Annual report and audited consolidated financial statements

For the year ended 31 March 2023

Contents

Group definition

Taylor Maritime Investments Limited (the "Company") and its subsidiaries as detailed in note 6 make up the group of companies (the "Group"). For the purposes of the "Group Overview", "Strategic Review" and "Governance" sections of these financial statements "TMI" refers to the Company and its 100% owned subsidiaries, excluding the underlying subsidiaries held by Grindrod Shipping Holdings Limited ("Grindrod"), as detailed in note 6. References to the TMI fleet of vessels excludes the Grindrod fleet.

A 100% subsidiary of the Company, held via TMI Holdco Limited ("Holdco"), is Good Falkirk (MI) Limited which owns an 83.2% stake in Grindrod, a dual NASDAQ and Johannesburg Stock Exchange listed shipping business (NASDAQ: GRIN, JSE: GSH).

References to the "Consolidated Group", throughout these financial statements, consist of the Company and its four wholly owned subsidiaries called TMI Advisors (UK) Limited ("TMI UK"), TMI Advisor Pte. Limited ("TMI Singapore"), TMI Management (HK) Limited ("TMIHK") and TMI Director 1 Limited. Further information regarding the basis of consolidation and non-consolidation are detailed in note 2 (b) in the Notes of the Consolidated Financial Statements.

Group[1] overview

Key highlights

The Group's Total Net Asset Value ("NAV") return per Ordinary Share was +4.7%[1] (31 March 2022: +81.3%) for the year ended 31 March 2023.

The Company's Ordinary Shares closed at a price of US$1.12 on 31 March 2023 (31 March 2022: US$1.42 per Ordinary Share). The Company's total share price return per Ordinary Share was -13.4%[1] (31 March 2022: +45.5%) for the year ended 31 March 2023.

As at 31 March 2023, **the TMI fleet consisted of 23 vessels (31 March 2022: 31 vessels) with a total market value of US$373 million** (31 March 2022: US$546 million).

On 19 December 2022 the Group **completed a further acquisition of a 57.9% stake in Grindrod at a price of US$21.00 per share**. As at 31 March 2023 the Group's total stake in Grindrod amounted to 83.2% (31 March 2022: 26.6%).

Key financial highlights in respect of Grindrod:

- At 31 March 2023, the Grindrod investment amounts to US$362.0 million held through Good Falkirk (MI) Limited
- Grindrod's fleet consisted of 28 vessels with a total market value of US$624 million[2], including 15 Handysize Vessels and 13 Supramax/Ultramax[2] vessels
- Good Falkirk (MI) Limited received US$31.6 million by way of dividends from Grindrod during the year to March 2023 including a special dividend of US$5.00 per share which was used to finance part of the December share acquisition

TMI fleet's average net time charter rate at 31 March 2023 was approximately US$14,500 per day (31 March 2022: US$18,600 per day), with an average duration of four months (31 March 2022: six months) and generating an average annualised unlevered return[2] of 17.5% (31 March 2022: 24%).

The combined fleets of TMI and Grindrod numbered 51 vessels with a total market value of US$997 million[2]. Of the combined fleet, 38 are Handysize[3] vessels and 13 Supramax/Ultramax[2] vessels. The average age of the combined fleet is 10 years (31 March 2022: 11.4 years).

The Company declared dividends of 10.97 US cents per Ordinary Share in the year ended 31 March 2023 (31 March 2022: 3.50 US cents). In addition, the Company declared an interim dividend on 27 April 2023 of 2 US cents per Ordinary Share in respect of the quarter ended 31 March 2023, which was paid on 31 May 2023. Dividend cover, excluding the special dividend of 3.22 US cents per Ordinary Share paid in May 2022, was 2.6x for the year ended 31 March 2023.

[1] See "Alternative Performance Measures" on pages 89 – 91.
[2] Inclusive of total market value of Grindrod fleet, not just the Group's 83.2% stake.
[3] See "Definitions and Glossary" on pages 92 – 93.

Group overview

Financial highlights

at 31 March 2023

Net assets

US$566,114,300

31 March 2022: US$575,248,769

Net asset value per share

US$1.7144

31 March 2022: US$1.7420

Share price at period end

US$1.12 / £0.90

31 March 2022: US$1.42 / £1.09

Discount to net asset value[2]

(34.7%)

31 March 2022: (18.5%)

Ongoing charges figure[1]

1.1%

31 March 2022: 0.9%

Total NAV return[2]

4.7%

31 March 2022: 81.3%

At 31 March 2023, TMI gearing was US$222 million, representing a debt to gross asset ratio of 27.8%[2]. Taking into account the debt at Grindrod of US$205 million, the combined debt to gross asset ratio was 39.0%[2] on a "look-through" basis.

[1] Total ongoing charges, calculated in accordance with the AIC guidance, is for the consolidated group (the Company, TMI Advisors (UK) Limited ("TMIUK"), TMI Advisor Pte. Limited ("TMI Singapore"), TMI Management (HK) Limited ("TMIHK") and TMI Director 1 Limited) divided by the average NAV for the year. See "Alternative Performance Measures" on pages 89 – 91.

[2] See "Alternative Performance Measures" on pages 89 – 91.

Group overview

Summary information

Principal activity

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

At 31 March 2023, the Company has a total of 330,215,878 Ordinary Shares in issue (31 March 2022: 330,215,878 Ordinary Shares), each with equal voting rights.

Investment objective

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

On 28 October 2022, the Company announced the results of an Extraordinary General Meeting ("EGM") where a resolution was passed for the Investment Policy of the Company to be amended. Details of the amendments to the Investment Policy can be found on the Group's website www.taylormaritimeinvestments.com, under the "investor centre/shareholder information" section. The New Investment Policy, effective from 28 October 2022, is detailed on page 4.

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

Dividend policy

The Company intends to pay dividends on a quarterly basis with dividends declared in January, April, July and October. The Group is targeting stable cashflow generation with quarterly dividend payments of 2 US cents (31 March 2022: 1.75 US cents) per Ordinary Share representing an annual yield of 8 US cents per Ordinary Share per annum (31 March 2022: 7 US cents), with the intention to grow dividends.

Management

The Group is a self-managed investment entity led by a Board of Non-Executive and Executive Directors (the "Board" or the "Directors") and a full time Executive Team (whose details appear on pages 28 – 29).

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

Grindrod accounting treatment

The Consolidated Group's interest in Grindrod is required to be accounted for through its "Investment in Holdco and SPVs"[1], and held through the subsidiary Good Falkirk (MI) Limited, and classified on the Consolidated Statement of Financial Position through the "Financial asset at fair value through profit or loss". The fair value movements associated with the Grindrod investment being recognised as movements in the fair value of the Investment in Holdco and SPVs in the Consolidated Statement of Comprehensive Income. Dividend income received for the Grindrod investment is recognised in the profit and loss account of Good Falkirk (MI) Limited and consequently forms part of the fair value gain or loss for that SPV recognised in the Investment in Holdco and SPVs. The dividend income is either retained at the Good Falkirk (MI) Limited level, or, if required, is paid up through the Group and forms part of Dividend Income received by the Company from TMI Holdco Limited, see Note 7. Further details of the Grindrod accounting and valuation policy can be found in Notes 2 and 3.

Information provided in these financial statements regarding operating profit and available vessel days for the year to 31 March 2023 relates to the TMI fleet operations only and does not incorporate the Grindrod fleet.

[1] See "Note 2 b)" in the notes of the Consolidated Financial Statements for further details on the "Investment in Holdco and SPVs".

Group overview

Investment policy

In order to achieve its investment objective, the Group will invest in a diversified portfolio of vessels which will primarily be second-hand, have historically demonstrated average yields in excess of the Group's target dividend yield and are capable of being acquired at valuations that are expected to be below long-term average prices or depreciated replacement cost ("DRC").

The Group holds its shipping assets through Special Purpose Vehicles ("SPVs") which are wholly owned and controlled by the Company and are held through an intermediate holding company called TMI Holdco Limited ("Holdco"). The Company may acquire vessels through asset purchases (in which case the vessel will be transferred to an SPV) or through the acquisition of the relevant vessel owning SPV. The Company may, in exceptional circumstances, also invest in vessels through joint ventures with other parties or other non-wholly owned structures, although, in such circumstances, the Company will seek, wherever possible, to have a controlling interest. The Company may also acquire interests (including minority, majority and entire interests) in shipping businesses and companies ("Target Companies") whose business includes the ownership of vessels provided that no single such investment in a Target Company will exceed (i) 30 per cent of Gross Asset Value in the case of a minority investment and (ii) 40 per cent of Gross Asset Value in the case of an investment that confers majority or entire ownership and where such investment exposure shall be reduced to a maximum of 30 per cent of Gross Asset Value within 18 months of completion of an acquisition of an investment interest that takes the Company's total exposure to such investment to more than 30 per cent of Gross Asset Value. No single vessel in the relevant Target Company's portfolio of vessels shall represent more than 20 per cent of Net Asset Value.

The Group pursues 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 benefits from staggered renewals, with a view to flattening the income curve.

For more information, please visit www.taylormaritimeinvestments.com.

Key strategic objectives

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

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

The Group is currently focused on the geared dry bulk segment given its favourable outlook resulting from an orderbook near a historical low, effective and actual reduction of supply as gradual introduction of emissions reduction targets is expected to accelerate scrapping and lower average operating speeds, combined with a positive demand growth environment. The tight supply side situation is expected to prevail for the next two to three years as orders in other segments consume shipyard capacity well into 2026 and uncertainty surrounding decarbonisation and its impact on future ship designs discourages meaningful new ship ordering.

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 maintaining 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.

Dividend Strategy – The Company intends to pay regular dividends on a quarterly basis with dividends declared in January, April, July and October, currently with an annual dividend yield of 8 US cents per share per annum with an intention to grow the dividend over time.

Gearing Strategy – The sustainable yield and returns are supported by the Group'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. This maximum is subject to an increase in the gearing limit to 40% of gross assets on a temporary basis, as approved by Shareholders in October 2022, to facilitate the acquisition of Grindrod. Conditional on the Group committing to reducing aggregated borrowing to no more than 25% of gross assets within 18 months of entering into the Grindrod acquisition facility.

Strategic review

Strategic review

Chairman's statement

Dear Shareholders,

On behalf of the Board, I would like to thank you for your ongoing support. This is the Group's second Annual Report since its LSE listing in May 2021. It has been a transformational year during which the Group's fleet has almost doubled in size as a result of increasing its ownership to 83.2% of Grindrod, a major international dry bulk shipping operator. We look forward to integrating and aligning the TMI and Grindrod fleets over the coming financial year as we seek to deliver commercial, technical and corporate synergies, to the benefit of shareholders.

The past year has undoubtedly been challenging, given a combination of macro-economic headwinds including the ongoing war in Ukraine, the long lasting zero Covid policy in China and a sharply inflationary environment. The Group have worked hard to temper the effects of these economic challenges and, the Group's TMI fleet has outperformed the adjusted Baltic Handysize Index[1], one of our benchmarks, by an average of c.US$1,700 per day during the period. This, combined with our segment's focus on delivering necessity commodities is testament to the effectiveness of our strategic positioning in the geared dry bulk shipping sector and active approach to asset management.

Long-term development of the Group

The Group's strategy is to provide attractive levels of stable income through its dividend with the potential for capital growth; the Group seeks to maintain a responsible long-term capital structure and a selective growth strategy (through investment, divestment, reinvestment) to drive shareholder value. During the year ended 31 March 2023, the Company's NAV per share decreased by 3 US cents to US$1.71 per share (31 March 2022: US$1.74). A decrease of the fair value of the underlying SPV's investments in shipping assets over the year of US$0.19 per share contributed to this, which was offset by underlying operating profits of US$0.27 per share before dividend payments. The Total NAV Return for the year including dividends was 4.7% (31 March 2022: 81%). The Company delivered a dividend of 7.75 US cents per Ordinary Share (excluding the special dividend of 3.22 US cents per Ordinary Share paid in May 2022) during the year ended 31 March 2023 and I am pleased to report that dividend cover for the financial year amounted to 2.6x[2]. This level of dividend cover resulted from robust earnings from our fleet of vessels over the period enhanced by the Group's active approach to asset management.

[1] As the BHSI index has been based on a 38k dwt type since Jan 2020, the Company uses adjusted BHSI figures weighted on the average dwt of the Company's fleet
[2] See "Alternative Performance Measures" on pages 89 – 91.

Strategic review **Chairman's statement** continued

There was significant investment activity during the year with the acquisition of 57.9% ownership in Grindrod (resulting in 83.2% ownership). The US$293 million investment was funded by a US$25 million special dividend received from Grindrod as part of the transaction, US$150 million surplus cash from retained earnings and US$119 million of debt. The Company continues to pay down that debt in line with the Company's strategy around de-gearing. This acquisition will be transformational for the Group as a result of a younger, more efficient overall fleet with enhanced scale, a larger average carrying capacity and greater earnings capacity and synergies. We also anticipate NAV and earnings accretion as a result of the transaction.

Corporate Governance

At the conclusion of the Grindrod tender offer, our Chairman Nicholas Lykiardopulo stepped down and I took over as Interim Chairman. I would like to thank Nicholas for his tireless efforts and dedication during an intensive, foundation laying period for the Company. Following a thorough and competitive search process, the Company has recently selected Henry Strutt to assume the position of Chairman. Henry has extensive experience in the investment trust sector and a background in corporate finance. Henry will stand for re-election by shareholders at the AGM in September 2023. I have no doubt that Henry will provide strong stewardship for the Company and I look forward to remaining on the Board as Senior Independent Director.

Sustainability and Decarbonisation

The Group has proactively taken steps necessary to ensure that its fleet, managed by its external managers, is well prepared for the IMO's new decarbonisation regulations. Beyond that, we are also looking where possible to collaborate with customers, industry stakeholders and technology providers on new energy efficiency and carbon reduction solutions, such as our successful trial of biofuel onboard a Group vessel during the period.

The Group will be publishing its 2023 ESG Report in September which will include a detailed account of the initiatives and measures being taken to enable the gradual decarbonisation of the fleet.

Outlook

The Board is cognisant of the Company's shares trading at a material discount to NAV and the widening of the discount post period, which to some degree is a function of the structural headwinds facing the wider listed funds sector currently. The Board's strategic priority is to strengthen the balance sheet through deleveraging which, we believe, should support a re-rating of the Company's shares. The Board keeps the use of free cash under constant review and will continue to do so, always considering carefully the Company's buyback policy and an assessment of the most accretive and strategic use of capital.

In the past two years, the Company has developed an attractive portfolio of assets, and continues to deliver strong levels of regular and stable dividend income, with the potential for capital growth, in line with its strategy. The Grindrod transaction builds on this track record, and as the Company continues with its vessel disposal programme to reduce debt in accordance with its investment policy, it should be well-positioned for the future as and when the market fundamentals crystallise into an improved trading environment as we expect.

I would like to thank all of our stakeholders for their support and wish Henry all the best in his new role.

Frank Dunne
Senior Independent Director
and acting Interim Chair[1]

26 July 2023

1 Acting Independent Interim Chair for the period 6 January 2023 to 31 May 2023.

Strategic review

Chief Executive Officer's statement

Dear Shareholders,

Despite a challenging environment over the past year, I am pleased that the Group's TMI fleet of vessels have consistently delivered index beating returns and I remain confident in the fundamentals for the geared dry bulk sector for 2024 and 2025. While market rates for our type of vessels as of June 2023 are still c.14%[1] higher than the seasonal low in mid-February 2023, demand since then has undoubtedly disappointed owing, in large part, to China's recovery having been slower than expected. Analysts continue to expect targeted government stimulus measures to support the goal of 5% GDP growth, which should start to support increase demand for dry bulk goods, probably towards the latter part of 2023. The fact that asset values have remained firm relative to charter rates in spite of a more volatile market is indicative of positive forward sentiment looking to 2024 and beyond.

Financial Performance

Over the year, the Group delivered a Total NAV return of 4.7%, including dividends paid, building on the particularly robust inaugural period of shareholder returns following the Company's IPO. The dividend was well covered for the year at 2.6x (excluding the special dividend). The Group's profits for the year amounted to US$26.2 million. On a look-through basis[2], this was generated from an underlying gross operating profit of US$111.9 million, with revenue made up of charter net income of US$151.9 million from our TMI fleet and Grindrod dividend income of US$31.6 million before deducting interest and capital expenditure relating to scheduled dockings. TMI charter income (excluding the Grindrod fleet) amounted to an average net charter rate of c.US$16,700 per day for the year, representing an approximate 7% decrease from the previous year. Our average net charter rate for the TMI fleet at the end of the year was c.US$14,500 per day compared to c.US$18,600 per day at the end of the previous period and compared to c.US$14,900 per day at IPO. Unlevered gross average annualised yields for the TMI fleet at the end of the period were healthy at 17.5%.

Market Review

The start of calendar year 2022 saw continued strength in the dry bulk market with Handysize rates and asset values peaking around the middle of the year. This was the result of resilient demand, port congestion and limited new supply. The softening of rates and asset values from July 2022 through to mid first quarter of calendar year 2023 reflected volatility in demand due to various factors including consistent tightening of the credit environment, a muted China hamstrung by its zero-Covid policy and the war in Ukraine.

Grindrod

After careful consideration, the Group increased its investment in Grindrod securing 83.2% ownership of the company by December 2022 compared to the Group's initial 26.6% stake acquired in January 2022. This transaction should be transformational for the Company. The strategic path to the acquisition was paved by the strategic timing of the Company's listing and the high-quality fleet it presented at IPO. The high level of cash generation from operations, together with proceeds from vessel disposals at attractive levels and the Group's low debt policy from the outset (which allowed the Group to fund a significant portion of the acquisition with US$119 million of debt) enabled the Group to complete a tender offer for Grindrod and make meaningful progress thereafter to begin debt repayment. I believe the transaction was well-timed and I am excited about the earnings and economies of scale potential that will be unlocked from the integration projects that are underway. I was appointed the CEO of Grindrod in March 2023 – combined with my role as CEO of the Group, this puts the Group in the best position to ensure a cohesive strategy, commercial vision and alignment between the two companies to achieve compelling synergies for the benefit of our shareholders.

Debt

In line with our commitment to reduce debt, during the fourth quarter of the financial year we sold three TMI ships (including the fully insured vessel declared a constructive total loss in Ukraine) contributing to US$37 million of repayments with a balance of US$222 million at the end of the year. Since the year end, the Company has made further progress to pay down debt with one additional vessel sale completed and this will continue with the Company maintaining a ready pipeline of sales candidates, strategically selected based upon their age, size, and operational efficiency. We are committed to reducing debt to gross assets as much as possible, and even beyond the 25% target set out in our investment policy. We are aware of the importance of paying off existing debt even at the expense of fleet reduction. It is the philosophy of management, enshrined in our investment policy, to maintain a low debt capital structure, and to use debt selectively where it provides flexibility to finance targeted investment at opportunistic times. We will continue to focus on deleveraging our balance sheet to ensure the Company's resilience regardless of market conditions and so that the Company can invest and return excess cash to shareholders.

[1] Source: Clarksons Research July 2023.

[2] "Look-through basis" reflects the Group and SPV results on a consolidated basis, which comprises the Group and the underlying SPVs (see note 6 for list of SPVs). The primary statements on pages 56 - 59, comprises the Group results only, where the SPVs look-through results are reflected through the "financial assets at fair value through profit or loss", see note 2 b) for "Basis of Preparation and Consolidation" for details on consolidation.

Strategic review **Chief Executive Officer's statement** continued

Fleet

During the year, we completed a total of eight vessel disposals at an average 83% IRR and 1.7x MOIC. The disposals realised on average a sale price 6% above carrying value giving us confidence in the valuations which underpin the Company's NAV and demonstrating historical liquidity in the S&P market for our type of assets – a carefully assembled portfolio of ships. The wider Group's portfolio (including the Grindrod fleet) stood at 51 ships (including four vessels with purchase options) at the end of the year with a market value of just under US$1 billion. The Grindrod investment has furthered our strategy to optimise the asset portfolio, unique for being a homogenous, modern fleet of predominantly Japanese built Handysize, Supramax and Ultramax vessels. The combination of TMI and Grindrod vessels makes our combined fleet one of the most attractive in today's market.

Environmental Performance and Regulatory Compliance

The roll out of our comprehensive fleet efficiency programme of technical upgrades continued apace through 2022 in anticipation of the IMO's new environmental regulations, designed to deliver the industry's decarbonisation targets, coming into effect from 1 January 2023. This programme, combined with our investment in Grindrod, and the divestment of older, less efficient Group vessels, has set the Group on the right course for a reduction in the fleet's average carbon intensity.

The Group has taken further steps towards its longer-term ambition of operating a zero-carbon fleet having contracted an ammonia-ready, eco-design 40,000 dwt Handysize vessel to be delivered in the first quarter of 2024.

Outlook

2023 is a year of being defensive and taking a cautious approach. We expect Chinese demand to be muted and perhaps somewhat improved towards the end of the calendar year before the Christmas holidays. We see some de-stocking in China and therefore expect a resumption of imports as part of a re-stocking program which should result in improved rates. We expect the usual softness over the holiday period including Chinese New Year followed by what we hope will be a structural recovery, albeit a gentle one, in the Chinese economy, which would be in line with Government statements that they are planning a deep rooted, sustainable, long-term recovery - a departure from prior policy decisions which were significantly more aggressive. We feel this is positive for our company and allows for us to prudently consider our long-term goals and how best to drive shareholder returns.

Our focus for this coming year, during the current demand environment, has been heavily weighted towards preparing the balance sheet for the long run through deleveraging (beyond our target of 25%) and reducing interest rate costs and protecting our downside as well as being prepared for potential structural upside in 2024 resulting from a shortage of ships and an improvement in demand.

There are grounds for optimism, and we maintain a positive outlook for China and India for 2024 driven by Chinese economic recovery and India's continued growth. This should result in an increase in dry bulk demand boosted by China's widely forecast demand stimulus to support the Government target of 5% GDP growth. Disappointing short-term demand data is overshadowing supply data, supply of ships remains limited and over the medium to long-term this is what drives our market. We are confident in the long-term fundamentals for our sector.

Board composition

This year has also seen substantial developments in governance. As previously announced, our Chairman Nicholas Lykiardopulo stepped down during the year and I would like to thank him for his unrelenting support and guidance in a formative period for the Company. In turn, I would also like to thank Frank Dunne for taking on the role of Interim Chair so willingly and capably and to welcome Henry Strutt as our new Chair from 1 June 2023.

I am immensely grateful to the highly experienced management teams I work with, as well as the wider teams underpinning the Goup's activities, including seafarers and shore-based staff and to all of our stakeholders. I believe the Group has now put together one of the most attractive fleets of modern Handysize, Supramax and Ultramax vessels and I am confident in the future of geared dry bulk.

Edward Buttery
Chief Executive Officer

26 July 2023

Strategic review

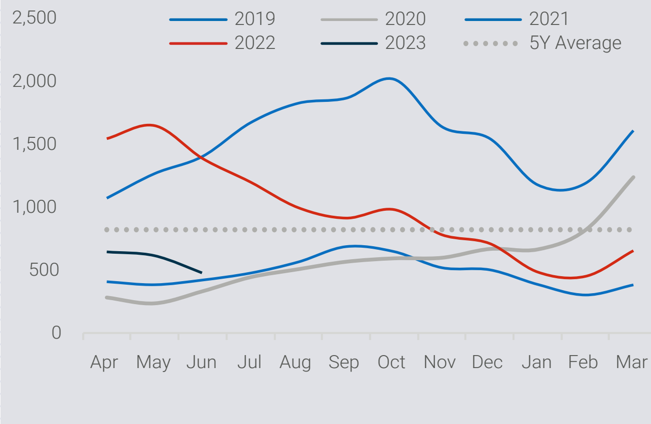
Market review

Market summary

The strong market conditions of 2021, in which the Baltic Dry Index ("BDI") reached its highest level since 2008, carried over into the first half of the 2022 calendar year. This was despite disruptions to traditional trade routes caused by the Russia-Ukraine conflict. The resulting reduction in Black Sea grain volumes were partly offset by an increase in tonne miles as cargoes bound for European and Mediterranean markets were replaced with sources from further afield. Port congestion, which had built up in the wake of the COVID-19 pandemic, began easing from June onwards and coincided with a poor grain season exerting a drag on charter rates. Market conditions gradually softened through the second half of the 2022 calendar year as macroeconomic headwinds accumulated and a slowdown in China's property and construction sectors amidst the country's zero Covid policy impacted demand. Charter rates strengthened considerably from mid-February 2023 as China, which accounts for c.50% of the global dry bulk market, started showing signs of an economic recovery after scaling back zero Covid measures with analysts at the time forecasting the potential easing of macroeconomic headwinds through 2023.

- The BHSI averaged over 1,500 for the first quarter of the period, reaching a peak of 1,695, before gradually declining to 431 at the end of January 2023. The index swiftly rose after the earlier-than-usual Chinese New Year to reach 687 by the end of the period;
- The significant spread between supply growth and demand growth that had re-emerged in 2021 reversed in 2022 due to global economic headwinds, a slowdown in China, and port decongestion during the second half of the calendar year;
- Demand is expected to re-enter positive growth territory in 2023 with minor bulk trade forecast to grow 2.4% in tonne mile terms and overall dry bulk tonne miles to grow by 3.3%;
- While softening demand applied downward pressure on charter rates from the second half of 2022, the Clarksons 10-year-old benchmark valuation for a Handysize vessel was US$18.5 million at the end of March 2023 reflecting no nominal change from 31 March 2022 – however implying a moderate decrease in asset values given the change of the benchmark vessel from a 32k dwt to a 37k dwt during the period[1].

BALTIC HANDYSIZE INDEX (BHSI)



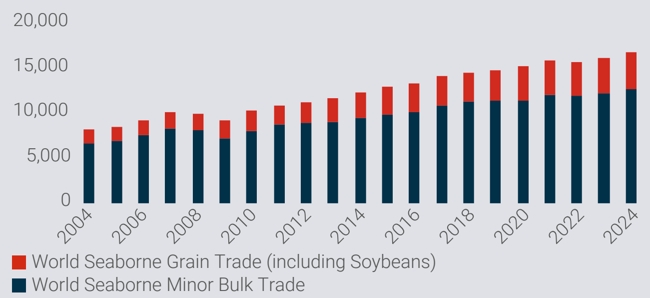
[1] Clarksons basis for a 10 year old secondhand vessel was 32k dwt until the end of calendar year 2022 and 37k dwt from January 2023.

Strategic review **Market review** continued

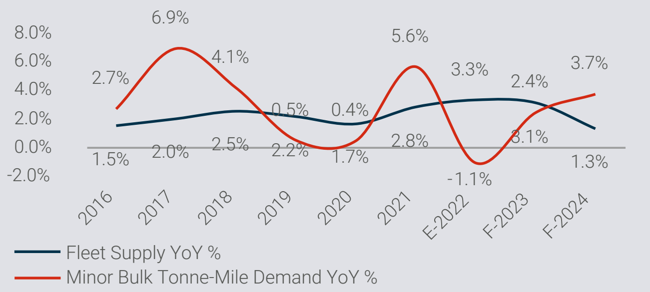
Demand

- After growing 3.4% in 2022, the global economy, as forecast by the IMF, is expected to grow by 2.8% in 2023 and then by 3.0 percent in 2024 with financial market jitters, high inflation and the ongoing effects of Russia's invasion of Ukraine cited as potential impediments to a more robust recovery;
- Advanced economies are expected to see a pronounced slowdown while emerging economies, which accounted for three quarters of global dry bulk demand in 2022, are projected by the IMF to grow by 3.9% in 2023, before accelerating to 4.2% in 2024;
- Tonne-mile demand contracted by -1.4% in 2022 according to Clarksons as economic headwinds, easing port congestion and a slowdown in China weighed heavily. Dry bulk tonne-mile demand, however, is expected to recover in 2023 with a firm 3.3% growth forecast (revised upwards from 1.5% midway through the period) and c.2.5% growth in 2024;
- The combined minor bulk and grain trade, the principal cargoes of Handysize and Ultramax vessels, contracted by -1.3% in 2022 in tonne-mile terms according to Clarksons, but is set to rebound with growth forecast at 3.0% in 2023 and 3.9% in 2024;
- The historically strong market conditions that carried over into the early part of the period began softening and rates came under pressure from June 2022 onwards and gradually declined as a result of port decongestion, macroeconomic headwinds and a slowdown in China;
- Sentiment improved markedly late in 2022 as China began relaxing zero-Covid policies and announced measures to stimulate the economy. Following an earlier-than-usual Chinese New Year, a historically soft period for dry bulk, rates strengthened from mid-February with China initially showing early signs of an economic recovery with the Baltic Handysize Index ("BHSI") rising c.60% to the end of the period.

GRAIN AND MINOR BULK TRADE DEVELOPMENT (BILLION TONNE MILES)[1]



MINOR BULK DEMAND (BN TONNE MILES) AND HANDY FLEET SUPPLY GROWTH (DWT)[1]



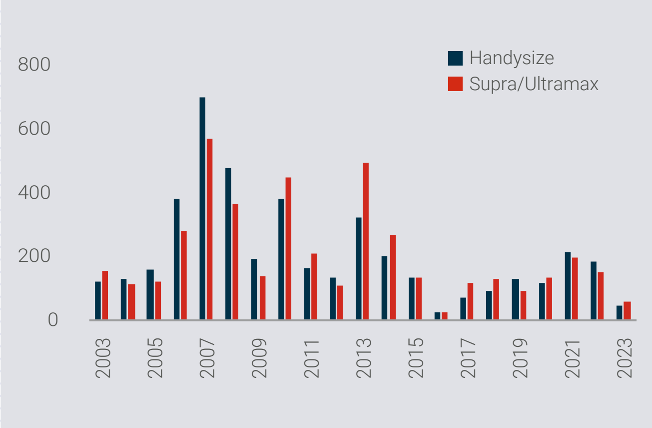
[1] Source: Clarksons Research July 2023.

Strategic review **Market review** continued

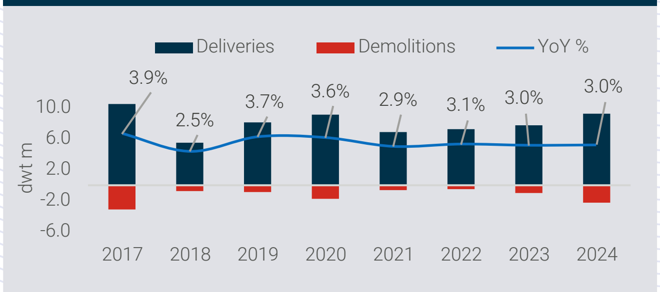
Fleet supply

- Following several years of limited newbuild ordering, the dry bulk orderbook remains at a near historical low of c.7% of the global fleet as softening market conditions, newbuild price inflation (Clarksons index rose by 37% between the end of 2020 and August 2022, in part on higher steel prices) and unwinding port congestion deterred meaningful new ordering activity through the period;
- Limited slot availability at shipyards, which are generally fully booked for the next 3 years with orders from other segments dominating the delivery programme, and uncertainty of future fuel choices and as-yet unavailable ship designs have further limited supply;
- The introduction of new IMO regulations to reduce emissions, which came into force on 1 January 2023, is expected to provide further supply side pressure with compliance reducing effective bulker supply by c.2.0-2.5% p.a. across 2023 and 2024, according to some estimates, through slower operating speeds (evidence of which has recently been reported by Clarksons) and retrofit time;
- The new environmental regulations along with more moderate market conditions are also expected to act as a catalyst for greater demolition of older, less efficient tonnage through 2023 and 2024 further impacting supply;
- The Handysize segment, which is the oldest of the dry bulk fleet, is forecast to grow in 2023 by 3.1% and then by 1.3% in 2024. The Supramax and Ultramax fleet is forecast to grow by 3.0% in 2023 and 3.0% in 2024.

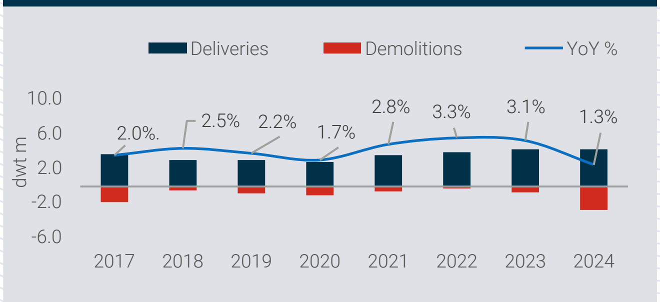
GEARED DRY BULK NEW ORDERS PER YEAR[1]



SUPRA/ULTRAMAX SUPPLY DEVELOPMENT[1]



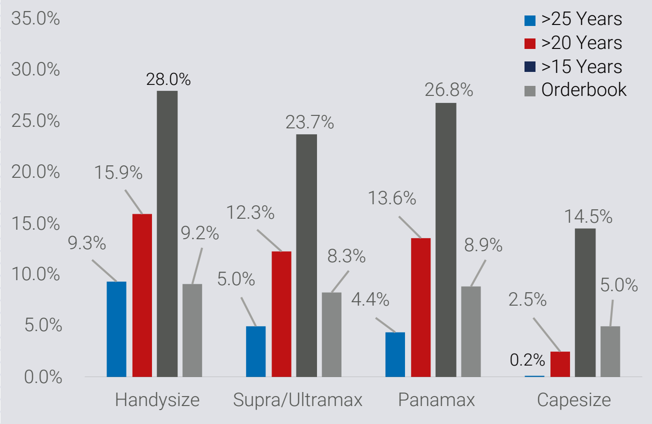
HANDYSIZE SUPPLY DEVELOPMENT[1]



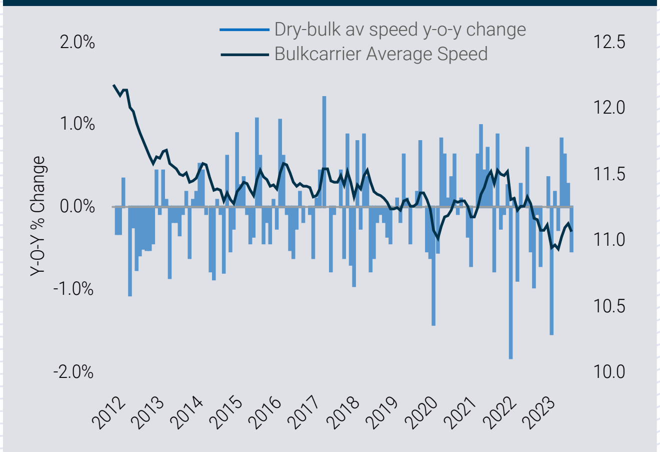
[1] Source: Clarksons Research July 2023.

Strategic review Market review continued

AGE PROFILE BY SEGMENT[1]



AVERAGE DRY BULK SPEED[1]



Outlook

While China's post-covid 'reopening' has been slower than anticipated, many analysts still expect China's economy to grow by more than 5% this year as the Government introduces further policy support and the drag from the inventory cycle fades. Dry bulk earnings are expected to improve as a result and asset values, after moderating slightly post period end, should remain relatively firm through the second half of 2023 given continued supply-side pressure emanating from a near historically low orderbook and environmental regulations gradually curbing supply growth going forward. The Company maintains a positive outlook for 2024 and 2025 as supply tightens and demand growth is positive.

[1] Source: Clarksons Research July 2023.

Strategic review

Portfolio and operational review

Portfolio summary

- The Group successfully secured an 83.2% controlling stake in Grindrod (Nasdaq:GRIN, JSE:GSH) at an average cost per share of US$20.92 (vs implied NAV per share of US$21.70 at 31 December 2022 and US$22.36 per Grindrod share at 31 March 2023). With this transaction, TMI has become a significant owner of high quality, diversified geared dry bulk vessels;
- The acquisition is consistent with TMI's strategy of seeking accretive growth opportunities and increases the Group's earning power at a time when the Group anticipates a robust medium-term earnings environment given the projected supply-demand imbalance;
- At the time of deal close, the Company's fleet had effectively doubled with the combined TMI and Grindrod fleet numbering 58 vessels with a carrying capacity of c.2.4m dwt and a combined average age of c.10 years;
- Prior to announcing the conditional cash offer for Grindrod, the Company had received total dividends of US$1.31 per share from its 26.6% stake in Grindrod (secured in January 2022) representing a total of c.US$6.4 million;
- The Company received an additional US$5.00 per share Special Dividend as part of the transaction representing a total of c.US$25 million, a yield of 28% on its initial investment;
- Through the period, the Group successfully completed eight disposals (inclusive of vessel realised through constructive total loss, see below) of predominantly older vessels in the Company's fleet with proceeds used to partly fund the acquisition of Grindrod and its relatively newer fleet or to repay debt as the Company embarked on a deleveraging programme in accordance with its focus on ensuring a strong balance sheet and commitment to a prudent capital structure;
- The average IRR for the eight disposals (inclusive of vessel realised constructive total loss, see below) was 83% and at an average of 6% above carrying value;
- The TMI vessel that was unable to leave a Ukrainian port in the Black Sea due to Russia's invasion of Ukraine was declared a constructive total loss in February 2023 in accordance with the terms and conditions of the Company's marine insurance. The net proceeds were received by TMI and covered the carrying value of the vessel;
- The Company secured an attractive one-off opportunity to contract an ammonia-ready, eco-design 40,000 dwt Handysize newbuild from a top tier Japanese yard with a rare early delivery window in Q1 of the 2024 calendar year (Japanese newbuild contracts are now only deliverable in the second half of 2025). This purchase is part of a limited renewal strategy and will serve to lower the TMI fleet's overall average age and enhance its ESG credentials. At Grindrod, one vessel sale completed post the closure of the deal offer, a 2015-built 60k dwt Ultramax, and a further three vessels were contracted for sale during the period, with one sale completing in April, and the other two sales expected to complete by 30 June 2023;
- At 31 March 2023, the combined fleet consisted of 51 vessels including chartered-in vessels with purchase options within the Grindrod fleet;
- Post period, the Company agreed and completed the sale of a 2008 built 32k dwt Handysize vessel for net proceeds of US$11.7 million, generating an IRR of c.63% and MOIC of c.2.0x. As a result, the fleet currently stands at 47 vessels, excluding chartered-in vessels without purchase options, consisting of 34 Handysize vessels and 13 Supramax/Ultramax vessels.

The Group's Fleet List – delivered vessels as at 31 March 2023

Ship type	Number of Vessels	Average Age	DWT	Portfolio Weighting (dwt)	Portfolio Weighting (at fair value)
TMI Handysize	23	12 years	772,600	38%	39%
GRIN[1] Handysize	15[2]	10 years	497,400	24%	24%
GRIN Supra/Ultra	9[3]	6 years	538,300	26%	26%
GRIN Chartered-in	4	5 years	246,000	12%	11%
Total	**51**	**10 years**	**2,054,300**	**100%**	**100%**

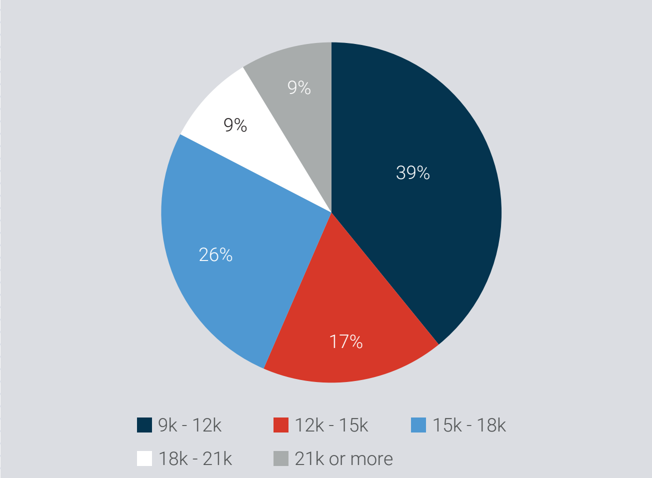
1 Grindrod Shipping ("GRIN").
2 Includes three vessels owned under financing arrangement.
3 Includes one vessel owned under financing arrangement.

Strategic review **Portfolio and operational review** continued

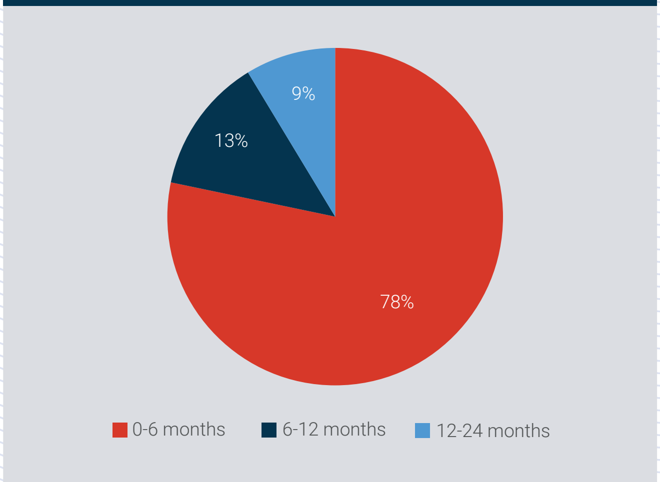
Employment and operations

- The TMI fleet's (excluding the Grindrod fleet) average net time charter rate at 31 March 2023 was c.US$14,500 per day, with an average duration of four months and average annualized unlevered gross return of 17.5%;
- This compares with an average net time charter rate of c.US$18,600 per day, with an average duration of 10 months and average annualized unlevered gross return of 24% at the end of the last financial period following a strong rebound in seaborne trade as large parts of the global economy reopened in the wake of the COVID-19 pandemic;
- Updating for new charters agreed post-period end, the fleet average net charter rate is c.US$11,300 per day. The updated average annualized unlevered gross cash yield for the fleet of 9.2% and the updated average remaining charter duration is three months, allowing an opportunity to capture longer period charters at higher rates in anticipation of market strengthening and providing optionality for possible asset disposals.

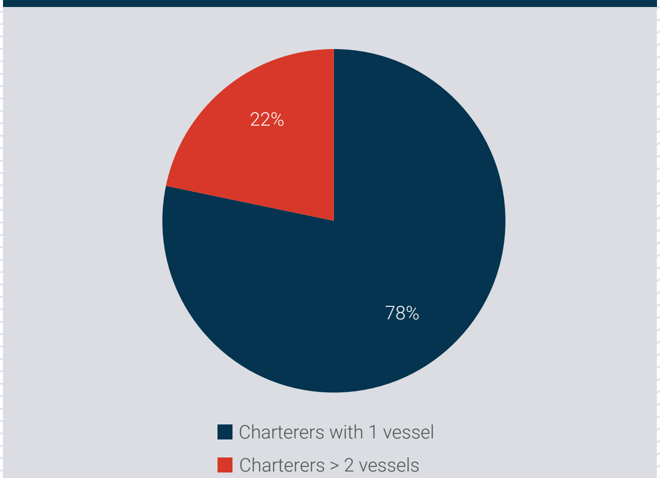
NET TIME CHARTER RATES PER DAY (US$)[1]



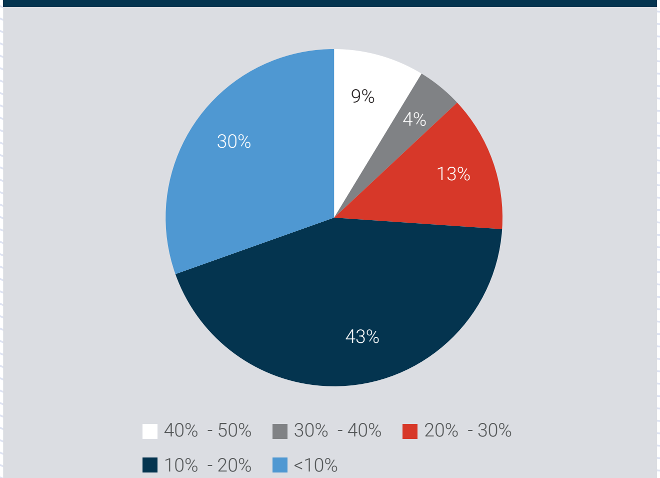
AVERAGE CHARTER DURATION[1]



VESSEL CHARTERERS[1]



AVERAGE ANNUALIZED UNLEVERED GROSS CASH YIELD (%)[1]



For the year ended 31 March 2023, the performance of Grindrod to 31 March 2023 has primarily been assessed on a dividend income and fair value basis rather than an assessment of the underlying fleet charter performance/metrics, and, as such, fleet charter details/breakdowns are not provided in this year's report.

[1] All chart data at 31 March 2023.

Strategic review

Financial review

Investment performance

- Net Asset Value ("NAV") per ordinary share decreased by c1.7% from US$1.74 to US$1.71 after dividends paid of US$36 million;
- In terms of underlying assets, as at 31 March 2023, TMI fleet consisted of 23 vessels with a total market value of US$373 million. Grindrod fleet consisted of 28 vessels with a total market value of US$624[1] million. The combined fleet for TMI and Grindrod numbered 51 vessels with a total market value of US$997 million[1];
- On 28 July 2022, the Company declared an increase in its interim dividend from 1.75 US cents per Ordinary Share to 2 US cents per Ordinary Share for the period from 1 April 2022 to 30 June 2022, representing an increase of 14% per share and reflecting a new annualised dividend target for financial year 2022 of 8 US cents per Ordinary Share. Total dividends of US$36.2 million was paid in the financial year from 1 April 2022 to 31 March 2023. This represents a total dividend paid of 10.97 US cents per Ordinary Share for the financial year, comprising 1.75 US cents declared in the last quarter of last financial year, 3.22 US cents of special dividend declared for the last financial year and 2 US cents declared for the quarters ending June 2022, September 2022 and December 2022. On 27 April 2023, the Company declared its fourth interim dividend of 2 US cents per Ordinary Share for the period from 1 January 2023 to 31 March 2023, the total dividend of US$6.6 million was paid on 31 May 2023;
- Dividend Cover[2] for the financial year to 31 March 2023 was 2.6x (inclusive of last financial year final quarter dividend of 1.75 cents paid in May 2022 but excluding the special dividend of 3.22 US cents paid in June 2022);
- The Group's annualised ongoing charges ratio for the year ended 31 March 2023 was 1.1%.

Investment Performance - TMI information

Total Vessel days[4]	**For the year ended 31 March 2023 9,742 days US$ millions**	**31 March 2021[3] (date of incorporation) to 31 March 2022 7,502 days US$ millions**
Net charter revenue[5]	151.89	129.79
Dividend income	31.56	3.70
Operating expenses[6]	(71.54)	(44.74)
Gross Operating Profit	**111.91**	**88.75**
Finance costs[7]	(13.50)	(3.66)
(Loss)/gain in capital values[8]	(62.31)	174.00
Portfolio profit	**36.10**	**259.09**
Group expenses[9]	(9.94)	(6.21)
Profit for the period (before tax)	**26.16**	**252.88**

The information above reflects the TMI results on a aggregated basis including non-consolidated TMI subsidiaries (see note 6 for list of TMI subsidiaries). Within the above table, Grindrod results are reflected in "Dividend income" and "(Loss)/gains in capital values" through Good Falkirk (MI) Limited. The primary statements on pages 65 to 68 comprises the Consolidated Group results only, where the SPVs look-through results are reflected through the "financial assets at fair value through profit or loss", see note 2 b) for "Basis of Preparation and Consolidation" for details on consolidation.

Financing

- TMI remains committed to a financially prudent approach, maintaining a short-term revolving credit facility ("RCF") of US$160 million to support downside risk and selective growth investment opportunities. On 11 October 2022, the Group took up an Acquisition Facility ("AF") of up to US$208.33 million to part-finance the acquisition of Grindrod. The borrowers for the RCF and AF are TMI Holdco Limited and Good Falkirk (MI) Limited respectively: both are subsidiaries of the Company and both loans are guaranteed by the Company, see note 13 for details;
- As at 31 March 2023, the total loans outstanding were US$222 million, comprising US$127 million of RCF and US$95 million of AF;
- TMI's debt to gross assets ratio as at 31 March 2023 was 27.8%[2].

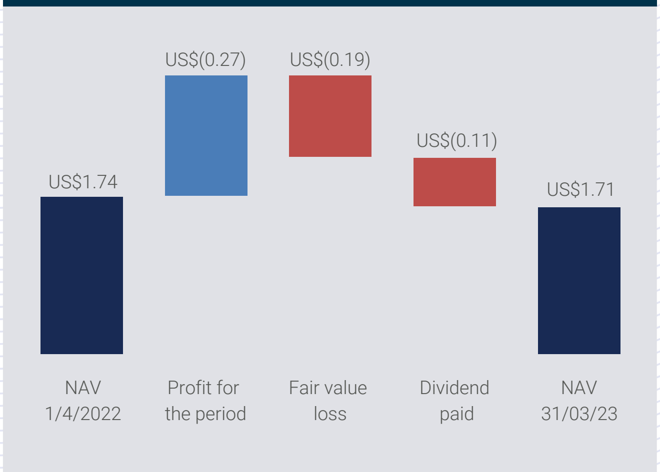
1 Inclusive of total market value of Grindrod fleet, not just the Group's 83.2% stake.
2 See "Alternative Performance Measures" on pages 89 – 91.
3 Company listed on the LSE's premium segment and began trading on 27 May 2021.
4 Vessel days: Total number of days all vessels have been owned by the TMI Group over the financial year to 31 March 2023.
5 Net charter revenue: Charter income net of commissions and charter related costs.
6 Operating expenses: Expenses incurred during vessel operations and general administrative expenses incurred by the SPVs.
7 Finance costs: Includes loan interest and fees, offset by interest income.
8 (Loss)/gain in capital values: Non-cash fair value gains and losses from marking assets to market in accordance with the valuation policy of the Group.
9 Group expenses : Direct Consolidated Group costs and investment management overheads, as shown in the Consolidated Statement of Comprehensive Income on page 56.

Strategic review **Financial review** continued

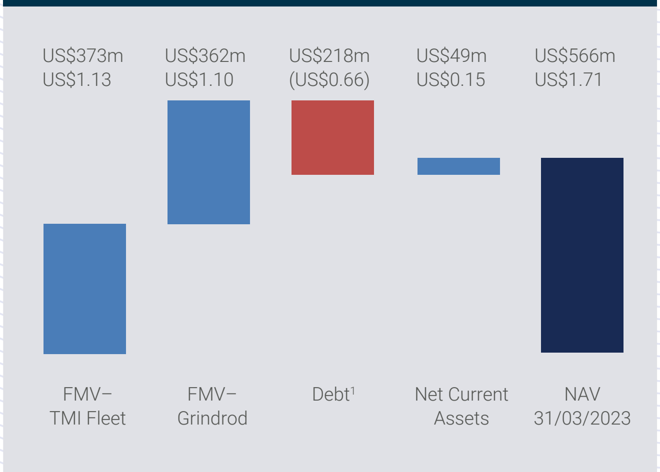
NAV valuation

- NAV per Ordinary Share decreased from US$1.74 at 31 March 2022 to US$1.71 at 31 March 2023 with US$0.27 contributed from profit for the year from 1 April 2022 to 31 March 2023, offset by (US$0.19) from fair value loss for the same period and (US$0.11) of dividend paid during the period. Breakdowns of the movements in the portfolio's Net Asset Value and its component parts are shown below;
- Total NAV return was 4.7% for the year, mainly due to decrease in vessel values;
- Vessel asset valuations are undertaken on a quarterly basis and are determined by taking the average of two independent broker valuations. As the brokers' valuations are prepared on a charter-free basis, the Executive Team assesses the difference in value arising from the contracted charter versus market rate, and, where the difference is material, factors the adjustment into the valuation (see pages 65 - 66 for additional details);
- An independent globally recognised accountancy firm (the "Independent Valuer"), were engaged to value the Group's investment in Grindrod. The Independent Valuer adopted a similar valuation approach to TMI by fair valuing the vessel assets using the average of two independent broker valuations. For the chartered-in vessels with purchase options, the options were valued based on the present value of the difference between the options exercised price and the average of two independent broker valuations. For the difference in value arising from the contracted charter-in versus market rate, the difference is assessed similar to TMI as above and adjusted if the difference is material. The Company's investment in Grindrod carried a total fair value of US$362 million as at 31 March 2023. For further details on the valuation of Grindrod, see note 3 in the Notes to the Consolidated Financial Statements.

NAV PER ORDINARY SHARE BRIDGE FROM 1 APRIL 2022 TO 31 MARCH 2023



TMI GROUP NAV COMPONENTS AT 31 MARCH 2023



[1] Debt – net of loan financing fee.

Strategic review

Environmental, Social and Governance review

Introduction

The Group's Environmental, Social and Governance ("ESG") strategy and objectives are set and monitored by the ESG and Engagement Committee which reports to the Board. The Board's oversight and composition of the ESG and Engagement Committee is covered on pages 45 to 46. As an internally managed investment company, the Executive Team works with the external technical managers, commercial manager and other key stakeholders to progress the Group's decarbonisation priorities and other critical environmental, social and governance objectives. The Group's ESG policy, which is reviewed by the Board at least annually, is published on the Company's website.

The Group's dedicated ESG Taskforce is responsible for the implementation of the Company's ESG strategy and related projects. The Taskforce comprises various subject matter experts from different functions, including representatives from the TMI Group's commercial and technical manager.

The Group's ESG approach is underpinned by six key ESG priorities, against which KPIs are measured and progress tracked.

1. Responsible investment
2. Climate change and environmental managment
3. Onshore and at sea safety
4. Compliance and conduct
5. Community and employee engagement
6. Strong corporate governance

Further details of the Group's ESG initiatives and progress can be found in the annual ESG report, available on the Company's website: https://taylormaritimeinvestments.com/. This report includes disclosure of the Group's scope 1, 2 and 3 greenhouse gas emissions and broader ESG disclosure in line with some of the principles of the Task Force on Climate-related Disclosure ("TCFD"), the Sustainability Accounting Standard Board ("SASB") and the Global Reporting Initiative ("GRI").

ESG policy alignment with Grindrod

After securing a controlling stake in Grindrod (Nasdaq:GRIN, JSE:GSH) in December 2022, the Company has been working closely with the Grindrod Board and Executive Team to align ESG strategies and approaches of both companies. This includes alignment on company policies, climate risk management, decarbonisation initiatives, seafarer and employee wellbeing.

Progress on the Group's ESG priorities throughout the year:

1) Responsible investment:

Investment in Grindrod

Grindrod owns and operates a modern, diversified fleet of dry-bulk vessels, predominantly Japanese-built and of relatively energy efficient design, a key driver for our investment. The Grindrod fleet is highly complementary to the Company's existing fleet and improves the overall environmental performance of both companies. Grindrod's larger Supramax and Ultramax vessels have lower carbon intensities due to their larger carrying capacity. This has improved the overall emissions profile (as measured by fuel consumption per dwt) of the combined fleet. The Group actively tracks and monitors Grindrod's emissions, which are included in the Group's GHG footprint under scope 3, category 15 'Investments'.

Contracted vessel new building with ammonia-ready design

Several technologies are being considered by the broader shipping industry to reduce the GHG emissions of the sector. Among them, ammonia has been identified as a zero-carbon fuel that can enter the market to help meet the GHG reduction target for 2050 set by the IMO. Ammonia offers a zero-carbon tank-to-wake emissions profile, regardless of the source of the fuel.

The Company secured an attractive opportunity to contract an ammonia-ready, eco-design 40,000 dwt Handysize newbuild from a top tier Japanese yard with an early delivery window in Q1 of the 2024 calendar year. This purchase is part of a limited renewal strategy and will serve to lower the TMI fleet's overall average age and help achieves its net-zero target.

Divestment of less efficient vessels in the portfolio

During the period, the group completed eight asset disposals, selected based on their age profile and relatively less favourable environmental credentials. These divestments contributed to the overall improvement in the average carbon intensity of the TMI fleet by 18%, on an EEOI basis.

2) Climate change and environmental management:

The Group aims to achieve a long-term target of running a zero-emission fleet by 2050 and is a signatory to the Getting to Zero Coalition's "Call to Action for Shipping Decarbonisation". Whilst the Group evaluates low-carbon fuels and their commercial viability, it is simultaneously looking at the existing fleet; how to improve fuel efficiency and lower carbon intensity.

Progress on carbon intensity targets

The Group has a medium-term target of reducing carbon intensity by 40% by 2030, compared to a 2008 baseline, in line with IMO targets. The emissions intensity of the fleet, as measured by the EEOI ("Energy Efficiency Operational Indicator") and AER ("Annual Efficiency Ratio"), for FY23 improved by 18% and 1.4% respectively. This was primarily driven by the divestment of less-efficient vessels, installation of energy saving devices and other efficiency initiatives onboard.

Strategic review **Environmental, Social and Governance review** continued

For both the EEOI and AER, the Company has limited influence over the voyage parameters or cargo carriage element, as the Company's vessels are operated under a time-charter model. Therefore, the Company is only able to influence the EEOI and AER metrics from a technical point of view e.g. vessel/engine selection and fitting of ESDs.

	FY22	FY23	Y-o-Y Improvement	Grindrod Fleet
EEOI	11.96	9.86	↑18%	9.92
AER	7.23	7.13	↑1.4%	6.21

Use of biofuels onboard

Ongoing collaboration with customers and industry stakeholders is key to achieving long-term decarbonisation goals. In September 2022 the Group completed its first biofuel trial onboard a Group vessel in collaboration with a key customer.

The biofuel blend used in this voyage trial was B30 biofuel, consisting primarily of reused cooking and other waste oils. The biofuel was blended with VLSFO ("Very Low Sulphur Fuel Oil"). On a well-to-wake emissions measurement basis, this generated a CO_2 saving of 26%, compared to consuming purely VLSFO.

The use of biofuel onboard is one of the interim steps identified by the Group in achieving a long-term target of operating a net-zero fleet by 2050. The positive results of the biofuel powered voyage are promising in terms of biofuel serving as a viable interim fuel. The Group will actively look to perform further trials and increase the use of biofuel on voyages going forward.

Fleet-wide energy efficiency initiatives

Together with the Group's commercial and technical managers, the Group continues to roll out a comprehensive fleet efficiency programme to improve vessel fuel efficiency, primarily focused on retrofits at scheduled maintenance events. These technical enhancements will increase the fuel efficiency of the fleet and improve Energy Efficiency Existing Ship Index ("EEXI") and Carbon Intensity Indicator ("CII") overall performance.

Throughout the period a further 12 vessels were fitted with energy saving devices ("ESDs") including propeller boss-cap fins, high performance paints, LED lighting, pre-swirl ducts and fuel efficiency monitoring systems. At period end, 85% of the of the total TMI fleet have at least three ESDs installed, with a combined annual fuel saving potential of ~10% per vessel.

Grindrod has also adopted the use of energy-efficiency technologies, fitting ESDs across the fleet to increase fuel consumption efficiency, including the installation of variable frequency drives, fins, rudder bulbs and ducts. At the year-end, 88% of the owned Grindrod fleet had at least two ESDs installed.

Other environmental initiatives

- Phasing out of single use plastics onboard: a 'Plastics Free' campaign has been rolled out across the fleet, with mineralised water fountains and reusable water bottles successfully installed and distributed fleet-wide, saving 15,000 plastic bottles from being used and disposed of onboard monthly
- Ballast Water Management: at the end of the period, 95% of the Company's fleet was Ballast Water Treatment System fitted, in compliance with the International Ballast Water Management Convention, aimed at conserving marine biodiversity
- Vessel emissions measurements: daily monitoring of fleet emissions including CO_2, NOx and SOx emissions

Engagement with decarbonisation technology providers

The Group continues to engage with industry technology developers of promising low/zero carbon technologies and fuels, such as charterers utilising biofuels, carbon capture technology and wind propulsion technology providers.

3) Onshore and at sea safety:

Safety procedures

In collaboration with TMI's technical managers, TMI has fostered a robust safety culture both onshore and offshore. TMI's technical managers have implemented a collection of safety procedures, policies, and protocols on-board vessels, helping the crew mitigate the daily risks faced during vessel operations. Vessel safety performance is monitored by collecting and tracking performance against a comprehensive list of industry KPIs and ensuring that any significant incidents are reported upon with follow up actions taken. During the year TMI recorded a 33% year on year improvement of the TMI fleet's LTI ("Lost Time Incident rate"), from 0.85 to 0.67.

Security at sea

Seafarers of the dry bulk shipping industry are required to call a wide-range of ports around the globe, some of which are located remotely. Alongside the Group's commercial and technical managers, vessel positions are closely monitored to ensure the necessary security steps are taken if vessels enter high-risk waters or ports (e.g. threat of piracy, thieves). In higher risk jurisdictions, the Group's managers take extra precautions when a vessel is in transit, such as crew safety briefings before entering high-risk ports, enhanced around-the clock deck inspections, anti-piracy equipment, and war risk insurance cover.

4) Community and employee engagement:

Seafarer welfare and mental health

The Group works closely with its technical manager to ensure the physical and mental wellbeing of seafarers onboard TMI Group vessels. The Group offers seafarers 24/7 access to a remote/telephone medical assistance for seafarers at sea, providing immediate independent and professional medical advice. This service is widely used across the fleet and is free to all seafarers onboard Group vessels. The Group has recently completed a programme of upgrading and enhancing accommodation and welfare facilities onboard.

With the onset of the conflict in Ukraine, the Group has taken various measures to support the welfare of both the seafarers and their families affected by the conflict. Measures include a contribution to the Seafarers International Relief Fund ("SIRF"), as well as an organisation working to supply aid to those affected. The SIRF is currently addressing basic human welfare – shelter, food, water, transport and access to medical services, along with practical financial help. Support for seafarers and their families is funded by the SIRF and delivered by maritime charities, trade unions and other not for profit organisations working in various countries. The Group continues to monitor the safety and well-being of the Russian and Ukrainian crew members on board Group vessels.

Strategic review **Environmental, Social and Governance review** continued

Cadet training programmes
In collaboration with the Group's technical manager, the Group has sponsored trainee cadets onboard the Group's vessels as part of their cadet training programmes, giving junior seafarers the opportunity to gain valuable experience and training onboard. Throughout the period, 18 cadets joined Group vessels, with more expected to join in the following year.

Community support
The Group has allocated a budget of $200,000 per annum, dedicated towards supporting causes that align with the Group's values and operations. This includes supporting local welfare initiatives, seafarer wellbeing and maritime ecosystem conservation.

5) Compliance and conduct:

Environmental regulations compliance
2023 brought a new phase of environmental regulations designed to deliver the industry's decarbonisation targets. Together with the Group's commercial and technical managers, the Group has analysed the impact of the new EEXI and CII regulations on the fleet, shore-side teams and existing internal systems and processes. The Group has proactively taken the necessary steps to meet or exceed compliance through a combination of technical enhancements and operations measures across the fleet. Both the TMI and Grindrod fleets are on track to be 100% compliant with the EEXI regulation and aim to achieve at least a "C" average fleet CII rating by the end of 2023.

The Group has also made the necessary preparations for the upcoming EU ETS ("European Union Emissions Trading System"), a regional compliance carbon emissions scheme which will include the shipping industry as of 1 January 2024. Under the EU ETS, Group vessels will be liable to surrender allowances in line with carbon emissions emitted within EU waters.

Sanctions compliance
The Group monitors the sanction regimes enacted by the UK, EU, US and the UN. Along with the Group's service providers, strict policies are maintained and we do not carry out business with sanctioned parties.

The Group works closely with its Commercial Manager to ensure that there are robust screening procedures in place with prospective counterparties and that all charter parties exclude sanctioned parties.

6) Strong Corporate governance

Robust governance is embedded in the Group's constitution as a Guernsey investment company listed on the Premium Segment of the London Stock Exchange. ESG is integral to the Group's central governance framework. The Group's ESG strategy is steered by the independent Board ESG & Engagement committee, which meets at least twice a year.

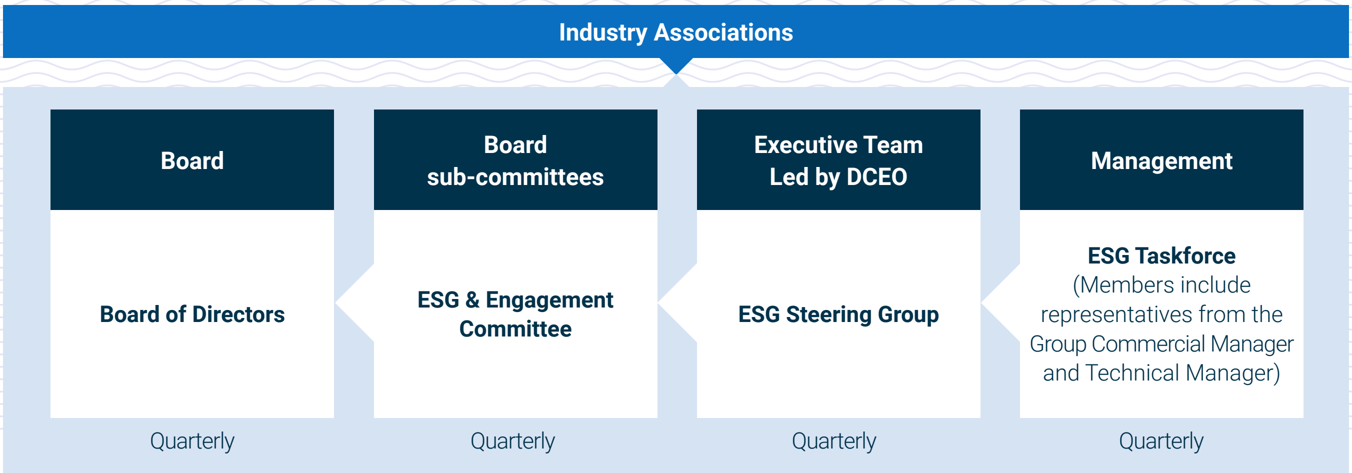
Further details on the Group's governance can be found in the Governance section of this report (pages 31 – 34) and the Group's latest ESG report.

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

Group policies:
The Board has established a comprehensive set of policies concerning the Company's governance, to ensure strong corporate ethics and sensible business values. The Group has a small group of employees and conducts a substantial part of its business through key service providers; hence these service providers have been requested to confirm their own policies and procedures, which are then crosschecked with the Group's. Policies include anti-Bribery and Corruption, code of ethics, modern slavery, whistleblowing, sanctioned and high-risk jurisdictions, conflict of interest, prevention of tax evasion, diversity and inclusion and end of vessel recycling policy.

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

TMI ESG Governance Structure



Strategic review

Stakeholders report

Section 172

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

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

The Board's commitment to maintaining high-standards of corporate governance; its policy for active shareholder engagement, combined with the Directors' duties enshrined in Company law; the constitutive documents; the Disclosure Guidance and Transparency Rules; and the Market Abuse Regulation, ensure that Shareholders are provided with frequent and comprehensive information concerning the Company and its activities.

Group engagement with stakeholders

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

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

Internal/ External	Stakeholder Group	Engagement and key outputs	Engagement Channel
External	**Shareholders/ Investors**	The Board and Executive Team hold meetings and regularly engage with our shareholders and investors on the robustness of our company strategy, our ESG priorities and our performance. Our two-way communication with our investors/shareholders means that they are able to provide useful challenges and feedback, and in turn we provide them with the information needed to make informed investment decisions. Maintaining close engagement with our shareholders on Group strategy and ESG priorities is of paramount importance to us. We take onboard feedback from our investors regarding performance expectations, dividend policies and ESG strategies and ensure that these are met as a minimum requirement. Shareholders also have the opportunity to engage with the Board directly the Annual General Meeting ("AGM") each year.	• Annual, Interim & Quarterly reporting • Annual General Meetings ("AGM") • Individual investor and analyst meeting/calls • Press releases • Website updates
	Service Providers	We work closely with our service providers, including our commercial and technical managers, inputting into ESG projects, vessel decarbonisation strategy and environmental policy compliance and overall smooth operations of the fleet. Our joint 'ESG Taskforce' provides a collaborative touch point for us to work on these initiatives, driving our collective ESG agenda and implementation and tracking of KPIs. For more detail on the activities of the Taskforce, please refer to the Company's ESG Report, which can be found on the Company website, taylormaritimeinvestments.com. The FY23 ESG Report is expected to be published by October 2023.	• Daily contact regarding the commercial and technical management of Group vessels • Bi-weekly joint 'ESG Taskforce'
	Customers	Together with our Service Providers we maintain close relationships with our customers, ensuring our vessels are leading in terms of performance and service. We seek regular feedback from our customers to ensure we are constantly improving our customer offer.	• Day-to-day chartering enquiries and fixing • Informal meetings • Customer events • Service feedback

Strategic review **Stakeholders report** continued

Internal/ External, continued	Stakeholder Group	Engagement and key outputs	Engagement Channel
External, continued	**Administrator, professional advisors**	Close engagement with our administrator and our professional advisors allows us to keep abreast of regulatory developments and advise on the appropriate way in which we should respond.	• Ongoing communication and weekly touch-points
	Corporate Broker, PR advisor	Our PR advisors and corporate broker provide us with key advice on capital markets strategy, and investor priorities including around ESG.	• Ongoing communication and weekly touch-points
	Communities	The Group and its Service Providers recognise the need to provide positive social impact to communities and operate in a responsible and ethical way. We continually look for organisations to support and local initiatives which align with our values.	• Active participation in seafarer communities through training programmes • Supporting charitable initiatives that align with our values
	Regulators and authorities	The Group and its Service Providers contribute to the wider shipping community and play a role in the international dialogue with legislators and other industry bodies. We ensure the Group is compliant with all existing regulations, and engage with professional advisers with regards to any future regulations impacting the Group.	• Formal meetings
	Industry Associations and bodies	The Group and its Service Providers actively participate in several industry associations bodies, spanning seafarer welfare efforts, decarbonisation alignment and general shipping forums.	• Industry coalitions • Industry association membership
Internal	**Board of Directors**	Our Board is ultimately responsible for setting the strategic direction of the Group and monitoring performance. The Nomination and Remuneration Committee has responsibility to assist with the composition of the Board, performance of Board members, induction of new directors, appointment of committee members and succession planning for the directors and other senior executives.	• Quarterly Board meeting • Quarterly Board committee meetings
	TMI Employees	The Executive Team and their support teams are key to our success and we want them to succeed both as individuals and as a team. The Executive Team strive to maintain a fair and equal workplace, as well as providing the opportunity for employees to grow and develop. The Executive Team maintain an open-door policy with all employees.	• Town hall meetings • Daily interactions between colleagues and management • Training programs • Open-door policy

Strategic review

Statement of principal and emerging risks and uncertainties

Risks and uncertainties

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

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

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

The Board considers the main emerging risk facing the Group is:

- ongoing market and economic risks arising from global market instability and high inflation 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 emerging and principal Risks facing the Company and the Group, including those that would threaten its business model, future performance, solvency or liquidity; and
- have reviewed the effectiveness of the risk management and internal control systems including material financial, operational and compliance controls (including those relating to the financial reporting process) and no significant failings or weaknesses were identified.

Principal risks

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

Risk/description	Control / Mitigation
Market Risk – Stable	
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 – Stable	
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*** – In the medium term this risk is mitigated through acquisition of relatively fuel-efficient vessels and the identification and sale of older, less fuel-efficient, vessels in the fleet. A key mitigation over the last 12 months has been the acquisition of the controlling interest in Grindrod which has a younger more fuel-efficient fleet. In addition, TMI works 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 in order to maximise visibility on the regulatory pathway, and in cross industry efforts to develop low/zero carbon ship solutions.
Market Risk – Increased	
The Company's Ordinary Shares trade on the LSE at a discount to NAV – if the Company's Ordinary Shares trade at a persistent discount this may lead to the Company not being attractive to investors and also leave the Company exposed to a hostile takeover bid and unable to raise funds. **Impacts our Acquisition and Income Strategy**	***Active share buyback policy and good investor relations*** – Persistent discounts often arise because the investment objective is not clearly understood by the market or the investor profile is too concentrated towards large institutional investors, resulting in thin trading volume. The Board has been building a strong investor relations team and PR presence to raise TMI's profile with retail investors and build better understanding amongst potential investors of the future opportunities for a shipping fund. The Board discusses at each Board meeting the level of discount at which TMI's shares trade and whether a buying back of its own shares would be a good use of available cash as opposed to investing in new ships, reducing gearing or returning capital via dividends to all shareholders.

Strategic review **Statement of principal and emerging risks and uncertainties** continued

Risk/description, continued	Control / Mitigation, continued
Operational Risk – Stable **The threat of cyber risk is increasing globally and the Group, with its outsourced model, is heavily dependent on third party providers** **Impacts operational strategy**	***Reliance on third party service providers*** – A successful cyber-attack on the Group or a key third party service provider would materially interrupt the Group's business operations and potentially carry financial consequences. The ESG and Engagement Committee, as part of its annual review, will request information about what security arrangements are in place and will assess their adequacy. In addition, the Group has engaged a third party service provider to implement a comprehensive cyber security program that includes regular vulnerability assessments, system monitoring, and employee training.
Market and Liquidity Risk – Increased **Instability of global monetary policy which may lead to high interest rates and turbulent foreign exchange rates** – Changes in global monetary policy leading to fluctuating foreign exchange rates, high interest rates which may seriously depress profitability and increase the potential default rate of charterers. Further the impact of increasing interest rates impacts the cost of gearing for the Company which impacts on the Company's liquidity profile.	***Charter policy and prudent cash management*** – The Group minimises its exposure to currency by predominantly operating in USD. It undertakes credit checks on charterers and sets limits on exposure to any one charterer basis a periodic internal credit review. The Company has access to a revolving credit facility secured against ships, however, it is only used mainly to bridge single vessel acquisition financing and working capital needs in the short term. Longer term structural gearing is not within investment policy. For the acquisition of Grindrod, the Group took up new credit facility with the intention of deleveraging in the short-term through vessel sales and available surplus cashflows. The Company maintains cash buffer reserves in case of downturns in the market.
ESG Risk - Stable **Pollution Damage** – The Group may be exposed to substantial risks of loss, including financial loss and reputational damage, from a vessel owned by the Group being involved in an incident of environmental damage, contamination or pollution. **Impacts our Income and Sustainability Strategy**	***Pollution Damage mitigation measures*** – The Company has established an ESG and Engagement Committee to oversee ESG matters including the performance of our vessels' commercial and technical management, to mitigate the risk of non-compliance with regulations leading to a breach of environmental regulations. All of the Group's vessels comply with regulations set out by the International Maritime Organisation and coastal states. The Group ensures that a proactive safety culture is promoted by the technical managers, reducing the risk of accidents and pollution. In the event that pollution does occur, vessels are adequately insured through Protection and Indemnity mutual clubs for environmental loss.
Financial Risk - Increased **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 and also cash reserves may become constrained if Grindrod and other SPVs are unable to pay regular dividends up to through the Group. **Impacts our Income Strategy**	***Liquidity requirement modelling*** – The Group models under various stress tests the future liquidity depending on various market charter rates and dividend levels from Grindrod. The Group also ensures it keeps appropriate cash buffers. In addition, the Group has a secured Revolving Credit Facility to meet any temporary cash flow shortfalls.
Operational Risk - Stable **Integration of Grindrod** – The Company has a detailed plan to integrate the fleet and operations of Grindrod into the wider Group. The Company plans may be subject to delays because of unexpected legal or regulatory hurdles which may result in not all cost savings and planned efficiencies being realized on a timely basis. **Impacts our income and capital strategy**	The Company has developed detailed plans covering all aspects of the integration which are reviewed by the Board at the quarterly meetings and are also developed in co-operation with the independent board of Grindrod. Additionally, Edward Buttery has been appointed joint CEO of both Grindrod and TMI to oversee the integration. At all stages external advisors and consultants have been appointed to ensure that all potential issues are recognised and dealt with.

Strategic review

Going concern and viability statement

Going Concern

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

The Group maintains a portfolio of vessels which are expected to generate enough cash flows to pay on-going expenses and returns to Shareholders. As part of their consideration of the appropriateness of adopting the going concern basis, the Directors have considered the cash position, the performance of the portfolio and they have carried out a robust assessment of the Group's solvency and liquidity position using a scenario analysis on possible outcomes.

The Board also consider factors that may impact future performance, including the potential impact on markets and supply chains of geo-political risks such as the current crisis in Ukraine, continuing macro-economic factors and possible rising rates of inflation in the forthcoming year. The Board will continue to monitor these events, however, at this stage they are not expected to have a detrimental impact the performance of the Group. See the "Market review" section on pages 10 – 13 for further details.

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

Viability Statement

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

Our review is conducted over a three-year period ending on 31 March 2026, which aligns with the nature of the shipping industry and our Group's operational cycle. The Group's business model is anchored on global shipping and logistics, an industry that can be affected by global economic shifts and geopolitical uncertainties. Yet, considering the Group's robust financial status as of 31 March 2023, alongside a thorough review of stress case scenarios, we have a reasonable expectation that the company will continue to operate and meet its liabilities.

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

1. A key risk facing the Group is a downturn in the global demand for shipping, this in turn will be driven by global macro-economic factors which are difficult to model beyond the medium term. Changes in the economic landscape would impact the value of the fleet as well as the likely charter income.
2. Changes in regulation to meet the demands of climate change are evolving rapidly, making longer term predictions difficult.
3. TMI's current debt facilities, see note 13 for further details, are set to mature in May 2024, as per the facility terms, with extension options on the RCF of up to two, one year extensions till May 2026. We expect a debt restructuring will conclude shortly that will combine the current facilities into a single Revolving Credit Facility (RCF) with a 42-month maturity.
4. The Group's charter contracts usually span less than three years.
5. Integration of Grindrod is a crucial process an orderly plan to optimise synergies in Grindrod's fleet and operations with the wider Group. While we may encounter unexpected legal or regulatory obstacles leading to delays, the realization of cost savings and efficiency improvements is expected within the three-year period.

On a quarterly basis the Board routinely reviews the future financial model of the Group for 36 months including daily cash breakeven, liquidity and debt positions under both a base and a stress case scenario. The results of which are to establish any obvious stress points on the key metrics of cash breakeven, liquidity and debt.

The key variable in these models is charter rates. The daily charter rate is set based on the current average for a TMI Handysize vessel of c.US$11,000 per day, which is based on the charters fixed for the period April to June 2023. In a stress case scenario, this average charter rate experiences a significant decrease of c.30%, translating into a decline from the current rate to c.US$8,000. This depressed rate is assumed to continue for one year before returning to the current rate of c.US$11,000 for financial years 2025 and 2026. The reduction is deemed reasonable based on Clarksons recent historical data from periods of extreme stress for TMI's segment of the shipping industry, noting that these periods have historically endured for shorter periods than the time modelled. The same percentage reduction from the base rate is assumed for both Handysize and Supramax vessels. It is also assumed that income is impacted by increased commercial off-hire days in the stress scenario which are assumed to be double when compared to the base case.

Strategic review **Going concern and viability statement** continued

Changes in fleet value are assumed to follow from impacted charter rates and also play a critical role in these models. In the stress case scenario, the decrease in the market value of the vessels is expected to align to the fall in charter rates of c.30%. After this decrease, the market value is projected to remain steady in line with depreciation over the subsequent three years.

In terms of vessel sales, the existing policy to sell older ships continues, with a select number of vessels from the fleet marked for sale in the initial year in order to generate sale proceeds to continue deleveraging and achieve other strategic targets. In the stress case scenario, where charter rates are depressed for one year before reverting to current levels for the next two years, it is assumed that more vessel sales are executed within the three-year period, with the average selling price reduced in line with charter rate and fleet value reductions.

Inflation rate assumptions are also incorporated, with both the operating expenditure and selling, general, and administrative expenditure (SGA) considered and, for the stress case scenario, are assumed to maintain an annual inflation rate rise of 5%. The financial models also include the TMI and Grindrod fleet integration which is underway, and which is projected to result in considerable annual cost savings. For modelling purposes, it is assumed that the process of fully integrating Grindrod will be accomplished by the close of 2024.

The assumptions explained above consider a stressed case scenario in which the market is poor over the next three years: depressed for a full year before recovering to current levels which are below historical averages. It is assumed that interest rates remain high in an ongoing elevated inflationary environment. Under these stressed conditions, the Group has a credible strategy. Through the integration of TMI and Grindrod fleets, strategic fleet management, restructured loan facilities, and targeted vessel sales, the Group can navigate a period of greater volatility in the shipping market.

Finally, the Group continually reviews its cash reserving policy in respect of dry-docking costs and replacement reserves and ring fences such reserves to ensure that it maintains adequate cash levels to maintain the future operations of the Group. The shifting focus towards lowering emissions and improving the efficiency of existing vessels requires increased capex investment in retrofitting the fleet with new technology. These additional costs have been factored into the Group's dry-docking costs and vessel budgets. The Group's ships are readily realisable in the market and the Directors believe the Group would be able to sell ships from the fleet to repay the loan facility if required. In addition, to breach Loan to Value ("LTV") covenants of the current facility would require a substantial fall of greater than 44% in the market value of the ships in the collateral pool.

Based on the assessments made and in the context of the Group's business model, strategy and operational arrangements set out above, the Directors have a reasonable expectation that the Group will be able to continue in operations and meet its liabilities as they fall due over the three years to March 2026. For this reason, the Board also considers it is appropriate to continue adopting the going concern basis in preparing the Annual Report and Consolidated Financial Statements as disclosed in the Directors Report.

The Strategic Review taken as a whole was approved by the Board of Directors on 26 July 2023:

Frank Dunne
Senior Independent Director
and acting Interim Chair[1]

[1] Acting Independent Interim Chair for the period 6 January 2023 to 31 May 2023.

Governance

Governance

Board of Directors

Henry Strutt, Independent Chair *– appointed 1 June 2023*

Henry Strutt has extensive experience in the investment banking, fund management and financial advisory sectors. After qualifying as a Chartered Accountant, he spent over twenty years with the Robert Fleming Group, working in the fund management, corporate finance and broking divisions. He spent seventeen years in the Far East, in Hong Kong and Tokyo, working for Jardine Fleming, the Robert Fleming Group's Asian/Australasian joint venture with Jardine Matheson. He became Executive Chairman of the Jardine Fleming Group in 1996, subsequently returning to London where he was appointed joint Chief Executive of the Robert Fleming Group's Investment Banking Division, responsible for global broking, securities trading, capital markets, corporate finance and banking. Following the sale of the Robert Fleming group to Chase Manhattan, he worked in an executive and non-executive capacity in various fund management and financial advisory businesses. He was a non-executive Director of Smith & Williamson Holdings (now Evelyn Partners), for over ten years and a non- executive Director of Harrods Bank (now Tandem Bank) for two years. He is currently Chairman of Edinburgh Worldwide Investment Trust plc, a listed investment trust, and a non-executive Director of New Waves Solutions, part of the Belgian DEME group (dredging and offshore marine services). He was appointed a Deputy Lieutenant of Suffolk in 2012.

Other listed Directorships: Chairman of Edinburgh Worldwide Investment Trust plc.

Frank Dunne, Senior Independent Director

– appointed 31 October 2022. Served as Interim Chair for the period 6 January 2023 to 1 June 2023.

Frank Dunne has over 40 years' legal experience, specialising in maritime law and transactions involving major international shipping finance lenders, commercial shipping transactions for major international shipowners, joint ventures, charter structures, new building contracts, and ship (and corporate) acquisitions. Mr Dunne was a Partner of Watson Farley & Williams from 1982 and served as Chairman from 2004 to 2017 during a major period of global expansion for the firm. He established Watson Farley & Williams presence in Greece and remains a prominent figure in Greek shipping and finance circles. In 2011 he was named "Maritime Lawyer of the Year" by leading sector publication Lloyd's List, and has been described by Chambers UK as providing "great support in dealing with syndicates of banks" and "…good at advising on complex issues with high interests at stake and is highly respected." He is a qualified solicitor and holds an MA from Cambridge University.

Other listed Directorships: None.

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.

Other listed Directorships: Mr Buttery was appointed Chief Executive Officer and Executive Director of Grindrod with effect from 1 April 2023.

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 he listed on NASDAQ in 1994, and he re-established 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 CEO, 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, Senhouse Asia (now Waverton Asset Management) and firstly Chairman and then Non-Executive Director of Epic Gas Pte; also Non-Executive Director of The China Navigation Company and Swire Bulk Shipping Pte. He is currently Chairman of Taylor Maritime Company, and a Director of the Hong Kong Maritime Museum. He was a Trustee of the Hong Kong WWF for ten years.

Other listed Directorships: None.

Governance **Board of Directors** continued

Trudi Clark, Independent Non-Executive Director

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

Other Listed Directorships: Balanced Commercial Property Trust Ltd (retired on 31 May 2023), The Schiehallion Fund Limited and NB Private Equity Partners Limited.

Sandra Platts, Independent Non-Executive Director

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

Other Listed Directorships: Mrs Platts is a Senior Independent Non-Executive Director at Sequoia Economic Infrastructure Fund, Investec Bank (Channel Islands) Limited and Marble Point Loan Financing Limited.

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 30 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 started the branch office in London 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.

Other Listed Directorships: Ardmore Shipping Corporation.

Governance

Executive team

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

The Executive Team are as follows:

Alexander Slee, Deputy Chief Executive Officer

Alexander Slee has spent the last 15 years in the shipping industry. After starting his career in the investment banking division of Citigroup in London, he joined Pacific Basin Shipping in Hong Kong in 2006 where he worked in a variety of corporate and divisional management roles. From 2010 he was General Manager of Vanship Holdings, a privately owned tanker and bulker ship owning company, and Group Strategy Director at Univan Ship Management, where he was closely involved in its merger with Anglo-Eastern Ship Management. He joined Taylor Maritime in 2016 where he has held the role of Deputy CEO. Mr. Slee holds a BA in Classics from Oxford University and has attended a management programme at INSEAD. He has served as a member of the Executive Committee of the Hong Kong Shipowners Association.

Camilla Pierrepont, Head of Investor Relations

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 the Taylor Maritime Group, 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 Pte (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 gaining 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 Group 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.

Carl Ackerley, Chief Operating Officer

Carl Ackerley has over 30 years' experience in the shipping industry having become a member of the Baltic Exchange as a shipbroker in 1989. From 1989 – 2001 Carl worked as a broker in London, Johannesburg and Melbourne before moving on to the principal side. From 2001 to 2006, he worked with Furness Withy Australia (FWA) before joining Pacific Basin where he worked from 2006-2010. While at Pacific Basin, Carl headed the group's Atlantic desk of the new Supramax division, based in London, before transferring to Melbourne to become General Manager of Pacific Basin Australia.

In 2010, Carl joined Island View Shipping (IVS), a division of Grindrod Shipping Pte Ltd, where he established the Supramax division and developed the commercial management of the IVS Handysize fleet and third-party vessels. Carl was appointed Chief Operating Officer for Grindrod in March 2021 and Chief Operating Officer of Taylor Maritime Investments with effect from 1 July 2023.

Governance

Corporate Governance

Compliance

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

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

For the year ended 31 March 2023, the Company has complied substantially with the Principles and Provisions of the AIC Code, with the exception of that the Company did not have a Senior Independent Director ("SID") for part of the financial year as detailed further below.

Senior Independent Director:

Frank Dunne was appointed as a non-executive Director and SID of the Company on 31 October 2022. Mr Dunne retained the SID position for the period from 31 October 2022 to 6 January 2023, when Nicholas Lykiardopulo stepped down from his position as Chair and resigned from the Board. With immediate effect, Frank Dunne, was subsequently appointed as acting Interim Chair whilst a recruitment process was conducted to seek a new permanent Chair. On 1 June 2023, Henry Strutt was appointed as the new Chair of the Board and Frank Dunne stepped down as acting Chair resuming his position as the SID.

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

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

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

Composition of the Board and independence of Directors

As at 31 March 2023, the Board of Directors comprised four non-executive and independent Directors, one non-executive non-independent Director and an executive Director.

With the exception of Edward Buttery and Chris Buttery, all directors are considered independent of the Executive Team, the Commercial Manager and the Technical Manager. Edward Buttery is employed as the Chief Executive Officer of the Group. Christopher Buttery, Edward's father, acts as a non-executive Director. Both have close connections with the Commercial Manager and the Technical Manager and are therefore not considered independent. The Board reviews the independence of the Directors annually. The Directors' biographies are disclosed on pages 28 – 29.

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

Board diversity

The Board brings deep experience from shipping and financial services and, at the date of this report, in total 43% of the Board are female with 60% of the independent directors being female. The Board supports the widening of its diversity, whilst ensuring the capabilities, experience and background of each member remain appropriate to the Group and continue to contribute to overall Board effectiveness. Further details of the Board and Executive Team diversity is detailed in the Nomination and Remuneration Committee Report.

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

Board evaluation

The Board has established a policy that it will undertake an external evaluation every three years in accordance with the AIC Code and internal evaluations in the other years. Internal evaluations are based on questionnaires prepared by the Company Administrator.

The first internal evaluation questionnaires were completed in May 2022, the results of which are detailed further in the Nomination and Remuneration Committee Report. The evaluation process on an annual basis is led by the Chair of the Nomination and Remuneration Committee.

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

Governance Corporate Governance continued

Board values and culture

The Chair is responsible for setting the standards and values expected of the Board, and the Board operates with the Company's core values of integrity, transparency and accountability with an aim of maintaining a reputation for high standards in all areas of the Group's activities. The Board recognises the value and importance to all stakeholders of organisations incorporating effective environmental, social and governance policies as part of its day-to-day operations; refer to pages 21 – 22 for additional information.

Through designing an effective ESG policy which reflects the Board's core values and the alignment of this with the Group's business operations, the Board seeks to promote a culture of openness and constructive challenge amongst those responsible for taking key decisions. The Group aspires to be a responsible corporate citizen, committed to integrating environmental, social and governance factors into the Group's investment process. The aim is to engage actively with shareholders to achieve our collective ESG responsibilities and ambitions. The Group believes that the shipping industry, irreplaceably serving the basic needs of global society, is in a position to contribute positively to the United Nations Sustainable Development Goals ("SDG"s). For further details see the ESG Review on pages 18 – 20.

Directors' and officers' liability insurance

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

Relations with Shareholders

The Board believes that the maintenance of good relations and understanding the views of Shareholders is important to the long-term sustainable success of the Company and since launch the Board has adopted a policy of actively engaging with major Shareholders through a variety of means. Further information on how the Company engages with shareholders can be found in the Stakeholders report on pages 21 – 22.

Directors' meetings and attendance

The table below shows the Directors', who served during the year, attendance at Board and Committee meetings during the year ended 31 March 2023:

	Number of meetings held	Frank Dunne	Edward Buttery	Helen Tveitan	Trudi Clark	Chris Buttery	Sandra Platts	Nicholas Lykiardopulo
Board – scheduled	**4**	1	4	4	4	4	4	3
Risk and Audit Committee	**6**	N/A	N/A	5	6	N/A	6	N/A
Nomination and Remuneration Committee	**8**	1	N/A	7	8	N/A	8	7
ESG and Engagement Committee	**4**	1	N/A	4	4	N/A	4	3

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

Governance **Corporate Governance** continued

Board responsibilities

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

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

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

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

Board Committees

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

Risk and Audit Committee	
Trudi Clark *Chair* Helen Tveitan Sandra Platts Frank Dunne (for the period 31 October 2022 to 6 January 2023, subsequently re-appointed on 1 June 2023)	Provides oversight and reassurance to the Board, specifically with regard to the integrity of the Group's financial reporting, audit arrangements, risk management and internal control process and governance framework.
Nomination and Remuneration Committee	
Sandra Platts *Chair* Frank Dunne (appointed to committee on 25 January 2023) Trudi Clark Helen Tveitan Nicholas Lykiardopulo (resigned 6 January 2023) Henry Strutt (appointed 1 June 2023)	To review the structure, size and composition of the Board and consider succession plans for the Board and the Executive Team. To determine the remuneration policy, set the remuneration of the Board and the Executive Team and to approve and oversee bonus and Long-term incentive plan ("LTIP") awards.
ESG and Engagement Committee	
Helen Tveitan *Chair* Frank Dunne (appointed to committee on 25 January 2023) Trudi Clark Sandra Platts Nicholas Lykiardopulo (resigned 6 January 2023)	Manages any conflicts of interest in respect of the Group's relationship with the Executive Team, the Commercial Manager, the Technical Manager and other service providers. To guide supervise and support the Executive team in the implementation of the Group's ESG policy. To evaluate the performance and terms of engagement of the key service providers to the Group.

Governance **Corporate Governance** continued

Management arrangements

The Executive Team

The biographies of the Executive Team are provided on page 30.

The services of the Executive Team are provided pursuant to an intra group advisory and services agreement between TMIUK and the Company dated 1 April 2022 (the "Advisory Agreement"). For the period 31 March 2021 to 31 March 2022, the services of the Executive Team were provided pursuant to an intra group advisory and services agreement between TMIHK and the Company dated 6 May 2021. From 1 March 2022, Edward Buttery was employed directly by the Company.

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

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

Commercial Manager and Technical Manager

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

Administrator

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

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

Internal control review and risk management system

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

It is the responsibility of the Board, supported by the Risk and Audit Committee, to undertake risk assessments and review the internal controls in the context of the Company's objectives that cover business strategy, operational, compliance and financial risks facing the Company. These internal controls are implemented by the Executive Team, the Administrator and the Commercial Manager. The internal controls implemented by the Commercial Manager are overseen by the Chief Financial Officer ("CFO") of the Executive Team. The CFO is located in Singapore in close proximity to the key members of the Commercial Manager's finance team. The Board receives updates from the Executive Team and the Administrator at quarterly Board meetings. The Board is satisfied that the Executive Team, the Commercial Manager and the Administrator has effective systems in place to control the risks associated with the services that they are contracted to provide to the Company and are therefore satisfied with the internal controls of the Company. In addition, the Board notes that Grindrod has an internal audit function, which is outsourced to a third party provider, and is responsible for providing objective assurance on the effectiveness of the company's risk management, control, and governance processes.

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

Governance

Report of the Nomination and Remuneration Committee

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

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

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

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

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

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

Activity

The Committee met eight times during the financial year and twice following the year end. The principal matters considered at these meetings included, but were not limited to:

- the review, evaluation of the composition of the Board and appointment of a Senior Independent Director ("SID");
- the review and consideration of Executive Team appointments and structure;
- the consideration of proposals and approval of the Executive Team remuneration package including;
  - approval of Executive Team salaries for 2022/23 and 2023/24;
  - awarding of shares under the terms of the LTIP for 2022/23 including the targets to be achieved for the awards to vest;
  - review of the annual bonus awards based on results for the year ended 31 March 2023, including consideration of whether part to be awarded in the form of deferred shares;
  - setting of the annual bonus targets for 2023/24
- to approve the Company's annual staff plan and remuneration budget;
- to oversee the recruitment of a replacement Chairman following the resignation of Nicholas Lykiardopulo on 6 January 2023, including appointing an external recruitment agent to assist the Company in the selection process.

Board Composition

The Committee keeps under constant review the Board's composition, skills sets, experience and diversity. The Board consists of seven members of which five are considered independent. Six were appointed at IPO, Frank Dunne joined the Board on 31 October 2022 as Senior Independent Director and has also acted an interim chair following the resignation of Nicholas Lykiardopulo on 6 January 2023. Following the year end, Henry Strutt was appointed the new independent Chair and Frank Dunne resumed is role as Senior Independent Director.

Chairman recruitment process

The process for the appointment of the Chairman was led by the Chair of the Committee. In accordance with the Company's policy, the Committee engaged an independent external search firm, Sapphire Partners Limited ("Sapphire"), to assist with the recruitment process. Sapphire, who were selected following a competitive tender process and have no connection to the Company or the individual Directors, have extensive experience in recruiting for senior board positions in the financial services industry.

The search process was designed to identify candidates who met the Board's desired criteria, including a strong track record of leadership at a senior level; experience in a complex, regulated environment; and a deep understanding of the financial services industry.

The search firm identified a number of potential candidates, all of whom were assessed against the agreed criteria. The Committee then conducted a series of interviews with a shortlist of three candidates, before making a recommendation to the Board.

Governance Report of the Nomination and Remuneration Committee continued

Following this process, Henry Strutt was appointed as Chairman on 1 June 2023.

On appointment, Mr Strutt was also appointed as a member of the Committee and the ESG & Engagement Committee, and Frank Dunne recommenced his role as SID and re-joined the Risk and Audit Committee.

Grindrod

As referred to previously in this annual report the Company successfully completed the closure of its investment in Grindrod on 19 December 2022. The Committee and the Board recommended the appointment of six Directors to serve on the Grindrod Board and all six Directors were assessed as independent directors in accordance with the Singapore Code of Corporate Governance. In addition, on 21 March 2023, the Company announced that Edward Buttery would be appointed as joint CEO of both the Company and Grindrod to focus on achieving strategic synergies between the two companies. The Committee reviewed the recommendation proposed by the Grindrod board concerning Mr Buttery's remuneration which is disclosed in the table on 38.

Board Tenure

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

Succession Planning

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

Diversity Policy

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

Board diversity statement

The Company's policy is the Board should have an appropriate level of diversity, taking into account relevant skills, experience, gender, social and ethnic backgrounds, cognitive and personal strengths. The Directors' biographies are disclosed on pages 28 – 29.

In accordance with the new requirements of the Listing Rules LR 9.8.6 R (9) and (11) (applicable for periods from 1 April 2022), the Company is required to include a statement in the annual report setting out whether it has met the following targets on Board diversity as at 31 March 2023:

1) At least 40% of individuals on its board are women;
2) At least one of the senior board positions[1] is held by a woman; and
3) At least one individual on its board is from a minority ethnic background.

The tables below set out the diversity information, which was obtained through anonymous questionnaires provided by the Company Secretary, for both the Board and the Executive Team as at 31 March 2023:

Gender identity or sex	Number of Board members	Percentage of the Board	Number of senior positions on the Board	Number in Executive Team[2]	Percentage of Executive Team
Men	3	50%	2	1	33%
Women	3	50%	3	2	67%
Not specified/prefer not to say	-	-	-	-	-

Ethnic background	Number of Board members	Percentage of the Board		Number in Executive Team[2]	Percentage of Executive Team
White British or other White (including minority white groups)	5	83%		1	33%
Asian/Asian British	1	17%		1	33%
Mixed/Multiple Ethnic Groups	-	-		1	33%
Not specified/prefer not to say	-	-		-	-

[1] The Company considers the positions of Chief Executive Officer, Chairman, Senior Independent Director and the Chair of the Board Commitees to be senior positions of the Board.

[2] Mr Buttery is considered a member of the Executive Team, however, the diversity information for Mr Buttery is included as a member of the Board.

Governance **Report of the Nomination and Remuneration Committee** continued

As disclosed above, the Board have taken account of the targets set out in the FCA's Listing Rules. For the Group, not all senior roles come with Company Board appointments, for example the Chief Financial Officer for the Group (the "CFO"), is employed by TMI Advisor Pte. Limited in Singapore. This role is held by a woman of Asian ethnicity. The roles of Chairman, CEO and SID do have Company board appointments are all currently held by men. However, the Board considers the Chairs of all the Board Committees to be senior board positions and the above disclosures have been made on this basis. The above information has been provided by each Director and Executive Team member. Since 31 March 2023, Henry Strutt was appointed as Chair of the Board and Frank Dunne stepped down as interim Chair resuming his position as the SID on 31 May 2023. The above diversity analysis does not include Mr Strutt, who did not serve as a Director during the year.

Board Evaluations

The Board, led by the Chair of the Nomination and Remuneration Committee, conducted a formal internal evaluation of its performance during the year ended 31 March 2023. The evaluation was carried out using self-assessment questionnaires prepared by the Company Secretary. The purpose of the evaluation was to assess the effectiveness of the Board as a whole, the effectiveness of the Chair, as well as the performance of individual directors.

The process involved a series of numerical gradings and options for qualitative feedback and covered a range of areas, including:

- Board composition and diversity
- Board information, processes and procedures
- Board culture and dynamics
- Board accountability and effectiveness
- Risk management and oversight
- Strategy development and implementation
- Financial reporting and controls
- Stakeholder engagement and communication

The results of the evaluation confirmed that the Board continued to operate effectively, and no significant failings or deficiencies were identified. Feedback from the process provided valuable insight to areas where further investigation may enhance the Board's effective operation and will form part of the Board's agenda for the coming year.

The Board remains committed to continuous improvement and ensuring that it operates effectively and in the best interests of the company and all key stakeholders.

Remuneration policy

At the Company's Annual General Meeting ("AGM") on 7 September 2022, ordinary resolutions were proposed to shareholders to approve the Directors' Remuneration Policy and the Directors' Remuneration Report for the period 31 March 2021 (date of incorporation) to 31 March 2022. Both resolutions had near unanimous support with over 99% of votes at the meeting being cast in favour. The Committee was pleased by the high level of shareholder support for the Remuneration Policy and the Remuneration Report.

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

The Committee has, in determining the policy and in its consideration of remuneration in respect of 2023/24; had extensive discussions and consulted various published surveys on executive pay and Board fees for investment trusts and other listed companies; as well as taken advice from the non-Executive Board members who have knowledge of remuneration packages paid to Executives in peer companies in the shipping industry.

UK Code

As an internally managed investment company, the AIC code states that we should have regard to the provisions of Section 5 of the UK Corporate Governance Code 2018 (the "UK code").

We have considered the provisions of Section 5 of the UK Code and believe we comply based on the following:

- We operate consistent pension arrangements over all our TMI workforce, and from 2022/23 have offered a cash sum or cash sum and contributions into a Government scheme to comply with any local statutory requirements;
- LTIP awards vest after 3 years and the Executive Director from 2023/24 will be subject to a further two year holding period;
- All incentive awards include certain clawback provisions on errors in assessing a performance condition;
- Although currently variable incentive schemes are only available to the Executive Team, as the Group grows it is expected that schemes will be extended to all employees;
- The Nomination and Remuneration Committee believes that variable remuneration schemes are fair, align with the Group performance and do not encourage inappropriate risk taking.

Governance **Report of the Nomination and Remuneration Committee** continued

Directors' Remuneration Policy – 2023/24

Shareholder approval will be sought at the forthcoming Annual General Meeting of the policy as set out below. Subject to shareholder approval, the policy will take effect immediately after the Annual General Meeting and will apply to the 2023/24 financial year.

Executive Director's Remuneration Policy Table – 2023/24

Base Salary	
Purpose	A base salary to attract and retain Executive Director with skills, experience and qualifications needed to manage and grow the business successfully.
Operation	The base salary is reviewed annually with changes effective 1 April. When setting base salaries the Committee will consider relevant market data, as well as the scope of the role and the individual's skill and experience.
Maximum	No absolute maximum has been set for the Executive Director's base salary. Any increase is approved by the Nomination and Remuneration committee based on changes in the scale of the role and also market salary information.
Grindrod Renumeration	The Executive Director is paid to undertake the joint CEO role a base salary of GBP350,000. He receives no other additional incentives or awards from Grindrod.
Pension	
Purpose	Required in industry standards and legislation.
Operation	Until such time as the Group establishes its own pension plan a cash element of the salary is paid to the employee in lieu of pension contributions.
Maximum	A rate of 10% of base salary is paid to all employees including the Executive Director.
Annual Bonus and Deferred Bonus Plans	
Purpose	A short-term incentive to reward the Executive Director on meeting the Group's annual financial and strategic targets and on their own personal performance.
Operation	The Committee may determine that up to 50% of the annual bonus will be paid in Company shares. Bonus allocated in the form of shares will be deferred for three years with the shares vesting in three equal instalments at the anniversary of the award, followed by a two year hold period.
Maximum	The maximum permitted under the rules will be 100% of base salary.
Performance Measures	That annual bonus is based on a range of financial, strategic, ESG operational and individual targets. The specific targets and weightings will be determined each year by the Committee.
Clawback	Clawback provisions may be applied in the event of a material misstatement or an error in assessing a performance condition or material misconduct on behalf of the award holder.
Long-term incentive plan	
Purpose	A long-term incentive plan to align the Executive Director's performance with those of shareholders and to promote the long-term sustainable of the Company.
Operation	Awards are granted annually usually in the form of a conditional share award or nil cost option. Awards will vest at the end of a three-year period subject to meeting the performance conditions and continuing employment, followed by a two year hold period.
Maximum	Annual awards with a maximum of up to 200% of base salary may be made, although awards are not expected to be above 150% of base salary.
Performance Measures	Vesting conditions will be subject to performance conditions as determined by the Committee on an annual basis. The 2022/23 awards were based on two performance criteria: 1. Average annual total NAV return for a three-year period (80%). For threshold levels of performance 30% of the awards vest rising on a straight-line basis to 100% for maximum performance; and 2. Reaching ESG targets over a three year period (20%). The 2023/24 award vesting criteria is currently under review by the Board in conjunction with the Committee and external advisors. The results of this review will be announced shortly.
Clawback	Clawback provisions may be applied in the event of a material misstatement or an error in assessing a performance condition or material misconduct on behalf of the award holder.
Fees	
Purpose	To provide competitive directors fees.
Operation	Annual fee for the Chair and an annual base fee for other Non-Executive Directors. Additional fees for those Directors with additional responsibilities such as chairing a committee or acting as a Senior Independent Director or for a specific project. Annual fees paid quarterly in arrears. Non-Executive Directors are not eligible for receive share options or other performance related remuneration. Non-Executive Directors are entitled to reimbursement of reasonable expenses.
Maximum	The Company's Articles set an annual limit for the total of Non-Executive Directors' remuneration of £500,000.
Clawback	Clawback provisions may be applied in the event of a material misstatement or an error in assessing a performance condition or material misconduct on behalf of the award holder.

Governance **Report of the Nomination and Remuneration Committee** continued

Letters of Appointment

All the non-executive Directors were appointed as Directors by letters of appointment.

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

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

Service Contracts

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

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

Policy for other members of the Executive Team

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

Total remuneration for the year ended 31 March 2023

The table below sets out the total remuneration receivable by each Director who held office during the year ended 31 March 2023.

Name	Salary/ Fee £'000	Additional Fee £'000	Pension Salary Supplement £'000	Total Fixed £'000 (A)	Annual Bonus £'000	Total Variable £'000 (B)	Total £'000 (A) + (B)	Total $'000
Executive Director								
Edward Buttery	500	-	50	550	375	375	925	1,083
Non-Executive Directors								
Frank Dunne (Chair)[1]	38		-	38	-	-	38	46
Christopher Buttery	60	-	-	60	-	-	60	72
Trudi Clark	70	20	-	90	-	-	90	109
Sandra Platts	67.5	-	-	67.5	-	-	67.5	81
Helen Tveitan	67.5	-	-	67.5	-	-	67.5	81
Nicholas Lykiardopulo[2]	69.8	-	-	69.8	-	-	69.8	82
Total	**872.8**	**20**	**50**	**942.8**	**375**	**375**	**1,317.8**	**1,554**

The additional fee received by Trudi Clark was an extra one-off payment of £20,000 for additional duties and services provided in connection to the Company's audit and the Grindrod acquisition.

Mr Buttery is employed directly by the Company and received a basic annual salary of £500,000 for the year ended 31 March 2023 (31 March 2022: £371, 820).

Annual Bonus for 2022/2023

On 6 June 2023, the Committee approved an annual bonus payable to Mr Edward Buttery of £375,000 (31 March 2022: £371,820), which is based on an assessment of 75% of his performance criteria being met as detailed further in the table below. Of the £375,000 annual bonus award, 50% is payable in cash and 50% payable in Ordinary Shares. The share awards will vest in equal instalments over 3 years commencing from the first anniversary of the award and are subject to a further 2 year holding period.

Long Term Incentive Plan ("LTIP")

	2022/23	2021/22
Date of Grant	2 August 2022	26 August 2021
Vesting Date	1 August 2025	25 August 2024
Vesting Criteria	80% average annual total NAV return for period from 1 April 2022 to 31 March 2025 (see table below)	100% average annual total NAV return for the period from IPO to 31 March 2024 (see table below)
LTIP contingent Share award	642,629	750,000

[1] Appointed 31 October 2022.
[2] Resigned 6 January 2023.

Governance **Report of the Nomination and Remuneration Committee** continued

The LTIP award which is linked to the average Total NAV return vests based on the following table.

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

The ESG targets include various objectives in line with the Group's ESG commitments on responsible investments, climate change, environmental management, compliance & conduct, community engagement and corporate governance.

Performance Grants to Other Members of the Executive Team

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

	2022/23	2021/22
Bonus Awards	US$966,000	US$966,000

	2 August 2022	26 August 2021
LTIP contingent share award	1,446,293 Ordinary Shares	1,545,000 Ordinary Shares

Of the US$966,000 2022/23 bonus awards to the other Executive Team members, 50% was payable in cash and 50% payable in Ordinary Shares (2021/22 bonus awards: 100% cash).

The number of deferred shares to be awarded to each member of the Executive Team is to be determined using a five-day average of the closing price of the Company's Ordinary Shares prior to the date of grant. An announcement confirming the number of deferred shares awarded to each member of the Executive Team in respect of the 2022/23 performance period will be released at the point of vesting. The share awards will vest in equal instalments over 3 years commencing from the first anniversary of the award.

Director's Remuneration in 2023/24

Executive Director		Change from 2022/23 financial period
Base Salary	**£530,000** The Executive Director is also paid to undertake the CEO role of Grindrod a base salary of £350,000.	6.0% average increase has been awarded to all employees compared to the published UK inflation figure of 10.3% at 31 March 2023.
Pension	**10.0% of Salary**	**10% of Salary** – No change from prior year.
Annual Bonus	**Based on performance for the year 2023/24, shown as a percentage of base salary:** – **30.0%** based on net asset total return of 10% of more; – **50.0%** based on strategic objectives in particular around the integration of Grindrod; – **10.0%** based on ESG targets; – **10.0%** based on personnel development.	**Based on performance for the year 2022/23, shown as a percentage of base salary:** – **45.0%** based on net asset total return of 10% of more; – **20.0%** based on strategic objectives; – **20.0%** based on ESG targets; – **15.0%** based on personnel development. The Committee assessed that the achievement level of the above objectives for year 2022/23 was 75%. Of which: – **50.0% cash** - £187,500, will be paid in cash; and – **50.0% shares** -£187,500, will be paid in shares (The share award will vest in equal instalments over 3 years and are subject to a further 2 year hold period).
LTIP	The LTIP award structure is currently under review, particularly as regards the vesting criteria. The Board wishes to ensure that the rules continue to reward performance but remain aligned with investor returns.	Based on 3 years' performance from the 1 April 2022: - **80.0%** based on annual total NAV return ~ Threshold target 5.0% ~ Maximum target 12.0% - **20.0%** based on ESG targets

Non-Executive Directors		
Fees		No changes to non executive director fees are proposed this year.
Chair	£90,000	
Director	£60,000	
Additional Fees		
Risk and Audit Chair	£10,000	
ESG and Engagement Chair	£7,500	
Nomination & Remuneration Chair	£7,500	

Sandra Platts
Nomination and Remuneration Committee Chair

26 July 2023

Governance

Report of the Risk and Audit Committee

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

Chair and membership

As at 31 March 2023, the Risk and Audit Committee comprised Trudi Clark, Sandra Platts and Helen Tveitan. On 31 October 2022, Frank Dunne was also appointed to the Risk and Audit Committee, however, the period between 6 January 2023, on his appointment as acting Interim Chair, he stepped down from his role on the Risk and Audit Committee. Mr Dunne was subsequently re-appointed on 1 June 2023, when he stepped down from his role as Interim Chair. All Committee members have competence relevant to the listed investment funds sector in which the company operates. The Committee is chaired by Trudi Clark, who is a Chartered Accountant. She qualified in 1985 and was a senior Audit Manager at KPMG. She held the position of Head of European Internal Audit for the Bank of Bermuda and in 1995 moved to Schroders (C.I.) Limited as Chief Financial Officer, before being promoted to Chief Executive Officer in 2003. Trudi's full biography can be found on page 29.

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

Duties

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

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

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

Financial reporting and audit

The Risk and Audit Committee has an active involvement and oversight in the preparation of both the Interim Report and Unaudited Condensed Consolidated Financial Statements and the Annual Report and Audited Consolidated Financial Statements and in doing so is responsible for the identification and monitoring of the key risks associated with the preparation of the Financial Statements. The Risk and Audit Committee determine that the key risk of material misstatement of the Group's Consolidated Financial Statements is related to the valuation of Company's investments. The significant issue identified in the preparation of these Consolidated Financial Statements is the valuation of the Company's investment in Financial Assets at fair value through profit or loss. This is the Company's investment in Holdco and the SPVs, which hold all of the underlying vessel assets including through the SPV Good Falkirk (MI) Limited the 83.23% investment in Grindrod . A summary of the action taken by the Committee to satisfy itself as to the accuracy of the value and disclosures around investments is summarised below.

Governance Report of the Risk and Audit Committee continued

Significant Matters considered by the Risk and Audit Committee in relation to the Financial statements

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

Matter	Action
Fair value of the TMI fleet	
1. Delivered Vessels	
The fair value of delivered vessels represents US$373 million as at 31 March 2023. The fleet is valued by two independent ship valuation brokers (Hartland Shipping Services Limited and Braemar ACM Valuations Limited) on a charter free basis, with the arithmetical mean of the two valuations taken as the balance sheet value. Such valuations are subjective, requiring significant judgement by the valuers. Errors in the valuation could have a material impact on the Company's net assets.	The Executive Team, review the outcomes of the valuation process throughout the year and discuss with the brokers individual ship valuations based upon their specialist knowledge of particular vessels. At the reporting date the Risk and Audit Committee and other members of the Board discuss in detail the independent ship brokers' valuation in comparison to our in-house Executive Team views and current market conditions and recent S & P activity. In conjunction with the ESG and Engagement Committee, the Committee consider the ongoing independence of the two external brokers.
2. Adjustments for Charter Leases	
As the brokers' valuations are prepared on a charter -free basis, the Executive Team assesses any difference in value arising from the contracted charter versus the market rate for those contracts which have greater than 12 months to run from 31 March 2023. If the difference is material, the valuation of the vessel is adjusted accordingly.	The calculations prepared by the Executive Team are reviewed by the Committee including a review of the market rate used which is compared to FFA benchmark rates.
3. Undelivered vessels	
Vessels sold but not yet delivered – valuation is the agreed selling prices under the relevant memoranda of agreements, of these vessels. *Vessels purchased but not yet delivered* – The vessels are valued using the average of the two independent broker valuations and the difference between this and the purchase price is recognised as a fair value gain or loss in the relevant SPV.	Enquires of Executive Team to ensure that memoranda of agreements ("MOAs") and other sale documentation has been entered into and that contract terms are binding. This would be subject to the same scrutiny and procedures as when determining the fair value of delivered vessel as described above.
4. Vessel under Construction	
The fair value of the vessel under construction is determined based on the difference in the net present value ("NPV") of future payments in accordance with the terms of the original vessel construction contract, and the prevailing market value for the vessel construction contract, as determined by the independent ship valuation brokers, for the new vessel at 31 March 2023.	In conjunction with the Executive Team, the Committee consider the contract terms of the existing contract compared to current new build price, as determined by the independent ship brokers' valuation, whilst also considering current capacity in shipyards for new construction contracts. The conclusion was that, although market prices had fallen, the availability of a build slot meant this was a valuable contract and that the fair value was accurate.
5. Investment in Grindrod	
The company investment 83.2% of the share capital is held via the SPV Good Falkirk (MI) Limited and therefore it is valued as an unquoted investment and a level 3 asset. The fair value is determined on an adjusted net asset basis. Fair value adjustments for the Grindrod vessel assets were established using a similar valuation basis as for TMI's vessel assets.	The Risk and Audit Committee on behalf of the board initially engage an independent globally recognised accountancy firm (the "Independent Accountancy firm") to assess whether the Group, following the Grindrod acquisition, still met the "Investment entity" definition in accordance with IFRS 10 and, as a result, it was appropriate to value Good Falkirk (MI) Limited on a fair value basis. In addition, the Independent Accountancy firm were asked to assess whether using a look through to the net asset values of Grindrod, adjusted for the fair value of the Grindrod's vessel assets, was consistent with IFRS standards and guidelines. Following the Independent Accountancy firm's assessment, the Board concluded that the Group still met the "Investment entity" definition and that the adjusted NAV basis was appropriate. Since the Grindrod value is a significant portion of the overall NAV of the Company (47.7%), we commissioned a second independent globally recognised accountancy firm (the "Independent Valuer") to provide us with an independent valuation. The Independent Valuer adopted a primary adjusted net asset approach looking to calculate a fair value basis NAV for Grindrod, the primary approach was supported by a secondary income valuation approach using a DCF model. The Risk and Audit Committee reviewed the content of both reports as well as the supporting calculations in detail with the executive team.

Governance **Report of the Risk and Audit Committee** continued

Based on the review and analysis described above, the Risk and Audit Committee is satisfied that, as at 31 March 2023, the fair values of Holdco and the SPVs, including the underlying vessel assets held and the Investment In Grindrod by the SPVs, is appropriately stated. As a result, the Risk and Audit Committee is satisfied that as at 31 March 2023, as stated in the Consolidated Financial Statements, the fair value of the Company's investment in Financial Assets at fair value through profit or loss is reasonable.

Other Matters considered by the Audit and Risk Committee in relation to the Financial statements

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

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

Other Matters considered by the Risk and Audit Committee in relation to the Financial statements

External Auditor

The Risk and Audit Committee has responsibility for making a recommendation on the appointment, re-appointment or removal of the Auditor. PwC were appointed as Auditor at IPO. The Risk and Audit Committee is currently considering statutory audit provision across the Group and will make recommendations to the Board in due course.

During the period under review, the Risk and Audit Committee received and reviewed the audit plan and report from the Auditor.

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

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

For the year ended 31 March 2023, the Risk and Audit Committee was satisfied that there had been appropriate focus and challenge on the primary areas of audit risk and assessed the quality of the audit process as good.

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

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

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

PwC provided both audit and non-audit services as listed below. During this year ended 31 March 2023, PwC did not provide any non-audit services. For the prior year, PwC confirmed that their non-audit services did not impact their independence and provided reasons for this. Furthermore, these non-audit services were in compliance with the Financial Reporting Council's Revised Ethical Standard of 2019.

Governance **Report of the Risk and Audit Committee** continued

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

	For the year ended 31 March 2023 £	31 March 2021 to 31 March 2022 £
Annual audit of the Company	401,600	275,730
Interim review of the Company	45,000	48,530
Annual audit of the TMI Advisors (UK) Limited	-	12,500
Total audit related services	**446,600**	**336,760**
Total non-audit related services	**-**	**139,000**

Internal controls

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

The Group also relies on the financial reporting from the Commercial Manager in respect of the operation of its vessels. The Chief Financial Officer, from the Executive Team, closely supervises the reporting records and the financial internal controls in place at the Commercial Manager. The Chief Financial Officer is located in Singapore in close proximity to the key members of the Commercial Manager's finance team. The Commercial Manager financial statements are audited on an annual basis with clean audit opinions received to date, the latest being for the financial year 2021. Any issues identified would be escalated to the Risk and Audit Committee. In addition, a due diligence visit will be undertaken at a future date by members of the Risk and Audit Committee to review the controls and procedures in place and to report back to the Board.

The Risk and Audit Committee also considered the internal control structure around Grindrod, the Chief Financial Officer has worked closely with the financial team at Grindrod and an appropriate system of reporting up to the Company's Board has been put in place of any material issues. The Risk and Audit Committee is also mindful of the independent audit of Grindrod and also the requirements concerning internal controls and the NASDAQ listing rules. Grindrod has an outsourced internal audit function as well as its own audit committee. In the coming months the Committee will work with its counterpart in Grindrod to improve reporting on internal controls.

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

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

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

Trudi Clark
Risk and Audit Committee Chair

26 July 2023

Governance

Report of the ESG and Engagement Committee

Chair and membership

As at 31 March 2023, the ESG and Engagement Committee comprised Helen Tveitan, Trudi Clark, Frank Dunne and Sandra Platts and is chaired by Helen Tveitan. The ESG and Engagement Committee meets at least twice a year.

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

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

The Company's ESG policy and objectives are set and monitored by our ESG and Engagement Committee which reports to the Board. The Executive Team is responsible for ESG reporting to the ESG and Engagement Committee and working with our external service providers and other key stakeholders to progress our decarbonisation priorities and other critical environmental, social and governance objectives. See the "Environmental, Social and Governance Review" on pages 18 – 20.

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

Duties

Environmental, Social and Governance ("ESG")

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

- Guide, supervise and support the Executive Team in drafting, and periodically reviewing, the ESG strategy which sets out the guiding principles, objectives, strategic actions and policies with respect to ESG matters;
- Assess ESG risks and opportunities for the Group, such assessment to be carried out in alignment with chosen reporting frameworks, including assessment of climate change risks;
- Monitor the Group's adherence to concrete ESG objectives and KPIs and oversee the reporting of these objectives and KPIs.

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

Engagement

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

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

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

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

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

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

Governance **Report of the ESG and Engagement Committee** continued

Main activities during the year

ESG Review

The ESG and Engagement Committee has monitored the progress of the Company with respect to the various initiatives relating to the ESG Policy which is published on the Company's website. In October 2022, the ESG and Engagement Committee was pleased to present the Company's first inaugural standalone ESG report, covering the Group's activity for the period between 27 May 2021 (listing date) and 31 March 2022.

During the reporting period, the ESG and Engagement Committee undertook the following activities:

- Appointment of an independent assurance provider for our ESG report: An independent third-party firm have been engaged to review and verify the accuracy and completeness of data used in our ESG report. The firm was selected based on its expertise in sustainability reporting and assurance;
- Ongoing monitoring of the performance of the Technical Manager and Commercial Manager in accordance with the oversight and reporting framework established during the previous year;
- Environmental regulations: the ESG and Engagement Committee received reporting from the Technical Manager to evaluate the emissions performance of the Company's vessels and ensure that they are on track to meet incoming industry decarbonisation regulations;
- ESG and Engagement appointed a consultant to support the oversight and evaluation of the Company's external technical and commercial managers.

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

Service provider performance assessment

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

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

The ESG and Engagement Committee was satisfied with the performance of each of the Company's key service providers and no material actions arose as a result of the review.

Potential Conflicts of Interest Review

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

Helen Tveitan
ESG and Engagement Committee Chair

26 July 2023

Governance

Directors' report

The Directors of the Company are pleased to submit their Annual Report and the Audited Consolidated Financial Statements (the "Financial Statements") for the year ended 31 March 2023. In the opinion of the Directors, the Annual Report and Audited Consolidated Financial Statements are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's performance, business model and strategy.

The Company

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

Results and Dividends

The results for the period are shown in the Consolidated Statement of Comprehensive Income on page 56.

The Board declared dividends of US$36,235,666 during the year ended 31 March 2023 (31 March 2022: 11,528,775) followed by an additional dividend of US$6,604,318 declared on 27 April 2023 in relation to the quarter ended 31 March 2023. Further details of dividends declared or paid are detailed in note 4.

Independent Auditor

PricewaterhouseCoopers CI LLP ("PwC") were appointed on 13 October 2021 and continued to serve as Auditor during the financial period. The Audit and Risk Committee have recommended to the Board that given the enlarged group following the purchase of the majority stake in Grindrod, that both the TMI and Grindrod audits are put out to tender.

Directors and Directors' Interests

The Directors, all of whom, with the exception of Edward Buttery, are non-executive, are listed on pages 28 – 29.

Edward Buttery has a service contract with the Company, details of which are outlined in the Nomination and Renumeration Committee Report on pages 35 – 40 and in note 10. No other Director has a service contract with the Company and no such further contracts are proposed.

Each of the Non-Executive Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. Details of the fees paid to the Non-Executive Directors for the year ended 31 March 2023 are outlined in Nomination and Renumeration Committee Report on pages 35 – 40.

The Directors had the following interests in the Company, held either directly or beneficially:

Directors of the Company	31 March 2023		31 March 2022	
Name	No. of Ordinary Shares	Percentage	No. of Ordinary Shares	Percentage
Frank Dunne[1]	42,416	0.01%	N/A	N/A
Edward Buttery[2]	470,344	0.12%	454,750[3]	0.14%
Christopher Buttery	800,722	0.20%	650,722	0.20%
Trudi Clark	70,000	0.02%	50,000	0.02%
Sandra Platts	42,261	0.01%	42,261	0.01%
Helen Tveitan	20,000	0.01%	20,000	0.01%
Nicholas Lykiardopulo[4]	N/A	N/A	2,436,087[5]	0.74%
Executive team members				
Alexander Slee	56,896	0.02%	56,896	0.02%
Camilla Pierrepont	192,929	0.06%	172,941	0.05%

Substantial Shareholdings

As at 31 March 2023, being the date of the latest shareholder analysis prior to the publication of these Consolidated Financial Statements, the following shareholders had holdings in excess of 3% of the issued Ordinary Share capital:

Name	No. of Ordinary Shares	Percentage of Ordinary Shares
Christian Oldendorff Schifffahrtsholding GmbH & Co KG	34,042,931	10.31%
Fidelity International	32,351,972	9.80%
M&G Investments	23,767,528	7.20%
Waverton Investment Management	21,309,991	6.45%
West Yorkshire PF	13,955,899	4.23%
CG Asset Management	12,661,536	3.83%
Hawksmoor Investment Management	11,517,151	3.49%

1 Appointed 31 October 2022.
2 Also includes 85,344 Ordinary Shares held by a person closely associated to Edward Buttery.
3 Includes an adjustment of -95,482 to account for an over-statement identified during the period to Edward Buttery's previously disclosed shareholding of 550,232. Also includes 85,344 Ordinary Shares held by a person closely associated to Edward Buttery at 31 March 2022.
4 Resigned 6 January 2023.
5 610,000 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.

Governance **Directors' report** continued

Related Parties

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

Regulatory Requirements

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

Alternative Investment Fund Managers Directive ("AIFMD")

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

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

The Directors have appointed the Risk and Audit Committee to manage the relevant disclosures to be made to investors and the necessary regulators. On 20 April 2021, the FCA confirmed that the Company was eligible to be marketed via the FCA's National Private Placement Regime and the Company complied with Article 22 and 23 of the AIFMD for the year ended 31 March 2023. During the year, the Company was also authorised to market in Norway.

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

Employee Engagement & Business Relationships

During the year ended 31 March 2023, the Company had one direct employee, Edward Buttery, and the Group have further employees including those within the Executive Team, see the Nomination and Remuneration Committee Report for further details of the employee engagements. The Company conducts its core activities through the Executive Team and third-party service providers. The Board recognises the benefits of encouraging strong business relationships with the Executive Team and the key service providers and seeks to ensure each is committed to the performance of their respective duties to a high standard and, where practicable, that the Executive Team and the providers are motivated to adding value within their sphere of activity. Details on the Board's approach to service provider engagement and performance review are contained in the Stakeholders Report.

Governance

Statement of Directors' responsibilities

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

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

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

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

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

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

Responsibility statement of the Directors in respect of the Annual Report

Each of the Directors who served during the year, who are listed on pages 28 – 29, confirms to the best of their knowledge and belief that:

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

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

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

Signed on behalf of the Board by:

Frank Dunne
Senior Independent Director
and acting Interim Chair[1]

26 July 2023

[1] Acting Independent Interim Chair for the period 6 January to 31 May 2023.

Governance

Independent Auditor's Report to the Members of Taylor Maritime Investments Limited

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Taylor Maritime Investments Limited (the "company") and its subsidiaries (together "the group") as at 31 March 2023, and of their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

What we have audited

The group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 March 2023;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in shareholders' equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

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

Independence

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

Our audit approach

Overview

Audit scope

- The Company is a closed-ended investment company, incorporated in Guernsey, whose ordinary shares are admitted to trading on the London Stock Exchange's Main Market. The company is an investment company led by a Board of Directors and an Executive Team. The services of the Executive Team are provided pursuant to an intragroup advisory and services agreement between the company and a subsidiary;
- The group comprises both consolidated and unconsolidated subsidiaries. As disclosed under note 2 to the consolidated financial statements, the company meets the definition of an 'investment entity' in accordance with IFRS 10 'Consolidated Financial Statements' and therefore, accounts for its subsidiaries, with the exception of certain subsidiaries that are not themselves investment entities, at fair value through profit or loss under IFRS 9 'Financial Instruments'. The company only consolidates those subsidiaries that are not themselves investment entities and whose main purpose is to provide services relating to the company's investment activities;
- We conducted our audit of the consolidated financial statements in Guernsey, based on financial information provided by the group's service providers, Sanne Fund Services (Guernsey) Limited (the "Administrator") to whom the Board of Directors has delegated the provision of certain functions and from Taylor Maritime (HK) Limited (the "Commercial Manager"). The Commercial Manager is responsible for maintaining the accounting records for all subsidiaries of the company. We also had significant interaction with the Executive Team in completing aspects of our overall audit work;
- We tailored the scope of our audit and structured our audit team to incorporate support from our PwC valuation experts, taking into account the nature and industry sector of the assets held within the investment portfolio; the involvement of third parties referred to above and the accounting processes and controls.

Key audit matters

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

Materiality

- Overall group materiality: US$14.15 million (31 March 2022: US$14.38 million) based on 2.5% of Net assets;
- Performance materiality: US$10.61 million (31 March 2022: US$7.19 million).

The scope of our audit

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

Key audit matters

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

Governance Independent Auditor's Report to the Members of Taylor Maritime Investments Limited continued

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

Key audit matter	How our audit addressed the key audit matter
Valuation of financial assets at fair value through profit or loss Please refer to notes 2, 3 and 5 to the consolidated financial statements. The group's financial assets at fair value through profit or loss amounting to USD556.74 million comprises the group's holding in an unconsolidated subsidiary which further invests into subsidiaries and ultimately invest into a portfolio of shipping vessels and equity securities in a listed shipping company ("underlying investments"). The underlying investments are valued on methodologies considered to be most appropriate by the Directors, including fair values derived from internal assessments prepared by the Executive Team and fair values determined by ship brokers or the valuation expert engaged by the Board. There is a risk that the fair valuation of the underlying investments may be materially misstated as these fair values rely on the proper determination of an appropriate valuation methodology, the use of judgemental inputs as well as the skills and knowledge of the Executive Team and valuation experts/ ship brokers engaged by the Board. The effects of geopolitical uncertainties surrounding the conflict in Ukraine and the increasing regulatory focus on climate change have added uncertainty that will need to be considered. There is also an inherent risk that the Executive Team or the Board may unduly influence the independent ship brokers or valuation experts in their determination of the fair valuation of these underlying investments. For the other residual net assets within the unconsolidated subsidiaries, there is a risk that the valuation may be materially misstated arising from the misstatement of other assets or liabilities. This is a main area of focus for stakeholders and a significant risk, and accordingly this has been reported as a key audit matter.	1. We assessed the accounting policy for investments, as set out in note 2 for compliance with International Financial Reporting Standards ('IFRS'); 2. We understood and evaluated the group's controls over the valuation process and the areas where significant judgements and estimates were made; 3. We attended relevant valuation meetings to understand and observe the company's process of challenging and approving the valuations prepared by the Executive Team and those prepared by the independent valuation experts/ship brokers engaged by the Board; 4. For the valuation of the underlying shipping vessels held by the special purpose vehicles ("SPVs"), we performed the following procedures: • Assessed the terms of engagement, independence, objectivity, competence and expertise of the ship brokers; • Obtained and read the charter-free valuation reports issued by the ship brokers; • Obtained and read the final report prepared by the Executive Team and examined the Executive Team's calculations for the charter lease contract adjustments by comparing the actual charter rates pertaining to each vessel to market charter rates in order to assess the magnitude of the potential adjustments to the ship brokers' charter-free valuations. We have also assessed whether the decision of the group not to adjust for charter leases was appropriate by obtaining satisfactory explanations when challenging the assumptions made by the Executive Team and corroborating the information provided against third party sources where applicable; • Performed back testing procedures through comparison of disposal proceeds for vessels sold to the most recent ship valuation per the group's records; • Engaged PwC valuation experts, to assess the valuations for a sample of shipping vessels and evaluate the reasonableness of the ship brokers' fair value; • Due to the subjectivity involved in determining valuations for individual vessels and the existence of alternative assumptions and valuation methods, we determined a range of values from recent market transactions of similar vessels that were considered reasonable to evaluate the valuations used by the Board; and • Recalculated the arithmetic mean of the ship brokers' valuation as per the group's valuation policy and tested the mathematical accuracy of the charter value adjustments. 5. For the valuation of the underlying equity securities of a listed shipping company held by an SPV, we performed the following procedures: • Assessed the valuation expert's independence, qualifications, expertise and read their terms of engagement with the group to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations on their work; • Obtained, read and discussed the report with the valuation expert and understood the valuation approach taken for determining the fair value of the equity securities of the listed shipping company; • Engaged PwC valuation experts to provide audit support in evaluating, challenging and concluding on the fair valuation of the listed securities. With the assistance of PwC valuation experts, we have (a) assessed and challenged the appropriateness of the adopted valuation methodology and cross-check used; and (b) challenged the significant judgements and inputs used; and • Tested the mathematical accuracy of the valuation model and corroborated a sample of significant inputs into the model against third party sources where applicable, our view and understanding of various economic indicators. 6. For the other residual net assets within the unconsolidated subsidiaries, we have performed the following: • Obtained and agreed independent bank and loan confirmations; • Agreed a sample of material balances of other assets and liabilities to supporting agreements and/or documentation; • Performed searches for unrecorded liabilities; • Obtained confirmations for the group's ownership of the unconsolidated subsidiaries and underlying investments; and • Independently performed a completeness test of the unconsolidated subsidiaries' general ledgers and reviewed the aggregation of their trial balances. Based on the audit work performed, we have nothing to report to those charged with governance.

Governance Independent Auditor's Report to the Members of Taylor Maritime Investments Limited continued

How we tailored the audit scope

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

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

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

Materiality

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

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

Overall group materiality	US$14.15 million (31 March 2022: US$ 14.38 million)
How we determined it	2.5% of Net Assets
Rationale for benchmark applied	We believe that Net Assets is the most appropriate benchmark because this is the key metric of interest to the members of the Company. It is also a generally accepted measure used for companies in this industry.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (31 March 2022: 50%) of overall materiality, amounting to US$10.61 million (31 March 2022: US$7.19 million) for the group financial statements.

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

We agreed with the Risk and Audit Committee that we would report to them misstatements identified during our audit above US$707,500 (31 March 2022: US$719,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Reporting on other information

The other information comprises all the information included in the Annual Report and Audited Consolidated Financial Statements (the "Annual Report") but does not include the consolidated financial statements and our auditor's report thereon. The directors are responsible for the other information.

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

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

Responsibilities for the consolidated financial statements and the audit

Responsibilities of the Directors for the consolidated financial statements

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

Governance **Independent Auditor's Report to the Members of Taylor Maritime Investments Limited** continued

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern over a period of at least twelve months from the date of approval of the consolidated financial statements. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Use of this report

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

Governance Independent Auditor's Report to the Members of Taylor Maritime Investments Limited continued

Report on other legal and regulatory requirements

Company Law exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Corporate governance statement

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

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

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

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

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

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

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

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

Other matter

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

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

26 July 2023

Financial statements

Financial statements

Consolidated statement of comprehensive income

For the year ended 31 March 2023

	Note	For the year ended 31 March 2023 US$	31 March 2021 (date of incorporation) to 31 March 2022 US$
Income			
Net (loss)/gain on financial assets at fair value through profit or loss	5	(6,376,717)	245,569,999
Dividend income	7	42,617,271	13,572,934
Other income		24,166	-
Net foreign exchange losses		(159,326)	(55,479)
Total income		**36,105,394**	**259,087,454**
Expenses			
Director, Executive Team and employee costs	10	5,408,555	3,508,785
Share-based payment – equity settled	10	910,080	486,645
Audit and interim review fees		490,161	481,987
PR and investor consultancy fees		286,935	326,107
Legal and professional fees		795,979	292,682
Office support fees		435,562	276,000
Administration fees	10	311,136	209,680
Travel and marketing fees		567,484	189,340
Other expenses		738,571	434,693
Total expenses		**9,944,463**	**6,205,919**
Profit for the year/period before tax		**26,160,931**	**252,881,535**
Tax adjustment/(charge)	11	49,602	(69,970)
Profit for the year/period after tax		**26,210,533**	**252,811,565**
Other comprehensive income			
Items that might be reclassified to profit or loss			
Foreign currency adjustment on translation to presentation currency		(19,416)	-
Total comprehensive income for the year/period		**26,191,117**	**252,811,565**
Earnings per Ordinary Share for profit attributable to the Ordinary Equity holders of the Company:			
Basic earnings per Ordinary Share	14	**0.0794**	**0.8041**
Diluted earnings per Ordinary Share	14	**0.0794**	**0.7932**

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

The accompanying notes on pages 60 – 85 form an integral part of the Consolidated Financial Statements.

Financial statements

Consolidated statement of changes in shareholders' equity

For the year ended 31 March 2023

	Note	Share capital US$	Retained earnings US$	Foreign currency translation reserve US$	Other reserves US$	Total equity US$
At 1 April 2022		**333,479,334**	**241,282,790**	**-**	**486,645**	**575,248,769**
Total comprehensive income:						
Profit for the financial period after tax		-	26,210,533	-	-	26,210,533
Other comprehensive income		-	-	(19,416)	-	(19,416)
Total comprehensive income for the year		**-**	**26,210,533**	**(19,416)**	**-**	**26,191,117**
Transactions with Shareholders:						
Dividends paid during the period	4	-	(36,235,666)	-	-	(36,235,666)
Equity-settled share-based awards	10	-	-	-	910,080	910,080
Total transactions with Shareholders		**-**	**(36,235,666)**	**-**	**910,080**	**(35,325,586)**
At 31 March 2023		**333,479,334**	**231,257,657**	**(19,416)**	**1,396,725**	**566,114,300**

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

The accompanying notes on pages 60 – 85 form an integral part of the Consolidated Financial Statements.

Financial statements

Consolidated statement of financial position

At 31 March 2023

	Note	31 March 2023 US$	31 March 2022 US$
Non-current assets			
Financial assets at fair value through profit or loss	5	556,738,240	574,114,922
Property, plant & equipment		557,089	-
Total non-current assets		**557,295,329**	**574,114,922**
Current assets			
Cash and cash equivalents		11,199,937	3,382,410
Trade and other receivables		554,224	56,821
Total current assets		**11,754,161**	**3,439,231**
Total assets		**569,049,490**	**577,554,153**
Current liabilities			
Trade and other payables	8	2,935,190	2,305,384
Total current liabilities		**2,935,190**	**2,305,384**
Net assets		**566,114,300**	**575,248,769**
Equity			
Share capital	12	333,479,334	333,479,334
Retained earnings		231,257,657	241,282,790
Foreign currency translation reserve		(19,416)	-
Other reserves		1,396,725	486,645
Total equity		**566,114,300**	**575,248,769**
Number of Ordinary Shares	12	**330,215,878**	**330,215,878**
Net asset value per Ordinary Share		**1.7144**	**1.7420**

The Consolidated Financial Statements on pages 56 to 85 were approved and authorised for issue by the Board of Directors on 26 July 2023 and signed on its behalf by:

Frank Dunne
Senior Independent Director
and acting Interim Chair[1]

The accompanying notes on pages 60 – 85 form an integral part of the Consolidated Financial Statements.

[1] Acting Independent Interim Chair for the period 6 January to 31 May 2023.

Financial statements

Consolidated statement of cash flows

For the year ended 31 March 2023

	Note	For the year ended 31 March 2023 US$	31 March 2021 (date of incorporation) to 31 March 2022 US$
Cash flows from operating activities			
Profit for the year/period after tax		26,210,533	252,811,565
Adjustments for:			
Net loss/(gain) on financial assets at fair value through profit or loss	5	6,376,717	(245,569,999)
Equity-settled share based awards	10	910,080	486,645
Net foreign exchange losses		159,326	55,479
		33,656,656	**7,783,690**
Increase in trade and other receivables		(497,403)	(56,821)
Increase in trade and other payables		629,806	2,305,384
Return of capital	5	10,999,965	-
Purchase of investments[1]	5	-	(225,866,439)
Net cash flow used in operating activities		**44,789,024**	**(215,834,186)**
Cash flows from investing activities			
Purchase of property, plant & equipment		(557,089)	-
Net cash flow used in investing activities		(557,089)	-
Cash flows from financing activities			
Proceeds from Ordinary Share issuance[2]	12	-	237,320,000
Ordinary Share issue costs	12	-	(6,519,150)
Dividends paid	4	(36,235,666)	(11,528,775)
Net cash flow from financing activities		**(36,235,666)**	**219,272,075**
Net increase in cash and cash equivalents		**7,996,269**	**3,437,889**
Cash and cash equivalents at beginning of year/period		3,382,410	-
Effect of foreign exchange rate changes during the year/period		(178,742)	(55,479)
Cash and cash equivalents at end of year/period		**11,199,937**	**3,382,410**

The accompanying notes on pages 60 – 85 form an integral part of the Consolidated Financial Statements.

[1] Excludes non-cash transactions. For details, refer to note 5.
[2] Excludes non-cash transactions. For details, refer to note 12.

Financial statements

Notes to the consolidated financial statements

For the year ended 31 March 2023

1. General information

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

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

The Consolidated Group consists of the Company and its four wholly owned subsidiaries called TMI Advisors (UK) Limited ("TMI UK"), TMI Advisor Pte. Limited ("TMI Singapore"), TMI Management (HK) Limited ("TMIHK") and TMI Director 1 Limited. TMIUK, TMI Singapore and TMI HK all provide advisory and administration services to the Company. TMI Director 1 Limited provides corporate director services to the Special Purpose Vehicles ("SPVs").

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

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

2. Principal accounting policies

a) Statement of Compliance

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

b) Basis of Preparation and Consolidation

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

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

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

Non-consolidation – Investment entity

Investments in Holdco and SPVs

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

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

The criteria which defines an investment entity are as follows:

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

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

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

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

Financial statements **Notes to the consolidated financial statements** continued

2. Principal accounting policies continued

The Company has determined that the fair value of 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 or indirect vessel assets in the case of the Grindrod investment, which is held by Good Falkirk (MI) Limited, as well as the residual net assets and liabilities of the SPVs.

Within the fair value of the consolidated NAV of Holdco and the SPVs critical accounting estimates and judgements are made, see note 3 for further details, in relation to the following:

- Charter-free valuations – delivered vessels
- Charter-free valuations – undelivered vessels
- Adjustments for Charter leases
- Vessels under construction
- Investment in Grindrod Shipping Holdings Ltd. ("Grindrod")
- Other residual net assets/liabilities of Holdco and SPVs

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

Consolidation

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

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

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

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

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

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

At 31 March 2023, TMI Director 1 Limited has no asset or liabilities other than USD1.00 of share capital which is eliminated on consolidation (31 March 2022: USD1.00 of share capital only). TMI Director 1 Limited has not received any income or incurred any expenses during the year (31 March 2022: US$nil).

Going Concern

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

In light of an ever-evolving macroeconomic landscape, the Directors have carefully evaluated the potential future impacts of inflation and potential interest rate rises. An economic environment with rising inflation and interest rates may lead to increased operational and borrowing costs, which could potentially exert pressure on the Group's cash flows and financial performance. Nevertheless, the Group's diverse portfolio of vessels (including through the Group's investment in Grindrod) are anticipated to generate sufficient cash flows to cover ongoing expenses, debt repayments and provide returns to Shareholders.

Financial statements **Notes to the consolidated financial statements** continued

2. Principal accounting policies continued

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 Consolidated Financial Statements, as the Group has adequate financial resources to meet its liabilities as they fall due for at least the 12 month period from the date of the approval of the Consolidated Financial Statements.

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

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for period beginning on or after 31 March 2023 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

d) Income

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

e) Net (loss)/gain on Financial Assets at Fair Value through Profit or Loss

Net (loss)/gain 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. Unrealised (losses)/gains from financial assets at fair value through profit or loss are calculated based on the movement in the fair value of the Company's Investment in Holdco and SPVs, which comprises the fair value of vessels in each underlying SPVs plus the residual net assets and liabilities of each SPV.

f) Expenses

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

g) Ordinary Shares

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

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

h) Financial Instruments

Financial Assets

Recognition and initial measurement

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

Derecognition

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

Classification

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

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;
- 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").

Financial statements **Notes to the consolidated financial statements** continued

2. Principal accounting policies continued

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

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

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

IFRS 9 Financial Instruments requires the Group to measure and recognise impairment on financial assets at amortised cost based on ECL. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. At 31 March 2023, the Group had recognised no expected credit impairment provisions (31 March 2022: none).

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 year/period which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

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

i) Foreign Currency

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

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

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

j) Employee benefits

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

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

Financial statements **Notes to the consolidated financial statements** continued

2. Principal accounting policies continued

k) Dividends payable

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

l) 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 year/period, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

m) 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 achieving capital growth. The financial information used by the Chief Operating Decision Maker to manage the Group presents the business as a single segment.

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

n) Plant and equipment

Plant and equipment is recorded at cost less accumulated depreciation and impairment. Subsequent costs are capitalised if it is probable that future economic benefits will flow to the Group and the costs can be measured reliably.

Plant and equipment are depreciated on a straight-line basis, at rates which will write off cost less estimated residual values over their estimated economic lives as follows:

Computers - 3 year straight line.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charge to the Statement of Comprehensive Income.

3. Critical accounting estimates and judgements in applying accounting policies

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

The estimates and underlying assumptions are reviewed on an 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 the Company satisfies the criteria to be regarded as an investment entity and that the Company provides investment related services, and as a result measures its investments in Holdco and the SPVs at fair value. This determination, which was reassessed following the acquisition of the controlling stake in Grindrod during the year ended 31 March 2023, involves a degree of judgement against the Investment Entities exemption criteria (see note 2) as follows:

i. **Investment management services** – The Group provides investment management services and has a number of investors who pool their funds to gain access to these services and investment opportunities that they might not have had access to individually. The Company, being listed on the Main Market of the London Stock Exchange, obtains funding from a diverse group of external shareholders and invests these funds solely for returns from capital appreciation, investment income or both. This remains unchanged following the Grindrod acquisition, the Company still has funding obtain from a diverse group of external shareholders and provides investment management services to those shareholders.

ii. **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 vessels with better risk/reward profile are identified, the Board consider that this demonstrates a clear exit strategy. The pur-pose of the acquisition of Grindrod was mainly for acquiring modern vessels within its fleet, extracting synergies from joint working, and aligning the Grindrod business model to the Group. The Board noted that the alignment of business activities may take time, but are cognisant of the fact that the intention is to discontinue any obsolete Grindrod activities and the commencement of aligning Grindrod operations to the Group's has already begun. Notwithstanding this, the Board assessed the current activities of Grindrod and concluded that they do not affect Group's exit strategy. The renewal policy for any aging vessels remains consistent and is applied against the Grindrod fleet, as such, the demonstration that there is clear exit strategy for the investments continues and remains unchanged by the Grindrod acquisition.

Financial statements **Notes to the consolidated financial statements** continued

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

iii. **The Company measures and evaluates the performance of substantially all of their investments on a fair value basis** – The fair value method is used to represent the Group's performance in its communication to the market. 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. This remains unchanged following the Grindrod acquisition, the Group measures and evaluates the performance of Grindrod on a fair value basis. The key accounting estimates in relation to the Group Investment in Holdo and the SPVs, including Good Falkirk (MI) Limited which holds the Grindrod investment are detailed further in note 3(f) below.

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

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

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

c) Fair Value of Holdco and SPVs

Undelivered vessels

At 31 March 2023, the TMI Group's fleet of vessels consisted of 23 delivered vessels. The TMI Group have determined that substantially all of risks and rewards of the ownership of the vessels are only transferred, and subsequently an asset recognised or de-recognised at the SPV level, once the ship is delivered. However, as stated above, as the TMI Group measures its investments in Holdco and the SPVs at fair value, the Board have determined that any fair value movement in the market value of the undelivered vessels should be adjusted for as follows:

- **For vessels sold but not yet delivered** – the Board have determined that the best representation of the fair value is the agreed selling price under the relevant memoranda of agreements, of these vessels;
- **For vessels purchased but not yet delivered** – the Board have determined any market value movements, 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, under the relevant memoranda of agreements, is recognised in the fair value of the Group's investment in Holdco.

Investment in Grindrod – fair value measurement

In the Board's determination of fair value for the Group's Investment in Grindrod, they considered which observable inputs best represented the fair value of the Group's 83.2% stake in Grindrod. In this assessment, the Board considered Grindrod's public listed share price on the NASDAQ and Johannesburg Stock Exchanges, taking account the "active market" requirements of IFRS 13. An active market being a market where transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. In Grindrod's case, the Board have concluded that since the Group completed the acquisition of the further 57.9% stake of the Grindrod in December 2022, the Grindrod shares have been thinly traded with a volatile share price. As such, the Board do not consider there to be enough transactions taking place on a regular basis to provide reliable pricing information at 31 March 2023. As a result, the Board consider other observable and unobservable inputs, other than quoted prices in active markets, as detailed further in the "Estimates" section below.

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. All equity related transactions (including dividends) are settled in US Dollar. In addition, the Group's debt facilities have been raised 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, Singapore Dollar, Hong Kong Dollar and British Pound Sterling. The majority of the Group's expenditure during the financial year 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 TMI 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 or indirect vessel assets in the case of the Grindrod investment, which is held by Good Falkirk (MI) Limited, as well as the residual net assets and liabilities of the SPVs.

Financial statements **Notes to the consolidated financial statements** continued

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

e) Fair Value of Holdco and SPVs continued

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 TMI 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.

Charter-free valuations – vessels sold but not yet delivered

The Board have determined that the best representation of the fair value is the agreed selling price of these vessels under the relevant memoranda of agreements. At 31 March 2023, there were no vessels sold but not delivered (31 March 2022: Four vessels with a fair value of US$54.5 million).

Charter-free valuations – vessels purchased but not yet delivered

The vessels purchased but not yet delivered are valued in the same way that delivered vessels are as stated above, with the exception that the purchase consideration under the relevant memoranda of agreements is deferred until the delivery of the ships. As such, the Board have determined that any fair value movement in the market value as determined by the arithmetical mean of the two 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 the Company's investment in Holdco. At 31 March 2023, there were no vessels purchased but not yet delivered (31 March 2022: none).

Adjustments for charter leases

The charter-free independent valuations are then adjusted for any significant differences on any vessel's charter with remaining lease contracts that are greater than 12 months in length attached to a vessel, based on premium/discount to the forward freight agreement ("FFAs") benchmark rates. At 31 March 2023, the Board have determined that no adjustment was necessary for charter leases to the charter-free valuations as they were deemed immaterial (31 March 2022: no adjustments).

Vessels under construction

Vessels under construction are included at fair value. At 31 March 2023, the fair value of the vessel under construction is determined based on the difference in the net present value ("NPV") of future payments in accordance with the terms of the original vessel construction contract, and the prevailing market value for the vessel construction contract, as determined by the independent ship valuation brokers, for the new vessel.

Investment in Grindrod

At 31 March 2023, the Company has determined that the fair value of the Grindrod investment, held through the Company's wholly owned SPV, Good Falkirk (MI Limited, (the "Grindrod investment") should be based on a fair value provided by a third-party independent globally recognised accountancy firm (the "Independent valuer") and approved by the Board. The Independent valuer used an Adjusted Net Asset Value ("NAV") approach to valuing the Grindrod investment. The unadjusted Grindrod NAV is prepared in accordance with IFRS at 31 March 2023 and provided by the Grindrod finance team to the Independent valuer. The Independent valuer then applied the following adjustments, aligning them to the Company's accounting policies, to the reported unadjusted Grindrod NAV:

- ***Owned/delivered vessels*** – within the unadjusted Grindrod NAV, the vessels held are carried at cost less depreciation and impairment. The Independent valuer, in alignment with the Company's accounting policy, replaces this value with a fair value of the Grindrod vessel assets based on the arithmetical mean of two valuations as determined by the two independent valuers providing charter-free valuations for each vessel. At 31 March 2023, for owned/delivered vessels, a fair value uplift of US$113.5 million was applied to the unadjusted Grindrod NAV;
- ***For vessels sold but not yet delivered*** – the Independent valuer determined that the best representation of the fair value is the agreed selling price under the relevant memoranda of agreements, of these vessels. At 31 March 2023, for vessels sold but not yet delivered, a fair value uplift of US$6.4 million was applied to the unadjusted Grindrod NAV;
- ***Chartered-in Vessels (with option to purchase)*** – the Independent valuer determined that to be the net present value ("NPV") of the difference between the expected fair value of the vessels as at the expected option exercise date and the option purchase price (in accordance with the agreed terms outlined in each respective option agreement), i.e. the Fair Value uplift on the option purchase price. At 31 March 2023, for Chartered-in Vessels (with option to purchase), a fair value uplift of US$32.8 million was applied to the unadjusted Grindrod NAV;
- ***Adjustments for charter leases*** – As the brokers' valuations are prepared on a charter-free basis, the Independent Valuer assessed the difference in value arising from the contracted charter versus market rate, and where the difference is material, factors the adjustment into the valuation. At 31 March 2023, the Independent value concluded that no further adjustments should be made for charter leases given the immaterial nature of any adjustments.

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

f) Share based payments

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

Financial statements **Notes to the consolidated financial statements** continued

4. Dividends payable

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

The Company declared the following dividends per Ordinary Share during the year ended 31 March 2023:

Period to	Payment date	Dividend rate per Share (cents)	Net dividend payable (US$)	Record date	Ex-dividend date
31 March 2022	19 May 2022	1.75	5,756,913	29 April 2022	28 April 2022
31 March 2022	10 June 2022	3.22	10,613,920	20 May 2022	19 May 2022
30 June 2022	24 August 2022	2.00	6,609,233	5 August 2022	4 August 2022
30 September 2022	25 November 2022	2.00	6,652,667	4 November 2022	3 November 2022
31 December 2022	28 February 2023	2.00	6,602,933	10 February 2023	9 February 2023
		10.97	**36,235,666**		

Subsequent to the year end[1], the Company also declared the following dividends:

Period to	Payment date	Dividend rate per Share (cents)	Net dividend payable (US$)	Record date	Ex-dividend date
31 March 2023	31 May 2023	2.00	6,604,318	12 May 2023	11 May 2023
		2.00	**6,604,318**		

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

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

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

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

Total dividends payable as at 31 March 2023 were US$nil (31 March 2022: US$nil).

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

Financial statements **Notes to the consolidated financial statements** continued

5. Financial assets at fair value through profit or loss

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

The Company has determined that the fair value of the Holdco and the SPVs is the consolidated NAV of Holdco and the SPVs. The fair value of the SPVs, includes the SPVs' investment in their respective vessel assets or indirect vessel assets in the case of the Grindrod investment, which is held by Good Falkirk (MI) Limited, as well as the residual net assets and liabilities of the SPVs.

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

- Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data;
- Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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

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

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

	1 April 2022 to 31 March 2023 US$	31 March 2021 to 31 March 2022 US$
Cost at the start of the year/period	328,544,923	-
Purchase of investments	-	328,544,923
Return of capital	(10,999,965)	-
Cost at the end of the year/period	317,544,958	328,544,923
Net gains on financial assets at the end of the year/period	239,193,282	245,569,999
Financial assets at fair value through profit or loss at the end of the year/period	**556,738,240**	**574,114,922**
Movement in net gains on financial assets at fair value through profit or loss	**(6,376,717)**	**245,569,999**

During the year ended 31 March 2023, a return of capital amounting to US$10,999,965 was received by the Group from Holdco. This capital return primarily aimed to distribute the Group's cash and cash equivalents across additional banking institutions. This strategy was adopted to further reduce exposure to credit and counterparty risk.

Non-cash transactions

In December 2022, Good Falkirk (MI) Limited made a voluntary conditional cash offer to acquire all the issued ordinary shares in the capital of Grindrod, other than shares already held by the Group, for an aggregate transaction value of US$26.00 per share, made up of the Offer Price of US$21.00 per share paid in cash by the Good Falkirk (MI) Limited and a Special Dividend of US$5.00 per share paid by Grindrod. The transaction was financed by a combination of existing cash, debt and the special dividend from Grindrod as mentioned above. The debt was provided under a new senior secured facility of up to US$208,330,000 entered into by Good Falkirk (MI) Limited with the same lenders as the revolving credit facility ("RCF") as detailed in note 12. For the Group in these Consolidated Financial Statements, this is a non-cash transaction, as it was financed through TMI Holdco Limited and Good Falkirk (MI) Limited, which is recognised through the Group's Financial Assets at Fair Value through profit or loss on the Consolidated Statement of Financial Position.

For the period 31 March 2021 to 31 March 2022, of the US$328,544,923 purchases of investments detailed above, the Company announced that the Initial Seed Asset Acquisition Agreements for 17 vessels were completed on 27 May 2021. These 17 vessels were acquired for an aggregate consideration of US$182.8 million, part-financed by the issue of 93,678,485 Ordinary Shares, a non-cash transaction.

Financial statements Notes to the consolidated financial statements continued

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

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

The cash and non-cash (financed by the issue of Ordinary Shares) transactions can be summarised as follows:

	1 April 2022 to 31 March 2023 US$	31 March 2021 to 31 March 2022 US$
Cash purchases of investments during the year/period	-	225,866,438
Non-cash purchases of investments during the year/period	-	102,678,485
Total purchases of investments during the year/period	**-**	**328,544,923**

Valuation inputs of the underlying shipping vessels

The Executive Team and Risk and Audit Committee Chair engage in verbal dialogue with the two independent valuation brokers, where the methodologies, controls and processes were communicated, assessed and challenged. Fair value is impacted by the vessel's type, size and standard specifications, comparable recent sales, buyers' and sellers' price expectations for vessels currently being offered in the market, and freight market sentiment. Unobservable input adjustments are made for age, docking status, and also for particular specification features, such as Ballast Water Treatment Systems and energy saving devices. In line with standard industry practice, the independent brokers do not release specific quantitative information used in the valuations, quantitative information regarding the significant unobservable inputs used in the level 3 fair value measurements are therefore not disclosed.

Financial statements Notes to the consolidated financial statements continued

6. Investment in subsidiaries

The Group had the following principal subsidiaries:

Name	Place of incorporation	Ownership proportion	
TMI subsidiaries		**2023**	**2022**
Held directly the Company:			
TMI Management (HK) Limited	Hong Kong	100.0%	100.0%
TMI Advisors (UK) Limited	UK	100.0%	100.0%
TMI Holdco Limited	Marshall Islands	100.0%	100.0%
TMI Director 1 Limited	Guernsey	100.0%	100.0%
Held by TMI Advisors (UK) Limited:			
TMI Advisor Pte. Limited	Singapore	100.0%	100.0%
Held by TMI Holdco Limited:			
Good Count (MI) Limited	Marshall Islands	100.0%	100.0%
Good Duke (MI) Limited	Marshall Islands	100.0%	100.0%
Good Earl (MI) Limited	Marshall Islands	100.0%	100.0%
Good Edgehill (MI) Limited	Marshall Islands	100.0%	100.0%
Good Falkirk (MI) Limited	Marshall Islands	100.0%	100.0%
Good Fiefdom (MI) Limited	Marshall Islands	100.0%	100.0%
Good Grace (MI) Limited	Marshall Islands	100.0%	100.0%
Good Heir (MI) Limited	Marshall Islands	100.0%	100.0%
Good Queen (MI) Limited	Marshall Islands	100.0%	100.0%
Good Salmon (MI) Limited	Marshall Islands	100.0%	100.0%
Good Stag (MI) Limited	Marshall Islands	100.0%	100.0%
Good Titan (MI) Limited	Marshall Islands	100.0%	100.0%
Good Title (MI) Limited	Marshall Islands	100.0%	100.0%
Good Truffle (MI) Limited	Marshall Islands	100.0%	100.0%
Good Uxbridge (MI) Limited	Marshall Islands	100.0%	100.0%
Good Viscount (MI) Limited	Marshall Islands	100.0%	100.0%
Good White (MI) Limited	Marshall Islands	100.0%	100.0%
Good Windsor (MI) Limited	Marshall Islands	100.0%	100.0%
Good Yeoman (MI) Limited	Marshall Islands	100.0%	100.0%
Great Ewe (MI) Limited	Marshall Islands	100.0%	100.0%
Great Fox (MI) Limited	Marshall Islands	100.0%	100.0%
Aurelius (MI) Limited	Marshall Islands	100.0%	100.0%
Antony (MI) Limited	Marshall Islands	100.0%	100.0%
Brutus (MI) Limited	Marshall Islands	100.0%	100.0%
Billy (MI) Limited	Marshall Islands	100.0%	100.0%
Cassius (MI) Limited	Marshall Islands	100.0%	100.0%
Decius (MI) Limited	Marshall Islands	100.0%	100.0%
Forshall (MI) Limited	Marshall Islands	100.0%	100.0%
Gaius (MI) Limited	Marshall Islands	100.0%	100.0%
Gabinius (MI) Limited	Marshall Islands	100.0%	100.0%
Hosidius (MI) Limited	Marshall Islands	100.0%	100.0%
Horatio (MI) Limited	Marshall Islands	100.0%	100.0%
Junius (MI) Limited	Marshall Islands	100.0%	100.0%
Julius (MI) Limited	Marshall Islands	100.0%	100.0%
Lucius (MI) Limited	Marshall Islands	100.0%	100.0%
Larcius (MI) Limited	Marshall Islands	100.0%	100.0%
Maximus (MI) Limited	Marshall Islands	100.0%	100.0%
Mallius (MI) Limited	Marshall Islands	100.0%	100.0%
Nero (MI) Limited	Marshall Islands	100.0%	100.0%
Octavius (MI) Limited	Marshall Islands	100.0%	100.0%
Optimus (MI) Limited	Marshall Islands	100.0%	100.0%
Pompey (MI) Limited	Marshall Islands	100.0%	100.0%
Perpena (MI) Limited	Marshall Islands	100.0%	100.0%
Quintus (MI) Limited	Marshall Islands	100.0%	100.0%
Rufus (MI) Limited	Marshall Islands	100.0%	100.0%
Nordcolorado Shipping Company Ltd	Cyprus	100.0%	100.0%
Nordrubicon Shipping Company Ltd	Cyprus	100.0%	100.0%

Financial statements **Notes to the consolidated financial statements** continued

6. Investment in subsidiaries continued

Name TMI subsidiaries	Place of incorporation	Ownership proportion 2023	 2022
Grindrod Group			
Held by Good Falkirk (MI) Limited:			
Grindrod Shipping Holdings Ltd ("Grindrod")[1]	Singapore	83.2%	26.6%
Held via Grindrod Shipping Holdings Ltd:			
Grindrod Shipping Pte. Ltd.[1]	Singapore	83.2%	26.6%
Grindrod Shipping (South Africa) Pty Ltd.	South Africa	83.2%	26.6%
IVS Bulk 475 Pte. Ltd.	Singapore	83.2%	26.6%
IVS Bulk 511 Pte. Ltd.	Singapore	83.2%	26.6%
IVS Bulk 512 Pte. Ltd.	Singapore	83.2%	26.6%
IVS Bulk 603 Pte. Ltd.	Singapore	83.2%	26.6%
IVS Bulk 609 Pte. Ltd.	Singapore	83.2%	26.6%
IVS Bulk 611 Pte. Ltd.	Singapore	83.2%	26.6%
IVS Bulk 612 Pte. Ltd.	Singapore	83.2%	26.6%
IVS Bulk 707 Pte. Ltd.	Singapore	83.2%	26.6%
IVS Bulk 3708 Pte. Ltd.	Singapore	83.2%	26.6%
IVS Bulk 3720 Pte. Ltd.	Singapore	83.2%	26.6%
IVS Bulk 225 Pte. Ltd.	Singapore	83.2%	26.6%
IVS Bulk Pte. Ltd.	Singapore	83.2%	26.6%
IM Shipping Pte. Ltd.	Singapore	83.2%	26.6%
Island Bulk Carriers Pte. Ltd.	Singapore	83.2%	26.6%
Grindrod Shipping Services UK Limited[1]	United Kingdom	83.2%	26.6%
Grindrod Shipping Services HK Limited[1]	Hong Kong	83.2%	26.6%
Unicorn Atlantic Pte. Ltd.	Singapore	83.2%	26.6%
Unicorn Baltic Pte. Ltd.	Singapore	83.2%	26.6%
Unicorn Bulk Carriers Ltd[2]	British Virgin Islands	83.2%	26.6%
Unicorn Tankers International Ltd[1]	British Virgin Islands	83.2%	26.6%
Grindrod Maritime LLC	Marshall Islands	83.2%	26.6%
Unicorn Sun Pte. Ltd.	Singapore	83.2%	26.6%
Unicorn Moon Pte. Ltd.	Singapore	83.2%	26.6%
Comshipco Schiffahrts Agentur GmBH	Germany	83.2%	26.6%
IVS Bulk 541 Pte. Ltd.	Singapore	83.2%	26.6%
IVS Bulk 543 Pte. Ltd.	Singapore	83.2%	26.6%
IVS Bulk 545 Pte. Ltd.	Singapore	83.2%	26.6%
IVS Bulk 554 Pte. Ltd.	Singapore	83.2%	26.6%
IVS Bulk 5855 Pte. Ltd.	Singapore	83.2%	26.6%
IVS Bulk 5858 Pte. Ltd.	Singapore	83.2%	26.6%
IVS Bulk 709 Pte. Ltd.	Singapore	83.2%	26.6%
IVS Bulk 712 Pte. Ltd.	Singapore	83.2%	26.6%
IVS Bulk 7297 Pte. Ltd.	Singapore	83.2%	26.6%
IVS Bulk 1345 Pte. Ltd.	Singapore	83.2%	26.6%
IVS Bulk 3693 Pte. Ltd.	Singapore	83.2%	26.6%
IVS Bulk 10824 Pte. Ltd.	Singapore	83.2%	26.6%

The principal activities of the majority of the subsidiaries are holding companies for vessel owning and operating, with the exception of TMI Advisors (UK) Limited, TMI Advisor Pte. Limited, TMI Management (HK) Limited all of which provide advisory and administration services to the Company. TMI Director 1 Limited provides corporate director services to the TMI subsidiaries.

TMI – Interests in unconsolidated subsidiaries

The Company acts as guarantor on the Revolving Credit Facility ("RCF") with TMI Holdco Limited and the Company and TMI Holdco act as guarantors on the Senior Secured Credit Facility ("AF"). Fourteen vessels held by the unconsolidated subsidiaries are subject to the collateral conditions in relation to the RCF and eight vessels under the AF. Under the terms of the AF, any dividend paid by Grindrod in relation to the Group's Grindrod Shares shall trigger a repayment of the AF on a dollar-for-dollar basis provided that the borrower shall not be required to make such prepayment if the borrower distributes or pays as a dividend to the Company an equivalent amount to such dividend.

The Company does not have any other current commitments or intentions to provide financial or other support to an unconsolidated subsidiary.

Subject to certain bank undertakings, as detail above, and legal requirements to pay dividends from distributable reserves, there are no other restrictions on the ability of an unconsolidated subsidiary to transfer funds to the Group in the form of cash dividends.

1 Provides ship operating and management related services.
2 In liquidation.

Financial statements **Notes to the consolidated financial statements** continued

7. Dividend income

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

During the year ended 31 March 2023, the Company received the following dividends from TMI Holdco Limited:

In relation to the quarter ended	Date received	US$
31 March 2022	14 April 2022	6,798,562
31 March 2022	18 May 2022	12,509,354
30 June 2022	31 July 2022	7,769,785
30 September 2022	31 October 2022	7,769,785
31 December 2022	10 February 2022	7,769,785
		42,617,271

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

In relation to quarter ended	Date received	US$
31 March 2023	12 May 2023	7,769,785
		7,769,785

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

In relation to the quarter ended	Date received	US$
30 September 2021	10 November 2021	6,774,372
31 December 2021	9 February 2022	6,798,562
		13,572,934

Total dividends receivable at 31 March 2023 were US$nil (31 March 2023: US$nil).

8. Trade and other payables

	31 March 2023 US$	31 March 2022 US$
Executive Team and employee costs payable (see note 10)	1,977,515	1,701,603
Audit fees payable	436,431	284,944
Tax payable	162,574	69,890
Administration fees payable	62,286	63,684
Travel and marketing fees payable	61,691	95,905
Director fees payable	26,956	-
Investor consultancy fees payable	26,767	26,867
Other sundry fees payables	180,970	62,491
	2,935,190	**2,305,384**

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

Financial statements **Notes to the 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 **Financial assets at fair value through profit or loss**	**At 31 March 2023 US$**	**At 31 March 2022 US$**
Financial assets at fair value through profit or loss (note 5)	556,738,240	574,114,922
Financial assets at amortised cost		
Cash and cash equivalents	11,199,937	3,382,410
Trade and other receivables (excluding prepayments)	299,812	56,821
Total assets	**568,237,989**	**577,554,153**
Financial liabilities at amortised cost		
Trade and other payables (note 8)	2,935,190	2,305,384
Total liabilities	**2,935,190**	**2,305,384**

Market risk

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

Price risk

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

Charter-free valuation for vessels

Price risk sensitivity analysis is based on charter-free valuations for vessels. If the ship values at 31 March 2023 and 31 March 2022 were 10% higher or lower, then the effect on the vessel portfolio value would be as follows:

	Fair value of vessels US$	**Possible reasonable change in fair value**	**Effect on net assets and profit or loss US$**
31 March 2023	890,280,910	+/-10%	+/- 89,028,091
31 March 2022	480,100,000	+/- 10%	+/- 48,010,000

At 31 March 2023, the total fair value of vessels at US$890,280,910 includes the TMI fleet of 23 vessels (31 March 2022: 27 vessels) at a fair value of US$372,840,000 (31 March 2022: US$480,100,000) and Grindrod fleet of 28 vessels at a fair value of US$444,281,740 at the year end. The fair value of the Grindrod fleet is apportioned to TMI's percentage ownership at 31 March 2023 of 83.23%.

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

Investment in Grindrod at 31 March 2022

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

Financial statements **Notes to the consolidated financial statements** continued

9. Financial risk management continued

Currency risk

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

Interest rate risk

The majority of the Group's financial assets and liabilities are non-interest bearing. However, the Group is exposed to some amount of risk due to fluctuations in the prevailing levels of market interest rates because of loans taken out at subsidiary level and 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.

31 March 2023	**Floating rate US$**	**Non-interest bearing US$**	**Total US$**
Financial assets			
Cash and cash equivalents	11,199,937	-	11,199,937
Trade and other receivables (excluding prepayments)	-	299,812	299,812
Financial assets at fair value through profit or loss	-	556,738,240	556,738,240
Total financial assets	**11,199,937**	**557,038,052**	**568,237,989**
Financial liabilities			
Trade and other payables	-	2,935,190	2,935,190
Total financial liabilities	**-**	**2,935,190**	**2,935,190**
Total interest sensitivity gap	**11,199,937**	**554,102,862**	**565,302,799**

31 March 2022	**Floating rate US$**	**Non-interest bearing US$**	**Total US$**
Financial assets			
Cash and cash equivalents	3,382,410	-	3,382,410
Trade and other receivables (excluding prepayments)	-	56,821	56,821
Financial assets at fair value through profit or loss	-	574,114,922	574,114,922
Total financial assets	**3,382,410**	**574,171,743**	**577,554,153**
Financial liabilities			
Trade and other payables	-	2,305,384	2,305,384
Financial assets at fair value through profit or loss	-	-	-
Total financial liabilities	**-**	**2,305,384**	**2,305,384**
Total interest sensitivity gap	**3,382,410**	**571,866,359**	**575,248,769**

The following details the Company's sensitivity to a 350 basis point (31 March 2022: 100 basis points) increase and decrease in interest rates on floating interest rate bearing assets, with 350 basis point (31 March 2022: 100 basis points) being the Board's assessment of a reasonably possible change in interest rates during the next financial year.

At 31 March 2023, if interest rates had risen by 350 basis points (31 March 2022: 100 basis points), the decrease in net assets attributable to holders of Company's Ordinary Shares would amount to US$0.4 million (31 March 2022: US$0.1 million). Likewise, at 31 March 2023, if interest rates had decreased by 350 basis points (31 March 2022: 100 basis points), the increase in net assets attributable to holders of Company's Shares would amount to US$0.4 million (31 March 2022: US$0.1 million).

Financial statements **Notes to the consolidated financial statements** continued

9. Financial risk management continued

For additional information, at 31 March 2023, the Group's exposure, through its investment in Holdco, to interest rate risks on a look-through basis to the TMI and Grindrod, can be summarised as follows:

31 March 2023	Floating rate US$	Non-interest bearing US$	Total US$
Financial assets at fair value through profit or loss ("FVTPL")[1]:			
- Cash and cash equivalents	34,528,674	-	34,528,674
- Other net assets (including vessels at FVTPL)	-	744,415,621	744,415,621
- Term loan and RCF debt facilities	(222,206,055)	-	(222,206,055)
Net financial assets at FVTPL and interest sensitivity gap	**(187,677,381)**	**744,415,621**	**556,738,240**

31 March 2022	Floating rate US$	Non-interest bearing US$	Total US$
Financial assets at fair value through profit or loss ("FVTPL"):			
- Cash and cash equivalents	36,970,670	-	36,970,670
- Other net assets (including vessels at FVTPL)	-	677,144,252	677,144,252
- RCF facility	(140,000,000)	-	(140,000,000)
Net financial assets at FVTPL and interest sensitivity gap	**(103,029,330)**	**677,144,252**	**574,114,922**

The Group's exposure through its investment in Holdco on a look-through basis to the TMI SPVs cash and cash equivalents and the TMI SPV's loan and credit facilities of which a total of US$222.2 million, (31 March 2022: US$140.0 million), were outstanding at the year end, see note 13 for details.

On a look through basis, at 31 March 2023, if interest rates had risen by 350 basis points (31 March 2022: 100 basis points), the decrease in net assets attributable to holders of Company's Ordinary Shares would amount to US$6.6 million (31 March 2022: US$1.0 million). Likewise, at 31 March 2023, if interest rates had decreased by 350 basis points (31 March 2022: 100 basis points), the increase in net assets attributable to holders of Company's Shares would amount to US$6.6 million (31 March 2022: US$1.0 million).

Credit and counterparty risk

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

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

	31 March 2023 US$	31 March 2022 US$
Cash and cash equivalents	11,199,937	3,382,410
Trade and other receivables (excluding prepayments)	299,812	56,821
Financial assets at fair value through profit or loss	556,738,240	574,114,922
	568,237,989	**577,554,153**

At 31 March 2023, there were no financial assets past due or impaired (31 March 2022: none).

At 31 March 2023 and 31 March 2022, the Group maintains its cash and cash equivalents with various banks to diversify credit risk. These are subject to the Group's credit monitoring policies including the monitoring of the credit ratings issued by recognised credit rating agencies.

The credit risk of the Group's cash and cash equivalents is mitigated as all cash is placed with reputable banking institutions with a sound credit rating of a single -A (or equivalent) or higher as determined by an internationally recognised rating agency and where credit ratings are not available, it is placed with banking institutions with capital base and ratios that exceeds regulatory requirements. At 31 March 2023, the Group's cash and cash equivalents are held with EFG Bank, Cayman Branch with a Fitch long term credit ratings of A (31 March 2022: A), DBS Bank Limited ("DBS") with a Fitch long term credit ratings of AA- (31 March 2022: none held with DBS) and HSBC UK Bank plc with a Fitch long term credit ratings of AA- (31 March 2022: none held with HSBC).

[1] InIncludes "look-through" information to TMI and Grindrod at 83.2%.

Financial statements **Notes to the consolidated financial statements** continued

9. Financial risk management continued

Liquidity risk

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

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

31 March 2023	Up to 3 months US$	3 – 12 months US$	No stated maturity US$	Total US$
Financial assets				
Cash and cash equivalents	11,199,937	-	-	11,199,937
Trade and other receivables (excluding prepayments)	299,812	-	-	299,812
Financial assets at fair value through profit or loss	-	-	556,738,240	556,738,240
Total financial assets	**11,499,749**	**-**	**556,738,240**	**568,237,989**
Financial liabilities				
Trade and other payables	1,873,240	1,061,950	-	2,935,190
Total financial liabilities	**1,873,240**	**1,061,950**	**-**	**2,935,190**
Cumulative liquidity gap	**9,626,509**	**8,564,559**	**565,302,799**	**565,302,799**

31 March 2022	Up to 3 months US$	3 – 12 months US$	No stated maturity US$	Total US$
Financial assets				
Cash and cash equivalents	3,382,410	-	-	3,382,410
Financial assets at fair value through profit or loss	-	-	574,114,922	574,114,922
Total financial assets	**3,382,410**	**-**	**574,114,922**	**577,497,332**
Financial liabilities				
Trade and other payables	1,908,773	396,611	-	2,305,384
Total financial liabilities	**1,908,773**	**396,611**	**-**	**2,305,384**
Cumulative liquidity gap	**1,473,637**	**1,077,026**	**575,191,948**	**575,191,948**

For additional information on the Group's exposure, the below table provided a breakdown of the Group's financial asset at fair value through profit or loss on a look-through basis to the TMI SPVs cash and cash equivalents and the TMI SPV's loan and credit facilities, which were outstanding at the year end, see note 13 for further details. The Group's intends to repay the RCF facilities through operational cashflows and/or vessel sales, if necessary. The amounts disclosed are contractual, undiscounted cash flows and may differ from the actual cash flows received or paid in the future as a result of early repayments.

31 March 2023	Up to 3 months US$	3 – 18 months US$	No stated maturity US$	Total US$
Financial assets at fair value through profit or loss ("FVTPL"):				
- Cash and cash equivalents	34,528,674	-	-	34,528,674
- Other net assets (including vessels at FVTPL)	-	-	744,415,621	744,415,621
- Term loan and RCF facilities	-	(222,206,055)	-	(222,206,055)
Cumulative liquidity gap	**34,528,674**	**(222,206,055)**	**744,415,621**	**556,738,240**

[1] Includes 83.2% of Grindrod credit facilities.

Financial statements **Notes to the consolidated financial statements** continued

9. Financial risk management continued

31 March 2022	Up to 3 months US$	3 – 18 months US$	No stated maturity US$	Total US$
Financial assets at fair value through profit or loss ("FVTPL"):				
- Cash and cash equivalents	36,970,670	-	-	36,970,670
- Other net assets (including vessels at FVTPL)	-	-	677,144,252	677,144,252
- RCF facility	-	(140,000,000)	-	(140,000,000)
Cumulative liquidity gap	**36,970,670**	**103,029,330**	**374,114,922**	**574,114,922**

Capital Risk Management

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

The Group manages its capital to endeavour to ensure that its primary investment objective is met. It does this by investing available cash in line with the Group's investment policy as detailed on page 4.

At 31 March 2023, the TMI Group also have the following credit facilities:

- The Company (as corporate guarantor) and TMI Holdco Limited (as borrower) have a secured senior revolving credit facility for up to US$160.0 million with Nordea Bank Abp, Filial i Norge as original lender (the "Lenders"), hedge counterparty, mandated lead arranger, and bookrunner and as facility agent and security agent on behalf of the Lenders, dated 5 May 2021 (the" Revolving Credit Facility" or "RCF").
- The Company and TMI Holdco Limited ("Holdco") (both corporate guarantors) and Good Falkirk (MI) Limited ("Good Falkirk") (as borrower) have entered into a Facility Agreement for up to US$208.3 million, relating to the acquisition of shares in Grindrod, with Nordea Bank Abp, Filial i Norge (the "Bank") as lender (the "Lender"), mandated lead arranger and bookrunner and as facility agent and security agent on behalf of the Lenders, dated 11 October 2022. (see note 13 for further details).

10. Related parties and other key contacts

Executive Director and Non-Executive Directors

Total Non-Executive Directors' fees for the period ended 31 March 2023 amounted to US$476,747 (31 March 2022: US$365,495), with Non-Executive Directors' expenses of US$6,332 (31 March 2022: US$5,506). At 31 March 2023, there were US$26,956 outstanding Non-Executive Directors' fees payable (31 March 2022: US$nil).

The Intra-group Advisory and Services Agreement

The services of the Executive Team are provided pursuant to an intra group advisory and services agreement between TMIUK and the Company dated 1 April 2022 (the "Advisory Agreement"). For the prior period, the services of the Executive Team are provided pursuant to an intra group advisory and services agreement between TMIHK and the company dated 6 May 2021, TMIHK was replaced by TMIUK on 1 April 2022. In accordance with the terms of the Advisory Agreement, TMIUK and TMI Singapore provide certain services to the Company, including the sourcing of potential investments, the provision of investment recommendations to the Board and assisting with the implementation of transactions approved by the Board (the "Services"). In consideration for the Services, the Company shall pay, or procure that TMIUK is paid a fee of costs plus 10%[1] or such other, fees as may be agreed from time to time between the Company and TMIUK.

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

Alexander Slee, Camilla Pierrepont and Yam Lay Tan (whose roles within the Executive Team are set out on pages 31 – 32) have employment agreements with TMIUK and TMI Singapore (formerly with TMIHK) respectively, pursuant to which they will devote all of their working time to the business of the Group. The members of the Executive Team are paid a salary and are entitled to participate in the Group's annual bonus plan, the LTIP and the DBP, see below.

Long-term Incentive Plan ("LTIP")

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

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

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

Financial statements **Notes to the consolidated financial statements** continued

10. Related parties and other key contacts continued

Awards will be granted subject to a performance conditions.

The fair value of share grants yet to vest is measured based on the grant date fair value over the vesting period. The fair value is recognised over the expected vesting period. For the awards in 2021 and 2022 the terms and main assumptions, and the resulting fair value, are:

Assumptions	**LTIP – August 22**	**LTIP – August 21**
Grant dates	2 August 2022	26 August 2021
Share price at date of grant	US$1.46	US$1.28
Total Share Awards	2,088,922	2,295,000
Performance period	3 years	3 years
Dividend per share overlay	US$0.020 per quarter	US$0.0175 per quarter
Fair value	US$2,548,485	US$2,455,650
Performance conditions	**80%** - average annual total NAV return	**100%** - average annual total NAV return
	20% - ESG targets	
Performance conditions met during the year:		
- Average NAV return	nil	100%
- ESG target	16%	N/A
Share-based expense for the year - based on performance conditions achieved	**US$91,530**	**US$818,550**

For the year ended 31 March 2023, US$910,080 (31 March 2022: US$486,645) was recognised in the Consolidated Statement of Comprehensive Income with a corresponding increase to "Other reserves" in the Consolidated Statement of Changes in Equity relating to the fair value share-based awards.

Executive Team and other employee remuneration
Details of the remuneration is given in the nomination and remuneration committee report but the total charge for remuneration for the year and accrued but unpaid bonus payment are as follows:

Charge for the period	**For the year ended 31 March 2023 US$**	**31 March 2021 to 31 March 2022 US$**
Edward Buttery (CEO and Executive Director) – *salary, bonus and other employment costs*	852,022	911,172
Executive Team – *salaries and bonuses*	2,414,385	1,894,451
Executive Team – *other employment costs*	399,250	228,643
Other Group employees – *salaries & other costs*	1,083,377	103,518
Other Group employees – *other employment costs*	182,774	-
Total salaries bonus & other employment costs	**4,931,808**	**3,137,784**
Non-Executive Director fees & expenses (detailed above)	476,747	371,001
Total Director, Executive Team & employment costs	**5,408,555**	**3,508,785**
Share-based payments – *equity settled (see "LTIP" above)*	910,080	486,645
Total remuneration and fees	**6,318,635**	**3,995,430**

	31 March 2023 US$	**31 March 2022 US$**
Outstanding fees		
Salary, bonuses and other employment costs	1,977,515	1,701,603
Non-Executive Director fees	26,956	-
Total	**2,004,471**	**1,701,603**

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

Financial statements **Notes to the consolidated financial statements** continued

10. Related parties and other key contacts continued

Annual Bonus and Deferred Bonus Plans

On 6 June 2023, the following annual bonus plans relating to the period ended 31 March 2023 were approved by the Board, to be paid 50% in cash and 50% in Ordinary Shares of the Company (31 March 2022: 100% cash bonus), to the following members of the Executive Team:

Executive team	31 March 2023	31 March 2022
Edward Buttery	GBP375,000	GBP371,820
Total other Executive Team members	US$966,000	US$1,024,595

The 50% Ordinary Share awards will be granted in the post year end period, will vest in equal instalments over 3 years and, for Edward Buttery only, the share awards will be subject to a further 2 year hold period.

Shares held by related parties

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

Directors of the Company	31 March 2023		31 March 2022	
Name	No. of Ordinary Shares	Percentage	No. of Ordinary Shares	Percentage
Frank Dunne[1]	42,416	0.01%	N/A	N/A
Edward Buttery[2]	470,344	0.12%	454,750[3]	0.14%
Christopher Buttery	800,722	0.24%	650,722	0.20%
Trudi Clark	70,000	0.02%	50,000	0.02%
Sandra Platts	42,261	0.01%	42,261	0.01%
Helen Tveitan	20,000	0.01%	20,000	0.01%
Nicholas Lykiardopulo[4]	N/A	N/A	2,436,087[5]	0.74%
Executive team members				
Alexander Slee	56,896	0.02%	56,896	0.02%
Camilla Pierrepont	192,929	0.06%	172,941	0.05%

Other material contracts

Commercial Manager and Technical Manager

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

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

	For the year ended 31 March 2023 US$	31 March 2021 to 31 March 2022 US$
Charge for the year/period[6]		
Office support fees paid to TMHK	188,480	276,000
Commercial management fees paid to TMHK	5,827,557	4,271,725
Technical management and additional services fees paid to Tamar	4,271,930	2,889,271
Total	**10,287,967**	**7,436,996**

There were no other fees outstanding at 31 March 2023 or 31 March 2022.

	31 March 2023 US$	31 March 2022 US$
Outstanding fees[6]		
Commercial management fees payable to TMHK	122,441	221,434
Total	**122,441**	**221,434**

1 Appointed 31 October 2022.
2 Also includes 85,344 Ordinary Shares held by a person closely associated to Edward Buttery.
3 Includes an adjustment of -95,482 to account for an over-statement identified during the period to Edward Buttery's previously disclosed shareholding of 550,232.
4 Resigned 6 January 2023.
5 610,000 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.
6 These charges are expensed and outstanding at the SPV level. These charges are, therefore, only reflected through "Financial assets at fair value through profit or loss" in these consolidated financial statements.

Financial statements **Notes to the consolidated financial statements** continued

10. Related parties and other key contacts continued

Administrator

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

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

Under the terms of the Administration Agreement, the Administrator is entitled to administration fees charged as a fixed fee of £125,000 per annum for a Net Asset Value up to £200 million plus an incremental fee of 0.03 per cent per annum of Net Asset Value in excess of £200 million, plus disbursements. This fee is calculated and payable quarterly in arrears.

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

Charge for the year/period[1]	**For the year ended 31 March 2023 US$**	**31 March 2021 to 31 March 2022 US$**
Administration fees paid to Sanne	311,136	209,680

Outstanding fees[1]	**31 March 2023 US$**	**31 March 2022 US$**
Administration fees payable to Sanne	62,286	63,684

11. Tax status

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

	For the year ended 31 March 2023 US$	**31 March 2021 to 31 March 2022 US$**
Analysis of tax charge in the year/period		
Current tax (adjustment)/charge (see note below)	(49,602)	69,970
Tax on profit on ordinary activities	(49,602)	69,970

	31 March 2023 US$	**31 March 2022 US$**
Outstanding		
Tax payable	162,574	69,890

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

Financial statements Notes to the consolidated financial statements continued

11. Tax status continued

Factors affecting tax charge for the year

TMIUK

The tax assessed on TMIUK for the year to 31 March 2023 (31 March 2022: period 16 April 2021 to 31 March 2022) is the standard rate of corporation tax in the UK applicable to the period of 19.0%.

	For the year ended 31 March 2023 US$	16 April 2021 to 31 March 2022 US$
Profit on ordinary activities before tax	589,320	161,018
Profit on ordinary activities multiplied by the rate of Corporation tax in UK applicable to the year of 19.0%	**111,971**	**30,593**
Adjusted for:		
Tax credit for share based payment (US$667,607 at 19%)	(126,845)	-
Adjustment for prior year over-provision	(47,042)	-
Tax (adjustment)/charge on ordinary activities, after adjustments, at 19.0%	**(61,916)**	**30,593**

TMI Singapore

The tax assessed on TMI Singapore for the year ended 31 March 2023 (31 March 2022: 20 December 2021 to 31 March 2022) is the standard rate of corporation tax in Singapore applicable to the period of 17.0%.

	For the year ended 31 March 2023 US$	16 April 2021 to 31 March 2022 US$
Profit on ordinary activities before tax	74,078	36,851
Profit on ordinary activities multiplied by the rate of Corporation tax in Singapore applicable to the year of 17.0%	**12,593**	**6,265**
Adjusted for:		
Adjustment for prior year over-provision	(3,205)	-
Tax on ordinary activities, after adjustments, at 17.0%	**9,388**	**6,265**

TMIHK

The tax assessed on TMIHK for the year ended 31 March 2023 (31 March 2022: period 15 April 2021 to 31 March 2022) is the lower rate of corporation tax in HK applicable to the period of 8.25% (31 March 2022: Standard rate of 16.5%). TMIHK benefited from the 2-tier tax rate system implemented by the Hong Kong government, which charges a lower tax rate of 8.25% on the first HKD 2 million of assessable profits.

	For the year ended 31 March 2023 US$	16 April 2021 to 31 March 2022 US$
Profit on ordinary activities before tax	-	200,681
Profit on ordinary activities multiplied by the rate of Corporation tax in HK applicable to the year of 8.25/16.5%	**-**	**33,112**
Adjusted for:		
Adjustment for prior period over-provision	2,926	-
Tax on ordinary activities, after adjustments, at 8.25%/16.5%	**2,926**	**33,112**
Total tax (adjustment)/charge for the year/period	**(49,602)**	**69,970**

Financial statements **Notes to the consolidated financial statements** continued

12. Share capital

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

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

(a) Dividends: Shareholders of a particular class or tranche are entitled to receive, and participate in, any dividends or other distributions relating to the assets attributable to the relevant class or tranche which are resolved to be distributed in respect of any accounting period or other period, provided that no calls or other sums due by them to the Company are outstanding.

(b) Winding Up: On a winding up, the shareholders of a particular class or tranche shall be entitled to the surplus assets attributable to that class or tranche remaining after payment of all the creditors of the Company.

(c) Voting: Subject to any rights or restrictions attached to any class or tranche of shares, at a general meeting of the Company, on a show of hands, every holder of voting shares present in person or by proxy and entitled to vote shall have one vote, and on a poll every holder of voting shares present in person or by proxy shall have one vote for each share held by him, but this entitlement shall be subject to the conditions with respect to any special voting powers or restrictions for the time being attached to any class or tranche of shares which may be subject to special conditions. Refer to the Memorandum and Articles of Incorporation for further details.

(d) Buyback: The Company may acquire its own shares (including any redeemable shares). Any shares so acquired by the Company may be cancelled or held as treasury shares provided that the number of shares of any class held as treasury shares must not at any time exceed ten per cent. (or such other percentage as may be prescribed from time to time by the States of Guernsey Committee for Economic Development) of the total number of issued shares of that class. Any shares acquired in excess of this limit shall be treated as cancelled.

Issued share capital

Ordinary Shares

	31 March 2023		31 March 2022	
Issued and fully paid	**Shares**	**US$**	**Shares**	**US$**
Share capital at the beginning of the year/period	330,215,878	333,479,334	-	-
Ordinary Shares issues during the year/period	-	-	330,215,878[1]	339,998,484
Ordinary Shares issue costs	-	-	-	(6,519,150)
Share capital at the end of the year/period	**330,215,878**	**333,479,334**	**330,215,878**	**333,479,334**

The total number of Ordinary Shares in issue, as at 31 March 2023 was 330,215,878 (31 March 2022: 330,215,878).

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

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

At 31 March 2023, no (31 March 2022: 2,295,000 Ordinary Shares) additional Ordinary Shares have been reserved for issue in future periods. At 31 March 2023, the Company's Ordinary Shares were trading on the Main Market of the LSE at a discount to NAV and, as such, all share awards under the LTIP and annual bonus scheme are expected to be purchased in the secondary market. At 31 March 2022, 2,295,000 Ordinary Shares were reserved for issue in future periods, see note 10 for details.

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

Financial statements **Notes to the consolidated financial statements** continued

13. Loan and credit facilities

Revolving Credit Facility ("RCF")

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

Under the RCF, 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). Each tranche of loans drawn down shall be repaid within 18 months of draw-down.

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

At 31 March 2023, US$126.7 million (31 March 2022: US$140.0 million) had been drawn and was outstanding on the RCF.

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

- Minimum cash and cash equivalents shall be at least US$5m plus US$250,000 per vessel owned or bareboat chartered by the Group;
- Adjusted Equity Ratio shall at all times be no less than 35% (31 March 2022: 45%) of the sum of the liabilities and "Adjusted Equity "[1].

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

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

During the year ended 31 March 2023, Holdco adhered to all the required financial covenants under the RCF.

Term Loan Facilities ("Term Loan")

The Company and TMI Holdco Limited ("Holdco") (as corporate guarantors) and Good Falkirk (MI) Limited ("Good Falkirk") (as borrower) have entered into a Facility Agreement for up to US$208.3 million, relating to the acquisition of shares in Grindrod, with Nordea Bank Abp, Filial i Norge (the "Bank") as lender (the "Lender"), mandated lead arranger and bookrunner and as facility agent and security agent on behalf of the Lenders, dated 11 October 2022.

Under the Term Loan, in total Good Falkirk could borrow the lower of US$208.3 million or 55% of the aggregate of the adjusted market value of the Grindrod Shares owned by Good Falkirk and the market value of the vessels subject to a mortgage under the Term Loan (the "Term Loan Collateral Vessels"). Repayment of the Term Loan will be made by equal quarterly instalments commencing 9 months after the initial borrowing date, each in an amount equal to the lower of US$25 million or 15% of the total outstanding Term Loan. The Term Loan will be repaid in full 18 months after the Term Loan initial borrowing date of 30 November 2022.

Certain security is provided in relation to the Term Loan in favour of the Bank (in its capacity as security agent on behalf of the Lender). This security includes a mortgage over certain vessels within the Group's portfolio nominated by Holdco ("Term Loan Collateral Vessels"), a first priority pledge of all Grindrod Shares owned by Good Falkirk and a corporate guarantee from each SPV owning a Collateral Vessel and from the Company and Holdco to the Bank (in its capacity as security agent on behalf of the Lender).

On 30 November 2022, US$154.2 million of the Term Loan was drawn. During the period, US$58.7 million has been repaid and, at 31 March 2023, US$95.5 million was outstanding (31 March 2022: US$nil).

Under the Term Loan, Good Falkirk must adhere to the following financial covenants:

a) *An Adjusted Equity[2] ratio of:*
   i. no less than 35% of the sum of the liabilities and Adjusted Equity on and from the Term Loan initial borrowing date until (and including) the first anniversary date;
   ii. no less than 40% of the sum of the liabilities and Adjusted Equity thereafter throughout the remainder of the security period.

b) *Minimum Liquidity:* Cash and cash equivalents of at least US$5 million plus an additional US$250,000 per vessel owned or bareboat chartered by the Group.

During the year ended 31 March 2023, Good Falkirk adhered to all the required financial covenants under the Term Loan.

1 "Adjusted Equity"; means the total equity presented in the Group's most recent consolidated financial statements by adjusting the vessels' book values to their current market values obtained through independent and reputable approved brokers. The ratio was adjusted to align with the covenants under the senior secured credit facility ("Term Loan"), at no less than 35% from 4 January until 30 November 2023 and no less than 40% throughout the remainder of the security period.

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

Financial statements **Notes to the consolidated financial statements** continued

14. Earnings per share

	For the year ended 31 March 2023	
	Basic	**Diluted**
Weighted average number of shares	330,215,878	330,215,878
Profit for the period	US$26,210,533	US$26,210,533
Earnings per Ordinary Share	US$0.0794	US$0.0794

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

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

	31 March 2023 Number of Shares	31 March 2022 Number of Shares
Weighted average number of shares used in basic earnings per share	330,215,878	314,422,685
Number of potential shares deemed to be issued	-	4,281,949
Weighted average number of shares used in diluted earnings per share	**330,215,878**	**318,704,634**

For the year ended 31 March 2023, there is no difference between the basic and diluted earnings per share. The share awards under the LTIP are not included in the calculation of diluted earnings per share because they are antidilutive for the year ended 31 March 2023. These share awards could potentially dilute basic earnings per share in the future. At 31 March 2023, the Company's Ordinary Shares were trading on the Main Market of the LSE at a discount to NAV and, as such, all share awards under the LTIP and annual bonus scheme granted to the Executive Team, see Note 10, are expected to be purchased in the secondary market. At 31 March 2022, 2,295,000 Ordinary Shares were reserved for issue in future periods and the dilution arises from the share awards granted to the Executive Team in accordance with the LTIP on the assumption that new Ordinary Shares would be issued.

15. Contingent liabilities and commitments

At 31 March 2023, the Company had the following commitments:

- **RCF** – US$126.7 million (31 March 2022: US$140.0 million drawn) had been drawn and was outstanding on the RCF. The Company acts as corporate guarantor to Holdco in relation to the RCF, see note 13 for details;
- **Term Loan** – US$95.5 million (31 March 2022: US$nil) had been drawn and was outstanding on the Term Loan. The Company and TMI Holdco act as corporate guarantor to Good Falkirk in relation to the Term Loan, see note 13 for details;
- **Performance guarantee** – the Company entered into a performance guarantee for a total commitment of US$35.0 million for the underlying SPV which holds the contract for the Vessels under construction.

The Company had no other outstanding commitments or contingent liabilities.

Financial statements **Notes to the consolidated financial statements** continued

16. NAV per ordinary share reconciliation

The following table shows a reconciliation between the NAV per Ordinary Share as presented in these Consolidated Financial Statements and the NAV per Ordinary Share as published on the Main Market of the London Stock Exchange on 27 April 2023.

	31 March 2023	**31 March 2022**
Published NAV per Ordinary Share	US$1.7180	US$1.7449
Adjusted for:		
Movement in net gains on financial assets at fair value through profit or loss	US$(0.0036)	-
Executive Team annual bonus plan	-	US$(0.0028)
Additional tax payable	-	US$(0.0001)
Financial Statements NAV per Ordinary Share	US$1.7144	US$1.7420

At 31 March 2023, the difference between the unaudited Published NAV per Ordinary Share and the Financial Statements NAV per Ordinary Share were as a result of fair value adjustment to the Group's investment in Grindrod following the finalisation of the independent valuation.

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

17. Subsequent events

On 27 April 2023, the Company declared an interim dividend of 2.00 US cents per Ordinary Share in respect of the quarter to 31 March 2023, which was paid on 31 May 2023. The ex dividend date was 11 May 2023.

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

Additional information

Additional information

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

As at 31 March 2023

Name (SPV)	Investment in securities/ vessels at FVTPL US$	Other net (liabilities)/ assets US$	Total financial assets at FVTPL US$
TMI Holdco Limited[1]	-	(105,920,185)	(105,920,185)
Other net liabilities	**-**	**(105,920,185)**	**(105,920,185)**
Good Falkirk (MI) Limited[2]	362,391,478	(92,719,653)	269,671,825
Investment in securities & other assets	**362,391,478**	**(92,719,653)**	**269,671,825**
Good Grace (MI) Limited	29,987,500	811,892	30,799,392
Good Uxbridge (MI) Limited	19,942,500	493,670	20,436,170
Lucius (MI) Limited	19,892,500	443,399	20,335,899
Forshall (MI) Limited	19,882,500	504,761	20,387,261
Julius (MI) Limited	19,862,500	912,115	20,774,615
Billy (MI) Limited	18,132,500	413,603	18,546,103
Horatio (MI) Limited	17,002,500	185,696	17,188,196
Junius (MI) Limited	16,462,500	494,550	16,957,050
Good Edgehill (MI) Limited	16,227,500	523,346	16,750,846
Good Duke (MI) Limited	16,022,500	724,246	16,746,746
Decius (MI) Limited	15,647,500	949,098	16,596,598
Cassius (MI) Limited	15,497,500	534,286	16,031,786
Good Earl (MI) Limited	14,622,500	573,311	15,195,811
Great Fox (MI) Limited	14,537,500	690,865	15,228,365
Good Queen (MI) Limited	14,432,500	563,824	14,996,324
Gaius (MI) Limited	14,397,500	450,857	14,848,357
Gabinius (MI) Limited	14,212,500	840,067	15,052,567
Good Heir (MI) Limited	13,722,500	458,072	14,180,572
Good Fiefdom (MI) Limited	13,692,500	(290,374)	13,402,126
Hosidius (MI) Limited	13,362,500	(222,358)	13,140,142
Good Titan (MI) Limited	12,825,000	654,599	13,479,599
Great Ewe (MI) Limited	12,462,500	368,954	12,831,454
Good Stag (MI) Limited	10,012,500	226,126	10,238,626
Good Viscount (MI) Limited	-	8,841,995	8,841,995
Vessels at FVTPL & other assets	**372,840,000**	**20,146,600**	**392,986,600**
Totals	**735,231,478**	**(178,493,238)**	**556,738,240**

1 Includes net assets/(liabilities) of dormant subsidiaries.
2 This SPV holds the investment in Grindrod Shipping and associated subsidiaries, see note 6 for company list.

Additional information

Management and administration

Directors

Henry Strutt (Chair, Independent Non-Executive Director) – *appointed 1 June 2023*
Frank Dunne (Senior Independent Director, Independent Non-Executive Director) – *appointed 31 October 2022*[1]
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)
Nicholas Lykiardopulo (former Chair, Independent Non-Executive Director) – *resigned 6 January 2022*

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and Sole Bookrunner
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Independent Ship Valuer

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1 Appointed as Senior Independent Director on 31 October 2023. Subsequently, served as Interim Chair for the period 6 January 2023 to 1 June 2023.

Additional information

Appendix: **Alternative performance measures – unaudited**

Alternative Performance Measures used in the Consolidated Financial Statements

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

- **Debt over gross assets ratio**
  Debt over gross assets ratio is a leverage ratio that indicates the percentage of assets that are being financed with debt. The calculations below, show the ratios for TMI Group only and the combined look-through information, which includes Grindrod's gross assets and debt at 83.2%.

	At 31 March 2023	
	TMI Group	**Look- through (including Grindrod)**
Debt	US$222.2 million	US$428.8 million
Gross Assets	US$800.3 million	US$1,101.0 million
	27.8%	**39.0%**

- **Discount to NAV**

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

		At 31 March 2023	At 31 March 2022
NAV per ordinary share	(a)	US$1.7144	US$1.7420
Share price per ordinary share	(b)	US$1.1200	US$1.4200
Discount amount (c = b – a)	(c)	(US$0.5944)	(US$0.3220)
Discount to NAV (d = (c / a) x 100)	(d)	**(34.7%)**	**(18.49%)**

- **Dividend yield**
  The dividend yield is a financial ratio that shows how much the Company has paid out in dividends during the year ended 31 March 2023 (prior period: 31 March 2021 to 31 March 2022) relative to its IPO price of US$1.00 per Ordinary Share.

- **Dividend cover**
  Dividend cover is the ratio of the Group's cash flow divided by its total dividend payments, and is used as a measure of the extent to which a company is able to generate sufficient cash flow to pay its dividends. This is calculated based on adjusted EBITDA of the underlying SPVs for the financial year to 31 March 2023 (EBITDA excluding net changes in fair value of financial assets) less interest expenses and docking capital expenditure for the financial year to 31 March 2023 divided by dividend for the financial year. The calculations below show the dividend cover of dividends declared in the financial year, exclusive of the special dividend of 3.22 US cents declared in May 2022.

		US$ million
Adjusted Group EBITDA, inclusive of underlying SPVs		101.70
Interest expense		(13.70)
Docking capital expenditure		(20.70)
Net cash income	(a)	67.30
Dividends paid	(b)	25.62
Dividend cash cover (c = a / b)	(c)	2.6x

Additional information **Appendix – Alternative performance measures – unaudited** continued

Dividend cover for the financial period 31 March 2021 (date of incorporation) to 31 March 2022. The calculations below show the dividend cover of dividends declared in the financial period and also the calculation for the dividend cover inclusive of the quarterly dividend declared in April 2022 and the special dividend declared in May 2022.

		US$ million (excluding post period end dividends)	US$ million (including April 2022 quarterly dividend[1])	US$ million (including May 2022 special dividend[2])
Adjusted Group EBITDA, inclusive of underlying SPVs		82.56	82.56	82.56
Interest expense		(3.67)	(3.67)	(3.67)
Docking capital expenditure		(3.84)	(3.84)	(3.84)
Net cash income	(a)	**75.05**	**75.05**	**75.05**
Dividends paid	(b)	11.53	17.31	27.96
Dividend cash cover (c = a / b)	(c)	**6.5x**	**4.3x**	**2.7x**

- **Internal rate of return ("IRR")**
  Internal rate of return is a calculation of the retrospective annualised profitability of a vessel investment over the period the vessel was owned, the IRR being the discount rate that would make the net present value of the actual cashflows from the investment equal to zero. This provides a useful measure of the profitability of an investment.
- **Multiple on Invested Capital ("MOIC")** is a measure how much value an investment has generated. MOIC is a gross metric, meaning that it is calculated before fees and expressed as a multiple of the original investment.
- **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.

Ordinary Shares	**For the year ended 31 March 2023 US$**	**For the period 31 March 2021 to 31 March 2022 US$**
Total expenses	9,944,463	6,205,919
Non-recurring expenses	(3,462,430)	(2,137,659)
Total ongoing expenses	6,482,033	4,068,260
Annualised total ongoing expenses	**6,482,033**	**4,161,439**
Average NAV	567,382,681	448,409,788
Ongoing charges ratio (using AIC methodology)	**1.1%**	**0.9%**

[1] Exclusive of May 2022 special dividend.
[2] Inclusive of April 2022 quarterly dividend and May 2022 special dividend.

Additional information **Appendix – Alternative performance measures – unaudited** continued

- **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 year ended 31 March 2023	
		Total NAV return	**Total share price return**
Opening NAV/share price per share	(a)	US$1.7420	US$1.4200
Closing NAV/share price per share	(b)	US$1.7144	US$1.1200
Dividends paid	(c)	US$0.1097	US$0.1097
Return for the period (d = ((b+c) - a)	(d)	US$0.0821	(US$0.1903)
Total NAV/share price return (e = (d / a) x 100)	(e)	**4.7%**	**(13.4%)**

		For the period 31 March 2021 to 31 March 2022	
		Total NAV return	**Total share price return**
Opening NAV/share price per share	(a)	US$0.9800	US$1.0000
Closing NAV/share price per share	(b)	US$1.7420	US$1.4200
Dividends paid	(c)	US$0.0350	US$0.0350
Return for the period (d = ((b+c) - a)	(d)	US$0.7970	US$0.4550
Total NAV/share price return (e = (d / a) x 100)	(e)	**81.3%**	**45.5%**

Additional information

Appendix – Definitions and glossary

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

AER	Annual Efficiency Ratio. A carbon intensity metric taking into account the cargo carrying capacity of the ship Formula = (Fuel consumed x emission factors)/(Deadweight capacity x distance travelled)
BDI	Baltic Dry Index
BHSI	Baltic Handysize Index is a measure of the strength of spot freight earnings for smaller dry bulk vessels, currently based on a standard 38,000 dwt bulk carrier (since 2 Jan 2020). It reflects average spot market TCE earnings across several representative routes
BHSI TCA	The daily time charter average value for a basket of routes in the dry bulk shipping market representative of Handysize vessels, calculated from reports of an independent international board of Panellists
BWMS	Ballast Water Management System
Charter Free Value	The resale value attributed to a ship free of any pre-existing charter contracts
Commercial Manager	The Commercial Manager is appointed under the Framework Agreement and is responsible for seeking and negotiating employment, post fixture operations, collection of hire, procuring and arranging marine insurances, keeping books of account relating to SPVs, assisting in company secretarial matters, maintaining SPV bank accounts, and monitoring of the technical managers on behalf of the Company
COVID-19 Pandemic	The outbreak of the infectious disease known as COVID-19, the spread of which was declared as a transnational and continental pandemic by the World Health Organisation on 11 March 2020
DBP	The deferred bonus plan
DRC	Depreciated Replacement Cost refers to the theoretical value of a second-hand ship based on prevailing newbuilding price depreciated to current age
DWT	Deadweight tonnage, the measure of how much weight a ship can carry. It is the sum of the weights of cargo, fuel, fresh water, ballast water, provisions, passengers, and crew
EEOI	Energy Efficiency Operational Index. A carbon intensity metric taking into account actual cargo carried Formula = (Fuel consumed x emission factors)/(Cargo carried x distance travelled)
FFA	Forward freight agreement, being derivatives used for hedging against the freight market exposure
FRC	The UK Financial Reporting Council
Framework Management Agreement	The overall framework management agreement between TMI Holdco Limited, a subsidiary of the Company and the Commercial Manager and Technical Manager
Geared Ships	Vessels equipped with cranes for loading and un-loading cargoes i.e., Handysize and Supramax vessels
Grindrod	Grindrod Shipping Holdings Ltd, a dual NASDAQ and Johannesburg Stock Exchange listed shipping business (NASDAQ: GRIN, JSE: GSH "Grindrod"), is an international shipping company which owns an attractive, modern fleet of predominantly geared dry bulk vessels
Gross Assets	The aggregate of the fair value of all underlying vessels and all other assets of the Group in accordance with the Group's usual accounting policy
Group	The Company and any Group Companies from time to time
Group Companies	Subsidiaries of the Company from time to time (including Holdco and the SPVs), see note 6.
Handysize	A dry bulk carrier with a capacity between 10,000 and 44,999 DWT (10,000 DWT to 39,999 DWT for vessels built prior to 2014) for the purposes of quoted market data. The Group's target size range is 28,000 to 39,999 DWT
IFRS	International Financial Reporting Standards
IMO	International Maritime Organisation

Additional information **Appendix – Definitions and glossary** continued

IPO	Initial Public Offering
ISM Code	International Safety Management Code
KPIs	Key performance indicators
Listing Rules	The listing rules made by the FCA pursuant to Part VI of FSMA
LTIP	The long term incentive plan is the Company's policy which rewards the executive team for reaching specific goals that lead to increased shareholder value
Net Asset Value or **NAV**	The value, as at any date, of the assets of the Company after deduction of all liabilities of the Company and in relation to a class of Shares in the Company, the value, as at any date of the assets attributable to that class of Shares after the deduction of all liabilities attributable to that class of Shares determined in accordance with the accounting policies adopted by the Company from time-to-time
Net Time Charter Rate	The rate of hire for a Time Charter, net of commissions
Net Zero	According to the IPCC definition, net zero CO2 emissions are achieved when anthropogenic CO2 emissions are balanced globally by anthropogenic CO2 removals over a specified period
NOx	Nitrous Oxides
PSC deficiencies ratio	Port State Control deficiencies ratio Formula = No. of PSC deficiencies/no. of PSC inspections
Related Party	A related party is a person or entity that is related to the Group.
SASB	Sustainability Accounting Standards Board
Scope 1, 2 and 3 emissions	Greenhouse gas emissions as defined by the Greenhouse Gas Protocol. Scope 1 and 2 emissions relate to direct emissions from owned or controlled sources. Scope 2 emissions cover indirect emissions from the generation of purchased electricity, steam, heating or cooling. Scope 3 emissions include all indirect emissions that occur in an entity's value chain
Seed Assets	The 23 individual vessels which were acquired by the Group at the IPO date
SOLAS	Safety of Life at Sea Convention
SOx	Sulphur oxide
Spot Charter	A Charter where the shipowner hires his vessel to the charterer for just a single voyage, carrying a designated quantity of cargo
SPV or **Special Purpose Vehicle**	Corporate entities, formed and wholly owned (directly or indirectly) by the Company, specifically to hold one or more vessels, and including (where the context permits) any intermediate holding company of the Company
Supramax	A dry bulk carrier with a capacity between 40,000 to 64,999 DWT for the purposes of quoted market data. The Group's target size range is between 50,000 and 64,999 DWT
TCFD	Taskforce Climate Related Disclosure
Technical Manager	Tamar Ship Management Limited. Appointed by the Group under the Framework Agreement are responsible for the ensuring vessels' compliance with flag state law and applicable regulations; arranging and supervising asset maintenance; and arranging crewing
Time Charter	The hiring of a ship for a specific period of time. The charterer is responsible for cargo, itinerary and bears the voyage related costs including fuel. The shipowner supplies the ship and the crew
UN SDGs	United Nations Sustainable Development Goals

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