

Clipper Bulk Invest II K/S

Sundkrogs­gade 19
2100 Copenhagen
Central Business Registration No. 41 80 17 19

Annual report 2024

The Annual General Meeting adopted the annual report on June 5, 2025

Anders Schandorff

Chairman of the General Meeting

CLIPPER BULK INVEST II K/S 2024

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Company

Clipper Bulk Invest II K/S
Sundkrogsgade 19
2100 København Ø
Denmark

Central Business Registration No. 41 80 17 19
Registered in: City of Copenhagen

General partner:
Komplementarselskabet Clipper Bulk Invest II ApS

Statement by management

Management have today considered and approved the annual report of Clipper Bulk Invest II K/S for the financial year January 1 to December 31, 2024.

The consolidated financial statements and the Parent financial statements are presented in accordance with the IFRS Accounting Standards and additional requirements 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 December 31, 2024 and of their results and cash flows for the year January 1 to December 31, 2024.

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

We recommend the Annual Report for adoption at the Annual General Meeting.

Copenhagen, June 5, 2025

On behalf of General Partner,

Directors

Morten Hvidtfeldt
Director

Anders Schandorff
Director

Board of Directors

Torben Gülnar Jensen
Chairman

Frank Gülnar Jensen

Per Gullestrup

Independent auditors' report

To the shareholders of CLIPPER BULK INVEST II K/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Clipper Bulk Invest II K/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of 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 cash flows for the financial year 01.01.2024 - 31.12.2024 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, 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, in doing so, consider whether the management commentary 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 relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the relevant law and regulations. We did not identify any material misstatement of the management commentary.

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 IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of 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 Parent'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 Group or 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 these 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 Parent'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 Parent'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.

Copenhagen, June 5, 2025

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Martin Pieper

State Authorised Public Accountant
Identification No (MNE) mne44063

Management commentary

Primary activities

The Group has sold its last vessel in 2024 and all activities are discontinued.

Development in activities and finances

The profit for the year is USD 5,208 thousand for the Group (2023: USD 7,367 thousand) and Parent which is above expectations compared to last year's outlook between USD 3 and 4 million and have an equity of USD 2,301 thousand as of December 31, 2024 (2023: USD 10,893 thousand). The result for the year is considered satisfactory.

Uncertainty relating to recognition and measurement

One of the Group's vessels was involved in a collision in 2021. The accounting effect has been reflected in 2024. No specific uncertainties relating to recognition and measurement have been identified.

Outlook

Overall, for 2025 Clipper Bulk Invest II K/S Group expects a Profit from operations of USD nil due to no activity in the Group. Clipper Bulk Invest II K/S expects a profit excluding income from subsidiaries around USD nil. The company is inactive, and management is considering the company's future, including whether the company should be disbanded within an undefined timeframe.

Impact on external environment

The Company is conscious about the environmental impact and is continuously working on reducing the Company's operational impact on the external environment. In January 2024 the Group sold its last vessel and will not impact the external environment going forward.

Policies

The Group does not have any employees and has outsourced the operation of its activities to Clipper Bulk. The Group is, furthermore, relying on Clipper Group Ltd.'s CSR policies, where relevant, which include the following:

- CSR policy,
- Anti-corruption policy,
- Competition law compliance policy,
- Export control compliance policy,
- International sanctions compliance policy,
- Human rights policy, and
- Data ethics policy.

The Group has therefore not developed its own policies or identified any significant risks on environment, climate, social and labor, human rights, data ethics and anti-corruption. As there is not identified any risks there is not established any mitigating actions.

Events after the balance sheet date

No material events after the balance sheet date.

	2024 *	2023 *	2022 *	2020 / 2021
	<u>USD '000</u>	<u>USD '000</u>	<u>USD '000</u>	<u>USD '000</u>
Key figures for the Group				
Net revenue	3,622	13,831	27,759	20,649
Profit / (loss) before depreciation, etc.	2,954	4,276	16,945	11,519
Profit / (loss) from operations	5,680	7,155	14,418	9,503
Profit / (loss) for the year	5,740	7,367	13,927	8,563
Investment in tangible assets	-	(1,972)	(909)	(35,680)
Interest-bearing debt	-	-	-	14,994
Equity	2,833	10,893	35,276	26,349
Assets, total	2,957	11,817	38,290	42,956
Ratios				
Profit margin (%)	156.8%	51.7%	51.9%	46.0%
Return on assets (%)	192.1%	60.5%	37.7%	22.1%
Return on equity (%)	83.6%	31.9%	45.2%	32.5%
Equity ratio (%)	95.8%	92.2%	92.1%	61.3%

* Income statement for 2022, 2023 and 2024 has been presented as discontinued operations, for further see note 11 to the consolidated financial statements

Ratios

The ratios have been compiled applying the formulas listed below:

Profit margin	=	Operating profit/(loss) x 100 / Revenue
Return on assets	=	Operating profit/(loss) x 100 / Assets, total
Return on equity	=	Profit/(loss) for the year x 100 / Average equity
Equity ratio	=	Equity x 100 / Assets, total



CONSOLIDATED FINANCIAL STATEMENTS

CLIPPER BULK INVEST II K/S

Consolidated statement of comprehensive income / (loss)

¹ for the year ended December 31,

2024

(US Dollars Thousands)

	Notes	2024	2023
		<u>USD '000</u>	<u>USD '000</u>
Time charter revenue		241	9,165
Pool Revenues		46	4,292
Other revenue		<u>3,335</u>	<u>374</u>
Net revenue		3,622	13,831
Commercial expenses		(18)	(502)
Operating expenses		(572)	(8,884)
Administration expenses		<u>(78)</u>	<u>(169)</u>
Profit / (loss) before depreciation, etc.		2,954	4,276
Gain on sale of vessels		2,726	5,669
Depreciation	2	<u>-</u>	<u>(2,790)</u>
Profit / (loss) from operations		5,680	7,155
Financial income		63	146
Financial expenses		<u>(3)</u>	<u>(8)</u>
Profit / (loss) before taxes		5,740	7,293
Tax		<u>-</u>	<u>74</u>
Profit / (loss) for the year		<u>5,740</u>	<u>7,367</u>
Other Comprehensive Income / (Loss)			
Other comprehensive income / (loss) for the year		<u>-</u>	<u>-</u>
Total comprehensive income / (loss) for the year		<u>5,740</u>	<u>7,367</u>
Proposed distribution of profit and loss			
Retained earnings		<u>5,740</u>	<u>7,367</u>
		<u>5,740</u>	<u>7,367</u>

¹ The Group has in 2023 and 2024 sold all vessels, as a result the entire operations and comprehensive income statement is considered discontinued operation. The accounting principles are described in the summary of accounting policy (note 11).

CLIPPER BULK INVEST II K/S

Consolidated statement of financial position as of December 31, 2024

(US Dollars Thousands)

	Notes	2024 USD '000	2023 USD '000
Assets			
Trade receivables and due from related parties	3	19	257
Prepaid expenses and other assets	4	2,767	845
Cash and cash equivalents	5	<u>171</u>	<u>2,668</u>
		2,957	3,770
Assets classified as held for sale	6	<u>-</u>	<u>8,047</u>
Current assets		<u>2,957</u>	<u>11,817</u>
Assets		<u>2,957</u>	<u>11,817</u>
Equity and liabilities			
Share capital		10,036	10,036
Retained earnings		<u>(7,203)</u>	<u>857</u>
Equity		<u>2,833</u>	<u>10,893</u>
Trade accounts payable		65	16
Other liabilities		<u>59</u>	<u>908</u>
Current liabilities		<u>124</u>	<u>924</u>
Equity and liabilities		<u>2,957</u>	<u>11,817</u>

CLIPPER BULK INVEST II K/S

Consolidated statement of changes in equity for the year ended December 31, 2024

(US Dollars Thousands)

	Share capital	Retained Earnings	Total
	<u>USD '000</u>	<u>USD '000</u>	<u>USD '000</u>
Balance, January 1, 2023	17,786	17,490	35,276
Profit / (loss) for the year	<u>-</u>	<u>7,367</u>	<u>7,367</u>
Total comprehensive profit / (loss) for the year	<u>-</u>	<u>7,367</u>	<u>7,367</u>
Repayment of share capital	(7,750)	-	(7,750)
Dividends paid	<u>-</u>	<u>(24,000)</u>	<u>(24,000)</u>
Balance, December 31, 2023	<u>10,036</u>	<u>857</u>	<u>10,893</u>
Profit / (loss) for the year	<u>-</u>	<u>5,740</u>	<u>5,740</u>
Total comprehensive profit / (loss) for the year	<u>-</u>	<u>5,740</u>	<u>5,740</u>
Dividends paid	<u>-</u>	<u>(13,800)</u>	<u>(13,800)</u>
Balance, December 31, 2024	<u>10,036</u>	<u>(7,203)</u>	<u>2,833</u>

CLIPPER BULK INVEST II K/S

Consolidated statement of cash flows ² for the year ended December 31, 2024

(US Dollars Thousands)

	Notes	2024 USD '000	2023 USD '000
Profit/(loss) for the year		5,740	7,367
Adjustments for:			
Depreciation	2	-	2,790
Net gain on sale of vessels		(2,726)	(5,669)
Financial income		(63)	(146)
Financial Expenses		3	8
Income taxes		-	(74)
Change in receivables and other current assets		(1,684)	1,902
Change in payables and accrued liabilities		(800)	(2,016)
Financial income received		63	146
Financial expenses paid		(3)	(8)
Net cash flows from operating activities		530	4,300
Investing activities			
Investments in vessels	2	-	(1,972)
Proceeds from sale of vessels	2	10,773	28,850
Net cash flows used in investing activities		10,773	26,878
Financing activities			
Repayment of share capital		-	(7,750)
Dividends paid		(13,800)	(24,000)
Net cash flows used in financing activities		(13,800)	(31,750)
Change in cash and cash equivalents		(2,497)	(572)
Cash and cash equivalents, beginning of year		2,668	3,240
Cash and cash equivalents, end of year		171	2,668

²The Group has in 2023 and 2024 sold all vessels, as a result the entire operations and statement of cash flow is considered discontinued operation. The accounting principles are described in the summary of accounting policy (note 11).

CLIPPER BULK INVEST II K/S

Notes to financial consolidated financial statements for the year ended December 31, 2024

(US Dollars Thousands)

1. GENERAL

The Group was established on October 28, 2020.

Companies included in the consolidated financial statements	Country of incorporation	Percentage owned	
		<u>2024</u>	<u>2023</u>
Parent			
Clipper Bulk Invest II K/S	Denmark	100	100
Fully consolidated companies:			
Copenhagen Shipping LLC	Marshall Island	100	100
Houston Shipping LLC	Marshall Island	100	100
Hong Kong Shipping LLC	Marshall Island	100	100
Como Shipping LLC	Marshall Island	100	100

The Group has sold its last vessel in 2024 during the year and all activities are discontinued.

The Group had no employees during the year. The Group has outsourced administration, management and the staffing of crews.

The Group's headquarter is located in Denmark: Sundkrogsgade 19, 2100 Copenhagen, Denmark.

Summary of Material Accounting Policies are detailed in note 11, Details of the Adoption of New and Revised IFRS Accounting Standards are included in note 12 and Critical Accounting Judgements and Key Sources of Estimation Uncertainty are detailed in note 13.

2. VESSELS

The movement in vessels was as follows:

	2024	2023
	<u>USD'000</u>	<u>USD'000</u>
Cost:		
Balance, beginning of year	-	36,589
Additions	-	1,972
Transferred to asset held for sale	-	(10,386)
Disposals	-	(28,175)
Balance, end of year	<u>-</u>	<u>-</u>
Depreciation:		
Balance, beginning of year	-	4,543
Depreciation	-	2,790
Transferred to asset held for sale	-	(2,339)
Disposals	-	(4,994)
Balance, end of year	<u>-</u>	<u>-</u>
Vessels	<u><u>-</u></u>	<u><u>-</u></u>

The last vessel has been sold and delivered beginning of 2024. The vessel was classified as held for sale December 31, 2023. Please also see note 5.

3. TRADE RECEIVABLES AND DUE FROM RELATED PARTIES

The Group has receivables from Clipper Bulk Shipping Ltd. and Komplementarselskabet Clipper Bulk Invest II ApS of USD 25 thousand. The receivable from Clipper Bulk Shipping Ltd. represents receivables from trading activities.

4. PREPAID EXPENSES AND OTHER ASSETS

	2024	2023
	<u>USD'000</u>	<u>USD'000</u>
Claims	2,752	587
Other prepaid expenses	15	258
Balance end of year	<u><u>2,767</u></u>	<u><u>845</u></u>

5. CASH AND CASH EQUIVALENTS

The cash and cash equivalents in the Group primarily consist of deposits with reputable banks. Cash and cash equivalents are not assessed to be subject to particular credit risk. Bank deposits carry a floating rate of interest. Carrying amount corresponds to the fair value.

6. ASSETS HELD FOR SALE

	2024	2023
	<u>USD'000</u>	<u>USD'000</u>
Assets classified as held for sale		
The movement in loans was as follows:		
Balance at January 1	8,047	-
Transferred from vessels	-	8,047
Disposals	<u>(8,047)</u>	<u>-</u>
Balance at 31 December	<u>-</u>	<u>8,047</u>

The vessel has been sold and delivered in January 2024 and is included in Gain on sale of vessels in Consolidated statement of comprehensive income / (loss).

7. TRANSACTIONS WITH RELATED PARTIES

	<u>Entities with joint control/significant influence over the entity</u>		<u>Other related party</u>	
	2024	2023	2024	2023
	<u>USD'000</u>	<u>USD'000</u>	<u>USD'000</u>	<u>USD'000</u>
Transactions with related parties can be summarized as follows:				
Revenue	-	-	241	9,165
Sale of vessels	-	-	-	18,250
Administration and overhead	-	-	(1)	(1)
Receivable/(Payable), net	-	-	-	2

8. RISK MANAGEMENT

Foreign currency risk management - The Group's exposure to changes in currency exchange level is limited. Earnings and operating costs as well as assets and liabilities are to a large degree denominated in US dollars.

Credit risks management - The Group has a of credit risk with one counterparty in terms of the receivable from Clipper Bulk Shipping Ltd. The Group monitors its exposure on an on-going basis. The credit risk is reduced by regular payments from Clipper Bulk Shipping Ltd.

The extent of the Group's credit exposure is represented by the aggregate balance of amounts receivable as shown in the consolidated statement of financial position.

9. FEES TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING

	2024	2023
	<u>USD'000</u>	<u>USD'000</u>
Statutory audit services, Deloitte	16	22
Tax service, Deloitte	<u>40</u>	<u>68</u>
	<u>56</u>	<u>90</u>

10. CAPITAL STRUCTURE

General partner assesses on a regular basis whether the Group's capital structure is in accordance with the Group's and Shareholders' interests.

11. SUBSEQUENT EVENTS UP TO JUNE 5, 2025

No material events after the balance sheet date.

12. SUMMARY OF MATERIAL ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by EU and additional Danish requirements of reporting class C, applied consistently for the period presented.

The following is a summary of the material accounting policies:

- a. Reporting currency - Due to the international nature of the Group's activities and the fact that the Group transacts most of its business in USD, the functional currency is USD and therefore the consolidated financial statements are prepared in USD. The DKK exchange rate against USD applied is 7.1429 at December 31, 2024 (2023: 6.7447).
- b. Consolidation - The consolidated financial statements include the companies that are controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity. This control is normally evidenced when the Group owns more than 50 percent of the voting rights.

Intercompany balances and transactions, including intercompany profits and unrealized profits and losses, are eliminated.

Companies included in the consolidated financial statements are listed in note 1.

- c. Cash and cash equivalents - Cash and cash equivalents include cash on hand and deposits with banks.
- d. Receivables - Receivables are stated at net realizable value, after allowance for expected credit losses.
- e. Income recognition - Revenue from voyage charters and time charters are recognized ratably over the life of the charters.

The Group's bulk vessels conducted their operations through a pool (Clipper Emerald Pool) and through time charters. The pool is regarded as a jointly controlled operation, and the Group's share of the statement of comprehensive income and statement of financial position in the pool is accounted for by recognizing a proportional share, based on participation in the pool, combining items of a uniform nature. The Group's share of pool revenues and expenses are allocated in accordance with the formulas agreed by the pool participants.

Revenue from voyage charter activities is recognized over time as the performance obligation is satisfied, including a share of the freight income from incomplete voyages at the balance sheet date. The estimate is performed in accordance with the "over-time principle where the share of revenue to be recognized is determined as the percentage of the estimated duration of the voyage completed at the balance sheet date.

For losses estimated on the completion of voyages and time charters in progress at the end of a reporting period, a provision is recognized to cover the anticipated net loss.

Demurrage revenue is recognized when reimbursement under the claim is considered probable.

- f. Commercial expenses – Commercial expenses include management fee to the pool (Clipper Emerald Pool) and other trading related expenses.
- g. Operating expenses - Operating expenses include costs relating to the operation of the Group's vessels, crew cost, insurance, maintenance and other vessel operating costs. Generally, expenses are expensed as incurred.

Administration expenses - Administration expenses comprise costs incurred from the administration of the Group and related corporate costs and management fee.

- h. Vessels and related depreciation - Vessels are stated at cost and are depreciated on a straight-line basis. For bulk and projects vessels the depreciation is calculated over a 20-year period from the date of completion of construction and the vessels are put into operational use. Dry docking costs are capitalized separately and depreciated over 30 months.

Depreciation is based on cost less the estimated residual value. Residual value is estimated as the Light Weight Metric Ton of each vessel multiplied by scrap value per ton. The useful life and the residual value of the vessels are reviewed at least at each financial year-end based on market conditions, regulatory requirements and the Group's business plans. Residual value of dry docking is nil.

Gain on sale of vessels is calculated by sales price less net book value and sales cost.

- i. Non-current assets held for sale and discontinued operations - Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less selling costs.

During 2024 the entire operations of the Group is related to vessel sold during 2024. Consequently, the entire income statement and cash flow statements has been presented as discontinued operations. Comparable figures for the income statement, cash flow statements and relevant disclosures have been adjusted accordingly.

A discontinued operation constitutes a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

- j. Claims accounting for voyages - Claims made on the Group are generally covered by insurance and accordingly only that element of a claim, which is not covered by insurance, has been accrued. Where claims are not covered by insurance and payments are expected, provision is made for the full amount of the estimated liability.
- k. Investments in subsidiaries – Investments in subsidiaries are recognized and measured in the Parent's financial statements using the equity method. The Parent's share of the subsidiaries' profit/loss after tax and after elimination of unrealized intra-group profits and losses for the year is recognized in the items "Profit/loss from investments in subsidiaries".

l. Foreign currency translation - The Group's entities maintain their accounts in US dollars. Individual transactions in other currencies are translated into US dollars using the approximate rate of exchange in effect at the time the transaction is recorded. Settlement of all transactions is translated into US dollars using the rate of exchange in effect on the date of settlement. Monetary assets and liabilities denominated in currencies other than US dollars are translated at the rates of exchange at the respective consolidated statement of financial position date. Non-monetary assets and liabilities are translated at the rates prevailing at the transaction date. Translation gains or losses are included in the consolidated statement of comprehensive income.

m. Impairment of assets - Vessels are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. Any impairment loss is recognized in income. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction, while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased, though the carrying amount of the asset may not exceed the carrying amount that would have been determined had the impairment loss not been recognized in prior years.

n. Related parties - Related parties comprise the Group's shareholder, their affiliates and key management personnel.

Taxes – Clipper Bulk Invest II K/S is a limited liability partnership, which for tax purposes is a tax exempted entity. Instead taxation takes place at the shareholder level.

13. APPLICATION OF NEW AND REVISED INTERNATIONAL ACCOUNTING STANDARDS

The Group has adopted all relevant new and updated accounting standards. The amendments did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted

The IASB has issued a number of new or amended standards and interpretations with effective date post December 31, 2024. The new and amended Standards and Interpretations are not mandatory for the financial reporting for the year. The Group expects to adopt the Standards and Interpretations when they become mandatory, as applicable for the Group.

None of the standards and interpretations are expected to have a significant impact on recognition and measurement.



FINANCIAL STATEMENTS PARENT

CLIPPER BULK INVEST II K/S

Statement of comprehensive income / (loss), parent for the year ended December 31, 2024

(US Dollars Thousands)

	Notes	2024 <u>USD '000</u>	2023 <u>USD '000</u>
Administration expenses		<u>(74)</u>	<u>(101)</u>
Profit / (loss) from operations		(74)	(101)
Profit / (loss) from investments in subsidiaries	1	5,806	7,443
Financial income		11	27
Financial expenses		<u>(3)</u>	<u>(2)</u>
Profit / (loss) before taxes		5,740	7,367
Tax		<u>-</u>	<u>-</u>
Profit / (loss) for the year		<u>5,740</u>	<u>7,367</u>
Other Comprehensive Income / (Loss)			
Other comprehensive income / (loss) for the year		<u>-</u>	<u>-</u>
Total comprehensive income / (loss) for the year		<u>5,740</u>	<u>7,367</u>
Proposed distribution of profit and loss			
Retained earnings		<u>5,740</u>	<u>7,367</u>
		<u>5,740</u>	<u>7,367</u>

CLIPPER BULK INVEST II K/S

Statement of financial position, parent as of December 31, 2024

(US Dollars Thousands)

	Notes	2024 <u>USD '000</u>	2023 <u>USD '000</u>
Assets			
Investments in subsidiaries	1	<u>5,794</u>	<u>6,866</u>
Non-current assets		<u>5,794</u>	<u>6,866</u>
Due from related parties	2	-	4,835
Cash and cash equivalents		<u>7</u>	<u>570</u>
Current assets		<u>7</u>	<u>5,405</u>
Assets		<u><u>5,801</u></u>	<u><u>12,271</u></u>
Equity and liabilities			
Share capital		10,036	10,036
Net revaluation reserve		36,175	30,369
Retained earnings		<u>(43,378)</u>	<u>(29,512)</u>
Equity		<u>2,833</u>	<u>10,893</u>
Trade accounts payable		63	42
Due to related parties	2	2,901	1,300
Other accrued liabilities		<u>4</u>	<u>36</u>
Current liabilities		<u>2,968</u>	<u>1,378</u>
Liabilities		<u>2,968</u>	<u>1,378</u>
Equity and liabilities		<u><u>5,801</u></u>	<u><u>12,271</u></u>

CLIPPER BULK INVEST II K/S

Statement of changes in equity, parent for the year ended December 31, 2024

(US Dollars Thousands)

	<u>Share capital</u>	<u>Net revaluation reserve</u>	<u>Retained Earnings</u>	<u>Total</u>
	<u>USD '000</u>	<u>USD '000</u>	<u>USD '000</u>	<u>USD '000</u>
Balance, January 1, 2023	17,786	22,926	(5,436)	35,276
Profit / (loss) for the year	-	7,443	(76)	7,367
Total comprehensive profit / (loss) for the year	-	7,443	(76)	7,367
Repayment of share capital	(7,750)	-	-	(7,750)
Dividends paid	-	-	(24,000)	(24,000)
Balance, December 31, 2023	10,036	30,369	(29,512)	10,893
Profit / (loss) for the year	-	5,806	(66)	5,740
Total comprehensive profit / (loss) for the year	-	5,806	(66)	5,740
Dividends paid	-	-	(13,800)	(13,800)
Balance, December 31, 2024	10,036	36,175	(43,378)	2,833

CLIPPER BULK INVEST II K/S

Statement of cash flows, parent for the year ended December 31, 2024

(US Dollars Thousands)

	Notes	2024	2023
		USD '000	USD '000
Profit/(loss) for the year		5,740	7,367
Adjustments for:			
Profit / (loss) from investments in subsidiaries		(5,806)	(7,443)
Financial income		(11)	(27)
Financial expenses		3	2
Change in receivables and other current assets		4,835	(4,835)
Change in payables and accrued liabilities		1,590	(4,083)
Financial income received		11	27
Financial expenses paid		(3)	(2)
Net cash flows from operating activities		<u>6,359</u>	<u>(8,994)</u>
Investing activities			
Repayment of share capital from subsidiaries		3,978	13,571
Dividends from subsidiaries		2,900	27,500
Net cash flows used in investing activities		<u>6,878</u>	<u>41,071</u>
Financing activities			
Repayment of share capital		-	(7,750)
Dividends paid		(13,800)	(24,000)
Net cash flows used in financing activities		<u>(13,800)</u>	<u>(31,750)</u>
Change in cash and cash equivalents		(563)	327
Cash and cash equivalents, beginning of year		570	243
Cash and cash equivalents, end of year		<u><u>7</u></u>	<u><u>570</u></u>

CLIPPER BULK INVEST II K/S

Notes to financial statements, parent for the year ended December 31, 2024

(US Dollars Thousands)

1. INVESTMENT IN SUBSIDIARIES

	2024	2023
	<u>USD'000</u>	<u>USD'000</u>
Cost beginning of year	3,997	17,568
Repayment of share capital	<u>(3,978)</u>	<u>(13,571)</u>
Cost end of year	<u>19</u>	<u>3,997</u>
Value adjustments, net beginning of year	2,869	22,926
Dividend received	(2,900)	(27,500)
Net shares of profit / (loss) after tax	<u>5,806</u>	<u>7,443</u>
Value adjustments, net end of year	<u>5,775</u>	<u>2,869</u>
Carrying amount end of year	<u>5,794</u>	<u>6,866</u>

Investments in subsidiaries can be specified as follows:

Name	Registered	Ownership	Value
			<u>USD'000</u>
Copenhagen Shipping LLC	Marshall Island	100%	299
Houston Shipping LLC	Marshall Island	100%	739
Hong Kong Shipping LLC	Marshall Island	100%	781
Como Shipping LLC	Marshall Island	100%	<u>3,975</u>
			<u>5,794</u>

2. TRANSACTIONS WITH RELATED PARTIES

	<u>Parent</u>		<u>Subsidiaries</u>		<u>Other related party</u>	
	2024	2023	2024	2023	2024	2023
Transactions with related parties can be summarized as follows:	<u>USD'000</u>	<u>USD'000</u>	<u>USD'000</u>	<u>USD'000</u>	<u>USD'000</u>	<u>USD'000</u>
Administration and overhead	-	-	-	-	(1)	(1)
Receivable/(Payable), net	-	-	(290)	3,535	-	-

USD 1 thousand is management fee to Komplementarselskabet Clipper Bulk Invest II ApS (2023: USD 1 thousand).

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Please see note 11 in Group notes.

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