

Maritime Investment Fund I K/S

Strandvejen 70
2900 Hellerup
Central Business Registration
No 38475142

Annual report 2018

The Annual General Meeting adopted the annual report on 29.03.2019

Chairman of the General Meeting



Name: Henrik Ramskov

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Consolidated income statement for 2018	8
Consolidated balance sheet at 31.12.2018	9
Consolidated statement of changes in equity for 2018	11
Consolidated cash flow statement for 2018	12
Notes to consolidated financial statements	13
Parent income statement for 2018	20
Parent balance sheet at 31.12.2018	21
Parent statement of changes in equity for 2018	23
Notes to parent financial statements	24
Accounting policies	26

Entity details

Entity

Maritime Investment Fund I K/S
Strandvejen 70
2900 Hellerup

Central Business Registration No (CVR): 38475142

Founded: 08.03.2017

Registered in: Gentofte

Financial year: 01.01.2018 - 31.12.2018

Reporting period, number:2

Executive Board

Maritime GP F I ApS

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

Postboks 1600

0900 København C

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of Maritime Investment Fund I K/S for the financial year 01.01.2018 - 31.12.2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations and cash flows for the financial year 01.01.2018 - 31.12.2018.

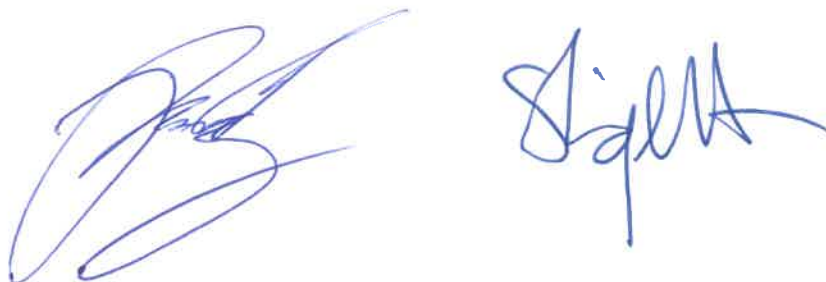
We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

Hellerup, 29.03.2019

Executive Board

Maritime GP F I ApS

Two handwritten signatures in blue ink. The signature on the left is a stylized, cursive 'B' with a long horizontal stroke extending to the right. The signature on the right is a more complex, cursive signature with several loops and a long horizontal stroke extending to the right.

Independent auditor's report

To the shareholders of Maritime Investment Fund I K/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Maritime Investment Fund I K/S for the financial year 01.01.2018 - 31.12.2018, 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 31.12.2018, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2018 - 31.12.2018 in accordance with 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 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

Independent auditor's report

assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

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

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

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

Independent auditor's report

that we identify during our audit.

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.

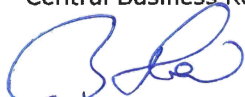
Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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 Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

København, 29.03.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556



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



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

Management commentary

	2018 USD'000	2017 USD'000
Financial highlights		
Key figures		
Revenue	70.404	7.068
Gross profit/loss	45.357	(3.751)
Operating profit/loss	26.002	(6.356)
Net financials	(18.145)	(1.525)
Profit/loss for the year	7.857	(7.881)
Total assets	568.538	300.345
Investments in property, plant and equipment	271.516	287.747
Equity	219.591	135.801
Cash flows from (used in) operating activities	27.110	(4.422)
Cash flows from (used in) investing activities	(271.516)	(287.746)
Cash flows from (used in) financing activities	253.294	305.068
Ratios		
Gross margin (%)	64,4	(53,1)
Net margin (%)	11,2	(111,5)
Return on equity (%)	4,4	(5,8)
Equity ratio (%)	38,6	45,2

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Calculation formula reflects
Gross margin (%)	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities

The Group's main activity is to carry on investment business by investing in ships and shipping-related assets and activities, both directly and through ownership of companies.

Development in activities and finances

The development in the financial year's activities and finances is as expected.

Outlook

Management expects a positive result in 2019.

Material assumptions and uncertainties

The Group's expected development depends on the earnings in group enterprises.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2018

	<u>Notes</u>	<u>2018 USD'000</u>	<u>2017 USD'000</u>
Revenue		70.404	7.068
Other operating income		343	21
Other external expenses	1	<u>(25.390)</u>	<u>(10.840)</u>
Gross profit/loss		45.357	(3.751)
Depreciation, amortisation and impairment losses		(18.617)	(2.114)
Other operating expenses		<u>(738)</u>	<u>(491)</u>
Operating profit/loss		26.002	(6.356)
Other financial income		400	85
Other financial expenses		<u>(18.545)</u>	<u>(1.610)</u>
Profit/loss for the year	2	<u>7.857</u>	<u>(7.881)</u>

Consolidated balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 USD'000</u>	<u>2017 USD'000</u>
Ships		538.532	285.633
Property, plant and equipment	3	538.532	285.633
Fixed assets		538.532	285.633
Other receivables		3.497	1.440
Prepayments	4	4.721	372
Receivables		8.218	1.812
Cash		21.788	12.900
Current assets		30.006	14.712
Assets		568.538	300.345

Consolidated balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 USD'000</u>	<u>2017 USD'000</u>
Contributed capital		238.897	143.682
Retained earnings		(19.306)	(7.881)
Equity		219.591	135.801
Bank loans		278.112	73.400
Other payables		4.975	0
Non-current liabilities other than provisions	5	283.087	73.400
Current portion of long-term liabilities other than provisions	5	56.877	87.986
Trade payables		4	1.558
Other payables		3.118	492
Deferred income		5.861	1.108
Current liabilities other than provisions		65.860	91.144
Liabilities other than provisions		348.947	164.544
Equity and liabilities		568.538	300.345
Financial instruments	7		
Contingent liabilities	8		
Assets charged and collateral	9		
Transactions with related parties	10		
Subsidiaries	11		

Consolidated statement of changes in equity for 2018

	Contributed capital USD'000	Retained earnings USD'000	Proposed extraordinary dividend USD'000	Total USD'000
Equity beginning of year	143.682	(6.662)	0	137.020
Changes in accounting policies	0	(1.219)	0	(1.219)
Adjusted equity, beginning of year	143.682	(7.881)	0	135.801
Increase of capital	95.215	0	0	95.215
Extraordinary dividend paid	0	0	(20.500)	(20.500)
Fair value adjustments of hedging instruments	0	1.218	0	1.218
Profit/loss for the year	0	(12.643)	20.500	7.857
Equity end of year	238.897	(19.306)	0	219.591

Consolidated cash flow statement for 2018

	<u>Notes</u>	<u>2018 USD'000</u>	<u>2017 USD'000</u>
Operating profit/loss		26.002	(6.356)
Amortisation, depreciation and impairment losses		18.617	2.114
Working capital changes	6	(2.205)	569
Cash flow from ordinary operating activities		42.414	(3.673)
Financial income received		400	78
Financial expenses paid		(16.109)	(1.603)
Other cash flows from operating activities		405	776
Cash flows from operating activities		27.110	(4.422)
Acquisition etc of property, plant and equipment		(271.516)	(287.746)
Cash flows from investing activities		(271.516)	(287.746)
Loans raised		273.380	161.986
Repayments of loans etc		(94.801)	(600)
Capital increase		95.215	143.682
Capital distribution		(20.500)	0
Cash flows from financing activities		253.294	305.068
Increase/decrease in cash and cash equivalents		8.888	12.900
Cash and cash equivalents beginning of year		12.900	0
Cash and cash equivalents end of year		21.788	12.900

Notes to consolidated financial statements

1. Other external expenses

The Group has no employees.

Management has not received remuneration.

In accordance with the Alternative Investment Fund Managers etc. Act, section 61 (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 2018.

	2018 USD'000	2017 USD'000
2. Proposed distribution of profit/loss		
Extraordinary dividend distributed in the financial year	20.500	0
Retained earnings	(12.643)	(7.881)
	7.857	(7.881)
3. Property, plant and equipment		
Cost beginning of year		287.747
Additions		271.516
Cost end of year		559.263
Depreciation and impairment losses beginning of year		(2.114)
Depreciation for the year		(18.617)
Depreciation and impairment losses end of year		(20.731)
Carrying amount end of year		538.532

4. Prepayments

Prepayments and deferred income mainly consist of pre-invoiced revenue.

	Due within 12 months 2018 USD'000	Due within 12 months 2017 USD'000	Due after more than 12 months 2018 USD'000	Outstanding after 5 years USD'000
5. Liabilities other than provisions				
Bank loans	56.877	87.986	278.112	149.630
Other payables	0	0	4.975	0
	56.877	87.986	283.087	149.630

The share of the Group's bank loans falling due within 5 months consists of USD 6m.

Notes to consolidated financial statements

	2018 USD'000	2017 USD'000
6. Change in working capital		
Increase/decrease in receivables	(2.057)	(1.439)
Increase/decrease in trade payables etc	(148)	2.008
	(2.205)	569

7. 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.

8. Contingent liabilities

There is a remaining investment commitment of a total of USD 24m.

There are no contingent liabilities of the Company.

9. Assets charged and collateral

The following has been provided as collateral for bank loans with an unpaid balance of USD 303m in the Group. All terms and collaterals has been provided based on terms which is normal within the industry.

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

Maritime Investment Fund I Holding K/S has furthermore provided a joint and several liability for all bank loans within the companies of the Maritime Investment Fund I Holding K/S Group. The ships owned by the Maritime Investment Fund I Holding K/S Group are provided as collateral for the bank loans with a consolidated carrying amount of USD 539m.

10. Transactions with related parties

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

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

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

Notes to consolidated financial statements

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>	<u>Equity USD'000</u>	<u>Profit/loss USD'000</u>
11. Subsidiaries					
Maritime Investment Fund I Holding K/S	Hellerup	K/S	100,0	232.480	12.930
MIF I no. 1 K/S	Hellerup	K/S	100,0	10.214	65
MIF I no. 2 K/S	Hellerup	K/S	100,0	10.199	(160)
MIF I no. 3 K/S	Hellerup	K/S	100,0	10.374	548
MIF I no. 4 K/S	Hellerup	K/S	100,0	12.109	107
MIF I no. 5 K/S	Hellerup	K/S	100,0	78	(392)
MIF I no. 6 K/S	Hellerup	K/S	100,0	8.331	(15)
MIF I no. 7 K/S	Hellerup	K/S	100,0	11.941	756
MIF I no. 8 K/S	Hellerup	K/S	100,0	39.315	4.693
MIF I no. 9 K/S	Hellerup	K/S	100,0	39.907	4.628
MIF I no. 10 K/S	Hellerup	K/S	100,0	23.271	629
MIF I no. 11 K/S	Hellerup	K/S	100,0	31.996	915
MIF I no. 12 K/S	Hellerup	ApS	100,0	11.076	67
MIF I no. 13 K/S	Hellerup	ApS	100,0	10.423	(257)
MIF I no. 14 K/S	Hellerup	ApS	100,0	13.427	(453)
MIF I no. 15 K/S	Hellerup	ApS	100,0	(5)	(285)
MIF I no. 16 K/S	Hellerup	ApS	100,0	(5)	(285)
MIF I no. 17 K/S	Hellerup	ApS	100,0	0	0
MIF I no. 18 K/S	Hellerup	ApS	100,0	0	0
MIF I no. 19 K/S	Hellerup	ApS	100,0	0	0
MIF I no. 20 K/S	Hellerup	ApS	100,0	0	0
MIF I no. 21 K/S	Hellerup	ApS	100,0	0	0
Maritime Investment Fund I Holding GP ApS	Hellerup	ApS	100,0	6	(1)
MIF I no. 1 GP ApS	Hellerup	ApS	100,0	6	(1)
MIF I no. 2 GP ApS	Hellerup	ApS	100,0	6	(1)
MIF I no. 3 GP ApS	Hellerup	ApS	100,0	6	(1)
MIF I no. 4 GP ApS	Hellerup	ApS	100,0	6	(1)
MIF I no. 5 GP ApS	Hellerup	ApS	100,0	6	(1)
MIF I no. 6 GP ApS	Hellerup	ApS	100,0	8	0
MIF I no. 7 GP ApS	Hellerup	ApS	100,0	8	0
MIF I no. 8 GP ApS	Hellerup	ApS	100,0	8	0
MIF I no. 9 GP ApS	Hellerup	ApS	100,0	8	0
MIF I no. 10 GP ApS	Hellerup	ApS	100,0	8	0
MIF I no. 11 GP ApS	Hellerup	ApS	100,0	8	0

Notes to consolidated financial statements

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>	<u>Equity USD'000</u>	<u>Profit/loss USD'000</u>
11. Subsidiaries (continued)					
MIF I no. 12 GP ApS	Hellerup	ApS	100,0	7	(2)
MIF I no. 13 GP ApS	Hellerup	ApS	100,0	7	(2)
MIF I no. 14 GP ApS	Hellerup	ApS	100,0	7	(2)
MIF I no. 15 GP ApS	Hellerup	ApS	100,0	7	(2)
MIF I no. 16 GP ApS	Hellerup	ApS	100,0	7	(2)
MIF I no. 17 GP ApS	Hellerup	ApS	100,0	0	0
MIF I no. 18 GP ApS	Hellerup	ApS	100,0	0	0
MIF I no. 19 GP ApS	Hellerup	ApS	100,0	0	0
MIF I no. 20 GP ApS	Hellerup	ApS	100,0	0	0
MIF I no. 21 GP ApS	Hellerup	ApS	100,0	0	0

USD 0 in equity and profit/loss for the year has been stated for the Companies that have a longer financial year, for which reason there are no audited financial disclosures for these Companies. However, they are still included in the consolidated financial statements where they are recognised at equity value.

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

- Maritime Investment Fund I Holding K/S
- MIF I no. 1 K/S
- MIF I no. 2 K/S
- MIF I no. 3 K/S
- MIF I no. 4 K/S
- MIF I no. 5 K/S
- MIF I no. 6 K/S
- MIF I no. 7 K/S
- MIF I no. 8 K/S
- MIF I no. 9 K/S
- MIF I no. 10 K/S
- MIF I no. 11 K/S
- MIF I no. 12 K/S
- MIF I no. 13 K/S
- MIF I no. 14 K/S
- MIF I no. 15 K/S
- MIF I no. 16 K/S

Parent income statement for 2018

	<u>Notes</u>	<u>2018 USD'000</u>	<u>2017 USD'000</u>
Other external expenses	1	(991)	(2.190)
Operating profit/loss		(991)	(2.190)
Income from investments in group enterprises		12.528	(5.427)
Other financial income		27	22
Other financial expenses		(2.489)	(286)
Profit/loss for the year	2	9.075	(7.881)

Parent balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 USD'000</u>	<u>2017 USD'000</u>
Investments in group enterprises		232.717	219.168
Receivables from group enterprises		18.000	0
Fixed asset investments	3	<u>250.717</u>	<u>219.168</u>
Fixed assets		<u>250.717</u>	<u>219.168</u>
Receivables from group enterprises		27	8
Receivables		<u>27</u>	<u>8</u>
Cash		<u>746</u>	<u>71</u>
Current assets		<u>773</u>	<u>79</u>
Assets		<u>251.490</u>	<u>219.247</u>

Parent balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 USD'000</u>	<u>2017 USD'000</u>
Contributed capital		238.897	143.682
Reserve for net revaluation according to the equity method		(7.993)	0
Retained earnings		(11.313)	(7.881)
Equity		<u>219.591</u>	<u>135.801</u>
Bank loans		31.750	82.186
Trade payables		0	1.219
Other payables		149	41
Current liabilities other than provisions		<u>31.899</u>	<u>83.446</u>
Liabilities other than provisions		<u>31.899</u>	<u>83.446</u>
Equity and liabilities		<u>251.490</u>	<u>219.247</u>
Contingent liabilities	4		
Assets charged and collateral	5		
Related parties with controlling interest	6		

Parent statement of changes in equity for 2018

	Contributed capital USD'000	Reserve for net revaluation according to the equity method USD'000	Retained earnings USD'000	Proposed extraordinary dividend USD'000
Equity beginning of year	143.682	0	(6.662)	0
Changes in accounting policies	0	0	(1.219)	0
Adjusted equity, beginning of year	143.682	0	(7.881)	0
Increase of capital	95.215	0	0	0
Extraordinary dividend paid	0	0	0	(20.500)
Dividends from group enterprises	0	(20.521)	20.521	0
Profit/loss for the year	0	12.528	(23.953)	20.500
Equity end of year	238.897	(7.993)	(11.313)	0
				Total USD'000
Equity beginning of year				137.020
Changes in accounting policies				(1.219)
Adjusted equity, beginning of year				135.801
Increase of capital				95.215
Extraordinary dividend paid				(20.500)
Dividends from group enterprises				0
Profit/loss for the year				9.075
Equity end of year				219.591

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

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

Notes to parent financial statements

1. Other external expenses

The Company has no employees.

Management has not received remuneration.

In accordance with the Alternative Investment Fund Managers etc. Act, section 61 (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 2018.

	2018 USD'000	2017 USD'000
2. Proposed distribution of profit/loss		
Extraordinary dividend distributed in the financial year	20.500	0
Transferred to reserve for net revaluation according to the equity method	12.528	0
Retained earnings	(23.953)	(7.881)
	9.075	(7.881)
	Investments in group enterprises USD'000	Receivables from group enterprises USD'000
3. Fixed asset investments		
Cost beginning of year	219.168	0
Additions	13.549	18.000
Cost end of year	232.717	18.000
Carrying amount end of year	232.717	18.000

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

4. Contingent liabilities

There is a remaining investment commitment of a total of USD 24m to Maritime Investment Fund I Holding K/S.

There are no contingent liabilities of the Company.

5. Assets charged and collateral

Maritime Investment Fund I K/S has made an assignment of equities in MIF I no. 12 GP ApS and MIF I no. 13 GP ApS for the outstanding bank debt in the Maritime Investment Fund I Holding K/S Group.

Notes to parent financial statements

6. Related parties with controlling interest

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

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

Accounting policies

Reporting class

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

The accounting policies applied for the financial statements are consistent with those applied last year.

The reporting currency is U.S Dollar (USD).

Changes in accounting policies

Minor adjustments have been made to the accounting policies related to principles for depreciations. The changes have negatively affected profit/loss for 2017 by USD 1.2m and the effect has been adjusted in equity at the beginning of the year. Comparative figures have been adjusted accordingly.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

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

Basis of consolidation

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

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

Accounting policies

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.

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.

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

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

Income statement

Revenue

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

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Group's primary activities.

Other external expenses

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

Depreciation, amortisation and impairment losses

Depreciation relating to the vessel comprise depreciation for the financial year, calculated on the basis of the residual values and useful lives of the vessel and impairment testing as well as gains and losses from the sale of the vessel.

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 internal profits or losses.

Other financial income

Other financial income comprises interest income and net exchange rate adjustments on transactions in

Accounting policies

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.

Balance sheet

Property, plant and equipment

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

Vessels 25 years

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises

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

Receivables

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

Prepayments

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

Cash

Cash comprises cash in bank deposits.

Other financial liabilities

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

Deferred income

Deferred income comprises charter 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

Accounting policies

and cash equivalents at the beginning and the end of the financial year.

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

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

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

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