



Maritime Investment Fund I K/S

Strandvejen 70
2900 Hellerup
CVR No. 38475142

Annual report 2023

The Annual General Meeting adopted the annual report on 13.03.2024

Henrik Ramskov
Chairman of the General Meeting

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Entity details

Entity

Maritime Investment Fund I K/S

Strandvejen 70

2900 Hellerup

Business Registration No.: 38475142

Date of foundation: 08.03.2017

Registered office: Gentofte

Financial year: 01.01.2023 - 31.12.2023

Executive Board

Maritime GP F I ApS

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of Maritime Investment Fund I K/S for the financial year 01.01.2023- 31.12.2023 .

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 the results of their operations and the consolidated cash flows for the financial year 01.01.2023 31.12.2023

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, 13.03.2024

Executive Board

Maritime GP F I ApS

Independent auditor's report

To the shareholders of Maritime Investment Fund I K/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Maritime Investment Fund I K/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023, the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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, herinafter referred to as "the supplementary report".

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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 is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears 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 is in accordance with the consolidated financial statements and the parent financial statements and has 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, 13.03.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bill Haudal Pedersen

State Authorised Public Accountant
Identification No (MNE) mne30131

Michael Thorø Larsen

State Authorised Public Accountant
Identification No (MNE) mne35823

Management commentary

Financial highlights

	2023 USD'000	2022 USD'000	2021 USD'000	2020 USD'000	2019 USD'000
Key figures					
Revenue	60,736	142,280	139,065	120,993	98,045
Gross profit/loss	104,288	170,997	104,806	86,430	66,436
Operating profit/loss	91,010	137,799	77,549	39,346	37,488
Net financials	(686)	(13,899)	(18,951)	(18,684)	(21,642)
Profit/loss for the year	90,324	123,900	58,598	20,662	15,846
Balance sheet total	196,080	613,232	842,584	761,641	783,482
Investments in property, plant and equipment	173,813	562,759	800,610	726,960	745,730
Equity	72,529	270,447	342,025	323,840	333,387
Ratios					
Gross margin (%)	171.71	120.18	75.36	71.43	67.76
Net margin (%)	148.72	87.08	42.14	17.08	16.16
Return on equity (%)	52.67	40.46	17.60	6.29	5.73
Equity ratio (%)	36.99	44.10	40.59	42.52	42.55

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

Revenue

Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

Revenue

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$

Balance sheet total

Primary activities

Maritime Investment Fund I K/S (MIF I) is an alternative investment fund. MIF I is incorporated in Denmark, and the fund is set up and structured in a fully transparent and market-conforming K/S structure. MIF I is managed by Navigare Capital Partners A/S (NCP), an authorised alternative investment fund manager (AIFM).

MIF I's main activity is investing in commercial vessels across multiple shipping segments: container vessels, tankers, dry cargo vessels and gas carriers. The business strategy is to offer investors the opportunity to make long-term investments in a diversified portfolio of maritime assets for which there are diverse underlying demand drivers with attractive growth prospects.

MIF I targets an attractive return, with the majority of the investment returns derived from stable and predictable cash flows, and intends to achieve this via a proven investment strategy focused on segment diversification and long-term fixed employment contracts for the assets.

Development in activities and finances

Profit for the year 2023 was USD 90m against USD 124m in 2022. Profit for the year is positively impacted by USD 62m against 67m in 2022 from "Other operating income", which primarily comprises gains from the divestment of vessels. Management expected a positive result and exits of vessels in the 2022 annual report and considers the result for the year to be satisfactory.

MIF I completed the investment period at the end of Q3 2019, having acquired 16 vessels. In 2021, one vessel was divested, five in 2022, and nine more in 2023. The increase in divestments in 2023 reflected the development, especially in the tanker and container segments. The development in the financial year's activities aligns with the business strategy.

The ongoing conflict between Ukraine and Russia in 2023 and the Gaza conflict resulted in higher volatility in the financial markets and commodity prices. The conflict did not impact the Fund negatively.

Profit/loss for the year in relation to expected developments

The profit/loss for the year was as expected.

Outlook

Management expects a positive revenue in the range of USD 20-25m in 2024 and a profit in the range of USD 5-8m. The revenue and income from Other operating income will be below 2023 because of the exit of vessels in 2023.

Material assumptions and uncertainties

The Group's expected development depends on the earnings in group enterprises and the development in the fair market value of maritime assets.

Statutory report on corporate social responsibility

Navigare Capital and MIF I perceive a systematic integration of ESG in the entire investment process and working towards ensuring high ESG standards as prerequisites for mitigating risk, seizing opportunities, and delivering returns to investors. As such, Navigare Capital and MIF I align their approach to ESG with their fiduciary duty to act in the best interests of their Limited Partners by ensuring a balanced view of ESG opportunities and risks that may impact long-term returns.

Corporate Social Responsibility

The Fund follows Navigare Capital's approach to corporate social responsibility and this statutory report is part of the management's reporting on social responsibility in accordance with article 99a in the Danish Financial Statement Act ("Årsregnskabsloven").

According to Navigare Capital's Code of Conduct, Navigare Capital and MIF I commit to a high degree of business conduct. In this respect it is a fundamental condition that the following Environmental, Social and Governance (ESG) topics are respected:

Environment and climate consider how to preserve the environment and mitigate the impacts of climate change.

Social and employee matters are about how to manage relationships with employees and the communities where operations take place to create a more equitable and sustainable future for all involved in maritime operations.

Human rights entail equality and the protection the dignity of all human beings, including but not limited to labour practices, working conditions and the absence of exploitation throughout the supply chain, aligning with international labour standards and ethical sourcing principles.

Anti-corruption deals with how to mitigate corruption risks in all aspects of operations as corruption undermines sustainable development. The shipping industry is particularly exposed to this due to its international nature and interactions with authorities at various levels in ports around the world.

Navigare Capital and MIF I are committed to complying with ESG topics as an integrated part of its sourcing, investment and operational processes related to its investments. This implies that Navigare Capital and MIF I also aim for their business partners to comply with these ESG topics.

ESG topics covered by the Code of Conduct and other specific policies including among other things:

- Conflicts of interest
- Gifts, entertainment, and favours
- Kickbacks and secret commissions
- Bribery, corruption, and facilitation payments
- Diversity and inclusion
- Shipping relevant environmental aspects such as:
 - Emissions of greenhouse gases, including Co2, NOx, SOx
 - Fuel consumption and fuel efficiency
 - Ballast water treatment

Navigare Capital's Responsible Investment Policy states that Navigare Capital strives to deliver an attractive return and risk profile while enabling the green transition of the shipping sector. To support this, four ESG principles are underpinning its daily work with sustainability:

- ESG governance and responsibility: Navigare Capital ensures that ESG responsibilities are assigned to effectively oversee the implementation of the framework, and that each staff member is accountable for ESG integration in accordance with internal policies with support from suitably qualified staff, including from third parties where appropriate.

• ESG commitments: Navigare Capital commits to follow all relevant global standards and regulation within areas such as responsible investing, human and labour rights, responsible business, etc. According to the Code of Conduct and the Limited Partnership Agreement for MIF I, Navigare Capital and MIF I are committed to complying with the following standards, conventions, and guidelines:

- 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.
- 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.

• ESG in the investment process and daily operations: Navigare Capital pursues value creation through its 6S Model, which consists of six underlying principles that ensure a disciplined investment and divestment approach. Sustainability and ESG are an integral part of each of these underlying principles, as summarised below.

- Sourcing: Sourcing of investments compliant with relevant ESG criteria
- Selecting: Selecting the right assets, counterparties and partners that are aligned with Navigare Capital's ESG principles.
- Structuring: Structuring of debt financing and incorporating sustainability into loan agreements to achieve attractive risk-adjusted returns while minimising financial risk.
- Servicing: Servicing the assets with a strong focus on Navigare Capital's ESG strategy.
- Steering: Steering the assets by actively managing employment decisions using ESG metrics.
- Selling: Selling assets with a focus on continuous operation.

Sourcing

As each asset is unique, with its own technical specifications and performance, each asset is thoroughly screened by the technical team and ESG Manager during sourcing to assess whether it fits with Navigare Capital's ESG strategy. This includes assessing the following relevant environmental criteria:

- Technical specifications
- Greenhouse gas ("GHG") emissions and emissions of other pollutants such as SOx and NOx
- Fuel consumption and operational energy efficiency
- Ballast water treatment
- Paint scheme and status
- Classification status

Only assets that meet the criteria satisfactorily may proceed to the Selecting stage.

Selecting

Prior to making any investments, Navigare Capital performs full technical and commercial due diligence covering all technical, operational, financial, tax, legal and ESG-related aspects of the proposed investment. During the selection process, Navigare Capital follows relevant due diligence procedures that cover all facts and risks of material importance to the investment decision, of which ESG is a key factor. All potential investments and peripheral activities are evaluated to assess whether they comply with Navigare Capital's ESG strategy and policies. For instance, employment contracts and agreements are reviewed to ensure they are aligned with Navigare Capital's policies.

For investments in second-hand vessels, the technical team assesses and verifies the assets' physical condition, including the technical specifications, and reviews the performance of the assets, including fuel consumption and efficiency, key elements determining Navigare Capital's carbon footprint and biodiversity impact – and hence its ESG strategy. This information is also used to benchmark the assets' carbon intensity against Navigare Capital's own targeted reduction trajectory, along with those of known frameworks such as the IMO and the Poseidon Principles. For newbuilding investments, Navigare Capital conducts audits of new shipyards prior to projects being started to ensure that shipyards uphold adequate labour standards for their workers. An audit involves a comprehensive onsite inspection by Navigare Capital to verify that policies, procedures and facilities at the shipyard comply with the health and safety standards of Navigare Capital, and that the shipyard holds the necessary safety certifications and provides adequate safety training. Navigare Capital also has a dedicated onsite team throughout the duration of a shipbuilding project. The team monitors not only that the shipyard maintains technical standards, but also that its labour practices comply with the health, safety and labour rights expectations of Navigare Capital.

Structuring: -

The financial structuring of the investments plays an important role in value creation in terms of generating the targeted return. As part of the structuring process, Navigare Capital performs financial due diligence on a proposed investment including stress testing of the financial risk and a risk assessment of the employment counterparty. The counterparty risk assessment is based on a comprehensive financial and qualitative analysis of the various risk elements, including the terms and conditions of the employment contract, the counterparty's business history and ownership, its financial risk and its ESG profile.

The ability to secure financing for investments will increasingly rely on the ESG profile of the vessels, among other factors. Thus, Navigare Capital has incorporated sustainability and ESG into its financing strategy to ensure that it can continue to obtain attractive financing terms across shipping cycles.

Servicing and Steering: -

Navigare Capital conducts due diligence on all counterparties prior to entering agreements regarding, for instance, the technical management, crewing or chartering of vessels. The due diligence process establishes that the counterparty holds an adequate track record regarding labour rights, working conditions and safety and can satisfactorily uphold the ESG expectations of the Fund and its operations. Over and above this, Navigare Capital incorporates additional requirements on health and safety, human rights and working conditions into all relevant contracts to ensure a high standard of welfare among its crew members and to ensure that the management agreements are aligned with Navigare Capital's ESG principles. The counterparties must also agree to an anti-corruption clause which requires them, among others, to comply with sanctions and resist requests for bribes.

To ensure that vessels continue to fulfil the ESG standards of the Fund, the operational team at Navigare Capital continuously monitors the vessels throughout operations. The operations team monitors the voyages and speed of the vessels to track their fuel consumption and emissions. In addition, they support vessels' performance by arranging the necessary fuel efficiency-improving services such as hull cleaning.

Selling:

When selecting assets, Navigare Capital focuses on modern vessels with attractive ESG metrics to ensure a reliable and efficient fleet with economic lifetimes that exceed both the duration of the initial employment contracts and the lifetimes of the funds. As vessels are likely to be sold to third parties for continued operation, Navigare Capital's sales contracts include a minimum period in which the vessel may not be recycled. At the same time, the buyer agrees to ensure that any future recycling or dismantling is undertaken in accordance with relevant legislation.

Please see the sustainability reports available on Navigare Capital's website for further information.

- **ESG reporting:** Navigare Capital reports on its activities and progress towards implementing the ESG framework and engages with other key stakeholders in a transparent way, providing them with key data on material ESG topics. As a financial market participant, Navigare Capital is subject to and compliant with the EU Regulation on sustainability-related disclosures in the financial services sector.

ESG Risks

From an ESG perspective, a range of risks exists, encompassing those stemming from a company's own business operations (inside out) as well as risks external to the company (outside in). The following section addresses the inside-out risks.

Environment and climate:

Within environment and climate, the most critical risk involves environmental incidents, such as oil or chemical spills at sea, which can inflict severe damage on local ecosystems. Furthermore, there's a risk of inadequate implementation of relevant measures to enhance the energy efficiency of vessels, thereby hindering the green transition in the shipping sector and potentially exacerbating climate change.

To address these concerns, Navigare Capital and MIF I continuously evaluate the necessity for additional environmental measures across the portfolio. They also closely monitor technological advancements that can facilitate a sustainable transition within the shipping industry.

Social and employee matters:

The most material risk in this area is safety, where unsafe working conditions can result in accidents, injuries, and in the worst-case scenarios, fatalities, impacting families and communities. Additionally, given that the shipping sector has predominantly attracted male employees both offshore and onshore, there is a risk of ongoing discrimination and exclusionary practices.

Navigare Capital and MIF I maintain constant awareness of issues within this area and therefore only outsource their technical management to carefully selected top-tier companies based on their safety track record and performance on health and safety key performance indicators (KPIs). Furthermore, they also only operate their vessels under well-respected flags listed on the Paris MoU White List, indicating compliance with IMO requirements as a minimum and a demonstrated history of minimal incidents and detentions.

Navigare Capital is also a signatory of Denmark's "Charter for more women in shipping" and actively advocates for increasing female representation onboard its vessels. Anglo-Eastern, the technical manager for several of Navigare Capital's vessels, has also implemented various initiatives to enhance workplace culture, including establishing an association for female seafarers and launching a campaign against gender bias.

Human rights:

The primary risk in this area lies in labour practices, including the risk of using forced labour, child labour, and unsafe working conditions within MIF I's supply chain, potentially resulting in human rights violations. Additionally, there's the risk of discrimination, where individuals of certain races or religions are assigned specific roles within the supply chain.

Navigare Capital and MIF I remain aware of these issues, opting exclusively for reputable yards, conducting thorough audits before entering into any new building contracts, and deploying a dedicated onsite team throughout the entirety of a shipbuilding project.

Anti-corruption:

The most material risk is getting involved – directly or indirectly through business partners – in a situation involving corruption, as it undermines sustainable development by distorting markets, eroding trust in institutions, and diverting resources away from essential services. Moreover, it undermines the rule of law, weakens democratic governance, and fosters a culture of impunity, inhibiting economic growth and social progress. Overall, the ramifications of corruption are far-reaching and detrimental to the collective efforts towards achieving sustainable development goals.

To mitigate this, Navigare Capital has implemented policies and procedures to ensure compliance with anti-corruption regulations and to regularly assess the corruption risk for the company and the Fund. Each employee also submits a personal annual attestation of compliance with the Code of Conduct, specifically on anti-corruption.

Navigare Capital has a zero-tolerance policy regarding corruption, bribery and facilitation payments. And 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.

Implementation and Achievements in 2023

Overall, Navigare Capital remains a signatory to Principles for Responsible Investments (“PRI”), a UN-supported network of investors, working to promote sustainable investment by integrating environmental, social and governance principles. During 2023, Navigare Capital updated and expanded its Responsible Investment policy, its policy on Integration of Sustainability Risks and the subsequent handling procedures to further strengthen its own and MIF I's adherence to responsible investment.

Navigare Capital is also scheduling to publish its third sustainability report in April 2024, covering its own and its funds' performance in 2023.

Environment and climate:

In 2023, MIF I oversaw a hull cleaning operation on one of its vessels, Rome Express, employing a closed-loop method that involved filtering and capturing biofouling particles down to 10 microns. This effective biofouling capture significantly reduces the risk of introducing invasive species into local ecosystems. Furthermore, by cleaning the underwater hull and reducing the vessel's drag, immediate improvements in the vessel's energy efficiency were achieved, resulting in lower fuel consumption. While MIF I has divested the majority of its vessels, hull cleanings take place on a regular basis and exploring new more environmental friendly are thus relevant regardless of the portfolio size.

Looking ahead to 2024, MIF I has one vessel left, an LNG vessel built in 2021. The vessel is highly energy-efficient and thus, only few, if any, technological improvements are available and relevant for improving energy-efficiency. However, MIF I will continue to look into technology advancements specifically in consideration for the vessel's next dry docking.

Navigare Capital along with MIF I will also initiate investigations into underwater noise issues to determine strategies for mitigating impacts on marine species in coastal areas in particular.

Social and employee matters:

Navigare Capital and MIF I maintain a firm commitment to the safety of seafarers onboard its vessels, striving to exceed regulatory standards and operate in line with best industry practices.

But, supporting seafarers' wellbeing extends beyond the tracking of safety metrics; it also means implementing policies and procedures that benefit their quality of life. For instance, as seafarers often spend long stretches far from land and away from friends and family while employed on vessels. Therefore, one of the most important elements for supporting seafarers' well-being is ensuring reliable internet access onboard vessels, so that they can communicate with their loved ones onshore. Secure internet access improves the quality of life for seafarers by allowing them to communicate with loved ones and access online entertainment options.

Thus, in 2023, Navigare Capital and MIF I began installing the newly available Starlink network on its vessels to provide robust internet access options on its vessels to give seafarers the best possible internet connection, which in turn supports higher seafarer retention rates.

With only one vessel left in its portfolio on a long contract to a strong counterparty, MIF I will continue to focus on ensuring high safety standards and employee wellbeing.

Human rights:

In 2023, Navigare Capital and subsequently MIF I had a third party sustainability consultancy company review its policies, handling procedures and subsequent task lists in connection with yards audits. Consequently, these were extended to align with the guidelines recommended by Eksfin, thus also complying with the minimum safeguards set out in the EU taxonomy.

In 2024, Navigare Capital and MIF I will focus on expanding its human rights due diligence and setting more formal process in place.

Anti-corruption:

The shipping industry is highly exposed to corruption due to its international nature and interactions with authorities at various levels in ports around the world. Corruption in the shipping industry is mainly a case of requests for bribes and facilitation payments, typically in the form of demands for small cash payments or low-cost items such as alcohol or cigarettes. However, as the occurrence of corruption of any size threatens the institutional integrity and functioning of global trade, Navigare Capital has a zero-tolerance policy any kind of corruption, bribery and facilitation payments. Thus, Navigare Capital continued to support the work of Maritime Anti-Corruption Network ("MACN"), which in 2023 expanded its help desk concept in India. When operating in high-risk areas, Navigare Capital also employed onshore Protection & Indemnity Club representatives for additional support when necessary.

In 2024, Navigare Capital will continue its efforts to expand the awareness of its anti-corruption policies and actively work to implement the recommendations of MACN.

To describe MIF I's performance within the above key areas, the ESG performance data overview tables below displays the impacts generated by the underlying assets in the Fund. MIF I reports on KPIs related to its most material topics and, therefore, tracks the progress towards its ESG commitments, e.g., mitigating its impact on the climate and ecosystems, maintaining a safe working environment onboard its vessels, and combating maritime corruption.

The sharp decrease in Scope 1 and 3 GHG emissions, carbon intensity and other air emissions for example sulphur oxides, particular matter, volatile compounds, nitrogen oxides and carbon monoxide reflects the divestment of nine vessels throughout 2023. MIF I continued to have no incidents of bribery or facilitation payment requests on its vessels, a result of its continued collaboration with the Maritime Anti-Corruption Network (MACN). There were also no lost time incidents, a measure of the safety conditions onboard a vessel.

However, the number of deficiencies per port state control increased in 2023. This was largely due to nine deficiencies received on two vessels in the period between being sold and being delivered to the new owners, a period where the focus on maintaining the vessel's condition tends to wane. Navigare Capital and MIF I is aware of this issue and will put more effort into avoiding this in the future. One deficiency during port state control inspections was a violation of the Maritime Labour Convention – the regulation covering seafarers' living and working conditions onboard vessels – which was rectified before leaving the port.

ESG performance data overview

Environmental

Description	Unit	2023	2022 ¹	2021 ¹	Accounting principle
Direct (Scope 1) GHG emissions	tCO ₂ e	196,511	591,807	663,230	See appendix A
Indirect (Scope 2) GHG emissions	tCO ₂ e	0	0	0	See appendix A
Indirect (Scope 3) GHG emissions	tCO ₂ e	40,472	102,119	139,424	See appendix A
Carbon intensity alignment with the IMO's targeted trajectory	%	-1.3	3.4	2.7	See appendix A
Emissions of sulphur oxides	Tonnes	305	1,385	N/A	See appendix A
Emissions of particulate matter	Tonnes	305	1,158	N/A	See appendix A
Emissions of nitrogen oxides	Tonnes	3,178	11,698	N/A	See appendix A
Emissions of carbon monoxide	Tonnes	253	576	N/A	See appendix A
Emissions of volatile compounds	Tonnes	170	506	N/A	See appendix A
Total number of oil spills ²	Number	0	0	N/A	See appendix A
Vessels with scrubbers installed	Number	0	3	3	See appendix A
Vessels without ballast water treatment systems installed	Number	0	0	3	See appendix A
Vessels with IHM Hong Kong certificates	%	100	100	100	See appendix A
Vessels with IHM EU certificates	%	100	100	100	See appendix A

¹ MIF I ESG performance data is included in Navigare Capital Partners consolidated data which has been subject for limited assurance in the respective year's Sustainability Report.

² This KPI covers activities onboard all vessels owned by the Fund, but excludes vessels on bareboat charter.

Social

Description	Unit	2023	2022 ³	2021 ³	Accounting principle
Lost time injuries ⁴	Number	0	2	6	See appendix A
Lost time injury frequency ⁴	Number of injuries per million hours worked	0	0.99	2.45	See appendix A
Port state controls ⁴	Number	11	24	23	See appendix A
Average deficiencies per port state control ⁴	Deficiencies / inspections	0.82	0.50	0.35	See appendix A
Port state control detentions ⁴	Number	0	0	0	See appendix A
MLC observations during port state controls ⁴	Number	1	4	0 ⁵	See appendix A

Governance

Description	Unit	2023	2022 ⁶	2021 ⁶	Accounting principle
Incidents where bribes have been requested ⁷	Number	0	0	0	See appendix A
Incidents where facilitation payments have been requested ⁸	Number	0	0	0	See appendix A
Whistleblower alerts received	Number	0	0	0	See appendix A

³ MIF I ESG performance data is included in Navigare Capital Partners consolidated data which has been subject for limited assurance in the respective year's Sustainability Report.

⁴ This KPI covers activities onboard all vessels owned by the Fund, but excludes vessels on bareboat charter.

⁵ This KPI is based on 2021 methodology and only includes MLC observations made during the MLC certification renewal process.

⁶ MIF I ESG performance data is included in Navigare Capital Partners consolidated data which has been subject for limited assurance in the respective year's Sustainability Report.

⁷ This KPI covers activities onboard all vessels owned by the Fund, but excludes vessels on bareboat charter.

Statutory report on the underrepresented gender

The Fund has the legal status of a Danish limited partnership (“kommanditselskab”) where the general partner is an independent limited company (“Anpartsselskab”).

Since the highest body in the Fund – the management – is Maritime GP F I ApS, the company had zero employees in the reporting year, exempting it from setting a target for the share of underrepresented gender in the highest management body and other management levels and establishing a policy for increasing the share of underrepresented gender in the other management levels.

Statutory report on data ethics policy

Navigare Capital and MIF I do not currently have a data ethics policy as it does not use any kind of data based artificial intelligence (AI) or machine learning (ML) in their current business model and strategy. Furthermore, to protect personal data, Navigare Capital and thus MIF I have an IT Security Policy covering GDPR in place, rendering the establishment of a specific data ethics policy unnecessary.

All decisions about current and future use of collected data and new information management technologies are anchored at Navigare Capital, who conducts an ongoing evaluation of the company's work with collected data and information management technologies and the resulting need for a policy on data ethics.

Events after the balance sheet date

No events have occurred after the balance sheet date which would significantly impact the evaluation of this annual report.

Supplementary reports

Periodic disclosure for Article 8 financial products

Please refer to page 44 for Maritime Investment Fund I K/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 01.01.2023-31.12.2023.

Consolidated income statement for 2023

	Notes	2023 USD'000	2022 USD'000
Revenue	1	60,736	142,280
Other operating income		62,278	67,373
Other external expenses	3, 2	(18,726)	(38,656)
Gross profit/loss		104,288	170,997
Depreciation, amortisation and impairment losses		(13,278)	(33,198)
Operating profit/loss		91,010	137,799
Other financial income		8,695	1,987
Other financial expenses		(9,381)	(15,886)
Profit/loss for the year	4	90,324	123,900

Consolidated balance sheet at 31.12.2023

Assets

	Notes	2023 USD'000	2022 USD'000
Ships		173,813	562,759
Property, plant and equipment	5	173,813	562,759
Other receivables		7,712	13,076
Financial assets	6	7,712	13,076
Fixed assets		181,525	575,835
Other receivables		4,370	13,367
Prepayments	7	614	2,148
Receivables		4,984	15,515
Cash		9,571	21,882
Current assets		14,555	37,397
Assets		196,080	613,232

Equity and liabilities

	Notes	2023 USD'000	2022 USD'000
Contributed capital		407,358	405,162
Reserve for fair value adjustments of hedging instruments		(9,695)	25,958
Retained earnings		(325,134)	(160,673)
Equity		72,529	270,447
Bank loans		111,375	294,472
Non-current liabilities other than provisions	8	111,375	294,472
Current portion of non-current liabilities other than provisions	8	8,250	41,156
Other payables		326	2,301
Deferred income	9	3,600	4,856
Current liabilities other than provisions		12,176	48,313
Liabilities other than provisions		123,551	342,785
Equity and liabilities		196,080	613,232
Financial instruments	11		
Contingent liabilities	12		
Assets charged and collateral	13		
Transactions with related parties	14		
Subsidiaries	15		

Consolidated statement of changes in equity for 2023

	Contributed capital USD'000	Reserve for fair value adjustments of hedging instruments USD'000	Retained earnings USD'000	Proposed extraordinary dividend USD'000	Total USD'000
Equity beginning of year	405,162	25,958	(160,673)	0	270,447
Increase of capital	2,196	0	0	0	2,196
Extraordinary dividend paid	0	0	0	(280,743)	(280,743)
Fair value adjustments of hedging instruments	0	(35,653)	25,958	0	(9,695)
Profit/loss for the year	0	0	(190,419)	280,743	90,324
Equity end of year	407,358	(9,695)	(325,134)	0	72,529

Consolidated cash flow statement for 2023

	Notes	2023 USD'000	2022 USD'000
Operating profit/loss		91,010	137,799
Amortisation, depreciation and impairment losses		13,278	33,198
Working capital changes	10	2,969	(3,557)
Cash flow from ordinary operating activities		107,257	167,440
Financial income received		8,695	507
Financial expenses paid		(9,381)	(15,878)
Cash flows from operating activities		106,571	152,069
Acquisition etc. of property, plant and equipment		0	(6,348)
Sale of property, plant and equipment		375,668	211,002
Cash flows from investing activities		375,668	204,654
Free cash flows generated from operations and investments before financing		482,239	356,723
Loans raised		0	15,000
Repayments of loans etc.		(216,003)	(156,998)
Contributions from Limited Partners		2,196	5,965
Distributions to Limited Partners		(280,743)	(227,400)
Cash flows from financing activities		(494,550)	(363,433)
Increase/decrease in cash and cash equivalents		(12,311)	(6,710)
Cash and cash equivalents beginning of year		21,882	28,592
Cash and cash equivalents end of year		9,571	21,882
Cash and cash equivalents at year-end are composed of:			
Cash		9,571	21,882
Cash and cash equivalents end of year		9,571	21,882

Notes to consolidated financial statements

1 Revenue

The individual vessels sails all over the world and are not limited to specific parts of the world. The geographical market for the Group is thus considered as the world, and cannot be segregated further. Furthermore, management reporting does not provide such information.

2 Other external expenses

The Group has no employees.

Management has not received any 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 2023.

3 Fees to the auditor appointed by the Annual General Meeting

	2023 USD'000	2022 USD'000
Statutory audit services	105	139
Other assurance engagements	10	13
Tax services	64	25
Other services	113	102
	292	279

4 Proposed distribution of profit/loss

	2023 USD'000	2022 USD'000
Extraordinary dividend distributed in the financial year	280,743	227,400
Retained earnings	(190,419)	(103,500)
	90,324	123,900

5 Property, plant and equipment

	Ships USD'000
Cost beginning of year	658,594
Disposals	(469,126)
Cost end of year	189,468
Depreciation and impairment losses beginning of year	(95,835)
Depreciation for the year	(13,278)
Reversal regarding disposals	93,458
Depreciation and impairment losses end of year	(15,655)
Carrying amount end of year	173,813

6 Financial assets

	Other receivables USD'000
Cost beginning of year	13,076
Disposals	(5,364)
Cost end of year	7,712
Carrying amount end of year	7,712

7 Prepayments

Prepayments mainly constitute prepaid invoices.

8 Non-current liabilities other than provisions

	Due within 12 months 2023 USD'000	Due within 12 months 2022 USD'000	Due after more than 12 months 2023 USD'000	Outstanding after 5 years 2023 USD'000
Bank loans	8,250	39,293	111,375	78,375
Other payables	0	1,863	0	0
	8,250	41,156	111,375	78,375

The share of the Group's bank loans falling due within 5 months constitutes USD 4.1m.

9 Deferred income

Deferred income mainly constitute pre-invoiced revenue.

10 Changes in working capital

	2023 USD'000	2022 USD'000
Increase/decrease in receivables	6,200	4,491
Increase/decrease in trade payables etc.	(3,231)	(8,048)
	2,969	(3,557)

11 Derivative financial instruments

Several of the Group companies have entered into swaps where part of the Companies' interest risk have been hedged. The swap contracts are recognized under other receivables and other payables respectively and are measured at fair value. The fair valued are regularly valued based on forward interests in the market.

12 Contingent liabilities

There is a remaining commitment of a total of USD 1.3m to group companies.

There are no other contingent liabilities of the Group.

13 Assets charged and collateral

The following has been provided as collateral for bank loans with an unpaid balance of USD 119.6m in the Group. All terms and collaterals has been provided based on terms which is normal within the industry.

- Mortgage deed registered on the vessel owners
- Assignment of earnings of the vessels
- Assignment of the insurance amount of the vessels

Maritime Investment Fund I Holding K/S has furthermore provided a joint and several liability for all bank loans within the companies of the Maritime Investment Fund I Holding K/S Group. The ships owned by the Maritime Investment Fund I Holding K/S Group, with a carrying amount of USD 173.8m, are provided as collateral for the bank loans.

14 Transactions with related parties

Maritime Investment Fund I K/S has no related parties with controlling interest.

Only related party transactions not conducted on an arm's length basis are disclosed in the financial statements. All related party transactions during the financial year have been conducted on an arm's length basis.

Transactions between Maritime Investment Fund I K/S and its subsidiaries are eliminated in the present consolidated financial statements and are not disclosed with reference to the Danish Financial Statements Act, section 98c.

15 Subsidiaries

	Registered in	Corporate form	Ownership %	Equity USD'000	Profit/loss USD'000
Maritime Investment Fund I Holding K/S	Hellerup	K/S	100.00	72,000	90,678
MIF I no. 1 K/S	Hellerup	K/S	100.00	327	11,898
MIF I no. 2 K/S	Hellerup	K/S	100.00	153	10,463
MIF I no. 3 K/S (under solvent liquidation)	Hellerup	K/S	100.00	125	12,295
MIF I no. 4 K/S (under solvent liquidation)	Hellerup	K/S	100.00	63	6,559
MIF I no. 7 K/S (under solvent liquidation)	Hellerup	K/S	100.00	98	51
MIF I no. 10 K/S (under solvent liquidation)	Hellerup	K/S	100.00	208	24,569
MIF I no. 11 K/S	Hellerup	K/S	100.00	50	6,241
MIF I no. 14 K/S (under solvent liquidation)	Hellerup	K/S	100.00	38	12,213
MIF I no. 15 K/S	Hellerup	K/S	100.00	22	(291)
MIF I no. 16 K/S	Hellerup	K/S	100.00	(28)	(838)
MIF I no. 20 K/S	Hellerup	K/S	100.00	70,808	8,164
Maritime Investment Fund I Holding GP ApS	Hellerup	ApS	100.00	7	(1)
MIF I no. 1 GP ApS	Hellerup	ApS	100.00	7	(1)
MIF I no. 2 GP ApS	Hellerup	ApS	100.00	7	(1)
MIF I no. 3 GP ApS (under solvent liquidation)	Hellerup	ApS	100.00	5	2
MIF I no. 4 GP ApS (under solvent liquidation)	Hellerup	ApS	100.00	5	2
MIF I no. 7 GP ApS (under solvent liquidation)	Hellerup	ApS	100.00	7	1
MIF I no. 10 GP ApS (under solvent liquidation)	Hellerup	ApS	100.00	7	2
MIF I no. 11 GP ApS	Hellerup	ApS	100.00	9	(1)
MIF I no. 14 GP ApS (under solvent liquidation)	Hellerup	ApS	100.00	5	2
MIF I no. 15 GP ApS	Hellerup	ApS	100.00	8	(1)
MIF I no. 16 GP ApS	Hellerup	ApS	100.00	8	(1)
MIF I no. 20 GP ApS	Hellerup	ApS	100.00	12	(1)

The following Group companies with the legal form limited partnership have not submitted an annual report but instead submitted a declaration of exemption in accordance with the Danish Financial Statements Act section 5 (1) and 146 (1):

- Maritime Investment Fund I Holding K/S
- MIF I no. 1 K/S
- MIF I no. 2 K/S
- MIF I no. 3 K/S (under solvent liquidation)
- MIF I no. 4 K/S (under solvent liquidation)
- MIF I no. 7 K/S (under solvent liquidation)
- MIF I no. 10 K/S (under solvent liquidation)
- MIF I no. 11 K/S
- MIF I no. 14 K/S (under solvent liquidation)
- MIF I no. 15 K/S
- MIF I no. 16 K/S
- MIF I no. 20 K/S

Parent income statement for 2023

	Notes	2023 USD'000	2022 USD'000
Other external expenses	1	(468)	(697)
Gross profit/loss		(468)	(697)
Income from investments in group enterprises		90,677	124,641
Other financial income		396	11
Other financial expenses		(281)	(55)
Profit/loss for the year	2	90,324	123,900

Parent balance sheet at 31.12.2023

Assets

	Notes	2023 USD'000	2022 USD'000
Investments in group enterprises		72,087	270,230
Financial assets	3	72,087	270,230
Fixed assets		72,087	270,230
Receivables from group enterprises		126	67
Other receivables		0	2
Receivables		126	69
Cash		410	220
Current assets		536	289
Assets		72,623	270,519

Equity and liabilities

	Notes	2023 USD'000	2022 USD'000
Contributed capital		407,358	405,162
Reserve for net revaluation according to equity method		8,241	10,656
Retained earnings		(343,070)	(145,371)
Equity		72,529	270,447
Other payables		94	72
Current liabilities other than provisions		94	72
Liabilities other than provisions		94	72
Equity and liabilities		72,623	270,519
Contingent liabilities	4		
Assets charged and collateral	5		
Related parties with controlling interest	6		

Parent statement of changes in equity for 2023

	Contributed capital USD'000	Reserve for net revaluation according to the equity method USD'000	Retained earnings USD'000	Proposed extraordinary dividend USD'000	Total USD'000
Equity beginning of year	405,162	10,656	(145,371)	0	270,447
Increase of capital	2,196	0	0	0	2,196
Extraordinary dividend paid	0	0	0	(280,743)	(280,743)
Fair value adjustments of hedging instruments	0	0	(9,695)	0	(9,695)
Dividends from group enterprises	0	(93,092)	93,092	0	0
Profit/loss for the year	0	90,677	(281,096)	280,743	90,324
Equity end of year	407,358	8,241	(343,070)	0	72,529

The contributed capital are divided in shares with a nominal value of USD 1.

The investors have committed themselves to contributing up to USD 414.7m to the Fund. At 31 December 2023, the investors have contributed a net amount of USD 407.4m out of the combined contribution commitment, causing the balance commitment to stand at USD 7.3m.

Certain classes of shares are entitled to preferential return, provided that the fund's total IRR exceeds an agreed return in the Limited Partners Agreement.

Notes to parent financial statements

1 Other external expenses

The Company has no employees.

Management has not received any 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 2023.

2 Proposed distribution of profit and loss

	2023 USD'000	2022 USD'000
Extraordinary dividend distributed in the financial year	280,743	227,400
Retained earnings	(190,419)	(103,500)
	90,324	123,900

3 Financial assets

	Investments in group enterprises USD'000
Cost beginning of year	386,661
Additions	2,224
Cost end of year	388,885
Revaluations beginning of year	(116,431)
Share of profit/loss for the year	90,648
Dividend	(281,320)
Other adjustments	(9,695)
Revaluations end of year	(316,798)
Carrying amount end of year	72,087

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

4 Contingent liabilities

There is a remaining investment commitment of a total of USD 1.3m to Maritime Investment Fund I Holding K/S.

There are no contingent liabilities of the Company.

5 Assets charged and collateral

Maritime Investment Fund I K/S's equities in the following companies have been provided as collateral for the outstanding bank debt in the group.

- MIF I no. 20 K/S
- MIF I no. 20 GP ApS

6 Related parties with controlling interest

Maritime Investment Fund I K/S has no related parties with controlling interest.

Only related party transactions not conducted on an arm's length basis are disclosed in the financial statements. All related party transactions during the financial year have been conducted on an arm's length basis.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year, except that a reclassification has been made between retained earnings and reserve for fair value adjustments of hedging instruments in the consolidated statement of changes in equity.

The reporting currency is U.S. Dollar (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.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Foreign currency translation

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.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables. Swap payments falling due within 12 months are presented as a current asset or liability, and payments falling due after 12 months are presented as a long term asset or liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue from time charter and bareboat charter is recognised on a straight line basis over the duration of the charter.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Group's primary activities as well as gains and losses from the sale of the vessel including reversal depreciation regarding disposals.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including management fee to Navigare Capital partners A/S and technical management fees.

Depreciation, amortisation and impairment losses

Depreciation relating to the vessel comprise depreciation for the financial year, calculated on the basis of the residual values and useful lives of the vessel and impairment testing.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income

Other financial income comprises interest income and net exchange rate adjustments on transactions in foreign currencies, as well as realised gains from cash flow hedge instruments.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to bank and net exchange rate adjustments on transactions in foreign currencies, as well as realised loss from cash flow hedge instruments.

Balance sheet**Property, plant and equipment**

Property, plant and equipment includes vessels, who are measured at cost less accumulated depreciation and impairment losses. Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Vessels	25-30 years
BWTS	25-30 years
Dry Docking	5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

In the parent financial statements, investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Receivables

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

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in bank deposits.

Dividend

Dividend is recognized as a liability at the time of adoption. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognized directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other financial liabilities

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

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with purchase of property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans and instalments on interest-bearing debt.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short term bank loans.

Appendix A

Direct (Scope 1) GHG emissions

Direct GHG (Scope 1) emissions are emissions of CO₂ equivalents (including carbon dioxide (“CO₂”), methane (“CH₄”) and nitrous oxide (“N₂O”)), calculated based on fuel consumed by the vessels during the Fund’s ownership period using the carbon factors from the EU regulatory framework FuelEU for each specific fuel type: marine gas oil (“MGO”), heavy fuel oil (“HFO”), light fuel oil (“LFO”) and LNG. Methane slip is also included in the calculation based on the factors described in FuelEU. Global warming potential is estimated over a 100-year period. Fuel consumption is based on the vessels’ data reported to the International Maritime Organisation’s Data Collection System (“IMO DCS”) and verified by the classification societies, which are third-party organisations authorised by the flag state administration to conduct audits and certifications. In cases where verified data is unavailable, the data submitted for verification has been applied.

Indirect (Scope 2) GHG emissions

As vessels produce their own electricity, heating and cooling, they have no relevant activities to report under Scope 2 emissions.

Indirect (Scope 3) GHG emissions

Indirect GHG (Scope 3) emissions are emissions of CO₂ equivalents (including all seven Kyoto gases) resulting from value chain activities.

Carbon intensity alignment with the IMO’s targeted trajectory

The carbon intensity alignment score displays the Fund’s overall carbon intensity compared to that of the International Maritime Organisation (“IMO”). If verified fuel data reports are not yet available, the fuel data submitted for verification by third-party verifiers is used to calculate carbon intensity. The score has been derived as follows: for each vessel, an Annual Efficiency Ratio (“AER”) is calculated based on the methodology provided by the IMO. The individual AERs are benchmarked against the IMO’s AER target for that specific vessel type. The percentage difference between the two is weighted by the vessel’s design deadweight tonnage (dwt) and number of ownership days to arrive at the carbon intensity alignment score.

Emissions of sulphur oxides

Emissions of sulphur oxide (“SO_x”) are calculated using the methodology outlined in the Third IMO GHG Study. The sulphur content of the specific fuel types is identified by means of fuel analyses or alternatively bunker delivery notices. If none is available, the highest allowed sulphur content has been applied. For vessels equipped with scrubbers, the 0.1% and 0.5% sulphur content level allowed to be emitted has been applied to the proportion of fuel scrubbed to each respective level. Scrubbers capture sulphur particles during fuel combustion, so they are not released into the atmosphere. Fuel consumption is based on the vessels’ data reported to the IMO Data Collection System (“DCS”) database and verified by the classification societies, which are third party verifiers authorized by the flag state administration. If verified fuel data reports are not yet available, the fuel data submitted for verification by third-party verifiers is used.

Emissions of particulate matter

Emissions of particulate matter (“PM”) are calculated using the methodology outlined in the Third IMO GHG Study. The amount of PM emissions is calculated based on fuel consumption divided into fuel consumed per engine type - main engine, auxiliary engine and boilers. Consumption is then multiplied by the relevant emission factor as per the fuel and engine type described by the IMO Third GHG Study. The study does not contain emission factors for all relevant fuel types and hence the emission factors for HFO have been applied to all. Fuel consumption is based on the vessels’ data reported to the IMO Data Collection System (“DCS”) database and verified by the classification societies, which are third party verifiers authorised by the flag state administration.

If verified fuel data reports are not yet available, the fuel data submitted for verification by third-party verifiers is used.

Emissions of nitrogen oxides

Emissions of nitrogen oxide ("NOx") are calculated using the methodology outlined in the Third IMO GHG Study. NOx emissions are dependent on the engine's tier (based on construction date), consumption per engine type and the fuel type consumed. Verified fuel consumption has been applied and split into consumption per engine type, which has then been multiplied by the relevant emission factors provided by the IMO. The study does not contain emission factors for all relevant fuel types and hence the emission factors for HFO have been applied to all. Fuel consumption is based on the vessels' data reported to the IMO Data Collection System ("DCS") database and verified by the classification societies, which are third party verifiers authorised by the flag state administration. If verified fuel data reports are not yet available, the fuel data submitted for verification by third-party verifiers is used.

Emissions of carbon monoxide

Emissions of carbon monoxide ("CO") are calculated using the methodology outlined in the Third IMO GHG Study. The amount of CO emissions is calculated based on verified fuel consumption per engine type multiplied by the relevant emission factor given by the IMO. The study does not contain emission factors for all relevant fuel types and hence the emission factors for HFO have been applied to all. Fuel consumption is based on the vessels' data reported to the IMO Data Collection System ("DCS") database and verified by the classification societies, which are third party verifiers authorised by the flag state administration. If verified fuel data reports are not yet available, the fuel data submitted for verification by third-party verifiers is used.

Emissions of volatile compounds

Emissions of volatile compounds ("VOC") are calculated using the methodology outlined in the Third IMO GHG Study. The amount of VOC emissions is calculated based on verified fuel consumption per engine type multiplied by the relevant emission factor given by the IMO. Fuel consumption is based on the vessels' data reported to the IMO Data Collection System ("DCS") database and verified by the classification societies, which are third party verifiers authorized by the flag state administration. If verified fuel data reports are not yet available, the fuel data submitted for verification by third-party verifiers is used.

Total number of oil spills

Oil can be accidentally released from vessels into the ocean due to the grounding of vessels, hull failure or other accidents onboard vessels. Data on oil spills is reported quarterly by the vessels' technical managers to the Fund's inhouse Technical Directors.

Vessels with scrubbers installed

The number of vessels with a scrubber installed at the end of the year. Scrubbers are devices that remove sulphur particles during fuel combustion, so they are not released into the atmosphere. Whether a vessel has a scrubber can be identified on the vessel's International Air Pollution Prevention Certificate.

Vessels without ballast water treatment systems installed

The number of vessels without a ballast water treatment system installed at the end of the year. Ballast water treatment systems ("BWT system") prevent the introduction of invasive species during ballast water discharge. Whether the vessel has a BWT system in place and the type of the system can be identified on a vessel's International Ballast Water Management Certificate.

Vessels with IHM Hong Kong certificates

The percentage of vessels with Hong Kong inventory of hazardous materials (“HK IHM”) certificate at the end of the year. HK IHM is a structured system to control hazardous materials on board ships and achieve compliance with the Hong Kong Convention for the safe and Environmentally Sound Recycling of ships. Certificates are obtained from the classification societies, third-party organisations that are authorised by the flag state administration to conduct audits or certifications. The Hong Kong Convention enters into force 26 June 2025 and is relevant for all vessels operating in international waters.

Vessels with IHM EU certificates

The percentage of vessels with EU inventory of hazardous materials (“EU IHM”) certificate at the end of the year. EU IHM is a structured system to control hazardous materials on board ships and achieve compliance with the EU Ship Recycling Regulations (EU SRR). IHM certificates are obtained from the classification societies, third-party organisations that are authorised by the flag state administration to conduct audits or certifications.

As the EU SRR mandates all vessels calling EU ports to have an EU IHM certificate and as it covers an additional two materials compared to the HK IHM and may therefore be used for the verification and issuing of HK IHM, the EU IHM is the only prerequisite for vessels exclusively operating within European waters, as is often the case for for instance offshore wind vessels.

Lost time injuries

Lost time injuries records the number of safety incidents onboard vessels leading to lost time during the reporting year. Lost time incidents include fatalities, permanent total disabilities, permanent partial disabilities and lost workday cases. These incidents are reported quarterly by the technical managers and audited annually as part of the ship's International Safety Management ("ISM") audit.

Lost time injury frequency

Lost time injury frequency records the number of safety incidents onboard vessels leading to lost time per one million man hours worked during the reporting year. The number of man hours worked is calculated as the number of days each vessel is part of the fleet during the year multiplied by hours and the number of crew members on board each vessel. The lost time incidents are reported by the technical managers to the Fund's inhouse Technical Directors.

Port state controls

Number of port state controls undertaken by official port state surveyors during the reporting year. The technical management companies provide the port state control data in their quarterly KPI reporting along with the official port state control report. The KPI excludes vessels on bareboat charters, as the Fund has limited access to information on the operational conditions of these vessels.

Average deficiencies per port state control

Average number of deficiencies reported by the official port state surveyor per control during the reporting year. A deficiency is reported when there is non-compliance with or deviation from the requirements of international regulations. The technical management companies provide the port state control data in their quarterly KPI reporting, including the official port state control reports listing each specific deficiency, if any.

Port state control detentions

Number of detentions given as a result of a port state control during the reporting year. A detention is given when a deficiency presents an immediate threat to the ship, its personnel or the environment, which renders the ship unsafe to proceed to sea. The technical management companies provide the port state control data in their quarterly KPI reporting, including the official port state control reports. The report list the detention, if any.

MLC observations during port state controls

Number of maritime labour convention ("MLC") observations made during port state controls during the reporting year. An MLC observation occurs if there is non-compliance with or deviation from the requirements for the working and living conditions of seafarers onboard ships. The technical management companies provide the official port state control reports, where any MLC observations is listed.

Incidents where bribes have been requested

Number of incidents where bribes have been requested during the reporting year. A bribe is defined as a request for cash payments to secure or expedite a process. Vessels report each incident to the Maritime Anti-Corruption Network ("MACN") reporting system, as well as to the technical management companies, which include any bribery request incidents in their quarterly KPI reporting.

Incidents where facilitation payments have been requested

Number of incidents where facilitation payments have been requested during the reporting year. A facilitation payment is defined as a request for smaller items such as cigarettes or alcohol to induce officials to perform routine functions. Vessels report each incident to the Maritime Anti-Corruption Network ("MACN") reporting system as well as to the technical management companies, which include any facilitation payment requests in their quarterly KPI reporting.

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: Maritime Investment Fund I K/S (MIF I)
Legal entity identifier: 894500MO1NE7KYV9TG57

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

●● <input type="checkbox"/> Yes	●● <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments



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

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

- 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 dimensions.

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 vessels over 5,000 gross tonnes.

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 2023, the Fund's AER performance was estimated to be 1.3% below the targeted trajectory stipulated by the 2018 IMO strategy, and 3.9% above Navigare Capital's own targeted trajectory due to the poor performance of a few older and less energy-efficient vessels. In total, the Fund emitted roughly 200,000 tonnes of greenhouse gases in 2023.

Social:

Navigare Capital puts strong emphasis on the safety and wellbeing of both its onshore and offshore workforce. As a consequence of this, in 2023, the Fund

operated all its vessels under Danish flag, which ensures additional legal protections for all seafarers regardless of nationality, including the Danish regulations for injury compensation, sick pay and vacation. Furthermore, Danish-flagged vessels must also 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 2023, the Fund recorded almost 700,000 working hours onboard its time chartered vessels, with only one work-related safety incident, which did not result in lost time. The case did not cause significant harm. This is considered very low compared to industry standards and is in line with Navigare Capital's target of having a lost time incident frequency of below one.

Maritime Authorities around the world also continuously 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 11 port state controls in 2023. Following the port state controls, it had zero detentions, but an average of 0.82 deficiencies per port state control. This was largely due to nine deficiencies received on two vessels in the period between being sold and being delivered to the new owners, a period when the focus on maintaining the vessel's condition tends to wane. Navigare Capital is aware of this issue and will put more effort into avoiding this in the future. One deficiency during port state control inspections was a violation of the Maritime Labour Convention – the regulation covering seafarers' living and working conditions onboard vessels. All deficiencies were resolved immediately and a feedback loop enabled the Fund to avoid repetition of the deficiencies.

Governance:

Navigare Capital considers good corporate governance to be a cornerstone of its entire operation and way of doing business and thus has 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 2023, the Fund's time-chartered vessels 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 dimensions.

Environment:

The decrease in carbon intensity in 2023 was an improvement of roughly 4.6 percentage points compared to 2022, leaving the Fund on track to meet its 2025 target of a 35% reduction in carbon intensity compared to 2008. The favourable development in 2023 was the result of Navigare Capital's strong focus on portfolio effects, with the sale of nine vessels.

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, will also incentivise charterers to optimise speed and vessel performance.

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 2023, worsening market conditions within the container segment incentivised charterers to reduce speeds, leading to improved operational efficiency on certain vessels.

As a result of the above, GHG emissions, in particular Scope 1 emissions, along with other air emissions, also experienced a sharp decrease in 2023, while Scope 2 and 3 emissions remained roughly on a par with the previous year.

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 minimise its number of incidents from six lost time incidences in 2021 to zero in 2023, which is well below industry standards.

While the Fund experienced a drop in safety incidents, the number of deficiencies per port state control increased in 2023. This was largely due to nine deficiencies received on two vessels in the period between being sold and being delivered to

the new owners, a period when the focus on maintaining the vessel's condition tends to wane. Navigare Capital is aware of the issue and will put more effort into avoiding this in the future by strengthening the processes and controls. One deficiency during port state control inspections was a violation of the Maritime Labour Convention – the regulation covering seafarers' living and working conditions onboard vessels – which was rectified before leaving the port. This on the other hand was an improvement from the previous year.

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?***

Not applicable.

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

Not applicable.

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

Not applicable.

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.



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.

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

Before investment occurs, all potential assets 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 were evaluated more thoroughly.

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 has the technical, operational, and commercial responsibility of the assets and it is therefore possible for Navigare Capital to introduce its own guidelines especially within health and safety thus taking other adverse impact indicators like injuries, accidents and the like into consideration when choosing the technical manager of the vessels.

The Fund can also ensure that the principles and guidelines of conventions and known frameworks are adhered to and the technical managers were audited on a regular basis by the fund manager’s technical directors and by external third party specialists to ensure this.

Besides calculating and tracking the carbon intensity of the Fund’s fleet, it has also, in the recent two years, calculated the carbon intensity of a peer group of vessels measured by means of the EU MRV database. The EU MRV database covers all vessels when operating in European waters. Based on these calculations the Fund’s fleet is operated above that of the industry.

In the case of a bareboat agreement, the bareboat charterer has the corresponding responsibility while the Fund has the opportunity to incorporate requirements which consider principle adverse impacts, but the Fund does not have the possibility to

continuously follow up on the counterparties' compliance with this. However, before entering into a bareboat charter agreement, the fund manager makes reasonable investigations regarding the counterparty's experience, quality, resources, results and ESG practices.



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 1/1-2023 - 31/12-2023

Largest investments	Sector	% Assets	Country
<i>LNG carriers</i>	<i>Transportation of liquid natural gas</i>	<i>52%</i>	<i>100% Danish flagged</i>
<i>Container vessels</i>	<i>Transportation of various goods in truck-size containers</i>	<i>37%</i>	<i>100% Danish flagged</i>
<i>Product tankers</i>	<i>Transportation of refined oil</i>	<i>6%</i>	<i>100% Danish flagged</i>
<i>Crude tankers</i>	<i>Transportation of unrefined oil</i>	<i>5%</i>	<i>100% Danish flagged</i>



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.

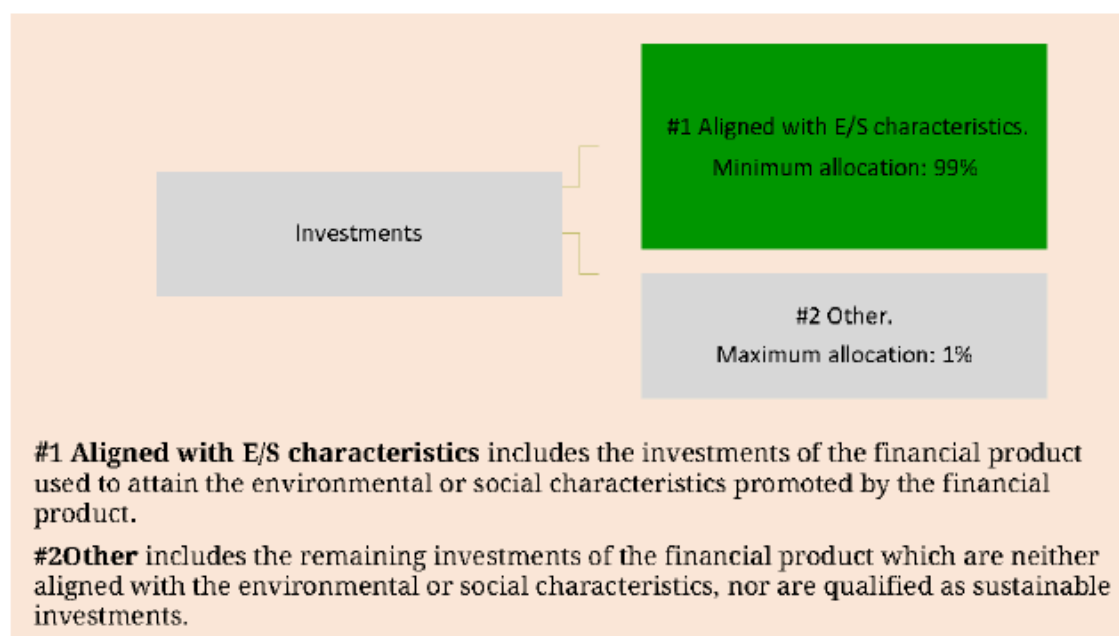
● **What was the asset allocation?**

Asset allocation describes the share of investments in specific assets.

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	100%

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 63% measured as assets under management during the year.



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

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?**

Yes:

In fossil gas

In nuclear energy

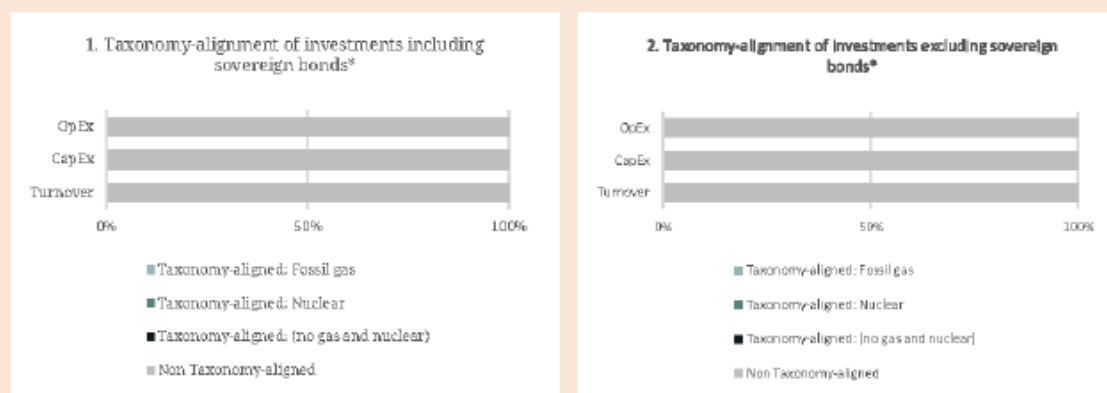
No

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.

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.

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?**

Not applicable.

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

It remains unchanged at zero.

 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?

During 2023 the Fund continued its efforts from 2021 and 2022 where it collaborated with a third-party specialist to develop a catalogue of suitable energy-saving devices for each vessel in its portfolio, while also looking into other ways of reducing its environmental impact.

In 2023, the IMO's carbon intensity index ("CII") also came into effect. This will incentivise charterers to operate the vessels as efficiently as possible as it requires all vessels to calculate their carbon intensity, based on which the vessels are graded from A to E, where A is best. If a vessel is ranked D for three consecutive years or E for one year, the Ship Energy Efficiency Management Plan ("SEEMP") must be updated with a corrective action plan to reach the reference line, C, and verified before the statement of compliance can be issued and operation can continue.

To support this, the Fund's charter contracts all included the BIMCO CII clause entitling the owners to order the vessel to adjust course and/or to reduce speed or RPM in order to reduce the carbon intensity of the vessel, thus ensuring that the vessels will be redelivered with the agreed CII grade. Following this, Navigare Capital's in-house team of experienced vessel operators also began monitoring CII compliance, in addition to monitoring that the operation of the vessels is in accordance with the limitations of the charter contracts and in compliance with Navigare Capital's ESG policy.

Furthermore, the Fund divested nine of its least energy-efficient vessels in 2023.

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 includes 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 the contract the Fund manager made reasonable investigations regarding the counterparty's experience, quality, resources, results and ESG practices and also incorporated additional requirements on health and safety, human rights and working conditions into these.



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

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

Not applicable

- **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.