Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	924 368 845
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	MARITIME ASSET PARTNERS AS
Forretningsadresse:	c/o Arne Blystad AS 11. etasje Haakon VIIs gate 1 0161 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 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:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Fredrik Platou
Dato for fastsettelse av årsregnskapet:	28.06.2024

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, 31.07.2025

Resultatregnskap

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Kostnader			
Administrative and operating expenses	1	346 539	41 608
Sum kostnader		**346 539**	**41 608**
Driftsresultat		**-346 539**	**-41 608**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		11 218 803	0
Renteinntekt fra foretak i samme konsern	2	495 298	421 367
Annen finansinntekt		-2 166	3 920
Sum finansinntekter		**11 711 935**	**425 287**
Annen rentekostnad	1,2	457 310	486 564
Annen finanskostnad		-2 274	57
Sum finanskostnader		**455 036**	**486 621**
Netto finans		**11 256 899**	**-61 334**
Ordinært resultat før skattekostnad		**10 910 360**	**-102 942**
Skattekostnad på ordinært resultat		157 386	94 775
Ordinært resultat etter skattekostnad		**10 752 974**	**-197 717**
Årsresultat		**10 752 974**	**-197 717**
Overføringer og disponeringer			
Udekket tap			197 717
Overføringer til/fra annen egenkapital		10 752 974	
Sum overføringer og disponeringer		**10 752 974**	**197 717**

Balanse

Beløp i: USD	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	4	5 000	5 000
Lån til foretak i samme konsern	2	2 000 000	4 710 000
Sum finansielle anleggsmidler		**2 005 000**	**4 715 000**
Sum anleggsmidler		**2 005 000**	**4 715 000**
Omløpsmidler			
Varer			
Fordringer			
Konsernfordringer	2	2 045 620	193 040
Sum fordringer		**2 045 620**	**193 040**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	5	107 976	42 547
Sum bankinnskudd, kontanter og lignende		**107 976**	**42 547**
Sum omløpsmidler		**2 153 596**	**235 587**
SUM EIENDELER		**4 158 596**	**4 950 587**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	6,7	11 008	11 051
Overkurs	6,7	2 280 014	4 464 594
Sum innskutt egenkapital		**2 291 022**	**4 475 645**
Opptjent egenkapital			

Balanse

Beløp i: USD	Note	2023	2022
Annen egenkapital	6,7	1 298 345	144
Udekket tap	6	0	540 654
Sum opptjent egenkapital		**1 298 345**	**-540 510**
Sum egenkapital		**3 589 367**	**3 935 135**
Gjeld			
Langsiktig gjeld			
Utsatt skatt	3	28 983	44 611
Sum avsetninger for forpliktelser		**28 983**	**44 611**
Annen langsiktig gjeld			
Sum langsiktig gjeld		**28 983**	**44 611**
Kortsiktig gjeld			
Leverandørgjeld		155 359	27 785
Betalbar skatt	3	162 595	50 164
Annen kortsiktig gjeld	1,2	222 291	892 892
Sum kortsiktig gjeld		**540 245**	**970 841**
Sum gjeld		**569 228**	**1 015 452**
SUM EGENKAPITAL OG GJELD		**4 158 595**	**4 950 587**

Konsernets resultatregnskap

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Finance lease revenue	6	25 533 071	16 428 347
Gain on re-measurement and modification of the finance lease		2 494 841	6 403 007
Interest revenue		8 248 898	777 955
Other revenue	7	3 864 184	5 289 216
Sum inntekter		**40 140 994**	**28 898 525**
Kostnader			
Administrative and operating expenses	8	7 561 401	5 732 662
Sum kostnader		**7 561 401**	**5 732 662**
Driftsresultat		**32 579 593**	**23 165 863**
Finansinntekter og finanskostnader			
Finance income	9	1 620 793	7 449 358
Other income		1 565 637	430 998
Sum finansinntekter		**3 186 430**	**7 880 356**
Finance cost	10	32 874 386	21 264 089
Other costs		267 992	142 197
Sum finanskostnader		**33 142 378**	**21 406 286**
Netto finans		**-29 955 948**	**-13 525 930**
Ordinært resultat før skattekostnad		**2 623 645**	**9 639 933**
Income tax expense	11	378 383	679 819
Ordinært resultat etter skattekostnad		**2 245 262**	**8 960 114**
Årsresultat		**2 245 262**	**8 960 114**
Overføringer og disponeringer			
Transfer to retained earnings	22	2 245 262	8 960 114
Sum overføringer og disponeringer		**2 245 262**	**8 960 114**

Konsernets balanse

Beløp i: USD	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Property, plant and equipment		18 006	17 769
Sum varige driftsmidler		**18 006**	**17 769**
Finansielle anleggsmidler			
Finance lease receivables	6	195 190 522	145 757 431
Loans receivable	12	111 424 256	7 000 000
Derivative financial asset	14	1 109 289	1 687 703
Other financial assets	15	1 172 446	1 909 135
Sum finansielle anleggsmidler		**308 896 513**	**156 354 269**
Sum anleggsmidler		**308 914 519**	**156 372 038**
Omløpsmidler			
Varer			
Fordringer			
Trade and other receivables	13	6 314 949	3 705 162
Finance lease receivables	6	38 462 767	38 998 039
Loans receivable	12	21 138 131	10 685 200
Sum fordringer		**65 915 847**	**53 388 401**
Investeringer			
Derivative financial assets	14	0	2 024 845
Other financial assets	15	0	100 773
Assets held for sale	17	14 939 563	0
Sum investeringer		**14 939 563**	**2 125 618**
Bankinnskudd, kontanter og lignende			
Cash	16	34 289 057	18 703 070
Sum bankinnskudd, kontanter og lignende		**34 289 057**	**18 703 070**

Konsernets balanse

Beløp i: USD	Note	2023	2022
Sum omløpsmidler		**115 144 467**	**74 217 089**
SUM EIENDELER		**424 058 986**	**230 589 127**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital - ordinary shares	22	9 760	9 760
Share capital - preference shares	22	1 248	1 291
Share premium - preference shares	22	2 280 014	4 464 594
Sum innskutt egenkapital		**2 291 022**	**4 475 645**
Opptjent egenkapital			
Other reserve		-26 817	-220 087
Retained earnings		3 333 199	10 002 055
Sum opptjent egenkapital		**3 306 382**	**9 781 968**
Sum egenkapital		**5 597 404**	**14 257 613**
Gjeld			
Langsiktig gjeld			
Utsatt skatt	11	84 447	219 110
Sum avsetninger for forpliktelser		**84 447**	**219 110**
Annen langsiktig gjeld			
Loans and borrowings	18	328 417 475	179 092 417
Trade and other payables	19	4 020 531	2 643 355
Derivative financial liability	14	0	215 044
Other financial liability	20	5 000 000	0
Financial lease liability	21	47 811 035	0
Sum annen langsiktig gjeld		**385 249 041**	**181 950 816**
Sum langsiktig gjeld		**385 333 488**	**182 169 926**
Kortsiktig gjeld			
Loans and borrowings	18	9 724 166	15 259 843
Trade and other payables	19	8 198 458	6 104 882

Konsernets balanse

Beløp i: USD	Note	2023	2022
Other financial liability	20	5 838 153	12 318 900
Finance lease liability	21	7 325 000	0
Liabilities associated with the assets held for sale	17	1 261 066	0
Current tax liabilities	11	781 251	477 963
Sum kortsiktig gjeld		**33 128 094**	**34 161 588**
Sum gjeld		**418 461 582**	**216 331 514**
SUM EGENKAPITAL OG GJELD		**424 058 986**	**230 589 127**

Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer:	2024 735981

Enheten

Organisasjonsnummer:	924 368 845
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	MARITIME ASSET PARTNERS AS
Forretningsadresse:	c/o Arne Blystad AS 11. etasje Haakon VIIs gate 1 0161 OSLO

Regnskapsår

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Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Fredrik Platou
Dato for fastsettelse av årsregnskapet:	28.06.2024

Grunnlag for avgivelse

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

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Brønnøysundregistrene, 29.08.2024

Brønnøysundregistrene
Postadresse: Postboks 900, 8910 Brønnøysund
Telefon: 75 00 75 00
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673

Organisasjonsnr: 924 368 845
MARITIME ASSET PARTNERS AS

RESULTATREGNSKAP

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Kostnader			
Administrative and operating expenses	1	346 539	41 608
Sum kostnader		**346 539**	**41 608**
Driftsresultat		**-346 539**	**-41 608**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		11 218 803	0
Renteinntekt fra foretak i samme konsern	2	495 298	421 367
Annen finansinntekt		-2 166	3 920
Sum finansinntekter		**11 711 935**	**425 287**
Annen rentekostnad	1,2	457 310	486 564
Annen finanskostnad		-2 274	57
Sum finanskostnader		**455 036**	**486 621**
Netto finans		**11 256 899**	**-61 334**
Ordinært resultat før skattekostnad		**10 910 360**	**-102 942**
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Overføringer og disponeringer			
Udekket tap			197 717
Overføringer til/fra annen egenkapital		10 752 974	
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Organisasjonsnr: 924 368 845
MARITIME ASSET PARTNERS AS

BALANSE

Beløp i: USD	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	4	5 000	5 000
Lån til foretak i samme konsern	2	2 000 000	4 710 000
Sum finansielle anleggsmidler		**2 005 000**	**4 715 000**
Sum anleggsmidler		**2 005 000**	**4 715 000**
Omløpsmidler			
Varer			
Fordringer			
Konsernfordringer	2	2 045 620	193 040
Sum fordringer		**2 045 620**	**193 040**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	5	107 976	42 547
Sum bankinnskudd, kontanter og lignende		**107 976**	**42 547**
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SUM EIENDELER		**4 158 596**	**4 950 587**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	6,7	11 008	11 051
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Sum innskutt egenkapital		**2 291 022**	**4 475 645**
Opptjent egenkapital			
Annen egenkapital	6,7	1 298 345	144
Udekket tap	6	0	540 654
Sum opptjent egenkapital		**1 298 345**	**-540 510**
Sum egenkapital		**3 589 367**	**3 935 135**
Gjeld			

Langsiktig gjeld			
Utsatt skatt	3	28 983	44 611
Sum avsetninger for forpliktelser		**28 983**	**44 611**
Annen langsiktig gjeld			
Sum langsiktig gjeld		**28 983**	**44 611**
Kortsiktig gjeld			
Leverandørgjeld		155 359	27 785
Betalbar skatt	3	162 595	50 164
Annen kortsiktig gjeld	1,2	222 291	892 892
Sum kortsiktig gjeld		**540 245**	**970 841**
Sum gjeld		**569 228**	**1 015 452**
SUM EGENKAPITAL OG GJELD		**4 158 595**	**4 950 587**

Organisasjonsnr: 924 368 845
MARITIME ASSET PARTNERS AS

KONSERNRESULTATREGNSKAP

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Finance lease revenue	6	25 533 071	16 428 347
Gain on re-measurement and modification of the finance lease		2 494 841	6 403 007
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Overføringer og disponeringer			
Transfer to retained earnings	22	2 245 262	8 960 114
Sum overføringer og disponeringer		**2 245 262**	**8 960 114**

Organisasjonsnr: 924 368 845
MARITIME ASSET PARTNERS AS

KONSERNBALANSE

Beløp i: USD	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Property, plant and equipment		18 006	17 769
Sum varige driftsmidler		**18 006**	**17 769**
Finansielle anleggsmidler			
Finance lease receivables	6	195 190 522	145 757 431
Loans receivable	12	111 424 256	7 000 000
Derivative financial asset	14	1 109 289	1 687 703
Other financial assets	15	1 172 446	1 909 135
Sum finansielle anleggsmidler		**308 896 513**	**156 354 269**
Sum anleggsmidler		**308 914 519**	**156 372 038**
Omløpsmidler			
Varer			
Fordringer			
Trade and other receivables	13	6 314 949	3 705 162
Finance lease receivables	6	38 462 767	38 998 039
Loans receivable	12	21 138 131	10 685 200
Sum fordringer		**65 915 847**	**53 388 401**
Investeringer			
Derivative financial assets	14	0	2 024 845
Other financial assets	15	0	100 773
Assets held for sale	17	14 939 563	0
Sum investeringer		**14 939 563**	**2 125 618**
Bankinnskudd, kontanter og lignende			
Cash	16	34 289 057	18 703 070
Sum bankinnskudd, kontanter og lignende		**34 289 057**	**18 703 070**
Sum omløpsmidler		**115 144 467**	**74 217 089**
SUM EIENDELER		**424 058 986**	**230 589 127**

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital			
Share capital - ordinary shares	22	9 760	9 760
Share capital - preference shares	22	1 248	1 291
Share premium - preference shares	22	2 280 014	4 464 594
Sum innskutt egenkapital		**2 291 022**	**4 475 645**
Opptjent egenkapital			
Other reserve		-26 817	-220 087
Retained earnings		3 333 199	10 002 055
Sum opptjent egenkapital		**3 306 382**	**9 781 968**
Sum egenkapital		**5 597 404**	**14 257 613**
Gjeld			
Langsiktig gjeld			
Utsatt skatt	11	84 447	219 110
Sum avsetninger for forpliktelser		**84 447**	**219 110**
Annen langsiktig gjeld			
Loans and borrowings	18	328 417 475	179 092 417
Trade and other payables	19	4 020 531	2 643 355
Derivative financial liability	14	0	215 044
Other financial liability	20	5 000 000	0
Financial lease liability	21	47 811 035	0
Sum annen langsiktig gjeld		**385 249 041**	**181 950 816**
Sum langsiktig gjeld		**385 333 488**	**182 169 926**
Kortsiktig gjeld			
Loans and borrowings	18	9 724 166	15 259 843
Trade and other payables	19	8 198 458	6 104 882
Other financial liability	20	5 838 153	12 318 900
Finance lease liability	21	7 325 000	0
Liabilities associated with the assets held for sale	17	1 261 066	0
Current tax liabilities	11	781 251	477 963
Sum kortsiktig gjeld		**33 128 094**	**34 161 588**
Sum gjeld		**418 461 582**	**216 331 514**
SUM EGENKAPITAL OG GJELD		**424 058 986**	**230 589 127**

Organisasjonsnr: 924 368 845
MARITIME ASSET PARTNERS AS

NOTEOPPLYSNINGER - SELSKAP

- alle poster oppgitt i hele tall

Note
1

Antall årsverk i regnskapsåret
0.00

Sum	Beløp

Balanseført verdi 31.12.	Varige driftsmidler	Immaterielle eiend.

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.

Organisasjonsnr: 924 368 845
MARITIME ASSET PARTNERS AS

NOTEOPPLYSNINGER - KONSERN

- alle poster oppgitt i hele tall

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KPMG AS
Sørkedalsveien 6
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N-0306 Oslo

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To the General Meeting of Maritime Asset Partners AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Maritime Asset Partners AS, which comprise:

- the financial statements of the parent company Maritime Asset Partners AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and

- the consolidated financial statements of Maritime Asset Partners AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the year 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 year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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 year 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 Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but

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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.

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

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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible 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. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the

KPMG

Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 20 August 2024

KPMG AS

Stian Tørrestad
State Authorised Public Accountant

Financial Statement for the financial year 2023 of
Maritime Asset Partners AS
Business registration number: 924 368 845

Period: 1 January 2023 - 31 December 2023

Revenue statement
Balance
Notes

All amounts in USD

Board of Director's Report 2023 for Maritime Asset Partners AS

Operations
Maritime Asset Partners AS is a company that owns and invests in other companies. The company is domiciled in Oslo municipality.

Continued operations
According to Norwegian Accounting Act § 3-3a, it is confirmed that the going concern assumption is present and that this assumption has been taken into consideration in the preparation of the financial statements.

Operations for the financial year 2023 and going forward
The operations for the financial year 2023 were limited. The company has received a significant dividend of MUSD 11,2. In addition, some operational costs and interest cost and revenues have incurred.

For the future ongoing operations, the financial year 2023 was a solid and an active year for the companies part of Martime Asset Partner-group (MAP). During the year MAP continued expanding its fleet and deployed further capital under existing and new facilities. In 2023, MAP had investments in product tankers, container vessels, dry bulk vessels, gas vessels and offshore vessels. This shows that Maritime Asset Partner AS will have significant operations in the future from the developments in its group companies.

Explanation of the annual accounts
The board is not aware of any matters of importance for assessing the company's position and results that are not reflected in the accounts and balance sheet with notes. Nor have there been any events after the end of the fiscal year that, in the board's opinion, are significant in the assessment of the accounts.

Financial risk
Maritime Asset Partners AS has a working capital of MUSD 1,6, and no long term liabilities. Its counterpart for the short and long term receivables are group entities, and the credit risk is considered low. In general, the company is exposed to the risks facing the group companies of the MAP-group. For further elaborations, please see the consolidated financial statement of the MAP-group.

Working enviroment and equality
The company has no employees.

Environmental reporting
The company has no activities that pollutes the environment.

Insurance for board members
Any insurance ?

Research and development activities
Maritime Asset Partners AS has no R&D activities for 2023.

Financial result and transfer to equity
The company had a profit after tax of USD 10 752 974 for the FY2023 allocated as follows

Transfers	**Amount**

To other equity	1 298 202
To uncovered loss	9 454 772

Oslo , 12.08.2024

Fredrik Platou Chairman of the board	Olav Alexander Nergaard Member of the board	Axel Stove Lorentzen Member of the board
Joseph Johnston Cipolla Member of the board	Kamal Ikherrazen Member of the board	Benjamin Hartmeier Member of the board

Income Statement
Maritime Asset Partners AS

USD

Revenues and costs	Note	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022
Other operational costs	1	346 539	41 608
Total operational costs		**346 539**	**41 608**
Operational result		**-346 539**	**-41 608**
Finance revenues and costs			
Dividend revenue from group company		11 218 803	0
Interest revenue group	2	495 298	421 367
Other finance revenues		-2 166	3 920
Other interest costs	1, 2	457 310	486 564
Other finance cost		-2 274	58
Net finance		**11 256 899**	**-61 334**
Result before tax cost	**3**	**10 910 360**	**-102 942**
Tax cost	3	157 386	94 775
Result after tax		**10 752 974**	**-197 717**
Profit after tax		**10 752 974**	**-197 717**
Transfers			
Transfer to other equity		1 298 202	0
Transfer to uncovered loss		-9 454 772	197 717
Total transfers		**10 752 974**	**-197 717**

Balance
Maritime Asset Partners AS

USD

Assets	Note	31.12.2023	31.12.2022
Non-current assets			
Financial assets			
Investment in group company	4	5 000	5 000
Loan to group company	2	2 000 000	4 710 000
Sum financial assets		**2 005 000**	**4 715 000**
Total non-current assets		**2 005 000**	**4 715 000**
Current assets			
Receivables			
Group receivables	2	2 045 620	193 040
Total receivables		**2 045 620**	**193 040**
Bank deposits	5	107 976	42 547
Total current assets		**2 153 596**	**235 587**
Total assets		**4 158 596**	**4 950 587**

Balance
Maritime Asset Partners AS

USD

Equity and debt	Note	31.12.2023	31.12.2022
Equity			
Paid-up equity			
Share capital	6, 7	11 008	11 051
Premium on shares	6, 7	2 280 014	4 464 594
Total paid-up equity		**2 291 022**	**4 475 645**
Retained earnings			
Other equity	6, 7	1 298 346	144
Uncovered loss	6	0	-540 654
Total retained equity		**1 298 346**	**-540 510**
Total equity	**6, 7, 8**	**3 589 367**	**3 935 135**
Debt			
Deferred tax liability	3	28 983	44 611
Total provisions		**28 983**	**44 611**
Short term debt			
Account payables		155 359	27 785
Taxes payable	3	162 595	50 164
Other short term debt	1, 2	222 291	892 892
Total short term debt		**540 245**	**970 841**
Total debt		**569 228**	**1 015 452**
Total equity and debt		**4 158 596**	**4 950 587**

Oslo , 12.08.2024

Fredrik Platou Chairman of the board	Olav Alexander Nergaard Member of the board	Axel Stove Lorentzen Member of the board
Joseph Johnston Cipolla Member of the board	Kamal Ikherrazen Member of the board	Benjamin Hartmeier Member of the board

Indirect cash flow
Maritime Asset Partners AS

	Note	2023
USD		
Cash flows from operating activities		
Profit/loss before tax		10 910 360
Taxation paid		-46 803
Change in accounts payable		127 574
Change in group receivables		-1 852 580
Change in other accrual items		-664 381
Net cash flows from operating activities		**8 474 170**
Cash flows from investment activities		
Payments to buy shares and participations in other companies		-209
Net cash flows from investment activities		**-209**
Cash flows from financing activities		
Loan to group companies		2 710 000
Set-off share premium against loan		-2 184 580
Proceeds from equity		166
Payment of dividend	6	-8 934 118
Net cash flows from financing activities		**-8 408 532**
Net change in cash and cash equivalents		65 429
Cash and cash equivalents at the start of the period		42 547
Cash and cash equivalents at the end of the period		**107 976**

Accounting principles

The annual accounts have been prepared in accordance with the Accounting Act and NRS 8 - Good accounting practice for small enterprises. The company's financial statement is from 1 January 2023 - 31 December 2023. Accounting currency is USD.

Tax
The tax expense in the income statement includes both the tax payable for the period and the change in deferred tax. Deferred tax is calculated at 22% on the basis of the temporary differences that exist between accounting and tax values, as well as tax losses carried forward at the end of the financial year. Tax-increasing and tax-reducing temporary differences that reverse or can be reversed in the same period are offset and netted.

Shares in group companies
Investments in subsidiaries are valued according to the cost method as the group as a whole does not exceed the limit for small enterprises.

Change of accounting principle (2022)
Effective from June 2022, the Company and its subsidiary, Maritime Asset Holdings agreed to amend the maturity date of the loan to 31 December 2027. Accordingly, the loans receivable was classified as non-current.

Note 1 Salary costs

Maritime Asset Partners AS has not had any salary or personnel costs in 2023. No remuneration has been paid to the board.

Auditor fee expensed during the financial year 2023 is USD 72 175.

As a result of the company's articles of association for the various share classes, see note 4, an interest expense has incurred to owners of A1 and A2 preference shares of USD 457 310. The amount is expensed as an interest expense and capitalized as debt.

Note 2 Group transactions

Company	Loan to	Receivables from	Payables to
Maritime Asset Holdings Ltd	2 000 000	665 820	0
Aksjonær/Shareholder	0	0	222 291
Sum/Total	2 000 000	665 820	222 291

The company has also booked USD 472 780 as an intra-group interest income from Maritime Asset Holdings Ltd, USD22 518 as interest income from MAP Holdco AS, and expensed USD 457 310 in interest expenses to shareholder.

The Company and its subsidiary, Maritime Asset Holdings entered into an agreement in June 2022 to update the maturity date of the loan to 31 December 2027. Accordingly, the loans receivable was classified as non-current.

Note 3 Tax

All amounts in USD.

Tax base	**2023**	**2022**
Provision tax cost	162 595	50 164
Withholding taxes	10 419	0
Change deferred taxes	-15 628	44 611
Total tax cost	**157 386**	**94 775**

Tax base	**2023**	**2022**
Result before tax	10 910 360	-102 942
Permanent differences	-10 771 913	486 564
FX element	529 585	308 727
Change temporary differences	71 037	-202 778
Utilize tax loss cary forward	0	-261 553
Tax base	**739 069**	**228 017**

Tax cost in balanse	**2023**	**2022**
Tax provision	162 595	50 164
Tax liability	**162 595**	**50 164**

Temporary diff.	**2023**	**2022**	**Change**
Fx effects from long term receivables	131 741	202 778	71 037
Sum	**131 741**	**202 778**	**71 037**
Sum	**131 741**	**202 778**	**71 037**
Deferred tax asset	**28 983**	**44 611**	**15 628**

Effective tax rate	**2023**	**2022**
Result before tax	10 910 360	-102 942
22 % of result before tax	2 400 279	-22 647
Not included in deferred tax	0	-57 542
Permanent differences 22 %	-2 369 821	107 044
FX element	116 510	67 920
WHT	10 419	0
Tax cost	**157 386**	**94 775**

Effective tax rate	1,4 %	92,1 %

Note 4 Investments in group companies

The investment in the intra-group subsidiary Maritime Asset Holdings Ltd is booked at nominal value of USD 5 000.

Maritime Asset Partners AS is the ultimate group company in the group Martime Asset Partners.

Note 5 Restricted bank deposits

	2023	2022
Restricted bank deposits	0	0

There are no restricted bank deposits year-end 2023.

Note 6 Equity

USD	Share capital	Premium on shares	Shares owned by company	Other equity	Uncovered loss/Other equity	Total equity
At 31 Dec. 2022	**11 051**	**4 464 594**	**0**	**144**	**-540 654**	**3 935 135**
Dividend payment 26 May 2023					-4 870 230	-4 870 230
Dividend 28 September 2023*					-1 843 888	-1 843 888
Dividend payment 7 November 2023					-2 200 000	-2 200 000
Share capital increase 28 September 2023	166					166
New share class 28 September 2023**	0,2					0,2
Set-off share preimum against loan receivable***		-2 184 580				-2 184 580
Purchase of A2 preference shares***			- 209			-209
Cancellation of A2 preference share 23 December 2023***	-209		209			0
Result after tax					10 752 974	10 752 974
At 31 Dec.2023	**11 008**	**2 280 014**	**0**	**144**	**1 298 202**	**3 589 367**

* On 3 May 2023, the Company entered into an addendum to the existing repayment and reinvestment agreement with its shareholders and Maritime Asset Partners Sarl dated 2022. The addendum resolved the Shortfall Component to be USD 9,007,034. The shortfall component is the off-balance sheet item. On 28 September 2023, another addendum was entered to increase the Shortfall Component by USD 401,044. Following the increase, USD 1,343,669 was paid and was deducted from the total retained earnings of the company.

** Two new C - preference shares have been issued.

*** The company has purchased back and cancelled 2000 A2 preference shares upon set-off of the loan receivable and share premium due from/to shareholder.

Note 7 Shareholders

The share capital of Maritime Asset Partners AS at 31 December 2023:

	Number	Face value (NOK)	Share capital (NOK)	Share capital (USD)
Shares	**99 780**	**1**	**99 780**	**11 008**

The company's capital is NOK 99 780, and is split in the following share types:
- 88 000 common shares (100% of votes)
- 2 000 A1 preference shares
- 9 778 B preference shares
- 2 C preference shares

all with a face value of NOK 1 (USD 0,11).

Compared to year end 2022:
The company's capital is NOK 100 000, and is split in the following share types:
- 88 000 common shares (100% of votes)
- 2 000 A1 preference shares
- 2000 A2 preference shares
- 8 000 B preference shares

Owner structure

Shareholders at 31 December 2023 are

Owner	Shares	Ownership	Voting rights
MAP Holdco AS	46 000	46,1 %%	50 %
WCP Maritime Ventures LTD	44 000	44,1 %%	50 %
Oscar Ulstein Rygnestad	4 890	4,9 % %	0 %
Ivan Dyrtchenko	4 890	4,9 % %	0 %
Total shares	**99 780**	**100 %**	**100%**

Note 8 Subsequent events 31 December 2023

In April 2024, Maritime Asset Partners AS distributed interim dividends of USD 1.4 million to its shareholders, out of the Company's available for distribution profits of the quarter ending on 31st December 2023.

Skatteetaten

Vår dato	Din/Deres dato	Saksbehandler
04.05.2023	31.03.2023	Lars Waaltorp
800 80 000 Skatteetaten.no	Din/Deres referanse	Telefon 90833418
Org.nr 974761076	Vår referanse 2023/5191664	Postadresse Postboks 9200 Grønland 0134 OSLO

ADVOKATFIRMAET PRICEWATERHOUSECOOPERS AS
Postboks 748 Sentrum
0106 OSLO

Att. Njål Torillson Tyssing

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Maritime Asset Partners AS, org.nr. 924 368 845

Vi viser til deres brev mottatt 31. mars 2023 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap (inkl. konsernregnskap) og årsberetning på norsk for Maritime Asset Partners AS.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Maritime Asset Partners AS dispensasjon fra kravet til å utarbeide årsregnskap (inkl. konsernregnskap) 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
Maritime Asset Partners AS er hovedsakelig eid av norske og utenlandske profesjonelle investorer. Selskapet har som formål «Eierskap og investering i andre selskaper og tilhørende virksomhet.»

Selskapet er morselskap i et konsern med datterselskaper mv. i utlandet, og selskapets inntekter kommer kun fra utlandet. Konsernets arbeidsspråk er engelsk. Flere av styremedlemmene i selskapet er utenlandske.

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 har hovedsakelig norske og utenlandske profesjonelle eiere. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk.

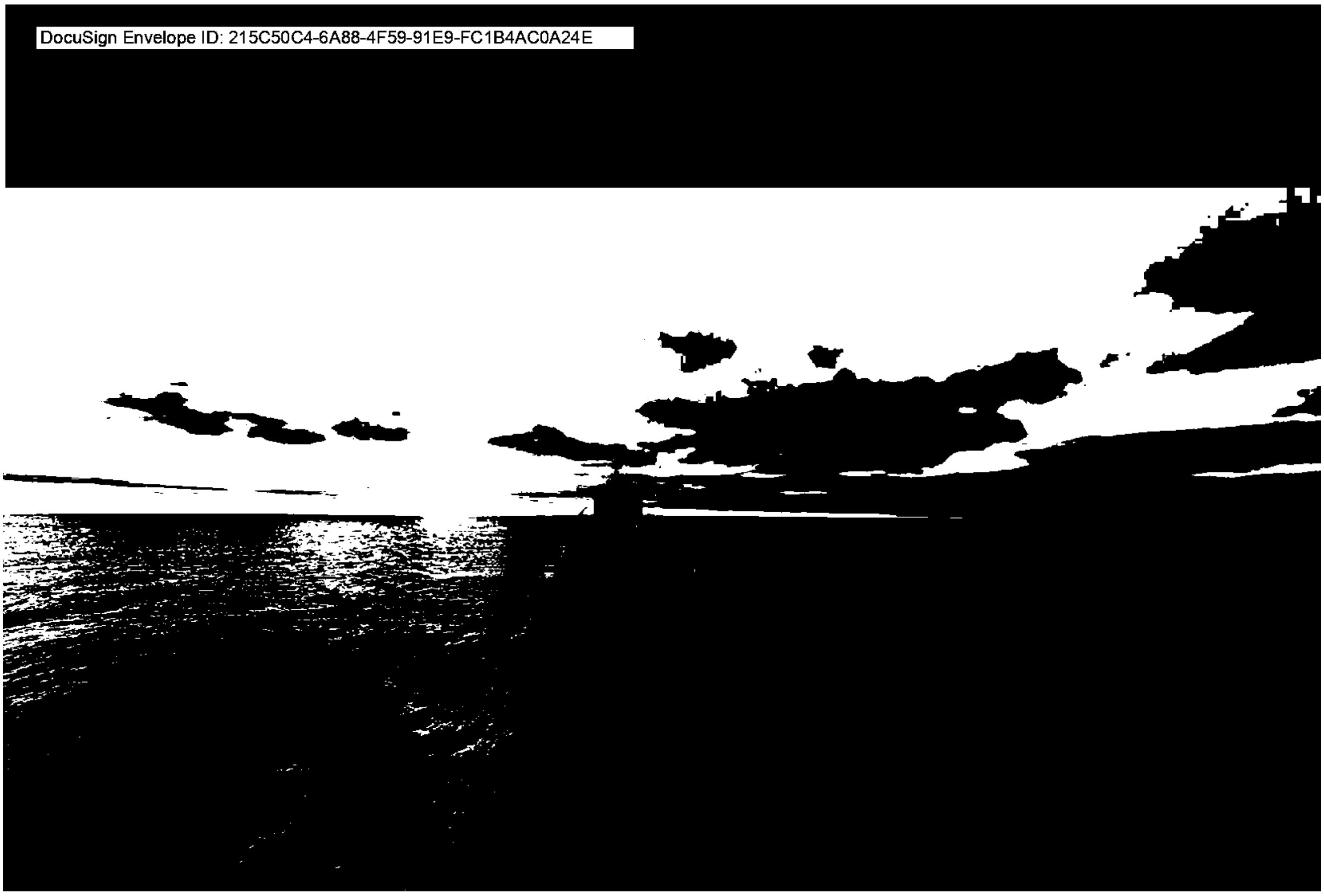
Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waaltorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

Side 2 / 2



MAP

MARITIME ASSET PARTNERS

Maritime Asset Partners AS

Consolidated Financial Statements
For the year ended 31 December 2023

Business Registration Number: 924 368 845

Contents

Board of Directors' report

Operations and fleet

Maritime Asset Partners (MAP) is a ship owning Group with investments in vessels on long-term bareboat charters and loans to international shipping and offshore companies. The Company's business strategy is to enter into long-term bareboat charters or long-term loans, which gives visibility with respect to future earnings of the Company. The main focus has primarily been on bareboat charters with a duration from five to ten years, but the Company may also enter into loan contracts with various durations. The Company's ambition is to continue to grow and further diversify the portfolio of vessels on long-term bareboat charters.

General review of 2023

2023 was a solid and an active year for MAP on the investment side. During the year MAP continued expanding its fleet and deployed further capital under existing and new facilities. At the end of the year the fleet stood at 22 vessels on long-term charters and two holdco loan arrangements to 14 different counterparties. In 2023, MAP had investments in product tankers, container vessels, dry bulk vessels, gas vessels and offshore vessels.

The market for ship financing was attractive in 2023 and generated opportunities for MAP. MAP observed retraction amongst traditional ship lending banks partially mitigated by increased activity from Greek, German and Asian banks. The strong underlying shipping markets has created some challenges to MAP as the risk of providing higher Loan-to-Value ratio (LTV) solutions to prospective clients has increased, while competition is firmer for the lower LTV transactions. MAP is currently experiencing slightly decreased demand for its financing solutions on traditional shipping vessels, but this is mitigated by strong demand on offshore vessels.

MAP's head office is in Malta.

During 2023, MAP acquired vessels on a sale and leaseback basis and provided loans. This includes the following:

- In January 2023, MAP acquired and took delivery of a 2009 built OSCV Vessel on a 10-year sale and leaseback basis for a total consideration of USD 55.0 million with a Norwegian family-owned investment company that is parent to several businesses operating in different business segments.
- In January 2023, MAP acquired and took delivery of two chemical tankers built in 2010 and 2011 on a 5-year sale and leaseback basis for a total consideration of USD 16.75 million with a group-member of a Turkey-based company.
- In May 2023, MAP provided a 3-year loan of USD 37.5 million to an offshore supply vessel company owned by a large asset management platform based in Dubai, backed by a fleet of offshore supply vessels.
- In June 2023, MAP acquired and took delivery of a 2007 built MR2 product tanker on a 5-year sale and lease back basis for a total consideration of 15.0 million with a family-owned commodity shipping and trading firm based in London.
- In July, MAP acquired and took delivery of an MR2 product tanker on a 5-year sale and lease back basis for a total consideration of USD 16.0 million with a ship-owning division of a commodity shipping and trading firm based in London.
- In August, MAP provided a 4.5-year senior secured loan of USD 80.0 million to finance a jack-up accommodation rig. The loan was granted to a Norwegian company providing offshore accommodation services.
- In August, MAP granted a short-term junior loan of USD 6.0 million to an existing client, to finance a 2011 Handysize product tanker built in Korea.

Board of Directors' report - continued

- In September, MAP acquired and took delivery of a 2008 Kawasaki-built gas carrier on an 8-year sale and lease back basis for a total consideration of USD 40.0 million with a company active in shipping and offshore drilling, manufacturing, and branded retail. The transaction was levered with proceeds from a third party with the total leverage drawn of USD 28.6 million.
- In November, MAP provided a 1.5-year senior secured loan of USD 5.0 million as financing in connection with a shipping company acquisition by a commodity shipping and trading firm based in London.

MAP's charter agreements may contain underlying purchase options for the charterer, whereby the charterer can re-purchase the vessel at certain times during the bareboat charter period. The re-deliveries during the period were as follows:

- In February 2023, a subsidiary of MAP re-delivered MR Tigris following exercise of the call options for a total consideration of USD 11.4 million.
- In March 2023, a subsidiary of MAP re-delivered Ellie M following exercise of the call options for a total consideration of USD 3.9 million.
- In August, a subsidiary of MAP re-delivered the vessel Jenny M, following exercise of the call option for a total consideration of USD 7.4 million.
- In September, a subsidiary of MAP re-delivered the vessel Acamar, following exercise of the call option for a total consideration of USD 9.8 million.
- In November, MAP re-delivered Elizabeth M, following exercise of the call option for a consideration of USD 9.6 million.
- In November, MAP re-delivered MV Conqueror following exercise of the call option for a consideration of USD 4.0 million.

In December, MAP received full repayment of USD 2.2 million of the loan granted for financing of Sunny Isles.

Financial review for 2023

Total revenues and other income were USD 41.7 million in 2023 compared with USD 29.3 million in 2022. The main drivers for the increase were the investments in new transactions under bareboat charter and loan agreements.

Operating profit was USD 32.6 million in 2023 compared with USD 23.2 million in 2022.

Net financial items were negative USD 31.3 million in 2023, compared with negative USD 13.8 million in 2022. The increase in 2023 compared to 2022 was mainly related to several new drawdowns on the facilities and re-financing of the existing transactions with Japanese capital providers made during 2023. In addition, the figures for 2023 included change in fair value of the existing financial instruments of positive USD 0.7 million, which was lower than the comparable figure for 2022 of positive USD 2.9 million.

Net profit for the year 2023 was USD 2.2 million compared with a net profit of USD 9.0 million in 2022.

The Group had total assets as at 31st December 2023 of USD 424.0 million, compared to USD 230.6 million for 2022. Total equity was USD 5.6 million at the end of 2023 compared with USD 14.3 million at the end of 2022.

Changes in equity include change in the share premium of USD 2.2 million and dividends of USD 8.9 million. The book equity ratio was 1.3% at the end of 2023, compared with 6.2 % at the end of 2022.

Board of Directors' report - continued

Cash balance at year end 2023 was USD 34.3 million.

Net cash flow from operating activities was USD 5.4 million in 2023, compared to USD 4.5 million for 2022. The difference between the Net profit after tax of USD 2.0 million and Net cash flow from operating activities was mainly due to gain on change in cash flows of finance lease and changes in working capital.

Net cash used in investing activities was USD 180.0 million in 2023. This is mainly a result of the principal lease instalments from lessees, the consideration received upon re-delivery of vessels and the acquisition of vessels financed through a bank loan and a third-party loans.

Net cash from financing was positive USD 189.9 million in 2023, compared to cash of USD 27.9 million used in financing activities in 2022. The figures for 2023 include proceeds from leases and loans from third parties of USD 255.9 million and repayment of lease, loans and bank borrowings of USD 57.3 million.

Parent company – Maritime Asset Partners AS

The profit after tax for the parent company was USD 10.8 million in 2023 compared with a loss of USD 0.2 million in 2022. Total assets were USD 4.2 million and total equity was USD 5.0 million, resulting in an equity ratio of 86.3% in the parent company as at 31st December 2023 compared to the equity ratio of 79.5% as at 31 December 2022. Total liabilities were USD 0.6 million as at 31st December 2023 compared to USD 1.0 million as at 31st December 2022.

Going concern assumption

Pursuant to section 3-3a of the Norwegian accounting act, it is confirmed that the annual accounts have been prepared based on the assumption that Maritime Asset Partners AS is a going concern, and the Board of Directors confirms that this assumption continues to apply.

Dividends

During 2023 MAP paid a total dividend of USD 8.9 million.

Financing

In June 2023, MAP closed a USD 30.0 million refinancing with a Japanese capital provider for a 2009 Korean-built VLGC acquired by MAP in November 2022 on a sale and leaseback basis.

In May 2023, MAP entered into a new facility agreement with the third party amounting to USD 100.0. In June 2023, the facility was upsized to USD 200.0 million.

Financial risk

MAP is exposed to different types of financial risk including credit, liquidity, market risk, interest rate and geopolitical risks. The Group is using different financial instruments to actively manage its financial exposure. The purpose of risk management is to measure and manage financial risk in a reliable manner, thereby increasing predictability and reducing negative effects on the Group's financial results. Maritime Asset Partners' strategy is to mitigate financial risk, where appropriate, using derivative instruments. This is mainly related to interest rate risk but could also include currency risk. The Group will enter into fixed interest rate agreements for portions of its debt facilities from time to time, in order to hedge interest rate exposure. The ratio of fixed interest rate contracts to its total debt portfolio may vary from time to time, depending on the Group's view of the market.

Board of Directors' report - continued

None of the Group's lease agreements have floating interest rate clauses, where the counterparty is responsible for any increase in underlying interest rates. Maritime Asset Partners has senior secured debt arrangements where there is a floating interest rate, but to date all of this exposure has been hedged. Any breakage costs or gains as a result of early termination (including call options) are covered by the respective bareboat charter counterparties or guarantors.

Market risk

As at the year-end 2023, the vessels are on long-term contracts or under long-term senior financing arrangements and are hence not directly exposed to short- or medium-term market risk, as these contracts typically have a fixed charter rate or interest rate throughout the entire period. The Group is, however, exposed to market risk and residual value risk related to those vessels in the event of counterparty default on or prior to contract expiry.

Operating risk

As all of the Group's vessels are on bareboat charter contracts or under senior financing arrangements, the Group is not exposed to operating risk for these vessels, as this is the responsibility of the respective charterer or borrower. However, in the event the charterer or borrower defaults under the bareboat or financing arrangements, the Group could be exposed to operating risk.

Financing risk

MAP is exposed to financing risk since the Company raises external debt on a regular basis for a portion of its investments in vessels, either in the bank market or the institutional market. These loans are subject to refinancing typically at maturities ranging between five to ten years. The loans are subject to certain financial covenants that are reported on a quarterly or semi-annual basis by the Group. Should the appetite or capacity in these markets deteriorate rapidly, the Group may face the risk of increased margins when entering into a new project or obtaining lower leverage than anticipated in a refinancing. This may negatively impact overall returns. The Company works to reduce these risks by securing financing at the same time or shortly after committing to a new investment and maintaining access to a broad range of products.

Credit risk

The exposure to credit risk is monitored on a regular basis. The Group's principal financial assets are bank deposits and cash, finance lease receivables and derivatives. The Group's exposure to credit risk is mainly related to finance lease receivables and trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by management based on prior experience and their assessment of the current economic environment. At the end of each reporting period MAP assesses whether the financial assets are credit impaired. Impairment is assessed using the expected credit loss ECL method for financial assets.

The Group has inherent credit risk through the fact that a counterpart may not be able to meet its obligations under a long-term charter contract. In order to mitigate this risk, the Group charters out the vessels to internationally well recognized companies within the shipping and offshore industry. However, as shipping and oil service markets are volatile, there is no absolute protection against potential counterparty default.

Liquidity risk

MAP has inherent liquidity risk in a situation where the Group may be unable to fulfil its financial obligations as they fall due.

Board of Directors' report - continued

The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its obligations when due. Management monitors monthly forecasts of the Group's liquidity reserve on the basis of expected cash flows. The Company's cash and cash equivalents are placed with major international banks with strong credit ratings. MAP's cash is placed with major international banks with strong credit ratings.

Interest rate risk

The Group's interest rate risk arises from long term borrowings and receivables. Borrowings and receivables issued at variable rates expose the Group to cash flow interest rate risk. The Group has prepared guidelines for management of interest rate risks. The interest rate policy defines levels for the hedging of expected future cash flows. To manage some of the interest rate risk, the Group has entered into interest rate swaps related to vessel financings, where floating rate payments have been swapped to fixed rate payments. In addition, in several of the Group's lease agreements the charter rates are subject to a LIBOR/SOFR adjustment, which matches the underlying funding of the asset.

Capital Management

For the purpose of the Group's capital management, capital includes issued capital, preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirement of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

In order to achieve this overall objective, the Group's capital management aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breach of the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st December 2023.

Working environment and employees

MAP had eight employees employed during the year (2022: six).

External environment

The Group's operations do not result in pollution or spillage harmful to the external environment other than what is considered common for this type of business. No incidents or reporting of work-related accidents resulting in significant material damage or personal injury occurred during the year.

Outlook

The market for ship financing in certain segments continues to be attractive, generating interesting opportunities for MAP. As the general shipping markets are close to cyclical highs, MAP has seen increased activity from traditional ship lending banks. Specifically, Greek, German and Asian banks have actively deployed capital. The strong underlying shipping markets has created some challenges to MAP as the risk of providing higher LTV solutions to prospective clients is increased, while competition is firmer for the lower LTV transactions. As a result of the above, MAP is currently experiencing a decreased demand for its financing solutions, particularly on traditional shipping vessels.

Board of Directors' report - continued

Activity in the offshore sector remains strong, and MAP is also seeing interesting opportunities through structured product offerings and in certain niche segments. MAP has a continued long-term positive outlook for new transactions and believes it will be able to capitalise on several attractive opportunities in the coming years.

Events after year end

- In January 2024, shares in subsidiaries that owned Ruby T and Diamond T together with the shareholder loans of the subsidiaries were sold to a third party for a total consideration of USD 15.0 million.
- In January 2024, a Group's subsidiary granted a 3.75-years senior secured loan of USD 51.7 million to part-finance the acquisition of a harsh environment semi-submersible drilling rig. The loan was granted to a UK-based subsidiary of one of the North Sea's longest established drilling contractors listed on Euronext Growth Oslo. In April 2024, another drawdown of USD 13.3 million on this transaction was made.
- In February, a Group's subsidiary granted a 5-years senior secured loan of USD 30.0 million to finance 3 MPSVs and DP2 diesel-electric PSVs. The loan was granted to a leading offshore support vessel owner operating in the oil, gas and offshore construction sectors in West Africa.
- In February 2024, MAP received full repayment of USD 6.0 million from a holdco loan granted to a French counterparty.
- In January 2024, a Group's subsidiary closed a facility agreement of USD 51.6 million with Deutsche Bank. The facility is priced at SOFR plus a margin of 3.5% and matures on December 31, 2027.

- In April 2024, Maritime Asset Partners AS distributed interim dividends of USD 1.2 million to its shareholders (including interest of USD 0.8 million on A1 Shortfall component), out of the Company's profits available for distribution, and USD 0.2 million of interest on A1 preference shares.

Consolidated statement of financial position

	Notes	As at 31st December 2023 USD	2022 USD
ASSETS			
Non-current assets			
Property, plant and equipment		18,006	17,769
Finance lease receivables	6	195,190,522	145,757,431
Loans receivable	12	111,424,256	7,000,000
Derivative financial asset	14	1,109,289	1,687,703
Other financial assets	15	1,172,446	1,909,135
Total non-current assets		308,914,519	156,372,038
Current assets			
Finance lease receivables	6	38,462,767	38,998,039
Loans receivable	12	21,138,131	10,685,200
Trade and other receivables	13	6,314,949	3,705,162
Derivative financial assets	14	-	2,024,845
Other financial assets	15	-	100,773
Cash	16	34,289,057	18,703,070
Assets held for sale	17	14,939,563	-
Total current assets		115,144,467	74,217,089
Total assets		424,058,986	230,589,127
EQUITY AND LIABILITIES			
Equity			
Share capital - Ordinary shares	22	9,760	9,760
Share capital - Preference shares	22	1,248	1,291
Share premium - Preference shares	22	2,280,014	4,464,594
Other reserve		(26,817)	(220,087)
Retained earnings		3,333,199	10,002,055
Total equity		5,597,404	14,257,613

Consolidated statement of financial position - continued

	Notes	As at 31st December 2023 USD	2022 USD
LIABILITIES			
Non-current liabilities			
Loans and borrowings	18	328,417,475	179,092,417
Trade and other payables	19	4,020,531	2,643,355
Derivative financial liability	14	-	215,044
Deferred tax liability	11	84,447	219,110
Other financial liability	20	5,000,000	-
Finance lease liability	21	47,811,035	-
Total non-current liabilities		385,333,488	182,169,926
Current liabilities			
Loans and borrowings	18	9,724,166	15,259,843
Trade and other payables	19	8,198,458	6,104,882
Current tax liabilities	11	781,251	477,963
Other financial liability	20	5,838,153	12,318,900
Finance lease liability	21	7,325,000	-
Liabilities associated with the assets held for sale	17	1,261,066	-
Total current liabilities		33,128,094	34,161,588
Total liabilities		418,461,582	216,331,514
Total equity and liabilities		424,058,986	230,589,127

The notes on pages 14 to 51 are an integral part of these consolidated financial statements.

The consolidated financial statements on pages 1 to 51 have been approved and authorised for issue by the board of directors on 28 June 2024.

Oslo ,
Styret i Maritime Asset Partners AS

DocuSigned by:
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Chairman of the board

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Benjamin Hartmeier
Member of the board

Consolidated statement of profit or loss and other comprehensive income

		Year ended 31st December	
		2023	2022
	Notes	USD	USD
Finance lease revenue	6	25,533,071	16,428,347
Gain on re-measurement and modification of the finance lease		2,494,841	6,403,007
Other revenue	7	3,864,184	5,289,216
Interest revenue		8,248,898	777,955
Administrative and operating expenses	8	(7,561,401)	(5,732,662)
Operating profit		32,579,593	23,165,863
Finance income	9	1,620,793	7,449,358
Finance costs	10	(32,874,386)	(21,264,089)
Other income		1,565,637	430,998
Other costs		(267,992)	(142,197)
Profit before tax		2,623,645	9,639,933
Income tax expense	11	(378,383)	(679,819)
Profit for the year		2,245,262	8,960,114
Total comprehensive income		2,245,262	8,960,114

The notes on pages 14 to 51 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

	Share capital-Ordinary shares	Share capital-Preference shares	Share premium	Other reserves	Retained earnings	Total
	USD	USD	USD	USD	USD	USD
Balance as at 1st January 2022	9,760	1,310	2,342,846	(10,436)	1,250,677	3,594,157
Issuance of preference shares	-	251	2,936,748	-	-	2,936,999
Redemption of preference shares	-	(270)	-	-	-	(270)
Closing retained earnings of liquidated companies	-	-	-	-	(205,906)	(205,906)
Allocation of reserve	-	-	-	2,830	(2,830)	-
Dividends declared	-	-	(815,000)	-	-	(815,000)
Profit during the year	-	-	-	-	8,960,114	8,960,114
Other reserves during the year	-	-	-	(212,481)	-	(212,481)
Balance as at 31st December 2022	9,760	1,291	4,464,594	(220,087)	10,002,055	14,257,613
Issuance of preference shares	-	166	-	-	-	166
Redemption of preference shares	-	(209)	-	-	-	(209)
Repayment of share premium	-	-	(2,184,580)	-	-	(2,184,580)
Movement in translation	-	-	-	193,270	-	193,270
Dividends declared	-	-	-	-	(8,914,118)	(8,914,118)
Profit during the year	-	-	-	-	2,245,262	2,245,262
Balance as at 31st December 2023	9,760	1,248	2,280,014	(26,817)	3,333,199	5,597,404

The notes on pages 14 to 51 are an integral part of these consolidated financial statements.

Consolidated statement of cash flow

	Year ended 31st December 2023	Year ended 31st December 2022
	USD	USD
Net profit after tax	2,245,262	8,960,114
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation charge	5,179	3,947
Gain on re-measurement of the finance lease	(2,494,841)	(6,403,007)
Interest income	(33,781,969)	(17,206,302)
Interest expense	31,098,409	14,905,325
Amortization of deferred issuance costs	1,865,851	679,194
Fair value adjustment on derivatives	(682,338)	(2,887,251)
Effects of foreign exchange	2,540	4,497
Tax provisions during the year	378,383	679,819
Changes in working capital:		
Trade and other receivables	(2,883,742)	(89,791)
Trade and other payables	5,709,521	3,860,022
Cash generated from operations	1,462,255	2,506,567
Income tax paid	(199,952)	(52,387)
Interest received from financial lease	25,533,071	16,428,347
Interest received from third party loans	8,185,606	687,538
Interest paid on finance lease	(2,054,600)	-
Interest paid on third party loans	(20,820,760)	(8,973,487)
Interest paid on bank borrowings	(6,678,883)	(6,115,342)
Net cash generated from operating activities	5,426,737	4,481,236
Investing activities:		
Purchases of fixed assets	(6,399)	(8,013)
Subsidiaries liquidated during the year	-	(205,906)
Principal lease instalments from lessees	36,603,773	36,385,296
Consideration received upon re-delivery of vessel	45,042,400	116,678,894
Acquisition of vessel financed through loans and borrowings	(142,750,000)	(124,996,000)
Issue of loans to third parties	(128,500,000)	(17,500,000)
Principal repayment of loans receivable	10,500,000	13,928,197
Net cash flow from restricted cash and other investing activities	(879,804)	9,938,900
Net cash (used in)/generated from investing activities	(179,990,030)	34,221,368

Consolidated statement of cash flow – continued

	Year ended 31st December 2023	Year ended 31st December 2022
	USD	USD
Cash flows from financing activities		
Proceeds from loans from third parties	197,303,500	79,760,000
Proceeds from finance leases from third parties	58,600,000	-
Proceeds from bank borrowings	-	40,000,000
Debt issuance costs from proceeds of loans	(1,431,479)	(1,912,582)
Change in restricted cash	839,835	(677,708)
Repayment of loans from third parties	(8,350,000)	
Repayment of finance lease from third parties	(3,379,167)	(72,400,196)
Repayment of bank borrowings	(45,598,491)	(74,763,584)
Issuance of preference share capital	166	2,936,999
Proceeds from SWAPs	3,070,553	-
Redemption of preference shares	(2,184,789)	(270)
Dividend payments to the shareholders	(8,914,118)	(815,000)
Net cash generated from/(used in) financing activities	189,956,010	(27,872,341)
Net movement in cash during the year	15,392,717	10,830,263
Cash at beginning of the year	18,703,070	8,085,288
Effect of translation from functional to presentation currency	193,270	(212,481)
Cash at end of the year	34,289,057	18,703,070
Non-cash transactions		
Borrowing costs	1,865,851	679,194
Restricted cash	(837,462)	677,708
Net of non-cash transactions	1,028,389	1,356,902

The notes on pages 14 to 51 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. Corporate information

Maritime Asset Partners AS ('the Company") is a Norwegian limited company incorporated and domiciled in Oslo, Norway on 17 December 2019 with business registration number of 924 368 845. The registered office is located at Haakon VIIs gate 1, Oslo.

The Company's primary business activity is to act as holding company, with several investments in single purpose companies ("subsidiaries"). The subsidiaries have the ownership of the Group's vessels that are on bareboat charters. The Group focuses on leasing, secured lending and structured equity solutions for commodity and industrial shipping as well as the offshore oil and gas industries.

The consolidated financial statements for 2023 were approved and authorized for issue by the Board of Directors on 28 June 2024. The consolidated financial statements will be presented to the Annual General Meeting on 28 June 2024 for approval.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as approved by the European Union, their interpretations adopted by the International Accounting Standards Board (IASB) and the additional requirements of the Norwegian Accounting Act as at 31st December 2023.

These consolidated financial statements of Maritime Asset Partners AS include the financial statements of the Company and its subsidiaries owned as at 31st December 2023 (referred to collectively as the "Group" and separately as group companies). The accounting principles presented herein have been applied consistently for the reporting period and for the companies presented in the consolidated financial statements.

Preparation of the financial statements is based on historical cost, with the following exceptions:
- Derivative financial instruments are measured at fair value; and
- Principles used to determine fair value are described in greater detail in note 2.5.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.2 Basis of consolidation

Consolidated financial statements present the Group's financial position, profit or loss, comprehensive income, changes in equity and cash flow. All intragroup transactions, receivables and liabilities are eliminated. Unrealized gains from intragroup transactions are eliminated. Unrealized losses from intragroup transactions are also eliminated but are considered an indicator of impairment with respect to the asset transferred.

Notes to the consolidated financial statements – continued

2. Summary of significant accounting policies – continued

2.2 Basis of consolidation – continued

(a) Subsidiaries

The Group's consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31st December 2023. Control is achieved when the Group is exposed, or is entitled, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that enable the Group to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss are attributed to the equity holders of the parent of the Group. When necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full consolidation.

If the Group losses control over a subsidiary, it derecognises the related assets, liabilities, and other components of equity, while any result gain or loss is recognised in profit or loss.

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed (identifiable net assets) in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Notes to the consolidated financial statements – continued

2. Summary of significant accounting policies - continued

2.2 Basis of consolidation - continued

(b) Business combination with entities under the same control

Business combinations in which all of the combining entities are ultimately controlled by the same ultimate controlling party, both before and after the combination, are treated as common control transactions. Common control transactions are accounted for in the acquirer's consolidated financial statements using the book value accounting approach, under which the assets acquired and the liabilities assumed are measured using the book values in the financial statements of the entity transferred as at the date that the common control transaction occurred. In applying book value accounting, an adjustment may be required in equity to reflect any difference between the consideration and the capital of the acquiree. The resulting adjustment is recognised in accumulated losses.

2.3 Foreign currency translation and transactions

(a) Functional and presentation currency

These consolidated financial statements are presented in United States Dollars (USD), which is the functional currency of Maritime Asset Partners AS and the group companies.

Financial statements of group companies whose functional currencies are different from the presentation currency (USD) are translated to USD in the following way:

- Balance sheet items are translated using the exchange rates on the balance sheet date.
- Profit or loss items are translated using the average exchange rates for the reporting period.

(b) Transactions and balances

Foreign currency transactions are translated into the entities functional currency using the exchange rates prevailing at the date of each transaction. Monetary assets and liabilities in foreign currencies are translated to the entities functional currency using the exchange rates on the balance sheet date. Foreign exchange gains and losses that relate to loans and borrowings and cash are presented in the consolidated statement of profit or loss as 'finance income/costs'. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss as 'other income/costs'.

The Group uses the official exchange rates issued by the European Central Bank in foreign currency translation:

	2023	2022
EUR to USD (closing rate)	1.1050	1.0666
EUR to USD (average rate)	1.0811	1.0530
NOK to USD (closing rate)	10.1724	9.8573
NOK to USD (average rate)	10.5704	9.6203
GBP to USD (closing rate)	1.2715	1.2025
GBP to USD (average rate)	1.2432	1.2360

Notes to the consolidated financial statements – continued

2. Summary of significant accounting policies – continued

2.4 Current vs non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current and non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.5 Fair value measurement

Maritime Asset Partners AS measures certain assets and liabilities at fair value for the purpose of recognition or disclosure. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the consolidated financial statements – continued

2. Summary of significant accounting policies – continued

2.5 Fair value measurement – continued

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 Valuation techniques for which input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 Valuation techniques for which input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. Further, the methods used in determining fair value is described in the following.

2.6 Current and deferred tax

Income tax in the profit or loss statement comprises current and deferred tax. Tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

Current tax is based on the taxable profit for the year, as determined in accordance with tax laws, and measured using tax rates, which have been enacted at the balance sheet date. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

The operation of the Group's bareboat fleet is managed from Malta. Therefore, most of the Group's income is subject to corporate taxation in Malta.

The subsidiary of Maritime Asset Partners AS, Maritime Assets Holding Ltd (the "Maltese holding company") has elected to form a Fiscal Unit for corporate income tax purposes in Malta.

Notes to the consolidated financial statements – continued

2. Summary of significant accounting policies – continued

2.6 Current and deferred tax - continued

Consequent to such an election, the members of the Fiscal Unit are treated as a single taxpayer, and their tax return is based on the consolidated financial statements for the fiscal unit (the "Fiscal Unit consolidated financial statements"). The Fiscal Unit collectively comprises the Maltese holding company and certain other of its subsidiaries (hereinafter referred to as "members") in which the Company holds at least a 95% equity stake, which together with the Maltese holding company are hereinafter referred to collectively as "Fiscal Unit".

The Maltese holding company is the principal taxpayer of the Fiscal Unit registered with the Tax Authorities in accordance with Consolidated Group (Income Tax) Rules (L.N. 110 of 2019). However, the tax sharing agreement in place specifies that Maritime Asset Partners Ltd ('MAP'), the subsidiary of the principal taxpayer assumes the obligation to settle tax payable to the principal taxpayer by each transparent subsidiary of the fiscal unit. The tax sharing arrangement also provides that each fiscal unit member shall compensate MAP for an amount equivalent to its respective tax liability, which tax liability shall be calculated based on the profit figure that would be determined after considering the elimination of any consolidation adjustments. For deferred tax recognition purposes, each fiscal unit member assesses the probability of future taxable profit by considering future taxable profits of the entire fiscal unit as a whole.

Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of each fiscal unit member and the components being consolidated as members of the fiscal unit, are recognised by the principal taxpayer, being the entity responsible for payment of tax payable by the fiscal unit. Subsequently, due to the existence of a tax sharing arrangement between the fiscal unit members, amounts are recognised by MAP as payable to or receivable from in accordance with the arrangement.

2.7 Financial assets

Financial assets are classified at initial recognition in accordance with how they are subsequently measured, as follows:

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income; and
- financial assets at fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group's financial assets are as follows:

Financial assets at amortised cost

Financial assets at amortised costs are financial assets that are held within the business model whose objective is to collect contractual cash flows ("hold to collect") and the contractual terms give rise to cash flows that are solely payments of principal and interest. These financial assets are subsequently measured at amortised cost using the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income foreign exchange losses and impairment are recognised in the consolidated profit or loss. Any gain or loss on derecognition is recognised in the consolidated profit or loss.

Notes to the consolidated financial statements – continued

2. Summary of significant accounting policies – continued

2.7 Financial assets – continued

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. The Group recognises an allowance for expected credit losses (ECLs) on financial assets that are measured at amortised cost and contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for credit exposure which has not significantly increased since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (12-month ECL). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Loss allowances for trade receivables (including lease receivables) and contract assets are always measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of the financial instrument.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are discounted at the effective interest rate of the financial asset.

2.8 Derivative financial instruments

The Group recognises a derivative financial investment in its consolidated financial position when it becomes a party to the contractual provisions of the derivative. They are initially recognised at fair value and subsequently carried at fair value. Any transaction costs that are directly attributable to the acquisition or issue of the derivative are recognised as an expense in profit or loss.

Gains or losses arising from changes in the fair value of derivatives are recognised in profit or loss in the period in which they arise.

The fair values of derivatives are based on market values, for those derivatives for which a reliable market can readily be identified. Where a market value is not readily identifiable for a derivative but can be identified for its components or for a similar instrument, the market value is derived from that of its components or of the similar instrument. For those derivatives for which a reliable market cannot be readily identified, the fair value is based on generally accepted valuation models and techniques.

Notes to the consolidated financial statements – continued

2. Summary of significant accounting policies – continued

2.8 Derivative financial instruments – continued

Embedded derivatives

Derivatives may be embedded in another contractual arrangement (a host contract). The Group accounts for embedded derivatives separately from the host contract when:

- the host contract is not itself carried at FVTP;
- the terms of the embedded derivative would meet the definition of a derivative it they were contained in a separate contract; and
- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

Separated embedded derivatives are measured at fair value, with all changes in fair value recognised in profit or loss unless they form part of a qualifying cash flow or net investments hedging relationship. Separated embedded derivatives are presented in the consolidated statement of financial position together with the host contract.

2.9 Impairment of non-financial assets

The carrying amounts of the Group's assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If an indication of impairment exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated annually. The recoverable amount of an asset or cash generating unit is defined as the greater of its value in use and its fair value, less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a relevant pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For assets that do not generate independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss. Impairment losses of cash generating units are allocated first to reduce the carrying amount of any goodwill, if applicable, and thereafter to reduce the carrying amount of other assets in the unit.

An impairment loss on goodwill is not reversed. For assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount, net of depreciation or amortisation, calculated as if no impairment loss had been recognised.

Notes to the consolidated financial statements – continued

2. Summary of significant accounting policies – continued

2.10 Loans and other receivables

Loans and other receivables mainly comprise of loans to third parties, trade debtors and accrued income. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Loans and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment (note 2.7). The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss.

2.11 Leases

Leases in which substantially all the risk and reward of the ownership are transferred to the lessee are classified as finance leases. Lease classification is made at the inception of the lease. The vessel owned by the Group was chartered out on long-term contracts. When assessing whether an agreement is an operating or finance lease, management considers the substance of the lease agreement. The Group leases the vessel under a lease agreement containing a purchase obligation at the end of the lease term.

The Group as the lessor

For finance leases, a receivable equal to the net investment in the lease is recognized in the Group's consolidated statement of financial position at the inception of the lease. Over the lease term interest on the net investment is recognized in the consolidated statement of profit or loss as operating revenue in a way that produces a constant rate of return on the investment.

The Group as the lessee

The Group recognises a right-of use asset and a lease liability at the lease commencement date, the right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of the head lease with reference to the underlying asset, and de-recognises the right-of-use asset from the sublease.

Notes to the consolidated financial statements – continued

2. Summary of significant accounting policies – continued

2.12 Cash

Cash comprises demand deposits.

2.13 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata bases, except that no loss is allocated to financial assets, and deferred tax assets which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in consolidated profit or loss.

2.14 Share capital

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

2.15 Financial liabilities

The Group recognises a financial liability in its consolidated balance sheet when it becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value, including transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method. The Group derecognises a financial liability from its consolidated balance sheet when the obligation specified in the contract or arrangement is discharged, is cancelled or expires.

2.16 Trade and other payables

Trade and other payables mainly comprise of amounts due to shareholder, interest payables, accruals and deferred income. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Loans and borrowings

Loans and borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred, and subsequently measured in accordance with the policy described in note 2.15. On derecognition, any difference between the carrying amount and the redemption or settlement amount is recognised in profit or loss.

Loans and borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Notes to the consolidated financial statements – continued

2. Summary of significant accounting policies – continued

2.18 Borrowing costs

Borrowing costs are recognised in profit or loss as incurred.

2.19 Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.20 Revenue recognition

The Group recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for the Group's activities as described below.

Finance lease revenue

In accordance with IFRS, for finance leases, revenue is recognised in the profit and loss as revenue in a way that produces a constant rate of return on the investment over the lease term.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

Dividend income

Dividend income is recognised when the right to receive payment is established.

2.21 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.22 New and amended standards and interpretations

A number of new standards and amendments are effective from 1st January 2023, but they did not have a material effect on the Group's financial statements. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3. Significant Accounting Judgements, Estimates and Assumptions

Preparation of financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of guidelines and principles, as well as the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are considered relevant under the circumstances.

Notes to the consolidated financial statements – continued

3. Significant Accounting Judgements, Estimates and Assumptions - continued

The resulting accounting estimates will, by definition, rarely match actual results, but are based on the best estimate at the time. Estimates and underlying assumptions are reviewed on a regular basis. Changes to accounting estimates are recognised in the period in which the estimates are revised if the change affects that period, or prospectively for changes in estimates such as the useful lives of vessels or in estimated salvage values. Estimates and assumptions that could have a significant impact on the carrying amounts of assets and liabilities within the next financial year are described below.

3.1 Classification of lease agreements

As at the year-end 2023, most of the Group's vessels were chartered on long term contracts. At the inception of the lease agreements an assessment is made to evaluate whether the agreements should be classified as operating leases or finance leases (note 2.11). All the leases of the Group in 2023 and 2022 were classified as finance leases in accordance with IFRS 16.

3.2 Impairment of Finance Lease receivables

At the end of each reporting period the Group assesses whether the financial lease receivables are impaired. Impairment is assessed using the expected credit loss ("ECL") method for financial assets. Twelve months ECLs are used for the finance lease receivables for which credit risk has not increased significantly since initial recognition. If there is a significant increase in credit risk, the expected credit loss is estimated for the entire lease term. The determination of whether there is a significant increase in credit risk is based on an assessment of the counterparty. Examples of events that may lead to a significant increase in credit risk are delayed payments, breach of covenants, decrease in equity and negative development in working capital. In addition, the Group regularly assesses whether there have been reductions in the estimated unguaranteed residual values of the leased assets. The assessment of changes in unguaranteed residual values involves the use of estimates and assumptions about expected future values.

4. Capital and Financial Risk Management

Financial risk

The Group is exposed to different types of financial risk including credit-, liquidity- and market risk (e.g. interest- and currency risk). The Group is using different financial instruments to actively manage its financial exposure. The purpose of risk management is to measure and manage financial risk in a reliable manner, thereby increasing predictability and reducing negative effects on the Group's financial results.
Maritime Asset Partners' strategy is to mitigate financial risk, where appropriate, using derivative instruments. This is mainly related to interest rate risk but could also include currency risk. The Group will enter into fixed interest rate agreements for portions of its debt facilities from time to time, in order to hedge interest rate exposure. The ratio of fixed interest rate contracts to its total debt portfolio may vary from time to time, depending on the Group's view of the market. Some of the Group's lease agreements have a SOFR interest rate component clauses, where the counterparty is responsible for increases in underlying interest rates. Maritime Asset Partners has senior secured debt arrangements where there is a floating interest rate, but to date all of this exposure has been hedged in transactions where there are fixed rates. Any breakage costs or gains as a result of early termination (including call options) are covered by the respective bareboat charter counterparties or guarantors.

Notes to the consolidated financial statements – continued

4. Capital and Financial Risk Management – continued

Market risk

As at the year-end 2023, the vessels are on long-term contracts or under long-term senior financing arrangements and are hence not directly exposed to short- or medium-term market risk, as these contracts typically have a fixed charter rate or interest rate throughout the entire period. The Group is, however, exposed to market risk and residual value risk related to those vessels in the event of counterparty default on or prior to contract expiry.

Operating risk

As all of the Group's vessels are on bareboat charter contracts or under senior financing arrangements, the Group is not exposed to operating risk for these vessels, as this is the responsibility of the respective charterer or borrower. However, in the event the charterer or borrower defaults under the bareboat or financing arrangements, the Group could be exposed to operating risk.

Financing risk

The Group is exposed to financing risk since the Company raises external debt on a regular basis for a portion of its investments in vessels, either in the bank market or the institutional market. These loans are subject to refinancing typically at maturities ranging between five to ten years. The loans are subject to certain financial covenants that are reported on a quarterly or semi-annual basis by the Group. Should the appetite or capacity in these markets deteriorate rapidly, the Group may face the risk of increased margins when entering into a new project or obtaining lower leverage than anticipated in a refinancing. This may negatively impact overall returns. The Company works to reduce these risks by securing financing at the same time or shortly after committing to a new investment and maintaining access to a broad range of products.

4.1 Credit risk

The exposure to credit risk is monitored on a regular basis. The Group's principal financial assets are bank deposits and cash, finance lease receivables, loans receivables and derivatives. The Group's exposure to credit risk is mainly related to finance lease receivables, loans receivables and trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by management based on prior experience and their assessment of the current economic environment. At the end of each reporting period the Group assesses whether the financial assets are credit impaired. Impairment is assessed using the expected credit loss ECL method for financial assets as further described in note 2.7.

Financial interest-bearing receivables

Financial interest-bearing receivables mainly consist of finance lease and loans receivables. As at the balance sheet date, management does not expect any counterparty to fail to meet its obligations.

Notes to the consolidated financial statements – continued

4. Capital and Financial Risk Management – continued

4.1 Credit risk – continued

Trade receivables

Management expects these balances to be recovered within their due dates. As at 31 December 2023 and 2022, receivables are classified as neither past due nor impaired.

Cash

Cash is held with banks and financial institutions with strong credit-ratings. Based on their credit ratings, as at the balance sheet date management does not expect any of these financial institutions to fail to meet their obligations.

Derivatives

Transactions involving derivative financial instruments are made with counterparties that have sound credit-ratings. Given their high credit ratings, as at the balance sheet date management does not expect any counterparty to fail to meet its obligation.

Exposure to credit risk

The Group has inherent credit risk through the fact that a counterpart may not be able to meet its obligations under its financial instrument contracts (i.e., long-term charter or facility term contract). In order to mitigate this risk, the Group charters out the vessels and provide loans to internationally well recognized companies within the shipping and offshore industry. However, as shipping and oil service markets are volatile, there is no absolute protection against potential counterparty default.

The Group's exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position:

	2023		
Amounts in USD	Receivables at amortised cost	Cash	Total
Derivative assets	1,109,289	-	1,109,289
Finance lease receivables	195,190,522	-	195,190,522
Finance lease receivables, current portion	38,462,767	-	38,462,767
Loans receivable	111,424,256	-	111,424,256
Loans receivable, current portion	21,138,131	-	21,138,131
Other financial assets	1,172,446	-	1,172,446
Trade and other receivables	6,314,949	-	6,314,949
Cash	-	34,289,057	34,289,057
Total	**374,812,360**	**34,289,057**	**409,101,417**

Notes to the consolidated financial statements – continued

4. Capital and Financial Risk Management – continued

4.1 Credit risk – continued

	2022		
Amounts in USD	Receivables at amortised cost	Cash	Total
Derivative assets	3,712,548	-	3,712,548
Finance lease receivables	145,757,431	-	145,757,431
Finance lease receivables, current portion	38,998,039	-	38,998,039
Loans receivable	7,000,000	-	7,000,000
Loans receivable, current portion	10,685,200	-	10,685,200
Other financial assets	1,909,135	-	1,909,135
Trade and other receivables	3,705,162	-	3,705,162
Cash	-	18,703,070	18,703,070
Total	211,767,515	18,703,070	230,470,585

The Group has restricted cash classified as other financial assets.

4.2 Liquidity risk

The Group has inherent liquidity risk in a situation where the Group may be unable to fulfil its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its obligations when due.

Management monitors monthly forecasts of the Group's liquidity reserve on the basis of expected cash flows. Group's cash is placed with major international banks with strong credit ratings.

The figures in the table below represent the contractual undiscounted cash flows related to the Group's liabilities. Interest has been calculated using the interest rates as at the year-end.

	2023 Contractual cash flows incl. estimated interest payments					
Amounts in USD	Carrying amount	Contractual cash flows	0-12 months	1-2 years	2-5 years	Over 5 years
Bank loan	45,248,535	55,321,930	13,975,482	12,432,874	28,913,574	-
Finance lease liability	55,136,035	60,856,335	8,707,008	8,509,879	24,401,473	19,237,975
Loan from third party	295,416,744	422,347,478	29,026,185	29,026,185	364,295,108	-
Other financial liabilities	10,838,153	10,838,153	5,838,153	5,000,000	-	-
Trade and other payables	2,562,207	2,562,207	2,562,207	-	-	-
Total contractual cash flows for liabilities	409,201,674	551,926,103	60,109,035	54,968,938	417,610,155	19,237,975

Notes to the consolidated financial statements – continued

4. Capital and Financial Risk Management – continued

4.2 Liquidity risk - continued

	2022 Contractual cash flows incl. estimated interest payments					
Amounts in USD	Carrying amount	Contractual cash flows	0-12 months	1-2 years	2-5 years	Over 5 years
Bank loan	89,479,418	108,313,152	22,768,032	14,530,583	71,014,537	-
Loan from third party	105,676,504	185,194,240	22,544,954	29,026,185	133,623,101	-
Other financial liabilities	12,318,900	12,318,900	12,318,900	-	-	-
Trade and other payables	2,930,787	2,930,787	2,930,787	-	-	-
Total contractual cash flows for liabilities	**210,405,609**	**308,757,079**	**60,562,673**	**43,556,768**	**204,637,638**	**-**

4.3 Interest rate risk

The Group's interest rate risk arises from long term borrowings and receivables. Borrowings and receivables issued at variable rates expose the Group to cash flow interest rate risk. The Group has prepared guidelines for management of interest rate risks. The interest rate policy defines levels for the hedging of expected future cash flows. To manage some of the interest rate risk, the Group has entered into interest rate swaps related to vessel financings, where floating rate payments have been swapped to fixed rate payments. In addition, in several of the Group's lease agreements the charter rates are subject to a LIBOR/SOFR adjustment, which matches the underlying funding of the asset.

As at 31 December 2023, the interest rate profile of the Group's interest-bearing financial instruments was as follows:

	2023 USD	2022 USD
Fixed rate instruments:		
Financial assets	276,323,413	202,440,670
Financial liabilities	(292,917,267)	(194,352,260)
Net fixed rate instruments	(16,593,854)	8,088,410
Variable rate instruments:		
Financial assets	91,001,552	3,712,548
Financial liabilities	(100,360,409)	(215,044)
Net variable rate instruments	(9,358,857)	3,497,504
Net interest-bearing debt (-) / asset (+)	(25,952,711)	11,585,914

Notes to the consolidated financial statements – continued

4. Capital and Financial Risk Management – continued

4.3 Interest rarte risk - continued

Capital Management

For the purpose of the Group's capital management, capital includes issued capital, preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirement of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

In order to achieve this overall objective, the Group's capital management aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breach of the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st December 2023 and 2022.

5. Group information

The consolidated financial statements of the Group include the following subsidiaries.

		% of shareholding	
Name of the Company	Country of incorporation	2023	2022
MARITIME ASSET HOLDINGS LTD	Malta	100%	100%
MARITIME ASSET PARTNERS LTD	Malta	100%	100%
ACO 1 Ltd	Malta	100%	100%
SUEZMAX HOLDCO LTD	Malta	100%	100%
MAP SUEZMAX I L.L.C	Marshall Islands	100%	100%
MAP SUEZMAX II L.L.C	Marshall Islands	100%	100%
CLR1 LLC	Marshall Islands	100%	100%
MAP LPG I SARL	Luxembourg	100%	100%
NXTOR HPT LTD	Malta	100%	100%
MAP FINANCE I LTD.	Malta	100%	100%
SC HPT 1 LTD	Malta	100%	100%
MRT 2 Ltd	Malta	100%	100%
DST HOLDCO LTD	Malta	100%	100%
DST 1 LTD	Malta	100%	100%
DST 2 LTD	Malta	100%	100%
DST 3 LTD	Malta	100%	100%
DST 4 LTD	Malta	100%	100%
DST 5 LTD	Malta	100%	100%
DST 6 LTD	Malta	100%	100%

Notes to the consolidated financial statements – continued

5. Group information - continued

Name of the Company	Country of incorporation	% of shareholding 2023	2022
DST 7 LTD	Malta	100%	100%
DST 8 LTD	Malta	100%	100%
DST 9 LTD	Malta	100%	100%
DST 10 LTD	Malta	100%	100%
DST 11 LTD	Malta	100%	100%
ETG 1 LTD.	Malta	100%	100%
ETG 2 LTD	Malta	100%	100%
SQA 1 Ltd.	Malta	100%	100%
SQA 2 LTD.	Malta	100%	100%
MAP MP SARL	Luxembourg	100%	100%
ACO 2 LTD	Malta	100%	100%
ACO 3 Ltd	Malta	100%	100%
MRI 1 LTD	Malta	100%	100%
MRI 2 LTD	Malta	100%	100%
MRT 3 LTD	Malta	100%	100%
SI 1 LTD	Malta	100%	100%
EBURY STR 1 LTD.	Malta	100%	100%
EBURY STR 2 LTD.	Malta	100%	100%
EBURY STR 3 LTD.	Malta	100%	100%
EBURY STR 4 LTD.	Malta	100%	100%
EBURY STR 5 LTD.	Malta	100%	100%
STRGAT 1 LTD.	Malta	100%	100%
STRGAT 2 LTD.	Malta	100%	100%
CDGN MAR 1 LTD.	Malta	100%	100%
CDGN MAR 2 LTD.	Malta	100%	100%
DRETER 1 LTD.	Malta	100%	100%
DRETER 2 LTD.	Malta	100%	100%
HALSEY 1 LTD.	Malta	100%	100%
HALSEY 2 LTD.	Malta	100%	100%
RAWLIN 1 LTD.	Malta	100%	100%
RAWLIN 2 LTD.	Malta	100%	100%
Maritime Asset Partners UK LTD	United Kingdom	100%	100%
MAP FINANCE II LTD.	Malta	100%	-

Notes to the consolidated financial statements – continued

6. Finance lease receivables

The net finance lease receivables as at 31st December 2023 and 2022 were as follows:

	2023	2022
	USD	USD
Gross finance lease receivable		
Less than one year	57,519,202	49,826,422
One to five years	199,966,832	180,346,025
More than five years	50,451,525	-
Gross finance lease receivable	307,937,559	230,172,447
Less: Unearned finance lease revenue	(74,284,270)	(45,416,977)
Total finance lease receivables	233,653,289	184,755,470
Present value of minimum lease payments		
Less than one year	38,462,767	38,998,039
One to five years	150,412,278	145,757,431
More than five years	44,778,244	-
Total finance lease receivables	233,653,289	184,755,470

The Group reclassifies the finance lease receivables into current and non-current as follows:

	2023	2022
	USD	USD
Receivable from finance leases – non-current	195,190,522	145,757,431
Receivable from finance leases – current	38,462,767	38,998,039
Total finance lease receivables	233,653,289	184,755,470

Movement of finance lease receivables during the year were as follows:

	2023	2022
	USD	USD
Beginning balance	184,755,470	206,242,225
Additional finance leases during the year	142,750,000	124,996,000
Cash flows from finance lease	(62,136,844)	(52,813,643)
Interest earned from financial lease	25,533,071	16,428,347
Consideration received on re-delivery of vessels	(45,042,400)	(116,678,895)
Gain on remeasurement of the financial lease	2,494,841	6,403,007
Reclassifications to Assets held for sale	(14,700,849)	-
Other movements from liquidated companies	-	178,429
Total finance lease receivables	233,653,289	184,755,470

Notes to the consolidated financial statements – continued

6. Finance lease receivables - continued

During the year 2023, several agreements were entered into to acquire product tankers, a gas carrier and offshore supply vessels for a total net purchase price of USD 142.8 million (2022: USD 125.0 million). On the same day, the vessels were leased out on a long-term bareboat charter. The charterers have certain options to acquire the vessels during the charter period, with an obligation to purchase the vessel at the end of the charter period.

Several charterers notified the Group of their intention to exercise their first purchase option of vessels during the year. Consequently, the vessels which the Group had on bareboat charter were re-delivered to the charterers and the bareboat charters were terminated accordingly. Gains on re-measurement of finance lease were recognised amounting to USD 2.5 million (2022: USD 1.8) in relation to the changes in cash flows related to the lease.

Under the bareboat charter agreements, the charterers, in addition to the monthly charter hire, shall pay the Group, quarterly repayments and cash sweeps which shall reduce the outstanding amounts due from the charterers or be set off against the purchase obligation price upon the termination of the bareboat charter. The amount of finance lease receivables presented in the consolidated statement of financial position is net of cash sweeps received, which as at year-end amounted to USD 4.3 million (2022: USD 0.2 million and USD 2.7 million of quarterly repayment and cash sweeps, respectively).

During the year, 2023 the Group and two of its charterers amended the original bareboat charters after the leased vessels were sold and the Group entered into a new head-lease agreement (note 21). The parties agreed to extend remaining lease term from the date of amendment and change the contract into a bareboat sub-charter. The sub-leases are classified as finance lease as the agreement has charter periods and options to purchase the vessel similar to the head-leases.

7. Other revenue

	2023 USD	2022 USD
Agency fees	500,107	379,015
Termination income on financial lease	-	300,000
Upfront fees	3,312,966	4,590,709
Others	51,111	19,492
Total other revenue	3,864,184	5,289,216

Notes to the consolidated financial statements – continued

8. Administrative and operating expenses

	2023 USD	2022 USD
Accountancy fees	54,611	265,045
Accounting software subscription fees	6,077	8,440
Advisory fees	93,230	3,478
Audit fees	533,402	441,468
Consultancy fees	390,906	282,487
Company registration fees	-	440
Depreciation of fixed assets	5,179	3,947
Insurance expenses	42,452	66,287
Legal fees	333,403	1,327,649
Membership and subscription fees	32,050	129,948
Other expenses	98,826	48,051
Postage, freight & courier	82,442	11,845
Fees and transactions costs on loans and borrowings	2,136,832	733,305
Rent	148,574	128,782
Secretarial fees	42,893	53,780
Staff training and education	16,434	25,300
Travel expenses	55,144	43,884
Valuation services	91,855	51,179
Vessel inspection fees	(14,913)	15,638
Vessel insurance	69,530	5,737
Wages and social security	3,342,474	2,085,972
Total administrative and operating expenses	7,561,401	5,732,662

The Group had eight employees employed during the year (2022: six).

9. Finance income

	2023 USD	2022 USD
Bank interest income	249,691	4,500
Fair value movement on SWAP	682,338	2,887,251
Interest income from cash sweeps	657,665	157,983
Interest income on SWAP	29,036	310,001
SWAP income	-	4,064,000
Other finance income	2,063	25,623
Total finance income	1,620,793	7,449,358

Notes to the consolidated financial statements – continued

10. Finance costs

	2023 USD	2022 USD
Bank charges	47,436	914,212
Interest expense on bank loans	6,673,931	5,970,076
Interest expense on cash sweep	105,825	4,155
Interest expense on loans from third party	24,424,478	8,935,249
Interest expense on preference shares	457,310	486,564
SWAP costs	1,165,406	4,064,000
Other finance costs	-	889,833
Total finance costs	32,874,386	21,264,089

11. Income tax expense

	2023 USD	2022 USD
Current tax expense	494,484	476,457
Deferred tax expense	(116,101)	203,362
Total income tax expense	378,383	679,819

The tax on the Group's (loss)/profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	2023 USD	2022 USD
Profit before tax	2,623,645	9,639,932
Tax on profit at 22%	577,202	2,120,785
Tax effect of:		
Expenses disallowed for tax purposes	170,292	40,690
Value adjustments on derivatives	413,639	(164,803)
Non-taxable income	(64,575)	-
Disallowed finance costs	100,608	107,044
Unrealised foreign exchange losses	133,013	67,944
Change in deferred tax	(119,034)	161,004

Notes to the consolidated financial statements – continued

11. Income tax expense - continued

	2023	2022
	USD	USD
Tax effect of:		
Effect of difference in tax rates in different jurisdictions	(6,100)	(1,540,787)
FRFTC gross up	168,274	-
FRFTC credit	(971,558)	-
Utilised tax losses carry forward	-	(57,542)
Absorbed capital allowances	(729)	(293)
Notional interest deduction	-	(80,335)
Accounting standards conversion differences	37,137	16,975
Adjustments	(51,986)	9,137
Other taxes	(7,800)	-
Total income tax expense	378,383	679,819

Temporary differences consist of:

	2023	2022
	USD	USD
Fair value movement of SWAP	(55,465)	(174,499)
Foreign exchange effects from long term receivables	(28,982)	(44,611)
Net deferred tax liabilities	(84,447)	(219,110)

Net deferred tax liabilities are presented in the consolidated statement of financial position as follows:

Deferred tax liabilities	(84,447)	(219,110)
Net deferred tax liabilities	(84,447)	(219,110)

Movement in net deferred tax assets and liabilities is as follows:

	2023	2022
	USD	USD
Beginning balance	(219,110)	83,918
Utilised tax losses during the year	-	(99,666)
Fair value movement of SWAP	119,034	(158,751)
Foreign exchange effects from long term receivables	15,629	(44,611)
	(84,447)	(219,110)

Notes to the consolidated financial statements - continued

12. Loans receivable

	2023	2022
	USD	USD
Non-current		
Loans to third parties	111,424,256	7,000,000
Current		
Loans to third parties	21,138,139	10,685,200

The terms and conditions of outstanding loans are as follows:

Company	Nominal Interest rate	Year of maturity	2023 Credit facility limit	2023 Carrying amount	2022 Credit facility limit	2022 Carrying amount
			USD	USD	USD	USD
DST 2	14.25%	2025	5,000,000	4,903,901	-	-
RAWLIN 1	10.10%	2027	80,000,000	77,638,477	-	-
RAWLIN 2	13.00%	2024	6,000,000	5,945,141	-	-
HALSEY 2	12.75%	2026	37,500,000	36,976,985	-	-
STRGAT 1	10.50%	2025	10,000,000	6,912,683	10,000,000	10,000,000
ETG 2	12.75%	2023	7,500,000	-	7,500,000	7,500,000
MAP MP Sarl	12.00%	2024	14,500,000	-	14,500,000	-
Other loans			185,200	185,200	185,200	185,200
Total loans receivable			160,685,200	132,562,387	32,185,200	17,685,200

13. Trade and other receivables

	2023	2022
	USD	USD
Current		
Trade debtors	2,623,829	1,566,124
Accrued income	2,674,170	398,415
Amounts due from other group entities	518,065	1,217,081
Prepayments	240,498	74,002
Deferred charges	94,865	-
Interest receivable	63,291	225,000
VAT receivable	34,291	115,430
Deposits	16,172	15,686
Other receivables	49,768	93,424
Total current trade and other receivables	6,314,949	3,705,162

Notes to the consolidated financial statements - continued

13. Trade and other receivables - continued

The amounts due from other group entities are unsecured, interest-free and are repayable on demand.

14. Derivative financial instruments

	2023 USD	2022 USD
As at 1st January	3,497,504	610,253
Fair value movements	682,337	2,599,488
Settlements	(1,170,402)	287,763
Termination	(1,900,150)	-
As at 31st December	1,109,289	3,497,504

At 31 December, the Group's derivative financial instruments comprise interest rate swaps:

2023	Assets USD	Liabilities USD	Total USD
Non-current	1,109,289	-	1,109,289
Total	1,109,289	-	1,109,289

2022	Assets USD	Liabilities USD	Total USD
Non-current	1,687,703	(215,044)	1,472,659
Current	2,024,845	-	2,024,845
Total	3,712,548	(215,044)	3,497,504

The derivative instruments comprise of pay-fixed-receive-floating amortising interest rate swaps fixed at 0.76% to 3.99% p.a. interest rate and 3-month USD LIBOR (until 30 June 2023)/USD SOFR-compounding (starting 01 July 2023) (note 18) on an amortising principal balance, with quarterly net settlements through 30 September 2027. The fair value of the interest rate reflects the counterparties mark-to-market which are based on mid-market interest rates, which is based on broker valuations.

Following the exercise of several purchase option in 2023 and in accordance with the facility agreements, the portion of the balance of the bank loans was repaid (note 18), and the related interest rate swap arrangements were terminated.

Notes to the consolidated financial statements - continued

15. Other financial assets

Other financial assets are carried in the consolidated statement of financial position at face value. These deposits are subject to restrictions in accordance with the facility agreement with the bank (note 18) until maturity of the loan and are therefore not available for general use by the Group.

16. Cash

Cash of the Group pertains to the balances in the bank accounts and is matched to the cash balance in the consolidated statement of cash flows.

17. Assets and liabilities held for sale

In December 2023, Maritime Asset Partners Ltd committed to a plan to sell the all the shares of its subsidiaries DRETER 1 Ltd and DRETER 2 Ltd. Accordingly, the assets and liabilities of these subsidiaries are presented in the consolidated statement of financial position as held for sale. The sale was completed in January 2024.

As at 31 December 2023, the assets and related liabilities held for sale were stated at carrying amount and comprised of the following:

	2023 USD
Finance lease receivables	14,700,849
Trade and other receivables	238,714
Assets held for sale	14,939,563
Trade and other payables	661,066
Other financial liability	600,000
Liabilities held for sale	1,261,066

18. Loans and borrowings

	2023 USD	2022 USD
Non-current		
Loan from third party		
Loan from third party	294,883,501	105,930,001
(less) Deferred borrowing costs	(1,966,234)	(1,028,047)
	292,917,267	104,901,954

Notes to the consolidated financial statements - continued

18. Loans and borrowings - continued

	2023 USD	2022 USD
Bank loan		
Bank loan	36,420,393	76,183,635
(less) Deferred borrowing costs	(920,185)	(1,993,172)
	35,500,208	74,190,463
Total non-current loans and borrowings	328,417,475	179,092,417

	2023	2022
Current	USD	USD
Bank loan		
Bank loans	10,229,739	16,064,989
(less) Deferred borrowing costs	(505,573)	(805,146)
Total current loans and borrowings	9,724,166	15,259,843
Total loans and borrowings	338,141,641	194,352,260

	2023 Secured debt USD	2022 Secured debt USD
Loans and borrowings as at 1st January	194,352,260	222,989,427
Cash flows:		
New debt	197,303,500	119,760,000
Instalments	(53,948,492)	(147,163,780)
Capitalisation of loan costs, net of amortisation	434,373	(1,233,387)
Total loans and borrowings as at 31st December	338,141,641	194,352,260

The Group does not have any unsecured debt for the year ended 31st December 2023 and 2022.

Notes to the consolidated financial statements - continued

18. Loans and borrowings - continued

18.1 - Loan from third party

During 2020, the Group entered into a USD 100.0 million loan facility agreement with the third party. This loan has maturity on the earlier of the date falling five years after the latest utilisation date and 31 December 2026.

During 2021, the Group entered into two loans facility agreements with the third party for amounts of USD 14.5 million and USD 100.0 million. The loans have maturity dates which are the earlier of the date falling between five years after the latest Utilisation date and 31st December 2026, and the earlier of the date falling between five years after the latest Utilisation date and 31st December 2027, respectively.

During 2022, the existing facility agreement was amended to increase the existing facility amount of USD 100.0 million by a total new commitment of USD 100.0 million. The new commitment facility has a maturity date which is the earlier of the date falling between five years after the latest Utilisation date and 31st December 2027.

On 12th May 2023, the Group entered into a new facility agreement with the third party amounting to USD 100.0 million with a maturity of the earlier of date falling five years after the latest Utilisation date and 31st December 2028. On 27th June 2023, the parties entered into an amendment agreement to this new facility agreement, to increase the total loan commitment to USD 200.0 million.

The total outstanding balance of the loan from third party as at 31st December 2023 amounted to USD 292.9 million (2022: USD 104.9 million). These loans bear interests at the rate of 9% - 10.5% per annum, are secured against the shares of Maritime Asset Holdings Ltd (the borrower's parent company) and a bank account on the borrower. The loans are being utilized to provide intercompany loans to group companies to partly finance their operational transactions.

18.2 - Bank loan 1

On 30th April 2020, the Group entered into a facility agreement amounting to USD 29.4 million for the purchase of three product tankers. A total of USD 14.5 million was drawn on 11th September 2020.

The bank loan was secured, bore interest at the 1-month LIBOR plus a margin of 3.25% p.a., repayable by monthly instalments of USD 0.3 million with a final repayment date on 5th December 2023.

The loan was originally secured against the three vessels as well as other securities including a pledge of the entire share capital of three joint borrowers, the joint borrowers' earnings accounts, and the restricted cash account, held on behalf of the parties to this agreement, in favour of the bank. In addition, it is required maintained a minimum balance of US$100,000 at all times on the restricted cash account.

Following the exercise of the purchase option by the charterers of the three product tankers, in February 2021, October 2021, and November 2023, the bank loan was fully repaid in 2023 and the aforementioned securities and pledges have been released.

Following the settlement of the bank loan, the remaining balance of the debt issuance costs was fully amortised and was included in the profit or loss.

Notes to the consolidated financial statements - continued

18. Loans and borrowings - continued

18.3 - Bank loan 2

On 29th September 2021, the Group entered into a facility agreement with a bank for a total facility amount of USD 70.0 million. The total amount of USD 70.0 million was drawn down on the signing of the agreement. During September and October 2022, the charterers exercised the purchase option and acquired the vessels from the Group. In accordance with the facility agreement, the entire balance of the bank loan was repaid upon exercise of the purchase option in 2022.

This loan was utilised to finance the Group's acquisition of vessels. This loan bore interest at the 1-month LIBOR plus a margin of 3.25% and was repayable monthly in bullet form up to 31st December 2026.

The bank loan was secured against the vessels as well as other securities including the borrower's retention account and the share capital of the borrower (DST Holdco Ltd).

Following the settlement of the bank loan, the aforementioned securities and pledge have been released and the remaining balance of the debt issuance costs was fully amortised and was included in the profit or loss.

18.4 - Bank loan 3

The Group entered into another facility agreement in the amount of USD 60.0 million (Tranche A) through MAP Finance I Ltd. The loan facility agreement was signed on 18th November 2020 and fully drawn down in parts thereafter.

On 3rd February 2022, the facility was increased by USD 40.0 million (Tranche B) for the purpose of part-financing the acquisition of the vessels or refinancing the equity and intercompany loans provided to group companies for the acquisition of the vessels subject to finance lease (note 6). Accordingly, the total bank loan facility amounts to USD 100.0 million.

The bank loan in relation to Tranche A, bears interest at the 3-month LIBOR plus a margin of 4% p.a. from 18th November 2020 to 10th June 2022, 3.75% p.a. during the 18 months after 10th June 2022 and 3.65% p.a., thereafter. The bank loan in relation to Tranche B, bears interest at the 3-month LIBOR plus a margin of 4% per annum. The bank loan is repayable by quarterly instalments having a final repayment date to 30th December 2026.

This bank loan is secured against the Group vessels subject to lease as well as other securities including the Group's collection account, i.e. the account wherein all payments from lessees are received, and that included money standing to the credit of the same account from time to time. In addition, the bank loan is secured by the pledges on the Group's account balances held by the bank and the pledges on the share capital of the companies within the Group. Further, the Group assigned the rights in relation to the earnings, insurance, charter, and requisition compensation of the vessels in favour of the bank. In addition, the Group shall ensure that the minimum balance of US$125,000 for each vessel is maintained at all times on the Minimum liquidity account.

Quotation of LIBOR as a reference rate has already ceased to exist for interest periods of one week and two months after 31st December 2021. For all other interest rate periods, LIBOR ceased to exist after June 2023. Accordingly, the Group received a confirmation from the bank, replacing the references of LIBOR rates with SOFR for its loan and SWAP agreements with the bank. The amended terms came into effect from 30th June 2023.

Notes to the consolidated financial statements - continued

18. Loans and borrowings - continued

18.4 - Bank loan 3 – continued

During 2023, several charterers of the group exercised their purchase option in accordance with the bareboat charter agreement. Accordingly, the Group re-delivered the vessels upon settlement of the purchase option price. The proceeds of the sale were then used to partially settle the bank loan, in addition to quarterly instalment principal payments, amounting to USD 29.1 million in relation to these transactions.

On 22nd June 2023, the Group refinanced a portion of this bank loan from a third party. Upon receipt of the refinanced amount, the Group partially paid the portion of the bank loan, in addition to quarterly instalment principal payments, amounting to USD 9.4 million in July 2023.

The total outstanding balance of the loan as at 31st December 2023 amounted to USD 45.3 million (2022: USD 88.2 million).

19. Trade and other payables

	2023 USD	2022 USD
Non-current		
Accruals and deferred income	4,020,531	2,643,355
Current		
Accruals and deferred income	3,112,613	2,370,433
Amounts due to other group entities	35,230	338,356
Amounts due to shareholder	683	447
Interest payable on bank loans	24,161	29,112
Interest payable on preference shares	221,845	892,447
Interest payable on third party loan	2,499,477	774,550
Other payables to third parties	14,708	14,709
Trade payables	1,021,190	1,048,796
Other payables	1,268,551	636,032
Total current trade and other payables	**8,198,458**	**6,104,882**
Total trade and other payables	**12,218,989**	**8,748,237**

Amounts due to shareholder and amounts due to other group entities are unsecured, interest-free and are repayable on demand.

20. Other financial liability

Other financial liabilities are caried in the consolidated statement of financial position at face value. These consist of amounts advanced from charterers in accordance with the charter agreement and are therefore not available for general use by the Group.

Notes to the consolidated financial statements - continued

21. Finance lease liability

The Group reclassifies the finance lease liability into current and non-current as follows:

	2023 USD	2022 USD
Finance lease liability – non-current	47,811,035	-
Finance lease liability – current	7,325,000	-
Total finance lease liability	55,136,035	-

During the year 2023, the Group, entered into agreements to sub-lease the vessels which they have under a bareboat charter, to third parties. The sub-leases are classified as finance leases, as the agreements have charter periods and options to purchase the vessels, similar to the head lease agreements that the group companies have as lessors (Note 6).

The amounts recognised in statement of profit and loss in relation to the finance lease liabilities are as follows:

	2023 USD	2022 USD
Interest expense on lease liability	1,879,525	-
Income from sub-leasing the asset present under finance lease revenue	(5,106,155)	-

	2023 USD	2022 USD
Finance lease liability as at 1st January	-	-
Cash flows:		
New leases	58,600,000	-
Instalments	(3,379,167)	-
Interest payments	(2,054,600)	-
Interest expense on lease liability	1,879,525	-
Reclass of prepaid interest	175,075	
Capitalisation of costs, net of amortisation	(84,798)	-
Total finance lease liability as at 31st December	55,136,035	-

Notes to the consolidated financial statements – continued

22. Share capital

The share capital of Maritime Asset Partners AS as at 31st December 2023 and 2022 is NOK 100,000 and is split in the following share types:

Shares	Number	Nominal value (NOK)	Share capital (NOK)	Share capital (USD)
Ordinary shares (100% voting rights)	88,000	1	88,000	9,760
A1 Preference shares	2,000	1	2,000	195
B Preference shares	9,778	1	9,778	1,053
C Preference shares	2	1	2	-
As at 31st December 2023	**99,780**		**99,780**	**11,008**

Shares	Number	Nominal value (NOK)	Share capital (NOK)	Share capital (USD)
Ordinary shares (100% voting rights)	88,000	1	88,000	9,760
A1 Preference shares	2,000	1	2,000	195
A2 Preference shares	2,000	1	2,000	209
B Preference shares	8,000	1	8,000	887
As at 31st December 2022	**100,000**		**100,000**	**11,051**

Each ordinary share entitles to one vote in the general meeting while A1, A2 and B preference shares shall not have any voting rights. A1 Preference Shares shall from the issuance provide a return of 10% per annum with an annual interest period, with the addition of such return as follows from a certain "Preference Repayment and Reinvestment Agreement" of February 2022 ("A1 Preference Dividend"). A2 Preference Shares shall from the issuance provide a return of 10.75 % per annum with an annual interest period ("A2 Preference Dividend").

Movement in the equity of the parent company during the year is as follows:

	Share capital USD	Premium on shares USD	Other equity USD	Retained earnings USD	Total equity USD
As at 31st December 2022	11,051	4,464,594	144	(540,654)	3,935,135
Share capital increase *	166				166
Cancellation of shares **	(209)				(209)
Dividends paid				(8,914,119)	(8,914,119)
Repayment of share premium		(2,184,580)			(2,184,580)
Profit during the year				10,752,974	10,752,974
As at 31st December 2023	**11,008**	**2,280,014**	**144**	**1,298,201**	**3,589,367**

Notes to the consolidated financial statements – continued

22. Share capital - continued

On 3rd May 2023, the parent company entered into an addendum to the existing repayment and reinvestment agreement with its shareholders and Maritime Asset Partners Sarl dated 2022. The addendum resolved the Shortfall Component to be USD 9,007,034. The shortfall component is the off-balance sheet item. On 28th September 2023, another addendum was entered to increase the Shortfall Component by USD 401,044. Following the increase, USD 1,343,669 was paid and was deducted from the total retained earnings of the Company. As at 31st December 2023, the balance of the Shortfall Component is USD 8,064,408 and the balance of accrued interest on the Shortfall Component is USD 806,441.

* On 28th September 2023, the parent company issued 1,778 new B preference shares with a face value of 1 NOK, and 2 new C preference shares with face value of 1 NOK, with a total value of USD 166.

** On 2nd November 2023, the Company cancelled 2,000 A2 preference shares upon set-off of the loan receivable due from the shareholder and the repayment of share premium due to the shareholder.

23. Financial instruments

The following tables shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Trade and other receivables, trade and other payables and other financial liabilities classified as held for sale are not included in the table below. (Note 17) Their carrying amount is a reasonable approximation of fair value.

	2023				
	Carrying amount		Fair Value		
	Fair value USD	Amortised cost USD	Level 1 USD	Level 2 USD	Level 3 USD
Financial assets at fair value					
Derivative financial assets	1,109,289	-	-	1,109,289	-
Total financial assets at fair value	1,109,289	-	-	1,109,289	-

Notes to the consolidated financial statements – continued

23. Financial instruments - continued

	2023				
	Carrying amount		Fair Value		
	Fair value USD	Amortised cost USD	Level 1 USD	Level 2 USD	Level 3 USD
Financial assets at amortised cost					
Finance lease receivables	-	195,190,522	-	-	-
Finance lease receivables, current portion	-	38,462,767	-	-	-
Loans receivable	-	111,424,256	-	-	-
Loans receivable, current portion	-	21,138,131	-	-	-
Trade and other receivables	-	3,221,357	-	-	-
Other financial assets	-	1,172,446	-	-	-
Cash	-	34,289,057	-	-	-
Total financial assets at amortised cost	-	404,898,536	-	-	-

	2023				
	Carrying amount		Fair Value		
	Fair value USD	Amortised cost USD	Level 1 USD	Level 2 USD	Level 3 USD
Financial liabilities at amortised cost					
Loans and borrowings	-	328,417,475	-	-	-
Loans and borrowings, current portion	-	9,724,166	-	-	-
Trade and other payables	-	3,817,294	-	-	-
Finance lease liability	-	47,811,035	-	-	-
Finance lease liability, current portion	-	7,325,000	-	-	-
Other financial liability	-	10,838,153	-	-	-
Total financial liabilities at amortised cost	-	407,933,123	-	-	-

Notes to the consolidated financial statements – continued

23. Financial instruments - continued

	2022				
	Carrying amount		Fair Value		
	Fair value	Amortised cost	Level 1	Level 2	Level 3
	USD	USD	USD	USD	USD
Financial assets at fair value					
Derivative financial assets	1,687,703	-	-	1,687,703	-
Derivative financial assets, current portion	2,024,845	-	-	2,024,845	-
Total financial assets at fair value	3,712,548	-	-	3,712,548	-

	2022				
	Carrying amount		Fair Value		
	Fair value	Amortised cost	Level 1	Level 2	Level 3
	USD	USD	USD	USD	USD
Financial assets at amortised cost					
Finance lease receivables	-	145,757,431	-	-	-
Finance lease receivables, current portion	-	38,998,039	-	-	-
Loans receivable	-	7,000,000	-	-	-
Loans receivable, current portion	-	10,685,200	-	-	-
Trade and other receivables	-	3,023,891	-	-	-
Other financial assets	-	1,909,135	-	-	-
Other financial assets, current portion	-	100,773	-	-	-
Cash	-	18,703,070	-	-	-
Total financial assets at amortised cost	-	226,177,539	-	-	-

Notes to the consolidated financial statements – continued

23. Financial instruments - continued

	2022				
	Carrying amount		Fair Value		
	Fair value USD	Amortised cost USD	Level 1 USD	Level 2 USD	Level 3 USD
Financial liabilities at fair value					
Derivative financial liability	215,044	-	-	215,044	-
Total financial liabilities at fair value	215,044	-	-	215,044	-
Financial liabilities at amortised cost					
Loans and borrowings	-	179,092,417	-	-	-
Loans and borrowings, current portion	-	15,259,843	-	-	-
Trade and other payables	-	3,098,416	-	-	-
Other financial liability	-	12,318,900	-	-	-
Total financial liabilities at amortised cost	-	209,769,546	-	-	-

There were no transfers between levels 1 and 2, or 2 and 3 during 2023 or 2022 for assets and liabilities that are measured at fair value.

24. Related party transactions

The following transactions were entered into with related parties during the financial reporting period:

	2023 USD	2022 USD
Transactions with related parties		
Dividends paid to the shareholders	8,914,119	815,000
Interest on preference shares	457,310	486,564

There were no directors' fees paid during the period.

Notes to the consolidated financial statements – continued

24. Related party transactions - continued

Period-end balances with related parties are set out below:

	2023	2022
	USD	USD
Trade and other receivables		
Amounts due from group entities	518,065	1,217,081
Trade and other payables		
Amounts due to other group entities	35,230	338,356
Interest payable on preference shares	221,845	892,447
Amounts due to shareholder	683	447

25. Events after the reporting period

25.1 Dividends declaration to the shareholders

In April 2024, Maritime Asset Partners AS distributed interim dividends of USD 1.2 million to its shareholders (including interest of USD 0.8 million on A1 Shortfall component), out of the Company's profits available for distribution, and USD 0.2 million of interest on A1 preference shares.

25.2 New bank loan

In January 2024, the Group, through MAP Finance II Ltd, entered into a facility agreement with a bank for a secured loan amounting to USD 51.6 million for the purpose of refinancing the equity and intercompany loans provided to group companies for the acquisition of the vessels. Accordingly, certain assets of the group companies were used as a security in favour of the bank, including the vessels owned by the group companies which are subject to finance lease, and a pledge on the shares of the group companies. Further, the vessel-owning group companies, assigned the rights in relation to the earnings, insurance, charter, and requisition on compensation of the vessel in favour of the bank.

25.3 New loan agreements with third parties

In January 2024, the Group, through DST 3 Ltd and DST 4 Ltd provided loans to a third parties totalling to USD 95.0 million for the purpose of re-financing the acquisition of vessels by the borrowers.

Several subsidiaries are still in the process of negotiating the respective terms of the bareboat charter agreements and the corresponding borrowings as at the date of signing of these consolidated financial statements.

25.4 Loan repayment

In February 2024, a third-party borrower, fully repaid the outstanding principal balance of the loan due to the Group amounting to USD 6.0 million.

Notes to the consolidated financial statements – continued

25. Events after the reporting period – continued

25.5 Sale of subsidiaries

In January 2024, shares in subsidiaries that owned Ruby T and Diamond T together with the shareholder loans of the subsidiaries were sold to a third party for a total consideration of USD 15.0 million.

Independent auditor's report

MAP

MARITIME ASSET PARTNERS