DANISH SHIP FINANCE

Annual Report 2025

CVR NO. 27 49 26 49

shipfinance.dk

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Danish Ship Finance *at a glance*

Danish Ship Finance is a highly specialised lender to the shipping industry, providing financing to reputable shipowners in Denmark and internationally. We are dedicated to offering excellent service to our clients. Our objectives are to maintain a best-in-class loan loss track record and supporting the shipping industry in its transition towards net-zero emissions, while generating attractive returns for our shareholders.

Danish Ship Finance was founded in 1961 with a mandate to finance Danish-built vessels. We remain very closely engaged with the Danish shipping community, even as our business has evolved. Today, the company is majority owned by Magellan Capital Holdings PLC (UK). Danish Ship Finance has a strong international presence, reflecting the global nature of the shipping industry itself. Our presence with international clients has gradually been built out since the late 1990s, and we are now a top 25 lender to the shipping industry globally and one of the largest institutions dedicated to ship financing. We have been awarded a no. 1 or 2 ranking for ship financing globally in three out of the past five Prospera industry surveys.

We strive to conduct our business in a proper and highly professional manner and seek to remain a long-term partner for our clients and investors. Upholding our highly robust capital and liquidity position continues to be a priority and we work hard to maintain a class-leading credit performance while serving our clients through the cycle.

Our ability to serve our clients by raising financing at competitive terms through covered bond issuance remains a cornerstone of our business.

WE HAVE A LOAN BOOK OF DKK 23.6 BILLION[1], COLLATERALISED BY 538 VESSELS

On average, our Senior Client Executives have 19 years of shipping industry experience

We have in-house shipping research, as well as technical survey, marine legal and marine insurance expertise

We are domiciled in Copenhagen, and are able to tap into strong shipping competencies

Our lean credit organisation enables quick decision-making to the benefit of clients

[1] *The loan book comprises loans and guarantees (nominal debt). See note 17 for further details.*

Letter to our *stakeholders*

Danish Ship Finance ("DSF") completed several key milestones in 2025. Firstly, we welcomed Kristian Skovmand as our new CEO. Kristian's wealth of experience will be instrumental in expanding the DSF platform to better serve the Shipping Industry.

We relocated to our new domicile at Langebrogade 5 in Copenhagen. The new property supports more effective collaboration across the organisation.

We continued to add new clients, totalling 7, and delivered an aggregate of DKK 6 billion in accepted loan offers in 2025.

These milestones represent continued progress under Magellan Capital's ownership.

DSF recorded a net profit of DKK 324 million for 2025. The result reflects contributions from our loan portfolio and the investment of our own funds in liquid instruments. Realised operating costs were higher in 2025 due to one-off costs related to the CEO transition and completion of the new domicile (see the section "The year in summary" below for more details on DSF's earnings in 2025).

As already mentioned in last year's Annual Report, our covered bonds were upgraded by Standard & Poor's in January 2025 to a high investment grade AA- (Stable) rating. This upgrade reflects the dedication to providing stable financing to shipowners in Denmark and internationally.

While shipping markets faced uncertainty and structural change, global trade volumes remained resilient, recording a modest growth of 1.1%. The ClarkSea Index increased by 43% year-on-year, notably supported by strong earnings in the Container Carriers and Tankers segments. By contrast, the Dry Bulk performance was more mixed, with average earnings below 2024 levels despite late-year improvements.

The global orderbook stood at 17% at year-end 2025 and remains concentrated in Containerships and Gas Carriers, where oversupply risk warrants close attention. Market pressure could intensify if Suez Canal transits normalise at scale.

Demand is influenced by shorter trade distances, weaker industrial momentum and the gradual normalisation of inventory cycles. Fleet growth is set to accelerate across most major segments as scheduled deliveries increase and operational inefficiencies unwind. Against this backdrop, earnings remain solid in several sectors, but rate sensitivity to even small utilisation shifts has increased. Dry Bulk and parts of the Gas Carrier fleet, in particular, illustrate this dynamic, with softer average earnings in some classes despite periods of strength.

Taken together, these point to the early stages of a gradual transition out of the era of super-normal earnings across large parts of the shipping market.

Sector earnings remain healthy. However, rates are no longer at the highs observed two years ago, and prevailing market forces point towards continued earnings normalisation across the industry.

The volume of outstanding loans decreased slightly in USD terms in 2025, reflecting the strong cash flow of our clients and the resulting muted market financing demand. Loan volume measured in DKK was further affected by the depreciation of the USD exchange rate against the DKK over the year. The loan book at year-end stood at DKK 23.6 billion. We note that the volume of preliminary pre-payments declined sharply in 2025, to DKK 2.5 billion, close to one-third of the elevated level of DKK 7.0 billion in 2024. This suggests early signs of normalising loan market dynamics, and we continue to expect an increase in shipowners' demand for loan financing and selective expansion of our client coverage. Our competitiveness benefited from a favourable development in funding costs. Our cost of raising five-year wholesale funding decreased by more than

"Danish Ship Finance delivered a net profit of DKK 324 million for 2025."

30 basis points over the year.

Shipowners' balance sheets remain strong, and shipowners retain substantial buffers, which will allow them to weather a deterioration in market conditions for some time. The sector continues to prioritise decarbonisation, though momentum slowed amid regulatory uncertainty. Ordering trends reflect a preference for fuel flexibility rather than commitment to a single pathway. The share of dual-fuel-capable or-ready vessels remained stable in 2025, at 47% of tonnage on order at year-end, according to Clarksons. LNG remains the predominant secondary fuel choice, while potential end-state fuels such as methanol and ammonia still account for smaller shares. Financial market trends were generally supportive in 2025, despite periods of volatility. Our investment strategy performed well, with very limited volatility, delivering an investment result of DKK 441 million pre-tax. Loan book credit quality remains robust; as at 31 December 2025 all loans were interest-bearing and performing. Reversals of prior-year loan impairment charges made a pre-tax income contribution of DKK 15 million.

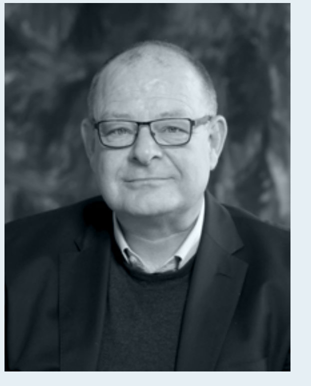
We remain well capitalised, and our solvency ratio of 26.7% gives ample headroom to grow the business. Following the acquisition of the majority of DSF's A-shares by Magellan Capital Holdings PLC in 2024, DSF has established a normalised level of dividend distributions, comprising a regular annual dividend to A-shareholders and a preferred dividend to the Danish Maritime Fund ("DMF"). We are very proud to have contributed more than DKK 1 billion to the DMF since the fund's inception.

We look back at a year in which important organisational transitions were completed, while delivering solid financial results in a competitive market. With Magellan's support, we continue developing strategy, talent, and global client relationships. Our priority remains making long-term decisions for the benefit of our stakeholders, delivering attractive shareholder returns, and preserving our class-leading credit performance. Developments during the year highlighted the importance of a stable and robust shipping sector. We remain committed to supporting the shipping sector in Denmark and internationally and financing our clients' investment needs.

Chairman of the Board Eivind Kolding will not seek re-election at the Annual General Meeting. The rest of the board remains unchanged, and long-standing board member Christian Frigast was nominated and has agreed to take on the role of Chairman immediately after the Annual General Meeting.

Kristian Skovmand
CEO

Eivind Kolding
Chairman



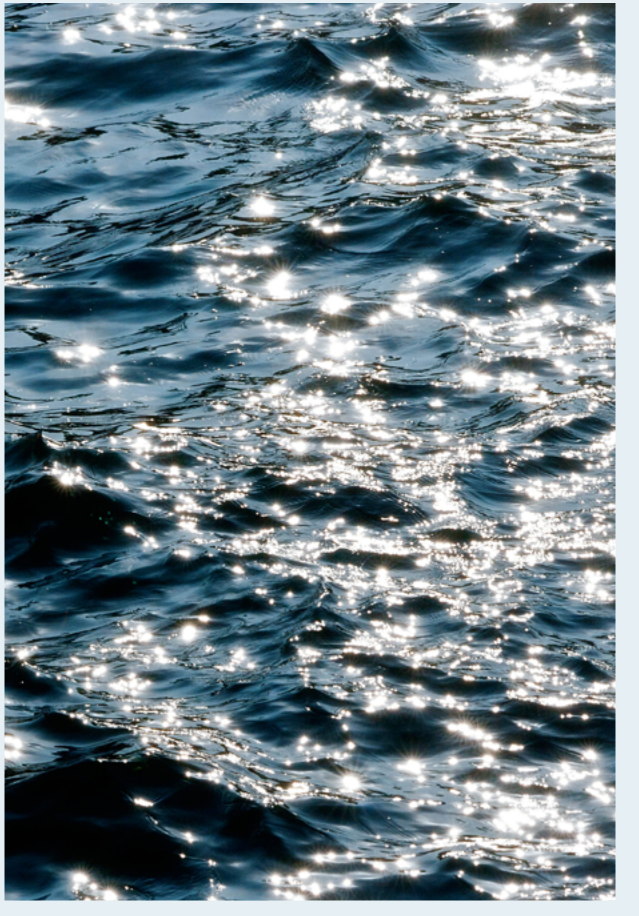
Peter Nyegaard
Vice Chairman

Ahmed Omar
Vice Chairman

Highlights

During 2025 we:

- Welcomed our new CEO, Kristian Skovmand
- Welcomed seven new clients
- Completed the relocation to our new domicile at Langebrogade 5 in Copenhagen
- Realised an investment return of 4.9%, corresponding to pre-tax investment income of DKK 441 million
- Maintained solid credit quality with no defaults in the loan book and all loans classified as Stage 1 at year-end
- Maintained a strong regulatory solvency of 26.7%
- Reduced the intensity of our financed emissions by 12% to 84 tonnes CO_2e per DKK million of lending
- Planned dividend to the Danish Maritime Fund of DKK 49 million for 2025, distributed following the annual general meeting, which brings DSF's total contributions since DMF's inception to DKK 1,073 million



The year *in summary*

DSF's business remained robust in a year of increased geopolitical uncertainty where markets were forced to continually stay agile and adapt.

Net profit of DKK 324 million for the financial year 2025 was satisfactory. The result is at the high end of the guidance range communicated in our mid-year report.

Shipping markets successfully weathered a year dominated by geopolitical uncertainty and structural challenges to global trade dynamics. Global trade volumes remained resilient, recording modest positive growth of 1.1%. Likewise, shipping sector earnings remained robust as evidenced by the ClarkSea Index of cross-sector earnings increasing by an average of 7% year-on-year, with major segments such as Container Carriers and Tankers delivering strong earnings throughout 2025. By contrast, Dry Bulk earnings performance was more mixed, with average earnings below 2024 levels despite periodical improvements late in the year.

The global orderbook stood at 17% at year-end, concentrated in Containerships and Gas Carriers. Oversupply remains a risk that warrants close attention particularly if the Suez Canal fully re-opens, shortening voyage distances.

Shorter voyage distances, weaker industrial momentum and lower inventory build would point to the distinct possibility of a slowdown in global fleet utilisation and freight rates.

Competitive pressures in ship financing remained intense in 2025. Even as new lending remained healthy, with DKK 5.6 billion of new loans disbursed during the year, extraordinary loan pre-payments of DKK 2.5 billion, combined with ordinary loan instalments of DKK 3.9 billion, more than offset the disbursements. The loan book at year-end 2025 stood at DKK 23.6 billion, DKK 3.8 billion lower year on year. Depreciation of the USD/DKK exchange rate accounted for DKK 2.9 billion of the difference.

Net income from lending of DKK 318 million, was DKK 66 million below the prior-year figure, due to a smaller loan book and continued margin pressure.

Net funding costs, including residual funding costs not directly attributable to clients, amounted to DKK 87 million, compared to DKK 23 million in 2024.

The upgrade of our covered bond rating to AA- (Stable) by Standard & Poor's in January 2025 confirmed the strong credit quality of our ship covered bonds and the upgrade was favourably received by investors.

Relatively modest funding requirements in 2025 meant that only a limited volume of new bonds were issued in 2025. During the year, we focused on extending the maturities of both our funding programmes by issuing selected new bonds and repurchasing shorter-dated bonds. In March, we issued our fifth benchmark EUR-denominated covered bond. The bond, with a six-year maturity, was very well received and attracted a good number of new investors. Reflecting a healthy market situation, DSF's net cost of funding declined over the course of the year.

Investment income of DKK 441 million from our portfolio of mostly AAA-rated fixed-income assets contributed significantly to the year's total result. The investment result was meaningfully higher than the also-solid 2024 result of DKK 395 million.

Operating costs of DKK 228 million were affected by costs relating to the CEO transition. In comparison, the operating costs of DKK 196 million in 2024 benefited from the reversal of performance-based compensation provisions from previous years.

Depreciation and impairment of property, plant and equipment amounted to DKK 22 million, primarily due to a partial impairment of construction costs relating to our new domicile at Langebrogade 5, which is in the final stages of refurbishment.

Loan impairment charges for 2025 amounted to a reversal of DKK 15 million, a very satisfactory outcome though less than the very substantial reversals of DKK 147 million in 2024.

The solid loan book credit quality was underpinned by solid vessel values throughout the year. A full 91% of the loan book after ECL charges was secured within 40% loan-to-value at year-end 2025.

As at 31 December 2025, there were no non-performing loans on the balance sheet, marking a ninth consecutive annual decline in non-performing loans as a share of the loan book.

Sustainability remains an important integral of our strategy even if the EU Omnibus Directive resulted in DSF no longer falling in the scope of the CSRD. This year, we have chosen to report the Voluntary Sustainability

Income by business area[1]

DKK million	2025	2024
Lending	318	384
Funding	(87)	(23)
Investments[2]	441	260
Income	672	622

1) The link between income according to the income statement and income attribution to the business areas can be seen in note 3.

2) 2024 investment income includes accrued Tier 2 capital note interest costs of DKK 135 million, while the corresponding figure was DKK 0 in 2025.

Reporting Standard for SMEs (VSME).

Our reported Poseidon Principles portfolio alignment score this year was +6.3% against the "minimum" trajectory and +12.8% against the "striving" trajectory (based on 2024 data). This represents an improvement compared to the alignments of +12.6% and +18.1% reported in the previous year. The improvement in our alignment score was largely driven by changes in our portfolio composition and by vessels sailing longer distances.

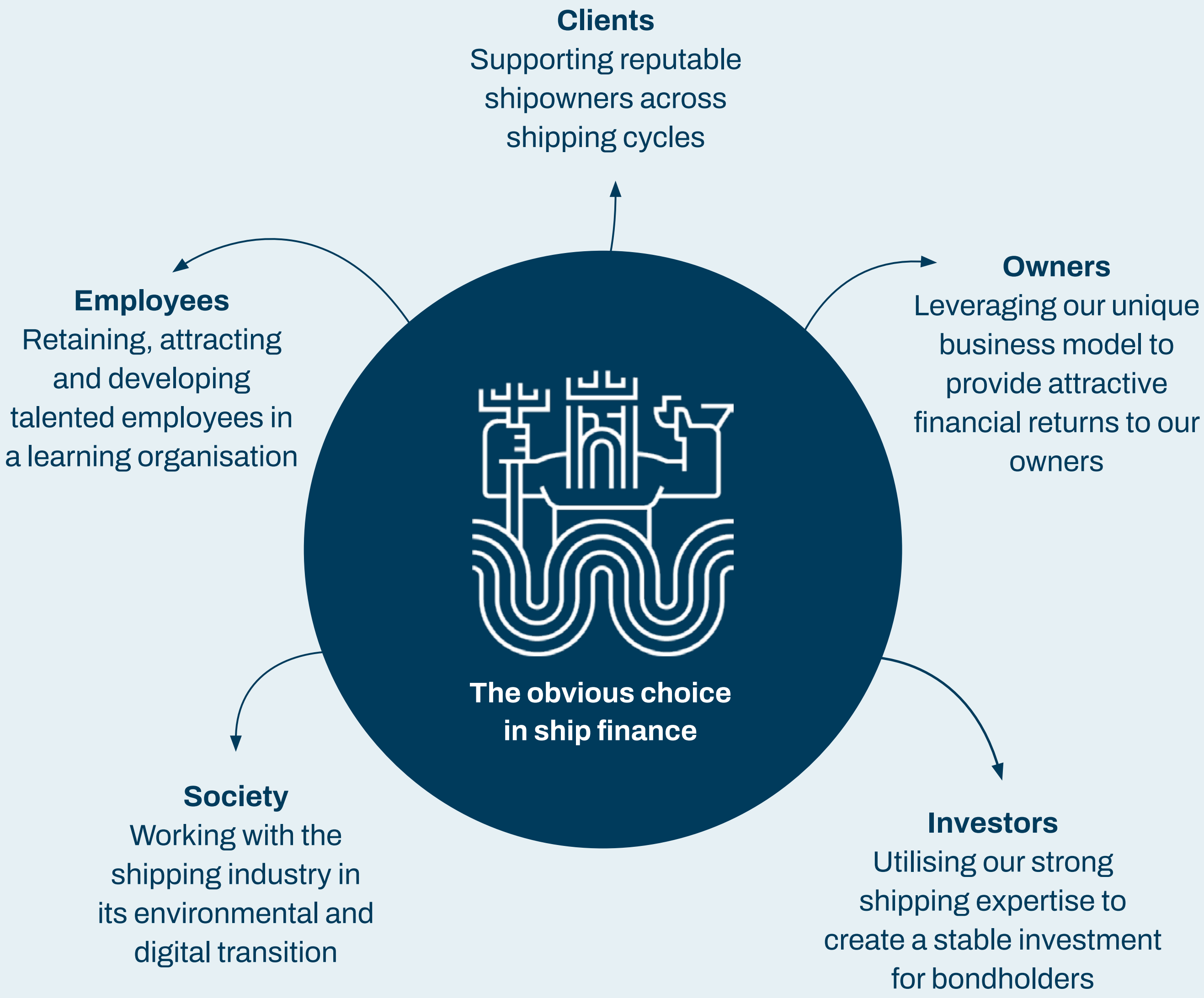
The emission intensity of our financed emissions decreased again this year, to 83 tonnes CO2e per DKK million of lending (from 94 tonnes CO2e in the previous year's reporting).

We will continue working closely with our clients on their sustainable transition in the years ahead. We remain committed to financing the transition to sustainable shipping and to support both existing and new clients on this long and demanding journey.

Vision

We strive to be the obvious choice in ship finance and remain fully committed to serving our clients. This can only be accomplished through complete dedication to understanding our clients and the wider shipping sector and an unwavering focus on delivering long-term value.

We are committed to shipping for the long run, and our unique competitive position is built on consistent application of our enduring core strengths. An essential aspect of our vision is to remain a low-risk institution, carefully nurturing our proven loan loss track record and ensuring longevity while providing satisfactory returns to our owners.



Financing *the transition*

Our strategy is built on the twin pillars of generating attractive returns to shareholders from our core business of lending to reputable shipowners and financing the shipping industry's transition to a sustainable future. This will allow DSF to prosper and remain relevant for the long-term.

Our work on supporting shipping's transition is guided by the ambitious objective of having a net zero emission loan book by 2050. This meets the IMO's ambitious GHG strategy, which sets a net zero emissions target for the shipping industry.

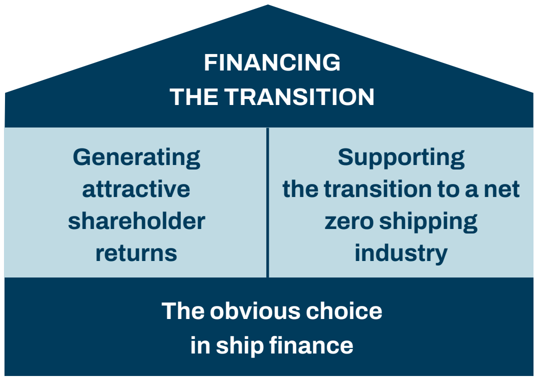
With even more demanding EU regulation, such as FuelEU Maritime and the inclusion of shipping in the EU ETS[1], we are confident that the industry will continue to progress, making the required investments in sustainable technology and operations and ultimately succeeding in reaching the 2050 net zero emissions target.

We continue to expect a reduction in the financed emissions as the shipping sector continues to reduce its emissions footprint and will track this over time.

We will naturally support our clients as they steer towards a net zero emissions future and have defined sustainable finance targets including intermediate targets that we will work with towards 2050. Most immediately, for 2026 we have set very ambitious goals:

- We will offer new loans only to clients who are actively engaged in the sustainable transition;
- More than 10% of the investment portfolio must comprise sustainable bonds; and
- The environmental performance of the loan book must align with the Poseidon Principles trajectories.

Nevertheless, while our ability to support the shipping industry as a responsible lender remains the single biggest lever, we have set direct impact targets to reduce the emissions footprint of our own operations.



1) FuelEU Maritime aims to drive the adoption of low- and zero-carbon fuels in shipping by setting stricter emissions requirements for vessels. In parallel, the EU ETS extension to maritime activities will make emissions more costly, encouraging operators to invest in cleaner technologies and aligning the sector with the EU's broader decarbonisation goals.

SUSTAINABLE FINANCE TARGETS

2026

- New loans only to clients who are actively engaged in the sustainable transition
- More than 10% of the investment portfolio must comprise sustainable bonds
- The environmental performance of the loan book must align with the Poseidon Principles trajectories

2050

- Achieve a net zero loan book

OUR OWN IMPACT TARGETS

2026

- Reduce the climate footprint from our own operations by 5% annually compared to a 2023 baseline
- 12.5% of Board members to be of the underrepresented gender
- Minimum 40% of leadership positions to be held by the underrepresented gender

Management Report

Financial review *by business area*

OUR BUSINESS MODEL IS FOCUSED AND TRANSPARENT

Our areas of activity are as follows:

Lending to our shipowning clients

Issuing bonds and hedging financial risks

Conservatively investing our own funds

Lending

Our key value driver of being a long-term player and specialist in the ship finance market will remain the most important factor in servicing our clients' need for secured financing. Our strategy is to work closely with the industry's highly reputable shipowners, servicing their needs by offering attractive long-term financial solutions. These efforts are led by specialised teams of highly experienced professionals. Our dedication to clients, our disciplined approach to risk management and our unwavering focus on long-term sustainable results are imbued across the organisation and in every loan we offer.

We strive to engage with clients on a broader range of issues than just their financing needs, leveraging the full spectrum of maritime financing competencies that exist in the DSF organisation, and to make a meaningful contribution as the industry steers towards a net-zero emissions future.

Income, lending

DKK million	2025	2024
Net interest income	300	364
Net fees and commission	18	21
Net income	**318**	**384**

2025 in brief

The first half of 2025 was another period with increased uncertainty. The introduction of new trade tariffs and port fees following the inauguration in the first half of 2025 and ongoing geopolitical events, including the war in Ukraine, the disruptions in the Red Sea linked to the conflict in Gaza, and the uncertainty surrounding the IMO discussions on a global emissions tax for shipping, continued to impact the investment decisions of many shipowners.

The increased uncertainty, primarily in the first half of the year, led to a negative adjustment in freight rates from the historical highs seen in recent years, which, to some extent, negatively impacted second-hand prices and newbuilding prices, but without driving a material increase in investment appetite.

In the second half of 2025, uncertainty abated somewhat, as many of the main geopolitical issues were either resolved or postponed to some extent, resulting in an increase in freight rates in most segments and increased investment appetite, both for newbuildings and in the vessel sales and purchase market. Our expectation of an increase in demand for ship finance in 2026 from both new and existing clients remains unchanged, as clients need to renew their fleets to remain competitive in their respective segments, either by ordering

Loan book development
at year-end

2025
23.6
DKK billion

2024
27.4
DKK billion

newbuildings or becoming more active in the secondhand market.

The volume of loans disbursed in 2025 amounted to DKK 5.6 billion, which was slightly lower than in 2024. The loan book stood at DKK 23.6 billion at year-end 2025 compared to DKK 27.4 billion at year-end 2024. The decline was primarily driven by the 11% depreciation of the USD against the DKK year-on-year, which negatively impacted the loan book by DKK 2.9 billion, and lower-than-expected loan demand from our clients. Net income from lending came in at DKK 318 million for the full year 2025, down from DKK 384 million in 2024, primarily as a reflection of the lower loan book year-on-year.

Key credit ratios

Loan impairment charges for 2025 amounted to an income of DKK 15 million compared to an income of DKK 147 million in 2024. This corresponds to an annual loan impairment ratio of the average loan book of -0.1% in 2025 compared to -0.5% the year before. This favourable outcome is attributable to solid credit quality, successful workouts on non-performing loans, and a lower loan book. This marks the fifth consecutive year of reversals of loan impairment charges.

Over the past nine years, the volume of non-performing loans has continuously decreased year-on-year, starting from the elevated levels in 2016, when the Offshore and Dry Bulk segments in particular experienced severe downturns, and 2025 marked the successful conclusion of loan restructuring activities. There were no loan defaults in 2025.

At year-end 2025, the weighted average loan-to-value ratio after ECL charges stood at a very healthy 40%, and 99% of the loan book after ECL charges was secured within 60% of the value of the mortgaged vessels. A full 91% of the loan book after ECL charges was secured within 40% of the value of the mortgaged vessels. Non-performing loans ("NPL") decreased from DKK 190 million at year-end 2024 to DKK 0 million at year-end 2025, equivalent to an NPL ratio of 0.0%, down from 0.7% the year before. Similarly, the net NPL ratio declined to 0.0% at year-end 2025, down from 0.6% the year before. We believe that the total ECL allowance account, amounting to 2.2% of credit exposure at year-end 2025, continues to provide ample headroom to protect against future loan losses.

Competition

Competition in ship finance in 2025 was again high. Many lenders focused on maintaining presence and relevance for their target clients. The fierce competition witnessed in certain regional markets for some years, in 2025 spread to larger parts of global shipping finance markets. As a result, lenders continued in 2025 to compete vigorously to provide financing to clients that often had only limited need for external financing.

The previously envisaged impact of the Basel IV implementation has not yet materially affected the market, as the availability of funding has more than offset any increase in the demand for ship financing. We observe that

Key ratios, lending

	2025	2024
Loan impairment charges as % of average loan book (Annual loan impairment ratio)	(0.1)	(0.5)
Net write-offs on loans as % of average loan book	0.0	(0.3)
Weighted average loan-to-value after ECL charges (%)	40	37
Proportion of loans covered within 60% of market values (%)	99	100
NPL ratio (%)	0.0	0.7
Net NPL ratio (%)	0.0	0.6
ECL allowance account (loans) as a % of loan book (year-end)	2.2	1.9
Total ECL allowance account as a % of credit exposure (year-end)	2.2	1.9

the highly competitive environment for vessel financing has occasionally led some market participants to relax certain loan terms and covenants, and increased lenders' focus on generating ancillary business.

The increased geopolitical uncertainty has led a greater number of clients to diversify their funding sources; they are no longer relying solely on one type of financing but spreading their funding base to include more of traditional bank financing as well as maintaining leasing options. Some publicly listed shipping companies have leveraged their historically strong balance sheets to raise capital in the markets on attractive terms.

We believe competition will remain strong for all funding sources in 2026, and that credit spreads will remain compressed. The higher orderbook and the uptick in the vessel sales and purchase market will eventually lead to an increase in demand for ship finance.

Macro trends

The global economy has remained remarkably resilient despite escalating trade tensions, heightened uncertainty and persistent inflation pressures. Global growth held up reasonably well in 2025, supported in part by temporary factors such as front-loaded trade, investment and inventory building. These dynamics have helped offset the drag from tighter monetary conditions and elevated geopolitical risk, though underlying momentum continues to soften.

Advanced economies have gradually lost steam. Higher tariffs, weak investment appetite and the lingering effects of restrictive monetary policy have weighed on activity. The US remains the strongest performer among advanced economies, with household spending and public investment sustaining growth, albeit with signs of moderation increasing. Europe's recovery has been more subdued as elevated interest rates, muted business investment and ongoing pressures in manufacturing have constrained the region's rebound.

Emerging markets continue to drive most of the global growth impulse. India stands out with strong domestic demand and large-scale infrastructure investment. China, however, has slowed further, as structural challenges in the property sector, cautious consumer behaviour and a shift away from investment-led expansion are weighing on activity. At the same time, China's reorientation toward technology, services and green energy is reshaping global trade patterns.

Inflation has eased from its peak but remains above target in many major economies. Sticky wage growth and tariff-related cost pressures have slowed the disinflation process, keeping monetary policy restrictive for longer and weighing on global trade and capital-intensive investment.

The shipping industry

Since 2020, shipping markets have experienced one disruption after another. From widespread supply chain disturbances during the pandemic to major rerouting of vessels to avoid transiting through the Suez Canal. These shocks have introduced inefficiencies

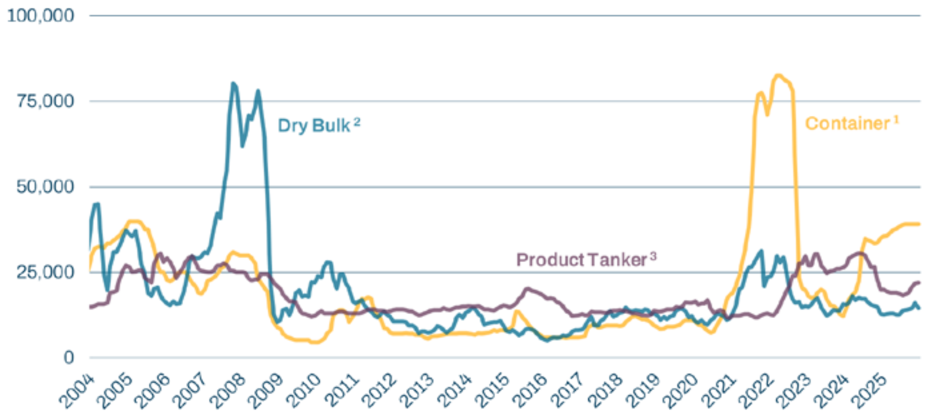
and extended voyage distances. Shipping markets have delivered a strong overall performance since 2020, underscoring how quickly industry participants adapt to volatility. The effects have helped mask an underlying surplus of vessel capacity, built up over recent years.

During 2025, strong earnings in both the Container and Tanker segments pushed the market index back to the highs last seen in 2022, while the Dry Bulk segment continued to lag behind. The ClarkSea Index stood at USD 32,000 per day in December 2025, up 43% year-on-year and in the top 10% observed since 2000.

Global fleet utilisation is projected to decline in 2026. Strong earnings have driven a wave of contracting, and fleet growth is set to outpace demand as temporary operational inefficiencies unwind. The market is entering a phase of rising effective supply, with downward pressure on freight rates and second-hand asset prices. Meanwhile, a normalisation of Suez Canal transits would accelerate this shift by shortening voyage distances, reducing tonne-mile demand and lowering utilisation further across most major segments.

Timecharter rates

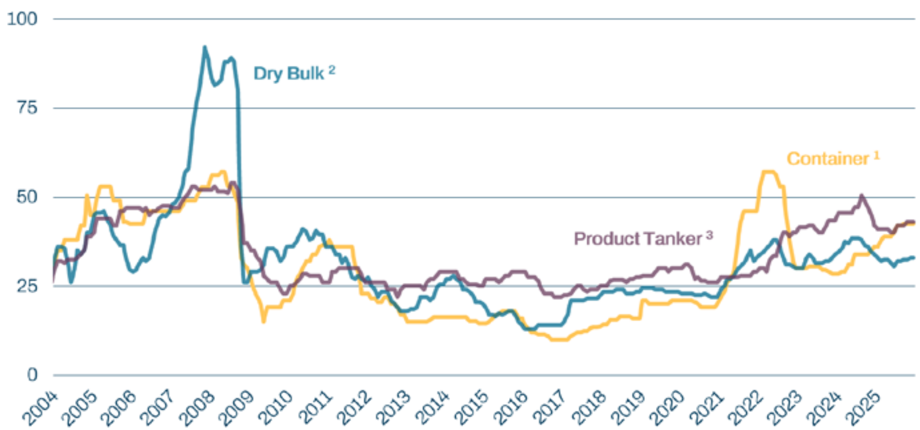
USD PER DAY



Sources: Clarksons, Danish Ship Finance

Ship prices by segment

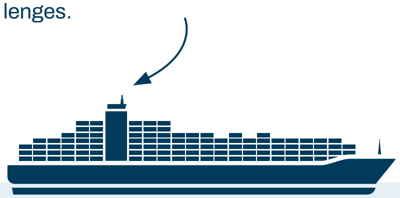
USD MILLION



Note: 1 2,800 teu 5 year old 2 Panamax 5 year old 3 MR 5 year old **Sources:** Clarksons, Danish Ship Finance

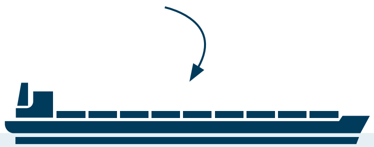
CONTAINER

The Container market showed contrasting trends in 2025. Box rates weakened significantly following the spring flare-up of the US-China trade dispute, while charter rates remained firm at post-Covid highs. Forward vessel fixing and widespread rerouting have kept charter rates lagging behind box rates. The fleet, which has already grown 17% since 2023, is projected to expand by a further 25% by 2028. Consequently, supply is expected to outpace demand, and shorter hauls – driven by the normalisation of Red Sea transits – will put further pressure on fleet utilisation. Capacity management may provide relief but is unlikely to fully offset these challenges.



DRY BULK

The seaborne Dry Bulk market firmed during 2025, but the structural balance between vessel demand and effective cargo-carrying capacity continued to cap freight rate spikes across most vessel segments. The market for larger vessels was the main exception. Average Capesize rates reached three-year highs by late 2025, supported by long-haul Guinean bauxite and Brazilian iron ore exports against limited fleet growth. This upside may extend into 2026, mainly underpinning the outlook for larger Dry Bulk vessels but with potential positive spillover effects to smaller vessels. Still, it will likely not be enough to fully offset the looming shortfalls in Chinese demand. Overall, near-term fundamentals suggest a moderate, and potentially softer, market environment for Dry Bulk Carriers.



GAS CARRIERS

The Gas Carrier freight rate market trended higher during 2025. Still, the annual recap of the two main Gas Carrier segments differs. Average LPG Carrier freight rates grew from already firm levels at the beginning of the year, influenced by short-term but high-impact events and a reshuffling of seaborne LPG cargoes. By contrast, 2025 was a challenging year for LNG Carriers, despite a significant rebound in average spot rates towards year-end. The outlook for 2026 points to softer market conditions and elevated volatility. The expected surge in cargo-carrying capacity across both LNG and LPG Carriers will likely leave little room for demand to underperform without applying downward pressure (at least periodically) on average fleet utilisation and freight rates.

OIL TANKERS

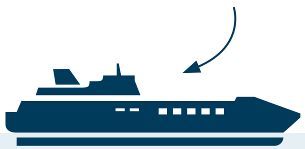
The Oil Tanker market remained stable in 2025, though momentum eased across both Crude and Product Tanker segments. Crude demand is shifting from distance- to volume-led growth as more Middle Eastern barrels shorten average routes, while effective supply is staying tight due to surveys, sanctions and slower steaming. The Product Tanker segment remains resilient but softer as tonne-mile demand normalises and fleet growth continues. From 2026, modest volume gains and more settled trade patterns point to a steadier market, though some volatility is still likely.

CAR CARRIERS

Although freight rates in the Car Carrier market have fallen by nearly 70% from the extraordinary highs of 2023-2024, they remain above long-term averages. Similarly, secondhand vessel prices have softened but continue to trade at elevated levels. Looking ahead, the market is expected to face a more challenging environment. Demand has begun to decline at the same time as a significant influx of new vessels is set to expand the fleet's cargo-carrying capacity substantially. On the other hand, demand is expected to be dampened by rising geopolitical tensions and the recent introduction of additional trade barriers in the global car market. Even though longer voyage distances have temporarily supported distance-adjusted demand in recent years, the gradual return of vessels to the Red Sea is expected to further weigh on earnings.

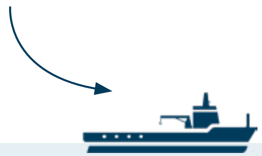
RO-RO/FERRIES

A lack of available tonnage in the Ro-Ro market continued to keep earnings and secondhand prices high during 2025. The orderbook primarily consists of large vessels, which are expected to replace old small and medium-sized vessels. Market conditions have generally been positive for Ferries, but weakening economic conditions may pose a risk.



OFFSHORE

The market for Offshore Vessels stabilised at elevated levels during 2025, with day rates across most vessel segments remaining above pre-2014 crisis levels following three consecutive years of growth. While further rate increases have been limited, the current levels are being supported by sustained global demand for energy infrastructure and constrained vessel availability. Projections of an oil supply glut in 2026 introduce downside risk to oil price benchmarks, and prolonged uncertainty could result in a more selective approach to project final investment decisions. Nevertheless, the medium- to long-term outlook remains positive, owing to modest orderbooks, an ageing fleet and firm demand projections, all of which point to a tightening supply/demand balance and sustained earnings potential.



Funding

Our funding model entails regular issuance of ship mortgage bonds and ship covered bonds. We maintain ongoing access to domestic and international financial markets, enabling the issuance of these instruments to a broad and growing investor base. Our bond investors are key stakeholders with whom we interact regularly, and we enjoyed a good level of engagement with domestic and international investors in 2025.

In January 2025, Standard & Poor's upgraded the rating of Danish Ship Finance's ship covered bonds by two notches to AA- (Stable). The upgrade follows Standard & Poor's updated assessment of the systemic importance of shipping covered bonds, resulting in a higher assessed level of jurisdictional support for ship financing in Denmark and Germany.

We view the upgrade as an important endorsement of our credit quality and the robustness of our conservative business model. As a result of the upgrade, our covered bonds now receive the most favourable regulatory treatment available, enhancing their attractiveness to investors. Following the upgrade, we observed increased investor interest and growing demand for our bonds.

2025 in brief

Credit markets experienced increased volatility during the first half of 2025. The volatility reflected announcements of increased public debt issuance alongside heightened geopolitical and trade-related uncertainty. Market conditions subsequently stabilised, and credit spreads across most fixed-income segments narrowed as investor risk appetite improved.

Our funding conditions improved during 2025, supported by strong demand for Danish Ship Finance's bonds and favourable market developments. Pricing of new issuance benefited from both the solid relative performance of our bonds, following the rating upgrade and sustained investor demand, and generally supportive conditions in the broader bond markets, which translated directly into tighter funding spreads. This positive development was partly offset by a widening of cross-currency basis spreads during the year, which increased the cost of producing USD-denominated loans. Overall, all-in funding costs improved, although the benefits were moderated by higher costs relating to currency hedging and redeployment of funding.

All-in, we saw a significant improvement in the cost of raising fresh funding and our funding position was well supported by ample liquidity. Owing to significant loan pre-payments in earlier years, a substantial amount of existing funding had to be redeployed, which weighed on overall funding costs.

During the year, we issued new bonds, effectively extending both programmes to 2031 maturities, while also buying back existing shorter-dated bonds in line with our established pre-funding strategy. At year-end 2025, the outstanding amount of issued bonds amounted to DKK 36 billion, with an average maturity of three years. Of the outstanding bonds, 30% were denominated in EUR. Notably, we issued a EUR 500 million benchmark covered bond with a six-year maturity in March 2025. The issuance was oversubscribed 2.7 times, and we very pleased to welcome 28 new investors into the issue.

All our bond issuances, regardless of currency, are subject to the Danish balance principle.

Funding costs not covered amounted to a net expense of DKK 80 million in 2025, compared with DKK 13 million in 2024. The increase primarily reflects the redeployment of funding following loan pre-payments, whereby funds were redeployed at lower spread levels than those prevailing at the time the original funding was raised.

The costs of warehousing temporary excess liquidity and associated hedges, stemming from bond issuances pending loan disbursements and extraordinary loan pre-payments, amounted to DKK 37 million in 2025, down from DKK 74 million in 2024. The warehousing volume was higher than normal and was invested in liquid AAA-rated government and covered bonds. Given the elevated volume and the conservative risk profile of the warehousing portfolio, we were pleased that its costs reduced significantly in 2025. The reduction in costs from the previous year was primarily driven by a tightening of credit spreads.

Income, funding

DKK million	2025	2024
Funding costs not covered [1]	(80)	(13)
Warehousing	(37)	(74)
Non-business activities	30	64
Net income funding	(87)	(23)

1) Funding costs not covered comprise the actual incurred costs of external funding less funding costs charged to the Lending business area

Net income from non-business funding activities amounted to DKK 30 million in 2025, compared with DKK 64 million in 2024. The higher income in 2024 benefited from the recovery of foregone interest on prior non-performing loans, which did not recur to the same extent in 2025. In addition, repurchase costs from buybacks of outstanding own bonds in 2025 further reduced income from non-business funding activities.

In total, the result of the funding activities amounted to a net cost of DKK 87 million in 2025 (net cost of DKK 23 million in 2024).

Investments

The investment activities consist of our own funds, invested in high-grade fixed-income instruments. These instruments primarily comprise Danish AAA-rated government bonds and mortgage bonds, highly rated covered bonds from Scandinavian issuers, and other highly rated core EU government and supranational agency bonds. In addition, a small part of the portfolio is allocated to well-diversified equity index exposure and investment-grade bank debt.

The investment portfolio is managed within prudent risk limits. The risk of losses from outright default is viewed as very remote, although the portfolio is exposed to credit costs from changes in the credit spreads of the instruments held. The interest rate risk in the investment portfolio is limited, as the interest rate risk of the portfolio is to a large extent hedged with derivative instruments.

The financial markets

During 2025, financial markets were characterised by a transition from monetary easing to a more neutral policy stance as inflation converged towards central bank targets. Interest rates in DKK stabilised following earlier rate cuts by the European Central Bank, while market expectations became increasingly data-dependent. Geopolitical tensions and elevated public debt levels continued to influence sovereign bond markets, contributing to periodic volatility in spreads. Equity markets were supported by resilient economic growth in the US and improved earnings expectations, while currency markets were marked by fluctuations driven by relative growth and interest rate differentials.

2025 in brief

The investment portfolio continued to be managed with a conservative risk profile. Investments generated income of DKK 441 million against comparable income of DKK 395 million in 2024, excluding interest expenses of DKK 135 million on Tier 2 capital notes.

The investment portfolio return was supported by a strong tightening in credit spreads. Volatility in the investment portfolio remained low, as a result of conservative risk management and generally benign market conditions. The investment result of DKK 441 million corresponds to a return of 4.9%, compared to a return of 4.0% in 2024. The investment return for 2024 is presented excluding interest on the Tier 2 capital notes.

Income, investments

DKK million	2025	2024
Net interest income	233	244
Market value adjustments	208	151
Tier 2 interest expense	-	(135)
Net income investments	441	260

Management Report

Summary *of performance*

Financial *trends*

Financial highlights

Key figures, DKK million	2025	2024	2023	2022	2021
Net interest income from lending[1]	218	351	415	562	529
Net interest and fee income from lending[1]	236	372	430	575	561
Net interest income from investment excluding Tier 2 capital interest	233	244	192	65	(37)
Net interest income from investment activities	233	109	(53)	(119)	(222)
Total net interest income	452	460	362	442	306
Net interest and fee income	470	481	377	456	338
Market value adjustments	202	141	175	(206)	(82)
Staff costs and administrative expenses	(228)	(196)	(206)	(189)	(170)
Loan impairment charges	15	147	506	583	39
Profit before tax	437	553	851	643	124
Net profit for the year	324	414	626	517	101
Loan book[2]	23,637	27,388	31,980	35,005	37,544
Issued bonds	35,936	38,843	43,595	41,402	43,228
Subordinated debt	-	-	2,000	2,000	2,000
Total equity	9,305	9,269	8,430	7,894	7,424
Total assets	63,960	58,302	64,234	58,802	54,533
Common Equity Tier 1 capital after deductions	8,986	8,914	8,198	7,481	7,310

1) The link between income in the income statement and the business areas can be seen note 3
2) The link between loans in the balance sheet and the loan book can be seen in note 17

Financial highlights

Key ratios	2025	2024	2023	2022	2021
Return on equity after tax (%)	3.5	4.7	7.7	6.8	1.4
Return on investment activities (%)	4.9	4.0	3.4	(0.8)	(0.9)
Common Equity Tier 1 capital ratio (%)	26.7	23.6	19.5	17.6	15.9
Internal capital adequacy requirement incl. combined capital buffer requirement (%)	13.6	13.1	13.3	13.0	11.6
Cost/income ratio (%)	37.3	34.7	37.5	76.3	67.0
Equity as a % of loan book	39.4	33.8	26.4	22.6	19.8
Annual loan impairment ratio (%) (avg.)[1]	(0.1)	(0.5)	(1.5)	(1.6)	(0.1)
ECL allowance account (loans) as a % of the loan book	2.2	1.9	2.0	2.1	2.6
Weighted average loan-to-value ratio after ECL charges (%)	40	37	40	43	44
Proportion of loans covered within 60% of market value (%)	99	100	100	100	99
Net write-offs on loans as % of average loan book[2]	0.0	(0.3)	(1.3)	(0.9)	0.8

1) The key ratio annual loan impairment ratio (%) (avg.) is shown as a negative figure, reflecting loan impairment charges as an income
2) The key ratio net write-offs as a % of average loan book is shown as a negative figure, reflecting recovery on loans previously written off

For definitions of key ratios, see note 2.

Income

Net interest income from lending amounted to DKK 218 million in 2025, excluding fee income of DKK 18 million, representing a decrease of DKK 133 million compared with the previous year. The decrease was primarily driven by higher funding costs not covered by lending to clients, combined with the effects of a lower loan book. Throughout 2025, repayments and extraordinary pre-payments of loans amounting to DKK 6.4 billion were only partially compensated by new lending.

Net interest income from investment activities was DKK 233 million in 2025, compared to DKK 244 million in 2024, excluding accrued interest for DSH Tier 2 capital notes of DKK 135 million in 2024.

Market value adjustments of securities and foreign exchange contributed income of DKK 203 million, mostly from AAA-rated DKK bonds and associated derivative hedges.

Total net income from investments once again made a significant contribution to net profit in 2025.

Expenses

Staff costs and administrative expenses totalled DKK 228 million in 2025, compared to DKK 196 million in 2024. The increase of 17% year-on-year was primarily driven by one-off expenses related to the CEO transition in 2025, while a reversal of performance-based compensation provisions lowered the 2024 figure. Underlying expenses in 2025 were largely similar to the previous year.

We completed the relocation to our new domicile at Langebrogade 5 in September 2025, and vacated our former premises at Sankt Annæ Plads 3. A pre-tax impairment charge of DKK 20 million was recognised on the new domicile property following adjustments to the construction project.

In 2025, the cost/income ratio (excluding loan impairment charges) was 37.3%, compared to 34.7% in 2024. The ratio was impacted by the above-mentioned one-off expenses.

Loan impairment charges

Credit quality across the loan book remained solid throughout the year, supported by robust freight rates across most shipping segments. 2025 saw the successful conclusion of several years of loan restructuring activities. For the year, loan impairment charges amounted to an income of DKK 15 million, compared to an income of DKK 147 million in 2024. There were no loan defaults in 2025.

The total ECL allowance account amounted to DKK 585 million at year-end 2025, down from DKK 601 million at year-end 2024, primarily attributable to a lower loan book, which was partially offset by increased post-model adjustments (management overlays), to provide an additional buffer to mitigate potential adverse impacts of macroeconomic and geopolitical uncertainties. As at 31 December 2025, all loans were classified as Stage 1.

Tax

Tax expenses for the year were DKK 113 million, compared to DKK 139 million in 2024. This translated into an effective tax rate of 25.9% for 2025 compared to 25.1% for 2024.

Equity

Equity amounted to DKK 9,305 million at year-end 2025, compared with DKK 9,269 million at year-end 2024. The change in equity was impacted by the net profit for the year of DKK 324 million after tax and dividends paid of DKK 288 million. In addition, the revaluation reserve of DKK 70 million was released and transferred to retained earnings upon vacating of the former domicile property.

The Board of Directors has proposed a dividend of DKK 246 million for 2025. The proposed dividend covers the mandatory preferred dividend to the Danish Maritime Fund, two semi-annual dividends to Magellan Capital Holdings PLC, and associated minority shareholder dividends. This amount is recognised as a proposed dividend in shareholders' equity until approval of the distribution at the general meeting in March 2026.

The proposed dividend has been deducted from Common Equity Tier 1 ("CET1") capital (see note 30).

CET1 capital totalled DKK 8,986 million at year-end 2025, compared to DKK 8,914 million at year-end 2024. The CET1 capital ratio was 26.7% at year-end 2025, up from 23.6% at year-end 2024. As at 31 December 2025, DSF had no supplementary capital instruments. Hence, the total capital ratio equalled the CET1 capital ratio.

Uncertainty in recognition and measurement

The most significant uncertainty in recognition and measurement concerns expected credit losses and the valuation of financial instruments. We estimate that the uncertainty is at a level which is prudent in terms of providing a true and fair view of the financial statements. See the accounting policies in note 1.

Material risks

The most material risks are described in more detail in note 39.

Events after the balance sheet date

No events have occurred after the balance sheet date which materially affect the assessment of the Annual Report 2025.

Financial results relative to outlook

Net profit of DKK 324 million in 2025 was at the high end of the outlook that we guided at mid-year 2025. The outlook was revised as one-off costs related to the CEO transition and the new domicile at Langebrogade 5 impacted net profit for the year by a total of DKK 40 million pre-tax. Excluding those one-off effects, the annual result was within the original guidance range that we set out one year ago.

The drivers of our 2025 financial result were income from the lending business and the income contribution from the investment portfolio. Once again, the year's investment result was realised on a stable basis.

Notwithstanding healthy activity, pricing of shipping loans remained unusually tight and highly competitive in 2025. On some occasions, we concluded that financial terms were inadequate to justify a requested loan commitment. Such dynamics, coupled with the sharp depreciation of the USD exchange rate versus the DKK in 2025, meant that our loan book shrank in 2025. We continue to expect that the market for shipping loans will eventually experience a normalisation of loan demand and terms that will drive higher profitability from lending.

The loan book maintained solid credit quality with overall low loan-to-value ratios. Reversal of loan impairment charges continued in 2025, contributing an income of DKK 15 million.

Net funding requirements were limited in 2025. We executed a successful EUR covered bond issuance in March 2025 and selectively extended maturities of other funding instruments on good terms. Funding costs declined throughout the year.

Operating costs developed as expected, excluding certain one-off items. We maintained our long-term commitment to invest in Operational Excellence and digitalisation to allow resources to be deployed in the most productive way in support of the business. Those efforts are not complete and will continue into 2026.

Regulatory solvency and liquidity ratios remained at very healthy levels in 2025, reflecting our strategy of operating with substantial headroom to minimum regulatory requirements.

Shipping markets in 2025 still witnessed elevated earnings across major segments, with the ClarkSea Index still in the upper range observed since 2000. During the year, early signs emerged that the drivers of this strength were gradually shifting. Disruption-related inefficiencies and rerouting continued to support fleet utilisation, while scheduled fleet growth and more normalised trade patterns began to reappear beneath the surface.

Container and Tanker markets remained firm, supported in part by extended voyage distances and altered trade flows. Dry Bulk softened as industrial momentum weakened and commodity trade provided less support to tonne-mile demand than earlier in the cycle. Gas carrier markets appeared balanced, but double-digit fleet growth implies that even modest reductions in trade distances could reduce utilisation and increase freight rate volatility as vessels deliver.

Looking ahead, earnings remain elevated, but early indications point towards a gradual transition where effective supply growth and shorter trade distances play a larger role in market balance.

A substantial volume of vessel deliveries is scheduled for 2026. This is expected to expand effective fleet capacity across several segments ahead of projected demand growth, with implications for fleet utilisation and freight rate conditions, particularly if trade distances normalise.

This environment continues to provide a sound basis for disciplined lending to both existing and new clients, while warranting close attention to the gradual weakening of underlying market fundamentals as temporary supportive factors fade and fleet growth materialises.

Macro outlook

The global economy is expected to remain stable but gradually lose momentum over the next two years. IMF projections show global growth holding steady at 3.3% in 2026 before edging down to 3.2% in 2027 – well below the long-term pre-pandemic average of 3.7%. The moderation reflects the fading impact of front-loaded activity and the increasing drag from higher trade barriers and tight financial conditions. While the outlook is not recessionary, the underlying fundamentals are weaker than headline figures suggest. Structural pressures, such as demographic ageing and slower productivity growth, continue to weigh on global prospects.

Geopolitical fragmentation and the strategic use of trade policy remain key downside risks to the global economy. Rising tariffs, export controls and supply-chain reconfiguration are leading to more regionalised and less efficient trade patterns. Beyond these immediate disruptions, there is a broader structural concern: the rules governing the global economy are increasingly being renegotiated. Changes to trade norms, subsidy regimes and geopolitical alignments could act as one or more "resets", with potentially significant implications for global growth. While rerouting and short-term volatility may temporarily support activity in shipping markets, these effects are unlikely to offset the broader trend towards slower global trade intensity.

In advanced economies, elevated tariffs, high borrowing costs and subdued investment will remain key constraints. Growth in the US is expected to slow but remain positive, while the euro area is projected to recover only gradually as high interest rates and weak corporate spending offset fiscal support.

Emerging markets will continue to account for most global growth during 2026 and 2027. India is expected to maintain strong momentum, expanding at more than 6% annually. In contrast, China faces a more restrained outlook, with growth projected to slow towards the lower end of 4% as structural weaknesses in the property sector and low consumer sentiment persist.

Inflation is expected to continue moderating but remain above target in several major economies until late 2026. Sticky service-sector prices, wage growth and tariff-induced cost increases will keep monetary policy tighter for longer. Moreover, high public debt, particularly in advanced economies, further limits fiscal flexibility.

Outlook *for 2026*

Signs of a normalisation of shipping markets are beginning to emerge. We expect greater divergence of performance across shipping segments, freight rates falling in key segments. We expect rates and vessel values eventually to normalise at lower levels. On pages 16-17, we summarise our views on the major segments.

Shipping markets will gradually adjust to lower earnings, which we expect to translate into higher financing demand from shipowners, on terms that reflect the cyclical risks in the shipping industry. This will provide a favourable environment in which to grow lending to existing and new clients on a sound commercial basis although the impact will not be fully realised in 2026.

Our very strong solvency, good access to funding markets, and strong liquidity, provide an excellent basis to offer loan financing on competitive terms to both existing and new clients of Danish Ship Finance.

A still solid financial market consensus, paired with expectations for moderate and stable global economic growth, provides a good backdrop for our high-grade investment portfolio to provide a satisfactory result again in 2026 albeit at a slightly lower level, reflecting lower base interest rates compared to prior years.

We expect operating costs to reduce slightly and will continue to invest in Operational Excellence initiatives to underpin growth in the lending business and digitalise core processes.

Even in weaker shipping markets, we remain confident that any short-term impacts will be well contained by the quality of the loan book and not compromise our best-in-class credit track record.

For 2026, we expect net profit in the range of DKK 175 million to DKK 250 million.

The business outlook remains subject to market factors and elements beyond our direct control. Uncertainties related to global politics, macroeconomics, tariffs and global trade, conflict or pandemics may impact shipping markets and our financial outlook for 2026. Unexpected credit or market events could lead to a reassessment of the outlook. Adverse conditions in financial markets, in particular primary and secondary bond markets, interest rates and foreign exchange markets, may affect financial performance.

While we believe that the total ECL allowance account of DKK 585 million provides adequate coverage for potential future credit losses, unforeseen adverse credit performance remains a risk to our outlook for the coming year.

MARKET VIEW

Market fundamentals have been overshadowed by successive waves of temporary disruption since 2020. Widespread port congestion and labour shortages, followed by security-driven rerouting around the Suez Canal, have increased operational friction, extended voyage distances and absorbed effective capacity. An underlying supply surplus has continued to build, but it has been masked by elevated freight rates and rising asset prices. The result has been an extended period in which earnings and asset prices have remained strong despite a quietly deteriorating underlying balance.

That support looks increasingly fragile into 2026. Distance-adjusted demand growth appears modest at best, while the industry is preparing for the largest inflow of new tonnage in more than a decade. The market now seems to be shifting away from a disruption-supported environment and back towards one where effective supply growth and shorter trade distances reassert themselves. This materially increases the probability of a broader normalisation in freight rates and asset values.

Segment differences remain relevant, but they do not alter the core direction. Oil Tankers, Dry Bulk and Container Carriers all face scheduled deliveries that exceed projected tonne-mile growth. Gas Carriers appear more balanced on headline metrics, but with double-digit fleet growth, even limited demand underperformance would be sufficient to push utilisation lower and place pressure on rates.

Geopolitics compound the uncertainty. System fragmentation and the strategic use of trade policy are emerging as structural downside risks to both global growth and seaborne trade. Rising tariffs, export controls and supply-chain reconfiguration are reinforcing a shift towards more regionalised trade systems. These are less scale-efficient, more volatile and provide weaker structural support for shipping demand than the pre-2020 globalised model.

Management Report

Credit risk *from lending*

Credit risk *from lending*

We provide financing to large, reputable shipowners in Denmark and internationally. We offer our clients ship financing, subject to first priority mortgages on the financed vessels.

When evaluating a loan request, we assess the client's credit quality through the shipping cycle alongside the market outlook for the relevant shipping segment, the vessel type and age, the client's sustainability rating and the terms of the loan, such as the initial loan-to-value, the repayment schedule and financial covenants.

The most significant risk we face is the risk of incurring loan losses in situations where the value of financed vessels fails to cover the outstanding debt in the event of a client's default on a loan.

Our credit policy contains specific guidelines for managing this risk, as well as provisions for credit risk appetite and the ongoing risk management carried out in relation to lending activities.

We adhere to standard operating procedures as part of our ongoing credit risk management and governance processes, ensuring a consistent approach to credit reviews and credit risk management, the most important of which are presented in the following sections.

Diversification

The composition of the loan book adheres to a set of diversification requirements. The purpose of the requirements is to ensure adequate diversification by vessel type, client and country.

In order to manage large exposures, we have guidelines in place, outlining to what extent and under which conditions we will allow large credit exposures, including credit exposures exceeding 25% of the eligible capital.

At year-end 2025, the five largest credit exposures (related to lending activities) were secured by mortgages on 58 vessels split between ten vessel types, and – similar to the previous year – no credit exposure to a single client group exceeded 25% of the eligible capital.

Movements in the five largest credit exposures

(DKK million)	2025	2024
Five largest credit exposures	5,161	6,941
Loan book	23,637	27,388

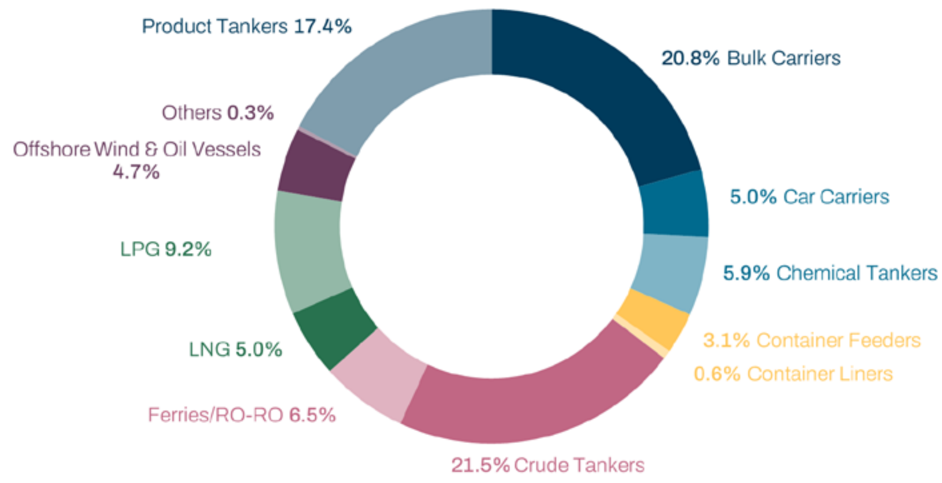
Ongoing credit risk monitoring

A central part of managing our credit risk is monitoring all credit exposures on an ongoing basis, assigning internal DSF Ratings to clients and reviewing these at least annually, upon receipt of new information, or in case of risk events.

We assess the credit exposures based on clients' most recent financial information, such as financial statements, interim reports and budgets, as well as the current market valuations of the financed vessels, the current point in the shipping cycle and the shipping market outlook.

In addition, we monitor all credit exposures to ensure that clients fulfil their obligations under the individual loan agreements.

Loan book broken down by mortgaged vessel type as of 31.12.2025 - DKK 23,637 million



This entails the following:

- Semi-annual updating of the market values of all financed vessels and verifying compliance with any agreed loan-to-value limits.
- Verifying that any other collateral meets the specified minimum requirements.
- Verifying the existence of adequate insurance cover on financed vessels.
- Verifying compliance with financial covenants.

If a credit exposure is considered to entail increased credit risk, monitoring is intensified to safeguard the position to the greatest possible extent.

Market valuations

We obtain fair market valuations for all vessels at least semi-annually. The valuations are carried out by external brokers. In rare cases, we may self-assess the values based on, for example, specific independent market values or external valuations of similar vessels.

We have started using algorithm-based valuations to regularly monitor market developments across the most transparent and standardised vessel types.

Market valuations of vessels are, among other things, used to determine the LTV ratios on loans and for control purposes when reassessing the collateral value of mortgaged vessels (after haircuts) as part of our semi-annual loan impairment review. The valuations are also used to monitor compliance with the 60% LTV limit in Capital Centre A.

We always use external brokers to determine the initial LTV ratio in relation to new lending.

Loan-to-value intervals

At year-end 2025, 91% of the loan book after ECL charges was, on average, secured by mortgages within 40% of the market valuation of the financed vessels. A full 99% of the loan book after ECL charges was secured by mortgages within 60% of the market valuation of vessels, as displayed in the chart.

Declines in vessel prices do not, in general, have a material adverse effect on the collateral coverage of the loan book. This is due to the positive effect of regular loan repayments and the benefit of minimum value clauses (“MVCs”) in a significant number of loan agreements, which gives us the right to demand partial pre-payment and/or additional collateral if the market values of the mortgaged vessels fall below an agreed threshold. In the chart, the loan-to-value (“LTV”) intervals are shown together with the development in vessel prices based on a price index from Clarksons across all major vessel types (the solid line).

The chart illustrates how MVCs stabilise our portfolio LTV ratio even with significant changes in the market values of vessels.

Loan impairment charges and write-offs

We review all credit exposures on a semi-annual basis, with the purpose of calculating loan impairment charges for expected credit losses (“ECL”) under the guidelines set out in the Danish FSA’s Executive Order on financial reports for credit institutions and investment companies, etc.

The IFRS 9 impairment rules form the basis for staging of credit exposure and calculating loan impairment charges for ECL, as set out in the table on the following page. The stage migration for the purpose of calculating loan impairment charges for ECL is closely linked to the development of clients’ DSF Ratings.

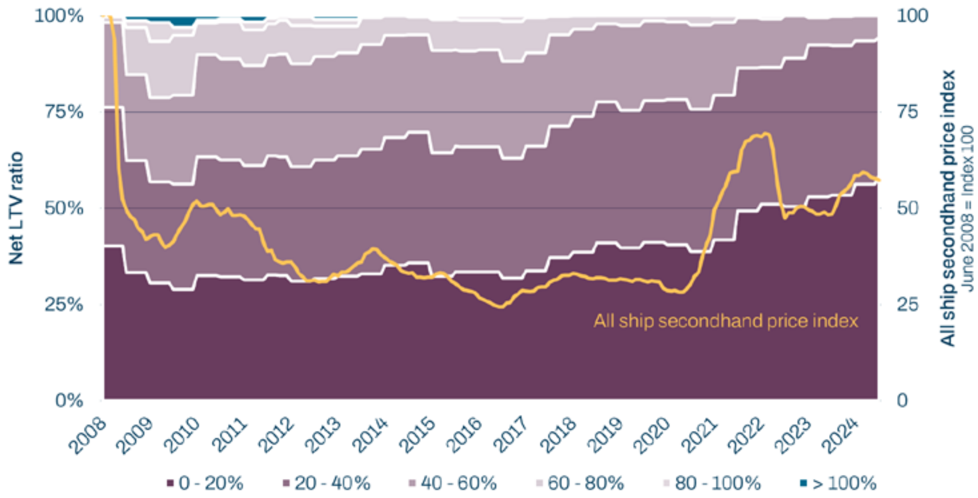
Note 17 provides more detailed information.

The credit quality of the loan book remained solid throughout the year, with no loan defaults recorded, supported by healthy freight rates across most shipping segments and the successful workout of the last legacy non-performing loan, resulting in a DKK 15 million reversal of loan impairment charges for the year, compared to DKK 147 million in 2024.

In 2025, recovery on loans previously written off amounted to DKK 0 compared to DKK 76 million in recoveries in 2024.

At year-end 2025, DKK 250 million in post-model adjustments (management over-

Net LTV vs price index for all vessel types



Sources: Clarksons, Danish Ship Finance

lays) were included in the total ECL allowance account of DKK 585 million to address elevated geopolitical and macroeconomic risks that the ECL impairment model may not fully capture.

The Risk & Capital Management Report provides more information on the ECL impairment model.

Arrears/past due date

Loans in arrears/past due for 30 days or more (but less than 90 days) are generally showing significant signs of weakness, and they are classified as Stage 2 for calculating ECL. Loans in arrears/past due for 90 days or more are in default, and they are classified as Stage 3 for the purpose of calculating ECL.

No loans were classified as Stage 2 or Stage 3.

Loans subject to forbearance measures

We focus on having a credit risk management framework that ensures consistency between the credit risk profile, credit risk appetite and current legislation, and on having a robust capital structure. Our credit risk management efforts should ensure financial solutions that are viable in the short, medium and long term.

Normally, forbearance plans are adopted to assist clients in temporary financial difficulty.

Given the cyclical nature of shipping, temporary forbearance measures are not uncommon in ship finance. Concessions extended to clients may include temporary payment deferrals, interest-only schedules and term extensions. Forbearance plans are granted solely in accordance with the credit policy with the aim of reducing the long-term risk of loan losses. At year-end 2025, no forbearance measures had been granted on loans to clients.

The Risk & Capital Management Report 2025 provides more detailed information on our credit risk management.

Non-performing loans

NPL encompass all credit-impaired loans (DSF Rating of 11) and all defaulted loans (DSF Rating of 12). This includes clients with loans for which no loan impairment charges have been recognised, for example, because adequate collateral has been provided. All NPL are classified as Stage 3 for the purpose of calculating ECL.

As at 31 December 2025, NPL represented 0.0% of the loan book, compared to 0.7% the year before. Net NPL constituted 0.0% of the loan book after ECL charges as at 31 December 2025, compared to 0.6% the year before. The ongoing decrease in NPL volume was primarily driven by successful restructuring activities.

Note 15 in the Annual Report and the Risk & Capital Management Report 2025 provide more detailed information on NPL.

Stages of credit exposure

Stage	Recognition	ECL
Stage 1	No increase in credit risk since initial recognition	12-month PD
Stage 2	The credit risk has increased significantly since initial recognition and/or is showing significant signs of weakness	Lifetime PD
Stage 3	Credit-impaired	Lifetime PD

Management Report

Sustainability

The shipping industry's *decarbonisation journey*

Continued progress amid increasing complexity

As the global shipping industry enters 2026, it continues to make steady progress on its decarbonisation pathway, supported by improved fleet efficiency, digital optimisation and a growing number of low-carbon pilot projects. While many initiatives remain at an early stage, they reflect a sector committed to long-term climate alignment, even as the transition becomes more complex.

Regulatory delay creates near-term uncertainty

The postponement of the IMO Net-Zero Framework during 2025 introduced temporary uncertainty for shipowners, cargo owners and financiers, as key compliance mechanisms are finalised later than expected. While this delays global regulatory clarity, the long-term ambition of net-zero emissions by 2050 remains unchanged. In the meantime, regional regulation such as EU ETS and FuelEU Maritime, along with market-led initiatives, continues to shape commercial and investment decisions.

Structural challenges remain

Significant abatement potential exists across the global fleet, but investment horizons are often misaligned with the long-term commitments required for decarbonisation. At the same time, uncertainty around future fuel pathways, particularly hydrogen-based solutions such as green methanol and ammonia, continues to constrain large-scale uptake.

Momentum towards a lower-carbon future

Despite delayed global clarity, efficiency improvements, regional regulation, and market expectations continue to drive progress. The transition is ongoing, guided by long-term global ambitions and reinforced by regional and market-based measures moving the sector towards a lower-carbon future.

OVERVIEW OF IMO LEGISLATION

The International Maritime Organisation (IMO) has set ambitious targets to reduce greenhouse gas (GHG) emissions from international shipping, aiming for net zero emissions by or around 2050.

2030 targets

- Carbon intensity reduction: Achieve at least a 40% decrease in CO_2 emissions per transport work, compared to 2008 levels.
- Total GHG emissions reduction: Attain at least a 20% reduction in total annual GHG emissions, striving for 30%, relative to 2008 levels.
- Uptake of low-emission energy: Ensure that zero or near-zero GHG emission technologies, fuels and energy sources constitute at least 5%, striving for 10%, of the energy used by international shipping.

2040 indicative checkpoints

- Total GHG Emissions Reduction: Attain at least a 70% reduction in total annual GHG emissions, striving for 80%, relative to 2008 levels.

2050 targets

- Net zero GHG emissions: Achieve net zero GHG emissions from international shipping by or around 2050, taking into account different national circumstances.

Sustainability in *Danish Ship Finance*

Sustainability is integral to our work

Sustainability continues to be a central pillar of our strategy and a key business imperative. Although 2025 has brought headwinds in the global sustainability agenda, the long-term direction for the maritime transition remains unchanged. The need for credible pathways, robust data and sustained investment has only grown clearer. Our mission to finance the transition therefore remains a top priority.

While our heritage from 1961 continues to guide us, we are evolving our strategic approach to support the shipping industry through a period marked by uncertainty, regulatory adjustments and uneven progress. We remain committed to providing stable long-term finance that enables our clients to navigate the transition and invest with confidence.

Collaboration across the value chain

Many of our clients, investors and partners are themselves navigating evolving sustainability regulations, including the CSRD and other regional requirements. We continue to support our value chain by sharing knowledge, participating as stakeholders in double materiality assessments and engaging in dialogue on emerging expectations.

These conversations deepen our understanding of the broader sustainability challenges facing the maritime sector and reinforce our commitment to long-term partnership. We remain dedicated to supporting our clients throughout the transition, offering research-driven insights and a stable financing framework as the industry charts its course toward a lower-emission future.

Voluntary Sustainability Reporting Standard for non-listed micro-, small- and medium-sized undertakings

We report in accordance with the Voluntary Sustainability Reporting Standard for SMEs ("VSME") to ensure transparent and proportionate disclosure of material environmental, social and governance ("ESG") information. We have adopted both the Basic and Comprehensive modules to establish a robust and forward-looking reporting framework. In applying both modules, the relevance of disclosures foreseen by the standards has been assessed in light of our business model, activities, and related impacts, risks and opportunities. Certain disclosures have therefore been deemed not material based on the conducted double materiality assessment, or not relevant, and have been omitted. No disclosures have been omitted due to classified or sensitive information. An overview of omitted data points and the rationale for their omission is provided in the section "Non-reported VSME disclosures".

Although not in scope of the CSRD, we present the results of our double materiality assessment, which continues to inform our strategic direction and reflect stakeholder priorities.

ABOUT THIS SUSTAINABILITY SECTION

We present our sustainability targets and progress and provide an overview of how sustainability is managed in DSF.

The report also represents DSF's Communication on Progress to the UN Global Compact. This integrated Annual Report fulfils the requirements in Section 155 of the Danish Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc.

Double Materiality Assessment

The Double Materiality Assessment covers environmental, social and governance topics relevant to ship finance. We define our value chain to include our own operations as well as the financed activities of our clients. Regulatory developments, market trends and stakeholder expectations has also been reviewed while conducting interviews with internal stakeholders and external parties, including clients and investors. Each topic was evaluated both for its potential impact on people, the environment and for its possible financial implications for our business.

- **Impact materiality**, assessing the actual and potential impacts associated with our lending activities, operations and value chain.
- **Financial materiality**, assessing sustainability-related risks and opportunities that may affect our financial performance, business model or long-term resilience.

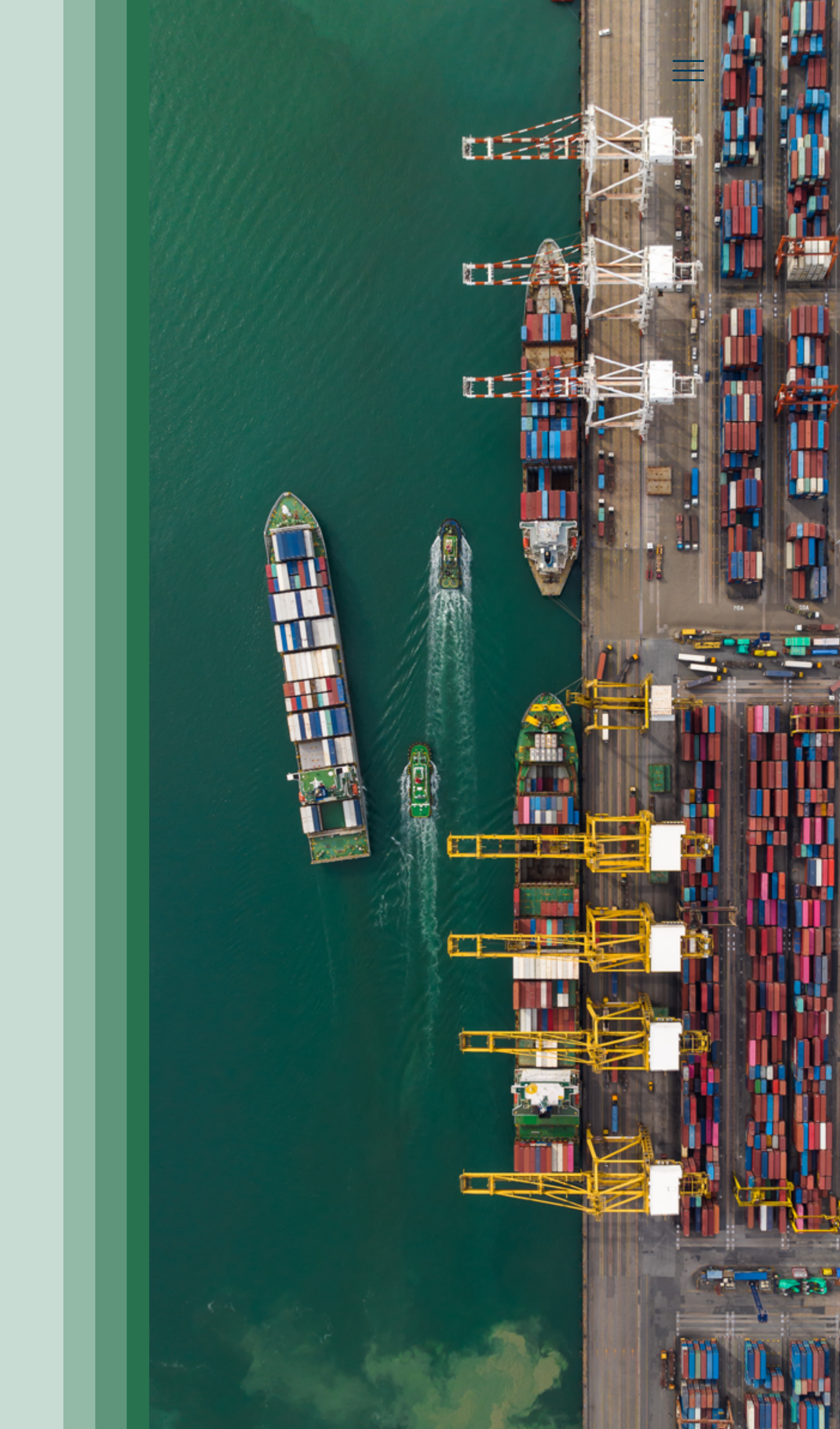
The assessment confirmed the following two topics as both financial and impact material:

- **Climate change mitigation**: GHG emissions primarily in Scope 3 with financed emissions via lending to the shipping sector.
- **Corruption & bribery**: Incidents of corruption and bribery (incl. money laundering/terror financing and sanction non-compliance) in the value chain and interactions with business partners.

In addition, the assessment identified ten topics as impact material, with the following two considered the most significant:

- **Energy**, including providing finance to the shipping sector that is an energy-intensive sector and relies on fossil fuels primarily.
- **Responsible lending and due diligence**, including human rights and governance practices in our value chain.

The Double Materiality Assessment has strengthened the foundation of our sustainability work by providing a structured basis for prioritising initiatives, setting targets and improving data collection across ESG areas. It also enhances our dialogue with stakeholders and helps ensure that our sustainability reporting remains transparent, relevant and aligned with expectations for both the shipping industry and the financial sector. We will update the assessment regularly to reflect changes in our business context and in the wider industry.



DSF Double Materiality Assessment

Categories	**Own operations/Value chain**
Impact material	
Energy	*Value chain*
Air pollution	*Value chain*
Resource inflows	*Value chain*
Working conditions	*Own operations* *Value chain*
Equal treatment and opportinuties	*Own operations* *Value chain*
Other work-related rights	*Value chain*
Economic, social and cultural rights	*Value chain*
Information and transparency	*Value chain*
Double materiality	
Climate change mitigation	*Value chain*
Corruption and bribery	*Own operations*

Key actions and *planned activities*

In 2025, we continued to advance our environmental ambitions, focusing on improving data quality, reducing our operational footprint and preparing for more stringent reporting requirements. Our efforts reflect a deliberate shift towards more consistent, transparent and data-driven environmental management. At the same time, we are laying the groundwork for further improvements in 2026, as we continue to integrate environmental considerations across our operations and financing activities.

KEY ACTIONS IN 2025

Actions taken in 2025 to address our environmental impacts are outlined throughout this section. Below is a summary of the key activities:

- We developed a new ESG rating model.
- We made continued progress towards our target to reduce operational emissions by at least 5% annually (excluding financed emissions).

PLANNED ACTIVITIES FOR 2026

- Expand our sustainable finance offering and further integrate environmental performance metrics into the credit process.
- Further develop internal guidance and training to support consistent and informed environmental decision-making across the organisation.
- Implementation of new ESG rating model.
- Develop transition plan, including a transition rating framework to strengthen loan book assessment and data quality.

Sustainability and Clients

Before establishing new client relationships, we take great care to safeguard our reputation and longstanding track record by engaging with reputable shipowners (see illustration to the right). We have integrated comprehensive due diligence processes into our lending activities for both new and existing clients. As in previous years, our thorough screening procedures did not identify any problematic client relationships in 2025. Our lending portfolio continues to consist of leading Danish and international shipowners, many of whom we have maintained long-term relationships with.

ESG ratings

ESG ratings remain an integral part of our credit approval process. New and existing clients are assessed annually to evaluate how they manage ESG risks and opportunities. In 2025, we implemented a new requirement, whereby we only offer new loans to clients who are actively engaged in the shipping industry's sustainable transition.

Each client is assessed using our internal ESG rating framework on a 12-step scale ranging from 12 to 1 (worst to best performance). Clients rated between 12 and 10 are categorised as poor performers and considered unengaged in the transition. In line with our lending criteria, new loans will only be granted to clients with a sustainability rating of 9 or better.

A new ESG rating model

In 2025, we finalised the development of a new ESG rating model to embed sustainability more systematically into our loan approval process. The framework provides a consistent, transparent and data-driven basis for assessing clients' management of ESG risks and their engagement in the maritime transition, with testing and implementation planned for 2026.

We recognise that clients vary in their ESG maturity depending on size, segment and operational profile. The new model accommodates these differences while providing a consistent and balanced approach to evaluation of clients. With the completion of this work, we now have a solid foundation that supports more informed lending decisions and promotes constructive dialogue with clients about their sustainability performance. The ESG rating model will help guide and incentivise progress towards more responsible and resilient maritime operations.

Assessment of clients

- In-person meetings with management teams
- Requirements for flag state and class society
- Know-your-customer controls
- Internal sustainability ratings
- Technical inspections of vessels
- Track record of management
- Prudent governance structures
- Energy efficiency and design specification of vessels

Client sustainability profile

We are currently developing a sustainability profile for each of our clients. These profiles provide essential input to our sustainability rating framework while offering a more nuanced understanding of each client beyond the rating itself. Although many clients operate within the same shipping segments, their business models and operational profiles differ significantly. By capturing these differences, the sustainability profiles will enable a structured, data-driven approach to monitoring progress across all three ESG domains.

The client sustainability profiles will also support more informed discussions about each client's sustainability journey, drawing information from the new ESG rating model to highlight strengths, challenges and areas for improvement. This will allow us to tailor our support to each client's specific circumstances and foster more meaningful dialogue. Over time, the profiles will become a cornerstone of our collaboration with clients as they advance towards more sustainable operations. In parallel, our ESG rating framework will continue to provide a consistent basis for comparing performance across the loan book.

Environment

STATUS ON OUR SUSTAINABLE FINANCE TARGETS

We are committed to supporting the shipping industry in its sustainable transition by targeting a net zero loan book by 2050

2025

More than 10% of the investment portfolio must consist of sustainable bonds

Status: *We are proud to have reached our target: in 2025, 12% of our investment portfolio consisted of sustainable bonds. The proceeds from sustainable bonds must be used for purposes that contribute positively to the environment and/or society.*

Updated 2026 target: *We have decided to maintain this target in 2026, reflecting our continued dedication to embedding sustainability into our core investment strategy.*

2025

The environmental performance of the loan book must align with the Poseidon Principles trajectories

Status: *In 2025, we achieved a portfolio alignment score of +6.3% and +12.8% against the IMO's "minimum" and "striving" net-zero trajectories, respectively. These figures represent a significant improvement from the previous year's reporting, largely driven by changes in our portfolio composition and by vessels sailing longer distances, which lowered the average carbon-intensity score.*

Updated 2026 target: *We continue to aim for full alignment with the Poseidon Principles trajectories.*

2025

More than 35% of our loan book must have sustainability incentives

Status: *In 2025, 32% of our loan book was linked to sustainability incentives. This was the same share as in 2024. Due to changing market conditions and delayed regulatory clarity, including the postponement of the IMO Net-Zero Framework, we have discontinued our quantitative target for loans with sustainability incentives. We remain committed to integrating sustainability considerations into our credit assessments and lending decisions.*

2025

New loans only to clients who are actively engaged in the sustainable transition

Status: *In 2025, we continued to provide new loans exclusively to clients actively engaged in the sustainable transition, a practice we will maintain going forward.*

2050

Achieve a net zero loan book

Status: *We are working towards achieving a net-zero loan book by supporting our clients in their sustainable transition. We adhere to the Poseidon Principles methodology for calculating our total climate footprint. Net zero, or climate neutrality, is achieved when there is a balance between the greenhouse gases added to the atmosphere and those removed, resulting in no net effect on the climate.*

Ship recycling

Recycling of ships is an important sustainability consideration for Danish Ship Finance and forms an integral part of our screening process through the ESG rating. Responsible ship recycling is essential to minimising risks to the environment as well as to human health and safety. Poorly managed vessel scrapping can result in severe human consequences, environmental harm, and significant reputational risks for shipowners.

The Hong Kong Recycling Convention, adopted in May 2009 and ratified in 2023, entered into force in June 2025. Among its requirements are the maintenance of an inventory of hazardous materials onboard and the obligation for shipowners to undertake due diligence on the yards selected for ship recycling.

In 2021, we joined the Responsible Ship Recycling Standards ("RSRS") for banks, an initiative aimed at establishing common standards for ship recycling and embedding these standards into new loan documentation. Since joining, we have incorporated a covenant in our loan documentation addressing this critical issue, underscoring the strong commitment of our client base to responsible ship recycling practices.

Sustainable investments

In addition to our lending activities, we recognise the important role our investment portfolio plays in supporting the sustainable transition. In 2025, 12% of our investment portfolio was allocated to sustainable bonds, reflecting our commitment to embedding sustainability into our core investment strategy.

Proceeds from sustainable bonds must be directed towards activities that generate positive environmental and/or social impacts. As such, these instruments serve as a vital mechanism for driving meaningful outcomes while aligning financial returns with broader sustainability objectives.

Looking ahead to 2026, we have decided to maintain our target of allocating a minimum of 10% of our investment portfolio to sustainable bonds.

Initiatives in our own operations

Our environmental footprint arises primarily from financed emissions linked to our lending and investment activities. At the same time, we acknowledge our responsibility to minimise the environmental impacts of our own operations, including energy use in buildings, district heating and electricity, company cars, office supplies, business travel and other operational activities.

We aim to reduce our operational climate footprint, excluding financed emissions, by at least 5% annually from a 2023 baseline (this corresponds to a 10% reduction in 2025 compared to 2023). In 2025, we exceeded our target, reducing our climate footprint by 28% compared to 2023. The decrease was primarily driven by lower air travel activity and electricity consumption.

We maintained our commitment to renewable energy by purchasing electricity with Guarantees of Origin since September 2019. Since October 2022, we have held a contract enabling us to contribute to the expansion of Denmark's renewable power grid through the addition of new privately financed sustainable energy capacity.

Sustainability considerations remain integrated across our organisation. This includes, among other initiatives, the refurbishment and design of our new domicile. We also factor environmental performance into supplier selection, as outlined in our business relations code of conduct.

FINANCED EMISSIONS FROM LENDING

"The emissions intensity of our lending activities decreased by 11%, from 94 tonnes CO2e per DKK million in 2024 to 83 tonnes CO2e per DKK million in 2025"

Financed emissions from lending

Reporting year	2025	2024	2023	2022	2021
Absolute financed emissions (million tonnes)	**2.2**	**2.9**	**3.2**	**4.1**	**5.3**
- Capital Centre Institute in General	*1.5*	*2.1*	*2.7*	*3.3*	*4.2*
- Capital Centre A	*0.7*	*0.8*	*0.5*	*0.8*	*1.1*
CO2 intensity (tonnes Co2e / DKKm lending)	**83**	**94**	**104**	**130**	**189**
Share of portfolio covered by emissions data	**95%**	**95%**	**89%**	**84%**	**83%**

Emissions from financed vessels account for the vast majority of the climate impact associated with our activities. While maritime transport represents the most cost-effective and energy-efficient method for the bulk movement of goods, it remains one of the hard-to-abate sectors in the global economy. Therefore, supporting our clients in their sustainable transition continues to be a central priority for us.

Nearly all lending activities covered
Our reporting of financed emissions is based on actual fuel consumption data from the vessels we finance, collected directly from clients. In 2025, we maintained a high coverage ratio, with emissions data reported for 95% of our loan portfolio. This also includes segments that fall outside the scope of the Poseidon Principles (such as Offshore Vessels). While the investment portfolio is excluded from this metric, its contribution to our overall financed emissions is deemed minimal.

Methodological considerations
We apply the methodology developed by Finance Denmark ("FIDA") in its sector guidelines for CO2 disclosures, since the Partnership for Carbon Accounting Financials ("PCAF") does not currently include specific guidelines for shipping. The guidelines developed by FIDA are nevertheless fundamentally in alignment with PCAF. Due to limitations in the attribution factor, we use the loan-to-value ratio between the outstanding loan amount and the current ship value. We note that other banks reporting comparable data have adopted the same methodological adjustment. In addition, the well-to-wake emission factors have been updated this year to align with the most recent values adopted by the IMO's Marine Environment Protection Committee ("MEPC").

The use of ship values in the calculation introduces some challenges. Ship values are highly volatile and influenced by market conditions and external factors. This means that financed emissions results for any single year can be significantly affected by movements in asset values. For this reason, we encourage readers to interpret the figures with caution and to focus on trends over several years.

Results
The emissions intensity of our lending activities decreased by 11%, from 94 tonnes CO2e per DKK million in 2024 to 83 tonnes CO2e per DKK million in 2025. This reduction was primarily driven by a decrease in the loan exposure to Container vessels.

POSEIDON PRINCIPLES

In 2019, we became one of the founding signatories of the Poseidon Principles, a global framework for responsible ship finance. Today, the initiative comprises 36 leading banks representing approximately three-quarters of global ship finance. Throughout 2025, we continued to serve on the Poseidon Principles Steering Committee, a role through which we have contributed to maintaining a high level of ambition across the association.

Methodological updates compared to last year
In 2025, the Poseidon Principles introduced several minor methodological revisions compared to the previous reporting year. First, the well-to-wake emissions factors have been updated to reflect the latest values adopted by the IMO's Marine Environment Protection Committee ("MEPC"). In addition, a discrepancy identified in the conversion from tank-to-wake to well-to-wake emissions factors has been corrected to ensure full harmonisation across fuel types.

The Liquefied Gas Tanker segment has also been refined by being split into two categories: vessels above 100,000 cbm (primarily LNG Carriers) and vessels below 100,000 cbm (primarily LPG Carriers), each with its own trajectory. Finally, a size cap of 279,000 dwt has been introduced for Bulk Carriers. The ladder does not currently affect DSF, as our portfolio does not include vessels above this threshold. These changes have been implemented to more accurately capture the evolving climate-alignment pathways across the various vessel segments.

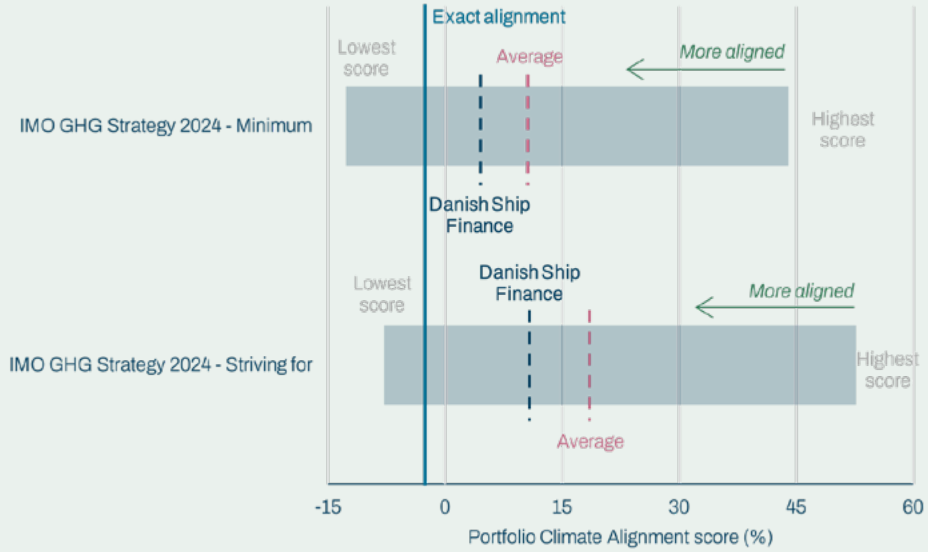
Our climate alignment results
We report our climate alignment against two trajectories: the "minimum" trajectory and the more ambitious "striving for" trajectory. Our 2024 climate alignment scores came in at 6.3% and 12.8%, respectively. These figures represent a significant improvement from the previous year's reporting. Around 45% of our Poseidon Principles lending portfolio was aligned in 2024, which was an increase from 38% in 2023. The improvement was largely driven by changes in our portfolio composition and by vessels sailing longer distances, which lowered the average carbon-intensity score.

Moreover, data was reported for 95% of our loan portfolio covered by the Poseidon Principles, demonstrating a high level of engagement and data transparency among our clients.

The Poseidon Principles continue to provide valuable, data-driven insights into the environmental performance of our shipping portfolio. These insights have strengthened our internal sustainability assessments and informed concrete actions, including the introduction of emission-linked incentives in new loan agreements that support alignment with the sector's ambitious decarbonisation pathway.

"Our 2024 climate alignment scores came in at 6.3% and 12.8%, respectively. These figures represent a significant improvement from the previous year's reporting."

Poseidon Principles portfolio climate alignment results



Our own *impact*

STATUS ON OUR TARGETS

We are committed to being a responsible employer with a diverse and inclusive culture and a strong focus on minimising our environmental footprint from our own operations.

2025

Reduce the climate footprint from our own operations by 5% annually compared to a 2023 baseline.

Status: *We are proud to have reduced our emissions, excluding financed emissions, by 28% (90 tonnes CO2e) compared to the 2023 baseline.*

Updated 2026 target: *We maintain our commitment to reducing the climate footprint from our own operations by 5% annually compared to a 2023 baseline.*

2025

12.5% of Board members must be of the underrepresented gender

Status: *In 2025, we did not reach this target. The target does not include employee-elected members, and the underrepresented gender refers to women.*

Updated 2026 target: *We retain our commitment to ensuring that 12.5% of board members are of the underrepresented gender.*

2025

Minimum 40% of leadership positions to be held by the underrepresented gender

Status: *33% of leadership positions were held by the underrepresented gender as of 31 December 2025. Since this represents a slight decrease from 36% in 2024, we aim to regain an equal gender balance in the company's leadership team.*

Updated 2026 target: *We continue to strive for 40% of leadership positions to be held by the underrepresented gender.*

Social

Human rights, health and safety

Human rights, as well as health and safety, are vital priorities for Danish Ship Finance. Due diligence on these sustainability issues is central to our lending process. In rating our clients, we evaluate their reported human rights practices and engage in constructive discussions to address potential concerns. We assess whether our clients have adequate policies regarding human rights. These should at least address human rights in general, as well as labour rights issues such as workplace discrimination, fair working conditions and wages, and freedom of association.

Danish Ship Finance has an in-house ship surveyor who performs thorough analyses during the lending process, including monitoring port state control inspections. When relevant, our surveyor conducts physical inspections of the vessels. The performance of technical managers is also assessed where relevant. These inspections help mitigate risks of sustainability issues.

Through these practices, we aim to ensure that our lending practices promote respect for human rights and prioritise health and safety. Our commitment to upholding these standards is reinforced through our business relations code of conduct. This framework guides our engagement with business partners. It includes our commitment to adhere to:

- UN Global Compact's Ten Principles on Human Rights
- The UN Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises

At Danish Ship Finance, we have evaluated our own adverse impacts according to these international standards. We expect all our business partners to do the same. Furthermore, we continue to engage in dialogue with stakeholders on the important issues related to human rights and health and safety.

HUMAN RIGHTS COMMITMENT

We formally acknowledge our commitment to upholding human rights across our supply chain. We believe everyone deserves to work in a safe, respectful and fair environment. We commit to the following principles and expect the same from our clients and suppliers:

- Ensuring safe working conditions and providing necessary safety training and equipment
- Guaranteeing fair wages and reasonable working hours in compliance with local laws
- Supporting workers' rights to unionise and engage in collective bargaining without interference
- Strictly prohibiting child labour and forced labour
- Ensuring clean, safe and acceptable living conditions for workers
- Promoting a workplace free from discrimination, with equal opportunities for all
- Enforcing fair and respectful disciplinary practices, prohibiting physical punishment and abuse

See more in our business relations code of conduct

Employment conditions and workplace standards

We firmly believe that our employees constitute the foundation of our success. We are committed to providing a workplace where individuals thrive both professionally and personally, and we continue to focus on supporting their well-being, engagement and satisfaction.

We uphold a safe and healthy working environment where discrimination and harassment are not tolerated. To monitor and maintain these standards, we conduct annual surveys that provide valuable insights into workplace culture and conditions. We respect and support employees' rights to freedom of association and collective bargaining. Equally, we expect all employees to act in accordance with our internal policies and values, including our publicly available sustainability policy, which highlights our broader commitment to human rights and responsible conduct.

Flexibility remains an important part of our working culture. At the same time, we prioritise initiatives that support cohesion and a strong sense of belonging. Throughout 2025, we arranged various social and professional events to strengthen relationships and foster a positive working environment.

Our employees are covered by a collective labour agreement negotiated between Finans Danmark (representing employers) and Finansforbundet (representing employees). This agreement remains a fundamental aspect of employment at Danish Ship Finance.

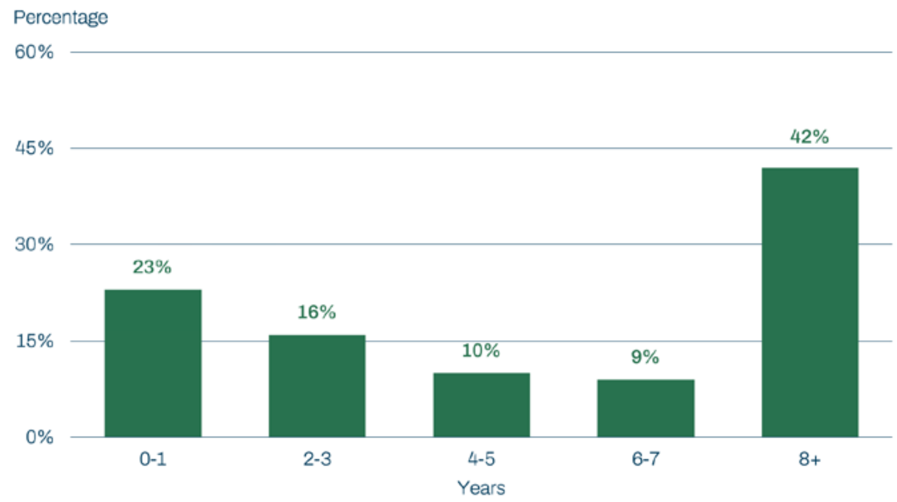
A bright future in new surroundings

In 2025, we successfully relocated to our new domicile at Langebrogade 5 – a major milestone in the company's development. The move was carefully planned to support collaboration, knowledge-sharing and well-being. The move to our new offices was accompanied by ergonomic consultations for all employees, ensuring a healthy and comfortable workplace set-up tailored to individual needs. Sustainability continued to be a central consideration throughout the construction and furnishing process, with a strong focus on reuse, energy efficiency and local sourcing. The new environment supports our ambition to create a modern and responsible workplace.

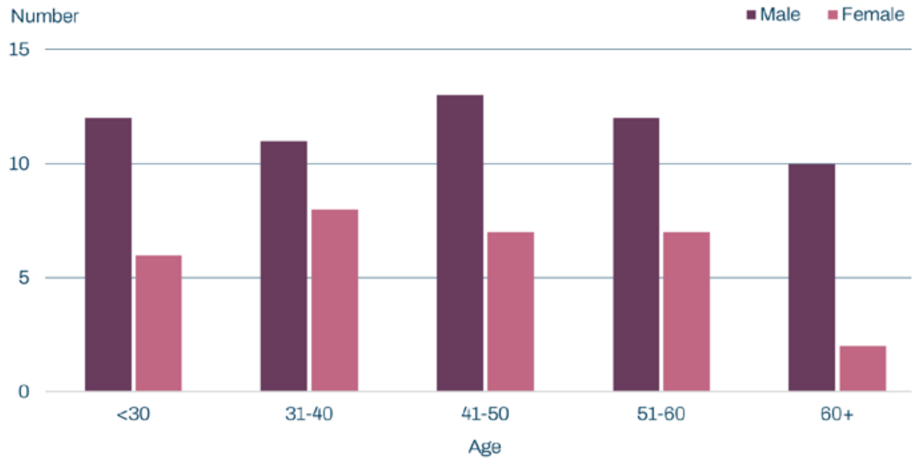
A collaborative and inclusive workplace

We remain committed to nurturing a culture of openness, collaboration and mutual respect. In 2025, we held a follow-up workshop on the theme of "Difficult Conversations" as part of our ongoing work to embed feedback as a natural and valued part of daily life at Danish Ship Finance. The initiative built on the "Check-in" feedback sessions and provided employees with practical tools to navigate complex interpersonal dynamics constructively.

Seniority



Age distribution by gender



Well-being and engagement

In 2025, we remained focused on supporting the well-being and engagement of our employees through a wide range of initiatives designed to promote health, balance and collaboration.

All employees (excluding the Executive Board) were invited to participate in our annual well-being survey. The response rate remained high at 75%. While overall satisfaction declined from 2024, the feedback provides a valuable foundation for improvement and where to direct our efforts going forward.

We have started addressing employee feedback and recognise recent organisational changes, such as our relocation and new CEO, may have caused temporary disruption. The coming year, we will prioritise clarity, cohesion, and well-being through ongoing communication and specific initiatives. These include a stress prevention workshop, voluntary health checks, a fitness benefit, English training for staff, and participation in the "Bike to Work" campaign to enhance community spirit.

Our people

At year-end 2025, we employed 85 people, including student assistants. Hereof, 57 men and 28 women, corresponding to approximately one-third female representation, and the workforce is characterised by deep industry knowledge and a high degree of professionalism, with an average seniority of 9 years. This reflects a strong blend of loyalty, experience and renewal.

Diversity remains a key strength of our organisation. In 2025, new hires once again brought valuable skills, experience and perspectives to Danish Ship Finance. New colleagues ranged in age from 25 to 51, underscoring our commitment to building a workforce that combines industry insight with fresh ideas. We remain dedicated to aligning employee development with evolving business needs. Through targeted training and continuous upskilling, we ensure our people are well prepared to meet future challenges with confidence.

Targets and policies for the underrepresented gender and diversity in management

		2025	2024	2023	2022	2021
Board of Directors (only AGM-elected members)	AGM-elected members of the Board of Directors	7	7	8	8	8
	Share of women who are AGM-elected members of the Board of Directors	0%	0%	0%	0%	0%
	Target for gender diversity on the Board of Directors	12.5%	12.5%	12.5%	25.0%	25.0%
	Expected year for fulfillment of target figure	2026	2025	2025	2024	2023
Other leadership (Level 1 and 2)	Number of employees in leadership positions	12	11	12	14	13
	Share of women in leadership	33%	36%	42%	27%	31%
	Target for gender diversity in leadership	40%	40%	40%	40%	40-60%
	Expected year for fulfillment of target figure	2026	2025	2025	2025	2030

Further details are available in our policy "Targets and policies for the underrepresented gender and diversity in management" on our website.

Targets and policies for the underrepresented gender and diversity in management

We continue to view diversity as a driver of innovation, quality and long-term value creation. Each employee brings unique insights that help strengthen our culture and performance. While we have made progress in recent years, we remain aware that more can be done to reflect society's diversity across all levels of the organisation.

We have maintained our target for at least 12.5% representation of the underrepresented gender among Borad members elected by the general meeting. As of 31 December 2025, this target was not met as all seven general meeting-elected members were men. Of the four employee-elected members, one was a woman. We have a continued focus to support efforts increasing diversity.

At the leadership level, our target is for at least 40% of leadership roles to be held by the underrepresented gender. At year-end 2025, women held four out of 13 leadership positions, representing 33%. While this is below our target, we remain committed to long-term improvement.

Remuneration Report

A comprehensive remuneration policy covers the Board of Directors, the Executive Board and all other employees. A detailed overview of total remuneration for the Board, the Executive Board and employees whose activities have a material impact on the company's risk profile is provided in note 9 of the financial statements.

The quantitative disclosures in the Risk Report Annex (Templates: EU REMA and REM1 to REM5) are prepared in compliance with the Danish FSA and EBA Capital Requirements Regulation, Article 450, regarding remuneration for material risk takers.

For additional information on our remuneration policy, please visit our website.

The link between remuneration of the Executive Board and the strategy

The Executive Board's remuneration consists of a fixed salary and a variable component structured as a grant of a share-like instrument. The value of this instrument is linked to the company's total shareholder return (TSR) index. This structure ensures alignment between the Executive Board's compensation and long-term company performance. The remuneration policy complies with the guidelines set by the Board of Directors.

Details of the Executive Board's remuneration are included in the Remuneration Report 2025 on our website.

Material risk takers

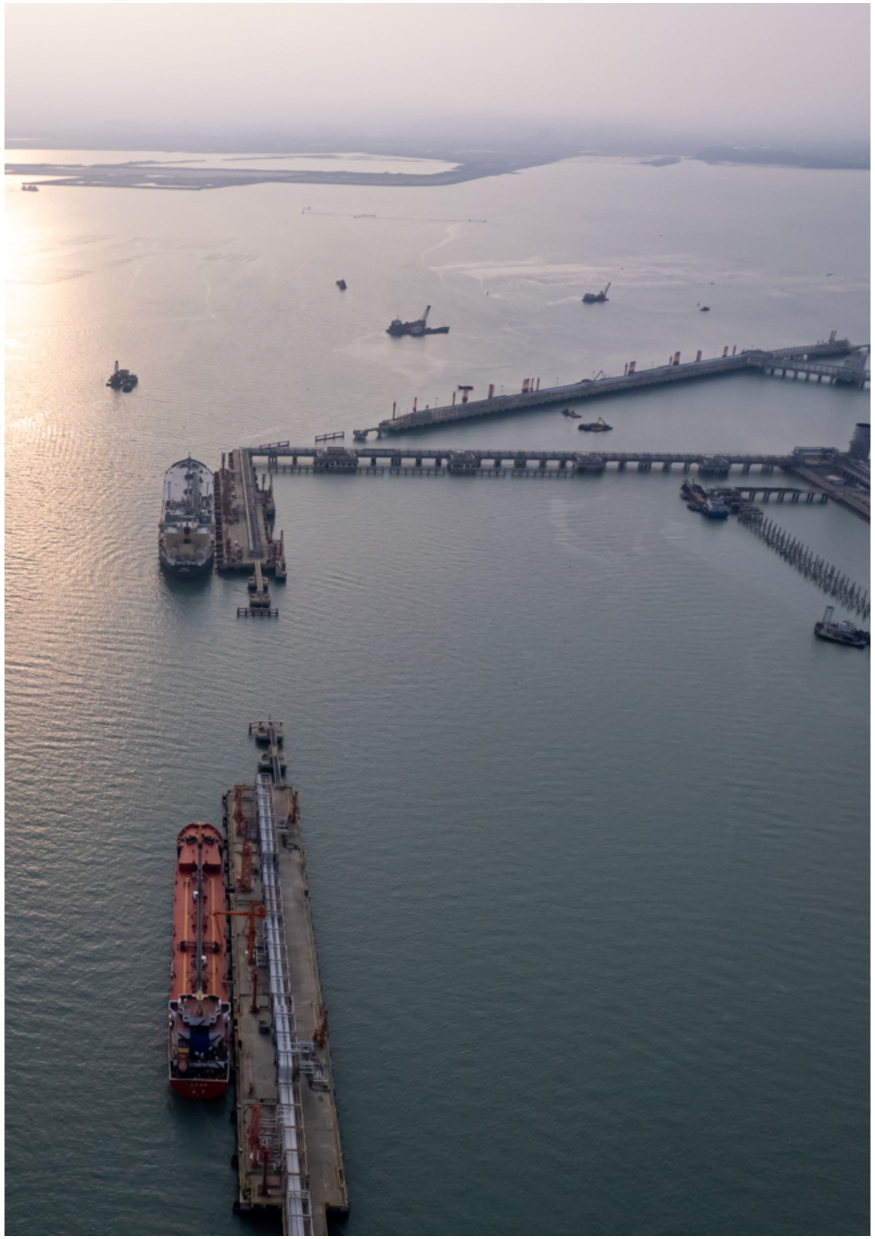
By year-end 2025, a total of 24 individuals had been identified as material risk takers:

- Members of the Board of Directors: 11
- Members of the Executive Board: 2
- Other material risk takers: 11

The principles for identifying other material risk takers are reviewed and approved annually by the Board of Directors. Additional details on remuneration practices can be found on our website, in note 9 of the financial statements and in the Risk & Capital Management Report Annex.

Incentive programmes for other employees

At Danish Ship Finance, we believe in recognising and rewarding our employees' contributions. Individual incentive programmes are offered to some employees in accordance with market standards for relevant roles. No formal incentive programme is offered to all employees, but the Executive Board may, at its discretion, award individual bonuses based on performance.



Governance

Our governance framework comprises the policies and mechanisms that uphold transparency and integrity across our operations. These include our whistleblowing scheme, our anti-corruption and gifts policy, and our business relations code of conduct. Together, they set the standards that guide our business relationships and daily interactions. Additional information on these policies and related practices is available page 48.

Sustainability is an integral part of our business and is embedded in both our credit policy and lending criteria. Our governance structure ensures clear oversight: the Board of Directors approves our sustainability-related policies, frameworks and strategy and oversees progress against our strategic ambitions, while management is responsible for implementing the strategy and integrating sustainability considerations into day-to-day decision-making.

We do not extend loans to companies that are assessed as insufficiently committed to the green transition (rated 10 or worse in our ESG framework). To further strengthen the link between sustainability performance and financing, we aim to incorporate sustainability-linked pricing and Poseidon Principles reporting into new loan agreements, thereby encouraging clients to reduce their carbon footprint in line with the sector's decarbonisation pathway.

We expect all stakeholders to comply, at a minimum, with the laws and regulations applicable in their countries of operation. Beyond basic compliance, we encourage stakeholders to demonstrate continuous improvement in their ethical, social and environmental performance. Stakeholders who act responsibly – environmentally and ethically – are prioritised in our selection processes. We also expect them to ensure that their own value chains adhere to local legislation and regulatory requirements, particularly in relation to human rights.

If concerns arise regarding a stakeholder's business conduct, we reserve the right to terminate the contractual relationship.

RELEVANT POLICIES

Sustainability policy

The sustainability policy delineates DSF's commitment to ESG issues, encompassing the company's initiatives regarding human rights, social, ethical, environmental and climate conditions, as well as actions to combat corruption.

Main principles in our Sustainability Policy:
We are responsible for our business's impact, positive and negative. We endeavour to be a reliable and trustworthy partner for our clients and all other stakeholders and aim to conduct our business ethically and responsibly. We consider human rights, labour rights, environmental and climate responsibility, and anti-corruption in our decision-making.

We commit:

- To be a good corporate citizen
- To respect human rights
- To be engaged in diversity, equal opportunities, and the well-being our employees
- To be honest, reliable, and to conduct our business ethically and responsibly
- To be engaged in environmental and climate stewardship
- To reduce climate impact of our operations
- To deny bribery and corruption in any form.

Other relevant policies

- Code of conduct
- Guidelines in our personnel handbook to prevent corruption
- Policy for prevention of money laundering and terrorist financing
- Policy for gifts and hospitality
- Policy for compliance with the disclosure obligations
- Policy for data protection and data ethics
- Policy for healthy company culture
- Policy for addressing bullying, harassment and discrimination
- Code of conduct for business relationships
- Targets and policies for the underrepresented gender and diversity in management

For additional and more detailed information about our work on corporate governance, read more here: Corporate governance and Risk & Capital Management Report 2025

DSF's code of conduct for its own workforce

Subject	DSF code of conduct covers	Confirmed incidents*
- Child labour	Yes	No
- Forced labour	Yes	No
- Human trafficking	No	No
- Discrimination	Yes	No
- Accident prevention	Yes	No
Complaints-handling mechanism in place	**Yes**	

** In own workforce*

Sustainability *trends*

ESG key figures

Sustainable finance	Unit	2025	2024	2023	2022	2021	Definition
Loans with sustainability incentives as a share of new lending	%	29	37	24	37	21	New disbursements and refinancings on loan agreements with specific terms to adjust the margin based on ESG performance divided by new loans
Loans with sustainability incentives as a share of loan book	%	32	32	23	18	10	Loan agreements with specific terms to adjust the margin based on ESG performance divided by the total loan book
Financed emissions from loan book	Million tonnes CO2e	2.2	2.9	3.2	4.1	5.3	Absolute financed emissions from loan book (the respective year corresponds to the reporting year)
Financed emissions intensity from loan book	tCO2e/DKK million	83	94	104	130	189	Tonnes CO2e intensity per DKK million of lending with emissions data (the respective year corresponds to the reporting year)
Sustainable bonds as a share of total investments	%	12	13	10	Not measured	Not measured	Sustainable bonds divided by the total investment portfolio. Proceeds from sustainable bonds must be used for purposes impacting the environment and/or society positively
Own emissions							
Scope 1	Tonnes CO2e	4	2	4	8	13	Emissions from sources controlled or owned by the company
Scope 2 market-based	Tonnes CO2e	31	36	18	18	19	Emissions from purchased electricity and heating.The market-based method corrects emissions from electricity for a Power Purchase Agreement and renewable energy certificates
Scope 2 location-based	Tonnes CO2e	44	65	48	37	42	The location-based method for scope 2 accounting reflects the average emissions intensity of grids on which energy consumption occurs
Scope 3 - excl. financed emissions	Tonnes CO2e	191	260	294	207	48	Emissions occurring indirectly in the value chain of our organisation. These numbers only reflect upstream activities
Total emissions - excl. financed emissions	**Tonnes CO2e**	**227**	**298**	**316**	**234**	**80**	Reflects total CO2e emissions from scope 1, scope 2 market-based, and scope 3 excl. financed emissions
Emissions per FTE	Tonnes CO2e	3	4	4	3	1	Total emissions (excluding financed emissions) per FTE. This metric deviates from the VSME standard but, given our business model, provides a more representative indicator of our operational footprint.
Electricity consumption	MWh	195	272	285	174	195	Based on automatic data transfers to the company's supplier of energy from smart meters and meter readings
Heating consumption	MWh	887	993	495	511	543	Based on automatic data transfers to the company's supplier of energy from smart meters and meter readings
Energy consumption (electricity and heating)	MWH	1,082	1,265	780	685	739	Based on automatic data transfers to the company's supplier of energy from smart meters and meter readings
Renewable energy share	%	89	89	91	90	67	Renewable energy consumption divided by total energy consumption. Relates to electricity and heating consumption in scope 2
Energy consumption per FTE	MWh	13	16	10	9	10	Total energy consumption (MWh) divided by FTEs
Purchased goods and services	Tonnes CO2e	5	5	4	4	6	Includes emissions stemming from water, copy paper and coffee consumption
Business travel	Tonnes CO2e	162	233	278	183	20	Includes air transport, train journeys, and hotel accommodation booked through our travel agency. Taxis booked in Denmark are included from 2024
Emissions reduced through SAF	Tonnes CO2e	0	8	15	0	0	CO2e emissions reduced from purchasing sustainable avaiation fuel (SAF) from our airline carrier

ESG key figures continued

Social data	Unit	2025	2024	2023	2022	2021	Definition
Employees	FTEs	80	78	81	80	75	Total FTEs employed at year-end (1 FTE = 160 hours/month)
Employees (Permanent contract)	FTEs	78	77	80	79	74	Total FTEs on permanent contract
Employees (Temporary contract)	FTEs	2	1	1	1	1	Total FTEs on temporary contract
Male employees	FTEs	53	50	52	54	49	Total male FTEs
Female employees	FTEs	28	28	29	26	26	Total female FTEs
Gender diversity	% of women	34	36	36	32	35	Number of women FTEs divided by total FTEs
Gender diversity in leadership	% of women	33	36	42	27	31	Women in leadership. Leadership is the Executive Board and employees who report directly to the Executive Boardand that have direct reports
Gender pay ratio	Times	0.8	0.8	0.8	0.7	0.7	Median female salary divided by median male salary
Employee turnover	%	13	11	11	9	9	Involuntary and voluntary leavers for the full year divided by average number of employees throughout the year
Sickness-absence	Days per employee	7	7	7	4	3	Number of total sick days registered for all employees divided by total FTEs
Number of recordable work-related accidents	Number	1	0	0	0	0	A work-related accident is an event that leads to injury or ill health. Recordable means diagnosed by a physician or other licensed health care professionals.
Rate of recordable work-related accidents	Rate	1.3	0	0	0	0	Number of work-related accidents per 100 FTEs over a yearly time frame
FTEs covered by collective bargaining agreements	%	54	51	Not reported	Not reported	Not reported	Percentage of FTEs covered by collective bargaining agreements diveded by total number of FTEs. Data for the period 2021–2023 is unavailable, as the HR system did not support FTE-level reporting of collective bargaining coverage.
Employee survey							
Employee satisfaction	Index	75	81	78	79	77	Based on responses to specific questions in annual employees survey. Questions are answered on a scale of 1-10, and then indexed
Healthy work-life balance	Index	79	84	84	84	80	Based on responses to specific questions in annual employees survey. Questions are answered on a scale of 1-10, and then indexed
No prolonged periods of stress experienced	Index	77	85	84	79	78	Based on responses to specific questions in annual employees survey. Questions are answered on a scale of 1-10, and then indexed
Governance data							
Gender diversity, Board	% of women	0	0	0	0	0	Women elected by the Annual General Meeting (AGM) divided by the total number of representatives elected by the AGM. Employee representatives are not included
Board meeting attendance rate	%	93	94	92	95	98	Share of Board meeting attendance by all members of the Board, both AGM and employee-elected are included. Attendance in ordinary and extraordinary board meetings.
CEO pay ratio	Times	17	10	7	7	5	CEO Compensation divided by median staff salary (incl. bonus)
Number of convictions	Number	0	0	0	0	0	Convictions issued for the violation of anti-corruption and anti-bribery laws
Total amount of fines for corruption and bribery	DKK	0	0	0	0	0	Fines issued for the violation of anti-corruption and anti-bribery laws

Reporting principles

Enhancing our reporting and ESG data management was a key focus in 2025. We concentrated on strengthening our internal processes and systems regarding our emissions baseline data. Accordingly, we revisited the data calculations and restated certain data points reported historically (see more details in the box “Restatement of published data from previous years and additions”).

Climate accounting

To account for our climate impact, we use Klimakompasset (“The Climate Compass”) developed by the Danish Energy Agency in collaboration with the Danish Business Authority. The methodology of this tool follows the Corporate Standard of the Greenhouse Gas Protocol (“GHG Protocol”). We follow the accounting principles of operational control in the GHG Protocol.

The emissions data is based on actual consumption in the financial year 2025, except for water and heating, where estimated consumption from suppliers was used due to incomplete data caused by timing of the meter readings.

We include the following categories in the climate accounting: company cars; purchased electricity and heating; upstream emissions of purchased electricity, purchased goods and services, including paper, water and coffee consumption; and business travel, including air travel, hotel accommodation and train journeys. All categories have been calculated based on physical rather than monetary units.

As per the GHG Protocol, we report two figures for our Scope 2 emissions, using the location-based and the market-based approaches. We have adopted the market-based approach for subsequent calculations and targets.

Upstream emissions of purchased electricity, which precede our use of energy, are included in our Scope 1 and 2 emissions.

Our financed emissions figure only includes our lending portfolio. We are pleased to have maintained 95% of our loan portfolio included in the calculations in 2025, as detailed in the section on financed emissions.

RESTATEMENT OF PREVIOUS YEARS’ PUBLISHED DATA AND ADDITIONS

Sustainable finance

We have restated financed emissions for all years to reflect updated emission factors aligned with the Poseidon Principles methodology.

VSME *disclosure*

The Voluntary Sustainability Reporting Standard for SMEs (VSME) has been developed to support consistent and transparent sustainability reporting. The table below outlines where our disclosures in accordance with the VSME are addressed in this Annual Report, with references to the relevant sections and page numbers.

VSME disclosure - Basic Module

General information	References	Page
B1 - Basis for preperation	Sustainability in Danish Ship Finance Sustainabilty trends Financial statements	32 50 72-73
B2 – Practices policies and future initiatives for transitioning towards a more sustainable economy	Key actions and planned activities Social Governance Sustainability trends	35 43-46 47 49-50
Environment metrics		
B3 – Energy and GHG emissions	Sustainability trends	49
B4 – Pollution of air, water and soil	Non-reported VSME disclosures	54
B5 – Biodiversity	Non-reported VSME disclosures	54
B6 – Water	Non-reported VSME disclosures	54
B7 – Resource use, circular economy and waste management	Non-reported VSME disclosures	**54**
Social metrics		
B8 – Workforce – General characteristics	Sustainability trends	50
B9 – Workforce – Health and safety	Sustainability trends	50
B10 – Workforce – Remuneration, collective bargaining and training	Social Sustainability trends	44 50
Governance		
B11 – Convictions and fines for corruption and bribery	Sustainability trends	50

VSME *disclosure, cont.*

VSME disclosure - Comprehensive Module

General information	References	Page
C1 – Strategy: Business model and sustainability – related initiatives	Danish Ship Finance at a glance Financing the transition Financial review by business area Sustainability in Danish Ship Finance	3 10 12 32
C2 – Description of practices, policies and future initiatives for transitioning towards a more sustainable economy	Key actions and planned activities Governance	35 47-48
Environment metrics		
C3 – GHG reduction targets and climate transition	Our own impact Sustainability trends	42 49
C4 – Climate risks	Non-reported VSME disclosures	54
Social metrics		
C5 – Additional (general) workforce characteristics	Social Sustainability trends	45 50
C6 – Additional own workforce information - Human rights policies and processes	Social Governance	43 48
C7 – Severe negative human rights incidents	Governance	48
Governance		
C8 – Revenues from certain sectors and exclusion from EU reference benchmarks	Non-reported VSME disclosures	54
C9 – Gender diversity ratio in the governance body	Social Sustainability trends	45 50

Non-reported VSME *disclosures*

The table below identifies the disclosures set out in the VSME that are not addressed in this Annual Report and provides an explanation for the omissions. The explanations reflect the company's current scope, relevance and data availability in relation to the specific disclosure requirements.

Non-reported VSME disclosures

Disclosure	Paragraph	Explanations
B4 - Pollution of air, water and soil	32	This disclosure have been deemed not material based on our business model, activities, and the conducted double materiality assessment and have therefore been omitted from our reporting.
B5 - Biodiversity	33-34	
B6 - Water	35-36	
B7 - Ressource use, circular economy and waste management	37-38	Since the data point relates only to own operations, it is not considered material given our role as a financial institution. The overall topic is, however, considered material when looking at the value chain (see page 34).
B9 - Workforce - health and safety	41(b)	This disclosure have been deemed not material based on our business model, activities, and the conducted double materiality assessment and have therefore been omitted from our reporting.
B10 - Workforce - remuneration, collective bargaining and training	42(d)	We do not currently collect structured data on training hours per FTE by gender. Learning and development primarily takes place through external courses, internal knowledge sharing, peer learning and professional workshops. We are working towards a more systematic documentation of training activities going forward.
C4 - Climate risks	57-58	We acknowledge that climate and transition risks are material and we are currently in the process of identifying relevant risks and defining appropriate mitigating approaches in alignment with current regulations.
C8 - Revenues from certain sectors and exclusion from EU reference benchmarks	63-64	Not applicable

Task force on *Climate-related Financial Disclosures*

The Task Force on Climate-related Financial Disclosures ("TCFD") has been established by the Financial Stability Board, setting forth recommendations for more effective climate-related disclosures, enabling stakeholders to gain a better understanding of the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks.

Task Force on Climate-related Financial Disclosures

Governance		References	Page
a.	Describe the Board's oversight of climate-related risks and opportunities	Letter to our stakeholders Organisation and reposnsibilities	4-5 67-68
b.	Describe management's role in assessing and managing climate-related risks and opportunities	Financing the transition Sustainability in Danish Ship Finance Governance	10 32 47

Strategy			
a.	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Letter to our stakeholders Financing the transition Double materiality assessment Environment Our own impact	4-5 10 33-34 38+40-41 42
b.	Describe the impact of climate-related risks and opportunities the organisation's business, strategy, and financial planning	Letter to our stakeholders Financing the transition Sustainability in Danish Ship Finance Double materiality assessment Environment Our own impact	4-5 10 32 33-34 38+40-41 42
c.	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including 2 degrees C or lower scenario	Financing the transition Financed emissions from lending Poseidon principles	10 40 41

Task Force on Climate-related Financial Disclosures, continued

Risk Management

a.	Describe the organisation's processes for identifying and assessing climate-related risks	Financing the transition Sustainability in Danish Ship Finance Double materiality assessment	10 32 33-34
b.	Describe the organisation's processes for managing climate-related risks	Financing the transition Sustainability in Danish Ship Finance Sustainability and Clients	10 32 36
c.	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Sustainability and Clients Our own impact	36 42

Metrics and targets

a.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Financed emissions from lending Poseidon Principles Sustainability trends	40 41 49
b.	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas emissions (GHGe), and the related risks	Financed emissions from lending Sustainability trends	40 49
c.	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Financing the transition Environment Our own impact	10 38 42

Management Report

Capital, funding *and liquidity*

Capital, funding *and liquidity*

Own funds, total capital ratio and capital requirements

Regulatory own funds after deductions amounted to DKK 8,986 million at year-end 2025 compared to DKK 8,914 at year-end 2024. Own funds consist mainly of share capital, tied-up reserve capital and retained earnings from previous years, less deductions.

The Board of Directors proposes a dividend of DKK 246 million for approval at the annual general meeting on 18 March 2026. The proposed dividend is presented in the equity statement as at 31 December 2025 but is carried for accounting purposes until its approval by the annual general meeting. The proposed dividend covers the mandatory preferred dividend to the Danish Maritime Fund, the dividend to Magellan Capital Holdings PLC and associated minority shareholder dividends. For the calculation of capital ratios as at 31 December 2025, the proposed dividend is deducted from own funds.

Calculation of total capital ratio

DKK million / %	2025	2024
Own funds after deductions	8,986	8,914
Total risk exposure amount	33,684	37,840
Total capital ratio	26.7	23.6

The own funds requirement (also referred to as the Pillar 1 requirement) is a total capital ratio of 8%, equivalent to the statutory minimum requirement.

Own funds are defined as the sum of Common Equity Tier 1 (“CET1”) capital, Additional Tier 1 (“AT1”) capital and Tier 2 capital, and the ratio of own funds to the total risk exposure amount is referred to as the total capital ratio. At year-end 2025, Danish Ship Finance’s own funds consisted solely of CET1 capital.

We follow the Danish FSA guidelines on adequate own funds and solvency need for credit institutions (the Pillar 2 requirement). The guidelines provide an interpretation of Annex 1 to the Danish Executive Order on calculation of risk exposures, own funds and solvency need. The Danish FSA has defined benchmarks and calculation methods within the areas which typically are relevant for a credit institution to assess in determining its adequate own funds and has listed additional factors to be included in the assessment.

The calculation is shown in the table “Adequate own funds and internal capital adequacy requirement” on the next page.

A market risk pillar 2 add-on of DKK 550 million was made in 2025 to cover risk exposures relating to credit spreads on Danish mortgage bonds held, interest rate risk and foreign exchange rate risk. Additionally, a pillar 2 add-on of DKK 66 million was made to cover credit concentration risk and other credit risks.

As at 31 December 2025, our adequate own funds and the total risk exposure amount were DKK 3,311 million and DKK 33,684 million, respectively. The internal capital adequacy requirement including the combined capital buffer requirement totalled 13.6% or DKK 4,590 million. Our own funds after deductions totalled DKK 8,986 million, resulting in a total capital ratio of 26.7%. This corresponds to excess coverage in the amount of DKK 4,396 million, or 13.1 percentage points.

DIVIDEND POLICY

It has been proposed that the A shareholders receive a dividend of DKK 197 million and that the B shareholder, the Danish Maritime Fund (“DMF”), receives a dividend of DKK 49 million.

If the annual general meeting approves the proposed dividend for 2025, we will, since the conversion of the company in 2005, have made total distributions of DKK 1,073 million to the DMF. The sole objective of the DMF is to develop and promote the Danish maritime sector (supporting “The Blue Denmark”).

Adequate own funds and internal capital adequacy requirement

DKK million	2025	2024
Total risk exposure amount	33,684	37,840
Pillar 1 requirement (8% of total risk exposure amount)	2,695	3,027
Pillar 2		
Credit risk		
- Credit risk exposure to large clients in financial difficulty	-	-
- Other credit risk	30	-
- Concentration risk	36	40
Market and liquidity risk	550	493
Total adequate own funds	**3,311**	**3,560**
Internal capital adequacy requirement (%)	**9.8**	**9.4**
- Capital conservation buffer (%)	2.5	2.5
- Institution-specific countercyclical capital buffer requirement (%)	1.3	1.2
Internal capital adequacy requirement incl. combined capital buffer requirement (%)	**13.6**	**13.1**

The combined capital buffer requirement

The combined capital buffer requirement consists of the following elements for Danish Ship Finance:

- A capital conservation buffer
- An institution-specific countercyclical capital buffer

The regulatory capital conservation buffer is fixed at 2.5% of the total risk exposure amount. The institution-specific countercyclical capital buffer may be between 0.5% and 2.5% of the total risk exposure amount. Based on the geographical distribution of credit risk exposures, the capital requirement for the institution-specific countercyclical capital buffer was calculated at DKK 437 million as at 31 December 2025.

The capital requirement currently pertains to exposures to clients domiciled in the countries below, which have set the following countercyclical capital buffer rates:

- Belgium: 1.00%
- Chile: 0.50%
- Denmark: 2.50%
- Faroe Islands: 1.00%
- Germany: 0.75%
- Great Britain: 2.00%
- Hong Kong: 1.00%
- Iceland: 2.50%
- Luxembourg: 0.50%
- Netherlands: 2.00%
- Norway: 2.50%

In accordance with the Executive Order on management and control of banks, etc., a capital contingency plan has been prepared, which contains a catalogue of possible courses of action to strengthen the capital position in a critical situation. The capital contingency plan would take effect in the unlikely event of predefined triggers being activated.

For further information on capital management, including the determination of adequate own funds, please refer to the Risk & Capital Management Report on our website.

Credit rating

As at 31 December 2025, our covered bonds were assigned a rating of AA- by S&P Global Ratings, with a Stable outlook, based on S&P's methodology for rating covered bonds. Our covered bond rating was four notches above our issuer credit rating of BBB+, with a Stable outlook.

Bond rating	AA-
Issuer credit rating	BBB+
Outlook	Stable

S&P regularly monitors and provides ratings on our financial instruments and issuer credit ratings.

Balance principle

The supervisory balance principle regulates mortgage lending in Denmark. It applies to ship mortgage lending and real estate mortgage lending. The balance principle significantly limits the financial risk the mortgage issuer may assume in relation to funding and lending.

Danish mortgage institutions may apply either the specific balance principle or the general balance principle. We have chosen to apply the specific balance principle. The specific balance principle limits any future liquidity deficit between issued bonds and loans disbursed at 100% of own funds. The deficit occurs if future payments related to bonds, other funding and financial instruments exceed the future incoming receipts on loans, financial instruments and positions.

In addition to regulatory requirements, our policies define stricter requirements for permitted liquidity deficits between issued bonds and disbursed loans.

Funding

Our bonds are typically issued in DKK and EUR, whereas most of our loans are disbursed in USD. We source USD liquidity for funding of USD loans via so-called cross-currency basis swaps. Sourcing USD liquidity relies on an efficient capital market. Internal policies govern the maximum USD funding requirements over time.

All bonds issued by Danish Ship Finance are on the European Commission's list of bonds meeting the gilt-edged requirements of Article 52(4) of the UCITS Directive.

Ship mortgage covered bonds

Ship covered bonds and ship mortgage bonds are issued to finance lending secured by mortgages on vessels of up to 60% and 70% of the market value of the mortgaged vessel(s), respectively.

In respect of loans funded by ship covered bonds, the loan-to-value ratio shall at no time exceed 60%. Such a requirement for continuous compliance with a loan-to-value ratio does not apply to loans funded by ship mortgage bonds. In respect of loans funded by ship mortgage bonds, compliance with loan-to-value limits is only required at the time of the loan offer.

Additional capital charge

Loans exceeding 70% of the value of the vessel(s) may be granted subject to an additional capital charge in the form of a deduction from own funds in the calculation of the total capital ratio.

We have not utilised this option for a number of years and no such deduction was made in 2025.

Issued bonds

Our issued bonds totalled DKK 35.9 billion at amortised cost as at 31 December 2025, of which about 74% were denominated in DKK and 26% were denominated in EUR. All our bond issuances are listed and traded on Nasdaq Copenhagen. At year-end 2025, we held own bonds totalling DKK 1.8 billion.

Interest rate risk

There is a risk that the coupon on our floating-rate bonds will be negative, in the event of which we will have a claim against the bondholders. In such a case, we are entitled, but not required, to redeem for settlement at par value, and an amount of bonds equivalent to a value up to the nominal negative interest coupon. The procedure is stated in the final terms for each applicable floating-rate bond issue since 2017. However, it can be waived in future final terms if necessary.

Subordinated debt

We did not issue any subordinated debt in 2025 and none is outstanding.

Issuing EUR ship covered bonds is a strategic priority for us in order to maintain a diversified investor base

For this purpose, we established a new Capital Centre A in 2019. In 2024, we did not issue any new bonds in Capital Centre A, as the need for new funding was limited. This was owing to the fact that no bonds matured in the capital centre and we gained significant excess liquidity from loan pre-payments.

Our DKK-denominated covered bonds are issued from the Capital Centre Institute in General. Both capital centres hold an A rating from S&P Global Ratings (since upgraded to AA-) with a Stable outlook.

The rules governing bond issuance are described in the Act on a ship finance institute and the Executive Order on a ship finance institute, as well as in the Bond Executive Order. Lending operations are funded through issuance of ship mortgage bonds, ship covered bonds, lending of own funds, and proceeds from loans raised in money markets and capital markets.

Bail-in-able senior debt and senior unsecured debt
No senior resolution notes ("SRN") or any other senior bail-in-able or senior unsecured debt were issued in 2025 or are outstanding.

Issuance schedule for 2026
We expect limited net issuance of covered bonds in 2026, due to the strong liquidity position at year-end 2025. We will continue to support liquidity, extend maturity of the outstanding bond portfolio, and focus on maintaining a well-diversified investor base.

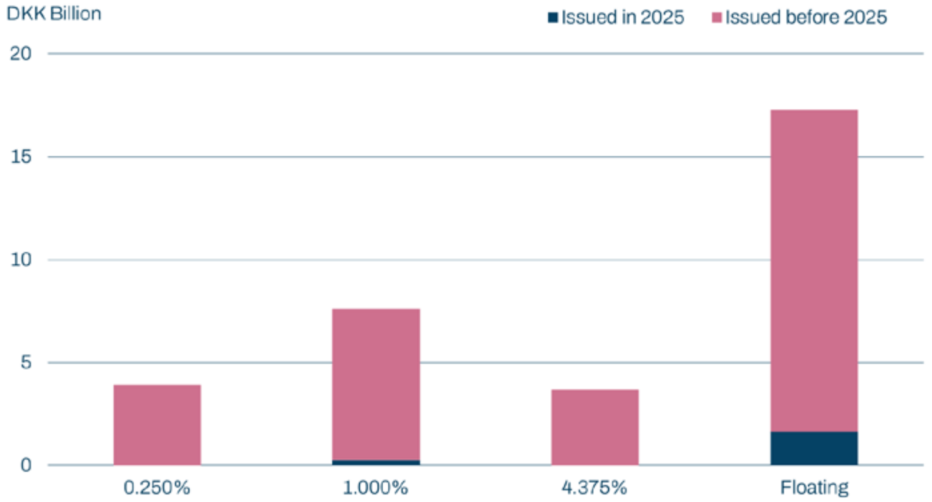
Liquidity

Liquidity management and the statutory liquidity requirements are aimed at maintaining liquidity risks at low levels.

Liquidity risk comprises two key components: funding liquidity risk, which is the risk of being unable to meet financial obligations when they fall due without incurring unacceptable costs, and market liquidity risk, the risk of being unable to sell or liquidate assets quickly at their fair value. Both short-term cash flow mismatches and longer-term structural imbalances contribute to the funding liquidity risk.

Through issued bonds, derivative contracts and available own funds, we maintain sufficient liquidity coverage for existing loans and credit commitments until expiry. Potential future liquidity needs are monitored within strict limits. A change in our external credit rating would not change our robust liquidity position but could lead to a different level of funding costs for new loans.

Issued bonds by type



The average maturity of our issued bonds (DKK issuances) exceeds the average maturity of loans in the Capital Centre Institute in General. In Capital Centre A, the average maturity of issued bonds (EUR issuances) also exceeds the average maturity of loans. Small residual loan exposures at certain maturities are covered by the capital allocated to the capital centre.

According to the Capital Requirements Regulation ("CRR"), liquidity is required to ensure that a credit institution has an adequate stock of unencumbered high-quality liquid assets ("HQLA") consisting of cash or assets that can be converted into cash at little or no loss of value in private markets. Liquidity needs for a 30-calendar-day liquidity stress scenario shall be covered by HQLA.

The liquidity coverage ratio ("LCR") as at 31 December 2025 was 460%, well above the regulatory requirement of 100%.

We treat EUR as a significant currency due to the EUR bonds issued in Capital Centre A and accordingly calculate a EUR LCR. The LCR in EUR as at 31 December 2025 was 1,329%.

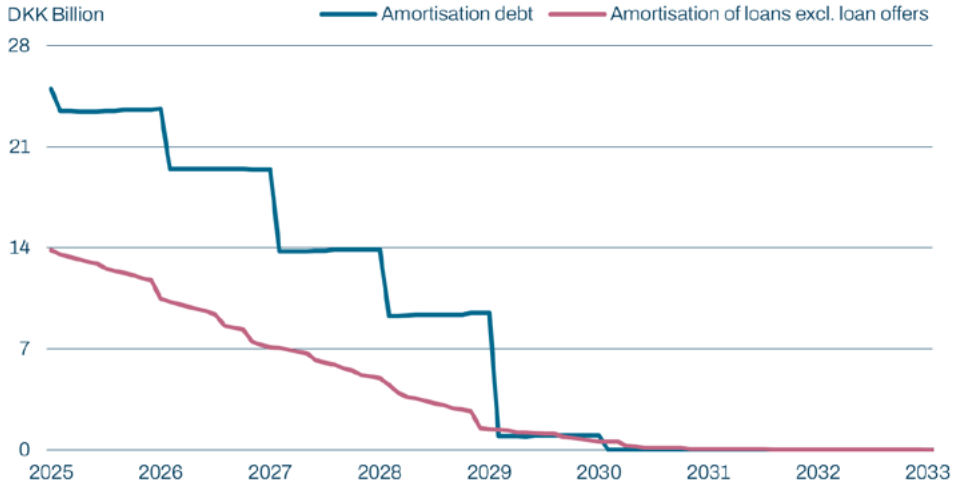
$$\text{LCR} = \frac{\text{HQLA}}{\text{Net liquidity outflow over a 30 days stress period}} \geq 100\%$$

"The liquidity coverage ratio (LCR) as at 31 December 2025 was 460%, well above the regulatory requirement"

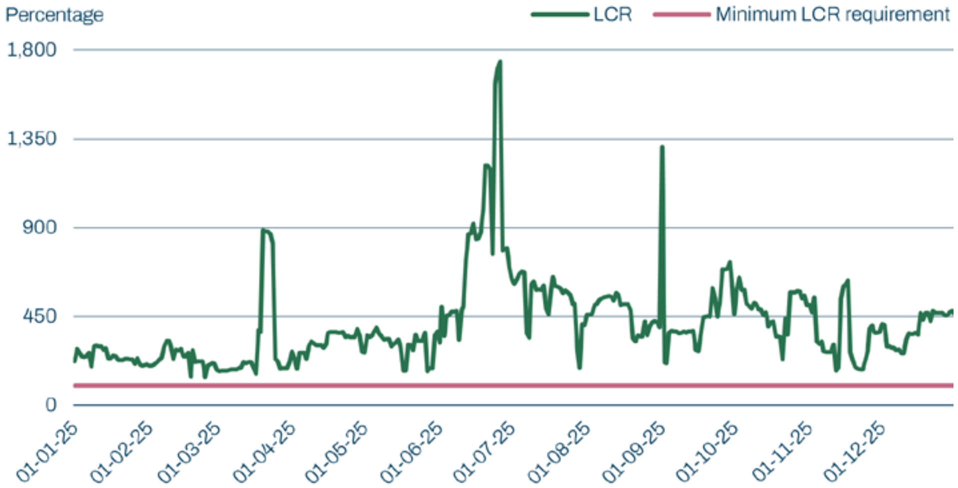
Our securities portfolio represents a significant part of our assets. The securities portfolio consists primarily of government and mortgage bonds, money market transactions and interest-sensitive financial instruments. Interest rate risk in the securities portfolio may be fully or partially hedged.

In accordance with the Executive Order on management and control of banks, etc., a liquidity contingency plan has been prepared, which contains a catalogue of possible courses of action to strengthen the liquidity position in a critical situation. The liquidity contingency plan will take effect if predefined triggers are activated.

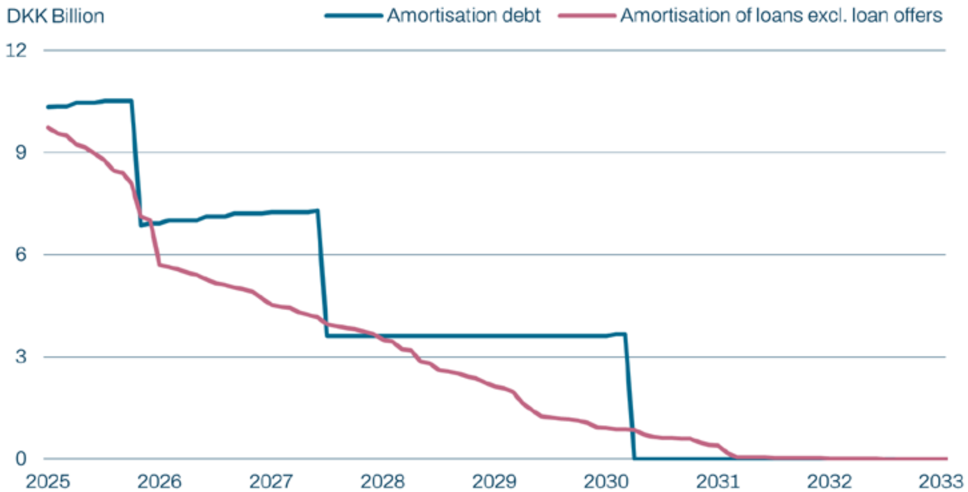
Capital Centre Institute in General: developments in issued bonds relative to loans



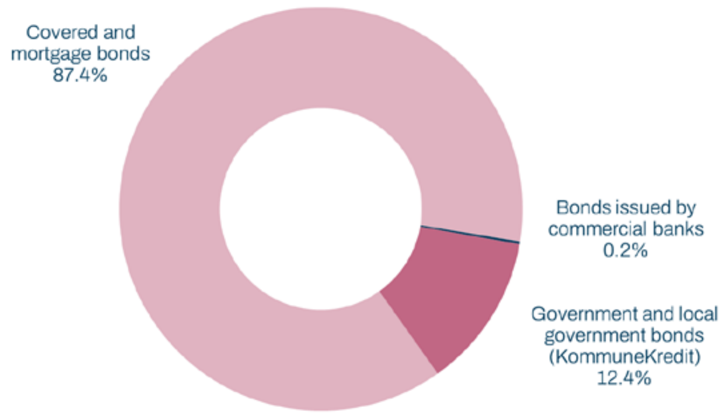
The LCR fluctuates above the 100% requirement



Capital Centre A: developments in issued bonds relative to loans



Distribution of securities portfolio



Management Report

Corporate *governance*

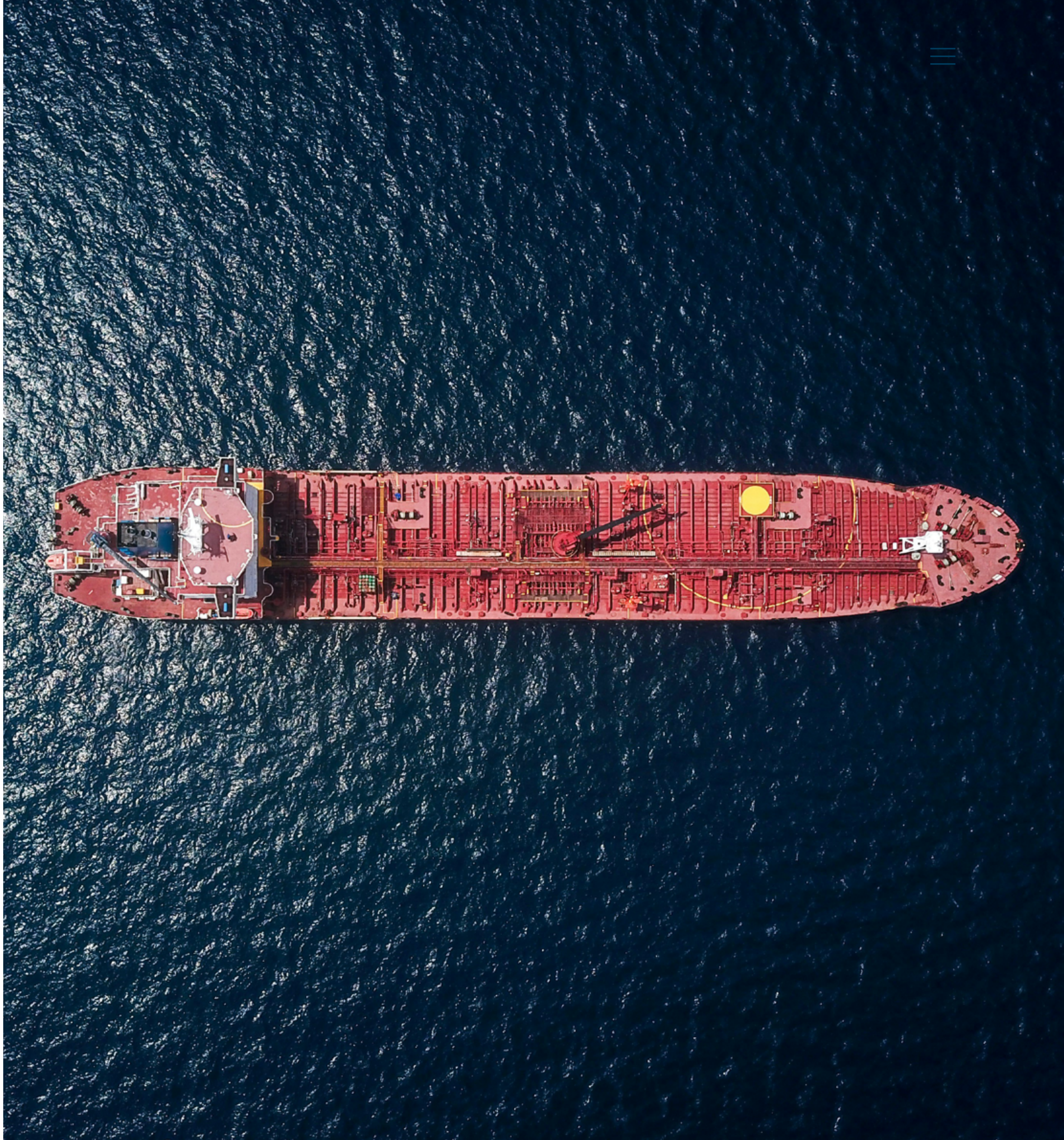
Corporate *governance*

As our shares are not listed for trading on Nasdaq Copenhagen, we are not subject to the corporate governance guidelines published by the Corporate Governance Committee. However, we have resolved to report on our compliance with the guidelines.

We also adhere to the corporate governance code of Finance Denmark. This code is more comprehensive than the recommendations of the Corporate Governance Committee and also builds on a “comply or explain” principle. We comply with these guidelines.

Corporate governance reports must be published at least once a year. The reports are published on our website in conjunction with publication of the Annual Report.

Detailed information about corporate governance is provided in the reports on our website.



Ownership

Share capital

Our ambition is to deliver an absolute and risk-weighted return that is satisfactory to our shareholders. The Board of Directors continually assesses whether the company's capital structure is consistently aligned with the interests of the shareholders and appropriate to support the strategy. The Board of Directors assesses that the capital structure is currently appropriate given the strategy.

The nominal value of the share capital amounts to DKK 333 million and is divided into A shares with a nominal value of DKK 300 million and B shares with a nominal value of DKK 33 million. Each A share of nominally DKK 1 carries ten votes, and each B share of nominally DKK 1 carries one vote. Other than that, there are no restrictions on the number of votes or shares for each shareholder. The shares are not listed for trading on a regulated market.

Ownership

Magellan Capital Holdings PLC holds a majority stake in Danish Ship Finance A/S. The Danish Maritime Fund continues to hold its 10% ownership in the shares of Danish Ship Finance A/S through its exclusive ownership of all B shares. A small number of minority shareholders own less than 0.1% of the company.

Magellan Capital Holdings PLC directly holds 75.42% of the shares in DSF. A member of the previous ownership consortium, Axcel, currently retains a minority stake (14.49%) through AX IV HoldCo. Magellan Capital Holdings PLC owns 85.00% of the shares in AX IV HoldCo A/S. Hence Magellan Capital Holdings PLC has a total direct and indirect ownership of Danish Ship Finance A/S of 87.73%.The remaining shares are owned by the Danish Maritime Fund (10.00%, B shares) and a small number of minority shareholders (0.09%).

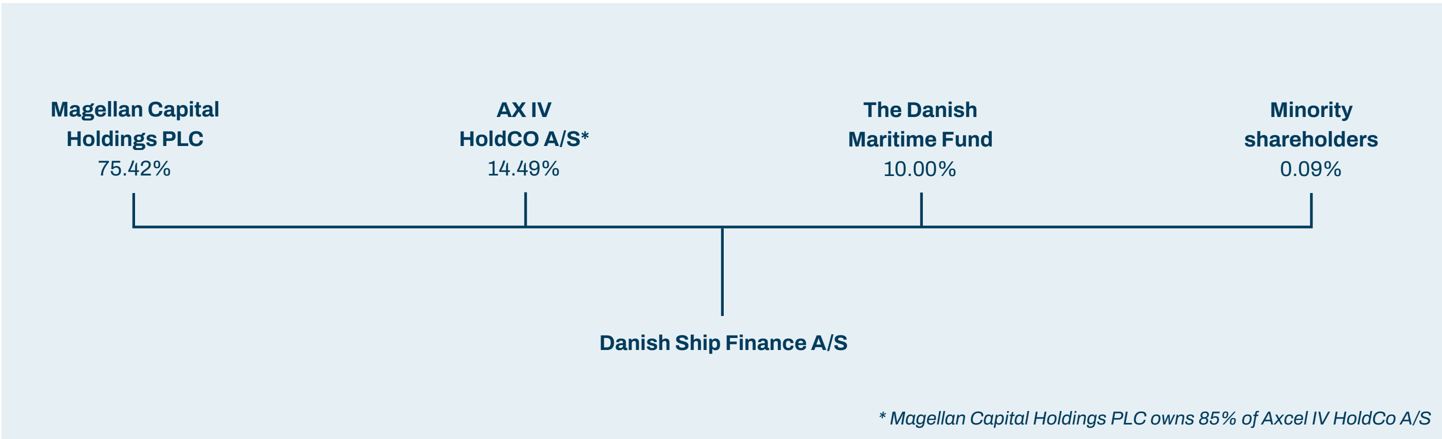
According to the Danish Companies Act, shareholders must notify the company if the voting rights of their shares represent 5% or more of the voting rights of the company's share capital or if the nominal value of their shares represents 5% or more of the share capital. Shareholders must also disclose changes in shareholdings if they exceed or fall below specified percentage thresholds.

The following shareholders hold at least 5% of the total voting rights or own at least 5% of the shares in DSF.

- Magellan Capital Holdings PLC
- AX IV HoldCo A/S (Axcel)
- The Danish Maritime Fund

The ownership structure is displayed in the chart.

Ownership structure



THE DANISH MARITIME FUND

Through our contribution of 15% of our annual net profit to the DMF, we finance initiatives promoting the development and growth of the Danish shipping and shipbuilding industries and their suppliers.

Based on our result for 2025, the DMF is expected to receive a dividend of DKK 49 million. We are very pleased that the DMF will now have received DKK 1,073 million of distributions from DSF since inception of the Fund in 2005.

About the Danish Maritime Fund
The DMF is a commercial fund established by law in 2005. The Fund was at the time awarded 10% of the share capital in DSF. Each year, the Fund receives 15% of DSF's annual net result after tax as a preferred dividend (limited to DKK 83 million per year).

The objectives stated in the Fund charter are:

- to ensure the perpetual existence of a ship finance institution in Denmark through its shareholding, and
- to provide grants and financing to initiatives and activities that grow and develop the Danish shipping and shipbuilding industries.

DSF is not involved in the operation of the Fund or the distribution of grants.

Danish maritime companies or organisations are eligible for support from the DMF.

Read more about DMF here

DEN DANSKE MARITIME FOND

Organisation *and responsibilities*

General meeting

Our highest decision-making authority is the general meeting. Our articles of association are available on our website and contain information about the notice convening the general meeting, shareholders' admission and voting rights, and shareholders' right to submit proposals and have specified business transacted at the meeting.

The Board of Directors and the Executive Board seek to promote active ownership, including participation by the shareholders at the general meeting, and efforts are made to ensure that all members of the Board of Directors and the Executive Board are represented at general meetings.

The next annual general meeting will be held on 18 March 2026.

Board of Directors

The Board consists of 11 members, seven of whom are elected by the general meeting and four of whom are elected by and among the employees.

Eivind Kolding is Chairman of the Board of Directors. He will not seek re-election at the Annual General Meeting. Christian Frigast is nominated as the next Chairman of the Board. Peter Nyegaard and Ahmed Omar are Vice Chairmen.

The Board of Directors defines our overall strategy, policies and guidelines. Each year, the Board of Directors also defines its principal duties in respect of financial and management control, which helps ensure control within all key areas.

Dates and agendas for the ordinary meetings are fixed more than one year in advance. Extraordinary board meetings may be held whenever deemed necessary or when requested by a member of the Board of Directors or the Executive Board. In 2025, the Board of Directors held 29 meetings, of which six were ordinary scheduled meetings and the remainder were extraordinary meetings due to, among other things, new lending above certain limits, which must be submitted to the Board of Directors for approval.

The board members' attendance rate for board meetings was 94% in 2025.

The Executive Order on management and control of banks, etc. requires the board members' experience and competencies to be evaluated on an annual basis. The Board of Directors has assessed that the Board as a whole possesses the competencies deemed necessary to ensure a professional management.

The competency profile is as follows:

- Banking and mortgage lending
- Financial derivatives
- International maritime industry and shipping
- IT
- Credit approval processes
- Management experience from a relevant financial enterprise
- Legislation
- Macroeconomics
- Bond issuance
- Management of shipping companies
- Risk management in a financial institution
- Finance and accounting
- Cyber risk
- Sustainability

The Board of Directors is elected within the framework of a shareholders' agreement. When new board members are elected, consideration is given to the composition of the Board, including in terms of diversity.

Evaluation of the Board of Directors

The Board of Directors carried out a self-evaluation on its collective competencies in 2025 to ensure, among other things, that the combined competencies of each board member enable the Board of Directors to perform its tasks.

The results of the latest evaluation were good overall and showed good alignment within the Board of Directors.

Committees

Audit Committee
The Board has set up a statutory Audit Committee consisting of members of the Board of Directors. In composing the Audit Committee, it has ensured that the Chairman of the Board of Directors does not act as the Chairman of the Audit Committee. It has also ensured that the Committee has professional capabilities and experience in financial matters and in finance and accounting.

The Audit Committee consists of Peter Nyegaard (Chairman) and Ahmed Omar.

The Audit Committee is a preparatory and monitoring body. The duties of the Audit Committee are defined in the Terms of Reference of the Audit Committee. The Audit Committee is to inform the Board of Directors of the outcome of the statutory audit and assist the Board of Directors in monitoring the financial reporting process, monitoring the efficiency of the internal control and risk management systems, monitoring the audit of the Annual Report, monitoring and verifying the independence of the auditors, and selecting and recommending new auditors. In 2025, the Audit Committee held three ordinary meetings, two of which took place prior to the presentation of the Annual Report and the Interim Report, respectively. The Committee reports to the Board of Directors, and the content of the Committee's meetings are discussed at the first ordinary Board meeting after the Audit Committee's meeting.

Remuneration Committee
The Remuneration Committee consists of members of the Board of Directors and undertakes preparatory work and assists the Board of Directors in matters related to remuneration of the Board of Directors, the Executive Board, material risk takers and other employees.

The Remuneration Committee monitors pay developments in general. Furthermore, it ensures that the incentive programmes are designed to create sustained and long-term value and that the Remuneration Policy is complied with.

The Remuneration Committee consists of Eivind Kolding (Chairman), Christian Frigast, Thor Jørgen Guttormsen, Jacob Meldgaard and Omar Elali.

The Remuneration Committee holds ordinary meetings twice a year. The Committee reports to the Board of Directors, and the content of the Committee's meetings are discussed at the first ordinary Board meeting after the Remuneration Committee's meeting.

Additional information on the Remuneration Committee is available on our website.

The Executive Board and senior management

The Executive Board reports to the Board of Directors and together with senior management it oversees the day-to-day management of the company.

The Executive Board consists of:

- Kristian Skovmand, CEO
- Lars Jebjerg, CFO and CRO

Senior management consists of:

- The Executive Board
- Flemming Møller, Head of Credit and Executive Vice President

Internal control *and risk management*

The primary responsibility for risk management and internal controls in relation to the financial reporting process rests with the Board of Directors, including compliance with applicable legislation and other financial reporting regulations.

Our risk management processes and internal control systems are designed with a view to effectively minimising the risk of errors and omissions. Our business processes, risk management processes and internal control systems provide reasonable, but not absolute, assurance that misappropriation of assets, losses and/or significant errors and omissions, including in financial reporting, are avoided.

The Audit Committee is responsible for monitoring and controlling accounting and auditing matters and for preparing the decision basis for accounting and audit-related topics for consideration by the Board of Directors.

The Board of Directors, the Audit Committee and the Executive Board regularly assess significant risks and the adequacy of internal controls in relation to the operations and their potential impact on the financial reporting processes.

Overall control environment
The key component of our control environment is an appropriate organisation, including adequate segregation of functions, internal policies, and business processes and procedures. In accordance with applicable legislation, the Board of Directors, alongside the Audit Committee, regularly assesses the need for an internal audit function. We have an internal control function, which performs its controls in conjunction with our external auditors. The Board of Directors finds this set-up adequate given the level of complexity of the organisation and therefore maintains its view that an internal audit function is not required.

Risk assessment
At least once a year, the Board of Directors, the Audit Committee and the Executive Board undertake a general assessment of risks in relation to the financial reporting process. In addition, management regularly assesses the need for new internal controls to be implemented to reduce and/or eliminate identified risks.

In its risk assessment, the Board of Directors specifically assesses the organisation of risk measurement and risk management, the accounting and budget organisation, internal controls, segregation of functions, IT usage and IT security, including measures taken to reduce cyber risk. As part of the risk assessment, the Board of Directors also considers the risk of fraud.

"The key component of our control environment is an appropriate organisation, including adequate segregation of functions, internal policies, business processes and procedures"

The Board of Directors and the Executive Board assess whether the organisation has the necessary competencies to ensure that internal controls and risk management procedures are managed effectively.

Control activities
We use systems and manual processes for monitoring data that form the basis of the financial reporting process.

The purpose of the control activities is to prevent, detect and correct any errors or omissions. In the context of our financial reporting process, control activities are performed to ensure that the financial statements are presented in accordance with current legislation.

Information and communication
The Board of Directors has adopted a number of requirements for the presentation of the financial statements and the external financial reporting in accordance with current legislation and guidelines. The objective is to ensure that applicable disclosure requirements are met and that disclosures are full, complete and accurate.

Monitoring and reporting
Monitoring takes place by means of regular and/or periodic assessments and controls at all levels. Reports on the appropriateness and/or weaknesses of the controls, control failures, cases of non-compliance with adopted policies, limits, etc. or other significant deviations are escalated in the organisation in accordance with the policies and instructions.

Whistleblower scheme
We have implemented a whistleblower scheme in accordance with the Danish Financial Business Act. The scheme ena-

bles employees to report any instance of non-compliance with financial legislation, economic crime, suspected corruption, breach of occupational safety, breach of confidentiality, sexual harassment or other harassment due to race, political or religious affiliation to an independent third party.

In the event of a report being made, the independent third party will undertake a provisional screening to assess whether the instance of non-compliance falls within the scope of the whistleblower scheme.

As in previous years, no reports were made in 2025.

Know your customer (KYC)
We have a strong compliance culture and carry out our KYC procedures in accordance with current regulations. These procedures also serve as our anti-money laundering and counter-terrorist financing measures.

This means we must verify the identity of the management teams and the ultimate beneficial owners of our clients. We must do this at certain intervals throughout the client relationship and in the event of any change in management or ownership. This partly entails relying on information provided by our clients. They must forward the information by certain deadlines; we are obliged to report any failure to do so to the authorities.

Data ethics
We have adopted a personal data protection policy, which describes the principles for how we work with personal data. The purpose is to protect the rights of individuals and define guidelines on how employees treat personal data with integrity and confidentiality. DSF mainly collects data about clients required according to the Danish AML Act and contact details related to subscribers to newsletters. Since data processing is not an integral part of the company's business activities, and the ethically correct way of handling data is already described in the personal data protection policy, we have not a prepared a separate policy for data ethics.

Data privacy and security
We update our policy on personal data protection annually in order to ensure continuous alignment with applicable national and international governmental regulation. Our policy contains descriptions on procedures for issues such as money laundering, personally sensitive information, data on employees, etc.

Anti-corruption and bribery
We take a zero-tolerance approach to corruption and bribery and address this in our code of conduct, personnel handbook and relevant policies. In practice, we work to mitigate the risk of bribery and corruption through our compliance procedures, which include continuous training, controls and escalation steps.

Financial *statements*

Income statement

NOTE	1 January - 31 December DKK million	2025	2024
4	Interest income	6,442	8,284
5	Interest expenses	(5,990)	(7,824)
6	**Net interest income**	**452**	**460**
7	Fee and commission income	18	21
	Net interest and fee income	**470**	**481**
8	Market value adjustments	202	141
9,10	Staff costs and administrative expenses	(228)	(196)
22,23	Depreciation and impairment of tangible assets	(22)	(20)
16	Loan impairment charges	15	147
	Profit before tax	**437**	**553**
11	Tax	(113)	(139)
	Net profit for the year	**324**	**414**
	Comprehensive income for the year	**324**	**414**

1 January - 31 December DKK million	2025	2024
AMOUNT AVAILABLE FOR DISTRIBUTION		
Distributable reserves	305	109
Comprehensive income for the year	324	414
Total	**628**	**523**
PROPOSED ALLOCATION OF PROFIT		
Distribution	246	288
Distributable reserves	382	235
Total	**628**	**523**

Balance sheet

NOTE	At 31 December DKK million	2025	2024
	ASSETS		
12	Due from credit institutions and central banks	5,055	4,572
13,14,15,16,17	Loans and other receivables at amortised cost	23,010	26,723
18,19,20	Bonds at fair value	33,177	24,311
21	Shares, etc.	307	0
22	Land and buildings		
	Domicile properties	369	439
23	Other tangible assets	5	7
	Current tax assets	61	66
24	Other assets	1,976	2,184
	Total assets	**63,960**	**58,302**
	LIABILITIES AND EQUITY		
	Liabilities		
25	Due to credit institutions and central banks	16,552	7,837
26	Issued bonds at amortised cost	35,936	38,843
20,27	Other liabilities	2,042	2,264
	Total liabilities	**54,529**	**48,945**

NOTE	At 31 December DKK million	2025	2024
	Provisions		
28	Provisions for deferred tax	56	20
	Other provisions	70	68
	Total provisions	**126**	**87**
29	**Equity**		
	Share capital	333	333
	Tied-up reserve capital	8,343	8,343
	Revaluation reserves	-	70
	Retained earnings	382	235
	Proposed dividend for the financial year	246	288
	Total equity	**9,305**	**9,269**
	Total liabilities and equity	**63,960**	**58,302**
	Off-balance sheet items		
31	Other contingent liabilities	2,521	3,798
	Total off-balance sheet items	**2,521**	**3,798**

Statement of changes in equity

DKK million	Share capital	Tied-up reserve capital	Revaluation reserves[1]	Retained earnings	Proposed dividend	Total
Equity as at 1 January 2024	**333**	**8,343**	**70**	**(408)**	**92**	**8,430**
Conversion Tier 2 capital incl. interest	-	-	-	2,166	-	2,166
Dividends paid for the financial year 2023	-	-	-	-	(92)	(92)
Extraordinary dividends	-	-	-	(1,649)	-	(1,649)
Comprehensive income	-	-	-	126	288	414
Equity as at 31 December 2024	**333**	**8,343**	**70**	**235**	**288**	**9,269**
Dividends paid for the financial year 2024	-	-	-	-	(288)	(288)
Comprehensive income	-	-	(70)	147	246	324
Equity as at 31 December 2025	**333**	**8,343**	**-**	**382**	**246**	**9,305**

1) In 2025, the revaluation reserve was released in connection with the disposal of the former domicile property and transferred to retained earnings.

The tied-up reserve capital of Danish Ship Finance A/S was established in connection with the conversion from a foundation into a limited liability company in 2005 and has represented an unchanged amount of DKK 8,343 million under equity.

List of notes

NOTE 1 ACCOUNTING POLICIES

GENERAL
The Annual Report has been prepared in accordance with the Danish Financial Business Act and the Danish Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc. (Executive Order on Financial Reports). Furthermore, the Annual Report complies with the additional Danish disclosure requirements for issuers of listed bonds.

The accounting policies are unchanged from those applied in the Annual Report 2024. Certain insignificant changes have been made to the comparative figures for 2024 due to reclassifications.

Financial statement figures are stated in Danish kroner (DKK) rounded to the nearest million, unless otherwise stated. As a result, rounding discrepancies may occur because totals have been rounded and the underlying decimals are not presented to financial statement users. Figures stated as zero (0) denote rounding off an underlying value, and figures stated as a dash (-) represent no value.

The financial statements of DSF are consolidated into the financial statements of Magellan Capital Holdings PLC as the smallest group entity and Magellan Holding Limited as the largest group entitiy for which consolidated financial statements are prepared.

Significant accounting estimates
The preparation of the Annual Report is based on management's estimates and assumptions of future events that may significantly affect the carrying amounts of assets and liabilities. The amounts most influenced by the critical estimates and assumptions are:

- Measurement of expected credit losses (ECL)
- Fair value measurement of financial instruments
- Parameters used for amortisation of fees which are an integral part of the current yield of a financial instrument

The estimates and assumptions are based on premises that management finds reasonable, but which are inherently uncertain and unpredictable. The assumptions could, for example, be challenged by unexpected future events or circumstances that arise. Therefore, such estimates and assumptions are difficult to make and will always entail some degree of uncertainty, even under stable macroeconomic conditions, when they involve transactions with clients and other counterparties. Accounting estimates and assumptions made on the balance sheet date express management's best estimate of such events and circumstances.

Measurement of expected credit losses
The measurement of expected credit losses (ECL) on loans, guarantees and credit commitments (credit exposure) is set out in the Executive Order on Financial Reports, which is based on the three-stage (Stage 1, 2 and 3) expected credit loss impairment model (ECL impairment model) pursuant to IFRS 9. Bonds measured at amortised cost are also subject to the ECL impairment model.

According to the ECL impairment model, ECL are calculated for all credit exposures measured at amortised cost. The loan impairment charge for ECL depends on the current stage of the credit risk.

If the credit risk has not increased significantly since initial recognition, the loan impairment charge equals ECL for the next 12 months (Stage 1). If the credit risk has increased significantly since initial recognition or is showing significant signs of weakness, or the credit exposure is in default or otherwise impaired, the loan impairment charge equals the lifetime ECL (Stages 2 and 3).

For more information, see 'Loan impairment charges' below.

Fair value measurement of financial instruments
Measurements of financial instruments for which prices are quoted in an active market or which are based on generally accepted models with observable market data are not subject to material estimates.

Measurements of financial instruments which are only to a limited extent based on observable market data are subject to estimates. This applies to unlisted shares and shares received in connection with financial restructuring of loans as well as certain bonds for which an active market does not exist.

For more information, see 'Determination of fair value' below.

Segment reporting
Segment reporting of the business pursuant to the definitions in the Executive Order on Financial Reports is not applicable, as DSF is solely involved in ship finance.

Offsetting
Amounts due to and from DSF are offset when DSF has a legally enforceable right to offset the recognised amounts and intends either to settle by way of netting or to realise the asset and settle the liability simultaneously.

NOTE 1 CONTINUED

Translation of transactions in foreign currency
The financial statements are presented in DKK, and the functional currency is DKK.

On initial recognition, transactions in foreign currencies are translated into the functional currency at the exchange rate prevailing at the transaction date. Gains and losses due to exchange rate differences arising between the transaction date and the settlement date are recognised in the income statement.

Assets and liabilities in foreign currency are translated into the functional currency at the exchange rate prevailing at the balance sheet date. Exchange rate adjustments of assets and liabilities arising due to differences in the exchange rates applying at the transaction date and at the balance sheet date are recognised in the income statement.

Exchange rate adjustments are included in the fair value adjustments of assets and liabilities.

Financial instruments
Purchases and sales of financial instruments are measured at the settlement date, which is usually the same as the transaction price. See the description under the individual items.

For financial instruments that are subsequently measured at fair value, changes in the value of financial instruments before the settlement date are recognised in the income statement. For assets which are measured at amortised cost price there are no changes in value in the period between the trading date and the settlement date.

Financial instruments are derecognised on the settlement date when the right to receive (obligation to pay) cash flows from financial assets or liabilities has expired, or if it has been transferred, and DSF has transferred substantially all risks and rewards of ownership.

Classification
Financial instruments are divided into financial assets and financial liabilities.

At the date of recognition, financial assets are divided into the following categories:

- Loans and other financial receivables measured at amortised cost
- Trading book assets measured at fair value

At the date of recognition, financial liabilities are divided into the following two categories:

- Trading book liabilities measured at fair value
- Other financial liabilities measured at amortised cost

The trading portfolio, which is measured at fair value, comprises the following financial assets and liabilities:

- Bonds at fair value
- Shares, etc.
- Derivatives (other assets and other liabilities)

Hedge accounting
DSF uses derivatives to hedge the interest rate risk on fixed-rate items measured at amortised cost.

Hedged risks that meet specific criteria qualify for fair value hedge accounting and are treated accordingly. The interest rate risk on the hedged items is measured at fair value in the income statement. The accounting treatment of the hedged risk subsequently corresponds to the accounting treatment of the hedging instrument, which is also recognised at fair value in the income statement.

If the criteria for hedge accounting cease to be met, the accumulated value adjustment of the hedged item is amortised over the remaining time to maturity.

Determination of fair value
The fair value of financial assets and liabilities is measured based on quoted market prices of financial instruments traded in active markets. If an active market exists, the fair value is based on the most recently observed market price at the balance sheet date.

If the market for one or more financial assets or liabilities is illiquid or if there is no publicly recognised price, the fair value is determined using generally accepted valuation techniques. Such techniques comprise the use of similar recent transactions between independent parties, reference to other similar instruments, discounted cash flow analysis and other models based on observable market data.

If no active market exists, the fair value of standard and simple financial instruments, such as interest rate and currency swaps and unlisted bonds, is measured according to generally accepted valuation techniques. Market-based parameters are used for measuring the fair value, and the fair value of derivatives is subject to credit valuation adjustment (CVA), considering the possibility of a counterparty's default.

NOTE 1 CONTINUED

INCOME STATEMENT

Interest income and expenses
Interest income and expenses in respect of interest-bearing financial instruments measured at amortised cost are recognised in the income statement applying the effective interest rate method based on the cost of the financial instrument.

Interest includes amortisation of fees which are an integral part of the current yield of the financial instrument, including origination fees, and amortisation of any additional difference between cost and redemption price.

Interest income and expenses also include interest on financial instruments measured at fair value.

Recognition of interest on credit impaired loans is made based on the value after ECL loan impairment charges.

Fee and commission income and expenses
Fee and commission income and expenses are generated by the lending activities. Commission for services provided over a period, such as guarantee commissions and commitment fees, is accrued over the relevant period.

Market value adjustments
Market value adjustments comprise realised and unrealised market value adjustments of financial instruments at fair value, i.e., shares, bonds and derivatives and exchange rate adjustments.

Staff costs and administrative expenses
Staff costs
Salaries and other consideration expected to be paid for work carried out during the year are expensed under staff costs and administrative expenses. This item comprises salaries, bonuses, holiday allowances, anniversary-related bonuses, pension costs, payroll tax and other consideration.

Bonuses and share-based payments
Bonuses and share-based payments (including revaluations) are expensed in the period they are granted or revalued.

Pension costs
DSF's contributions to defined contribution plans are recognised in the income statement as they are earned by the staff. DSF has no defined benefit plans.

Depreciation and impairment of tangible assets
This item consists of depreciation and impairment charges on the domicile property and other tangible assets.

Loan impairment charges
This item includes write-offs on loans, recovery on loans previously written off and loan impairment charges for ECL on loans (including amounts due from credit institutions), guarantees and credit commitments.

Tax
Current and deferred tax calculated on profit for the year adjusted for tax on the taxable income of previous years is recognised in the income statement. Income tax for the year is recognised in the income statement based on the current income tax rate, adjusted for non-taxable income and non-deductible expenses.

BALANCE SHEET

Due from credit institutions and central banks
Amounts due from credit institutions and central banks include amounts due relates to reverse transactions, that is purchases of securities from credit institutions to be resold later. On subsequent recognition, amounts due from credit institutions and central banks are measured at amortised cost, which corresponds to the nominal amount.

Loans
Loans consist of credit exposures which have been disbursed to shipping clients either on a bilateral basis or as part of a syndicated transaction. Loans comprise traditional shipping loans against mortgages on vessels but may also to a limited extent comprise financing of shipping clients' payment of instalments to shipyards under shipbuilding contracts.

On initial recognition, loans are measured at fair value plus transaction costs less origination fees and other charges. Subsequently, loans are measured at amortised cost according to the effective interest rate method, less loan impairment charges for ECL, if any. The difference between the value at initial recognition and the nominal value is amortised over the time to maturity and recognised under interest income.

Loan impairment charges
Loan impairment charges are calculated, pursuant to IFRS 9, with a forward-looking approach to measuring impairment of financial assets based on expected credit losses (ECL).

The loan impairment charge for ECL depends on whether the credit risk has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the loan impairment charge equals ECL within the next 12 months (Stage 1). If the credit risk has increased significantly since initial recognition or is showing significant signs of weakness (e.g., a loan is more than 30 days past due), the loan impairment charge equals the lifetime ECL (Stage 2). If the credit exposure is

NOTE 1 CONTINUED

in default (e.g., a loan is more than 90 days past due) or otherwise impaired, the loan impairment charge equals the lifetime ECL (Stage 3).

ECL are calculated for all individual credit exposures as a function of probability of default (PD), exposure at default (EAD) and loss given default (LGD), adjusted for forward-looking information by way of a macroeconomic factor (MEF). MEF is based on management's expectations and various scenarios (base case, best case, and worst case) for each shipping segment.

ECL = PD * EAD * LGD * MEF

In a few situations where the ECL impairment model is believed to either overestimate or underestimate ECL, an adjustment is made based on management's judgement.

Loan impairment charges for ECL are booked in an ECL allowance account and offset against loans or recognised as provisions (loss allowances) for guarantees and credit commitments.

Bonds at fair value
Bonds at fair value comprise financial assets in the form of debt instruments acquired or concluded with a view to a subsequent sale or repurchase.

The bonds are measured on initial recognition at fair value excluding transaction costs and subsequently at fair value with value adjustments through the income statement.

Bonds at amortised cost
Bonds at amortised cost comprise financial assets in the form of debt instruments acquired or concluded with a view to collecting the assets' contractual payment flows, and with cash flows that are solely payments of principal and interest on the principal amount outstanding. On initial recognition, bonds at amortised cost are measured at fair value plus transaction costs less origination fees and other charges. The bonds are after initial recognition measured at amortised cost. Impairment is carried out in the same manner as for loans at amortised cost.

Interest income is recognised according to the effective interest method, including amortisation of the difference between cost and the redemption value over the term to maturity of the bonds.

The interest rate risk on bonds at amortised costs is not hedged.

Shares, etc.
Shares, etc., comprise investments in equity-based funds (such ETFs) and shares received in connection with financial restructuring of loans.

The shares are measured on initial recognition at fair value excluding transaction costs and subsequently at fair value with value adjustments through the income statement.

Shares received in connection with financial restructuring of loans are measured on initial recognition at no value and subsequently at fair value with value adjustments through the income statement, provided that the related restructured loans are no longer characterised as non-performing loans.

Land and buildings
Land and buildings consist of the DSF's fully owned domiciles located at Sankt Annae Plads 3, DK-1250 Copenhagen K and Langebrogade 5, DK-1411 Copenhagen K.

Domicile properties
On initial recognition, the domicile properties used for DSF's own operations is measured at cost. The domicile properties are subsequently measured at the revalued amount less depreciation. Revaluations and any reversals of previous revaluations are made through other comprehensive income, while any impairment charges relative to cost are made via the income statement.

The straight-line depreciation of the domicile properties is based on the expected scrap value and an estimated useful life of 50-100 years.

Other tangible assets
Other tangible assets consist of operating equipment, vehicles, and furniture, which are recognised at cost less accumulated depreciation and impairment charges. Depreciation is provided on a straight-line basis over the expected useful life of the assets considering the assets' residual values.

The expected useful life is:
Fixture, equipment and vehicles 5-10 years
IT equipment 3-5 years

Other assets
Other assets include interest and commission receivables, prepayments and derivatives with a positive market value. Future payments which DSF is likely to receive are recognised as other receivables at present value.

Due to credit institutions and central banks
Amounts due to credit institutions and central banks include amounts received under repo transactions (sale of securities with an agreement to repurchase the same securities back later). Amounts due to credit institutions and central banks are measured at amortised cost, which corresponds to the nominal amount.

NOTE 1 CONTINUED

Issued bonds at amortised cost
Issued bonds comprise ship mortgage bonds and ship covered bonds issued by DSF, which are recognised at amortised cost with the addition of the fair value of the hedged interest rate risk.

Issued bonds are measured at amortised cost (i.e., including any discount at issuance and any commission that is considered an integral part of the effective rate of interest). Pursuant to the rules on hedge accounting, the fair value of the hedged interest rate risk for fixed rate issued bonds is recognised.

The portfolio of own bonds is deducted from the line item “issued bonds at amortised cost” using the amortised cost with the addition of the value of any hedging transaction attached thereto.

Interest income from the portfolio of own bonds is offset against interest expenses for own bonds.

Provisions
Provisions are recognised and measured as the best estimate of the costs required to settle an expected obligation related to an occured event which cause a probable economic outflow at the balance sheet date. Provisions with an expected term of more than a year after the balance sheet date are measured at discounted value. Other provisions includes provisions/loss allowances relating to guarantees and credit commitments.

Other liabilities
Other liabilities include accrued interest, prepayments, derivatives with a negative market value and the liability is recognised at the present value of expected payments.

Deferred tax assets and deferred tax liabilities
Deferred tax is calculated in accordance with the balance sheet liability method on all temporary differences between the tax base of the assets and liabilities and their carrying amounts. Deferred tax is recognised in the balance sheet under deferred tax assets and deferred tax liabilities based on the tax rates at which they are expected to crystallise.

Deferred tax assets arising from unused tax losses are recognised to the extent that it is probable that such losses can be offset against taxable income in the following financial year. Therefore, recognition of deferred tax assets requires that management assesses the probability and size of future taxable income.

Equity
Equity comprises issued share capital, tied-up reserve capital, retained earnings, revaluation reserves and net profit for the period.

Tied-ip reserve capital
The tied-up reserve capital comprises amounts required by law to be retained in accordance with the statutory purpose of DSF. As a general rule, 10% of the annual profit (interest), after covering any losses carried forward, is transferred to the reserve, subject to a statutory cap. The interest will accrue from such time as the Danish Maritime Fund should cease owning the Company’s B shares. If the tied-up reserve capital has previously been used to cover losses, it is restored through a priority transfer of profits. No dividends or capital distributions may be made until the tied-up reserve capital has been restored to its required nominal amount. The tied-up reserve capital is presented as part of equity.

Proposed dividends
The Board of Directors’ proposal for dividends for the year submitted to the general meeting is recognised in equity as a component of net profit for the period. Dividends are recognised as a liability once the annual general meeting has adopted the proposal to distribute dividends.

OFF-BALANCE SHEET ITEMS

Contingent liabilities
Contingent liabilities comprise guarantee commitments made as part of the lending activities.

Due to its business volume, DSF may be a party to various lawsuits. The probability of such lawsuits is regularly assessed, and the necessary provisions are made based on an assessment of the risk of incurring a loss.

Other contingent liabilities
Other contingent liabilities comprise irrevocable credit commitments made and unutilised drawing rights on credit facilities provided as part of lending activities.

NOTE 2 KEY FIGURES

DKK million	2025	2024	2023	2022	2021
Net interest income from lending	218	351	415	562	529
Net interest income from investment activities excl. Tier 2 capital	233	244	192	65	(37)
Net interest income from investment activities	233	109	(53)	(119)	(222)
Total net interest income	452	460	362	442	306
Net interest and fee income	470	481	377	456	338
Market value adjustments	202	141	175	(206)	(82)
Staff costs and administrative expenses	(228)	(196)	(206)	(189)	(170)
Loan impairment charges	15	147	506	583	39
Profit before tax	437	553	851	643	124
Net profit for the year	324	414	626	517	101
Loans and other receivables at amortised cost	23,010	26,723	31,187	34,029	36,293
Bonds at fair value and amortised cost	33,177	24,311	26,118	20,217	16,007
Subordinated debt	-	-	2,000	2,000	2,000
Total equity	9,305	9,269	8,430	7,894	7,424
Total assets	63,960	58,302	64,234	58,802	54,533

NOTE 2 CONTINUED KEY RATIOS

DKK million	2025	2024	2023	2022	2021
Common Equity Tier 1 capital ratio (%)	26.7	23.6	19.5	17.6	15.9
Tier 1 capital ratio (%)	26.7	23.6	19.5	17.6	15.9
Total capital ratio (%)	26.7	23.6	24.2	22.3	20.2
Total capital ratio (%) - *DSF before merger*	-	-	23.6	21.9	20.1
Return on equity before tax (%)	4.7	6.2	10.4	8.4	1.7
Return on equity after tax (%)	3.5	4.7	7.7	6.8	1.4
Income/cost ratio	2.9	9.1	(1.8)	(0.6)	1.9
Income/cost ratio (excluding loan impairment charges)	2.7	2.9	2.7	1.3	1.5
Foreign exchange position (%)	6.6	4.0	4.9	6.5	3.5
Gearing of loans	2.5	2.9	3.7	4.3	4.9
Annual growth in lending (%)	(13.9)	(14.3)	(8.4)	(6.2)	13.1
Annual loan impairment ratio (%)	(0.1)	(0.5)	(1.6)	(1.7)	(0.1)
Total ECL charges as a % of the loan book	2.2	1.9	2.0	2.1	2.6
Rate of return on assets (%)	0.5	0.7	1.0	0.9	0.2

NOTE 2 CONTINUED

DEFINITIONS

Financial ratios

Return on equity before tax (%)	*Profit (loss) before tax for the year divided by average equity.*
Return on equity after tax (%)	*Profit (loss) after tax for the year divided by average equity.*
Income/cost ratio	*Total income divided by total costs less tax for the year.*
Income/cost ratio (excluding loan impairment charges)	*Total income divided by total costs less impairment charges and tax for the year.*
Foreign exchange position (%)	*Total currency position divided by Common Equity Tier 1 capital after deductions at year-end.*
Gearing of loans	*Loans and other receivables at amortised cost divided by total equity at year-end.*
Annual growth in lending (%)	*Loans and other receivables at amortised cost at year-end divided by loans and other receivables at amortised cost the beginning of the year.*
Annual loan impairment ratio (%)	*Loan impairment charges for the year divided by the sum of loans and other receivables at amortised cost, guarantees and total allowance account at year-end.*
Rate of return on assets (%)	*Profit (loss) after tax for the year divided by total assets at year-end.*

Financial ratios - capital and capital adequacy

Total capital ratio (%)	*Own funds after deduction divided by the total risk exposure amount at year-end.*
Tier 1 capital ratio (%)	*Tier 1 capital after deduction divided by the total risk exposure amount at year-end.*
Common Equity Tier 1 capital ratio (%)	*Common Equity Tier 1 capital after deduction divided by the total risk exposure amount.*
Internal capital adequacy requirement incl. combined capital buffer requirement (%)	*Own funds divided by the capital adequacy requirement calculated according to the 8+ method.*

Other financial ratios

Return on investment activities (%)	*Total time-weighted investment portfolio at year-end divided by net profit from investment activities less return from shares. Exclusive of additional Tier 2 interest expenses.*
Cost/income ratio (%)	*Total costs less impairment charges and tax divided by total income for the year.*
Equity as % of loan book	*Total equity divided by the loan book at year-end.*
Annual loan impairment ratio (%) (avg.)	*Loan impairment charges for the year divided by average loan book.*
Net write-offs on loans as % of avg. loan book	*Gross write-offs debited to the allowance account less recovery on loans previously written off divided by average loan book.*
NPL ratio	*Non-performing loans divided by the loan book at year-end.*
Net NPL ratio	*Non-performing loans less loan impairment charges divided by the loan book at year-end less accumulated loan impairment charges.*
Total ECL charges as % of loan book	*Total ECL charges including management judgments and management overlays against loans divided by loan book at year-end.*
Total ECL allowance account as % of credit exposure	*Total ECL allowance account divided by the sum of loan book and credit commitments at year-end.*

2025 **DKK million**

NOTE 3 RECONCILIATION OF BUSINESS AREAS

Business areas		Net interest income, lending	Net interest income, investment activities	Fee and commission income	Market value adjustments	Staff costs and adm. expenses	Dep. and imp. of tangible assets	Loan impairment charges	Profit before tax
Income									
Lending									
Net interest income	**300**	300	-	-	-	-	-	-	-
Net fees and commission	**18**	-	-	18	-	-	-	-	-
Funding									
Funding costs not covered	**(80)**	(64)	-	-	(17)	-	-	-	-
Warehousing	**(37)**	(65)	-	-	28	-	-	-	-
Non-business activities	**30**	46	-	-	(16)	-	-	-	-
Investments									
Net interest income	**233**	-	233	-	-	-	-	-	-
MV adjustments	**208**	-	-	-	208	-	-	-	-
Total income	**672**	218	233	18	203	-	-	-	-
Staff costs and administrative expenses	**(250)**	-	-	-	-	(228)	(22)	-	-
Loan impairment charges	**15**	-	-	-	-	-	-	15	-
Profit before tax	**437**	-	-	-	-	-	-	-	437
	Total	**218**	**233**	**18**	**203**	**(228)**	**(22)**	**15**	**437**

2024 **DKK million**

NOTE 3 CONTINUED

RECONCILIATION OF BUSINESS AREAS

Business areas		Net interest income, lending	Net interest income, investment activities	Fee and commission income	Market value adjustments	Staff costs and adm. expenses	Dep. and imp. of tangible assets	Loan impairment charges	Profit before tax
Income									
Lending									
Net interest income	**364**	364	-	-	-	-	-	0	-
Net fees and commission	**21**	-	-	21	-	-	-	-	-
Funding									
Funding costs not covered	**(13)**	(17)	-	-	4	-	-	-	-
Warehousing	**(74)**	(71)	-	-	(3)	-	-	-	-
Non-business activities	**64**	75	-	-	(11)	-	-	-	-
Investments									
Net interest income	**244**	-	244	-	-	-	-	-	-
MV adjustments	**151**	-	-	-	151	-	-	-	-
Interest additional Tier 2 capital	**(135)**	-	(135)	-	-	-	-	-	-
Total income	**622**	351	109	21	141	-	-	0	-
Staff costs and administrative expenses	**(216)**	-	-	-	-	(196)	(20)	-	-
Loan impairment charges before reclassification of interest	**147**	-	-	-	-	-	-	147	-
Profit before tax	**553**	-	-	-	-	-	-	-	553
	Total	**351**	**109**	**21**	**141**	**(196)**	**(20)**	**147**	**553**

NOTE 4 INTEREST INCOME

DKK million	2025	2024
Due from credit institutions and central banks	85	94
Loans and other receivables	1,622	2,312
Bonds	878	785
Other interest income	9	0
Derivatives		
Interest rate contracts	3,846	5,091
Foreign exchange contracts	2	2
Total interest income	**6,442**	**8,284**
Of this amount, interest income from genuine purchase and resale transactions recognised in:		
Due from credit institutions and central banks	84	90

NOTE 5 INTEREST EXPENSES

DKK million	2025	2024
Credit institutions and central banks	(379)	(242)
Issued bonds	(1,038)	(1,422)
Interest paid on additional Tier 2 capital	-	(135)
Other interest expenses	(0)	(3)
Derivatives		
Interest rate contracts	(4,573)	(6,023)
Total interest expenses	**(5,990)**	**(7,824)**
Of this amount, interest expenses for genuine sale and repurchase transactions recognised in:		
Due to credit institutions and central banks	(379)	(240)

NOTE 6 NET INTEREST INCOME

DKK million	2025	2024
Net interest income from lending		
Loans and other receivables	1,622	2,312
Bonds	252	373
Due from credit institutions	23	47
Interest to credit institutions	(0)	(1)
Issued bonds	(1,038)	(1,422)
Other interest income	85	(322)
Derivatives		
Interest rate contracts	(727)	(638)
Foreign exchange contracts	2	2
Total net interest income from lending	**218**	**351**
Net interest income from investment activities		
Bonds	626	412
Due from credit institutions	62	47
Interest paid on additional Tier 2 capital	-	(135)
Interest to credit institutions	(379)	(241)
Other interest expenses	(76)	25
Total net interest income from investment activities	**233**	**109**
Total net interest income	**452**	**460**

NOTE 7 FEE AND COMMISSION INCOME

DKK million	2025	2024
Fee and other commission income	18	21
Total fee and commission income	**18**	**21**

NOTE 8 MARKET VALUE ADJUSTMENTS

DKK million	2025	2024
Market value adjustment of bonds	5	172
Market value adjustment of shares, etc.	12	(2)
Exchange rate adjustments	14	(2)
Market value adjustment of derivatives	171	(28)
Total market value adjustments	**202**	**141**

NOTE 9 STAFF COSTS AND ADMINISTRATIVE EXPENSES

DKK million	2025	2024
Remuneration of Board of Directors and Executive Board		
Board of Directors	(6)	(3)
Executive Board	(30)	(20)
Total remuneration of Board of Directors and Executive Board	**(35)**	**(24)**
Staff costs		
Salaries and wages	(142)	(115)
Pensions	(12)	(11)
Social security costs and financial services employer tax	(23)	(19)
Total staff costs	**(178)**	**(145)**
Other administrative expenses	(51)	(50)
Total staff costs and administrative expenses	**(228)**	**(196)**
Number of employees - full-time equivalents	80	78
Average number of employees - full-time equivalents	81	78

NOTE 9 CONTINUED INFORMATION ON REMUNERATION POLICY

Information about remuneration policy and practice for the Board of Directors, the Executive Board and other material risk takers.

The remuneration policy and remuneration report were adopted at the annual general meeting on 20 March 2025.

The Remuneration policy and Remuneration Report are available on the company's website.

In accordance with the remuneration policy, variable remuneration may be granted to the Executive Board and other material risk takers as well as employees in key functions.

The variable remuneration of the Executive Board is in the form of equity-like instruments (Total Shareholder Return based - ("TSR")) with a deferral period of five years and a one year lock-up.

The variable remuneration of other employees is in the form of either TSR, a combination of TSR and cash, or cash only. TSR awards to other employees have a deferral period of four years and a one year lock-up.

The items Fixed remuneration and Adjustment of previous years' variable remuneration relate to the given financial year.

Variable remuneration relates to awards for performance in the preceding financial year, i.e. variable remuneration in 2025 relates to 2024 performance, and variable remuneration for 2024 relates to 2023 performance.

Detailed information about remuneration for the Board of Directors and the Executive Board can be found in the remuneration report which includes information on variable remuneration granted for performance in 2025.

The pension plans of all employees are defined contribution plans.

DKK million

NOTE 9 CONTINUED

2025	Fixed remuneration	Adjustment of previous years' variable remuneration	Variable remuneration	Total remuneration	Number of recipients
Board of Directors	6	-	-	6	11
Executive Board[1]	13	3	14	30	2
Other material risk takers[2]	21	2	6	28	12
Total	**39**	**4**	**20**	**63**	

1) The remuneration of the CEO and the former CEO is reported for the periods during which they respectively held the position. The succession took place on 1 October 2025.

2) The number of identified other material risk takers increased to 12 as at 31 December 2025, compared with 7 as at 31 December 2024.

2024	Fixed remuneration	Adjustment of previous years' variable remuneration	Variable remuneration	Total remuneration	Number of recipients
Board of Directors	3	-	-	3	11
Executive Board[3]	14	1	5	20	2
Other material risk takers	14	1	5	21	7
Total	**32**	**3**	**10**	**44**	

3) Warrants granted in DSH in previous years was exercised in 2024.

NOTE 10 AUDIT FEES

DKK million	2025	2024
Fees for statutory audit of financial statements	(0.9)	(1.1)
Fees for tax advisory services	(0.1)	(0.2)
Fees for non-audit services	(0.2)	(0.3)
Fees for other assurance engagements	(0.0)	(0.2)
Total fees	**(1.2)**	**(1.8)**

Fees for non-audit services provided by EY Godkendt Revisionspartnerselskab to Danish Ship Finance A/S cover accounting and reporting advisory.

NOTE 11 TAX

DKK million	2025	2024
Tax on profit for the year		
Estimated tax on profit for the year	(74)	(27)
Changes in deferred tax	(37)	(114)
Adjustment of prior-year tax charges	(2)	2
Total tax	**(113)**	**(139)**

The estimated tax on the profit for the year and deferred tax is calculated at a tax rate of 26%.

	2025	2024
Effective tax rate	**Pct.**	**Pct.**
Corporate tax rate in Denmark	26.0	26.0
Non-taxable income and non-deductible expenses	(0.6)	(0.5)
Adjustment of prior-year tax charges	0.5	(0.4)
Effective tax rate	**25.9**	**25.1**

NOTE 12 DUE FROM CREDIT INSTITUTIONS AND CENTRAL BANKS

DKK million	2025	2024
Genuine purchase and resale transactions (reverse repo)	5,043	4,548
Other receivables	12	24
Total due from credit institutions and central banks	**5,055**	**4,572**
Broken down by due date		
Demand deposits	12	24
Up to 3 months	5,043	4,548
Total due from credit institutions and central banks	**5,055**	**4,572**

The company has no term deposits with central banks.

NOTE 13 LOANS AT AMORTISED COST

DKK million	2025	2024
As at 1 January	26,723	31,187
Additions	5,560	5,751
Ordinary repayments and redemptions	(3,923)	(4,788)
Extraordinary repayments	(2,502)	(7,006)
Exchange rate adjustment of loans	(2,887)	1,451
Change in amortised cost for the year	21	36
Depreciation, amortisation and impairment for the year	17	92
As at 31 December	**23,010**	**26,723**

NOTE 14 LOANS AT AMORTISED COST BROKEN DOWN BY DUE DATE

DKK million	2025	2024
Gross loans at exchange rates at the balance sheet date	23,525	27,256
Accumulated loan impairment charges	(516)	(533)
Total loans	**23,010**	**26,723**
Total loans broken down by due date		
Up to 3 months	711	783
From 3 months to 1 year	3,799	2,152
From 1 to 5 years	15,929	20,834
Over 5 years	2,570	2,954
Total loans	**23,010**	**26,723**
Total loans		
Loans at fair value	23,513	27,092
Loans at amortised cost	23,010	26,723

Loans at fair value are assessed using the market value of fixed-rate loans.

NOTE 15 NON-PERFORMING LOANS

DKK million	2025	2024
Impaired loans (DSF Rating of 11)		
Loans subject to forbearance or otherwise impaired, gross	-	190
Accumulated loan impairment charges	-	(30)
Impaired loans, net	**-**	**160**
Non-performing loans, gross (NPL)	**-**	**190**
Non-performing loans, net (net NPL)	**-**	**160**
NPL ratio	**-**	**0.7%**
Net NPL ratio	**-**	**0.6%**

See note 2 for definitions on NPL ratios.

Note 17 provides detailed information on loan-to-value intervals for the total loan book and for non-performing loans.

NOTE 16 LOAN IMPAIRMENT CHARGES

DKK million	2025	2024
The following ECL charges/loss allowances/management overlays were made on loans/credit commitments		
Total ECL charges	516	533
- of which management overlays	*213*	*177*
Total Loss allowances	70	68
- of which management overlays	*37*	*23*
Total ECL allowance account	**585**	**601**
Total ECL charges as a % of the loan book	2.2	1.9
Total ECL allowance account as a % of credit exposure	2.2	1.9
Reconciliation of total allowance account		
As of 1 January	601	672
New ECL charges/loss allowances/management overlays	188	287
Reversal of ECL charges/loss allowances/management overlays	(204)	(358)
Gross write-offs debited to the allowance account	-	-
Total	**585**	**601**
Loan impairment charges for the period		
New ECL charges/loss allowances/management overlays	(188)	(287)
Reversal of ECL charges/loss allowances/management overlays	204	358
Reclassification of interest	-	0
Recovery on loans previously written off	-	76
Loan impairment charges	**15**	**147**

NOTE 17 CREDIT RISK

DKK million	2025	2024
Reconciliation of loans and guarantees (loan book)		
Balance sheet		
Loans at amortised cost	23,010	26,723
Other receivables	112	133
Accumulated loan impairment charges/management overlays	516	533
Total balance sheet items	**23,637**	**27,388**
Total loans and guarantees	**23,637**	**27,388**
Reconciliation of other contingent liabilities		
Credit commitments	2,521	3,798
Total other contingent liabilities	**2,521**	**3,798**
Reconciliation of financial exposure		
Due from credit institutions and central banks	5,055	4,572
Bonds at fair value and amortised cost	33,177	24,311
Shares, etc.	307	0
Derivatives	1,621	1,715
Total financial exposure	**40,160**	**30,598**
Total credit risk from loans, credit commitments and financial exposures	**66,319**	**61,785**

DKK million

NOTE 17 CONTINUED

RATING CATEGORY BREAKDOWN

The internal DSF Rating scale consists of 12 rating categories.

The main objective of the DSF Rating model is to rank clients according to credit risk and to estimate each client's probability of default (PD). As an integral part of the credit risk management, each client is assigned a DSF Rating, and the DSF Rating is reviewed upon receipt of new information or in case of a risk event, and at least annually.

Clients with non-performing loans are placed in DSF Rating category 11 or 12. This includes clients with loans for which no loan impairment charges have been recognised, for example because adequate collateral has been provided.

Loan book before loan impairment charges broken down by rating category

DSF Rating	Loans and guarantees 2025	Loans and guarantees 2024
1 - 2	-	-
3 - 4	618	257
5 - 6	11,360	14,163
7 - 8	11,659	12,778
9 - 10	-	-
11 (impaired)	-	190
12 (default)	-	-
Total	**23,637**	**27,388**

DKK million

NOTE 17 CONTINUED

STAGES FOR CHANGES IN CREDIT RISK

Loan book before loan impairment charges broken down by rating category and stage

DSF Rating	Stage 1	Stage 2	Stage 3	Loans and guarantees 2025
1	-	-	-	-
2	-	-	-	-
3	-	-	-	-
4	618	-	-	618
5	3,167	-	-	3,167
6	8,193	-	-	8,193
7	10,406	-	-	10,406
8	1,253	-	-	1,253
9	-	-	-	-
10	-	-	-	-
11 (impaired)	-	-	-	-
12 (default)	-	-	-	-
Total	**23,637**	**-**	**-**	**23,637**

DKK million

NOTE 17 CONTINUED

STAGES FOR CHANGES IN CREDIT RISK

Credit commitments broken down by rating category and stage

DSF Rating	Stage 1	Stage 2	Stage 3	Credit commitments 2025
1	-	-	-	-
2	-	-	-	-
3	-	-	-	-
4	-	-	-	-
5	40	-	-	40
6	1,592	-	-	1,592
7	546	-	-	546
8	343	-	-	343
9	-	-	-	-
10	-	-	-	-
11 (impaired)	-	-	-	-
12 (default)	-	-	-	-
Total	**2,521**	**-**	**-**	**2,521**

DKK million

NOTE 17 CONTINUED

STAGES FOR CHANGES IN CREDIT RISK

Loan book before loan impairment charges broken down by rating category and stage

DSF Rating	Stage 1	Stage 2	Stage 3	Loans and guarantees 2024
1	-	-	-	-
2	-	-	-	-
3	-	-	-	-
4	257	-	-	257
5	5,650	-	-	5,650
6	8,512	-	-	8,512
7	10,260	-	-	10,260
8	2,518	-	-	2,518
9	-	-	-	-
10	-	-	-	-
11 (impaired)	-	-	190	190
12 (default)	-	-	-	-
Total	**27,198**	**-**	**190**	**27,388**

DKK million

NOTE 17 CONTINUED

STAGES FOR CHANGES IN CREDIT RISK

Credit commitments broken down by rating category and stage

DSF Rating	Stage 1	Stage 2	Stage 3	Credit commitments 2024
1	-	-	-	-
2	-	-	-	-
3	-	-	-	-
4	786	-	-	786
5	80	-	-	80
6	1,117	-	-	1,117
7	1,556	-	-	1,556
8	259	-	-	259
9	-	-	-	-
10	-	-	-	-
11 (impaired)	-	-	-	-
12 (default)	-	-	-	-
Total	**3,798**	**-**	**-**	**3,798**

DKK million

NOTE 17 CONTINUED

STAGES FOR CHANGES IN CREDIT RISK

Changes in total ECL allowance account broken down by stage

	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2025	571	-	30	601
Transferred to Stage 1 during the period	30	-	(30)	-
Transferred to Stage 2 during the period	-	-	-	-
Transferred to Stage 3 during the period	-	-	-	-
New ECL charges/loss allowances/ management overlays	188	-	-	188
Reversal of ECL charges/loss allow- ances/management overlays	(204)	-	-	(204)
Gross write-offs for the period	-	-	-	-
Total ECL allowance account as at 31 December 2025	**585**	**-**	**-**	**585**
Of which:				
- ECL charges/loss allowances	335	-	-	335
against loans	*303*	-	-	*303*
against credit commitments	*33*	-	-	*33*
- Management overlays	250	-	-	250
against loans	*213*	-	-	*213*
against credit commitments	*37*	-	-	*37*
Of which:				
- Management judgments	-	-	-	-

DKK million

NOTE 17 CONTINUED

STAGES FOR CHANGES IN CREDIT RISK

Changes in total ECL allowance account broken down by stage

	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2024	266	-	406	672
Transferred to Stage 1 during the period	342	-	(342)	-
Transferred to Stage 2 during the period	-	-	-	-
Transferred to Stage 3 during the period	-	-	-	-
New ECL charges/loss allowances/ management overlays	287	-	-	287
Reversal of ECL charges/loss allow- ances/management overlays	(324)	-	(34)	(358)
Gross write-offs for the period	-	-	-	-
Total ECL allowance account as at 31 December 2024	**571**	**-**	**30**	**601**
Of which:				
- ECL charges/loss allowances	371	-	30	401
against loans	*326*	-	*30*	*356*
against credit commitments	*45*	-	-	*45*
- Management overlays	200	-	-	200
against loans	*177*	-	-	*177*
against credit commitments	*23*	-	-	*23*
Of which:				
- Management judgments	-	-	25	25

NOTE 17 CONTINUED

Classification, stage migration and loan impairment charges

The classification of loans between Stages 1 and 2 for the purpose of calculating loan impairment charges for expected credit losses (ECL) depends on whether the credit risk has increased significantly since initial recognition. All credit-impaired loans are placed in Stage 3.

The stage migration of a loan is closely linked to the development of the client's DSF Rating. The assessment of whether the credit risk has increased significantly since initial recognition and/or is showing significant signs of weakness is supported by an internally developed stage migration model, which is based on a combination of the internal rating model and the rating model used by the Danish FSA according to guidelines set out in the Executive Order on Financial Reports.

For loans classified as being in Stage 1, loan impairment charges for 12-month ECL are recognised, and for loans in Stages 2 and 3, loan impairment charges for lifetime ECL are recognised.

The Risk Report 2025 provides more detailed information.

Post-model adjustments

With effect from the financial year 2024, DSF applies post-model adjustments (management overlays) to provide an additional buffer to mitigate potential adverse impacts arising from prevailing macroeconomic and geopolitical uncertainties that the ECL impairment model may not fully capture.

At year-end 2025, post-model adjustments amounted to DKK 250 million (2024: DKK 200 million), allocated across credit exposures financing the following vessel types:

DKK million	2025	2024
Bulk Carriers	62	58
Chemical Tankers	40	20
Product Tankers	33	39
LPG	23	2
Crude Tankers	23	16
LNG	19	20
Others	50	45
Total	**250**	**200**

NOTE 17 CONTINUED

Arrears/past due loans

Loans in arrears/past due for 30 days or more (but less than 90 days) are generally showing significant signs of weakness, and they are classified as Stage 2 for the purpose of calculating ECL. Loans in arrears/past due for 90 days or more are in default, and they are classified as Stage 3 for the purpose of calculating ECL. For all such loans, ECL arising over their remaining lifetimes have been recognised.

Credit risk mitigation

All loans are granted against a first lien mortgage on vessels, assignment in respect of each vessel's primary insurances and, where relevant, supplementary collateral.

The USD market value of mortgaged vessels increased by 7.9% on average in 2025.

NOTE 17 CONTINUED

Loan book after loan impairment charges broken down by loan-to-value interval

Loan-to-value interval	Share of loans 2025	Share of loans 2024
0 - 20 %	54%	59%
20 - 40 %	37%	36%
40 - 60 %	8%	6%
60 - 80 %	1%	0%
80 - 90 %	0%	0%
90 - 100 %	0%	0%
Over 100 %	0%	0%

The table above shows that 99% of all loans were secured within 60% of the market value of the mortgage at year-end 2025 (2024: 100%).

The weighted loan-to-value ratio on the loan book after loan impairment charges was 40% (2024: 37%).

NOTE 17 CONTINUED

Non-performing loans after loan impairment charges broken down by loan-to-value interval

Loan-to-value interval	Share of loans 2025	Share of loans 2024
0 - 20 %	0%	72%
20 - 40 %	0%	28%
40 - 60 %	0%	0%
60 - 80 %	0%	0%
80 - 90 %	0%	0%
90 - 100 %	0%	0%
Over 100 %	0%	0%

The table above shows that there were no non-performing loans at year-end 2025.

The weighted average loan-to-value ratio for non-performing loans after loan impairment charges was 28% in 2024.

NOTE 18 BONDS

DKK million	2025	2024
Bond portfolio		
Own non-callable bonds (amortised cost)	1,834	2,278
Non-callable bonds (fair value)	31,479	24,985
Callable bonds (fair value)	1,698	(674)
Total portfolio of bonds	**35,011**	**26,590**
Own bonds (offset against issued bonds at amortised cost)	(1,834)	(2,278)
Total bond portfolio	**33,177**	**24,311**

DKK million	2025	2024
Bond portfolio		
Own bonds (amortised cost)	1,834	2,278
Government bonds and bonds issued by KommuneKredit (fair value)	371	1,295
Mortgage bonds (fair value)	32,807	23,016
Total portfolio of bonds	**35,011**	**26,590**
Own bonds (offset against issued bonds at amortised cost)	(1,834)	(2,278)
Total bond portfolio	**33,177**	**24,311**

NOTE 19 BONDS BY TIME TO MATURITY

DKK million	2025	2024
Bond portfolio		
Bonds with a maturity up to and including 1 year	953	4,237
Bonds with a maturity over 1 year and up to and including 5 years	27,013	15,124
Bonds with a maturity over 5 years and up to and including 10 years	2,886	3,276
Bonds with a maturity over 10 years	2,325	1,675
Total bonds specified by time to maturity	**33,177**	**24,311**

NOTE 20 CSA COLLATERAL

DKK million	2025	2024
Collateral under CSA agreements		
Collateral received	1,310	211
Collateral delivered	(938)	(2,291)
Net value of collateral under CSA agreements	**372**	**(2,080)**

The bonds received and delivered have been recognised in the balance sheet so that they reduce the market values of derivatives by the market value of the bonds at the balance sheet date. The portfolio of bonds at fair value has been adjusted correspondingly by the net market value hereof.

NOTE 21 SHARES, ETC.

DKK million	2025	2024
Listed shares	307	-
Unlisted shares recognised at fair value	0	0
Total shares, etc.	**307**	**0**

NOTE 22 LAND AND BUILDINGS

DKK million	2025	2024
Domicile properties		
Valuation, as at 1 January	441	424
Property improvements during the year	90	36
Disposals during the year	142	-
Revaluation	(20)	(19)
Valuation including improvements, as at 31 December	**369**	**441**
Accumulated depreciation, as at 1 January	2	2
Disposals during the year	3	-
Depreciation for the year	0	0
Accumulated depreciation, as at 31 December	**0**	**2**
Total valuation, as at 31 December	**369**	**439**

NOTE 22 CONTINUED

The domicile property on Langebrogade has been valued based on rent levels and yields for similar properties in the respective area. Consequently, a recalculation has been made to the recognised value. External experts have not been involved in valuing the domicile properties.

In mid-July 2020, we entered into an agreement for the sale of our current domicile property at Sankt Annæ Plads and the property has therefore been valued based on its sale price. The handover was effected in 2025 where we relocated to our new office.

NOTE 23 OTHER TANGIBLE ASSETS

DKK million	2025	2024
Cost, as at 1 January	13	16
Additions during the year	0	0
Disposals during the year	3	3
Cost, as at 31 December	**9**	**13**
Accumulated depreciation, as at 1 January	6	8
Disposals during the year	3	3
Depreciation during the year	1	1
Accumulated depreciation, as at 31 December	**4**	**6**
Total other tangible assets	**5**	**7**

NOTE 24 OTHER ASSETS

DKK million	2025	2024
Interest receivable	337	450
Prepayments to swap counterparties	3	5
Derivatives	1,621	1,715
Other receivables	14	14
Total other assets	**1,976**	**2,184**

NOTE 25 DUE TO CREDIT INSTITUTIONS AND CENTRAL BANKS

DKK million	2025	2024
Repo transactions	16,505	7,835
Other amounts due	47	3
Total due to credit institutions and central banks	**16,552**	**7,837**
Broken down by due date		
Up to 3 months	16,552	7,837

NOTE 26

ISSUED BONDS AT AMORTISED COST

DKK million	2025	2024
As at 1 January	38,843	43,595
Additions in connection with pre-issuance	5,651	6,730
Amortisation of cost	324	148
Adjustment for hedge accounting	(101)	(98)
Exchange rate adjustment	12	8
Own bonds	434	466
Ordinary and extraordinary redemptions	(9,228)	(12,007)
As at 31 December	**35,936**	**38,843**

Specification of issued bonds

DKK million	2025	2024
Bonds issued in DKK		
Bullet bonds	26,649	30,049
Total Danish bonds	**26,649**	**30,049**
Bonds issued in foreign currency		
Bullet bonds	11,121	11,073
Total bonds issued in foreign currency	**11,121**	**11,073**
Own bonds	(1,834)	(2,278)
Total issued bonds	**35,936**	**38,843**

NOTE 26 CONTINUED

DKK million	2025	2024
Broken down by term to maturity		
Up to 3 months	1,544	3,121
From 3 months to 1 year	3,662	-
From 1 to 5 years	26,201	31,269
Over 5 years	4,530	4,454
Total issued bonds	**35,936**	**38,843**

Hereof own bonds totalled DKK 1,834 million as at 31 December 2025 (2024: DKK 2,278 million).

NOTE 27 OTHER LIABILITIES

DKK million	2025	2024
Interest payable	443	591
Derivatives	1,473	1,547
Other liabilities	126	126
Total other liabilities	**2,042**	**2,264**

NOTE 28 DEFERRED TAX

DKK million	2025	2024
Deferred tax, as at 1 January	(20)	93
Estimated deferred tax on profit for the year	(37)	(114)
Adjustment for increase in corporate tax rate	-	2
Total deferred tax	**(56)**	**(20)**

	2025 Deferred tax assets	2025 Deferred tax liabilities	2025 Deferred tax net	2024 Deferred tax net
Tangible assets	0	(10)	(10)	(15)
Loans	29	-	29	34
Issued bonds	-	(102)	(102)	(62)
Employee obligations	27	-	27	23
Total deferred tax	**56**	**(112)**	**(56)**	**(20)**

NOTE 29 EQUITY

DKK million	2025	2024
Share capital		
A shares	300	300
B shares	33	33
Total share capital	**333**	**333**
Tied-up reserve capital	8,343	8,343
Revaluation reserves	-	70
Retained earnings	382	235
Proposed dividends for the financial year	246	288
Total equity	**9,305**	**9,269**

The share capital is divided into the following denominations:

A shares 300,000,000 shares of DKK 1.00 each
B shares 33,333,334 shares of DKK 1.00 each

Each A share of DKK 1.00 entitles the holder to 10 votes.
Each B share of DKK 1.00 entitles the holder to 1 vote.

NOTE 30 CAPITAL ADEQUACY

DKK million	2025	2024
Common Equity Tier 1 capital		
Share capital - A shares	300	300
Share capital - B shares	33	33
Tied-up reserve capital	8,343	8,343
Retained earnings	382	235
Proposed dividends for the financial year	246	288
Revaluation reserves	-	70
Total Common Equity Tier 1 capital before deductions	**9,305**	**9,269**
Deductions from Common Equity Tier 1 capital		
Proposed dividends for the financial year	246	288
Additional capital charge pursuant to the Executive Order on a Ship Finance Institute	-	-
Prudent valuation pursuant to article 105 of the CRR	39	34
Deductions for NPE Loss coverage	-	-
Deductions pursuant to transitional rules regarding B share capital	33	33
Total deductions from Common Equity Tier 1 capital	**319**	**355**
Common Equity Tier 1 capital after deductions	**8,986**	**8,914**
Additional Tier 2 capital	**-**	**-**
Own funds after deductions	**8,986**	**8,914**

NOTE 30 CONTINUED

DKK million	2025	2024
Risk exposure amount		
Assets outside the trading book	23,031	27,055
Off-balance sheet items	1,261	1,899
Counterparty risk outside the trading book	2,173	3,165
Market risk	6,175	4,567
Operational risk	1,044	1,154
Total risk exposure amount	**33,684**	**37,840**
Common Equity Tier 1 capital ratio	**26.7**	**23.6**
Tier 1 capital ratio	**26.7**	**23.6**
Total capital ratio	**26.7**	**23.6**
The risk exposure amount for market risk consists of:		
Position risk related to debt instruments	5,271	4,210
Position risk related to shares	307	-
Total currency position	597	357
Total risk-weighted exposure amount for market risk	**6,175**	**4,567**

NOTE 31 OTHER CONTINGENT LIABILITIES

DKK million	2025	2024
In the ordinary course of its lending operations, DSF has undertaken commitments in relation to unutilised drawing rights on loans with revolving credit facilities in the amount of	986	1,184
In the ordinary course of its lending operations, DSF has undertaken commitments relating to irrevocable credit commitments in the amount of	1,535	2,614
Total other contingent liabilities	**2,521**	**3,798**

DKK million

NOTE 32 RELATED PARTIES

Related parties comprise members of the company's Executive Board and Board of Directors.

Related parties comprise majority owners Magellan Capital Holdings PLC, which holds a direct ownership interest of 75.42% and 82.88% of the voting rights in the company and in addition an indirect ownership interest of 12.31% through the holding of 85.00% of the shares in AX IV HoldCo A/S.

Related parties furthermore comprise Magellan Holding Limited, which holds an indirect ownership interest of 87.73% and 96.41% of the voting rights in the company.

Transactions with the Executive Board and the Board of Directors only concerned remuneration. See Note 9.

Related-party transactions concerning loans and loan offers as at 31 December 2025 totalled DKK 1,492 million including accrued interest (31 December 2024: DKK 1,771 million). Transactions with related parties are settled on an arm's-length basis and recognised in the financial statements according to the same accounting policy as for similar transactions with unrelated parties.

There were no related-party transactions other than those stated above.

DKK million

NOTE 32 CONTINUED CONSOLIDATED FINANCIAL STATEMENTS

The financial statements of DSF are consolidated into the consolidated financial statements of Magellan Capital Holdings PLC.

The consolidated financial statements are available on request from the Company Secretary of Magellan Capital Holdings PLC at its trading address of 64 Knightsbridge, London, UK, SW1X 7JF.

The financial statements of Magellan Capital Holdings PLC are consolidated into the consolidated financial statements of Magellan Holding Limited.

The consolidated financial statements are available on request from Magellan Holding Limited registered office at: Hot Desk 1.5, Floor 18, Al Khatem Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates.

DKK million

NOTE 33 HEDGE ACCOUNTING

The company in part hedges the interest rate risk on fixed-rate assets and liabilities. The effectiveness of such hedges is measured on a regular basis.

2025	Nominal value	Carrying amount	Fair value
Commitments			
Issued bonds	19,688	18,953	18,893
Total commitments	**19,688**	**18,953**	**18,893**
Derivatives			
Interest rate swaps	(19,688)	210	210
Total derivatives	**(19,688)**	**210**	**210**
Net	**0**	**19,163**	**19,104**

2024	Nominal value	Carrying amount	Fair value
Commitments			
Issued bonds	18,859	17,908	18,099
Total commitments	**18,859**	**17,908**	**18,099**
Derivatives			
Interest rate swaps	(18,859)	311	311
Total derivatives	**(18,859)**	**311**	**311**
Net	**-**	**18,219**	**18,411**

NOTE 34 NOTIONAL PRINCIPALS OF OUTSTANDING DERIVATIVES

DKK million	2025	2024

Swap agreements
Swap agreements have been made with the following parties to hedge the foreign exchange risk on loans and issued bonds:

Credit institutions	51,527	54,123

Swap agreements have been made with the following parties to hedge the interest rate risk on loans, bonds and issued bonds:

Credit institutions	59,273	89,395

Swap agreements for which financial risks are not fully hedged have been made with the following parties:

Credit institutions	48,256	44,057

Forward interest rate and currency agreements
Forward interest rate and currency agreements have been made with the following parties to hedge interest rate and foreign exchange risk:

Credit institutions	15,626	16,734

NOTE 35 FAIR VALUES OF OUTSTANDING DERIVATIVES

Swap agreements
Swap agreements have been made with the following parties to hedge the foreign exchange risk on loans and issued bonds:

DKK million	2025 Positive	2025 Negative	2024 Positive	2024 Negative
Credit institutions	1,417	189	278	1,159

Swap agreements have been made with the following parties to hedge the interest rate risk on loans, bonds and issued bonds:

DKK million	2025 Positive	2025 Negative	2024 Positive	2024 Negative
Credit institutions	364	779	598	1,247

Swap agreements, for which financial risks are not fully hedged, have been made with the following parties:

DKK million	2025 Positive	2025 Negative	2024 Positive	2024 Negative
Credit institutions	1,110	1,423	1,035	1,408

Forward interest rate and currency agreements
Forward interest rate and currency agreements have been made with the following parties to hedge interest rate and foreign exchange risk:

DKK million	2025 Positive	2025 Negative	2024 Positive	2024 Negative
Credit institutions	44	37	20	56

NOTE 35 CONTINUED

Netting of exposure value
The positive gross fair value of financial contracts after netting:

DKK million	2025 Positive	2024 Positive
Counterparties with risk weight of 0%	-	-
Counterparties with risk weight of 20%	341	396
Counterparties with risk weight of 50%	2,594	1,535
Counterparties with risk weight of 100%	-	-

Value of total counterparty risk calculated according to the market valuation method for counterparty risk:

DKK million	2025 Positive	2024 Positive
Counterparties with risk weight of 0%	-	-
Counterparties with risk weight of 20%	499	321
Counterparties with risk weight of 50%	654	1,348
Counterparties with risk weight of 100%	-	-

DKK million

NOTE 36 FOREIGN EXCHANGE RISK AND USE OF DERIVATIVES

Our total unhedged foreign currency position as at 31 December 2025, translated at year-end exchange rates into DKK, amounts to DKK +254 million (DKK +327 million as of 31 December 2024).

All amounts are translated into DKK at the year-end exchange rates.

The net position is specified as follows:

	USD	Other currencies	Total currencies	DKK	Total
Loans at year-end exchange rates	22,056	997	23,053	472	23,525
Loan impairment charges	-	-	-	(516)	(516)
Loans as per the balance sheet					**23,010**
Due from credit institutions and central banks	(75)	4,762	4,687	367	5,055
Bond portfolio		9,518	9,518	23,659	33,177
Shares etc.	306	1	307	0	307
Interest receivable, other assets, etc.	16	813	829	1,582	2,411
Total assets as per the balance sheet	**22,304**	**16,091**	**38,395**	**25,565**	**63,960**
Issued bonds at year-end exchange rates	0	(11,136)	(11,136)	(24,800)	(35,936)
Issued bonds as per the balance sheet					**(35,936)**
Due to credit institutions and central banks		(10,180)	(10,180)	(6,371)	(16,552)
Interest payable, other payables	3,603	(4,456)	(853)	(1,189)	(2,042)
Provisions	-	-	-	(126)	(126)
Total equity	-	-	-	(9,305)	(9,305)
Total liabilities as per the balance sheet	**3,603**	**(25,772)**	**(22,169)**	**(41,791)**	**(63,960)**
Derivatives					
- receivables	6,033	23,340	29,373		
Derivatives					
- payables	(31,977)	(13,367)	(45,345)		
Total net position	**(38)**	**292**	**254**		

NOTE 37

MARKET RISK SENSITIVITY

DKK million	2025	2024

Interest rate risk

Our equity is invested primarily in Danish government and mortgage bonds. Some of the bond investments are in fixed-rate claims where the interest rate risk is partly hedged using DKK or EUR interest rate swaps. In our internal calculations, EUR rates and DKK rates are assumed to be fully correlated.

	2025	2024
Calculated in accordance with internal calculation methods, the interest rate risk associated with a 1 percentage point increase in interest rates would technically lead to:	(134)	(99)
Calculated in accordance with internal calculation methods, the interest rate risk associated with a 1 percentage point decrease in interest rates would technically lead to:	111	80

Exchange rate risk

Most of the loans are denominated in USD, and most of the ship mortgages provided as collateral for the loans are also valued in USD. In the calculation of the collateral value of the ship mortgages for determining the level of loan impairment charges, a haircut is made to the market value of the vessel. For loans on which loan impairment charges have been made, there is typically a difference in USD between the size of the credit exposure and the mortgage values. All else being equal, the loan impairment charges are therefore adversely affected in the event of an increase and positively affected by a fall in the USD/DKK exchange rate. Since a small proportion of the loans are denominated in currencies other than USD, while the ship mortgage in question is valued in USD, the total positive net effect from a fall in the USD/DKK exchange rate is reduced, and the sensitivity is thus not symmetric in the event of changes in the USD/DKK exchange rate.

Furthermore, earnings and loan impairment charges from lending are primarily denominated in USD and GBP, which means that, all else being equal, an increase in the exchange rates for these currencies against the DKK results in higher earnings from lending and vice versa if these currencies fall. The opposite applies to loan impairment charges.

NOTE 37 CONTINUED

DKK million	2025	2024
An appreciation of the USD exchange rate against the DKK		
Change in net profit for the year and equity	19	25
Percentage change in total capital ratio	(2.6)	(2.2)
A depreciation of the USD exchange rate against the DKK		
Change in net profit for the year and equity	(21)	(25)
Percentage change in total capital ratio	3.3	2.7
An appreciation of the GBP exchange rate against the DKK		
Change in net profit for the year and equity	(2)	(2)
Percentage change in total capital ratio	0.0	0.0
A depreciation of the GBP exchange rate against the DKK		
Change in net profit for the year and equity	2	2
Percentage change in total capital ratio	0.0	0.0
An appreciation of the NOK exchange rate against the DKK		
Change in net profit for the year and equity	-	(1)
Percentage change in total capital ratio	-	0.0
A depreciation of the NOK exchange rate against the DKK		
Change in net profit for the year and equity	-	0
Percentage change in total capital ratio	-	0.0

The impact on net profit for the year and equity from a change in the USD and GBP exchange rates assumes a permanent change of 16% (which equals a DKK 1 change against the USD) for an entire financial year. The impact comprises the change in the value of ongoing net interest and fee income as well as the change in the need for loan impairment charges due to the change in the exchange rates in question.

The impact on the total capital ratio of a change in the currencies in question occurs immediately after the exchange rate change.

DKK million	2025	2024

NOTE 38 FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST

Financial instruments are measured in the balance sheet at fair value or amortised cost.

The difference between carrying amounts and fair value-based values, which are not recognised in the income statement and which are attributable to the difference between the amortised costs and the calculated fair values, is shown below.

Loans		
Measured at amortised cost	23,010	26,723
Measured at fair value	23,513	27,092
Difference between carrying amounts and fair value-based value of loans, total	**504**	**369**

Loans at fair value are assessed using the market value of fixed-rate loans.

Issued bonds		
Measured at amortised cost, incl. hedging	35,936	38,843
Measured at fair value	36,328	39,080
Difference between carrying amounts and fair value-based value of issued bonds, total	**392**	**237**

For issued bonds, the fair value is calculated on the basis of quoted market prices. For unlisted bonds, the fair value is calculated on the basis of observable market data. For fair value of hold-to-maturity bonds, see note 18.

NOTE 39 SUPPLEMENTARY NOTES WITHOUT REFERENCE FINANCIAL RISKS AND POLICIES FOR FINANCIAL RISK MANAGEMENT

RISK MANAGEMENT
DSF is exposed to different types of risk.

The most material types of risk are:
- Credit risk
- Market risk
- Liquidity risk

CREDIT RISK
Credit risk is the risk of incurring losses because of clients (shipping companies) or financial counterparties (financial institutions) failing to meet their payment obligations. We are primarily exposed to the credit risk of clients through loans collateralised by vessels.

We are exposed to the credit risk of financial counterparties through the high-quality bonds we hold in our portfolio and the financial contracts we have entered into with those counterparties.

Credit risk is managed pursuant to the credit policy approved by the Board of Directors, containing specific guidelines for credit risk appetite, risk-taking and ongoing risk management carried out in relation to lending activities.

The criteria and approach used for defining the credit policy and setting credit risk limits are based on extensive experience of the shipping markets and how the volatility in freight rates and vessel values is best managed.

Credit risk limits are set according to the creditworthiness of clients, including the assigned DSF Rating, and the characteristics of the segment in which the vessels pledged as collateral operate.

Note 17 includes a more detailed description of credit risk.

NOTE 39 CONTINUED

MARKET RISK
Market risk refers to the risk of losses resulting from adverse movements in market prices and rates, including, but not limited to, interest rates, foreign exchange rates, equity prices, commodity prices, credit spreads and implied volatilities.

Our market risk policy, which is set by the Board of Directors, outlines the risk profile and framework for market risk management.

The market risk policy sets limits and specific guidelines for the ongoing management of risks relating to changes in financial risk factors, and lays down clear and measurable limits on, inter alia, interest rate and foreign exchange risks, building on the Executive Order on Bond Issuance and other provisions.

The risk management department provides a full market risk report to the Board of Directors and to the Executive Board members on a regular basis. The risk management department provides relevant data for internal and external reports in which market risk is reported.

NOTE 39 CONTINUED

LIQUIDITY RISK

Liquidity risk comprises two key components: funding liquidity risk, which is the risk of being unable to meet financial obligations when they fall due without incurring unacceptable costs, and market liquidity risk, the risk of being unable to sell or liquidate assets quickly at their fair value.

The risk profile and the framework for liquidity risk management are laid out in our liquidity risk policy, which is set by the Board of Directors.

We currently fund our lending by issuing covered bonds. The funding area is subject to the Danish specific balance principle in accordance with the provisions of the Executive Order on Bond Issuance. We are thereby required by law to ensure that any liquidity deficit can be covered by our own funds. Furthermore, the liquidity risk is managed via strict internal liquidity limits, and liquidity stress tests are carried out on a regular basis.

Our liquidity risk primarily arises from the liquidity mismatch that may appear in the future, as loans and issued bonds are not matched on a loan-by-loan basis, and the need for funding because of changes in exchange rates due to the hedging agreements entered into under bilateral collateral agreements as well as mark-to-market resets on certain derivatives. This risk is partly mitigated by pre-funding of all loans and commitments to clients under the Danish specific balance principle.

We conduct our daily operations in observance of internal guidelines laid down by the Board of Directors, setting even stricter limits for liquidity risk than those set by regulation. In conclusion, we believe that our liquidity risk may be characterised as low.

Notes 36-37 include more detailed descriptions of foreign exchange risk and market risk sensitivity.

For further information, please see the unaudited Risk & Capital Management Report at www.shipfinance.dk.

NOTE 40 CAPITAL CENTRES 2025

Pursuant to the executive order on the presentaton of capital centres by Danish Ship Finance A/S, our financial statements are broken down by the individual underlying capital centres:

DKK million	Capital Centre Institute in general	Capital Centre A	Total
Income statement			
Interest, loans and other receivables	1,191	431	1,622
Other interest and fee income, net	(844)	(309)	(1,152)
Market value adjustments	211	8	202
Staff costs and administrative expenses	(184)	(67)	(250)
Loan impairment charges	102	(87)	15
Tax	(124)	10	(113)
Net profit for the year	**353**	**(29)**	**324**
Assets			
Loans and other receivables at amortised cost	13,445	9,565	23,010
Other assets	36,304	4,646	40,950
Total assets	**49,749**	**14,210**	**63,960**
Liabilities			
Issued bonds at amortised cost	24,856	11,080	35,936
Other liabilities	18,589	130	18,719
Equity	6,304	3,001	9,305
Total liabilities	**49,749**	**14,210**	**63,960**
Transfers of capital between capital centres	**(628)**	**628**	**-**

NOTE 40 CONTINUED CAPITAL CENTRES 2024

DKK million	Capital Centre Institute in general	Capital Centre A	Total
Income statement			
Interest, loans and other receivables	1,823	488	2,312
Other interest and fee income, net	(1,472)	(358)	(1,830)
Market value adjustments	94	47	141
Staff costs and administrative expenses	(170)	(46)	(216)
Loan impairment charges	174	(27)	147
Tax	(112)	(27)	(139)
Net profit for the year	**337**	**77**	**414**
Assets			
Loans and other receivables at amortised cost	18,908	7,815	26,723
Other assets	28,187	3,391	31,579
Total assets	**47,095**	**11,206**	**58,302**
Liabilities			
Issued bonds at amortised cost	30,049	8,795	38,843
Other liabilities	10,150	39	10,189
Equity	6,897	2,372	9,269
Total liabilities	**47,095**	**11,206**	**58,302**
Transfers of capital between capital centres	**49**	**(49)**	**-**

The financial statements of the individual capital centre are unaudited. The complete financial statements for the individual capital centre are available upon request.

Statements

Statement *by Management*

Statement by Management on the Annual Report

The Board of Directors and the Executive Board have today considered and approved the Annual Report of Danish Ship Finance A/S (Danmarks Skibskredit A/S) for the financial year 1 January to 31 December 2025. The Annual Report is presented in accordance with the requirements provided by the legislation, including requirements in the Danish Financial Business Act, the Danish disclosure requirements for annual reports of issuers of listed bonds and the requirements provided by Danish Ship Finance's articles of association.

In our opinion, the Management Report includes a fair review of developments in the company's activities and financial position and fairly describes the principal risks and uncertainties that may affect the company.

Further, in our opinion, the financial statements give a true and fair view of the company's financial position as of 31 December 2025 and of the results of its activities for the financial year 1 January to 31 December 2025.

The Annual Report is recommended for adoption by the annual general meeting on 18 March 2026.

Copenhagen, 27 February 2026

Executive Board

Kristian Skovmand
Chief Executive Officer

Lars Jebjerg
Chief Financial Officer

Board of Directors

Eivind Drachmann Kolding
(Chairman)

Peter Nyegaard
(Vice Chairman)

Ahmed Mohamed Abdelmonem Omar
(Vice Chairman)

Marcus Freuchen Christensen

Omar Elali

Povl Christian Lütken Frigast

Henriette Søgaard Fabricius

Thor Jørgen Guttormsen

Andreas Hertz-Poulsen

Jacob Balslev Meldgaard

Christopher Rex

Independent *auditor's report*

To the shareholders of
Danish Ship Finance A/S
(Danmarks Skibskredit A/S)

Report on the audit of the financial statements

Opinion
We have audited the financial statements of Danish Ship Finance (Danmarks Skibskredit A/S) for the financial year 1 January – 31 December 2025, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including material accounting policy information. The financial statements are prepared in accordance with the Danish Financial Business Act and additional Danish disclosure requirements for issuers of listed bonds.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2025 and of the results of the Company's operations for the financial year 1 January – 31 December 2025 in accordance with the Danish Financial Business Act and additional Danish disclosure requirements for issuers of listed bonds.

Our opinion is consistent with our long-form audit report to the Audit Committee and the Board of Directors.

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 financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) as applicable to audits of financial statements of public interest entities, and the additional ethical requirements applicable in Denmark to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no. 537/2014.

Appointment of auditor
We were initially appointed as auditor of Danish Ship Finance (Danmarks Skibskredit A/S) on 26 February 2021 for the financial year 2021. We have been reappointed annually by resolution of the general meeting for a total consecutive period of 5 years up until the financial year 2025.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year 2025. These matters were addressed during our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section, including in relation to the key audit matters below. Accordingly, our audit included the design and performance of procedures to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

LOANS AND PROVISIONS FOR CREDIT LOSSES

KEY AUDIT MATTERS

A significant part of the company's assets consists of loans, which amounted to DKK 23,010 million on 31 December 2025 (DKK 26,723 on 31 December 2024), including provisions for credit losses on loans which amounted to DKK 516 million on 31 December 2025 (DKK 533 million in 2024).

We consider the measurement of loans and provisions for credit losses a key audit matter, as the measurement of expected losses involves management judgment and is subject to significant uncertainty.

The principles for determining expected credit losses are described in the summary of significant accounting policies and in note 16 and Management has described significant accounting estimates and the management of credit risk and the review for impairment in more detail in notes 1 and 13-17 to the financial statements.

In 2025, the following required high level of management judgment and audit attention:

- Identification of credit-impaired exposures.
- Parameters and management judgments in the calculation model used to determine expected credit losses for loans in Stages 1 and 2.
- Realisable value of collateral in ships and estimation of future cash flows including management judgment involved in determining expected credit losses for loans in Stage 3.

HOW OUR AUDIT HAS ADDRESSED THE KEY AUDIT MATTERS

Based on our risk assessment, our audit comprised a review of relevant business procedures, testing of selected internal controls as well as analysis of the loans and the amount of impairment charges.

Specifically, the audit included the following procedures:

Evaluation of methods and models used for calculation of expected credit losses to ensure compliance with relevant accounting rules.

Test of internal controls regarding
- Granting and monitoring of exposures.
- Assessment of credit risk and stage allocation.
- Valuation of collateral.

Test of individual loans on a sample basis
- Assessment of credit risk and stage allocation.
- Assessment of realisable value of collateral in ships, future cash flows, calculation of losses.
- Challenge of management judgments.

Test of calculation models
- Assessment and validation of input, assumptions and calculations applied in determination of provisions for loans in Stages 1 and 2.
- Challenge of management judgments with focus on consistency and documentation.

Verification that disclosures related to loans, credit risk and provisions for credit losses are appropriate and meet the relevant accounting requirements, cf. notes 16 and 17.

Statement on the Management's review
Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under relevant law and regulations.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of relevant law and regulations. We did not identify any material misstatement of the Management's review.

Management's responsibilities for the financial statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Danish Financial Statements Act and additional Danish disclosure requirements for issuers of listed bonds, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance as to whether the 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 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 Company'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 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 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 the Company to cease to continue as a going concern.

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

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on compliance with the ESEF Regulation
As part of our audit of the Financial Statements of Danish Ship Finance (Danmarks Skibskredit A/S), we performed procedures to express an opinion on whether the annual report for the financial year 1 January – 31 December 2025 with the file name Annual Report 2025 (XHTML) is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes the preparing of the annual report in XHTML format.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The procedures consist of testing whether the annual report is prepared in XHTML format.

In our opinion, the Annual report for the financial year 1 January – 31 December 2025 with the file name Annual Report 2025 (XHTML) is prepared, in all material respects, in compliance with the ESEF Regulation.

Frederiksberg, 27 February 2026
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Thomas Hjortkjær Petersen
State Authorised
Public Accountant
mne33748

Rasmus Berntsen
State Authorised
Public Accountant
mne35461

Management report, continued

Management *and directorships*

Management *and directorships*

Directorships and executive positions – Board of Directors

This section lists positions, other directorships, executive positions and fiduciary positions held by board members at the date of publication of the Annual Report 2025. The length of tenure the board members have served and their special competencies are also shown.

Board members elected by the general meeting are elected for a term of one year and board members elected by the employees are elected for a term of four years.

Board of Directors

Eivind Kolding
Chairman of the Board of Directors
Chairman of the Remuneration Committee

Born on 16 November 1959
Nationality: Danish
Considered to be an independent board member
Joined the Board of Directors on 15 November 2016
Nominated by Magellan Capital Holdings PLC

Directorships and executive positions:
Chairman of the Board of Directors of:
Nordic Transport Group A/S, DAFA A/S, MFT Energy A/S, Frankly A/S
Vice Chairman of the Board of Directors of:
Leo Fondet A/S, NNIT A/S
Member of the Board of Directors of:
Altor Fund Manager AB

Competencies:
Broad knowledge of shipping, the maritime industry, macro-economics, banking, credit, insurance, finance, financial risk management, regulation and general management of international business.

Peter Nyegaard
Vice Chairman
Chairman of the Audit Committee

Born on 16 May 1963
Nationality: Danish
Considered to be an independent board member
Joined the Board of Directors on 15 November 2016
Nominated by Axcel

Directorships and executive positions:
Senior Advisor, Axcel
Vice Chairman of the Board of Directors of:
GoodLife Gruppen ApS
Member of the Board of Directors of:
Øens Murerfirma A/S and Innargi A/S
Member of the Advisory Board of:
Hopballe Mølle

Competencies:
Broad knowledge of general management of international companies, financial risk management, financial regulation, capital markets, credit, financing and macroeconomics.

Ahmed Omar
Vice Chairman
Member of the Audit Committee

Born on 6 October 1986
Nationality: Egyptian
Considered to be a dependent board member
Elected to the Board of Directors on 11 July 2024
Nominated by Magellan Capital Holdings PLC

Directorships and executive positions:
Chief Executive Officer and Director at:
Magellan Capital Limited
Director at:
Magellan Investments Holding Limited, Magellan Holding Limited Magellan Capital Holdings PLC, Magellan Absolute Return SPC
Member of the Board of Directors of:
Micro Interventional Devices, White Cube

Competencies:
Broad knowledge of banking, credit, capital markets, investment, M&A, restructuring, shipping and the maritime industry.

Jacob Meldgaard
Member of the Remuneration Committee

Born on 24 June 1968
Nationality: Danish
Considered to be an independent board member
Joined the Board of Directors on 16 June 2017
Nominated by Magellan Capital Holdings PLC

Directorships and executive positions:
Chief Executive Officer:
Torm A/S
Member of the Board of Directors of:
Danish Shipping (Danske Rederier), TORM Plc (board member in five companies under TORM), ICS (International Chamber of Shipping) and Syfoglomad
Member of the Board of:
Copenhagen International School

Competencies:
Broad knowledge of shipping and the maritime industry, general management, investment, finance and restructuring of operations.

Omar Elali
Member of the Remuneration Committee

Born on 3 February 1997
Nationality: Swedish
Considered to be a dependent board member
Elected to the Board of Directors on 11 July 2024
Nominated by Magellan Capital Holdings PLC

Directorships and executive positions:
Managing Director at:
HEA Energy Holdings Limited
Director at:
Magellan Investments Holding Limited, Magellan Capital Limited, Magellan Holding Limited, Magellan Capital Holdings PLC, HEA Investments (Cayman Islands), HEA Energy TopCo Limited

Competencies:
Broad knowledge of strategy, management, investment, finance, shipping and the maritime industry.

Thor Jørgen Guttormsen
Member of the Remuneration Committee

Born on 5 January 1949
Nationality: Norwegian
Considered to be an independent board member
Joined the Board of Directors on 16 June 2017
Nominated by Magellan Capital Holdings PLC

Directorships and executive positions:
Member of the Board of Directors of:
Hoegh Autoliners ASA, Telenor Maritime AS and Aequitas Ltd

Competencies:
Broad knowledge of shipping and the maritime industry, investment, finance, restructuring of operations and general management.

Christian Frigast
Member of the Remuneration Committee

Born on 23 November 1951
Nationality: Danish
Considered to be an independent board member
Joined the Board of Directors on 15 November 2016
Nominated by Axcel

Directorships and executive positions:
Chairman of the Board of Directors of:
Axcel Management, Nordsøfonden, Brancheforeningen for Aktive Ejere i Danmark (Active Owners), Bestyrelsesforeningen (The Board Leadership Society in Denmark), Erhvervslivets Tænketank
Vice Chairman of the Board of Directors of:
Pandora, PostNord
Member of the Board of Directors:
CBS Executive Fonden

Associate professor at CBS (Copenhagen Business School)

Competencies:
Broad knowledge of banking, finance, financial risk management and management of international companies, M&A, restructuring, operational efficiency and value proposition strategies.

Christopher Rex
Employee representative

Born on 28 January 1979
Nationality: Danish
Joined the Board of Directors on 29 March 2012

Position:
Head of Sustainability and Research, Danish Ship Finance A/S

Competencies:
Broad knowledge of macroeconomics, financial risk management, international shipping, digitalisation and decarbonisation.

Marcus Freuchen Christensen
Employee representative

Born on 20 November 1979
Nationality: Danish
Joined the Board of Directors on 1 October 2021

Position:
Head of Client Associates / Senior Client Executive, Danish Ship Finance A/S

Competencies:
Broad knowledge of the international banking and shipping markets, credit and ship finance.

Andreas Hertz-Poulsen
Employee representative

Born on 20 May 1986
Nationality: Danish
Joined the Board of Directors on 19 March 2024

Position:
Head of Risk Management, Danish Ship Finance A/S

Competencies:
Broad knowledge of financial risk management including market risk, liquidity risk and operational risk, internal processes and process optimization as well as financial regulation of these areas through his position as Head of Risk Management.

Henriette Søgaard Fabricius
Employee representative

Born on 22 March 1968
Nationality: Danish
Joined the Board of Directors on 19 March 2024

Position:
Senior Loan Manager, Danish Ship Finance A/S

Competencies:
Broad knowledge of ship finance, credit, customer administration, internal processes, and operational management through her position as Senior Loan Manager.

Attendance at board meetings 2025

Attendance rate (%)	Board of Directors	Audit Committee	Remuneration Committee
Eivind Kolding	100		100
Peter Nyegaard	90	100	
Ahmed Omar	83	100	
Omar Elali	93		100
Christian Frigast	80		50
Thor Jørgen Guttormsen	93		100
Jacob Meldgaard	100		100
Marcus Freuchen Christensen	93		
Henriette Søgaard Fabricius	100		
Andreas Hertz-Poulsen	100		
Christopher Rex	100		

Executive Board

Kristian Skovmand, CEO
Member of the Executive Board
since 1 October 2025

Lars Jebjerg, CFO
Member of the Executive Board
since 22 May 2018

Financial calendar *for 2026*

27 February

Publication of the Annual Report 2025

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18 March

Annual general meeting of Danish Ship Finance A/S
at our premises at Langebrogade 5, 1411 Copenhagen K

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25 August

Publication of the Interim Report 2026

Danish Ship Finance A/S
(Danmarks Skibskredit A/S)

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