
Navi Merchants A/S

Klubiensvej 22, DK-2150 Nordhavn

Annual Report for 2024

CVR No. 42 18 69 37

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 1/4 2025

Bjørn Norholdt
Eckford-Olsen
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Navi Merchants A/S for the financial year 1 January - 31 December 2024.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and of the results of the Company operations for 2024.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Nordhavn, 1 April 2025

Executive Board

Simon Christensen
CEO

Morten Peder Jensen
Executive Officer

Board of Directors

Torben Herman Christensen
Chairman

Simon Christensen

Gustav Jakobsen

Bjørn Norholdt Eckford-Olsen

Independent Auditor's report

To the shareholders of Navi Merchants A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Navi Merchants A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

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

Management's responsibilities for the Financial Statements

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

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

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the Financial Statements. We are responsible for the direction, supervision and review of the audit work performed. 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.

Hellerup, 1 April 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Ulrik Ræbild

State Authorised Public Accountant

mne33262

Oliver Svane

State Authorised Public Accountant

mne49837

Company information

The Company	Navi Merchants A/S Klubiensvej 22 DK-2150 Nordhavn CVR No: 42 18 69 37 Financial period: 1 January - 31 December Incorporated: 4 March 2021 Financial year: 4th financial year Municipality of reg. office: Copenhagen
Board of Directors	Torben Herman Christensen, chairman Simon Christensen Gustav Jakobsen Bjørn Norholdt Eckford-Olsen
Executive Board	Simon Christensen Morten Peder Jensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a 4-year period, the development of the Company is described by the following financial highlights:

	2024	2023	2022	2021
	TEUR	TEUR	TEUR	TEUR
Key figures				
Profit/loss				
Revenue	155,777	152,170	173,113	
Gross profit	792	3,437	9,833	936
Profit/loss of primary operations	-1,567	1,664	7,625	524
Profit/loss of financial income and expenses	2,158	2,306	4,309	183
Net profit/loss for the year	971	3,673	10,279	597
Balance sheet				
Balance sheet total	55,047	35,004	26,017	9,977
Investment in property, plant and equipment	51	0	0	0
Equity	16,264	13,284	11,575	1,270
Number of employees	15	12	9	8
Ratios				
Gross margin	0.5%	2.3%	5.7%	
Profit margin	-1.0%	1.1%	4.4%	
Return on assets	-2.8%	4.8%	29.3%	5.3%
Solvency ratio	29.5%	37.9%	44.5%	12.7%
Return on equity	6.6%	29.6%	160.0%	94.0%

The annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class C for the first time in 2021, why the financial highlights only includes four years.

The figures for 2021 relate to the period 4.3.2021 - 31.12.2021.

Explanation of financial ratios are disclosed in accounting policies - note 20.

Management's review

Activities and development in the year

The income statement of Navi Merchants A/S for 2024 shows a profit of EUR 970,785. As per 31st December 2024 the balance sheet of the Navi Merchants A/S shows an equity of EUR 16.3 million.

The financial result for the year fell below expectations primarily due to challenging dry bulk market conditions. The result is considered less satisfactory.

Business model

Navi Merchants Group (hereinafter “Navi Merchants”) is a private family-owned companies and operates within shipping and related activities.

Navi Merchants follows a common set of values.

- ❖ We are always in it for the long run
- ❖ We stay curious and passionate – and always ready to give that little extra
- ❖ Growing together is our mantra
- ❖ Challenges are opportunities in disguise
- ❖ Flat structure may not be the academic advise – yet we love it
- ❖ Integrity and trust are the drivers for our behavior
- ❖ Have fun

Trust is fundamental to our business. We prioritize integrity and ethical conduct in all our operations and partnerships, striving to build long-term, mutually beneficial relationships with our stakeholders.

Shipping

Navi Merchants provides turnkey freight solutions for dry bulk cargos - e.g. agricultural produce, biomass and steel products.

In the dry bulk freight segment, markets in 2024 were challenging with low freight levels in both the coaster and the minibulker segments.

Despite lower freight rates and low demand, Navi Merchants continued its growth strategy, Navi Merchants has six new coaster vessels under construction with MDL in Mumbai, the first vessel is expected to be delivered during 2nd quarter of 2026. In addition, Navi Merchants has taken 50% ownership stake in two coaster vessels, first vessel to be delivered in Q2/Q3 2025 and the second in Q1 2026 and signed TC agreements on multiple newbuild coaster vessels, as a further confirmation of the growth strategy with a focus on energy efficiency and sustainability. Navi Merchants only owned vessel (NM Copenhagen) was sold to a company which Navi Merchants is a co-owner.

The number of vessels on order is expected to further increase over the coming years.

By end of 2024, Navi Merchants had 7 coasters, 5 mini bulkers and 1 handysize vessels on time charter, along with other multiple-trip vessels to perform cargo commitments.

Management's review

The joint venture, Norse Maritime, continued to expand the fleet, which now comprises around 25 handysize and ultramax vessels with more vessel deliveries planned during 2025.

Market overview

There is a well-established consensus that climate change from global warming is also linked to the emission of greenhouse gasses from fossil fuels. Navi Merchants is seeking to optimise energy consumption and reduce use of fossil fuels. The installation of battery pack supporting a modern propulsion engine that runs on flexible low sulphur fuel on Navi Merchants new buildings will contribute to securing energy efficiency and thus minimizing emission of greenhouse gas.

Navi Merchants' market position is considered strong and growing in expanding markets, which implies that Navi Merchants' business prospect is deemed sound and has further potential to increase its activity and profitability based on being able to optimize operations and find arbitration opportunities across size segments and regions.

The past year and follow-up on development expectations from last year

In 2024, Navi Merchants delivered result before tax of EUR 590,672 which fell short of EUR 2m expectations stated in the 2023 annual report, primarily due to low freight levels in both the coaster and minibulker segments.

Special risks – Foreign exchange risks

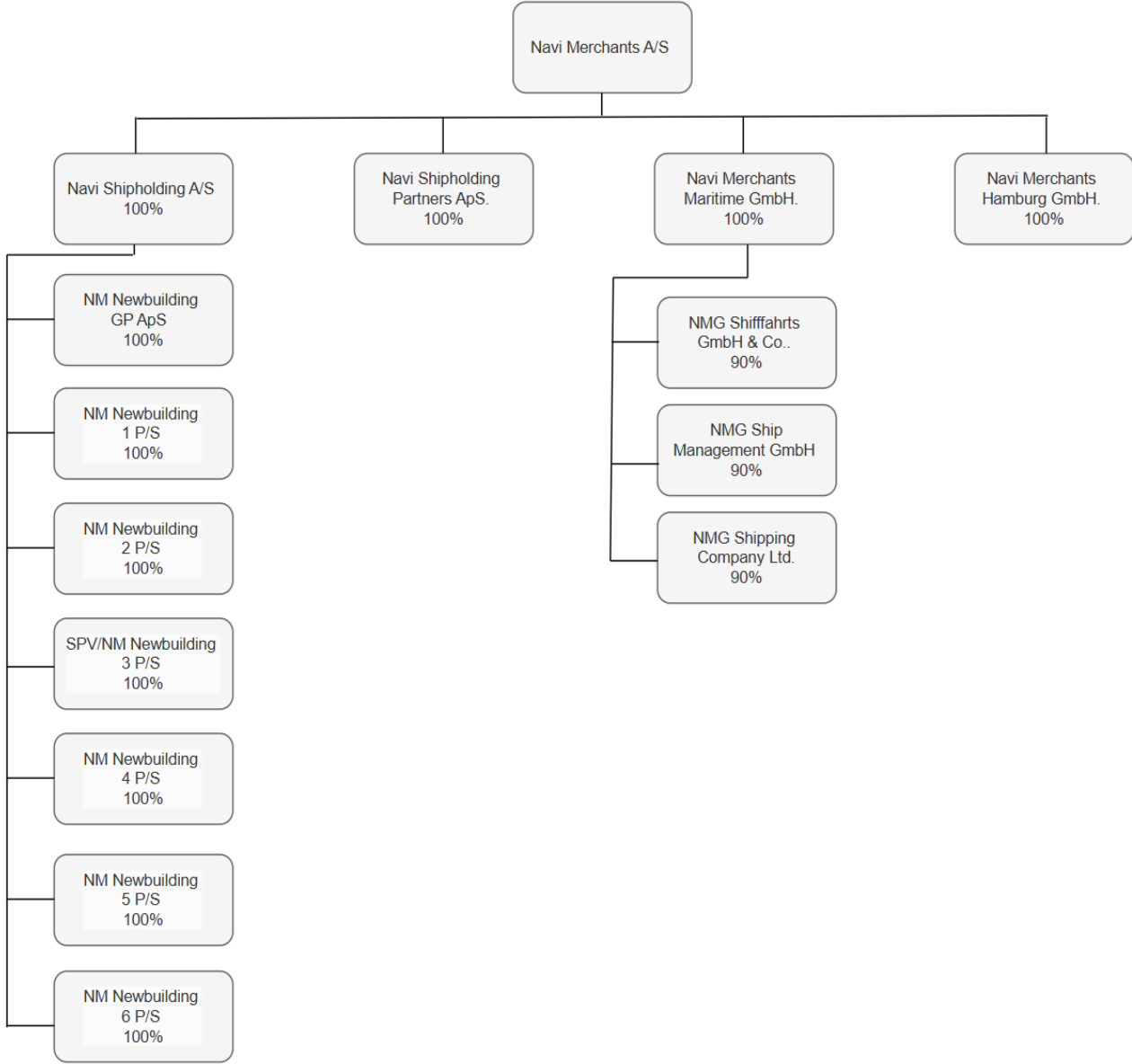
A proportion of the Company's revenue and purchases are made in other currencies than EUR. The hedging is primarily through forward foreign exchange contracts to hedge expected revenue and purchases. There are no speculative currency arrangements.

Targets and expectations for the year ahead

Considering the geo-political environment with significant impact on several industries, there is an inherent uncertainty attached to the forecast for 2025. Management expects result before tax in the range of EUR 1-5 million.

Management's review

Navi Merchants A/S structure



¹ Navi Merchants ultimate ownership in percentage

Management's review

Statement of corporate social responsibility

Navi Merchants approaches CSR by identifying the Group activities which directly or indirectly impact society and the environment throughout the value chain. Shipping Services consists of multiple activities, including shipping and chartering; however, the main focus will be chartering, as this is the core activity within Shipping Services.

As a Vessel operator, Navi Merchants generally has some direct CSR impact throughout the value chain. However, we recognize that doing business within these industries may entail externalities related to CSR which can negatively impact other parts of the value chain over which we have no direct control. Thus, we always aim to follow applicable regulations and recognised standards on good business conduct to mitigate negative impact. The links in the value chain of the relevant business areas and the related CSR concerns of each value chain link are illustrated below.

Management's review

Shipping

Logistics flow

Terminal Loading *(External activity)*



CM Group provides a terminal setup, including stevedoring and warehousing, but a major part of Navi Merchants' loading activities occur at external terminals. Navi Merchants adheres to international standards to ensure safety and quality. Proactive internal safety procedures are created to minimize risks of working hazards. Through the operational experience in warehousing and terminals, as well as adherence to applicable laws and schemes, we avoid damage or contamination of product and working hazards.

Chartering *(Core activity)*



Navi Merchants charters ocean-going tonnage for spot cargo in the most suitable and cost-efficient manner, adhering to relevant certification schemes and applicable international regulation and standards. Through Navi Merchants' own controlled fleet of vessels and operational experience in the dry bulk segment, we have a higher degree of control regarding minimizing risks of vessels of poor standard, as well as the risk of violation of human rights and environmental standards are present.

Operation *(Core activity)*



Navi Merchants ensures that ocean transportation from origination to destination is seamless and effective, including controlling contracts, goods and relevant certificates and regulations. Through contracts and legal documents, we ensure due diligence processes for suppliers. Through an increased focus on supplier due diligence, we aim to reduce the risk of money laundering and fraud in high-risk regions.

Terminal discharging *(External activity)*



CM provides a terminal setup, including stevedoring and warehousing, but a major part of Navi Merchants' discharging activities occur at external terminals. Navi Merchants adheres to international standards to ensure safety and quality. Proactive internal safety procedures are created to minimize risks of working hazards. Through the operational experience in warehousing and terminals, as well as adherence to applicable laws and schemes, we avoid damage or contamination of product and working hazards.

Management's review

Policies, activities, and results

Sustainable Development Goals

Navi Merchants has committed itself to work with the UN's Sustainable Development Goals (hereinafter "*SDGs*"), enabling dedicated work with sustainability, delivering environmental, social, and commercial value. Navi Merchants influences the 17 SDGs directly and indirectly; however, we have significant ability to provide solutions to the challenges within SDG #7 Affordable and clean energy and SDG #12 Responsible consumption and production, as these are core areas in Navi Merchants' business strategy. We are focusing on the following five targets related to the two SDGs.

- ❖ 7.3 Improve the global rate of energy efficiency.
- ❖ 12.2 Achieve the sustainable management and efficient use of natural resources.
- ❖ 12.5 Reduce waste generation through prevention, reduction, recycling, and reuse.
- ❖ 12.6 Encourage companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

Environment & Climate

Navi Merchants' policy on the environment is to incorporate sustainability, and efficient use of raw materials and fuels in everyday business decisions, e.g., in relation to the choice of business partners, agreements with suppliers and identification of opportunities.

When moving dry bulk cargo, Navi Merchants adheres to international standards and regulations on maritime pollution by following the International Maritime Organization's ("*IMO*") conventions on marine pollution and the International Convention for the Prevention of Pollution from Ships ("*MARPOL*"). To prevent contamination, combustion and capsizing of vessels, Navi Merchants ensures that shiploads meet legal requirements, that the cargo is described correctly, and that the vessels' loads will not affect the following shiploads. We use internal and external specialists for inspection to meet the described focus areas. Navi Merchants had no such incidents in 2024.

In Navi Merchants we recognize that shipping operation has impact on the environment and recognise the importance of biodiversity conservation, hence we are committed to the use of sustainable raw materials. We urge our partners and employees to build and operate vessels in accordance with environmental and economically solutions.

In the design and construction of the new buildings Navi Merchants has special focus on environmental and social impact of the construction and eventual operation of the vessels. We have a Code of Conduct that the shipyard must adhere to while building the ships, to mention a few - no child labour; anti-corruption; fair compensation of employees in accordance with national laws; equal opportunities for employees; consider sustainability when procuring power for the construction of our ships and high safety/health standards for their employees, amongst others. The propulsion of the newbuilding's' will be based on modern and energy efficient engines that run on low sulphur bunker (diesel fuel and bio-oils). We decided not to build vessels that run on future fuels like methanol, hydrogen etc. as (1) the supply of these fuels is very uncertain, (2) our vessels do not run in a fixed route and most often call smaller coaster ports, and (3) installation of a secondary fuel will have large negative effect of cargo capacity as they are often loaded up to max deadweight, i.e. space is more limited on small vessels than

Management's review

larger vessels. The vessels will be equipped with battery pack, solar panels and VentoFoil units (sails) to reduce energy consumption based on fossil fuels.

Human Rights

Good business conduct at Navi Merchants has always been part of the DNA; however, the increasing expansion of the business has called upon the establishment of a Code of Conduct to ensure common reference across the organisation, which put forward a set of values and guidelines based on business-economic, environmental, and social responsibilities, in which employees and representatives are expected to adhere to.

Navi Merchants adheres to international regulations to ensure humane working conditions and maritime safety. Navi Merchants follows IMO's conventions and protocols on marine safety, including other relevant international conventions and regulations; Safety of Life at Sea ("*SOLAS*") and ITF Seafarers' regulations. In 2024 no violations were identified.

Navi Merchants respects human, social and professional rights as listed in the UN's Guiding Principles on Business and Human Rights (UNGPs), and do not violate them. The right for privacy is a priority at Navi Merchants and we seek to comply with all aspects of the EU General Data Protection Regulation ("*GDPR*"). As a result, in 2024 and the years before, no human rights violations were identified. In the upcoming years, Navi Merchants will remain committed to complying with global regulations and augmenting our compliance protocols to safeguard human rights.

Corruption & bribery

Navi Merchants operates under corporate values and principles of best business practices and in accordance with trade rules and procedures subscribed by the EU and UN. A zero-tolerance policy regarding corruption and bribery is communicated clearly to employees as they are instructed in their work.

Navi Merchants has due diligence processes in place to ensure accountability from suppliers. During the due diligence process, Navi Merchants collects necessary documents, e.g., chain of custody contracts, company procedures and legal documents on a potential supplier. The Company interviews responsible key personnel and performs applicable risk analyses and assessments.

Before signing any contracts or making business transactions, Navi Merchants conducts risk assessments of new suppliers, clients, and business partners. For such assessments, Navi Merchants uses relevant industry contacts, including P&I Club and Bimco.

Based on risk assessments, selected suppliers are audited internally or with assistance from external consultants or auditors. Anti-corruption procedures and evaluation of internal mitigation measures are a part of Navi Merchants' annual sustainability audits. We expect the highest integrity standards in all business interactions; thus, contractual provisions against corruption and bribery are stipulated for risky areas.

Navi Merchants adheres to anti-corruption practices to eliminate corruption. We follow relevant certification schemes to conduct due diligence measures to mitigate the risks of corruption and money

Management's review

laundering – present in some parts of the industry. Moreover, we invest in long-term business relations to create a trusted network of carriers.

There were no reports of corruption in 2024. However, as Navi Merchants' operations continue to expand geographically, the need to avoid corruption and mitigate financial risks will increase. Consequently, Navi Merchants, as the year before has added further resources for internal controlling and added compliance resources for the Shipping operations. Going forward, Navi Merchants will continue to enhance and add additional measures according to industry standards, including further development of due diligence and KYC (Know Your Counterparty) processes.

Social Impact & Employee Welfare

Navi Merchants' policy is to provide good working conditions and fair terms to all employees. As most of Navi Merchants' employees are white-collar, the risk of accidents is considered very low. To continuously improve employee satisfaction and safeguard personal development, Navi Merchants maintains a flat organisational structure with open communication and a high level of trust between employees and leaders. This includes proactive identification of possible stress and measures to ensure a healthy work/life balance. Moreover, a new health check initiative was introduced to identify possible health risk. To further provide opportunities for our employees and to develop their professional and personal competencies, a Coaching Community was introduced. We continuously work on new initiatives to keep our employees engaged whilst experiencing career growth possibilities.

The aim of the Code of Conduct is to encourage an open dialogue on all issues related to Navi Merchants' business methods, compliance with Navi Merchants' policies or issues that are considered illegal. A Group Whistle blower scheme is set to ensure that all employees within the group have a forum to speak out about reprehensible practices. Since the introduction in 2022, no incidents have been recorded so far.

Navi Merchants continues to have a relatively low staff turnover in 2024 at 5.7%, lower than 2023 with 10.8%¹. This is a positive indicator of a good place to work. Several social initiatives have taken place throughout 2024 to sustain a good work environment and keep engagement levels high while complying with local safety requirements. Navi Merchants has focused on nurturing and developing trust between employees and business partners to decrease the psychological distance and bureaucracy while increasing performance and engagement.

Navi Merchants has for years supported students with cases for their thesis, student employment and internships. In 2024, Navi Merchants had an average of 3.5 student assistants, same number in 2023.

¹ Employee turnover is calculated as $\frac{\text{number of leavers}}{\left(\frac{\text{beginning+ending number of employees}}{2}\right)} * 100$ based on company

Management's review

Data Ethics

Right to privacy is essential to retain integrity at Navi Merchants. We put effort into ensuring that our data on employees and customers is secured and protected from misuse. Our policies include specific instructions on processing personal data in accordance with GDPR and provide information on data rights and ethics, such as how we process personal data, how it is stored, the right to information on stored data and its deletion.

Although the nature of our business does not involve the treatment of personal data through artificial intelligence, machine learning or other forms of algorithms, we continuously assess our digital development with respect to data ethics. Navi Merchants does not buy or process GDPR-relevant data from third parties and does not personalise products or services. We conduct internal assessments annually on data processing and ensure continuous awareness of data ethics where relevant through workshops.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

Russian invasion in Ukraine continued to impact the markets where Navi Merchants does business. Large volatility in regional volume availability and pricing presented significant challenges and opportunities.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet data.

Income statement 1 January - 31 December

	Note	2024	2023
		EUR	EUR
Revenue	1	155,777,026	152,170,417
Direct expenses		-151,378,702	-145,370,373
Other external expenses		-3,606,362	-3,363,385
Gross profit		791,962	3,436,659
Staff expenses	2	-2,277,017	-1,696,365
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-82,436	-76,792
Profit/loss before financial income and expenses		-1,567,491	1,663,502
Income from investments in subsidiaries		368,609	-115,495
Income from investments in associates		-254,397	1,076,115
Income from investments in participating interests		2,238,122	1,695,396
Financial income		2,624,503	238,177
Financial expenses	3	-2,818,674	-588,466
Profit/loss before tax		590,672	3,969,229
Tax on profit/loss for the year	4	380,113	-296,719
Net profit/loss for the year	5	970,785	3,672,510

Balance sheet 31 December

Assets

	Note	2024	2023
		EUR	EUR
Goodwill		141,838	218,324
Intangible assets	6	141,838	218,324
Other fixtures and fittings, tools and equipment		44,928	0
Property, plant and equipment	7	44,928	0
Investments in subsidiaries	8	7,158,318	4,433,505
Investments in associates	9	90,168	103,314
Investments in participating interests	10	7,950,717	5,265,063
Fixed asset investments		15,199,203	9,801,882
Fixed assets		15,385,969	10,020,206
Finished goods and goods for resale		1,866,843	3,207,834
Inventories		1,866,843	3,207,834
Trade receivables		10,148,177	15,525,650
Receivables from group enterprises		8,860,763	5,640
Other receivables	15	2,177,399	21,370
Deferred tax asset	11	895,718	558,702
Corporation tax receivable from group enterprises		121,327	50,424
Prepayments	12	2,807,349	3,610,127
Receivables		25,010,733	19,771,913
Cash at bank and in hand		12,783,300	2,004,088
Current assets		39,660,876	24,983,835
Assets		55,046,845	35,004,041

Balance sheet 31 December

Liabilities and equity

	Note	2024	2023
		EUR	EUR
Share capital		672,395	672,395
Reserve for net revaluation under the equity method		8,587,609	4,127,715
Reserve for hedging transactions		-350,002	-251,413
Retained earnings		7,354,183	8,735,732
Equity		16,264,185	13,284,429
Other provisions	13	2,485,000	2,175,000
Provisions		2,485,000	2,175,000
Credit institutions		2,480,684	0
Payables to group enterprises		10,000,000	0
Long-term debt	14	12,480,684	0
Prepayments received from customers		3,803,997	3,678,977
Trade payables		1,313,252	2,426,631
Payables to group enterprises	14	12,133,171	9,627,784
Other payables	15	6,566,556	3,811,220
Short-term debt		23,816,976	19,544,612
Debt		36,297,660	19,544,612
Liabilities and equity		55,046,845	35,004,041
Contingent assets, liabilities and other financial obligations	16		
Related parties	17		
Fee to auditors appointed at the general meeting	18		
Subsequent events	19		
Accounting Policies	20		

Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Reserve for hedging transactions	Retained earnings	Total
	EUR	EUR	EUR	EUR	EUR
Equity at 1 January	672,395	4,127,715	-251,413	8,735,732	13,284,429
Exchange adjustments relating to foreign entities	0	447,532	0	0	447,532
Fair value adjustment of hedging instruments, end of year	0	1,660,028	-126,396	0	1,533,632
Tax on adjustment of hedging instruments for the year	0	0	27,807	0	27,807
Net profit/loss for the year	0	2,352,334	0	-1,381,549	970,785
Equity at 31 December	672,395	8,587,609	-350,002	7,354,183	16,264,185

Notes to the Financial Statements

	2024	2023
	EUR	EUR
1. Revenue		
Geographical segments		
Revenue, Denmark	71,068,202	68,677,545
Revenue, outside Denmark	84,708,824	83,492,872
	<u>155,777,026</u>	<u>152,170,417</u>

The Company is not considered to have different business segments.

	2024	2023
	EUR	EUR
2. Staff expenses		
Wages and salaries	2,015,219	1,460,323
Pensions	233,899	219,968
Other social security expenses	21,928	11,847
Other staff expenses	5,971	4,227
	<u>2,277,017</u>	<u>1,696,365</u>

Including remuneration to the Executive Board and Board of Directors:

Executive board	596,624	259,026
Board of directors	116,639	53,684
	<u>713,263</u>	<u>312,710</u>

Average number of employees	<u>15</u>	<u>12</u>
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	2024	2023
	EUR	EUR
3. Financial expenses		
Interest paid to group enterprises	522,899	150,125
Other financial expenses	2,161,721	33,128
Exchange adjustments, expenses	134,054	405,213
	<u>2,818,674</u>	<u>588,466</u>

Notes to the Financial Statements

	<u>2024</u>	<u>2023</u>
	EUR	EUR
4. Income tax expense		
Current tax for the year	-70,904	-50,424
Deferred tax for the year	-337,016	276,232
	<u>-407,920</u>	<u>225,808</u>
thus distributed:		
Income tax expense	-380,113	296,719
Tax on equity movements	-27,807	-70,911
	<u>-407,920</u>	<u>225,808</u>
	<u>2024</u>	<u>2023</u>
	EUR	EUR
5. Profit allocation		
Reserve for net revaluation under the equity method	2,352,334	1,414,802
Retained earnings	-1,381,549	2,257,708
	<u>970,785</u>	<u>3,672,510</u>
6. Intangible fixed assets		
		<u>Goodwill</u>
		EUR
Cost at 1 January		384,896
Cost at 31 December		<u>384,896</u>
Impairment losses and amortisation at 1 January		166,572
Amortisation for the year		76,486
Impairment losses and amortisation at 31 December		<u>243,058</u>
Carrying amount at 31 December		<u>141,838</u>
Amortised over		<u>5 years</u>

Notes to the Financial Statements

7. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	<u>EUR</u>
Cost at 1 January	0
Additions for the year	<u>50,878</u>
Cost at 31 December	<u>50,878</u>
Impairment losses and depreciation at 1 January	0
Depreciation for the year	<u>5,950</u>
Impairment losses and depreciation at 31 December	<u>5,950</u>
Carrying amount at 31 December	<u>44,928</u>
Amortised over	<u>3 years</u>

Notes to the Financial Statements

	2024	2023
	EUR	EUR
8. Investments in subsidiaries		
Cost at 1 January	4,549,000	0
Additions for the year	696,176	4,549,000
Cost at 31 December	<u>5,245,176</u>	<u>4,549,000</u>
Value adjustments at 1 January	-115,495	0
Net profit/loss for the year	368,609	-115,495
Fair value adjustment of hedging instruments for the year	1,660,028	0
Value adjustments at 31 December	<u>1,913,142</u>	<u>-115,495</u>
Carrying amount at 31 December	<u>7,158,318</u>	<u>4,433,505</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Navi Merchants Maritime GmbH	Germany	TEUR 5,129	100%
- NMG Schifffahrts GmbH & Co KG	Germany	TEUR 3,100	90%
- NMG Ship Management GmbH	Germany	TEUR 13	90%
- NMG Shipping Company LTD	Germany	0	90%
Navi Merchants Hamburg GmbH	Germany	TEUR 25	100%
Navi Shipholding Partners ApS	Copenhagen	TDKK 40	100%
Navi Shipholding A/S	Copenhagen	TDKK 400	100%
- NM Newbuilding 1 P/S	Copenhagen	TDKK 400	100%
- NM Newbuilding 2 P/S	Copenhagen	TDKK 400	100%
- NM Newbuilding 3 P/S	Copenhagen	TDKK 400	100%
- NM Newbuilding 4 P/S	Copenhagen	TDKK 400	100%
- NM Newbuilding 5 P/S	Copenhagen	TDKK 400	100%
- NM Newbuilding 6 P/S	Copenhagen	TDKK 400	100%
- NM Newbuilding GP ApS	Copenhagen	TDKK 40	100%

Notes to the Financial Statements

	2024	2023
	EUR	EUR
9. Investments in associates		
Cost at 1 January	268,413	978,946
Additions for the year	241,251	268,413
Disposals for the year	0	-122,192
Transfers for the year	0	-856,754
Cost at 31 December	<u>509,664</u>	<u>268,413</u>
Value adjustments at 1 January	-165,099	4,665,709
Disposals for the year	0	-582,377
Net profit/loss for the year	-254,397	-165,099
Transfers for the year	0	-4,083,332
Value adjustments at 31 December	<u>-419,496</u>	<u>-165,099</u>
Carrying amount at 31 December	<u>90,168</u>	<u>103,314</u>

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Ownership
CM Navigator A/S	Copenhagen	TDKK 10,000	20%

Notes to the Financial Statements

	2024	2023
	EUR	EUR
10. Investments in participating interests		
Cost at 1 January	856,754	0
Transfers for the year	0	856,754
Cost at 31 December	<u>856,754</u>	<u>856,754</u>
Value adjustments at 1 January	4,408,309	0
Exchange adjustment	447,532	-161,500
Net profit/loss for the year	2,238,122	1,695,396
Dividend to the Parent Company	0	-1,208,919
Transfers for the year	0	4,083,332
Value adjustments at 31 December	<u>7,093,963</u>	<u>4,408,309</u>
Carrying amount at 31 December	<u>7,950,717</u>	<u>5,265,063</u>

Investments in participating interests are specified as follows:

Name	Place of registered office	Share capital	Ownership
Norse Maritime A/S	Copenhagen	TDKK 1,100	13%

	2024	2023
	EUR	EUR
11. Deferred tax asset		
Deferred tax asset at 1 January	558,702	834,934
Amounts recognised in the income statement for the year	337,016	-276,232
Deferred tax asset at 31 December	<u>895,718</u>	<u>558,702</u>

The recognised tax asset primarily comprises timing differences relating provisions and tax losses carried forward. In the years ahead, the Company or the group of jointly taxed enterprises expect to realise the recognised deferred tax asset; on that basis, the asset has been recognised at 31 December 2024.

12. Prepayments

Prepayments consist of prepaid expenses concerning insurance premiums, subscriptions, freight and time charter vessels.

Notes to the Financial Statements

	<u>2024</u>	<u>2023</u>
	EUR	EUR
13. Other provisions		
Other provisions consist of onerous freight contracts that are ongoing at the balance sheet date. All contracts will be completed in 2025-2026.		
Onerous contracts	<u>2,485,000</u>	<u>2,175,000</u>
	2,485,000	2,175,000
The provisions are expected to mature as follows:		
Within 1 year	1,614,000	2,175,000
Between 1 and 5 years	871,000	0
After 5 years	0	0
	<u>2,485,000</u>	<u>2,175,000</u>
	<u>2024</u>	<u>2023</u>
	EUR	EUR
14. Long-term debt		
Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.		
The debt falls due for payment as specified below:		
Credit institutions		
After 5 years	0	0
Between 1 and 5 years	<u>2,480,684</u>	<u>0</u>
Long-term part	2,480,684	0
Within 1 year	0	0
	<u>2,480,684</u>	<u>0</u>
Payables to group enterprises		
After 5 years	0	0
Between 1 and 5 years	<u>10,000,000</u>	<u>0</u>
Long-term part	10,000,000	0
Other short-term debt to group enterprises	<u>12,133,171</u>	<u>9,627,784</u>
	22,133,171	9,627,784

Notes to the Financial Statements

	2024	2023	
	EUR	EUR	
15. Derivative financial instruments			
Derivative financial instruments contracts in the form of forward exchange contracts and options have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:			
Assets	2,130,751	0	
Liabilities	2,579,471	322,324	
	Value adjustment, income statement	Value adjustment, equity	
	EUR	EUR	
	Fair value at 31. December	EUR	
Bunker	0	-197,451	-448,721
Forward Freight Agreement	0	98,862	0
FX options (assets)	732,474	0	732,474
FX options (liabilities)	-732,474	0	-732,474
Forward exchange contracts (assets)	1,398,276	0	1,398,276
Forward exchange contracts (liabilities)	-1,461,012	0	-1,398,276
	2024	2023	
	EUR	EUR	
16. Contingent assets, liabilities and other financial obligations			
Rental and lease obligations			
Lease obligations under operating leases. Total future lease payments:			
Within 1 year	14,278,884	27,577,994	
Between 1 and 5 years	4,898,491	117,213	
	<u>19,177,375</u>	<u>27,695,207</u>	

The total future rental and lease payments primarily consist of rent and Time Charter agreements.

Notes to the Financial Statements

2024	2023
EUR	EUR

16. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of CM Holding A/S, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

17. Related parties and disclosure of consolidated financial statements

Basis

Controlling interest

CM Holding A/S
Klubiensvej 22
2150 Nordhavn, Denmark

Parent Company

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(6) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest group:

Name	Place of registered office
CM Holding A/S	Klubiensvej 22, 2150 Nordhavn

18. Fee to auditors appointed at the general meeting

In accordance with section 96(3) of the Danish Financial Statements Act, fees paid the auditors appointed at the annual general meeting has been omitted as it is included in the consolidated financial statements in CM Holding A/S.

19. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

20. Accounting policies

The Annual Report of Navi Merchants A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2024 are presented in EUR.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2024 of CM Holding A/S, the Company has not prepared consolidated financial statements.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of CM Holding A/S, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Notes to the Financial Statements

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Segment information on revenue

Information on geographical segments is based on the Company's risks and returns and its internal financial reporting system.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Direct expenses

Direct expenses primarily include operating expenses for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Notes to the Financial Statements

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Income from investments in subsidiaries, associates and participating interests

The items "Income from investments in subsidiaries", "Income from investments in associates" and "Income from investments in participating interests" in the income statement include the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with the Group's other Danish companies. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 5 years, determined on the basis of Management's experience with the individual business areas.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3 years
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries, associates and participating interests

Investments in subsidiaries, associates and participating interests are recognised and measured under the equity method.

The items “Investments in subsidiaries”, “Investments in associates” and “Investments in participating interests” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries, associates and participating interests is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries, the associates and the participating interests.

Subsidiaries, associates and participating interests with a negative net asset value are recognised at EUR 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums and subscriptions.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Notes to the Financial Statements

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.

Financial Highlights

Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit/loss of primary operations} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit/loss of primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$