

**Maritime Investment
Fund I Holding K/S**
Strandvejen 70
2900 Hellerup
Central Business Registration
No 38719033

Annual report 2017

The Annual General Meeting adopted the annual report on 15.03.2018

Chairman of the General Meeting



Name: Henrik Ramskov

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Entity details

Entity

Maritime Investment Fund I Holding K/S
Strandvejen 70
2900 Hellerup

Central Business Registration No: 38719033

Founded: 16.06.2017

Registered in: Gentofte

Financial year: 16.06.2017 - 31.12.2017

Reporting period, number:1

Executive Board

Lars Bagge Christensen
Henrik Ramskov
Stig Duus Enslev
John Peter Boesen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the interim report

The Executive Board have today considered and approved the annual report of Maritime Investment Fund I Holding K/S for the financial year 16.06.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations and cash flows for the financial year 16.06.2017 - 31.12.2017.

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, 15.03.2018

Executive Board



Lars Bagge Christensen



Henrik Ramskov



John Peter Boesen



Stig Duus Enslev

Independent auditor's report

To the shareholders of Maritime Investment Fund I Holding K/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Maritime Investment Fund I Holding K/S for the financial year 16.06.2017 - 31.12.2017, 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. 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 31.12.2016, and of the results of their operations for the financial year 01.01.2016 - 31.12.2016 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 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

Independent auditor's report

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 that we identify during our audit.

Independent auditor's report

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.

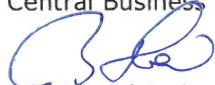
Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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, 15.03.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556



Bill Haudal Pedersen
State Authorised Public Accountant
Identification number (MNE) 30131



Michael Thorø Larsen
State Authorised Public Accountant
Identification number (MNE) 35823

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 2018.

This is the Company's first financial year and comprise the period 16.06.2017 – 31.12.2017, and hence no comparative figures have been presented.

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 2017

	<u>Notes</u>	<u>2017 USD'000</u>
Revenue		7,068
Other operating income		21
Other external expenses	1	<u>(6,759)</u>
Gross profit/loss		330
Depreciation, amortisation and impairment losses		(2,114)
Other operating expenses		<u>(491)</u>
Operating profit/loss		(2,275)
Other financial income		59
Other financial expenses		<u>(1,321)</u>
Profit/loss for the year		<u>(3,537)</u>
Proposed distribution of profit/loss		
Retained earnings		<u>(3,537)</u>
		<u>(3,537)</u>

Consolidated balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 USD'000</u>
Ships		285,633
Property, plant and equipment	2	<u>285,633</u>
Fixed assets		<u>285,633</u>
Other receivables		1,312
Prepayments		372
Receivables		<u>1,684</u>
Cash		<u>12,599</u>
Current assets		<u>14,283</u>
Assets		<u>299,916</u>

Consolidated balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 USD'000</u>
Contributed capital		222,357
Retained earnings		(3,537)
Equity		<u>218,820</u>
Bank loans		73,400
Non-current liabilities other than provisions	3	<u>73,400</u>
Current portion of long-term liabilities other than provisions	3	5,800
Trade payables		330
Payables to group enterprises		9
Other payables		449
Deferred income		1,108
Current liabilities other than provisions		<u>7,696</u>
Liabilities other than provisions		<u>81,096</u>
Equity and liabilities		<u>299,916</u>
Contingent liabilities	4	
Mortgages and securities	5	
Subsidiaries	6	

Notes to consolidated financial statements

1. Other external expenses

The group has no employees.

Management has not received remuneration.

	Ships USD'000
2. Property, plant and equipment	
Additions	287,747
Cost end of year	287,747
Depreciation for the year	(2,114)
Depreciation and impairment losses end of the year	(2,114)
Carrying amount end of year	285,633

	Instalments within 12 months 2017 USD'000	Instalments beyond 12 months 2017 USD'000	Outstanding after 5 years USD'000
3. Liabilities other than provisions			
Bank loans	5,800	73,400	51,400
	5,800	73,400	51,400

4. Contingent liabilities

There is a remaining investment commitment of a total of 160 mio. USD.

There are no contingent liabilities of the company.

5. Mortgages and securities

The following has been provided as collateral for bank loans with an unpaid balance of 79 mio. USD in the Group. All terms and collaterals has been provided based on terms which is normal within the industry.

- Mortgage deed registered to 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 debts in MIF I no. 1 K/S and MIF I no. 2 K/S.

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>
6. Subsidiaries					
MIF I no. 1 K/S	Hellerup	K/S	100.0	11,453	(661)
MIF I no. 2 K/S	Hellerup	K/S	100.0	11,212	(802)
MIF I no. 6 K/S	Hellerup	K/S	100.0	0	0
MIF I no. 7 K/S	Hellerup	K/S	100.0	0	0
MIF I no. 8 K/S	Hellerup	K/S	100.0	0	0
MIF I no. 9 K/S	Hellerup	K/S	100.0	0	0
MIF I no. 10 K/S	Hellerup	K/S	100.0	0	0
MIF I no. 11 K/S	Hellerup	K/S	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, 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.

Parent income statement for 2017

	<u>Notes</u>	<u>2017 USD'000</u>
Other external expenses	1	(5)
Operating profit/loss		(5)
Income from investments in group enterprises		(3,533)
Other financial income		1
Profit/loss for the year		(3,537)
Proposed distribution of profit/loss		
Retained earnings		(3,537)
		(3,537)

Parent balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 USD'000</u>
Investments in group enterprises		218,823
Fixed asset investments		<u>218,823</u>
Fixed assets		<u>218,823</u>
Cash		<u>10</u>
Current assets		<u>10</u>
Assets		<u>218,833</u>

Parent balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 USD'000</u>
Contributed capital		222,357
Retained earnings		(3,537)
Equity		<u>218,820</u>
Trade payables		4
Payables to group enterprises		9
Current liabilities other than provisions		<u>13</u>
Liabilities other than provisions		<u>13</u>
Equity and liabilities		<u>218,833</u>
Contingent liabilities	2	
Mortgages and securities	3	

Parent statement of changes in equity for 2017

	Contributed capital USD'000	Retained earnings USD'000	Total USD'000
Contributed upon formation	222,357	0	222,357
Profit/loss for the year	0	(3,537)	(3,537)
Equity end of year	222,357	(3,537)	218,820

The contributed capital for Maritime Investment Fund I Holding K/S is not divided into share classes. The contributed capital are dividend in shares with a nominal value of USD 1.

Notes to parent financial statements

1. Other external expenses

The company has no employees.

Management has not received remuneration.

2. Contingent liabilities

There is a remaining investment commitment of a total of 160 mio. USD.

There are no contingent liabilities of the company.

3. Mortgages and securities

Maritime Investment Fund I K/S has provided a joint and several liability for all debts in MIF I no. 1 K/S and MIF I no. 2 K/S.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

This is the Group's first financial year and comprise the period 16.06.2017 – 31.12.2017, and hence no comparative figures have been presented.

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

Income statement

Revenue

Revenue from time 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 Group'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 Group'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.

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:

Vessels

19-25 years

Accounting policies

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.