

# **Consolidated Financial Statements**

## **Q1 2024**

### Consolidated statement of income statement and other comprehensive income (unaudited)

In USD	Notes	Q1 2024	Q4 2023
Operating revenue	6	16,004,793	14,066,046
Vessel voyage expenses	7	(713,945)	(550,329)
Vessel operating expenses	8	(6,442,449)	(5,129,601)
Administrative expenses	9	(719,225)	(780,154)
Other income		404	2,807
<b>EBITDA</b>		<b>8,129,579</b>	<b>7,608,769</b>
Depreciation	11	(3,020,279)	(2,568,400)
<b>Operating result (EBIT)</b>		<b>5,109,299</b>	<b>5,040,370</b>
Financial income	10	56,015	122,313
Financial expenses	10	(2,160,043)	(1,951,887)
<b>Profit before tax (EBT)</b>		<b>3,005,271</b>	<b>3,210,796</b>
Taxes		(8,534)	(15,315)
<b>Profit and other comprehensive income for the period</b>		<b>2,996,737</b>	<b>3,195,481</b>
Attributable to:			
Equity holders of the parent company		2,996,737	3,195,481
Non-controlling interests		-	-
		2,996,737	3,195,481

See accompanying notes that are an integral part of these Consolidated Financial Statements (unaudited).

## Consolidated statement of financial position

In USD	Notes	31 Mar 2024 (unaudited)	31 Dec 2023 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Vessels and drydocking costs	11	139,720,974	142,079,020
<b>Total non-current assets</b>		<b>139,720,974</b>	<b>142,079,020</b>
<b>Current assets</b>			
Trade and other receivables	12	10,168,174	9,248,236
Cash and cash equivalent	13	2,336,733	2,345,378
<b>Total current assets</b>		<b>12,504,907</b>	<b>11,593,614</b>
<b>Total assets</b>		<b>152,225,882</b>	<b>153,672,634</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	14	13,072,672	13,072,672
Share premium	14	43,863,547	46,901,047
Retained earnings	14	9,147,802	6,151,065
<b>Total equity</b>		<b>66,084,020</b>	<b>66,124,784</b>
<b>Non-current liabilities</b>			
Interest-bearing debt - non-current	15	72,426,445	74,913,770
<b>Total non-current liabilities</b>		<b>72,426,445</b>	<b>74,913,770</b>
<b>Current liabilities</b>			
Interest-bearing debt - current	15	9,691,247	9,736,506
Trade and other payables	16	3,972,642	2,381,465
Accrued taxation		42,671	34,137
Deferred income		8,857	481,973
<b>Total current liabilities</b>		<b>13,715,416</b>	<b>12,634,081</b>
<b>Total equity and liabilities</b>		<b>152,225,882</b>	<b>153,672,634</b>

Oslo, 7<sup>th</sup> May 2024

Board of Directors and Chief Executive  
Officer of Stainless Tankers ASA



Geir Frode Abelsen  
Board member



Ted Kalborg  
Chairman



Ulrika Laurin  
Board member



Nicoletta Panayiotopoulos  
Board member



Hans Van der Zidje  
Board member



Alexandros Karakassis  
CEO

See accompanying notes that are an integral part of these Consolidated Financial Statements (unaudited).

### Consolidated statement of changes in equity (unaudited)

In USD	Notes	Share capital	Share premium	Retained earnings	Total
<b>As at 01 December 2022</b>		-	-	-	-
Capital increase - private placement (cash)	14	13,072,672	54,030,330	-	67,103,002
Transaction costs		-	(3,281,783)	-	(3,281,783)
Profit and other comprehensive income for the period		-	-	6,151,065	6,151,065
Dividends distributions during the period		-	(3,847,500)	-	(3,847,500)
<b>As at 31 December 2023</b>		<b>13,072,672</b>	<b>46,901,047</b>	<b>6,151,065</b>	<b>66,124,784</b>
Profit and other comprehensive income for the period		-	-	2,996,737	2,996,737
Dividends distributions during the period	14	-	(3,037,500)	-	(3,037,500)
<b>As at 31 March 2024</b>		<b>13,072,672</b>	<b>43,863,547</b>	<b>9,147,802</b>	<b>66,084,020</b>

See accompanying notes that are an integral part of these Consolidated Financial Statements (unaudited).

### Consolidated statement of cash flows (unaudited)

In USD	Notes	Q1 2024	Q4 2023
Profit and other comprehensive income for the period		3,005,271	3,210,796
Adjustments for:			
Financial income	10	(56,015)	(122,313)
Financial expenses	10	2,160,043	1,951,887
Depreciation	11	3,020,279	2,568,400
<b>Cash flow from operating activities before changes in working capital</b>		<b>8,129,579</b>	<b>7,608,769</b>
<b>Changes in working capital</b>			
Increase in trade and other receivables		(919,938)	(3,312,309)
Increase in trade and other payables		941,177	1,279,970
Accrued/(Deferred) income		(473,116)	480,593
<b>Cash flow from operating activities</b>		<b>7,677,701</b>	<b>6,057,024</b>
Acquisition of vessels		(12,233)	(26,957,607)
Interest received		56,015	122,313
<b>Cash flow from investing activities</b>		<b>43,781</b>	<b>(26,835,294)</b>
Dividends paid	14	(3,037,500)	(2,160,000)
Proceeds from issue of debt	15	-	27,000,000
Borrowing costs	15	(56,096)	(462,130)
Repayment of debt	15	(2,565,000)	(3,004,375)
Interest paid on interest-bearing debt	15	(2,071,530)	(1,831,940)
<b>Cash flow from financing activities</b>		<b>(7,730,126)</b>	<b>19,541,555</b>
<b>Net change in cash and cash equivalents</b>		<b>(8,644)</b>	<b>(1,236,715)</b>
Cash and cash equivalents at beginning of period		2,345,378	3,582,092
<b>Cash and cash equivalents at end of period</b>	13	<b>2,336,734</b>	<b>2,345,378</b>

#### Non-cash transactions:

(i) The Orchid Madeira entered drydocking on 17 March 2024 and completed on 17 April 2024. Capitalisation of drydocking costs were made based on stage of completion with a total of USD650,000 capitalised (Note 11).

See accompanying notes that are an integral part of these Consolidated Financial Statements (unaudited).

## Notes to the consolidated financial statements

### Note 1 – General information

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

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

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

### Note 2 – Basis of preparation

The interim consolidated financial statements for the period 31 March 2024 are prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”) and as adopted by the European Union (EU).

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

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

Only standards and interpretations that are applicable to the Group have been included and the Group reviews the impact of these changes in its financial statements. The Group will adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the consolidated financial statements are issued. At the date of the approval of these FS, the group has not identified any significant impact to the Group’s Financial Statements as a result of new standards or amendments effective 2024 or later.

### Note 3 – Significant accounting policies

#### *Consolidation*

The interim consolidated financial statements comprise the financial statements of Stainless Tankers ASA and its subsidiaries as at 31 March 2024. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated. Subsidiaries are all companies where the Group has a controlling interest. Control is achieved when the Group is exposed, or has rights to variable returns from its involvement with the investee and has the ability to effect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases. The financial statements of the subsidiaries are prepared for the same accounting period as those of the Company, using consistent accounting principles for similar transactions and events under otherwise similar circumstances.

#### *Revenue recognition*

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

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

### **Note 3 – Significant accounting policies (continued)**

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

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

#### *Operating expenses*

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

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

#### *Financial income and expenses*

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

#### *Foreign currency transactions*

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

#### *Vessels and other tangible assets*

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

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

Ordinary repairs and maintenance expenses are charged to the income statement as incurred. Costs related to dry-docking or other major overhauls are recognized in the carrying amount of the vessels. This recognition is made when the dry-docking has been performed and is depreciated based on estimated time to the next class renewal, which is normally five years.

### **Note 3 – Significant accounting policies (continued)**

#### *Vessels and other tangible assets (continued)*

All other costs that do not meet this recognition criteria are expensed as repairs and maintenance.

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

#### *Impairment of vessels and other tangible assets*

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

#### *Leases*

##### Group as lessor

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

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

#### *Fuel and lubrication oil*

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

#### *Trade and other receivables*

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

#### *Cash and cash equivalents*

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

#### *Share capital and share premium*

Ordinary shares are classified as equity.

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

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

#### *Dividends distributions*

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



### **Note 3 – Significant accounting policies (continued)**

#### *Financial liabilities*

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

#### *Provisions*

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

#### *Warrants*

The extraordinary general meeting of the company held on 28 February 2023, resolved, in accordance with section 11-12 of the Companies Act, to issue 1,012,500 warrants to Tufton LP. The company offered to Tufton LP to subscribe for warrants (the "Warrants") in the Company equal to 7.5% of the total outstanding shares in the Company after completion of the Private Placement. The Warrants shall be exercisable by Tufton LP if and when the quoted price of the Company's shares has reached certain specific levels above the offer price in the Private Placement. The Warrants are issued as an incentive to Tufton LP for it, and its affiliates and other related parties, to maximize the value of the Company for all future shareholders. The Warrants does not carry rights in the event of a liquidation event. The warrants are in scope of IFRS 2 -Share based payments and will be recognized as cash-settled share-based payments in the financial statements. The conditions were not fulfilled by 31 March 2024.

#### *Taxes*

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

It is the intention that the Group will be taxed under the Norwegian tonnage tax regime. Under the tonnage tax regime, qualifying shipping income is exempt from taxation in Norway. Net financial income is subject to tax in accordance with the general Norwegian tax rules and certain special rules in the tonnage tax regime. Instead of tax on qualifying shipping income, a tonnage tax based on the net tonnage of the vessel(s) is paid.

Should the Group for any reason such as due to activities and/or assets held by a Group company not qualify for the Norwegian tonnage tax regime, net taxable profits are taxed at the corporate income tax rate, currently 22%.

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

### **Note 3 – Significant accounting policies (continued)**

#### *Related parties*

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

#### *Classification in the statement of financial position*

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

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

#### *Statement of cash flows*

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

#### *Subsequent events*

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

### **Note 4 - Financial risk management**

#### **(i) Financial risk factors**

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

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

#### **Market risk**

##### *Foreign exchange risk*

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

##### *Cash flow interest rate risk*

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

##### *Credit risk*

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

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

#### **Note 4 - Financial risk management (continued)**

##### **(i) Financial risk factors (continued)**

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

##### **(ii) Capital risk management**

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

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

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

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

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

##### *Judgments*

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

##### *Vessel classification*

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

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

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

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

### *Vessel life and impairment*

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

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

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

## Note 6 - Operating revenue

	Q1 2024	Q4 2023
	USD	USD
Service revenue from time charters	669,669	1,341,430
Lease revenue from time charters	164,354	1,398,358
Pool charter revenue	15,170,770	11,326,257
	<b>16,004,793</b>	<b>14,066,046</b>

### (a) Contract balances

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

	31 Mar 2024	31 Dec 2023
	USD	USD
<b>Contract liabilities</b>		
<u>Current</u>		
Contract liabilities	-	230,650
<b>Total contract liabilities</b>	<b>-</b>	<b>230,650</b>

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

## Note 6 - Operating revenue (continued)

### (b) Performance obligations

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

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

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2024 are, as follows:

	<b>31 Mar 2024</b>	<b>31 Dec 2023</b>
	<b>USD</b>	<b>USD</b>
Within one year	206,052	885,400
Between two to five years	-	-
	<b>206,052</b>	<b>885,400</b>

### Note 7 - Vessel voyage expenses

	<b>Q1 2024</b>	<b>Q4 2023</b>
	<b>USD</b>	<b>USD</b>
Commission fees	342,724	356,333
Bunkers consumption	139,992	13,024
Pool administration costs and other expenses	166,642	178,116
Other voyage expenses	64,588	2,856
	<b>713,945</b>	<b>550,329</b>

### Note 8 - Vessel operating expenses

	<b>Q1 2024</b>	<b>Q4 2023</b>
	<b>USD</b>	<b>USD</b>
Vessel operating expenses	6,442,449	5,129,601
	<b>6,442,449</b>	<b>5,129,601</b>

### Note 9 - Administrative expenses

	<b>Q1 2024</b>	<b>Q4 2023</b>
	<b>USD</b>	<b>USD</b>
Auditor's remuneration	26,900	20,000
Legal and other professional fees	63,636	171,169
Directors fees (Note 17)	31,202	40,962
Management service fees	532,350	488,800
Bank charges	8,373	13,179
Other expenses	56,764	46,044
	<b>719,225</b>	<b>780,154</b>

**Note 10 - Financial income/(expenses)**

	Q1 2024	Q4 2023
	USD	USD
Interest income	56,015	122,313
<b>Financial income</b>	<b>56,015</b>	<b>122,313</b>
Interest expense (Note 15)	(2,160,043)	(1,951,887)
<b>Financial expenses</b>	<b>(2,160,043)</b>	<b>(1,951,887)</b>
<b>Net financial expenses</b>	<b>(2,104,029)</b>	<b>(1,829,574)</b>

**Note 11 - Vessels and drydocking costs**

	Vessels	Drydocking costs	Total
	USD	USD	USD
<b>Cost</b>			
<b>Balance as at 31 December 2023</b>	<b>148,158,490</b>	-	<b>148,158,490</b>
Additions	12,233	650,000	<b>662,233</b>
<b>Balance as at 31 March 2024</b>	<b>148,170,723</b>	<b>650,000</b>	<b>148,820,723</b>
<b>Depreciation</b>			
<b>Balance as at 31 December 2023</b>	<b>6,079,469</b>	-	<b>6,079,469</b>
Charge for the period	3,020,279	-	<b>3,020,279</b>
<b>Balance as at 31 March 2024</b>	<b>9,099,749</b>	-	<b>9,099,749</b>
<b>Net book amount</b>			
<b>Balance as at 31 December 2023</b>	<b>142,079,020</b>	-	<b>142,079,020</b>
<b>Balance as at 31 March 2024</b>	<b>139,070,974</b>	<b>650,000</b>	<b>139,720,974</b>
<b>Insured value (USD)</b>	<b>199,200,000</b>		
<b>Total dead weight tonnage (dwt)</b>	<b>47,414.61</b>		

The Orchid Madeira entered drydocking on 10 March 2024 and completed her third special survey in China on 17 April 2024. Capitalisation of drydocking costs were made based on stage of completion with a total of USD 650,000 capitalised at 31 March 2024.

The vessels are pledged on the Group's bank loan detailed in Note 15.

As at 31 March 2024, the management carried out an assessment of whether there is any indication that the vessels may have suffered an impairment loss. Management assessed the recoverable amount as at the period end and no impairment was recognised in the period ended 31 March 2024 based on the assessment.

**Note 12 - Trade and other receivables**

	<b>31 Mar 2024</b>	<b>31 Dec 2023</b>
	<b>USD</b>	<b>USD</b>
Charterers balances receivable	1,149,908	1,832,032
Pool working capital receivable	2,800,000	2,800,000
Prepayments	1,593,020	643,230
Restricted cash	4,406,043	118,681
Accrued income	0	3,854,293
Other receivables	219,203	0
	<b>10,168,174</b>	<b>9,248,236</b>

Included in the prepayments, there is an amount of USD 48,168 (2023: USD 236,902) due from the technical manager of the vessels, representing advance cash paid.

Restricted cash comprise (i) a minimum liquidity requirement of USD 250,000 (2023: USD 250,000) per Vessel held in a restricted cash account and (ii) funding of a dry dock reserve account of USD 4,406,063 (2023: USD 2,104,293) (Note 15).

**Note 13 - Cash and cash equivalent**

Cash balances are analysed as follows:

	<b>31 Mar 2024</b>	<b>31 Dec 2023</b>
	<b>USD</b>	<b>USD</b>
Cash at bank	2,336,733	2,345,378
	<b>2,336,733</b>	<b>2,345,378</b>

**Note 14 - Equity contribution (Note 16)**

	<b>No. of shares</b>	<b>Share capital USD</b>	<b>Share premium USD</b>	<b>Total USD</b>
<b>Balance as at 01 December 2022</b>				
Proceeds during the period	13,500,000	13,072,672	54,030,330	67,103,002
Transaction costs			(3,281,783)	(3,281,783)
Dividend distribution during the period			(3,847,500)	(3,847,500)
<b>Balance as at 31 December 2023</b>	<b>13,500,000</b>	<b>13,072,672</b>	<b>46,901,047</b>	<b>59,973,718</b>
Dividend distribution during the period			(3,037,500)	(3,037,500)
<b>Balance as at 31 March 2024</b>	<b>13,500,000</b>	<b>13,072,672</b>	<b>43,863,547</b>	<b>56,936,218</b>

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

On February 21, 2024, the distribution of a cash dividend in the form of return of paid-in capital, amounting to USD 3,037,500, was approved at the Extraordinary General Meeting.

## Note 15 - Borrowings

	31 Mar 2024 USD	31 Dec 2023 USD
<b>Current borrowings</b>		
Bank loans	9,691,247	9,736,506
<b>Non-current borrowings</b>		
Bank loans	72,426,445	74,913,770
<b>Total</b>	<b>82,117,692</b>	<b>84,650,276</b>

### Maturity of borrowings:

	31 Mar 2024 USD	31 Dec 2023 USD
Within one year	9,691,247	9,736,506
Between 1 and 2 years	9,986,247	9,807,362
Between two and five years	62,440,199	65,106,407
	<b>82,117,692</b>	<b>84,650,276</b>

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

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

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

The Facility Agreement includes covenants on (i) a minimum liquidity requirement of USD 250,000 per Vessel (except for the last two vessels acquired using the Upsize Tranche) held in a restricted cash account at all times (earning interest at 30-day SOFR p.a.), (ii) a continuing maximum loan to value ratio of 65%, (iii) funding



### Note 15 – Borrowings (continued)

of a dry dock reserve account in equal monthly instalments beginning 12 months prior to an upcoming capex event for each Vessel, and (iv) satisfactory vessel inspections to be performed prior to drawdown.

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

#### *Movement analysis:*

	Q1 2024 USD	Q4 2023 USD
Opening balance	84,650,277	60,996,835
Drawdown (gross of transaction costs)	-	27,000,000
Capitalised borrowing costs	(56,096)	(462,130)
Repayments	(2,565,000)	(3,004,375)
Interest expense (Note 10)	2,071,530	1,831,940
Amortisation of borrowing costs (Note 10)	88,512	119,947
Interest paid	(2,071,530)	(1,831,940)
<b>Balance as at 31 March 2024/31 December 2023</b>	<b>82,117,692</b>	<b>84,650,277</b>

### Note 16 - Trade and other payables

	31 Mar 2024 USD	31 Dec 2023 USD
Pool working capital	500,000	767,806
Charterers balances payable	311,345	466,997
Trade payables	2,290,129	773,084
Accruals	812,446	373,475
Other payables	58,721	103
	<b>3,972,642</b>	<b>2,381,465</b>

Included in the trade payables, there is an amount of USD 2,071,833 (2023: USD 582,804) due to the technical manager of the vessels.

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

### Note 17 - Related party transactions

<u>Name</u>	Nature of relationship	Nature of transactions	Q1 2024 USD	Q4 2023 USD
Directorship fees (Note 9)	Board of Directors	Directorship fees	31,202	40,962
			<b>31,202</b>	<b>40,962</b>

**Note 18 - Contingent liabilities**

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

**Note 19 - Commitments**

**Operating lease commitments**

**The Group as lessor**

**Contracted revenues from vessels operations**

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

	Lease revenue from time charters USD	Service revenue from time charters USD	Total USD
Within one year	220,948	206,052	427,000
Between two and five years	-	-	-
	<b>220,948</b>	<b>206,052</b>	<b>427,000</b>

**Note 20 - Events after the reporting period**

There have been no events subsequent to period end which require adjustment of or disclosure in the consolidated financial statements or notes thereto.