

Maritime Investment Fund I K/S

Strandvejen 70
2900 Hellerup
Central Business Registration
No 38475142

Annual report 2019

The Annual General Meeting adopted the annual report on 13.03.2020

Chairman of the General Meeting



Name: Henrik Ramskov

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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: 01.01.2019 - 31.12.2019

Reporting period, number:3

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 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations and cash flows for the financial year 01.01.2019 - 31.12.2019.

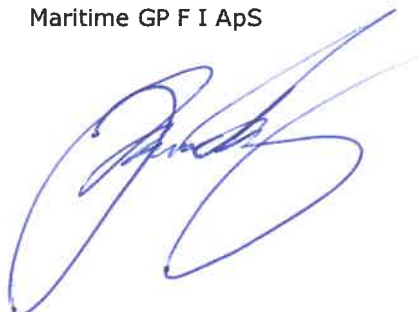
We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

Hellerup, 13.03.2020

Executive Board

Maritime GP F I ApS



Independent auditor's report

To the shareholders of Maritime Investment Fund I K/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Maritime Investment Fund I K/S for the financial year 01.01.2019 - 31.12.2019, 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 31.12.2019, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2019 - 31.12.2019 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.

Independent auditor's report

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.

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.

Copenhagen, 13.03.2020

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

	2019 USD'000	2018 USD'000	2017 USD'000
Financial highlights			
Key figures			
Revenue	98.045	70.404	7.068
Gross profit/loss	66.436	45.357	(3.751)
Operating profit/loss	37.488	26.002	(6.356)
Net financials	(21.642)	(18.145)	(1.525)
Profit/loss for the year	15.846	7.857	(7.881)
Total assets	783.482	568.538	300.345
Investments in property, plant and equipment	234.177	271.516	287.747
Equity	333.387	219.591	135.801
Ratios			
Gross margin (%)	67,8	64,4	(53,1)
Net margin (%)	16,2	11,2	(111,5)
Return on equity (%)	5,7	4,4	(5,8)
Equity ratio (%)	42,6	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 2020.

Material assumptions and uncertainties

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

Statutory report on corporate social responsibility

Business Model and Strategy

Maritime Investment Fund I K/S (MIF I) was established on 8th March 2017 and is an alternative investment fund. The fund completed the investment period at the end of Q3 2019. MIF I has been incorporated in Denmark and set up and structured in a fully transparent and market conform K/S structure.

The business strategy of MIF I is to invest in a portfolio of maritime assets and maritime asset structures, operate the assets on fixed contracts with different counterparts, durations and financing structures and exit these in accordance with the investment strategy and policy of the fund.

By the end of Q32019 MIF I had completed 16 investments.

Corporate Social Responsibility

MIF I is managed by Navigare Capital Partners A/S (NCP) as Investment Manager and therefore MIF I follows NCP's approach to Corporate Social Responsibility. Environmental, Social and Corporate Governance (ESG) principles are part of NCP's Code of Conduct Policy and are an integral part of NCP's entire investment and operating process. The Code of Conduct Policy guides NCP in its capacity as Investment Manager throughout the investment process i.e. when NCP originate/screen/assess potential investments, select and propose investments, monitor and manage investments, and propose divestments.

NCP's Code of Conduct Policy includes 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 of Right at Work
- Basel Convention: Technical guidelines for the environmentally sound management of the full and partial dismantling of ships

NCP and MIF I conduct business within the framework of these conventions and in a manner designed to protect the best interest of the funds and the employees, including their health and safety. This implies that

Management commentary

NCP and MIF I also aim for their business partners to comply with these principles.

The ESG principles involved are summarized below:

Environmental Principles:

- Emissions: Assets must comply with regulatory provisions on emissions. Business partners must support a precautionary approach to emissions that can affect the environment.
- Fuel Management: Assets must comply with regulatory provisions on fuel and energy consumption. Business partners must undertake initiatives to promote energy efficiency.
- Ballast water Management: Assets must comply with regulatory provisions on ballast water. Business partners must undertake initiatives to promote environmental responsibility regarding ballast water treatment.
- Dismantling of assets: The dismantling process must comply with regulatory provisions on dismantling of vessels. Business partners must support a precautionary approach to dismantling that can affect the environment and supports a recycling mindset.

Social Principles:

- Human Rights: NCP and business partners support and respect the protection of internationally proclaimed human rights and aim for not being complicit in human rights abuses.
- Collective agreements: NCP and business partners must uphold the freedom of association and the effective recognition of the right to collective agreements.
- Forced Labor: NCP and business partners must work to eliminate all forms of forced and compulsory labor.
- Child Labor: NCP and business partners must ensure that there is no use of child labor.
- Discrimination: NCP and business partners must aim for the elimination of discrimination in respect of employment and occupation.

Governance Principles:

- Systematic Risk Management: NCP and business partners must work to ensure a systematic risk assessment and management of ESG risks.
- Business ethics: NCP and business partners must aim for high business ethics.
- Anti-corruption: NCP and business partners must work against corruption in all its forms, including extortion and bribery.
- Financial Crime: NCP and business partners must work against financial crime, including anti-money laundering and countering the financing of terrorism.
- Financial sanctions: NCP and business partners must ensure compliance with financial sanctions and restrictions and not participate in the transportation of firearms, ammunitions, explosives, nuclear fuels and radioactive products and waste as imposed by the UN, EU and US.
- Cyber Security: NCP and business partners must work to understand and manage cybersecurity issues and protect personal data.

Management commentary

Implementation and achievements in 2019

The implementation of the ESG principles in the Code of Conduct Policy has been supported by employee awareness training and dialogue with relevant business partners.

We will during 2020 continue the work related to ensuring compliance with the ESG principles and existing conventions and regulations as well as take the necessary steps to be prepared for future regulation.

The compliance with these principles is believed to contribute positively to the UN Agenda for Sustainable Development and the corresponding Sustainable Development Goals.

Environmental:

The most significant risk is being non-compliant with the provisions on environmental conditions. During 2019 we have, in preparation for IMO 2020 new Sulphur emission regulation coming into force 1st January 2020, worked closely with our business partners to ensure that all our vessels have been prepared for the new regulation.

Furthermore, two of our vessels have had ballast water treatment systems installed during their planned dry-dock to ensure compliance with the ballast water regulation.

Social Conditions including Human Rights:

A collective accident insurance has been taken out for all employees in 2019. We have not identified any violations of the measures regarding social conditions or human rights. The most significant risk in this area is bad reputation and negative publicity regarding these measures.

Governance:

We have not identified any violations of the measures against anti-corruption, financial crime, financial sanctions or cyber-crime. The most significant risk in this area is getting involved – directly or indirectly through business partners – in a situation covered by these measures.

Statutory report on the underrepresented gender

Management of Maritime Investment Fund I K/S consists of the general partner Maritime F I ApS, hence no goals have been set regarding underrepresented gender.

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 2019

	<u>Notes</u>	<u>2019 USD'000</u>	<u>2018 USD'000</u>
Revenue	1	98.045	70.404
Other operating income		373	343
Other external expenses	2	(31.982)	(25.390)
Gross profit/loss		66.436	45.357
Depreciation, amortisation and impairment losses		(26.979)	(18.617)
Other operating expenses		(1.969)	(738)
Operating profit/loss		37.488	26.002
Other financial income		528	400
Other financial expenses		(22.170)	(18.545)
Profit/loss for the year	3	15.846	7.857

Consolidated balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 USD'000</u>	<u>2018 USD'000</u>
Ships		745.730	538.532
Property, plant and equipment	4	<u>745.730</u>	<u>538.532</u>
Fixed assets		<u>745.730</u>	<u>538.532</u>
Other receivables		5.661	3.497
Prepayments	5	7.487	4.721
Receivables		<u>13.148</u>	<u>8.218</u>
Cash		<u>24.604</u>	<u>21.788</u>
Current assets		<u>37.752</u>	<u>30.006</u>
Assets		<u>783.482</u>	<u>568.538</u>

Consolidated balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 USD'000</u>	<u>2018 USD'000</u>
Contributed capital		363.101	238.897
Retained earnings		(29.714)	(19.306)
Equity		<u>333.387</u>	<u>219.591</u>
Bank loans		380.617	278.112
Other payables		3.719	4.975
Non-current liabilities other than provisions	6	<u>384.336</u>	<u>283.087</u>
Current portion of long-term liabilities other than provisions	6	50.859	56.877
Trade payables		0	4
Other payables		7.272	3.118
Deferred income		7.628	5.861
Current liabilities other than provisions		<u>65.759</u>	<u>65.860</u>
Liabilities other than provisions		<u>450.095</u>	<u>348.947</u>
Equity and liabilities		<u>783.482</u>	<u>568.538</u>
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Consolidated statement of changes in equity for 2019

	Contributed capital USD'000	Retained earnings USD'000	Proposed extraordinary dividend USD'000	Total USD'000
Equity beginning of year	238.897	(19.306)	0	219.591
Increase of capital	124.204	0	0	124.204
Extraordinary dividend paid	0	0	(23.500)	(23.500)
Fair value adjustments of hedging instruments	0	(2.754)	0	(2.754)
Profit/loss for the year	0	(7.654)	23.500	15.846
Equity end of year	363.101	(29.714)	0	333.387

Consolidated cash flow statement for 2019

	<u>Notes</u>	<u>2019 USD'000</u>	<u>2018 USD'000</u>
Operating profit/loss		37.489	26.002
Amortisation, depreciation and impairment losses		26.979	18.617
Working capital changes	7	(1.768)	(2.205)
Cash flow from ordinary operating activities		62.700	42.414
Financial income received		528	400
Financial expenses paid		(22.170)	(16.109)
Other cash flows from operating activities		0	405
Cash flows from operating activities		41.058	27.110
Acquisition etc of property, plant and equipment		(234.177)	(271.516)
Cash flows from investing activities		(234.177)	(271.516)
Loans raised		148.391	273.380
Repayments of loans etc		(53.160)	(94.801)
Capital increase		124.204	95.215
Capital distribution		(23.500)	(20.500)
Cash flows from financing activities		195.935	253.294
Increase/decrease in cash and cash equivalents		2.816	8.888
Cash and cash equivalents beginning of year		21.788	12.900
Cash and cash equivalents end of year		24.604	21.788

Notes to consolidated financial statements

1. Revenue

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

2. Other external expenses

The Group has no employees.

Management has not received 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 2019.

Fees to the auditor appointed by the Annual General Meeting

Fees in the financial year to the auditors appointed by the Group:

	2019 USD'000	2018 USD'000
Statutory audit services	196	176
Tax services	62	27
Other services	56	16
	314	219

	2019 USD'000	2018 USD'000
3. Proposed distribution of profit/loss		
Extraordinary dividend distributed in the financial year	23.500	20.500
Retained earnings	(7.654)	(12.643)
	15.846	7.857

Notes to consolidated financial statements

	Ships USD'000
4. Property, plant and equipment	
Cost beginning of year	559.263
Additions	234.177
Cost end of year	793.440
Depreciation and impairment losses beginning of year	(20.731)
Depreciation for the year	(26.979)
Depreciation and impairment losses end of year	(47.710)
Carrying amount end of year	745.730

5. Prepayments

Prepayments and deferred income mainly constitute pre-invoiced revenue.

	Due within 12 months 2019 USD'000	Due within 12 months 2018 USD'000	Due after more than 12 months 2019 USD'000	Outstanding after 5 years USD'000
6. Liabilities other than provisions				
Bank loans	50.293	56.877	380.617	48.324
Other payables	566	0	3.719	0
	50.859	56.877	384.336	48.324

	2019 USD'000	2018 USD'000
7. Change in working capital		
Increase/decrease in receivables	(4.130)	(2.057)
Increase/decrease in trade payables etc	2.362	(148)
	(1.768)	(2.205)

8. 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.

9. Contingent liabilities

There is a remaining investment commitment of a total of USD 12m to group companies.

There are no contingent liabilities of the Group.

Notes to consolidated financial statements

10. Assets charged and collateral

The following has been provided as collateral for bank loans with an unpaid balance of USD 421m 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 746m.

11. 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>
12. Subsidiaries					
Maritime Investment Fund I Holding K/S	Hellerup	K/S	100,0	339.439	18.138
MIF I no. 1 K/S	Hellerup	K/S	100,0	10.581	293
MIF I no. 2 K/S	Hellerup	K/S	100,0	10.612	769
MIF I no. 3 K/S	Hellerup	K/S	100,0	10.222	1.013
MIF I no. 4 K/S	Hellerup	K/S	100,0	12.544	786
MIF I no. 5 K/S (liquidated)	Hellerup	K/S	100,0	0	(123)
MIF I no. 6 K/S	Hellerup	K/S	100,0	9.130	52
MIF I no. 7 K/S	Hellerup	K/S	100,0	12.267	1.078
MIF I no. 8 K/S	Hellerup	K/S	100,0	35.573	4.466
MIF I no. 9 K/S	Hellerup	K/S	100,0	37.058	4.699
MIF I no. 10 K/S	Hellerup	K/S	100,0	24.608	2.675
MIF I no. 11 K/S	Hellerup	K/S	100,0	31.358	2.339
MIF I no. 12 K/S	Hellerup	K/S	100,0	11.429	95
MIF I no. 13 K/S	Hellerup	K/S	100,0	10.684	3
MIF I no. 14 K/S	Hellerup	K/S	100,0	15.691	(81)
MIF I no. 15 K/S	Hellerup	K/S	100,0	32.815	1.248
MIF I no. 16 K/S	Hellerup	K/S	100,0	35.039	1.039
MIF I no. 17 K/S (liquidated)	Hellerup	K/S	100,0	0	(125)
MIF I no. 18 K/S (liquidated)	Hellerup	K/S	100,0	0	(125)
MIF I no. 19 K/S (liquidated)	Hellerup	K/S	100,0	0	(125)
MIF I no. 20 K/S	Hellerup	K/S	100,0	39.874	(1.827)
MIF I no. 21 K/S (liquidated)	Hellerup	K/S	100,0	0	(125)
Maritime Investment Fund I Holding GP ApS	Hellerup	ApS	100,0	6	0
MIF I no. 1 GP ApS	Hellerup	ApS	100,0	6	0
MIF I no. 2 GP ApS	Hellerup	ApS	100,0	6	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>
12. Subsidiaries (continued)					
MIF I no. 3 GP ApS	Hellerup	ApS	100,0	6	0
MIF I no. 4 GP ApS	Hellerup	ApS	100,0	6	0
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
MIF I no. 12 GP ApS	Hellerup	ApS	100,0	6	0
MIF I no. 13 GP ApS	Hellerup	ApS	100,0	6	0
MIF I no. 14 GP ApS	Hellerup	ApS	100,0	6	0
MIF I no. 15 GP ApS	Hellerup	ApS	100,0	6	0
MIF I no. 16 GP ApS	Hellerup	ApS	100,0	6	0
MIF I no. 20 GP ApS	Hellerup	ApS	100,0	10	2

Parent income statement for 2019

	<u>Notes</u>	<u>2019 USD'000</u>	<u>2018 USD'000</u>
Other external expenses	1	(807)	(991)
Operating profit/loss		(807)	(991)
Income from investments in group enterprises		18.012	12.528
Other financial income		16	27
Other financial expenses		(1.375)	(2.489)
Profit/loss for the year	2	15.846	9.075

Parent balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 USD'000</u>	<u>2018 USD'000</u>
Investments in group enterprises		339.535	232.717
Receivables from group enterprises		0	18.000
Fixed asset investments	3	<u>339.535</u>	<u>250.717</u>
Fixed assets		<u>339.535</u>	<u>250.717</u>
Receivables from group enterprises		3.529	27
Other receivables		43	0
Receivables		<u>3.572</u>	<u>27</u>
Cash		<u>373</u>	<u>746</u>
Current assets		<u>3.945</u>	<u>773</u>
Assets		<u>343.480</u>	<u>251.490</u>

Parent balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 USD'000</u>	<u>2018 USD'000</u>
Contributed capital		363.101	238.897
Reserve for net revaluation according to the equity method		(13.481)	(7.993)
Retained earnings		(16.233)	(11.313)
Equity		<u>333.387</u>	<u>219.591</u>
Bank loans		10.000	31.750
Other payables		93	149
Current liabilities other than provisions		<u>10.093</u>	<u>31.899</u>
Liabilities other than provisions		<u>10.093</u>	<u>31.899</u>
Equity and liabilities		<u>343.480</u>	<u>251.490</u>
Contingent liabilities	4		
Assets charged and collateral	5		
Related parties with controlling interest	6		

Parent statement of changes in equity for 2019

	Contributed capital USD'000	Reserve for net revaluation according to the equity method USD'000	Retained earnings USD'000
Equity beginning of year	238.897	(7.993)	(11.313)
Increase of capital	124.204	0	0
Extraordinary dividend paid	0	0	0
Fair value adjustments of hedging instruments	0	0	(2.754)
Dividends from group enterprises	0	(23.500)	23.500
Profit/loss for the year	0	18.012	(25.666)
Equity end of year	363.101	(13.481)	(16.233)

	Proposed extraordinary dividend USD'000	Total USD'000
Equity beginning of year	0	219.591
Increase of capital	0	124.204
Extraordinary dividend paid	(23.500)	(23.500)
Fair value adjustments of hedging instruments	0	(2.754)
Dividends from group enterprises	0	0
Profit/loss for the year	23.500	15.846
Equity end of year	0	333.387

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 return 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, 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 2019.

	2019 USD'000	2018 USD'000
2. Proposed distribution of profit/loss		
Extraordinary dividend distributed in the financial year	23.500	20.500
Transferred to reserve for net revaluation according to the equity method	18.012	12.528
Retained earnings	(25.666)	(23.953)
	15.846	9.075
	Investments in group enterprises USD'000	Receivables from group enterprises USD'000
3. Fixed asset investments		
Cost beginning of year	240.710	18.000
Additions	112.306	0
Disposals	0	(18.000)
Cost end of year	353.016	0
Revaluations beginning of year	(7.993)	0
Share of profit/loss for the year	18.012	0
Dividend	(23.500)	0
Revaluations end of year	(13.481)	0
Carrying amount end of year	339.535	0

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 13m to Maritime Investment Fund I Holding K/S.

There are no contingent liabilities of the Company.

Notes to parent financial statements

5. Assets charged and collateral

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

- MIF I no. 1 K/S
- MIF I no. 1 GP ApS
- MIF I no. 2 K/S
- MIF I no. 2 GP ApS
- MIF I no. 3 K/S
- MIF I no. 3 GP ApS
- MIF I no. 4 K/S
- MIF I no. 4 GP ApS
- MIF I no. 6 K/S
- MIF I no. 6 GP ApS
- MIF I no. 7 K/S
- MIF I no. 7 GP ApS
- MIF I no. 8 K/S
- MIF I no. 8 GP ApS
- MIF I no. 11 K/S
- MIF I no. 11 GP ApS
- MIF I no. 12 K/S
- MIF I no. 12 GP ApS
- MIF I no. 13 K/S
- MIF I no. 13 GP ApS

6. Related parties with controlling interest

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

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

Accounting policies

Reporting class

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

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

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

Recognition and measurement

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

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

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

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

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

Consolidated financial statements

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

Basis of consolidation

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

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

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

Accounting policies

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 foreign currencies.

Accounting policies

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.

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 from time of commissioning:

Vessels	25 years
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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.

Accounting policies

Cash flow statement

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

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

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

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

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