Interim Consolidated Financial Statements

Q4 2024

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

In USD	Notes	Q4 2024 (unaudited)	Q4 2023 (unaudited)	YTD 2024 (unaudited)	YTD 2023 (audited)
Operating revenue	6	15,996,012	14,066,046	68,183,915	32,777,080
Vessel voyage expenses	7	(725,469)	(550,329)	(3,362,275)	(1,403,575)
Vessel operating expenses	8	(5,909,115)	(5,129,601)	(24,961,826)	(12,734,884)
Administrative expenses	9	(645,745)	(780,154)	(3,399,164)	(2,043,383)
Other income		110,150	2,807	176,831	12,905
EBITDA		**8,825,833**	**7,608,769**	**36,637,481**	**16,608,143**
Depreciation and amortisation	11	(3,214,144)	(2,568,400)	(12,545,158)	(6,079,469)
Operating result (EBIT)		**5,611,689**	**5,040,370**	**24,092,323**	**10,528,674**
Financial income	10	59,483	122,313	217,292	290,176
Financial expenses	10	(1,888,581)	(1,951,887)	(8,298,494)	(4,633,551)
Profit before tax (EBT)		**3,782,590**	**3,210,796**	**16,011,121**	**6,185,299**
Taxes		12,924	(15,315)	(12,679)	(34,137)
Profit and other comprehensive income for the period		**3,795,514**	**3,195,481**	**15,998,441**	**6,151,065**
Attributable to:					
Equity holders of the parent company		3,795,514	3,195,481	15,998,441	6,151,065
Non-controlling interests		-	-	-	-
		3,795,514	3,195,481	15,998,441	6,151,065

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

STAINLESS TANKERS

Consolidated statement of financial position (unaudited)

In USD	Notes	31 Dec 2024 (unaudited)	31 Dec 2023 (audited)
ASSETS			
Non-current assets			
Vessels and drydocking costs	11	108,397,228	142,079,020
Total non-current assets		**108,397,228**	**142,079,020**
Current assets			
Trade and other receivables	13	11,571,629	9,248,236
Cash and cash equivalent	14	1,698,966	2,345,378
Assets held for sale	12	23,889,661	-
Total current assets		**37,160,257**	**11,593,614**
Total assets		**145,557,484**	**153,672,634**
EQUITY AND LIABILITIES			
Equity			
Share capital	15	13,072,672	13,072,672
Share premium	15	33,063,547	46,901,047
Retained earnings		22,149,507	6,151,065
Total equity		**68,285,725**	**66,124,784**
Non-current liabilities			
Interest-bearing debt - non-current	16	65,080,370	74,913,770
Total non-current liabilities		**65,080,370**	**74,913,770**
Current liabilities			
Interest-bearing debt - current	16	9,796,247	9,736,506
Trade and other payables	17	2,365,143	2,381,465
Accrued taxation		30,000	34,137
Deferred income		-	481,973
Total current liabilities		**12,191,390**	**12,634,081**
Total equity and liabilities		**145,557,484**	**153,672,634**

Oslo, 4th February 2025

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	Hans van der Zijde	
…………………….	…………………….	…………………….
Nicoletta Panayiotopoulos Board member	Hans Van der Zidje Board member	Andrew Hampson 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
As at 01 December 2022		-	-	-	-
Capital increase - private placement (cash)	15	13,072,672	54,030,330	-	67,103,002
Transaction costs		-	(3,281,783)	-	(3,281,783)
Profit and other comprehensive income for the period		-	-	6,151,065	6,151,065
Dividends distributions during the period	15	-	(3,847,500)	-	(3,847,500)
As at 31 December 2023		**13,072,672**	**46,901,047**	**6,151,065**	**66,124,784**
Profit and other comprehensive income for the period		-	-	15,998,441	15,998,441
Dividends distributions during the period	15	-	(13,837,500)	-	(13,837,500)
As at 31 December 2024		**13,072,672**	**33,063,547**	**22,149,507**	**68,285,725**

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

STAINLESS TANKERS

Consolidated statement of cash flows (unaudited)

In USD	Notes	Q4 2024 (unaudited)	Q4 2023 (unaudited)	YTD 2024 (unaudited)	YTD 2023 (audited)
Profit and other comprehensive income for the period		3,782,590	3,210,796	16,011,121	6,185,202
Adjustments for:					
Financial income	10	(59,484)	(122,312)	(217,292)	(290,175)
Financial expenses	10	1,888,581	1,951,887	8,298,494	4,633,551
Depreciation and amortisation	11	3,214,144	2,568,400	12,545,158	6,079,469
Tax paid		(16,816)	-	(16,816)	
Cash flow from operating activities before changes in working capital		**8,809,016**	**7,608,770**	**36,620,664**	**16,608,048**
Changes in working capital					
Increase in trade and other receivables		(775,331)	(2,380,000)	418,117	(5,393,943)
Increase in trade and other payables		(898,352)	1,279,970	(16,322)	2,381,465
Accrued/(Deferred) income		-	480,593	(481,973)	481,973
Cash flow from operating activities		**7,135,333**	**6,989,333**	**36,540,486**	**14,077,542**
Acquisition of vessels		-	(26,957,607)	(12,233)	(148,158,490)
Drydocking costs		-	-	(2,740,794)	-
Interest received		59,483	122,313	217,292	290,176
Change in restricted cash for drydocking reserves		(1,318,932)	(932,309)	(2,741,509)	(2,104,293)
Cash flow from investing activities		**(1,259,449)**	**(27,767,603)**	**(5,277,244)**	**(149,972,607)**
Proceeds from issue of shares	15	-	-	-	67,103,002
Transaction related costs	15	-	-	-	(3,281,783)
Dividends paid	15	(3,712,500)	(2,160,000)	(13,837,500)	(3,847,500)
Proceeds from issue of debt	16	-	27,000,000	-	94,500,000
Borrowing costs	16	-	(462,130)	(56,096)	(1,577,749)
Repayment of debt	16	(2,460,000)	(3,004,375)	(10,050,000)	(8,491,250)
Commitment fees		-	-	-	(112,300)
Interest paid on interest-bearing debt	16	(1,806,977)	(1,831,940)	(7,966,058)	(4,301,976)
Change in restricted cash for minimum liquidity requirement		-	-	-	(1,750,000)
Cash flow from financing activities		**(7,979,477)**	**19,541,555**	**(31,909,654)**	**138,240,443**
Net change in cash and cash equivalents		(2,103,593)	(1,236,714)	(646,411)	2,345,378
Cash and cash equivalents at beginning of period		3,802,560	3,582,092	2,345,378	-
Cash and cash equivalents at end of period	14	**1,698,966**	**2,345,378**	**1,698,966**	**2,345,378**

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

Notes to the interim 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 year ended 31 December 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 interim 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 December 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.

Assets Held for Sale

Assets are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than through continuing use. To qualify for this classification, the asset must be available for immediate sale in its present condition and the sale must be highly probable.

In accordance with IFRS 5, assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Depreciation on these assets is ceased from the date they are classified as held for sale.

The classification of an asset as held for sale is reassessed at each reporting date.

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.

Note 3 – Significant accounting policies (continued)

Share capital and share premium

Ordinary shares are classified as equity.

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

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

Dividends distributions

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

Financial liabilities

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

Provisions

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

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 will vest with Tufton LP and be exercisable when the quoted price of the Company's shares has reached certain specific levels above the offer price in the Private Placement. The Warrants can be exercised by Tufton LP from vesting onwards. 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 for vesting of the first tranche of warrants were fulfilled by 31 December 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

Note 3 – Significant accounting policies (continued)

Taxes (continued)

tax in accordance with the general Norwegian tax rules and certain special rules in the tonnage tax regime. Instead of tax on qualifying shipping income, a tonnage tax based on the net tonnage of the vessel(s) is paid.

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

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

Related parties

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

Classification in the statement of financial position

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

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.

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Note 4 - Financial risk management (continued)

(i) Financial risk factors (continued)

Market risk (continued)

Cash flow interest rate risk

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

Credit risk

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

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

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

(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.

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

Vessel classification (continued)

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

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

Vessel life and impairment

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

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

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

Note 6 - Operating revenue

	Q4 2024 (unaudited)	Q4 2023 (unaudited)	YTD 2024 (unaudited)	YTD 2023 (audited)
	USD	USD	USD	USD
Service revenue from time charters	-	1,341,430	927,234	3,313,118
Lease revenue from time charters	-	1,398,358	1,006,339	5,183,665
Pool charter revenue	15,996,012	11,326,257	66,250,342	24,280,297
	15,996,012	**14,066,046**	**68,183,915**	**32,777,080**

(a) Contract balances

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

Note 6 - Operating revenue (continued)

	31 Dec 2024 (unaudited) USD	31 Dec 2023 (audited) USD
Contract liabilities		
Current		
Contract liabilities	-	230,650
Total contract liabilities	**-**	**230,650**

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

(b) Performance obligations

Information about the Group's performance obligations are summarised below:
Revenue from time charters - Under IFRS 15, the lease component and the service component of time charters need to be separately disclosed. The service component is accounted for separately under IFRS 15. The service component in the time charter includes a single performance obligation. The performance obligation is satisfied over time, given that the charterers simultaneously receive and consume the benefits provided by the Group. Revenue recognized in respect of the service component under IFRS 15 did not change. The lease component continues to be accounted for as a lease under IFRS 16.
The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2024 are, as follows:

	31 Dec 2024 (unaudited) USD	31 Dec 2023 (audited) USD
Within one year	-	885,400
	-	**885,400**

Note 7 - Vessel voyage expenses

	Q4 2024 (unaudited) USD	Q4 2023 (unaudited) USD	YTD 2024 (unaudited) USD	YTD 2023 (audited) USD
Commission fees	380,687	356,333	1,640,004	955,682
Bunkers consumption	56,445	13,024	449,858	18,763
Pool administration costs and other expenses	223,108	178,116	792,552	424,383
Other voyage expenses	65,228	2,856	479,861	4,747
	725,469	**550,329**	**3,362,275**	**1,403,575**

Note 8 - Vessel operating expenses

	Q4 2024 (unaudited) USD	Q4 2023 (unaudited) USD	YTD 2024 (unaudited) USD	YTD 2023 (audited) USD
Vessel operating expenses	5,909,115	5,129,601	24,961,826	12,734,884
	5,909,115	**5,129,601**	**24,961,826**	**12,734,884**

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Note 9 - Administrative expenses

	Q4 2024 (unaudited) USD	Q4 2023 (unaudited) USD	YTD 2024 (unaudited) USD	YTD 2023 (audited) USD
Auditor's remuneration	19,713	20,000	88,708	80,000
Legal and other professional fees	97,484	171,169	231,591	300,902
Directors' fees (Note 18)	29,905	40,962	108,662	125,674
Management service fees	538,200	488,800	2,141,100	1,389,700
Bank charges	5,155	13,179	27,146	21,089
Warrants	(108,167)	-	558,077	-
Other expenses	63,455	46,044	243,879	126,018
	645,745	**780,154**	**3,399,164**	**2,043,383**

During YTD 2024, the Company paid management service fees of USD 2,141,100 (2023: USD 1,389,700) to Tufton Management Ltd who is a minority shareholder in the Company, in accordance with the Management Services Agreement.

Note 10 - Finance (costs)/income

	Q4 2024 (unaudited) USD	Q4 2023 (unaudited) USD	YTD 2024 (unaudited) USD	YTD 2023 (audited) USD
Interest income	59,483	122,313	217,292	290,176
Finance income	**59,483**	**122,313**	**217,292**	**290,176**
Interest expense (Note 16)	(1,888,581)	(1,951,887)	(8,298,494)	(4,521,251)
Commitment fees	-	-	-	(112,300)
Finance costs	**(1,888,581)**	**(1,951,887)**	**(8,298,494)**	**(4,633,551)**
Net finance costs	**(1,829,099)**	**(1,829,574)**	**(8,081,202)**	**(4,343,375)**

Note 11 - Vessels and drydocking costs

	Vessels USD	Drydocking costs USD	Other capitalised costs USD	Total USD
Cost				
Balance as at 31 December 2023	**148,158,490**	**-**	**-**	**148,158,490**
Additions	12,233	2,587,855	152,939	2,753,027
Reclassified as held for sale	(26,923,591)	-	-	(26,923,591)
Balance as at 31 December 2024	**121,247,132**	**2,587,855**	**152,939**	**123,987,926**
Depreciation and amortisation				
Balance as at 31 December 2023	**6,079,469**	**-**	**-**	**6,079,469**
Charge for the period	12,177,537	346,190	21,431	12,545,158
Reclassified as held for sale	(3,033,929)	-	-	(3,033,929)
Balance as at 31 December 2024	**15,223,078**	**346,190**	**21,431**	**15,590,698**
Net book amount				
Balance as at 31 December 2023	**142,079,020**	**-**	**-**	**142,079,020**
Balance as at 31 December 2024	**106,024,055**	**2,241,665**	**131,508**	**108,397,228**

Note 11 - Vessels and drydocking costs (continued)

Insured value (USD)	**202,800,000**
Total dead weight tonnage (dwt)	**47,414.61**

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 upon stage of completion with a total of USD 1,275,368 capitalised as of 31 December 2024. During the drydock, the following energy saving devices were installed: propeller boss cap fin, LED lighting, Schneekluth duct and high-performance paint with a total cost USD 94,553 capitalised as of 31 December 2024.

The Orchid Sylt entered drydocking on 27 April 2024 and completed her third special survey in China on 14 May 2024. Capitalisation of drydocking costs were made upon stage of completion with a total of USD 1,230,000 capitalised as of 31 December 2024. During the drydock, the following energy saving devices were installed: propeller boss cap fin, Schneekluth duct and high-performance paint with a total cost USD 58,386 capitalised as of 31 December 2024.

On 18 December 2024, ST8 Ltd and ST9 Ltd (the 'Sellers') entered into a memorandum of agreement (the 'MoA') with Youngchang Enterprise Co. Ltd (the 'Buyers') for the sale of two 2005 built J19 stainless steel chemical tankers, Monax and Marmotas, respectively. The gross sale price for each tanker is USD 15,600,000.

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

As at 31 December 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 December 2024 based on the assessment.

Note 12 – Assets held for sale

On 18 December 2024, ST8 Ltd and ST9 Ltd entered into a MoA for the sale of their vessels Monax and Marmotas respectively. The vessels were reclassified as assets held for sale upon the signing of the MoA. There was no impairment losses upon reclassification as the carrying amount of the vessels was lower than their fair value less cost to sell. The vessels are intended to be delivered to their respective buyer in April and February 2025, respectively.

	31 Dec 2024 (unaudited) USD	**31 Dec 2023 (audited) USD**
Assets held for sale	23,889,661	-
	23,889,661	**-**

Note 13 - Trade and other receivables

	31 Dec 2024 (unaudited) USD	**31 Dec 2023 (audited) USD**
Charterers balances receivable	1,092,485	1,832,032
Pool working capital receivable	3,150,000	2,800,000
Prepayments	259,341	643,230
Restricted cash	6,595,802	3,854,293
Other receivables	474,000	118,681
	11,571,629	**9,248,236**

Note 13 - Trade and other receivables (continued)

Restricted cash comprise (i) a minimum liquidity requirement of USD 250,000 (2023: USD 250,000) per Vessel, for the 7 initial vessels acquired during 2023, held in a restricted cash account and (ii) funding of a dry dock reserve account of USD 4,845,802 (2023: USD 2,104,293) (Note 16).

Included in the prepayments, there is an amount of USD 8,180 (2023: USD 236,902) due from the technical manager of the vessels, representing advance cash paid.

Note 14 - Cash and cash equivalent

Cash balances are analysed as follows:

	31 Dec 2024 (unaudited) USD	31 Dec 2023 (audited) USD
Cash at bank	1,698,966	2,345,378
	1,698,966	**2,345,378**

Note 15 - Equity contribution

	No. of shares	Share capital USD	Share premium USD	Total USD
Balance as at 01 December 2022				
Proceeds during the period	13,500,000	13,072,672	54,030,330	67,103,002
Transaction costs			(3,281,783)	(3,281,783)
Dividend distribution during the period			(3,847,500)	(3,847,500)
Balance as at 31 December 2023	**13,500,000**	**13,072,672**	**46,901,047**	**59,973,718**
Dividend distribution during the period			(13,837,500)	(13,837,500)
Balance as at 31 December 2024	**13,500,000**	**13,072,672**	**33,063,547**	**46,136,218**

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

On February 21, 2024, a 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.

On May 30, 2024, the Board of Directors approved a distribution of a cash dividend in the form of paid-in capital, amounting to USD 3,375,000.

On August 6, 2024, the Board of Directors approved a distribution of a cash dividend in the form of paid-in capital, amounting to USD 3,712,500.

On November 5, 2024, the Board of Directors approved a distribution of a cash dividend in the form of paid-in capital, amounting to USD 3,712,500.

Note 16 - Borrowings

	31 Dec 2024 (unaudited) USD	31 Dec 2023 (audited) USD
Current borrowings		
Bank loans	9,796,247	9,736,506
Non-current borrowings		
Bank loans	65,080,370	74,913,770
Total	**74,876,617**	**84,650,276**

	31 Dec 2024 (unaudited) USD	31 Dec 2023 (audited) USD
Within one year	9,796,247	9,736,506
Between 1 and 2 years	10,323,747	9,807,362
Between two and five years	54,756,622	65,106,407
	74,876,617	**84,650,276**

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

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

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

Note 16 – Borrowings (continued)

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

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

Movement analysis:

	31 Dec 2024 (unaudited) USD	**31 Dec 2023 (audited) USD**
Opening balance	84,650,276	-
Drawdown (gross of transaction costs)	-	94,500,000
Capitalised borrowing costs	(56,096)	(1,577,749)
Repayments	(10,050,000)	(8,491,250)
Interest expense (Note 10)	7,966,058	4,301,976
Amortisation of borrowing costs (Note 10)	332,436	219,276
Interest paid	(7,966,058)	(4,301,976)
Balance as at 31 December 2024/31 December 2023	**74,876,617**	**84,650,276**

Note 17 - Trade and other payables

	31 Dec 2024 (unaudited) USD	**31 Dec 2023 (audited) USD**
Pool working capital	50,000	767,806
Charterers balances payable	-	466,997
Trade payables	1,238,512	773,084
Accruals	518,449	373,475
Warrants	558,077	-
Other payables	103	103
	2,365,142	**2,381,465**

Included in the trade payables, there is an amount of USD 879,385 (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 18 - Related party transactions

(i) Transactions with related parties (Note 9)

Name	Nature of relationship	Nature of transactions	Q4 2024 (unaudited) USD	Q4 2023 (unaudited) USD	YTD 2024 (unaudited) USD	YTD 2023 (audited) USD
Directorship fees	Board of Directors	Directorship fees	29,905	40,962	108,662	125,674
			29,905	**40,962**	**108,662**	**125,674**

Note 19 – Contingent liabilities

The Group had no contingent liabilities as at 31 December 2024.

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.