



TAYLOR MARITIME
INVESTMENTS

Annual report and audited Consolidated financial statements

For the period from
31 March 2021 (date of incorporation)
to 31 March 2022



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Group¹ overview

Key highlights

- Taylor Maritime Investments Limited (the “Company”) concluded a **successful initial public offering** on 27 May 2021, **raising US\$254 million** (comprising US\$160 million cash and US\$94 million in consideration shares), followed by a subsequent capital raise of US\$75 million on 28 July 2021
- **The Group’s Total Net Asset Value (“NAV”) return per Ordinary Share was +81.3%²** for the period from the Initial Public Offering (“IPO”) on 27 May 2021 to 31 March 2022
- **The Company’s Ordinary Shares closed at a price of US\$1.42 on 31 March 2022.** The Company’s total share price return per Ordinary Share was +45.5%² for the period from the IPO on 27 May 2021 to 31 March 2022
- As at 31 March 2022, **the Group’s fleet consisted of 31 vessels (including vessels contracted to sell) with a total market value of US\$546 million.** Of the 31 vessels, 29 are Handysize³ and 2 are Supramax³
- During the period, the Group, through the subsidiary Good Falkirk (MI) Limited, also completed an acquisition of a 26.6% stake in Grindrod Shipping Holdings Ltd., a dual NASDAQ and Johannesburg Stock Exchange listed shipping business (NASDAQ: GRIN, JSE: GSH “Grindrod Shipping”) secured at an average price of US\$17.64 per share. At 31 March 2022, Grindrod Shipping’s share price was US\$25.44 per share, amounting to US\$125 million of the Group’s NAV. The Group also received two dividends of US\$0.72 per share in both December 2021 and March 2022 (total dividends of US\$1.44 per share for the period) from Grindrod Shipping, representing an annualised yield of c.16%² on the investment
- **The fleet’s average net time charter rate at 31 March 2022 was approximately US\$18,600 per day,** with an average duration of six months and generating an average annualised unlevered return² in excess of 24%
- **The average age of the fleet is 11.4 years**
- **Total dividends paid in respect of the period ended 31 March 2022,** amounted to 8.47 US cents⁴, representing a dividend yield on the Initial Issue Price of approximately 10% on an annualised basis.

¹ “Group” consists of The Company and its subsidiaries, see note 6 for details.

² See “Alternative Performance Measures” on pages 84-85.

³ See “Definitions and Glossary” on pages 86-87.

⁴ Total dividends declared during the period ended 31 March 2022 amounted to 3.50 US cents and the remaining 4.97 US cents were declared post 31 March 2022.

Group overview

Financial highlights

at 31 March 2022

Net Assets

US\$575,248,769

Net Asset Value per share

US\$1.7420

Share price at period end

US\$1.42 / £1.09

Discount to Net Asset Value¹

(18.5%)

Ongoing charges figure²

0.93%

Total NAV Return¹

81.3%

¹ See "Alternative Performance Measures" on pages 84 – 85.

² Total ongoing charges, calculated in accordance with the AIC guidance, is for the consolidated Group (The Company, TMI Management (HK) Limited ("TMIHK"), TMI Advisors (UK) Limited (formerly TMI Management (UK) Limited) ("TMIUK") and TMI Advisor Pte. Limited ("TMI Singapore")) annualised for the period, divided by the average NAV for the period. See "Alternative Performance Measures" on pages 84 – 85.

Group overview

Summary information

Principal activity

The Company was registered in Guernsey under the Companies (Guernsey) Law, 2008 on 31 March 2021. The Company's registration number is 69031 and it is regulated by the Guernsey Financial Services Commission as a registered closed-ended collective investment scheme pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 2020, the Registered Collective Investment Scheme Rules 2021 and the Prospectus Rules 2021. The Company's Ordinary Shares were admitted to the premium listing segment of the Official List of the UK Listing Authority and began trading on the Main Market of the London Stock Exchange ("LSE") on 27 May 2021 (Stock Code TMI).

At 31 March 2022, the Company has a total of 330,215,878 Ordinary Shares in issue, each with equal voting rights.

Investment objective

The Company's investment objective is to provide investors with an attractive level of regular, stable and growing income and the potential for capital growth through investing primarily in vessels, usually employed, or to be employed, on fixed period Charters.

The Company will target a Total NAV Return of 10% to 12% per annum (net of expenses and fees but excluding any tax payable by Shareholders) over the medium to long term.

Dividend policy

The Company intends to pay dividends on a quarterly basis with dividends declared in January, April, July and October. The Group is targeting stable cashflow generation with quarterly dividend payments of 1.75 cents per Ordinary Share representing an annual yield of 7% on the IPO price of US\$1.00, with the intention to grow dividends.

Management

The Company is a self-managed investment company led by a Board of Non-Executive and Executive Directors (the "Board" or the "Directors") (whose details appear on page 33) and a full time Executive Team (whose details appear on page 34).

The Executive Team of experienced industry professionals led by Edward Buttery previously worked closely together at the Commercial Manager, Taylor Maritime (HK) Limited. Established in 2014, Taylor Maritime (HK) Limited is a privately owned management business with a seasoned team that includes the founders of dry bulk shipping company Pacific Basin Shipping (listed in Hong Kong 2343.HK) and gas shipping company BW Epic Kosan (formerly Epic Shipping) (listed in Oslo BWEK:NO).

The Executive Team are based in Guernsey, London and Singapore (previously in Hong Kong and London). As detailed further in note 10, the services of the Executive Team are provided pursuant to an intra Group advisory and services agreement between TMI Management (HK) Limited ("TMIHK") and the Company. From 1 March 2022 Edward Buttery, Chief Executive Officer of the Group, is based in Guernsey and directly employed by the Company.

The internal management structure ensures the Company is focused on delivering shareholder value, and the Executive Team are incentivised by linking a substantial part of their remuneration package to shareholder returns through the NAV performance targets, see the Nomination and Remuneration Report for details. The decision to adopt an internal management structure should, in future, ensure a competitive ongoing charges ratio as no third party investment advisor/manager fees are paid which are linked to assets under management.

Group overview

Investment policy

In order to achieve its investment objective, the Group will invest in a diversified portfolio of vessels which will primarily be Geared Handysize and Supramax bulk vessels. These vessels, which have their own loading and discharging equipment, are mostly acquired second-hand, leveraging valuations that are below long-term average prices and Depreciated Replacement Cost.

The Group holds its shipping assets through Special Purpose Vehicles ("SPVs") which are wholly owned and controlled by the Company and are held through an intermediate holding company called TMI Holdco Limited ("Holdco"). The Company may acquire vessels through asset purchases (in which case the vessel will be transferred to an SPV) or through the acquisition of the relevant vessel owning SPV. The Company may, in exceptional circumstances, also invest in vessels through joint ventures with other parties, other non-wholly-owned structures or listed investments, although, in such circumstances, the Company will seek, wherever possible, to have a controlling interest.

The Group will pursue its income strategy through a balanced employment strategy, comprising short term Charters (less than 6 months), medium term Charters (more than 6 months) and long term Charters (greater than a year) and will benefit from staggered renewals, with a view to flattening the income curve.

For more information, please visit www.taylormaritimeinvestments.com. The Company and the subsidiaries as detailed in the note 6 make up the group of companies (the "Group").

Key strategic objectives

The Group will realise its investment policy by applying the following strategic objectives.

Acquisition Strategy – the Group has a selective growth strategy focusing on accretive opportunities to increase shareholder returns. Through the deep experience and longstanding industry relationships of the Executive Team, the Group will seek to invest in mainly Japanese second-hand vessels at below long-term average prices and Depreciated Replacement Cost to achieve an excellent rate of return over the remaining life of its assets. Acquisition can be through direct purchase or, if exceptional investment opportunities arise, through joint ventures, other non-wholly owned structures or listed investments.

Income Strategy – to maintain a long-term stable income stream, by diversifying charter contracts over different periods depending on market conditions and limiting exposure to any one charter counterparty while always applying prudent leverage (no long-term structural debt) and cash management.

Sustainability Strategy – to ensure the long-term sustainability of the fleet by integrating environmental factors into our fleet maintenance and renewal strategy, and by ensuring, at a broader level, that we are a responsible corporate citizen applying the highest governance and social standards in all our operations and interactions with stakeholders.

Why invest

Attractive valuations and disciplined investment strategy

The Group's assets will mostly be acquired second-hand, leveraging valuations that are below long-term average prices and Depreciated Replacement Cost. This is supported by access to a Revolving Credit Facility ("RCF") and the ability to recycle capital through asset disposals.

Sustainable yield and returns through long term ungeared structure

The Company intends to pay dividends on a quarterly basis with dividends declared in January, April, July and October. The Group targets a Total NAV Return of 10% to 12% p.a. (net of expenses and fees) over the medium to long term. The Group prioritises its ability to deliver its dividend, as stated at IPO, consistently. This is supported by the Group's commitment to a long-term ungeared approach with access to a RCF to bridge investments where appropriate and a commitment to limit aggregate borrowings to a maximum of 25% of gross assets.

Downside protection through diversification of cargoes and ports due to vessel class versatility

Handysize vessels are relatively small and "geared", meaning they have their own loading and discharging equipment. These features make Handysize vessels versatile and allow them to access a wide range of ports, to and from which they carry a range of necessity goods - principally food stuffs such as grains and cereals, fertilisers and raw materials related to infrastructure building - ensuring broad diversification of fleet activity.

Shareholder alignment through self-managed fund structure

The internalised fund management structure results in no NAV based or performance based fees paid to an external investment advisor with costs expected to reduce over time in comparison to NAV and where rewards are aligned with shareholder interests.



Strategic review

CALL SIGN : D5CG2

Strategic review

Chairman's statement



Dear Shareholders,

On behalf of the Board, I thank you for your continued support. It is a pleasure to present my inaugural report for what has been an outstanding first period of trading.

The Company has made a dynamic, well-timed and successful start as a listed investment company. The basis of our investment proposition was and remains the vital role that shipping plays in the global trade system by transporting significant commodity volumes over long distances in the most cost-effective way. We are currently invested predominantly in Handysize dry bulk vessels, the workhorses of the dry bulk shipping trade, which are responsible for carrying essential goods such as grain, fertilisers and basic building materials around the world. Demand for our ships is expected to grow by 2.1% in 2022 against a sustained historically low orderbook resulting in a forecast Global net fleet growth of only 1.9%. Ongoing restraint with respect to newbuild ordering, given technological uncertainty, could mean that fundamentals remain strong well into 2024.

Profitability and investment prospects

The Group's strategy is to provide an attractive level of regular stable income with the potential for capital growth through our investments. The Group seeks to maintain a responsible long-term capital structure and selective accretive growth strategy (through investments, divestments and reinvestment) to maximise shareholder value. Our capital structure is designed to permit the continuation of our dividend payments throughout the cycle. The successful implementation of our strategy is evidenced by the excellent levels of profitability and cashflow we have generated in the 10 months to our financial reporting date. The Board monitors closely the level at which the Company's shares trade relative to the NAV and continues to consider share buybacks versus alternative investment opportunities.

Acquisition of Grindrod Shipping Holdings Ltd. ("Grindrod Shipping")

The acquisition of a 26.6% stake in Grindrod Shipping is evidence of the Group's ability to deploy capital nimbly into complementary assets. This investment has already generated both capital appreciation and cash returns through dividends. We have laid strong foundations for a constructive (and ongoing) working relationship with this company and now have director representation on Grindrod Shipping's board of directors.

Environmental, social and Governance ("ESG")

ESG themes are a key focus for the Group, presenting opportunities as well as challenges. The Group is developing a clear roadmap and programme of activities to ensure that we hit each milestone along the path of reaching net zero by 2050. The first step in that process is the baseline carbon footprint of the fleet in this first period of operation. We are proud to be able to include our progress in this area within the ESG Review of this report. Whilst transportation of commodities by sea generates less greenhouse gases than any alternative form of transport, we are not complacent and are committed to investing in reducing our carbon footprint wherever possible.

The professionalism and welfare of the crew members serving on board of the Group's vessels is integral to our business. They have navigated the difficult problems presented by COVID-19 with resilience and dedication, supported by our technical managers. We are also responding to challenges presented by the war in Ukraine, the well-being of shipboard personnel being our primary concern in such circumstances. As announced at the time, the Group has one vessel in Ukraine which was loading maize when the conflict began. Fortunately, the crew that were onboard were safely evacuated and repatriated. In the light of the ongoing hostilities, the Group's policy is that its fleet will not operate in the conflict zone and, of course, will continue to be fully compliant with applicable international sanctions.

Good fundamentals

The fundamentals of the Group's business and the geared dry bulk market remain strong. While potential structural changes in the global political landscape and an inflationary environment with rising interest rates make it difficult to predict with certainty whether the current profitable market rates are here to stay or whether they will fluctuate, there are good grounds for optimism. Historically shipping has been an inflation hedge and our business' outlook is further underpinned by the absence of new Handysize bulk carriers. I therefore believe that we are well positioned to continue to prosper and deliver strong cashflow, capital appreciation and compelling shareholder returns in 2022 and beyond.

Nicholas Lykiardopulo
Independent Chair

13 July 2022

¹ See "Definitions and Glossary" on pages 86 - 87

Strategic review

Chief Executive Officer's statement



Dear Shareholders,

I am delighted to be writing to you at the end of our first financial period as an investment company since our listing on the LSE's Premium Segment on 27 May 2021. We have created a differentiated shipping investment opportunity offering growth, value creation and shareholder returns. We deliver this through a combination of sustainable yield and capital appreciation generated by high quality assets and an experienced, professional management team. Our leading position in the niche Handysize market is aimed at delivering consistent earnings through the cycle, whilst our growth strategy is selective and we are committed to a long-term financially prudent approach without long-term debt.

Utilisation of capital raised

The Company listed with a market capitalisation of US\$254 million and, after a follow-on fundraise in July 2021 of US\$75 million, we were able to take advantage of attractive second-hand asset prices in a rapidly rising market and increased the fleet from 23 seed assets to a peak of 32 vessels. These purchases along with the acquisition of the Grindrod Shipping holding (see below) contributed to the strong growth in the Group's NAV from US\$249 million at IPO to US\$575 million at 31 March 2022, a NAV growth of 81.3% per Ordinary Share.

As the market strengthened, we recycled capital into an accretive growth opportunity, by locking in the sale of two assets at very attractive IRRs and reinvesting the realised capital into a minority stake in Grindrod Shipping at an average purchase price of US\$17.64 per share. The Grindrod Shipping fleet is highly complementary to the Group's own vessels, comprising predominantly modern, high-quality Japanese built geared dry bulk vessels. At 31 March 2022, Grindrod Shipping's share price was US\$25.44 per share and the Group's 26.6% ownership stake therefore made a strong contribution of US\$125 million to the Group's NAV at the period end, an uplift of US\$38 million on the investment (c.43%).

In addition to the capital gain, the significant earnings potential of the Grindrod Shipping fleet translated into favourable cash returns through dividends for the Group.

Paul Charles Over, a director of the Group's Commercial Manager, joined the Grindrod Shipping board of directors on 17 February 2022 as a non-executive director and representative of the Group.

Our charter policy

Our average charter rate at IPO was US\$14,942 and at the end of our first financial period was US\$18,600, an increase of 24%. Commercially, we have varied charter durations across the fleet to strike a balance between higher short-term charter rates and longer-term earnings visibility, resulting in increased stability in shareholder returns, attractive yields and NAV appreciation. We are always mindful of managing seasonal changes in demand which, in the short-term, influence our choice of charter duration mix. Even while rates dropped towards the end of the 4th quarter of 2021 and in early 2022 (owing to normal easing ahead of Chinese New Year) our average charter rate remained stable. Furthermore, during the Chinese New Year period, a time of typical seasonal weakness, we deliberately fixed a portion of the fleet on short-term charters as we anticipated a strengthening market in the lead up to summer which has allowed us to fix longer-term charters at better rates. We will continue to seek to secure longer period charters for a growing percentage of our fleet to ensure stability of cash flows over the next few years.

Profitability

Our first period of trading as an investment company delivered promising financial results and cash generation with US\$253 million of profit. On a look-through basis¹, this was made up of US\$79 million of operating profit, after finance costs, and US\$174 million was fair value gain. Our capital structure is strong, with a healthy balance sheet and liquidity generated by charters and vessel sales (at the date of writing, in total, the Group has sold four ships, with one further ship contracted to be sold – the average IRR across the five sales is in excess of 100%). As a Group we continue to maintain a robust operating cash flow as well as having US\$20 million of an undrawn revolving credit facility available.

¹ "Look-through basis" reflects the Group and SPV results on a consolidated basis, which comprises the Group and the underlying SPVs (see note 6 for list of SPVs). The primary statements on pages 57 - 60, comprises the Group results only, where the SPVs look-through results are reflected through the "financial assets at fair value through profit or loss", see note 2 b) for "Basis of Preparation and Consolidation" for details on consolidation.

Strategic review Chief Executive Officer's statement continued

ESG

We are fortunate to have, via our external technical managers, extremely dedicated and professional teams at sea and ashore operating the Group's fleet in challenging conditions, particularly in view of disruptive regional COVID-19 restrictions, which persisted for much of 2021 and early 2022. The crew serving aboard the Group's vessels have responded magnificently and we have them and our technical managers to thank for their unstinting dedication. Crew welfare is a core pillar of both the Group and our technical managers' strategies. This year we supported The Mission to Seafarers charity and remain committed to being an active force in evolving social responsibility within the shipping sector. The Company has set aside a budget for charitable purposes to sustain our commitment in the next year, see "Community engagement" on page 26 for further details.

Sustainability is at the heart of the way we manage the Company, and the profile and management of the fleet is integral to this. We are committed to achieving our long-term target of zero carbon emissions by 2050 and to combining industry efforts to promote and achieve that target with a comprehensive programme to improve existing vessel energy efficiency. More investment is being directed to vessel modifications, primarily retrofits during regular maintenance periods, and we are in dialogue with major customers around trialling lower carbon fuels and energy saving measures. In terms of protecting marine biodiversity, the entire fleet will be fitted with ballast water management systems by the end of 2022 (except one vessel to be completed in 2023).

Looking forward

As we transition into the new financial year, a meaningful portion of the fleet is positioned to capture improvements in rates in what we expect will be a strong market for 2022, with analysts forecasting 2.1% tonne mile growth for minor bulk and 2.7% for 2023 against a net fleet supply growth of 1.9% and -2.2% respectively (Clarksons Research June 2022). The short-term impact of the war in Ukraine has been a shift in trading patterns for the shipping of necessity goods, both in terms of goods being sourced from alternative suppliers and with Russian exports being shipped to different destinations. So far, the net change to demand seems to be negligible for our segment, once the decrease in volumes is offset by increased tonne-miles. We have seen rising global food prices as Ukraine and Russia are significant suppliers of wheat, barley and maize. While commodity prices and inflationary pressures are building, as my Chairman mentions, shipping has traditionally been an inflationary hedge. We continue to monitor this and the impact of other macro factors on growth such as rising interest rates and COVID-19 restrictions in China. We expect current COVID-19 restrictions in China to be transitory and for demand to rebound, as experienced following previous lockdowns.

Whilst acknowledging uncertainty in the wider economy, I am optimistic about our segment given tightening supply over the next two years and possibly longer. This is due to an orderbook at historical lows and the unlikelihood of a significant uptick in contracting given both cost inflation and pending deep-seated change to ship designs to meet evolving environmental demands.

I am grateful for your support thus far and we will continue to work tirelessly to create value in the Company and for you, our shareholders.

Edward Buttery

Chief Executive Officer

13 July 2022

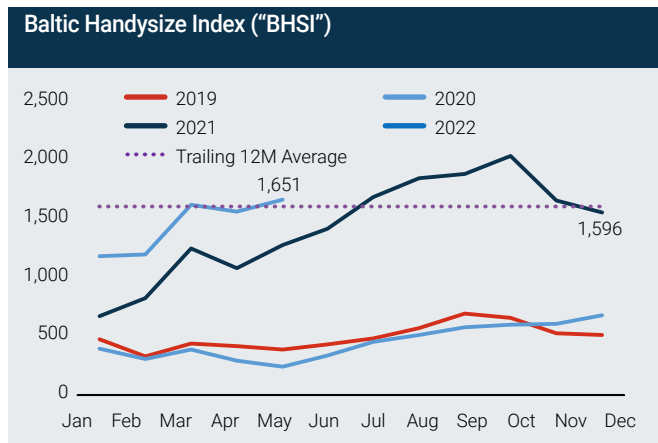
Strategic review

Market review

Market summary

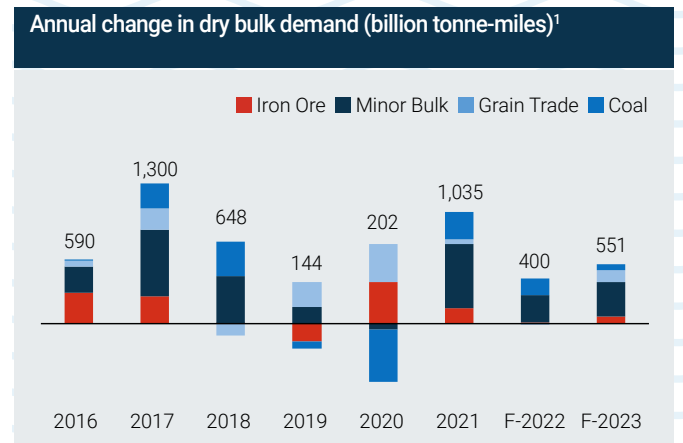
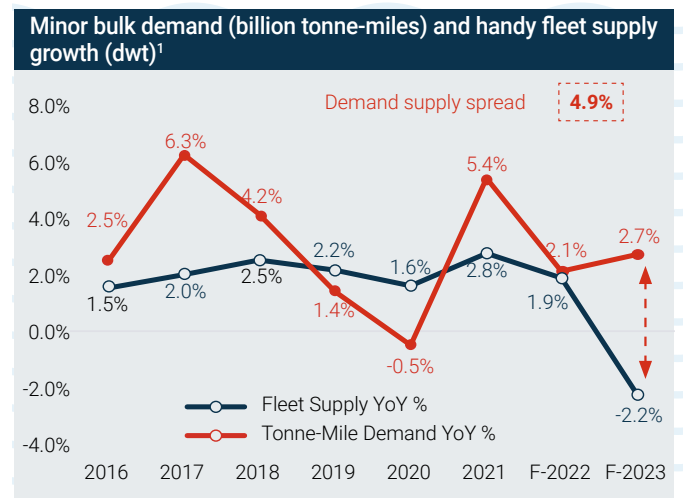
After the disruptions experienced during the early stages of the pandemic, 2021 saw a strong rebound in seaborne trade with trade in minor bulks (i.e. the segment of the dry bulk market covering a wide variety of commodities such as forest products, iron and steel products, fertilisers, agricultural products, ores and minerals, cement and other construction materials, and scrap metal), the Group's main cargoes, growing by 5.0% in tonnage terms after a 2.6% contraction in 2020. The grain trade, another key cargo for Handysize ships, was steady at 1.5% growth for 2021 after a strong year of 7.6% growth in 2020. Despite the typical seasonal weakness and disruptions to trade patterns caused by geopolitical events, charter rates remained much higher than usual for the time of year as we entered 2022 and climbed swiftly in the latter part of the first quarter.

- The Baltic Dry Index ("BDI") averaged 2,041 in Q1 2022, an increase of 17% compared to Q1 2021 (1,739) and 245% compared to Q1 2020 (591);
- The Baltic Handysize Index Time Charter Average ("BHST TCA")¹, an index adjusted by the Group to reflect the average deadweight tonnage ("dwt") of the fleet was USD 22,880 net, up 45% on Q1 2021's index of USD 15,780 net and 270% on Q1 2020 index of USD 6,187 net;
- Over the period from IPO through to end of March 2022, the Baltic Handysize Index ("BHST") increased c.29% from 1,341 to 1,735, reaching a peak of 2,062; the first time the index has passed the 2,000 mark since September 2008;
- A significant spread between supply growth and demand growth reopened in 2021, the manifestation of a longer-term trend, as minor bulk demand grew by 5.4% in tonne-miles while Handysize supply growth was 2.8%;
- The tight supply situation put upward pressure on charter rates and vessel valuations followed suit over the period with the Clarksons 10 year old benchmark valuation for a 32,000 dwt built Handysize increasing from US\$13.5 million at the end of May 2021 to US\$18.5 million at the end of March 2022, an uplift of US\$5 million or c.37%;
- Valuations were last at these levels in 2011 and were consistently above these levels from 2005 to 2011 during China's growth phase post-World Trade Organisation entry.



Demand

- The International Monetary Fund ("IMF") estimated 6.1% global growth in 2021 (a key driver of dry bulk demand) and in April forecasted 3.6% growth each year for 2022 and 2023;
- Clarksons reports 3.7% growth in tonne mile demand for the dry bulk sector in 2021 which is forecast to soften to 1.4% in 2022;
- Minor bulk demand, in tonne mile terms, increased 5.4% in 2021 with a firm 2.1% demand increase forecast for 2022¹.
- Rates through the period, particularly in the first half, were supported by a firm underlying demand following the rebound from 2020 with dry bulk trade volumes well above pre-pandemic levels. Additional support for Handysize rates also came from container cargoes being carried on dry bulk ships and from port congestion, both of which might recede in the medium term;
- Early 2022 saw usual seasonal weakness in the approach to the Chinese New Year and with the Beijing Winter Olympics; the market firmed in the latter half of the first quarter of 2022 and continued to firm through May;

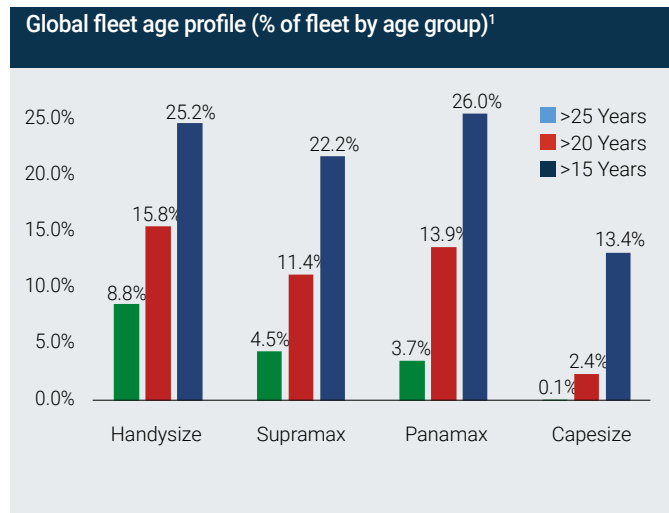
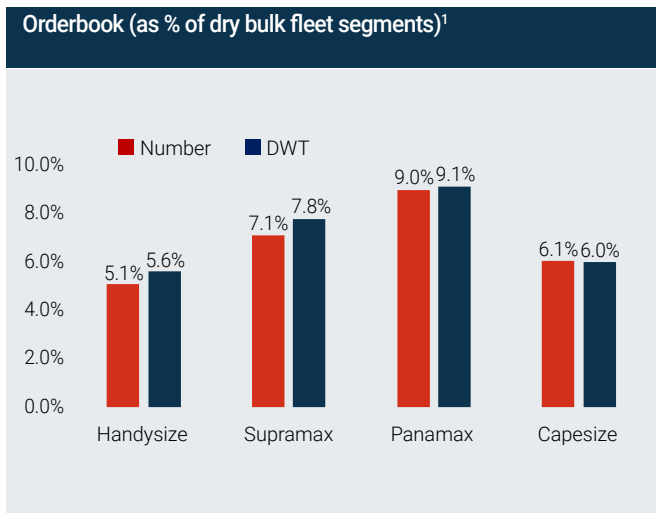
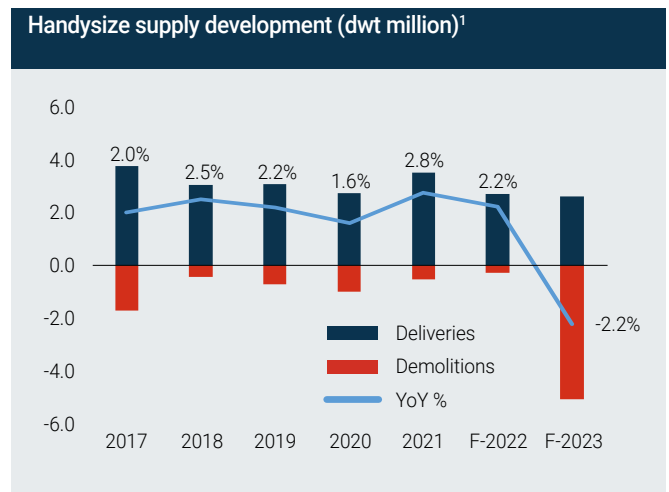
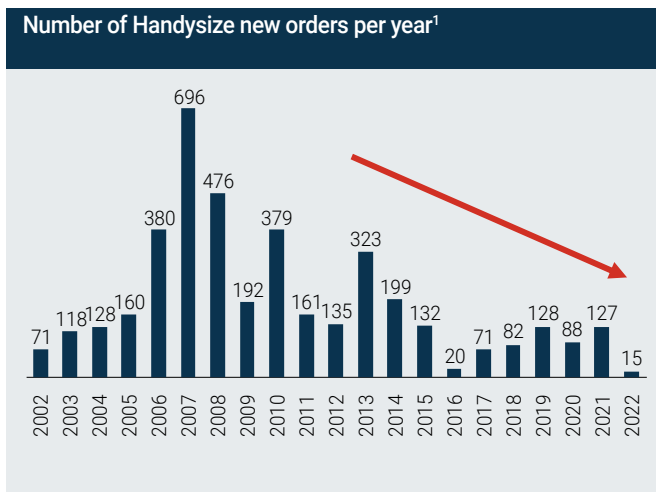


¹ Source: Clarksons Research June 2022.

Strategic review Market review continued

Fleet supply

- Supply growth remains constrained in the Handysize segment in particular, underpinning an ongoing positive outlook for at least the next 24 months for charter rates and valuations; Clarksons estimated net Handysize fleet growth of 2.8% for 2021 with current forecasts of 1.9% growth for 2022 and net contraction of 2.2% in 2023 subject to actual fleet removals;
- With 8.8% of the fleet over 25 years old and a further 0.5% turning 25 by the end of 2022, research analysts expect older, less efficient tonnage to be further removed from the fleet in 2023;
- Meanwhile, the Handysize orderbook, the primary vessel-type in the Group's fleet, fell below 6% at the end of 2020, the first time since 2003, and currently sits at 5.6%. The Handysize orderbook remains the tightest of all dry bulk segments which includes Supramax, Panamax and Capesize vessels;
- Through 2021, dry bulk carriers accounted for only 22% of total vessel newbuildings ordered vs. 32% average over the previous 15 years. By comparison, containerships were responsible for 41% of newbuildings ordered in 2021 versus 14% in the previous 15 years, filling shipyard berths up for delivery through 2024¹;
- Although strong charter rates have traditionally led to an increase in new ship ordering activity, the Group considers that the current cycle has its own particular characteristics which may limit ordering, in part due to newbuild price inflation, orders in other segments consuming shipyard capacity and the continuing uncertainty surrounding decarbonisation and its impact on future (not yet available) ship designs, exacerbated by a long delay between order and delivery;
- Beyond 2023, effective supply is expected to further decrease due to lower operating speeds required to meet International Maritime Organisation ("IMO") emissions reduction targets.



¹ Source: Clarksons Research June 2022.

Strategic review **Market review** continued

Outlook

Given the underlying fundamentals of the Handysize segment, particularly tight fleet supply, the Group anticipates two to three years of further strength in the market dependent upon potential new supply which the Group follows closely. Nevertheless, the Group continues to monitor the risk of macro uncertainties, in relation to inflation, higher interest rates and a possible recession in the context of ongoing recent China COVID-19 lockdowns (expected to be transitory as reflected in freight futures) and the Russia/Ukraine conflict and their impact on growth, trade flows and food and energy security.

Russia/Ukraine crisis

As referred to in the Chairman Statement, the Group had one vessel directly affected by the situation in Ukraine. The crew have been safely evacuated but the ship remains in port, intact, is fully insured for all risks and is being closely monitored by the Commercial Manager and Technical Manager. From a market perspective, Clarksons data puts Ukraine (49 million tonnes) and Russia (38 million tonnes) at c.17.7% of the seaborne grain trade. We have already seen trade patterns adapt as grain demands are satisfied from other sources with Black Sea grain buyers looking to North and South America as a substitute. However, based on recent trading history, we estimate little impact on the Group's trading as port calls to Ukraine and Russia accounted for under 2% and 3% respectively of total port calls by our ships. The Group's policy is that our fleet will not operate in a conflict zone and we will continue to be fully compliant with applicable international sanctions. We will continue to monitor the geopolitical events and the ongoing impact of the crisis.

¹ Source: Clarksons Research June 2022.

Strategic review

Portfolio and operational review

Portfolio summary

- The Group was able to source and execute efficiently through the period the acquisition of the 23 seed assets plus an additional 9 vessels – all at competitive prices, – with smooth transitions into ownership despite the challenging conditions owing to COVID-19;
- The Group maintained a focus on growth through investment in the highest quality Japanese vessels available secondhand, at a discount to long-term average prices and Depreciated Replacement Cost. As a result, the Group benefited from significant capital appreciation across the fleet;
- Owing to the rapid increase in asset values in the physical market, the Group sought alternative attractively priced investment opportunities. As a result, during the period, the Group completed the acquisition of a 26.6% stake in Grindrod Shipping at an overall average price of US\$17.64 per share. Based in Singapore, Grindrod Shipping is an international shipping company that owns an attractive, modern fleet which is highly complementary to the Group's portfolio. At the end of the period, Grindrod Shipping's share price was US\$25.44 per share, an uplift of US\$38 million or c.43%, and, in both December 2021 and March 2022, the Company received a dividend of US\$0.72 per share totaling US\$3.7 million representing an annualised yield of c.16% on the investment;
- The Grindrod Shipping acquisition was consistent with the Group's strategy of seeking accretive growth opportunities to increase shareholder returns and demonstrates management's ability to recycle capital effectively as the transaction was part financed by the sale of two vessels which were agreed in December 2021 and completed in Q1 and Q2 2022;
- A further three vessels were identified for sale in March 2022. Two sales completed after the reporting period. As announced on 27 June 2022, the Company later decided not to sell the third vessel and instead fixed the vessel on a 1 year time charter at a 40% average annualised unlevered gross yield. The Company also agreed to sell a fifth vessel due to be completed before the end of August 2022;
- The average IRR for the five vessels sold was 116% with an average Multiple on Invested Capital ("MOIC")¹ of 1.62x;
- At 31 March 2022, the Group's fleet consisted of 31 vessels, but will reduce to 27 vessels (26 Handysize vessels and one Supramax vessel) after the completion of all sales.

The Group's fleet list – delivered vessels as at 31 March 2022

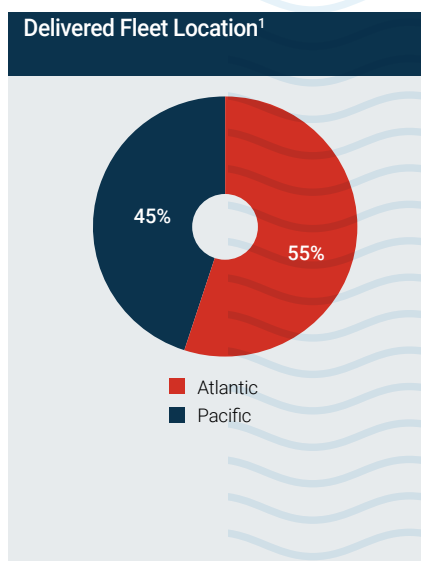
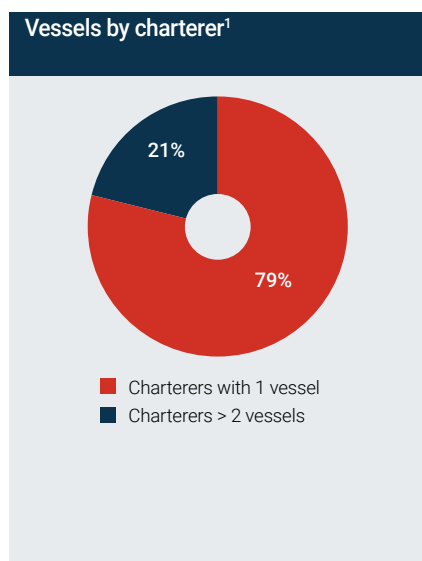
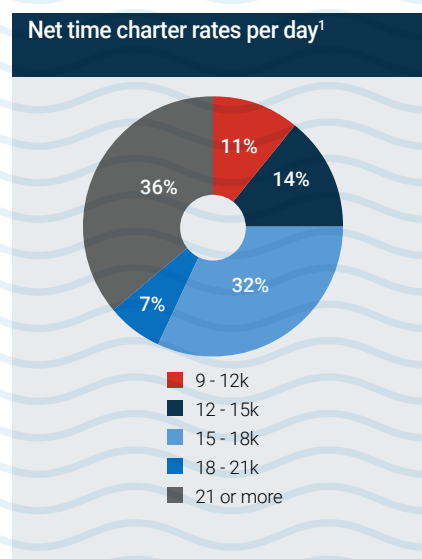
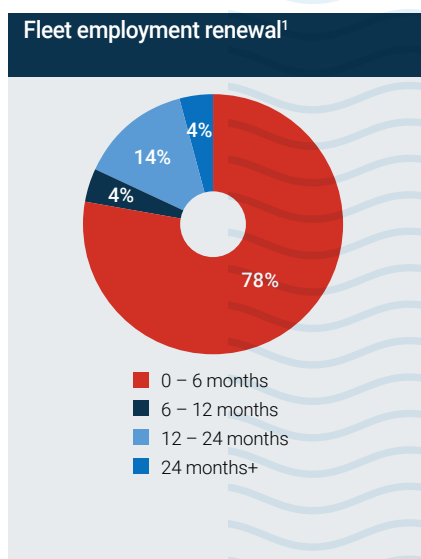
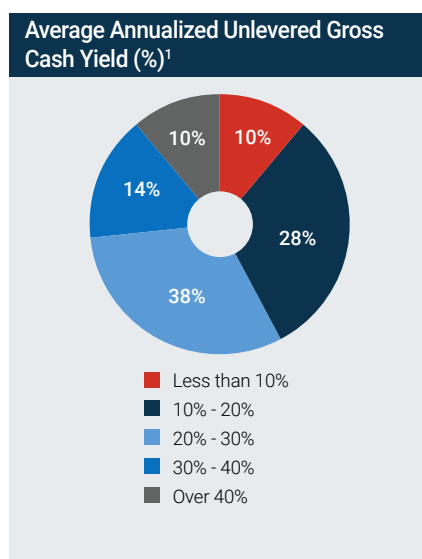
SPV	Vessel type	DWT	Year of build	Country of build	
1	Gabinus (MI) Limited	Handysize	28,300	2012	Japan
2	Good Heir (MI) Limited	Handysize	28,400	2012	Japan
3	Aurelius (MI) Limited	Handysize	28,400	2012	Japan
4	Good Salmon (MI) Limited	Handysize	31,900	2009	Japan
5	Cassius (MI) Limited	Handysize	31,900	2010	Japan
6	Decius (MI) Limited	Handysize	31,900	2010	Japan
7	Good Titan (MI) Limited	Handysize	31,900	2008	Japan
8	Gaius (MI) Limited	Handysize	32,100	2009	Japan
9	Junius (MI) Limited	Handysize	32,100	2012	Japan
10	Good Queen (MI) Limited	Handysize	32,200	2009	Japan
11	Good Yeoman (MI) Limited	Handysize	32,200	2008	Japan
12	Good Earl (MI) Limited	Handysize	32,300	2009	Japan
13	Great Fox (MI) Limited	Handysize	32,300	2009	Japan
14	Good Count (MI) Limited	Handysize	32,600	2006	Japan
15	Great Ewe (MI) Limited	Handysize	32,600	2007	Japan
16	Good Duke (MI) Limited	Handysize	33,100	2011	Japan
17	Good Fiefdom (MI) Limited	Handysize	33,200	2008	Japan
18	Good Title (MI) Limited	Handysize	33,200	2010	Japan
19	Hosidius (MI) Limited	Handysize	33,200	2008	Japan
20	Horatio (MI) Limited	Handysize	33,600	2012	Japan
21	Good Edgehill (MI) Limited	Handysize	33,700	2011	Japan
22	Good Stag (MI) Limited	Handysize	33,800	2004	Japan
23	Forshall (MI) Limited	Handysize	37,200	2012	Japan
24	Julius (MI) Limited	Handysize	37,200	2012	Japan
25	Lucius (MI) Limited	Handysize	37,200	2012	Japan
26	Good Grace (MI) Limited	Handysize	37,700	2020	Japan
27	NordRubicon Shipping Company Limited	Handysize	38,000	2016	China
28	Good Uxbridge (MI) Limited	Handysize	38,200	2012	Japan
29	Billy (MI) Limited	Handysize	38,500	2011	Japan
30	Brutus (MI) Limited	Supramax	55,600	2011	Japan
31	Antony (MI) Limited	Supramax	58,700	2012	Japan
Fleet Average		34,942	2010		

¹ See "Alternative Performance Measures" on pages 84-85.

Strategic review Portfolio and operational review continued

Employment and operations

- The fleet’s average net time charter rate at the close of the period was approximately US\$18,600 per day, with an average duration of six months and average annualised unlevered gross return in excess of 24%;
- This compares favourably with the same figures as at the end of 30 June 2021 (the Company’s first quarter end), when the average net time charter rate for the fleet was approximately US\$15,600 per day, with an average duration of 10 months and an average annualised unlevered gross yield of 20%;
- Updating for new charters agreed post-period end, at the date of reporting the fleet average net charter rate is approximately US\$19,200 per day. The updated average annualised unlevered gross cash yield for the fleet is in excess of 25% and the updated average remaining charter duration is seven months.



¹ All chart data at 31 March 2022

Strategic review

Financial review

Investment performance

- Net Asset Value ("NAV") per ordinary share grew from US\$0.98 to US\$1.74, an increase of 81.3% since IPO on 27 May 2021;
- In terms of underlying assets, as at 31 March 2022, the Group's fleet consisted of 31 vessels with a total market value of US\$546 million and the investment in Grindrod Shipping had a total market value of US\$125 million;
- On 27 October 2021, the Company declared its first interim dividend of 1.75 US cents per Ordinary Share for the period from 1 July 2021 to 30 September 2021. Total dividend of US\$5.8 million was paid on 24 November 2021. On 27 January 2022, the Company declared its second interim dividend of 1.75 US cents per Ordinary Share for the period from 1 October 2021 to 31 December 2021. Total dividend of US\$5.8 million was paid on 23 February 2022. On 21 April 2022, the Company declared its third interim dividend of 1.75 US cents per Ordinary Share for the period from 1 January 2022 to 31 March 2022. Total dividend of US\$5.8 million was paid on 19 May 2022;
- On 6 May 2022, the Company declared a special interim dividend of 3.22 US cents per Ordinary Share for the period from IPO to 31 March 2022. Total special interim dividend of US\$10.63 million was paid on 10 June 2022. This takes the total dividends declared for the period from IPO to 31 March 2022 to 8.47 US cents per ordinary share, representing a dividend yield on the Initial Issue Price of approximately 10% on an annualised basis;
- Dividend Cover¹ for the financial period to 31 March 2022 was 6.5x (not including the dividends declared post period end), 4.3x (inclusive of the final quarter dividend declared in April 2022) and 2.7x (inclusive of the final quarter dividend declared in April 2022 and the special dividend declared in May 2022);
- The Group's annualised ongoing charges ratio for the period ended 31 March 2022 was 0.93%.

Investment performance - Group look-through² information

31 March 2021 (date of incorporation) to 31 March 2022	
Total vessel days ³	7,502 days
	US\$ millions
Revenue ⁴	133.49
Operating expenses ⁵	(44.74)
Gross operating profit	88.75
Finance costs ⁶	(3.66)
Gain in capital values ⁷	174.00
Portfolio profit	259.09
Fund expenses ⁸	(6.21)
Profit for the period (before tax)	252.88

Financing

- The Group remains committed to a financially prudent approach, maintaining a modest level of borrowing via the RCF (see below) to support dividend yield and to protect the downside risk;
- At IPO, the Group had long term debt of US\$30 million associated with the acquisition of the seed fleet. During the period, the full US\$30 million was repaid;
- The Group has access to a short-term revolving credit facility ("RCF") which allows the Group to act nimbly and pursue appropriate, selective growth investment opportunities as they arise. The borrower is the Company's subsidiary TMI Holdco Limited but is guaranteed by the Company, see note 13 for details. During the period the Group increased the available RCF from US\$60 million to US\$160 million in line with the growth of the Group since IPO;
- Total RCF that was drawn at 31 March 2022 was US\$140 million with debt over gross assets ratio as at 31 March 2022 of 19.1%. The intention is to repay drawn funds from future operating cashflows and vessel sales. Each tranche of loan drawn on the RCF is required to be repaid within 18 months.

¹ See "Alternative Performance Measures" on pages 84 - 85.

² "Look-through basis" reflects the Group and SPV results on a consolidated basis, which comprises the Group and the underlying SPVs (see note 6 for list of SPVs). The primary statements on pages 57 - 60, comprises the Group results only, where the SPVs look-through results are reflected through the "financial assets at fair value through profit or loss", see note 2 b) for "Basis of Preparation and Consolidation" for details on consolidation.

³ Vessel days : Total number of days all vessels have been owned by the Group over the financial period to 31 March 2022.

⁴ Revenue : Charter income net of commissions and charter related costs plus dividend income.

⁵ Operating expenses : Expenses incurred during vessel operations and general administrative expenses incurred by the SPVs.

⁶ Finance costs: Includes loan interest and fees, offset by interest income.

⁷ Gain in capital values : Non-cash fair value gains and losses from marking assets to market in accordance with the valuation policy of the Group.

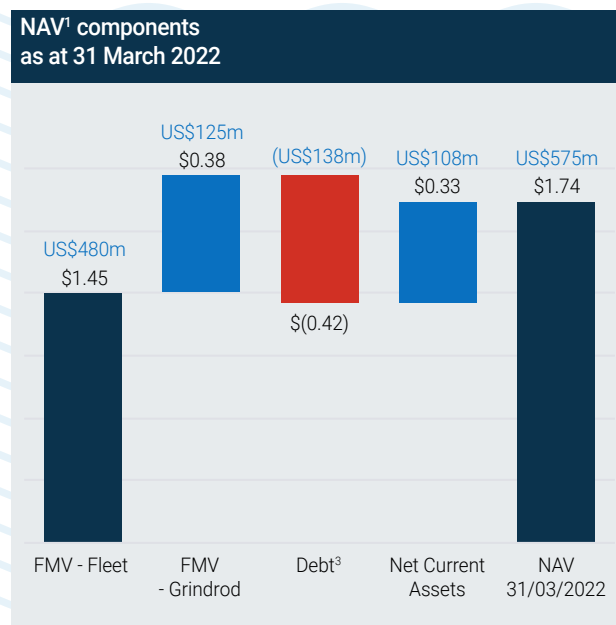
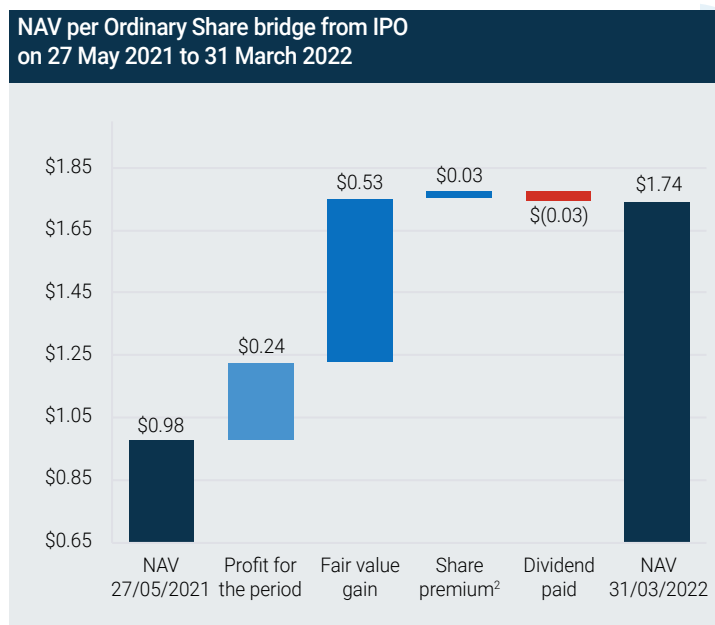
⁸ Fund expenses : Direct fund costs and investment management overheads

Strategic review **Financial review** continued

NAV valuation

- NAV per Ordinary Share was US\$1.74 at 31 March 2022 with US\$0.24 contributed from profit for the period and US\$0.53 from fair value gain;
- Total NAV return was 81.3% for the period, driven by operating profit, increase in vessel values and an attractive gain on the Grindrod Shipping investment which appreciated strongly over the investment cost;

- Breakdowns of the movements in the portfolio's Net Asset Value and its component parts are shown below;
- Vessel asset valuations are undertaken on a quarterly basis and are determined by taking the average of two independent broker valuations. As the brokers' valuations are prepared on a charter-free basis, the Executive Team assesses the difference in value arising from the contracted charter versus market rate, and, where the difference is material, factors the adjustment into the valuation (see pages 66-67 for additional details);
- Vessels contracted for sale are held at the contracted sale price.



¹ NAV components presented on a look-through basis to the Group SPVs.

² Share premium generated from US\$75 million capital raise in July 2021.

³ Net of loan financing fee

Strategic review

Environmental, Social and Governance review

ESG Strategy & United Nations Sustainable Development Goals (“SDGs”)

The Group has designed a comprehensive ESG strategy and roadmap which permeates throughout the business and everyday decision making. The Group's approach is underpinned by six key ESG priorities, in the context of which KPIs are measured and progress is tracked against.

The Group engages actively with its shareholders to achieve collective ESG responsibilities and ambitions. The shipping industry, irreplaceably serving the basic needs of global society, is in a position to contribute positively to the SDGs. The Group has elected to focus on the six key SDGs that most closely align with our purpose and ambitions as an investment company.

The Group's ESG priorities and progress in FY22

ESG priorities	FY22	SDG Alignment
Responsible investment	<ul style="list-style-type: none"> Acquisitions aligned to the Group's ESG commitment and focusing on vessels of relatively energy efficient design, built in Japan; ESG internal assessments undertaken during due diligence phase are prioritised to address potential gaps. This allows us to make informed decisions on the potential environmental performance of a new vessel. 	 
Climate change and Environmental Management	<ul style="list-style-type: none"> Emissions target commitment: committed to achieving a long-term target of net zero emissions; Fleet energy efficiency measures: ongoing, comprehensive programme to improve vessel energy efficiency, including retrofits at scheduled maintenance events, including boss cap fins, wake-equalising ducts and advanced hull coatings; Plastic reduction onboard campaign: full fleet roll out of water mineralisers and re-usable water bottles, reducing the use of single use plastic onboard; Real-time emissions data: daily monitoring of fleet emissions and carbon intensity metrics; Protecting marine biodiversity: entire fleet to be fitted with Ballast Water Management Systems by end of 2022, with one final vessel to be completed in 2023; Reducing sulphur emissions: exclusive use of very low sulphur fuel. 	 
Onshore and at Sea Safety	<ul style="list-style-type: none"> Selection of technical managers with high safety standards: ongoing monitoring of safety KPIs, safety protocols in place onboard vessels and incident sharing; Promote safety at sea and prevention of human injury/loss of life, exceeding regulatory standards for crew; 24/7 remote/telephone medical assistance for seafarers at sea; Safety training: training and seminars for officers and crew to promote safety culture, strict drug/alcohol policies and a whistleblowing policy for crew; Additional O2 tanks supplied during the onset of COVID-19 as well as supply of O2 concentrators. 	
Compliance and conduct	<ul style="list-style-type: none"> Environmental regulations: well positioned to meet the upcoming IMO regulations commencing from January 2023; ESG reporting: commitment to transparency and strong ESG reporting. 	 
Community and employee engagement	<ul style="list-style-type: none"> Supporting crew welfare initiatives: signatory to the "Neptune Declaration on Seafarer Wellbeing and Crew Change"; Training and development: supporting seafarer cadet training programmes onboard vessels; Community support: supporting charities which align with our core values. 	
Strong corporate governance	<ul style="list-style-type: none"> Premium listing on LSE: ensures strong corporate governance and adherence to UK's highest standards of regulation; ESG Policy steered by independent board ESG committee; Diversity in action: 75% female independent directors and 50% female executive team; Zero tolerance of bribery and corruption: active members of Maritime Anti-Corruption Network. 	 

¹ International Chamber of Shipping

Strategic review Environmental, Social and Governance review continued

Approach to ESG reporting

The Group's ESG strategy and objectives are set and monitored by the ESG and Engagement Committee which reports to the Board. As an internally managed investment company, the Executive Team works with the external technical managers, commercial manager and other key stakeholders to progress its decarbonisation priorities and other critical environmental, social and governance objectives.

The Group's ESG policy, which is reviewed by the Board at least annually, is published on the Company's website.

Reporting standards approach

This annual report represents the Group's first comprehensive ESG data disclosure, serving as the performance baseline going forward.

In December 2020, the FCA published a policy statement defining new rules for companies with a UK premium listing requiring them to make disclosures consistent with the recommendations of the Task Force on Climate Related Disclosures ("TCFD") from 1 January

2021. Whilst the Company is a closed-ended investment company, and therefore not within scope of the TCFD regulation this financial year, the Group has commenced its journey towards aligning disclosure with the TCFD and adopting its recommendations.

These disclosures are expected to evolve over the coming year as the Group develops its net-zero pathway, including the inclusion of 1.5C/well below 2C scenario analysis.

The Group's ESG disclosures are also guided by the Sustainability Accounting Standard Board ("SASB") for Marine Transportation as well as elements of the Global Reporting Initiative ("GRI"). Incorporating these two frameworks in addition to TCFD provides a complementary sector-focused angle to the Group's reporting approach.

The Group will continually refine and improve its approach to ESG reporting as it develops a further understanding of climate change and associated risks and opportunities.

The table below presents the progress to date in commencing to adopt the TCFD recommendations.

TCFD Section	Disclosure
Governance	
Disclose the organisation's governance around climate-related risks and opportunities.	Annual report: ESG and Climate Governance (pages 18 – 19)
Strategy	
Disclose the actual and potential impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	Annual report: ESG Strategy & UN SDGs (page 16) Annual report: Climate-related Risk and Risk Management (page 20)
Risk	
Disclose how the organisation identifies, assesses, and manages climate-related risks.	Annual report: Climate-related Risk and Risk Management (page 20)
Metrics & targets	
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Annual report: Environmental Approach (pages 21 – 24) Annual report: Social Approach (pages 25 – 26) Annual report: Appendix 1 ESG data table (pages 88 – 81)

Stakeholder engagement

Collective action is required to solve complex challenges affecting the shipping industry. The Group and its Service Providers are in regular open dialogue with key stakeholders on issues relating to decarbonisation, welfare and legislation.

The Group has identified its principal stakeholder groups, its approach to engagement with these stakeholders, outcomes of these engagements and how this directly impacts the Group's ESG strategy. This can be viewed on pages 27-28.

Strategic review Environmental, Social and Governance review continued

ESG and climate governance

Approach to governance

Robust governance is embedded in the Group’s constitution as a Guernsey investment company listed on the Premium Segment of the London Stock Exchange. ESG is embedded within the Group’s central governance framework. The Company adheres to the AIC Code of Corporate Governance (the “AIC Code”) and is a Member of the Association of Investment Companies (“AIC”). The AIC Code addresses the principles and provisions of the UK Corporate Governance Code (the “UK Code”), as well as setting out additional provisions on issues that are of specific relevance to the Company. The Board has recognised that climate change and related risks will have an impact on the business and has started to develop the Group’s plan to become a net-zero business. Climate considerations are embedded within the Group’s broader ESG governance framework, where climate-related risks and opportunities are considered at each level of the organisation.

The Group’s wider governance structure can be found on pages 35 – 38.

Role of the Board and ESG and Engagement Committee



Role of the Board and ESG and engagement committee

The Board and the ESG and Engagement Committee oversee the strategic direction and evolution of the Group’s ESG strategy, consideration of climate related risks and opportunities and corporate policies. Specific roles include:

1) Integration of ESG factors and climate-related risk into investment decisions and core business strategy

The Board, with the advice of the ESG and Engagement Committee, ensures continued integration and consideration of ESG matters into the Group’s core business strategy, organisation, and investments.

At an investment level, the Board takes into consideration the ESG credentials and climate-related resilience of a potential asset acquisition, including consideration of historic environmental performance and energy efficiency metrics. These factors are also taken into consideration in asset divestment decisions.

2) Climate-Related Risk

The ESG and Engagement Committee is responsible for identifying and evaluating climate-related risks, advising the Board on appropriate and effective risk management and ensuring internal controls are in place.

For a detailed overview of climate-related risks, see page 20.

3) Group ESG Policy

The Group’s ESG policy is set by the independent ESG and Engagement Committee, chaired by Helen Tveitan. The committee meets at least four times throughout the year and the policy is reviewed at least annually.

Role of the ESG steering group and ESG taskforce

The Group’s ESG Steering Group comprises the Executive Team and Sustainability Manager. It accesses and evaluates the activities of the ESG Taskforce and ensures any decisions are brought to the attention of the Executive Team and Board in a timely manner. The role of the ESG Steering Group is to assess the progress of the Group’s strategic ESG projects.

The ESG Taskforce comprises various subject matter experts from different functions, namely the Deputy CEO (“DCEO”) and Sustainability Manager, senior management from the Group’s Commercial Manager and senior management and specialist staff from the Group’s Technical Manager.

The ESG Taskforce undertakes the everyday ESG projects and related activities (see table below for overview of activities). The ESG Taskforce receives regular presentations from both internal and external subject matter experts, ensuring they stay abreast of emerging ESG policies, upskilling employees on climate-related topics and sharing best practice.

Role of the ESG Taskforce

- Track and monitor ESG KPIs
- Ongoing regulation and compliance review
- Fleet decarbonisation programme
- Pilot technology project proposals
- ESG integration into vessel management
- ESG integration into crew management

Strategic review Environmental, Social and Governance review continued

ESG and climate governance continued

Policies and procedures

The Board has established a comprehensive set of policies concerning the Group's governance, to ensure strong corporate ethics and sensible business values. The Group has few employees and conducts a substantial part of its business through key service providers, hence these service providers have been requested to confirm their own policies and procedures, which are then cross-checked with the Groups'.

Key policies include:

- Anti-Bribery and Corruption
- Code of ethics
- Modern slavery
- Whistleblowing
- Sanctioned and High Risk Jurisdictions
- Conflict of interest
- Prevention of tax evasion
- Diversity and inclusion (See page 26 for further details)
- End of vessel recycling policy (See page 24 for further details)

All the Group's policies have been approved by the Board and are reviewed on an annual basis to ensure they include any recent regulatory developments.

Anti-Bribery and Corruption



The Group takes a zero-tolerance approach to bribery and corruption, in adherence to the UK Anti-Bribery Act 2010. A key component of this approach is the Group's Commercial Manager's membership of the Maritime Anti-Corruption Network, leading industry efforts to enforce zero tolerance for facilitation payments and corrupt practices. The network of over 165 shipping companies, works collectively towards ending maritime corruption and fostering fair trade.

Sanctioned and high-risk jurisdictions

The Group monitors the sanction regimes enacted by the UK, EU, US and the UN. The Group and its service providers maintain strict policies and do not carry out business with sanctioned parties. The Group has worked closely with its Commercial Manager to ensure charter parties exclude sanctioned parties.

Whistleblowing

The Group is committed to creating an ethical, safe and transparent working environment. A whistle-blower is defined as an employee who reports an activity or occurrences that they consider to be illegal, unethical, or inappropriate. Employees are aware of the appropriate action and channels by which to communicate such activity. The Group's whistleblowing policy is updated annually.

Modern slavery and human trafficking

The Group is opposed to all forms of modern slavery and strives to conduct business in a responsible and ethical manner. The Group's policy and procedures with respect to modern slavery and human trafficking are included in the Group's Modern Slavery Act statement. The statement is reviewed by the Board annually and can be found on the Company's website.

Criminal Finances Act

The Group has a zero tolerance commitment to preventing persons associated with it from engaging in criminal facilitation of tax evasion. The Board has satisfied itself in relation to its key service providers and the Executive Team that they have reasonable provisions in place to prevent the criminal facilitation of tax evasion by their own associated persons and will not work with service providers who do not demonstrate the same zero tolerance commitment to preventing persons associated with them from engaging in criminal facilitation of tax evasion.

Industry & legislative engagement

Engagement with third parties and industry groups is paramount in the shipping industry. Both the Group and its service providers interact with a number of stakeholders on a daily basis.

The Group is an active participant and contributor to several industry associations. These bodies are tackling some of the key challenges the shipping industry faces and require collaborative efforts and a platform for regulatory authorities, asset owners, operators, charterers to interact and tackle some of the most pressing industry challenges. These associations include the following:

- The Neptune Declaration on Seafarer Wellbeing and Crew Change
- Getting to Zero Coalition, Global Maritime Forum

The Group's interests are represented through its Commercial Manager at the following associations:

- Hong Kong Shipowners Association
- Intercargo
- Maritime Anti-Corruption Network ("MACN")

KPI	FY22 Performance
Number of calls at ports in countries that have the 20 lowest ranking in Transparency International's Corruption Perception Index	3

Strategic review Environmental, Social and Governance review continued

Climate related risks and risk management

Risk identification and assessment

The Group's approach to climate-related risk management is aligned with the priorities set out by the Task Force on Climate-related Financial Disclosures ("TCFD").

The Group has integrated climate-related risks into the overall Risk Management process outlined on pages 29-30, which is a key agenda point in the quarterly ESG & Engagement Committee Board meeting.

The Group's comprehensive risk assessment procedures are well-designed to detect and manage climate-related company-wide risks that might have a substantial impact on the business.

The Group's risk evaluations focus on both physical and transition climate threats as well as their financial implications. These risks are categorised under three different time horizons:

- Short-term: <3 years
- Medium-term: 3 - 10 years
- Long-term: >10 years +

Business hazards associated to climate change are assessed at Board level, based on input from a number of internal and external sources (e.g. industry risk assessment, market-based risks, customers, the Board, investors, and other stakeholder feedback).

Output of risk assessment

Transition risks	Risk & opportunity drivers	Time horizon	Potential impact on business
Policy & legal risks	<ul style="list-style-type: none"> • Vessel decarbonisation regulations: coming into play from 2023, with carbon intensity requirements tightening year on year; • Market-based Greenhouse Gas ("GHG") measures: implementation of ETS ("Emissions Trading Systems") or a carbon levy on fuel. Vary between geographies and starting to incorporate the shipping industry; • Enhanced ESG reporting obligations: increasingly stringent disclosure required for ESG data and various reporting frameworks. 	Medium-term	<ul style="list-style-type: none"> • Speed of regulation shift poses challenges to mid/long term business planning; • Increased operating costs: higher compliance costs, funding fleet retrofits to meet decarbonisation targets and capital required for emissions.
Market risks	<ul style="list-style-type: none"> • Shifts in agricultural production (increased demand due to population growth and changing supply patterns due to weather events); • Changing customer requirements and demand for more 'locally' produced goods; • Decreased demand for fossil fuel products (i.e. coal); • Increased demand for low emission/carbon neutral transportation. 	Long-term	<ul style="list-style-type: none"> • New contractual arrangements and business model with customers may be required.
Technology risks	<ul style="list-style-type: none"> • Ability of new technology to be fit for purpose 	Long-term	<ul style="list-style-type: none"> • Capex risk, need to link capex to longer term customer commitments.
Energy source	<ul style="list-style-type: none"> • Use of lower-emission sources of energy and phasing out of fossil fuels. 	Long-term	<ul style="list-style-type: none"> • Reduced exposure to GHG emissions and therefore less sensitivity to changes in cost of carbon; • Challenges associated with returns on investment in low-emission technology; • Increased capital availability (e.g. as more investors/customers favour lower-emission transport); • Reputational benefits resulting in increased demand for services.
Reputational risk	<ul style="list-style-type: none"> • Stigmatization of the shipping sector/stakeholder concern over shipping companies' contribution to climate change. 	Long-term	<ul style="list-style-type: none"> • Reduced revenue from decreased demand for goods/services.

Physical Risks	Time-frame	Potential impact on business
<ul style="list-style-type: none"> • Increased severity and frequency of extreme weather events e.g. Cyclones, hurricanes, floods, droughts, and associated geographical shifts in agricultural production; • Long-term risk of increased sea level rising. 	Medium-term	<ul style="list-style-type: none"> • Disruption to vessel operations; • Disruption to available cargoes; • Insurance impact; • Increased repair and maintenance costs.

Risk Mitigation & Resilience

The Group engages with its broader stakeholder groups (pages 27 – 28) on managing and mitigating climate-related risks, including active participation in industry bodies specifically tackling decarbonization and the transition to zero-carbon fuels, such as the Getting to Zero Coalition.

Risk type	Mitigations & building resilience
Transition	<ul style="list-style-type: none"> • Divestment of less efficient vessels – gradual fleet renewal with younger, more efficient ships; • Ongoing preparation for environmental regulations compliance; • Extensive fleet retrofitting programme in place to adopt energy-efficient technologies; • Supporting the development of zero-carbon fuels and vessels through industry collaboration/bodies; • Voluntarily offsetting shore-side emissions; • Engagement with broader stakeholders and customers on decarbonisation efforts.
Physical	<ul style="list-style-type: none"> • Engagement of competent technical managers with robust planned maintenance programmes to ensure vessels are resilient when exposed to adverse conditions; • Adoption of latest technology routing and weather systems, enabling the avoidance of dangerous weather events.

Strategic review Environmental, Social and Governance review continued

Environmental approach

Industry landscape:

90% of global trade by volume moves by sea and there is no more efficient way than shipping to move bulk commodities on a per tonne basis. Nevertheless, the maritime industry accounts for just under 3% of the world’s annual GHG emissions.

While responsible for ~3% of global emissions, shipping remains a very carbon efficient mode of transport with a much lower carbon footprint per unit transport work when compared to other modes of transport such as air freight and trucking.

With the world transitioning towards a zero-carbon future, our chosen asset class – geared bulk carriers – will continue to play an integral part in commodity supply chains for decarbonising economies.

Most of the cargoes carried on Group handysize ships are non-fossil fuel related, focusing instead on food supply, basic materials for housing and public infrastructure, and recycled metals. The Handysize asset class has a relatively limited exposure to carriage of thermal coal (less than 3% of cargo carried on average) and the Group intends to entirely phase out carriage of this cargo on its vessels over time.

Industry targets:

In 2018, the principal international body governing shipping, the International Maritime Organisation (“IMO”), committed to industry wide GHG targets:

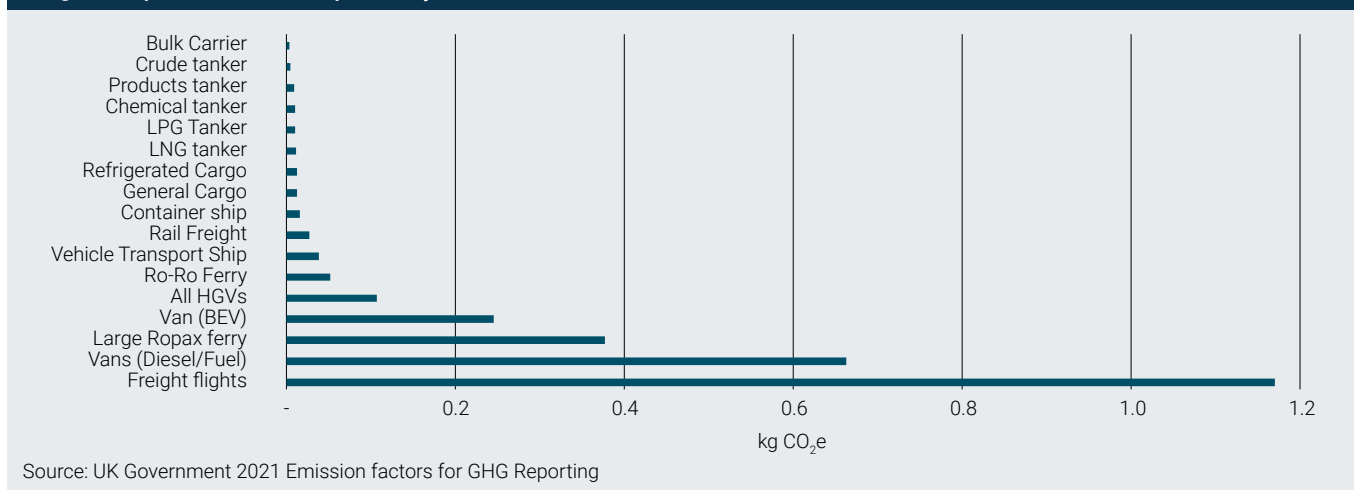
- Reduction in the global fleet’s carbon intensity (CO₂ per tonne mile), of at least 40% by 2030 and 70% by 2050 (vs 2008 baseline);
- Absolute reduction in total GHG emissions by 50% (from a 2008 baseline); and
- Full fleet decarbonisation by 2100 at the latest.

Decarbonisation regulatory developments:

The IMO adopted new Marine Pollution (“MARPOL”) amendments requiring ships to combine both technical and operational measures to meet the IMO’s 2030 carbon intensity reduction targets. In addition to new IMO regulations, the global shipping industry will also be exposed to regional market-based measures related to carbon emissions.

The IMO regulations are a positive step change in terms of setting out a clear regulatory path to achieving industry targets however it is the Group’s hope that the IMO will tighten these targets to align with a net-zero by 2050 target, designed to limit global warming to 1.5 degrees over pre-industrial levels.

Freight transport emissions comparison by tonne/km



Strategic review Environmental, Social and Governance review continued

Environmental approach continued

Industry progress towards decarbonisation targets

Under the Energy Efficiency Operational Indicator ("EEOI") metric, the global fleet has already reduced its carbon intensity by over 20% relative to 2008 as of 2018, leaving a further 20% reduction to hit the IMO's minimum 40% reduction target by 2030. The dry-bulk asset class already represents the most efficient vessel in terms of carbon intensity; however, the Group believes there is still significant progress to be made to achieve both intensity and absolute emissions reduction.

Decarbonisation roadmap

The Group is constantly searching for new ways to minimise its environmental impact by enhancing fleet operations and reducing GHG emissions. The Group is committed to helping decarbonise the industry through innovation and collaboration – with customers, financiers, other shipowners, and industry associations and decarbonisation forums.

A more urgent pace of change is required to respond to the climate crisis, which is why the Group has joined 150 other Getting to Zero Coalition members in signing the 'Call to Action for Shipping Decarbonisation', calling for a more ambitious long-term target of zero carbon emissions by 2050. The Group has clearly defined a set of near-term initiatives to achieve its decarbonisation goals:

Short-term Present - 2030)	<ul style="list-style-type: none"> Fleet energy efficiency gains; Full compliance with environmental regulations; Interim lower emissions fuels e.g. biofuels.
Mid-term (2030+)	<ul style="list-style-type: none"> Reduce our fleet GHG emissions in line with or exceeding the current IMO targets of 40% carbon intensity reduction by 2030; Commence adoption of zero-carbon or alternate fuels (once technically viable and safe).
Long-term (2050)	<ul style="list-style-type: none"> Operate a net-zero carbon fleet.

Principles in achieving our decarbonisation objectives

Working with customers

The Group cannot achieve net-zero carbon goals without the shared vision, cooperation, and co-investment of its customers towards decarbonising the supply chain.

Working with bodies across and outside of the industry

The Group recognises the need to be engaged with shipping industry associations and decarbonisation forums to create momentum to decarbonise shipping. The Group is a member of the Getting to Zero Coalition and a signatory to its Call to Action for full decarbonisation of the shipping sector.

Transparency and accountability

The Group will continue to report its emissions using recognised frameworks as well as reporting progress against tangible actions.

Environmental performance

The Group measures the fleet's energy consumption and emissions on an ongoing basis and aims to report emissions at least annually, using FY22 performance data as the baseline against which to report progress against going forward:

KPI	Metric	FY22 Performance
Gross Scope 1 emissions		4,119
- Off-hire fuel consumption	Metric Tonnes ("Mt") CO ₂	4,115
- Office-related emissions	Mt CO ₂	4
Scope 2 emissions	Mt CO ₂	2
Gross Scope 3 emissions:	Mt CO ₂	265,714
- Fuel consumption whilst on charter	Mt CO ₂	265,684
- Corporate business travel	Mt CO ₂	30
% Very Low Sulphur Fuel Oil ("VLSFO")	Percentage (%)	88.6%
EEOI (fleet average)	Grams of CO ₂ /tonne of cargo. nautical mile ("GCO ₂ /t-nm")	11.96
Average Efficiency Ratio ("AER") (fleet average)	Grams of CO ₂ /dwt. nautical mile ("GCO ₂ /dwt.nm")	7.23

The EEOI metric is a useful representation of the fleet's average fuel efficiency and emissions, showing the CO₂ emissions per unit of transport work within a given period. A lower EEOI is indicative of a more efficient vessel (all variables being equal). In FY22 the fleet average EEOI was 11.96.

The AER metric represents the ratio of annual total CO₂ emission per deadweight capacity and nautical mile (distanced travelled). The AER metric uses the vessel's deadweight capacity as a proxy for actual cargo carried. In FY22 the fleet's average AER was 7.23. The Group's current target is to reduce the fleet's carbon intensity and remain within the current IMO decarbonisation trajectory.

The fleet is on time-charter and therefore a substantial proportion of the Group's emissions associated with fuel combusted onboard, lies within Scope 3 emissions. Charterers give orders for employment of the vessel, are responsible for the purchase of fuel, and have direct operational control of the vessel, influencing the routing and speed.

A small proportion of the total fuel volume consumed onboard is consumed whilst 'off hire', and therefore lies within Scope 1 emissions. This scenario occurs when vessels are taken out of service for dry-dockings or repairs, deviate for crew changes or undertake ballast voyages to the next load port for charterers to commence a charter.

Strategic review Environmental, Social and Governance review continued

Environmental approach continued

Initiatives to directly meet decarbonisation targets

1) Operational and technical efficiencies on existing fleet

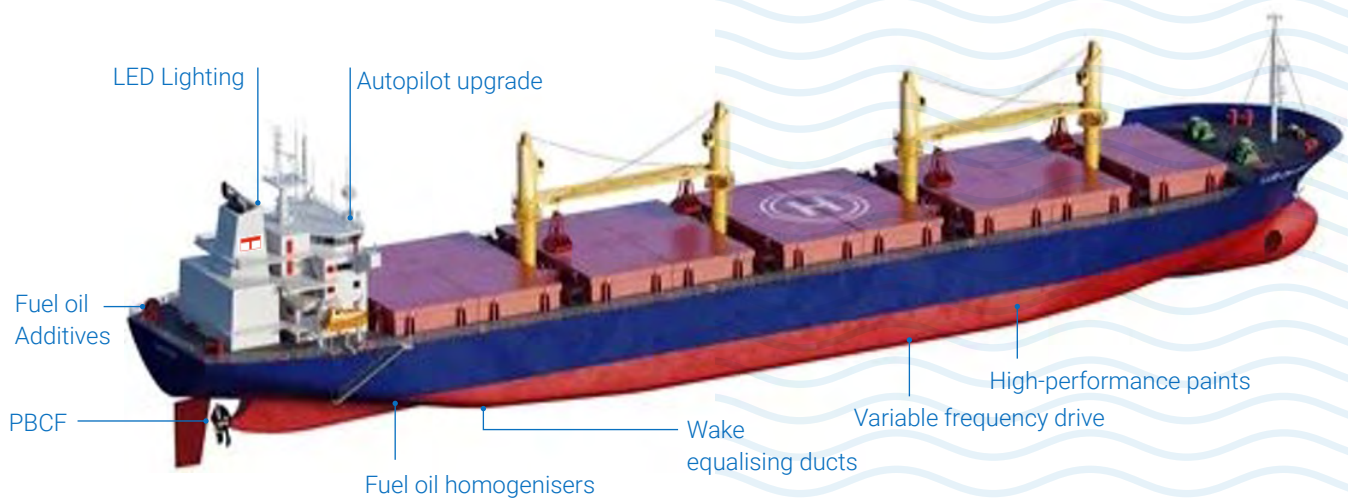
The Group, in collaboration with its Technical Managers' dedicated emissions team, continually monitors the fleet's energy efficiency and GHG emissions, resulting in adjustments and improvements to vessel operations to increase fuel efficiency and reduce emissions. Operational measures to reduce emissions include use of advanced weather routing systems, increased frequency of hull cleaning and propeller polishing to remove marine bio build up and reduce drag.

2) Adopting energy-efficiency technologies

The Group invests in retrofitting a range of energy efficiency devices to the fleet (including newly acquired vessels), including:

- energy efficiency monitoring systems – real time monitoring of fuel consumption and torque, allowing real time diagnostics and adjustments to vessel operation;
- propeller boss cap fins ("PBCF") – create more efficient propeller vortex, reducing drag;
- advanced hull coatings – allow smoother surface for longer and reducing friction;
- LED lighting – replacing conventional lighting across the vessel;
- engine power limiters – capping fuel consumption and therefore top speed;
- air lubrication systems; and
- wake-equalising ducts – optimise the flow of water to the propeller, enabling vessels to sail at the same speed with less power.

A combination of these technical measures will result in a lower fuel consumption of the fleet.



Strategic review Environmental, Social and Governance review continued

Environmental approach continued

FY22 progress:

The Group's fleet retrofitting programme commenced in FY22, with notable progress made throughout the year. Four vessels went into drydock allowing for the installation of energy saving devices such as boss-cap fins, LED lighting and wake-equalising ducts. Vessels within the fleet will enter drydock in FY23 giving a window of opportunity for energy saving devices and retrofits to be installed.

3) Piloting new technologies and alternate fuels:

The Group will contribute its know-how, vessel assets, and financial resources to real world trials with customers and developers of promising low/zero carbon technologies and fuels.

4) Environmentally aligned vessel Investment/Divestment Strategy:

Any vessel acquired is subject to extensive checks to assess its current condition and the steps needed to bring it up to targeted technical and energy efficiency standards, including the retrofit options. The Group's starting point is to prioritise acquisition of vessels of well known, high quality and efficient designs, built in Japan.

Air Quality

KPI	Unit	FY22 Performance
Nitrogen Oxides ("NOx")	Mt	4,907
Sulphur Oxides ("SOx")	Mt	785

In 2020, the IMO introduced new sulphur cap legislation reducing the maximum sulphur content of marine fuel from 3.5% to 0.5%. The entire Group fleet is within compliance of the 2020 rules, having achieved 100% adoption of Very Low Sulphur Fuel Oil ("VLSFO").

NOx emissions are generated from the combustion of marine fuels, by the reaction of nitrogen and oxygen gases during the fuel combustion process. SOx and NOx emissions closely correlate with fuel consumption and associated CO₂ emissions.

The Group's long-term target is to achieve zero SOx and NOx emissions by 2050, in line with the Group net-zero carbon target.

End of vessel life recycling policy

Based on the average age of the existing portfolio the Group does not expect to own vessels due for recycling in the near future. Nonetheless the Group is committed to follow the practices of the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009, the EU Ship Recycling Regulations and the Basel Convention, as set out in the Group's Recycling Policy.

Marine biodiversity and pollution

Ballast Water Management

100% of ballast water on Group vessels is processed through Ballast Water exchange or Ballast Water Management Systems ("BWMS"). In compliance with the International Ballast Water Management Convention, aimed at conserving marine biodiversity, by 31 March 2022 69% of Group vessels were fitted with BWMS, with the majority of the remaining vessels being fitted by the end of 2022.

100% of the fleet use environmentally friendly lubricants or positive air pressure systems removing the lube oil/seawater interface entirely.

KPI	Unit	FY22 Performance
BWMS installed	%	69%
Ballast Water Exchange	%	31%

Reducing our plastic consumption onboard

During the last year a "Plastics Free" campaign commenced roll-out across the fleet, with mineralised water fountains and reusable water bottles successfully installed and distributed fleet-wide, saving 15,000 plastic bottles from being used and disposed of onboard annually.

The Group's vessels have been involved in trialling the EYSEEA app which enables the collection of anonymous data used to map the problem of ocean pollution, whether from plastic, oil, fishing nets, or wrecks. Crews are encouraged to report marine pollution, and the data assists governments and volunteers in either stopping the problem at source or coordinating clean-up efforts.

Garbage

Garbage compactors have been installed on 100% of Group vessels.

Strategic review Environmental, Social and Governance review continued

Social approach

The shipping industry is subject to several social challenges including physical health, safety and mental wellbeing of crew (who are often at sea for extended periods of time), as well as ongoing COVID-19 related restrictions limiting crew changes at ports.

In close partnership with the Group's technical managers, who are responsible for arranging crewing, the Group is committed to making vessels safe and attractive workplaces for seafarers, to promote diversity and equality of opportunity and to engage with communities where the Group operates.

Health and safety

The Group, alongside its technical managers, has created a strong safety culture both onshore and offshore, exceeding regulatory standards. The Group has three key objectives:

- 1) Zero fatalities
- 2) Zero injuries
- 3) Create a culture of sharing lessons from incidents/near misses

The Group's technical managers have implemented a collection of comprehensive safety procedures, policies, and protocols on-board vessels, helping the crew mitigate the daily risks faced during vessel operations. Vessel safety performance is monitored by collecting and tracking performance against a comprehensive list of industry KPIs and ensuring that any significant incidents are reported upon with follow up actions taken.

KPI	FY22 Performance
Lost Time Incident Rate ("LTIR")	0.85
No. of marine casualties, percentage classified as very serious	0
No. of Conditions of Class or Recommendations	0
Port State Control ("PSC") Deficiencies ratio	1.21

Incidents and Injuries

In FY22, the Group registered three lost-time shipboard injuries in over 3.5 million working hours, resulting in an LTIR of 0.85.

Vessel Safety Ratings

Ten of the Group's ships have now been "QUALSHIP 21" certified by the United States Coast Guard, a programme which recognises and rewards vessels and shipowners for their commitment to safety and quality.

Safety onshore

Safety onshore is also of paramount importance and the Group endorses safety procedures at offices and when travelling on behalf of the business. This includes work-station safety procedures, first-aid trained employees at all offices and medical insurance covering employees when travelling abroad.

COVID 19

COVID-19 related restrictions continue to pose a major challenge to the wellbeing of the global merchant seafaring community. As many as 400,000 seafarers were stranded around the world during the onset of the global pandemic, with some forced to remain on vessels for up to two years. Disproportionate quarantine and travel restrictions exist for seafarers, despite measures in place for infection control and in certain areas, seafarers are denied access to medical facilities.

The Group's technical managers have been involved in concerted efforts to seek options to arrange crew changes wherever possible, if necessary diverting vessels to ports which are open to crew transits at a particular time, at additional expense to the Group as the shipowner.

The Group has worked closely with its technical managers to ensure crew members have received vaccines, prioritising one dose vaccines where feasible, as well as a full fleet roll out of medical oxygen concentrators on-board. Over 90% of all crew on board have received COVID-19 vaccines and the majority of crew are now vaccinated before joining a vessel.

The Group's Commercial Manager became a signatory to the "Neptune Declaration" and industry initiative calling for "key worker" status for seafarers globally.

Security at sea

The dry-bulk shipping industry by nature is exposed to a wide-range of ports/countries to access communities often located remotely, delivering much-needed cargoes for their livelihoods. The Group and its commercial and technical managers monitor the positions of vessels closely and ensure necessary security steps are taken if vessels enter high-risk waters or ports (e.g. threat of piracy, thieves). There are certain high-risk areas through which our vessels transit, including the Persian Gulf, the Gulf of Aden, the Gulf of Guinea, the Malacca Strait and more recently, the Black Sea. Measures include:

- Crew safety briefings before entering high-risk ports;
- Enhanced around-the clock deck inspections;
- Anti-piracy equipment; and
- War risk insurance cover.

Seafarer welfare and mental health

At the same time, in line with the Group's policy, measures have been taken to improve quality of life and protect the health of crews aboard the Group's vessels. The Group adheres to the Maritime Labour Convention (2006) regulating working hours and welfare standards for crew.

The Group has worked hard with its technical managers to implement crew welfare initiatives, including:

- Onboard wellbeing: healthy menu plans, mentoring, sharing best practice;
- Access to 24/7 radio medical helpline, giving medical advice to seafarers whilst at sea; and
- Provision of enhanced high speed broadband capability, allowing better and more frequent communications with their families ashore.

Strategic review Environmental, Social and Governance review continued

Social approach continued

Diversity and inclusion

The Board is committed to creating a diverse and inclusive environment where everybody's contribution is appreciated and their voices are heard. The Board believes that variety in gender, age, ethnicity, and personal traits, among other things, contributes to a more balanced and successful team.

Board nominees are chosen on the basis of merit and a set objective criteria. The Board is dedicated to being non-discriminatory and believes in offering equal opportunity to everyone. This is stated in the Company Diversity & Inclusion Policy, which is reviewed annually.

The Company's Board consists of three different nationalities, has 75% female independent directors and the Board and the Group personnel consist of 50% female members. For further details on Board member's profiles, please refer to page 33.

The Group's employees are based primarily in London, Singapore and Guernsey, consisting of eight employees, spanning five nationalities. Of these eight, four form the Executive Team (see page 34 for their profiles).

The COVID-19 pandemic and recent crisis in Ukraine has presented a variety of challenges for the crew supply sector. The Group is working with its Technical Managers on maintaining a diverse

crewing strategy across the fleet, as well as promoting opportunities for female seafarers on board. In FY22, there were over twenty nationalities present on-board Group vessels, and the first female officer cadet was welcomed onboard.

Training and development

The Group, in close collaboration with its technical managers, has agreed to sponsor cadet training programmes on-board Group vessels, giving crew the required sea-time and training to progress in their rankings.

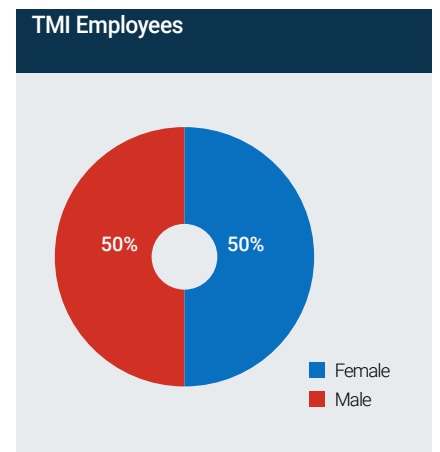
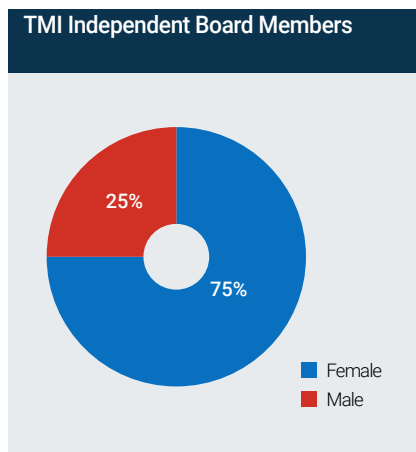
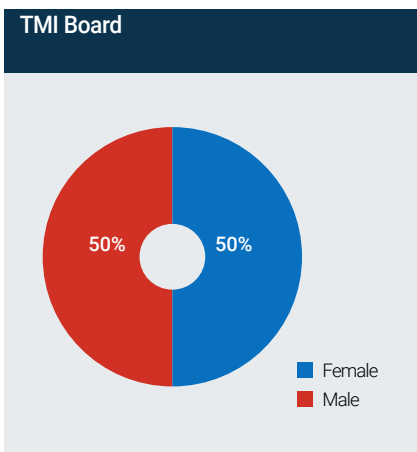
The Group's technical managers also provide onshore training and seminars for officers and crew to promote safety culture.

Community engagement

The Company has allocated a budget of US\$200,000 per annum in support of welfare and community initiatives.

Earlier this year the Commercial Manager became a signatory to the "Neptune Declaration on Seafarer Wellbeing and Crew Change", an industry initiative of more than 850 companies calling for "key worker" status for seafarers globally, and for facilitation of crew changes and air connectivity between key maritime hubs.

Also see Appendix – ESG Data Summary on pages 88 to 91.



Strategic review

Stakeholders report

Section 172

Whilst directly applicable to companies incorporated in the UK, the Board recognises the intention of the AIC Code that matters set out in section 172 of the Companies Act, 2006 are reported. The Board strives to understand the views of the Group's key stakeholders and to take these into consideration as part of its discussions and decision-making process.

Whilst the primary duty of the Directors is owed to the Company as a whole, all Board discussions involve careful consideration of the longer-term consequences of any decisions and their implications for stakeholders. Particular consideration is given to the continued alignment of interests between the activities of the Company and those that contribute to delivering the Board's strategy, which include the Executive Team, the Company Secretary, recipients of the Company's capital and providers of long-term debt finance.

The Board's commitment to maintaining high-standards of corporate governance; its policy for active shareholder engagement, combined with the Directors' duties enshrined in Company law; the

constitutive documents; the Disclosure Guidance and Transparency Rules; and the Market Abuse Regulation, ensure that Shareholders are provided with frequent and comprehensive information concerning the Company and its activities.

Group engagement with stakeholders

The Board of Directors recognise their individual and collective duty to act in good faith and in a way that is most likely to promote the success of the Company for the benefit of its members as a whole, whilst also having regard, amongst other matters, to the Company's key stakeholders and the likely consequences of any decisions taken during the year.

Below we have identified our principal stakeholder groups, how we engage with these stakeholders, the outcome of these engagements and how this impacts our Group strategy and performance, operational matters, financing strategy, dividend policy and our ESG strategy.

Internal/ External	Stakeholder Group	Engagement and key outputs	Engagement Channel
External	Shareholders/Investors	<p>The Board and Executive Team hold meetings and regularly engage with our shareholders and investors on the robustness of our company strategy, our ESG priorities and our performance.</p> <p>Our two-way communication with our investors/shareholders means that they are able to provide useful challenges and feedback, and in turn we provide them with the information needed to make informed investment decisions.</p> <p>Maintaining close engagement with our shareholders on Group strategy and ESG priorities is of paramount importance to us. We take onboard feedback from our investors regarding performance expectations, dividend policies and ESG strategies and ensure that these are met as a minimum requirement.</p> <p>The Directors will attend the first Annual General Meeting on 7 September 2022 to meet with the shareholders and to answer any questions they may have.</p>	<ul style="list-style-type: none"> • Annual, Interim & Quarterly reporting • Annual General Meetings • Individual investor and analyst meeting/calls • Press releases • Website updates
	Service Providers	<p>We work closely with our service providers, including our commercial and technical managers, inputting into ESG projects, vessel decarbonisation strategy and environmental policy compliance and overall smooth operations of the fleet.</p> <p>Our joint 'ESG Taskforce' provides a collaborative touch point for us to work on these initiatives, driving our collective ESG agenda and implementation and tracking of KPIs.</p> <p>For more detail on the activities of the Taskforce, please refer to page 18.</p>	<ul style="list-style-type: none"> • Daily contact regarding the commercial and technical management of Group vessels • Bi-weekly joint 'ESG Taskforce'
	Customers	<p>Together with our Service Providers we maintain close relationships with our customers, ensuring our vessels are leading in terms of performance and service.</p> <p>We seek regular feedback from our customers to ensure we are constantly improving our customer offer.</p>	<ul style="list-style-type: none"> • Day-to-day chartering enquiries and fixing • Informal meetings • Customer events • Service feedback
	Administrator, professional advisors	<p>Close engagement with our administrator and our professional advisors allows us to keep abreast of regulatory developments and advice on the appropriate way in which we should respond.</p>	<ul style="list-style-type: none"> • Ongoing communication and weekly touch-points

Strategic review Stakeholders report continued

Group engagement with stakeholders continued

Internal/ External, continued	Stakeholder Group, continued	Engagement and key outputs, continued	Engagement Channel, continued
External	Corporate Broker, PR advisor	Our PR advisors and corporate broker provide us with key advice on capital markets strategy, and investor priorities including around ESG.	<ul style="list-style-type: none"> • Ongoing communication and weekly touch-points
	Communities	<p>The Group and its Service Providers recognise the need to provide positive social impact to communities and operate in a responsible and ethical way.</p> <p>We continually look for organisations to support and local initiatives which align with our values.</p>	<ul style="list-style-type: none"> • Active participation in seafarer communities through training programmes • Supporting charitable initiatives that align with our values
	Regulators and authorities	<p>The Group and its Service Providers contribute to the wider shipping community and play a role in the international dialogue with legislators and other industry bodies.</p> <p>We ensure the Group is compliant with all existing regulations, and engage with professional advisers with regards to any future regulations impacting the Group.</p>	<ul style="list-style-type: none"> • Formal meetings
	Industry Associations and bodies	The Group and its Service Providers participate actively in several industry associations bodies, spanning seafarer welfare efforts, decarbonisation alignment and general shipping forums.	<ul style="list-style-type: none"> • Industry coalitions • Industry association membership
Internal	Board of Directors	<p>Our Board is ultimately responsible for setting the strategic direction of the Group and monitoring performance.</p> <p>The Nomination and Remuneration Committee has responsibility to assist with the composition of the Board, performance of Board members, induction of new directors, appointment of committee members and succession planning for the directors and other senior executives.</p>	<ul style="list-style-type: none"> • Quarterly Board meeting • Quarterly Board committee meetings
	Group Employees	<p>The Executive Team and their support teams are key to our success and we want them to succeed both as individuals and as a team.</p> <p>The Executive Team has responsibility for employee engagement within the Group. There are eight employees within the Group, including the Executive team.</p> <p>The Executive Team strive to maintain a fair and equal workplace, as well as providing the opportunity for employees to grow and develop.</p> <p>The Executive Team maintain an open-door policy with all employees.</p>	<ul style="list-style-type: none"> • Town hall meetings • Daily interactions between colleagues and management • Training programs • Open-door policy

Strategic review

Statement of principal risks and uncertainties

Risks and uncertainties

The Board is responsible for and has in place a rigorous risk management framework and risk matrix to identify, assess, mitigate, manage and review and monitor those risks. This is all reviewed at least twice a year by the Board, in conjunction with the Risk and Audit Committee, and on a much more frequent basis by the Executive Team.

The Board has categorised the risks the Group faces into four broad areas Market Risks, Operational Risks, ESG Risks as well as Financial Risks, and have carried out a robust assessment of each risk area and its potential impact on the performance of the Group including risks that would threaten its business model, future performance, solvency and liquidity.

The Board pays regard to any emerging risks. The Board is constantly alert to the identification of any emerging risks, in discussion with the Executive Team. The Board will then assess the likelihood and impact of any such emerging risks, and will discuss and agree appropriate strategies to mitigate and/or manage the identified risks. Emerging risks are managed through discussion of their likelihood and impact at Board meetings at least twice a year. Should an emerging risk be determined to have any potential impact on the Group, appropriate mitigating measures and controls are agreed.

The Board considers there are two main emerging risks facing the Group. These are:

- regulation to combat the impact of climate change and the speed of its implementation.
- ongoing market and economic risks arising from global market instability and high inflation following the COVID-19 pandemic and the war in Ukraine which affect shipping and the global economy directly.

In respect of the Group's system of internal controls and reviewing its effectiveness, the Directors:

- are satisfied that they have carried out a robust assessment of the emerging and principal risks facing the Company and the Group, including those that would threaten its business model, future performance, solvency or liquidity; and
- have reviewed the effectiveness of the risk management and internal control systems including material financial, operational and compliance controls (including those relating to the financial reporting process) and no significant failings or weaknesses were identified.

Strategic review Statement of principal risks and uncertainties continued

Principal risks

The key risks which the Board considers have been faced by the Group during the financial period are detailed in the table below.

Risk/Description	Control / Mitigation
<p>Market Risk Downturn in global demand for shipping – the demand for shipping may decline either because of a reduction in international trade or decline in world GDP having an impact on the achievable charter rates and the resale value of vessels. Impacts our Acquisition and Income Strategy</p>	<p>Diversification of fleet and Charter lengths and Charterer quality – This risk cannot be mitigated but the impact can be reduced by diversification of the age and type of vessels in the fleet; and by good research into market and technical developments within shipping to anticipate future demand and supply. In addition, controls are in place to ensure careful management of charter income by both quality of charterer and also by duration of fixed term charters.</p>
<p>Market, ESG and Governance Risk Change in regulation as the shipping industry moves to reduce GHG emissions – with increasing momentum towards zero carbon shipping through rules and market-based measures, some of the fleet may be rendered less competitive or obsolete over time. Impacts our Acquisition Strategy and Sustainability Strategy</p>	<p>Reduction of existing fleet emissions and research into new low emissions technology – This risk is mitigated through acquisition of relatively fuel-efficient vessels, and through working with the commercial and technical managers to reduce the GHG intensity of existing fleet via technical and operational measures. Implementation of regulation and market-based measures may be phased in over several years, providing an opportunity to manage the impact gradually by spread of scheduling of dry dockings to enable controlled upgrades. The Group is heavily engaged within the industry and in cross industry efforts to develop low/zero carbon ship solutions.</p>
<p>ESG and Governance Risk Pollution Damage – the Group may be exposed to substantial risks of loss, including financial loss and reputational damage, from a vessel owned by the Group being involved in an incident of environmental damage, contamination or pollution. Impacts our Income and Sustainability Strategy</p>	<p>Pollution Damage mitigation measures – The Company has established an ESG and Engagement Committee to oversee ESG matters including the performance of our vessels' commercial and technical management, to mitigate the risk of non-compliance with regulations leading to a breach of environmental regulations. All of the Group's vessels comply with regulations set out by the International Maritime Organisation and coastal states. The Group ensures that a proactive safety culture is promoted by the technical managers, reducing the risk of accidents and pollution. In the event that pollution does occur, vessels are adequately insured through Protection and Indemnity mutual clubs for environmental loss.</p>
<p>Operational and ESG and Governance Risk Non-compliance with safety standards and crew welfare standards – if high standards of safety and crew welfare are not upheld on each vessel a major incident could occur which would be damaging reputationally for the Group, lead to financial loss and potentially make Group vessels unattractive workplaces for seafarers. Impacts our Sustainability Strategy</p>	<p>Non-compliance with safety and crew welfare standards – The safe operation of the Group's vessels are governed by the International Safety Management code, and it is the responsibility of the technical managers to comply with all applicable rules and regulations. In addition it is central to the Group's culture to promote seafarer welfare above and beyond regulatory compliance. In particular, during the COVID-19 global crew change crisis, the Group is committed to finding solutions to repatriate seafarers who have reached the end of their contract as soon as possible, and to enhance levels of welfare to those seafarers on board. The technical managers' respective safety records are reviewed quarterly by the ESG and Engagement committee.</p>
<p>Financial Risk Liquidity Risk – the income of the Group is subject to variation and a significant downturn in the charter spot rate could mean a significant shortfall in cash. Impacts our Income Strategy</p>	<p>Liquidity requirement modelling – The Group models under various stress tests the future liquidity depending on various market charter rates and ensure it keeps appropriate cash buffers. In addition, the Group has a secured Revolving Credit Facility to meet any temporary cash flow shortfalls.</p>

Strategic review

Going concern and viability statement

Going concern

The Group has considerable financial resources, and after making enquiries, the Directors, at the time of approving the Consolidated Financial Statements, have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these Consolidated Financial Statements.

In June 2021, the Group successfully completed the deployment of the proceeds raised at IPO and subsequently in August, successfully completed the deployment of the proceeds raised at the Placing in July 2021. The portfolio of vessels is expected to generate enough cash flows to pay on-going expenses and returns to Shareholders. As part of their considerations of the appropriateness of adopting the going concern basis, the Directors have considered the cash position, the performance of the portfolio and they have carried out a robust assessment of the Group's solvency and liquidity position using a scenario analysis on possible outcomes.

The Board also consider the factors that may impact future performance, such as ongoing market and economic risks of the COVID-19 pandemic and the war in Ukraine which directly affect shipping and the global economy. The Board will continue to monitor these events, however, at this stage they are not expected to significantly impact the performance of the Group. See the "Market review" section on page 11 for further details.

Following the assessments and considerations detailed above, the Board have concluded that it is appropriate to adopt the going concern basis in the preparation of these Consolidated Financial Statements, as the Group has adequate financial resources to meet its liabilities as they fall due for at least the 12 month period from the date of the approval of the Consolidated Financial Statements.

Viability statement

The Board has evaluated the long-term prospects of the Group, beyond the 12 month time horizon assumption within the going concern framework.

The Directors have selected a three-year window for evaluating the potential impact to the Group on the following basis:

1. A key risk facing the Group is a downturn in the global demand for shipping, this in turn will be driven by global macro-economic factors which are difficult to model beyond the medium term. Changes in the economic landscape would impact the value of the fleet as well as the likely charter income.
2. Changes in regulation to meet the demands of climate change are evolving rapidly, making longer term predictions difficult.
3. The Group revolving credit facility matures in 2024. The facility, as planned, has been used to acquire assets and will be repaid out of operational cash. The operational risk associated with this strategy is within the 3 year time horizon.
4. The long-term charter contracts entered into by the Group tend to be less than 3 years.

On a quarterly basis the Board routinely reviews the future financial model of the Group for 36 months including daily cash breakeven, liquidity and debt positions under both a base and a stress case scenario. The key assumption in these models is the daily charter rate which is modelled at various levels from the current average to levels at plus or minus 50% to 60% from that rate. The results of which are to establish any obvious stress points on the key metrics of cash breakeven, liquidity and debt. There are no issues that may impact the Group's viability. The Group does not model a charterer default as the TMI Group diversifies its income across a range of charter counterparty to minimise the effect of any default.

As part of the review of the financial model the Board considers the adequacy of the level of cash reserves held in respect of dry-docking costs and replacement reserves and ring fences such reserves to ensure that it maintains adequate cash levels to maintain the future operations of the Group.

The Group employs modest gearing for cash flow purposes only, the earnings scenarios outlined above look at the gross and net debt position assuming no change in market value of the ships. The Group's ships are readily realisable in the market and the Directors believe the Group would be able to sell ships from the fleet to repay the loan facility if required. In addition, to breach Loan to Value ("LTV") covenants of the current facility would require a substantial fall of 37% in the value of the ships in the collateral pool. In such an eventuality, the Group has further ships which could be added to the collateral pool if required.

Based on the assessments made and in the context of the Group's business model, strategy and operational arrangements set out above, the Directors have a reasonable expectation that the Group will be able to continue in operations and meet its liabilities as they fall due over the three years to March 2025. For this reason, the Board also considers it is appropriate to continue adopting the going concern basis in preparing the Annual Report and Consolidated Accounts as disclosed above.

This Strategic Review taken as a whole was approved by the Board of Directors on 13 July 2022:

Nicholas Lykiardopulo
Independent Chair



Governance

Governance

Board of directors

Nicholas Lykiardopulo Independent Chair

Nicholas Lykiardopulo is a leading figure in the international shipping business, with extensive experience in shipping, commodities, and finance. At his family shipping business, Neda Maritime, he advised on the completion of a total of US\$3 billion in purchases, disposals and financing of shipping assets, and in the purchase and subsequent sale of two mid-size UK businesses. He has also advised on numerous investments in financial products, both on behalf of Neda as well as in his role as Director of The UK Mutual Steamship Association of Bermuda. Nicholas is a Director of BW Epic Kosan Ltd, the largest owner and operator of pressurized LPG carriers and on the Board of Diorasis International SA, an alternative Investment Advisory firm based in Luxembourg. He holds an MA from Oxford University and is a Fellow of the Institute of Chartered Shipbrokers.

Edward Buttery Chief Executive Officer

Edward Buttery joined the Supramax trading desk at Clarksons shipbrokers in 2005 after attending Oxford University. He went on to be a chartering manager at Pacific Basin between 2006 and 2008. He served as the Deputy COO of dry bulk shipping operator Asia Maritime Pacific from 2008 to 2010. During this time he sat the Institute of Chartered Ship broker's examinations for which he was awarded prizes including the President's prize for best overall results globally. Having gained a foundation in chartering he embarked on a Masters degree in Shipping, Trade and Finance at CASS Business school in London where he graduated with Merit. From there he joined the shipping team at Nordea Bank, lending senior debt to global shipping companies with a presence in Asia. He left Nordea to begin the work to set up what would become Taylor Maritime. Mr. Buttery was winner of the Seatrade Asia Young Person of the Year award in 2017.

Christopher Buttery, Non-Executive Director

Christopher Buttery has over 40 years of experience in the shipping industry. He graduated from University College, Oxford, with a honours degree in Modern History and began his shipping career with Jardine, Matheson & Company Limited followed by Continental Grain. Chris later co-founded the original Pacific Basin business in 1987 with Belgian shipping partners which was listed on NASDAQ in 1994, and he was instrumental in re-establishing the current Pacific Basin in 1998 with Paul Charles Over, which Goldman Sachs listed on the HKSE in 2004. He held various Executive positions at Pacific Basin including Deputy Chairman and Chairman until June 2007.

Mr. Buttery has been Non-Executive Director of Fleming Japanese Smaller Companies Ltd, Ton Poh Emerging Companies Thailand, and firstly Chairman and then Non-Executive Director of Epic Gas Ltd. He is currently Chairman of Taylor Maritime, a Director of Swire Bulk Shipping Pte (John Swire & Co), and a Director of the Hong Kong Maritime Museum. He was a Trustee of the Hong Kong WWF for ten years.

Trudi Clark Independent Non-Executive Director

Trudi Clark graduated in Business Studies and qualified as a Chartered Accountant with Robson Rhodes in Birmingham before moving to Guernsey with KPMG in 1987. After 10 years in public practice, she was recruited by the Bank of Bermuda as Head of European Internal Audit, later moving into corporate banking. In 1995 she joined Schroders in the Channel Islands as CFO. She was promoted in 2000 to Banking Director and Managing Director in 2003. From 2006 to 2009, Ms. Clark established a family office, specialising in alternative investments. In recent years she returned to public practice specialising in corporate restructuring services, establishing the Guernsey practice of David Rubin & Partners Limited. Since 2018 Ms. Clark has concentrated on a portfolio of Non-Executive Director appointments.

Trudi Clark other Listed Directorships: Balanced Commercial Property Trust Ltd, The Schiehallion Fund Limited, River and Mercantile UK Microcap Investment Company Limited and NB Private Equity Partners Limited

Sandra Platts Independent Non-Executive Director

Sandra Platts is a resident of Guernsey and holds a Master's in Business Administration. Mrs. Platts joined Kleinwort Benson (CI) Ltd in 1986 and was appointed to the board in 1992. She undertook the role of Chief Operating Officer for the Channel Islands business and in 2000 for the Kleinwort Benson Private Bank Group – UK and Channel Islands. In January 2007, she was appointed to the position of Managing Director of the Guernsey Branch of Kleinwort Benson and was responsible for a strategic change programme as part of her role as Group Chief Operating Officer. Mrs. Platts also held directorships on the strategic holding board of the KB Group, as well as sitting on the Bank, Trust Company and Operational Boards. She resigned from these boards in 2010.

Sandra Platts other Listed Directorships: Mrs. Platts is a Senior Independent Non-Executive Director at Sequoia Economic Infrastructure Fund (FTSE 250) and a Non-Executive Director of Marble Point Loan Financing Limited (listed on the Specialist Fund Segment). She is a member of the Institute of Directors.

Helen Tveitan Independent Non-Executive Director

Helen Tveitan is Chairman and Chief Executive Officer of Carisbrooke Shipping Holdings Ltd, a specialist owner/operator of mini bulk and project cargo ships controlling a fleet of 32 ships. From 2007 and prior to her CEO appointment, she served as Non-Executive Director for the company. Ms. Tveitan has worked in the shipping industry since 1992 and started her career in ship finance with DVB Nedship Bank for whom she oversaw the opening of their London office in 1996. From 2001 onwards, she has held several positions as Finance Director for shipping companies, most notably for Eastern Bulk between 2010 and 2017. Helen has served as Non-Executive Director for Ardmore Shipping Corporation, a tanker owner listed on NYSE, since 2018. She is an economist, having graduated from Rotterdam's Erasmus University in 1992.

Governance

Executive team

The Executive Team are responsible for the identification of appropriate acquisition opportunities, conducting necessary due diligence and making recommendations to the Board. The Executive Team will also monitor the performance of the Group's portfolio and, in liaison with the Group's service providers, handle investor relations, reporting, risk management and monitoring of the external commercial and technical managers of the Group's vessels.

The Executive Team are as follows:

Edward Buttery Chief Executive Officer and Executive Director

The biographical details relating to Edward Buttery are as set out in the section headed "Board of Directors" above.

Alexander Slee Deputy Chief Executive Officer

Alexander Slee has spent the last fifteen years in the shipping industry. After starting his career in the investment banking division of Citigroup in London, he joined Pacific Basin Shipping in Hong Kong in 2006 where he worked in a variety of corporate and divisional management roles. From 2010 he was General Manager of Vanship Holdings, a privately owned tanker and bulker ship owning company, and Group Strategy Director at Univan Ship Management, where he was closely involved in its merger with Anglo-Eastern Ship Management. He joined Taylor Maritime in 2016 where he has held the role of Deputy CEO. Mr. Slee holds a BA in Classics from Oxford University and has attended a management programme at INSEAD. He has served as a member of the Executive Committee of the Hong Kong Shipowners Association.

Camilla Pierrepont Chief Strategy Officer

Camilla Pierrepont joined Taylor Maritime in 2018 as Group Strategy Director. Ms. Pierrepont has held various strategy and investment roles over the last 16+ years. Prior to joining Taylor Maritime, Ms. Pierrepont spent 2 years as Portfolio Manager, at Blenheim Chalcot (London) a venture capital firm. Previously, she spent 4 years with shipping company, Epic Gas Ltd. (London & Singapore) as Head of Strategic Development. Prior to Epic, Ms. Pierrepont was a Senior Strategy Manager in the Strategy and Corporate Development Team at Microsoft (Seattle) for 3 years. She started her career as an analyst at Monitor Deloitte (London) after earning a BA in Chinese Studies from Oxford University in 2004. She was also Founding Trustee of Spark + Mettle from 2011 to 2015, a UK charity supporting young people in the pursuit of their life goals.

Yam Lay Tan Chief Financial Officer

Yam Lay Tan graduated with an Accountancy degree from Nanyang Technological University of Singapore ("NTU") in 1993. She has been a member of the Institute of Singapore Chartered Accountants since 1994 and is a Chartered Accountant. Prior to joining Taylor Maritime in 2019, Ms. Tan was a General Manager, Finance of Epic Gas Ltd. For 6 years. Within the Epic Group she served as the director and company secretary of more than 40 companies. Prior to Epic, Ms. Tan held senior finance positions in security, IT, semiconductor and service companies.

Governance

Corporate Governance

Compliance

The Board places a high degree of importance on ensuring that high standards of corporate governance are maintained and has considered the principles and provisions of the AIC Code of Corporate Governance issued in February 2019 (the "AIC Code"), effective for financial periods beginning on or after 1 January 2019. The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the "UK Code") in addition to setting out additional Principles and Provisions on issues that are of specific relevance to the Company. The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council and the Guernsey Financial Services Commission, will provide more relevant information to shareholders.

The Board has also taken note of the Finance Sector Code of Corporate Governance issued by the Guernsey Financial Services Commission (the "Guernsey Code"). The Guernsey Code provides a governance framework for GFSC licensed entities, authorised and registered collective investment schemes. Companies reporting against the UK Code or the AIC Code are deemed to satisfy the provisions of the Guernsey Code.

For the period ended 31 March 2022, the Company has complied substantially with the Principles and Provisions of the AIC Code, with the exception of the provisions listed below:

- *The appointment of a Senior Independent Director:* Given the size and composition of the Board it was not felt necessary to separate the roles of Chairman and Senior Independent Director for the period ended 31 March 2022. The Board considers that all the independent Directors have different qualities and areas of expertise on which they may lead where issues arise and to whom concerns can be conveyed. Consideration is, however, currently being given to recruit an additional Non-Executive Director to the Board in 2022/23 to act as a Senior Independent Director.

Issues that are not reported on in detail here are excluded because they are deemed to be irrelevant to the Company.

The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

None of the requirements under LR 9.8.4 are applicable to the Group, with the exception of LR 9.8.4 R (4) with regards to disclosing details of any long-term incentive schemes and LR 9.8.4 R (10) (b) with regards to disclosing any details of contracts of significance, both are disclosed in Note 10 related parties and other key contacts.

Composition of the Board and independence of Directors

As at 31 March 2022, the Board of Directors comprised four non-executive and independent Directors, one non-executive non-independent Director and an executive Director.

With the exception of Edward Buttery and Chris Buttery, all directors are considered independent of the Executive Team, Taylor Maritime (HK) Limited, the Commercial Manager, and Tamar Ship Management Limited, the Technical Manager. Edward Buttery is employed as the Chief Executive Officer of the Group. Christopher Buttery, Edward's father, acts as a non-executive Director. Both have close connections with Taylor Maritime (HK) Limited and Tamar Ship Management Limited and are therefore not considered independent. The Board reviews the independence of the Directors annually. The Directors' biographies are disclosed on page 33.

Under the terms of their appointment, all the Directors are subject to re-election at the first AGM. Thereafter, in accordance with the Company's Articles of Incorporation, two Directors shall retire each year and may offer themselves for re-election. However, in accordance with the recommendations of the AIC code, the Board has agreed that all directors will retire annually and, if appropriate, seek re-election.

Board diversity

The Board brings deep experience from shipping and financial services and in total 50% of the Board are female with 75% of the independent directors being female. The Board supports the widening of its diversity, whilst ensuring the capabilities, experience and background of each member remain appropriate to the Group and continue to contribute to overall Board effectiveness.

The Board and Executive Team and our other advisers acknowledge and adhere to the Market Abuse Regulation, which was implemented on 3 July 2016.

Board evaluation

The Board has established a policy that it will undertake an external evaluation every three years in accordance with the AIC Code and internal evaluations in the other years. Internal evaluations are based on questionnaires prepared by the Company Administrator. The first questionnaires were completed in May 2022 and the results will be discussed and evaluated at the next quarterly board meeting in July 2022. The evaluation process is led by the Chair of the Nomination and Remuneration Committee.

The Board remains cognisant of the need to anticipate and respond to evolving challenges, and therefore the governance framework in place by the Company is subject to regular review to ensure it remains appropriate in the context of the Company.

Governance Corporate Governance continued

Board values and culture

The Chair is responsible for setting the standards and values expected of the Board, and the Board operates with the Company's core values of integrity, transparency and accountability with an aim of maintaining a reputation for high standards in all areas of the Group's activities. The Board recognises the value and importance to all stakeholders of organisations incorporating effective environmental, social and governance policies as part of its day-to-day operations; refer to pages 27 to 28 for additional information.

Through designing an effective ESG policy which reflects the Board's core values and the alignment of this with the Group's business operations, the Board seeks to promote a culture of openness and constructive challenge amongst those responsible for taking key decisions. The Group aspires to be a responsible corporate citizen, committed to integrating environmental, social and governance factors into the Group's investment process. The aim is to engage actively with shareholders to achieve our collective ESG responsibilities and ambitions. The Group believes that the shipping industry, irreplaceably serving the basic needs of global society, is in a position to contribute positively to the United Nations Sustainable Development Goals ("SDG"s). For further details see the ESG Review on pages 16 to 26.

Directors' meetings and attendance

The table below shows the Directors' attendance at Board and Committee meetings during the period from 31 March 2021 (date of incorporation) to 31 March 2022:

	Number of meetings held	Nicholas Lykiardopulo	Edward Buttery	Helen Tveitan	Trudi Clark	Chris Buttery	Sandra Platts
Board – scheduled	3	3	3	3	3	3	3
Risk and Audit Committee	4	N/A	N/A	4	4	N/A	4
Nomination and Remuneration Committee	4	4	N/A	4	4	N/A	4
ESG and Engagement Committee	4	4	N/A	4	4	N/A	4

In addition to the scheduled quarterly board and committee meetings detailed above, there were also seventeen ad hoc board meetings and two ad hoc board committee meetings.

The Board and the Executive Team encourage boardroom debate and high levels of collaboration between all parties as key contributors to a highly effective decision making process. This is underpinned by a robust corporate governance framework which seeks to align the Group's purpose, values and strategy with the culture set by the Board through active engagement with the Executive Team and the Company's key service providers.

Directors' and officers' liability insurance

The Company maintains insurance in respect of directors' and officers' liability in relation to the Directors' actions on behalf of the Group.

Relations with Shareholders

The Board believes that the maintenance of good relations and understanding the views of Shareholders is important to the long-term sustainable success of the Company and, since launch, the Board has adopted a policy of engaging with major Shareholders actively through a variety of means. Further information on how the Company engages with shareholders can be found in the Stakeholders report on pages 27 to 28.

Governance Corporate Governance continued

Board responsibilities

The Board meets formally on a quarterly basis to review the overall business activities of the Company and any matters specifically reserved for its consideration. Standing agenda items considered at all quarterly board meetings cover vessel portfolio performance, chartering strategy, capital allocation and deployment, ESG matters, NAV and share price performance, shareholder return metrics, reviewing changes to the risk environment including the assessment of emerging risks, investor relations and communications, peer group information and industry issues. Consideration is also given to administration and corporate governance matters, legislative developments and, where applicable, reports are received from the Board's formally constituted committees.

The Directors also review the Group's activities every quarter to ensure that the Company adheres to its investment policy. Additional ad hoc reports are received as required and Directors have access at all times to the advice and services of the Company Secretary, who is responsible for ensuring that the Board procedures are followed, and that applicable rules and regulations are complied with. The Board has adopted a schedule of matters specifically reserved for its decision making and distinguishing these from matters it has delegated to the Executive Team and other key service providers.

Although no formal training is given to Directors by the Company, the Directors are kept up to date on various matters such as Corporate Governance issues through bulletins and training materials provided from time to time by the Company Secretary, the AIC and professional firms.

The Board actively monitors the level of the share price premium or discount to determine what action, if any, is required.

Board Committees

Throughout the period a number of committees have been in place. All operate within clearly defined terms of reference. The membership is from the independent directors as detailed below:

Risk and Audit Committee		
Trudi Clark	<i>Chair</i>	Provides oversight and reassurance to the Board, specifically with regard to the integrity of the Group's financial reporting, audit arrangements, risk management and internal control process and governance framework
Helen Tveitan		
Sandra Platts		
Nomination and Remuneration Committee		
Sandra Platts	<i>Chair</i>	To review the structure, size and composition of the Board and consider succession plans for the Board and the Executive Team. To determine the remuneration policy, set the remuneration of the Board and the Executive Team and to approve and oversee bonus and Long-term incentive plan ("LTIP") awards
Nicholas Lykiardopulo		
Trudi Clark		
Helen Tveitan		
ESG and Engagement Committee		
Helen Tveitan	<i>Chair</i>	Manages any conflicts of interest in respect of the Group's relationship with the Executive Team, the Commercial Manager, the Technical Manager and other service providers. To guide supervise and support the Executive team in the implementation of the Group's ESG policy. To evaluate the performance and terms of engagement of the key service providers to the Group.
Nicholas Lykiardopulo		
Trudi Clark		
Sandra Platts		

Governance Corporate Governance continued

Management arrangements

The Executive Team

The biographies of the Executive Team are provided on page 33.

Until 31 March 2022, the services of the Executive Team were provided pursuant to an intra group advisory and services agreement between TMIHK and the Company. The Company entered the intra-group advisory and services agreement ("Intra-group Advisory and Services Agreement") with TMIHK dated 6 May 2021 pursuant to which TMIHK, TMIUK and TMI Singapore will provide certain services to the Company. With effect from 1 April 2022, the intra-group advisory and services agreement has been entered into between the Company and TMIUK directly replacing TMIHK. From 1 March 2022, Edward Buttery was employed directly by the Company.

The Executive Team are responsible for the identification of appropriate acquisition opportunities, conducting necessary due diligence and making recommendations to the Board. They are also responsible for the day-to-day management and review of performance of the Group's portfolio of investments. In liaison with the Company's service providers, the team handle investor relations, reporting, risk management and monitoring of the external commercial and technical managers of the Group's vessels.

The Executive team have entered into employment agreements with the Group, are paid a salary and are entitled to participate in the Group's annual bonus plan, the LTIP and the Deferred Bonus Plan ("DBP"), see Report of the Nomination and Remuneration Committee.

Commercial Manager and Technical Manager

Under the Framework Management Agreement dated 6 May 2021 (the "Framework Management Agreement"), Taylor Maritime (HK) Limited ("TMHK") acts as Commercial Manager to the entire fleet and Tamar Ship Management ("Tamar") acts as technical manager for a majority of the fleet. Both are related parties (See note 10). The Group also employs some unrelated technical managers.

Administrator

Administration and Company Secretarial services are provided to the Company by Sanne Fund Services (Guernsey) Limited (*formerly Praxis Fund Services Limited*) (the "Administrator"). The Administrator also assists the Company with AIFMD, Common Reporting Standard and FATCA reporting.

A summary of the terms of employment and appointment of the Executive Team, Commercial Manager, Technical Manager and the Administrator, including details of applicable fees and notice of termination periods, is set out in note 10 to the Consolidated Financial Statements.

Internal control review and risk management system

The Board of Directors is responsible for putting in place a system of internal controls relevant to the Company and for reviewing the effectiveness of those systems. The review of internal controls is an ongoing process for identifying and evaluating the risks faced by the Company, and which are designed to manage risks rather than eliminate the risk of failure to achieve the Company's objectives.

It is the responsibility of the Board, supported by the Risk and Audit Committee, to undertake risk assessments and review the internal controls in the context of the Company's objectives that cover business strategy, operational, compliance and financial risks facing the Company. These internal controls are implemented by the Executive Team, the Administrator and the Commercial Manager. The internal controls implemented by the Commercial Manager are overseen by the Chief Financial Officer ("CFO") of the Executive Team. The CFO is located in Singapore, who was formerly based Hong Kong, in close proximity to the key members of the Commercial Manager's finance team. The Board receives updates from the Executive Team and the Administrator at quarterly Board meetings. The Board is satisfied that the Executive Team and the Administrator have effective systems in place to control the risks associated with the services that they are contracted to provide to the Company and are, therefore, satisfied with the internal controls of the Company.

The Board of Directors considers the employment arrangements of the Executive Team and the arrangements for provision of Administration services to the Company on an on-going basis and a formal review is conducted annually. As part of this review the Board considered the quality of the personnel assigned to handle the Company's affairs, the investment process and the results achieved to date.

Governance

Report of the Nomination and Remuneration Committee

The Company has established a Nomination and Remuneration Committee comprised of the independent non-executive Directors of the Company. The Nomination and Remuneration Committee, chaired by Sandra Platts, operates within clearly defined terms of reference which are considered and are then referred to the Board for approval. A copy of the terms of reference is available on the Company's website or upon request from the Company Secretary.

The main roles and responsibilities of the Committee with regards to Nomination are to:

- regularly review the structure, size and composition of the Board and make recommendations to the Board with regard to any changes, based on merit and objective criteria (including skills, knowledge and experience, and promoting diversity of gender, social and ethnic backgrounds, cognitive and personal strengths);
- give full consideration to succession planning for Directors and other senior executives in the course of its work, ensuring effective plans are in place for orderly succession to the Board and to oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future;
- keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the market place; and
- lead the process for appointments and be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise.

The main roles and responsibilities of the Committee with regards to Remuneration are to:

- determine and agree with the Board the framework or broad policy for the remuneration of the Company's Chair, executive directors, non-executive directors, and such other members of the management as it is designated to consider. No director or Executive Team member shall be involved in any decisions as to their own remuneration;
- in determining such policy, take into account all factors which it deems necessary. The objective of such policy shall be to ensure that members of the management of the Company are provided with appropriate incentives to encourage and enhance performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company;
- review the ongoing appropriateness and relevance of the remuneration and policy;
- supervise the Long Term Incentive Plan, Annual Bonus and the Deferred Bonus Plan and any other similar plans or schemes of the Company from time to time;

The Nomination and Remuneration Committee reports formally to the Board on its proceedings on all matters within its duties and responsibilities and on how it has discharged its responsibilities. The Committee meets at least twice per year and at such other times as the Nomination and Remuneration Committee Chair shall require. Other Directors and third parties may be invited by the Nomination and Remuneration Committee to attend meetings as and when appropriate.

Activity

The Nomination and Remuneration Committee met four times during the financial period and once following the period-end. The principal matters considered at these meetings included, but were not limited to:

- the terms of the LTIP which forms part of the remuneration package for the Executive Team;
- the granting of shares under the terms of the LTIP for 2021/22, subject to the Company achieving a total NAV return of between 5% and 12% per annum on average over the three year performance period commencing with the financial year beginning 1 April 2021;
- the terms of the Annual Bonus and Deferred Bonus plans to further incentivise the Executive Team;
- recruitment of individuals to support the Executive Team and the terms of employment of those individuals;
- the terms of employment of the Executive Team and the overall remuneration policy to ensure that these remained competitive;
- the proposals for the Executive Team's remuneration for 2022/23 and to approve bonus payments based on achievements of the Group from IPO to 31 March 2022.

Board composition

The Committee keeps under constant review the Board's composition, skills sets and diversity of the Board. The Directors were all appointed at IPO and have a diverse range of skills. Currently, consideration is being given to recruit an additional Non-Executive Director to the Board to act as a Senior Independent Director, a candidate with relevant shipping experience who can support the chair.

Board tenure

The Board, in accordance with the AIC Code, has adopted the policy to limit the tenure of Non-Executive Directors, including the Chair to nine years.

Diversity policy

The Group is committed to treating all employees equally and considers all aspects of diversity, including gender and ethnic diversity, when considering recruitment at any level of the business. All candidates are considered on merit but having regard to the right blend of skills, experience and knowledge at the Board and Executive level, and amongst our employees generally.

Succession planning

The Nomination and Remuneration Committee continues to maintain and develop the Board's succession planning arrangements to ensure the arrangements remain effective, and that a diverse pipeline for succession is maintained which remains aligned with the Company's strategy and future leadership needs.

Remuneration policy

Since this is the Group's first trading period, a remuneration policy has not been put to a shareholder vote, we are therefore putting forward a remuneration policy to be voted on at this year's AGM.

The overall objective of our policy is to provide a straightforward remuneration package which seeks to attract and retain personnel with the skills, experience and qualifications needed to manage and grow the business successfully and to enhance shareholder value.

Governance Report of the Nomination and Remuneration Committee continued

The Nomination and Remuneration Committee has, in determining the policy and in its consideration of remuneration in respect of 2022/23 had extensive discussions and consulted various published surveys on executive pay and Board fees for investment trusts and other listed companies; as well as taken advice from the non-Executive Board members who have knowledge of remuneration packages paid to Executives in peer companies in the shipping industry.

UK Code

As a self-managed investment company, the AIC code states that we should have regard to the provisions of section five of the FRC 2018 Corporate Governance Code.

We have considered the UK Code and believe we comply based on the following:

- We operate consistent pension arrangements over all our workforce, and from 2022/23 will be offering a cash sum or cash sum and contributions into Government scheme to comply with any local statutory requirements

- LTIP awards vest after 3 years and from 2022/23, the vesting period for the executive director will be subject to a further two year holding period;
- All incentive awards include certain clawback provisions on errors in assessing a performance condition;
- Although currently variable incentive schemes are only available to the Executive Team as the Group grows it is expected that schemes will be extended to all employees;
- The Committee believes that variable remuneration schemes are fair, align with the Group performance and do not encourage inappropriate risk taking.

Directors' Remuneration Policy

Shareholder approval will be sought at the forthcoming Annual General Meeting of the policy as set out below. Subject to shareholder approval, the policy will take effect immediately after the Annual General Meeting and will apply to the 2022/23 financial year.

Executive Director's Remuneration Policy Table

Base Salary	
Purpose	A base salary to attract and retain Executive Director with skills, experience and qualifications needed to manage and grow the business successfully.
Operation	The base salary is reviewed annually with changes effective 1 April. When setting base salaries the Committee will consider relevant market data, as well as the scope of the role and the individual's skill and experience.
Maximum	No absolute maximum has been set for the Executive Director's base salary. Any increase is approved by the Nomination and Remuneration committee based on changes in the scale of the role and also market salary information.
Pension	
Purpose	Required in industry standards and legislation.
Operation	Until such time as the Group establishes its own pension plan a cash element of the salary is paid to the employee in lieu of pension contributions.
Maximum	A rate of 10% of base salary is paid to all employees including the Executive Director from 2022/23.
Annual Bonus and Deferred Bonus Plans	
Purpose	A short-term incentive to reward the Executive Director on meeting the Group's annual financial and strategic targets and on their own personal performance.
Operation	The Committee may determine that up to 50% of the annual bonus will be paid in Company shares. Bonus allocated in the form of shares will be deferred for three years with the shares vesting in three equal instalments at the anniversary of the grant, followed by a two year hold period.
Maximum	The maximum permitted under the rules will be 100% of base salary.
Performance Measures	That annual bonus is based on a range of financial, strategic, ESG operational and individual targets. The specific targets and weightings will be determined each year by the Committee.
Clawback	Clawback provisions may be applied in the event of a material misstatement or an error in assessing a performance condition or material misconduct on behalf of the award holder.
Long-term incentive plan	
Purpose	A long-term incentive plan to align the Executive Director's performance with those of shareholders and to promote the long-term success of the Company.
Operation	Awards are granted annually usually in the form of a conditional share award or nil cost option. Awards will vest at the end of a three-year period subject to meeting the performance conditions and continuing employment, followed by a two year hold period.
Maximum	Annual awards with a maximum of up to 200% of base salary may be made, although awards are not expected to be above 150% of base salary.
Performance Measures	Vesting conditions will be subject to performance conditions as determined by the Committee on an annual basis. 2022/23 award will be based on two performance criteria: <ol style="list-style-type: none"> 1. Average annual total NAV return for a three year period (80%). For threshold levels of performance 30% of the awards vest rising on a straight-line basis to 100% for maximum performance. 2. Reaching ESG targets over a three year period (20%).
Clawback	Clawback provisions may be applied in the event of a material misstatement or an error in assessing a performance condition or material misconduct on behalf of the award holder.

Governance Report of the Nomination and Remuneration Committee continued

Directors' Remuneration Policy continued

Non-Executive Directors' Remuneration Policy Table

Fees	
Purpose	To provide competitive directors fees
Operation:	Annual fee for the Chair and an annual base fee for other Non-Executive Directors. Additional fees for those Directors with additional responsibilities such as chairing a committee or acting as a Senior Independent Director. Annual fees paid quarterly in arrears. Non-Executive directors are not eligible to receive share options or other performance related remuneration. Non-Executive Directors are entitled to reimbursement of reasonable expenses
Maximum:	The Company's Articles set an annual limit for the total of Non-Executive Directors' remuneration of £500,000.

Letters of appointment

All the non-executive Directors were appointed as Directors by letters of appointment issued on 5 May 2021.

Each Director's appointment letter provides that, upon the termination of their appointment, they must resign in writing and all records remain the property of the Company. The Directors' appointments can be terminated in accordance with the Articles and without compensation. The Articles provide that the office of director shall be terminated by, among other things: (a) written resignation; (b) unauthorised absences from board meetings for twelve months or more; (c) unanimous written request of the other directors; and (d) an ordinary resolution of the Company.

Under the terms of their appointment, each Director is subject to re-election at the first AGM and annually thereafter. The Company may terminate the appointment of a Director immediately on serving written notice and no compensation is payable upon termination of office as a director of the Company becoming effective. No non-executive Director has a service contract with the Company, nor are any such contracts proposed.

Service Contracts

The Executive Director has a service contract with the Company containing the remuneration elements set out within this policy. There is no fixed length of service and a notice period of 12 months.

The Executive Director's service contract is available for inspection at the Company's registered office.

Policy for other members of the Executive Team

Remuneration for other members of the executive follow the same principles as for the Executive Director with a significant element of remuneration being linked to performance measures. The Committee review the pay awards to members of the Executive team in consultation with the Executive Director annually.

Total remuneration for the period

The table below sets out the total remuneration receivable by each Director who held office during the period 31 March 2021 to 31 March 2022

Name	Salary/ Fee £'000	Additional Fee £'000	Pension Salary Supple- ment £'000	Total Fixed £'000 (A)	Annual Bonus £'000	Long-term Incentive Plan £'000	Total Variable £'000 (B)	Total £'000 (A) + (B)	Total \$'000
Executive Director									
Edward Buttery ¹	372	-	-	372	372	-	372	744	928
Non-Executive Directors									
Nicholas Lykiardopulo (Chair)	65	10	-	75	-	-	-	75	95
Christopher Buttery	40	10	-	50	-	-	-	50	63
Trudi Clark	45	10	-	55	-	-	-	55	69
Sandra Platts	45	10	-	55	-	-	-	55	69
Helen Tveitan	45	10	-	55	-	-	-	55	69

¹ Edward Buttery received US\$500,000 per annum for the period from 11 May 2021 to 28 February 2022 and £372,000 per annum for the period 1 March 2022 to 31 March 2022.

Governance Report of the Nomination and Remuneration Committee continued

The additional fee received by the non-executive directors was an extra one-off payment of £10,000 for additional duties and services provided in connection to the Company's IPO in May 2021 and additional fund raise in July 2021.

Edward Buttery was employed under a service agreement with TMI HK dated 11 May 2021 at an annual salary of US\$500,000. From 1 March 2022 Mr Buttery was employed directly by the Company and receives an annual salary of £371,820 following his relocation to Guernsey.

Annual Bonus for 2021/2022

On 6 May 2022, the Nomination and Remuneration Committee approved an annual bonus payable to Mr Edward Buttery of £371,820 reflecting the work performed in respect of the IPO, the subsequent fund raise and the exceptional financial results achieved in the first period of trading.

Long Term Incentive Plan

On the 26 August 2021 the Nomination and Remuneration Committee approved the grant of a LTIP award to Mr Buttery of 750,000 Ordinary Shares of US\$1.00. The grant is subject to performance conditions based on an average over the three year period to 31 March 2024 as follows:

Average annual total NAV Return	% of award which vests
Less than 5%	0%
5%	30%
6%	40%
7%	50%
8%	60%
9%	70%
10%	80%
11%	90%
12% or more	100%

Performance Grants to Other Members of the Executive Team

Other members of the Executive Team were awarded by the Committee annual bonuses and long-term incentive awards on the same terms as those awarded to Mr Buttery as follows:

	2021/22 Cash Bonus Award	26 August 2021 LTIP contingent share award
Other Executive Team members	US\$1,024,595	1,545,000 Ordinary Shares

Directors' Remuneration in 2022/23

Executive Director		Change from 2021/22 financial period
Base Salary	£500,000	The increase of 34% reflects the low base salary set at IPO and has been increased following review of comparable salaries in the shipping industry and other listed companies. Increases to the Executive Director's salary were made being mindful of the Group's performance and of team morale. It was intended to increase to a higher level, however the Committee agreed to phase the increase in over two years, thus being able to be aware of market conditions and performance before any further increase would be made.
Pension	10% of Salary	Nil for 2021/2022
Annual Bonus	Based on performance for the year 2022/23: - 45.0% based on net asset total return of 10% or more; - 20.0% based on strategic objectives around asset acquisition and disposal policy; - 20.0% based on ESG targets; - 15.0% based on personal development	No targets set for 2021/22. 100% cash bonus was awarded on the basis of a successful IPO, the subsequent fund raise and the exceptional financial results achieved in the first period of trading.
LTIP	Based on 3 years' performance from 1 April 2022: - 80% based on annual total NAV return o Threshold target 5% o Maximum target 12% - 20% based on ESG targets	ESG element included for first time.
Non-Executive Directors		
Fees		The fees have been reviewed in line with other self-managed investment trusts and also to reflect the work undertaken by Board members
Chair	£90,000	
Director	£60,000	
Additional Fees		
Risk and Audit Chair	£10,000	
ESG and Engagement Chair	£7,500	
Nomination & Remuneration Chair	£7,500	

Sandra Platts

Nomination and Remuneration Committee Chair

13 July 2022

Governance

Report of the Risk and Audit Committee

The Company has established a Risk and Audit Committee with formally delegated duties and responsibilities within written terms of reference (which are available on the Company's website and from the Company Secretary).

Chair and membership

As at 31 March 2022, the Risk and Audit Committee comprised Trudi Clark, Sandra Platts and Helen Tveitan. All Committee members have competence relevant to the listed investment funds sector in which the company operates. The Committee is chaired by Trudi Clark, who is a Chartered Accountant. She qualified in 1985 and was a senior Audit Manager at KPMG. She held the position of Head of European Internal Audit for the Bank of Bermuda and in 1995 moved to Schroders (C.I.) Limited as Chief Financial Officer, before being promoted to Chief Executive Officer in 2003.

All members of the Committee are independent Directors; have no present links with PricewaterhouseCoopers CI LLP, the Company's Auditor (the "Auditor" or "PwC"); and are independent of the Executive Team. The membership of the Risk and Audit Committee and its terms of reference are kept under review. The Risk and Audit Committee meets at least twice a year and with the Auditor as appropriate.

Duties

The Risk and Audit Committee's main role and responsibilities are to provide advice to the Board on whether the Annual Report and Audited Consolidated Financial Statements, taken as a whole, are fair, balanced, and understandable and provide the information necessary for Shareholders to assess the Group's performance, business model and strategy. The Risk and Audit Committee gives full consideration and recommendation to the Board for the approval of the contents of the Consolidated Financial Statements of the Company, which includes reviewing the external auditor's reports.

The other principal duties, amongst others, are to consider the appointment of the external auditor, to discuss and agree with the external auditor the nature and scope of the audit, to keep under review the scope, results and effectiveness of the audit and the independence and objectivity of the auditor, to review the external auditor's letter of engagement, the audit plan and management letter, and to analyse the key procedures and controls adopted by the Company's service providers.

The Risk and Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of the Company's internal control and risk management systems. The Risk and Audit Committee also focuses particularly on compliance with legal requirements, accounting standards and the relevant Listing Rules and ensuring that an effective system of internal financial and non-financial controls is maintained.

Financial reporting and audit

The Risk and Audit Committee has an active involvement and oversight in the preparation of both the Interim Report and Unaudited Condensed Consolidated Financial Statements and the Annual Report and Audited Consolidated Financial Statements and, in doing so, is responsible for the identification and monitoring of the key risks associated with the preparation of the Financial Statements. The Risk and Audit Committee determine that the key risk of material misstatement of the Group's Consolidated Financial Statements is related to the valuation of Company's investments. The significant issues identified in the preparation of these Consolidated Financial Statements is the valuation of the Company's investment in Financial Assets at fair value through profit or loss. This is the Company's investment in Holdco and the SPVs, which hold all of the underlying vessel/investment assets.

Fair value of Financial Assets at fair value through profit or loss

The Company's investment in the Holdco and the SPVs had a fair value of US\$574.1 million as at 31 March 2022 and represents a substantial proportion of the net assets of the Company and as such is the biggest factor in relation to the accuracy of the Consolidated Financial Statements. This investment is valued in accordance with the accounting policies set out in note 2 to the Consolidated Financial Statements, which is determined as the NAV of the investment in Holdco and the SPVs. The fair value of the SPVs, includes the SPVs' investment in their respective vessel/investment assets as well as the residual net assets and liabilities of the SPVs.

Charter-free valuations – delivered vessels

In estimating the fair value of each underlying SPV, the Board has approved the valuation methodology for valuing the vessel assets held by the SPVs. The fair value of the shipping vessel assets are determined by two independent, recognised ship valuation brokers selected by the Board to provide charter-free valuations for each vessel being Hartland Shipping Services Limited and Braemar ACM Valuations Limited. The Group takes the arithmetical mean of the two valuations to determine the value of a vessel.

The charter-free valuations are provided to the Executive Team, the Executive Team will challenge the independent valuation brokers on methodologies, controls and processes of valuation used to value to the shipping vessels. In assessing whether the brokers' valuations are reasonable, the Executive Team also compares the brokers' valuations to: (1) an in-house valuation performed by the Commercial Manager based on recent S&P transactions; and (2) other market information.

Adjustments for charter leases

As the brokers' valuations are prepared on a charter-free basis, the Executive Team assesses the difference in value arising from the contracted charter versus market rate, and where the difference is material, factors the adjustment into the valuation. As detailed further in note 3 of the Consolidated Financial Statements, the Board have agreed charter-free independent valuations are adjusted for any significant differences on any vessel's charter with remaining lease contracts that are greater than 12 months in length attached to a vessel, based on premium/discount to the forward freight agreement ("FFAs") benchmark rates.

Governance Report of the Risk and Audit Committee continued

Financial reporting and audit continued

Charter-free valuations – undelivered vessels

The Group have determined that substantially all of risks and rewards of the ownership of the vessels are only transferred, and subsequently an asset recognised or de-recognised at the SPV level, once the ship is delivered. However, as stated above, as the Group measures its investments in Holdco and the SPVs at fair value, the Board have determined that any fair value movement in the market value of the undelivered vessels should be adjusted for as follows:

- *For vessels sold but not yet delivered* – the Board have determined that the best representation of the fair value is the agreed selling price of these vessels; and
- *For vessels purchased but not yet delivered* – the Board have determined any market value movements, as determined by the arithmetical mean of the two independent valuations by Hartland Shipping Services Limited and Braemar ACM Valuations Limited, of the undelivered vessels above or below the purchase consideration, under the relevant memoranda of agreements, is recognised in the fair value of the Group's investment in Holdco.

Investment in Grindrod Shipping

The Board have determined that the fair value of the Group's 26.6% stake in Grindrod Shipping, should be based on the listed closing price at the reporting date. At 31 March 2022, Grindrod Shipping's share price was US\$25.44 per share. The Grindrod Shipping listed price has been independently verified as at 31 March 2022 by the Executive Team and is subject to a review process and oversight at the Administrator.

The Risk and Audit Committee has regular dialogue with the Executive Team regarding the methods of valuation used by the independent valuation brokers and the Executive Team presents their findings on the challenges made to the brokers on the valuation at the Risk and Audit Committee meetings. The Chair of Risk and Audit Committee will also attend the meetings between the Executive Team and the valuation brokers, where these challenges are made. The Risk and Audit Committee in turn challenges the methodologies, controls and processes of valuation used to value the SPV's investments.

In addition, the Risk and Audit Committee has also considered the Auditor's approach to their audit of the valuation of the investments and discussed with the Auditor their approach to reviewing the appropriateness and robustness of the valuation methodologies applied. The Auditor has not reported any significant differences between the valuations used and the results of the work performed during their audit process. The Auditor reported unadjusted charter differences, which are considered to be immaterial to the vessel valuations used, to the Risk and Audit Committee.

Based on the review and analysis described above, the Risk and Audit Committee is satisfied that, as at 31 March 2022, the fair values of Holdco and the SPVs, and the underlying vessel/investment assets held by the SPVs is appropriately stated. As a result, the Risk and Audit Committee is satisfied that as at 31 March 2022, as stated in the Consolidated Financial Statements, the fair value of the Company's investment in Financial Assets at fair value through profit or loss is reasonable.

The Risk and Audit Committee reviewed the Company's accounting policies applied in the preparation of the Consolidated Financial Statements, together with the relevant critical judgements, estimates and assumptions made by the Board and, having discussed matters with the Executive Team and Administrator, determined that these were in compliance with International Financial Reporting Standards ("IFRS") as issued by the IASB and were reasonable.

The Risk and Audit Committee also reviews the Company's financial reports as a whole to ensure that such reports appropriately describe the Company's activities and that all statements contained in such reports are consistent with the Company's financial results and projections. Accordingly, the Risk and Audit Committee was able to advise the Board that the Annual Report and Audited Consolidated Financial Statements are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's performance, business model and strategy.

External Auditor

The Risk and Audit Committee has responsibility for making a recommendation on the appointment, re-appointment or removal of the Auditor. PwC has been appointed as the first Auditor of the Company. During the period, the Risk and Audit Committee received and reviewed the audit plan and report from the Auditor.

To assess the effectiveness of the Auditor, the Risk and Audit Committee reviewed:

- The Auditor's fulfilment of the agreed audit plan and variations from it, if any;
- The Auditor's assessment of its objectivity and independence as auditor of the Company;
- The Auditor's report to the Risk and Audit Committee highlighting their significant areas of focus in the conduct of their audit and findings thereon that arose during the course of the audit; and
- Feedback from the Executive Team and Administrator evaluating the performance of the audit team.

For the period from 31 March 2021 to 31 March 2022, the Risk and Audit Committee was satisfied that there had been appropriate focus and challenge on the primary areas of audit risk and assessed the quality of the audit process as good.

Where non-audit services are to be provided to the Company by the Auditor, full consideration of the financial and other implications on the independence of the Auditor arising from any such engagement will be considered before proceeding. All non-audit services are pre-approved by the Risk and Audit Committee if it is satisfied that relevant safeguards are in place to protect the Auditor's objectivity and independence.

To fulfil its responsibility regarding the independence of the Auditor, the Risk and Audit Committee considered:

- a report from the Auditor describing its arrangements to identify, report and manage any conflicts of interest; and
- the extent of non-audit services provided by the Auditor.

Governance Report of the Risk and Audit Committee continued

External Auditor continued

During the period from 31 March 2021 to 31 March 2022, PwC provided non-audit and audit services as listed below. PwC confirmed that the non-audit services provided during the year had not impacted their independence and outlined the reasons for this. These non-audit services complied with the Financial Reporting Council ("FRC") Revised Ethical Standard 2019.

The following table summarises the remuneration paid to PwC for audit and non-audit services.

	31 March 2021 to 31 March 2022
	£
Annual audit of the Company	275,730
Interim review of the Company	48,530
Annual audit of the TMI Advisors (UK) Limited (formerly TMI Management (UK) Limited)	12,500
Total audit related services	336,760
Total non-audit related services	139,000

Internal controls

As the Company's investment objective is to invest all of its assets into the Holdco and the SPVs, the Risk and Audit Committee, after consultation with the Executive Team and Administrator, considers the key risk of misstatement in its Financial Statements to be the valuation of its investment in Holdco and the SPVs, but are also mindful of the risk of the override of controls by the Executive Team and the Administrator.

The Group also relies on the financial reporting from the Commercial Manager in respect of the operation of its vessels. The Chief Financial Officer, from the Executive Team, closely supervises the reporting records and the financial internal controls in place at the Commercial Manager. The Chief Financial Officer is located in Singapore, was formerly based in Hong Kong, in close proximity to the key members of the Commercial Manager's finance team. The Commercial Manager financial statements are audited on an annual basis with clean audit opinions received to date, the latest being for the financial year 2020. Any issues identified would be escalated to the Risk and Audit Committee. In addition, a due diligence visit will be undertaken at a future date by members of the Risk and Audit Committee to review the controls and procedures in place and to report back to the Board.

The Executive Team and Administrator together maintain a system of internal control on which they report to the Board. The Board has reviewed the need for an internal audit function and has decided that the systems and procedures employed by the Executive Team and Administrator provide sufficient assurance that a sound system of risk management and internal control, which safeguards Shareholders' investment and the Company's assets, is maintained. An internal audit function specific to the Company is therefore considered unnecessary.

The Risk and Audit Committee is responsible for reviewing and monitoring the effectiveness of the internal financial control systems and risk management systems on which the Group is reliant. These systems are designed to ensure proper accounting records are maintained, that the financial information on which business decisions are made and which is used in publications is reliable, and that the assets of the Group are safeguarded. Such a system of internal financial controls can only provide reasonable and not absolute assurance against misstatement or loss.

In accordance with the guidance on risk management, internal control and financial and business reporting published by the Financial Reporting Council (the "FRC") in September 2014, which integrated the earlier guidance of the Turnbull Report, the Risk and Audit Committee has reviewed the Group's internal control procedures. These internal controls are implemented by the Executive Team and the Administrator and are considered by the Risk and Audit Committee to be appropriate for the business of the Group. The Risk and Audit Committee has performed reviews of the internal financial control systems and risk management systems during the period. The Risk and Audit Committee is satisfied with the internal financial control systems of the Group.

Trudi Clark

Risk and Audit Committee Chair

13 July 2022

Governance

Report of the ESG and Engagement Committee

Chair and membership

As at 31 March 2022, the ESG and Engagement Committee comprised Helen Tveitan, Trudi Clark, Nick Lykiardopulo and Sandra Platts and is chaired by Helen Tveitan. The Committee meets at least twice a year.

The Company views environmental, social and governance concerns as integral to its ethos and investment process. To ensure this, the Company has established the ESG and Engagement Committee to oversee sustainability initiatives and monitor and report progress periodically.

ESG and Engagement Committee oversees and reports on all sustainability policies and initiatives ensuring that the Company remains committed to responsible stewardship of its assets and the environment.

The Company's ESG policy and objectives are set and monitored by our ESG and Engagement Committee which reports to the Board. The Executive Team is responsible for ESG reporting to the ESG and Engagement Committee and working with our external service providers and other key stakeholders to progress our decarbonisation priorities and other critical environmental, social and governance objectives. See the "Environmental, Social and Governance Review" on pages 16 – 26.

In addition, the ESG and Engagement Committee is responsible for the regular review of the terms of the key service provider agreements and assessing the performance of all the key service providers.

Duties

Environmental, Social and Governance ("ESG")

The ESG and Engagement Committee's duties include, but are not limited to:

- Guiding, supervising and supporting the Executive Team in drafting, and periodically reviewing, the ESG strategy which sets out the guiding principles, objectives, strategic actions and policies with respect to ESG matters;
- Assessing ESG risks and opportunities for the Group, such assessment to be carried out in alignment with chosen reporting frameworks, including assessment of climate change risks;
- Monitoring the Group's adherence to concrete ESG objectives and KPIs and overseeing the reporting of these objectives and KPIs;

Through the Committee, the Directors monitor the performance of the Group's objectives and policies with respect to ESG matters continually and a formal, detailed assessment of the performance is undertaken on at least an annual basis.

Engagement

In addition, the ESG and Engagement Committee monitors the performance and the ongoing appointment of all key service providers continually and a formal, detailed assessment of the performance and the terms of engagement of the Company's key service providers is undertaken on at least an annual basis to ensure each remains fair and reasonable. This annual review process includes two-way feedback, which provides the Board with an opportunity to understand the views, experiences and any significant issues encountered by service providers during the period.

The Directors recognise the importance of maintaining strong and effective business relationships with the Company's key service providers and that high quality interaction with these stakeholders is an important factor in delivering the Board's strategy successfully. The annual performance assessment conducted by the ESG and Engagement Committee seeks to ensure that:

- the terms of engagement remain fair and reasonable and reflective of the services performed in the context of the nature, scale and complexity of the Company;
- there is strong alignment between the objectives of the service provider and those of the Company;
- they have not been the subject of any adverse event which may present additional risk to the Company;
- they remain appropriately incentivised to perform their duties to a high standard; and
- their continued engagement remains in the best interests of the Company as a whole.

Related party interests and oversight of the Implementation of the Conflicts of Interest Policy

The ESG and Engagement Committee is responsible for ensuring that the Group's business is conducted fairly and with the highest level of Governance. On behalf of the Board, it is responsible for ensuring that all potential conflicts of interest are recognised, logged and

- managing conflicts of interest between the Board, Executive Team and the other Group parties;
- considering the application of the Related Party Rules as set out in Chapter 11 of the Listing Rules to arrangements and agreements between the Group, the Executive Team and any other related parties from time to time;
- considering any points of conflict which may arise between the providers of other services to the Company.

Governance Report of the ESG and Engagement Committee continued

Main activities during the year

ESG Review

Upon its establishment following the Company's IPO in May 2021, the ESG and Engagement Committee sought to frame the Company's strategic objectives with regards to ESG through preparation of the ESG Policy, which is published on the Company's website. The ESG and Engagement Committee has monitored the progress of the Company with respect to the various initiatives relating to the Policy. This has included an assessment of the fleet's readiness for forthcoming regulatory changes including those of the International Maritime Organisation ("IMO").

The ESG and Engagement Committee also established the framework through which it would monitor the performance of the fleet's technical and commercial managers Tamar Ship Management Limited and Taylor Maritime (HK) Limited respectively, as well as monitoring any potential conflicts of interest that may arise.

As part of the Company's social commitment, the Company set a charity budget of US\$200,000 for the financial year. This is primarily donated to charities and causes related to seafarers, but may also be deployed to environmental causes.

Service provider performance assessment

The ESG and Engagement Committee undertook its first annual performance evaluation of all key service providers in May 2022 and sought feedback from the Directors and Executive Team regarding the quality of service and the effectiveness of the working relationships with each service provider.

Additionally, all key service providers completed a self-assessment questionnaire requesting details of their internal control environment, approach to cyber security, business continuity arrangements (including resilience during the COVID-19 pandemic), key staffing policies (including matters of diversity and vetting of new staff), policies regarding environmental impact and climate change, as well as their adherence to anti-bribery, modern slavery, criminal finances and general data protection regulations.

The results of the performance evaluations completed in May 2022 will be discussed and evaluated by the ESG and Engagement Committee at the next quarterly board meeting in July 2022.

Potential Conflicts of Interest Review

During the period the ESG and Engagement Committee considered the terms of a vessel sale to a consortium which included two individuals who were considered related parties to the Group under the listing rules. Compliance with the rules was satisfactorily tested by the Group's brokers Jefferies, however the transaction did not proceed.

Helen Tveitan

ESG and Engagement Committee Chair

13 July 2022

Governance

Directors' Report

The Directors of the Company are pleased to submit their first Annual Report and the Audited Consolidated Financial Statements (the "Financial Statements") for the period from 31 March 2021 to 31 March 2022. In the opinion of the Directors, the Annual Report and Audited Consolidated Financial Statements are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's performance, business model and strategy.

The Company

The Company was incorporated and registered in Guernsey under the Companies (Guernsey) Law, 2008 on 31 March 2021. The Company's registration number is 69031 and it is regulated by the Guernsey Financial Services Commission as a registered closed-ended collective investment scheme pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 2020, the Registered Collective Investment Scheme Rules 2021 and the Prospectus Rules 2021. The Company's Ordinary Shares were admitted to the premium listing segment of the Official List of the UK Listing Authority and began trading on the Main Market of the London Stock Exchange ("LSE") on 27 May 2021 (Stock Code TMI).

Results and dividends

The results for the period are shown in the Consolidated Statement of Comprehensive Income on page 57.

The Board declared dividends of US\$11,528,775 during the period from 31 March 2021 to 31 March 2022 followed by additional dividends of US\$5,778,778 and US\$10,632,951 declared on 21 April 2022 and 6 May 2022 respectively in relation to the period ended 31 March 2022. Further details of dividends declared or paid are detailed in note 4.

Independent auditor

PricewaterhouseCoopers CI LLP ("PwC") were appointed on 13 October 2021 and continued to serve as Auditor during the financial period. A resolution to re-appoint PwC as Auditor will be put to the forthcoming Annual General Meeting ("AGM").

Directors and directors' interests

The Directors, all of whom, with the exception of Edward Buttery, are non-executive, are listed on page 33.

Edward Buttery has a service contract with the Company, details of which are outlined in the Nomination and Remuneration Committee Report on pages 39 to 42 and in note 10. No other Director has a service contract with the Company and no such further contracts are proposed.

Each of the Non-Executive Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. Details of the fees paid to the Non-Executive Directors for the period ended 31 March 2022 are outlined in Nomination and Remuneration Committee Report on pages 39 to 42.

In May 2022, the Board agreed an increase in their remuneration and, with effect from 1 April 2022, each non-executive Director is entitled to a basic fee of £60,000 per annum plus an additional annual fee of £10,000 for chairing the Risk and Audit Committee and £7,500 for the other committees. The Chairman's fee has increased to £90,000 per annum.

The Directors had the following interests in the Company at 31 March 2022, held either directly or beneficially:

Directors of the Company	31 March 2022	
	No. of Ordinary Shares	Percentage
Name		
Nicholas Lykiardopulo (Chair, Independent Non-Executive Director)	2,436,087 ¹	0.74%
Edward Buttery (Chief Executive Officer)	550,232 ²	0.14%
Christopher Buttery (Non-Executive Director)	650,722	0.20%
Trudi Clark (Independent Non-Executive Director)	50,000	0.02%
Sandra Platts (Independent Non-Executive Director)	42,261	0.01%
Helen Tveitan (Independent Non-Executive Director)	20,000	0.01%
Executive team members		
Camilla Pierrepont	172,941	0.05%
Alexander Slee	56,896 ³	0.02%

Substantial shareholdings

As at 31 March 2022, being the date of the latest shareholder analysis prior to the publication of these Consolidated Financial Statements, the following shareholders had holdings in excess of 3% of the issued Ordinary Share capital:

Name	No. of Ordinary Shares	Percentage of Ordinary Shares
Christian Oldendorff Schifffahrtsholding GmbH & Co KG	36,325,000	11.00%
Fidelity International	26,489,861	8.02%
M&G Investments	25,266,052	7.65%
Waverton Investment Management	16,529,656	5.01%
EFG Harris Allday, stockbrokers	15,231,933	4.61%
West Yorkshire PF	13,955,899	4.23%
CG Asset Management	13,111,536	3.97%
Taylor Point (MI)	12,665,936	3.84%
Close Brothers Asset Management	11,721,905	3.55%

Related parties

Details of transactions with related parties are disclosed in note 10 to these Financial Statements.

Regulatory requirements

Since being admitted to the premium listing segment of the Official List of the UK Listing Authority on 27 May 2021, the Company has complied with the Prospectus Rules, the Disclosure Guidance and Transparency Rules and the Market Abuse Directive (as implemented in the UK through Financial Services and Markets Authority).

¹ 610,000 Ordinary Shares owned directly, and 1,826,087 Ordinary Shares held by Local Resources Ltd, which forms part of the assets of an irrevocable discretionary trust of which Nicholas Lykiardopulo is a beneficiary.

² 85,344 Ordinary Shares held by a person closely associated to Edward Buttery.

³ All Ordinary Shares held by a person closely associated to Alexander Slee.

Governance Directors' Report continued

Alternative Investment Fund Managers Directive ("AIFMD")

AIFMD seeks to regulate alternative investment fund managers ("AIFM") and imposes obligations on managers who manage alternative investment funds ("AIFs") in the EU and who market shares in such funds to EU investors. The Company is categorised as a self-managed Non EEA AIF for the purposes of the AIFM Directive, as a consequence the Company needs to comply with various organisational, operational and transparency obligations.

The Company is categorised as a non-EU AIF and the Board of the Company is a non-EU AIFM, therefore, it is not required to seek authorisation under the AIFMD to market its shares. However, following national transposition of the AIFMD in a given EU member state, the marketing of ordinary shares in AIFs that are established outside to investors in that EU member state will be prohibited unless certain conditions are met. Certain of these conditions are outside the Company's control as they are dependent on the regulators of the relevant third country and the relevant EU member state entering into regulatory co-operation agreements with one another.

The Directors have appointed the Risk and Audit Committee to manage the relevant disclosures to be made to investors and the necessary regulators. On 20 April 2021, the FCA confirmed that the Company was eligible to be marketed via the FCA's National Private Placement Regime and the Company complied with Article 22 and 23 of the AIFMD for the year ended 31 March 2022. In May 2022, the Company applied for authorisation to market in Luxembourg, Netherlands, Ireland and Sweden.

The Company issued a prospectus on 7 May 2021 and all matters were disclosed to investors as required under Article 23 of AIFMD. As the Board of the Company is the AIFM, the details of the Company's remuneration policy for the Directors is outlined in the Nomination and Remuneration Report and accords with the principles established by AIFMD.

Non-mainstream pooled investments

The Company's ordinary shares are considered as "excluded securities" for the purposes of the FCA Rules regarding the definition and promotion of non-mainstream pooled investments ("NMPI") because the returns to investors holding the Company's ordinary shares are, and are expected to continue to be, predominantly based on the returns from ordinary shares and debentures held indirectly by the Company. The Board therefore believes that independent financial advisers can recommend the Company's ordinary shares to retail investors, although financial advisers should seek their own advice on this issue.

Employee engagement & business relationships

The Company has one direct employee, Edward Buttery, and the Group have further employees including those within the Executive Team, see the Nomination and Remuneration Committee Report for further details of the employee engagements. The Company conducts its core activities through the Executive Team and third-party service providers. The Board recognises the benefits of encouraging strong business relationships with the Executive Team and the key service providers and seeks to ensure each is committed to the performance of their respective duties to a high standard and, where practicable, that the Executive Team and the providers are motivated to adding value within their sphere of activity. Details on the Board's approach to service provider engagement and performance review are contained in the Stakeholders Report.

Governance

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and Consolidated Financial Statements in accordance with applicable law and regulations. The Companies (Guernsey) Law, 2008 (the "Company law") requires the Directors to prepare financial statements for each financial year. The Directors have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB and applicable law.

Under the Company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and its profit or loss for that year.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting, unless they either intend to liquidate the Company or cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Company law. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors who hold office at the date of approval of the Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware, and that each Director has taken all the steps they ought to have taken as a director to make themselves aware of any relevant audit information and for establishing that the Company's Auditor is aware of that information.

Responsibility statement of the Directors in respect of the Annual Report

Each of the Directors who served during the year, who are listed on page 33, confirms to the best of their knowledge and belief that:

- the Consolidated Financial Statements, prepared in accordance with IFRS as issued by the IASB, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Annual Report includes a fair review of the development and performance of the business during the period, and the position of the Group at the end of the year, together with a description of the principal risks and uncertainties that the Group faces, as required by DTR 4.1.8R and DTR 4.1.9R.

The Directors consider that the Annual Report, comprising the Financial Statements and the Group Overview, Strategic Overview and Governance sections, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

The Directors are also responsible for the maintenance and integrity of the corporate and financial information included on the Company's website (www.taylormaritimeinvestments.com). Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Board by:

Nicholas Lykiardopulo
Independent Chair

13 July 2022

Independent auditor's report to the members of Taylor Maritime Investments Limited

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Taylor Maritime Investments Limited (the "company") and its subsidiaries (together the "group") as at 31 March 2022, and of their consolidated financial performance and their consolidated cash flows for the period from 31 March 2021 to 31 March 2022 (the "period") in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

What we have audited

The group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 March 2022;
- the consolidated statement of comprehensive income for the period then ended;
- the consolidated statement of changes in shareholders' equity for the period then ended;
- the consolidated statement of cash flows for the period then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

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 consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements of the group, as required by the Crown Dependencies' Audit Rules and Guidance. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Audit scope

- The company is a closed-ended investment company, incorporated in Guernsey, whose ordinary shares are admitted to trading on the London Stock Exchange's Main Market. The company is a self-managed investment company led by a Board of Directors and an Executive Team. The services of the Executive Team are provided pursuant to an intragroup advisory and services agreement between the company and one of the consolidated subsidiaries.
- The group comprises both consolidated and unconsolidated subsidiaries. As disclosed under note 2 to the consolidated financial statements, the company meets the definition of an 'investment entity' in accordance with IFRS 10 'Consolidated

Financial Statements' and therefore accounts for its subsidiaries, with the exception of certain subsidiaries that are not themselves investment entities, at fair value through profit or loss under IFRS 9 'Financial Instruments'. The company only consolidates those subsidiaries that are not themselves investment entities and whose main purpose is to provide services relating to the company's investment activities.

- We conducted our audit of the consolidated financial statements in Guernsey, based on financial information provided by the group's service providers, Sanne Fund Services (Guernsey) Limited (formerly Praxis Fund Services Limited) (the "Administrator") to whom the Board of Directors has delegated the provision of certain functions and from Taylor Maritime (HK) Limited (the "Commercial Manager"). The Commercial Manager is amongst other duties, responsible for maintaining the accounting records for all subsidiaries of the company. We also had significant interaction with the Executive Team and Commercial Manager in completing aspects of our overall audit work.
- We tailored the scope of our audit, and structured our audit team to incorporate support from our auditor's internal experts, taking into account the nature and industry sector of the assets held within the investment portfolio; the involvement of third parties referred to above and the accounting processes and controls.

Key audit matters

- Valuation of financial assets at fair value through profit or loss

Materiality

- Overall group materiality: USD 14.38 million based on 2.5% of Net Assets.
- Performance materiality: USD 7.19 million.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain, and we considered the risk of climate change and the potential impact thereof on our audit approach. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Independent auditor's report to the members of Taylor Maritime Investments Limited continued

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of financial assets at fair value through profit or loss</p> <p>Please refer to notes 2, 3 and 5 to the consolidated financial statements.</p> <p>The group's financial assets at fair value through profit or loss amounting to USD 574.11 million comprises the group's holdings in unconsolidated subsidiaries investing in a portfolio of shipping vessels and equity securities in a listed shipping company ("underlying investments"). The value of financial assets at fair value through profit or loss has been determined based on the fair value of the underlying investments and the other residual net assets within the unconsolidated subsidiaries as at 31 March 2022.</p> <p>The valuation of the group's underlying investments in shipping vessels involves judgements and material estimation uncertainty, resulting in an inherently subjective final valuation. The effects of Covid-19 to the global economy, geopolitical uncertainties surrounding the conflict in Ukraine and the increasing regulatory focus on climate change and the global shipping industry's commitment in reducing greenhouse gas emissions have added uncertainty that will need to be considered. The magnitude of the amounts involved means that there is a potential for material misstatement.</p> <p>For the underlying investments in listed equity securities, there is a risk that the valuation may be materially misstated as a result of the incorrect application of period end market prices or judgements made as to whether the market in which the investments trade is reflective of fair value.</p> <p>For the other residual net assets within the unconsolidated subsidiaries, there is a risk that the valuation may be materially misstated arising from the omission of relevant assets or liabilities or the inclusion of non-existent other assets or liabilities.</p> <p>Since the driver of the group's value is the valuation of its financial assets at fair value through profit or loss, this is an area of focus for stakeholders and a significant audit risk area, and accordingly this has been reported as a key audit matter.</p>	<ol style="list-style-type: none"> 1. We assessed the valuation accounting policy for compliance with the accounting framework, and we agreed that the investment valuations are measured in accordance with the stated policy. 2. We understood and evaluated the group's processes, internal controls and methodology applied in determining the fair value of the investment portfolio. 3. We obtained and reviewed the valuation paper prepared by the Executive Team to understand and challenge the critical accounting estimates, judgements and valuation methodologies adopted to determine the fair value of the underlying investments. 4. We attended relevant valuation meetings between the Risk and Audit Committee and the Executive Team to understand and observe their process of challenging and approving the valuations prepared by the Executive Team. 5. For the valuation of the underlying shipping vessels, we performed the following: <ul style="list-style-type: none"> o Assessed the terms of engagement, independence, objectivity, competence and expertise of the ship brokers; o Obtained and read the valuation reports issued by the ship brokers for the ships and the minutes of the meetings evidencing the Executive Team's review and challenge to the ship brokers' proposed valuations; o Examined the Executive Team's calculations for the charter lease contract adjustments by comparing the actual charter rates pertaining to each vessel to market charter rates to assess the magnitude of the potential adjustments to the ship brokers' charter-free valuations. We have also assessed whether the decision of the group not to adjust for charter leases is appropriate by obtaining satisfactory explanations when challenging the assumptions made by the Executive Team and corroborating the information provided against third party sources where applicable and our view and understanding of various economic indicators. Additional challenges were also made in light of any risks or impacts brought by Covid-19, on-going conflict in Ukraine or by climate change; o Reviewed the Executive Team's valuation paper for the vessel located in one of Ukraine's Black Sea ports, considered the group's judgement not to adjust the ship brokers' valuation, challenged the assumptions with respect to this vessel's valuation by obtaining corroborative evidence and searching out independent evidence; o Performed back testing procedures through comparison of disposal proceeds for vessels sold to the most recent ship valuation per the group's records; o For vessels sold but undelivered as at period end, agreed the fair value to supporting sales prices as indicated on the relevant executed agreements; o Due to the subjectivity involved in determining valuations for individual vessels and the existence of alternative assumptions and valuation methods, we determined a range of values that were considered reasonable to evaluate the valuations used by management. We determined that the assumptions used in the valuations were supportable in light of available market evidence; o We engaged auditor's internal experts, to assess the valuations for a sample of shipping vessels and evaluate the reasonableness of the ship brokers' fair value; and o Recalculated the arithmetic mean of the ship brokers' valuation as per the group's valuation policy and tested the mathematical accuracy of the charter value adjustments. 6. For the valuation of the underlying equity securities of a listed shipping company, we have independently repriced the securities using the quoted market price per the relevant Stock Exchange and inspected liquidity volumes to ascertain if the quoted market price is reflective of fair value. 7. For the other residual net assets within the unconsolidated subsidiaries, we have performed the following: <ul style="list-style-type: none"> o Obtained and agreed independent bank and loan confirmations; o Agreed a sample of material balances of other assets and liabilities to supporting agreements and/or documentation; and o Performed searches for unrecorded liabilities. 8. Obtained confirmations for the group's ownership of the unconsolidated subsidiaries and underlying investments. 9. Independently performed a completeness test of the unconsolidated subsidiaries' general ledgers and reviewed the aggregation of their trial balances. <p>We have not identified any matters to report to those charged with governance.</p>

Independent auditor's report to the members of Taylor Maritime Investments Limited continued

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

We have considered whether the consolidated subsidiaries included within the group comprise separate components for the purpose of our audit scope. However, we have taken into account the group's financial reporting system and the related controls in place at the Administrator and at the Commercial Manager, and based on our professional judgement have tailored our audit scope to account for the group's consolidated financial statements as a single component.

Scoping was performed at the group level, irrespective of whether the underlying transactions took place within the company or within any of the consolidated subsidiaries. Our testing was performed on a consolidated basis using thresholds which are determined with reference to the overall group performance materiality and the risks of material misstatement identified. The group audit was led, directed and controlled by PricewaterhouseCoopers CI LLP and we were therefore not required to engage with component auditors.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

Based on our professional judgement, we determined materiality for the consolidated financial statements as a whole as follows:

Overall group materiality	USD14.38 million
How we determined it	2.5% of Net Assets
Rationale for benchmark applied	We believe that Net Assets is the most appropriate benchmark as this is a key metric of interest to the members of the company. It is also a generally accepted measure used for companies within the industry.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 50% of overall materiality, amounting to USD7.19 million for the group financial statements.

In determining the performance materiality, we considered a number of factors – risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the lower end of our normal range was appropriate.

We agreed with the Risk and Audit Committee that we would report to them misstatements identified during our audit above USD719,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Reporting on other information

The other information comprises all the information included in the Annual Report and Audited Consolidated Financial Statements (the "Annual Report") but does not include the consolidated financial statements and our auditor's report thereon. The directors are responsible for the other information which includes any reporting based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the consolidated financial statements and the audit

Responsibilities of the directors for the consolidated financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards, the requirements of Guernsey law and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of Taylor Maritime Investments Limited continued

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, 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 group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 group's ability to continue as a going concern over a period of at least twelve months from the date of approval of the consolidated financial statements. 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 consolidated 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 group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of this report

This report, including the opinions, has been prepared for and only for the members as a body in accordance with Section 262 of The Companies (Guernsey) Law, 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Report on other legal and regulatory requirements

Company Law exception reporting

Under The Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit;
- proper accounting records have not been kept; or
- the consolidated financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

Independent auditor's report to the members of Taylor Maritime Investments Limited continued

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

The company has reported compliance against the 2019 AIC Code of Corporate Governance (the "Code") which has been endorsed by the UK Financial Reporting Council as being consistent with the UK Corporate Governance Code for the purposes of meeting the company's obligations, as an investment company, under the Listing Rules of the FCA.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Strategic Review is materially consistent with the consolidated financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the consolidated financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's ability to continue to do so over a period of at least twelve months from the date of approval of the consolidated financial statements;
- The directors' explanation as to their assessment of the group's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the Code; and considering whether the statement is consistent with the consolidated financial statements and our knowledge and understanding of the group and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the consolidated financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section describing the work of the Risk and Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Other matter

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these consolidated financial statements will form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ("ESEF RTS"). This auditor's report provides no assurance over whether the annual financial report will be prepared using the single electronic format specified in the ESEF RTS.

Evelyn Brady

For and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Recognised Auditor
Guernsey, Channel Islands

13 July 2022

Financial statements



Financial statements

Consolidated statement of comprehensive income

For the period from 31 March 2021 (date of incorporation) to 31 March 2022

	Note	31 March 2021 (date of incorporation) to 31 March 2022 US\$
Income		
Net gains on financial assets at fair value through profit or loss	5	245,569,999
Dividend income	7	13,572,934
Net foreign exchange losses		(55,479)
Total income		259,087,454
Expenses		
Director and staff costs	10	3,508,785
Share-based payment – equity settled	10	486,645
Audit and interim review fees		481,987
PR and investor consultancy fees		326,107
Legal and professional fees		292,682
Office support fees		276,000
Administration fees	10	209,680
Travel and marketing fees		189,340
Other expenses		434,693
Total expenses		6,205,919
Profit for the period before tax		252,881,535
Taxation	11	(69,970)
Profit for the period after tax		252,811,565
Total comprehensive income for the period		252,811,565
Earnings per Ordinary Share for profit attributable to the Ordinary Equity holders of the Company:		
Basic earnings per Ordinary Share	14	0.8041
Diluted earnings per Ordinary Share	14	0.7932

The Company has no components of "Other Comprehensive Income".

All items in the above statement are derived from continuing operations. All income is attributable to the Ordinary Shares of the Company.

The accompanying notes on pages 61 to 80 form an integral part of the Consolidated Financial Statements.

Financial statements

Consolidated statement of changes in shareholders' equity

For the period from 31 March 2021 (date of incorporation) to 31 March 2022

	Note	Share capital US\$	Retained earnings US\$	Other reserves US\$	Total equity US\$
At 31 March 2021		-	-	-	-
<i>Total comprehensive income:</i>					
Profit for the financial period		-	252,811,565	-	252,811,565
Total comprehensive income for the period		-	252,811,565	-	252,811,565
<i>Transactions with Shareholders:</i>					
Issue of Ordinary Shares during the period, net of issue costs	12	333,479,334	-	-	333,479,334
Dividends paid during the period	4	-	(11,528,775)	-	(11,528,775)
Equity-settled share-based awards	10	-	-	486,645	486,645
Total transactions with Shareholders		333,479,334	(11,528,775)	486,645	322,437,204
At 31 March 2022		333,479,334	241,282,790	486,645	575,248,769

The accompanying notes on pages 61 to 80 form an integral part of the Consolidated Financial Statements.

Financial statements

Consolidated statement of financial position

At 31 March 2022

	Note	31 March 2022 US\$
Non-current assets		
Financial assets at fair value through profit or loss	5	574,114,922
Total non-current assets		574,114,922
Current assets		
Cash and cash equivalents		3,382,410
Trade and other receivables		56,821
Total current assets		3,439,231
Total assets		577,554,153
Current liabilities		
Trade and other payables	8	2,305,384
Total current liabilities		2,305,384
Net assets		575,248,769
Equity		
Share capital	12	333,479,334
Retained earnings		241,282,790
Other reserves	10	486,645
Total equity		575,248,769
Number of Ordinary Shares	12	330,215,878
Net asset value per Ordinary Share		1.7420

The Consolidated Financial Statements on pages 57 to 80 were approved and authorised for issue by the Board of Directors on 13 July 2022 and signed on its behalf by:

Nicholas Lykiardopulo
Independent Chair

The accompanying notes on pages 61 to 80 form an integral part of the Consolidated Financial Statements.

Financial statements

Consolidated statement of cash flows

For the period from 31 March 2021 (date of incorporation) to 31 March 2022

	Note	31 March 2021 (date of incorporation) to 31 March 2022 US\$
Cash flows from operating activities		
Profit for the period after tax		252,811,565
Adjustments for:		
Net gains on financial assets at fair value through profit or loss	5	(245,569,999)
Equity-settled share based awards	10	486,645
Net foreign exchange losses		55,479
		7,783,690
Increase in trade and other receivables		(56,821)
Increase in trade and other payables		2,305,384
Purchase of investments during the period ¹	5	(225,866,439)
Net cash flow used in operating activities		(215,834,186)
Cash flows from financing activities		
Proceeds from Ordinary Share issuance ²	12	237,320,000
Ordinary Share issue costs	12	(6,519,150)
Dividends paid	4	(11,528,775)
Net cash flow from financing activities		219,272,075
Net increase in cash and cash equivalents		3,437,889
Cash and cash equivalents at beginning of period		-
Effect of foreign exchange rate changes during the period		(55,479)
Cash and cash equivalents at end of period		3,382,410

The accompanying notes on pages 61 to 80 form an integral part of the Consolidated Financial Statements.

¹ Excludes non-cash transactions. For details, refer to note 5.

² Excludes non-cash transactions. For details, refer to note 12.

Financial statements

Notes to the consolidated financial statements

For the period from 31 March 2021 (date of incorporation) to 31 March 2022

1. General information

Taylor Maritime Investments Limited (the "Company") was registered in Guernsey under the Companies (Guernsey) Law, 2008 on 31 March 2021. The Company's registration number is 69031 and it is regulated by the Guernsey Financial Services Commission as a registered closed-ended collective investment scheme, pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 2020, under The Registered Collective Investment Scheme Rules 2021 and the Prospectus and Guidance Rules 2021. The Company's Ordinary Shares were admitted to the premium listing segment of the Official List of the UK Listing Authority and began trading on the Main Market of the London Stock Exchange on 27 May 2021.

The Company has been established with an unlimited life, however, a continuation resolution will be put to Shareholders as an ordinary resolution at the first annual general meeting of the fifth anniversary of the Initial Admission, which will be in the year 2027.

The consolidated Group consists of the Company and its three wholly owned subsidiaries called TMI Management (HK) Limited ("TMIHK"), TMI Advisors (UK) Limited (*formerly TMI Management (UK) Limited*) ("TMIUK") and TMI Advisor Pte. Limited ("TMI Singapore"), all of which were newly incorporated during the Company's financial period and provide advisory and administration services to the Company. In addition, the Group consolidates its wholly owned subsidiary, TMI Director 1 Limited, also newly incorporated during the Company's financial period. TMI Director 1 Limited provides corporate director services to the Special Purpose Vehicles ("SPVs").

The Company owns its investments through SPVs which are not consolidated into the results of the Company but are measured at Fair Value in the Consolidated Statement of Financial Position.

The Group's credit facility is advanced to TMI HoldCo Limited ("Holdco"), the holding company of the SPVs. Holdco's results are also not consolidated but are measured at Fair Value in the Consolidated Statement of Financial position.

2. Principal accounting policies

a) Statement of Compliance

The Group's Annual Report and Audited Consolidated Financial Statements (the "Consolidated Financial Statements"), which give a true and fair view, have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and are in compliance with the Companies (Guernsey) Law, 2008 and the Disclosure Guidance and Transparency Rules.

b) Basis of Preparation and Consolidation

The Group's Consolidated Financial Statements have been prepared on a historical cost basis, except for financial assets measured at fair value through profit or loss.

In preparing these consolidated financial statements, management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates and judgements are discussed in note 3. The principal accounting policies adopted are set out below.

The Board has determined that the Company meets the definition of an investment entity, according to IFRS 10 as explained below. As a consequence, the Company does not consolidate its controlled subsidiary investments and accounts for them at fair value through profit or loss, with the exception of those that provide investment-related services to the Company's investment activities.

Non-consolidation – Investment entity

Investments in Holdco and SPVs

The Board has determined that the Company has all the elements of control as prescribed by IFRS 10 in relation to the Holdco, and then indirectly the SPVs (see note 6 for list of SPVs), as the Company is the sole shareholder in Holdco and indirectly (via its investment in the Holdco) is the ultimate controlling party of the SPVs, is exposed and has rights to the returns of the Holdco (and indirectly in the SPVs) and has the ability to affect the amount of its returns from the Holdco (and indirectly in the SPVs).

The investment entities exemption requires that an investment entity that has determined that it is a parent under IFRS 10 shall not consolidate certain of its subsidiaries; instead it is required to measure its investment in these subsidiaries at fair value through profit or loss in accordance with IFRS 9.

The criteria which defines an investment entity are as follows:

- An entity has obtained funds from one or more investors for the purpose of providing those investors with investment management services;
- An entity has committed to its investors that its business purpose is to invest funds solely for the returns from capital appreciation, investment income or both; and
- An entity measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Company provides investment management services and has a number of investors who pool their funds to gain access to these services and investment opportunities that they might not have had access to individually. The Company, being listed on the Main Market of the London Stock Exchange, obtains funding from a diverse group of external shareholders.

Consideration is also given to the time frame of an investment. An investment entity should not hold its investments indefinitely but should have an exit strategy for their realisation. As the Group has a renewal policy for any aging vessels in accordance with the sustainability strategy or will be sold if other investments with better risk/reward profile are identified, the Board of Directors consider that this demonstrates a clear exit strategy.

Financial statements Notes to the consolidated financial statements continued

2. Principal accounting policies continued

The Company measures and evaluates the performance of substantially all of their investments on a fair value basis. The fair value method is used to represent the Company's performance in its communication to the market, including investor presentations. In addition, the Executive Team reports fair value information internally to the Board, who use fair value as a significant measurement attribute to evaluate the performance of its investments and to make investment decisions for mature investments.

The Company has determined that the fair value of the Holdco and the SPVs is the consolidated NAV of Holdco and the SPVs. The fair value of the SPVs, includes the SPVs' investment in their respective vessel assets as well as the residual net assets and liabilities of the SPVs.

Charter-free valuations - delivered vessels

In estimating the fair value of each underlying SPV, the Board has approved the valuation methodology for valuing the shipping vessel assets held by the SPVs. The carrying value of the shipping vessel assets are determined by two independent, recognised ship valuation companies selected by the Board to provide charter free valuations for each vessel being Hartland Shipping Services Limited and Braemar ACM Valuations Limited. Since vessels trade in the second-hand market on a regular basis and are of reasonably standard design and construction, it is possible to ascertain valuations for most vessels which can be provided through many brokers in the key shipping hubs around the world. The Company takes the arithmetical mean of the two valuations to determine the value of a vessel. The values are based on the professional valuers' assessment of what a willing seller and a willing buyer would pay for the vessel at the time of valuation. When valuing a particular vessel, the valuers will take into account the vessel's type, size and standard specifications, comparable recent sales, buyers' and sellers' price expectations for vessels currently being offered in the market, and freight market sentiment; adjustment is made for age and survey position, and also for particular specification features, such as Ballast Water Treatment Systems and energy saving devices.

Charter-free valuations - undelivered vessels

The Group have determined that substantially all of risks and rewards of the ownership of the vessels are only transferred, and subsequently an asset recognised or de-recognised at the SPV level, once the ship is delivered. However, as stated above, as the Group measures its investments in Holdco and the SPVs at fair value, the Board have determined that any fair value movement in the market value of the undelivered vessels should be adjusted for as follows:

- **For vessels sold but not yet delivered** – the Board have determined that the best representation of the fair value is the agreed selling price, of these vessels; and
- **For vessels purchased but not yet delivered** – the Board have determined any market value movements, as determined by the arithmetical mean of the two independent valuations by Hartland Shipping Services Limited and Braemar ACM Valuations Limited, of the undelivered vessels above or below the purchase consideration, under the relevant memoranda of agreements, is recognised in the fair value of the Group's investment in Holdco.

Adjustments for Charter leases

The charter-free independent valuations are then adjusted for any significant differences on any vessel's charter with remaining lease contracts that are greater than 12 months in length attached to a vessel, based on premium/discount to the forward freight agreement ("FFAs") benchmark rates.

Investment in Grindrod Shipping Holdings Ltd. ("Grindrod Shipping")

During the period, the Group also completed an acquisition of a 26.6% stake in Grindrod Shipping, a dual NASDAQ and Johannesburg Stock Exchange listed shipping business (NASDAQ: GRIN, JSE: GSH "Grindrod Shipping") secured at an average price of US\$17.64 per share. When available, the fair value of an instrument is measured using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Instruments quoted in an active market are valued at a closing price, because this price provides a reasonable approximation of the exit price.

Other residual net assets/liabilities of Holdco and SPVs

The other residual net assets consist of accounts payable/receivable and cash balances which are measured consistently with the Company's accounting policies at amortised cost using the effective interest method.

Unconsolidated subsidiaries

The Company has concluded that the Holdco, and then indirectly the SPVs, meet the definition of unconsolidated subsidiaries under IFRS 12 'Disclosure of Interests in Other Entities' ("IFRS 12") and have made the necessary disclosures in notes 5 and 6 of these Consolidated Financial Statements.

Consolidation

Investments in TMIHK, TMIUK and TMI Singapore

The Board has determined that the Company has all the elements of control as prescribed by IFRS 10 in relation to TMIHK TMIUK and TMI Singapore, as the Company is the sole shareholder in TMIHK and indirectly (via its investment in TMIHK) is the ultimate controlling party of TMIUK and TMI Singapore, is exposed and has rights to the returns of TMIHK (and indirectly in TMIUK and TMI Singapore) and has the ability to affect the amount of its returns from TMIHK (and indirectly in TMIUK and TMI Singapore).

TMIHK, TMIUK and TMI Singapore are deemed to provide investment related services to the Company. See note 3 critical accounting estimates and judgements. The exception to consolidation does not apply to a subsidiary that is not itself an investment entity and whose main purpose and activities are providing services that relate to the investment entity parent's investment activities. As a result the Company is required to consolidate TMIHK, TMIUK and TMI Singapore within these Consolidated Financial Statements under IFRS. This determination involves a degree of judgement.

Financial statements Notes to the consolidated financial statements continued

2. Principal accounting policies continued

These Consolidated Financial Statements, therefore, incorporate the financial statements of the Company and its direct subsidiaries and entities which its controls and provide investment related services, being TMIHK, TMIUK and TMI Singapore. TMIHK, TMIUK and TMI Singapore were fully consolidated from the date on which control is transferred to the Company. They would be de-consolidated from the date on which control ceases.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions. Accounting policies of subsidiaries and controlled entities are amended where necessary to ensure consistency with the policies adopted by the Company.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation.

Investment in TMI Director 1 Limited

In addition, the Board has determined that the Company has all the elements of control as prescribed by IFRS 10 in relation to TMI Director 1 Limited, as the Company is the sole shareholder in TMI Director 1 Limited and is exposed and has rights to the returns of TMI Director 1 Limited and has the ability to affect the amount of its returns from TMI Director 1 Limited. TMI Director 1 Limited is also deemed to provide investment related services to the Company and, therefore, the same consideration for consolidation are applied as listed above for TMIHK, TMIUK and TMI Singapore. As a result the Company is required to consolidate TMI Director 1 Limited (the Company, TMIHK, TMIUK, TMI Singapore and TMI Director 1 Limited together the consolidated "Group") within these Consolidated Financial Statements under IFRS.

At 31 March 2022, TMI Director 1 Limited has no asset or liabilities other than USD1.00 of share capital which is eliminated on consolidation. TMI Director 1 Limited has not received any income or incurred any expenses during the period.

Going concern

The Group has considerable financial resources, and after making enquiries, the Directors, at the time of approving the Consolidated Financial Statements, have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these Consolidated Financial Statements.

In June 2021, the Group successfully completed the deployment of the proceeds raised at IPO and subsequently in August, successfully completed the deployment of the proceeds raised at the Placing in July 2021. The portfolio of vessels and investments is expected to generate enough cash flows to pay on-going expenses and returns to Shareholders. As part of their considerations of the appropriateness of adopting the going concern basis, the Directors have considered the cash position, the performance of the portfolio and they have carried out a robust assessment of the Group's solvency and liquidity position using a scenario analysis on possible outcomes. Following these assessments, the Board have concluded that it is appropriate to adopt the going concern basis in the preparation of these Consolidated Financial Statements, as the Group has adequate financial resources to meet its liabilities as they fall due for at least the 12 month period from the date of the approval of the Consolidated Financial Statements.

c) New Accounting Standards and interpretations applicable to future reporting periods

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 March 2022 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

d) Income

Income comprises interest income from cash and cash equivalents and dividend income. Interest income is recognised on a time-proportionate basis using the effective interest method. Dividend income is recognised when the right to receive a payment is established.

e) Net gains on Financial Assets at Fair Value through Profit or Loss

Net gains on financial assets at fair value through profit or loss includes all realised and unrealised fair value changes.

Net realised (losses)/gains from financial assets at fair value through profit or loss are calculated as sale proceeds less cost.

f) Expenses

Expenses of the Group are charged through profit or loss in the Consolidated Statement of Comprehensive Income on an accrual basis.

g) Ordinary Shares

The Ordinary Shares of the Company are classified as equity based on the substance of the contractual arrangements and in accordance with the definition of equity instruments under IAS 32.

The proceeds from the issue of participating shares are recognised in the Consolidated Statement of Changes in Shareholders' Equity, net of incremental issuance costs.

h) Financial instruments Financial Assets

Recognition and initial measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Derecognition

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IFRS 9.

Classification

The Group classifies its financial assets into categories in accordance with IFRS 9. The Group classifies its financial assets based on the group's business model for managing those financial assets and the contractual cashflow characteristics of the financial assets.

Financial statements Notes to the consolidated financial statements continued

2. Principal accounting policies continued

On initial recognition, the Group classifies financial assets as measured at amortised cost or at fair value through profit or loss ("FVTPL").

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI").

All other financial assets of the Group are measured at FVTPL.

In making an assessment of the objective of the business model in which a financial asset is held, the Group considers all of the relevant information about how the business is managed.

The Group has determined that it has two business models.

- *Held-to-collect business model*: this includes cash and cash equivalents, trade and other receivables. These financial assets are held to collect contractual cash flow.
- *Other business model*: this includes *investments in Holdco and SPVs*. These financial assets are managed and their performance is evaluated on a fair value basis.

Financial assets are only reclassified if there is a change in business model.

The Investment entities exception to consolidation ("Investment entities exception") in IFRS 10 'Consolidated Financial Statements' ("IFRS 10") requires certain subsidiaries of an investment entity to be accounted for at FVTPL in accordance with IFRS 9 'Financial Instruments' ("IFRS 9").

Cash and cash equivalents

Cash comprises current deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investments or other purposes.

Trade and other receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "Trade and other receivables". Trade and other receivables are measured at amortised cost using the effective interest method, less any expected credit losses ("ECL").

Subsequent measurement

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value with gains and losses arising from changes in the fair value recognised in the Consolidated Statement of Comprehensive Income. All other financial assets are subsequently measured at amortised cost using the effective interest rate method, less any impairment.

IFRS 9 Financial Instruments requires the Group to measure and recognise impairment on financial assets at amortised cost based on ECL. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. At 31 March 2022, the Group had recognised no expected credit impairment provisions.

Financial liabilities

Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities at amortised cost:

This includes trade and other payables.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

i) Foreign Currency

Functional and presentation currency

The Board has determined that the functional currency of the Group is US Dollar ("US\$"). The following factors are considered in determining the functional currency: that US Dollar is the currency of the primary economic environment of the Group, the currency in which the finance was raised and distributions will be made, the currency that would be returned if the Group was wound up, and the currency to which the majority of the underlying investments are exposed. The Consolidated Financial Statements of the Group are presented in US Dollars, which has been selected as the presentation currency of the Group.

Financial statements Notes to the consolidated financial statements continued

2. Principal accounting policies continued

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated). Non-monetary items measured at fair value are translated using the exchange rates at the reporting date when fair value was determined.

j) Employee benefits

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payments

The grant date fair value awards to employees made under the Long-term Incentive Plan is recognised as an expense with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related non-market performance conditions at the vesting date. For share-based payment awards with market conditions, the grant date fair value of the share-based awards is measured to reflect such conditions and therefore there is no adjustment between expected and actual outcomes.

k) Dividends payable

Dividends payable to the holders of Ordinary Shares are recorded through the Consolidated Statement of Changes in Shareholders' Equity when they are declared to shareholders. The payment of any dividend by the Company is subject to the satisfaction of a solvency test as required by the Companies (Guernsey) Law, 2008.

l) Basic and diluted earnings per Ordinary Share

Basic and diluted earnings per share are arrived at by dividing the profit for the financial period by, respectively, the weighted average number of shares in issue and the weighted average number of shares plus the potential shares in issue. See note 14 for further details.

m) Taxation

Income tax expense is recognised through profit or loss in the Consolidated Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

The tax charge is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

n) Segmental Reporting

The Chief Operating Decision Maker, which is the Board, is of the opinion that the Group is engaged in a single segment of business, being investment in shipping vessels to generate investment returns whilst reserving capital. The financial information used by the Chief Operating Decision Maker to manage the Group presents the business as a single segment.

Segment information is measured on the same basis as that used in the preparation of the Group's Consolidated Financial Statements.

3. Critical accounting estimates and judgements in applying accounting policies

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities in the Consolidated Financial Statements. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate was revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The principal estimates and judgements made by the Board are as follows:

Financial statements Notes to the consolidated financial statements continued

3. Critical accounting estimates and judgements in applying accounting policies continued

Critical judgements in applying accounting policies

a) Basis of non-consolidation – Holdco and SPVs

In accordance with the Investment Entities exemption contained in IFRS 10, the Board has determined that the Company satisfies the criteria to be regarded as an investment entity and that the Company provides investment related services, and as a result measures its investments in Holdco and the SPVs at fair value. This determination involves a degree of judgement (see note 2).

b) Basis of consolidation – TMIHK, TMIUK, TMI Singapore and TMI Director 1 Limited

Under the terms of Intra-group Advisory and Services Agreement, TMIHK, TMIUK and TMI Singapore provide certain services to the Company, including the sourcing of potential investments, the provision of investment recommendations to the Board and assisting with the implementation of transactions approved by the Board. TMI Director 1 Limited provides corporate director services to the SPVs.

Given the above, the Board have determined that TMIHK, TMIUK, TMI Singapore and TMI Director 1 Limited provide investment related services to the Company and, as such, the Investment entities exemption does not apply to these subsidiaries. As a result, the Company is required to consolidate TMIHK, TMIUK, TMI Singapore and TMI Director 1 Limited within these Consolidated Financial Statements under IFRS.

c) Undelivered vessels

At 31 March 2022, the Group's fleet of vessels consisted of 31 delivered vessels. Four of these vessels have been sold but not yet delivered, with no vessels bought but remaining undelivered at the period end. The Group have determined that substantially all of risks and rewards of the ownership of the vessels are only transferred, and subsequently an asset recognised or de-recognised at the SPV level, once the ship is delivered. However, as stated above, as the Group measures its investments in Holdco and the SPVs at fair value, the Board have determined that any fair value movement in the market value of the undelivered vessels should be adjusted for as follows:

- **For vessels sold but not yet delivered** – the Board have determined that the best representation of the fair value is the agreed selling price of these vessels; and
- **For vessels purchased but not yet delivered** – the Board have determined any market value movements of the undelivered vessels above or below the purchase consideration is recognised in the fair value of the Group's investment in Holdco.

d) Functional currency

The Board considers US Dollar as the functional currency of the Group, US Dollar is the currency of the primary economic environment of the Group, the currency in which the capital was raised and distributions will be made and the currency that would be returned if the Group was wound up. In addition, the Group has no long-term bank facility debt and is wholly funded through equity. All equity related transactions (including dividends) are settled in US Dollar.

The Directors have also considered the currencies in which the underlying assets are denominated. The Group has exposures to a number of currencies through its underlying assets, principally US Dollar, Hong Kong Dollar and British Pound Sterling. The majority of the Group's expenditure during the financial period has been in British Pound Sterling and US Dollar.

Whilst the Group's operations are conducted in multiple currencies, the Directors' have determined that, on balance, the underlying transactions, events and conditions support the functional currency position of US Dollar.

Critical accounting estimates

The following are the key assumptions and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

e) Fair Value of Holdco and SPVs

The Group records its investment in Holdco and SPVs at fair value. Fair value is determined as the NAV of the investment. The fair value of the SPVs, includes the SPVs' investment in their respective vessel assets as well as the residual net assets and liabilities of the SPVs.

Charter-free valuations – delivered vessels

In estimating the fair value of each underlying SPV, the Board has approved the valuation methodology for valuing the shipping vessel assets held by the SPVs. The fair value of the shipping vessel assets are determined by two independent, recognised ship valuation companies selected by the Board to provide charter-free valuations for each vessel being Hartland Shipping Services Limited and Braemar ACM Valuations Limited. The Group takes the arithmetical mean of the two valuations to determine the value of a vessel. The values are based on the professional valuers' assessment of what a willing seller and a willing buyer would pay for the vessel at the time of valuation. When valuing a particular vessel, the valuers will take into account the vessel's type, size and standard specifications, comparable recent sales, buyers' and sellers' price expectations for vessels currently being offered in the market, and freight market sentiment; adjustment is made for age and survey position, and also for particular specification features, such as Ballast Water Treatment Systems and energy saving devices.

Financial statements Notes to the consolidated financial statements continued

3. Critical accounting estimates and judgements in applying accounting policies continued

The Group has one vessel currently in Ukraine which is unable to leave port. The Board considers that the current policy of valuation based on the average charter free valuation of two independent ship valuation companies is still appropriate for this vessel since the vessel is fully insured, including specific war risks insurance and remains intact in port. Although timing is uncertain, if restrictions currently imposed are lifted then the Commercial Manager and technical manager, on behalf of the Group, will arrange for the vessel to depart from the port. If restrictions fail to be lifted by first quarter 2023 then it is expected that the insurers will declare the vessel a constructive total loss with the effect that the Group can claim its insured value.

Charter-free valuations – undelivered vessels sold but not yet delivered

The Board have determined that the best representation of the fair value is the agreed selling price of these vessels. At 31 March 2022, there were four vessels sold but not delivered, with a fair value of US\$66.1 million.

Charter-free valuations – undelivered vessels purchased but not yet delivered

The undelivered vessels purchased but not yet delivered are valued in the same way that delivered vessels are as stated above, with the exception that the purchase consideration under the relevant memoranda of agreements is deferred until the delivery of the ships. As such, the Board have determined that any fair value movement in the market value as determined by the arithmetical mean of the two independent valuations by Hartland Shipping

Services Limited and Braemar ACM Valuations Limited of the undelivered vessels above or below the purchase consideration is recognised in the fair value of the Company's investment in Holdco. At 31 March 2022, there were no undelivered vessels purchased but not yet delivered.

Adjustments for charter leases

The charter-free independent valuations are then adjusted for any significant differences on any vessel's charter with remaining lease contracts that are greater than 12 months in length attached to a vessel, based on premium/discount to the forward freight agreement ("FFAs") benchmark rates. At 31 March 2022, the Board have determined that no adjustment was necessary for charter leases to the charter-free valuations as they were deemed immaterial.

Investment in Grindrod Shipping

The Board have determined that the fair value of the Group's 26.6% stake in Grindrod Shipping, should be based on the listed closing price at the reporting date. In their assessment, the Board deemed the Grindrod Shipping shares were actively traded on a public stock exchange and, therefore, concluded that the closing listed share price was an appropriate determination of the fair value. At 31 March 2022, Grindrod Shipping's share price was US\$25.44 per share.

f) Share based payments

The valuation of the share awards granted to members of the Executive Team under the Long-term Incentive Plan are determined by means of valuation models and are dependent on estimates and assumptions relating to the inputs to those models. Details of the inputs used can be found in note 10.

4. Dividends

The Company intends to pay dividends on a quarterly basis with dividends declared in January, April, July and October.

The Company declared the following dividends per Ordinary Share during the period from 31 March 2021 (date of incorporation) to 31 March 2022:

Period to	Payment date	Dividend rate per Share (cents)	Net dividend payable (US\$)	Record date	Ex-dividend date
30 September 2021	24 November 2021	1.75	5,755,209	5 November 2021	4 November 2021
31 December 2021	23 February 2022	1.75	5,773,566	4 February 2022	3 February 2022
		3.50	11,528,775		

Subsequent to the period end¹, the Company also declared the following dividends:

Period to	Payment date	Dividend rate per Share (cents)	Net dividend payable (US\$)	Record date	Ex-dividend date
31 March 2022	19 May 2022	1.75	5,778,778	29 April 2022	28 April 2022
31 March 2022	10 June 2022	3.22	10,632,951	20 May 2022	19 May 2022
		4.97	16,411,729		

¹ In accordance with IAS 10, dividends declared after the reporting period are not recognised as a liability at 31 March 2022.

Financial statements Notes to the consolidated financial statements continued

4. Dividends continued

Dividends on Ordinary Shares are declared in US Dollar and paid, by default, in US Dollar. However, Shareholders can elect to receive dividends in Sterling by written notice to the Registrar (such election to remain valid until written cancellation or revocation is given to the Registrar). The date on which the US Dollar/Sterling exchange rate for the relevant dividend is set will be announced on the London Stock Exchange at the time the dividend is declared and a further announcement will be made once such exchange rate has been determined.

Under Guernsey law, companies can pay dividends in excess of accounting profit provided they satisfy the solvency test prescribed by the Companies (Guernsey) Law, 2008. The solvency test considers whether a company is able to pay its debts when they fall due, and whether the value of a company's assets is greater than its liabilities.

Total dividends payable as at 31 March 2022 were US\$nil.

5. Financial assets at fair value through profit or loss

The Group invests in a diversified portfolio of shipping vessels. The Group holds vessels through SPVs which are wholly owned and controlled by the Company and are held through the intermediate holding company called TMI Holdco Limited ("Holdco").

The Company has determined that the fair value of the Holdco and the SPVs is the consolidated NAV of Holdco and the SPVs. The fair value of the SPVs, includes the SPVs' investment in their respective vessel assets as well as the residual net assets and liabilities of the SPVs.

IFRS 13 requires that a fair value hierarchy be established that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under IFRS 13 are set as follows:

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement. Observable data is considered to be that market data that is readily available, regularly distributed or updated, reliable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The Group's entire investment portfolio is designated by the Board as Level 3 on the fair value hierarchy, due to the level of unobservable market information in determining the fair value. As a result, all the information below relates to the Group's level 3 assets.

	31 March 2021 to 31 March 2022 US\$
Cost at the start of the period	-
Purchases of investments during the period	328,544,923
Cost at the end of the period	328,544,923
Net gains on financial assets at the end of the period	245,569,999
Financial assets at fair value through profit or loss at the end of the period	574,114,922

Of the US\$328,544,923 purchases of investments detailed above, the Company announced that the Initial Seed Asset Acquisition Agreements for 17 vessels were completed on 27 May 2021. These 17 vessels were acquired for an aggregate consideration of US\$182.8 million, part-financed by the issue of 93,678,485 Ordinary Shares, a non-cash transaction.

Financial statements Notes to the consolidated financial statements continued

5. Financial assets at fair value through profit or loss continued

Subsequently, during the period to 31 March 2022, the Company allotted an additional 11,320,000 ordinary shares of no par value as part consideration (non-cash) for the acquisition of three vessels which were agreed at the time of the Company's IPO and forms part of its seed portfolio. See note 12 for further details.

For the period 31 March 2021 to 31 March 2022, the cash and non-cash (financed by the issue of Ordinary Shares) transactions can be summarised as follows:

	31 March 2021 to 31 March 2022 US\$
Cash purchases of investments during the period	225,866,438
Non-cash purchases of investments during the period	102,678,485
Total purchases of investments during the period	328,544,923

Valuation inputs

The Executive Team and Risk and Audit Committee chair engaged in dialogue with the two independent valuation brokers, where the methodologies, controls and processes were communicated, assessed and challenged. Fair value is impacted by the vessel's type, size and standard specifications, comparable recent sales, buyers' and sellers' price expectations for vessels currently being offered in the market, and freight market sentiment. Unobservable input adjustments are made for age, docking status, and also for particular specification features, such as Ballast Water Treatment Systems and energy saving devices. In line with standard industry practice, the independent brokers do not release specific quantitative information used in the valuations, quantitative information regarding the significant unobservable inputs used in the underlying vessel fair value measurements are therefore not disclosed.

Financial statements Notes to the consolidated financial statements continued

6. Investment in subsidiaries

The Group had the following principal subsidiaries as at 31 March 2022:

Name	Place of incorporation	Ownership proportion
TMI Management (HK) Limited	Hong Kong	100%
TMI Advisors (UK) Limited (<i>formerly TMI Management (UK) Limited</i>)	UK	100%
TMI Holdco Limited	Marshall Islands	100%
TMI Director 1 Limited	Guernsey	100%
TMI Advisor Pte. Limited	Singapore	100%
Good Count (MI) Limited	Marshall Islands	100%
Good Duke (MI) Limited	Marshall Islands	100%
Good Earl (MI) Limited	Marshall Islands	100%
Good Edgehill (MI) Limited	Marshall Islands	100%
Good Falkirk (MI) Limited	Marshall Islands	100%
Good Fiefdom (MI) Limited	Marshall Islands	100%
Good Grace (MI) Limited	Marshall Islands	100%
Good Heir (MI) Limited	Marshall Islands	100%
Good Queen (MI) Limited	Marshall Islands	100%
Good Salmon (MI) Limited	Marshall Islands	100%
Good Stag (MI) Limited	Marshall Islands	100%
Good Titan (MI) Limited	Marshall Islands	100%
Good Title (MI) Limited	Marshall Islands	100%
Good Truffle (MI) Limited	Marshall Islands	100%
Good Uxbridge (MI) Limited	Marshall Islands	100%
Good Viscount (MI) Limited	Marshall Islands	100%
Good White (MI) Limited	Marshall Islands	100%
Good Windsor (MI) Limited	Marshall Islands	100%
Good Yeoman (MI) Limited	Marshall Islands	100%
Great Ewe (MI) Limited	Marshall Islands	100%
Great Fox (MI) Limited	Marshall Islands	100%
Aurelius (MI) Limited	Marshall Islands	100%
Antony (MI) Limited	Marshall Islands	100%
Brutus (MI) Limited	Marshall Islands	100%
Billy (MI) Limited	Marshall Islands	100%
Cassius (MI) Limited	Marshall Islands	100%
Decius (MI) Limited	Marshall Islands	100%
Forshall (MI) Limited	Marshall Islands	100%
Gaius (MI) Limited	Marshall Islands	100%
Gabinus (MI) Limited	Marshall Islands	100%
Hosidius (MI) Limited	Marshall Islands	100%
Horatio (MI) Limited	Marshall Islands	100%
Junius (MI) Limited	Marshall Islands	100%
Julius (MI) Limited	Marshall Islands	100%
Lucius (MI) Limited	Marshall Islands	100%
Larcus (MI) Limited	Marshall Islands	100%
Maximus (MI) Limited	Marshall Islands	100%
Mallius (MI) Limited	Marshall Islands	100%
Nero (MI) Limited	Marshall Islands	100%
Octavius (MI) Limited	Marshall Islands	100%
Optimus (MI) Limited	Marshall Islands	100%
Pompey (MI) Limited	Marshall Islands	100%
Perpena (MI) Limited	Marshall Islands	100%
Quintus (MI) Limited	Marshall Islands	100%
Rufus (MI) Limited	Marshall Islands	100%
Nordcolorado Shipping Company Ltd	Cyprus	100%
Nordrubicon Shipping Company Ltd	Cyprus	100%

There are no restrictions on the ability of an unconsolidated subsidiary to transfer funds to the Group in the form of cash dividends. The Company acts as guarantor on the Revolving Credit Facility ("RCF") with TMI Holdco Limited. Sixteen vessels held by the unconsolidated subsidiaries are subject to the collateral conditions in relation to the RCF, for further details see note 13. The Company does not have any other current commitments or intentions to provide financial or other support to an unconsolidated subsidiary.

Financial statements Notes to the consolidated financial statements continued

7. Dividend income

The Company receives dividends on a quarterly basis from TMI Holdco Limited. Dividend income is recognised when the right to receive a payment is established. Proceeds from the dividends received are used to pay the Company's quarterly dividend payments and ongoing Company charges.

During the period from 31 March 2021 to 31 March 2022, the Company received the following dividends from TMI Holdco Limited

Period to	Date received	US\$
30 September 2021	10 November 2021	6,774,372
31 December 2021	9 February 2022	6,798,562
		13,572,934

Subsequent to the period end, the Company also received the following dividends:

Period to	Date received	US\$
31 March 2022	14 April 2022	6,798,562
31 March 2022	18 May 2022	12,509,354
		19,307,916

Total dividends receivable at 31 March 2022 were US\$nil.

8. Trade and other payables

	31 March 2022 US\$
Executive team – wages, salaries and bonuses (see note 10)	1,701,603
Audit fees payable	284,944
Travel and marketing fees payable	95,905
Administration fees payable	63,684
Tax payable	69,890
Registrar fees payable	26,867
Other sundry fees payables	62,491
	2,305,384

For assets and liabilities carried at amortised cost, their carrying values are a reasonable approximation of fair value.

9. Financial risk management

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board, with the assistance of the Executive Team, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risk. These risks include market risk (including price risk, currency risk and interest rate risk), credit and counterparty risk and liquidity risk.

	At 31 March 2022 US\$
Categories of financial instruments	
Financial assets at fair value through profit or loss	
Financial assets at fair value through profit or loss (note 5)	574,114,922
Financial assets at amortised cost	
Cash and cash equivalents	3,382,410
Trade and other receivables	56,821
Total assets	577,554,153
Financial liabilities at amortised cost	
Trade and other payables (note 8)	2,305,384
Total liabilities	2,305,384

Financial statements Notes to the consolidated financial statements continued

9. Financial risk management continued

Market risk

The value of the investments held by the Group is indirectly affected by the factors impacting on the shipping industry generally, being, amongst other factors, currency exchange rates, interest rates, the availability of credit, economic or political uncertainty and changes in law governing shipping or trade. These factors may affect the price or liquidity of vessels held by the Company's SPVs and thus the value of the SPVs themselves.

Price risk

As described in note 3, The Group's financial assets are measured at fair value which comprises the fair value of Holdco, the fair value of vessels in each underlying SPV plus the residual net assets of each SPV.

Charter-free valuation for vessels

Price risk sensitivity analysis charter-free valuation for vessels, if the ship values at 31 March 2022 were 10% higher or lower, then the effect on the vessel portfolio value would be as follows:

	Fair value of vessels US\$	Possible reasonable change in fair value	Effect on net assets and profit or loss US\$
31 March 2022	480,100,000	-10%	(48,010,000)
31 March 2022	480,100,000	10%	48,010,000

The sensitivity rate of 10% is regarded as reasonable as this is based on 20-year average of historical ship price movements.

Investment in Grindrod Shipping

If the share price of the Grindrod Shipping equity investment at 31 March 2022 had increased by 80% with all other variables held constant, representing the Directors' assessment of a reasonably possible change, this would have increased net assets and profit or loss of the Group by approximately US\$100,234,068. Conversely, if the Grindrod Shipping share price decreased by 80%, this would have decreased net assets and profit or loss of the Group by approximately US\$100,234,068. 80% sensitivity represents share price volatility seen on Grindrod Shipping shares during the period since the Group acquired its original stake during November 2021.

Currency risk

The Group may have assets and liabilities denominated in currencies other than United States Dollars, the functional currency. It therefore may be exposed to currency risk as the value of assets or liabilities denominated in other currencies will fluctuate due to changes in exchange rates. However, such exposure is currently, and is expected to remain, insignificant. Consequently, no further information has been provided.

Interest rate risk

The majority of the Group's financial assets and liabilities are non-interest bearing. However, the Group is exposed to a small amount of risk due to fluctuations in the prevailing levels of market interest rates because any excess cash or cash equivalents are invested at short-term market interest rates. The Group's interest-bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The table below summarises the Group's exposure to interest rate risks.

	Floating rate US\$	Non-interest bearing US\$	Total US\$
31 March 2022			
Financial assets			
Cash and cash equivalents	3,382,410	-	3,382,410
Trade and other receivables	-	56,821	56,821
Financial assets at fair value through profit or loss	(103,029,330) ¹	677,144,252	574,114,922
Total financial assets	(99,646,920)	677,201,073	577,554,153
Financial liabilities			
Trade and other payables	-	2,305,384	2,305,384
Total financial liabilities	-	2,305,384	2,305,384
Total interest sensitivity gap	(99,646,920)	674,895,689	575,248,769

The Group's floating rate financial asset at fair value through profit or loss includes the Group's exposure on a look-through basis to the SPVs cash and cash equivalents and the Group's RCF facility of which US\$140 million was drawn at the period end, see note 13 for details.

¹ Group's RCF facility and cash and cash equivalents on a look-through basis.

Financial statements Notes to the consolidated financial statements continued

9. Financial risk management continued

The following details the Company's sensitivity to a 100 basis point increase and decrease in interest rates on floating interest rate bearing assets, with 100 basis points being the Board's assessment of a reasonably possible change in interest rates during the next financial period.

At 31 March 2022, if interest rates had risen by 100 basis points, the decrease in net assets attributable to holders of Company's Ordinary Shares would amount to US\$996,469. Likewise, at 31 March 2022, if interest rates had decreased by 100 basis points, the increase in net assets attributable to holders of Company's Shares would amount to US\$996,469.

Credit and counterparty risk

Credit and counterparty risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group does not have any significant credit risk exposure to any single counterparty in relation to trade and other receivables. On-going credit evaluation is performed on the financial condition of accounts receivable.

The table below analyses the Group's maximum exposure to credit risk, and excludes prepayments, in relation to the components of the Consolidated Statement of Financial Position.

	31 March 2022 US\$
Cash and cash equivalents	3,382,410
Financial assets at fair value through profit or loss	574,114,922
	577,497,332

At 31 March 2022, there were no financial assets past due or impaired.

At 31 March 2022, the Group maintains its cash and cash equivalents with various banks to diversify credit risk. These are subject to the Group's credit monitoring policies including the monitoring of the credit ratings issued by recognised credit rating agencies.

The credit risk of the Group's cash and cash equivalents is mitigated as all cash is placed with reputable banking institutions with a sound credit rating of a single -A (or equivalent) or higher as determined by an internationally recognised rating agency and where credit ratings are not available, it is placed with banking institutions with capital base and ratios that exceeds regulatory requirements. The Company's cash and cash equivalents are held with EFG Bank, Cayman Branch with a Fitch long term credit ratings of A.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board of Directors has established an appropriate liquidity risk management framework for the management of the Group's short- medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash reserves by monitoring forecast and actual cash flows.

The table below shows the maturity of the Group's non-derivative financial assets, excluding prepayments, and liabilities. The amounts disclosed are contractual, undiscounted cash flows and may differ from the actual cash flows received or paid in the future as a result of early repayments.

31 March 2022	Up to 3 months US\$	3 – 18 months US\$	No stated maturity US\$	Total US\$
Financial assets				
Cash and cash equivalents	3,382,410	-	-	3,382,410
Financial assets at fair value through profit or loss	36,970,670 ¹	(140,000,000) ²	677,144,252	574,114,922
Total financial assets	40,353,080	(140,000,000)	677,144,252	577,497,332
Financial liabilities				
Trade and other payables	1,908,773	396,611	-	2,305,384
Total financial liabilities	1,908,773	396,611	-	2,305,384
Cumulative liquidity gap	38,444,307	(101,952,304)	575,191,948	575,191,948

The Group's financial asset at fair value through profit or loss includes the Group's exposure on a look-through basis to the SPVs cash and cash equivalents and the Group's RCF facility of which US\$140 million was drawn at the period end and repayment within 18 months, see note 13 for details. The Group's intends to repay the RCF facility through operational cashflows and/or vessel sales, if necessary.

¹ Group's cash and cash equivalents on a look-through basis.

² Group's RCF facility on a look-through basis.

Financial statements Notes to the consolidated financial statements continued

9. Financial risk management continued

Capital Risk Management

The Group's investment objective is to provide investors with an attractive level of regular, stable and growing income and the potential for capital growth through investing primarily in Geared Bulk Carrier vessels (Handysize and Supramax types), usually employed or to be employed on fixed period Charters. The capital structure of the Company consists of equity attributable to equity holders, comprising issued share capital as disclosed in note 12, retained earnings and other reserves.

The Group manages its capital to endeavour to ensure that its primary investment objective is met. It does this by investing available cash in line with the Group's investment policy as detailed on page 4. During the period, the Company (as corporate guarantor) and TMI Holdco Limited (as borrower) entered into a secured senior revolving credit facility for up to US\$160,000,000 with Nordea Bank Abp, Filial i Norge as original lender (the "Lenders"), hedge counterparty, mandated lead arranger, and bookrunner and as facility agent and security agent on behalf of the Lenders, dated 5 May 2021 (the "Revolving Credit Facility" or "RCF"), (see note 13 for further details).

10. Related parties and other key contacts

Executive Director and Non-Executive Directors

Total Non-Executive Directors' fees for the period ended 31 March 2022 amounted to US\$365,495, with Non-Executive Directors' expenses of US\$5,506. At 31 March 2022, there were no outstanding Non-Executive Directors' fees payable.

The Intra-group Advisory and Services Agreement

The services of the Executive Team are provided pursuant to an intra group advisory and services agreement between TMIHK and the Company. The Company entered the intra-group advisory agreement ("Intra-group Advisory and Services Agreement") with TMIHK dated 6 May 2021 pursuant to which TMIHK, TMIUK and TMI Singapore provide certain services to the Company, including the sourcing of potential investments, the provision of investment recommendations to the Board and assisting with the implementation of transactions approved by the Board. In consideration for the Services, the Company shall pay, or procure that TMIHK is paid a fee of costs plus 10%¹ or such other, such fees as may be agreed from time to time between the Company and TMIHK. With effect from 1 April 2022, the intra-group advisory agreement is entered into between the Company and TMIUK directly replacing TMIHK.

The Intra-group Advisory and Services Agreement is terminable upon 3 months' notice by either party and in certain circumstances by summary termination on notice. The Intra-group Advisory and Services Agreement contains mutual indemnities given by each party for the benefit of the other.

Alexander Slee, Camilla Pierrepont and Yam Lay Tan (whose roles within the Executive Team are set out on page 34) have employment agreements with TMIUK and TMI Singapore (formerly with TMIHK) respectively, pursuant to which they will devote all of their working time to the business of the Group. The members of the Executive Team are paid a salary and are entitled to participate in the Group's annual bonus plan, the LTIP and the DBP, see below.

Long-term Incentive Plan ("LTIP")

The Group has an LTIP for certain employees of the Company, or any of its subsidiaries, which is equity settled. Ordinarily, awards will be granted within six weeks of the Group's results announcement for any period. The LTIP will include flexibility to grant awards at any other time (subject to any dealing restrictions) when the Nomination and Remuneration Committee considers there to be exceptional circumstances.

Awards will vest three years from grant based on (i) the extent to which any applicable performance conditions have been met (see below) and (ii) provided the participant is still employed in the Group.

Awards will be granted subject to a performance conditions.

The fair value of share grants yet to vest is measured based on the share price at grant date less the future projected dividends over the vesting period. The fair value is recognised over the expected vesting period. For the awards made during this period the terms and main assumptions, and the resulting fair value, are:

Assumptions

Grant date	26 August 2021
Share price at date of grant	US\$1.28
Total Share Awards	2,295,000
Performance period	3 years
Dividend per share overlay	US\$0.0175 per quarter
Fair value	US\$2,455,650

¹ As TMIHK is consolidated into these Financial Statements, as such, the 10% uplift is eliminated on consolidation.

Financial statements Notes to the consolidated financial statements continued

10. Related parties and other key contacts continued

For the period from 31 March 2021 to 31 March 2022, US\$486,645 was recognised in the Consolidated Statement of Comprehensive Income with a corresponding increase to "Other reserves" in the Consolidated Statement of Changes in Equity relating to the fair value share-based awards.

Executive Team Remuneration

The total charge for remuneration for the period and accrued but unpaid bonus payment are as follows:

The Nomination and Remuneration Committee retains flexibility to set different conditions in respect of future financial years if it sees fit.

On 6 May 2022, the following annual bonus plans relating to the period ended 31 March 2022 were approved by the Board to the following members of the Executive Team:

Executive team member	31 March 2022
Edward Buttery	GBP371,820
Total other executive team members	US\$1,024,595

The Executive Team members, including Edward Buttery, remuneration during the period in the form of annual salaries:

	31 March 2021 to 31 March 2022 US\$
CHARGE FOR THE PERIOD	
Edward Buttery (CEO and Executive Director) – short-term employee benefits – wages and salaries	911,172
Executive Team – short-term employee benefits – wages and salaries	1,894,451
Executive Team – other employment costs	228,643
Other Group employees – Short-term employee benefits – wages, salaries & other costs	103,518
Share-based payments – equity settled	486,645
Total	3,624,429

	31 March 2022 US\$
OUTSTANDING FEES	
Short-term employee benefits – wages and salaries	1,701,603

Shares held by related parties

The shareholdings of the Directors' and Executive Team in the Company were as follows:

Directors of the Company	31 March 2022	
	No. of Ordinary Shares	Percentage
Name		
Nicholas Lykiardopulo	2,436,087 ¹	0.74%
Edward Buttery	550,232 ²	0.14%
Christopher Buttery	650,722	0.20%
Trudi Clark	50,000	0.02%
Sandra Platts	42,261	0.01%
Helen Tveitan	20,000	0.01%
Executive team members		
Camilla Pierrepont	172,941	0.05%
Alexander Slee	56,896 ³	0.02%

¹ 610,000 Ordinary Shares owned directly, and 1,826,087 Ordinary Shares held by Local Resources Ltd, which forms part of the assets of an irrevocable discretionary trust of which Nicholas Lykiardopulo is a beneficiary.

² 85,344 Ordinary Shares held by a person closely associated to Edward Buttery.

³ All Ordinary Shares held by a person closely associated to Alexander Slee

Financial statements Notes to the consolidated financial statements continued

10. Related parties and other key contacts continued

Other material contracts

Commercial Manager and Technical Manager

Under the Framework Management Agreement dated 6 May 2021 (the "Framework Management Agreement"), Taylor Maritime (HK) Limited ("TMHK") acts as Commercial Manager and performs related activities for the Group's vessels, and Tamar Ship Management Limited ("Tamar") acts as Technical Manager for certain of the Group's vessels. For the duration of the appointment of the managers to the Group's vessels, each vessel owning SPV is directed under the Framework Management Agreement to pay to the managers for their services the remuneration set out in the Commercial Management Agreement or Technical Management Agreement, as the case may be.

The overall charges for the above-mentioned fees by TMHK and Tamar for the Group and the amounts due are as follows:

	31 March 2021 to 31 March 2022 US\$
CHARGE FOR THE PERIOD¹	
Office support fees paid to TMHK	276,000
Commercial management fees paid to TMHK	4,271,725
Technical management and additional services fees paid to Tamar	2,889,271
Technical management fees paid to a substantial shareholder	406,383
	31 March 2022 US\$
OUTSTANDING FEES¹	
Office support fees payable to TMHK	-
Commercial management fees payable to TMHK	221,434
Technical management and additional services fees payable to Tamar	-
Technical management fees payable to a substantial shareholder	-

Administrator

Sanne Fund Services (Guernsey) Limited (formerly Praxis Fund Services Limited) ("Sanne" or the "Administrator") has been appointed as administrator and secretary to the Company pursuant to the Administration Agreement dated 6 May 2021.

The Administrator will provide day-to-day administration services to the Company and is also responsible for the Company's general administrative and secretarial functions such as the calculation of the Net Asset Value and maintenance of the Company's accounting and statutory records. The Administrator is not a related party to the Group.

Under the terms of the Administration Agreement, the Administrator is entitled to administration fees charged as a fixed fee of £125,000 per annum for a Net Asset Value up to £200 million plus an incremental fee of 0.03 per cent per annum of Net Asset Value in excess of £200 million, plus disbursements. The Administrator shall also be entitled to a one off establishment fee of £20,000 and a one off fee for the preparation of a financial position and prospects procedures memorandum of £15,000. This fee is calculated and payable quarterly in arrears.

The overall charge for the above-mentioned fees for the Company and the amounts due are as follows:

	31 March 2021 to 31 March 2022 US\$
CHARGE FOR THE PERIOD²	
Administration fees paid to Sanne	209,680
	31 March 2022 US\$
OUTSTANDING FEES²	
Administration fees payable to Sanne	63,684

¹ These charges are expensed and outstanding at the SPV level. These charges are, therefore, only reflected through "Financial assets at fair value through profit or loss" in these consolidated financial statements.

² These charges are expensed and outstanding within the consolidated Group and recognised in the Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position respectively.

Financial statements Notes to the consolidated financial statements continued

11. Tax status

The Company is exempt from Guernsey income tax and is charged an annual exemption fee of £1,200 under The Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989. The subsidiaries are subject to taxation in the jurisdiction in which they operate.

	31 March 2021 to 31 March 2022 US\$
Analysis of tax charge in the period¹	
Current tax (see note below)	69,970
Tax on profit on ordinary activities	69,970
	31 March 2022 US\$
OUTSTANDING¹	
Tax payable	69,890

Factors affecting tax charge for the year

TMIHK

The tax assessed on TMIHK for the period 15 April 2021 to 31 March 2022 is the standard rate of corporation tax in HK applicable to the period of 16.5%.

	31 March 2021 to 31 March 2022 US\$
Profit on ordinary activities before tax	200,681
Profit on ordinary activities multiplied by the rate of Corporation tax in HK applicable to the year of 16.5%	33,112

TMIUK

The tax assessed on TMIUK for the period 16 April 2021 to 31 March 2022 is the standard rate of corporation tax in the UK applicable to the period of 19.0%.

	US\$
Profit on ordinary activities before tax	161,018
Profit on ordinary activities multiplied by the rate of Corporation tax in UK applicable to the year of 19.0%	30,593

TMI Singapore

The tax assessed on TMI Singapore for the period 20 December 2021 to 31 March 2022 is the standard rate of corporation tax in Singapore applicable to the period of 17.0%.

	US\$
Profit on ordinary activities before tax	36,851
Profit on ordinary activities multiplied by the rate of Corporation tax in Singapore applicable to the year of 17.0%	6,265
Total tax charge for the period	69,970

12. Share capital

The Company's Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of shares are recognised as a deduction in equity and are charged to the share capital account, including the initial set up costs.

The authorised share capital of the Company is represented by an unlimited number of ordinary shares of nil par value and have the following rights:

- (a) Dividends: Shareholders of a particular class or tranche are entitled to receive, and participate in, any dividends or other distributions relating to the assets attributable to the relevant class or tranche which are resolved to be distributed in respect of any accounting period or other period, provided that no calls or other sums due by them to the Company are outstanding.
- (b) Winding Up: On a winding up, the shareholders of a particular class or tranche shall be entitled to the surplus assets attributable to that class or tranche remaining after payment of all the creditors of the Company.

¹ These charges are expensed and outstanding within the consolidated Group and recognised in the Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position respectively.

Financial statements Notes to the consolidated financial statements continued

12. Share capital continued

- (c) Voting: Subject to any rights or restrictions attached to any class or tranche of shares, at a general meeting of the Company, on a show of hands, every holder of voting shares present in person or by proxy and entitled to vote shall have one vote, and on a poll every holder of voting shares present in person or by proxy shall have one vote for each share held by him, but this entitlement shall be subject to the conditions with respect to any special voting powers or restrictions for the time being attached to any class or tranche of shares which may be subject to special conditions. Refer to the Memorandum and Articles of Incorporation for further details.
- (d) Buyback: The Company may acquire its own shares (including any redeemable shares). Any shares so acquired by the Company may be cancelled or held as treasury shares provided that the number of shares of any class held as treasury shares must not at any time exceed ten per cent. (or such other percentage as may be prescribed from time to time by the States of Guernsey Committee for Economic Development) of the total number of issued shares of that class. Any shares acquired in excess of this limit shall be treated as cancelled.

Issued share capital

Ordinary Shares

Issued and fully paid	31 March 2022 Shares	US\$
Share capital at the beginning of the period	-	-
Ordinary Shares issues during the period	330,215,878 ¹	339,998,484
Ordinary Shares issue costs	-	(6,519,150)
Share capital at the end of the period	330,215,878	333,479,334

The total number of Ordinary Shares in issue, as at 31 March 2022 was 330,215,878.

For the period 31 March 2021 to 31 March 2022, the issue of Ordinary Shares was used as part-consideration for certain vessel acquisitions, as detail further below. The cash and non-cash Ordinary Share issues during the period can be summarised as follows:

	31 March 2021 to 31 March 2022 US\$
Cash Ordinary Shares issued during the period	237,320,000
Non-cash Ordinary Shares issued during the period	102,678,484
Total Ordinary Shares issued during the period	339,998,484

On 27 May 2021, the Company announced that 253,678,486 Ordinary Shares were admitted to the premium listing segment of the Official List of the UK Listing Authority and to trading on the Main Market of the London Stock Exchange. The Company also announced that the Initial Seed Asset Acquisition Agreements completed on 27 May 2021. These agreements related to 17 vessels being acquired for an aggregate consideration of US\$182.8 million, part-financed by the issue of 93,678,485 Ordinary Shares. The remaining 160,000,000 Ordinary Shares were issued for cash consideration of US\$1.00 per Ordinary Share.

On 12 July 2021, the Company announced that it had allotted 9,000,000 ordinary shares of no par value (the "Consideration Shares") as part consideration for the acquisition of a Supramax vessel which was agreed at the time of the Company's IPO and forms part of its seed portfolio. The allotment of the Consideration Shares is conditional on, inter alia, completion of the acquisition and comprises 50% of the acquisition consideration with the remaining 50% to be satisfied by the payment of US\$9 million in cash.

On 19 July 2021, the Company announced a proposed non pre-emptive placing of new ordinary shares in the capital of the Company (the "New Ordinary Shares") seeking to raise a target of US\$75 million of gross proceeds (the "Placing") to be immediately used to acquire up to six Handysize vessels. The New Ordinary Shares were offered to institutional investors at a price of US\$1.15 per New Ordinary Share (or the Sterling equivalent) (the "Issue Price"). On 26 July 2021, the Company announced the results of the Placing and that it had successfully raised its target gross proceeds of US\$75 million through the issue of 65,217,392 New Ordinary Shares in the capital of the Company to be rapidly deployed to acquire up to six Handysize vessels. The Issue Price per New Ordinary Share was US\$1.15.

On 2 November 2021, the Company announced that it had allotted 1,145,000 ordinary shares of no par value at US\$1 per share in connection with the completion of the acquisition of a Handysize vessel which was agreed at the time of the Company's IPO (Seed Asset 23 as described the IPO prospectus).

On 19 November 2021, the Company announced that it had allotted 1,175,000 ordinary shares of no par value at US\$1 per share in connection with the completion of the acquisition of a Japanese built Handysize vessel which was agreed at the time of the Company's IPO (Seed Asset 22 as described the IPO prospectus).

At 31 March 2022, a total of 2,295,000 additional Ordinary Shares have been reserved for issue in future periods, all of which are in relation to the share awards under the LTIP, see note 10 for details.

¹ 102,678,485 Ordinary Shares issued as part-finance for vessel acquisitions.

Financial statements Notes to the consolidated financial statements continued

13. Revolving credit facility

The Company (as corporate guarantor) and TMI Holdco Limited ("Holdco") (as borrower) have entered into a secured senior revolving credit facility for up to US\$120,000,000 with Nordea Bank Abp, Filial i Norge (the "Bank") as original lender (the "Lenders"), hedge counterparty, mandated lead arranger, and bookrunner and as facility agent and security agent on behalf of the Lenders, dated 5 May 2021, and in addition, a Supplemental Agreement to document amendments to the Facilities Agreement dated 23 December 2021 with respect to the upsizing of the Original Credit Loan Facilities to a total maximum commitment of US\$160,000,000 (the "Revolving Credit Facility" or "RCF").

Holdco can draw loans under the RCF in the period of three years from the date of Initial Admission (which may be extended to five years in certain circumstances). Each tranche of loans drawn down shall be repaid within 18 months of draw-down.

Under the Revolving Credit Facility, certain security is provided in favour of the Bank (in its capacity as security agent on behalf of the Lender). This security includes a mortgage over certain vessels within the Group's portfolio nominated by Holdco ("Collateral Vessels") and a corporate guarantee from each SPV owning a Collateral Vessel and from the Company to the Bank (in its capacity as security agent on behalf of the Lender).

At 31 March 2022, US\$140,000,000 had been drawn and was outstanding on the Revolving Credit Facility.

Under the RCF, Holdco must adhere to the following financial covenants:

- Minimum cash and cash equivalents shall be at least US\$5m plus US\$250,000 per vessel owned or bareboat chartered by the Group
- Adjusted Equity Ratio shall at all times be no less than 45% of the sum of the liabilities and "Adjusted Equity"¹

The Holdco is also required to adhere to the following maintenance covenant:

- Aggregate Fair Market Value of all Collateral Vessels shall at all times be no less than 140% of the sum of the then outstanding principal

During the period ended 31 March 2022, Holdco adhered to all the required financial covenants under the RCF.

14. Earnings per share

	31 March 2021 to 31 March 2022	
	Basic	Diluted
Weighted average number of shares	314,422,685	318,704,634
Profit for the period	US\$252,811,565	US\$252,811,565
Earnings per Ordinary Share	US\$0.8041	US\$0.7932

Basic and diluted earnings per share are arrived at by dividing the profit for the financial period by, respectively, the weighted average number of shares in issue and the weighted average number of shares plus the potential shares in issue. The reconciliation of the weighted average number of shares used for the purposes of diluted earnings per share to the weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

	31 March 2022 Number of Shares
Weighted average number of shares used in basic earnings per share	314,422,685
Number of potential shares deemed to be issued	4,281,949
Weighted average number of shares used in diluted earnings per share	318,704,634

The dilution arises from the share awards granted to the Executive Team in accordance with the LTIP (see note 10).

15. Contingent liabilities and commitments

At 31 March 2022, US\$140,000,000 had been drawn and was outstanding on the Revolving Credit Facility. The Company acts as corporate guarantor to Holdco in relation to the RCF, see note 13 for details.

At 31 March 2022, the Company had no further outstanding commitments.

¹ "Adjusted Equity"; means the total equity presented in the Group's most recent consolidated financial statements by adjusting the vessels' book values to their current market values obtained through independent and reputable approved brokers.

Financial statements Notes to the consolidated financial statements continued

16. NAV per ordinary share reconciliation

The following table shows a reconciliation between the NAV per Ordinary Share as presented in these Consolidated Financial Statements and the NAV per Ordinary Share as published on the Main Market of the London Stock Exchange on 21 April 2022.

	31 March 2022
Published NAV per Ordinary Share	US\$1.7449
Adjusted for:	
Executive Team annual bonus plan	US\$(0.0028)
Additional tax payable	US\$(0.0001)
Financial Statements NAV per Ordinary Share	US\$1.7420

As detailed in note 10, the Board approved the annual bonus plan to the Executive Team on 6 May 2022. The annual bonus plan was in relation to the Group's performance for the financial period ended 31 March 2022 and as such were accrued in these Consolidated Financial Statements.

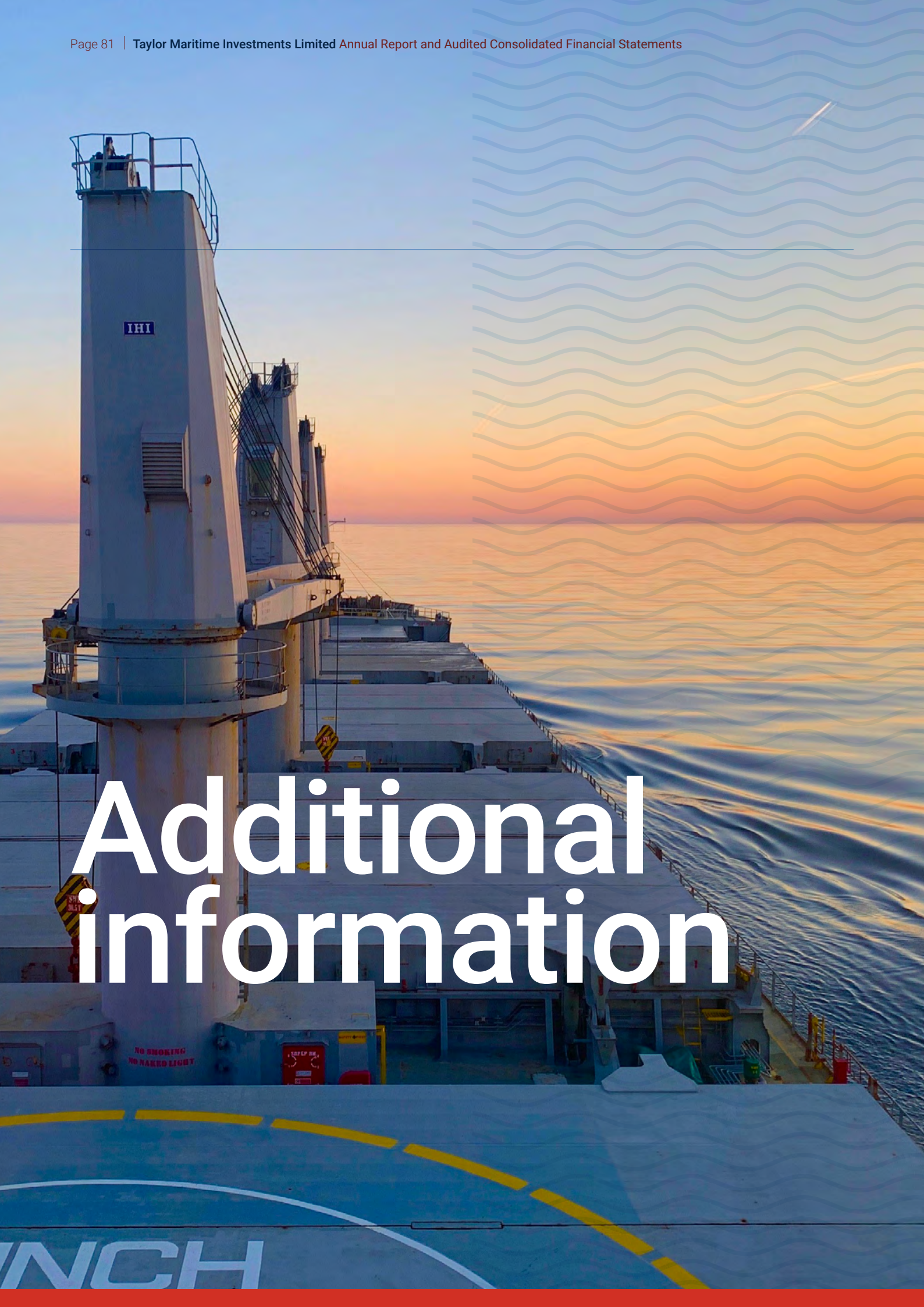
17. Subsequent events

On 21 April 2022, the Company declared an interim dividend of 1.75 US cents per Ordinary Share in respect of the quarter to 31 March 2022, which was paid on 19 May 2022. The ex dividend date was 28 April 2022.

On 6 May 2022, the Company declared a special interim dividend of 3.22 US cents per Ordinary Share in respect of the period to 31 March 2022, which was paid on 10 June 2022. The ex dividend date was 19 May 2022.

On 27 June 2022, the Company announced that it had agreed to sell a 2009 built Handysize vessel for proceeds of US\$17.2 million. The vessel was an IPO seed asset and the sale is expected to complete before the end of August 2022, generating an IRR of 80% and MOIC of 1.9x. Following the completion of this sale, the Group's fleet will comprise of 27 ships with no further vessels currently contracted for sale.

There were no other significant events since the period end which would require revision of the figures or disclosures in the Consolidated Financial Statements.



Additional information

LANDING

Additional information

Assets and liabilities information (look-through basis) – unaudited

At 31 March 2022

Name (SPV)	Investment in securities/ vessels at FVTPL US\$	Other net (liabilities)/ assets US\$	Total financial assets at FVTPL US\$
TMI Holdco Limited ¹	-	(133,589,408)	(133,589,408)
Other net liabilities	-	(133,589,408)	(133,589,408)
Good Falkirk (MI) Limited ²	125,292,585	3,577,697	128,870,282
Investment in securities & other assets	125,292,585	3,577,697	128,870,282
Good Grace (MI) Limited	31,740,000	981,465	32,721,465
Antony (MI) Limited	23,400,000	849,882	24,249,882
Good Uxbridge (MI) Limited	21,250,000	947,813	22,197,813
Forshall (MI) Limited	21,120,000	946,688	22,066,688
Julius (MI) Limited	20,935,000	1,495,985	22,430,985
Lucius (MI) Limited	20,820,000	1,148,373	21,968,373
Billy (MI) Limited	20,240,000	1,544,051	21,784,051
Junius (MI) Limited	18,395,000	1,414,707	19,809,707
Horatio (MI) Limited	18,375,000	1,072,912	19,447,912
Good Edgehill (MI) Limited	17,485,000	1,019,537	18,504,537
Good Duke (MI) Limited	17,315,000	573,031	17,888,031
Cassius (MI) Limited	16,935,000	660,911	17,595,911
Good Title (MI) Limited	16,610,000	776,629	17,386,629
Decius (MI) Limited	16,575,000	770,504	17,345,504
Gabinus (MI) Limited	16,140,000	1,141,990	17,281,990
Aurelius (MI) Limited	15,965,000	845,587	16,810,587
Good Salmon (MI) Limited ⁶	15,865,000	897,088	16,762,088
Good Heir (MI) Limited	15,840,000	665,208	16,505,208
Gaius (MI) Limited	15,675,000	2,104,005	17,779,005
Good Queen (MI) Limited	15,580,000	1,063,613	16,643,613
Great Fox (MI) Limited	15,495,000	927,800	16,422,800
Good Earl (MI) Limited	15,260,000	1,046,872	16,306,872
Good Titan (MI) Limited	15,225,000	721,819	15,946,819
Good Fiefdom (MI) Limited	14,820,000	985,612	15,805,612
Hosidius (MI) Limited	14,580,000	659,884	15,239,884
Good Yeoman (MI) Limited	14,430,000	484,973	14,914,973
Great Ewe (MI) Limited	14,030,000	1,230,718	15,260,718
Good Count (MI) Limited ³	-	13,148,577	13,148,577
Good Stag (MI) Limited ⁴	-	13,155,030	13,155,030
NordRubicon Shipping Company Ltd ³	-	22,697,625	22,697,625
NordColorado Shipping Company Ltd ⁵	-	256,350	256,350
Brutus (MI) Limited ³	-	22,498,809	22,498,809
Vessels at FVTPL & other assets	480,100,000	98,734,048	578,834,048
Totals	605,392,585	(31,277,663)	574,114,922

¹ Includes net assets/(liabilities) of dormant subsidiaries.

² This SPV holds the equity investment in Grindrod Shipping.

³ Undelivered vessels, sold but not yet delivered at 31 March 2022.

⁴ Vessel classified as asset held for sale in SPV. Vessel sale subsequently cancelled as announced on 27 June 2022.

⁵ Vessel sold during the period remaining net assets only.

⁶ Vessel subsequently sold post period end.

Additional information

Management and administration

Directors

Nicholas Lykiardopulo (Chair, Independent Non-Executive Director)
Edward Buttery (Chief Executive Officer)
Helen Tveitan (Independent Non-Executive Director)
Trudi Clark (Independent Non-Executive Director)
Christopher Buttery (Non-Executive Director)
Sandra Platts (Independent Non-Executive Director)

Registered Office and Business Address

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Principal Bankers

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Sole Global Co-Ordinator, Sponsor and Sole Bookrunner

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100 Bishopsgate
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One Strand
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Administrator and Secretary

Sanne Fund Services (Guernsey) Limited
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Registrar

Computershare Investor Services (Guernsey) Limited
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Legal Advisers in United Kingdom

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Independent Auditor

PricewaterhouseCoopers CI LLP
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St Peter Port
Guernsey GY1 4ND

Independent Ship Valuer

Hartland Shipping Services Limited
28 Bedford Street
Covent Garden
London WC2E 9ED

Additional information

Appendix – Alternative performance measures – unaudited

Alternative performance measures used in the consolidated financial statements

Annualised Unlevered Gross Return

Calculated based on annualised unlevered operating cash flow of the underlying SPVs (net time charter revenue less operating expenditure, selling, general & administrative expenses and drydocking accrual) divided by the fair value of the vessel.

Debt over gross assets ratio

Debt over gross assets ratio is a leverage ratio that indicates the percentage of assets that are being financed with debt.

Discount to NAV

Discount to NAV to the amount, expressed as a percentage, by which the share price is less than the NAV per share.

		At 31 March 2022
NAV per ordinary share	(a)	US\$1.7420
Share price per ordinary share	(b)	US\$1.4200
Discount amount (c = b – a)	(c)	(US\$0.3220)
Discount to NAV (d = (c / a) x 100)	(d)	(18.49%)

Dividend yield

The dividend yield is a financial ratio that shows how much the Company has paid out in dividends during the period 31 March 2021 to 31 March 2022 relative to its IPO price of US\$1.00 per Ordinary Share.

Dividend cover

Dividend cover is the ratio of the Group's cash flow divided by its total dividend payments, and is used as a measure of the extent to which a company is able to generate sufficient cash flow to pay its dividends. This is calculated based on adjusted EBITDA of the underlying SPVs for the financial period to 31 March 2022 (EBITDA excluding net changes in fair value of financial assets) less interest expenses and docking capital expenditure for the financial period to 31 March 2022 divided by dividend for the financial period. The calculations below show the dividend cover of dividends declared in the financial period and also the calculation for the dividend cover including the dividends declared in the post period end but which relate to the earnings in the financial period (i.e. inclusive of the quarterly dividend declared in April 2022 and the special dividend declared in May 2022). Given the Company IPO was on 27 May 2021, the calculation below is not for a full financial year.

		US\$ million (excluding post period end dividends)	US\$ million (including April 2022 quarterly dividend ⁵)	US\$ million (including May 2022 special dividend ⁶)
Adjusted Group EBITDA, inclusive of underlying SPVs		82.56	82.56	82.56
Interest expense		(3.67)	(3.67)	(3.67)
Docking capital expenditure		(3.84)	(3.84)	(3.84)
Net cash income	(a)	75.05	75.05	75.05
Dividends paid	(b)	11.53	17.31	27.96
Dividend cash cover (c = a / b)	(c)	6.5x	4.3x	2.7x

Grindrod Shipping annualised yield

Annualised dividend yield is calculated based on annualised dividends received since initial Grindrod Shipping investment divided by the average purchase price per share. This provides a useful measure of likely projected return on the Grindrod Shipping investment.

Internal rate of return ("IRR")

Internal rate of return is a calculation of the retrospective annualised profitability of a vessel investment over the period the vessel was owned, the IRR being the discount rate that would make the net present value of the actual cashflows from the investment equal to zero. This provides a useful measure of the profitability of an investment.

Multiple on Invested Capital ("MOIC") is a measure of how much value an investment has generated, expressed as a multiple of the original investment.

⁵ Exclusive of May 2022 special dividend.

⁶ Inclusive of April 2022 quarterly dividend and May 2022 special dividend.

Additional information Appendix – Alternative performance measures – unaudited continued

Ongoing charges ratio (“OCR”)

The ongoing charges ratio of an investment company is the annual percentage reduction in shareholder returns as a result of recurring operational expenditure. Ongoing charges are classified as those expenses which are likely to recur in the foreseeable future, and which relate to the operation of the Group, excluding investment transaction costs, gains or losses on investments and performance fees and the costs associated with any LTIP award. The OCR is calculated as the total ongoing charges for a period divided by the average net asset value over that period/year.

	For the period 31 March 2021 to 31 March 2022 US\$
Ordinary Shares	
Total expenses	6,205,919
Non-recurring expenses	(2,137,659)
Total ongoing expenses	4,068,260
Annualised total ongoing expenses	4,161,439
Average NAV	448,409,788
Ongoing charges ratio (using AIC methodology)	0.93%

Total NAV/share price return

Total NAV return/share price return are calculations showing how the NAV and share price per share has performed over a period of time, taking into account dividends paid to shareholders. It is calculated on the assumption that dividends are reinvested at the prevailing NAV on the last day of the month that the shares first trade ex-dividend. This provides a useful measure to allow shareholders to compare performances between investment funds where the dividend paid may differ.

	For the period 31 March 2021 to 31 March 2022	
	Total NAV return	Total share price return
Opening NAV/share price per share	(a) US\$0.9800	US\$1.0000
Closing NAV/share price per share	(b) US\$1.7420	US\$1.4200
Dividends paid	(c) US\$0.0350	US\$0.0350
Return for the period (d = ((b+c) - a))	(d) US\$0.7970	US\$0.4550
Total NAV/share price return (e = (d / a) x 100)	(e) 81.33%	45.50%

Additional information

Appendix – Definitions and glossary

The following definitions apply throughout this document unless the context requires otherwise:

AER	Annual Efficiency Ratio. A carbon intensity metric taking into account the cargo carrying capacity of the ship. Formula = (Fuel consumed x emission factors)/(Deadweight capacity x distance travelled)
BDI	Baltic Dry Index
BHSI	Baltic Handysize Index is a measure of the strength of spot freight earnings for smaller dry bulk vessels, currently based on a standard 38,000 dwt bulk carrier (since 2 Jan 2020). It reflects average spot market TCE earnings across several representative routes
BHSI TCA	The daily time charter average value for a basket of routes in the dry bulk shipping market representative of Handysize vessels, calculated from reports of an independent international board of Panellists
BWMS	Ballast Water Management System
Charter Free Value	The resale value attributed to a ship free of any pre-existing charter contracts
Commercial Manager	The Commercial Manager is appointed under the Framework Agreement and is responsible for seeking and negotiating employment, post fixture operations, collection of hire, procuring and arranging marine insurances, keeping books of account relating to SPVs, assisting in company secretarial matters, maintaining SPV bank accounts, and monitoring of the technical managers on behalf of the Company
COVID-19 Pandemic	The outbreak of the infectious disease known as COVID-19, the spread of which was declared as a transnational and continental pandemic by the World Health Organisation on 11 March 2020
DBP	The deferred bonus plan
DRC	Depreciated Replacement Cost refers to the theoretical value of a second-hand ship based on prevailing newbuilding price depreciated to current age
DWT	Deadweight tonnage, the measure of how much weight a ship can carry. It is the sum of the weights of cargo, fuel, fresh water, ballast water, provisions, passengers, and crew.
EEOI	Energy Efficiency Operational Index. A carbon intensity metric taking into account actual cargo carried. Formula = (Fuel consumed x emission factors)/(Cargo carried x distance travelled)
FFA	Forward freight agreement, being derivatives used for hedging against the freight market exposure
FRC	The UK Financial Reporting Council
Framework Management Agreement	The overall framework management agreement between TMI Holdco Limited, a subsidiary of the Company and the Commercial Manager and Technical Manager.
Geared Ships	Vessels equipped with cranes for loading and un-loading cargoes e.g., Handysize and Supramax vessels
Grindrod Shipping	Grindrod Shipping Holdings Ltd, a dual NASDAQ and Johannesburg Stock Exchange listed shipping business (NASDAQ: GRIN, JSE: GSH "Grindrod Shipping"), is an international shipping company which owns an attractive, modern fleet of predominantly geared dry bulk vessels
Gross Assets	The aggregate of the fair value of all underlying vessels and all other assets of the Group in accordance with the Group's usual accounting policy
Group	The Company and any Group Companies from time to time
Group Companies	Subsidiaries of the Company from time to time (including Holdco and the SPVs), see note 6
Handysize	A dry bulk carrier with a capacity between 10,000 and 44,999 DWT (10,000 DWT to 39,999 DWT for vessels built prior to 2014) for the purposes of quoted market data. The Group's target size range is 28,000 to 39,999 DWT
IFRS	International Financial Reporting Standards
IMO	International Maritime Organisation
IPO	Initial Public Offering
ISM Code	International Safety Management Code
KPIs	Key performance indicators
Listing Rules	The listing rules made by the FCA pursuant to Part VI of FSMA
LTIP	The long term incentive plan is the Company's policy which re-wards the executive team for reaching specific goals that lead to increased shareholder value.
Net Asset Value or NAV	The value, as at any date, of the assets of the Company after deduction of all liabilities of the Company and in relation to a class of Shares in the Company, the value, as at any date of the assets attributable to that class of Shares after the deduction of all liabilities attributable to that class of Shares determined in accordance with the accounting policies adopted by the Company from time-to-time
Net Time Charter Rate	The rate of hire for a Time Charter of a vessel, net of commissions, usually expressed in terms of US\$ per day.
Net Zero	According to the IPCC definition, net zero CO ₂ emissions are achieved when anthropogenic CO ₂ emissions are balanced globally by anthropogenic CO ₂ removals over a specified period

Additional information Appendix – Definitions and glossary continued

NOx	Nitrous Oxides
PSC deficiencies ratio	Port State Control deficiencies ratio. Formula = No. of PSC deficiencies/no. of PSC inspections.
Related Party	A related party is a person or entity that is related to the Group
SASB	Sustainability Accounting Standards Board
Scope 1, 2 and 3 emissions	Greenhouse gas emissions as defined by the Greenhouse Gas Protocol. Scope 1 and 2 emissions relate to direct emissions from owned or controlled sources. Scope 2 emissions cover indirect emissions from the generation of purchased electricity, steam, heating or cooling. Scope 3 emissions include all indirect emissions that occur in an entity's value chain
Seed Assets	The 23 individual vessels which were acquired by the Group at the IPO date
SOLAS	Safety of Life at Sea Convention
SOx	Sulphur oxide
Spot Charter	A Charter where the shipowner hires his vessel to the charterer for just a single voyage, carrying a designated quantity of cargo
SPV or Special Purpose Vehicle	Corporate entities, formed and wholly owned (directly or indirectly) by the Company, specifically to hold one or more vessels or investments and including (where the context permits) any intermediate holding company of the Company
Supramax	A dry bulk carrier with a capacity between 40,000 to 64,999 DWT for the purposes of quoted market data. The Group's target size range is between 50,000 and 64,999 DWT
TCFD	Taskforce Climate Related Disclosure
Technical Manager	Tamar Ship Management Limited. Appointed by the Group under the Framework Agreement is responsible for the vessels under its management ensuring vessels' compliance with flag state law and applicable regulations; arranging and supervising asset maintenance; and arranging crewing
Time Charter	The hiring of a ship for a specific period of time. The charterer is responsible for cargo, itinerary and bears the voyage related costs including fuel. The shipowner supplies the ship and the crew
UN SDGs	United Nations Sustainable Development Goals

Additional information

Appendix – ESG data table summary – unaudited

	ESG topic	Reporting code	KPI	Unit	FY22 performance/ or section reference
General	Organisational profile	GRI 102-1	Name of the organisation	Section Reference	Page 83
		GRI 102-2	Activities, brands, products & services	Section Reference	Page 3
		GRI 102-3	Location of headquarters	Section Reference	Page 83
		GRI 102-4	Location of operations	Section Reference	Page 3
		GRI 102-5	Ownership and legal form	Section Reference	Page 3
		GRI 102-6	Markets served	Section Reference	Page 3
		GRI 102-7	Scale of the organization	Section Reference	Page 2
		GRI 102-8	Information on employees and other workers	Section Reference	Page 3
		GRI 102-12	External initiatives	Section Reference	Page 4
		GRI 102-13	Membership of associations	Section Reference	Page 19
	Stakeholder engagement	GRI 102-40	List of stakeholder groups	Section Reference	Pages 27 – 28
		GRI 102-43	Approach to stakeholder engagement	Section Reference	Pages 27 – 28
		GRI 102-44	Key topics and concerns raised	Section Reference	Pages 27 – 28
	Strategy	GRI 102-14	Statement from senior decision maker	Section Reference	Pages 7 – 8
		GRI 102-15	Key impacts, risks, and opportunities	Section Reference	Pages 29 - 30

Additional information Appendix – ESG data table summary – unaudited continued

	ESG topic	Reporting code	KPI	Unit	FY22 performance/ or section reference
Environmental	Greenhouse Gas Emissions	SASB TR-MT-110a.1 TCFD	Scope 1 emissions: Off-hire fuel consumption	Metric tonnes ("MT") CO ₂	4,115
		GHG Protocol	Scope 1 emissions: Office-related emissions	MT CO ₂	4
		SASB TR-MT-110a.2 TCFD	Discussion of long- term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Section Reference	Pages 21 – 24
		TCFD GHG Protocol	Scope 2 emissions	MT CO ₂	2
		GHG Protocol	Gross global Scope 3 Emissions: Fuel consumption whilst on charter	MT CO ₂	265,684
		GHG Protocol	Scope 3 emissions: corporate business travel	MT CO ₂	30
		SASB TR-MT-110a.3	% Heavy fuel oil	Percentage (%)	88.6%
		Voluntary	Average Energy Efficiency Operational Indicator ("EEOI") for fleet	Grams of CO ₂ per ton nautical mile	11.96
		SASB TR-MT-110a.4	Average Efficiency Ratio ("AER") for fleet	Grams of CO ₂ per deadweight ton -nautical mile	7.23
	Air Quality	SASB TR-MT-120a.1	Nitrogen Oxide ("NOx") Emissions	Metric tons (MT)	4,907
		SASB TR-MT-120a.1	Sulphur Oxide ("Sox") Emissions	Metric tons (MT)	785
	Ecological Impacts	SASB TR-MT-160a.2	Ballast Water Treatment System ("BWTS") Installed	% of fleet total	69%
		SASB TR-MT-160a.2	Ballast Water ("BW") Exchange	% of fleet total	31%
	Employee Health & Safety	SASB TR-MT-320a.1	Lost Time Incident Rate ("LTIR")	Lost time incidents / (1,000,000 hours worked)	0.85

Additional information Appendix – ESG data table summary – unaudited continued

	ESG topic	Reporting code	KPI	Unit	FY22 performance/ or section reference
Social	Accident and Safety Management	SASB TR-MT-540a.1	No. of marine casualties, percentage classified as very serious	Number	0
		SASB TR-MT-540a.2	No. of Conditions of Class or Recommendations	Number	0
		SASB TR-MT-540a.3	Port State Control ("PSC") deficiencies ratio	Number	1.21
	Demographics	GRI 405-1	Female composition Board members	% of Board, Number	50% (3/6)
		GRI 405-1	Female independent Board members	% of Board, Number	75% (3/4)
		GRI 405-1	Female employees TMI	% of total	50%
		GRI 405-1	Male employees TMI	% of total	50%
		GRI 405-1	Shore staff nationalities - TMI	Number	5
		GRI 405-1	Shipboard nationalities	Number	20
		SASB TR-MT-000.A	Shipboard employees	Number	576

Additional information Appendix – ESG data table summary – unaudited continued

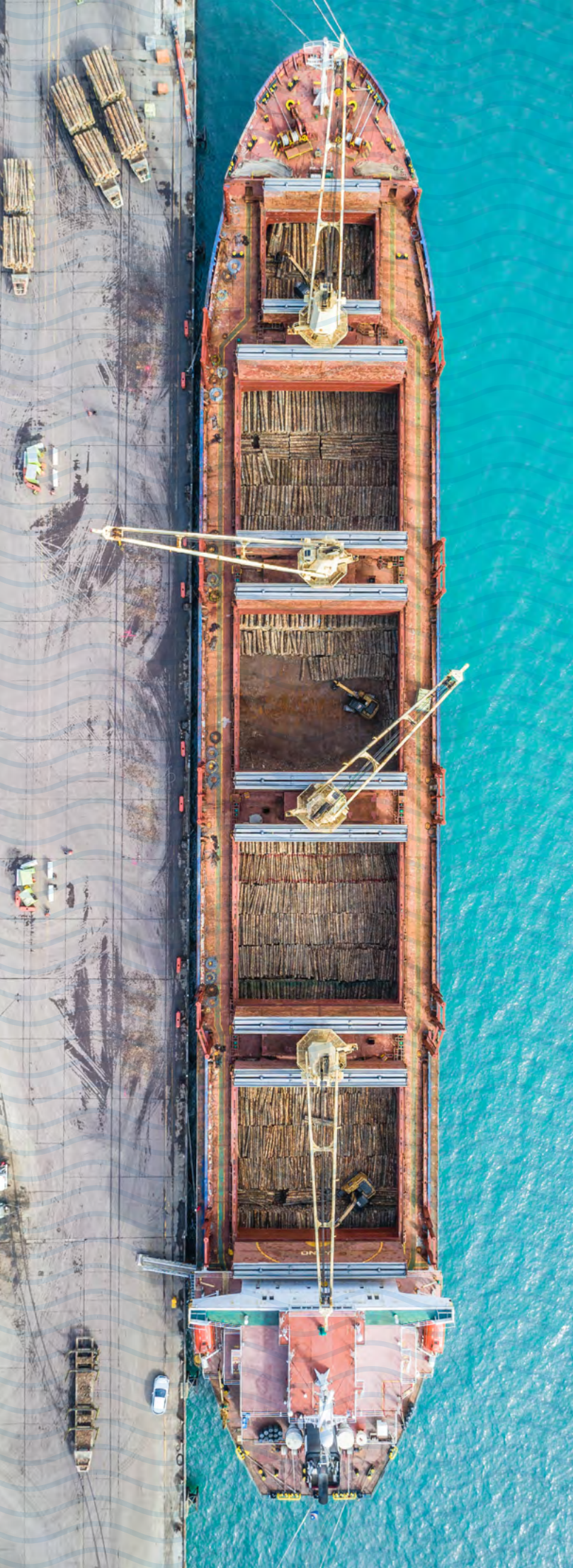
	ESG topic	Reporting code	KPI	Unit	FY22 performance/ or section reference
Governance	Governance and Business Ethics	GRI 102-18	Governance structure	Section Reference	Pages 35 – 38
		GRI 102-21	Consulting stakeholders on economic, environmental and social topics	Section Reference	Pages 27 – 28
		GRI 102-22	Composition of the highest governance body and its committees	Section Reference	Pages 35 – 38
		GRI 102-23	Chair of the highest governance body	Section Reference	Pages 35 – 38
		GRI 102-24	Nominating and selecting the highest governance body	Section Reference	Pages 35 – 38
		GRI 102-16	Values, principles, standards and norms of behaviour	Section Reference	Pages 35 – 38 & page 19
		GRI 102-25	Conflicts of interest	Section Reference	Pages 74 – 76
		GRI 205-1; GRI 205-3	Anti-corruption policies and procedures	Section Reference	Page 19
		SASB TR-MT-510a.1; SASB TR-MT-510a.2 SASB TR-MT-510a.1	Number of calls at ports in countries that have the 20 lowest ranking in Transparency International's Corruption Perception Index	Number	3
Activity Metrics		SASB TR-MT-000.B	Total distance travelled by vessels	Nautical miles (nm)	1,072,714
		SASB TR-MT-000.D	Deadweight tonnage	Tons	2,140,519
		SASB TR-MT-000.E	Number of vessels included in emissions computation for the year	Number	31
		SASB TR-MT-000.F	Number of vessel port calls	Number	554



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