

REPORT
regarding the
annual accounts 2024 of
Damen Ship Lease Coöperatie U.A.
Gorinchem



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To the partners of
Damen Ship Lease Coöperatie U.A.
Avelingen-West 20
4202MS Gorinchem

Reference: 7903160

Contact: WT

Gorinchem, March 26, 2025

Subject: Annual Report 2024

Dear partners,

Herewith we report the financial year 2024 with regard to your cooperative.

SCOPE OF ENGAGEMENT

In accordance with your instructions we have audited the financial statements 2024 of your company, which includes the company balance sheet totalling € 46,816,298, the consolidated balance sheet totalling € 115,358,630,, the consolidated and company profit and loss account with a result after taxation of € 2,844,369 and the consolidated statement of cash flows 2024 and the notes.

The other information contains our independent auditor's report for which we refer you to page 34.

FISCAL POSITION

Taxable amount 2024

The taxable amount 2024 has been calculated as follows:

	2024
	€
Result before taxes	3,774,016
Result of associated companies, not part of fiscal unity	<u>-3,426,527</u>
Taxable amount	<u><u>347,489</u></u>

The calculated corporate income tax amounts to:

The corporate income tax to be paid amounts to:

19.0% of € 200,000	38,000
25.8% of € 147,485	<u>38,051</u>
Total	<u><u>76,051</u></u>

A provisional corporate income tax has been paid for the amount of € 7,331. An amount of € 68,720 remains payable at year end.

The corporate income tax has been settled by the tax authorities up to and including 2023. We are willing to provide further explanations.

Yours sincerely,
Moore DRV Audit B.V.

A.W. van Vliet - de Swart MSc RA

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2024

(after appropriation of results)

	December 31, 2024		December 31, 2023	
	€	€	€	€
ASSETS				
Fixed assets				
Financial fixed assets	(1)			
Lease receivables	63,522,300		50,943,655	
Current assets				
Inventories	(2)			
Finished products and goods for resale	4,933,483		11,080,670	
Receivables	(3)			
Trade receivables	3,391,208		5,249,270	
Taxes and social security premiums	52,948		189,600	
Other receivables and deferred assets	18,406,258		25,420,502	
		21,850,414		30,859,372
Cash and cash equivalents	(4)			
		25,052,433		14,576,924
		115,358,630		107,460,621

		December 31, 2024		December 31, 2023	
		€	€	€	€
EQUITY AND LIABILITIES					
Group equity	(5)	30,788,571		33,944,201	
Non-current liabilities	(6)				
Other debenture loans and privately placed loans		-		15,000,000	
Debt to finance company		51,259,128		33,215,165	
Accruals and deferred income		138,000		4,353	
		51,397,128		48,219,518	
Current liabilities	(7)				
Repayment obligation long-term debt		22,856,024		7,965,611	
Trade creditors		146,291		164,381	
Taxes and social security premiums		485,641		-	
Other liabilities, accruals and deferred income		9,684,975		17,166,910	
		33,172,931		25,296,902	
		115,358,630		107,460,621	

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR 2024

		2024		2023	
		€	€	€	€
Gross margin			5,301,190		3,290,164
Impairment of current assets	(10)	617,649		333,168	
Other operating expenses	(11)	1,439,674		838,056	
Total operating expenses			2,057,323		1,171,224
Operating result			3,243,867		2,118,940
Financial income and expenses	(12)		530,149		7,185
Group result on ordinary activities before taxation			3,774,016		2,126,125
Corporate income tax			-929,647		-456,728
Group result after taxation			2,844,369		1,669,397

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2024

The cash flow statement is prepared using the indirect method.

	2024		2023	
	€	€	€	€
Cash flows from operating activities				
Operating result		3,243,867		2,118,940
Adjustments for:				
Changes in working capital:				
Movement of trade receivables	2,884,276		-13,015,464	
Movement of inventories	6,147,187		-11,080,670	
Movement of short-term liabilities (excluding finance company debt)	-7,533,605		11,224,756	
		1,497,858		-12,871,378
Cash generated from operations		4,741,725		-10,752,438
Interest received	530,149		7,185	
Corporate income tax	-273,772		-905,539	
		256,377		-898,354
Cash flows from operating activities		4,998,102		-11,650,792
Cash flows from investing activities				
Investments in other receivables	-59,856,260		-53,334,388	
Disposal of other receivables	53,265,646		55,445,855	
Cash flows from investing activities		-6,590,614		2,111,467
Cash flows from financing activities				
Repayment of debt to finance companies	-33,961,617		-27,274,247	
Capital withdrawal	-6,000,000		-600,000	
Withdrawal debt to finance companies	52,029,638		26,557,758	
Withdrawal of debenture loans and privately placed loans	108,000		-	
Repayment of debenture loans and privately placed loans	-108,000		-	
Net cash used in financing activities		12,068,021		-1,316,489
Movement in cash and cash equivalents		10,475,509		-10,855,814

Compilation cash

	Cash and cash equivalents
	€
Cash and cash equivalents as at January 1, 2023	25,432,738
Movement in cash and cash equivalents 2023	<u>-10,855,814</u>
Cash and cash equivalents as at December 31, 2023	<u>14,576,924</u>
	Cash and cash equivalents
	€
Cash and cash equivalents as at January 1, 2024	14,576,924
Movement in cash and cash equivalents 2024	<u>10,475,509</u>
Cash and cash equivalents as at December 31, 2024	<u>25,052,433</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

Activities

The activities of Damen Ship Lease Coöperatie U.A., with its registered office in Gorinchem, and its group companies consist of providing for the material needs of its members by entering into agreements with them in the business it operates or has operated for this purpose on behalf of its members. The company is registered with the trade register of the Chamber of Commerce Midden Nederland, file 54021537.

Group

Group structure

The company is the head of a group of legal entities.

The consolidated financial statements include the financial information of the company and its group companies, as well as other entities and companies in which a controlling interest can be exercised or where a central leadership is conducted. In connection with this, financial instruments containing potential voting rights that can be exercised immediately are also taken into account.

Financial information relating to the group companies and the other legal entities and companies included in the consolidation is fully included in the consolidated financial statements, eliminating the intercompany relationships and transactions. Third-party shares in equity and results of group companies are separately disclosed in the consolidated financial statements.

Participating interests

As required in articles 2:379 and 2:414 of the Dutch Civil Code the financial information of Damen Ship Lease Coöperatie U.A. and her following group companies are included in the financial statements of Damen Ship Lease Coöperatie U.A.:

- Damen Ship Lease Holding B.V., Gorinchem;
- Global Ship Lease Holding B.V., Gorinchem;
- Alpha Ship Lease Holding B.V., Gorinchem;
- Bravo Ship Lease Holding B.V., Gorinchem;
- Damen Ship Lease Finance B.V., Gorinchem.

Related parties

All entities over which dominant control, joint control, or significant influence can be exercised are considered related parties. Entities that can exercise dominant control are also regarded as related parties. Additionally, statutory directors, other key management personnel of Damen Ship Lease Coöperatie U.A. or its parent company, and their close relatives are considered related parties.

Material transactions with related parties are disclosed insofar as they have not been conducted under normal market conditions. The nature and scope of the transaction, as well as other information necessary for providing clarity, are explained.

Comparison with previous year

The applied principles for valuation and determination of results have remained unchanged compared to the previous year.

GENERAL ACCOUNTING POLICIES FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

ACCOUNTING POLICIES USED FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated and the company financial statements have been prepared in accordance with the provisions of Part 9 of Book 2 of the Dutch Civil Code and the Guideline for annual reporting of the Dutch Accounting Standards Board for small entities.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at nominal value.

Income and expenses are accounted for on accrual basis. Profit is only included when realised on balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Going concern

The accounting principles applied in this annual report are based on the assumption that Damen Ship Lease Coöperatie U.A. will be able to continue as a going concern.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

Financial fixed assets

Participating interests over which significant influence is exercised

Equity method

Participations in which significant influence is exercised on financial and operational policy decisions, from the moment of acquisition are valued under the equity method. The difference between the cost of the acquisition and the initial valuation based on the equity method is recognized as goodwill. Cost comprises the purchase price plus any costs directly attributable to the acquisition of the participation.

Net asset value method

Under this method, participating interests are carried at the group's share in their net asset value plus its share in the results of the participating interests as from the acquisition date, determined in accordance with the accounting policies disclosed in the financial statements.

The company's share of profit or loss of associates is presented in the income statement. If and to the extent that the company cannot distribute the positive results to itself without restrictions, these results are taken to a statutory reserve for participating interests. Its share of direct capital appreciation and depreciation of associates is also taken to the statutory reserve except for revaluations of associates' assets, which are taken to the revaluation reserve.

Loan granted and other receivables

Others

The receivables on loan granted as well as other receivables are initially measured at fair value and subsequently carried at amortised cost less provision. The amortised cost is equal to the fair value in situations where there is no discounts and premiums and transaction cost thus the effective interest rate is nil.

Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost comprises the cost of acquisition and includes all expenditures directly attributable to bringing the inventories to current location and present state.

The lower net realisable value is determined by an individual assessment of the inventories. The net realisable value is based on the expected selling price less selling costs to be incurred.

The net realisable value of finished goods and goods for resale is determined using the maximum price at which the stock can be sold, i.e. the contract price, taking into account the estimated costs necessary to realise the sale.

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provisions or impairments. The provisions are determined by an individual assessment of the receivables. In view of the generally short period to maturity, the fair value and amortised cost of these items tend to be virtually identical to the face value.

Cash and cash equivalents

Cash and banks consist of actual cash in hand and balance at banks with maturity date of less than twelve months from balance sheet date.

Liabilities

Interest-bearing and non-interest-bearing loans are recognised initially at fair value and subsequently valued at amortised cost. When no premium, discounts or transaction costs are applicable, the amortised cost is equal to the nominal value.

ACCOUNTING PRINCIPLES FOR THE DETERMINATION OF THE RESULT

Determination of the result

The result is defined as the difference between the revenue from goods delivered and services rendered and the costs and expenses for that year, valued at historical costs, taking into account the accounting principles mentioned before. Revenues from goods are recognised upon delivery. The cost price of these goods is allocated to the same period. Revenues from services are recognised in proportion to the services rendered. The cost price of these services is allocated to the same period.

Net turnover

The net turnover consists of revenue from the sale of goods and services to third parties during the reporting period net of discounts, rebates and value added taxes.

Cost of sales

Cost of sales comprises the interest expenses and are recognised in the statement of profit or loss on a pro rata basis, taking account of the effective interest rate of the liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Expenses general

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Financial income and expenses

Interest income is recognised pro rata in the profit and loss account, taking into account the effective interest rate for the asset concerned, provided the income can be measured and the income is probable to be received.

Period interest charges and similar charges are recognised in the year in which they fall due.

Taxes

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realisation is likely.

PRINCIPLES FOR PREPARATION OF THE CONSOLIDATED CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method.

The cash and cash equivalents in the cash flow statement consist of cash on hand (including immediately available deposits included therein) and cash equivalents.

Cash equivalents are highly liquid financial assets that can be easily converted into cash without restrictions and for which there are no significant risks of value changes occurring.

Corporate income taxes, issuance of share capital, interest received and dividends received are presented under the cash flow from operation activities. Interest paid and dividends paid are presented under the cash flow from financing activities.

Transactions that do not result in exchange of cash and cash equivalents, such as financial lease, are not presented in the cash flow statement. Financial lease payments are considered to be expenditures of financing activities as far as it concerns repayments made, and as expenditures of operational activities as far as it concerns interest.

NOTES TO THE CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2024

ASSETS

FIXED ASSETS

	12/31/2024	12/31/2023
	€	€
1. Financial fixed assets		
Lease receivables	63,522,300	50,943,655
	<u>2024</u>	<u>2023</u>
	€	€
<i>Lease receivables</i>		
Balance as at January 1	69,466,462	71,577,930
New contracts	59,856,260	53,334,388
Repayments	-53,379,207	-44,594,033
Exchange result	113,561	-134,634
Cancelled contracts	-	-10,717,189
	<u>76,057,076</u>	<u>69,466,462</u>
Impairment	-3,150,237	-3,150,237
Short term lease receivable	-9,384,539	-15,372,570
	<u>63,522,300</u>	<u>50,943,655</u>
Balance as at December 31		

At year end this concerns a total of 28 financial lease receivables (2023: 26) with an initial value of € 135,046,346 (2023: € 125,892,093). The duration of all lease contracts is between 36 and 84 months.

After the expiration of the contract (or if desired earlier) the lessee is obligated or has the option to take over the vessel against the original purchase value minus deposits and amortization paid.

Ultimo 2024 the remaining duration of the lease contracts amounts to between 1 and 60 months.

The future revenues in case lease contracts are not terminated by the lessee before the end of contract amount to € 20,828,853.

There is an impairment of lease receivables in BSL 19 en BSL 21 due to non-payment of the last instalment for these vessels as a result of compliance of Bravo Ship Lease Holding B.V. with the sanctions on Russia. Due to compliance with the sanctions on Russia the legal ownership of the vessel cannot be transferred. As a result the last instalment has not been received. The impairment has been made in the year 2022.

CURRENT ASSETS

2. Inventories

	12/31/2024	12/31/2023
	€	€
Finished products and goods for resale		
Finished goods	4,933,483	11,080,670
	<u>4,933,483</u>	<u>11,080,670</u>

3. Receivables

	12/31/2024	12/31/2023
Trade receivables	€	€
Trade receivables	4,409,061	5,649,474
Provision for bad debts	-1,017,853	-400,204
	<u>3,391,208</u>	<u>5,249,270</u>

A provision is made for doubtful debts.

Taxes and social security premiums

Corporate income tax	-	163,306
Value added tax	52,948	26,294
	<u>52,948</u>	<u>189,600</u>

Other receivables and deferred assets

Other receivables	9,384,539	15,372,570
Prepayments and accrued income	9,021,719	10,047,932
	<u>18,406,258</u>	<u>25,420,502</u>

Other receivables

Short term lease receivable	<u>9,384,539</u>	<u>15,372,570</u>
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Prepayments and accrued income

Revenue to be invoiced	225,310	725,651
Interest	208,550	59,791
Prepaid amounts	8,587,859	9,262,490
	<u>9,021,719</u>	<u>10,047,932</u>

4. Cash and cash equivalents

Rabobank	12,102,445	10,159,440
ING Bank N.V.	12,949,988	4,417,484
	<u>25,052,433</u>	<u>14,576,924</u>

The cash and bank balances per December 31, 2024 are at free disposal of the entity.

EQUITY AND LIABILITIES

5. TOTAL EQUITY

Please refer to the notes to the non-consolidated balance sheet on page 29 of this report for an explanation of the shareholders' equity.

6. NON-CURRENT LIABILITIES

	12/31/2024	12/31/2023
	€	€
Other debenture loans and privately placed loans		
Bonds	-	15,000,000
	2024	2023
	€	€
Bonds		
Balance as at January 1	15,000,000	15,000,000
Movement	-	-
Funds withdrawn	108,000	-
Repayment	-108,000	-
Balance as at December 31	15,000,000	15,000,000
Short-term part	-15,000,000	-
Long-term part as at December 31	-	15,000,000

On March 1, 2022, Damen Ship Lease Finance B.V. issued 5,000 bonds at a nominal value of € 3,000 each, for a total amount of € 15,000,000. The bond loan must be fully repaid by February 28, 2025. An interest rate of 7% is applied to the liability, which is to be paid annually on the last day of February.

	12/31/2024	12/31/2023
	€	€
Debt to finance company		
Coöperatieve Rabobank U.A.	9,797,245	12,637,969
NIBC Bank N.V.	27,150,279	20,577,196
Siemens Financial Services Limited	14,311,604	-
	51,259,128	33,215,165
	2024	2023
	€	€
Coöperatieve Rabobank U.A.		
Balance as at January 1	17,490,619	14,718,183
Funds drawn	11,200,319	8,536,292
Repayments (incl. amortization transaction costs)	-15,097,662	-5,763,858
Balance as at December 31	13,593,276	17,490,617
Repayment obligations next financial year (incl. amortization transaction costs)	-3,796,031	-4,852,648
Long-term part as at December 31	9,797,245	12,637,969

This loan was granted by Coöperatieve Rabobank U.A. and Nederlandse Financieringsmaatschappij voor Ontwikkelingslanden N.V. (subsequently changed to Invest International Capital B.V.). Coöperatieve Rabobank U.A. acts on behalf of the aforementioned parties as authorized representative. This loan was granted on May 24, 2018 for an initial amount of € 32,000,000 for a period of 36 months. After this period, Alpha Ship Lease Holding B.V. has the yearly option to extend the current facility for another year until May 25, 2024. In 2024 the loan is extended with an availability period until May 24, 2026 and a termination date until May 24, 2030.

Redemptions are paid to rate of the repayments of the outstanding lease receivables. As of December 31, 2024 the interest rate is 7.576% (2023: 8.143% - 9.840%).

Of the remainder of the loan as of December 31, 2024 there is no part with a term longer than five years.

The nominal value of the debt to Coöperatieve Rabobank U.A., excluding transaction costs, amounted to € 13,679,055 at the end of the financial year (2023: € 17,636,501). The transaction costs amount to € 85,781 at the end of the financial year (2023: € 145,884).

	2024	2023
	€	€
<i>NIBC Bank N.V.</i>		
Balance as at January 1	23,608,202	18,271,907
Funds drawn	24,944,080	18,021,466
Repayments (incl. amortization transaction costs)	-18,395,909	-12,685,171
Balance as at December 31	30,156,373	23,608,202
Repayment obligations next financial year (incl. amortization transaction costs)	-3,006,094	-3,031,006
Long-term part as at December 31	27,150,279	20,577,196

This loan was granted by NIBC Bank N.V. on February 5, 2021 for an initial amount of € 35,000,000 . On September 8, 2022 the loan was increased to € 45,000,000.

Redemptions are paid to rate of the repayments of the outstanding lease receivables. As of December 31, 2024 the interest rate amounts 6.336% (2023: 7.113% - 7.206%).

Of the remainder of the loan as of December 31, 2024 there is no part with a term longer than five years.

The nominal value of the debt to NIBC Bank N.V., excluding transaction costs, amounted to € 30,325,754 at the end of the financial year (2023: € 23,816,963). The transaction costs amount to € 169,384 at the end of the financial year (2023: € 208,761).

Siemens Financial Services Limited

Balance as at January 1	-	-
Funds drawn	15,525,239	-
Repayments (incl. amortization transaction costs)	-241,089	-
Balance as at December 31	15,284,150	-
Repayment obligations next financial year (incl. amortization transaction costs)	-972,546	-
Long-term part as at December 31	14,311,604	-

This loan was granted by Siemens Financial Services Limited. The loan was granted on May 1, 2024 for an initial amount of € 15,000,000 for a period of 36 months, which was temporarily increased in September, 2024 to € 15,751,662. After this period, Damen Ship Lease Holding B.V. has the option to extend the current facility for another 12 months.

Redemptions are paid to rate of the repayments of the outstanding lease receivables. As of December 31, 2024 the interest rates range between 5.127% - 5.613%.

Of the remainder of the loan as of December 31, 2024 there is no part with a term longer than five years.

The nominal value of the debt to Siemens, excluding transaction costs, amount to € 15,487,492 at the end of the financial year. The transaction costs amount to € 128,341 at the end of the financial year.

	12/31/2024	12/31/2023
Accruals and deferred income	€	€
Damen Shipyards Gorinchem B.V.	138,000	4,353
	2024	2023
<i>Damen Shipyards Gorinchem B.V.</i>	€	€
Balance as at January 1	86,310	271,808
Funds drawn	360,000	-
Repayments	-226,957	-185,498
Carrying amount as of December 31	219,353	86,310
Repayment obligations next financial year	-81,353	-81,957
Long-term part as of December 31	138,000	4,353

The interest reimbursement for Africa Ship Lease 18 B.V., Africa Ship Leasing 19 B.V. and Africa Ship Leasing 20 is released during the term of the lease contract at March 31, 2025. The interest reimbursement for Africa Ship Leasing 24 B.V. is released during the term of the lease contract at May 31, 2028.

Of the remainder of the loan as of December 31, 2024 there is no part with a term longer than five years.

GUARANTEES

Coöperatieve Rabobank U.A.

The following securities has been provided in the financing agreement with Coöperatieve Rabobank U.A.

- Pledging of all income and bank accounts;
- Mortgage on the ships; and
- 'Buy-back agreement' for a buy-back price which is no less than the Agreed Book Value of the relevant Financed Ship at such time.

The Coöperatieve Rabobank U.A. applies a solvency requirement of at least 20%.

The Coöperatieve Rabobank U.A. uses a ratio between the liquid assets of Alpha Ship Lease Holding B.V. plus Damen Ship Lease Coöperatie U.A. and the debt service. This ratio should be more than 1 at any time.

Alpha Ship Lease Holding B.V. meets the above mentioned solvency requirement and liquidity ratio at year-end 2024.

NIBC Bank N.V.

The following security has been provided in the financial agreement with the NIBC Bank N.V. creating first ranking security for the agent:

- Pledging of all income and bank accounts;
- Mortgage on the vessels; and
- 'Buy-back agreement' for a buy-back price which is the lower of 88% of the purchase price paid for that Financed Ship by the relevant Guarantor or the Agreed Book Value of the relevant Financed Ship at such time.

NIBC Bank N.V. requires a solvency requirement of at least 25%;

NIBC Bank N.V. requires a cash buffer (defined as cash and cash equivalents divided by the book value of the ships financed by NIBC) of at least 2%.

In case Global Ship Lease Holding B.V. distributes a dividend, NIBC Bank N.V. requires a solvency requirement of at least 30% after payment of the dividend.

Global Ship Lease Holding B.V. meets the above mentioned solvency requirement and cash buffer as of December 31, 2024. No dividend or other distribution has been made during 2024.

Siemens Financial Services Limited

The following security has been provided in the financial agreement with Siemens Financial Services Ltd. creating first ranking security for the agent:

- Pledging of all income, receivables and bank accounts;
- Mortgage on the vessels; and
- 'Buy-back agreement' for a buy-back price which is the lower of 88% of the purchase price paid for that Financed Ship by the relevant Guarantor or the Agreed Book Value of the relevant Financed Ship at such time.

Siemens Financial Services Ltd. requires a solvency requirement of at least 25%;

Siemens Financial Services Ltd. requires a cash buffer (defined as cash and cash equivalents divided by the total debt) of at least 2%.

Damen Ship Lease Holding B.V. meets the above mentioned solvency requirement and cash buffer as of December 31, 2024.

Financial instruments

Below the policy of the group with regard to financial instruments. The most important financial risks are interest rate risk, liquidity risk and credit risk.

Interest risk

The interest rate risk policy aims to limit the interest rate risks arising from the financing of the group and thereby also to optimize the net interest expense. This policy translates into a desired profile of fixed-income and floating-income positions including liquid assets.

Liquidity risk

Periodically (liquidity) budgets are drawn up. Interim liquidity risks are controlled as much as possible through interim monitoring and possible adjustments.

Credit risk

The group limits this risk as much as possible by doing business with creditworthy parties.

7. CURRENT LIABILITIES

	12/31/2024	12/31/2023
Repayment obligation long-term debt	€	€
Bonds	15,000,000	-
Loans	7,774,671	7,883,654
Accruals and deferred income	81,353	81,957
	<u>22,856,024</u>	<u>7,965,611</u>

This concerns the amounts to be repaid in the next financial year (incl. amortization transaction costs).

Trade payables

Trade payables	<u>146,291</u>	<u>164,381</u>
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Taxes and social security premiums

Corporate income tax	<u>485,641</u>	<u>-</u>
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Accruals and deferred income

Accountant and administration fees	82,500	87,500
Interest payable	659,474	503,705
Pre-invoiced amounts	7,987,727	8,858,259
Interest bonds	880,274	880,274
Invoices to be received	75,000	6,837,172
	<u>9,684,975</u>	<u>17,166,910</u>

OFF BALANCE SHEET COMMITMENTS

Contingent liabilities

Investment obligation

As of December 31, 2024 there is an investment obligation with regard to 6 vessels with a total purchase value of € 42,550,243.

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR 2024

	2024	2023
	€	€
8. Net turnover		
Lease revenues	7,887,982	6,438,575
Marketing fee	256,181	607,113
Arrangement fee	77,750	-
Refinancing fee	71,542	119,000
Charged costs	52,010	-
Termination fee	79,800	-
Interest Damen Workboats B.V.	701,564	-
Revenue of ship sold	7,100,000	-
Financing fee	28,442	-
	<u>16,255,271</u>	<u>7,164,688</u>
9. Cost of sales		
<i>Finance costs</i>		
Interest NIBC Bank N.V.	-	149,686
Interest NIBC Bank N.V. II	2,429,316	1,417,227
Interest Coöperatieve Rabobank U.A.	1,596,525	1,257,611
Interest bonds	1,050,000	1,050,000
Interest Siemens Financial Services Limited	326,227	-
<i>Cost of ship sold</i>		
Cost of ship sold	5,552,013	-
	<u>10,954,081</u>	<u>3,874,524</u>
10. Impairment of current assets		
Movement of provision for doubtful debtors	617,649	333,168
11. Other operating expenses		
Operating costs	696,174	202,102
General expenses	743,500	635,954
	<u>1,439,674</u>	<u>838,056</u>
Operating costs		
Other operating costs	696,174	202,102
General expenses		
Accountant and administration fees	197,722	191,068
Notarial and advisory costs	73,458	29,249
Legal fees	14,925	4,720
Management fee	457,303	410,831
Other general expenses	92	86
	<u>743,500</u>	<u>635,954</u>
12. Financial income and expenses		
Interest and similar income	530,400	127,346
Changes in value of financial assets and of securities	-	-981
Interest and similar expenses	-251	-119,180
	<u>530,149</u>	<u>7,185</u>

	2024	2023
	€	€
<i>Interest and similar income</i>		
Interest deposits	120,263	-
Tax interest	-	57
Interest and bank charges	215,342	127,289
Exchange gains and losses	194,795	-
	<u>530,400</u>	<u>127,346</u>
<u>Impairment of lease receivables</u>		
Depreciation of other receivable	-	-981
	<u>-</u>	<u>-981</u>
<i>Interest and similar expenses</i>		
Interest and bank charges	-2	-
Exchange gains and losses	-	119,180
Interest Dutch tax authorities	253	-
	<u>251</u>	<u>119,180</u>

COMPANY BALANCE SHEET AS OF DECEMBER 31, 2024

after appropriation of results

	December 31, 2024		December 31, 2023	
	€	€	€	€
ASSETS				
Fixed assets				
Financial fixed assets (13)				
Participating interests in group companies	27,268,795		26,064,812	
Amounts receivable from group companies	15,300,000		20,800,000	
		42,568,795		46,864,812
Current assets				
Receivables (14)				
Intercompany receivables	106,669		108,370	
Other receivables and deferred assets	899,686		1,152,082	
		1,006,355		1,260,452
Cash and cash equivalents (15)		3,241,148		1,790,277
		46,816,298		49,915,541

	December 31, 2024		December 31, 2023	
	€	€	€	€
EQUITY AND LIABILITIES				
Shareholders' equity	(16)			
Member capital		30,788,571		33,944,201
Non-current liabilities	(17)			
Loans due to shareholders and associates		-		15,000,000
Current liabilities				
Repayment obligation long-term debt	15,000,000		-	
Trade payables	1,938		-	
Taxes and social security premiums	68,720		15,689	
Other liabilities, accruals and deferred income	957,069		955,651	
		<u>16,027,727</u>		<u>971,340</u>
		<u><u>46,816,298</u></u>		<u><u>49,915,541</u></u>

COMPANY PROFIT AND LOSS ACCOUNT 2024

		2024		2023
		€	€	€
Gross margin		371,773		255,563
Other operating expenses	(20)	27,187		23,213
Operating result		344,586		232,350
Interest and similar income	(21)	32,725	9,738	
Interest and similar expenses	(22)	-1,034	-	
Financial income and expenses		31,691		9,738
Result before tax		376,277		242,088
Corporate income tax	(23)	-85,891		-45,996
Share in result of participating interests	(24)	2,553,983		1,473,305
Result after tax		2,844,369		1,669,397

ACCOUNTING POLICIES USED FOR THE COMPANY FINANCIAL STATEMENTS

The financial statement have been prepared in accordance with Title 9 Book 2 of the Dutch Civil Code.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at nominal value.

NOTES TO THE COMPANY BALANCE SHEET AS AT DECEMBER 31, 2024

ASSETS

FIXED ASSETS

13. Financial fixed assets

	12/31/2024	12/31/2023
	€	€
Participating interests in group companies		
Damen Ship Lease Holding B.V. at Gorinchem (100%)	7,543,473	7,045,587
Bravo Ship Lease Holding B.V. te Gorinchem (100%)	121,533	1,511,629
Global Ship Lease Holding B.V. te Gorinchem (100%)	13,779,689	11,896,575
Alpha Ship Lease Holding B.V. te Gorinchem (100%)	5,786,368	5,554,330
Damen Ship Lease Finance B.V. te Gorinchem (100%)	37,732	56,691
	<u>27,268,795</u>	<u>26,064,812</u>
	2024	2023
	€	€
<i>Damen Ship Lease Holding B.V.</i>		
Balance as at January 1	7,045,587	6,539,746
Share in result	497,886	505,841
Balance as at December 31	<u>7,543,473</u>	<u>7,045,587</u>
<i>Bravo Ship Lease Holding B.V.</i>		
Balance as at January 1	1,511,629	1,335,188
Share in result	-40,096	176,441
Declared dividend	-1,350,000	-
Balance as at December 31	<u>121,533</u>	<u>1,511,629</u>
<i>Global Ship Lease Holding B.V.</i>		
Balance as at January 1	11,896,575	11,343,380
Share in result	1,883,114	553,195
Balance as at December 31	<u>13,779,689</u>	<u>11,896,575</u>
<i>Alpha Ship Lease Holding B.V.</i>		
Balance as at January 1	5,554,330	5,293,987
Share in result	232,038	260,343
Balance as at December 31	<u>5,786,368</u>	<u>5,554,330</u>
<i>Damen Ship Lease Finance B.V.</i>		
Balance as at January 1	56,691	79,206
Share in result	-18,959	-22,515
Balance as at December 31	<u>37,732</u>	<u>56,691</u>

	12/31/2024	12/31/2023
	€	€
Amounts receivable from group companies		
Damen Ship Lease Holding B.V.	5,300,000	-
Bravo Ship Lease Holding B.V.	-	300,000
Alpha Ship Lease Holding B.V.	5,000,000	7,500,000
Global Ship Lease Holding B.V.	5,000,000	13,000,000
	<u>15,300,000</u>	<u>20,800,000</u>

	2024	2023
	€	€
Damen Ship Lease Holding B.V.		
Balance as at January 1	-	2,000,000
Funds drawn	5,300,000	-
Repayment	-	-2,000,000
Balance as at December 31	<u>5,300,000</u>	<u>-</u>

The subordinated loan was granted to Damen Ship Lease Holding B.V. on February 10, 2024 for an initial amount of € 1,300,000. An additional amount of € 4,000,000 was granted on June 11, 2024. The loan has been subordinated to the debt of Siemens Financial Services Limited. The interest rate on the loan is fixed and amounts to 7.5%.

Bravo Ship Lease Holding B.V.

Balance as at January 1	300,000	2,500,000
Repayment	-300,000	-2,200,000
Balance as at December 31	<u>-</u>	<u>300,000</u>

The subordinated loan was granted to Bravo Ship Lease Holding B.V. on 1 July 2019 for an initial amount of € 2,500,000. The interest rate on the loan is fixed and amounts to 7.5%. On 29 February 2024 the remaining amount of € 300,000 has been repaid.

Alpha Ship Lease Holding B.V.

Balance as at January 1	7,500,000	3,500,000
Funds drawn	1,300,000	4,000,000
Repayment	-3,800,000	-
Balance as at December 31	<u>5,000,000</u>	<u>7,500,000</u>

The subordinated loan was granted to Alpha Ship Lease Holding B.V. on July 1, 2019 for an initial amount of € 2,500,000. An additional amount of € 1,000,000 was granted on September 10, 2020. An additional amount of € 4,000,000 was granted on July 4, 2023. An additional amount of € 1,300,000 was granted on August 29, 2024. The subordinated loan has been subordinated to the debt of Coöperatieve Rabobank U.A. The interest rate on the loan is fixed and amounts to 7.5%.

	2024	2023
	€	€
Global Ship Lease Holding B.V.		
Balance as at January 1	13,000,000	5,000,000
Funds drawn	-	8,000,000
Repayment	-8,000,000	-
Balance as at December 31	<u>5,000,000</u>	<u>13,000,000</u>

The subordinated loan was granted to Global Ship Lease Holding B.V. on 9 December 2021 for an initial amount of € 5,000,000. An additional amount of € 5,000,000 was granted on March 16, 2023. Another additional amount of € 3,000,000 was granted on August 31, 2023. The subordinated loan has been subordinated to the debt of NIBC Bank N.V. The interest rate on the loan is fixed and amounts to 7.5%. On 9 February 2024 an amount of € 2,000,000 has been repaid. On 11 June 2024 an additional amount of € 2,000,000 has been repaid. On 29 August 2024 an additional amount of € 4,000,000 has been repaid.

CURRENT ASSETS

14. Receivables

	12/31/2024	12/31/2023
	€	€
Amounts receivable from group companies		
Damen Ship Lease Finance B.V.	<u>106,669</u>	<u>108,370</u>

An interest rate of 7.5% has been calculated.

Other receivables and deferred assets

Prepayments and accrued income	<u>899,686</u>	<u>1,152,082</u>
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Prepayments and accrued income

Interest	59,791	59,791
Interest subordinated loans	<u>839,895</u>	<u>1,092,291</u>
	<u>899,686</u>	<u>1,152,082</u>

15. Cash and cash equivalents

ING Bank N.V.	<u>3,241,148</u>	<u>1,790,277</u>
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The cash and bank balances per December 31, 2024 are at free disposal of the entity.

EQUITY AND LIABILITIES

16. SHAREHOLDERS' EQUITY

Member capital

The member capital is paid by:

- € 54,000 N.V. Beheermij. Rottumeroog
- € 54,000 N.V. Beheermij. Ameland
- € 54,000 N.V. Beheermij. Schiermonnikoog
- € 54,000 Zanzibar Investments B.V.
- € 54,000 Yokiki Investments B.V.

- In 2012 each member paid an amount of € 1,000,000.
 - In 2013 each member paid an amount of € 240,000.
 - In 2014 an amount of € 360,000 is withdrawn by each member.
 - In 2015 each member paid an amount of € 150,000.
 - In 2016 each member paid an amount of € 160,000.
 - In 2018 each member paid an amount of € 800,000.
 - In 2019 each member paid an amount of € 560,000.
 - In 2021 an amount of € 150,000 is withdrawn by each member.
 - In 2022 an amount of € 200,000 is withdrawn by each member.
 - In 2023 an amount of € 120,000 is withdrawn by each member.
 - In 2024 an amount of € 1,200,000 is withdrawn by each member.
- In total an amount of € 934,000 is paid by each member.

The result of the financial year for an amount of € 2,928,556 is equally divided amongs the members (each 20%), either € 585,711.

In total the member capital amounts as of December 31, 2024 € 30,872,758, divided as follow:

- € 6,174,552 N.V. Beheermij. Rottumeroog
- € 6,174,552 N.V. Beheermij. Ameland
- € 6,174,552 N.V. Beheermij. Schiermonnikoog
- € 6,174,552 Zanzibar Investments B.V.
- € 6,174,552 Yokiki Investments B.V.

17. NON-CURRENT LIABILITIES

	12/31/2024	12/31/2023
Loans due to shareholders and associates	€	€
Damen Ship Lease Finance B.V.	-	15,000,000
	<u>2024</u>	<u>2023</u>
<i>Damen Ship Lease Finance B.V.</i>	€	€
Balance as at January 1	15,000,000	15,000,000
Balance as of December 31	15,000,000	15,000,000
Repayment obligations next financial year	-15,000,000	-
Long-term part as at December 31	-	15,000,000

This loan was granted by Damen Ship Lease Finance B.V. on March 1, 2019 for an initial amount of € 9,381,600. An interest rate of 7.5% has been calculated. The loan was fully repaid in 2022.

A new loan was granted by Damen Ship Lease Finance B.V. on April 12, 2022 for an initial amount of € 15,000,000. An interest rate of 7.5% has been calculated. The loan should be fully repaid at February 28, 2025.

	12/31/2024	12/31/2023
Repayment obligation long-term debt	€	€
Debt to participating interests and companies	15,000,000	-

This concerns the amounts to be repaid in the next financial year (incl. amortization transaction costs).

Trade payables

Trade payables	1,938	-
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Taxes and social security premiums

Corporate income tax	68,720	15,689
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Other liabilities, accruals and deferred income

Accruals and deferred income	957,069	955,651
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Accruals and deferred income

Accountant and administration fees	17,000	12,500
Interest loan Damen Ship Lease Finance B.V.	940,069	943,151
	<u>957,069</u>	<u>955,651</u>

ASSETS AND LIABILITIES NOT APPEARING IN THE BALANCE SHEET

Contingent assets

Taxation

The company constitutes a tax entity for corporate income tax and VAT with Damen Ship Lease Finance B.V.; consequently the company is severally liable for the resulting debts.

Asset maintenance agreement

Damen Ship Lease Coöperatie U.A. en Damen Ship Lease Finance B.V. have entered into an asset maintenance agreement within the meaning of Article 3:2 paragraph 1 sub c Wft on the basis of which Damen Ship Lease Coöperatie U.A. has an unconditional obligation to Damen Ship Lease Finance B.V. to complement (if necessary) the assets of Damen Ship Lease Finance B.V. so that Damen Ship Lease Finance B.V. can meet its payment obligations under the bond loan towards bondholders.

NOTES TO THE COMPANY PROFIT AND LOSS ACCOUNT FOR THE YEAR 2024

	2024	2023
	€	€
18. Net turnover		
Interest Damen Ship Lease Holding B.V.	258,292	95,001
Interest Bravo Ship Lease Holding B.V.	3,750	87,395
Interest Alpha Ship Lease Holding B.V.	561,812	416,979
Interest Global Ship Lease Holding B.V.	664,791	760,208
	<u>1,488,645</u>	<u>1,359,583</u>
19. Cost of sales		
Finance costs	<u>1,116,872</u>	<u>1,104,020</u>
<i>Finance costs</i>		
Interest Damen Ship Lease Finance B.V.	<u>1,116,872</u>	<u>1,104,020</u>
20. Other operating expenses		
General expenses	<u>27,187</u>	<u>23,213</u>
General expenses		
Accountant and administration fees	27,141	23,170
Other general expenses	46	43
	<u>27,187</u>	<u>23,213</u>
Financial income and expenses		
21. Interest and similar income		
Interest deposits	32,725	-
Interest and bank charges	-	9,738
	<u>32,725</u>	<u>9,738</u>
22. Interest and similar expenses		
Interest and bank charges	<u>1,034</u>	-
23. Corporate income tax		
	2024	2023
	€	€
Corporate income tax	85,891	24,328
Movement of deferred tax assets	-	21,668
	<u>85,891</u>	<u>45,996</u>
24. Share in result of participating interests		
Share in result of Damen Ship Lease Holding B.V.	497,886	505,841
Share in result of Bravo Ship Lease Holding B.V.	-40,096	176,441
Share in result of Global Ship Lease Holding B.V.	1,883,114	553,195
Share in result of Alpha Ship Lease Holding B.V.	232,038	260,343
Share in result of Damen Ship Lease Finance B.V.	-18,959	-22,515
	<u>2,553,983</u>	<u>1,473,305</u>

OTHER NOTES

Appropriation of the result for the 2023 financial year

The annual account for 2023 was adopted by the General Meeting held on March 28, 2024. The General Meeting has determined the appropriation of the result as it was proposed.

Profit appropriation

The board of directors proposes to add the net result for 2024 of € 2,844,369 to the other reserves. This proposal has been processed in the annual account in advance of the adoption by the General Shareholders Meeting.

Staff

During the 2024 financial year the company has no employees, and hence incurred no wages, salaries or related social security charges, nor during the previous period.

Closing paragraph

Preparation of the financial statements

The consolidated and company financial statements have thus been prepared and authorized for issue by the Board of Directors in Gorinchem on March 26, 2025.

Signing and adoption of the financial statements

The consolidated and company financial statements have been signed by the Board of Directors and the General Meeting and have thus been adopted in Gorinchem pursuant to Section 2:210 paragraph 5 of the Dutch Civil Code.

Yokiki Investments B.V.
On behalf of
A.J. Damen

Signing date:

N.V. Beheermaatschappij Rottumeroog
On behalf of
K. Damen

Signing date:

OTHER INFORMATION

INDEPENDENT AUDITOR'S REPORT

To: the partners of Damen Ship Lease Coöperatie U.A. registered at Gorinchem

Report on the audit of the financial statements 2024 included in the annual report

Our opinion

We have audited the financial statements 2024 of Damen Ship Lease Coöperatie U.A., based in Gorinchem.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Damen Ship Lease Coöperatie U.A. as at December 31, 2024, and of its result for 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the consolidated and company balance sheet as at December 31, 2024;
2. the consolidated and company profit and loss account for 2024;
3. the consolidated cash flow statement of 2024;
4. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Damen Ship Lease Coöperatie U.A. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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 financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- obtaining 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 company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company'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 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 a company to cease to continue as a going concern;

- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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 findings in internal control that we identify during our audit.

Gorinchem, March 26, 2025

Moore DRV Audit B.V.

A.W. van Vliet - de Swart MSc RA