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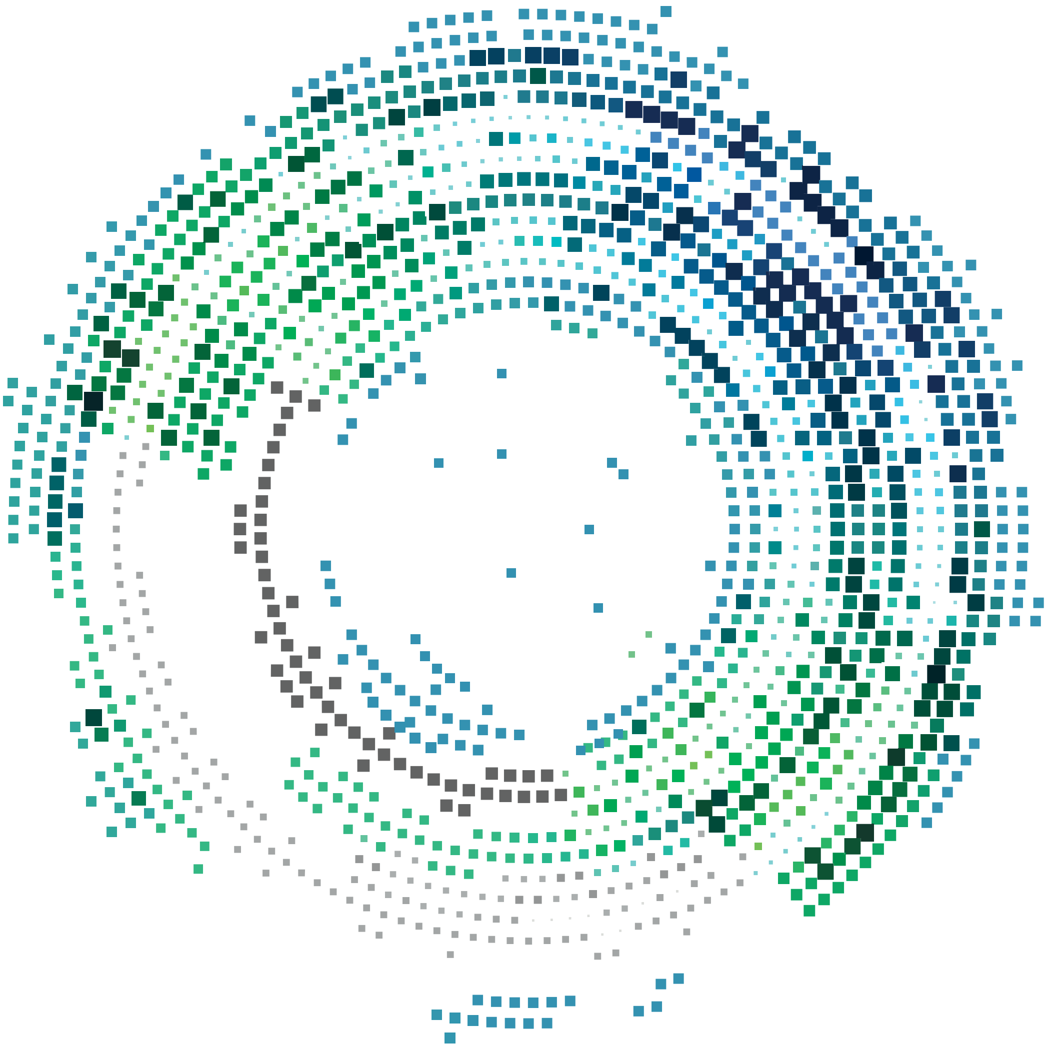

Maritime Investment Fund II K/S

Strandvejen 70
2900 Hellerup
CVR No. 40251898

Annual report 2021

The Annual General Meeting adopted the annual report on 11.03.2022

Henrik Ramskov
Chairman of the General Meeting

Contents

Entity details

Entity

Maritime Investment Fund II K/S

Strandvejen 70

2900 Hellerup

Business Registration No.: 40251898

Registered office: Gentofte

Financial year: 01.01.2021 - 31.12.2021

Executive Board

Maritime GP F II ApS

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of Maritime Investment Fund II K/S for the financial year 01.01.2021 - 31.12.2021.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021.

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, 11.03.2022

Executive Board

Maritime GP F II ApS

Independent auditor's report

To the shareholders of Maritime Investment Fund II K/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Maritime Investment Fund II K/S for the financial year 01.01.2021 - 31.12.2021, 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 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor’s responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor’s report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity’s ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- 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.

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, 11.03.2022

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 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

Financial highlights

	2021 USD'000	2020 USD'000	2019 USD'000
Key figures			
Revenue	48,448	24687	0
Gross profit/loss	49,435	17,246	(1,191)
Operating profit/loss	36,929	11,225	(1,191)
Net financials	(6,721)	(4,732)	(7)
Profit/loss for the year	30,204	6,488	(1,201)
Balance sheet total	334,967	295,688	629
Investments in property, plant and equipment	309,659	284,710	0
Equity	133,750	65,714	417
Ratios			
Gross margin (%)	102.00	69.86	N/A
Net margin (%)	62.30	26.28	N/A
Return on equity (%)	45.00	19.62	(288.00)
Equity ratio (%)	39.93	22.22	66.30

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

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

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

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

Equity ratio (%):
<u>Equity * 100</u>
Balance sheet total

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.

Profit/loss for the year in relation to expected developments
The profit/loss for the year is as expected.

Outlook
Management expects a positive result in 2022.

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 II K/S (MIF II) was established on 11th February 2019 and is an alternative investment fund. The fund is still in the investment period.

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

The business strategy of NCP and MIF II is to offer investors the opportunity to make long-term investments in a diversified portfolio of maritime assets for which there are diverse underlying demand drivers with attractive growth prospects. NCP and MIF II target an attractive return with the majority of the investment returns derived from stable and predictable cash flows, and they intend to achieve this via a proven investment strategy focused on segment diversification and long-term fixed employment contracts for the assets.

NCP and MIF II perceive a systematic integration of ESG in the entire investment process and working towards ensuring high ESG standards as prerequisites for mitigating risk, seizing opportunities, and delivering returns to investors. As such, NCP and MIF II align their approach to ESG with their fiduciary duty to act in the best interests of their Limited Partners by ensuring a balanced view of ESG opportunities and risks that may impact long-term returns.

By the end of Q4 2021 MIF II had completed 8 investments of which two was exited in 2021.

Corporate Social Responsibility
MIF II follows NCP’s approach to corporate social responsibility. According to NCP’s Code of Conduct, NCP and MIF II commit to the highest degree of business conduct. In this respect it is a fundamental condition that Environmental, Social and Governance (ESG) topics are respected.

<u>Environmental topics</u> consider how to perform as a steward of nature.

<u>Social topics</u> are about how to manage relationships with employees, suppliers, customers, and the communities where operation takes place.

Governance topics deal with how to ensure leadership and core values when conducting business.

NCP and MIF II are committed to comply with ESG topics as an integrated part of its sourcing, investment and operational processes related to its investments. This implies that NCP and MIF II also aim for their business partners to comply with these ESG topics.

Responsible investing is a central element of NCP's investment strategy, integrated into the entire investment process and all key decisions from deal origination to exit. This integration is secured via the careful consideration of sustainability – covering the relevant ESG topics – through clear and guiding principles as well as measurable KPIs in every process and decision across the entire value chain.

NCP's Responsible Investment Policy states that NCP strives to deliver attractive, risk-adjusted returns while enabling the green transition of the shipping sector. To support this, four ESG principles are underpinning NCP's daily work with sustainability:

- ESG governance and responsibility: NCP ensures that ESG responsibilities are assigned to effectively oversee the implementation of the framework, and that each member of staff is accountable for ESG integration in accordance with internal policies with support from suitably qualified staff, including from third parties where appropriate.

- ESG commitments: NCP commits to follow all relevant global standards and regulation within areas such as responsible investing, human and labour rights, responsible business, etc. According to the Code of Conduct and the Limited Partnership Agreement for MIF II, NCP and MIF II are committed to comply with the following standards, conventions, and guidelines:
  - UN Principles for Responsible Investments.
  - UN Global Compact.
  - UN Guiding Principles on Business and Human Rights.
  - OECD Guidelines for Multinational Enterprises.
  - ILO Declaration on Fundamental Principles and Rights at Work.
  - Basel Convention: Technical guidelines for the environmentally sound management of the full and partial dismantling of ships.

- ESG reporting: NCP reports on its activities and progress towards implementing the ESG framework and engages with other key stakeholders in a transparent way, providing them with key data on material ESG topics. As a financial market participant, NCP is subject to and compliant with the EU Regulation on sustainability-related disclosures in the financial services sector.

- ESG in the investment process and daily operations: NCP incorporates ESG considerations into its investment analysis and decision-making regarding investments, into its operating practices during ownership, and into its decision-making regarding exits/realisations. This implies conducting the following due diligence elements:
  - Commercial due diligence: Analysis of the investment from a commercial perspective.
  - Technical due diligence: Analysis of the investment from a technical perspective.
  - Financial due diligence: Analysis of the investment from a financial perspective.
  - Legal due diligence: Analysis of the investment from a legal perspective.
  - Due diligence on sustainability and ESG-related topics: Analysis of the investment asset and the selected technical manager from a sustainability and ESG perspective.

Implementation and Achievements in 2021
During 2021 a new Responsible Investment policy and a new policy on Integration of Sustainability Risks have been adopted in NCP and the handling procedures have been adopted accordingly.

Further, NCP has become signatory of PRI which is an investor initiative in partnership with United Nations supporting principles for responsible investments.

The anchoring of the ESG principles has also been further expanded during the year and NCP and MIF II have now reached a stage where active and targeted work is being done on the ESG principles in the various business processes.

NCP and MIF II will during 2022 continue this work as well as take the necessary steps to be prepared for future regulation, including the EU Regulation on sustainability-related disclosures in the financial services sector. The compliance with these new policies is believed to contribute positively to the UN Agenda for Sustainable Development and the corresponding Sustainable Development Goals.

Environmental:
The most significant risk in this area is being non-compliant with the provisions on environmental conditions and/or not to succeed in supporting the green transition in the shipping sector by implementing relevant and beneficial measures to ensure increased consideration for the environment.

NCP and MIF II were well prepared for the IMO 2020 new Sulphur emission regulation which came into force 1st January 2020. It is continuously assessed whether there is a need for further environmental measures regarding the various vessels in the portfolio. In support of this NCP has prepared a catalog of energy saving devices which lists possible technological initiatives per vessel that can help reduce fuel consumption and hence GHG emissions.

Social Conditions including Human Rights:
The most significant risk in this area is reputational risk due to potential negative publicity resulting from non-compliance with these measures.

NCP and MIF II have an ongoing awareness on social conditions and human rights to detect any violations. No violations have been detected.

Governance:
The most significant risk in this area is getting involved – directly or indirectly through business partners – in a situation covered by these measures.

NCP and MIF II have an ongoing awareness on anti-corruption, financial crime, financial sanctions, or cyber-crime. No violations have been detected.

Statutory report on the underrepresented gender
Regarding the gender target requirement at the level of the board of directors, the highest body in the Fund is Maritime F II ApS, hence it is not possible to set target figures. Moreover, as there are no employees in the Fund, there is no policy covering gender targets at other management levels.

Statutory report on data ethics policy

NCP and MIF II do not use any kind of data based artificial intelligence (AI) or machine learning (ML) in their efforts to fulfill the current business model and strategy as described above.

At present management has therefore not considered it necessary or beneficial to establish a policy on data ethics.

All decisions about current and future use of collected data and new information management technologies are anchored at the top management level, who conducts an ongoing evaluation of the company's work with collected data and information management technologies and the resulting need for a policy on data ethics.

Events after the balance sheet date

The Group has divested 1 vessel after the balance sheet date. No further events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

The ongoing conflict between Ukraine and Russia in 2022 has among others resulted in higher volatility in the financial markets and commodity prices from the beginning of March until the adoption of the Annual Report. The ongoing conflict does not affect the Annual Report 2021, and the Fund Manager is
currently assessing if and how the conflict might impact the Fund. The current assessment is that the ongoing conflict will not have an negative impact on the Fund.

Consolidated income statement for 2021

	Notes	2021 USD'000	2020 USD'000
Revenue		48,448	24,687
Other operating income		16,001	65
Other external expenses	1	(15,014)	(7,506)
Gross profit/loss		**49,435**	**17,246**
Depreciation, amortisation and impairment losses		(11,970)	(5,800)
Other operating expenses		(536)	(221)
Operating profit/loss		**36,929**	**11,225**
Other financial income		25	72
Other financial expenses		(6,746)	(4,804)
Profit/loss before tax		**30,208**	**6,493**
Tax on profit/loss for the year		(4)	(5)
Profit/loss for the year	2	**30,204**	**6,488**

Consolidated balance sheet at 31.12.2021

Assets

	Notes	2021 USD'000	2020 USD'000
Ships		309,659	284,710
Property, plant and equipment	3	**309,659**	**284,710**
Other receivables		2,043	0
Financial assets		**2,043**	**0**
Fixed assets		**311,702**	**284,710**
Other receivables		7,634	1,190
Prepayments	4	4,120	2,347
Receivables		**11,754**	**3,537**
Cash		**11,511**	**7,441**
Current assets		**23,265**	**10,978**
Assets		**334,967**	**295,688**

Equity and liabilities

	Notes	2021 USD'000	2020 USD'000
Contributed capital		142,017	71,621
Retained earnings		(22,767)	(5,907)
Proposed extraordinary dividend		14,500	0
Equity		**133,750**	**65,714**
Bank loans		169,933	80,240
Other payables		2,000	2,433
Non-current liabilities other than provisions	5	**171,933**	**82,673**
Current portion of non-current liabilities other than provisions	5	16,590	8,529
Bank loans		0	134,500
Tax payable		5	5
Other payables		8,536	951
Deferred income	6	4,153	3,316
Current liabilities other than provisions		**29,284**	**147,301**
Liabilities other than provisions		**201,217**	**229,974**
Equity and liabilities		**334,967**	**295,688**
Financial instruments	8		
Contingent liabilities	9		
Assets charged and collateral	10		
Transactions with related parties	11		
Subsidiaries	12		

Consolidated statement of changes in equity for 2021

	Contributed capital USD'000	Retained earnings USD'000	Proposed extraordinary dividend USD'000	Total USD'000
Equity beginning of year	71,621	(5,907)	0	65,714
Increase of capital	84,896	0	0	84,896
Decrease of capital	(14,500)	0	0	(14,500)
Extraordinary dividend paid	0	0	(35,500)	(35,500)
Fair value adjustments of hedging instruments	0	2,936	0	2,936
Profit/loss for the year	0	(19,796)	50,000	30,204
Equity end of year	**142,017**	**(22,767)**	**14,500**	**133,750**

Consolidated cash flow statement for 2021

	Notes	2021 USD'000	2020 USD'000
Operating profit/loss		36,929	11,225
Amortisation, depreciation and impairment losses		11,970	5,800
Working capital changes	7	667	461
Cash flow from ordinary operating activities		**49,566**	**17,486**
Financial income received		25	72
Financial expenses paid		(6,746)	(4,804)
Taxes refunded/(paid)		(5)	(3)
Cash flows from operating activities		**42,840**	**12,751**
Acquisition etc. of property, plant and equipment		(70,000)	(290,510)
Sale of property, plant and equipment		33,081	0
Cash flows from investing activities		**(36,919)**	**(290,510)**
Free cash flows generated from operations and investments before financing		**5,921**	**(277,759)**
Loans raised		131,900	231,665
Repayments of loans etc.		(168,648)	(6,396)
Contributions from Limited Partners		84,897	70,003
Distributions from Limited Partners		(50,000)	(10,500)
Cash flows from financing activities		**(1,851)**	**284,772**
Increase/decrease in cash and cash equivalents		**4,070**	**7,013**
Cash and cash equivalents beginning of year		7,441	428
Cash and cash equivalents end of year		**11,511**	**7,441**
Cash and cash equivalents at year-end are composed of:			
Cash		11,511	7,441
Cash and cash equivalents end of year		**11,511**	**7,441**

Notes to consolidated financial statements

1 Other external expenses

The Group has no employees.

Management has not received any remuneration.

In accordance with the Alternative Investment Fund Managers etc. Act, section 61, 3 (5 and 6) information regarding salaries paid to employees of the investment manager can be found in Navigare Capital Partners A/S', Business Reg. No. 37338109, Annual report 2021.

An extraordinary catch-up management fee has been paid to the investment manager in the financial year following final close of the Fund.

2 Proposed distribution of profit/loss

	2021 USD'000	**2020 USD'000**
Extraordinary dividend distributed in the financial year	50,000	10,500
Retained earnings	(19,796)	(4,012)
	30,204	**6,488**

3 Property, plant and equipment

	Ships USD'000
Cost beginning of year	290,510
Additions	70,000
Disposals	(33,081)
Cost end of year	**327,429**
Depreciation and impairment losses beginning of year	(5,800)
Depreciation for the year	(11,970)
Depreciation and impairment losses end of year	**(17,770)**
Carrying amount end of year	**309,659**

4 Prepayments

Prepayments mainly constitute pre-invoiced revenue.

5 Non-current liabilities other than provisions

	Due within 12 months 2021 USD'000	Due within 12 months 2020 USD'000	Due after more than 12 months 2021 USD'000	Outstanding after 5 years 2021 USD'000
Bank loans	16,590	8,529	169,933	65,977
Other payables	0	0	2,000	0
	16,590	**8,529**	**171,933**	**65,977**

The share of the Group's bank loans falling due within 5 months constitutes USD 5,4m.

6 Deferred income

Deferred income mainly constitute pre-invoiced revenue.

7 Changes in working capital

	2021 USD'000	2020 USD'000
Increase/decrease in receivables	(7,910)	(3,335)
Increase/decrease in trade payables etc.	8,577	3,796
	667	**461**

8 Derivative financial instruments

Several of the Group companies have entered into swaps where part of the Companies’ interest risk have been hedged. The swap contracts are recognized under other receivables and other debt respectively and are measured at fair value. The fair valued are regularly valued based on forward interests in the market.

9 Contingent liabilities

There is a remaining investment commitment of a total of USD 6.1m to group companies.

There are no contingent liabilities of the Group.

10 Assets charged and collateral

The following has been provided as collateral for bank loans with an unpaid balance of USD 187m 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 II Holding K/S has furthermore provided a joint and several liability for all bank loans within the companies of the Maritime Investment Fund II Holding K/S Group. The ships owned by the Maritime Investment Fund II Holding K/S Group are provided as collateral for the bank loans with a consolidated carrying amount of USD 310m.

11 Transactions with related parties

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

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

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

12 Subsidiaries

	Registered in	Corporate form	Ownership %	Equity USD'000	Profit/loss USD'000
Maritime Investment Fund II Holding K/S	Hellerup	K/S	100.00	32,238	32,238
MIF II no. 1 K/S	Hellerup	K/S	100.00	46,932	8,207
MIF II no. 2 K/S	Hellerup	K/S	100.00	10,380	1,782
MIF II no. 3 K/S	Hellerup	K/S	100.00	10,090	1,804
MIF II no. 4 K/S	Hellerup	K/S	100.00	26,717	1,339
MIF II no. 5 K/S	Hellerup	K/S	100.00	11	8,428
MIF II no. 6 K/S	Hellerup	K/S	100.00	14	8,430
MIF II no. 7 K/S	Hellerup	K/S	100.00	19,661	2,461
MIF II no. 8 K/S	Hellerup	K/S	100.00	19,570	2,454
MIF II no. 9 K/S	Hellerup	K/S	100.00	27	(392)
MIF II no. 10 K/S	Hellerup	K/S	100.00	39	(380)
MIF II no. 11 K/S	Hellerup	K/S	100.00	42	(376)
MIF II no. 12 K/S	Hellerup	K/S	100.00	42	(376)
MIF II no. 13 K/S	Hellerup	K/S	100.00	42	(376)
MIF II no. 14 K/S	Hellerup	K/S	100.00	42	(376)
MIF II no. 15 K/S	Hellerup	K/S	100.00	42	(376)
Maritime Investment Fund II Holding GP ApS	Hellerup	ApS	100.00	10	2
MIF II no. 1 GP ApS	Hellerup	ApS	100.00	9	0
MIF II no. 2 GP ApS	Hellerup	ApS	100.00	11	0
MIF II no. 3 GP ApS	Hellerup	ApS	100.00	11	0
MIF II no. 4 GP ApS	Hellerup	ApS	100.00	13	2
MIF II no. 5 GP ApS	Hellerup	ApS	100.00	11	0
MIF II no. 6 GP ApS	Hellerup	ApS	100.00	10	1
MIF II no. 7 GP ApS	Hellerup	ApS	100.00	10	1
MIF II no. 8 GP ApS	Hellerup	ApS	100.00	10	1
MIF II no. 9 GP ApS	Hellerup	ApS	100.00	10	1
MIF II no. 10 GP ApS	Hellerup	ApS	100.00	10	1
MIF II no. 11 GP ApS	Hellerup	ApS	100.00	8	1
MIF II no. 12 GP ApS	Hellerup	ApS	100.00	8	1
MIF II no. 13 GP ApS	Hellerup	ApS	100.00	8	1
MIF II no. 14 GP ApS	Hellerup	ApS	100.00	8	1
MIF II no. 15 GP ApS	Hellerup	ApS	100.00	8	1

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

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

Parent income statement for 2021

	Notes	2021 USD'000	2020 USD'000
Other external expenses	1	(1,136)	(685)
Gross profit/loss		**(1,136)**	**(685)**
Income from investments in group enterprises		32,254	8,591
Other financial income		0	1
Other financial expenses		(914)	(1,419)
Profit/loss for the year	2	**30,204**	**6,488**

Parent balance sheet at 31.12.2021

Assets

	Notes	2021 USD'000	2020 USD'000
Investments in group enterprises		133,769	179,565
Receivables from group enterprises		0	20,400
Financial assets	3	**133,769**	**199,965**
Fixed assets		**133,769**	**199,965**
Receivables from group enterprises		31	11
Other receivables		5,534	0
Receivables		**5,565**	**11**
Cash		**149**	**274**
Current assets		**5,714**	**285**
Assets		**139,483**	**200,250**

Equity and liabilities

	Notes	2021 USD'000	2020 USD'000
Contributed capital		142,017	71,621
Reserve for net revaluation according to equity method		0	(2,783)
Retained earnings		(22,767)	(3,124)
Proposed extraordinary dividend		14,500	0
Equity		**133,750**	**65,714**
Bank loans		0	134,500
Other payables		5,733	36
Current liabilities other than provisions		**5,733**	**134,536**
Liabilities other than provisions		**5,733**	**134,536**
Equity and liabilities		**139,483**	**200,250**
Contingent liabilities	4		
Assets charged and collateral	5		
Related parties with controlling interest	6		

Parent statement of changes in equity for 2021

	Contributed capital USD'000	Reserve for net revaluation according to the equity method USD'000	Retained earnings USD'000	Proposed extraordinary dividend USD'000	Total USD'000
Equity beginning of year	71,621	(2,783)	(3,124)	0	65,714
Increase of capital	84,896	0	0	0	84,896
Decrease of capital	(14,500)	0	0	0	(14,500)
Extraordinary dividend paid	0	0	0	(35,500)	(35,500)
Dissolution of revaluations	0	20,529	(20,529)	0	0
Fair value adjustments of hedging instruments	0	0	2,936	0	2,936
Dividends from group enterprises	0	(50,000)	50,000	0	0
Profit/loss for the year	0	32,254	(52,050)	50,000	30,204
Equity end of year	**142,017**	**0**	**(22,767)**	**14,500**	**133,750**

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 2021.

An extraordinary catch-up management fee has been paid to the investment manager in the financial year following final close of the Fund.

2 Proposed distribution of profit and loss

	2021 USD'000	2020 USD'000
Extraordinary dividend distributed in the financial year	50,000	10,500
Retained earnings	(19,796)	(4,012)
	30,204	**6,488**

3 Financial assets

	Investments in group enterprises USD'000
Cost beginning of year	183,042
Additions	(30,986)
Cost end of year	**152,056**
Revaluations beginning of year	(3,477)
Share of profit/loss for the year	32,254
Dividend	(50,000)
Fair value adjustments	2,936
Revaluations end of year	**(18,287)**
Carrying amount end of year	**133,769**

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 6m to Maritime Investment Fund II Holding K/S.

There are no contingent liabilities of the Company.

5 Assets charged and collateral

Maritime Investment Fund II K/S's equities in the following companies have been provided as collateral for the outstanding bank debt in the Maritime Investment Fund II Holding K/S Group.
- MIF II no. 2 K/S
- MIF II no. 3 K/S
- MIF II no. 2 GP ApS
- MIF II no. 3 GP ApS

6 Related parties with controlling interest

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

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

Accounting policies

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

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year, except that a reclassification has been made between non-current and current assets as well as non-current and current liabilities with the respect to the value of swaps in the comparable figures of 2020. Swap payments falling due within 12 months are presented as a current asset or liability, and payments falling due after 12 months are presented as a long term asset or liability.

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables. Swap payments falling due within 12 months are presented as a current asset or liability, and payments falling due after 12 months are presented as a long term asset or liability.

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

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

Income statement

Revenue

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

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities as well as gains an losses from sale of the vessel.

Other external expenses

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

Depreciation, amortisation and impairment losses

Depreciation relating to the vessel comprise depreciation for the financial year, calculated on the basis of the residual values and useful lives of the vessel and impairment testing.

Other operating expenses

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

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

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

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to bank and net exchange rate adjustments on transactions in foreign currencies.

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

Balance sheet

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

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Vessels	25 years
BWTS	25 years
Dry Docking	5 years

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises
Investments in group enterprises are recognised and measured in the parent financial statements 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 hand and bank deposits.

Dividend
Dividend is recognized as a liability at the time of adoption. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognized directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

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

Tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

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

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

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

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

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

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

Bill Haudal Pedersen
Revisor
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Henrik Ramskov
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Michael Thorø Larsen
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