| Innskutt egenkapital | | | |
| Share capital | 15 | 13 072 672 | |
| Overkurs | | 46 901 047 | |
| Sum innskutt egenkapital | | 59 973 719 | |



Konsernets balanse

| Beløp i: USD | Note | 2023 | 2022 |
|-----------------------------------|-------------|--------------------|-------------|
| Opptjent egenkapital | | | |
| Retained earnings | | 6 151 065 | |
| Sum opptjent egenkapital | | 6 151 065 | |
| Sum egenkapital | | 66 124 784 | 0 |
| Gjeld | | | |
| Langsiktig gjeld | | | |
| Annen langsiktig gjeld | | | |
| Interest bearing debt | 16 | 74 913 770 | |
| Sum annen langsiktig gjeld | | 74 913 770 | |
| Sum langsiktig gjeld | | 74 913 770 | 0 |
| Kortsiktig gjeld | | | |
| Interest bearing debt | 16 | 9 736 506 | |
| Trade and other payables | 17 | 2 381 465 | |
| Accruals and other payables | | 516 110 | |
| Sum kortsiktig gjeld | | 12 634 081 | |
| Sum gjeld | | 87 547 851 | 0 |
| SUM EGENKAPITAL OG GJELD | | 153 672 635 | 0 |



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 572845

Enheten

Organisasjonsnummer: 930 355 054
Organisasjonsform: Allmennaksjeselskap
Foretaksnavn: STAINLESS TANKERS ASA
Forretningsadresse: Henrik Ibsens gate 90
0255 OSLO

Regnskapsår

Årsregnskapets periode: 01.12.2022 - 31.12.2023

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av
årsregnskapet til selskapet: IFRS
Benyttet ved utarbeidelsen av
årsregnskapet til konsernet: IFRS
Har utarbeidet 'land-for-land' rapport: Ja

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Irini Michael
Dato for fastsettelse av årsregnskapet: 22.05.2024

Grunnlag for avgivelse

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Brønnøysundregistrene, 17.07.2024



Organisasjonsnr: 930 355 054
STAINLESS TANKERS ASA

RESULTATREGNSKAP

| Beløp i: USD | Note | 2023 | 2022 |
|--|-------------|-----------------------|-------------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Revenue | 6 | 639 300 000 | |
| Sum inntekter | | 639 300 000 | |
| Kostnader | | | |
| Administrative expenses | 7 | 1 908 353 000 | |
| Sum kostnader | | 1 908 353 000 | |
| Driftsresultat | | -1 269 053 000 | |
| Finansinntekter og finanskostnader | | | |
| Dividend income | | 4 188 553 000 | |
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| Netto finans | | 4 355 861 000 | |
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| Taxes | | 34 137 000 | |
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| Årsresultat | | 3 052 671 000 | 0 |



Organisasjonsnr: 930 355 054
STAINLESS TANKERS ASA

BALANSE

Beløp i: USD Note 2023 2022

BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

Finansielle anleggsmidler

Investering i datterselskap 12 63 412 500 000

Sum finansielle anleggsmidler 63 412 500 000

Sum anleggsmidler 63 412 500 000 0

Omløpsmidler

Varer

Fordringer

Prepayments and other receivables 9 93 289 000

Sum fordringer 93 289 000

Bankinnskudd, kontanter og lignende

Cash at bank 10 638 000

Sum bankinnskudd, kontanter og lignende 638 000

Sum omløpsmidler 93 927 000 0

SUM EIENDELER 63 506 427 000 0

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital 11 13 072 672 000

Overkurs 46 901 047 000

Sum innskutt egenkapital 59 973 719 000

Opptjent egenkapital

Retained earnings 3 052 671 000

Sum opptjent egenkapital 3 052 671 000

Sum egenkapital 63 026 390 000 0

Sum langsiktig gjeld 0 0

Kortsiktig gjeld

Trade and other payables 13 480 038 000



| | | |
|--------------------------|----------------|---|
| Sum kortsiktig gjeld | 480 038 000 | |
| Sum gjeld | 480 038 000 | 0 |
| SUM EGENKAPITAL OG GJELD | 63 506 428 000 | 0 |



Organisasjonsnr: 930 355 054
STAINLESS TANKERS ASA

KONSERNRESULTATREGNSKAP

| Beløp i: USD | Note | 2023 | 2022 |
|--|-------------|-------------------|-------------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Operating revenue | 6 | 32 777 080 | |
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| Årsresultat | | 6 151 162 | 0 |



Organisasjonsnr: 930 355 054
STAINLESS TANKERS ASA

KONSERNBALANSE

Beløp i: USD Note 2023 2022

BALANSE - EIENDELER

Anleggsmidler Immaterielle eiendeler

Varige driftsmidler

Vessels 12 142 079 020
Sum varige driftsmidler 142 079 020

Sum anleggsmidler 142 079 020 0

Omløpsmidler

Varer

Fordringer

Charterers balances
receivable 13 1 832 032
Other receivables and
prepayments 13 3 561 911
Restricted cash 13 3 854 293
Sum fordringer 9 248 236

Bankinnskudd, kontanter og lignende

Cash at bank 14 2 345 378
Sum bankinnskudd,
kontanter og lignende 2 345 378

Sum omløpsmidler 11 593 614 0

SUM EIENDELER 153 672 634 0

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital 15 13 072 672
Overkurs 46 901 047
Sum innskutt egenkapital 59 973 719

Opptjent egenkapital

Retained earnings 6 151 065
Sum opptjent egenkapital 6 151 065

Sum egenkapital 66 124 784 0

Gjeld

Langsiktig gjeld



| | | | |
|-----------------------------------|----|--------------------|----------|
| Annen langsiktig gjeld | | | |
| Interest bearing debt | 16 | 74 913 770 | |
| Sum annen langsiktig gjeld | | 74 913 770 | |
| Sum langsiktig gjeld | | 74 913 770 | 0 |
| Kortsiktig gjeld | | | |
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| Sum kortsiktig gjeld | | 12 634 081 | |
| Sum gjeld | | 87 547 851 | 0 |
| SUM EGENKAPITAL OG GJELD | | 153 672 635 | 0 |



Organisasjonsnr: 930 355 054
STAINLESS TANKERS ASA

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
2

Regnskapsprinsipper

The financial statements for the period 1 December 2022 ? 31 December 2023 are the first financial statements and are prepared in accordance with International Financial Reporting Standards (IFRS® Accounting Standards), as adopted by the EU. and IFRS 1 First-time adoption of IFRS has been applied. The financial statements are based on historical cost except as disclosed in the accounts. The financial statements are presented in US Dollar (USD), which is the functional currency of the Company. The Company's financial statements are prepared based on the assumption of going concern. Only standards and interpretations that are applicable to the Company have been included and the Company reviews the impact of these changes in its financial statements.

| <u>Sum</u> | <u>Beløp</u> | | |
|---|----------------------------|----------------------------|-------------------------|
| <u>Balanseført verdi 31.12.</u> | <u>Varige driftsmidler</u> | <u>Immaterielle eiend.</u> | |
| <u>Samlet beløp - tilknyttet selskap</u> | <u>Årets</u> | <u>Fjorårets</u> | |
| <u>Samlet beløp - foretak i samme konsern</u> | <u>Årets</u> | <u>Fjorårets</u> | |
| <u>Samlet beløp - foretak i samme konsern</u> | <u>Årets</u> | <u>Fjorårets</u> | |
| <u>Samlet beløp - felles kontrollert virksomhet</u> | <u>Årets</u> | <u>Fjorårets</u> | |
| <u>Pantstillelse</u> | <u>Beløp</u> | | |
| <u>Beholdning av egne aksjer</u> | <u>Antall</u> | <u>Pålydende</u> | <u>Andel av aksjek.</u> |

Note
16

Noteopplysninger ut over minimumskravene for små foretak



Events after the reporting period On 21 February 2024, the distribution of a cash dividend amounting to USD 3,037,500 (USD 0.225 per share), in the form of return of paid-in capital, was approved at the Extraordinary General Meeting and paid on 1 March 2024. On 21 February 2024 Irene Michael resigned as a board member, and Nicoletta Panayiotopoulos was elected as a new board member of the Company.



Organisasjonsnr: 930 355 054
STAINLESS TANKERS ASA

NOTEOPPLYSNINGER - KONSERN - alle poster oppgitt i hele tall

Note
2

Regnskapsprinsipper

The consolidated financial statements for the Group have been prepared in accordance with International Financial Reporting Standards (IFRS[®] Accounting Standards), as adopted by the EU. The financial statements are based on historical cost except as disclosed in the accounts. The consolidated financial statements are prepared based on the assumption of going concern. Only standards and interpretations that are applicable to the Group have been included and the Group reviews the impact of these changes in its financial statements. The Group will adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the consolidated financial statements are issued. At the date of the approval of these FS, the group has not identified any significant impact to the Group's Financial Statements as a result of new standards or amendments effective 2023 or later.

Note

Antall årsverk i regnskapsåret
0.00

Note

Ekstraordinære inntekter og kostnader

| | |
|------------|--------------|
| <u>Sum</u> | <u>Beløp</u> |
| | 0.00 |

| | |
|------------|--------------|
| <u>Sum</u> | <u>Beløp</u> |
| | 0.00 |

Mer om ekstraordinære inntekter og kostnader

Note
12

Varige driftsmidler og immaterielle eiendeler

| | | |
|-----------------------|----------------------------|----------------------------|
| <u>Tilgang i året</u> | <u>Varige driftsmidler</u> | <u>Immaterielle eiend.</u> |
| | 148158490.00 | |

| | | |
|--------------------------------|----------------------------|----------------------------|
| <u>Anskaffelseskost 31.12.</u> | <u>Varige driftsmidler</u> | <u>Immaterielle eiend.</u> |
| | 148158490.00 | |

| | | |
|-------------------------------|----------------------------|----------------------------|
| <u>Samlede av-/nedskrivn.</u> | <u>Varige driftsmidler</u> | <u>Immaterielle eiend.</u> |
|-------------------------------|----------------------------|----------------------------|



-6079469.00

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.
142079020.00

Anskaffelseskost - balanseførte lånekostnader, egentilvirkede anleggsmidler

Goodwill spesifisert for hvert enkelt virksomhetskjøp

Avskrivningsplan for goodwill som er lenger enn fem år - begrunnelse

Mer om varige driftsmidler/immaterielle eiendeler

9 vessels were acquired during the year. First two acquisitions were completed in April 2023 with the final ones completed in November 2023. All vessels were delivered to the Company's subsidiaries which are incorporated in Isle of Man.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - felles kontrollert virksomhet Årets Fjorårets

Pantstillelse Beløp

Beholdning av egne aksjer Antall Pålydende Andel av aksjek.

Note

Lån og sikkerhetsstillelse til medlemmer

Opplysninger om:

Medlemmer av:

Mer om lån og sikkerhetsstillelse



Note

21

Noteopplysninger ut over minimumskravene for små foretak

Events after the reporting period On 21 February 2024, the distribution of a cash dividend amounting to USD 3,037,500 (USD 0.225 per share), in the form of a return of paid-in capital, was approved at the Extraordinary General Meeting and paid on 1 March 2024. On 21 February 2024 Irene Michael resigned as a board member, and Nicoletta Panayiotopoulos was elected as a new board member of the Company.



Annual Report 2023



Contents

Highlights

Board of Directors' Report

- The Company
- Corporate development
- Fleet acquisition and commercial employment
- Earnings environment in 2023
- Our performance in 2023
- Market dynamics
- Risks to our business
- Environmental impact
- Social responsibility
- Corporate governance
- Forward looking statements
- Responsibility statement

Consolidated Financial Statements

Parent Company Financial Statements

Auditor's Report



Highlights

The year 2023 was a defining year for Stainless Tankers ASA. The key highlights are the following:

USD 67

million in equity funding raised via a private placement

USD 94.5

million total debt financing obtained in two transactions

USD

20,172/day

average net daily pool earnings achieved and net time charter rate of USD 15,022/day

USD 6.2

million of net income earned on USD 32.9 million of revenue

Euronext

Growth Oslo marketplace listing completed

Nine J19

stainless steel chemical tankers acquired over a six-month period

Eight

vessels

transitioned from legacy pool and time charters into Womar stainless tankers pool

USD 3.8

million paid out in dividends in the form of capital returns

Subsequent to year end, a further USD 3.0 million in dividends in respect of 2023 were paid out in March 2024. Also, we drydocked the Orchid Madeira for a third special survey, which was completed on 17 April 2024. Finally, the last remaining vessel on time charter employment is expected to transition into the Womar pool on 5 May 2024.



Board of Directors' Report



The Company

Stainless Tankers ASA (the “**Company**” or “**we**”, and together with its subsidiaries the “**Group**”), is a public limited liability company incorporated under the laws of Norway on 1 December 2022. The Company's shares are traded on Euronext Growth Oslo under the ticker “STST”. The Company is the parent company of the Group, consisting of Stainless Tankers Limited, being a wholly owned subsidiary of the Company, and nine ship-owning special purpose vehicles, being wholly owned subsidiaries of Stainless Tankers Limited.

The table below sets out certain information on the Company's direct and indirect wholly owned subsidiaries:

| Legal name | Jurisdiction | Activities |
|---------------------------|--------------|---------------------|
| Stainless Tankers Limited | Isle of Man | Holding company |
| ST1 Limited | Isle of Man | Ship-owning company |
| ST2 Limited | Isle of Man | Ship-owning company |
| ST3 Limited | Isle of Man | Ship-owning company |
| ST4 Limited | Isle of Man | Ship-owning company |
| ST5 Limited | Isle of Man | Ship-owning company |
| ST6 Limited | Isle of Man | Ship-owning company |
| ST7 Limited | Isle of Man | Ship-owning company |
| ST8 Limited | Isle of Man | Ship-owning company |
| ST9 Limited | Isle of Man | Ship-owning company |

We are a shipping company specialized in providing seaborne transportation of chemical cargoes worldwide through our fleet of nine stainless steel vessels, each with an approximate total carrying capacity of 20,000 deadweight tonnes (“**dwt**”). We are managed by Tufton Management Limited (together with other related companies “**Tufton**”), which provides the Company's executive team, comprising the CEO and CFO, as well as all services required by the executive team for managing the Group.

We were established with the objective of providing our shareholders with pure-play stainless steel chemical tanker exposure in an investor-friendly structure. Our primary focus is to maximise earnings from our vessels and return free cash flow to investors through capital distributions.

We believe that, in the current positive market environment, we will best achieve this objective through maximising our spot market exposure by keeping all our vessels in pool employment, while opportunistically obtaining some period charter exposure if we deem it appropriate based on the prevailing time charter rates and market outlook.

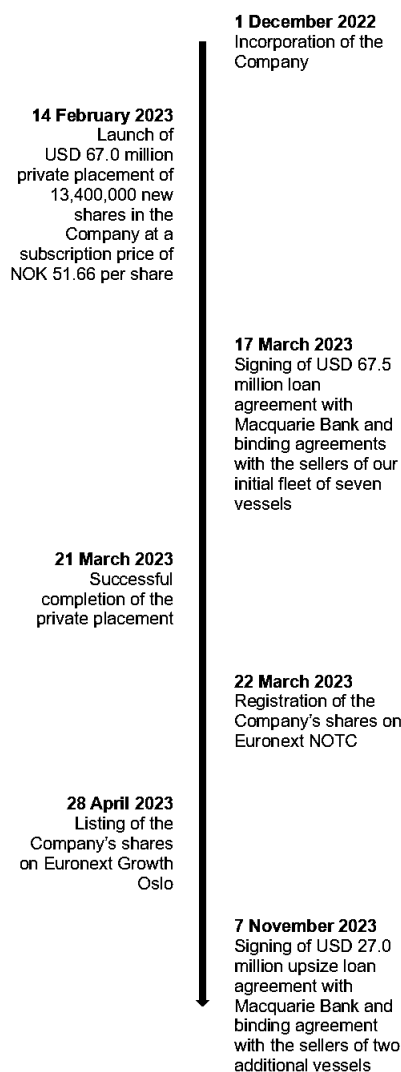


Corporate development

2023 was an eventful and transformative period for the Group. Following the incorporation of the Company at the end of 2022, we initiated a capital raising process to secure the USD 123.3 million required to acquire our initial fleet of seven J19 stainless steel chemical tankers. This involved a combination of a private placement of new shares and debt financing from Macquarie Bank Limited (together referred to as the "Transaction").

Prior to launching the Transaction, we teamed up with Womar Pools, a leading operator of J19 chemical tankers and commercial manager of our fleet. We chose this partnership because we clearly felt that Womar's principals shared our conviction that the fundamentals of the chemical tanker markets made an investment in J19 tankers a compelling investment opportunity, and through their stainless tankers pool we were ideally positioned to capture this opportunity. Womar also committed to a significant investment in the Company alongside the investments made by the shareholders of Tufton, our main sponsor and manager.

We successfully completed the Transaction in March 2023, after which we commenced the process of taking delivery of our vessels and listing the Company on Euronext Growth Oslo, where our shares have been trading since April 2023. Subsequently, we entered into agreements to acquire an additional two vessels using funds from a USD 27.0 million upsize tranche to our existing loan agreement, which we signed with our bank in November 2023. The timeline to the right outlines the key dates and steps related to our formation.





Fleet acquisition and commercial employment

During the period from 11 April to 20 November 2023, we successfully completed the acquisition of our fleet. As such, we had a total of 1,747 available ship days in 2023 from our fleet, equivalent to 53% of the 2023 calendar year total. Of these 1,747 available ship days, our vessels were commercially employed for 1,723 days while we experienced only 24 off-hire days, which represents a high utilization rate of 98.6%. The exact acquisition timeline of our vessels is shown in the table below:

| Acquisition date | Vessel | DWT | Built | Yard |
|------------------|------------------|--------|---------------|---------|
| 11 April 2023 | Barbouni | 19,822 | October 2007 | Fukuoka |
| 12 April 2023 | Orchid Madeira | 21,200 | February 2009 | Usuki |
| 2 May 2023 | Orchid Sylt | 21,200 | February 2009 | Usuki |
| 4 May 2023 | City Island | 19,996 | April 2007 | Fukuoka |
| 10 May 2023 | Orchid Kefalonia | 19,971 | January 2008 | Usuki |
| 19 May 2023 | Gwen | 19,702 | February 2008 | Fukuoka |
| 29 June 2023 | Lavraki | 20,810 | March 2007 | Usuki |
| 16 November 2023 | Marmotas | 19,953 | February 2005 | Usuki |
| 20 November 2023 | Monax | 20,762 | July 2005 | Usuki |

The final step in the implementation of our strategic plan involved the transfer of our vessels from their legacy charter arrangements that were in place at acquisition to the management of our commercial partner Womar. Legacy charters included both time charter agreements and pool agreements. Of the total 1,723 on-hire days in 2023, 553 days were time charter days at an average net time charter rate of USD 15,022 per day, 602 days were legacy pool days at a net pool time charter equivalent ("TCE") rate of USD 19,991 per day, and 568 days were Womar pool days at a net pool TCE rate of USD 20,363 per day. The transfer timeline of our vessels into Womar pool employment is shown in the table below:

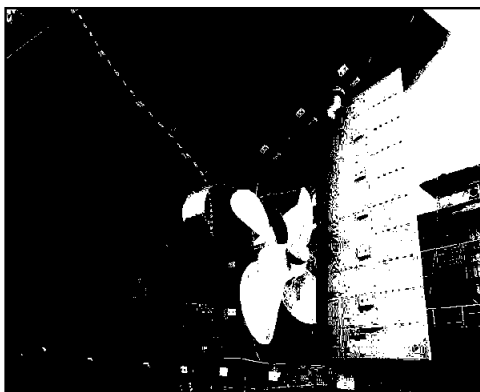
| Transfer date | Vessel | Prior employment |
|---------------------|------------------|--------------------------------------|
| 31 August 2023 | City Island | Legacy pool |
| 10 September 2023 | Orchid Sylt | Legacy pool |
| 12 September 2023 | Gwen | Time charter |
| 27 October 2023 | Orchid Kefalonia | Legacy pool |
| 27 October 2023 | Orchid Madeira | Legacy pool |
| 16 November 2023 | Marmotas | In Womar pool at time of acquisition |
| 20 November 2023 | Monax | In Womar pool at time of acquisition |
| 30 December 2023 | Barbouni | Time charter |
| Expected 5 May 2024 | Lavraki | Time charter |



Drydocking

During the year 2023 we did not drydock any of our vessels, however the Monax and Marmotas were drydocked by their previous owners for their intermediate surveys prior to us acquiring them in November of 2023.

After year-end, the Orchid Madeira completed her third special survey in China on 17 April 2024 and the Orchid Sylt is currently being drydocked in China, also for her third special survey. Our remaining seven vessels are all due to be drydocked for either special or intermediate surveys in 2025.

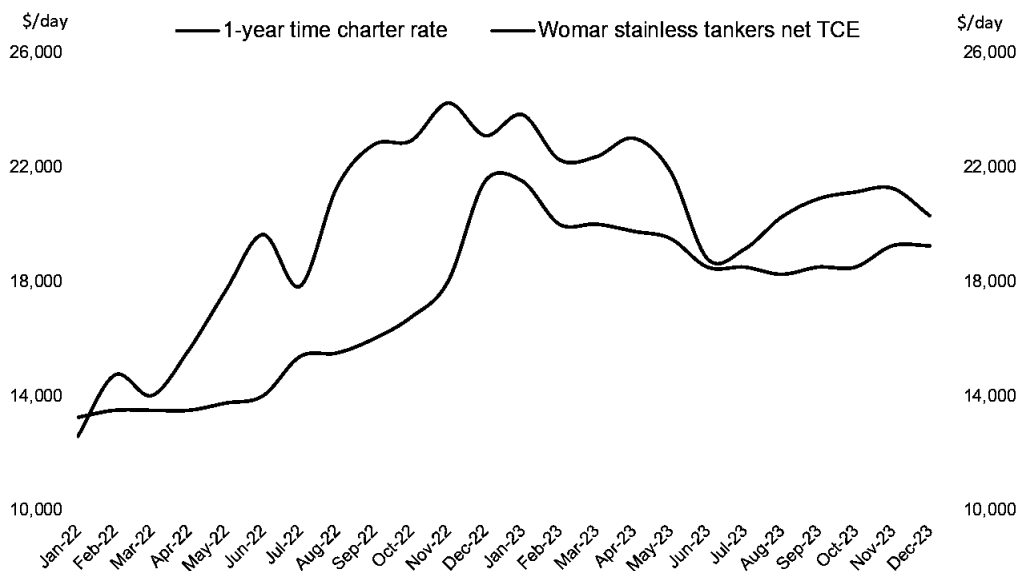




Earnings environment in 2023

The positive momentum in freight rates and vessel earnings that developed at the start of the upcycle in the second half of 2022 carried over into the first quarter of 2023. Spot market TCEs for J19 tonnage during the nine-month period from September 2022 to May 2023 were in a range of USD 22,000 to 25,000 per day, materially higher than the approximately USD 15,000 per day level we saw prior to the start of the upcycle, while 1-year time charter rates reached a high of 21,500 per day. Values of second-hand vessels also increased significantly during that same nine-month period.

The second and third quarters of 2023 saw TCEs, time charter rates and second-hand vessel values soften from the very elevated levels of the prior nine-month period. Spot market TCEs stabilized in a range of USD 19,000 to 20,000 per day and 1-year time charters eased to around USD 18,500 per day, both however still at high levels compared to historical averages. Market earnings and vessel values started to strengthen again as we entered the fourth quarter. While this improvement was to some extent driven by seasonal factors, it was further supported by the reduced transits through the Panama Canal and Suez Canal. Spot market TCEs for J19 tonnage during that period were in a range of USD 20,000 to 21,500 per day, while 1-year time charter rates increased to approximately USD 19,000 per day.



Source: 1-year time charter rate from Clarksons SIN, Womar StainlessTankers Inc. net pool TCE



Our performance in 2023

Consolidated financial information

The below discussion of our consolidated financial information covers our results for the initial reporting period of the Group from 1 December 2022 to 31 December 2023 (the "Period"). It is important to consider the financial performance of the Group within the context of its growth during the Period, as discussed in the corporate developments section earlier in this report. The Group earned revenue from its fleet for only slightly over half the available calendar days in 2023, while throughout the Period its operating results were impacted by one-off expenses associated with its incorporation and the various transactions involved in developing the Group.

Profit and loss

Operating revenues during the Period amounted to USD 32.8 million, comprising USD 24.3 million of pool revenue and USD 8.5 million of time charter revenue. Voyage expenses, which include commissions, pool administration costs and other voyage expenses, amounted to USD 1.4 million, while vessel operating expenses for crew, insurance, supplies of stores and spares as well as costs related to the technical maintenance of our vessels, were USD 12.7 million, resulting in a gross profit from vessel operations of USD 18.7 million.

Administrative expenses and depreciation during the Period amounted to USD 2.0 million and USD 6.1 million, respectively, resulting in operating results (EBIT) of USD 10.5 million. Financial income consisted primarily of interest income generated from bank deposits and restricted cash, totalling USD 0.3 million. Financial expenses comprised interest expense and commitment fees charged in relation to the facility agreement, amounting to USD 4.6 million. Tax amounted to USD 0.03 million. As a result, the Group generated net profit of USD 6.2 million.

Financial position

As at 31 December 2023, the Group's total assets amounted to USD 153.8 million, comprising USD 142.1 million of total non-current assets and USD 11.1 million of total current assets. Non-current assets consist of the vessels acquired and operated by the Group. Current assets are comprised of trade and other receivables totalling to USD 9.2 million, along with cash and cash equivalents amounting to USD 2.3 million. Trade and other receivables include restricted cash of USD 3.9 million.

As at 31 December 2023, the Group's total equity was USD 66.1 million, while total liabilities amounted to USD 87.1 million. The Group had interest-bearing debt under its loan facility of USD 84.6 million.



Cash flow

During the Period, the Group generated cash flow from operating activities of USD 16.5 million. Cash flow from investing activities was negative USD 147.9 million, primarily attributable to the acquisition of the Group's vessels. Cash flow from financing activities totalled USD 140.1 million, mainly driven by the net proceeds from the issuance of new share capital and debt. The Group repaid USD 8.5 million of its long-term debt and paid out dividends of USD 3.85 million in the form of repayments of the Company's paid-in capital.

Financial information of the Parent Company

Profit and loss

Revenue during the Period amounted to USD 0.6 million and relates to management services provided to the Company's subsidiary, Stainless Tankers Ltd.

Administrative expenses for the Period amounted to USD 1.9 million, resulting in an operating loss (EBIT) of USD 1.3 million. Dividend income for the Period amounted to USD 4.2 million. Financial income primarily consists of interest income generated from bank deposits and restricted cash, totalling USD 0.2 million. Tax amounted to USD 0.03 million. As a result, the Company generated net profit of USD 3.1 million.

Financial position

As at 31 December 2023, the Company's total assets amounted to USD 63.5 million, comprising USD 63.4 million of total non-current assets and USD 0.1 million of total current assets. Non-current assets consist of investments in subsidiaries. Current assets are comprised of trade and other receivables totalling to USD 0.1 million, as well as a small balance in cash and cash equivalents.

As at 31 December 2023, the Company's total equity was USD 63.0 million, while total liabilities amounted to USD 0.5 million.

Cash flow

During the Period, cash flow from operating activities was negative at USD 0.9 million. Cash flow from investing activities was negative at USD 59.1 million, primarily attributable to the acquisition of the Group's vessels. Cash flow from financing activities totalled USD 60.0 million, mainly driven by the net proceeds from the issuance of new share capital.



Dividends

Our primary focus is to distribute all free cash flow to investors in the form of a return of paid-in capital, to the extent practicable and suitable, on a quarterly basis. When considering the proposal of a dividend and determining the distribution amount, the Board of Directors (the "**Board**") will take into account legal restrictions along with capital expenditure plans, financing requirements, and the need to maintain appropriate financial flexibility. Consistent with the Company's distribution policy, the Board proposed quarterly dividends of approximately USD 3.85 million, equivalent to USD 0.29 per share, in 2023. These proposals were subsequently approved during Extraordinary General Meetings.

Going concern

In accordance with section 3-3a of the Norwegian Accounting Act, we confirm that the going concern assumption on which the financial statements have been prepared, is appropriate.



Market dynamics

The cyclical uptrend in the chemical tanker market, which started in mid-2022 has primarily been driven by several supply side factors, which have resulted in a significant reduction of available global vessel capacity and therefore put upward pressure on freight rates and vessel earnings.

One of these factors is the low supply of new vessels that resulted from the historically low vessel ordering activity and orderbook. This has been caused by high newbuilding prices, delayed deliveries due to limited available yard capacity, and uncertainty over future regulations and their impact on the choice of fuel technologies. In effect, owners must be prepared to pay a high price for a vessel they receive in three years' time with a propulsion system that may not be the right one for the future. It requires a high level of conviction that market earnings will stay at a very high level for the foreseeable future.

This coincided with additional events that reduce capacity in a more indirect manner. Chief among them the dislocation of global trade routes caused by the war in Ukraine and corresponding sanctions on Russia. With Europe having to import chemical products from more remote locations and Russia redirecting its European exports mainly to Asian countries, more vessel capacity is tied up transporting the same volume of cargoes over longer distances. The more recent disruptions to vessel transits through the Panama and Suez canals have caused similar dislocations as vessels have to opt for longer trade routes, further tying up capacity.

These changes to trade routes, combined with stricter emission regulations causing a reduction in average steaming speeds, have significantly reduced available capacity beyond simply the low number of newly built vessels entering the market. Finally, the product tanker market shares similar supply side dynamics to those seen in the chemical tanker segment, leading to a record low share of swing tonnage trading in chemicals, further restricting available capacity in our markets.

Combined with the generally resilient demand dynamics of seaborne chemical trading, these capacity restrictions have tilted the supply/demand balance firmly in favour of shipowners and led to the positive earnings environment we have been experiencing since mid-2022.

Outlook for 2024 and beyond

The positive momentum of the fourth quarter of 2023 has carried over into 2024 and we remain optimistic about the prospects for the rest of this year and beyond as we expect the currently supportive market fundamentals to remain in place for the foreseeable future.

With the transition of our fleet into Womar pool employment nearly complete, we are fully benefiting from the positive earnings environment where spot market TCEs are exceeding USD 20,000 per day. With an all-in cash break-even rate in 2024 of approximately USD 15,600 per day, we expect to generate substantial free cash flow this year, all of which we plan to pay out as dividends to our shareholders.



Risks to our business

Freight rates

The most significant risk to our business comes from the highly cyclical and volatile nature of freight rates in our markets, which are primarily driven by the global supply of chemical tanker capacity and by demand for seaborne transportation of chemical products. While these fundamentals currently support global freight rates, there is no assurance that they cannot materially change and lead to reduced earnings for our vessels. Our fleet currently operates in the Womar pool and hence is exposed to changes in spot market earnings. Therefore, a deterioration of market fundamentals could have a material adverse effect on our business, results of operations, financial condition, cash flow and dividend distributions.

Geopolitical

We are also exposed to geopolitical risks, where territorial and other disputes between countries could lead to the outbreak of war or the existence of international hostilities. These could restrict or block regional trade and transportation, or even damage the world economy. They could adversely affect the availability of and demand for chemical products as well as interfere with our ability to operate ships. Unforeseen events such as the COVID-19 pandemic, the war in Ukraine, or disruptions in the Red Sea could significantly impact the world economy, thus, adversely affecting the demand for our services. Consequently, our business, results of operations, financial condition, cash flow and dividend distributions may also be adversely affected.

Sanctions

Furthermore, we may transport cargo subject to trade restrictions, which pose a risk of queries or allegations of violations of applicable restrictions and sanctions. Although we have implemented systems and procedures to avoid any breaches of applicable trade restrictions or sanctions, there are residual risks, such as our contracting parties breaching restrictions or sanctions and/or queries or allegations of such violations occurring. If any such risks were to materialise, this could have a material adverse effect on our business, results of operations, financial position, cash flow and dividend distributions.



Piracy

Acts of piracy and armed robbery, hijacking and kidnapping have historically occurred in areas where we operate and there is a risk that such incidents will continue to occur in these areas. In a worst-case scenario, a seizure or hijacking of one of our vessels over a longer period may result in significant risks to the health or life of our crew members, and in a vessel being classified as a total loss by that vessel's financiers and insurance providers. This could trigger repayment clauses in the relevant loan agreement, potentially without a concurrent corresponding insurance compensation. Any piracy attack, armed robbery or similar event involving our vessels could, therefore, have a material adverse effect on our business, results of operations, financial condition, cash flow and dividend distributions.

Environmental regulations

Our activities are subject to environmental regulations pursuant to a variety of international conventions and state and municipal laws and regulations, including regulations to curb emissions of greenhouse gases or to reduce local pollution. A breach of or non-compliance with such regulations may result in the imposition of fines and penalties, some of which may be significant. Environmental legislation is evolving and stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs are expected. Compliance with prevailing and future laws and regulations may increase the cost of operating and maintaining our vessels requiring us to install new equipment, undertake modifications or result in operational restrictions related to speed or cargo capacity, which could have a material adverse effect on our business, results of operations, financial condition, cash flow and dividend distributions.

Vessel management

We are also exposed to risks arising from the way we manage our vessels. We procure technical services from third parties such as Synergy Marine Pte. Ltd. and Fleet Management Limited, to which we outsource the technical and crew management of all our vessels. We rely on these third parties to provide adequate technical and crew management for our vessels. Any failure by these third parties to perform their duties and obligations correctly could lead to health and safety risks for our crew, as well as higher than planned vessel operating costs or capital expenditures having a material adverse effect on our business, results of operations, financial position, cash flow and dividend distributions.



Operating expenses

Similarly, our planned vessel operating expenses and drydock capital expenditures depend on a variety of factors including crew costs, provisions, deck and engine stores and spares, lubricating oil, insurance, maintenance and repairs and shipyard costs, which may be higher than planned due to factors outside of our control and the control of our technical managers. Any unplanned increase in such costs and capital expenditures may have a material adverse effect on our business, results of operations, financial position, cash flow and dividend distributions.

Hazardous products

We are exposed to the inherent risks of the hazardous nature of the products we transport on board our vessels. These risks include personal injury or death, marine disasters, and the costs and claims related to pollution caused by potential leaks or spills of oils, chemicals or other products transported or stored at terminals. We may also be exposed to liability for contamination of cargo, due to the breakout of a fire or due to inadequate handling or storage. All products carried on our vessels require extreme care and significant expertise. If any of these risks were to materialise, this could have a material adverse effect on our business, results of operations, financial condition, cash flow and dividend distributions.

Arrests

Suppliers of goods and services to our vessels, charterers and other parties may be entitled to a maritime lien against one or more of our vessels for unsatisfied debt, claims, or damages. As we operate worldwide and, in many jurisdictions, a maritime lien holder could arrest one or more of our vessels. The procedures for vessel arrests vary significantly depending on jurisdiction. In the event of a default toward third parties and claims from them, a claimant could pursue its claim against our company through the arrest or attachment of one or more vessels, even if the arrest is later deemed a wrongful arrest and regardless of whether the claimant has a maritime lien for its claim. Our ability to swiftly release a vessel from an arrest will vary depending on the jurisdiction and the cooperation and actions of our counterparties. The arrest of one or more of our vessels would deprive the charterers of using such a vessel and result in a loss of earnings from that vessel, which could have a material adverse effect on our business, results of operations, financial condition, cash flow and dividend distributions.



Financial

Finally, we are exposed to financial risks, which include credit risk from our operating activities, primarily for receivables due from our pool operator, and from our financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Furthermore, the Group's facility agreement is based on floating interest rates, with a fixed rate option. Interest rate fluctuations will influence the level of interest expense payable on the floating rate debt. The facility agreement is also subject to covenants, all of which we complied with as at 31 December 2023. A negative credit event, increase in interest rates or breach of any covenants may have a material adverse effect on our business, results of operations, financial condition, cash flow and dividend distributions.

Our strategy for managing these financial risks includes conducting regular reviews of the financial health of our pool operator and the financial institutions where we maintain deposits. We closely monitor liquidity and covenant risks on an ongoing basis. Currently, we do not engage in any hedging activities for our interest rate risk as our vessels are kept in pool employment, which exposes them to fluctuations in global freight rates. Any significant movement in interest rates is typically also reflected in the level of freight rates achievable in our markets. However, if we were to transition our vessels to fixed time charter employment for extended periods, we would consider entering into interest rate hedging transactions or opting for the fixed rate option under our facility agreement.



Environmental impact

We are committed to minimising the environmental impact of our vessels. Our approach to achieving this objective is based on several initiatives. We follow all applicable regulations and ensure that our crews are educated and trained on the proper maintenance of our vessels to minimise the risk of any accidental spill or leak of hazardous products. Similarly, we ensure that our crews are educated and trained on operating our vessels in the most fuel-efficient and environmentally friendly manner, which includes optimising vessel routing and speed to maximise efficiency. We also perform regular propeller and hull cleaning, use anti-fouling paints, and have installed various energy saving devices that reduce the emissions intensity of our fleet. These devices include propeller boss cap fins, schneekluth ducts, high performance paints, LED lighting and variable frequency drives.

The table below shows the performance of our vessels in terms of both total emissions and emissions intensity, which takes into consideration the distance travelled. While the vessels were not in our ownership in 2022 and part of 2023, we have included this data to provide a more consistent comparison of vessel performance. Total emissions were 8.7% higher in 2023 compared to 2022 due to the higher utilisation of the vessels in terms of steaming distance and reduced anchorage and idle times. This increase was a direct result of the significantly improved market environment in 2023 compared to 2022.

However, the average emissions intensity of our vessels declined by 4.2% in 2023 compared to 2022, mainly due to the installation of the energy saving devices. Our CII rating in 2023 was on average at the B level, which compares very favourably with the global fleet of similar tonnage.

| Vessel | Total emissions '000 tonnes CO2 | | Emissions intensity CII (g/mt*nm) | | CII rating | | |
|------------------|------------------------------------|--------------|--------------------------------------|--------------|------------|------------|--------------|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2024 Est. |
| Barbouni | 12.01 | 12.90 | 12.62 | 10.69 | C | C | B |
| Orchid Madeira | 12.30 | 14.50 | 11.30 | 10.63 | B | B | C |
| Orchid Sylt | 15.26 | 13.90 | 10.60 | 10.87 | B | A | A |
| City Island | 10.30 | 12.10 | 9.95 | 9.37 | B | A | B |
| Orchid Kefalonia | 10.50 | 12.80 | 11.62 | 10.00 | C | B | B |
| Gwen | 11.53 | 12.80 | 11.43 | 11.53 | C | C | C |
| Lavraki | 7.70 | 12.00 | 8.08 | 10.27 | A | C | A |
| Marmotas | 11.89 | 10.20 | 11.01 | 9.85 | C | B | A |
| Monax | 12.10 | 11.40 | 9.68 | 9.08 | A | A | A |
| Average | 11.50 | 12.50 | 10.70 | 10.25 | N/A | N/A | N/A |



Social responsibility

We take our social responsibilities very seriously and are committed to establishing the Group as a responsible corporate citizen wherever we conduct our business. We acknowledge that our operations have an impact on individuals worldwide, including the crews on our vessels, our workplace environment, and our business partners and suppliers. We understand the significance of preserving the essential value of every person affected by our business.

We have policies in place that establish guidelines for socially responsible conduct, workplace safety, and respect for human rights. These guidelines are defined and expressed in the ILO Fundamental Conventions on Labor Standards, International Bill of Human Rights and the UN Guiding Principles on Business and Human Rights. The implementation of these guidelines affects every aspect of our affairs and is based on the principles of fair treatment of employees, as well as honesty and integrity in all interactions within and outside the organization. Furthermore, these policies and guidelines explicitly prohibit unlawful discrimination or harassment on account of ethnic or national origin, gender, age, sexual orientation, or religion, and encourage the development of a diverse and inclusive work environment.

We strongly believe that embracing these principles fosters a constructive and pleasant work environment contributing to the mental health of employees and leading to enhanced productivity and long-term business success. Respect for human rights of employees also requires providing them with a safe work environment. Serious injuries and the loss of life from accidents and diseases caused by inadequate safety and protection of the work environment remain an unfortunate reality carrying significant human and financial costs for organisations.

Therefore, we are committed to endorsing the ILO Maritime Labour Convention 2006 and ILO declaration amendment of June 2022, which place particular emphasis on the requirement to ensure a safe and healthy working environment as part of an employee's fundamental human rights. This commitment is especially relevant for the crews working on our vessels.

We are also committed to ensuring that our business partners and suppliers share our principles and have policies or procedures in place to enforce them. For instance, we only collaborate with technical managers who comply with the ILO Maritime Labour Convention and have signed the Neptune Declaration which supports measures to ensure timely relief of crew. Similarly, our main business partner and manager, Tufton, participates in several initiatives such as the Maritime Anti-Corruption Network, working groups of the Cyprus Shipping Chamber on health, safety and environmental protection, and the UK Women in Maritime Pledge.

In 2023 we had no fatalities on board our vessels. Our lost time injury frequency was 2.04 due to two minor injuries, and the seafarers have since fully recovered. Crew members overdue for relief at the end of 2023



averaged 1.5%. The reliefs were delayed due to visa unavailability and unsuitable port rotation. However, the affected crew members have since been relieved. Finally, in 2023, our vessels ceased transiting through the Red Sea following hostile attacks on merchant shipping by Houthi forces.

Work environment and equal opportunities

The Norwegian Discrimination Act aims to promote gender equality, equal opportunities, and prevent discrimination based on factors such as ethnicity, national origin, descent, skin colour, language, religion, or belief. All managerial and corporate services, including those of the executive team, are provided to the Company by Tufon on terms governed in a comprehensive management services agreement. Tufon has established policies ensuring that recruitment, promotions, training, and other employment decisions are based solely on merit and qualifications. The Board maintains a zero-tolerance approach to discrimination, thoroughly investigating and addressing any complaints. While we do not have direct employees, we recognize the importance of equal opportunities, and our policies are implemented through the executive team and Tufon.

As of December 31, 2023, the Board consisted of two female and three male directors.

Norwegian Transparency Act

According to the Norwegian Transparency Act, which entered into force on 1 July 2022, the Group has a duty to conduct a due diligence assessment related to fundamental human rights and decent working conditions in its own operations, as well as those of its main business partners and suppliers. We will publish our first Transparency Act Statement on our website by 30 June 2024.



Corporate governance

At the time of incorporation, the Company's Board was constituted with three directors nominated by Tufton, our sponsor and manager. Upon completion of the Transaction, the Board was expanded to five members, allowing representatives of Womar and shareholder Klaveness Finans AS to join the Board. At the same time, one of the Tufton nominated members resigned and was replaced by an independent director.

On 21 February 2024, Irene Michael resigned her directorship to take on the position as the Company's CFO, and a further independent director was elected by an extraordinary general meeting of the Company to replace Irene Michael on the Board. As a result of this change, the Company's Board is currently composed of our Tufton nominated chairman, two shareholder representatives and two independent directors. The directors have been elected for a three-year term until the annual general meeting in 2026 and received compensation in the amount of NOK 350,000 for the chairman and NOK 300,000 for all other directors for the period from their effective date until the annual general meeting in 2024 (adjusted pro rata for the number of days actually served during such period).

According to Norwegian corporate law, the Board has overall supervisory responsibility for the Company's management, while the CEO is responsible for day-to-day management. The Board also oversees the Company's activities in general, which involves defining our strategic objectives, approving budgets and monitoring the implementation of, and adherence to agreed objectives and approved budgets. Such monitoring is performed through detailed monthly reporting by the CEO to the Board, as well as quarterly meetings. The Board also has clearly defined policies governing the levels of authority afforded to management for incurring financial commitments on behalf of the Group and executing payments that have not been expressly approved in the annual budgets.

The Company is not subject to the Norwegian Code of Practice for Corporate Governance last updated on 14 October 2021 and the Board has not established any audit or remuneration committees. As previously stated within this document, the Company receives all managerial and corporate services, including those rendered by the executive team, from Tufton. The remuneration for these services is charged as an agreed daily fixed sum per vessel.

The Board and the Company's executive team are covered under a Directors and Officers liability insurance policy (D&O) against liabilities incurred in their capacity as Director or Officer.



Forward looking statements

Forward-looking statements in this report are based on various assumptions. Although we believe that these assumptions are reasonable, they are, by their nature, uncertain and subject to significant known and unknown risks, contingencies and other factors which are difficult or impossible to predict and which are beyond our control. Such risks, uncertainties, contingencies, and other factors could cause actual events to differ materially from the expectations expressed or implied by the forward-looking statements provided in this report.

Responsibility statement

We confirm that, to the best of our knowledge, the consolidated and stand-alone financial statements presented in this report have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. They provide a true and fair view of the Group's and Company's assets, liabilities, financial position, and profit or loss as at 31 December 2023.

Additionally, we confirm that, to the best of our knowledge, this report includes a true and fair review of the development and performance of the business, the position of the Group, and a description of risks and uncertainties.

Oslo, 25 April 2024

Board of Directors and Chief Executive Officer of Stainless Tankers ASA

Geir Frode Abelsen
Board member

Ted Kalborg
Chairman

Ulrika Laurin
Board member

Nicoletta Panayiotopoulos
Board member

Hans Van der Zidje
Board member

Alexandros Karakassis
CEO



Consolidated Financial Statements



Consolidated statement of profit or loss and other comprehensive income

| In USD | Notes | 1 Dec 22- 31 Dec 23 |
|---|-------|------------------------|
| Operating revenue | 6 | 32,777,080 |
| Vessel voyage expenses | 7 | (1,403,575) |
| Vessel operating expenses | 8 | (12,734,884) |
| Administrative expenses | 9 | (2,043,383) |
| Other income | | 12,905 |
| EBITDA | | 16,608,047 |
| Depreciation | | (6,079,469) |
| Operating result (EBIT) | | 10,528,577 |
| Financial income | 10 | 290,176 |
| Financial expenses | 10 | (4,633,551) |
| Profit before tax (EBT) | | 6,185,202 |
| Taxes | | (34,137) |
| Profit and other comprehensive income for the period | | 6,151,065 |
| Attributable to: | | |
| Equity holders of the parent company | | 6,151,065 |
| Non-controlling interests | | - |
| | | 6,151,065 |
| Earnings per share (USD): | | |
| Basic earnings per share | 11 | 0.46 |
| Diluted earnings per share | 11 | 0.46 |

See accompanying notes that are an integral part of these Audited Consolidated Financial Statements.



Consolidated statement of financial position

| In USD | Notes | 31 Dec 23 | 01 Dec 22 |
|--------------------------------------|-------|--------------------|-----------|
| ASSETS | | | |
| Non-current assets | | | |
| Vessels | 12 | 142,079,020 | - |
| Total non-current assets | | 142,079,020 | - |
| Current assets | | | |
| Trade and other receivables | 13 | 9,248,236 | - |
| Cash and cash equivalent | 14 | 2,345,378 | - |
| Total current assets | | 11,593,614 | - |
| Total assets | | 153,672,634 | - |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 15 | 13,072,672 | - |
| Share premium | 15 | 46,901,047 | - |
| Retained earnings | | 6,151,065 | - |
| Total equity | | 66,124,784 | - |
| Non-current liabilities | | | |
| Interest-bearing debt - non-current | 16 | 74,913,770 | - |
| Total non-current liabilities | | 74,913,770 | - |
| Current liabilities | | | |
| Interest-bearing debt - current | 16 | 9,736,506 | - |
| Trade and other payables | 17 | 2,381,465 | - |
| Accrued taxation | | 34,137 | - |
| Deferred income | | 481,973 | - |
| Total current liabilities | | 12,634,081 | - |
| Total equity and liabilities | | 153,672,634 | - |

Oslo, 25 April 2024

Board of Directors and Chief Executive Officer of Stainless Tankers ASA

Geir Frode Abelsen
Board member

Ted Kalborg
Chairman

Ulrika Laurin
Board member

Nicoletta Panayiotopoulos
Board member

Hans Van der Zidje
Board member

Alexandros Karakassis
CEO

See accompanying notes that are an integral part of these Audited Consolidated Financial Statements.



Consolidated statement of changes in equity

| In USD | Notes | Share capital | Share premium | Retained earnings | Total |
|--|-------|-------------------|-------------------|-------------------|-------------------|
| As at 01 December 2022 | | - | - | - | - |
| Capital increase - private placement (cash) | 15 | 13,072,672 | 54,030,330 | - | 67,103,002 |
| Transaction costs | | - | (3,281,783) | - | (3,281,783) |
| Profit and other comprehensive income for the period | | - | - | 6,151,065 | 6,151,065 |
| Dividends distribution during the period | | - | (3,847,500) | - | (3,847,500) |
| As at 31 December 2023 | | 13,072,672 | 46,901,047 | 6,151,065 | 66,124,784 |

See accompanying notes that are an integral part of these Audited Consolidated Financial Statements.



Consolidated statement of cash flows

| In USD | Notes | 1 Dec 22 - 31 Dec 23 |
|--|-------|-------------------------|
| Profit before tax (EBT) | | 6,185,202 |
| Financial income | 10 | (290,176) |
| Financial expenses | 10 | 4,633,551 |
| Depreciation | 12 | 6,079,469 |
| Cash flow from operating activities before changes in working capital | | 16,608,047 |
| Changes in working capital | | |
| Increase in trade and other receivables | | (5,393,943) |
| Increase in trade and other payables | | 2,381,465 |
| Accrued/(Deferred) income | | 481,973 |
| Cash flow from operating activities | | 14,077,541 |
| Acquisition of vessels | 12 | (148,158,490) |
| Interest received | 10 | 290,176 |
| Change in restricted cash for drydocking reserves | 13 | (2,104,293) |
| Cash flow from investing activities | | (149,972,607) |
| Proceeds from issue of shares | 15 | 67,103,002 |
| Transaction related costs | 15 | (3,281,783) |
| Dividends paid | 15 | (3,847,500) |
| Proceeds from issue of debt | 16 | 94,500,000 |
| Borrowing costs | 16 | (1,577,749) |
| Repayment of debt | 16 | (8,491,250) |
| Commitment fees | 16 | (112,300) |
| Interest paid on interest-bearing debt | 16 | (4,301,976) |
| Change in restricted cash for minimum liquidity requirement | 13 | (1,750,000) |
| Cash flow from financing activities | | 138,240,443 |
| Net change in cash and cash equivalents | | 2,345,378 |
| Cash and cash equivalents at beginning of period | | - |
| Cash and cash equivalents at end of period | 14 | 2,345,378 |

See accompanying notes that are an integral part of these Audited Consolidated Financial Statements.



Notes to the consolidated financial statements

Note 1 – General information

Stainless Tankers ASA (the 'Company') was incorporated on 1 December 2022 by Tufon Management Limited ('TML'), as a limited liability company and was established for the sole purpose to operate as a holding company for a shipping group owning stainless steel chemical tankers. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the 'Group').

The shares of the Company are listed on the Euronext Growth Oslo exchange.

Stainless Tankers ASA is a public limited liability company incorporated and domiciled in Norway, with a registered address at Henrik Ibsens gate 90, 0255 Oslo, Norway.

The financial statements were approved by the Company's Board of Directors on 25 April 2024.

Note 2 – Basis of preparation

The consolidated financial statements for the Group have been prepared in accordance with International Financial Reporting Standards (IFRS® Accounting Standards), as adopted by the EU.

The financial statements are based on historical cost except as disclosed in the accounts.

The consolidated financial statements are prepared based on the assumption of going concern.

Only standards and interpretations that are applicable to the Group have been included and the Group reviews the impact of these changes in its financial statements. The Group will adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the consolidated financial statements are issued. At the date of the approval of these FS, the group has not identified any significant impact to the Group's Financial Statements as a result of new standards or amendments effective 2023 or later.

Note 3 – Significant accounting policies

Consolidation

The consolidated financial statements comprise the financial statements of Stainless Tankers ASA and its subsidiaries as at 31 December 2023. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated. Subsidiaries are all companies where the Group has a controlling interest. Control is achieved when the Group is exposed or has rights to variable returns from its involvement with the investee and has the ability to effect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases. The financial statements of the subsidiaries are prepared for the same accounting period as those of the Company, using consistent accounting principles for similar transactions and events under otherwise similar circumstances.

Revenue recognition

The Group's time charter contract revenues are separated into a lease element accounted with IFRS 16 Leases and a service element which is accounted for in accordance with IFRS 15 Revenue from Contracts with Customers.

Time charter, pool revenue and other revenue contracts with customers are recognised when control of goods or services are transferred to the customer and when each separate performance obligation in the customer contract is fulfilled following the "over-time principle". It is recognised at an amount that reflects the consideration which the Group expects to receive in exchange for those goods or services.

The Group acts as a participant in the pool arrangements. Revenues for the vessels employed in the pool are based on average revenues across the pool the vessels are employed in, i.e. the vessels earn the average charter rate of the pool for the respective month, with certain adjustments which reflect the relative specification of each vessel in the pool.



Note 3 – Significant accounting policies (continued)

The service element from the Group's time charter contracts is recognised over time, as the performance obligation is also satisfied over time. Revenue from bunkers and other goods and services from customers are recognised during the period the goods or services are transferred to the customer, following the "point in time principle".

Operating expenses

Operating expenses are accounted for on an accrual basis. Expenses are charged to the income statement, except for those incurred in the acquisition of an investment which are capitalised as part of the cost of the investment. Expenses arising from the disposal of investments are deducted from disposal proceeds.

Vessel operating expenses of the Group are expenses related to the operation of vessels, such as (but not limited to) crewing expenses, expenses for repair and maintenance, lubrication oil consumption and insurance.

Financial income and expenses

Interest income and expense is recognised as accrued and is presented under the financial income or expense in the income statement.

Foreign currency transactions

Transactions in foreign currencies are recorded in the functional currency exchange rate at the date of the transaction. Monetary assets and liabilities in foreign currency are translated at the functional currency exchange rate prevailing at the balance sheet date. Exchange differences arising from translations into the functional currency are recorded in the income statement. Non-monetary assets and liabilities measured at historical cost in foreign currency are translated into the functional currency using the historical exchange rate. Non-monetary assets and liabilities recognised at fair value are translated using the exchange rate on the date of the determination of the fair value.

Vessels and other tangible assets

Tangible fixed assets are stated at historical cost, less subsequent depreciation and impairment. For vessels purchased, these costs include expenditures that are directly attributable to the acquisition of the vessels and eligible for capitalisation. Upon acquisition, all components of the vessels, with a cost significant to the total acquisition costs, are separately identified and depreciated over that component's useful life on a straight-line basis.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets, taking residual values into consideration, and adjusted for impairment charges, if any. The estimated useful life of the Group's vessels are 25 years. Residual values of the vessels are estimated as the lightweight tonnage of each vessel multiplied by scrap value per ton. Expected useful lives of assets, and residual values, are reviewed at each balance sheet date and, where they differ significantly from previous estimates, depreciation calculations are altered accordingly.

Ordinary repairs and maintenance expenses are charged to the income statement as incurred. Costs related to dry-docking or other major overhauls are recognized in the carrying amount of the vessels. This recognition is made when the dry-docking has been performed and is depreciated based on estimated time to the next class renewal, which is normally five years. All other costs that do not meet this recognition criteria are expensed as repairs and maintenance.

Vessels and other tangible assets are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are included in the profit or loss during the period the asset is derecognised.

Vessels and other tangible assets are assessed for impairment indicators at each reporting period. If impairment indicators are identified, the recoverable amount is estimated, and if the carrying amount exceeds its recoverable amount an impairment loss is recognised, i.e. the asset is written down to its recoverable amount.



Note 3 – Significant accounting policies (continued)

Impairment of vessels and other tangible assets

An asset's recoverable amount is calculated as the higher of the net realisable value and its value in use. The net realisable value is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of sale and the value in use is the present value of estimated future cash flows expected from the continued use of an asset. An impairment loss recognised in prior periods for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Leases

Group as lessor

The Group engages in lease agreements as a lessor, leasing its vessels to non-related parties under operating leases.

Leases in which the lessor retains a significant portion of the risks and rewards associated with ownership are classified as operating leases. Charter income received under operating leases (net of any incentives given to the lessee) are recognised in profit or loss on a straight-line basis over the period of the lease term.

Fuel and lubrication oil

The Group values its inventories, which comprise lubrication oil and fuel on board the vessels, at the lower of cost and net realisable value. They are accounted for on a weighted average cost basis.

Trade and other receivables

Trade and other receivables are measured at the transaction price upon initial recognition and subsequently measured at amortized cost less expected credit losses.

Cash and cash equivalents

Cash and cash equivalents include unrestricted cash, bank deposits and other highly liquid investments with original maturities of three months or less.

Share capital and share premium

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are recognised directly in equity and are shown as a deduction, net of tax, from the proceeds.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares.

Dividends distributions

Dividends are recognised as a liability in the Group's financial statements from the date when the dividend is approved by the General Meeting.

Financial liabilities

All loans and borrowings are initially measured at fair value less directly attributable transaction costs, and are subsequently measured at amortized cost, using the effective interest method. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate. A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, when it is more likely than not that an outflow or resources representing economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

Derivative financial instruments are measured at fair value. The fair value of financial instruments traded in active markets are determined by reference to quoted market prices or dealer price quotations, without any



Note 3 – Significant accounting policies (continued)

Provisions (continued)

deduction for transaction costs. The fair value of financial instruments not traded in active markets is determined using appropriate evaluation techniques.

Warrants

The extraordinary general meeting of the company held on 28 February 2023, resolved, in accordance with section 11-12 of the Companies Act, to issue 1,012,500 warrants to Tufton LP. The company offered to Tufton LP to subscribe for warrants (the "Warrants") in the Company equal to 7.5% of the total outstanding shares in the Company after completion of the Private Placement. The Warrants shall be exercisable by Tufton LP if and when the quoted price of the Company's shares has reached certain specific levels above the offer price in the Private Placement. The Warrants are issued as an incentive to Tufton LP for it, and its affiliates and other related parties, to maximize the value of the Company for all future shareholders. The Warrants does not carry rights in the event of a liquidation event. The warrants are in scope of IFRS 2 - Share based payments and will be recognized as cash-settled share-based payments in the financial statements. The conditions were not fulfilled by 31 December 2023.

Taxes

The Group operates within several jurisdictions and tax regimes, including the Norwegian general tax regime and tonnage tax regime as well as the Isle of Man tax regime. Changes in taxation law or the interpretation of taxation law may affect the business, results of operations and financial condition of the Group. To the extent tax rules change, this could have both a prospective and retrospective impact on the Group both of which could be material. The Group's income tax returns may be subject to examination and review. If any tax authority successfully challenges the Group's operational or legal structure, eligibility for the Norwegian tonnage tax regime, hereunder due to performance of disqualifying activities or holding disqualifying assets, taxable pretence or similar circumstances, the Group's effective tax rate could increase substantially and have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

It is the intention that the Group will be taxed under the Norwegian tonnage tax regime. Under the tonnage tax regime, qualifying shipping income is exempt from taxation in Norway. Net financial income is subject to tax in accordance with the general Norwegian tax rules and certain special rules in the tonnage tax regime. Instead of tax on qualifying shipping income, a tonnage tax based on the net tonnage of the vessel(s) is paid. Should the Group for any reason such as due to activities and/or assets held by a Group company not qualify for the Norwegian tonnage tax regime, net taxable profits are taxed at the corporate income tax rate, currently 22%.

The Company's subsidiaries are incorporated in the Isle of Man and will, consequently, in principle be taxable in the Isle of Man under local regulation and will not be subject to any material taxation under the laws of Isle of Man. There can be no assurance that this will continue, as Isle of Man may change its tax laws and regulations. Further, also other jurisdictions may claim that Group companies are tax resident in their jurisdiction and claim taxes on earnings or assets on that basis.

Related parties

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence. Related party transactions are recorded based on their estimated fair value.

Classification in the statement of financial position

Current assets and short-term liabilities comprised of items due less than one year from the balance sheet date, as well as items due more than one year from the balance sheet date that are related to the operating cycle.



Note 3 – Significant accounting policies (continued)

Classification in the statement of financial position (continued)

Liabilities with maturities less than one year from the balance sheet date are classified as current. All other debt is classified as long-term debt. Long-term debt due for repayment within one year from the balance sheet date is classified as current.

Statement of cash flows

The statement of cash flows has been prepared based on the indirect method.

Subsequent events

New information on the Group's financial position at the balance sheet date is taken into account in the financial statements. Subsequent events that do not affect the Group's position at the balance sheet date, but which will affect the Group's position in the future, are disclosed if significant.

Note 4 - Financial risk management

(i) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow interest rate risk), credit risk and liquidity risk.

Ongoing risk assessment and monitoring are conducted collaboratively with the Board to ensure effective risk management. The Board of Directors actively participates in identifying, evaluating, and mitigating financial risks in close cooperation with the Group's operating units.

Market risk

Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group's functional currency.

Cash flow interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

Credit risk

Credit risk arises from bank balances, deposits with banks and financial institutions, as well as credit exposures to trade balances with charterers, including outstanding receivables and committed transactions.

For banks and financial institutions, only independently rated parties are accepted. If charterers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the charterer, taking into account its financial position, past experience and other factors.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.



Note 4 - Financial risk management (continued)

(i) Financial risk factors (continued)

Credit risk (continued)

**31 Dec 23
USD**

Trade receivables

Counterparties without external credit rating:

| | |
|---------|------------------|
| Group 1 | 4,632,032 |
| | <u>4,632,032</u> |

Fully performing other receivables:

| | |
|---------|-------------------------|
| Group 2 | 118,681 |
| Group 3 | 3,854,293 |
| | <u>3,972,974</u> |
| | <u><u>8,605,006</u></u> |

**31 Dec 23
USD**

Cash and bank balances

| | |
|---|------------------|
| Berenberg – unrated (The bank is part of the German Depositary Protection Scheme) | 2,345,378 |
| | <u>2,345,378</u> |

Group 1 – new and existing customers/charterers with no defaults in the past

Group 2 – other receivables (excluding statutory receivables and prepayments) with no default in the past

Group 3 – restricted cash

Liquidity risk

The table below analyses the Group's financial liabilities into relevant maturity groups based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| As at 31 December 2023 | Less than 1 year USD | Between 1 and 2 years USD | Between 2 and 5 years USD |
|-------------------------------|---------------------------------|--------------------------------------|--------------------------------------|
| Borrowings | 10,050,000 | 10,120,000 | 65,838,750 |
| Trade and other payables | 2,415,602 | - | - |
| | <u>12,465,602</u> | <u>10,120,000</u> | <u>65,838,750</u> |

Financial instruments by category

**Amortised
cost
USD Total
USD**

Assets as per consolidated balance sheet

| | | |
|---|--------------------------|--------------------------|
| Trade and other receivables (excluding prepayments and other statutory receivables) | 8,605,006 | 8,605,006 |
| Cash and cash equivalents | 2,345,378 | 2,345,378 |
| Total | <u>10,950,384</u> | <u>10,950,384</u> |



Note 4 - Financial risk management (continued)

(i) Financial risk factors (continued)

Liquidity risk (continued)

| | Other financial liabilities at amortised cost USD | Total USD |
|--|--|-------------------|
| Liabilities as per consolidated balance sheet | | |
| Borrowings | 84,650,276 | 84,650,276 |
| Trade and other payables (excluding deferred income and statutory liabilities) | 2,381,465 | 2,381,465 |
| Total | 87,031,741 | 87,031,741 |

(ii) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return of capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

The gearing ratios as at 31 December 2023 were as follows:

| | 31 Dec 23 USD |
|---|----------------------|
| Total borrowings (Note 16) | 84,650,276 |
| Less cash and cash equivalent | <u>(2,345,378)</u> |
| Net debt | 82,304,898 |
| Total equity | 66,124,784 |
| Total capital as defined by management | 148,429,682 |
| Gearing ratio | 55% |

Note 5 - Critical accounting judgements and key sources of estimation uncertainty

The preparation of the consolidated financial statements for the Group and application of the accounting policies, which are described in Note 3, requires judgements, estimates and assumptions to be made about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual outcomes may differ from these estimates and assumptions and could require a material adjustment to the carrying amount of the asset or liability affected in future periods. Estimates and underlying assumptions are reviewed on an on-going basis.



Note 5 - Critical accounting judgements and key sources of estimation uncertainty (continued)

Judgements

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which had the most significant effect on the amounts recognised in the consolidated financial statements:

Vessel classification

The purchase of vessels is classified as assets and not as a business combination. This classification decision is based on the specific facts and circumstances surrounding the transaction and is in accordance with the relevant accounting principles and regulations.

The rationale behind classifying the purchase of vessels as assets is as follows:

1. **Nature of the Transaction:** The purchase of vessels was executed as individual, stand-alone acquisitions rather than as a combination of businesses. Each vessel acquired represents a distinct asset that will be utilised in the core operations of the Group.
2. **Control and Ownership:** The vessels were acquired to enhance the fleet and expand the operational capabilities. However, the purchase did not result in the acquisition of an entire business entity or assets that constitute a business.
3. **Financial Reporting Implications:** By classifying the purchase of vessels as assets, adherence to applicable accounting standards and guidance, ensuring accurate and transparent financial reporting is ensured. The vessels are recorded at cost and subsequently depreciated or amortised over their useful lives.

Vessel life and impairment

The carrying value of the Group's vessel represents its original cost at the time it was delivered or purchased less depreciation calculated using an estimated useful life of 25 years from the date the vessel was originally delivered from the shipyard. In the shipping industry, use of life in this range has become the standard. The actual life of a vessel may be different. If the economic life assigned to the vessel proves to be too long because of new regulations or other future events, higher depreciation expense and impairment losses could result in future periods related to a reduction in the useful life of the vessel.

The carrying value of the Group's vessel may not represent its fair market value at any point in time since the market prices of second-hand vessels tend to fluctuate with changes in charter rates and the cost of new buildings. Historically, both charter rates and vessel values tend to be both correlated and volatile. The Group records impairment losses only when events occur that cause the Group to believe that future cash flows for the vessel will be less than its carrying value. The carrying amount of a vessel held and used by the Group is reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of the vessel may not be fully recoverable. In such instances, an impairment charge would be recognised if the estimate of the discounted future cash flows expected to result from the use of the vessel and its eventual disposition is less than the vessel's carrying amount.

In developing estimates of future cash flows, the Group must make assumptions about future charter rates, ship operating expenses and the estimated remaining useful life of the vessel. These assumptions are based on historical trends as well as future expectations. Although management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate, such assumptions may be highly subjective.



Note 6 - Operating revenue

| | 1 Dec 22- 31 Dec 23 USD |
|------------------------------------|-------------------------------|
| Service revenue from time charters | 3,313,118 |
| Lease revenue from time charters | 5,183,665 |
| Pool charter revenue | 24,280,297 |
| | <u>32,777,080</u> |

(a) Contract balances

The Group has recognised the following liabilities related to contracts with customers:

| | 1 Dec 22- 31 Dec 23 USD |
|-----------------------------|-------------------------------|
| Contract liabilities | |
| <u>Current</u> | |
| Contract liabilities | 230,650 |
| Contract liabilities | <u>230,650</u> |

Contract liabilities represent the performance due to a charterer for the remaining lease period, as at the period end. This may happen in the case where the charterer has made an advance payment before the completion of the lease period, as of the period end date.

(b) Performance obligations

Information about the Group's performance obligations are summarised below:

Revenue from time charters - Under IFRS 15, the lease component and the service component of time charters need to be separately disclosed. The service component is accounted for separately under IFRS 15. The service component in the time charter includes a single performance obligation. The performance obligation is satisfied over time, given that the charterers simultaneously receive and consume the benefits provided by the Group. Revenue recognized in respect of the service component under IFRS 15 did not change. The lease component continues to be accounted for as a lease under IFRS 16.

| | 31 Dec 2023 USD |
|---------------------------|--------------------|
| Within one year | 885,400 |
| Between two to five years | - |
| | <u>885,400</u> |

Note 7 – Vessel voyage expenses

| | 1 Dec 22- 31 Dec 23 USD |
|--|-------------------------------|
| Commission fees | 955,682 |
| Bunkers consumption | 18,763 |
| Pool administration costs and other expenses | 424,383 |
| Other voyage expenses | 4,747 |
| | <u>1,403,575</u> |



Note 8 – Vessel operating expenses

| | 1 Dec 22- 31 Dec 23 USD |
|------------------------------|-------------------------------|
| Crew costs | 7,227,851 |
| Technical operating expenses | 1,846,694 |
| Insurances | 1,026,064 |
| Lube oil | 733,602 |
| Ship management fee | 743,646 |
| Other vessel costs | 1,157,026 |
| | <u>12,734,884</u> |

Note 9 – Administrative expenses

| | 1 Dec 22- 31 Dec 23 USD |
|-----------------------------------|-------------------------------|
| Auditor's remuneration | 80,000 |
| Legal and other professional fees | 300,902 |
| Directors' fees (Note 18) | 125,674 |
| Management service fees | 1,389,700 |
| Bank charges | 21,089 |
| Other expenses | 126,115 |
| | <u>2,043,480</u> |

Between 1 March 2023 and 31 December 2023, the Company paid a management service fee, of USD 1,389,500 to its shareholder TML, in accordance with the Management Services Agreement. The management services cover provision of the Company's executive team, comprising the CEO and CFO, as well as services required by the executive team for managing the Group, which include finance and accounting, supervision of third-party technical and commercial managers, and the management of corporate and administrative matters.

Between 1 March 2023 and 31 December 2023, the Company paid other professional fees to PWC of USD 25,915.

Note 10 - Finance (costs)/income

| | 1 Dec 22- 31 Dec 23 USD |
|----------------------------|-------------------------------|
| Interest income | 290,176 |
| Finance income | <u>290,176</u> |
| Interest expense (Note 16) | (4,521,251) |
| Debt commitment fees | (112,300) |
| Finance costs | <u>(4,633,551)</u> |
| Net finance costs | <u>(4,343,375)</u> |



Note 11 - Earnings per share

| | 31 Dec 23 |
|--|------------------|
| | USD |
| Profit and other comprehensive income for the period | 6,151,065 |
| Weighted average number of ordinary shares | 13,500,000 |
| Basic earnings per share | 0.46 |
| Diluted earnings per share | 0.46 |

Note 12 - Vessels

| | Total |
|---|--------------------|
| | USD |
| Cost | |
| Additions | 148,158,490 |
| Balance as at 31 December 2023 | 148,158,490 |
| Depreciation | |
| Charge for the period | 6,079,469 |
| Balance as at 31 December 2023 | 6,079,469 |
| Net book amount | |
| Balance as at 31 December 2023 | 142,079,020 |
| Insured value (USD) | 199,200,000 |
| Total light weight tonnage (ldt) | 47,414.61 |

On 17 March 2023, BSL Gwen Shipping Ltd (Sellers) entered into a memorandum of agreement (the 'MoA') with ST1 Ltd (Buyers) for the acquisition of a Japanese built stainless steel chemical tanker vessel Gwen with an IMO number 9407067, built in 2008. The purchase price was agreed at USD 17,100,000. Pursuant to the MoA, the vessel was to be delivered prior to 1 April 2023, with a daily penalty to be subtracted from the purchase price for each day passing after 1 April 2023. The vessel was delivered on 19 May 2023. Included in the additions above, there is a price reduction amounting to USD 290,000 and various takeover costs and legal fees amounting to USD 19,143 which are amortised over the remaining useful life of the vessel.

On 17 March 2023, BSL Barbouni Shipping Ltd (Sellers) entered into a memorandum of agreement (the 'MoA') with ST2 Ltd (Buyers) for the acquisition of a Japanese built stainless steel chemical tanker vessel Barbouni with an IMO number 9416020, built in 2007. The purchase price was agreed at USD 16,300,000. Pursuant to the MoA, the vessel was to be delivered prior to 1 April 2023, with a daily penalty to be subtracted from the purchase price for each day passing after 1 April 2023. The vessel was delivered on 11 April 2023. Included in the additions above, there is a price reduction amounting to USD 86,281 and various takeover costs and legal fees amounting to USD 16,143 which are amortised over the remaining useful life of the vessel.

On 17 March 2023, HSL Filly Shipping Ltd (Sellers) entered into a memorandum of agreement (the 'MoA') with ST23 Ltd (Buyers) for the acquisition of a Japanese built stainless steel chemical tanker vessel Lavraki with an IMO number 9323077, built in 2007. The purchase price was agreed at USD 15,800,000. Pursuant



Note 12 – Vessels (continued)

to the MoA, the vessel was to be delivered prior to 1 April 2023, with a daily penalty to be subtracted from the purchase price for each day passing after 1 April 2023. The vessel was delivered on 29 June 2023. Included in the additions above, there is a price reduction amounting to USD 536,000 and various takeover costs and legal fees amounting to USD 16,143 which are amortised over the remaining useful life of the vessel.

On 17 March 2023, HSL Bronco Shipping Ltd (Sellers) entered into a memorandum of agreement (the 'MoA') with ST4 Ltd (Buyers) for the acquisition of a Japanese built stainless steel chemical tanker vessel City Island with an IMO number 9360960, built in 2007. The purchase price was agreed at USD 17,100,000. Pursuant to the MoA, the vessel was to be delivered prior to 1 April 2023, with a daily penalty to be subtracted from the purchase price for each day passing after 1 April 2023. The vessel was delivered on 4 May 2023. Included in the additions above, there is a price reduction amounting to USD 384,292 and various takeover costs and legal fees amounting to USD 39,833 which are amortised over the remaining useful life of the vessel.

On 17 March 2023, ASL Orchid Shipping Ltd (Sellers) entered into a memorandum of agreement (the 'MoA') with ST5 Ltd (Buyers) for the acquisition of a Japanese built stainless steel chemical tanker vessel Orchid Kefalonia with an IMO number 9363821, built in 2008. The purchase price was agreed at USD 18,200,000. Pursuant to the MoA, the vessel was to be delivered prior to 1 April 2023, with a daily penalty to be subtracted from the purchase price for each day passing after 1 April 2023. The vessel was delivered on 10 May 2023. Included in the additions above, there is a price reduction amounting to USD 452,870 and various takeover costs and legal fees amounting to USD 16,143 which are amortised over the remaining useful life of the vessel.

On 17 March 2023, ASL Friesian Shipping Ltd (Sellers) entered into a memorandum of agreement (the 'MoA') with ST6 Ltd (Buyers) for the acquisition of a Japanese built stainless steel chemical tanker vessel Orchid Sylt with an IMO number 9367413, built in 2009. The purchase price was agreed at USD 19,400,000. Pursuant to the MoA, the vessel was to be delivered prior to 1 April 2023, with a daily penalty to be subtracted from the purchase price for each day passing after 1 April 2023. The vessel was delivered on 2 May 2023. Included in the additions above, there is a price reduction amounting to USD 361,292 and various takeover costs and legal fees amounting to USD 19,143 which are amortised over the remaining useful life of the vessel.

On 17 March 2023, ASL Charger Shipping Ltd (Sellers) entered into a memorandum of agreement (the 'MoA') with ST7 Ltd (Buyers) for the acquisition of a Japanese built stainless steel chemical tanker vessel Orchid Madeira with an IMO number 9367401, built in 2009. The purchase price was agreed at USD 19,400,000. Pursuant to the MoA, the vessel was to be delivered prior to 1 April 2023, with a daily penalty to be subtracted from the purchase price for each day passing after 1 April 2023. The vessel was delivered on 12 April 2023. Included in the additions above, there is a price reduction amounting to USD 130,573 and various takeover costs and legal fees amounting to USD 15,643 which are amortised over the remaining useful life of the vessel.

On 7 November 2023, Fuchsia Shipping Ltd (Sellers) entered into a memorandum of agreement (the 'MoA') with ST8 Ltd (Buyers) for the acquisition of a Japanese built stainless steel chemical tanker vessel Monax with an IMO number 9311256, built in 2005. The purchase price was agreed at USD 13,500,000. Pursuant to the MoA, the vessel was to be delivered prior to 15 November 2023, with a daily penalty to be subtracted from the purchase price for each day passing after 15 November 2023. The vessel was delivered on 20 November 2023. Included in the additions above, there is a price reduction amounting to USD 81,250 and various takeover costs and legal fees amounting to USD 10,850 which are amortised over the remaining useful life of the vessel.

On 7 November 2023, Dandelion Shipping Ltd (Sellers) entered into a memorandum of agreement (the 'MoA') with ST9 Ltd (Buyers) for the acquisition of a Japanese built stainless steel chemical tanker vessel Marmotas with an IMO number 9304344, built in 2005. The purchase price was agreed at USD 13,500,000. Pursuant to the MoA, the vessel was to be delivered prior to 15 November 2023, with a daily penalty to be subtracted from the purchase price for each day passing after 15 November 2023. The vessel was delivered on 16 November 2023. Included in the additions above, there is a price reduction amounting to USD 20,937



Note 12 – Vessels (continued)

and various takeover costs and legal fees amounting to USD 10,850 which are amortised over the remaining useful life of the vessel.

The vessels are pledged on the Group's bank loan detailed in Note 16.

As at 31 December 2023, the management carried out an assessment of whether there is any indication that the vessels may have suffered an impairment loss. The impairment assessment is conducted independently for each vessel. Management assessed the recoverable amount as at the period end and no impairment was recognised in the period ended 31 December 2023 based on the assessment.

Note 13 - Trade and other receivables

| | 31 Dec 23 |
|---------------------------------|------------------|
| | USD |
| Charterers balances receivable | 1,832,032 |
| Pool working capital receivable | 2,800,000 |
| Prepayments | 643,230 |
| Restricted cash (Note 16) | 3,854,293 |
| Other receivables | 118,681 |
| | <u>9,248,236</u> |

(a) Trade receivables

| | 31 Dec 23 |
|---------------------------------|------------------|
| | USD |
| Current assets | |
| Charterers balances receivable | 1,832,032 |
| Pool working capital receivable | 2,800,000 |
| | <u>4,632,032</u> |

(i) Fair value of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

(ii) Impairment and risk exposure

Information about the current year impairment of trade receivables and the company's exposure to credit risk can be found in Note 4.

The maximum exposure to credit risk at the balance sheet date is the carrying value of trade receivables. The Group does not hold any collateral as security.

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

| | 31 Dec 23 |
|-----------|------------------|
| | USD |
| US Dollar | 4,632,032 |
| | <u>4,632,032</u> |



Note 13 - Trade and other receivables (continued)

(b) Financial assets at amortised cost

Financial assets at amortised cost include the following debt investments:

| | 31 Dec 23 |
|-----------------------|------------------|
| | USD |
| Current assets | |
| Prepayments | 643,230 |
| Restricted cash | 3,854,293 |
| Other receivables | 118,681 |
| | <u>4,616,205</u> |

Included in the prepayments, there is an amount of USD 236,902 due from the technical manager of the vessels, representing advance cash paid.

Restricted cash comprise (i) a minimum liquidity requirement of USD 250,000 per Vessel held in a restricted cash account and (ii) funding of a dry dock reserve account of USD 2,104,293 (Note 16).

(i) Fair value of financial assets at amortised cost

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

(ii) Impairment and risk exposure

Information about the current year impairment of financial assets at amortised cost and the company's exposure to credit risk can be found in Note 4.

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of financial asset at amortised cost mentioned above.

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

| | 31 Dec 23 |
|-----------|------------------|
| | USD |
| US Dollar | 4,616,205 |
| | <u>4,616,205</u> |

Note 14 - Cash and cash equivalents

Cash balances are analysed as follows:

| | 31 Dec 23 |
|--------------|------------------|
| | USD |
| Cash at bank | 2,345,378 |
| | <u>2,345,378</u> |



Note 15 - Equity contribution

| | No. of shares | Share capital USD | Share premium USD | Total USD |
|---|-------------------|----------------------|----------------------|-------------------|
| Balance as at 01 December 2022 | - | - | - | - |
| Proceeds during the period | 13,500,000 | 13,072,672 | 54,030,330 | 67,103,002 |
| Transaction costs | - | - | (3,281,783) | (3,281,783) |
| Dividend distribution during the period | - | - | (3,847,500) | (3,847,500) |
| Balance as at 31 December 2023 | 13,500,000 | 13,072,672 | 46,901,047 | 59,973,718 |

The equity contribution represents paid in capital made by the equity holders during the period.

The Company was founded by TML, with a share capital of NOK 1,000,000, upon subscription of 100,000 shares at a subscription price of NOK 10.

On 28 February 2023, the Company's extraordinary general meeting resolved to complete a private placement of 13,400,000 new shares in the Company, each with a nominal value of NOK 10, at a subscription price of USD 5 (the NOK equivalent being NOK 51.659) per offer share, raising proceeds of USD 67,000,000.

On 24 August 2023, the Company's extraordinary general meeting resolved to distribute a cash dividend in the form of return of paid-in capital, amounting to USD 1,687,500 (USD 0.125 per share).

On 23 November 2023, the Company's extraordinary general meeting resolved to distribute a cash dividend in the form of return of paid-in capital, amounting to USD 2,160,000 (USD 0.160 per share).

Overview of the 20 largest shareholders as at 31 December 2023:

| Shareholder | Number of shares | in % | Type |
|-------------------------------------|------------------|-----------|----------|
| Womar Investments I LLC | 3,000,000 | 22.22222% | Ordinary |
| Klaveness Finans AS | 2,000,000 | 14.81481% | Ordinary |
| Clearstream Banking S.A. | 1,490,000 | 11.03704% | Nominee |
| Goldman Sachs International | 806,699 | 5.97555% | Nominee |
| Goldman Sachs & Co. LLC | 650,000 | 4.81481% | Nominee |
| Calinde S.A | 600,000 | 4.44444% | Ordinary |
| Klaveness Invest AS | 596,000 | 4.41481% | Ordinary |
| SIX SIS AG | 465,000 | 3.44444% | Nominee |
| United Shipping Group GmbH & Co. KG | 440,000 | 3.25926% | Ordinary |
| Merrill Lynch International | 295,144 | 2.18625% | Nominee |
| Brown Brothers Harriman & Co. | 250,000 | 1.85185% | Nominee |
| Bullingham Ventures LLC | 200,000 | 1.48148% | Ordinary |
| Hampson, Andrew John | 200,000 | 1.48148% | Ordinary |
| The Bank of New York Mellon | 200,000 | 1.48148% | Nominee |
| The Bank of New York Mellon SA/NV | 200,000 | 1.48148% | Nominee |
| KILSHOLMEN AS | 197,409 | 1.46229% | Ordinary |
| Tufton Management Ltd. | 100,000 | 0.74074% | Ordinary |
| Dutch Oceans Capital B.V. | 100,000 | 0.74074% | Ordinary |
| The Bank of New York Mellon | 98,237 | 0.72768% | Nominee |
| F. LAEISZ GMBH | 95,000 | 0.70370% | Ordinary |



Note 16 - Borrowings

| | 31 Dec 23 |
|-------------------------------|-------------------|
| | USD |
| Current borrowings | |
| Bank loans | 9,736,506 |
| Non-current borrowings | |
| Bank loans | 74,913,770 |
| Total | 84,650,276 |
| Maturity of borrowings: | |
| | 31 Dec 23 |
| | USD |
| Within one year | 9,736,506 |
| Between 1 and 2 years | 9,807,362 |
| Between two and five years | 65,106,407 |
| | 84,650,276 |

On 17 March 2023, Stainless Tankers Limited ("**STL**") as borrower, (ii) ST1 Limited, ST2 Limited, ST3 Limited, ST4 Limited, ST5 Limited, ST6 Limited and ST7 Limited as Owners, (iii) the Company as guarantor (collectively, the "**Obligors**"), and (iv) Macquarie Bank Limited, London Branch as Lender, arranger, facility agent and security agent (the "**Lender**") entered into a facility agreement whereby the Lender makes available a loan of up to USD 97,500,000, comprising a USD 67,500,000 tranche, being the Committed Amount, and USD 30,000,000 or such other higher amount as might be agreed between the Lender and the ship owning entities, being the Uncommitted Amount (the "**Facility Agreement**"). On 7 November 2023, the Obligors, the Lender, ST8 Limited and ST9 Limited (the "**Additional Owners**") entered into an Upsize Accession Agreement (the "Upsize Tranche") where a further USD 27,000,000 was drawdown out of the aforementioned Uncommitted Amount.

The Facility Agreement was, inter alia, entered into in order to provide the ship owning entities with financing for the purchase of the Vessels, in addition to the equity capital the Group would provide from the Private Placement.

Interest will accrue quarterly and commenced on the utilisation date 30 March 2023. Repayments commenced on 30 June 2023 and will continue until 31 May 2028. The principal amount is divided into varying instalments, which are payable together with the interest in quarterly instalments at each quarter end. Final repayment of the Facility Agreement is scheduled separately for each Vessel tranche, at the earlier of when a Vessel has reached twenty years of age or five years from utilisation. The final repayment for the vessels Monax, Marmotas, Lavraki, and City Island is in March 2027. For the vessel Barbouni, it is in June 2027. Lastly, for Gwen, Orchid Kefalonia, Orchid Sylt, and Orchid Madeira, the final repayment is in May 2028. Voluntary prepayment is allowed at higher amounts in multiples of USD 500,000. Mandatory prepayment becomes automatically due in the case of a sale or total loss, as well as any arrest from which a Vessel is not released within a period of 45 days. In the latter case, repayment is due for each Vessel's tranche, respectively.



Note 16 – Borrowings (continued)

The loan repayment schedule as of 31 December 2023, is as follows:

| Year | Monax | Marmotas | Gwen | Barbouni | Lavraki | City Island | Orchid | | Orchid Madeira | Total |
|------|-----------|-----------|-----------|-----------|-----------|-------------|-----------|-------------|----------------|------------|
| | | | | | | | Kefalonia | Orchid Sylt | | |
| 2024 | 2,060,625 | 2,060,625 | 660,000 | 780,000 | 1,038,750 | 880,000 | 750,000 | 900,000 | 920,000 | 10,050,000 |
| 2025 | 2,060,000 | 2,060,000 | 700,000 | 820,000 | 870,000 | 920,000 | 790,000 | 940,000 | 960,000 | 10,120,000 |
| 2026 | 1,623,750 | 1,623,750 | 900,000 | 1,020,000 | 1,070,000 | 1,120,000 | 990,000 | 1,140,000 | 1,160,000 | 10,647,500 |
| 2027 | 7,755,625 | 7,755,625 | 900,000 | 5,515,000 | 4,837,500 | 4,650,000 | 990,000 | 1,140,000 | 1,160,000 | 34,703,750 |
| 2028 | - | - | 5,065,000 | - | - | - | 4,647,500 | 5,435,000 | 5,340,000 | 20,487,500 |

The Facility Agreement includes covenants on (i) a minimum liquidity requirement of USD 250,000 per Vessel (except for the last two vessels acquired using the Upsize Tranche) held in a restricted cash account at all times (earning interest at 30-day SOFR p.a.), (ii) a continuing maximum loan to value ratio of 65%, (iii) funding of a dry dock reserve account in equal monthly instalments beginning 12 months prior to an upcoming capex event for each Vessel, and (iv) satisfactory vessel inspections to be performed prior to drawdown.

The restrictions on dividends for STL according to the Facility Agreement include (i) lender approval on the basis of a 12-month cash flow forecast, illustrating to the lender's satisfaction that the borrower will not face liquidity constraints following a proposed dividend, (ii) a maximum loan to value ratio of 60% immediately following the dividend distribution, and (iii) maintenance of USD 250,000 in unrestricted cash per Vessel immediately following dividend distribution.

Movement analysis:

| | 31 Dec 23 |
|---|-------------------|
| | USD |
| Balance as at 01 December 2022 | - |
| Drawdown (gross of borrowing costs) | 94,500,000 |
| Capitalised borrowing costs | (1,577,749) |
| Repayments | (8,491,250) |
| Interest expense (Note 10) | 4,301,976 |
| Amortisation of borrowing costs (Note 10) | 219,276 |
| Interest paid | (4,301,976) |
| Balance as at 31 December 2023 | 84,650,277 |

Note 17 - Trade and other payables

| | 31 Dec 23 |
|-----------------------------|------------------|
| | USD |
| Pool working capital | 767,806 |
| Charterers balances payable | 466,997 |
| Trade payables | 773,084 |
| Accruals | 373,475 |
| Other payables | 103 |
| | 2,381,465 |

Included in the trade payables, there is an amount of USD 582,804 due to the technical manager of the vessels. The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.



Note 18 - Related party transactions

Transactions with related parties (Note 9)

| Name | Nature of relationship | Nature of transactions | 1 Dec 22- |
|-------------------|------------------------|------------------------|----------------|
| | | | 31 Dec 23 |
| | | | USD |
| Directorship fees | Board of Directors | Directorship fees | 125,674 |
| | | | <u>125,674</u> |

Note 19 - Contingent liabilities

The Group had no contingent liabilities as at 31 December 2023.

Note 20 - Commitments

Operating lease commitments

The Group as lessor

Contracted revenues from vessels operations

The Group's long-term time charter arrangements aggregate time charter hire revenues as at the year-end over the firm contract period receivable are as follows:

| | Lease revenue from time charters | Service revenue from time charters | Total |
|----------------------------|-------------------------------------|---------------------------------------|------------------|
| | USD | USD | USD |
| Within one year | 929,350 | 885,400 | 1,814,750 |
| Between two and five years | - | - | - |
| | <u>929,350</u> | <u>885,400</u> | <u>1,814,750</u> |

Note 21 - Events after the reporting period

On 21 February 2024, the distribution of a cash dividend amounting to USD 3,037,500 (USD 0.225 per share), in the form of a return of paid-in capital, was approved at the Extraordinary General Meeting and paid on 1 March 2024.

On 21 February 2024 Irene Michael resigned as a board member, and Nicoletta Panayiotopoulos was elected as a new board member of the Company.



Parent Company Financial Statements



Statement of profit or loss and other comprehensive income

| In USD | Notes | 1 Dec 2022- 31 Dec 23 |
|---|-------|--------------------------|
| Revenues | 6 | 639,300 |
| Revenues | | 639,300 |
| Administrative expenses | 7 | (1,908,353) |
| Operating loss (EBIT) | | (1,269,053) |
| Dividend income | | 4,188,553 |
| Financial income | 8 | 167,308 |
| Profit before tax (EBT) | | 3,086,808 |
| Taxes | | (34,137) |
| Profit and other comprehensive income for the period | | 3,052,671 |

Allocation of earnings

The Company's profit for the period USD 3,052,671 is allocated as follows:

| | |
|--|------------------|
| Profit allocated to retained earnings | 3,052,671 |
| Dividend paid during the period | 3,847,500 |
| Dividend distributed from share premium | (3,847,500) |
| Profit allocated to retained earnings | 3,052,671 |

See accompanying notes that are an integral part of these Audited Financial Statements.



Statement of financial position

| In USD | Notes | 31 Dec 23 | 01 Dec 22 |
|-------------------------------------|-------|-------------------|-----------|
| ASSETS | | | |
| Non-current assets | | | |
| Investments in subsidiaries | 12 | 63,412,500 | - |
| Total non-current assets | | 63,412,500 | - |
| Current assets | | | |
| Trade and other receivables | 9 | 93,289 | - |
| Cash and cash equivalent | 10 | 638 | - |
| Total current assets | | 93,927 | - |
| Total assets | | 63,506,427 | - |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 11 | 13,072,672 | - |
| Share premium | 11 | 46,901,047 | - |
| Retained earnings | | 3,052,671 | - |
| Total equity | | 63,026,389 | - |
| Current liabilities | | | |
| Trade and other payables | 13 | 445,901 | - |
| Accrued taxation | | 34,137 | - |
| Total current liabilities | | 480,038 | - |
| Total equity and liabilities | | 63,506,427 | - |

Oslo, 25 April 2024

Board of Directors and Chief Executive Officer of Stainless Tankers ASA

Geir Frode Abelsen
Board member

Ted Kalborg
Chairman

Ulrika Laurin
Board member

Nicoletta Panayiotopoulos
Board member

Hans Van der Zidje
Board member

Alexandros Karakassis
CEO

See accompanying notes that are an integral part of these Audited Financial Statements.



Statement of changes in equity

| In USD | Notes | Share capital | Share premium | Retained earnings | Total |
|--|-------|-------------------|-------------------|-------------------|-------------------|
| As at 01 December 2022 | | - | - | - | - |
| Capital increase - private placement (cash) | 11 | 13,072,672 | 54,030,330 | - | 67,103,002 |
| Transaction costs | | - | (3,281,783) | - | (3,281,783) |
| Profit and other comprehensive income for the period | | - | - | 3,052,671 | 3,052,671 |
| Dividends distributions during the period | 11 | - | (3,847,500) | - | (3,847,500) |
| As at 31 December 2023 | | 13,072,672 | 46,901,047 | 3,052,671 | 63,026,389 |

See accompanying notes that are an integral part of these Audited Financial Statements.



Statement of cash flows

| In USD | Notes | 1 Dec 22 – 31 Dec 23 |
|--|-------|-------------------------|
| Profit and other comprehensive income for the period | | 3,086,808 |
| Adjustments for: | | |
| Dividend income | | (4,188,553) |
| Financial income | 8 | (167,308) |
| Cash flow from operating activities before changes in working capital | | (1,269,053) |
| Changes in working capital | | |
| Increase in trade and other receivables | | (93,289) |
| Increase in trade and other payables | | 445,901 |
| Cash flow from operating activities | | (916,441) |
| Acquisition of subsidiaries | | (63,412,500) |
| Dividends received | | 4,188,553 |
| Interest received | | 167,308 |
| Cash flow from investing activities | | (59,056,639) |
| Proceeds from issue of shares | 11 | 67,103,002 |
| Transaction related costs | 11 | (3,281,783) |
| Dividends paid | | (3,847,500) |
| Cash flow from financing activities | | 59,973,718 |
| Net change in cash and cash equivalents | | 639 |
| Cash and cash equivalents at beginning of period | | - |
| Cash and cash equivalents at end of period | 10 | 639 |

See accompanying notes that are an integral part of these Audited Financial Statements.



Notes to the financial statements

Note 1 – General information

Stainless Tankers ASA (the '**Company**') was incorporated on 1 December 2022 by Tufton Management Limited ("**TML**"), as a limited liability company and was established for the sole purpose to operate as a holding company for a shipping group owning stainless steel chemical tankers.

The shares of the Company are listed on the Euronext Growth Oslo exchange.

Stainless Tankers ASA is a public limited liability company, incorporated and domiciled in Norway with registered address at Henrik Ibsens gate 90, 0255 Oslo, Norway.

The financial statements were approved by the Company's Board of Directors on 25 April 2024.

Note 2 – Basis of preparation

The financial statements for the period 1 December 2022 – 31 December 2023 are the first financial statements and are prepared in accordance with International Financial Reporting Standards (IFRS® Accounting Standards), as adopted by the EU. and IFRS 1 First-time adoption of IFRS has been applied.

The financial statements are based on historical cost except as disclosed in the accounts.

The financial statements are presented in US Dollar (USD), which is the functional currency of the Company.

The Company's financial statements are prepared based on the assumption of going concern.

Only standards and interpretations that are applicable to the Company have been included and the Company reviews the impact of these changes in its financial statements.

Note 3 – Significant accounting policies

Revenue recognition

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price.

Sale of services - Management services

Revenue from rendering of services is recognised over time while the Company satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered.

Financial income and expenses

Interest income and expense is recognised as accrued and is presented under the financial income or expense in the income statement.

Foreign currency transactions

(i) Transactions and balances

Transactions in foreign currencies are recorded in the functional currency exchange rate at the date of the transaction. Monetary assets and liabilities in foreign currency are translated at the functional currency exchange rate prevailing at the balance sheet date. Exchange differences arising from translations into the functional currency are recorded in the income statement. Non-monetary assets and liabilities measured at historical cost in foreign currency are translated into the functional currency using the historical exchange rate. Non-monetary assets and liabilities recognised at fair value are translated using the exchange rate on the date of the determination of the fair value.



Note 3 – Significant accounting policies (continued)

Equity instruments - Investment in subsidiaries

The Company subsequently measures all equity investments at cost. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Trade and other receivables

Trade and other receivables are measured at the transaction price upon initial recognition and subsequently measured at amortized cost less expected credit losses.

Cash and cash equivalents

Cash and cash equivalents include restricted and unrestricted cash, bank deposits and other highly liquid investments with original maturities of three months or less.

Trade and other payables

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities, contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Classification in the statement of financial position

Current assets and short-term liabilities include items due less than one year from the balance sheet date, as well as items due more than one year from the balance sheet date, that are related to the operating cycle.

Liabilities with maturity less than one year from the balance sheet date are classified as current. All other debt is classified as long-term debt. Long-term debt due for repayment within one year from the balance sheet date is classified as current.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, when it is more likely than not that an outflow or resources representing economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Dividend income

Dividends are received from financial assets measured at cost. Dividends are recognised as other income in profit or loss when the right to receive payment is established.

Share capital and share premium

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are recognised directly in equity and are shown as a deduction, net of tax, from the proceeds.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares.



Note 3 – Significant accounting policies (continued)

Dividends distribution

Dividends are recognised as a liability in the Company's financial statements from the date when the dividend is approved by the General Meeting.

Warrants

The extraordinary general meeting of the company held on 28 February 2023, resolved, in accordance with section 11-12 of the Companies Act, to issue 1,012,500 warrants to Tufton LP. The company offered to Tufton LP to subscribe for warrants (the "Warrants") in the Company equal to 7.5% of the total outstanding shares in the Company after completion of the Private Placement. The Warrants shall be exercisable by Tufton LP if and when the quoted price of the Company's shares has reached certain specific levels above the offer price in the Private Placement. The Warrants are issued as an incentive to Tufton LP for it, and its affiliates and other related parties, to maximize the value of the Company for all future shareholders. The Warrants does not carry rights in the event of a liquidation event. The warrants are in scope of IFRS 2 - Share based payments and will be recognized as cash-settled share-based payments in the financial statements. The conditions were not fulfilled by 31 December 2023.

Taxes

The Group operates within several jurisdictions and tax regimes, including the Norwegian general tax regime and tonnage tax regime as well as the Isle of Man tax regime. Changes in taxation law or the interpretation of taxation law may affect the business, results of operations and financial condition of the Group. To the extent tax rules change, this could have both a prospective and retrospective impact on the Group both of which could be material. The Group's income tax returns may be subject to examination and review. If any tax authority successfully challenges the Group's operational or legal structure, eligibility for the Norwegian tonnage tax regime, hereunder due to performance of disqualifying activities or holding disqualifying assets, taxable pretence or similar circumstances, the Group's effective tax rate could increase substantially and have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

It is the intention that the Group will be taxed under the Norwegian tonnage tax regime. Under the tonnage tax regime, qualifying shipping income is exempt from taxation in Norway. Net financial income is subject to tax in accordance with the general Norwegian tax rules and certain special rules in the tonnage tax regime. Instead of tax on qualifying shipping income, a tonnage tax based on the net tonnage of the vessel(s) is paid. Should the Group for any reason such as due to activities and/or assets held by a Group company not qualify for the Norwegian tonnage tax regime, net taxable profits are taxed at the corporate income tax rate, currently 22%.

The Company's subsidiaries are incorporated in the Isle of Man and will, consequently, in principle be taxable in the Isle of Man under local regulation and will not be subject to any material taxation under the laws of Isle of Man. There can be no assurance that this will continue, as Isle of Man may change its tax laws and regulations. Further, also other jurisdictions may claim that Group companies are tax resident in their jurisdiction and claim taxes on earnings or assets on that basis.

Related parties

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence. Related party transactions are recorded based on their estimated fair value.

Statement of cash flows

The statement of cash flows has been prepared based on the indirect method.



Note 3 – Significant accounting policies (continued)

Subsequent events

New information on the Group's financial position at the balance sheet date is taken into account in the financial statements. Subsequent events that do not affect the Group's position at the balance sheet date, but which will affect the Group's position in the future, are disclosed if significant.

Note 4 - Financial risk management

(i) Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (foreign exchange risk), credit risk and liquidity risk.

Ongoing risk assessment and monitoring are conducted collaboratively with the Board to ensure effective risk management. The Board of Directors actively participates in identifying, evaluating, and mitigating financial risks in close cooperation with the Group's operating units.

Market risk

Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Company's functional currency.

Credit risk

Credit risk arises from bank balances, deposits with banks and financial institutions.

For banks and financial institutions, only independently rated parties are accepted.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

31 Dec 23

USD

Cash and bank balances

Berenberg – unrated (The bank is part of the German Depositary Protection Scheme)

638

638

Liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groups based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| As at 31 December 2023 | Less than 1 year USD | Between 1 and 2 years USD | Between 2 and 5 years USD |
|--------------------------|-------------------------|------------------------------|------------------------------|
| Trade and other payables | 480,038 | - | - |
| | <u>480,038</u> | <u>-</u> | <u>-</u> |



Note 4 - Financial risk management (continued)

Financial instruments by category

| | Amortised cost USD | Total USD |
|---|--|----------------|
| Assets as per Company's balance sheet | | |
| Trade and other receivables (excluding prepayments and other statutory receivables) | - | - |
| Cash and cash equivalents | 638 | 638 |
| Total | 638 | 638 |
| | | |
| | Other financial liabilities at amortised cost USD | Total USD |
| Liabilities as per Company's balance sheet | | |
| Trade and other payables (excluding deferred income and statutory liabilities) | 445,901 | 445,901 |
| Total | 445,901 | 445,901 |

(ii) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return of capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

The gearing ratios as at 31 December 2023 were as follows:

| | 31 Dec 23 USD |
|---|-------------------|
| Total borrowings | - |
| Less cash and cash equivalent | (638) |
| Net debt | (638) |
| | |
| Total equity | 63,026,389 |
| Total capital as defined by management | 63,025,751 |
| | |
| Gearing ratio | 0% |

The preparation of interim consolidated financial statements for the Group and application of the accounting policies, which are described in Note 3, requires judgements, estimates and assumptions to be made about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual outcomes may differ from these estimates and assumptions and could require a material adjustment to the carrying amount of the asset or



Note 4 - Financial risk management (continued)

(ii) Capital risk management (continued)

liability affected in future periods. Estimates and underlying assumptions are reviewed on an on-going basis.

Note 5 - Critical accounting judgements and key sources of estimation uncertainty

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which had the most significant effect on the amounts recognised in the consolidated financial statements:

Investments in subsidiaries

Subsidiaries are entities in which the Company holds an interest of more than one-half of the voting rights or otherwise possesses the power to govern the financial and operating policies. Investments in subsidiary undertakings are stated at cost and provision is only made where, in the opinion of the Directors, there is impairment in their value. An indication of impairment exists if the NAV of the subsidiaries are lower than the carrying amount of the investment.

Vessels and other tangible assets of the subsidiaries are assessed for impairment indicators at each reporting period. If impairment indicators are identified, the recoverable amount is estimated, and if the carrying amount exceeds its recoverable amount an impairment loss is recognised, i.e. the asset is written down to its recoverable amount. An asset's recoverable amount is calculated as the higher of the net realisable value and its value in use. The net realisable value is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of sale and the value in use is the present value of estimated future cash flows expected from the continued use of an asset. An impairment loss recognised in prior periods for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Note 6 - Revenue

| | 1 Dec 22 - 31 Dec 23 |
|-------------------|-------------------------|
| | USD |
| Revenue (Note 14) | 639,300 |
| | <u>639,300</u> |

Note 7 - Administrative expenses

| | 1 Dec 22 - 31 Dec 23 |
|-----------------------------------|-------------------------|
| | USD |
| Auditor's remuneration | 80,000 |
| Legal and other professional fees | 272,258 |
| Directors' fees (Note 14) | 125,674 |
| Management service fees | 1,389,700 |
| Bank charges | 4,380 |
| Other expenses | 36,341 |
| | <u>1,908,353</u> |



Note 7 - Administrative expenses (continued)

Between 1 March 2023 and 31 December 2023, the Company paid a management service fee of USD 1,389,500 to its shareholder TML, in accordance with the Management Services Agreement. The management services cover provision of the Company's executive team, comprising the CEO and CFO, as well as services required by the executive team for managing the Group, which include finance and accounting, supervision of third-party technical and commercial managers, and the management of corporate and administrative matters.

Note 8 - Financial income

| | 1 Dec 22 - 31 Dec 23 |
|-------------------------|-------------------------|
| | USD |
| Interest income | 167,308 |
| Financial income | 167,308 |

Note 9 - Trade and other receivables

| | 31 Dec 23 |
|-------------------|---------------|
| | USD |
| Prepayments | 26,767 |
| Other receivables | 66,522 |
| | 93,289 |

Note 10 - Cash and cash equivalent

Cash balances are analysed as follows:

| | 31 Dec 23 |
|--------------|------------|
| | USD |
| Cash at bank | 638 |
| | 638 |

Note 11 - Equity contribution (Note 14)

| | No. of shares | Share capital USD | Share premium USD | Total USD |
|---|-------------------|----------------------|----------------------|-------------------|
| Balance as at 01 December 2022 | | | | |
| Proceeds during the period | 13,500,000 | 13,072,672 | 54,030,330 | 67,103,002 |
| Transaction costs | | | (3,281,783) | (3,281,783) |
| Dividend distribution during the period | | | (3,847,500) | (3,847,500) |
| Balance as at 31 December 2023 | 13,500,000 | 13,072,672 | 46,901,047 | 59,973,718 |

The equity contribution represents paid in capital made by the equity holders during the period.

The Company was founded by TML, with a share capital of NOK 1,000,000, upon subscription of 100,000 shares at a subscription price of NOK 10.



Note 11 - Equity contribution (Note 14) (continued)

On 28 February 2023, the Company's extraordinary general meeting resolved to complete a private placement of 13,400,000 new shares in the Company, each with a nominal value of NOK 10, at a subscription price of USD 5 (the NOK equivalent being NOK 51.659) per offer share, raising proceeds of USD 67,000,000.

On 24 August 2023, the Company's extraordinary general meeting resolved to distribute a cash dividend in the form of a return of paid-in capital, amounting to USD 1,687,500 (USD 0.125 per share).

On 23 November 2023, the Company's extraordinary general meeting resolved to distribute a cash dividend in the form of a return of paid-in capital, amounting to USD 2,160,000 (USD 0.160 per share).

Note 12 – Investments in subsidiaries

The details of the subsidiaries are as follows:

| Name | Country of incorporation | 31 Dec 23 Holding |
|-----------------------|---------------------------------|--------------------------|
| Stainless Tankers Ltd | Isle of Man | 100.0% |
| ST1 Limited | Isle of Man | 100.0% |
| ST2 Limited | Isle of Man | 100.0% |
| ST3 Limited | Isle of Man | 100.0% |
| ST4 Limited | Isle of Man | 100.0% |
| ST5 Limited | Isle of Man | 100.0% |
| ST6 Limited | Isle of Man | 100.0% |
| ST7 Limited | Isle of Man | 100.0% |
| ST8 Limited | Isle of Man | 100.0% |
| ST9 Limited | Isle of Man | 100.0% |

Note 13 - Trade and other payables

| | 31 Dec 23 USD |
|----------------|----------------------------|
| Trade payables | 184,401 |
| Accruals | 261,397 |
| Other payables | 103 |
| | <hr/> 445,901 <hr/> |



Note 14 - Related party transactions

The Company's major shareholders are Womar Investments I LLC (22.22%), Klaveness Finans AS (14.81%), Clearstream banking S.A. (11.03%) and Goldman Sachs International (5.97%).

(i) Transactions with related parties (Note 6 and Note 7)

| Name | Nature of relationship | Nature of transactions | 1 Dec 22 - |
|---------------------------|------------------------|------------------------|----------------|
| | | | 31 Dec 23 |
| | | | USD |
| Stainless Tankers Limited | Subsidiary | Revenue | 639,300 |
| Directorship fees | Board of Directors | Directorship fees | 125,674 |
| | | | <u>764,974</u> |

(ii) Equity contribution (Note 11)

| | No. of shares | Share capital | Share premium | Total |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|
| | | USD | USD | USD |
| Womar Investments I LLC | 3,000,000 | 2,903,657 | 12,096,343 | 15,000,000 |
| Klaveness Finans AS | 2,000,000 | 1,935,771 | 8,064,229 | 10,000,000 |
| Clearstream banking S.A. | 1,490,000 | 1,442,149 | 6,007,851 | 7,450,000 |
| Goldman Sachs & Co. LL | 900,000 | 871,097 | 3,628,903 | 4,500,000 |
| Goldman Sachs International | 800,000 | 774,308 | 3,225,692 | 4,000,000 |
| Tufton Management Limited | 100,000 | 103,006 | - | 103,006 |
| Others | 5,210,000 | 5,042,683 | 21,007,313 | 26,049,996 |
| | <u>13,500,000</u> | <u>13,072,672</u> | <u>54,030,330</u> | <u>67,103,002</u> |

Note 15 - Contingent liabilities

The Company had no contingent liabilities as at 31 December 2023.

Note 16 - Events after the reporting period

On 21 February 2024, the distribution of a cash dividend amounting to USD 3,037,500 (USD 0.225 per share), in the form of return of paid-in capital, was approved at the Extraordinary General Meeting and paid on 1 March 2024.

On 21 February 2024 Irene Michael resigned as a board member, and Nicoletta Panayiotopoulos was elected as a new board member of the Company.



Auditor's report



To the General Meeting of Stainless Tankers ASA

Independent Auditor's Report

Opinion

We have audited the financial statements of Stainless Tankers ASA, which comprise:

- the financial statements of the parent company Stainless Tankers ASA (the Company), which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including material accounting policy information, and
- the consolidated financial statements of Stainless Tankers ASA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the period then ended in accordance with IFRS Accounting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the period then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Chief Executive Officer (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

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T: 02316, org. no.: 987 009 713 MVA, www.pwc.no

Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statement on Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

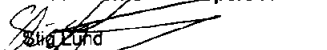
In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 25 April 2024

PricewaterhouseCoopers AS


Sigrun Lund

State Authorised Public Accountant



Annual Report 2023



Contents

Highlights

Board of Directors' Report

- The Company
- Corporate development
- Fleet acquisition and commercial employment
- Earnings environment in 2023
- Our performance in 2023
- Market dynamics
- Risks to our business
- Environmental impact
- Social responsibility
- Corporate governance
- Forward looking statements
- Responsibility statement

Consolidated Financial Statements

Parent Company Financial Statements

Auditor's Report



Highlights

The year 2023 was a defining year for Stainless Tankers ASA. The key highlights are the following:

USD 67

million in equity funding raised via a private placement

USD 94.5

million total debt financing obtained in two transactions

USD

20,172/day

average net daily pool earnings achieved and net time charter rate of USD 15,022/day

USD 6.2

million of net income earned on USD 32.9 million of revenue

Euronext

Growth Oslo marketplace listing completed

Nine J19

stainless steel chemical tankers acquired over a six-month period

Eight

vessels transitioned from legacy pool and time charters into Womar stainless tankers pool

USD 3.8

million paid out in dividends in the form of capital returns

Subsequent to year end, a further USD 3.0 million in dividends in respect of 2023 were paid out in March 2024. Also, we drydocked the Orchid Madeira for a third special survey, which was completed on 17 April 2024. Finally, the last remaining vessel on time charter employment is expected to transition into the Womar pool on 5 May 2024.



Board of Directors' Report



The Company

Stainless Tankers ASA (the “**Company**” or “**we**”, and together with its subsidiaries the “**Group**”), is a public limited liability company incorporated under the laws of Norway on 1 December 2022. The Company's shares are traded on Euronext Growth Oslo under the ticker “STST”. The Company is the parent company of the Group, consisting of Stainless Tankers Limited, being a wholly owned subsidiary of the Company, and nine ship-owning special purpose vehicles, being wholly owned subsidiaries of Stainless Tankers Limited.

The table below sets out certain information on the Company's direct and indirect wholly owned subsidiaries:

| Legal name | Jurisdiction | Activities |
|---------------------------|--------------|---------------------|
| Stainless Tankers Limited | Isle of Man | Holding company |
| ST1 Limited | Isle of Man | Ship-owning company |
| ST2 Limited | Isle of Man | Ship-owning company |
| ST3 Limited | Isle of Man | Ship-owning company |
| ST4 Limited | Isle of Man | Ship-owning company |
| ST5 Limited | Isle of Man | Ship-owning company |
| ST6 Limited | Isle of Man | Ship-owning company |
| ST7 Limited | Isle of Man | Ship-owning company |
| ST8 Limited | Isle of Man | Ship-owning company |
| ST9 Limited | Isle of Man | Ship-owning company |

We are a shipping company specialized in providing seaborne transportation of chemical cargoes worldwide through our fleet of nine stainless steel vessels, each with an approximate total carrying capacity of 20,000 deadweight tonnes (“**dwt**”). We are managed by Tufton Management Limited (together with other related companies “**Tufton**”), which provides the Company's executive team, comprising the CEO and CFO, as well as all services required by the executive team for managing the Group.

We were established with the objective of providing our shareholders with pure-play stainless steel chemical tanker exposure in an investor-friendly structure. Our primary focus is to maximise earnings from our vessels and return free cash flow to investors through capital distributions.

We believe that, in the current positive market environment, we will best achieve this objective through maximising our spot market exposure by keeping all our vessels in pool employment, while opportunistically obtaining some period charter exposure if we deem it appropriate based on the prevailing time charter rates and market outlook.

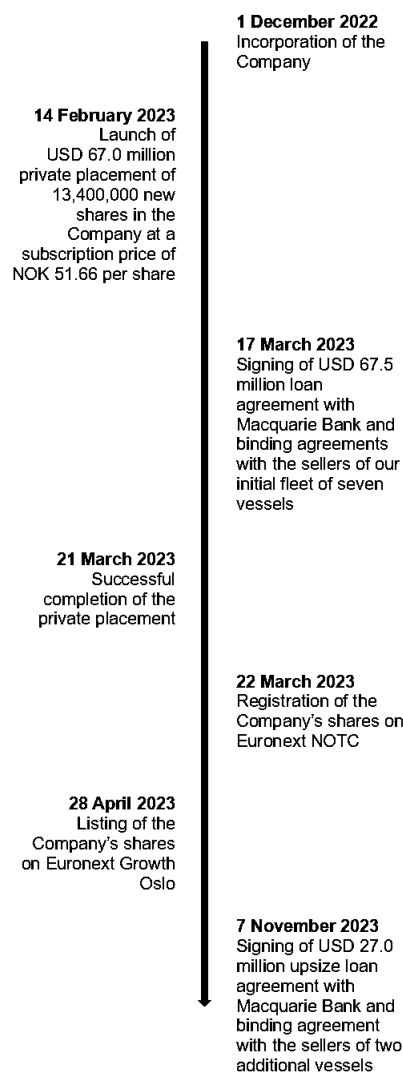


Corporate development

2023 was an eventful and transformative period for the Group. Following the incorporation of the Company at the end of 2022, we initiated a capital raising process to secure the USD 123.3 million required to acquire our initial fleet of seven J19 stainless steel chemical tankers. This involved a combination of a private placement of new shares and debt financing from Macquarie Bank Limited (together referred to as the "Transaction").

Prior to launching the Transaction, we teamed up with Womar Pools, a leading operator of J19 chemical tankers and commercial manager of our fleet. We chose this partnership because we clearly felt that Womar's principals shared our conviction that the fundamentals of the chemical tanker markets made an investment in J19 tankers a compelling investment opportunity, and through their stainless tankers pool we were ideally positioned to capture this opportunity. Womar also committed to a significant investment in the Company alongside the investments made by the shareholders of Tufton, our main sponsor and manager.

We successfully completed the Transaction in March 2023, after which we commenced the process of taking delivery of our vessels and listing the Company on Euronext Growth Oslo, where our shares have been trading since April 2023. Subsequently, we entered into agreements to acquire an additional two vessels using funds from a USD 27.0 million upsize tranche to our existing loan agreement, which we signed with our bank in November 2023. The timeline to the right outlines the key dates and steps related to our formation.





Fleet acquisition and commercial employment

During the period from 11 April to 20 November 2023, we successfully completed the acquisition of our fleet. As such, we had a total of 1,747 available ship days in 2023 from our fleet, equivalent to 53% of the 2023 calendar year total. Of these 1,747 available ship days, our vessels were commercially employed for 1,723 days while we experienced only 24 off-hire days, which represents a high utilization rate of 98.6%. The exact acquisition timeline of our vessels is shown in the table below:

| Acquisition date | Vessel | DWT | Built | Yard |
|------------------|------------------|--------|---------------|---------|
| 11 April 2023 | Barbouni | 19,822 | October 2007 | Fukuoka |
| 12 April 2023 | Orchid Madeira | 21,200 | February 2009 | Usuki |
| 2 May 2023 | Orchid Sylt | 21,200 | February 2009 | Usuki |
| 4 May 2023 | City Island | 19,996 | April 2007 | Fukuoka |
| 10 May 2023 | Orchid Kefalonia | 19,971 | January 2008 | Usuki |
| 19 May 2023 | Gwen | 19,702 | February 2008 | Fukuoka |
| 29 June 2023 | Lavraki | 20,810 | March 2007 | Usuki |
| 16 November 2023 | Marmotas | 19,953 | February 2005 | Usuki |
| 20 November 2023 | Monax | 20,762 | July 2005 | Usuki |

The final step in the implementation of our strategic plan involved the transfer of our vessels from their legacy charter arrangements that were in place at acquisition to the management of our commercial partner Womar. Legacy charters included both time charter agreements and pool agreements. Of the total 1,723 on-hire days in 2023, 553 days were time charter days at an average net time charter rate of USD 15,022 per day, 602 days were legacy pool days at a net pool time charter equivalent ("TCE") rate of USD 19,991 per day, and 568 days were Womar pool days at a net pool TCE rate of USD 20,363 per day. The transfer timeline of our vessels into Womar pool employment is shown in the table below:

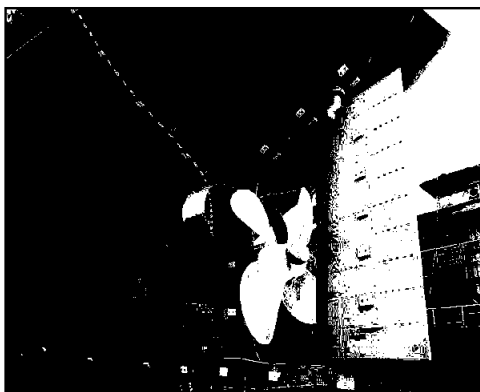
| Transfer date | Vessel | Prior employment |
|---------------------|------------------|--------------------------------------|
| 31 August 2023 | City Island | Legacy pool |
| 10 September 2023 | Orchid Sylt | Legacy pool |
| 12 September 2023 | Gwen | Time charter |
| 27 October 2023 | Orchid Kefalonia | Legacy pool |
| 27 October 2023 | Orchid Madeira | Legacy pool |
| 16 November 2023 | Marmotas | In Womar pool at time of acquisition |
| 20 November 2023 | Monax | In Womar pool at time of acquisition |
| 30 December 2023 | Barbouni | Time charter |
| Expected 5 May 2024 | Lavraki | Time charter |



Drydocking

During the year 2023 we did not drydock any of our vessels, however the Monax and Marmotas were drydocked by their previous owners for their intermediate surveys prior to us acquiring them in November of 2023.

After year-end, the Orchid Madeira completed her third special survey in China on 17 April 2024 and the Orchid Sylt is currently being drydocked in China, also for her third special survey. Our remaining seven vessels are all due to be drydocked for either special or intermediate surveys in 2025.

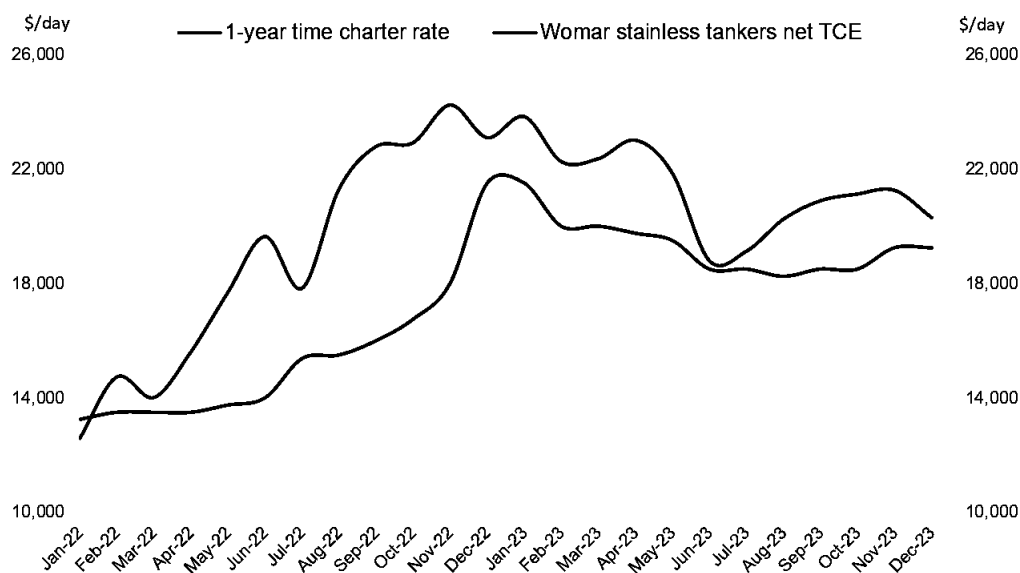




Earnings environment in 2023

The positive momentum in freight rates and vessel earnings that developed at the start of the upcycle in the second half of 2022 carried over into the first quarter of 2023. Spot market TCEs for J19 tonnage during the nine-month period from September 2022 to May 2023 were in a range of USD 22,000 to 25,000 per day, materially higher than the approximately USD 15,000 per day level we saw prior to the start of the upcycle, while 1-year time charter rates reached a high of 21,500 per day. Values of second-hand vessels also increased significantly during that same nine-month period.

The second and third quarters of 2023 saw TCEs, time charter rates and second-hand vessel values soften from the very elevated levels of the prior nine-month period. Spot market TCEs stabilized in a range of USD 19,000 to 20,000 per day and 1-year time charters eased to around USD 18,500 per day, both however still at high levels compared to historical averages. Market earnings and vessel values started to strengthen again as we entered the fourth quarter. While this improvement was to some extent driven by seasonal factors, it was further supported by the reduced transits through the Panama Canal and Suez Canal. Spot market TCEs for J19 tonnage during that period were in a range of USD 20,000 to 21,500 per day, while 1-year time charter rates increased to approximately USD 19,000 per day.



Source: 1-year time charter rate from Clarksons SIN, Womar StainlessTankers Inc. net pool TCE



Our performance in 2023

Consolidated financial information

The below discussion of our consolidated financial information covers our results for the initial reporting period of the Group from 1 December 2022 to 31 December 2023 (the "Period"). It is important to consider the financial performance of the Group within the context of its growth during the Period, as discussed in the corporate developments section earlier in this report. The Group earned revenue from its fleet for only slightly over half the available calendar days in 2023, while throughout the Period its operating results were impacted by one-off expenses associated with its incorporation and the various transactions involved in developing the Group.

Profit and loss

Operating revenues during the Period amounted to USD 32.8 million, comprising USD 24.3 million of pool revenue and USD 8.5 million of time charter revenue. Voyage expenses, which include commissions, pool administration costs and other voyage expenses, amounted to USD 1.4 million, while vessel operating expenses for crew, insurance, supplies of stores and spares as well as costs related to the technical maintenance of our vessels, were USD 12.7 million, resulting in a gross profit from vessel operations of USD 18.7 million.

Administrative expenses and depreciation during the Period amounted to USD 2.0 million and USD 6.1 million, respectively, resulting in operating results (EBIT) of USD 10.5 million. Financial income consisted primarily of interest income generated from bank deposits and restricted cash, totalling USD 0.3 million. Financial expenses comprised interest expense and commitment fees charged in relation to the facility agreement, amounting to USD 4.6 million. Tax amounted to USD 0.03 million. As a result, the Group generated net profit of USD 6.2 million.

Financial position

As at 31 December 2023, the Group's total assets amounted to USD 153.8 million, comprising USD 142.1 million of total non-current assets and USD 11.1 million of total current assets. Non-current assets consist of the vessels acquired and operated by the Group. Current assets are comprised of trade and other receivables totalling to USD 9.2 million, along with cash and cash equivalents amounting to USD 2.3 million. Trade and other receivables include restricted cash of USD 3.9 million.

As at 31 December 2023, the Group's total equity was USD 66.1 million, while total liabilities amounted to USD 87.1 million. The Group had interest-bearing debt under its loan facility of USD 84.6 million.



Cash flow

During the Period, the Group generated cash flow from operating activities of USD 16.5 million. Cash flow from investing activities was negative USD 147.9 million, primarily attributable to the acquisition of the Group's vessels. Cash flow from financing activities totalled USD 140.1 million, mainly driven by the net proceeds from the issuance of new share capital and debt. The Group repaid USD 8.5 million of its long-term debt and paid out dividends of USD 3.85 million in the form of repayments of the Company's paid-in capital.

Financial information of the Parent Company

Profit and loss

Revenue during the Period amounted to USD 0.6 million and relates to management services provided to the Company's subsidiary, Stainless Tankers Ltd.

Administrative expenses for the Period amounted to USD 1.9 million, resulting in an operating loss (EBIT) of USD 1.3 million. Dividend income for the Period amounted to USD 4.2 million. Financial income primarily consists of interest income generated from bank deposits and restricted cash, totalling USD 0.2 million. Tax amounted to USD 0.03 million. As a result, the Company generated net profit of USD 3.1 million.

Financial position

As at 31 December 2023, the Company's total assets amounted to USD 63.5 million, comprising USD 63.4 million of total non-current assets and USD 0.1 million of total current assets. Non-current assets consist of investments in subsidiaries. Current assets are comprised of trade and other receivables totalling to USD 0.1 million, as well as a small balance in cash and cash equivalents.

As at 31 December 2023, the Company's total equity was USD 63.0 million, while total liabilities amounted to USD 0.5 million.

Cash flow

During the Period, cash flow from operating activities was negative at USD 0.9 million. Cash flow from investing activities was negative at USD 59.1 million, primarily attributable to the acquisition of the Group's vessels. Cash flow from financing activities totalled USD 60.0 million, mainly driven by the net proceeds from the issuance of new share capital.



Dividends

Our primary focus is to distribute all free cash flow to investors in the form of a return of paid-in capital, to the extent practicable and suitable, on a quarterly basis. When considering the proposal of a dividend and determining the distribution amount, the Board of Directors (the "**Board**") will take into account legal restrictions along with capital expenditure plans, financing requirements, and the need to maintain appropriate financial flexibility. Consistent with the Company's distribution policy, the Board proposed quarterly dividends of approximately USD 3.85 million, equivalent to USD 0.29 per share, in 2023. These proposals were subsequently approved during Extraordinary General Meetings.

Going concern

In accordance with section 3-3a of the Norwegian Accounting Act, we confirm that the going concern assumption on which the financial statements have been prepared, is appropriate.



Market dynamics

The cyclical uptrend in the chemical tanker market, which started in mid-2022 has primarily been driven by several supply side factors, which have resulted in a significant reduction of available global vessel capacity and therefore put upward pressure on freight rates and vessel earnings.

One of these factors is the low supply of new vessels that resulted from the historically low vessel ordering activity and orderbook. This has been caused by high newbuilding prices, delayed deliveries due to limited available yard capacity, and uncertainty over future regulations and their impact on the choice of fuel technologies. In effect, owners must be prepared to pay a high price for a vessel they receive in three years' time with a propulsion system that may not be the right one for the future. It requires a high level of conviction that market earnings will stay at a very high level for the foreseeable future.

This coincided with additional events that reduce capacity in a more indirect manner. Chief among them the dislocation of global trade routes caused by the war in Ukraine and corresponding sanctions on Russia. With Europe having to import chemical products from more remote locations and Russia redirecting its European exports mainly to Asian countries, more vessel capacity is tied up transporting the same volume of cargoes over longer distances. The more recent disruptions to vessel transits through the Panama and Suez canals have caused similar dislocations as vessels have to opt for longer trade routes, further tying up capacity.

These changes to trade routes, combined with stricter emission regulations causing a reduction in average steaming speeds, have significantly reduced available capacity beyond simply the low number of newly built vessels entering the market. Finally, the product tanker market shares similar supply side dynamics to those seen in the chemical tanker segment, leading to a record low share of swing tonnage trading in chemicals, further restricting available capacity in our markets.

Combined with the generally resilient demand dynamics of seaborne chemical trading, these capacity restrictions have tilted the supply/demand balance firmly in favour of shipowners and led to the positive earnings environment we have been experiencing since mid-2022.

Outlook for 2024 and beyond

The positive momentum of the fourth quarter of 2023 has carried over into 2024 and we remain optimistic about the prospects for the rest of this year and beyond as we expect the currently supportive market fundamentals to remain in place for the foreseeable future.

With the transition of our fleet into Womar pool employment nearly complete, we are fully benefiting from the positive earnings environment where spot market TCEs are exceeding USD 20,000 per day. With an all-in cash break-even rate in 2024 of approximately USD 15,600 per day, we expect to generate substantial free cash flow this year, all of which we plan to pay out as dividends to our shareholders.



Risks to our business

Freight rates

The most significant risk to our business comes from the highly cyclical and volatile nature of freight rates in our markets, which are primarily driven by the global supply of chemical tanker capacity and by demand for seaborne transportation of chemical products. While these fundamentals currently support global freight rates, there is no assurance that they cannot materially change and lead to reduced earnings for our vessels. Our fleet currently operates in the Womar pool and hence is exposed to changes in spot market earnings. Therefore, a deterioration of market fundamentals could have a material adverse effect on our business, results of operations, financial condition, cash flow and dividend distributions.

Geopolitical

We are also exposed to geopolitical risks, where territorial and other disputes between countries could lead to the outbreak of war or the existence of international hostilities. These could restrict or block regional trade and transportation, or even damage the world economy. They could adversely affect the availability of and demand for chemical products as well as interfere with our ability to operate ships. Unforeseen events such as the COVID-19 pandemic, the war in Ukraine, or disruptions in the Red Sea could significantly impact the world economy, thus, adversely affecting the demand for our services. Consequently, our business, results of operations, financial condition, cash flow and dividend distributions may also be adversely affected.

Sanctions

Furthermore, we may transport cargo subject to trade restrictions, which pose a risk of queries or allegations of violations of applicable restrictions and sanctions. Although we have implemented systems and procedures to avoid any breaches of applicable trade restrictions or sanctions, there are residual risks, such as our contracting parties breaching restrictions or sanctions and/or queries or allegations of such violations occurring. If any such risks were to materialise, this could have a material adverse effect on our business, results of operations, financial position, cash flow and dividend distributions.



Piracy

Acts of piracy and armed robbery, hijacking and kidnapping have historically occurred in areas where we operate and there is a risk that such incidents will continue to occur in these areas. In a worst-case scenario, a seizure or hijacking of one of our vessels over a longer period may result in significant risks to the health or life of our crew members, and in a vessel being classified as a total loss by that vessel's financiers and insurance providers. This could trigger repayment clauses in the relevant loan agreement, potentially without a concurrent corresponding insurance compensation. Any piracy attack, armed robbery or similar event involving our vessels could, therefore, have a material adverse effect on our business, results of operations, financial condition, cash flow and dividend distributions.

Environmental regulations

Our activities are subject to environmental regulations pursuant to a variety of international conventions and state and municipal laws and regulations, including regulations to curb emissions of greenhouse gases or to reduce local pollution. A breach of or non-compliance with such regulations may result in the imposition of fines and penalties, some of which may be significant. Environmental legislation is evolving and stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs are expected. Compliance with prevailing and future laws and regulations may increase the cost of operating and maintaining our vessels requiring us to install new equipment, undertake modifications or result in operational restrictions related to speed or cargo capacity, which could have a material adverse effect on our business, results of operations, financial condition, cash flow and dividend distributions.

Vessel management

We are also exposed to risks arising from the way we manage our vessels. We procure technical services from third parties such as Synergy Marine Pte. Ltd. and Fleet Management Limited, to which we outsource the technical and crew management of all our vessels. We rely on these third parties to provide adequate technical and crew management for our vessels. Any failure by these third parties to perform their duties and obligations correctly could lead to health and safety risks for our crew, as well as higher than planned vessel operating costs or capital expenditures having a material adverse effect on our business, results of operations, financial position, cash flow and dividend distributions.



Operating expenses

Similarly, our planned vessel operating expenses and drydock capital expenditures depend on a variety of factors including crew costs, provisions, deck and engine stores and spares, lubricating oil, insurance, maintenance and repairs and shipyard costs, which may be higher than planned due to factors outside of our control and the control of our technical managers. Any unplanned increase in such costs and capital expenditures may have a material adverse effect on our business, results of operations, financial position, cash flow and dividend distributions.

Hazardous products

We are exposed to the inherent risks of the hazardous nature of the products we transport on board our vessels. These risks include personal injury or death, marine disasters, and the costs and claims related to pollution caused by potential leaks or spills of oils, chemicals or other products transported or stored at terminals. We may also be exposed to liability for contamination of cargo, due to the breakout of a fire or due to inadequate handling or storage. All products carried on our vessels require extreme care and significant expertise. If any of these risks were to materialise, this could have a material adverse effect on our business, results of operations, financial condition, cash flow and dividend distributions.

Arrests

Suppliers of goods and services to our vessels, charterers and other parties may be entitled to a maritime lien against one or more of our vessels for unsatisfied debt, claims, or damages. As we operate worldwide and, in many jurisdictions, a maritime lien holder could arrest one or more of our vessels. The procedures for vessel arrests vary significantly depending on jurisdiction. In the event of a default toward third parties and claims from them, a claimant could pursue its claim against our company through the arrest or attachment of one or more vessels, even if the arrest is later deemed a wrongful arrest and regardless of whether the claimant has a maritime lien for its claim. Our ability to swiftly release a vessel from an arrest will vary depending on the jurisdiction and the cooperation and actions of our counterparties. The arrest of one or more of our vessels would deprive the charterers of using such a vessel and result in a loss of earnings from that vessel, which could have a material adverse effect on our business, results of operations, financial condition, cash flow and dividend distributions.



Financial

Finally, we are exposed to financial risks, which include credit risk from our operating activities, primarily for receivables due from our pool operator, and from our financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Furthermore, the Group's facility agreement is based on floating interest rates, with a fixed rate option. Interest rate fluctuations will influence the level of interest expense payable on the floating rate debt. The facility agreement is also subject to covenants, all of which we complied with as at 31 December 2023. A negative credit event, increase in interest rates or breach of any covenants may have a material adverse effect on our business, results of operations, financial condition, cash flow and dividend distributions.

Our strategy for managing these financial risks includes conducting regular reviews of the financial health of our pool operator and the financial institutions where we maintain deposits. We closely monitor liquidity and covenant risks on an ongoing basis. Currently, we do not engage in any hedging activities for our interest rate risk as our vessels are kept in pool employment, which exposes them to fluctuations in global freight rates. Any significant movement in interest rates is typically also reflected in the level of freight rates achievable in our markets. However, if we were to transition our vessels to fixed time charter employment for extended periods, we would consider entering into interest rate hedging transactions or opting for the fixed rate option under our facility agreement.



Environmental impact

We are committed to minimising the environmental impact of our vessels. Our approach to achieving this objective is based on several initiatives. We follow all applicable regulations and ensure that our crews are educated and trained on the proper maintenance of our vessels to minimise the risk of any accidental spill or leak of hazardous products. Similarly, we ensure that our crews are educated and trained on operating our vessels in the most fuel-efficient and environmentally friendly manner, which includes optimising vessel routing and speed to maximise efficiency. We also perform regular propeller and hull cleaning, use anti-fouling paints, and have installed various energy saving devices that reduce the emissions intensity of our fleet. These devices include propeller boss cap fins, schneekluth ducts, high performance paints, LED lighting and variable frequency drives.

The table below shows the performance of our vessels in terms of both total emissions and emissions intensity, which takes into consideration the distance travelled. While the vessels were not in our ownership in 2022 and part of 2023, we have included this data to provide a more consistent comparison of vessel performance. Total emissions were 8.7% higher in 2023 compared to 2022 due to the higher utilisation of the vessels in terms of steaming distance and reduced anchorage and idle times. This increase was a direct result of the significantly improved market environment in 2023 compared to 2022.

However, the average emissions intensity of our vessels declined by 4.2% in 2023 compared to 2022, mainly due to the installation of the energy saving devices. Our CII rating in 2023 was on average at the B level, which compares very favourably with the global fleet of similar tonnage.

| Vessel | Total emissions '000 tonnes CO2 | | Emissions intensity CII (g/mt*nm) | | CII rating | | |
|------------------|------------------------------------|--------------|--------------------------------------|--------------|------------|------------|--------------|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2024 Est. |
| Barbouni | 12.01 | 12.90 | 12.62 | 10.69 | C | C | B |
| Orchid Madeira | 12.30 | 14.50 | 11.30 | 10.63 | B | B | C |
| Orchid Sylt | 15.26 | 13.90 | 10.60 | 10.87 | B | A | A |
| City Island | 10.30 | 12.10 | 9.95 | 9.37 | B | A | B |
| Orchid Kefalonia | 10.50 | 12.80 | 11.62 | 10.00 | C | B | B |
| Gwen | 11.53 | 12.80 | 11.43 | 11.53 | C | C | C |
| Lavraki | 7.70 | 12.00 | 8.08 | 10.27 | A | C | A |
| Marmotas | 11.89 | 10.20 | 11.01 | 9.85 | C | B | A |
| Monax | 12.10 | 11.40 | 9.68 | 9.08 | A | A | A |
| Average | 11.50 | 12.50 | 10.70 | 10.25 | N/A | N/A | N/A |



Social responsibility

We take our social responsibilities very seriously and are committed to establishing the Group as a responsible corporate citizen wherever we conduct our business. We acknowledge that our operations have an impact on individuals worldwide, including the crews on our vessels, our workplace environment, and our business partners and suppliers. We understand the significance of preserving the essential value of every person affected by our business.

We have policies in place that establish guidelines for socially responsible conduct, workplace safety, and respect for human rights. These guidelines are defined and expressed in the ILO Fundamental Conventions on Labor Standards, International Bill of Human Rights and the UN Guiding Principles on Business and Human Rights. The implementation of these guidelines affects every aspect of our affairs and is based on the principles of fair treatment of employees, as well as honesty and integrity in all interactions within and outside the organization. Furthermore, these policies and guidelines explicitly prohibit unlawful discrimination or harassment on account of ethnic or national origin, gender, age, sexual orientation, or religion, and encourage the development of a diverse and inclusive work environment.

We strongly believe that embracing these principles fosters a constructive and pleasant work environment contributing to the mental health of employees and leading to enhanced productivity and long-term business success. Respect for human rights of employees also requires providing them with a safe work environment. Serious injuries and the loss of life from accidents and diseases caused by inadequate safety and protection of the work environment remain an unfortunate reality carrying significant human and financial costs for organisations.

Therefore, we are committed to endorsing the ILO Maritime Labour Convention 2006 and ILO declaration amendment of June 2022, which place particular emphasis on the requirement to ensure a safe and healthy working environment as part of an employee's fundamental human rights. This commitment is especially relevant for the crews working on our vessels.

We are also committed to ensuring that our business partners and suppliers share our principles and have policies or procedures in place to enforce them. For instance, we only collaborate with technical managers who comply with the ILO Maritime Labour Convention and have signed the Neptune Declaration which supports measures to ensure timely relief of crew. Similarly, our main business partner and manager, Tufton, participates in several initiatives such as the Maritime Anti-Corruption Network, working groups of the Cyprus Shipping Chamber on health, safety and environmental protection, and the UK Women in Maritime Pledge.

In 2023 we had no fatalities on board our vessels. Our lost time injury frequency was 2.04 due to two minor injuries, and the seafarers have since fully recovered. Crew members overdue for relief at the end of 2023



averaged 1.5%. The reliefs were delayed due to visa unavailability and unsuitable port rotation. However, the affected crew members have since been relieved. Finally, in 2023, our vessels ceased transiting through the Red Sea following hostile attacks on merchant shipping by Houthi forces.

Work environment and equal opportunities

The Norwegian Discrimination Act aims to promote gender equality, equal opportunities, and prevent discrimination based on factors such as ethnicity, national origin, descent, skin colour, language, religion, or belief. All managerial and corporate services, including those of the executive team, are provided to the Company by Tufon on terms governed in a comprehensive management services agreement. Tufon has established policies ensuring that recruitment, promotions, training, and other employment decisions are based solely on merit and qualifications. The Board maintains a zero-tolerance approach to discrimination, thoroughly investigating and addressing any complaints. While we do not have direct employees, we recognize the importance of equal opportunities, and our policies are implemented through the executive team and Tufon.

As of December 31, 2023, the Board consisted of two female and three male directors.

Norwegian Transparency Act

According to the Norwegian Transparency Act, which entered into force on 1 July 2022, the Group has a duty to conduct a due diligence assessment related to fundamental human rights and decent working conditions in its own operations, as well as those of its main business partners and suppliers. We will publish our first Transparency Act Statement on our website by 30 June 2024.



Corporate governance

At the time of incorporation, the Company's Board was constituted with three directors nominated by Tufton, our sponsor and manager. Upon completion of the Transaction, the Board was expanded to five members, allowing representatives of Womar and shareholder Klaveness Finans AS to join the Board. At the same time, one of the Tufton nominated members resigned and was replaced by an independent director.

On 21 February 2024, Irene Michael resigned her directorship to take on the position as the Company's CFO, and a further independent director was elected by an extraordinary general meeting of the Company to replace Irene Michael on the Board. As a result of this change, the Company's Board is currently composed of our Tufton nominated chairman, two shareholder representatives and two independent directors. The directors have been elected for a three-year term until the annual general meeting in 2026 and received compensation in the amount of NOK 350,000 for the chairman and NOK 300,000 for all other directors for the period from their effective date until the annual general meeting in 2024 (adjusted pro rata for the number of days actually served during such period).

According to Norwegian corporate law, the Board has overall supervisory responsibility for the Company's management, while the CEO is responsible for day-to-day management. The Board also oversees the Company's activities in general, which involves defining our strategic objectives, approving budgets and monitoring the implementation of, and adherence to agreed objectives and approved budgets. Such monitoring is performed through detailed monthly reporting by the CEO to the Board, as well as quarterly meetings. The Board also has clearly defined policies governing the levels of authority afforded to management for incurring financial commitments on behalf of the Group and executing payments that have not been expressly approved in the annual budgets.

The Company is not subject to the Norwegian Code of Practice for Corporate Governance last updated on 14 October 2021 and the Board has not established any audit or remuneration committees. As previously stated within this document, the Company receives all managerial and corporate services, including those rendered by the executive team, from Tufton. The remuneration for these services is charged as an agreed daily fixed sum per vessel.

The Board and the Company's executive team are covered under a Directors and Officers liability insurance policy (D&O) against liabilities incurred in their capacity as Director or Officer.



Forward looking statements

Forward-looking statements in this report are based on various assumptions. Although we believe that these assumptions are reasonable, they are, by their nature, uncertain and subject to significant known and unknown risks, contingencies and other factors which are difficult or impossible to predict and which are beyond our control. Such risks, uncertainties, contingencies, and other factors could cause actual events to differ materially from the expectations expressed or implied by the forward-looking statements provided in this report.

Responsibility statement

We confirm that, to the best of our knowledge, the consolidated and stand-alone financial statements presented in this report have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. They provide a true and fair view of the Group's and Company's assets, liabilities, financial position, and profit or loss as at 31 December 2023.

Additionally, we confirm that, to the best of our knowledge, this report includes a true and fair review of the development and performance of the business, the position of the Group, and a description of risks and uncertainties.

Oslo, 25 April 2024

Board of Directors and Chief Executive Officer of Stainless Tankers ASA

Geir Frode Abelsen
Board member

Ted Kalborg
Chairman

Ulrika Laurin
Board member

Nicoletta Panayiotopoulos
Board member

Hans Van der Zidje
Board member

Alexandros Karakassis
CEO



Consolidated Financial Statements



Consolidated statement of profit or loss and other comprehensive income

| In USD | Notes | 1 Dec 22- 31 Dec 23 |
|---|-------|------------------------|
| Operating revenue | 6 | 32,777,080 |
| Vessel voyage expenses | 7 | (1,403,575) |
| Vessel operating expenses | 8 | (12,734,884) |
| Administrative expenses | 9 | (2,043,383) |
| Other income | | 12,905 |
| EBITDA | | 16,608,047 |
| Depreciation | | (6,079,469) |
| Operating result (EBIT) | | 10,528,577 |
| Financial income | 10 | 290,176 |
| Financial expenses | 10 | (4,633,551) |
| Profit before tax (EBT) | | 6,185,202 |
| Taxes | | (34,137) |
| Profit and other comprehensive income for the period | | 6,151,065 |
| Attributable to: | | |
| Equity holders of the parent company | | 6,151,065 |
| Non-controlling interests | | - |
| | | 6,151,065 |
| Earnings per share (USD): | | |
| Basic earnings per share | 11 | 0.46 |
| Diluted earnings per share | 11 | 0.46 |

See accompanying notes that are an integral part of these Audited Consolidated Financial Statements.



Consolidated statement of financial position

| In USD | Notes | 31 Dec 23 | 01 Dec 22 |
|--------------------------------------|-------|--------------------|-----------|
| ASSETS | | | |
| Non-current assets | | | |
| Vessels | 12 | 142,079,020 | - |
| Total non-current assets | | 142,079,020 | - |
| Current assets | | | |
| Trade and other receivables | 13 | 9,248,236 | - |
| Cash and cash equivalent | 14 | 2,345,378 | - |
| Total current assets | | 11,593,614 | - |
| Total assets | | 153,672,634 | - |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 15 | 13,072,672 | - |
| Share premium | 15 | 46,901,047 | - |
| Retained earnings | | 6,151,065 | - |
| Total equity | | 66,124,784 | - |
| Non-current liabilities | | | |
| Interest-bearing debt - non-current | 16 | 74,913,770 | - |
| Total non-current liabilities | | 74,913,770 | - |
| Current liabilities | | | |
| Interest-bearing debt - current | 16 | 9,736,506 | - |
| Trade and other payables | 17 | 2,381,465 | - |
| Accrued taxation | | 34,137 | - |
| Deferred income | | 481,973 | - |
| Total current liabilities | | 12,634,081 | - |
| Total equity and liabilities | | 153,672,634 | - |

Oslo, 25 April 2024

Board of Directors and Chief Executive Officer of Stainless Tankers ASA

Geir Frode Abelsen
Board member

Ted Kalborg
Chairman

Ulrika Laurin
Board member

Nicoletta Panayiotopoulos
Board member

Hans Van der Zidje
Board member

Alexandros Karakassis
CEO

See accompanying notes that are an integral part of these Audited Consolidated Financial Statements.



Consolidated statement of changes in equity

| In USD | Notes | Share capital | Share premium | Retained earnings | Total |
|--|-------|-------------------|-------------------|-------------------|-------------------|
| As at 01 December 2022 | | - | - | - | - |
| Capital increase - private placement (cash) | 15 | 13,072,672 | 54,030,330 | - | 67,103,002 |
| Transaction costs | | - | (3,281,783) | - | (3,281,783) |
| Profit and other comprehensive income for the period | | - | - | 6,151,065 | 6,151,065 |
| Dividends distribution during the period | | - | (3,847,500) | - | (3,847,500) |
| As at 31 December 2023 | | 13,072,672 | 46,901,047 | 6,151,065 | 66,124,784 |

See accompanying notes that are an integral part of these Audited Consolidated Financial Statements.



Consolidated statement of cash flows

| In USD | Notes | 1 Dec 22 - 31 Dec 23 |
|--|-------|-------------------------|
| Profit before tax (EBT) | | 6,185,202 |
| Financial income | 10 | (290,176) |
| Financial expenses | 10 | 4,633,551 |
| Depreciation | 12 | 6,079,469 |
| Cash flow from operating activities before changes in working capital | | 16,608,047 |
| Changes in working capital | | |
| Increase in trade and other receivables | | (5,393,943) |
| Increase in trade and other payables | | 2,381,465 |
| Accrued/(Deferred) income | | 481,973 |
| Cash flow from operating activities | | 14,077,541 |
| Acquisition of vessels | 12 | (148,158,490) |
| Interest received | 10 | 290,176 |
| Change in restricted cash for drydocking reserves | 13 | (2,104,293) |
| Cash flow from investing activities | | (149,972,607) |
| Proceeds from issue of shares | 15 | 67,103,002 |
| Transaction related costs | 15 | (3,281,783) |
| Dividends paid | 15 | (3,847,500) |
| Proceeds from issue of debt | 16 | 94,500,000 |
| Borrowing costs | 16 | (1,577,749) |
| Repayment of debt | 16 | (8,491,250) |
| Commitment fees | 16 | (112,300) |
| Interest paid on interest-bearing debt | 16 | (4,301,976) |
| Change in restricted cash for minimum liquidity requirement | 13 | (1,750,000) |
| Cash flow from financing activities | | 138,240,443 |
| Net change in cash and cash equivalents | | 2,345,378 |
| Cash and cash equivalents at beginning of period | | - |
| Cash and cash equivalents at end of period | 14 | 2,345,378 |

See accompanying notes that are an integral part of these Audited Consolidated Financial Statements.



Notes to the consolidated financial statements

Note 1 – General information

Stainless Tankers ASA (the 'Company') was incorporated on 1 December 2022 by Tufon Management Limited ('TML'), as a limited liability company and was established for the sole purpose to operate as a holding company for a shipping group owning stainless steel chemical tankers. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the 'Group').

The shares of the Company are listed on the Euronext Growth Oslo exchange.

Stainless Tankers ASA is a public limited liability company incorporated and domiciled in Norway, with a registered address at Henrik Ibsens gate 90, 0255 Oslo, Norway.

The financial statements were approved by the Company's Board of Directors on 25 April 2024.

Note 2 – Basis of preparation

The consolidated financial statements for the Group have been prepared in accordance with International Financial Reporting Standards (IFRS® Accounting Standards), as adopted by the EU.

The financial statements are based on historical cost except as disclosed in the accounts.

The consolidated financial statements are prepared based on the assumption of going concern.

Only standards and interpretations that are applicable to the Group have been included and the Group reviews the impact of these changes in its financial statements. The Group will adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the consolidated financial statements are issued. At the date of the approval of these FS, the group has not identified any significant impact to the Group's Financial Statements as a result of new standards or amendments effective 2023 or later.

Note 3 – Significant accounting policies

Consolidation

The consolidated financial statements comprise the financial statements of Stainless Tankers ASA and its subsidiaries as at 31 December 2023. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated. Subsidiaries are all companies where the Group has a controlling interest. Control is achieved when the Group is exposed or has rights to variable returns from its involvement with the investee and has the ability to effect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases. The financial statements of the subsidiaries are prepared for the same accounting period as those of the Company, using consistent accounting principles for similar transactions and events under otherwise similar circumstances.

Revenue recognition

The Group's time charter contract revenues are separated into a lease element accounted with IFRS 16 Leases and a service element which is accounted for in accordance with IFRS 15 Revenue from Contracts with Customers.

Time charter, pool revenue and other revenue contracts with customers are recognised when control of goods or services are transferred to the customer and when each separate performance obligation in the customer contract is fulfilled following the "over-time principle". It is recognised at an amount that reflects the consideration which the Group expects to receive in exchange for those goods or services.

The Group acts as a participant in the pool arrangements. Revenues for the vessels employed in the pool are based on average revenues across the pool the vessels are employed in, i.e. the vessels earn the average charter rate of the pool for the respective month, with certain adjustments which reflect the relative specification of each vessel in the pool.



Note 3 – Significant accounting policies (continued)

The service element from the Group's time charter contracts is recognised over time, as the performance obligation is also satisfied over time. Revenue from bunkers and other goods and services from customers are recognised during the period the goods or services are transferred to the customer, following the "point in time principle".

Operating expenses

Operating expenses are accounted for on an accrual basis. Expenses are charged to the income statement, except for those incurred in the acquisition of an investment which are capitalised as part of the cost of the investment. Expenses arising from the disposal of investments are deducted from disposal proceeds.

Vessel operating expenses of the Group are expenses related to the operation of vessels, such as (but not limited to) crewing expenses, expenses for repair and maintenance, lubrication oil consumption and insurance.

Financial income and expenses

Interest income and expense is recognised as accrued and is presented under the financial income or expense in the income statement.

Foreign currency transactions

Transactions in foreign currencies are recorded in the functional currency exchange rate at the date of the transaction. Monetary assets and liabilities in foreign currency are translated at the functional currency exchange rate prevailing at the balance sheet date. Exchange differences arising from translations into the functional currency are recorded in the income statement. Non-monetary assets and liabilities measured at historical cost in foreign currency are translated into the functional currency using the historical exchange rate. Non-monetary assets and liabilities recognised at fair value are translated using the exchange rate on the date of the determination of the fair value.

Vessels and other tangible assets

Tangible fixed assets are stated at historical cost, less subsequent depreciation and impairment. For vessels purchased, these costs include expenditures that are directly attributable to the acquisition of the vessels and eligible for capitalisation. Upon acquisition, all components of the vessels, with a cost significant to the total acquisition costs, are separately identified and depreciated over that component's useful life on a straight-line basis.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets, taking residual values into consideration, and adjusted for impairment charges, if any. The estimated useful life of the Group's vessels are 25 years. Residual values of the vessels are estimated as the lightweight tonnage of each vessel multiplied by scrap value per ton. Expected useful lives of assets, and residual values, are reviewed at each balance sheet date and, where they differ significantly from previous estimates, depreciation calculations are altered accordingly.

Ordinary repairs and maintenance expenses are charged to the income statement as incurred. Costs related to dry-docking or other major overhauls are recognized in the carrying amount of the vessels. This recognition is made when the dry-docking has been performed and is depreciated based on estimated time to the next class renewal, which is normally five years. All other costs that do not meet this recognition criteria are expensed as repairs and maintenance.

Vessels and other tangible assets are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are included in the profit or loss during the period the asset is derecognised.

Vessels and other tangible assets are assessed for impairment indicators at each reporting period. If impairment indicators are identified, the recoverable amount is estimated, and if the carrying amount exceeds its recoverable amount an impairment loss is recognised, i.e. the asset is written down to its recoverable amount.



Note 3 – Significant accounting policies (continued)

Impairment of vessels and other tangible assets

An asset's recoverable amount is calculated as the higher of the net realisable value and its value in use. The net realisable value is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of sale and the value in use is the present value of estimated future cash flows expected from the continued use of an asset. An impairment loss recognised in prior periods for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Leases

Group as lessor

The Group engages in lease agreements as a lessor, leasing its vessels to non-related parties under operating leases.

Leases in which the lessor retains a significant portion of the risks and rewards associated with ownership are classified as operating leases. Charter income received under operating leases (net of any incentives given to the lessee) are recognised in profit or loss on a straight-line basis over the period of the lease term.

Fuel and lubrication oil

The Group values its inventories, which comprise lubrication oil and fuel on board the vessels, at the lower of cost and net realisable value. They are accounted for on a weighted average cost basis.

Trade and other receivables

Trade and other receivables are measured at the transaction price upon initial recognition and subsequently measured at amortized cost less expected credit losses.

Cash and cash equivalents

Cash and cash equivalents include unrestricted cash, bank deposits and other highly liquid investments with original maturities of three months or less.

Share capital and share premium

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are recognised directly in equity and are shown as a deduction, net of tax, from the proceeds.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares.

Dividends distributions

Dividends are recognised as a liability in the Group's financial statements from the date when the dividend is approved by the General Meeting.

Financial liabilities

All loans and borrowings are initially measured at fair value less directly attributable transaction costs, and are subsequently measured at amortized cost, using the effective interest method. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate. A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, when it is more likely than not that an outflow or resources representing economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

Derivative financial instruments are measured at fair value. The fair value of financial instruments traded in active markets are determined by reference to quoted market prices or dealer price quotations, without any



Note 3 – Significant accounting policies (continued)

Provisions (continued)

deduction for transaction costs. The fair value of financial instruments not traded in active markets is determined using appropriate evaluation techniques.

Warrants

The extraordinary general meeting of the company held on 28 February 2023, resolved, in accordance with section 11-12 of the Companies Act, to issue 1,012,500 warrants to Tufton LP. The company offered to Tufton LP to subscribe for warrants (the "Warrants") in the Company equal to 7.5% of the total outstanding shares in the Company after completion of the Private Placement. The Warrants shall be exercisable by Tufton LP if and when the quoted price of the Company's shares has reached certain specific levels above the offer price in the Private Placement. The Warrants are issued as an incentive to Tufton LP for it, and its affiliates and other related parties, to maximize the value of the Company for all future shareholders. The Warrants does not carry rights in the event of a liquidation event. The warrants are in scope of IFRS 2 - Share based payments and will be recognized as cash-settled share-based payments in the financial statements. The conditions were not fulfilled by 31 December 2023.

Taxes

The Group operates within several jurisdictions and tax regimes, including the Norwegian general tax regime and tonnage tax regime as well as the Isle of Man tax regime. Changes in taxation law or the interpretation of taxation law may affect the business, results of operations and financial condition of the Group. To the extent tax rules change, this could have both a prospective and retrospective impact on the Group both of which could be material. The Group's income tax returns may be subject to examination and review. If any tax authority successfully challenges the Group's operational or legal structure, eligibility for the Norwegian tonnage tax regime, hereunder due to performance of disqualifying activities or holding disqualifying assets, taxable pretence or similar circumstances, the Group's effective tax rate could increase substantially and have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

It is the intention that the Group will be taxed under the Norwegian tonnage tax regime. Under the tonnage tax regime, qualifying shipping income is exempt from taxation in Norway. Net financial income is subject to tax in accordance with the general Norwegian tax rules and certain special rules in the tonnage tax regime. Instead of tax on qualifying shipping income, a tonnage tax based on the net tonnage of the vessel(s) is paid. Should the Group for any reason such as due to activities and/or assets held by a Group company not qualify for the Norwegian tonnage tax regime, net taxable profits are taxed at the corporate income tax rate, currently 22%.

The Company's subsidiaries are incorporated in the Isle of Man and will, consequently, in principle be taxable in the Isle of Man under local regulation and will not be subject to any material taxation under the laws of Isle of Man. There can be no assurance that this will continue, as Isle of Man may change its tax laws and regulations. Further, also other jurisdictions may claim that Group companies are tax resident in their jurisdiction and claim taxes on earnings or assets on that basis.

Related parties

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence. Related party transactions are recorded based on their estimated fair value.

Classification in the statement of financial position

Current assets and short-term liabilities comprised of items due less than one year from the balance sheet date, as well as items due more than one year from the balance sheet date that are related to the operating cycle.



Note 3 – Significant accounting policies (continued)

Classification in the statement of financial position (continued)

Liabilities with maturities less than one year from the balance sheet date are classified as current. All other debt is classified as long-term debt. Long-term debt due for repayment within one year from the balance sheet date is classified as current.

Statement of cash flows

The statement of cash flows has been prepared based on the indirect method.

Subsequent events

New information on the Group's financial position at the balance sheet date is taken into account in the financial statements. Subsequent events that do not affect the Group's position at the balance sheet date, but which will affect the Group's position in the future, are disclosed if significant.

Note 4 - Financial risk management

(i) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow interest rate risk), credit risk and liquidity risk.

Ongoing risk assessment and monitoring are conducted collaboratively with the Board to ensure effective risk management. The Board of Directors actively participates in identifying, evaluating, and mitigating financial risks in close cooperation with the Group's operating units.

Market risk

Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group's functional currency.

Cash flow interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

Credit risk

Credit risk arises from bank balances, deposits with banks and financial institutions, as well as credit exposures to trade balances with charterers, including outstanding receivables and committed transactions.

For banks and financial institutions, only independently rated parties are accepted. If charterers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the charterer, taking into account its financial position, past experience and other factors.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.



Note 4 - Financial risk management (continued)

(i) Financial risk factors (continued)

Credit risk (continued)

**31 Dec 23
USD**

Trade receivables

Counterparties without external credit rating:

| | |
|---------|------------------|
| Group 1 | 4,632,032 |
| | <u>4,632,032</u> |

Fully performing other receivables:

| | |
|---------|-------------------------|
| Group 2 | 118,681 |
| Group 3 | 3,854,293 |
| | <u>3,972,974</u> |
| | <u><u>8,605,006</u></u> |

**31 Dec 23
USD**

Cash and bank balances

Berenberg – unrated (The bank is part of the German Depository Protection Scheme)

2,345,378
2,345,378

Group 1 – new and existing customers/charterers with no defaults in the past

Group 2 – other receivables (excluding statutory receivables and prepayments) with no default in the past

Group 3 – restricted cash

Liquidity risk

The table below analyses the Group's financial liabilities into relevant maturity groups based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| As at 31 December 2023 | Less than 1 year USD | Between 1 and 2 years USD | Between 2 and 5 years USD |
|-------------------------------|---------------------------------|--------------------------------------|--------------------------------------|
| Borrowings | 10,050,000 | 10,120,000 | 65,838,750 |
| Trade and other payables | 2,415,602 | - | - |
| | <u>12,465,602</u> | <u>10,120,000</u> | <u>65,838,750</u> |

Financial instruments by category

**Amortised
cost
USD Total
USD**

Assets as per consolidated balance sheet

| | | |
|---|--------------------------|--------------------------|
| Trade and other receivables (excluding prepayments and other statutory receivables) | 8,605,006 | 8,605,006 |
| Cash and cash equivalents | 2,345,378 | 2,345,378 |
| Total | <u>10,950,384</u> | <u>10,950,384</u> |



Note 4 - Financial risk management (continued)

(i) Financial risk factors (continued)

Liquidity risk (continued)

| | Other financial liabilities at amortised cost USD | Total USD |
|---|--|-------------------|
| Liabilities as per consolidated balance sheet | | |
| Borrowings | 84,650,276 | 84,650,276 |
| Trade and other payables (excluding deferred income and statutory liabilities) | 2,381,465 | 2,381,465 |
| Total | 87,031,741 | 87,031,741 |

(ii) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return of capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

The gearing ratios as at 31 December 2023 were as follows:

| | 31 Dec 23 USD |
|---|--------------------|
| Total borrowings (Note 16) | 84,650,276 |
| Less cash and cash equivalent | <u>(2,345,378)</u> |
| Net debt | 82,304,898 |
| Total equity | 66,124,784 |
| Total capital as defined by management | 148,429,682 |
| Gearing ratio | 55% |

Note 5 - Critical accounting judgements and key sources of estimation uncertainty

The preparation of the consolidated financial statements for the Group and application of the accounting policies, which are described in Note 3, requires judgements, estimates and assumptions to be made about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual outcomes may differ from these estimates and assumptions and could require a material adjustment to the carrying amount of the asset or liability affected in future periods. Estimates and underlying assumptions are reviewed on an on-going basis.



Note 5 - Critical accounting judgements and key sources of estimation uncertainty (continued)

Judgements

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which had the most significant effect on the amounts recognised in the consolidated financial statements:

Vessel classification

The purchase of vessels is classified as assets and not as a business combination. This classification decision is based on the specific facts and circumstances surrounding the transaction and is in accordance with the relevant accounting principles and regulations.

The rationale behind classifying the purchase of vessels as assets is as follows:

1. **Nature of the Transaction:** The purchase of vessels was executed as individual, stand-alone acquisitions rather than as a combination of businesses. Each vessel acquired represents a distinct asset that will be utilised in the core operations of the Group.
2. **Control and Ownership:** The vessels were acquired to enhance the fleet and expand the operational capabilities. However, the purchase did not result in the acquisition of an entire business entity or assets that constitute a business.
3. **Financial Reporting Implications:** By classifying the purchase of vessels as assets, adherence to applicable accounting standards and guidance, ensuring accurate and transparent financial reporting is ensured. The vessels are recorded at cost and subsequently depreciated or amortised over their useful lives.

Vessel life and impairment

The carrying value of the Group's vessel represents its original cost at the time it was delivered or purchased less depreciation calculated using an estimated useful life of 25 years from the date the vessel was originally delivered from the shipyard. In the shipping industry, use of life in this range has become the standard. The actual life of a vessel may be different. If the economic life assigned to the vessel proves to be too long because of new regulations or other future events, higher depreciation expense and impairment losses could result in future periods related to a reduction in the useful life of the vessel.

The carrying value of the Group's vessel may not represent its fair market value at any point in time since the market prices of second-hand vessels tend to fluctuate with changes in charter rates and the cost of new buildings. Historically, both charter rates and vessel values tend to be both correlated and volatile. The Group records impairment losses only when events occur that cause the Group to believe that future cash flows for the vessel will be less than its carrying value. The carrying amount of a vessel held and used by the Group is reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of the vessel may not be fully recoverable. In such instances, an impairment charge would be recognised if the estimate of the discounted future cash flows expected to result from the use of the vessel and its eventual disposition is less than the vessel's carrying amount.

In developing estimates of future cash flows, the Group must make assumptions about future charter rates, ship operating expenses and the estimated remaining useful life of the vessel. These assumptions are based on historical trends as well as future expectations. Although management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate, such assumptions may be highly subjective.



Note 6 - Operating revenue

| | 1 Dec 22- 31 Dec 23 USD |
|------------------------------------|-------------------------------|
| Service revenue from time charters | 3,313,118 |
| Lease revenue from time charters | 5,183,665 |
| Pool charter revenue | 24,280,297 |
| | <u>32,777,080</u> |

(a) Contract balances

The Group has recognised the following liabilities related to contracts with customers:

| | 1 Dec 22- 31 Dec 23 USD |
|-----------------------------|-------------------------------|
| Contract liabilities | |
| <u>Current</u> | |
| Contract liabilities | 230,650 |
| Contract liabilities | <u>230,650</u> |

Contract liabilities represent the performance due to a charterer for the remaining lease period, as at the period end. This may happen in the case where the charterer has made an advance payment before the completion of the lease period, as of the period end date.

(b) Performance obligations

Information about the Group's performance obligations are summarised below:

Revenue from time charters - Under IFRS 15, the lease component and the service component of time charters need to be separately disclosed. The service component is accounted for separately under IFRS 15. The service component in the time charter includes a single performance obligation. The performance obligation is satisfied over time, given that the charterers simultaneously receive and consume the benefits provided by the Group. Revenue recognized in respect of the service component under IFRS 15 did not change. The lease component continues to be accounted for as a lease under IFRS 16.

| | 31 Dec 2023 USD |
|---------------------------|--------------------|
| Within one year | 885,400 |
| Between two to five years | - |
| | <u>885,400</u> |

Note 7 – Vessel voyage expenses

| | 1 Dec 22- 31 Dec 23 USD |
|--|-------------------------------|
| Commission fees | 955,682 |
| Bunkers consumption | 18,763 |
| Pool administration costs and other expenses | 424,383 |
| Other voyage expenses | 4,747 |
| | <u>1,403,575</u> |



Note 8 – Vessel operating expenses

| | 1 Dec 22- 31 Dec 23 USD |
|------------------------------|--|
| Crew costs | 7,227,851 |
| Technical operating expenses | 1,846,694 |
| Insurances | 1,026,064 |
| Lube oil | 733,602 |
| Ship management fee | 743,646 |
| Other vessel costs | 1,157,026 |
| | <u>12,734,884</u> |

Note 9 – Administrative expenses

| | 1 Dec 22- 31 Dec 23 USD |
|-----------------------------------|--|
| Auditor's remuneration | 80,000 |
| Legal and other professional fees | 300,902 |
| Directors' fees (Note 18) | 125,674 |
| Management service fees | 1,389,700 |
| Bank charges | 21,089 |
| Other expenses | 126,115 |
| | <u>2,043,480</u> |

Between 1 March 2023 and 31 December 2023, the Company paid a management service fee, of USD 1,389,500 to its shareholder TML, in accordance with the Management Services Agreement. The management services cover provision of the Company's executive team, comprising the CEO and CFO, as well as services required by the executive team for managing the Group, which include finance and accounting, supervision of third-party technical and commercial managers, and the management of corporate and administrative matters.

Between 1 March 2023 and 31 December 2023, the Company paid other professional fees to PWC of USD 25,915.

Note 10 - Finance (costs)/income

| | 1 Dec 22- 31 Dec 23 USD |
|----------------------------|--|
| Interest income | 290,176 |
| Finance income | <u>290,176</u> |
| Interest expense (Note 16) | (4,521,251) |
| Debt commitment fees | (112,300) |
| Finance costs | <u>(4,633,551)</u> |
| Net finance costs | <u>(4,343,375)</u> |



Note 11 - Earnings per share

| | 31 Dec 23 |
|--|------------------|
| | USD |
| Profit and other comprehensive income for the period | 6,151,065 |
| Weighted average number of ordinary shares | 13,500,000 |
| Basic earnings per share | 0.46 |
| Diluted earnings per share | 0.46 |

Note 12 - Vessels

| | Total |
|---|--------------------|
| | USD |
| Cost | |
| Additions | 148,158,490 |
| Balance as at 31 December 2023 | 148,158,490 |
| Depreciation | |
| Charge for the period | 6,079,469 |
| Balance as at 31 December 2023 | 6,079,469 |
| Net book amount | |
| Balance as at 31 December 2023 | 142,079,020 |
| Insured value (USD) | 199,200,000 |
| Total light weight tonnage (ldt) | 47,414.61 |

On 17 March 2023, BSL Gwen Shipping Ltd (Sellers) entered into a memorandum of agreement (the 'MoA') with ST1 Ltd (Buyers) for the acquisition of a Japanese built stainless steel chemical tanker vessel Gwen with an IMO number 9407067, built in 2008. The purchase price was agreed at USD 17,100,000. Pursuant to the MoA, the vessel was to be delivered prior to 1 April 2023, with a daily penalty to be subtracted from the purchase price for each day passing after 1 April 2023. The vessel was delivered on 19 May 2023. Included in the additions above, there is a price reduction amounting to USD 290,000 and various takeover costs and legal fees amounting to USD 19,143 which are amortised over the remaining useful life of the vessel.

On 17 March 2023, BSL Barbouni Shipping Ltd (Sellers) entered into a memorandum of agreement (the 'MoA') with ST2 Ltd (Buyers) for the acquisition of a Japanese built stainless steel chemical tanker vessel Barbouni with an IMO number 9416020, built in 2007. The purchase price was agreed at USD 16,300,000. Pursuant to the MoA, the vessel was to be delivered prior to 1 April 2023, with a daily penalty to be subtracted from the purchase price for each day passing after 1 April 2023. The vessel was delivered on 11 April 2023. Included in the additions above, there is a price reduction amounting to USD 86,281 and various takeover costs and legal fees amounting to USD 16,143 which are amortised over the remaining useful life of the vessel.

On 17 March 2023, HSL Filly Shipping Ltd (Sellers) entered into a memorandum of agreement (the 'MoA') with ST23 Ltd (Buyers) for the acquisition of a Japanese built stainless steel chemical tanker vessel Lavraki with an IMO number 9323077, built in 2007. The purchase price was agreed at USD 15,800,000. Pursuant



Note 12 – Vessels (continued)

to the MoA, the vessel was to be delivered prior to 1 April 2023, with a daily penalty to be subtracted from the purchase price for each day passing after 1 April 2023. The vessel was delivered on 29 June 2023. Included in the additions above, there is a price reduction amounting to USD 536,000 and various takeover costs and legal fees amounting to USD 16,143 which are amortised over the remaining useful life of the vessel.

On 17 March 2023, HSL Bronco Shipping Ltd (Sellers) entered into a memorandum of agreement (the 'MoA') with ST4 Ltd (Buyers) for the acquisition of a Japanese built stainless steel chemical tanker vessel City Island with an IMO number 9360960, built in 2007. The purchase price was agreed at USD 17,100,000. Pursuant to the MoA, the vessel was to be delivered prior to 1 April 2023, with a daily penalty to be subtracted from the purchase price for each day passing after 1 April 2023. The vessel was delivered on 4 May 2023. Included in the additions above, there is a price reduction amounting to USD 384,292 and various takeover costs and legal fees amounting to USD 39,833 which are amortised over the remaining useful life of the vessel.

On 17 March 2023, ASL Orchid Shipping Ltd (Sellers) entered into a memorandum of agreement (the 'MoA') with ST5 Ltd (Buyers) for the acquisition of a Japanese built stainless steel chemical tanker vessel Orchid Kefalonia with an IMO number 9363821, built in 2008. The purchase price was agreed at USD 18,200,000. Pursuant to the MoA, the vessel was to be delivered prior to 1 April 2023, with a daily penalty to be subtracted from the purchase price for each day passing after 1 April 2023. The vessel was delivered on 10 May 2023. Included in the additions above, there is a price reduction amounting to USD 452,870 and various takeover costs and legal fees amounting to USD 16,143 which are amortised over the remaining useful life of the vessel.

On 17 March 2023, ASL Friesian Shipping Ltd (Sellers) entered into a memorandum of agreement (the 'MoA') with ST6 Ltd (Buyers) for the acquisition of a Japanese built stainless steel chemical tanker vessel Orchid Sylt with an IMO number 9367413, built in 2009. The purchase price was agreed at USD 19,400,000. Pursuant to the MoA, the vessel was to be delivered prior to 1 April 2023, with a daily penalty to be subtracted from the purchase price for each day passing after 1 April 2023. The vessel was delivered on 2 May 2023. Included in the additions above, there is a price reduction amounting to USD 361,292 and various takeover costs and legal fees amounting to USD 19,143 which are amortised over the remaining useful life of the vessel.

On 17 March 2023, ASL Charger Shipping Ltd (Sellers) entered into a memorandum of agreement (the 'MoA') with ST7 Ltd (Buyers) for the acquisition of a Japanese built stainless steel chemical tanker vessel Orchid Madeira with an IMO number 9367401, built in 2009. The purchase price was agreed at USD 19,400,000. Pursuant to the MoA, the vessel was to be delivered prior to 1 April 2023, with a daily penalty to be subtracted from the purchase price for each day passing after 1 April 2023. The vessel was delivered on 12 April 2023. Included in the additions above, there is a price reduction amounting to USD 130,573 and various takeover costs and legal fees amounting to USD 15,643 which are amortised over the remaining useful life of the vessel.

On 7 November 2023, Fuchsia Shipping Ltd (Sellers) entered into a memorandum of agreement (the 'MoA') with ST8 Ltd (Buyers) for the acquisition of a Japanese built stainless steel chemical tanker vessel Monax with an IMO number 9311256, built in 2005. The purchase price was agreed at USD 13,500,000. Pursuant to the MoA, the vessel was to be delivered prior to 15 November 2023, with a daily penalty to be subtracted from the purchase price for each day passing after 15 November 2023. The vessel was delivered on 20 November 2023. Included in the additions above, there is a price reduction amounting to USD 81,250 and various takeover costs and legal fees amounting to USD 10,850 which are amortised over the remaining useful life of the vessel.

On 7 November 2023, Dandelion Shipping Ltd (Sellers) entered into a memorandum of agreement (the 'MoA') with ST9 Ltd (Buyers) for the acquisition of a Japanese built stainless steel chemical tanker vessel Marmotas with an IMO number 9304344, built in 2005. The purchase price was agreed at USD 13,500,000. Pursuant to the MoA, the vessel was to be delivered prior to 15 November 2023, with a daily penalty to be subtracted from the purchase price for each day passing after 15 November 2023. The vessel was delivered on 16 November 2023. Included in the additions above, there is a price reduction amounting to USD 20,937



Note 12 – Vessels (continued)

and various takeover costs and legal fees amounting to USD 10,850 which are amortised over the remaining useful life of the vessel.

The vessels are pledged on the Group's bank loan detailed in Note 16.

As at 31 December 2023, the management carried out an assessment of whether there is any indication that the vessels may have suffered an impairment loss. The impairment assessment is conducted independently for each vessel. Management assessed the recoverable amount as at the period end and no impairment was recognised in the period ended 31 December 2023 based on the assessment.

Note 13 - Trade and other receivables

| | 31 Dec 23 |
|---------------------------------|------------------|
| | USD |
| Charterers balances receivable | 1,832,032 |
| Pool working capital receivable | 2,800,000 |
| Prepayments | 643,230 |
| Restricted cash (Note 16) | 3,854,293 |
| Other receivables | 118,681 |
| | <u>9,248,236</u> |

(a) Trade receivables

| | 31 Dec 23 |
|---------------------------------|------------------|
| | USD |
| Current assets | |
| Charterers balances receivable | 1,832,032 |
| Pool working capital receivable | 2,800,000 |
| | <u>4,632,032</u> |

(i) Fair value of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

(ii) Impairment and risk exposure

Information about the current year impairment of trade receivables and the company's exposure to credit risk can be found in Note 4.

The maximum exposure to credit risk at the balance sheet date is the carrying value of trade receivables. The Group does not hold any collateral as security.

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

| | 31 Dec 23 |
|-----------|------------------|
| | USD |
| US Dollar | 4,632,032 |
| | <u>4,632,032</u> |



Note 13 - Trade and other receivables (continued)

(b) Financial assets at amortised cost

Financial assets at amortised cost include the following debt investments:

| | 31 Dec 23 |
|-----------------------|------------------|
| | USD |
| Current assets | |
| Prepayments | 643,230 |
| Restricted cash | 3,854,293 |
| Other receivables | 118,681 |
| | <u>4,616,205</u> |

Included in the prepayments, there is an amount of USD 236,902 due from the technical manager of the vessels, representing advance cash paid.

Restricted cash comprise (i) a minimum liquidity requirement of USD 250,000 per Vessel held in a restricted cash account and (ii) funding of a dry dock reserve account of USD 2,104,293 (Note 16).

(i) Fair value of financial assets at amortised cost

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

(ii) Impairment and risk exposure

Information about the current year impairment of financial assets at amortised cost and the company's exposure to credit risk can be found in Note 4.

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of financial asset at amortised cost mentioned above.

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

| | 31 Dec 23 |
|-----------|------------------|
| | USD |
| US Dollar | 4,616,205 |
| | <u>4,616,205</u> |

Note 14 - Cash and cash equivalents

Cash balances are analysed as follows:

| | 31 Dec 23 |
|--------------|------------------|
| | USD |
| Cash at bank | 2,345,378 |
| | <u>2,345,378</u> |



Note 15 - Equity contribution

| | No. of shares | Share capital USD | Share premium USD | Total USD |
|---|-------------------|----------------------|----------------------|-------------------|
| Balance as at 01 December 2022 | - | - | - | - |
| Proceeds during the period | 13,500,000 | 13,072,672 | 54,030,330 | 67,103,002 |
| Transaction costs | - | - | (3,281,783) | (3,281,783) |
| Dividend distribution during the period | - | - | (3,847,500) | (3,847,500) |
| Balance as at 31 December 2023 | 13,500,000 | 13,072,672 | 46,901,047 | 59,973,718 |

The equity contribution represents paid in capital made by the equity holders during the period.

The Company was founded by TML, with a share capital of NOK 1,000,000, upon subscription of 100,000 shares at a subscription price of NOK 10.

On 28 February 2023, the Company's extraordinary general meeting resolved to complete a private placement of 13,400,000 new shares in the Company, each with a nominal value of NOK 10, at a subscription price of USD 5 (the NOK equivalent being NOK 51.659) per offer share, raising proceeds of USD 67,000,000.

On 24 August 2023, the Company's extraordinary general meeting resolved to distribute a cash dividend in the form of return of paid-in capital, amounting to USD 1,687,500 (USD 0.125 per share).

On 23 November 2023, the Company's extraordinary general meeting resolved to distribute a cash dividend in the form of return of paid-in capital, amounting to USD 2,160,000 (USD 0.160 per share).

Overview of the 20 largest shareholders as at 31 December 2023:

| Shareholder | Number of shares | in % | Type |
|-------------------------------------|------------------|-----------|----------|
| Womar Investments I LLC | 3,000,000 | 22.22222% | Ordinary |
| Klaveness Finans AS | 2,000,000 | 14.81481% | Ordinary |
| Clearstream Banking S.A. | 1,490,000 | 11.03704% | Nominee |
| Goldman Sachs International | 806,699 | 5.97555% | Nominee |
| Goldman Sachs & Co. LLC | 650,000 | 4.81481% | Nominee |
| Calinde S.A | 600,000 | 4.44444% | Ordinary |
| Klaveness Invest AS | 596,000 | 4.41481% | Ordinary |
| SIX SIS AG | 465,000 | 3.44444% | Nominee |
| United Shipping Group GmbH & Co. KG | 440,000 | 3.25926% | Ordinary |
| Merrill Lynch International | 295,144 | 2.18625% | Nominee |
| Brown Brothers Harriman & Co. | 250,000 | 1.85185% | Nominee |
| Bullingham Ventures LLC | 200,000 | 1.48148% | Ordinary |
| Hampson, Andrew John | 200,000 | 1.48148% | Ordinary |
| The Bank of New York Mellon | 200,000 | 1.48148% | Nominee |
| The Bank of New York Mellon SA/NV | 200,000 | 1.48148% | Nominee |
| KILSHOLMEN AS | 197,409 | 1.46229% | Ordinary |
| Tufton Management Ltd. | 100,000 | 0.74074% | Ordinary |
| Dutch Oceans Capital B.V. | 100,000 | 0.74074% | Ordinary |
| The Bank of New York Mellon | 98,237 | 0.72768% | Nominee |
| F. LAEISZ GMBH | 95,000 | 0.70370% | Ordinary |



Note 16 - Borrowings

| | 31 Dec 23 |
|--------------------------------|-------------------|
| | USD |
| Current borrowings | |
| Bank loans | 9,736,506 |
| Non-current borrowings | |
| Bank loans | 74,913,770 |
| Total | 84,650,276 |
| Maturity of borrowings: | |
| | 31 Dec 23 |
| | USD |
| Within one year | 9,736,506 |
| Between 1 and 2 years | 9,807,362 |
| Between two and five years | 65,106,407 |
| | 84,650,276 |

On 17 March 2023, Stainless Tankers Limited ("**STL**") as borrower, (ii) ST1 Limited, ST2 Limited, ST3 Limited, ST4 Limited, ST5 Limited, ST6 Limited and ST7 Limited as Owners, (iii) the Company as guarantor (collectively, the "**Obligors**"), and (iv) Macquarie Bank Limited, London Branch as Lender, arranger, facility agent and security agent (the "**Lender**") entered into a facility agreement whereby the Lender makes available a loan of up to USD 97,500,000, comprising a USD 67,500,000 tranche, being the Committed Amount, and USD 30,000,000 or such other higher amount as might be agreed between the Lender and the ship owning entities, being the Uncommitted Amount (the "**Facility Agreement**"). On 7 November 2023, the Obligors, the Lender, ST8 Limited and ST9 Limited (the "**Additional Owners**") entered into an Upsize Accession Agreement (the "Upsize Tranche") where a further USD 27,000,000 was drawdown out of the aforementioned Uncommitted Amount.

The Facility Agreement was, inter alia, entered into in order to provide the ship owning entities with financing for the purchase of the Vessels, in addition to the equity capital the Group would provide from the Private Placement.

Interest will accrue quarterly and commenced on the utilisation date 30 March 2023. Repayments commenced on 30 June 2023 and will continue until 31 May 2028. The principal amount is divided into varying instalments, which are payable together with the interest in quarterly instalments at each quarter end. Final repayment of the Facility Agreement is scheduled separately for each Vessel tranche, at the earlier of when a Vessel has reached twenty years of age or five years from utilisation. The final repayment for the vessels Monax, Marmotas, Lavraki, and City Island is in March 2027. For the vessel Barbouni, it is in June 2027. Lastly, for Gwen, Orchid Kefalonia, Orchid Sylt, and Orchid Madeira, the final repayment is in May 2028. Voluntary prepayment is allowed at higher amounts in multiples of USD 500,000. Mandatory prepayment becomes automatically due in the case of a sale or total loss, as well as any arrest from which a Vessel is not released within a period of 45 days. In the latter case, repayment is due for each Vessel's tranche, respectively.



Note 16 – Borrowings (continued)

The loan repayment schedule as of 31 December 2023, is as follows:

| Year | Monax | Marmotas | Gwen | Barbouni | Lavraki | City Island | Orchid | | Orchid | | Total |
|------|-----------|-----------|-----------|-----------|-----------|-------------|-----------|-------------|-----------|--|------------|
| | | | | | | | Kefalonia | Orchid Sylt | Madeira | | |
| 2024 | 2,060,625 | 2,060,625 | 660,000 | 780,000 | 1,038,750 | 880,000 | 750,000 | 900,000 | 920,000 | | 10,050,000 |
| 2025 | 2,060,000 | 2,060,000 | 700,000 | 820,000 | 870,000 | 920,000 | 790,000 | 940,000 | 960,000 | | 10,120,000 |
| 2026 | 1,623,750 | 1,623,750 | 900,000 | 1,020,000 | 1,070,000 | 1,120,000 | 990,000 | 1,140,000 | 1,160,000 | | 10,647,500 |
| 2027 | 7,755,625 | 7,755,625 | 900,000 | 5,515,000 | 4,837,500 | 4,650,000 | 990,000 | 1,140,000 | 1,160,000 | | 34,703,750 |
| 2028 | - | - | 5,065,000 | - | - | - | 4,647,500 | 5,435,000 | 5,340,000 | | 20,487,500 |

The Facility Agreement includes covenants on (i) a minimum liquidity requirement of USD 250,000 per Vessel (except for the last two vessels acquired using the Upsize Tranche) held in a restricted cash account at all times (earning interest at 30-day SOFR p.a.), (ii) a continuing maximum loan to value ratio of 65%, (iii) funding of a dry dock reserve account in equal monthly instalments beginning 12 months prior to an upcoming capex event for each Vessel, and (iv) satisfactory vessel inspections to be performed prior to drawdown.

The restrictions on dividends for STL according to the Facility Agreement include (i) lender approval on the basis of a 12-month cash flow forecast, illustrating to the lender's satisfaction that the borrower will not face liquidity constraints following a proposed dividend, (ii) a maximum loan to value ratio of 60% immediately following the dividend distribution, and (iii) maintenance of USD 250,000 in unrestricted cash per Vessel immediately following dividend distribution.

Movement analysis:

| | 31 Dec 23 |
|---|-------------------|
| | USD |
| Balance as at 01 December 2022 | - |
| Drawdown (gross of borrowing costs) | 94,500,000 |
| Capitalised borrowing costs | (1,577,749) |
| Repayments | (8,491,250) |
| Interest expense (Note 10) | 4,301,976 |
| Amortisation of borrowing costs (Note 10) | 219,276 |
| Interest paid | (4,301,976) |
| Balance as at 31 December 2023 | 84,650,277 |

Note 17 - Trade and other payables

| | 31 Dec 23 |
|-----------------------------|------------------|
| | USD |
| Pool working capital | 767,806 |
| Charterers balances payable | 466,997 |
| Trade payables | 773,084 |
| Accruals | 373,475 |
| Other payables | 103 |
| | 2,381,465 |

Included in the trade payables, there is an amount of USD 582,804 due to the technical manager of the vessels. The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.



Note 18 - Related party transactions

Transactions with related parties (Note 9)

| Name | Nature of relationship | Nature of transactions | 1 Dec 22- 31 Dec 23 |
|-------------------|------------------------|------------------------|------------------------|
| | | | USD |
| Directorship fees | Board of Directors | Directorship fees | 125,674 |
| | | | <u>125,674</u> |

Note 19 - Contingent liabilities

The Group had no contingent liabilities as at 31 December 2023.

Note 20 - Commitments

Operating lease commitments

The Group as lessor

Contracted revenues from vessels operations

The Group's long-term time charter arrangements aggregate time charter hire revenues as at the year-end over the firm contract period receivable are as follows:

| | Lease revenue from time charters | Service revenue from time charters | Total |
|----------------------------|-------------------------------------|---------------------------------------|------------------|
| | USD | USD | USD |
| Within one year | 929,350 | 885,400 | 1,814,750 |
| Between two and five years | - | - | - |
| | <u>929,350</u> | <u>885,400</u> | <u>1,814,750</u> |

Note 21 - Events after the reporting period

On 21 February 2024, the distribution of a cash dividend amounting to USD 3,037,500 (USD 0.225 per share), in the form of a return of paid-in capital, was approved at the Extraordinary General Meeting and paid on 1 March 2024.

On 21 February 2024 Irene Michael resigned as a board member, and Nicoletta Panayiotopoulos was elected as a new board member of the Company.



Parent Company Financial Statements



Statement of profit or loss and other comprehensive income

| In USD | Notes | 1 Dec 2022- 31 Dec 23 |
|---|-------|--------------------------|
| Revenues | 6 | 639,300 |
| Revenues | | 639,300 |
| Administrative expenses | 7 | (1,908,353) |
| Operating loss (EBIT) | | (1,269,053) |
| Dividend income | | 4,188,553 |
| Financial income | 8 | 167,308 |
| Profit before tax (EBT) | | 3,086,808 |
| Taxes | | (34,137) |
| Profit and other comprehensive income for the period | | 3,052,671 |

Allocation of earnings

The Company's profit for the period USD 3,052,671 is allocated as follows:

| | |
|--|------------------|
| Profit allocated to retained earnings | 3,052,671 |
| Dividend paid during the period | 3,847,500 |
| Dividend distributed from share premium | (3,847,500) |
| Profit allocated to retained earnings | 3,052,671 |

See accompanying notes that are an integral part of these Audited Financial Statements.



Statement of financial position

| In USD | Notes | 31 Dec 23 | 01 Dec 22 |
|-------------------------------------|-------|-------------------|-----------|
| ASSETS | | | |
| Non-current assets | | | |
| Investments in subsidiaries | 12 | 63,412,500 | - |
| Total non-current assets | | 63,412,500 | - |
| Current assets | | | |
| Trade and other receivables | 9 | 93,289 | - |
| Cash and cash equivalent | 10 | 638 | - |
| Total current assets | | 93,927 | - |
| Total assets | | 63,506,427 | - |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 11 | 13,072,672 | - |
| Share premium | 11 | 46,901,047 | - |
| Retained earnings | | 3,052,671 | - |
| Total equity | | 63,026,389 | - |
| Current liabilities | | | |
| Trade and other payables | 13 | 445,901 | - |
| Accrued taxation | | 34,137 | - |
| Total current liabilities | | 480,038 | - |
| Total equity and liabilities | | 63,506,427 | - |

Oslo, 25 April 2024

Board of Directors and Chief Executive Officer of Stainless Tankers ASA

Geir Frode Abelsen
Board member

Nicoletta Panayiotopoulos
Board member

Ted Kalborg
Chairman

Hans Van der Zidje
Board member

Ulrika Laurin
Board member

Alexandros Karakassis
CEO

See accompanying notes that are an integral part of these Audited Financial Statements.



Statement of changes in equity

| In USD | Notes | Share capital | Share premium | Retained earnings | Total |
|--|-------|-------------------|-------------------|-------------------|-------------------|
| As at 01 December 2022 | | - | - | - | - |
| Capital increase - private placement (cash) | 11 | 13,072,672 | 54,030,330 | - | 67,103,002 |
| Transaction costs | | - | (3,281,783) | - | (3,281,783) |
| Profit and other comprehensive income for the period | | - | - | 3,052,671 | 3,052,671 |
| Dividends distributions during the period | 11 | - | (3,847,500) | - | (3,847,500) |
| As at 31 December 2023 | | 13,072,672 | 46,901,047 | 3,052,671 | 63,026,389 |

See accompanying notes that are an integral part of these Audited Financial Statements.



Statement of cash flows

| In USD | Notes | 1 Dec 22 – 31 Dec 23 |
|--|-------|-------------------------|
| Profit and other comprehensive income for the period | | 3,086,808 |
| Adjustments for: | | |
| Dividend income | | (4,188,553) |
| Financial income | 8 | (167,308) |
| Cash flow from operating activities before changes in working capital | | (1,269,053) |
| Changes in working capital | | |
| Increase in trade and other receivables | | (93,289) |
| Increase in trade and other payables | | 445,901 |
| Cash flow from operating activities | | (916,441) |
| Acquisition of subsidiaries | | (63,412,500) |
| Dividends received | | 4,188,553 |
| Interest received | | 167,308 |
| Cash flow from investing activities | | (59,056,639) |
| Proceeds from issue of shares | 11 | 67,103,002 |
| Transaction related costs | 11 | (3,281,783) |
| Dividends paid | | (3,847,500) |
| Cash flow from financing activities | | 59,973,718 |
| Net change in cash and cash equivalents | | 639 |
| Cash and cash equivalents at beginning of period | | - |
| Cash and cash equivalents at end of period | 10 | 639 |

See accompanying notes that are an integral part of these Audited Financial Statements.



Notes to the financial statements

Note 1 – General information

Stainless Tankers ASA (the '**Company**') was incorporated on 1 December 2022 by Tufton Management Limited ("**TML**"), as a limited liability company and was established for the sole purpose to operate as a holding company for a shipping group owning stainless steel chemical tankers.

The shares of the Company are listed on the Euronext Growth Oslo exchange.

Stainless Tankers ASA is a public limited liability company, incorporated and domiciled in Norway with registered address at Henrik Ibsens gate 90, 0255 Oslo, Norway.

The financial statements were approved by the Company's Board of Directors on 25 April 2024.

Note 2 – Basis of preparation

The financial statements for the period 1 December 2022 – 31 December 2023 are the first financial statements and are prepared in accordance with International Financial Reporting Standards (IFRS® Accounting Standards), as adopted by the EU. and IFRS 1 First-time adoption of IFRS has been applied.

The financial statements are based on historical cost except as disclosed in the accounts.

The financial statements are presented in US Dollar (USD), which is the functional currency of the Company.

The Company's financial statements are prepared based on the assumption of going concern.

Only standards and interpretations that are applicable to the Company have been included and the Company reviews the impact of these changes in its financial statements.

Note 3 – Significant accounting policies

Revenue recognition

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price.

Sale of services - Management services

Revenue from rendering of services is recognised over time while the Company satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered.

Financial income and expenses

Interest income and expense is recognised as accrued and is presented under the financial income or expense in the income statement.

Foreign currency transactions

(i) Transactions and balances

Transactions in foreign currencies are recorded in the functional currency exchange rate at the date of the transaction. Monetary assets and liabilities in foreign currency are translated at the functional currency exchange rate prevailing at the balance sheet date. Exchange differences arising from translations into the functional currency are recorded in the income statement. Non-monetary assets and liabilities measured at historical cost in foreign currency are translated into the functional currency using the historical exchange rate. Non-monetary assets and liabilities recognised at fair value are translated using the exchange rate on the date of the determination of the fair value.



Note 3 – Significant accounting policies (continued)

Equity instruments - Investment in subsidiaries

The Company subsequently measures all equity investments at cost. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Trade and other receivables

Trade and other receivables are measured at the transaction price upon initial recognition and subsequently measured at amortized cost less expected credit losses.

Cash and cash equivalents

Cash and cash equivalents include restricted and unrestricted cash, bank deposits and other highly liquid investments with original maturities of three months or less.

Trade and other payables

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities, contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Classification in the statement of financial position

Current assets and short-term liabilities include items due less than one year from the balance sheet date, as well as items due more than one year from the balance sheet date, that are related to the operating cycle.

Liabilities with maturity less than one year from the balance sheet date are classified as current. All other debt is classified as long-term debt. Long-term debt due for repayment within one year from the balance sheet date is classified as current.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, when it is more likely than not that an outflow or resources representing economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Dividend income

Dividends are received from financial assets measured at cost. Dividends are recognised as other income in profit or loss when the right to receive payment is established.

Share capital and share premium

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are recognised directly in equity and are shown as a deduction, net of tax, from the proceeds.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares.



Note 3 – Significant accounting policies (continued)

Dividends distribution

Dividends are recognised as a liability in the Company's financial statements from the date when the dividend is approved by the General Meeting.

Warrants

The extraordinary general meeting of the company held on 28 February 2023, resolved, in accordance with section 11-12 of the Companies Act, to issue 1,012,500 warrants to Tufton LP. The company offered to Tufton LP to subscribe for warrants (the "Warrants") in the Company equal to 7.5% of the total outstanding shares in the Company after completion of the Private Placement. The Warrants shall be exercisable by Tufton LP if and when the quoted price of the Company's shares has reached certain specific levels above the offer price in the Private Placement. The Warrants are issued as an incentive to Tufton LP for it, and its affiliates and other related parties, to maximize the value of the Company for all future shareholders. The Warrants does not carry rights in the event of a liquidation event. The warrants are in scope of IFRS 2 - Share based payments and will be recognized as cash-settled share-based payments in the financial statements. The conditions were not fulfilled by 31 December 2023.

Taxes

The Group operates within several jurisdictions and tax regimes, including the Norwegian general tax regime and tonnage tax regime as well as the Isle of Man tax regime. Changes in taxation law or the interpretation of taxation law may affect the business, results of operations and financial condition of the Group. To the extent tax rules change, this could have both a prospective and retrospective impact on the Group both of which could be material. The Group's income tax returns may be subject to examination and review. If any tax authority successfully challenges the Group's operational or legal structure, eligibility for the Norwegian tonnage tax regime, hereunder due to performance of disqualifying activities or holding disqualifying assets, taxable pretence or similar circumstances, the Group's effective tax rate could increase substantially and have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

It is the intention that the Group will be taxed under the Norwegian tonnage tax regime. Under the tonnage tax regime, qualifying shipping income is exempt from taxation in Norway. Net financial income is subject to tax in accordance with the general Norwegian tax rules and certain special rules in the tonnage tax regime. Instead of tax on qualifying shipping income, a tonnage tax based on the net tonnage of the vessel(s) is paid. Should the Group for any reason such as due to activities and/or assets held by a Group company not qualify for the Norwegian tonnage tax regime, net taxable profits are taxed at the corporate income tax rate, currently 22%.

The Company's subsidiaries are incorporated in the Isle of Man and will, consequently, in principle be taxable in the Isle of Man under local regulation and will not be subject to any material taxation under the laws of Isle of Man. There can be no assurance that this will continue, as Isle of Man may change its tax laws and regulations. Further, also other jurisdictions may claim that Group companies are tax resident in their jurisdiction and claim taxes on earnings or assets on that basis.

Related parties

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence. Related party transactions are recorded based on their estimated fair value.

Statement of cash flows

The statement of cash flows has been prepared based on the indirect method.



Note 3 – Significant accounting policies (continued)

Subsequent events

New information on the Group's financial position at the balance sheet date is taken into account in the financial statements. Subsequent events that do not affect the Group's position at the balance sheet date, but which will affect the Group's position in the future, are disclosed if significant.

Note 4 - Financial risk management

(i) Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (foreign exchange risk), credit risk and liquidity risk.

Ongoing risk assessment and monitoring are conducted collaboratively with the Board to ensure effective risk management. The Board of Directors actively participates in identifying, evaluating, and mitigating financial risks in close cooperation with the Group's operating units.

Market risk

Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Company's functional currency.

Credit risk

Credit risk arises from bank balances, deposits with banks and financial institutions.

For banks and financial institutions, only independently rated parties are accepted.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

31 Dec 23

USD

Cash and bank balances

Berenberg – unrated (The bank is part of the German Depositary Protection Scheme)

638

638

Liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groups based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| As at 31 December 2023 | Less than 1 year USD | Between 1 and 2 years USD | Between 2 and 5 years USD |
|--------------------------|-------------------------|------------------------------|------------------------------|
| Trade and other payables | 480,038 | - | - |
| | <u>480,038</u> | <u>-</u> | <u>-</u> |



Note 4 - Financial risk management (continued)

Financial instruments by category

| | Amortised cost USD | Total USD |
|---|--|----------------------|
| Assets as per Company's balance sheet | | |
| Trade and other receivables (excluding prepayments and other statutory receivables) | - | - |
| Cash and cash equivalents | 638 | 638 |
| Total | 638 | 638 |
| | | |
| | Other financial liabilities at amortised cost USD | Total USD |
| Liabilities as per Company's balance sheet | | |
| Trade and other payables (excluding deferred income and statutory liabilities) | 445,901 | 445,901 |
| Total | 445,901 | 445,901 |

(ii) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return of capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

The gearing ratios as at 31 December 2023 were as follows:

| | 31 Dec 23 USD |
|---|--------------------------|
| Total borrowings | - |
| Less cash and cash equivalent | <u>(638)</u> |
| Net debt | (638) |
| | |
| Total equity | 63,026,389 |
| Total capital as defined by management | 63,025,751 |
| | |
| Gearing ratio | 0% |

The preparation of interim consolidated financial statements for the Group and application of the accounting policies, which are described in Note 3, requires judgements, estimates and assumptions to be made about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual outcomes may differ from these estimates and assumptions and could require a material adjustment to the carrying amount of the asset or



Note 4 - Financial risk management (continued)

(ii) Capital risk management (continued)

liability affected in future periods. Estimates and underlying assumptions are reviewed on an on-going basis.

Note 5 - Critical accounting judgements and key sources of estimation uncertainty

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which had the most significant effect on the amounts recognised in the consolidated financial statements:

Investments in subsidiaries

Subsidiaries are entities in which the Company holds an interest of more than one-half of the voting rights or otherwise possesses the power to govern the financial and operating policies. Investments in subsidiary undertakings are stated at cost and provision is only made where, in the opinion of the Directors, there is impairment in their value. An indication of impairment exists if the NAV of the subsidiaries are lower than the carrying amount of the investment.

Vessels and other tangible assets of the subsidiaries are assessed for impairment indicators at each reporting period. If impairment indicators are identified, the recoverable amount is estimated, and if the carrying amount exceeds its recoverable amount an impairment loss is recognised, i.e. the asset is written down to its recoverable amount. An asset's recoverable amount is calculated as the higher of the net realisable value and its value in use. The net realisable value is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of sale and the value in use is the present value of estimated future cash flows expected from the continued use of an asset. An impairment loss recognised in prior periods for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Note 6 - Revenue

| | 1 Dec 22 - 31 Dec 23 |
|-------------------|-------------------------|
| | USD |
| Revenue (Note 14) | 639,300 |
| | <u>639,300</u> |

Note 7 - Administrative expenses

| | 1 Dec 22 - 31 Dec 23 |
|-----------------------------------|-------------------------|
| | USD |
| Auditor's remuneration | 80,000 |
| Legal and other professional fees | 272,258 |
| Directors' fees (Note 14) | 125,674 |
| Management service fees | 1,389,700 |
| Bank charges | 4,380 |
| Other expenses | 36,341 |
| | <u>1,908,353</u> |



Note 7 - Administrative expenses (continued)

Between 1 March 2023 and 31 December 2023, the Company paid a management service fee of USD 1,389,500 to its shareholder TML, in accordance with the Management Services Agreement. The management services cover provision of the Company's executive team, comprising the CEO and CFO, as well as services required by the executive team for managing the Group, which include finance and accounting, supervision of third-party technical and commercial managers, and the management of corporate and administrative matters.

Note 8 - Financial income

| | 1 Dec 22 - 31 Dec 23 |
|-------------------------|-------------------------|
| | USD |
| Interest income | 167,308 |
| Financial income | 167,308 |

Note 9 - Trade and other receivables

| | 31 Dec 23 |
|-------------------|---------------|
| | USD |
| Prepayments | 26,767 |
| Other receivables | 66,522 |
| | 93,289 |

Note 10 - Cash and cash equivalent

Cash balances are analysed as follows:

| | 31 Dec 23 |
|--------------|------------|
| | USD |
| Cash at bank | 638 |
| | 638 |

Note 11 - Equity contribution (Note 14)

| | No. of shares | Share capital USD | Share premium USD | Total USD |
|---|-------------------|----------------------|----------------------|-------------------|
| Balance as at 01 December 2022 | | | | |
| Proceeds during the period | 13,500,000 | 13,072,672 | 54,030,330 | 67,103,002 |
| Transaction costs | | | (3,281,783) | (3,281,783) |
| Dividend distribution during the period | | | (3,847,500) | (3,847,500) |
| Balance as at 31 December 2023 | 13,500,000 | 13,072,672 | 46,901,047 | 59,973,718 |

The equity contribution represents paid in capital made by the equity holders during the period.

The Company was founded by TML, with a share capital of NOK 1,000,000, upon subscription of 100,000 shares at a subscription price of NOK 10.



Note 11 - Equity contribution (Note 14) (continued)

On 28 February 2023, the Company's extraordinary general meeting resolved to complete a private placement of 13,400,000 new shares in the Company, each with a nominal value of NOK 10, at a subscription price of USD 5 (the NOK equivalent being NOK 51.659) per offer share, raising proceeds of USD 67,000,000.

On 24 August 2023, the Company's extraordinary general meeting resolved to distribute a cash dividend in the form of a return of paid-in capital, amounting to USD 1,687,500 (USD 0.125 per share).

On 23 November 2023, the Company's extraordinary general meeting resolved to distribute a cash dividend in the form of a return of paid-in capital, amounting to USD 2,160,000 (USD 0.160 per share).

Note 12 – Investments in subsidiaries

The details of the subsidiaries are as follows:

| Name | Country of incorporation | 31 Dec 23 Holding |
|-----------------------|--------------------------|-------------------|
| Stainless Tankers Ltd | Isle of Man | 100.0% |
| ST1 Limited | Isle of Man | 100.0% |
| ST2 Limited | Isle of Man | 100.0% |
| ST3 Limited | Isle of Man | 100.0% |
| ST4 Limited | Isle of Man | 100.0% |
| ST5 Limited | Isle of Man | 100.0% |
| ST6 Limited | Isle of Man | 100.0% |
| ST7 Limited | Isle of Man | 100.0% |
| ST8 Limited | Isle of Man | 100.0% |
| ST9 Limited | Isle of Man | 100.0% |

Note 13 - Trade and other payables

| | 31 Dec 23 USD |
|----------------|----------------|
| Trade payables | 184,401 |
| Accruals | 261,397 |
| Other payables | 103 |
| | <u>445,901</u> |



Note 14 - Related party transactions

The Company's major shareholders are Womar Investments I LLC (22.22%), Klaveness Finans AS (14.81%), Clearstream banking S.A. (11.03%) and Goldman Sachs International (5.97%).

(i) Transactions with related parties (Note 6 and Note 7)

| Name | Nature of relationship | Nature of transactions | 1 Dec 22 - |
|---------------------------|------------------------|------------------------|----------------|
| | | | 31 Dec 23 |
| | | | USD |
| Stainless Tankers Limited | Subsidiary | Revenue | 639,300 |
| Directorship fees | Board of Directors | Directorship fees | 125,674 |
| | | | <u>764,974</u> |

(ii) Equity contribution (Note 11)

| | No. of shares | Share capital | Share premium | Total |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|
| | | USD | USD | USD |
| Womar Investments I LLC | 3,000,000 | 2,903,657 | 12,096,343 | 15,000,000 |
| Klaveness Finans AS | 2,000,000 | 1,935,771 | 8,064,229 | 10,000,000 |
| Clearstream banking S.A. | 1,490,000 | 1,442,149 | 6,007,851 | 7,450,000 |
| Goldman Sachs & Co. LL | 900,000 | 871,097 | 3,628,903 | 4,500,000 |
| Goldman Sachs International | 800,000 | 774,308 | 3,225,692 | 4,000,000 |
| Tufton Management Limited | 100,000 | 103,006 | - | 103,006 |
| Others | 5,210,000 | 5,042,683 | 21,007,313 | 26,049,996 |
| | <u>13,500,000</u> | <u>13,072,672</u> | <u>54,030,330</u> | <u>67,103,002</u> |

Note 15 - Contingent liabilities

The Company had no contingent liabilities as at 31 December 2023.

Note 16 - Events after the reporting period

On 21 February 2024, the distribution of a cash dividend amounting to USD 3,037,500 (USD 0.225 per share), in the form of return of paid-in capital, was approved at the Extraordinary General Meeting and paid on 1 March 2024.

On 21 February 2024 Irene Michael resigned as a board member, and Nicoletta Panayiotopoulos was elected as a new board member of the Company.



Auditor's report



To the General Meeting of Stainless Tankers ASA

Independent Auditor's Report

Opinion

We have audited the financial statements of Stainless Tankers ASA, which comprise:

- the financial statements of the parent company Stainless Tankers ASA (the Company), which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including material accounting policy information, and
- the consolidated financial statements of Stainless Tankers ASA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the period then ended in accordance with IFRS Accounting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the period then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Chief Executive Officer (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no

Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statement on Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 25 April 2024

PricewaterhouseCoopers AS


Sigmund Lund

State Authorised Public Accountant



Skatteetaten

| | | |
|-------------------------------|-------------------------------|--|
| Vår dato 14.09.2023 | Din/Deres dato 29.08.2023 | Saksbehandler Vibeke Home |
| 800 80 000 Skatteetaten.no | Din/Deres referanse | Telefon 48123176 |
| Org.nr 974761076 | Vår referanse 2023/5496777 | Postadresse Postboks 9200 Grønland 0134 OSLO |

PRICEWATERHOUSECOOPERS AS
Postboks 748 Sentrum
0106 OSLO

Att. Stig Lund

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Stainless Tankers ASA, org.nr. 930 355 054

Vi viser til deres brev av 29. august 2023 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Stainless Tankers ASA.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Stainless Tankers ASA dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

Stainless Tankers ASA er notert på Euronext Growth. Selskapet er et shippingselskap som er spesialisert i transport av kjemisk last på verdensbasis. Selskapet opererer fullt og helt i et internasjonalt marked der både kunder, leverandører og andre forretningspartnere benytter engelsk som arbeidsspråk.

Selskapet har utenlandske styremedlemmer og styrets leder er ikke norsk.

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels



investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “informative regnskaper for ulike grupper av regnskapsbrukere”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapet er notert på Euronext Growth. Videre er det vektlagt at selskapet er driver virksomhet i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Vibeke Horne
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.