Deloitte.

MIF II Feeder no. 2 A/S

Strandvejen 70, 2.
2900 Hellerup
CVR No. 42804150

Annual report 2024

The Annual General Meeting adopted the annual report on 31.03.2025

Henrik Ramskov
Chairman of the General Meeting

Contents

Entity details

Entity

MIF II Feeder no. 2 A/S
Strandvejen 70, 2.
2900 Hellerup

Business Registration No.: 42804150
Date of foundation: 02.11.2021
Registered office: Gentofte
Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Henrik Ramskov, Chairman
John Peter Boesen
Stig Duus Enslev

Executive Board

Christina Andersen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of MIF II Feeder no. 2 A/S for the financial year 01.01.2024 - 31.12.2024.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

Furthermore, the supplementary report has been prepared in accordance with the Sustainable Finance Disclosure Regulation (SFDR) and contains a fair review of the affairs and conditions referred to therein.

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

Hellerup, 31.03.2025

Executive Board

Christina Andersen

Board of Directors

Henrik Ramskov
Chairman

John Peter Boesen

Stig Duus Enslev

Independent auditor's report

To the shareholders of MIF II Feeder no. 2 A/S

Opinion

We have audited the financial statements of MIF II Feeder no. 2 A/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity’s financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024 in accordance with 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 this auditor’s report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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 Entity’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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about 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 the 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the 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 Entity’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 Entity’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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Statement on the management commentary

Management is responsible for the management commentary, as well as for the supplementary report on disclosures in accordance with the SFDR etc, hereinafter referred to as ”the supplementary report”.

Our opinion on the financial statements does not cover the management commentary or the supplementary report, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and the supplementary report and, in doing so, consider whether the management commentary and the supplementary report are materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appear to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by the Danish Financial Statements Act and article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation) .

Based on the work we have performed, we conclude that the management commentary and the supplementary report are in accordance with the financial statements and have been prepared in accordance with the information required by the Danish Financial Statements Act and article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation) .

We did not identify any material misstatement of the management commentary or the supplementary report.

Copenhagen, 31.03.2025

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Michael Thorø Larsen
State Authorised Public Accountant
Identification No (MNE) mne35823

Management commentary

Primary activities

The object of the Company is to conduct business within trade and industry, including purchase and sale of assets, and other hereto-related business at the discretion of the board of directors, including the holding of shares in other companies.

The Company's sole activity is to act as a feeder fund for the shareholders investment in Maritime Investment Fund II K/S.

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.

Income statement for 2024

	Notes	2024 USD	2023 USD
Other external expenses	1	(54,368)	(66,555)
Gross profit/loss		**(54,368)**	**(66,555)**
Income from financial assets		9,198,188	1,266,626
Other financial income		19,248	8,414
Other financial expenses		(7,102)	(5,633)
Profit/loss before tax		**9,155,966**	**1,202,852**
Tax on profit/loss for the year		(1,185,654)	101,297
Profit/loss for the year		**7,970,312**	**1,304,149**
Proposed distribution of profit and loss:			
Ordinary dividend for the financial year		367,321	433,687
Extraordinary dividend distributed in the financial year		7,775,981	585,050
Retained earnings		(172,990)	285,412
Proposed distribution of profit and loss		**7,970,312**	**1,304,149**

Balance sheet at 31.12.2024

Assets

	Notes	2024 USD	2023 USD
Other investments		22,366,453	19,718,658
Financial assets		**22,366,453**	**19,718,658**
Fixed assets		**22,366,453**	**19,718,658**
Other receivables		0	353,893
Income tax receivable		13,001	23,582
Receivables		**13,001**	**377,475**
Cash		**76,004**	**7,532**
Current assets		**89,005**	**385,007**
Assets		**22,455,458**	**20,103,665**

Equity and liabilities

	Notes	2024 USD	2023 USD
Contributed capital		135,844	135,432
Share premium		21,018,862	19,425,197
Retained earnings		(265,086)	(92,072)
Proposed dividend		367,321	433,687
Equity		**21,256,941**	**19,902,244**
Deferred tax		1,187,688	0
Provisions		**1,187,688**	**0**
Income tax payable		0	2,589
Other payables		10,829	198,832
Current liabilities other than provisions		**10,829**	**201,421**
Liabilities other than provisions		**10,829**	**201,421**
Equity and liabilities		**22,455,458**	**20,103,665**
Contingent liabilities	2		

Statement of changes in equity for 2024

	Contributed capital USD	Share premium USD	Retained earnings USD	Proposed extraordinary dividend USD	Proposed dividend USD
Equity beginning of year	135,432	19,425,197	(92,072)	0	433,687
Increase of capital	412	1,593,665	0	0	0
Ordinary dividend paid	0	0	0	0	(433,687)
Extraordinary dividend paid	0	0	0	(7,776,005)	0
Profit/loss for the year	0	0	(173,014)	7,776,005	367,321
Equity end of year	**135,844**	**21,018,862**	**(265,086)**	**0**	**367,321**

	Total USD
Equity beginning of year	19,902,244
Increase of capital	1,594,077
Ordinary dividend paid	(433,687)
Extraordinary dividend paid	(7,776,005)
Profit/loss for the year	7,970,312
Equity end of year	**21,256,941**

Notes

1 Other external expenses

The Company has no employees.

The Management has not received remuneration.

In accordance with the Alternative Investment Fund Managers etc. Act, section 61, 3 (5 and 6) information regarding salaries paid to employees of the investment manager can be found in Navigare Capital Partners A/S', Business Reg. No. 37338109, Annual report 2024.

2 Contingent liabilities

There is a remaining investment commitment of a total of USD 4.6m.

In addition there are no guarantees or contingent liabilities of the Company.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Reporting currency is U.S. Dollars (USD).

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 Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity 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 Entity, 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.

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.

Income statement

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities.

Income from other financial assets

Income from other financial assets comprise dividend from investments.

Other financial income

Other financial income comprises interest income, equalization interests and net exchange rate adjustments on transactions in foreign currencies.

Other financial expenses

Other financial income comprises interest income, equalization fee and net exchange rate adjustments on transactions in foreign currencies.

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 tax on profit/loss for the year is based on a preliminary tax calculation.

The Company is taxed in accordance with the Danish tonnage tax regime.

Balance sheet

Other investments
Other investments comprise investments in portfolio companies which are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

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

Cash
Cash comprises cash in bank deposits.

Dividend
Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Supplementary reports

Please refer to next page for MIF III Feeder no. 1 A/S' periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph of Regulation (EU) 2020/852 for the period 01.01.2024 - 31.12.2024.

The SFDR annex is based on Maritime Investment fund II K/S and not specifically on MIF II Feeder no. 2 A/S .

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: MIF II Feeder no. 2 A/S (MIF II Feeder 2)
Legal entity identifier: 894500MNW3UFXZJE5W24

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 5% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

1. The Fund promoted environmental characteristics through adherence to the following conventions:

   - Hong Kong International Convention for the safe and environmentally sound recycling of ships.
   - Basel Convention: Technical guidelines for the environmentally sound management of the full and partial dismantling of ships.
   - EU Regulation (No. 1257/2013) on ship recycling.
   - International Convention for the Prevention of Pollution from Ships (the IMO MARPOL Convention).
   - International Convention for the Control and Management of Ship's Ballast Water and Sediments.

2. The Fund promoted environmental characteristics by operating the assets purposefully to ensure the achievement of net-zero in 2050 in line with the Paris Agreement, supported by short- and medium-term targets of 35% and 55% reduction in carbon intensity in 2025 and 2030, respectively.
3. Further, the Fund promoted social characteristics through adherence to the following conventions:
   - UN Principles for Responsible Investments.
   - UN Global Compact.
   - UN Guiding Principles on Business and Human Rights.
   - OECD Guidelines for Multinational Enterprises.
   - ILO Declaration on Fundamental Principles and Rights at Work.
4. The Fund promoted certain ethical and social safeguards through the exclusion of certain activities deemed to be non-ethical or controversial.
5. While operating the assets, the Fund had effective operational procedures ensuring continuous follow-up on quality, resources, results, and ESG-related practices. The Fund sought to influence technical managers' and charterparties' impact on sustainability matters through engagement and requirements for operating the vessels according to the above conventions.
6. The Fund sought to influence cooperative partners' impact on sustainability matters through having voting rights on material sustainability topics.

How did the sustainability indicators perform?

Navigare Capital's sustainability performance disclosure is divided into three dimentions.

Environment:

Decarbonisation is a key priority among industry participants, including Navigare Capital. Thus, Navigare Capital remains focused on meeting its net zero by 2050 target, including its short term carbon intensity targets.

Navigare Capital measures carbon intensity based on a vessel's cargo-carrying capacity relative to its fuel consumption. In shipping, this number is referred to as the Annual Efficiency Ratio ("AER") and is the most used intensity metric in the sector. The AER is applicable to all conventional vessels over 5,000 gross tonnes, which includes the majority of the Fund's fleet and the global fleet in general. As the recently purchased offshore wind support vessels are below this threshold, they are not included in the AER. However, Navigare Capital monitors industry standards closely for vessels below 5,000 gross tonnes in the offshore wind industry, in particular.

By investing in vessels with favourable AER numbers, Navigare Capital ensures that it always invests in fuel-efficient vessels, enabling it to steadily reduce carbon emissions and reach its targets.

In 2024, the Fund's AER performance was estimated to be 6.1% below the targeted trajectory stipulated by the 2018 IMO strategy, and 0.7% below Navigare Capital's own targeted trajectory due to an overall good performance across the fleet. In total, the Fund is estimated to emit approximately 500,000 tonnes of greenhouse gases in 2024.

Social:

Navigare Capital puts strong emphasis on the safety and wellbeing of both its onshore and offshore workforce. As a consequence of this, in 2024, the Fund operated all its vessels under well-respected flags, of which the majority was Danish and Norwegian, which ensures additional legal protections for all seafarers regardless of nationality. For instance, Danish-flagged vessels must implement occupational health and safety systems, which together with the in-house monitoring of the technical directors, create a secure working environment for seafarers.

In 2024, the Fund recorded more than two million working hours onboard its time chartered vessels and vessels in joint venturs, with only three work-related safety incidents, of which two resulted in lost time. One injury involved a seafarer who was hit by a wire while conducting unmooring operations. The seafarer received medical treatment onboard before being repatriated home to fully recover. The other incident involved a seafarer cutting his finger on a high-pressure washing gun. The seafarer received first aid onboard and further medical treatment at the first port call after the incident. The frequency of lost time incidents was 0.97 per one million hours worked, slightly below Navigare Capital's target frequency of below one.

Maritime Autorities around the world also continiously inspect vessels to verify that the condition of a ship and its equipment complies with the requirements of international regulations and that the ship is manned and operated in compliance with these instruments to ensure maritime safety and security and prevent pollution. The Fund had a total of 28 port state controls ("PSC") in 2024. Following the port state controls, it had one detention and an average of 1.57 deficiencies per port state control. The majority of findings were rectified immediately or shortly thereafter, allowing the vessels to continue their voyages without delay. Three of the deficiencies were related to a serious navigation incident at port that resulted in the detention of the vessel. A complete investigation of this incident was conducted, including recommendations to avoid similar occurrences in the future.

The number of PSC deficiencies was above the level targeted by Navigare Capital, but still below the industry standard. Nevertheless, Navigare Capital will take action to ensure future alignment with its targets.

Governance:

Navigare Capital considers good corporate governance to be a cornerstone of its entire operation and way of doing business and thus has a as a zero-tolerance policy regarding corruption, bribery and facilitation payments. In order to minimise the vessels' exposure to any unwanted requests, Navigare Capital is a member of the Maritime Anti-Corruption Network ("MACN"), a not-for-profit organisation established by the maritime industry to tackle corruption. MACN collaborates with key stakeholders, including businesses, governments, civil society and international organisations, to identify and mitigate the root causes of corruption in the maritime sector.

In 2024, the Fund's time-chartered vessels and vessels in joint ventures reported zero incidents where either bribes or facilitation payments were requested. There were also no fines levied against its vessels.

Further details can be found in Navigare Capital's Sustainability reports, where the next is scheduled to be published at the beginning of April.

…and compared to previous periods?

Navigare Capital's sustainability performance disclosure is divided into three dimentions.

Environment:

The carbon intensity measure improved in 2024, leaving the Fund on track to reach its 2025 target of a 35% reduction in carbon intensity compared to 2008. The favourable development was driven by the additional fuel-efficient vessels added to the portfolio.

While it is important to have energy-efficient vessels, how they are operated is equally important – if not more – especially with regards to the choice of speed, as fuel consumption and speed have an exponential relationship, meaning that higher speeds result in significantly higher fuel consumption and vice versa. As Navigare Capital does not have operational control of its vessels, including their speed, it can only encourage and incentivise its charterers to operate the vessels as efficiently as possible, while making the most energy- efficient vessels available to them. New regulations, such as shipping's inclusion in the EU Emissions Trading System ("EU ETS"), which increases the cost of emitting more GHGs and the FuelEU, will also incentivise charters to optimise speed and vessel performance as well as a swap to alternative fuels.

As vessel speeds are often dependent on fluctuating factors such as market and supply chain conditions, carbon intensity can vary from year to year, typically increasing when markets improve and decreasing when markets slow down. In 2024, improved market conditions in the container segment encouraged charterers to increase speeds, resulting in lower operational efficiency. Additionally, many containers carried reefers (refrigerated containers), which required extra fuel for cooling.

As a result of the above, the Fund experienced a sharp increase in GHG emissions from roughly 350,000 tonnes CO_2e in 2023 to 500,000 tonnes CO_2e in 2024. This was mainly driven by Scope 1 emissions, which constitute more than 80% of the Fund's total GHG emissions.

Social:

While Navigare Capital hires third-party technical managers to operate and staff its vessels, it maintains close in-house monitoring of health and safety conditions onboard vessels. As required by the MLC, all vessels operate under rigorous health and safety support systems, which are audited externally by classification societies as well as internally by Navigare Capital's Technical Directors. The Technical

Directors inspect all vessels on a rotating basis, to ensure that the working and operating conditions of the vessels meet the environmental, social and governance ("ESG") requirements and contractual commitments established by Navigare Capital. The technical managers of Navigare Capital's vessels report on a wide range of KPIs, including health and safety topics, on a quarterly basis, which are reviewed by the Technical Directors. These quarterly reports include any findings from port state controls and external audits required by the International Safety Management ("ISM") Code and the International Ship and Port Facility Safety ("ISPS") Code, in addition to the MLC. Tracking these KPIs promotes best practice onboard vessels and provides knowledge via a feedback loop enabling Navigare Capital to keep its number of incidents below industry standards. The LITF decreased from 1.16 in 2023 to 0.97 in 2024.

While the Fund experienced a decrease in safety incidents, the number of deficiencies per port state control increased from 0.70 in 2023 to 1.57 in 2024.

Governance:

The Fund continued to have no incidents of bribery or facilitation payment requests on its vessels. The consistent low rates of corruption-related incidents reported throughout the fleet was the result of concerted efforts by MACN to combat corruption at ports, as well as the current composition of Navigare Capital's fleet, which is less exposed to bribery and facilitation requests due to the type of cargo it carries and the areas it sails to.

Navigare Capital has also stepped up its focus on mitigating corruption risks at ports by ensuring that crews are up to date on relevant anti-corruption procedures. To further pre-empt requests for bribes and facilitation payments at ports, all vessels are equipped with large MACN posters on their bridges to emphasise that they are not authorised to make such payments and are contractually obliged to decline any such requests. When operating in high-risk areas, Navigare Capital also employs onshore Protection & Indemnity Club representatives for additional support when necessary.

Again, further details can be found in Navigare Capital's Sustainability reports, where the next is scheduled to be published at the beginning of April.

- ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

Not applicable.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

Offshore wind vessels fall under the EU taxonomy category of *"Installation, maintenance, and repair of renewable energy technologies."* As a result, only one of the five *"do no significant harm" ("DNSH")* criteria applies—climate adaptation—within the broader climate mitigation framework.

To meet the DNSH requirements, these vessels are designed and constructed in full compliance with applicable shipbuilding regulations, considering ocean wave patterns and extreme weather conditions. Additionally, the shipyards responsible for their construction were assessed for alignment with OECD guidelines and UN principles.

Beyond this, the vessels also adhere to DNSH criteria relevant to the economic activity 'Sea and coastal freight water transport, vessels for port operations and auxiliary activities', including circular economy, pollution prevention, and biodiversity protection. For example:

- To facilitate future recycling, each vessel carries an Inventory of Hazardous Materials ("IHM") certificate, as required by the Hong Kong International Convention and the EU Ship Recycling Regulation. Navigare Capital is committed to these standards, as well as the EU Waste Regulation, should it need to recycle a vessel in the future.
- To minimize operational pollution, vessels fully comply with air emissions regulations, including the IMO MARPOL Convention, which governs sulfur and nitrogen oxide emissions.
- To prevent the spread of invasive species through ballast water, each vessel complies with the International Convention for the Control and Management of Ships' Ballast Water and Sediments ("BWM Convention") and is equipped with a Ballast Water Treatment ("BWT") system.

How were the indicators for adverse impacts on sustainability factors taken into account?

Before investing in a vessel, Navigare Capital carefully assessed principal adverse impacts (PAIs), with a particular focus on GHG emissions and carbon footprint. To mitigate these impacts, the Fund acquired five energy-efficient SOV vessels primarily for use in the offshore wind industry. These vessels contribute to climate mitigation through:

- Fuel efficiency and battery hybrid propulsion, which reduce overall fuel consumption and GHG emissions.
- Incorporation of recycled steel parts, lowering their carbon footprint by reducing embedded emissions from steel production.
- Employment in the offshore wind sector, which decreases the Fund's exposure to the fossil fuel industry.

Beyond climate-related considerations, Navigare Capital also addressed social and governance PAIs, such as potential violations of UN and OECD principles and exposure to controversial weapons:

- Due diligence was conducted on the technical management company to ensure it upholds proper safety standards and working conditions.
- Vessel counterparties must commit to the UN Global Compact principles, OECD Guidelines for Multinational Enterprises, and the ILO Declaration on Fundamental Principles and Rights at Work.
- They must also agree to restrictions on transporting nuclear weapons or weapons for warfare, though this is not relevant for this vessel type.

Additionally, by operating under the Danish or Norwegian flag, seafarers on these vessels benefit from salary, sick pay, vacation, and pension regulations that often exceed industry standards. Norwegian-flagged vessels also provide seafarers with access to an independent whistleblower system managed by the Norwegian Maritime Authority.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

To ensure that the vessels comply with the minimum safeguard requirements of the EU Taxonomy, Navigare Capital initiated an audit of the shipyard where the vessels were built, verifying its alignment with OECD guidelines and UN *Guiding Principles on Business and Human Rights*.

The shipyard audit involved a comprehensive onsite inspection conducted by Navigare Capital to confirm:

- Compliance with health and safety standards
- Presence of necessary safety certifications
- Availability of adequate safety training
- Implementation of risk assessment and mitigation processes
- Access to a functioning grievance mechanism for all workers

In addition to this internal audit, the shipyard undergoes regular third-party audits by accredited classification societies to verify compliance with quality, environmental, and safety standards.

Beyond the mandatory safety certifications, the shipyard has also obtained additional certifications. For instance, VARD Shipyard has been SA8000 certified since 2011, demonstrating its commitment to internationally recognised human rights and labour standards. Additionally, the shipyard holds ISO 45001 and ISO 9001 certifications, confirming its adherence to safety and quality management systems, respectively. These certifications further reinforce Navigare Capital's due diligence findings, verifying that the shipyard operates in alignment with OECD guidelines and the UN Guiding Principles on Business and Human Rights.

To ensure minimum safeguard compliance beyond the shipyard, Navigare Capital also conducts due diligence on charter parties and technical managers. This process includes verifying adherence to:

- OECD Guidelines for Multinational Enterprises ("MNEs")
- UN Guiding Principles on Business and Human Rights ("UNGPs")

- ILO Core Conventions
- The International Bill of Human Rights
- Anti-corruption and tax compliance laws

By implementing these measures, Navigare Capital ensures that its investments align with global sustainability and ethical business standards.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Before making an investment, all potential assets undergo comprehensive screening based on multiple parameters, with a key focus on the carbon intensity of each vessel.

Navigare Capital employs four main strategies to reduce GHG emissions:

- Portfolio effects: Enhancing overall efficiency by acquiring energy-efficient vessels and divesting from less efficient ones.
- Technical energy-efficiency improvements: Retrofitting vessels with Energy Saving Devices ("ESDs") or alternative propulsion technologies.
- Operational energy-efficiency improvements: Implementing strategies such as voyage optimization, slow steaming, and weather routing to reduce emissions without requiring new technologies. Broader industry improvements can also be achieved through digitalization and cargo utilization optimization.
- Green fuels: Investing in low- or zero-GHG fuels, produced using renewable electricity, as part of the long-term goal of a zero-carbon shipping sector.

Each vessel is benchmarked against relevant industry benchmarks including its peer group using the EU MRV database, ensuring it meets strict criteria before inclusion in the portfolio. If an asset is attractive but requires improvements, necessary technical upgrades are considered early in the process to maintain alignment with the Fund's sustainability targets.

Once acquired, vessels are chartered out under either a time charter agreement or a bareboat agreement:

- Time charter agreement: The Fund retains technical, operational, and commercial responsibility, allowing Navigare Capital to enforce its health and safety guidelines and monitor adverse impact indicators such as injuries and accidents. The Fund also ensures compliance with industry conventions and frameworks through regular audits conducted by its technical directors and third-party specialists.
- Bareboat agreement: Responsibility shifts to the bareboat charterer, though the Fund can incorporate sustainability requirements into the contract. While ongoing monitoring of compliance is not possible, the Fund conducts due diligence before entering the agreement, assessing the counterparty's experience, quality, resources, performance, and ESG practices.

On a daily basis, the in-house team of vessel operators ensures that all vessels are operated in line with charter contract limitations, while complying with all relevant regulations, sanctions, and the ESG policy of the Funds. The operations team also closely monitors voyages, cargoes, speed, and fuel consumption profiles to ensure the safe and efficient operation of our fleet. They proactively address any operational challenges and optimize performance when necessary. This includes taking the initiative for hull cleanings and propeller polishing to improve energy efficiency. Analyses show that even a thin layer of slime can lead to significant speed and efficiency losses.

What were the top investments of this financial product?

The investments are measured as assets under management during the year.

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is 1/1-2024 – 31/12-2024

Largest investments	Sector	% Assets	Country
RoRo	*Transportation of wheeled cargo*	*30%*	*100% Danish flagged*
Crude tankers	*Transportation of unrefined oil*	*25%*	*100% Danish flagged*
Container ships	*Transportation of various goods in truck-size containers*	*21%*	*75% Danish flagged* *25% Brazilian flagged*
Offshore wind support vessels	*Supporting the installation and maintenance of offshore wind fars*	*14%*	*100% Norwegian flagged*
LPG carriers	*Transportation of liquified petroleum gas*	*10%*	*100% Danish flagged*

What was the proportion of sustainability-related investments?

The Fund promoted environmental and social characteristics, but did not make any sustainable investments.

The expected minimum proportion of investments aligned with the Fund's environmental and/or social characteristics is 99%.

The Fund has reserved the opportunity of making other investments because each vessel needs a liquidity position which is necessary to ensure reliable liquidity management regarding the operation of the asset. The expected proportion of such investments is a maximum of 1%.

For these investments ("Other") the Fund cannot guarantee that the investments promote any environmental or social characteristics.

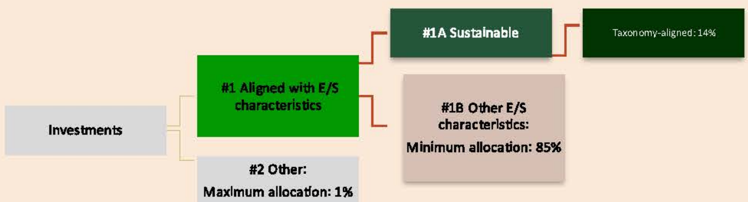
The minimum proportion of investments aligned with environmental and/or social characteristics and the maximum proportion of other investments are to be seen as the average allocation within the annual reference period as calculated against the total market value of the Fund's investments.

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.

The Fund aims for a minimum of **99%** of its investments to align with its environmental and/or social characteristics. Of this, 14% is taxonomy-aligned, while at least 85% is allocated to other investments that support environmental and social (E/S) characteristics.

Additionally, the Fund maintains flexibility for other investments to ensure adequate liquidity management for vessel operations. The expected allocation for such investments is capped at 1%.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

In which economic sectors were the investments made?

Sector	Activity	Percentage of AUM
Transport	Sea and coastal freight water transport, vessels for port operations and auxiliary activities	86%
Construction and real estate activities	Installation, maintenance and repair of renewable energy technologies	14%

The proportion of investments during the reference period related to transportation of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council, is 35% measured as assets under management during the year.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

Environmental objective	Percentage of AUM
Climate mitigation	14%
Climate adaption	0%
Water	0%
Circular economy	0%
Pollution prevention	0%
Biodiversity	0%

In Article 10(1), points (a) and (i), of Regulation (EU) 2020/852 it is stated that "An economic activity shall qualify as contributing substantially to climate change mitigation where that activity contributes substantially to the stabilisation of greenhouse gas concentrations in the atmosphere [...], by: (a) generating, transmitting, storing, distributing or using renewable energy [...], (i) or by enabling any of the activities listed in points (a) to (h) of this paragraph".

Thus, Norwind Breeze qualifies as the vessel operates in the offshore wind industry, which is seen as enabling activities of installation, maintenance and repair of renewable energy technolgies.

The substantial contribution criteria under climate mitigation set out in the economic activity "installation, maintenance and repair of renewable energy technologies" under the EU Taxnomy is:

- "The activity consists in one of the following individual measures, if installed on-site as technical building systems: [...] (d.) installation, maintenance and repair of wind turbines and the ancillary technical equipment". As such, Norwind Breeze substantially contribute when operating in the offshore wind industry.

This is supported by two KPIs

1. Support the installation of new wind turbine generators ("WTG" measured as number of WTGs) with an installed capacity of megawatt ("MW" measured as the increase of MW capacity):

$$\frac{MW}{Year}$$

2. Support the maintenance and exchange of WTG components with a total capacity of MW:

$$\frac{MW}{Year}$$

Of which the five offshore wind vessels supported the installation of 435 new wind turbine generators with an installed capacity of 5,819 megawatt and the maintenance of 69 existing wind turbines with a combined capacity of 759 megawatt. This was done on nine different offshore wind farms.

The above numbers have not been assured, but, in 2023, Navigare Capital received guidance from The Footprint Firm, a sustainability consultancy firm, on taxonomy alignment requirements for similar vessels.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

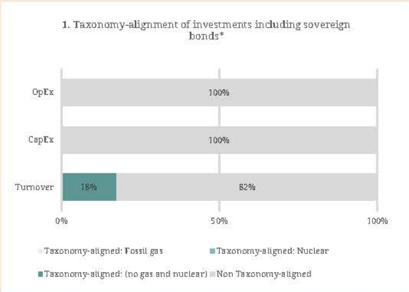
☐ ***Yes:***

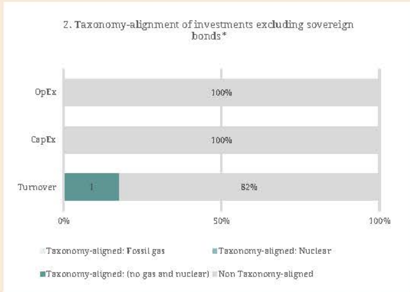
☐ ***In fossil gas*** ☐ ***In nuclear energy***

☒ ***No***

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What was the share of investments made in transitional and enabling activities?

Activity type	Percentage of AUM
Transitional	0%
Enabling	14%

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

The percentage of investments that were aligned with the EU taxonomy increased from 0% to 5% as one vessel supported the installation, maintenance and repair of renewable energy technologies while doing no significant harm and complying with the minimum safeguards put forth.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Not applicable.

What was the share of socially sustainable investments?

Not applicable.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

For each vessel there is a liquidity position which is necessary to ensure reliable liquidity management regarding the operation of the asset. This liquidity position part of the investments has no minimum environmental or social safeguards.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

All potential investments were thoroughly screened across a set of parameters of which carbon intensity is key. Only assets which met the criteria satisfactorily proceeded to additional due diligences where other ESG factors are evaluated more thoroughly.

During 2024 the Fund continued its efforts from the previous years where it collaborated with a third-party specialist to develop a catalogue of suitable energy-saving devices for vessels scheduled for dry docking.

In 2024, the Fund took delivery of six vessels- including three newbuild CSOV vessels with hybrid battery propulsion and three highly fuel-efficient newbuild container vessels with methanol-ready notations.

Additionally, 2024 saw the implementation of the EU ETS, which charges a fee per tonne of CO_2 emitted in European waters, incentivising charterers to operate vessels as efficiently as possible. To support this, the Fund incorporated clauses in its charter contracts to uphold the polluter-pays principle.

When the investments were made, each vessel was chartered out to a third party under either a time charter agreement or a bareboat agreement.

In a time charter agreement, the Fund outsources the technical management of its assets to carefully selected top-tier companies based on their safety track record and their performance on health and safety KPIs evaluated in a study performed by Boston Consulting Group. As the Fund has the technical, operational, and commercial responsibility of the assets, it introduces its own guidelines especially within health and safety thus taking other adverse impact indicators like injuries, accidents and the like into consideration.

For vessels on time charter, the fund manager, through its in-house technical capabilities, exercised strict supervision and control to ascertain that all matters concerning the assets were planned, carried out in accordance with regulations and followed up on in a manner that was safe, cost effective, and environmentally and ethically sustainable. This involved, among other things, performance reviews of the third-party technical managers and physical onboard inspections of the vessels to assess maintenance standards and evaluate whether the assets were in sound condition in terms of sustainability.

The performance was evaluated by means of, but not limited to, the following KPIs:

- Spills

- Port state deficiencies and detentions. These include measures on safety and MLC
- Lost time incident frequency
- Carbon intensity measured by AER or CII
- GHG emissions

In addition, the fund manager's experienced team of vessel operators monitored voyages, cargoes, speeds and fuel consumption profiles to ensure the effective operation of the vessel. They also made sure that necessary actions were taken in cases where performance was deemed inadequate, this could be a cleaning of the hull to improve the vessels fuel efficiency.

The team also ensured that any ESG-related matters in connection with the operation of the vessel was in accordance with current regulation, the limitations of the charter contract and the Fund's ESG strategy.

In the case of a bareboat contract, the attainment of the environmental characteristics promoted by the Fund was similarly measured through usage of, among others, the following indicators/KPIs:

- Carbon intensity measured by AER or CII
- GHG emissions

However, as a result of the contract provisions, the Fund has no possibility to continuously follow up on the counterparties' compliance with social characteristics according to international conventions, but before entering into any contracts the fund manager makes reasonable investigations regarding the counterparty's experience, quality, resources, results and ESG practices and also incorporates additional requirements on health and safety, human rights and working conditions into these.

How did this financial product perform compared to the reference benchmark?

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How does the reference benchmark differ from a broad market index?***

  Not applicable.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

  Not applicable.

- ***How did this financial product perform compared with the reference benchmark?***

  Not applicable.

- ***How did this financial product perform compared with the broad market index?***

  Not applicable.