

Bruton Limited

Interim Financial Information

FIRST HALF 2025

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

	Notes	Six months ended June 30, 2025	Six months ended June 30, 2024
Operating expenses			
General and administrative expenses		(182)	(60)
Total operating expenses		(182)	(60)
Operating loss		(182)	(60)
Financial income (expenses), net			
Interest income		77	112
Other financial (expense) income, net		(3)	2
Total financial income, net		74	114
Net (loss) income before income tax		(108)	54
Income tax (expense) / credit	4	—	—
Net (loss) income attributable to shareholders of Bruton Limited		(108)	54
Total comprehensive (loss) income attributable to shareholders of Bruton Limited		(108)	54
Basic and diluted (loss) earnings per share	6	(0.01)	—

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

Bruton Limited
Unaudited Consolidated Balance Sheets
(In \$ thousands except share and per share data)

	Notes	June 30, 2025	December 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents	8	3,710	4,012
Prepayments and other current assets		15	—
Total current assets		3,725	4,012
Non-current assets			
Newbuildings	7	27,001	26,981
Total non-current assets		27,001	26,981
Total assets		30,726	30,993
LIABILITIES AND SHAREHOLDER'S EQUITY			
Current liabilities			
Trade payables		28	163
Accrued expenses		28	52
Total current liabilities		56	215
Total liabilities		56	215
Commitment and contingencies	9		
Shareholders' Equity			
Common shares of par value \$0.1 per share: authorized 400,000,000 (2024: 400,000,000) shares, issued and outstanding 15,600,000 (2024: 13,851,270) shares	11	1,560	1,560
Additional paid-in capital		29,330	29,330
Accumulated deficit		(220)	(112)
Total shareholders' equity		30,670	30,778
Total liabilities and shareholders' equity		30,726	30,993

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 June 30, 2025	Six months ended June 30, 2024
Cash Flows from Operating Activities			
Net (loss) income		(108)	54
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>			
Changes in assets and liabilities:			
Prepayments and other current assets		(15)	(93)
Trade payables and accrued expenses		(159)	(49)
Net cash used in operating activities		(282)	(88)
Cash Flows from Investing Activities			
Additions to newbuildings	7	(20)	(15,352)
Net cash used in investing activities		(20)	(15,352)
Cash Flows from Financing Activities			
Proceeds from issuance of common shares, net of paid issuance costs	11	—	3,491
Net cash provided by financing activities		—	3,491
Net decrease in cash and cash equivalents		(302)	(11,949)
Cash and cash equivalents at the beginning of the period		4,012	15,915
Cash and cash equivalents at the end of the period		3,710	3,966

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

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

	Number of outstanding shares	Common shares	Additional paid in capital	Retained earnings / Accumulated deficit	Total equity
Balance as at 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		—	—	54	54
Balance as of June 30, 2024	15,600,000	1,560	29,330	90	30,980

	Number of outstanding shares	Common shares	Additional paid in capital	Accumulated deficit	Total equity
Balance as at December 31, 2024	15,600,000	1,560	29,330	(112)	30,778
Total comprehensive loss		—	—	(108)	(108)
Balance as at June 30, 2025	15,600,000	1,560	29,330	(220)	30,670

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

Bruton Limited
Condensed Notes to the 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 very large crude carriers (“VLCC”) in the range of 299,500 dead weight tonnes (“dwt”) and has agreements with New Times Shipyard in China to build two VLCCs, 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

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Company’s consolidated financial statements for the year ended December 31, 2024. The Unaudited Consolidated Balance Sheet data for December 31, 2024 was derived from our audited annual financial statements.

Going concern

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

As of June 30, 2025, the Company has not commenced operations, has cash and cash equivalents of \$3.7 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 indicate that a material uncertainty exists that raises substantial doubt about the Company’s ability to continue as a going concern. The 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 primarily 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. Following the Memorandum of Agreement between the Company and New Times Shipyard in August 2025 (see note 12), the remaining installments on the first vessel will be payable in February 2026 (\$26.8 million), May 2026 (\$13.4 million) and July 2026 (\$80.3 million). In addition, the third and fourth installments on the second vessel are due in January 2026 and July 2026, respectively, each amounting to \$13.4 million.

Consequently, the Company is of the opinion that it currently does 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 10), refer to an established track record, extensive experience, and a demonstrated ability to successfully navigate cyclical markets while protecting and enhancing shareholder value. As such, the Company believes it has the ability to raise further capital for its newbuilding program.

Bruton Limited
Condensed Notes to the Unaudited Consolidated Financial Statements

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.

Note 3 - Recently Issued Accounting Standards

Adoption of new accounting standards

In November 2023, the FASB issued ASU 2023-07 (Topic 280 Segment Reporting): Improvements to Reportable Segment Disclosures requiring disclosure of incremental segment information for all public entities, including but not limited to: significant segment expenses that are regularly provided to the chief operating decision maker (CODM), the title and position of the CODM and how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and making decisions about how to allocate resources. ASU 2023-07 became effective for the interim period ended June 30, 2025. Adoption of ASU 2023-07 has no impact on our unaudited consolidated financial statements for the interim period ended June 30, 2025 as our vessels are currently under construction and have not commenced operations.

In December 2023, the FASB issued ASU 2023-09 (Topic 740 Income Taxes): Improvements to Income Tax Disclosures 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 have no impact on our unaudited consolidated financial statements for the six months ended June 30, 2025 as the disclosures are required for annual periods beginning after December 15, 2024. Effect of the adoption on our annual consolidated financial statements are currently under evaluation.

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 June 30, 2025:

Bruton Limited
Condensed Notes to the Unaudited Consolidated Financial Statements

Standard	Description	Date of adoption	Expected Effect on our Consolidated Financial Statements or Other Significant Matters
ASU 2024-03 <i>Income Statement - Reporting comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses</i>	<p>The amendments require disclosure of the amounts of below 5 categories included in each relevant expense caption:</p> <p>(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.</p> <p>A relevant expense caption is an expense caption presented on the face of the income statement within continuing operations.</p> <p>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.</p>	January 1, 2027	Under evaluation
ASU 2025-01 <i>Income Statement - Reporting comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date</i>	The amendment in this Update amends the effective date of ASU 2024-03 to clarify that all public business entities are required to adopt the guidance in annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027.	January 1, 2027	Under evaluation
ASU 2025-03 <i>Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity</i>	The amendments in this Update require an entity involved in an acquisition transaction effected primarily by exchanging equity interests when the legal acquiree is a variable interest entity that meets the definition of a business to consider the factors in paragraphs 805-10-55-12 through 55-15 to determine which entity is the accounting acquirer. Entities are required to adopt the Update in annual reporting periods beginning after December 15, 2026 and interim reporting periods within those annual reporting periods.	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. The Company has received written assurance from the Minister of Finance in Bermuda that the Company will be exempted from taxation until March 31, 2035.

Bruton Limited
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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. If we are subject to taxation in Bermuda under the CIT act, our international shipping income may be excluded from taxation if we can demonstrate either strategic or commercial management 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 earnings (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.

<i>(in \$ thousands except share and per share data)</i>	Six months ended June 30, 2025	Six months ended June 30, 2024
Basic and diluted earnings (loss) per share	(0.01)	—
Net income (loss)	(108)	54
Issued common shares at the end of the period	15,600,000	15,600,000
Weighted average number of shares outstanding for the period, basic and diluted	15,600,000	15,600,000

Note 7 - Newbuildings

Movements in the period ended June 30, 2025 is summarized below:

<i>(in \$ thousands)</i>	June 30, 2025	December 31, 2024
Opening balance	26,981	11,570
Installment payments	—	15,352
Other capitalized costs	20	59
Closing balance	27,001	26,981

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There were no installment payments in the six months ended June 30, 2025. 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.

There was no indication of impairment of newbuildings as of June 30, 2025 and December 31, 2024.

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 newbuildings 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 both 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 June 30, 2025 and December 31, 2024 were as follows:

		June 30, 2025		December 31, 2024	
<i>(in \$ thousands)</i>	Hierarchy	Fair Value	Carrying Value	Fair Value	Carrying Value
Assets					
Cash and cash equivalents ⁽¹⁾	Level 1	3,710	3,710	4,012	4,012

Bruton Limited
Condensed Notes to the Unaudited Consolidated Financial Statements

⁽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 trade payables and accrued expenses approximated their fair values as of June 30, 2025 and December 31, 2024 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 June 30, 2025, the Company had two tankers under construction. The outstanding commitments under the two newbuilding contracts are as follows:

<i>(in \$ thousands)</i>	
2026	160,626
2027	80,313
Total	240,939

Payment date for the third installment of the first vessel was postponed from August 20, 2025 to the due date of the fourth installment, which is expected to be in February 2026 (see note 12).

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 48.1% 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, no cost was charged to the Company under the Corporate Support Agreement during the six months ended June 30, 2025 and 2024.

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 \$49,998 and \$nil have been charged by Magni during the six months ended June 30, 2025 and 2024, respectively. The outstanding balance payable to Magni as of June 30, 2025 and December 31, 2024 was \$16,666 and \$8,333, respectively.

Note 11 - Share Capital

The authorized share capital of the Company as of June 30, 2025 and December 31, 2024 is \$40,000,000 represented by 400,000,000 authorized common shares of par value \$0.10 each.

Bruton Limited
Condensed Notes to the Unaudited Consolidated Financial Statements

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

<i>(number of shares)</i>	
Balance as of December 31, 2023	13,851,270
January 2024	1,748,730
Balance as of December 31, 2024 and June 30, 2025	15,600,000

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

- 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.

Note 12 - Subsequent Events

On August 1, 2025, the Company and New Times Shipyard entered into a Memorandum of Agreement to postpone the payment date for the third installment of the first vessel from August 20, 2025 to the due date of the fourth installment, which is expected to be in February 2026. The Company shall pay interest on the deferred amount of \$13.4 million at 5% per annum from August 20, 2025 until its payment date.