Interim report and unaudited consolidated financial statements

For the period from 31 March 2021 (date of incorporation) to 30 September 2021

Contents

Taylor Maritime Investments Limited is a compelling investment opportunity in the shipping sector with an ambition to deliver strong income and capital growth returns

Group[1] overview
Highlights

Key highlights

- Taylor Maritime Investments Limited ("TMI") had 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
- **TMI's Total Net Asset Value ("NAV") return per Ordinary Share was +42.7%[2]** for the period from the Initial Public Offering ("IPO") on 27 May 2021 to 30 September 2021, primarily driven by attractive vessel acquisitions that have strongly appreciated in value during the period
- **TMI's Ordinary Shares closed at a mid-price of US$1.33 on 30 September 2021**. TMI's total share price return per Ordinary Share was +33.0%[2] for the period from the IPO on 27 May 2021 to 30 September 2021
- As at 30 September 2021, **TMI's fleet consisted of 32 vessels with a total market value of US$535 million**, of which 20 vessels were delivered by 30 September 2021 (with a market value of US$325 million) and 12 vessels were yet to deliver (with a market value of US$210 million[3]). Of the 32 vessels, 30 are Handysize[4] and 2 are Supramax[4]
- **The fleet's average net time charter rate at 30 September 2021 was approximately US$17,000 per day**, with an average duration of eight months and generating an average annualised unlevered return[4] in excess of 20%
- **The average age of the fleet is 10.7 years**
- **TMI declared its first interim dividend on 27 October 2021 of 1.75 US cents per Ordinary Share** in respect of the period to 30 September 2021, which was paid on 24 November 2021

Financial highlights
at 30 September 2021

Net Assets	Net Asset Value per ordinary share	Share mid-price at period end
US$458,462,873	**US$1.3982**	**US$1.33 / £0.97**
Discount to Net Asset Value[2]	Ongoing charges ratio[5]	Total NAV Return[2]
(4.88%)	**0.79%**	**42.7%**

[1] "Group" consists of TMI and its subsidiaries, see note 7 for details.
[2] See "Alternative Performance Measures" on page 48.
[3] For the 12 undelivered vessels at 30 September 2021, only the fair value uplift of US$37.1 million (being the difference between the market value and the purchase price) is recognised in these Unaudited Consolidated Interim Financial Statements. See "Unaudited Assets and Liabilities Information (Look-Through Basis)" on page 46 for details.
[4] See "Definitions and Glossary" on pages 49 to 50.
[5] Ongoing charges ratio, calculated in accordance with the AIC guidance, is for the consolidated group (TMI, TMI Management (HK) Limited ("TMIHK"), TMI Management (UK) Limited ("TMIUK") and TMI Director 1 Limited) annualised for the period, divided by the average NAV for the period. See "Alternative Performance Measures" on page 48.

Group overview
Summary information

Principal Activity

TMI is an investment company listed on the premium segment of the London Stock Exchange with a diversified fleet in the Geared Handysize and Supramax segments of the global shipping sector. TMI was registered in Guernsey under the Companies (Guernsey) Law, 2008 on 31 March 2021. TMI'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. TMI'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 30 September 2021, TMI has a total of 327,895,878 Ordinary Shares in issue, each with equal voting rights.

Investment Objective

TMI'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 Ships (Handysize and Supramax types), usually employed or to be employed on fixed period Charters.

TMI 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

TMI 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 payment at a targeted minimum of 7 cents per annum, with the intention to grow dividends over the medium term.

Management

TMI is a internally managed investment company led by a Board of Non-Executive Directors (the "Board" or the "Directors") (whose details appear on page 16) and a full time Executive Team (whose details appear on page 17).

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 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 TMI. The Executive Team have employment agreements with TMIHK and TMI Management (UK) Limited ("TMIUK").

The internal management structure ensures TMI 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 note 5 for details. This also means that there are no management or acquisition fees or investment performance fees payable to a third party investment adviser, creating alignment between the interests of the internal Executive Team and the shareholders.

Group overview
Investment policy

In order to achieve its investment objective, TMI 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.

TMI holds vessels through Special Purpose Vehicles ("SPVs") which are wholly owned and controlled by TMI and are held through an intermediate holding company called TMI Holdco Limited ("Holdco"). TMI 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. TMI may, in exceptional circumstances, also invest in vessels through joint ventures with other parties or other non-wholly-owned structures, although, in such circumstances, TMI will seek, wherever possible, to have a controlling interest.

TMI will pursue 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. TMI and the subsidiaries as detailed in the Note 7 make up the group of companies (the "Group").

Key strategic objectives

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

Acquisition strategy – through the deep experience and longstanding industry relationships of the Executive Team, the Group will seek to buy mainly Japanese second-hand vessels at below long-term average prices and Depreciated Replacement Cost to achieve an excellent rate of return over the ship's remaining life.

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

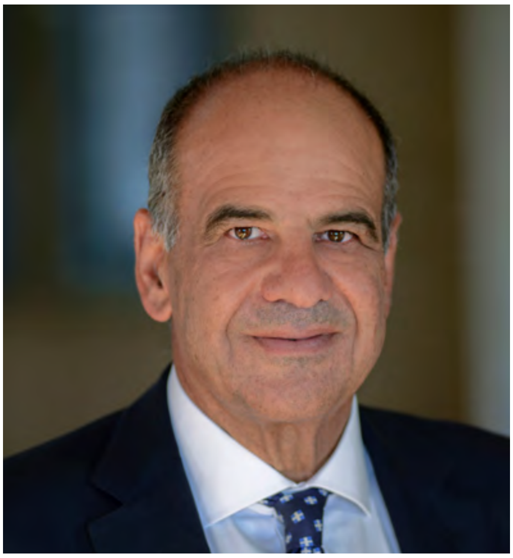
Attractive valuations and disciplined investment strategy
The Group's vessels will mostly be acquired second-hand, leveraging valuations that are below long-term average prices and Depreciated Replacement Cost.

Sustainable yield and returns through long term ungeared structure
TMI intends to pay dividends on a quarterly basis with dividends declared in January, April, July and October. TMI targets a Total NAV Return of 10% to 12% p.a. (net of expenses and fees) over the medium to long term. TMI prioritises its ability to consistently deliver its dividend as stated at IPO. This is supported by TMI's commitment to a long term ungeared approach with access to a short-term Revolving Credit Facility ("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. As a result, the Handysize market segment is particularly attractive, given the flexibility, versatility and port accessibility of these vessels which carry a range of necessity goods - principally food, fertilisers and raw materials related to infrastructure building - ensuring broad diversification of fleet activity.

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

Strategic review
Chairman's statement



Dear Shareholders,

It is with pleasure that I present TMI's first interim report. The Group has enjoyed a strong start as a specialist owner of mainly Handysize vessels, the workhorses of the dry bulk shipping trade, responsible for transporting basic necessity goods around the world.

TMI began trading on the premium segment of the LSE's Main Market on 27 May 2021 having raised US$160 million from an oversubscribed offer of new shares. These proceeds enabled us to complete the purchase of 23 ships on fixed price contracts that had been agreed prior to the fund raising and were contingent on a successful listing.

We have witnessed the investment thesis outlined in our Prospectus playing out over recent months, and have moved rapidly to execute our strategy to grow the fleet at attractive prices. We acquired nine additional Handysize ships following the IPO, seven of which were financed by a follow-on raise in July of US$75 million at US$1.15 per share and an expansion of our revolving credit facility ("RCF") which allowed us to deploy capital quickly and efficiently.

The Group's NAV has grown substantially as the fleet has expanded and asset values have increased on the back of sustained historically high market earnings, achieving a 42.7% return for the period. In September, TMI was included in the FTSE All-Share index.

Environmental, Social and Governance topics have been a key focus for the Board and the ESG and Engagement Committee since the IPO. The Group is taking an active approach to incorporating sustainability across its investment activities as set out in the inaugural ESG statement which can be found on our website (please also see the ESG section within this report). Of particular prominence is the decarbonisation agenda.

Our starting point is the Group's investment in relatively modern, fuel-efficient vessels, and implementation of energy saving measures. We are committed to meeting and exceeding the International Maritime Organisation's ("IMO") greenhouse gas reduction targets, whilst recognising that the industry's goals need to be more ambitious. In September, we joined over 160 leading maritime industry participants in signing a "Call to Action for Shipping Decarbonisation", calling on governments to take measures to facilitate zero carbon emissions from shipping by 2050. We will commence reporting on emissions at a Group level from the end of this financial period.

The COVID-19 pandemic has presented unprecedented practical challenges to those who ensure our vessels operate safely and smoothly day to day. TMI has been working in close cooperation with its external commercial and technical managers to ensure that the safety and well-being of crew serving on board our ships remain a paramount priority; this includes maintaining a joint task force to facilitate the repatriation of crew in the face of severe travel restrictions.

In accordance with the expectation set at the time of TMI's listing, we have declared our first dividend of 1.75 cents a share since the period end. It is our intention to maintain quarterly dividends and, if strong markets persist, to target an increase in the dividend over time.

TMI's launch was well-timed, with the freight market in our sector strengthening steadily over the period following the listing. With freight indices in the geared bulk carrier sector reaching year highs as the world economy recovered and restocked after the US/China trade war years and the scourge of COVID-19 lockdowns, operating cashflow has been strong. Forecast estimated Dividend Cover[1] for the financial period to 31 March 2022 is expected to be around 3.9x. This allows us to safeguard our financial health and prepare for future capital expenditure by building up responsible reserves.

Looking ahead we anticipate that the sound market fundamentals of slowing fleet growth and healthy demand for commodities will result in a continuing strong market in 2022 and beyond noting that the continually evolving regulatory landscape with respect to emissions will also play into this dynamic through possible slower operating speeds for the global fleet and muted ship ordering.

I believe we have built a solid foundation – with a larger fleet of 32 high-quality, predominantly Japanese built ships of largely uniform design – and I am confident that our Executive Team is positioned to continue to deliver on our strategy with a focus on creating and preserving shareholder value and enabling TMI to maintain long term income to our shareholders.

On behalf of the Board, I thank you for your continued support.

Nicholas Lykiardopulo
Independent Chair

14 December 2021

[1] See "Definitions and Glossary" on pages 49 to 50

Strategic review
Chief Executive Officer's statement

Dear Shareholders,

I am delighted to be writing to you on what has been a formative, dynamic half year following TMI's listing on the London Stock Exchange. During this time, we have established TMI as a compelling investment opportunity in the shipping sector offering growth, value creation and attractive shareholder returns. I feel inspired by, and grateful for, the strong market support we have received.

It has been a period of milestones and momentum, with the efficient deployment of IPO proceeds to acquire vessels, a well-received US$75 million follow-on fundraise in July with funds used to acquire seven geared Handysize Japanese vessels, and the successful chartering out of five vessels in September on a combination of seven month charters with cash yields exceeding 50% and two / three year charters with cash yields exceeding 20%. Newly acquired ships have been delivered promptly and we have more deliveries in the run up to the New Year. By the end of January, all ships acquired with proceeds from the IPO and fund-raise will have delivered, which will be reflected in our cash flows.

Sustainability is at the very heart of the way we manage the Group, and the profile and management of the fleet is integral to this. The cargoes we carry, being predominantly non-fossil fuel related, will continue to play an important role in the supply chains for the world's economies.

With our vessels transporting necessity goods, The Group's positioning is inherently defensive whilst overlaid with substantial scope for value creation through the acquisition of high quality secondhand vessels at attractive prices. We are well positioned in the Handysize niche of the market - characterised by its flexibility, versatility and port accessibility - and are committed to a consistently prudent financial approach and disciplined investment strategy which underpin our ability to deliver attractive dividend yield and NAV returns. In the meantime, we are always alert to opportunities where there is significant value creation potential for our shareholders.

We are operating against a backdrop of buoyant market dynamics, as testified by some of the highest demand levels and contract rates seen in a decade. Although vessel valuations are stronger than in recent years, we still feel there are attractive opportunities for the specialist buyer against long-term averages. At the same time, supply remains constrained with the vessel order book historically low. These combined factors mean we can anticipate continued market strength for the coming 2-3 years, at least, which will benefit our charter profiles and the asset values of our vessels.

With the fleet size since IPO now having grown to 32 vessels, we have demonstrated our ability to identify and crystallise investment opportunities in some of the highest quality vessels available. Our risk diversification strategy is centred on maintaining an optimal balance of charter terms between pricing, market momentum, contract longevity and visibility. This strategy should ensure that we continue to deliver high yields, cashflow and predictable shareholder returns as evidenced in our significant NAV appreciation over the period. With no long term structural debt we remain poised to take advantage of opportunities that require agility and balance sheet strength.

All this has been achieved despite the continued COVID-19 context which has presented significant challenges to ensuring smooth operations. Our priority, together with our technical managers, remains the safety and well-being of the crews serving aboard our vessels, with a particular focus on repatriating them effectively in the context of a moving landscape of strict curbs on travel.

TMI is on a firm footing, operating in a clearly defined niche of a market with systemic demand. Our market outlook is positive and we are wholly focused on navigating these conditions to maximise shareholder returns, the Group's long-term sustainability and continued delivery of growth and value.

I would like to thank you for your support and look forward to continuing to serve TMI in your best interests.

Edward Buttery
Chief Executive Officer

14 December 2021

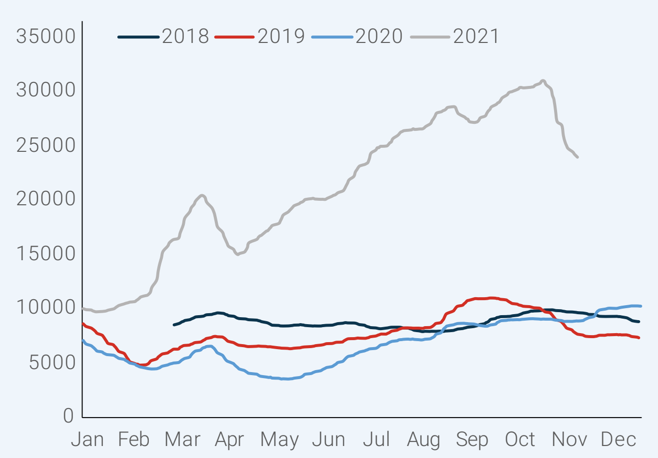
Strategic review
Market review

Market summary

The period saw strong seaborne trade in so-called “minor bulks” and grains, the principal cargoes for Handysize and Supramax vessels. Minor bulks cover 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.

- There has been a significant spread between supply growth of 2.7% and demand growth of 6.3% (Clarksons forecast for 2021); this is the widest supply/demand spread since 2007
- The Baltic Dry Index (“BDI”) reached 5,167 on 30 September 2021, a 13-year high; the adjusted Baltic Handysize Index (“BHSI”)[1] reached US$29,714 net on 30 September 2021, up 195% for the year and at its highest level since 2008
- 1-year net Time Charter rates increased from US$15,913 per day to US$24,225 per day from the end of May to the end of September
- Additional support for Handysize freight rates has also come from container cargoes being carried on dry bulk ships and from port congestion both of which might recede in the medium term
- The Group believes that there is a good rationale for charter rates to remain elevated for some time, with the possibility for short term technical moderations
- The Clarksons 10 year old benchmark valuation for a 32k dwt built Handysize has increased from US$13.5 million at end of May to US$17.0 million at end of September 2021, an uplift of US$3.5 million
- Valuations were last at these levels in 2011 and were consistently above these levels from mid-2004 to 2011 during China’s growth phase post-World Trade Organisation entry.

Handysize Market Spot Rates[2] (US$ per day net)



Source: Baltic Exchange

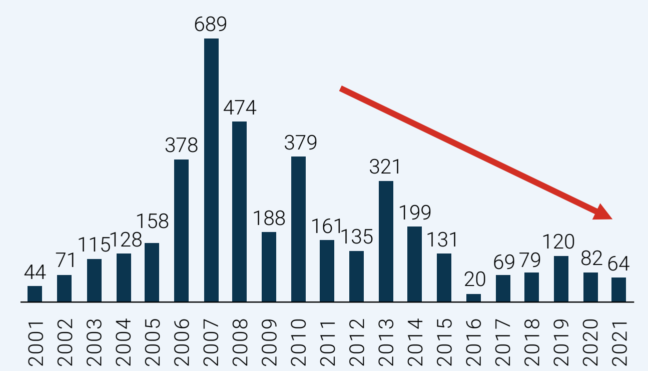
[1] The BHSI-38 index is based on a 38,000dwt ship type. TMI uses adjusted BHSI figures reflecting the average size of its fleet.

[2] BHSI-38 weighted Timecharter Average, adjusted for average size of TMI tonnage.

Fleet supply

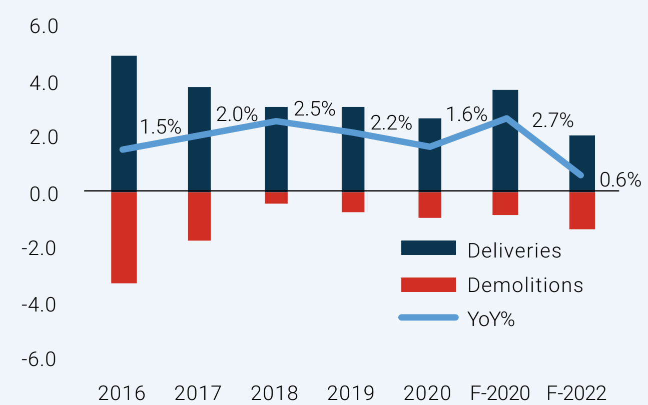
- Supply side constraint underpins the ongoing positive outlook for our sector for at least the next 24 months; Clarksons forecast net Handysize fleet growth of 2.7% for 2021 and 0.7% for 2022. These figures are before slippage of the orderbook from year to year
- Handysize supply dynamics continue to be favourable with the orderbook standing at 4.5% and remaining historically low (the lowest since January 2003) and the lowest compared to all larger dry bulk segments and non-dry bulk shipping segments. Meanwhile, there is limited available shipyard space until 2024
- Year to date, bulk carriers have accounted for only 17% contracting vs. 30% average over the previous 15 years. By comparison, containerships are responsible for 44% of contracting 2021 YTD vs 14% in the previous 15 years, filling shipyard berths up for delivery through 2024
- Although strong charter rates have traditionally led to an increase in new ordering activity, the Group considers that this cycle has its own particular characteristics which may limit ordering, in part due to the continuing uncertainty surrounding decarbonisation and its impact on future (not yet available) ship designs, exacerbated by a long delay between order and delivery.
- Furthermore, after 2023, we anticipate effective supply may be reduced by lower operating speeds in response to incoming IMO regulations to limit carbon emissions.

New Handysize vessel orders per year (no. of ships)



Source: Clarksons Research

Handysize supply development (dwt m)

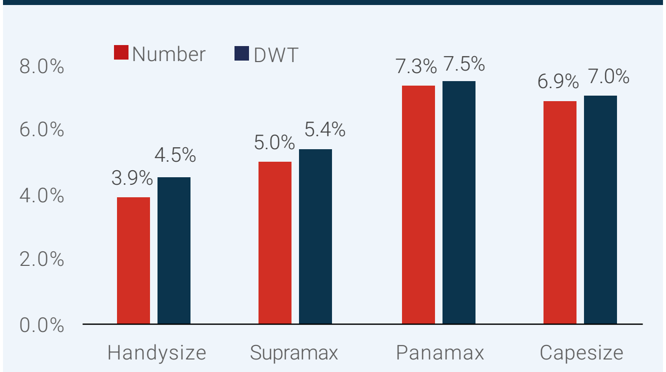


Source: Clarksons Research

Strategic review **Market review** continued

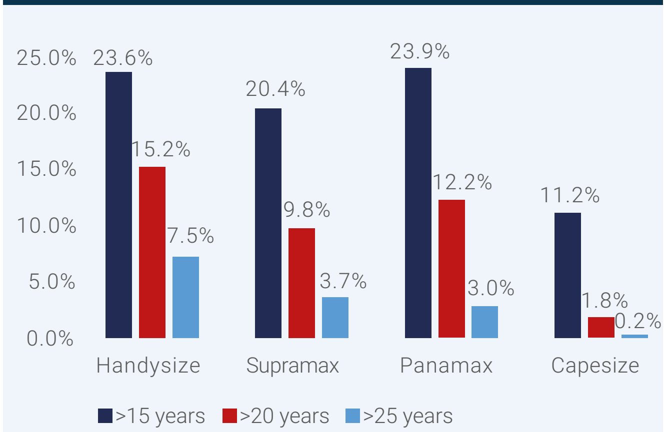
Fleet supply continued

Orderbook as % of Fleet (no. of ships) – dry bulk vessel segments



Source: Clarksons Research

Fleet Age Profile (no. of ships) – dry bulk vessel segments

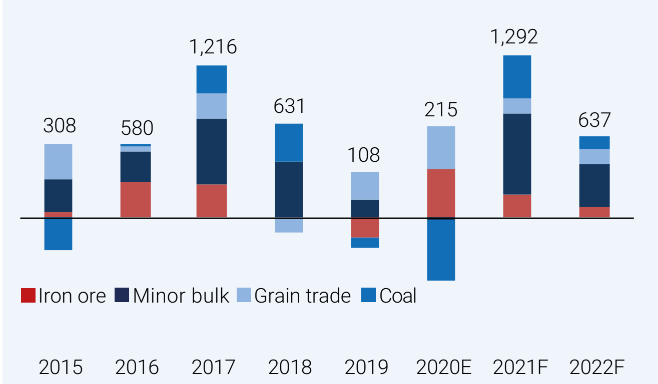


Source: Clarksons Research

Demand

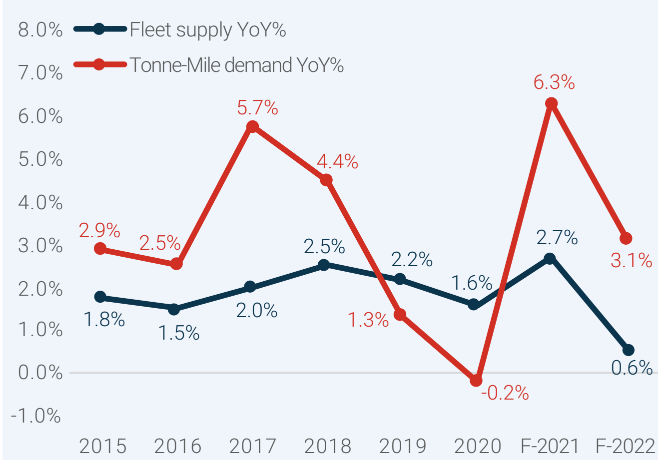
- The October IMF forecast 2021 world GDP growth (a key driver of dry bulk demand) of 5.9% with a further 4.9% growth forecast for 2022
- Dry bulk forecasts for 2021 have firmed with tonne-mile demand expected to increase by 4.7%, up from the previous 4.3% forecast at the end of June 2021 (Clarksons)
- Rates have been supported by a firm underlying demand following the rebound from 2020 with dry bulk trade volumes for Jan-August 2021 well above pre-pandemic levels, driven by strong minor bulk and coal shipments, up 14% and 9% year to date over 2021
- The grain trade is seeing record seaborne demand with volumes up 12% January-August on pre-COVID-19 levels (Clarksons) and the US Gulf is sitting on a significant amount of grain destined for China within the next few months. The US is pushing Beijing to catch up with grain purchases under the framework of the Phase I trade deal
- Minor bulk cargo volumes are up for Handysize and Supramax vessels, with Clarksons forecasting 2021 minor bulk demand growth of 6.3%, up from 4.3% forecast at the end of June 2021 and growth of 3.1% for 2022

Annual change in dry bulk demand (bn tonne-miles)



Source: Clarksons Research

Minor bulk demand (bn tonne-miles) and Handysize fleet supply (dwt)



Source: Clarksons Research

Outlook

Against this backdrop of solid fundamentals for the next 2-3 years, we consider there is further upside in secondhand asset values, as Clarksons' 10 year old benchmark valuation remain below the Depreciated Replacement Cost given the increasing newbuild prices.

Strategic review
Portfolio and operational review

Portfolio summary

- Due to the Executive Team's ability to efficiently source and execute opportunities, the Group has been able to pursue its acquisition strategy to acquire further secondhand, Japanese built Handysize vessels at attractive prices from its pipeline
- During the period, TMI acquired 9 additional vessels beyond the 23 seed assets (with many more opportunities assessed in the process) at competitive prices
- At the end of the period, TMI's fleet consisted of 20 delivered vessels and 12 undelivered vessels. Of the 32 vessels, 30 are Handysize and 2 are Supramax
- Since the end of the reporting period, 9 additional vessels have been delivered to TMI bringing the delivered fleet to 29 ships at the date of this report. A further 3 vessels are due to deliver before end of January 2022
- As a result of the Executive Team's extensive experience, the transactions were completed effectively, with a smooth transition in ownership despite the challenging conditions owing to COVID-19

The Group's Fleet List – delivered vessels as at 30 September 2021

	SPV	Vessel type	DWT[1]	Year of build	Country of build
1	Good Heir (MI) Limited	Handysize	28,400	2012	Japan
2	Good Salmon (MI) Limited	Handysize	31,900	2009	Japan
3	Good Titan (MI) Limited	Handysize	31,900	2008	Japan
4	Gaius (MI) Limited	Handysize	32,100	2009	Japan
5	Good Queen (MI) Limited	Handysize	32,200	2009	Japan
6	Good Yeoman (MI) Limited	Handysize	32,200	2008	Japan
7	Good Earl (MI) Limited	Handysize	32,300	2009	Japan
8	Great Fox (MI) Limited	Handysize	32,300	2009	Japan
9	Great Ewe (MI) Limited	Handysize	32,600	2007	Japan
10	Good Count (MI) Limited	Handysize	32,600	2006	Japan
11	Good Duke (MI) Limited	Handysize	33,100	2011	Japan
12	Good Title (MI) Limited	Handysize	33,200	2010	Japan
13	Hosidius (MI) Limited	Handysize	33,200	2008	Japan
14	Good Fiefdom (MI) Limited	Handysize	33,200	2008	Japan
15	Good Stag (MI) Limited	Handysize	33,800	2004	Japan
16	Good Grace (MI) Limited	Handysize	37,700	2020	Japan
17	NordColorado Shipping Company Ltd	Handysize	38,000	2016	China
18	NordRubicon Shipping Company Ltd	Handysize	38,000	2016	China
19	Good Uxbridge (MI) Limited	Handysize	38,200	2012	Japan
20	Antony (MI) Limited	Supramax	58,700	2012	Japan

[1] Deadweight tonnage ("DWT")

Strategic review **Portfolio and operational review** continued

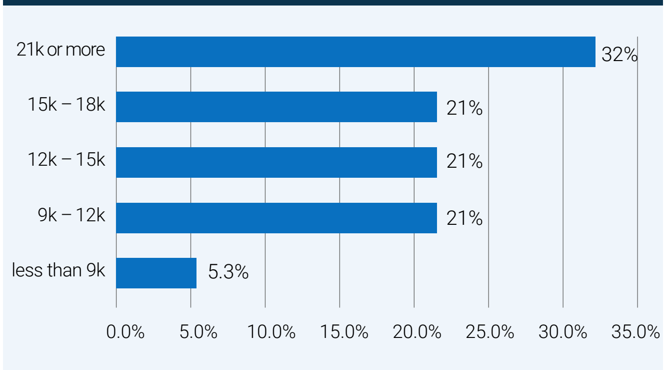
The Group's Fleet List – committed vessels as at 30 September 2021

	SPV	Vessel Type	DWT[1]	Year of Build	Country of Build
1	Julius (MI) Limited	Handysize	37,200	2012	Japan
2	Forshall (MI) Limited	Handysize	37,200	2012	Japan
3	Good Edgehill (MI) Limited	Handysize	33,700	2011	Japan
4	Horatio (MI) Limited	Handysize	33,600	2012	Japan
5	Decius (MI) Limited	Handysize	31,900	2010	Japan
6	Lucius (MI) Limited	Handysize	37,200	2012	Japan
7	Gabinius (MI) Limited	Handysize	28,300	2012	Japan
8	Aurelius (MI) Limited	Handysize	28,400	2012	Japan
9	Cassius (MI) Limited	Handysize	31,900	2010	Japan
10	Junius (MI) Limited	Handysize	32,100	2012	Japan
11	Billy (MI) Limited	Handysize	38,500	2011	Japan
12	Brutus (MI) Limited	Supramax	55,600	2011	Japan

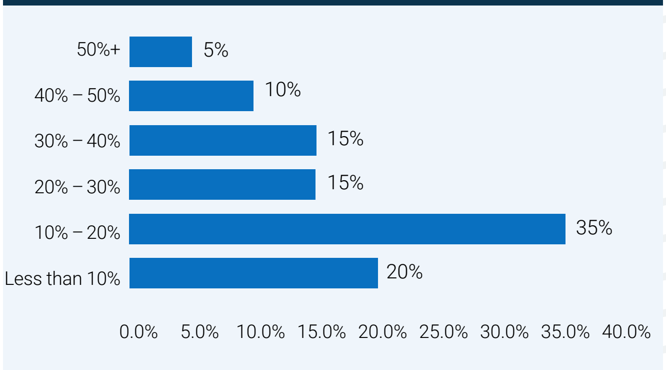
Employment and operations

- The fleet's average net time charter rate at 30 September 2021 was approximately US$17,000 per day, with an average duration of eight months and average annualized unlevered return in excess of 20%
- During the period three vessels underwent drydocking. A further three vessels are due for drydocking surveys before the end of the financial period

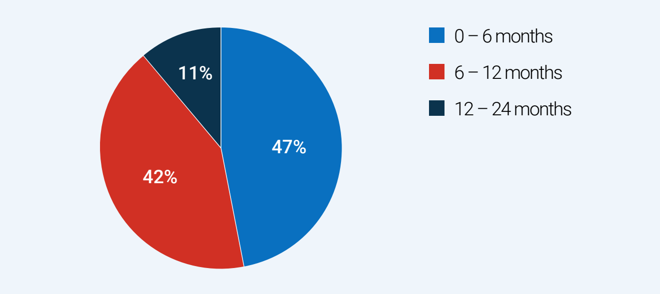
Net time charter rates per day



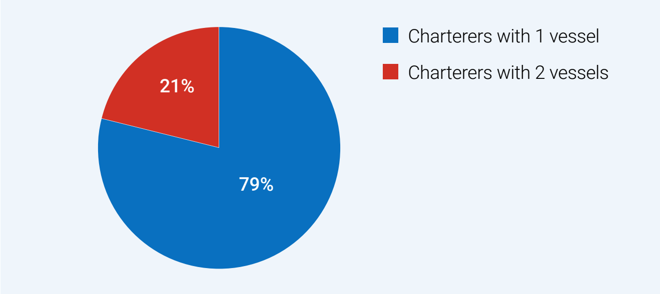
Average annualized unlevered gross cash yield



Average charter duration



Vessel charters



[1] Deadweight tonnage ("DWT")

Strategic review
Financial review

Investment performance

- During the period the unaudited NAV increased from US$249 million at IPO to US$458 million as of 30 September 2021. TMI delivered a Total NAV Return of 42.7% for the period from IPO to 30 September 2021
- NAV per Ordinary Share grew from US$0.9800 to US$1.3982 per Ordinary Share, an increase of c.43% since IPO on 27 May 2021
- At 30 September 2021, the portfolio valuation of 23 seed assets had increased by US$93 million (32%) since IPO on 27 May. The valuation of the additional 9 vessels acquired after the IPO had increased by US$18 million (14%) over the aggregate purchase price. The market value of the vessel portfolio (including the 12 undelivered vessels) was US$535 million[1] (32 vessels) as at 30 September versus US$290 million at IPO (23 vessels)
- The Group on a look-through basis[2] generated an unaudited gross operating profit of US$22.2 million and an unaudited gain in fair value of US$108.0 million with an unaudited profit for the period (before tax) of US$127.2 million during the period
- Forecast estimated dividend cover for the financial period to 31 March 2022 is expected to be around 3.9x.
- TMI's annualised ongoing charges ratio for the period ended 30 September 2021 is 0.79%

Investment performance - Group look-through information

	31 March 2021 (date of incorporation) to 30 September 2021 (unaudited)
Total Vessel days[3]	2,322 days
	US$ millions
Revenue[4]	34.87
Operating expenses[5]	(12.67)
Gross Operating Profit	**22.20**
Finance costs[6]	(1.21)
Gain/(loss) in capital values[7]	107.96
Portfolio profit	**128.95**
Fund expenses[8]	(1.73)
Profit for the period (before tax)	**127.22**

Financing

- TMI remains committed to a financially prudent approach, maintaining an ungeared long term capital structure to support dividend yield and protect the downside
- At IPO, the Group had long term debt of US$30 million associated with the acquisition of the seed fleet. During the period, US$5 million was repaid
- After the period, the Group repaid US$22 million of this amount with the remaining US$3 million of long-term debt to be repaid before the end of December 2021
- During the period the Group increased the available revolving credit facility ("RCF") from US$60 million to US$80 million with effect from 1 November 2021 in line with growth of the Group since IPO and also post period end entered into a US$40 million accordion provision, to allow the Group to continue to act nimbly and seize future investment opportunities as they arise
- Since 30 September 2021, the Group began to draw on its RCF in association with completing the committed vessel acquisitions. At the date of this report, the total RCF of US$120 million was drawn; the intention is to repay drawn funds from future operating cashflow.

NAV valuation

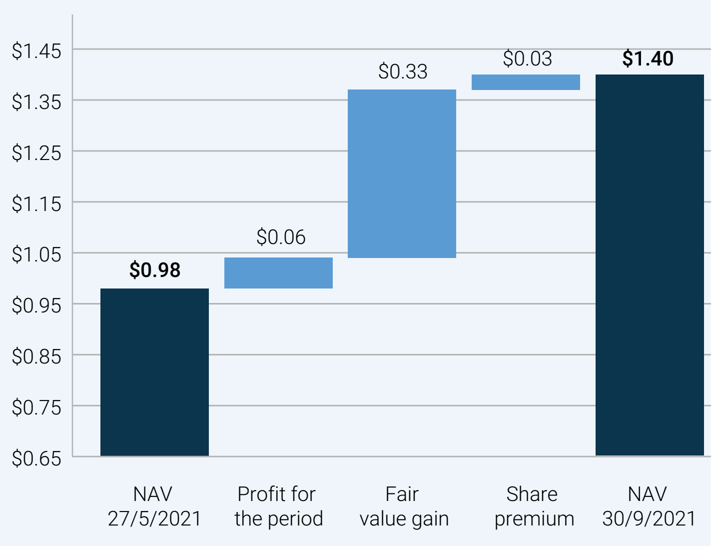
- NAV per Ordinary Share was US$1.40 at 30 September 2021 with US$0.06 contributed from profit for the period and US$0.33 from fair value gain
- Total NAV return was 42.7% for the period, driven by attractive vessel acquisitions which have strongly appreciated in value during the period
- A breakdown of the movements in the portfolio's Net Asset Value and its component parts is shown on the following page
- Vessel asset valuations are undertaken on a quarterly basis and are determined by taking the average of two independent broker valuations consistent with the Prospectus.

[1] For market value details, see "Unaudited Assets and Liabilities Information (look-through basis)" on page 46.
[2] "Look-through basis" reflects the Group results on a consolidated basis.
[3] Vessel days : Total number of days all vessels have been owned by the Group over the financial period to 30 September 2021.
[4] Revenue : Charter income net of commissions and charter related costs.
[5] Operating expenses : Expenses incurred during vessel operations and general administrative expenses incurred by the SPVs.
[6] Finance costs: Includes loan interest and fees.
[7] Gain/(loss) 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

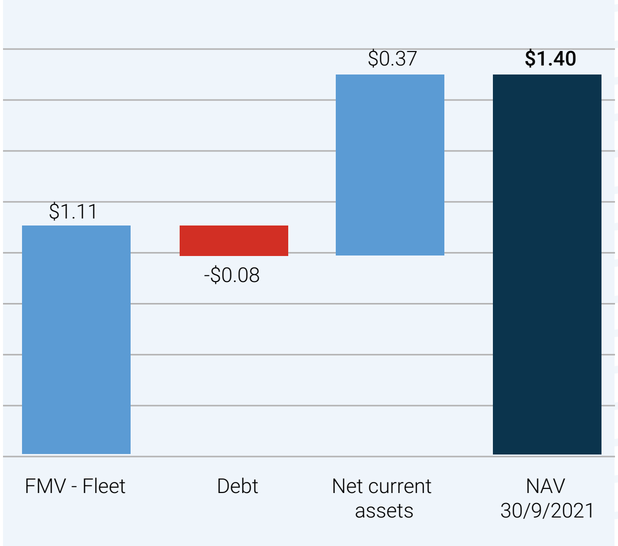
Strategic review **Financial review** continued

NAV valuation continued

Unaudited NAV per Ordinary Share bridge from IPO on 27 May to 30 September 2021



Unaudited NAV components at 30 September 2021[1]



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

Strategic review
Environmental, social and governance review

TMI aspires to be a responsible corporate citizen and we are committed to integrating environmental, social and governance factors into our investment process. We aim to engage actively with our stakeholders to achieve our collective ESG responsibilities and ambitions.

TMI's ESG policy and objectives are set and monitored by our ESG & Engagement Committee which reports to the Board and whose terms of reference can be found on the website. As an internally managed investment company, our own Executive Team works with our external technical managers, commercial manager and other key stakeholders to progress our decarbonisation priorities and other critical environmental, social and governance objectives. TMI's ESG policy, which is reviewed by the Board at least annually, is published on TMI's website.

Sustainable development goals

We believe 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 ("SDGs"). We are focused on six of these SDGs where our business has the most impact.

Having commenced trading on the London Stock Exchange on 27 May 2021, we will publish our initial ESG related metrics, including carbon emissions, at the end of our first financial period.

Environment

Ninety percent 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 2-3% of the world's annual Green House Gas ("GHG") emissions[1].

We are continually studying new ways to reduce our environmental impact through the application of technical and operational efficiencies to the fleet, reducing GHG emissions. We are committed to helping decarbonise the industry through innovation and collaboration - with our customers, financiers, other shipowners, and industry associations and decarbonisation forums such as the Getting to Zero Coalition.

With the world transitioning towards a zero carbon future, our chosen asset class - Geared Ships - will continue to play an integral part in commodity supply chains for decarbonising economies. The vast majority of cargoes carried on our Handysize ships are non-fossil fuel related, focusing instead on food supply, basic materials for housing and public infrastructure, and recycled metals.

Decarbonisation

The United Nations body regulating shipping, the IMO, has in its initial GHG strategy set out its ambition for international shipping to reduce carbon intensity (emissions per unit of transport work) as an average by at least 40% by 2030, pursuing efforts towards 70% by 2050 from a 2008 baseline; and to reduce total annual GHG emissions from shipping by at least 50% by 2050 compared to 2008. Whilst the global fleet's carbon intensity has reduced by over 20% during the last decade, we believe more urgent pace of change is required to respond to the climate crisis. In September, ahead of COP26, TMI joined 150 Getting to Zero Coalition members in signing the Call to Action for Shipping Decarbonisation, calling on government leaders for a more ambitious long-term target of net zero carbon emissions by 2050. Such an ambitious target will require commercially viable zero emissions vessels and a critical minimum volume of zero emissions fuels (and related infrastructure) to be a reality in international shipping by 2030.

[1] International Chamber of Shipping

Strategic review **Environmental, social and governance report** continued

Decarbonisation continued

The Group is committed to adopting alternate fuels as they become technically viable, safe, and available. Our ambition is to be able to begin using net-zero carbon fuels by 2030, and as an interim step we plan to make use of biofuels.

In the medium term, the Group is committed to reducing fleet GHG emissions in line with or exceeding the IMO reduction targets, primarily through retrofitting vessels with energy saving devices, and through enhancing operational efficiency in collaboration with our customers.

Current initiatives to reduce the carbon intensity of our fleet include:

- Engine efficiency monitoring systems: all vessels are supplied with engine performance monitoring equipment; fuel flow and torque monitoring systems are being installed across the fleet, allowing real time diagnostics and adjustments to vessel operation
- Energy saving devices: 12 of our vessels are fitted with energy saving devices including one vessel which was fitted with a propeller boss cap fin (which creates more efficient propeller vortex, reducing drag) during her scheduled drydocking in September. Further retrofits, including advanced hull coatings, propeller devices, and pre-swirl ducts are being planned for scheduled drydockings in 2022 and beyond. During Q4 2021 the rollout of energy-saving LED lighting across the fleet commenced
- In collaboration with our technical manager, we continually monitor our fleet's fuel consumption performance leading to corrective actions such as hull cleaning and propeller polishing to increase fuel efficiency and thereby reduce emissions.

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

Marine pollution

In compliance with the International Ballast Water Management Convention, aimed at conserving marine biodiversity, 76% of the Group's vessels will have been fitted with Ballast Water Management Systems ("BWMS") by the end of 2021, with 97% scheduled to have been fitted by Q3 2022.

During the last quarter a "Plastics Free" campaign commenced roll-out across the fleet, with mineralised water fountains being installed on ships saving 9,000 plastic bottles onboard per month.

The Group vessels have been involved in trialing the new EYESEA app which enables the collection of anonymous data used to map the problem of ocean pollution, whether from plastic, oil, fishing nets, or wrecks. Crew 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.

Based on the average age of the existing portfolio the Group does not expect to own vessels due for recycling in the near future. However, in the event the Group finds itself involved in the recycling of a vessel, it will follow the practices of the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009, as set out in TMI's Recycling Policy.

Reporting

We measure our fleet's energy consumption and emissions on an ongoing basis and aim to report emissions at least annually commencing from our first annual report for the period ended 31 March 2022.

The key performance indicators ("KPIs") we monitor and will report on include: vessel fuel consumption; CO_2, NOx and SOx emissions; average carbon intensity per unit of transport work; and emissions deriving from the Group's shore-based activity.

Other core environmental KPIs include marine pollution incidents, BWMS installation and exchange, waste landed including plastics, Inventory of Hazardous Materials compliance, cargoes carried.

Strategic review **Environmental, social and governance report** continued

Social

Our top priority is safety at sea and prevention of human loss of life and injury. In close partnership with our technical managers, who are responsible for arranging crewing, we are committed to making Group vessels safe and attractive workplaces for seafarers.

To ensure a safety culture we monitor the performance of our technical managers by collecting and tracking performance against a comprehensive list of industry KPIs, and ensuring that any significant incidents are comprehensively reported upon with follow up actions taken.

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.

COVID-19 related restrictions continue to pose a major challenge to the wellbeing of the global merchant seafaring community. Government policies regarding transit of maritime crew, quarantine rules and lack of availability of flights have severely limited possibilities for timely crew relief, meaning that in certain cases crew contracts have had to be extended. Our 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 shipowner.

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:

- Provision of enhanced high speed broadband capability, allowing better and more frequent communications with their families ashore
- Access to remote mental health counselling
- Supply of medical oxygen concentrators to all vessels, in case of COVID-19 cases onboard during long passages
- Facilitation of vaccinations for crew on-board – the crews of three vessels have received single dose vaccines in the USA since May.

Over 70% of all crew on board have received COVID-19 vaccines and the majority of crew are now vaccinated before joining a vessel.

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.

We also set out to promote diversity and equality of opportunity. Crew working aboard Group ships number almost 500 and span 7 different nationalities. The Group is working with the technical managers to promote opportunities for female seafarers on board and welcomed the first female officer cadet in October 2021.

Ashore, TMI's Board is composed of 75% female independent directors and the Executive Team is composed of 50% female members.

We engage with and support communities we impact by supporting seafarer welfare initiatives and charities including the Mission to Seafarers.

Reporting

Starting with our first annual report, we will be reporting against social KPIs, including lost time injury frequency, total recordable case frequency, port state control performance, shoreside gender balance, ship crews by number and and nationality.

Strategic review **Environmental, social and governance report** continued

Governance

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

Robust governance is embedded in TMI's constitution as a Guernsey investment company listed on the Premium Segment of the London Stock Exchange. TMI is governed under an independent Board structure including Independent Chair and Independent Sub-Committees.

TMI adheres to the UK Corporate Governance Code and is a Member of the Association of Investment Companies ("AIC").

TMI's ESG policy is set by the independent ESG & Engagement committee, chaired by an independent director. The policy is reviewed at least annually and published on TMI's website.

The Board has established a comprehensive set of policies concerning TMI's governance, including: Conflicts of Interest, Related Party Transactions, Whistleblowing, Anti-Bribery and Corruption, Prevention of Tax Evasion, Privacy, Data Protection, and Market Abuse Regulation.

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 active membership of the Maritime Anti-corruption Network, a network of over 165 shipping companies working towards ending maritime corruption and fostering fair trade.

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 $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.

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 34 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.

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 in 1987. Here, she joined KPMG where she was responsible for an audit portfolio including some of the major financial institutions in Guernsey. 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 for companies both listed and non-listed investing in property, private equity and other assets. Ms. Clark also hold a personal fiduciary licence issued by the Guernsey Financial Services Commission and acts as Non-Executive director and consultant to one high net worth family.

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 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.

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.

Mrs. Platts is a Senior Independent Non-Executive Director at Sequoia Economic Infrastructure Fund (FTSE 250) and a Non-Executive Director of UK Commercial Property REIT (both listed on the main market), Marble Point Loan Financing Limited (listed on the Specialist Fund Segment) and Investec Bank (Channel Islands). She is a member of the Institute of Directors.

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 TMI's portfolio and, in liaison with TMI'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, Chief Operating 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 is 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
Statement of principal risks and uncertainties

Risks and uncertainties

The Board of Directors 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 quarterly by the Board 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 Risk, 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 each quarterly Board meeting. 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.
- On ongoing market and economic risks of the COVID-19 pandemic which directly affect shipping and the global economy.

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 principal and emerging risks facing TMI 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.

The Risk and Audit Committee reviews the Group's overall risks at least two times a year and monitors the risk control activity designed to manage or mitigate these risks. The Board is in regular communication with the Executive Team who continue to closely monitor the performance of the Group's portfolio of investments and update on the Group's current and emerging risks.

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, these are not expected to change materially for the remainder of the financial period.

Governance **Statement of principal risks and uncertainties**

Principal risks continued

Risk/Description	Control / Mitigation
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***	**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
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***	**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.
ESG and Governance Risk	
Pollution Damage – TMI 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***	**Pollution Damage** – TMI 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 TMI's vessels comply with regulations set out by the International Maritime Organisation and coastal states. TMI 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.
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 TMI, lead to financial loss and potentially make TMI vessels unattractive workplaces for seafarers. ***Impacts our Sustainability Strategy***	**Non-compliance with safety and crew welfare standards** – The safe operation of TMI's ships is governed by the International Safety Management code, and it is the responsibility of the technical managers to comply will all applicable rules and regulations. In addition it is central to TMI's culture to promote seafarer welfare above and beyond regulatory compliance. In particular, during the COVID-19 global crew change crisis, TMI 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 & Engagement committee
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***	**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

Governance
Statement of directors' responsibilities

Responsibility Statement

Each of the Directors, who are listed on page 16, confirms to the best of their knowledge:

- the Interim Report and Unaudited Consolidated Financial Statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as required by Disclosure Guidance & Transparency Rule ("DTR") 4.2.4R of the UK's Financial Conduct Agency ("FCA"); and
- the Interim Report (comprising the Chairman's Statement and the Strategic Review) and note 10 of the Unaudited Consolidated Financial Statements, meet the requirements of an interim management report, and includes a fair review of the information required by:

  i. DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the Group's first period from 31 March 2021 (date of incorporation) to 30 September 2021 of the current financial period and their impact on the unaudited consolidated interim statements, and a description of the principal risks and uncertainties of the remaining six months of the financial period; and

  ii. DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the Group's first period from 31 March 2021 (date of incorporation) to 30 September 2021 of the current financial period and that have materially affected the unaudited consolidated financial position or performance of the Group during that financial period.

The Directors are also responsible for the maintenance and integrity of the corporate and financial information included on TMI'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
Chairman

14 December 2021

Independent review report to Taylor Maritime Investments Limited

Report on the unaudited consolidated interim financial statements

Our conclusion

We have reviewed Taylor Maritime Investments Limited's unaudited consolidated interim financial statements (the "interim financial statements") in the interim report and unaudited consolidated financial statements of Taylor Maritime Investments Limited for the period from 31 March 2021 to 30 September 2021 (the "period"). Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the unaudited consolidated interim statement of financial position as at 30 September 2021;
- the unaudited consolidated interim statement of comprehensive income for the period then ended;
- the unaudited consolidated interim statement of cash flows for the period then ended;
- the unaudited consolidated interim statement of changes in shareholders' equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the interim report and unaudited consolidated financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The interim report and unaudited consolidated financial statements, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report and unaudited consolidated financial statements in accordance with International Accounting Standard 34, 'Interim Financial Reporting', and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the interim report and unaudited consolidated financial statements based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, 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.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the International Auditing and Assurance Standards Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim report and unaudited consolidated financial statements and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers CI LLP
Chartered Accountants
Guernsey, Channel Islands

14 December 2021.

Interim financial statements
Unaudited consolidated interim statement of comprehensive income

For the period from 31 March 2021 (date of incorporation) to 30 September 2021

	Note	31 March 2021 (date of incorporation) to 30 September 2021 (unaudited) US$
Income		
Net gains on financial assets at fair value through profit or loss	6	128,971,288
Net foreign exchange losses		(20,609)
Total income		**128,950,679**
Expenses		
Director and staff costs	5, 10	978,230
Audit and interim review fees		288,645
Administration fees	10	85,026
Office support fees		112,928
Travel and marketing fees		40,064
Broker's fees		27,732
Share-based payments – equity settled	5	58,452
Other expenses		135,072
Total operating expenses		**1,726,149**
Profit for the period before tax		**127,224,530**
Taxation	11	(17,865)
Profit for the period after tax		**127,206,665**
Total comprehensive income for the period		**127,206,665**
Basic earnings per Ordinary Share	14	**0.4351**
Diluted earnings per Ordinary Share	14	**0.4229**

TMI 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 TMI.

The accompanying notes on pages 26 to 45 form an integral part of the Unaudited Consolidated Financial Statements.

Interim financial statements
Unaudited consolidated interim statement of changes in shareholders' equity

For the period from 31 March 2021 (date of incorporation) to 30 September 2021

At 31 March 2021	**Note**	**Share capital (unaudited) US$**	**Retained earnings (unaudited) US$**	**Other reserves (unaudited) US$**	**Total equity (unaudited) US$**
Total comprehensive income:					
Profit for the period after tax		–	127,206,665	–	127,206,665
Total comprehensive income for the period		**–**	**127,206,665**	**–**	**127,206,665**
Transactions with Shareholders:					
Issue of Ordinary Shares during the period, net of issue costs	12	331,197,756	–	–	331,197,756
Equity-settled share-based awards	5	–	–	58,452	58,452
Total transactions with Shareholders		**331,197,756**	**–**	**58,452**	**331,256,208**
At 30 September 2021		**331,197,756**	**127,206,665**	**58,452**	**458,462,873**

The accompanying notes on pages 26 to 45 form an integral part of the Unaudited Consolidated Financial Statements.

Interim financial statements
Unaudited consolidated interim statement of financial position

At 30 September 2021

	Note	30 September 2021 (unaudited) US$
Non-current assets		
Financial assets at fair value through profit or loss	6	455,196,212
		455,196,212
Current assets		
Cash and cash equivalents		3,987,730
Trade and other receivables		64,788
Total current assets		**4,052,518**
Total assets		**459,248,730**
Current liabilities		
Trade and other payables	8	785,857
Total current liabilities		**785,857**
Net assets		**458,462,873**
Equity		
Share capital	12	331,197,756
Retained earnings		127,206,665
Other reserves		58,452
Total equity		**458,462,873**
Number of Ordinary Shares	**12**	**327,895,878**
Net asset value per Ordinary Share		**1.3982**

The Unaudited Consolidated Financial Statements on pages 22 to 45 were approved and authorised for issue by the Board of Directors on 14 December 2021 and signed on its behalf by:

Nicholas Lykiardopulo
Chairman

Trudi Clark
Director

The accompanying notes on pages 26 to 45 form an integral part of the Unaudited Consolidated Financial Statements.

Interim financial statements
Unaudited consolidated interim statement of cash flows

For the period from 31 March 2021 (date of incorporation) to 30 September 2021

	Note	31 March 2021 (date of incorporation) to 30 September 2021 (unaudited) US$
Cash flows from operating activities		
Profit for the period after tax		127,206,665
Adjustments for:		
Net gains on financial assets at fair value through profit or loss	6	(128,971,288)
Equity-settled share based awards		58,452
Net foreign exchange losses		20,609
		(1,685,562)
Increase in trade and other receivables		(64,788)
Increase in trade and other payables		785,857
Purchase of investments during the period[1]	6	(223,546,439)
Net cash flow used in operating activities		**(224,510,932)**
Cash flows from financing activities		
Proceeds from Ordinary Share issuance[2]	12	235,000,000
Ordinary Share issue costs	12	(6,480,729)
Net cash flow from financing activities		**228,519,271**
Net increase in cash and cash equivalents		**4,008,339**
Cash and cash equivalents at beginning of period		-
Effect of foreign exchange rate changes during the period		(20,609)
Cash and cash equivalents at end of period		**3,987,730**

The accompanying notes on pages 26 to 45 form an integral part of the Unaudited Consolidated Financial Statements.

[1] Excludes non-cash transactions. For details, refer to note 6.
[2] Excludes non-cash transactions. For details, refer to note 12.

Interim financial statements
Notes to the unaudited consolidated financial statements

For the period from 31 March 2021 (date of incorporation) to 30 September 2021

1. General information

Taylor Maritime Investments Limited ("TMI") was registered in Guernsey under the Companies (Guernsey) Law, 2008 on 31 March 2021. TMI'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, as amended, under The Registered Collective Investment Scheme Rules 2021 and the Prospectus and Guidance Rules 2021. TMI'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 TMI and its two wholly owned subsidiaries called TMI Management (HK) Limited ("TMIHK") and TMI Management (UK) Limited ("TMIUK"), both of which were newly incorporated during TMI's financial period and provide advisory and administration services to TMI. In addition, the Group consolidates its wholly owned subsidiary, TMI Director 1 Limited, also newly incorporated during TMI's financial period. TMI Director 1 Limited provides corporate director services to the Special Purpose Vehicles ("SPVs").

TMI owns its vessels through SPVs which are not consolidated into the results of TMI but included at Fair Value in the Unaudited Consolidated Interim Statement of Financial Position.

2. Principal accounting policies

a) Statement of compliance

These Unaudited Interim Consolidated Financial Statements (the "Unaudited Consolidated Financial Statements") have been prepared in accordance with International Accounting Standard ("IAS") 34 'Interim Financial Reporting' as required by DTR 4.2.4R, the Listing Rules of the LSE and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The Group's Annual Report and Audited Consolidated Financial Statements for the period 31 March 2021 (date of incorporation) to 31 March 2022, will be prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRS IC") and will be in compliance with the Companies (Guernsey) Law, 2008.

b) Basis of preparation and consolidation

The Group's Unaudited 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 unaudited consolidated interim 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 Unaudited 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 TMI meets the definition of an investment entity, according to IFRS 10 as explained below. As a consequence, TMI 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 TMI's investment activities.

Non-consolidation – Investment entity

Investments in Holdco and SPVs

The Board has determined that TMI has all the elements of control as prescribed by IFRS 10 in relation to the Holdco, and then indirectly the SPVs (see note 7 for list of SPVs), as TMI 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.

TMI 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. TMI, being listed on the Main Market of the London Stock Exchange, obtains funding from a diverse group of external shareholders.

Interim financial statements

Notes to the unaudited consolidated financial statements continued

2 Principal accounting policies continued

b) Basis of preparation and consolidation continued

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.

TMI measure and evaluate the performance of substantially all of their investments on a fair value basis. The fair value method is used to represent TMI'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.

TMI 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. TMI 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 undelivered vessels are valued the same way as delivered vessels, 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 independents 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 TMI'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.

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 TMI's accounting policies at amortised cost using the effective interest method.

Unconsolidated subsidiaries

TMI 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 6 and 7 of these Unaudited Consolidated Financial Statements.

Consolidation

Investments in TMIHK and TMIUK

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

TMIHK and TMIUK are deemed to provide investment related services to TMI. 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 TMI is required to consolidate TMIHK and TMIUK within these Unaudited Consolidated Financial Statements under IFRS. This determination involves a degree of judgement.

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

Interim financial statements
Notes to the unaudited consolidated financial statements continued

2 Principal accounting policies continued

b) Basis of preparation and consolidation continued

Unaudited 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 TMI.

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 TMI has all the elements of control as prescribed by IFRS 10 in relation to TMI Director 1 Limited, as TMI 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 TMI and, therefore, the same consideration for consolidation are applied as listed above for TMIHK and TMIUK. As a result TMI is required to consolidate TMI Director 1 Limited (TMI, TMIHK, TMIUK and TMI Director 1 Limited together the consolidated "Group") within these Unaudited Consolidated Financial Statements under IFRS.

At 30 September 2021, 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 and is not expected to receive any during the Group's remaining financial period to 31 March 2022.

Going concern

The Group has considerable financial resources, and after making enquiries, the Directors, at the time of approving the Unaudited 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 Unaudited 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 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 Unaudited 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 Unaudited Consolidated Financial Statements.

c) New accounting standards and interpretations applicable to future reporting periods

At the date of approval of these Unaudited Consolidated Financial Statements, the following standards and interpretations, which have not been applied in these Unaudited Consolidated Financial Statements, were in issue but not yet effective:

- IAS 1 (amended), "Presentation of Financial Statements" (amendments regarding the classification of liabilities, effective for periods commencing on or after 1 January 2023)
- Amendments to IFRS 3,' Business combinations' (effective for periods commencing on or after 1 January 2022) – The amendment adds a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination and adds an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination
- Amendments to IAS 16, 'Property, plant and equipment' (effective for periods commencing on or after 1 January 2022) – Proceeds before Intended Use - The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities
- Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' (effective for periods commencing on or after 1 January 2022) – The changes in Onerous Contracts — Cost of Fulfilling a Contract specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'
- Annual Improvements to IFRS Standards 2018-2020 (effective for periods commencing on or after 1 January 2022). In regard to IFRS 9, the amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

The Directors expect that the adoption of these amended standards in a future period will not have a material impact on the Group's Unaudited Consolidated Financial Statements.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Interim financial statements

Notes to the unaudited consolidated financial statements continued

2 Principal accounting policies continued

d) Income

Income comprises interest income from cash and cash equivalents. 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 Unaudited Consolidated Interim Statement of Comprehensive Income on an accrual basis.

g) Ordinary shares

The Ordinary Shares of TMI 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 Unaudited Consolidated Interim 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.

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 Unaudited Consolidated Interim 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 30 September 2021, the Group had recognised no expected credit impairment provisions.

Interim financial statements

Notes to the unaudited consolidated financial statements continued

2 Principal accounting policies continued

h) Financial instruments continued

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. 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 Unaudited Consolidated Financial Statements of the Group are presented in US Dollars, which has been selected as the presentation currency of the Group.

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 Unaudited Consolidated Interim 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 Unaudited Consolidated Interim Statement of Changes in Shareholders' Equity when they are declared to shareholders. The payment of any dividend by TMI 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 Unaudited Consolidated Financial Statements.

Interim financial statements

Notes to the unaudited consolidated financial statements continued

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 Unaudited 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 on-going 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:

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 TMI satisfies the criteria to be regarded as an investment entity and that TMI 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 and TMI Director 1 Limited

Under the terms of Intra-group Advisory and Services Agreement, TMIHK and TMIUK provide certain services to TMI, 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 and TMI Director 1 Limited provide investment related services to TMI and, as such, the Investment entities exemption does not apply to these subsidiaries. As a result, TMI is required to consolidate TMIHK, TMIUK and TMI Director 1 Limited within these Unaudited Consolidated Financial Statements under IFRS.

c) Undelivered vessels

At 30 September 2021, the Group 's fleet of vessels consisted of 20 delivered vessels and 12 undelivered vessels. The 12 undelivered vessels are scheduled to be delivered in the period October 2021 to January 2022 and purchase consideration under the relevant memoranda of agreements is deferred until the delivery of the ship. 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 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 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.

Interim financial statements

Notes to the unaudited consolidated financial statements continued

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

Critical accounting estimates continued

Charter-free valuations – undelivered vessels

The undelivered vessels are valued the same way as delivered vessels, 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 independents 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 TMI's investment in Holdco. At 30 September 2021, the total market value of these undelivered vessels is US$210.0 million, for which the purchase consideration is US$172.9 million. Only the fair value uplift of US$37.1 million (being the difference between the market value and the purchase consideration) is recognised in these Unaudited Consolidated Financial Statements.

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 30 September 2021, the Board have determined that no adjustment was necessary for charter leases to the Charter-free valuations as they were deemed immaterial.

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 5.

4. Dividends

TMI intends to pay dividends on a quarterly basis with dividends declared in January, April, July and October. TMI declared its first interim dividend of 1.75 cents per Ordinary Share for the initial period ended 30 September 2021 on 27 October 2021, which was paid on 24 November 2021. The ex dividend date was 4 November 2021.

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 30 September 2021 were US$nil.

Interim financial statements

Notes to the unaudited consolidated financial statements continued

5. Director and staff costs

	31 March 2021 to 30 September 2021 (unaudited) US$
Executive team – wages and salaries	822,353
Non-Executive Directors' fees	139,290
Executive team – other employment costs	16,587
	978,230

Non-executive Director fees are detailed further in Note 10.

Long-term Incentive Plan ("LTIP")

The Group also has a LTIP for employees of TMI, 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 condition relating to Total NAV Return. For these purposes, the performance condition will measure the percentage change in NAV per Share taking into account both capital returns and dividends paid to Shareholders (with dividends assumed to be reinvested).

On 26 August 2021, the following awards over Ordinary Shares were granted to the following members of the Executive Team:

Executive team member	Shares awarded
Edward Buttery	750,000
Alexander Slee	562,500
Camilla Pierrepont	562,500
Yam Lay Tan	420,000

The initial awards will vest to the extent that the Total NAV Return performance condition is met as follows:

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%

Where Total NAV Return is between any of the above levels the percentage of the award which vests will be calculated on a straight line pro-rata basis. Flexibility will, however, be retained to set different conditions if the Nomination and Remuneration Committee sees fit. In addition, the Nomination and Remuneration Committee may grant awards without performance conditions to employees other than executive directors of TMI.

Interim financial statements

Notes to the unaudited consolidated financial statements continued

5. Director and staff costs continued

The fair value of share grants is measured using a Monte Carlo simulation model. The fair value is recognised over the expected vesting period. The expected price volatility is based on a comparable company analysis and considering the volatility of dry-bulk pricing (based on the remaining life of the vesting period). For the awards made during this period the main inputs and assumptions of the Monte Carlo simulation model , 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
Risk-free rate	0.43%
Share price volatility	40.0%
Dividend per share overlay	US$0.0175 per quarter
Fair value – Monte Carlo simulation model	US$1,828,698

For the period from 31 March 2021 to 30 September 2021, US$58,452 was recognised in the Unaudited Consolidated Interim Statement of Comprehensive Income with a corresponding increase to "Other reserves" in the Unaudited Consolidated Interim Statement of Changes in Equity relating to the fair value share-based awards.

6. 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 TMI and are held through the intermediate holding company called TMI Holdco Limited ("Holdco").

TMI 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 related to the Group's level 3 assets.

	31 March 2021 to 30 September 2021 (unaudited) US$
Cost at the start of the period	-
Purchases of investments during the period	326,224,924
Cost at the end of the period	326,224,924
Net unrealised gains on financial assets at the end of the period	128,971,288
Financial assets at fair value through profit or loss at the end of the period	**455,196,212**

Interim financial statements

Notes to the unaudited consolidated financial statements continued

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

Of the US$326,224,924 purchases of investments detailed above, TMI 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. In addition, on 12 July 2021, TMI announced that it had allotted 9,000,000 ordinary shares of no par value as part consideration (non-cash) for the acquisition of a Supramax vessel which was agreed at the time of TMI's IPO and forms part of its seed portfolio. For the period 31 March 2021 to 30 September 2021, the cash and non-cash (financed by the issue of Ordinary Shares) transactions can be summarised as follows:

	31 March 2021 to 30 September 2021 (unaudited) US$
Cash purchases of investments during the period	223,546,439
Non-cash purchases of investments during the period	102,678,485
Total purchases of investments during the period	**326,224,924**

7. Investment in subsidiaries

The Group had the following principal subsidiaries as at 30 September 2021:

Name	**Place of incorporation**	**Ownership proportion**
TMI Management (HK) Limited	Hong Kong	100%
TMI Management (UK) Limited	UK	100%
TMI Holdco Limited	Marshall Islands	100%
TMI Director 1 Limited	Guernsey	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%

Interim financial statements

Notes to the unaudited consolidated financial statements continued

7. Investment in subsidiaries continued

Name	Place of incorporation	Ownership proportion
Cassius (MI) Limited	Marshall Islands	100%
Decius (MI) Limited	Marshall Islands	100%
Forshall (MI) Limited	Marshall Islands	100%
Gaius (MI) Limited	Marshall Islands	100%
Gabinius (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%
Larcius (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. TMI acts as guarantor on the Revolving Credit Facility ("RCF") with TMI Holdco Limited, see note 13 for details. TMI does not have any other current commitments or intentions to provide financial or other support to an unconsolidated subsidiary.

8. Trade and other payables

	31 March 2021 to 30 September 2021 (unaudited) US$
Audit fees payable	288,645
Executive team – wages and salaries	266,797
Office support and communication fees payable	86,418
Administration fees payable	58,387
Legal and professional fees payable	47,580
Tax payable	17,865
Other sundry fees payables	20,165
	785,857

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

Interim financial statements

Notes to the unaudited consolidated financial statements continued

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.

Categories of financial instruments	**At 30 September 2021 (unaudited) US$**
Financial assets at fair value through profit or loss	
Financial assets at fair value through profit or loss	455,196,212
Financial assets at amortised cost	
Cash and cash equivalents	3,987,730
Trade and other receivables	64,788
Total assets	**459,248,730**
Financial liabilities at amortised cost	
Trade and other payables	785,857
Total liabilities	**785,857**

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 TMI's subsidiaries and thus the value of the subsidiaries themselves.

Price risk

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

Charter-free valuation for vessels

Price risk sensitivity analysis charter-free valuation for vessels, if the vessel values at 30 September 2021 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$**
30 September 2021	362,505,000	-10%	(36,250,500)
30 September 2021	362,505,000	10%	36,250,500

The sensitivity rate of 10% is regarded as reasonable as this is based on 20-year average of historical vessel price movements. Sensitivity analysis is also only applied to the fair value of vessels as the vessels are the primary assets within the SPVs which are subject to market price risk volatility.

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.

Interim financial statements

Notes to the unaudited consolidated financial statements continued

9. Financial risk management continued

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.

The tables below summarise the Group's direct exposure to interest rate risks:

30 September 2021	Floating rate US$	Non-interest bearing US$	Total US$
Financial assets			
Cash and cash equivalents	3,987,730	-	3,987,730
Trade and other receivables	-	64,788	64,788
Financial assets at fair value through profit or loss	-	455,196,212	455,196,212
Total financial assets	**3,987,730**	**455,261,000**	**459,248,730**
Financial liabilities			
Other payables	-	785,857	785,857
Total financial liabilities	**-**	**785,857**	**785,857**
Total interest sensitivity gap	**3,987,730**	**454,475,143**	**458,462,873**

The following details the Group's sensitivity to a 25 basis point increase and decrease in interest rates on floating interest rate bearing assets, with 25 basis points being the Board's assessment of a reasonably possible change in interest rates during the next financial period.

At 30 September 2021, if interest rates had risen by 25 basis points, the increase in net assets attributable to holders of Company's Shares would amount to US$9,969. At 30 September 2021, floating interest rates on cash and cash equivalents were at 0%, no sensitivity impact is therefore presented for a decrease in interest rates.

See note 13 for details on the RCF for which TMI acts as guarantor and has indirect floating interest rate exposure.

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 in relation to the components of the Unaudited Consolidated Statement of Financial Position.

	30 September 2021 US$
Cash and cash equivalents	3,987,730
Financial assets at fair value through profit or loss	455,196,212
	459,183,942

At 30 September 2021, there were no financial assets past due or impaired.

Interim financial statements

Notes to the unaudited consolidated financial statements continued

9. Financial risk management continued

At 30 September 2021, 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. TMI's cash and cash equivalents are held with EFG Bank, Cayman Branch and HSBC Bank Plc, which have a Fitch long term credit ratings of A and AA- respectively.

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 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.

30 September 2021	Up to 3 months US$	3 – 12 months US$	Greater than 12 months US$	Total US$
Financial assets				
Cash and cash equivalents	3,987,730	-	-	3,987,730
Financial assets at fair value through profit or loss	-	-	455,196,212	455,196,212
Total financial assets	3,987,730	-	455,196,212	459,183,942
Financial liabilities				
Other payables	207,881	577,976	-	785,857
Total financial liabilities	207,881	577,976	-	785,857
Total liquidity gap	**3,779,849**	**(577,976)**	**455,196,212**	**458,398,085**

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 TMI 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 2. At 30 September 2021, the Group had no externally imposed capital requirements.

10. Related parties and other key contacts

Directors' fees

Edward Buttery – Chief Executive Officer and Executive Director

Edward Buttery is employed as Chief Executive Officer and Executive Director of the Group pursuant to the terms of a service agreement with TMIHK dated 11 May 2021. Under the terms of the agreement, Mr Buttery will be paid an annual salary of US$500,000 (less appropriate tax and deductions). The salary will be reviewed annually by the Nomination and Remuneration Committee, the first such review to take place in 2022. Mr Buttery is eligible to participate in the annual bonus plan (providing a total bonus opportunity of 100 per cent. of salary), the Long-term Incentive Plan ("LTIP") and the Deferred Bonus Plan ("DBP"). At 30 September 2021, the DBP had not been utilised. See note 5 for further details on the LTIP.

Mr Buttery's employment may be terminated by either party by giving not less than 12 months' prior notice in writing. Both TMIHK and Mr Buttery may make payment in lieu of notice of termination, to be calculated pursuant to the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) by multiplying the 12 month notice period by the monthly average of the "wages" (as defined in section 2 of the Employment Ordinance (Cap. 57)) earned by Mr Buttery during the period of 12 months immediately before the date of the notice of termination.

No other Director has a service contract with TMI, nor are any such contracts proposed, each Director (other than Edward Buttery) having been appointed pursuant to a letter of appointment.

Interim financial statements

Notes to the unaudited consolidated financial statements continued

10. Related parties and other key contacts continued

Non-Executive Directors

Each of the Non-Executive Directors is entitled to receive a fee from TMI at such rate as may be determined in accordance with the Articles. Save for the Chairman of the Board, the fees will be £40,000 for each Director per annum plus an additional annual fee of £5,000 for chairing a committee. The Chairman's fee will be £65,000 per annum. The Directors are also entitled to reasonable out-of-pocket expenses incurred in the proper performance of their duties.

The Directors have received the following remuneration during the period in the form of Directors' fees, with the exception of Edward Buttery who receives an annual salary as details above:

	Per Annum	**31 March 2021 to 30 September 2021 (unaudited) Actual US$**
Nicholas Lykiardopulo (Chair of the Board)	£65,000	37,724
Edward Buttery (Chief Executive Officer)	US$500,000	173,516
Helen Tveitan (Chair of ESG & Engagement Committee)	£45,000	26,117
Trudi Clark (Chair of Risk and Audit Committee)	£45,000	26,117
Sandra Platts (Chair of Nomination & Remuneration Committee)	£45,000	26,117
Christopher Buttery	£40,000	23,215
Total		**312,806**

At 30 September 2021, there were no outstanding fees payable to the Directors.

Executive team

The services of the Executive Team are provided pursuant to an intra group advisory and services agreement between TMIHK and TMI. TMI entered the intra-group advisory agreement ("Intra-group Advisory and Services Agreement") with TMIHK dated 6 May 2021 pursuant to which TMIHK will provide certain services to TMI, 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, TMI 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 TMI and 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.

Edward Buttery, Alexander Slee and Yam Lay Tan (whose roles within the Executive Team are set out on page 17) have entered into employment agreements with TMIHK pursuant to which they will devote all of their working time to the business of the Group. Camilla Pierrepont (the Chief Strategy Officer) has entered into an employment agreement with TMIUK similarly to devote all of her 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 Note 5.

TMIHK will be supported in the provision of the services to TMI under the Intra-group Advisory and Services Agreement by the provision of certain services to it by TMIUK.

The Executive Team members' remuneration, including that of Edward Buttery as detailed above, during the period were as follows:

Charge for the period	**31 March 2021 to 30 September 2021 (unaudited) US$**
Short-term employee benefits – wages and salaries	822,353
Short-term employee benefits – other employment costs	16,587
Share-based payments – equity settled (note 5)	58,452
Total	**897,392**

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

Interim financial statements

Notes to the unaudited consolidated financial statements continued

10. Related parties and other key contacts continued

Outstanding fees	30 September 2021 (unaudited) US$
Short-term employee benefits – wages and salaries	266,797

Shares held by related parties

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

	30 September 2021 (unaudited)	
Name	**No. of Ordinary Shares**	**Percentage**
Directors of TMI		
Nicholas Lykiardopulo (Chair, Independent Non-Executive Director)	2,436,087[1]	0.74%
Edward Buttery (Chief Executive Officer)	369,407	0.11%
Christopher Buttery (Non-Executive Director)	174,000	0.05%
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	105,610	0.03%

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 according to the fees 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:

Charge for the period[2]	31 March 2021 to 30 September 2021 (unaudited) US$
Office support fees paid to TMHK[3]	112,928
Commercial management fees paid TMHK	1,121,418
Technical management and additional services fees paid to Tamar	808,166
Technical management fees paid to a substantial shareholder	104,205

Outstanding fees[2]	30 September 2021 (unaudited) US$
Office support fees payable to TMHK[3]	-
Commercial management fees payable TMHK	99,311
Technical management and additional services fees payable to Tamar	-
Technical management fees payable to a substantial shareholder	-

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 These charges are expensed and outstanding at the SPV level
3 Office support fees covered under administrative support agreement between TMIHK and TMHK.

Interim financial statements

Notes to the unaudited consolidated financial statements continued

10. Related parties and other key contacts continued

Administrator

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

The Administrator will provide day-to-day administration services to TMI and is also responsible for TMI's general administrative and secretarial functions such as the calculation of the Net Asset Value and maintenance of TMI's accounting and statutory records.

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 TMI and the amounts due are as follows:

Charge for the period[1]	**31 March 2021 to 30 September 2021 (unaudited) US$**
Administration fees paid to Sanne	85,026

Outstanding fees[1]	**30 September 2021 (unaudited) US$**
Administration fees payable to Sanne	58,387

11. Tax status

TMI 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.

TMIHK is subject to Hong Kong ("HK") corporation tax on its "taxable profits" under the Basic Law of Hong Kong and TMIUK is subject to UK corporation tax on its "taxable profits" in accordance with the Corporation Tax Act 2010.

Analysis of tax charge in the period[1]	**31 March 2021 to 30 September 2021 (unaudited) US$**
Current tax (see note below)	17,865
Tax on profit on ordinary activities	**17,865**

Outstanding[1]	**30 September 2021 (unaudited) US$**
Tax payable	17,865

Factors affecting tax charge for the year

TMIHK

The tax assessed on TMIHK for the period 15 April 2021 to 30 September 2021 is the standard rate of corporation tax in HK applicable to the period of 16.5%.

	31 March 2021 to 30 September 2021 (unaudited) US$
Profit on ordinary activities before tax	90,378
Profit on ordinary activities multiplied by the rate of Corporation tax in HK applicable to the year of 16.5%	**14,912**

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

Interim financial statements

Notes to the unaudited consolidated financial statements continued

11. Tax status continued

TMIUK

The tax assessed on TMIUK for the period 16 April 2021 to 30 September 2021 is the standard rate of corporation tax in the UK applicable to the period of 19.0%.

	US$
Profit on ordinary activities before tax	15,541
Profit on ordinary activities multiplied by the rate of Corporation tax in UK applicable to the year of 19.0%	**2,953**
Total tax charge for the period	**17,865**

12. Share capital

TMI'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 TMI 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 TMI 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 TMI.

(c) Voting: Subject to any rights or restrictions attached to any class or tranche of shares, at a general meeting of TMI, 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: TMI may acquire its own shares (including any redeemable shares). Any shares so acquired by TMI 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

	30 September 2021 (unaudited)	
Issued and fully paid	**Shares**	**US$**
Share capital at the beginning of the period	-	-
Ordinary Shares issues during the period	327,895,878[1]	337,678,485
Ordinary Shares issue costs	-	(6,480,729)
Share capital at the end of the period	**327,895,878**	**331,197,756**

The total number of Ordinary Shares in issue, as at 30 September 2021 was 327,895,878.

For the period 31 March 2021 to 30 September 2021, 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 30 September 2021 (unaudited) US$
Cash Ordinary Share issues during the period	235,000,000
Non-cash Ordinary Share issues during the period	102,678,485
Total Ordinary Share issues during the period	**337,678,485**

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

Interim financial statements

Notes to the unaudited consolidated financial statements continued

12. Share capital continued

On 27 May 2021, TMI 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. TMI 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, TMI 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 TMI'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, TMI announced a proposed non pre-emptive placing of new ordinary shares in the capital of TMI (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, TMI 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 TMI to be rapidly deployed to acquire up to six Handysize vessels. The Issue Price per New Ordinary Share was US$1.15.

At 30 September 2021, a total of 6,615,000 additional Ordinary Shares have been reserved for issue in future periods. Of these, 4,320,000 potential Ordinary Shares are as part-consideration related to three acquisitions of vessels from the Seed Asset Acquisition Agreements which expected to be delivered prior to the end of January 2022 and 2,295,000 Ordinary Shares in relation to the share awards under the LTIP, see note 5 for details.

13. Revolving credit facility

TMI (as corporate guarantor) and TMI Holdco Limited ("Holdco") (as borrower) have entered into a non-reducing revolving credit facility for up to US$60,000,000, (which may be increased to up to US$ 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 (the" Revolving Credit Facility" or "RCF"). On 28 September 2021, the Group increased the available revolving credit facility ("RCF") from US$60,000,000 to US$80,000,000 with effect from 1 November 2021. On 16 November 2021, the RCF was further increased to US$120,000,000 with Skandinaviska Enskilda Banken AB (publ), Singapore Branch ("SEB Singapore") added as an accordian facility lender of the RCF and on 18 November 2021, Skandinaviska Enskilda Banken AB (publ) ("SEB") was also added as an additional hedge counterparty. Under the Revolving Credit Facility, Holdco can draw loans in the period of three years from the date of Initial Admission (which may be extended to five years in certain circumstances). All 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 Lenders). 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 TMI to the Bank (in its capacity as security agent on behalf of the Lenders).

At 30 September 2021, Holdco had not drawn on the Revolving Credit Facility.

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

- Minimum Liquidity 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

14. Basic and diluted earnings per Ordinary Share

	31 March 2021 to 30 September 2021 (unaudited) Basic	Diluted
Weighted average number of shares	292,376,209	300,762,280
Profit for the period	US$127,206,665	US$127,206,665
Earnings per Ordinary Share	US$0.4351	US$0.4229

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

Interim financial statements
Notes to the unaudited consolidated financial statements continued

14. Basic and diluted earnings per Ordinary Share continued

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:

	30 September 2021 Number of Shares
Weighted average number of shares used in basic earnings per share	292,376,209
Number of potential shares deemed to be issued	8,386,071
Weighted average number of shares used in diluted earnings per share	**300,762,280**

The dilution arises from the share awards granted to the Executive Team in accordance with the LTIP (see note 5) and the consideration shares to be issued pursuant to the Remaining Seed Asset Acquisition Agreements, for which the vessels remain undelivered at 30 September 2021.

15. Contingent liabilities and commitments

At 30 September 2021, the Group had five of the remaining Seed Asset Acquisition Agreements, agreed at the time of Company's IPO, outstanding pending the delivery of the vessels and subsequent settlement of the agreed consideration. The vessels relating to these five Seed Asset Acquisition Agreements are expected to be delivered prior to the end of January 2022. The Group has also contracted to acquire an additional nine vessels, out of which seven are pending delivery as at 30 September 2021.

At 30 September 2021, the RCF remained undrawn. Since 30 September 2021, the Group began to draw on its RCF in association with completing the committed vessel acquisitions. At the date of this report, the total RCF of US$120 million was drawn. TMI acts as guarantor to Holdco in relation to the RCF, see note 13 for details.

16. Subsequent events

Since the end of the reporting period, 9 additional vessels have delivered to the Group bringing the delivered fleet to 29 ships. A further 3 vessels are due to deliver before end of January.

On 27 October 2021, TMI declared an interim dividend of 1.75 US cents per Ordinary Share in respect of the period to 30 September 2021, which was paid on 24 November 2021. The ex dividend date was 4 November 2021.

On 7 December 2021, TMI announced that effective 3 December 2021, the fund services division of PraxisIFM Group, which included Praxis Fund Services Limited, the TMI Secretary and Administrator of the TMI, was acquired by Sanne Group plc. Effective 6 December 2021, Praxis Fund Services Limited changed its name to Sanne Fund Services (Guernsey) Limited.

As announced by TMI on 13 December 2021, TMI, via its subsidiary Good Falkirk (MI)Limited, agreed to acquire a 22.6% stake in Grindrod Shipping Holdings Limited for US$77,932,440, or US$18 per share, a dual NASDAQ and Johannesburg Stock Exchange listed shipping business (NASDAQ: GRIN, JSE: GSH "Grindrod Shipping"). The transaction, including the 3.1% (including 2.2% announced on 13 December 2021 RNS) position already acquired by TMI in the open market will bring the Group's total holding in the company to 25.7%, and is expected to close in early 2022 and no later than 28 February 2022.

Grindrod Shipping is an international shipping company which owns an attractive, modern fleet of 24 predominantly Japanese built geared dry bulk vessels and 1 MR (medium range) Product Tanker, which is highly complementary to the Group's portfolio. The geared fleet comprises 15 Handysize ships and nine Supramax and Ultramax vessels. The investment is consistent with TMI's strategy to optimize shareholder returns and to create strong income and potential for capital growth. We expect Grindrod Shipping to produce attractive returns to TMI given the potential for excellent earnings from its large, high quality fleet and based on our positive market outlook.

The acquisition will be internally funded from the sale of two Chinese built vessels for a combined US$42.8m of proceeds, cash on the balance sheet and short term drawings on the Group's revolving credit facility.

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

Additional information

Unaudited assets and liabilities information (look-through basis)

As at 30 September 2021

Name (SPV)	Vessels at FVTPL US$	Other net assets/ (liabilities) US$	Total financial assets at FVTPL US$
TMI Holdco Limited	-	35,050,115	35,050,115
	-	**35,050,115**	**35,050,115**
Good Grace (MI) Limited[1]	29,650,000	(12,437,100)	17,212,900
Antony (MI) Limited[1]	22,730,000	629,020	23,359,020
NordColorado Shipping Company Ltd[1]	22,330,000	1,472,198	23,802,198
NordRubicon Shipping Company Ltd[1]	22,250,000	2,872,468	25,122,468
Good Uxbridge (MI) Limited[1]	19,735,000	(6,505,376)	13,229,624
Good Duke (MI) Limited[1]	16,435,000	1,365,171	17,800,171
Good Title (MI) Limited[1]	15,245,000	971,523	16,216,523
Good Heir (MI) Limited[1]	14,750,000	1,246,677	15,996,677
Good Salmon (MI) Limited[1]	14,500,000	894,428	15,394,428
Gaius (MI) Limited[1]	14,430,000	180,836	14,610,836
Great Fox (MI) Limited[1]	14,340,000	1,874,133	16,214,133
Good Queen (MI) Limited[1]	14,290,000	1,998,261	16,288,261
Good Earl (MI) Limited[1]	14,220,000	2,370,279	16,590,279
Good Titan (MI) Limited[1]	13,850,000	1,386,454	15,236,454
Good Fiefdom (MI) Limited[1]	13,625,000	968,106	14,593,106
Hosidius (MI) Limited[1]	13,480,000	463,930	13,943,930
Good Yeoman (MI) Limited[1]	13,405,000	2,019,866	15,424,866
Great Ewe (MI) Limited[1]	12,720,000	1,425,479	14,145,479
Good Count (MI) Limited[1]	12,350,000	1,856,334	14,206,334
Good Stag (MI) Limited[1]	11,120,000	(2,376,705)	8,743,295
Total delivered vessels	**325,455,000**	**2,675,982**	**328,130,982**
Brutus (MI) Limited[1]	5,580,000	2,531,645	8,111,645
Aurelius (MI) Limited[1]	4,760,000	1,281,471	6,041,471
Forshall (MI) Limited[1]	4,455,000	1,811,945	6,266,945
Decius (MI) Limited[1]	3,785,000	1,430,166	5,215,166
Billy (MI) Limited[1]	4,620,000	3,140,461	7,760,461
Cassius (MI) Limited[1]	3,720,000	1,460,166	5,180,166
Julius (MI) Limited[1]	2,900,000	1,956,829	4,856,829
Lucius (MI) Limited[1]	2,640,000	17,985,351	20,625,351
Gabinius (MI) Limited[1]	2,035,000	936,797	2,971,797
Junius (MI) Limited[1]	1,500,000	2,644,866	4,144,866
Horatio (MI) Limited[1]	700,000	17,071,117	17,771,117
Good Edgehill (MI) Limited[1]	355,000	2,714,301	3,069,301
Total undelivered vessels	**37,050,000**	**54,965,115**	**92,015,115**
Totals	**362,505,000**	**92,691,212**	**455,196,212**

1 Undelivered vessels at 30 September 2021. The fair value presented is recognised in the Group's fair value of TMI Holdco Limited only. The total market value of these undelivered vessels is US$210.0 million, for which the purchase consideration is US$172.9 million. Only the fair value uplift of US$37.1 million (being the difference between the market value and the purchase consideration) is recognised in the "Financial Assets at FVTPL" column above.

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

Sarnia House
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Administrator and Secretary

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Sarnia House
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Commercial manager

Taylor Maritime (HK) Limited
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Registrar

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Independent ship valuer

Braemar ACM Valuations Limited
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Appendix
Alternative performance measures

Alternative Performance Measures used in the Unaudited Consolidated Financial Statements

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 30 September 2021	
		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$1.3982	US$1.3300
Dividends paid	(c)	-	-
Return for the period (d = ((b+c) - a)	(d)	US$0.4182	US$0.3300
Total NAV/share price return (e = (d / a) x 100)	**(e)**	**42.67%**	**33.00%**

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 30 September 2021 US$
Total expenses	1,726,149
Non-recurring expenses	(326,009)
Total ongoing expenses	1,400,140
Annualised total ongoing expenses	**2,933,606**
Average NAV	372,095,671
Ongoing charges ratio (using AIC methodology)	**0.79%**

Discount to NAV

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

		At 30 September 2021
NAV per ordinary share	(a)	US$1.3982
Share price per ordinary share	(b)	US$1.3300
Discount amount	(c)	(US$0.0682)
Discount to NAV (d = (c / a) x 100)	(d)	**(4.88%)**

Appendix
Definitions and glossary

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

Annualised Unlevered Return	Calculated based on annualised unlevered operating cash flow of the underlying SPVs (net time charter revenue less Opex, SG&A and drydocking accrual) divided by the fair value of the vessel
BDI	Baltic Dry Index
BHSI	Baltic Handysize Index
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 TMI
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
Dividend cover	Calculated based on adjusted EBITDA forecast of the underlying SPVs for the financial period to 31 March 2022 (EBITDA excluding net changes in FV of financial assets) less interest expenses and docking capex forecast for the financial period to 31 March 2022 divided by dividend forecast for the financial period. Given the Company IPO was 27 May, the calculation is not a full Financial Year and the dividend forecast includes the dividends to be declared in October 2021, January 2022 and April 2022
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
FFA	Forward freight agreement, being derivatives used for hedging against the freight market exposure
Financial Reporting Council	The UK Financial Reporting Council
Framework Management Agreement	The overall framework management agreement between TMI Holdco Limited, a subsidiary of TMI and the Commercial Manager and Tamar Ship Management Limited
Geared Ships	Vessels equipped with cranes for loading and un-loading cargoes i.e., Handysize and Supramax 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	TMI and any Group Companies from time to time
Group Companies	Subsidiaries of TMI from time to time (including Holdco and the SPVs), see note 7
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. TMI'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 TMI's policy which rewards the executive team for reaching specific goals that lead to increased shareholder value

Appendix **Definitions and glossary** continued

Net Asset Value or NAV	The value, as at any date, of the assets of TMI after deduction of all liabilities of TMI and in relation to a class of Shares in TMI, 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 TMI from time-to-time
Net Time Charter Rate	The rate of hire for a Time Charter, net of commissions
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. Net zero CO_2 emissions are also referred to as carbon neutrality
Related Party	A related party is a person or entity that is related to the Group
Seed Assets	The 23 individual vessels which were acquired by TMI at the IPO date
SOLAS	Safety of Life at Sea Convention
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 TMI, specifically to hold one or more vessels, and including (where the context permits) any intermediate holding company of TMI
Supramax	A dry bulk carrier with a capacity between 40,000 to 69,999 DWT, excluding 60-69,999 dwt built before 2000 and 40-44,999 dwt vessels built since 2014, for the purposes of quoted market data. TMI's target size range is between 50,000 and 64,999 DWT
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
Technical Manager	Responsible for ensuring vessels' compliance with flag state law and applicable regulations; arranging and supervising asset maintenance; and arranging crewing

Registered Office

c/o Sanne Fund Services (Guernsey) Limited
(formerly Praxis Fund Services Limited)

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