Maritime Investment Fund II K/S

Strandvejen 70
2900 Hellerup
CVR No. 40251898

Annual report 2024

The Annual General Meeting adopted the annual report on 13.03.2025

Henrik Ramskov
Chairman of the General Meeting

Contents

Entity details

Entity

Maritime Investment Fund II K/S
Strandvejen 70
2900 Hellerup

Business Registration No.: 40251898
Date of foundation: 11.02.2019
Registered office: Gentofte
Financial year: 01.01.2024 - 31.12.2024

Executive Board

Maritime GP F II 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 II K/S for the financial year 01.01.2024 - 31.12.2024.

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

In our opinion, the 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 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024.

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

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

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

Hellerup, 13.03.2025

Executive Board

Maritime GP F II ApS

Independent auditor's report

To the Limited Partners of Maritime Investment Fund II K/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Maritime Investment Fund II K/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, 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 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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. hereinafter 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, 13.03.2025

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

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

Bill Haudal Pedersen
State Authorised Public Accountant
Identification No (MNE) mne30131

Management commentary

Financial highlights

	2024 USD'000	2023 USD'000	2022 USD'000	2021 USD'000	2020 USD'000
Key figures					
Revenue	118,896	71,288	44,247	48,448	24,687
Gross profit/loss	124,673	52,521	47,279	49,435	17,246
Operating profit/loss	92,522	36,437	36,101	36,929	11,225
Net financials	(14,599)	(24,187)	(6,594)	(6,721)	(4,732)
Profit/loss for the year	77,886	3,511	29,506	30,204	6,488
Profit for the year excl. minority interests	70,592	310	29,765	30,204	6,488
Balance sheet total	759,873	697,097	394,563	334,967	295,688
Investments in property, plant and equipment	653,497	600,161	309,659	70,000	290,510
Equity	249,068	285,090	137,741	133,750	65,714
Equity excl. minority interests	212,822	253,297	111,544	133,750	65,714
Ratios					
Gross margin (%)	104.85	73.58	106.85	102.04	69.86
Net margin (%)	65.51	4.91	66.68	62.34	26.28
Return on equity (%)	33.42	1.66	21.74	30.29	19.62
Equity ratio (%)	28.01	36.34	28.27	39.93	22.22

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

Gross margin (%):
<u>Gross profit/loss * 100</u>
Revenue

Net margin(%):
<u>Profit/loss for the year* 100</u>
Revenue

Return on equity (%)
<u>Profit/loss for the year * 100</u>
Average equity

Equity ratio (%):
Equity excl. minority interests * 100
Balance sheet total

Primary activities

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

The fund targets an attractive return, with the majority of the investment return derived from a predictable operating cash yield, paid out quarterly. This is achieved by making long-term investments in a diversified portfolio of shipping assets whereby investors benefit from the low correlation between the shipping segments, which is driven by the segment-specific underlying demand drivers. In addition to investing across multiple shipping segments, the fund ensures fixed employment contracts through multiple counterparties and it has a conservative approach to financing.

In Q3 2023, MIF II made its final investments and concluded its investment period, having invested in 23 commercial vessels across six shipping segments: container vessels, tankers, dry cargo vessels, gas carriers, offshore wind vessels and RoRo vessels. By the end of 2024, the fund had 18 vessels on the water, having divested five vessels.

Development in activities and finances

In 2024, the profit was USD 78m against 4m in 2023. The profit for the year was positively impacted by “Other operating income” of USD 37m against USD 2m in 2023. In 2024, this was primarily related to gains from divestment of vessels whereas no vessels were divested in 2023. Management considers the result for the year to be satisfactory and in line with the expectations given in the 2022 annual report.

During 2024, the fund took delivery of the six remaining vessels: three container feeder vessels in the Schoeller Holding LTD joint venture and three CSOV offshore wind vessels in the subsidiary Norwind Shipholding AS (Norwind). In Q3 2024, the fund divested two container vessels and the fund has thus divested five out of the 23 vessels. By the end of 2024, the fund had 18 vessels on the water.

The development in the financial year’s activities was in line with the business strategy.

Profit/loss for the year in relation to expected developments

The profit/loss for the year was as expected.

Outlook

For 2025, management expects a positive revenue in the range of USD 130-140m and a profit in the range of USD 45-55m.

Compared to 2024, the outlook is positively impacted by the full-year effect from the six vessels (three newbuild offshore wind support vessels (CSOVs) and three container feeder vessels) which the fund took delivery of during 2024. This effect is partly offset by the full-year effect of the divestment of two container vessels in 2024.

Material assumptions and uncertainties

The outlook excludes any financial effects from potential divestments during the year. Additionally, the Group’s expectations depend on the earnings in group enterprises, the developments in the fair market value of maritime assets and the development of the exchange rate between USD and NOK as well as UAS and EUR due to the significant Norwegian activities.

Statutory report on corporate social responsibility

Navigare Capital is early adopting and complies with the updated legislation regarding § 99a (CSRD), under which it, as an AIF, are exempt from the statutory report on corporate social responsibility according to § 99a, stk. 13.

Statutory report on data ethics policy

Navigare Capital and MIF II 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 II 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.

Consolidated income statement for 2024

	Notes	2024 USD'000	2023 USD'000
Revenue	1	118,896	71,288
Other operating income		36,898	2,029
Other external expenses	2	(31,121)	(20,796)
Gross profit/loss		**124,673**	**52,521**
Depreciation, amortisation and impairment losses		(31,574)	(15,796)
Other operating expenses		(577)	(288)
Operating profit/loss		**92,522**	**36,437**
Income from investments in associates		(33)	(8,726)
Other financial income		11,202	2,332
Other financial expenses		(25,801)	(26,519)
Profit/loss before tax		**77,890**	**3,524**
Tax on profit/loss for the year		(4)	(13)
Profit/loss for the year	3	**77,886**	**3,511**

Consolidated balance sheet at 31.12.2024

Assets

	Notes	2024 USD'000	2023 USD'000
Ships		653,497	600,161
Property, plant and equipment	4	**653,497**	**600,161**
Investments in associates		48,436	55,346
Other receivables		375	1,668
Financial assets	5	**48,811**	**57,014**
Fixed assets		**702,308**	**657,175**
Other receivables		34,056	13,127
Derivative financial instruments		1,719	0
Prepayments	6	406	57
Receivables		**36,181**	**13,184**
Cash		**21,384**	**26,738**
Current assets		**57,565**	**39,922**
Assets		**759,873**	**697,097**

Equity and liabilities

	Notes	2024 USD'000	2023 USD'000
Contributed capital		340,389	300,055
Reserve for fair value adjustments of hedging instruments		2,094	5,738
Retained earnings		(129,661)	(52,496)
Equity belonging to Parent's shareholders		**212,822**	**253,297**
Equity belonging to minority interests		**36,246**	**31,793**
Equity		**249,068**	**285,090**
Bank loans		422,008	329,760
Derivative financial instruments		4,354	0
Other payables		9,853	13,132
Non-current liabilities other than provisions	7	**436,215**	**342,892**
Current portion of non-current liabilities other than provisions	7	42,241	32,245
Bank loans		3,650	27,964
Tax payable		4	0
Derivative financial instruments		1,557	0
Other payables		26,730	5,570
Deferred income	8	408	3,336
Current liabilities other than provisions		**74,590**	**69,115**
Liabilities other than provisions		**510,805**	**412,007**
Equity and liabilities		**759,873**	**697,097**
Employees	10		
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 2024

	Contributed capital USD'000	Reserve for fair value adjustments of hedging instruments USD'000	Retained earnings USD'000	Proposed extraordinary dividend USD'000	Equity belonging to Parent's shareholders USD'000
Equity beginning of year	300,055	5,738	(52,496)	0	253,297
Effect of mergers and business combinations	0	0	(406)	0	(406)
Increase of capital	40,334	0	0	0	40,334
Decrease of capital	0	0	0	0	0
Extraordinary dividend paid	0	0	0	(140,300)	(140,300)
Exchange rate adjustments	0	0	(9,005)	0	(9,005)
Fair value adjustments of hedging instruments	0	(2,750)	1,954	0	(796)
Dissolution of reserves	0	(894)	0	0	(894)
Profit/loss for the year	0	0	(69,708)	140,300	70,592
Equity end of year	**340,389**	**2,094**	**(129,661)**	**0**	**212,822**

	Equity belonging to minority interests USD'000	Total USD'000
Equity beginning of year	31,793	285,090
Effect of mergers and business combinations	213	(193)
Increase of capital	0	40,334
Decrease of capital	(2,068)	(2,068)
Extraordinary dividend paid	0	(140,300)
Exchange rate adjustments	(986)	(9,991)
Fair value adjustments of hedging instruments	0	(796)
Dissolution of reserves	0	(894)
Profit/loss for the year	7,294	77,886
Equity end of year	**36,246**	**249,068**

Consolidated cash flow statement for 2024

	Notes	2024 USD'000	2023 USD'000
Operating profit/loss		92,522	36,437
Amortisation, depreciation and impairment losses		31,574	15,796
Working capital changes	9	(5,342)	3,387
Cash flow from ordinary operating activities		**118,754**	**55,620**
Financial income received		2,201	1,468
Financial expenses paid		(21,687)	(22,379)
Taxes refunded/(paid)		0	(12)
Cash flows from operating activities		**99,268**	**34,697**
Acquisition etc. of property, plant and equipment		(144,455)	(343,101)
Sale of property, plant and equipment		41,015	0
Acquisition of fixed asset investments		0	(40,490)
Repayments received		18,877	0
Cash flows from investing activities		**(84,563)**	**(383,591)**
Free cash flows generated from operations and investments before financing		**14,705**	**(348,894)**
Loans raised		177,170	235,178
Repayments of loans etc.		(93,792)	(88,884)
Contributions from Limited Partners		40,334	170,139
Distributions to Limited Partners		(140,300)	(19,250)
Cash flows from financing activities		**(16,588)**	**297,183**

Increase/decrease in cash and cash equivalents	**(1,883)**	**(51,711)**
Cash and cash equivalents beginning of year	26,738	78,585
Currency translation adjustments of cash and cash equivalents	(3,471)	(136)
Cash and cash equivalents end of year	**21,384**	**26,738**
Cash and cash equivalents at year-end are composed of:		
Cash	21,384	26,738
Cash and cash equivalents end of year	**21,384**	**26,738**

Notes to consolidated financial statements

1 Revenue

The individual vessels sails all over the world and are not limited 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. The Group has revenue in other currencies than the reporting currency. In 2024 the split was USD: 37%, DKK: 22%, EUR: 41%.

2 Fees to the auditor appointed by the Annual General Meeting

	2024 USD'000	2023 USD'000
Statutory audit services	117	111
Other assurance engagements	11	10
Tax services	46	162
Other services	171	112
	345	**395**

3 Proposed distribution of profit/loss

	2024 USD'000	2023 USD'000
Extraordinary dividend distributed in the financial year	140,300	19,250
Retained earnings	(69,708)	(18,940)
Minority interests' share of profit/loss	7,294	3,201
	77,886	**3,511**

4 Property, plant and equipment

	Ships USD'000
Cost beginning of year	637,501
Exchange rate adjustments	(12,477)
Additions	137,939
Disposals	(49,600)
Cost end of year	**713,363**
Depreciation and impairment losses beginning of year	(37,340)
Exchange rate adjustments	163
Depreciation for the year	(31,274)
Reversal regarding disposals	8,585
Depreciation and impairment losses end of year	**(59,866)**
Carrying amount end of year	**653,497**

5 Financial assets

	Investments in associates USD'000	Other receivables USD'000
Cost beginning of year	55,346	1,668
Additions	1,831	0
Disposals	(8,741)	(1,293)
Cost end of year	**48,436**	**375**
Carrying amount end of year	**48,436**	**375**

Associates	Registered in	Ownership %
SN Shipping LLP	Cyprus	50.00

6 Prepayments

Prepayments comprise incurred costs relating to operations.

7 Non-current liabilities other than provisions

	Due within 12 months 2024 USD'000	Due within 12 months 2023 USD'000	Due after more than 12 months 2024 USD'000
Bank loans	42,241	32,245	422,008
Derivative financial instruments	0	0	4,354
Other payables	0	0	9,853
	42,241	**32,245**	**436,215**

No liabilities are outstanding after 5 years.

The share of the Group's bank loans falling due within 5 months constitutes USD 10.6m.

8 Deferred income

Deferred income mainly constitute pre-invoiced revenue.

9 Changes in working capital

	2024 USD'000	2023 USD'000
Increase/decrease in receivables	(7,482)	2,662
Increase/decrease in trade payables etc.	2,140	725
	(5,342)	**3,387**

10 Employees
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 2024.

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 debt 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 6.4m to group companies.

There are no contingent liabilities of the Group.

13 Assets charged and collateral
Maritime Investment Fund II Holding K/S has joint and several liability for all bank loans entered into by the subsidiaries in Maritime Investment Fund II Holding K/S. The bank loans have an unpaid balance of USD 315m.

Furthermore, Maritime Investment Fund II Holding K/S has provided guarantee of 50 % of the loans in SN Shipping LLP Group of total USD 63m.

The Company's subsidiares listed in note 15 have provided collateral for all bank loans. All collateral have been provided based on terms which are normal within the industry.
- Mortgage deed registrered to the vessel with a carrying amount of USD 653m.
- Assignment of earnings of the vessel.
- Assignment of the insurance amount of the vessel.

Maritime Investment Fund II K/S has furthermore entered into an uncommitted revolving credit facility with SEB of USD 60m, where the outstanding loans are USD 3.65m. As security for the facility, the investors in Maritime Investment Fund II K/S have assigned USD 60m (100% of the facility amount) of the remaining commitments to Maritime Investment Fund II K/S.

14 Transactions with related parties
Maritime Investment Fund II K/S has no related parties with controlling interest.

Only related party transactions not conducted on an arm's lenght basis are disclosed in the financial statements. All related party transactions during the financial year have been conducted on an arm's lenght basis including the related transactions with Navigare Capital Partners A/S in relation to management fee.

Transactions between Maritime Investment Fund II 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 II Holding K/S	Hellerup	K/S	100.00	170,419	118,517
MIF II no. 2 K/S	Hellerup	K/S	100.00	167	17,710
MIF II no. 3 K/S	Hellerup	K/S	100.00	191	17,581
MIF II no. 4 K/S	Hellerup	K/S	100.00	16,658	2,283
MIF II no. 7 K/S	Hellerup	K/S	100.00	4,278	1,515
MIF II no. 8 K/S	Hellerup	K/S	100.00	4,438	1,476
MIF II no. 10 K/S	Hellerup	K/S	100.00	20,099	537
MIF II no. 11 K/S	Hellerup	K/S	100.00	17,100	4,450
MIF II no. 13 K/S	Hellerup	K/S	100.00	17,102	4,436
MIF II no. 14 K/S	Hellerup	K/S	100.00	17,144	4,535
MIF II Renewables no. 1 K/S	Hellerup	K/S	100.00	71,081	(199)
MIF II Partnerships no. 1 K/S	Hellerup	K/S	100.00	48,455	(105)
Norwind Shipholding AS	Aalesund	AS	64.87	103,187	20,765
Maritime Investment Fund II Holding GP ApS	Hellerup	ApS	100.00	11	0
MIF II no. 2 GP ApS	Hellerup	ApS	100.00	9	(3)
MIF II no. 3 GP ApS	Hellerup	ApS	100.00	9	(3)
MIF II no. 4 GP ApS	Hellerup	ApS	100.00	14	0
MIF II no. 7 GP ApS	Hellerup	ApS	100.00	11	0
MIF II no. 8 GP ApS	Hellerup	ApS	100.00	11	0
MIF II no. 10 GP ApS	Hellerup	ApS	100.00	11	0
MIF II no. 11 GP ApS	Hellerup	ApS	100.00	9	0
MIF II no. 13 GP ApS	Hellerup	ApS	100.00	9	0
MIF II no. 14 GP ApS	Hellerup	ApS	100.00	9	0
MIF II Renewables no. 1 GP ApS	Hellerup	ApS	100.00	7	0
MIF II Partnerships no. 1 GP ApS	Hellerup	ApS	100.00	7	0

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 II Holding K/S
MIF II no. 2 K/S
MIF II no. 3 K/S
MIF II no. 4 K/S
MIF II no. 7 K/S
MIF II no. 8 K/S

MIF II no. 10 K/S
MIF II no. 11 K/S
MIF II no. 13 K/S
MIF II no. 14 K/S
MIF II Renewables no. 1 K/S
MIF II Partnerships no. 1 K/S

Parent income statement for 2024

	Notes	2024 USD'000	2023 USD'000
Other external expenses		(822)	(1,366)
Gross profit/loss		**(822)**	**(1,366)**
Income from investments in group enterprises		143,663	16,020
Other financial income		99	87
Other financial expenses		(1,154)	(4,249)
Profit/loss for the year	1	**141,786**	**10,492**

Parent balance sheet at 31.12.2024

Assets

	Notes	2024 USD'000	2023 USD'000
Investments in group enterprises		326,516	301,387
Receivables from group enterprises		3,731	12,000
Financial assets	2	**330,247**	**313,387**
Fixed assets		**330,247**	**313,387**
Receivables from group enterprises		78	60
Receivables		**78**	**60**
Cash		**255**	**590**
Current assets		**333**	**650**
Assets		**330,580**	**314,037**

Equity and liabilities

	Notes	2024 USD'000	2023 USD'000
Contributed capital		340,389	300,055
Retained earnings		(13,546)	(15,032)
Equity		**326,843**	**285,023**
Bank loans		3,650	27,964
Other payables		87	1,050
Current liabilities other than provisions		**3,737**	**29,014**
Liabilities other than provisions		**3,737**	**29,014**
Equity and liabilities		**330,580**	**314,037**
Employees	3		
Contingent liabilities	4		
Assets charged and collateral	5		
Transactions with related parties	6		

Parent statement of changes in equity for 2024

	Contributed capital USD'000	Retained earnings USD'000	Proposed extraordinary dividend USD'000	Total USD'000
Equity beginning of year	300,055	(15,032)	0	285,023
Increase of capital	40,334	0	0	40,334
Extraordinary dividend paid	0	0	(140,300)	(140,300)
Profit/loss for the year	0	1,486	140,300	141,786
Equity end of year	**340,389**	**(13,546)**	**0**	**326,843**

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

The investors have committed themselves to contributing up to USD 417.5m to the Fund. At 31 December 2024, the investors have contributed a net amount of USD 340.4m out of the combined contribution commitment, causing the balance commitment to stand at USD 77.1m.

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 Proposed distribution of profit and loss

	2024 USD'000	2023 USD'000
Extraordinary dividend distributed in the financial year	140,300	19,250
Retained earnings	1,486	(8,758)
	141,786	**10,492**

2 Financial assets

	Investments in group enterprises USD'000	Receivables from group enterprises USD'000
Cost beginning of year	301,387	12,000
Additions	21,919	0
Disposals	(20)	(8,269)
Cost end of year	**323,286**	**3,731**
Reversal of impairment losses	3,230	0
Impairment losses end of year	**3,230**	**0**
Carrying amount end of year	**326,516**	**3,731**

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

3 Employees

The Company has no employees.

Management has not received remuneration.

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

4 Contingent liabilities

There is a remaining commitment of a total of USD 6.4m for group companies.

There are no contingent liabilities of the Company.

5 Assets charged and collateral

Maritime Investment Fund II K/S's share of equities in the following companies have been provided as collateral for the outstanding bank debt in companies of total USD 315m.
- MIF II no. 4 K/S
- MIF II no. 7 K/S
- MIF II no. 8 K/S

- MIF II no. 10 K/S
- MIF II no. 11 K/S
- MIF II no. 13 K/S
- MIF II no. 14 K/S
- MIF II Partnerships no. 1 K/S
- MIF II no. 4 GP ApS
- MIF II no. 7 GP ApS
- MIF II no. 8 GP ApS
- MIF II no. 10 GP ApS
- MIF II no. 11 GP ApS
- MIF II no. 13 GP ApS
- MIF II no. 14 GP ApS
- MIF II Partnerships no. 1 GP ApS

Maritime Investment Fund II K/S has entered into an uncommitted revolving credit facility with SEB of USD 60m, where the outstanding loans are USD 3.65m. As security for the facility, the investors in Maritime Investment Fund II K/S have assigned USD 60m (100% of the facility amount) of the remaining commitments to Maritime Investment Fund II K/S.

6 Transactions with related parties

Maritime Investment Fund II 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 including the related transactions with Navigare Capital Partners A/S in relation to management fee.

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.

Reserve for fair value adjustments of hedging instruments
Equity beginning of year has been reclassified partly as retained earnings and as reserve for fair value adjustments of hedging instruments. The reclassification of equity beginning of year has no effect on the profit/loss, assets or total equity and is solely a presentational change of the statement of changes in equity.

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. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

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.

Financial statements of foreign subsidiaries are translated into USD at the exchange rates prevailing at the end of the reporting period for balance sheet items, and at average exchange rates for income statement items. All effects of exchange rate adjustments are recognised in equity.

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 the time charter and bareboat charter is recognized 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 Captial 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.

Other operating expenses
Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

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 intra-group profits or losses.

Income from investments in associates
Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after pro rata elimination of intra-group profits or losses.

Other financial income
Other financial income comprises income and net exchange rate adjustments on transactions in foreign currencies.

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.

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

Balance sheet

Property, plant and equipment
Property, plant and equipment includes vessel, who are measured at cost less accumulated depreciation and impairment losses. Cost comprises the acquisition price, costs directly attributes 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 years
BWTS	25 years
Dry Docking	5 years

Estimated useful lives and residual values are reassessed annually. The residual value of the vessels are based on the average market price of steel over the past 10 years.

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

Investments in group enterprises
Investments in group enterprises are recognised and measured in the parent financial statements at cost. This means that dividends received from group enterprises are included in the profit and loss. Investments are written

down to the lower of recoverable amount and carrying amount.

Investments in associates
Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value.
Upon distribution of profit or loss, net revaluation of investments in associates is transferred to the reserve for net revaluation according to the equity method in equity.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Investments in associates fall within the definitions of both participating interests and associates, yet in these consolidated financial statements they have been presented as investments in associates because this designation reflects more accurately the Group's involvement in the relevant entities.

The accounting policies applied to material financial statement items of associates are:

Investment in subsidiaries: Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

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 hand and 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.

Minority interests
On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

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

Tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. The majority of the companies in the group are tax transparent and are settled at investor level, which is why the tax only concerns certain non-tax transparent companies.

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 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 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, and 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.

Supplementary reports

Please refer to next page for Maritime Investment Fund II 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 01.01.2024 - 31.12.2024.

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 II K/S (MIF II)
Legal entity identifier: 894500MO76XZ7Y75H089

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

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

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

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

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

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

How did the sustainability indicators perform?

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

Environment:

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

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

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

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

Social:

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

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

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

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

Governance:

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

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

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

…and compared to previous periods?

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

Environment:

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

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

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

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

Social:

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

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

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

Governance:

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

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

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

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

Not applicable.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Navigare Capital employs four main strategies to reduce GHG emissions:

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

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.

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

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

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

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

What were the top investments of this financial product?

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

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

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

What was the proportion of sustainability-related investments?

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

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

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

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

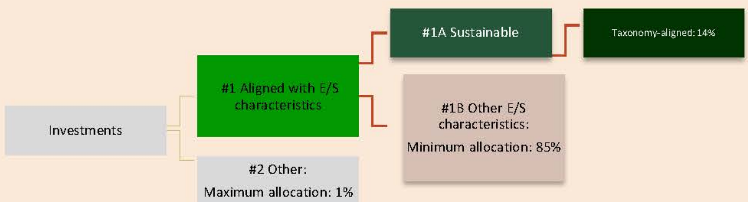
The minimum proportion of investments aligned with environmental and/or social characteristics and the maximum proportion of other investments are to be seen as the average allocation within the annual reference period as calculated against the total market value of the Fund's investments.

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.

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

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



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

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

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

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

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

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

In which economic sectors were the investments made?

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

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

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

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

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

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

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

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

This is supported by two KPIs

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

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

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

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

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

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

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

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

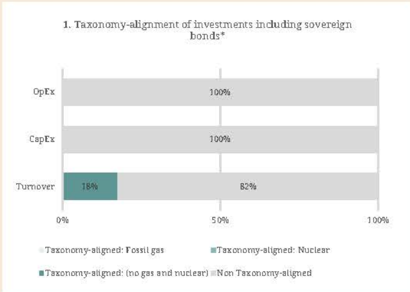
☐ ***Yes:***

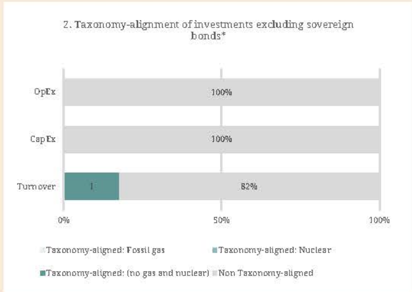
☐ ***In fossil gas*** ☐ ***In nuclear energy***

☒ ***No***

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

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





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

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

Activity type	Percentage of AUM
Transitional	0%
Enabling	14%

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

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

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

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

Not applicable.

What was the share of socially sustainable investments?

Not applicable.

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

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

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

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

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

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

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

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

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

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

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

- Spills

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

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

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

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

- Carbon intensity measured by AER or CII
- GHG emissions

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

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

Not applicable

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

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

  Not applicable.

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

  Not applicable.

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

  Not applicable.

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

  Not applicable.

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registreret, og informationerne er listet herunder.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Bill Haudal Pedersen
Revisor
Serienummer: 5f0bc2a3-cdae-4a10-a4a3-ebb22acfe89a
IP: 93.164.xxx.xxx
2025-03-13 17:45:00 UTC

Stig Duus Enslev
Direktionsmedlem
Serienummer: 4a488f3b-3591-4d73-b5d3-0e4267105a3e
IP: 93.161.xxx.xxx
2025-03-13 18:35:27 UTC

Henrik Ramskov
Direktionsmedlem
Serienummer: 18d6940a-a8f1-426f-9b7c-5e71110a1e26
IP: 87.60.xxx.xxx
2025-03-13 19:37:39 UTC

Henrik Ramskov
Dirigent
Serienummer: 18d6940a-a8f1-426f-9b7c-5e71110a1e26
IP: 87.60.xxx.xxx
2025-03-13 19:37:39 UTC

John Peter Boesen
Direktionsmedlem
Serienummer: d391e78e-944f-420f-9720-6adb39a59ce7
IP: 188.177.xxx.xxx
2025-03-13 20:23:10 UTC

Lars Bagge Christensen
Direktionsmedlem
Serienummer: 3e802089-89ea-435c-8336-9c79586395a4
IP: 81.13.xxx.xxx
2025-03-13 23:18:43 UTC

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registreret, og informationerne er listet herunder.

“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Michael Thorø Larsen

Revisor

Serienummer: 8b040c92-2b9c-4f39-bb64-44c2876c41d1

IP: 87.49.xxx.xxx

2025-03-14 09:26:35 UTC

Mit ID

Penneo dokumentnøgle: 4TWHF-7AQJX-BZVLA-JLHAI-6UGYY-T2UUV