Bruton Limited

Interim Financial Information

As of and for the six and twelve months ended December 31, 2024

Bruton Limited
Unaudited Consolidated Statements of Operations
(In $ thousands except per share data)

	Notes	Six months ended December 31, 2024	Twelve months ended December 31, 2024	Period from July 12, 2023 to December 31, 2023
Operating expenses				
General and administrative expenses		(299)	(359)	(20)
Total operating expenses		**(299)**	**(359)**	**(20)**
Operating loss		**(299)**	**(359)**	**(20)**
Financial income (expenses), net				
Interest income		98	211	56
Other financial income, net		(1)	—	—
Total financial income, net		**97**	**211**	**56**
Net income (loss) before income tax		**(202)**	**(148)**	**36**
Income tax (expense) / credit	4	—	—	—
Net income (loss) attributable to shareholders of Bruton Limited		**(202)**	**(148)**	**36**
Total comprehensive income (loss) attributable to shareholders of Bruton Limited		**(202)**	**(148)**	**36**
Basic and diluted earnings (loss) per share	6	(0.01)	(0.01)	0.01

The accompanying notes are an integral part of these Unaudited Consolidated Financial Statements.

Bruton Limited
Unaudited Consolidated Balance Sheets
(In $ thousands)

	Notes	December 31, 2024	December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	8	4,012	15,915
Prepayments and other current assets			—
Total current assets		**4,012**	**15,915**
Non-current assets			
Newbuildings	7	26,981	11,570
Total non-current assets		**26,981**	**11,570**
Total assets		**30,993**	**27,485**
LIABILITIES AND SHAREHOLDER'S EQUITY			
Current liabilities			
Trade payables		163	47
Accrued expenses		52	3
Total current liabilities		**215**	**50**
Total liabilities		**215**	**50**
Commitment and contingencies	9		
Shareholders' Equity			
Common shares of par value $0.1 per share: authorized 400,000,000 (2023: 400,000,000) shares, issued and outstanding 15,600,000 (2023: 13,851,270) shares	11	1,560	1,385
Additional paid-in capital		29,330	26,014
Retained earnings (Accumulated deficit)		(112)	36
Total shareholders' equity		**30,778**	**27,435**
Total liabilities and shareholders' equity		**30,993**	**27,485**

The accompanying notes are an integral part of these Unaudited Consolidated Financial Statements.

Bruton Limited

Unaudited Consolidated Statements of Cash Flows

(In $ thousands)

	Notes	Six months ended December 31, 2024	Twelve months ended December 31, 2024	Period from July 12, 2023 to December 31, 2023
Cash Flows from Operating Activities				
Net income (loss)		(202)	(148)	36
Adjustments to reconcile net income to net cash provided by operating activities:				
Changes in assets and liabilities:				
Prepayments and other current assets		93	—	—
Trade payables and accrued expenses		214	165	9
Net cash provided by operating activities		**105**	**17**	**45**
Cash Flows from Investing Activities				
Additions to newbuildings		(59)	(15,411)	(11,570)
Net cash used in investing activities		**(59)**	**(15,411)**	**(11,570)**
Cash Flows from Financing Activities				
Proceeds from issuance of common shares, net of paid issuance costs	11	—	3,491	27,440
Net cash provided by financing activities		**—**	**3,491**	**27,440**
Net increase/(decrease) in cash and cash equivalents		**46**	**(11,903)**	**15,915**
Cash and cash equivalents at the beginning of the period		3,966	15,915	—
Cash and cash equivalents at the end of the period		**4,012**	**4,012**	**15,915**

The accompanying notes are an integral part of these Unaudited Consolidated Financial Statements.

Bruton Limited
Unaudited Consolidated Statements of Changes in Equity
(In $ thousands except share data)

	Number of outstanding shares	Common shares	Additional paid in capital	Retained earnings	Total equity
Incorporation July 12, 2023	**100,000**	**10**	**—**	**—**	**10**
Issuance of common shares in October 2023	7,750,000	775	14,725	—	15,500
Issuance of common shares in December 2023	6,001,270	600	11,403	—	12,003
Equity issuance costs		—	(114)		(114)
Total comprehensive income		—	—	36	36
Balance as of December 31, 2023	**13,851,270**	**1,385**	**26,014**	**36**	**27,435**

	Number of outstanding shares	Common shares	Additional paid in capital	Retained earnings	Total equity
Balance as of December 31, 2023	**13,851,270**	**1,385**	**26,014**	**36**	**27,435**
Issuance of common shares in January 2024	1,748,730	175	3,322	—	3,497
Equity issuance costs		—	(6)	—	(6)
Total comprehensive income		—	—	(148)	(148)
Balance as of December 31, 2024	**15,600,000**	**1,560**	**29,330**	**(112)**	**30,778**

See accompanying notes that are an integral part of these Unaudited Consolidated Financial Statements

Note 1 - General Information

Bruton Limited (formerly known as Andes Tankers Ltd.) (together with its subsidiaries, the "Company" or the "Group") is a limited liability company incorporated in Bermuda on July 12, 2023. The Company's shares started trading on the Euronext Growth under the ticker "BRUT" from November 28, 2024. The Company was founded for the purpose of owning high-quality crude oil tankers in the range of 299,500 dead weight tonnes ("dwt") and has agreements with New Times Shipyard in China to acquire two crude oil tankers, which will be equipped with the latest generation dual fuel LNG technology. The two vessels are currently targeted for delivery in August 2026 and December 2026. The Group has two wholly owned ship owning subsidiaries incorporated in Liberia. In addition, the Company intends to actively seek further opportunities focused on the energy and transportation industries.

As used herein, and unless otherwise required by the context, the terms "Company", "we", "Group", "our" and words of similar import refer to Bruton Limited and its consolidated companies. The use herein of such terms as "group", "organization", "we", "us", "our" and "its" or references to specific entities, is not intended to be a precise description of corporate relationships.

Note 2 - Basis of Preparation and Accounting Policies

Basis of preparation

The unaudited consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Amounts are presented in United States Dollar ("US dollar or $") rounded to the nearest thousands, unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods in these unaudited consolidated financial statements.

The principal accounting policies are set out below.

Principle of Consolidation

The unaudited consolidated financial statements include the assets and liabilities of us and our wholly owned subsidiaries. All intercompany balances and transactions have been eliminated upon consolidation.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the amounts reported in our financial statements and accompanying notes. Actual results could differ from those estimates.

Going concern

The financial statements have been prepared on a going concern basis.

As of December 31, 2024, the Company has not commenced operations, has cash and cash equivalents of $4.0 million and outstanding commitments under the newbuilding contracts of $240.9 million. The Company is dependent on debt financing and equity financing to finance the newbuilding contracts for the vessels and working capital requirements which raises substantial doubt about the Company's ability to continue as a going concern. The unaudited consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Company's primary source of liquidity has so far been the net proceeds from the private issuance of equity, which have been partly used to finance the first and second installments for the vessels and for general corporate purposes. The Company has working capital to meet its current operational needs. The Company does not currently have sufficient financing to pay for the future shipyard installments for the vessels. The third instalments on the two vessels are expected to become due in August 2025 and January 2026, respectively, each amounting to $13.4 million. In addition, the fourth instalment on one vessel is due in March 2026 and amounts to $13.4 million.

Consequently, the Company is of the opinion that it will not have sufficient working capital to fund its committed capital program for the next 12 months.

To obtain the necessary financing to pay the remaining purchase amount, the Company plans to raise further equity, seek third party debt financing or a combination thereof.

The Company can, with the resources available to it in its board of directors, the Contracted CEO, and pursuant to the corporate support agreement with Magni (see note 9), refer to an established track record, extensive experience, and a demonstrated ability to successfully navigate cyclical markets while protecting and enhancing shareholder value. The Company believes it has the ability to raise further capital for its newbuilding program.

There is, however, no guarantee that the Company will be successful in obtaining the required financing. If the Company is not able to finance the payment of future installments, the Company would primarily seek to defer the payment schedule with New Times Shipyard. Failing to do so, the Company could explore divestment of one or both of the newbuilding contracts, and the Company may not take delivery and become the owner of the vessels. Further, New Times Shipyard may be entitled to claim damages from the Company, including claiming that it would not need to repay the amounts paid to it by the Company and thus, the Company may lose part or, all of, the proceeds from the private placements. In addition, the Company may, on certain terms and conditions, be liable for an amount higher than the proceeds from the private placements and thus may be required to fund such further amount or enter into insolvency proceedings.

Fair value measurement

We have determined the estimated fair value amounts presented in these unaudited consolidated financial statements using available market information and appropriate methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. The estimates presented in these unaudited consolidated financial statements are not necessarily indicative of the amounts that we could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

We account for fair value measurement in accordance with the accounting standards guidance using fair value to measure assets and liabilities. The guidance provides a single definition for fair value, together with a framework for measuring it, and requires additional disclosure about the use of fair value to measure assets and liabilities.

Reporting and functional currency

The Company and its subsidiaries use the U.S dollar as their functional currency as the majority of their expenses and financing are denominated in U.S. dollars. Accordingly, the Company's reporting currency is also U.S. dollars. Transactions in foreign currencies are translated into U.S dollars at the rates of exchange in effect at the date of transaction. Gains and losses on foreign currency transactions are included in "Other financial expenses" in the Consolidated Statements of Operations.

Newbuildings

The carrying value of the tankers under construction ("Newbuildings") represents the accumulated costs to the balance sheet date which we have had to pay by way of purchase installments and other capital expenditures plus capitalized interest. Capitalization ceases and depreciation commences once the asset is completed and available for its intended use. There is no capitalized interest in any of the periods presented as the Company has not incurred any interest.

Impairment of newbuildings

The carrying values of the Company's newbuildings may not represent their fair market value at any point in time since the market prices of second-hand tankers and the cost of newbuildings tend to fluctuate with changes in charter rates. Historically, both charter rates and tankers values tend to be cyclical. The carrying amounts of newbuildings under construction are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular tanker or newbuilding may not be fully recoverable. Such indicators may include depressed spot rates and depressed second-hand tanker values. The Company assesses recoverability of the carrying value of each asset or newbuilding on an individual basis by estimating the future undiscounted cash flows expected to result from the asset, including any remaining construction costs for newbuildings and disposal. If the future net undiscounted cash flows are less than the carrying value of the asset, or the current carrying value plus future newbuilding commitments, an impairment loss is recorded equal to the difference between the asset's or newbuildings carrying value and fair value. The Company believes that the estimated future undiscounted cash flows expected to be earned by each of its tankers over their remaining estimated useful life will exceed the tankers' carrying value as of December 31, 2024, plus estimated costs to complete the tankers and accordingly, has not recorded an impairment charge.

Cash and cash equivalents

All demand and time deposits are highly liquid, low risk investments with original maturities of three months or less at the date of purchase that are considered equivalent to cash.

Current and long-term classification

Assets and liabilities are classified as current assets and liabilities respectively, if their maturity is within one year of the balance sheet date. Otherwise, they are classified as non-current assets and liabilities.

Related parties

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence.

Note 3 - Recently Issued Accounting Standards

Accounting pronouncements that have been issued but not yet adopted

The following table provides a brief description of other recent accounting standards that have been issued but not yet adopted as of December 31, 2024:

Standard	Description	Date of adoption	Expected Effect on our Unaudited Consolidated Financial Statements or Other Significant Matters
ASU 2023-6 *Disclosure Improvements - Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*	The amendments represent changes to clarify or improve disclosure and presentation requirements of a variety of Topics. Amendments allow users to more easily compare entities subject to the SEC's existing disclosures with those entities that were not previously subject to the SEC's requirements. Also, the amendments align the requirements in the Codification with the SEC's regulations.	The date on which SEC removes related disclosure or two years later	Under evaluation
ASU 2023-9 *Income Taxes (Topic 740) - Improvements to Income Tax Disclosures*	The amendments improve the transparency of income tax disclosures by requiring annual disclosure of (1) specific categories in the rate reconciliation; and (2) additional information for reconciling items if the effect of those reconciling items is equal to or greater than 5% .of the resulting amount by multiplying pretax income (or loss) by the applicable statutory income tax rate. An entity is also required to provide the nature, effect and underlying causes of the reconciling items, and the judgment used in categorizing them, if not otherwise evident. The amendments also improve the comparability and effectiveness of disclosures by (1) adding disclosures of pretax income (or loss) and income tax expense (or benefit) to be consistent with U.S. Securities and Exchange Commission (SEC) Regulation S-X 210.4-08(h), Rules of General Application—General Notes to Financial Statements: Income Tax Expense, and (2) removing disclosures that are no longer considered relevant or cost beneficial.	January 1, 2025	Under evaluation
ASU 2024-02 *Codification Improvements - Amendments to Remove References to the Concepts Statements*	The amendments remove references to various Concepts Statements that were either (i) extraneous and not required to understand or apply the guidance, or (ii) used in prior statements to provide guidance in certain topics.	January 1, 2025	Under evaluation
ASU 2024-03 *Income Statement - Reporting comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*	The amendments require disclosure of the amounts of below 5 categories included in each relevant expense caption: (a) purchase of inventory; (b) employee compensation; (c) depreciation; (d) intangible asset amortization; and (e) depreciation, depletion, and amortization recognized as part of oil and gas producing activities. A relevant expense caption is an expense caption presented on the face of the income statement within continuing operations. The amendment also requires disclosure of the qualitative description of the amounts remaining in the relevant expense captions that are not separately disaggregated quantitatively. In addition, disclosure of the entity's definition of selling expenses and its total amount are required.	January 1, 2027	Under evaluation

The FASB have issued further updates not included above as we do not believe that these are applicable to the Company.

Note 4 - Income Taxes

Bermuda
The Company is incorporated in Bermuda. Under current Bermuda law, the Company is not required to pay taxes in Bermuda on either income or capital gains. The Company has received written assurance from the Minister of Finance in Bermuda that, in the event of any such taxes being imposed, the Company will be exempted from taxation until March 31, 2035.

On December 27, 2023, Bermuda enacted the Corporate Income Tax Act (the "CIT Act"). Entities subject to tax under the CIT Act are the Bermuda constituent entities of multi-national groups. A multi-national group is defined under the CIT Act as a group with entities in more than one jurisdiction with consolidated revenues of at least EUR750 million for two out of the last four fiscal years. If Bermuda constituent entities of a multi-national group are subject to tax under the CIT Act, for taxable years beginning on or after January 1, 2025, Bermuda will impose a 15% corporate income tax, as determined in accordance with and subject to the adjustments set out in the CIT Act (including in respect of foreign tax credits applicable to the Bermuda constituent entities).

While we have such tax assurance under the Exempted Undertakings Tax Protection Act 1966 (the "EUTP Act"), Bermuda specifically provided that the CIT Act applies notwithstanding any assurance given pursuant to the EUTP Act. Based on a number of operational, economic and regulatory assumptions, we do not expect to have consolidated revenue sufficient for us to fall within scope of the CIT Act in the near future. We will monitor the developments on the Bermuda internal regulations with regards to the CIT Act implementation. To the extent our consolidated revenue is sufficient for us to be within the CIT Act thresholds, we may be subject to taxation in Bermuda.

Liberia
The vessel owning companies are not subject to tax on international shipping income.

Note 5 - Segment information

Our chief operating decision maker, or the CODM, being our Board of Directors, measures performance based on our overall return to shareholders based on consolidated net income. The CODM does not review a measure of operating result at a lower level than the consolidated group and we only have one reportable segment. The Company currently has two newbuildings under construction at New Times Shipyard in China.

Note 6 - Earnings Per Share

The computation of basic loss per share ("EPS") is based on the weighted average number of shares outstanding during the period. There are no potentially dilutive instruments that will have an impact on our weighted average number of shares outstanding used in calculating diluted EPS.

(in $ thousands except share and per share data)	**Six months ended December 31, 2024**	**Twelve months ended December 31, 2024**	**Period from July 12, 2023 to December 31, 2023**
Basic and diluted earnings (loss) per share	(0.01)	(0.01)	0.01
Net income (loss)	(202)	(148)	36
Issued common shares at the end of the period	15,600,000	15,600,000	13,851,270
Weighted average number of shares outstanding for the period, basic and diluted	15,600,000	15,600,000	4,389,091

Note 7 - Newbuildings

Movements in the periods ended December 31, 2024 and 2023 are summarized below:

(in $ thousands)	**December 31, 2024**	**December 31, 2023**
Opening balance	11,570	—
Installment payments	15,352	11,570
Other capitalized costs	59	—
Closing balance	26,981	11,570

Installment payments in the year ended December 31, 2024 include $15.4 million for the second installment payments to New Times Shipyard for the two dual fueled crude oil tankers. Installment payments in the period from July 12, 2023 to December 31, 2023 include $11.6 million for the first installment payments to New Times Shipyard.

There was no indication of impairment of newbuildings as of December 31, 2024 and 2023.

Note 8 - Financial Instruments

Foreign exchange risk management

The majority of our transactions, assets and liabilities are denominated in United States dollars. However, we incur expenditure in currencies other than United States dollars, mainly in Norwegian Kroner. There is a risk that currency fluctuations in transactions incurred in currencies other than the functional currency will have a negative effect on the value of our cash flows. We are then exposed to currency fluctuations and we may enter into foreign currency swaps to mitigate such risk exposures. The company has not entered into derivative agreements to mitigate the risk of these fluctuations.

Concentrations of risk

There is a concentration of credit risk with respect to cash and cash equivalents to the extent that all of the amounts are carried with DNB. However, we believe this risk is remote, as DNB is an established financial institution.

There is a concentration of supplier risk with respect to our newbuilding as all newbuildings are being built by New Times Shipyard. However, we believe the risk is remote, as New Times Shipyard is an established shipyard.

Guarantees

China Merchant Bank, Nanjing Branch, has given letters of guarantee to the Liberian subsidiaries of the group for all installment payments made prior to delivery of the vessels under each of their respective newbuilding contracts.

The Company has issued guarantees to New Times Shipyard for payment of installments on all the newbuilding contracts.

Fair values

We recognize our fair value estimates using a fair value hierarchy based on the inputs used to measure fair value. The fair value hierarchy has three levels based on reliability of inputs used to determine fair values as follows:

Level 1: Quoted market prices in active markets for identical assets and liabilities.
Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
Level 3: Unobservable inputs that are not corroborated by market data.

The carrying value and estimated fair value of our financial instruments as of December 31, 2024 and 2023 were as follows:

		December 31, 2024		December 31, 2023	
(in $ thousands)	**Hierarchy**	**Fair Value**	**Carrying Value**	**Fair Value**	**Carrying Value**
Assets					
Cash and cash equivalents [1]	Level 1	4,012	4,012	15,915	15,915

[1] All demand and time deposits are highly liquid, low risk investments with original maturities of three months or less at the date of purchase that are considered equivalent to cash. Thus, carrying value is a reasonable estimate of fair value.

The carrying amounts of accounts payable approximated their fair values as of December 31, 2024 and 2023 because of their near term maturity and are classified as Level 1 within the fair value hierarchy.

There have been no transfers between different levels in the fair value hierarchy during the period presented.

Note 9 - Commitments and Contingencies

As of December 31, 2024, the Company had two tankers under construction. The outstanding commitments under the two newbuilding contracts are as follows:

(in $ thousands)

2025	13,386
2026	227,553
Total	**240,939**

To the best of our knowledge, there are no legal or arbitration proceedings existing or pending which have had or may have significant effects on our financial position or profitability and no such proceedings are pending or known to be contemplated.

Note 10 - Related Party Transactions

Drew Holdings Limited ("Drew") and Magni Partners (Bermuda) Ltd. ("Magni") - Corporate support agreement

The founder and sole shareholder of Magni Partners (Bermuda) Ltd. is Mr. Tor Olav Trøim. Drew Holdings Limited is wholly owned by Drew Trust, a trust established in Bermuda for the benefit of Mr. Trøim and his immediate family, holds approximately 47.9% of the common shares of the Company.

Magni provided management resources to negotiate construction contracts and incorporate the Company. In September 2023, the Company entered into a corporate support agreement (the "Corporate Support Agreement") with Magni whereby the Company may request Magni to provide continued corporate, commercial and administrative support, the scope of which shall be agreed in a separate call-off agreement. Although Magni has provided certain administrative services in the initial phase of the Company's development, no call-off agreements have been made with Magni to date. As a result, as no cost will be payable by the Company under the Corporate Support Agreement from incorporation to December 31, 2023 and during January 1 to December 31, 2024 the outstanding balance as of December 31, 2024 and 2023 was nil.

In October 2024, Magni and the Company entered into a Secondment Agreement whereby Magni provides an employee on secondment to the Company to act as a CEO at a monthly fee of $8,333. Secondment fees of $25,000 have been charged by Magni during the year ended December 31, 2024.

Note 11 - Share Capital

The authorized share capital of the Company as of December 31, 2024 and 2023 is $40,000,000 represented by 400,000,000 authorized common shares of par value $0.10 each.

The Company's issued and outstanding share capital is as follows:

(number of shares)	
Incorporation - July 2023	100,000
October 2023	7,750,000
December 2023	6,001,270
Balance as of December 31, 2023	13,851,270
January 2024	1,748,730
Balance as of December 31, 2024	**15,600,000**

Changes in the Company's issued and outstanding share capital are described below:

• Issuance of 100,000 common shares at inception at a purchase price of $0.10 per common share;

• Issuance of 7,750,000 common shares at $2.00 per share on October 4, 2023 in a private placement, for gross proceeds of $15.5 million;

• On December 21, 2023, the board of directors resolved to issue 7,750,000 common shares at $2.00 per share in a private placement, which amounts to $15.5 million. As of December 31, 2023, 6,001,270 common shares at $2.00 per share were issued. Proceeds for the remaining 1,748,730 common shares at $2.00 per share were received in January 2024.