

Garnet Marine Capital ApS
C/O Plesner Advokatpartnerselskab
Amerika Plads 37
DK-2100 Copenhagen
Business Registration No: 40 99 41 30

Annual report for 2023
(1 April 2023 – 31 March 2024)

The Annual General Meeting adopted the annual report on 21 October 2024

Chairman of the General Meeting

Name: Tomohiro Endo

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Statement of comprehensive income	7
Balance sheet at 31 March 2024	8
Statement of changes in equity	10
Cash flow statement	12
Table of notes	13
Notes	14

Entity details

Company

Garnet Marine Capital ApS
Amaliegade 33B, 1st floor
1256 Copenhagen C, Denmark
Business Registration No. (CVR): 40 99 41 30
Registered in: Copenhagen, Denmark
Financial year: 01.04.2023 – 31.03.2024

Executive Board

Yusaku Katsura
Tomohiro Endo
Masashi Kobayashi

Company auditors

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg, Denmark
CVR No.: 30 70 02 28

Statement by Management on the annual report

The Executive Management has today considered and approved the annual report of Garnet Marine Capital ApS for the financial year 1 April 2023 – 31 March 2024.

The annual report is presented in accordance with International Accounting Standards as adopted by the EU and Danish disclosure requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 March 2024 and of the results of their operations and cash flow for the financial year 1 April 2023 – 31 March 2024.

In our opinion the Management review includes a fair review of the development in the Company's operations and financial conditions, the results for the year and financial position as well as a description of the most significant risks and uncertainties that the Company face.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 21 October 2024

Executive Management

Tomohiro Endo

Masashi Kobayashi

Yusaku Katsura

Independent auditor's report

To the shareholder of Garnet Marine Capital ApS

Opinion

We have audited the financial statements of Garnet Marine Capital ApS for the financial year 1 April 2023 – 31 March 2024, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of accounting policies. The financial statements are prepared in accordance with the International Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the entity's financial position at 31 March 2024, and of the results of their operations and cash flows for the financial year 1 April 2023 - 31 March 2024 in accordance with International Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the 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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the 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 and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 21 October 2024

EY Godkendt Revisionspartnerselskab

Business Registration No 30 70 02 28

Thomas Bruun Kofoed

State Authorised Public Accountant

Identification No (MNE) mne28677

Management commentary

	2023/24	2022/23	2021/22	2020/21*
	<u>USD'000</u>	<u>USD'000</u>	<u>USD'000</u>	<u>USD'000</u>
Financial highlights				
Key figures				
Operating profit/(loss) (EBIT)	(1,797)	15,097	1,302	1,376
Financial items, net	736	645	0	0
Profit/loss for the year	(1,058)	15,742	1,410	1,272
Equity	17,895	21,229	28,900	29,778
Total assets	17,895	21,229	28,900	29,882
Ratios				
Return on equity (%)	(5,41%)	62,80%	4,80%	4,27%
Equity Ratio (%)	100,00%	100,00%	100,00%	99,65%

*This is the Company's first financial year and comprise the period 4 December 2019 – 31 March 2021.

Financial highlights are defined as below.

Ratios	Calculation formula	Calculation formula reflects
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.

Primary activity

The primary activity of the Company is to invest capital in Dee4 Capital Fund I K/S and Dee4 Fund I GP ApS. In 2023 the Company sold its shares in Dee4 Capital Partners ApS with a loss. In 2024 Dee4 Capital Fund I K/S sold its final vessel. The company will be dormant following the liquidation of Dee4 Fund Capital I K/S and Dee4 Fund I GP ApS.

The Company has no employees.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Statement of comprehensive income

	<u>Notes</u>	<u>2023/24 USD'000</u>	<u>2022/23 USD'000</u>
Profit from investments in associated companies		(1,668)	15,135
Operating income		(1,668)	15,135
Other external expenses		(129)	(39)
Total costs		(129)	(39)
Operating profit/(loss) (EBIT)		(1,797)	15,097
Financial income	3	736	645
Profit/(loss) before tax		(1,061)	15,742
Tax for the period	4	3	1
Profit/(loss) for the year		(1,058)	15,743
Other comprehensive income			
Fair value adjustments in other companies		(350)	834
Tax for the period		0	0
Total other comprehensive income		(350)	834
Comprehensive income		(1,408)	16,576
Proposed distribution of profit/loss			
Transferred to equity		(1,408)	16,576

Balance sheet at 31 March 2024

	<u>Notes</u>	<u>2023/24 USD'000</u>	<u>2022/23 USD'000</u>
Investments in associated companies	5	5,006	14,575
Investments in other companies	6	485	835
Non-current financial assets		<u>5,491</u>	<u>15,410</u>
Total non-current assets		<u>5,491</u>	<u>15,410</u>
Cash		<u>12,404</u>	<u>5,819</u>
Total current assets		<u>12,404</u>	<u>5,819</u>
Assets		<u><u>17,895</u></u>	<u><u>21,229</u></u>

Balance sheet at 31 March 2024

	<u>Notes</u>	<u>2023/24 USD'000</u>	<u>2022/23 USD'000</u>
Share capital	7	6	6
Share premium		38	1,962
Retained earnings		17,851	19,259
Reserve for net revaluation according to the equity method		<u>0</u>	<u>0</u>
Total equity		<u>17,895</u>	<u>21,229</u>
 Equity and liabilities		<u>17,895</u>	<u>21,229</u>

Statement of changes in equity

Equity statement 2023/24

USD'000	Share capital	Share premium	Retained earnings	Reserve for net re- valuation according to the equity method	Total
Equity beginning of year	6	1,962	19,259	0	21,229
Profit/loss for the year:					
Profit/loss for the year	<u>0</u>	<u>0</u>	<u>(1,058)</u>	<u>0</u>	<u>(1,058)</u>
Total profit/loss for the year	0	0	(1,058)	0	(1,058)
Comprehensive income:					
Other comprehensive income	<u>0</u>	<u>0</u>	<u>(350)</u>	<u>0</u>	<u>(350)</u>
Total comprehensive income	0	0	(1,408)	0	(1,408)
Transaction with owners:					
Decrease of capital	<u>0</u>	<u>(1,924)</u>	<u>0</u>	<u>0</u>	<u>(1,924)</u>
Total transaction with owners	0	(1,924)	0	0	(1,924)
Equity end of year	<u>6</u>	<u>38</u>	<u>17,851</u>	<u>0</u>	<u>17,895</u>

Statement of changes in equity (continued)

Equity statement 2022/23

USD'000	Share capital	Share premium	Retained earnings	Reserve for net re- valuation according to the equity method	Total
Equity beginning of year	6	26,212	(88)	2,770	28,900
Profit/loss for the year:					
Profit/loss for the year	<u>0</u>	<u>0</u>	<u>18,512</u>	<u>(2,770)</u>	<u>15,742</u>
Total profit/loss for the year	0	0	18,512	(2,770)	15,742
Comprehensive income:					
Other comprehensive income	<u>0</u>	<u>0</u>	<u>834</u>	<u>0</u>	<u>834</u>
Total comprehensive income	0	0	19,346	(2,770)	16,576
Transaction with owners:					
Increase of capital	0	0	0	0	0
Decrease of capital	<u>0</u>	<u>(24,250)</u>	<u>0</u>	<u>0</u>	<u>(24,250)</u>
Total transaction with owners	0	(24,250)	0	0	(24,250)
Equity end of year	<u><u>6</u></u>	<u><u>1,962</u></u>	<u><u>19,258</u></u>	<u><u>0</u></u>	<u><u>21,229</u></u>

Cash flow statement

	<u>Notes</u>	<u>2023/24 USD'000</u>	<u>2022/23 USD'000</u>
Operating profit/(loss)		(1,797)	15,097
Add back profit/loss from investments in associated companies		<u>1,668</u>	<u>(15,135)</u>
Cash flows from ordinary activities		<u>(129)</u>	<u>(39)</u>
Financial income	3	<u>736</u>	<u>645</u>
Cash flows from operating activities		<u>736</u>	<u>645</u>
Investments in associated companies		0	(316)
Proceeds from sale of investment in associated companies		150	0
Distributions from investments in associated companies		<u>7,754</u>	<u>27,022</u>
Cash flows from investing activities		<u>7,904</u>	<u>26,706</u>
Capital decrease		<u>(1,924)</u>	<u>(24,250)</u>
Cash flows from financing activities		<u>(1,924)</u>	<u>(24,250)</u>
Increase/decrease in cash		6,587	3,065
Cash beginning of year		<u>5,819</u>	<u>2,754</u>
Cash end of year		<u>12,406</u>	<u>5,819</u>

Table of notes

1.	Material accounting policies	14
2.	Significant accounting estimates and judgements	17
3.	Financial income	18
4.	Tax for the period	18
5.	Investments in associated companies	19
6.	Investments in other companies	20
7.	Investments in financial assets	21
8.	Share capital	22
9.	Related parties	23
10.	Contingent liabilities	23
11.	Financial risk management, objectives and policies	23
12.	Events after the balance sheet date	23
13.	Authorization of the annual report for issue	24

Notes

1. Material accounting policies

Reporting class

The financial statements are prepared in accordance with International Accounting Standards (IFRS) as adopted by the EU and disclosure requirements of the Danish Financial Statements Act governing reporting class B enterprises.

Basis of preparation

These financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

The financial statements are presented in US Dollars and all values are rounded to the nearest thousand (USD'000), except when otherwise indicated. Every figure is rounded off separately and, for that reason, minor differences between the stated totals and the sum of underlying figures may occur.

The accounting policies set out below have been used consistently in respect of the financial year and are unchanged compared to last year.

As part of the preparation of the financial statements, Management makes a number of accounting estimates which form the basis of presentation, recognition and measurement of the Company's assets and liabilities. The significant accounting estimates are evident from note 2 to the financial statements.

Standards and Interpretations not yet in force

All of the new and revised standards and interpretations which are relevant to the Company and which came into force with effect for financial years beginning 01.04.2023 have been applied when preparing the financial statements.

According to Management, new and revised standards and interpretations not effective as of 01.04.2024 will not have a significant impact on the financial statements and will not be early adopted.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event, that future economic benefits will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Notes

1. Material accounting policies (continued)

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

Items included in the financial statements of the Company are measured in the currency of the primary economic environment in which the Company operates (the “functional currency”). The financial statements of the Company are presented in the currency unit US Dollars (USD), which is the Company’s functional and presentation currency.

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Statement of comprehensive income

Other external expenses

These expenses comprise expenses incurred for administration and various corporate costs.

Share of profit or loss of associated companies

The proportionate share of associates profit or loss after tax and after elimination of the proportionate share of intercompany profits or losses is recognised in the income statement.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, realised and unrealised exchange gains and losses on debt and foreign currency transactions, as well as surcharges and reliefs under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Company has elected taxations in accordance with the tonnage tax scheme for those activities which are relevant.

Notes

1. Material accounting policies (continued)

Balance sheet

Investments in associated companies

Associates is an entity over which the Company has significant influence, but not control. Investments in associated companies are measured according to the equity method. This means that, in the balance sheet, investments are measured at the proportionate share of the enterprises' equity value, calculated applying the entity's accounting policies, plus the carrying amount of goodwill and plus or less the proportionate share of unrealised internal profits and losses.

Associated companies with a negative equity value are measured at USD 0. If there are a legal or constructive obligation to cover the negative balance of the associate, this amount is recognised in liabilities.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to reserve for net revaluation according to the equity method under equity.

Investments in other companies

Investments in other companies are measured at fair value.

For equity instrument financial assets other than those mentioned below, an entity is entitled to make a one-time election, on a security-by-security basis, at the time of initial recognition to recognize changes in the instruments' fair value through either profit or loss or other comprehensive income. In principle Garnet Marine Capital ApS recognizes such changes in other comprehensive income.

- Financial assets held for trading
- Financial assets acquired with the original purpose of obtaining capital gains

Dividend income is clearly a recovery of part of the cost of the investment shall be recognized in other comprehensive income together with any taxes incurred in relation to the dividend income.

Dividend income is clearly a recovery of part of the cost of the investment when the entity is notified of the source of the dividend by the dividend paying company.

Cash

Cash comprise cash in bank deposits.

Income tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Notes

1. Material accounting policies (continued)

Cash flow statement

The cash flow statement is presented according to the indirect method and shows cash flows from operating, investing and financing activities as well as the Company's cash and cash equivalents at the beginning and the end of the financial year. Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items and changes in working capital. Cash flows from investing activities comprise payments related to the acquisition and sale of investments. Cash flows relating to financing activities comprise changes in the Company's capital.

2. Significant accounting estimates, assumptions and uncertainties

Significant accounting estimates

As part of the preparation of the financial statements, Management makes a number of accounting estimates and judgements as well as assumptions as a basis for recognising and measuring the Company's assets, liabilities, income and expenses. The estimates, judgements and assumptions made are based on experience gained and other factors that are considered prudent by Management in the circumstances, but which are inherently subject to uncertainty and volatility.

The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur for which reason the actual results may differ from the estimates and judgements made. The Company's accounting policies are described in detail in note 1 to the financial statements to which we refer. Management considers the following accounting estimates and judgements to be significant in the preparation of the annual report.

Estimation uncertainty

Determining the carrying amount of certain assets and liabilities requires an estimate of how future events will affect the value of those assets and liabilities at the balance sheet date. Estimates that are significant to the Company's financial reporting are made, for instance, by reviewing investments in associated companies for impairment. They constitute a major portion of the Company's total assets.

Investment in associated companies is tested for impairment if events or other circumstances indicate that the carrying amount is not recoverable. Measuring associated companies requires significant estimates to be made when making different assumptions, including expected future cash flows, discount rate and terminal value growth rates. The sensitivity to changes in the assumptions applied - collectively and individually - may be significant.

Assumptions about the future and other estimation uncertainties at the balance sheet date are disclosed in the notes if they involve a material risk of changes that may lead to considerable adjustment of the carrying amounts of assets or liabilities within the next financial year.

Notes

	<u>2023/24</u> <u>USD'000</u>	<u>2022/23</u> <u>USD'000</u>
3. Financial income		
Dividend income	735	644
Interest income from bank deposits	<u>1</u>	<u>1</u>
Financial income	<u>736</u>	<u>645</u>
4. Tax on profit/loss for the year		
Current tax on profit/loss for the year	3	220
Reversal of prior years' impairment on deferred tax asset	<u>0</u>	<u>(219)</u>
Tax in the income statement	<u>3</u>	<u>1</u>
	<u>2023/24</u> <u>%</u>	<u>2022/23</u> <u>%</u>
Computation of effective tax rate:		
Statutory income tax rate	22.0	22.0
Effects from tonnage tax scheme	(22.0)	(21.1)
Effects from reversal of prior years' impairment on deferred tax asset	<u>(0.3)</u>	<u>(0.9)</u>
Effective tax rate	<u>(0.3)</u>	<u>(0.0)</u>

Unrecognized deferred tax asset:

The unrecognized deferred tax asset amount to USD 139 thousand (2022/23: USD 78 thousand) and relates to tax losses from previous years. Tax losses can be carried forward indefinitely. The tax asset has not been recognized due to uncertainty about the Company's future taxable income.

Notes

5. Investments in associated companies

Details of each of the company's material associates at the end of the reporting period are as follows:

Name of associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Entity
Dee4 Capital Fund I K/S	Invests in assets and businesses within the fields of shipping, transportation, infrastructure and offshore.	Copenhagen	39.58 %

Summarised financial information in respect of each of the company's material associates is set out below. The summarised financial information below represents amounts in associates' financial statements.

Key figures for associated companies (100% basis):

	Dee4 Capital Fund I K/S	
	2023/24	2022/23
	USD'000	USD'000
Current assets	3,799	7,952
Non-current assets	23,201	40,301
Current liabilities	2,077	3,674
Non-current liabilities	9,045	10,245
Net assets of the associates	15,878	34,334
Revenue	7,822	36,377
Profit or loss from operations	14,875	42,025
Profit/(loss) for the year	14,047	40,578
Other comprehensive income	0	0
Total comprehensive income	14,047	40,578
Dividends declared by the associates during the year	28,632	7,952

In 2022/23, net assets and other comprehensive income for Dee4 Capital Partners ApS amounted to DKK 18,750 thousand and DKK 1,719 thousand, respectively. No key figures for 2023/24 are disclosed, as the company has divested its investment in Dee4 Capital Partners ApS in December 2023.

Notes

5. Investments in associated companies (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Dee4 Capital Fund I K/S recognised in the financial statements:

	Dee4 Capital Fund I K/S	
	2023/24	2022/23
	USD'000	USD'000
Net assets of associate	15,878	34,334
Carried interest not deducted yet	(3,230)	(3,205)
Proportion of the company's ownership interest in the associate	39.58%	39.58%
Carrying amount of the company's interest in the associate	5,006	12,322

Recognition is based on latest available financial information as of 31 December 2023.

Change in the company's ownership interest in an associate

In the prior year, the company held a 25,00 per cent interest in Dee4 Capital Partners ApS and accounted for the investment as an associate. In December 2023, the company disposed all its shares in Dee4 Capital Partners ApS to a third party for proceeds of USD 150 thousand (received in January 2024). This transaction has resulted in the recognition of a loss in profit or loss, calculated as follows.

Proceeds of disposal	150
Carrying amount of investment on the date of disposal	(2,124)
Gain/(loss) recognized	(1,974)

6. Investments in other companies

The calculation of fair value is based on a fair value hierarchy that reflects the level of judgement associated with the inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly or indirectly.
- Level 3 inputs are unobservable inputs that have been applied in valuing the respective assets or liabilities.

Notes

6. Investments in other companies (continued)

2023/24	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
Opening balance	0	0	835	835
Total gain/losses for the period included in comprehensive income	0	0	(350)	(350)
Closing balance	0	0	485	485

2022/23	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
Opening balance	0	0	1	1
Total gain/losses for the period included in comprehensive income	0	0	834	834
Closing balance	0	0	835	835

All fair value estimates are based on unobservable market data (level 3). The fair value of investments in unlisted companies at 31 March 2024 is based on the income method. Income is based on estimated Net Asset Values as per the latest financial reporting for the investees. The vessels are measured at fair value based on generally accepted principles within the shipping industry, including independent broker valuations.

There were no transfers between levels or changes to the valuation techniques during the period.

7. Investments in financial assets

Categories of financial instruments:

	2023/24 (USD'000)	2022/23 (USD'000)
Equity investments in associated companies	5,006	14,575
Financial assets measured according to the equity method through profit or loss	5,006	14,575
Equity investments in other companies	485	835
Investments in equity instruments designated as at fair value through other comprehensive income	485	835
Cash	12,404	5,819
Financial assets measured at amortised cost	12,404	5,819

Notes

7. Investments in financial assets (continued)

Investments in equity instruments designated as at fair value through other comprehensive income

The company holds 15 per cent of the ordinary share capital of Dee4 Fund I GP ApS, an entity serving as General Partner for Dee4 Capital Fund I K/S.

This investment is not held for trading. Instead, it is held for medium to long-term strategic purposes. Accordingly, management has elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the company's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

The valuation methodology for the investment is disclosed in note 6.

8. Share capital

Change in share capital:	2023/24	2022/23
	<u>Share capital (DKK)</u>	<u>Share capital (DKK)</u>
Share capital in beginning of year	42,000	43,000
Capital reduction, 23 February 2023	0	(1,000)
Capital reduction, 28 April 2023	<u>(1,000)</u>	<u>0</u>
Non-current financial assets	<u>41,000</u>	<u>42,000</u>

The share capital consists of 41,000 shares at DKK 1 each. The share capital has not been divided into classes and there are no restrictions on voting rights.

Reserve for net revaluation according to the equity method can be attributed to the profit from investments in Dee4 Capital Fund I K/S.

Notes

9. Related parties

The related parties of the Company comprise the following:

Parties exercising control

Marubeni Corporation, 4-2, Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-8088, Japan holds 100% of the shares in the Company.

Other related parties

Related parties also include the associated companies as disclosed in note 5 to which we refer.

During the period, there have been no transactions with related parties apart from distributions to Marubeni Corporation and contributions from associated companies.

10. Contingent liabilities

The Company serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities.

The Company has an outstanding commitment of USD 1,490 thousand for the investment in Dee4 Capital Fund I K/S.

The Company has no further contingent liabilities.

11. Financial risk management, objectives and policies

Capital management

The primary objective of the Company's capital management is to ensure that it maintains an adequate capital in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes of economic conditions. To maintain or adjust the capital structure, the Company can issue new shares or make dividend payments to shareholders.

Credit risk

The Company's credit risk is related to the banks where the Company's surplus liquidity is placed in bank accounts with a global leading bank.

12. Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Notes

13. Authorisation of the annual report for issue

At the meeting held on 21 October 2024 the Executive Management authorised this annual report for issue on 21 October 2024.

The annual report will be submitted to the investors for adoption at the Annual General Meeting on 21 October 2024.