



Interim Report First half 2025



CVR NO. 27 49 26 49

shipfinance.dk

Company *information*

Company

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Executive Board

Erik I. Lassen
Lars Jebjerg

Auditors

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Board of Directors

Eivind Drachmann Kolding (Chairman)
Peter Nyegaard (Vice Chairman)
Ahmed Mohamed Abdelmonem Omar (Vice Chairman)
Marcus Freuchen Christensen
Omar Elali
Henriette Søgaard Fabricius
Povl Christian Lütken Frigast
Thor Jørgen Guttormsen
Andreas Hertz-Poulsen
Jacob Balslev Meldgaard
Christopher Rex

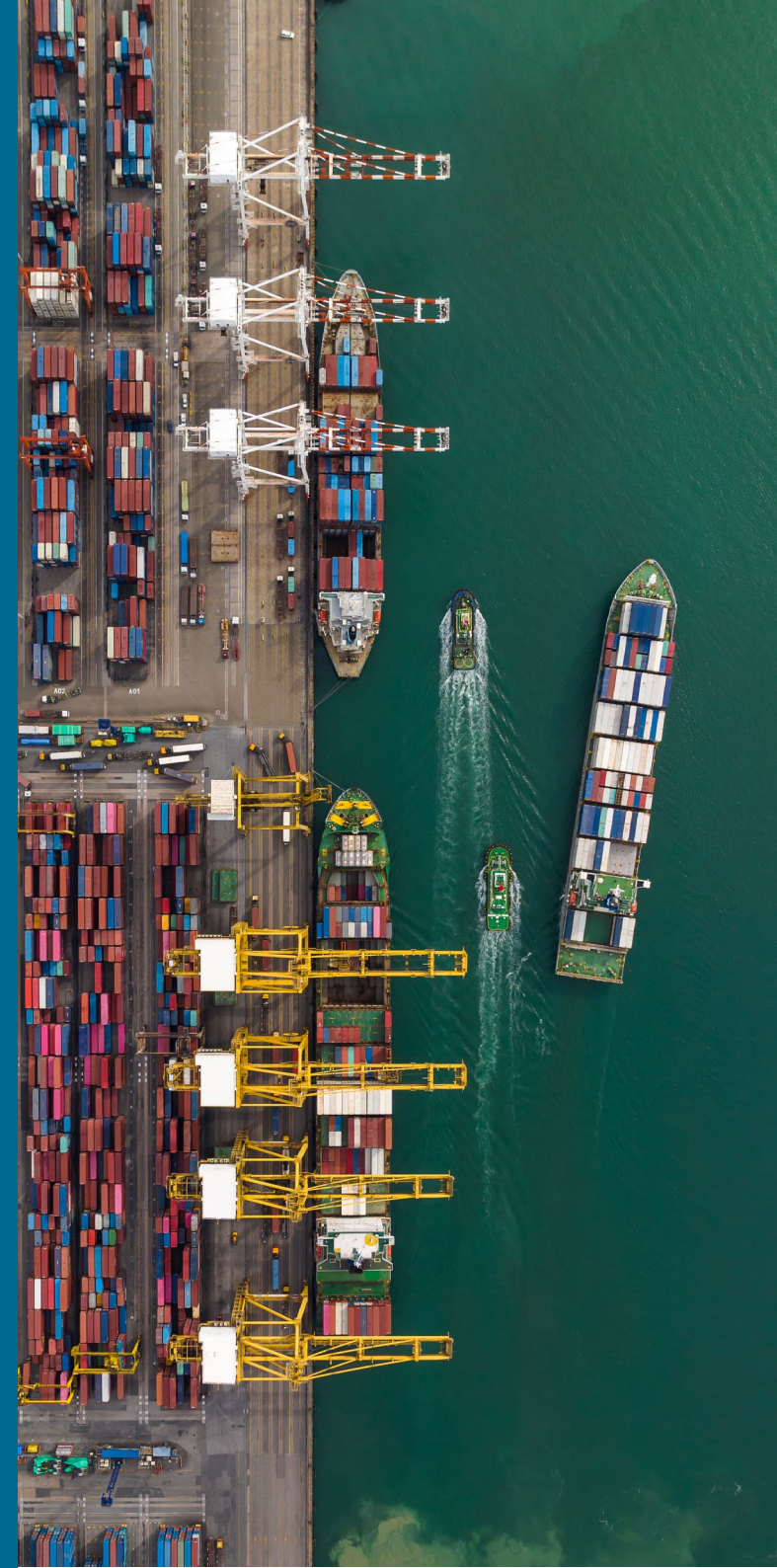
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Mid-year update to our stakeholders

The first half of 2025 saw the addition of five new clients as the loan book grew in USD terms, and credit quality remained solid, supported by the continued above average performance of major shipping sectors.

We were very pleased that Standard & Poor's in January 2025 upgraded the ratings of DSF's covered bonds to AA- (Stable Outlook), two notches above the prior rating.

In June 2025 the Board of Danish Ship Finance A/S announced that Erik I. Lassen will step down as Chief Executive Officer. The Board appointed Kristian Skovmand as successor CEO. Kristian Skovmand brings to the role a strong and well established track record in the financial services sector, with considerable executive leadership experience. The transition will take place with effect from 1 October 2025.

First-half 2025 net profit for Danish Ship Finance amounted to DKK 134 million, which was lower than in the same period of 2024. The year-on-year comparison is affected by several one-off charges in 2025 related to the CEO transition and impairment of the new domicile property, whereas the first half

of 2024 benefited from a DKK 106 million reversal of loan impairment charges and the reversal of the prior year's bonus accrual. Adjusted for these non-recurring items, the underlying result for the first half of 2025 was broadly in line with the same period of 2024.

Business performance in the first half of 2025 was supported by stable average loan margins and healthy income from our Investments area, while a weaker USD/DKK exchange rate and continued competition in loan markets meant that lending growth and an increase in margins did not materialise as expected. Consequently, some funding was not deployed to clients, which negatively affected the result for the first half of the year.

A total of DKK 3.7 billion of new loans was disbursed in the first half of 2025. While the loan book slightly increased in USD terms, the substantial weakening of the USD exchange rate versus the DKK over the period had a negative effect on the loan amount measured in DKK. Extraordinary loan prepayments in the first half of 2025 totalled DKK 0.7 billion, a lower amount than in the first half of the two preceding years. The loan book as at 30 June stood at DKK 25.5

“We enter the second half of 2025 with a strong ability to serve the needs of our clients and remain fully committed to our ambition of being the obvious choice in ship finance”

billion, which was DKK 1.8 billion lower than the year-end 2024 figure.

Shipping markets generally softened, but are still above the historic averages, and shipowners' earnings remained resilient. Even as the volume of new tonnage on order increased, shipowners' strong balance sheets and disciplined approach to external financing meant that the sector's net financing requirements remained muted in the first half of 2025. Competition among lenders remained intense and margin pressure continued.

The credit quality of our loan book remained solid in the first half of 2025. Ship owners have robust balance sheets following a prolonged period of favourable market conditions and healthy earnings. In the first half of 2025, loan impairment charges amounted to an income of DKK 5 million. As at 30 June 2025, there were no non-performing loans (NPL) on the balance sheet and more than 99% of the loan book was in stage 1. The weighted loan-to-value (LTV) ratio after loan impairment charges stood at a healthy 41%. The solvency ratio remained very robust at 24.7%, well above the 13.8% regulatory minimum.

We expect the competitive situation for ship financing to develop favourably. Loan demand will benefit from increased new vessel ordering, and the drop in vessel values in major segments could induce owners in our segment to renew and upgrade their fleets. We expect to see a gradual recovery of loan volumes and a gradual repricing of new shipping loans in the medium term.

The shift toward environmentally sustainable shipping remains on the agenda across the industry, with shipowners – both large

and small – demonstrating a commitment to meeting the challenge. We have already seen clients taking a proactive approach by advancing their decarbonisation strategies ahead of regulatory tightening. A significant share of new vessel orders includes dual-fuel capability and/or emission-reducing technologies, with around 42% of the current global orderbook being alternative-fuel capable. We view this positively and are committed to supporting our clients as they navigate this transition. Our corporate strategy “Financing the transition” continues to be at the core of everything we do.

The investment portfolio contributed positively to the half-year result. Investment income of DKK 220 million in the first half of 2025 was close to the DKK 236 million result for the same period in 2024. We maintain a conservative investment strategy, which gives us confidence in navigating changing financial market conditions also in the second half of the year.

Funding requirements remained well covered in the first half of 2025. In March, following the publication of our 2024 Annual Report, we issued a EUR 500 million benchmark bond maturing in 2031. In the Danish market funding programme, our focus was on selectively extending funding maturities to maintain a well-balanced book. Investor response has been good and a total of DKK 4.5 billion equivalent ship covered bonds were issued in the period.

Administrative expenses were higher in the first half of the year, due to one-off items related to the CEO transition announced in June and to charges related to the new domicile building at Langebrogade 5. Underlying expenses remained in line with expectations. We continue to invest in operational excellence, upgrading existing processes and systems while delivering on new requirements.

Due to lower than expected loan growth in DKK terms and the above-mentioned one-off charges, Danish Ship Finance’s financial result for the first half of 2025 was lower than our original expectations. We revise down our financial guidance for full-year 2025 accordingly.

We continue our close cooperation with Magellan Capital Holdings PLC, which acquired a majority stake in Danish Ship Finance one year ago, and remain fully on track for delivering attractive financial results and long-term sustainable value to our new owners and stakeholders.

We enter the second half of 2025 with a strong ability to serve the needs of our clients and remain fully committed to our ambition of being “the obvious choice in ship finance”. Danish Ship Finance will continue to play a significant role in financing the needs of the shipping industry.

Eivind Kolding
Chairman

Peter Nyegaard
Vice Chairman

Ahmed Omar
Vice Chairman



Financial *highlights*

Key figures

DKK million	H1 2025	H1 2024	FY 2024
Net interest income from lending ¹	104	220	351
Net interest and fee income from lending ¹	113	230	372
Net interest and fee income from investment excluding Tier 2 capital interest	130	131	244
Net interest income from investment activities ^{1*}	130	4	109
Total net interest income*	234	224	460
Net interest and fee income*	243	234	481
Market value adjustments	83	113	141
Staff costs and administrative expenses*	(129)	(96)	(196)
Loan impairment charges	5	106	147
Profit before tax*	181	357	553
Net profit for the period*	134	259	414
Loan book ²	25,543	33,529	27,388
Issued bonds	37,917	43,183	38,843
Subordinated debt*	-	2,000	-
Total equity*	9,115	8,594	9,269
Total assets*	64,772	62,743	58,302
Common Equity Tier 1 capital after deductions*	8,907	8,444	8,914

Key ratios

	H1 2025	H1 2024	FY 2024
Return on equity after tax (%)*	1.5	3.0	4.7
Return on investment activities (%)	2.4	2.3	4.0
Common Equity Tier 1 capital ratio (%) ^{3*}	24.7	19.9	23.6
Internal capital adequacy requirement incl. combined capital buffer requirement (%)	13.8	13.4	13.1
Cost/income ratio (%)*	45.9	27.8	34.7
Equity as a % of loan book*	35.7	25.6	33.8
Loan impairment ratio for the period (%) (avg.)	(0.0)	(0.3)	(0.5)
ECL allowance account, loan as a % of loan book (end of period)	1.8	1.8	1.9
Weighted average loan-to-value ratio after loan impairment charges (%)	41	38	37
Proportion of loans covered within 60% of market value (%)	100	100	100
Net write-offs on loans as a % of avg. loan book	-	(0.2)	(0.3)

*) Comparative figures have been restated following the merger of DSH and DSF in July 2024.

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

2) The link between loans in the balance sheet and the loan book can be seen in note 8.

3) As at 30 June 2025, DSF has opted not to apply to the Danish FSA for approval to recognise the net profit in the CET1 capital for the first half of 2025, while the CET1 capital for the comparative periods does include prior-year's net profit.

Unless otherwise indicated, the key ratios have been calculated in accordance with requirements stipulated in the Danish FSA's executive order on financial reports for credit institutions and investment companies, etc. For definitions, see note 2 in Danish Ship Finance's annual report for 2024.

Management's *report*

The Board of Directors of Danish Ship Finance A/S has today considered the Interim Report for the first half of 2025. Danish Ship Finance A/S presents its financial statements in accordance with the rules set out in the Danish FSA's Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc. (Executive Order on Financial Reports). The Interim Report is unaudited and has not been reviewed by our auditors.

Income statement

- Net profit for the period amounted to DKK 134 million, compared to DKK 259 million reported for the first half of 2024. Adjusted for non-recurring items, the underlying result was broadly in line with the same period of 2024.
- Net interest and fee income from lending in the period was DKK 113 million including pre-funding and hedging costs, down 51% compared to the first half of 2024. The decrease was primarily due to extraordinary interest income from prior non-accrual loans received in the first half of 2024 and carry costs of a higher amount of funding warehoused on balance sheet as loan growth in DKK terms was muted in the first half of 2025.
- Interest income from investment activities for the first half of 2024 amounted to

a net income of DKK 130 million, compared to DKK 131 million in the same period in 2024, excluding interest expenses for Tier 2 capital, reflecting a sustained normalisation of market interest rates.

- In total, net interest and fee income increased to DKK 243 million, which is up DKK 9 million from DKK 234 million in the first half of 2024. The improvement is primarily due to lower interest expenses, as the Tier 2 capital notes held in DSH – incurring interest costs of DKK 127 million in the first half of 2024 – were redeemed in 2024.
- Market value adjustment of securities and foreign exchange in the period generated a net income of DKK 83 million, down from DKK 113 million for the first half of 2024. The positive result was primarily driven by investment activities.
- Loan impairment charges for the first half of 2025 were an income of DKK 5 million, against an income of DKK 106 million for the same period in 2024, which was primarily driven by recovery on loans previously written off.
- Staff costs and administrative expenses amounted to DKK 129 million for the first half of 2025, compared to DKK 96 million for the same period in 2024. The

increase was driven primarily by an impairment charge relating to the domicile property and one-off expenses associated with the CEO transition.

- The cost/income ratio rose significantly to 45.9% in the first half of 2025, from 27.8% in the comparable period. The increase reflects the impact of one-off charges related to the CEO transition and the new domicile property.

Balance sheet and capital structure

- Total assets amounted to DKK 64.8 billion as at 30 June 2025, against DKK 58.3 billion as at 31 December 2024.
- The loan book, measured in DKK terms, decreased to DKK 25.5 billion as at 30 June 2025, from DKK 27.4 billion as at 31 December 2024. New loans of DKK 3.7 billion were disbursed in the period, compared to DKK 3.8 billion in the same period last year. Loan repayments and prepayments amounted to DKK 3.0 billion. A lower USD/DKK exchange rate reduced the loan book volume measured in DKK by DKK 3.0 billion. As at 30 June 2025, there were no non-performing loans.
- The average loan book measured in DKK was down 19% compared to the same period in 2024.

Following the acquisition of the majority stake in Danish Ship Finance Holding A/S (DSH) by Magellan Capital Holdings PLC in July 2024, and the subsequent merger of DSH into Danish Ship Finance A/S (DSF) with accounting effect from 1 January 2024, the comparative figures presented in this Interim Report have been restated accordingly. The same restatement approach was also applied in the Annual Report for 2024.

- The ECL allowance account stood at DKK 596 million as at 30 June 2025 compared to DKK 601 million at year-end 2024.
- Bonds issued totalled DKK 37.9 billion as at 30 June 2025, a decrease of DKK 0.9 billion from the period to 31 December 2024. Bond issuance in the first half of 2025 was DKK 4.5 billion. Bond maturities and buybacks of own bonds totalled DKK 6.0 billion.
- As at 30 June 2025, the total capital ratio of 24.7% remained robust, with a comfortable buffer to regulatory minimum requirements. As before, regulatory capital was fully comprised of Common Equity Tier 1 capital. DSF opted not to include net profit for the first half of 2025 in stated capital. The capital ratio at year-end 2024 was 23.6%.

Business areas

The three business areas generated a combined total net income of DKK 326 million for the first half of 2025, a decline of 6% compared to the first half of 2024. Compared to the same period last year, net income from lending and funding was lower by DKK 52 million and DKK 81 million, respectively, while income from investments increased by DKK 111 million.

Management commentary on income developments in each main business area can be found below.

Income by business area

DKK million ¹	H1 2025	H1 2024	FY 2024
Lending	157	209	384
Funding	(50)	31	(23)
Investments ²	220	108	260
Income	326	348	622

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

2) The comparative figures have been restated following the merger of DSH into DSF and include accrued DSH Tier 2 capital note interest costs.

Lending

Lending activity comprises lending to ship owners, funded by the issuance of ship covered bonds.

Net income from lending was down 25% to DKK 157 million in the first half of 2025,

Income, lending

DKK million	H1 2025	H1 2024	FY 2024
Net interest income	147	198	364
Net fees and commission	9	10	21
Income	157	209	384

compared with DKK 209 million for the same period in 2024. Net fee and commission income amounted to DKK 9 million in the first half of 2025, in line with DKK 10 million for the same period in 2024.

The reduction in net interest income derived from lending is attributed to a lower average loan book of DKK 26.7 billion in the first half of 2025, in comparison to DKK 32.8 billion for the same period in 2024, while average net margins remained stable.

Credit quality across the loan book remained solid throughout the first half of 2025, and there were no loan defaults.

Funding

Funding activities consist of the issuance of ship covered bonds, with the proceeds warehoused until being disbursed to fund new lending to clients, buybacks of own bonds, and the hedging of financial risks.

In total, income from funding activities decreased by DKK 81 million year-on-year to a net expense of DKK 50 million for the first half

Income, funding

DKK million	H1 2025	H1 2024	FY 2024
Funding costs not covered	(21)	(2)	(13)
Warehousing	(35)	(19)	(74)
Non-business activities	6	51	64
Income	(50)	31	(23)

of 2025, from an income of DKK 31 million for the first half of 2024. The decrease was primarily due to the fact that non-business activities in H1 2024 benefited from one-off effects of DKK 43 million owing to recovery of non-accrued but now settled interest on previously non-performing loans. Furthermore, some of the prepayments received in the second half of 2024 meant an increase in funding costs not covered as the prepaid dollars were re-deployed at lower spread levels than they were originally procured at.

Following Standard & Poor's upgrade of our covered bond rating to AA- in January 2025, we issued a EUR 500 million benchmark covered bond in March with six-year maturity. The issuance was oversubscribed 2.7x and we were delighted to welcome 28 new investors. During the first half of 2025, bonds in the notional amount of DKK 4.5 billion were issued, and we repurchased our own bonds, primarily shorter-dated bonds, in the amount of DKK 2.3 billion. This activity effectively extended the funding profile.

The net cost of warehousing pre-funding

proceeds in the first half of 2025 was DKK 35 million, representing an increase of DKK 16 million relative to the first half of 2024. The warehousing portfolio volume was higher than normal over the first half of 2025 as a result of large prepayments in the previous years. The portfolio was invested in liquid AAA-rated government and covered bonds and had a present value of DKK 11.8 billion as at 30 June 2025.

Funding costs not covered resulted in a net loss of DKK 21 million in the first half of 2025.

Non-business activities generated a profit of DKK 6 million in the first half of 2025 compared to DKK 51 million in the first half of 2024, of which extraordinary interest recovered from non-accrual loans of DKK 43 million was received in the first half of 2024. Interest amounts saved due to prior buybacks of own bonds contributed to the reported figure.

Investments

Investment activities consist of investment of the company's own funds, core equity and amounts held in the ECL allowance account.

Income, investments

DKK million	H1 2025	H1 2024	FY 2024
Net interest income	130	131	244
MV adjustments	89	104	151
Interest Tier 2 capital	-	(127)	(135)
Income	220	108	260

Own funds are placed in high-grade bonds subject to limits set by the Board of Directors. The bond portfolio consists mainly of Danish AAA-rated government and covered bonds, some Northern European bonds with similar risk profiles, and associated hedges.

The investment portfolio performed well in the first half of 2025. Financial markets experienced significant volatility following the “Liberation Day” tariff announcements by the US. Our core investments held up quite well as the conservative investment approach was continued. The use of leverage almost doubled during the period compared to the first half of 2024.

Net income from investments in the first half of 2025 was a profit of DKK 220 million, equal to an annualised return on invested capital of approximately 5%.

Sustainable finance

Financing the transition

The shipping industry will be undergoing a profound transformation as it advances on the path towards decarbonisation. As a long-term provider of senior secured ship finance, we are committed to Financing the Transition, supporting the sector’s evolution to a sustainable green future while maintaining rigorous oversight of ESG-transition risks.

Our approach is underpinned by a robust due diligence framework, which includes an internal sustainability rating system. This scale ranges from 1 to 12, with 12 representing the weakest sustainability performance. In align-

ment with our transition finance strategy, we have strengthened our sustainability lending criteria in 2025: we are only extending credit to clients that demonstrate active engagement in the sustainable transition; specifically, those achieving a rating of 9 or better.

Climate targets and frameworks are transforming the dynamics of the shipping industry. The new IMO Net Zero Framework (agreement in principle at MEPC 83 in April 2025) intensifies pressure on shipowners to invest in decarbonising their fleet. This global framework is part of the IMO’s Revised GHG Strategy, setting increasingly stringent GHG fuel intensity requirements to incentivise the use of low- and zero-carbon fuels. In addition, regional regulations such as FuelEU and the EU Emissions Trading Scheme (ETS) still apply to ships operating in the EU. With growing momentum in both regulatory and private-sector initiatives, we believe the industry is moving in the right direction towards its net-zero target by 2050.

We remain a steadfast partner in supporting our clients’ sustainable transition. This commitment is reflected in our offering of loans with sustainability initiatives, the fact that we encourage our clients to align with the Poseidon Principles decarbonisation trajectories, and our policy of providing financing only to clients actively engaged in the transition. As at 30 June 2025, the share of loans with sustainability incentives comprises 34% of the loan book.

Beyond our loan book, we are equally focused on aligning our investment activities

with our sustainability objectives. We have set a target for sustainable bonds to constitute at least 10% of our investment portfolio. As at 30 June 2025, sustainable bonds represent 10% of the portfolio.

Our own impact

We recognise the importance of our own operational footprint and are committed to fostering a diverse and inclusive culture while minimising our environmental impact. As part of this commitment, we will continue to reduce emissions from our own operations by a minimum of 5% annually, measured against a 2023 baseline.

We are pleased to report that, as of the first half of 2025, 42% of leadership positions are again held by the underrepresented gender. While there are currently no women on our Board of Directors, the Board of Directors has set a target for 12.5% of the Board to be composed of the underrepresented gender by the end of this year.

In the first half of 2025, we partnered with the shipping company DFDS to feature a dedicated section on biodiversity in our Shipping Market Review, aiming to raise awareness and support environmental progress in the shipping industry. This collaboration highlighted the value of embedding sustainability into our Innovation & Research function, enabling us to integrate ESG considerations into our core shipping research – and to apply shipping insights to our broader sustainability agenda.

Sustainability reporting in our Annual Report 2025

The EU Omnibus Directive includes two legislative proposals that amend the Corporate Sustainability Reporting Directive (CSRD). If adopted in the current form, it will mean that Danish Ship Finance no longer falls within the scope of the CSRD. As a result, we will not be subject to the reporting requirements under the CSRD.

Nonetheless, sustainability reporting remains a strategic priority, driven by our commitment to transparency and stakeholder expectations. For the 2025 reporting year, we will apply the Voluntary Sustainability Reporting Standard for non-listed micro-, small- and medium-sized undertakings (VSME), as recommended by the EU.

In addition, we will present the findings of our comprehensive double materiality assessment. This process has deepened our understanding of the most significant sustainability-related impacts, risks and opportunities, and continues to shape our strategy while offering valuable insight into stakeholder priorities.

Status on *our targets*

The 2050 net-zero target represents our overarching long-term ambition, while the 2025 targets set the course for the necessary short-term action

Sustainable finance targets

2025	More than 35% of our loan book must have sustainability incentives Status: 34%
2025	More than 10% of the investment portfolio must comprise sustainable bonds Status: 10%
2025	New loans only to clients who are actively engaged in the sustainable transition Status: Fully achieved year-to-date
2025	The environmental performance of the loan portfolio must align with the Poseidon Principles trajectories Status: In progress
2050	Achieve a net-zero loan book Status: In progress

Our own impact targets

2025	Reduce the climate footprint of our own operations by 5% annually compared to a 2023 baseline Status: In progress
2025	12.5% of board members to be of the underrepresented gender Status: 0%
2025	40% of leadership positions to be held by the underrepresented gender Status: 42%



The shipping market

The global economic outlook is becoming increasingly challenged. Rising trade barriers, tighter financial conditions, weakening business and consumer confidence, and elevated policy uncertainty all contribute to a more fragile growth environment. The IMF projects global economic growth to slow from 3.3% in 2024 to 3.0% in 2025, before recovering slightly to 3.1% in 2026. These projections mark a notable downward revision from earlier estimates and remain well below the long-term average growth rate between 2000 and 2024 of 3.6%

Central banks have successfully reduced inflation across most economies. However, recent US tariff increases are expected to reintroduce inflationary pressures, particularly domestically. At the same time, heightened policy uncertainty is dampening global investment sentiment, prompting corporates to delay cross-border investment decisions until clearer signals emerge.

Public debt levels remain elevated across many advanced and emerging market economies and are expected to rise further as governments increase spending on defence, the green transition and social security. A growing fiscal burden is likely to place additional pressure on public finances, potentially limiting future policy flexibility and raising concerns about long-term debt sustainability.

Geopolitical tensions in the Middle East also pose a significant risk to the outlook.

Prolonged instability could heighten volatility in commodity prices and broader financial markets. The region accounts for roughly a quarter of global oil production, making it a critical node in global energy markets. Moreover, ongoing disruptions in the Red Sea already impact global supply chains, contributing to trade uncertainty.

Geopolitical tensions have historically benefitted shipping markets by creating infrastructural inefficiencies and extending trade distances, in turn increasing utilisation of vessel capacity, which has supported elevated earnings for shipowners in recent years. However, the current outlook is less favourable. Rising tariffs are fundamentally negative for seaborne trade volumes. While some vessel segments may see temporary gains from supply chain realignments, the potential for sustained upside appears limited. Meanwhile, the earnings boom has triggered a wave of new vessel orders. From 2025 onwards, vessel supply is expected to outpace demand, with freight rates and secondhand prices likely to normalise as early as this year. A normalisation of Suez Canal transits would accelerate this development.

The ClarkSea Index, which measures average earnings across the main shipping segments, declined by 5% year-on-year in the first half of 2025, to USD 24,000 per day. The decline was driven by lower earnings in the Tanker, Gas and Dry Bulk segments. The secondhand price index was steady during the same period.

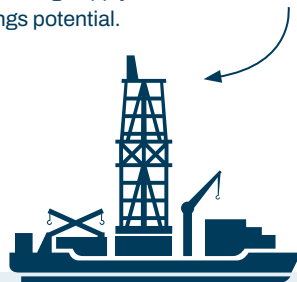
DRY BULK

The Dry Bulk market has been supported by reroutings away from key maritime chokepoints and record-high seaborne imports into China, driving an increase in distance-adjusted demand throughout 2024 and the first half of 2025. However, vessel supply has remained ample, preventing any significant upward pressure on freight rates, which remain at modest levels. Looking ahead, market conditions will be challenged by a subdued outlook for seaborne iron ore and coal, combined with a frontloaded delivery schedule that may result in excess capacity. Over the longer term, sustained investments in renewable energy are expected to place structural pressure on coal demand.



OFFSHORE

The market for Offshore Vessels has stabilised at elevated levels since late 2024, with day rates across most vessel segments holding above pre-2014 crisis levels after three years of consistent 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. Recent volatility in oil prices has underscored the sector's sensitivity to market shocks, and prolonged uncertainty could result in a more selective approach to project final investment decisions (FID). Nevertheless, the medium- to long-term outlook remains positive, owing to low orderbooks, an ageing fleet and firm demand projections, all of which point to tightening supply and continued earnings potential.



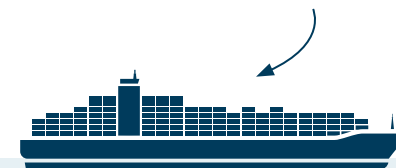
OIL TANKERS

The Oil Tanker market received some support in the first half of 2025 from renewed sanctions enforcement, which triggered shifts in trade flows. While the market remains firm – primarily due to increased average travel distances – the short- to medium-term outlook has softened. Orderbooks have grown, and demand is projected to plateau. At the same time, heightened tensions in the Middle East pose a dual risk: potential seaborne volume losses on the one hand, and the prospect of longer voyage distances on the other. Fleet growth and underlying demand fundamentals set the baseline, but geopolitical developments will ultimately determine the range of outcomes.



CONTAINER

The Container market remains buoyant, owing to continued disruptions across global shipping. The Red Sea conflict has led most shipowners to reroute vessels via the Cape of Good Hope, temporarily boosting earnings. Simultaneously, uncertainty over the scope and timing of new US tariffs has prompted retailers to accelerate re-stocking, adding further momentum to demand. However, a substantial influx of newly delivered vessels is entering the market just as average sailing distances are expected to decline and trade tensions begin to weigh on containerised volumes. This imbalance is likely to place downward pressure on freight rates and secondhand prices.



GAS CARRIERS

The Gas Carrier market came under pressure in 2024, as strong growth in global seaborne gas demand was outpaced by substantial fleet expansion, leading to a decline in average freight rates across both the LNG and LPG segments. LNG earnings fell to near all-time lows. Large orderbooks and delays in LNG liquefaction and regasification projects continue to weigh on the outlook. If demand growth fails to keep pace, the market may face increased freight rate volatility and a potential shortening of the economic lifetime of LNG Carriers. The LPG market also faces a challenging outlook, as high fleet growth is set to outpace demand in the coming years.



RO-RO/FERRIES & CAR CARRIERS

The Ro-Ro and Ferry markets remained stable in the first half of 2025, supported by elevated freight levels. The supply side appears manageable for both segments, underpinned by positive rebalancing potential. In contrast, the Car Carrier market has experienced a sharp decline in freight rates, as escalating geopolitical tensions and strong fleet growth begin to weigh on fleet utilisation. A substantial orderbook is expected to keep fleet expansion elevated in the coming years, potentially putting further pressure on already weakening market fundamentals.



“From 2025 onwards, vessel supply is expected to outpace demand, with freight rates and secondhand prices likely to normalise as early as this year.”

Competition

Increased geopolitical uncertainty has prompted clients to pay more attention to their funding strategies, including mitigating the risk of geopolitical events impacting their capability to raise funds. This has led to the first signs of diversification back to more traditional bank funding, and consequently away from especially Chinese leasing structures. We believe this trend will continue in the second half of 2025 and could lead to increased demand for traditional mortgage-backed ship financing.

In the first half of 2025, the continued oversupply of bank liquidity resulted in sustained competitive pressure and compressed lending credit spreads. While certain international financial institutions have shifted their focus towards prioritising revenue generation over portfolio expansion, regional banks in specific markets remain committed to bolstering their shipping portfolios, e.g. by offering low credit spreads.

The ongoing focus on the effects of Basel IV implementation, coupled with the decline in shipping market earnings and values, is expected to drive an increase in credit spreads for shipping-related risk. In the short term, this is likely to affect the pricing of weaker shipping credits, but over time stronger credits may also feel the impact, potentially leading to an increase in gross margins throughout the ship finance market and increased credit spread differentiation.

Impact of USD on the income statement

The USD/DKK exchange rate for the first half of 2025 averaged 6.84, compared with 6.89 for the same period in 2024. All else being equal, this had a negative impact of DKK 2 million on net interest and fee income in the period. Net interest and fee income in USD was partially hedged during the period and hence the net effect is not this exact figure and not considered significant.

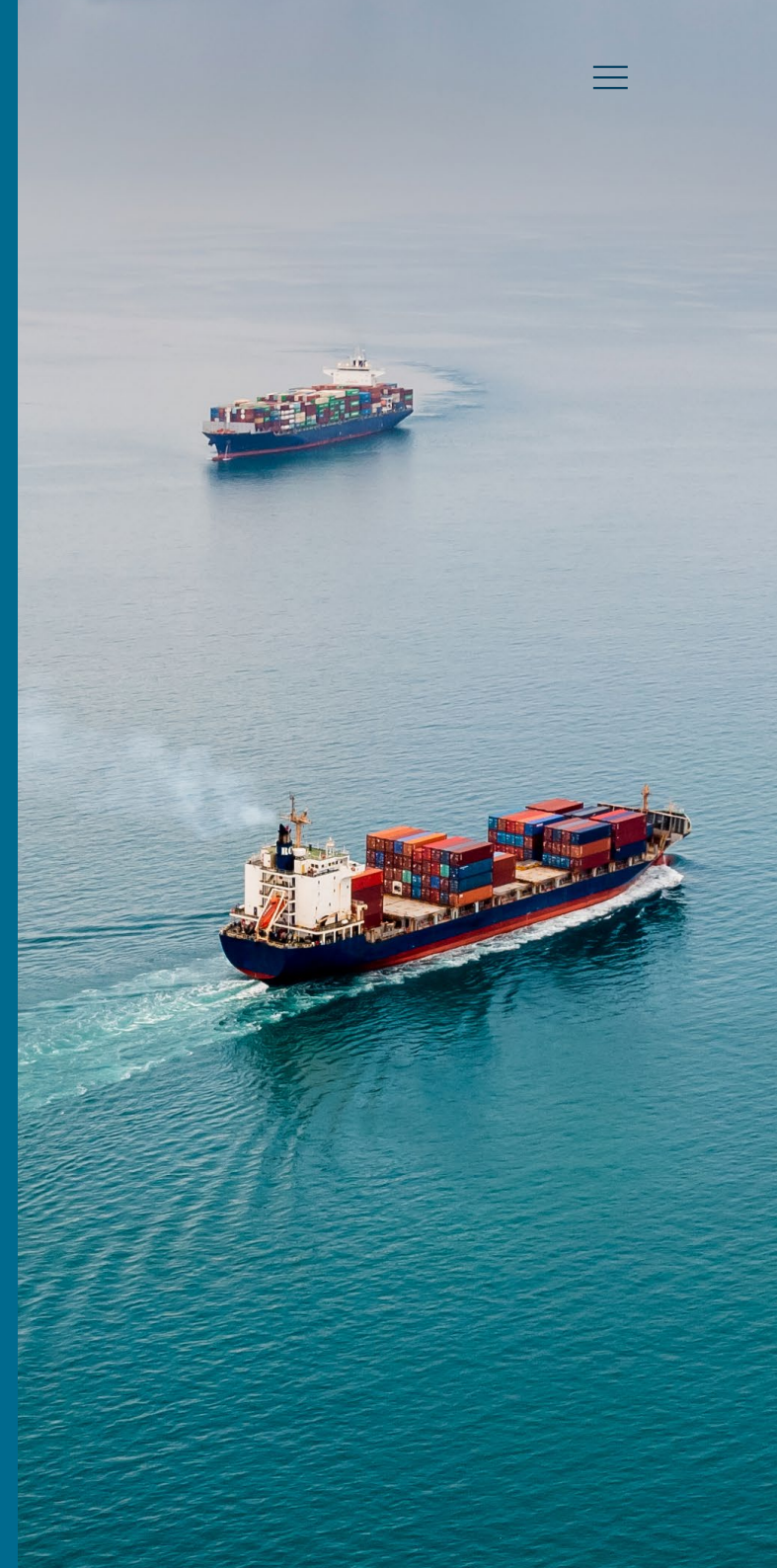
The USD/DKK exchange rate of 6.37 as at 30 June 2025 was 11% lower than the USD/DKK exchange rate of 7.14 as at 31 December 2024, which, all else being equal, reduced loan impairment charges in the first half of 2025 by DKK 41 million.

Events since the balance sheet date

No events occurred in the period up to the presentation of the Interim Report 2025 which materially affect the financial position of Danish Ship Finance A/S.

Outlook for the second half of 2025

In the first half of 2025, global markets had to contend with successive waves of trade policy and tariff announcements, the introduction of new US port fees, and other uncertainties. The uncertain environment led some of our clients to pause planned investments, reducing their need for loan financing. Reduced loan demand, compounded by fiercely competitive lending margins, and a sharp fall in



the USDDKK exchange rate meant that loan growth in the first half of 2025, measured in DKK, was less than expected although the loan book grew marginally in USD terms.

In all other respects, our business navigated the challenges well. The earnings effects of the depreciation in the USDDKK exchange rate were substantially offset by currency hedging, and lower loan margins were partially compensated by a reduction in funding costs. The healthy performance of our investment activities contributed positively to the result for the first half of the year.

Nevertheless, a lower than expected volume of lending in the first half of 2025 and one-off charges related to the CEO succession announced in June 2025 and the new domicile at Langebrogade 5, impact the financial outlook for the year. Net interest income is also lower than expectations. We hence revise our net profit guidance for Danish Ship Finance for the full-year 2025 to between DKK 225 million and DKK 325 million. In our latest Annual Report, we guided for net profit for 2025 of between DKK 325 million and DKK 375 million.

Full-year net profit may come in at the high end of the guidance range if new lending activity accelerates in the coming months, there are no further impairment charges, and financial market sentiment does not materially deteriorate. Improved lending margins in the second half of 2025 would have a positive effect principally in 2026 and onwards.

Our business outlook remains underpinned

by the current shipping environment and solid credit quality. In the box on the right, we outline the principal risks and sensitivities to our outlook.

The outlook for most major shipping segments remains subdued although we do not see that having an adverse impact on the credit quality of our loan book in the short term. Higher tariffs, geopolitical tensions and growing political uncertainty continue to weigh on the outlook for seaborne demand. Meanwhile, four years of elevated earnings have spurred a surge in orders for new vessels, many of which are scheduled for delivery in the coming years. Vessel supply is projected to outpace demand, placing downward pressure on freight rates and secondhand prices – both of which have begun to normalise already this year. Supply growth may be partially offset by stricter environmental regulations in the shipping industry.

We are well able to support our clients and grow the loan book. Our business remains highly capitalised, with a robust CET1 ratio of 24.7%, which comfortably exceeds regulatory requirements. A substantial amount of pre-funding is already in place, giving us confidence that we will be able to lend to our clients when required.

We remain comfortable about the prospects for Danish Ship Finance in the second half of 2025 and beyond and believe that our strategy gives Danish Ship Finance the ability to grow, develop and prosper in a long-term sustainable manner.

RISKS TO THE FULL-YEAR OUTLOOK

The business outlook remains subject to market factors and elements beyond our direct control.

Uncertainties related to global politics, conflicts, epidemics, macroeconomics and global trade may impact shipping markets. Unexpected credit or market events could lead to negative credit performance and may cause a reassessment of the business outlook.

A dramatic escalation of tariff and trade disputes, sharply increased geopolitical tensions, large-scale regional conflict, or a degradation into recessionary economic and financial conditions in major economies could all challenge our expectations for the second half of 2025.

Forecast loan volumes and income from lending remain subject to clients' need for secured financing. Temporary periods of supra-normal profits in key shipping segments may lower loan demand, although any impact on current-year net profit is likely to be relatively muted. Loan demand measured

in DKK is also subject to fluctuations in currency rates. A further deterioration in the USD exchange rate against the DKK would be partially offset by existing currency hedging, although it could impact financial performance in coming years, depending on the development in the loan book in DKK terms.

Adverse conditions in financial markets, in particular Danish and European primary and secondary bond markets, and interest rate and foreign exchange markets, may affect financial performance. Our mostly AAA-rated investment portfolio is exposed to temporary mark-to-market losses in adverse financial market conditions. A significant deterioration of fixed income market conditions could put at risk our expectations for the remainder of the year and business outlook.



Statement *by Management*

The Board of Directors and the Executive Board have today considered and approved the Interim Report of Danish Ship Finance A/S for the period 1 January - 30 June 2025.

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

In our opinion, the interim financial statements give a true and fair view of the company's assets, liabilities and financial position as at 30 June 2025 and the results of the company's activities for the period 1 January - 30 June 2025.

Further, in our opinion, the Management's Report contains a fair review of developments in the activities and financial position of the company and describes the significant risks and uncertainty factors that may affect the company.

Copenhagen, 26 August 2025

Executive Board

Erik Ingvar Lassen
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

Henriette Søgaard Fabricius

Povl Christian Lütken Frigast

Thor Jørgen Guttormsen

Andreas Hertz-Poulsen

Jacob Balslev Meldgaard

Christopher Rex

Income statement

NOTE	DKK million	H1 2025	H1 2024	FY 2024
	Interest income	3,077	4,321	8,284
	Interest expenses	(2,843)	(4,097)	(7,824)
	Net interest income ¹	234	224	460
	Fee and commission income	9	10	21
	Net interest and fee income	243	234	481
4	Market value adjustments	83	113	141
	Staff costs and administrative expenses	(129)	(96)	(196)
	Depreciation and impairment of property, plant and equipment	(21)	(1)	(20)
7	Loan impairment charges	5	106	147
	Profit before tax	181	357	553
	Tax	(47)	(98)	(139)
	Net profit for the period	134	259	414
	Comprehensive income for the period	134	259	414

1) A DKK 0.0 million component of interest income reflects negative interest rates in the 1st half of 2025 (first half of 2024: DKK 0.0 million) and a DKK 0.0 million component of interest expenses reflect negative interest rates in the first half of 2025 (first half of 2024: DKK 0.1 million).

Balance sheet

NOTE	DKK million	At 30 Jun 2025	At 30 Jun 2024	At 31 Dec 2024
ASSETS				
	Due from credit institutions and central banks	2,350	1,026	4,572
5,6	Loans and other receivables at amortised cost	24,907	32,775	26,723
	Bonds at fair value	34,365	21,195	24,311
	Bonds at amortised cost	-	4,323	-
	Shares, etc.	1	0	0
	Land and buildings			
	Domicile properties	464	449	439
	Other tangible assets	6	7	7
	Current tax assets	181	133	66
	Deferred tax assets	-	25	-
	Other assets	2,498	2,811	2,184
	Total assets	64,772	62,743	58,302
LIABILITIES AND EQUITY				
Liabilities				
	Due to credit institutions and central banks	14,945	5,612	7,837
9	Issued bonds at amortised cost	37,917	43,183	38,843
	Current tax liabilities	-	-	-
	Deferred tax liabilities	47	-	20
	Other liabilities	2,655	3,312	2,264
	Total liabilities	55,564	52,107	48,965

NOTE	DKK million	At 30 Jun 2025	At 30 Jun 2024	At 31 Dec 2024
Provisions				
	Other provisions	93	41	68
	Total provisions	93	41	68
Additional Tier 2 capital				
		-	2,000	-
10	Equity			
	Share capital	333	333	333
	Tied-up reserve capital	8,343	8,343	8,343
	Revaluation reserves	70	70	70
	Retained earnings	369	(152)	235
	Proposed dividends for the financial period	-	-	288
	Total equity	9,115	8,594	9,269
	Total liabilities and equity	64,772	62,743	58,302
Off-balance sheet items				
	Other contingent liabilities	3,181	3,224	3,798
	Total off-balance sheet items	3,181	3,224	3,798

Statement of changes in equity

DKK million	Share capital	Tied-up reserve capital	Revaluation reserves	Retained earnings	Proposed dividend	Total
Equity as at 1 January 2024	333	8,343	70	(408)	92	8,430
Dividends paid for the financial year 2023	-	-	-	-	(92)	(92)
Comprehensive income	-	-	-	259	-	259
Purchase and sale of own shares	-	-	-	(2)	-	(2)
Equity as at 30 June 2024	333	8,343	70	(152)	-	8,594
Conversion Tier 2 capital incl. interest	-	-	-	2,166	-	2,166
Extraordinary dividends paid	-	-	-	(1,649)	-	(1,649)
Comprehensive income	-	-	-	(132)	288	156
Purchase and sale of own shares	-	-	-	2	-	2
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	-	-	-	134	-	134
Equity as at 30 June 2025	333	8,343	70	369	0	9,115

The Danish Maritime Fund has a right to receive 15% of the Net profit for the financial year in mandatory preferred dividend, which can however amount to no more than 1% of the tied-up reserve capital in Danish Ship Finance A/S. The mandatory dividend is proposed at year end based on the Net profit.

List of notes

- 1 Accounting policies
- 2 Key figures and key ratios
- 3 Reconciliation of business areas
- 4 Market value adjustments
- 5 Loans at amortised cost
- 6 Non-performing loans
- 7 Loan impairment charges
- 8 Credit risk
- 9 Issued bonds at amortised cost
- 10 Equity
- 11 Capital adequacy
- 12 Related parties
- 13 Supplementary notes without reference

NOTE 1 ACCOUNTING POLICIES

The Interim Report has been prepared in accordance with the Danish Financial Business Act, including the Danish FSA's Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc. (Executive Order on Financial Reports).

The interim financial statements are presented in Danish kroner (DKK), which is the functional currency of DSF and rounded to nearest million, unless otherwise stated.

The accounting policies are unchanged from the policies applied in the Annual Report 2024. Note 1 in the Annual Report 2024 provides a detailed description of the accounting policies, including the definitions of the ratios used, which are calculated in accordance with the definitions laid down in the Executive Order on Financial Reports.

The preparation of the interim financial statements is based on Management's estimates and judgments of future events that may significantly affect the carrying amounts of assets and liabilities. As was the case in the Annual Report 2024, the amounts most influenced by critical estimates in the Interim Report are the fair value of financial instruments as well as measurement and impairment of loans.

DKK million	H1 2025	H1 2024	FY 2024
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NOTE 2 KEY FIGURES

Net interest income from lending	104	220	351
Net interest income from investment activities excl. interest Tier 2 capital	130	131	244
Net interest income from investment activities	130	4	109
Total net interest income*	234	224	460
Net interest and fee income*	243	234	481
Market value adjustments	83	113	141
Staff costs and administrative expenses*	(129)	(96)	(196)
Loan impairment charges	5	106	147
Profit before tax*	181	357	553
Net profit for the period*	134	259	414
Loans and other receivables at amortised cost	24,907	32,775	26,723
Bonds	34,365	25,517	24,311
Additional Tier 2 capital	-	2,000	-
Total equity*	9,115	8,594	9,269
Total assets*	64,772	62,743	58,302

DKK million	H1 2025	H1 2024	FY 2024
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NOTE 2 KEY RATIOS
CONTINUED

Common Equity Tier 1 capital ratio (%)*	24.7	19.9	23.6
Tier 1 capital ratio (%)*	24.7	19.9	23.6
Total capital ratio (%)*	24.7	24.6	23.6
Return on equity before tax (%) ^{1*}	2.0	4.2	6.2
Return on equity after tax (%) ^{1*}	1.5	3.0	4.7
Income/cost ratio (including loan impairment charges)*	2.3	(37.0)	9.1
Income/cost ratio (excluding loan impairment charges)*	2.2	3.6	2.9
Foreign exchange position (%)	5.0	4.8	4.0
Gearing of loans	2.7	3.8	2.9
Growth in lending for the period (%)	(6.8)	5.1	(14.3)
Loan impairment ratio for the period (%)	(0.0)	(0.3)	(0.5)
ECL allowance account, loans as a % of loan book	1.8	1.8	1.9
Rate of return on assets (%)*	0.2	0.4	0.7

*) Comparative figures have been restated following the merger of DSH and DSF in July 2024.

1) Return on equity is calculated as profit for the period as a percentage of average equity hence biannual ratio is not comparable to annual ratio.

The key ratios are calculated in accordance with Appendix 5 of the Danish FSA's Executive Order on Financial Reports.

H1 2025

DKK million

NOTE 3 RECONCILIATION OF BUSINESS AREAS

Business areas		Net interest income, lending	Net interest income, investment activities	Fees and commission	Market value adjustments	Other operating income	Staff costs and adm. expenses	Dep. and imp. of property, plant and equipment	Loan impairment charges	Profit before tax
Income										
Lending										
Net interest income	147	147								
Net fees and commission	9			9						
Funding										
Funding costs not covered	(21)	(22)			1					
Warehousing	(35)	(34)			0					
Non-business activities	6	13			(7)					
Investments										
Net interest income	130		130							
MV adjustments	89				89					
Total income	326	104	130	9	83	-	-	-	-	-
Staff costs and adm. expenses	(149)						(129)	(21)		
Loan impairment charges before reclassification of interest	5								5	
Profit before tax	181									181
Total		104	130	9	83	-	(129)	(21)	5	181

H1 2024

DKK million

NOTE 3 RECONCILIATION OF BUSINESS AREAS
CONTINUED

Business areas		Net interest income, lending	Net interest income, investment activities	Fees and commission	Market value adjustments	Other operating income	Staff costs and adm. expenses	Dep. and imp. of property, plant and equipment	Loan impairment charges	Profit before tax
Income										
Lending										
Net interest income	198	198							0	
Net fees and commission	10			10						
Funding										
Funding costs not covered	(2)	(8)			7					
Warehousing	(19)	(28)			9					
Non-business activities	51	58			(7)					
Investments										
Net interest income	131		131							
MV adjustments	104				104					
Interest additional Tier 2 capital	(127)		(127)							
Total income	348	220	4	10	113	-	-	-	0	-
Staff costs and adm. expenses	(97)						(96)	(1)		
Loan impairment charges before reclassification of interest	106								106	
Profit before tax	357									357
Total		220	4	10	113	-	(96)	(1)	106	357

FY 2024

DKK million

NOTE 3 RECONCILIATION OF BUSINESS AREAS
CONTINUED

Business areas		Net interest income, lending	Net interest income, investment activities	Fees and commission	Market value adjustments	Other operating income	Staff costs and adm. expenses	Dep. and imp. of property, plant and equipment	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 adm. 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

DKK million	H1 2025	H1 2024	FY 2024
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NOTE 4 MARKET VALUE ADJUSTMENTS

Market value adjustment of bonds at fair value	105	(6)	172
Market value adjustment of shares	0	(2)	(2)
Exchange rate adjustments	13	1	(2)
Market value adjustment of derivatives	(36)	120	(28)
Total market value adjustments	83	113	141

DKK million	At 30 Jun 2025	At 30 Jun 2024	At 31 Dec 2024
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NOTE 5 LOANS AT AMORTISED COST

As at 1 January	26,723	31,187	31,187
Additions	3,710	3,766	5,751
Ordinary repayments and redemptions	(2,320)	(2,175)	(4,843)
Extraordinary repayments	(655)	(1,119)	(7,006)
Net change concerning revolving credit facilities	377	109	55
Exchange rate adjustment of loans	(2,959)	967	1,451
Change in amortised cost	0	12	36
Depreciation, amortisation and impairment	30	26	92
At the end of the period	24,907	32,775	26,723

Gross loans at exchange rates at the balance sheet date	25,410	33,373	27,256
Accumulated loan impairment charges	(503)	(598)	(533)
Total loans	24,907	32,775	26,723

Total loans

Loans at fair value	25,415	33,018	27,092
Loans at amortised cost	24,907	32,775	26,723

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

DKK million	At 30 Jun 2025	At 30 Jun 2024	At 31 Dec 2024
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NOTE 6 NON-PERFORMING LOANS**Impaired loans (DSF Rating 11)**

Loans subject to forbearance or otherwise impaired, gross	-	643	190
Accumulated loan impairment charges	-	(276)	(30)
Impaired loans, net	-	367	160

Defaulted loans (DSF Rating 12)

Loans in default, gross	-	-	-
Accumulated loan impairment charges	-	-	-
Defaulted loans, net	-	-	-

Non-performing loans, gross (NPL)	-	643	190
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Non-performing loans, net (net NPL)	-	367	160
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NPL ratio	-	1.9%	0.7%
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Net NPL ratio	-	1.1%	0.6%
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NPL ratio definition: NPL divided by loan book.

Net NPL ratio definition: Net NPL divided by loan book after loan impairment charges.

Note 8 provides detailed information on loan-to-value intervals for the total loan book and for non-performing loans.

DKK million	At 30 Jun 2025	At 30 Jun 2024	At 31 Dec 2024
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NOTE 7 LOAN IMPAIRMENT CHARGES**The following loan impairment charges/loss allowances were made on loans/credit commitments**

Accumulated loan impairment charges	303	523	333
Accumulated loss allowances for credit commitments	93	41	68
Management overlays	200	75	200
Total	596	639	601

ECL allowance account, loans as a % of the loan book	1.8	1.8	1.9
Total	1.8	1.8	1.9

Reconciliation of total allowance account

As at 1 January	601	672	672
New loan impairment charges/loss allowance/management overlays	127	137	287
Reversal of loan impairment charges/loss allowance/management overlays	(132)	(170)	(358)
Gross write-offs debited to the allowance account	-	-	-
Total	596	639	601

Loan impairment charges for the period

New loan impairment charges/loss allowance/management overlays	(127)	(137)	(287)
Reversal of loan impairment charges/loss allowance/management overlays	132	170	358
Reclassification of interest	-	0	0
Recovery on loans previously written off	-	73	76
Loan impairment charges	5	106	147

DKK million	At 30 Jun 2025	At 30 Jun 2024	At 31 Dec 2024
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NOTE 8 CREDIT RISK**Reconciliation of loans and guarantees (loan book)**

Balance sheet

Loans at amortised cost	24,907	32,775	26,723
Other receivables	133	156	133
Accumulated loan impairment charges/ management overlays	503	598	533
Total balance sheet items	25,543	33,529	27,388
Total loans and guarantees	25,543	33,529	27,388

Reconciliation of other contingent liabilities

Credit commitments	3,181	3,224	3,798
Total other contingent liabilities	3,181	3,224	3,798

Reconciliation of financial exposure

Due from credit institutions and central banks	2,350	1,026	4,572
Bonds	34,365	25,517	24,311
Shares, etc.	1	0	0
Derivatives	2,301	2,301	1,715
Total financial exposure	39,017	28,844	30,598
Total credit risk from loans, credit commitments and financial exposures	67,741	65,596	61,785

**NOTE 8 RATING CATEGORY BREAKDOWN
CONTINUED**

The 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 30 Jun 2025	Loans and guarantees 30 Jun 2024	Loans and guarantees 31 Dec 2024
1 - 2	-	-	-
3 - 4	719	6,238	257
5 - 6	12,739	15,037	14,163
7 - 8	11,922	11,611	12,778
9 - 10	162	-	-
11 (impaired)	-	643	190
12 (default)	-	-	-
Total	25,543	33,529	27,388

DKK million

NOTE 8 STAGES FOR CHANGES IN CREDIT RISK
CONTINUED

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

DSF Rating	Stage 1	Stage 2	Stage 3	Loans and guarantees 30 Jun 2025
1	-	-	-	-
2	-	-	-	-
3	-	-	-	-
4	719	-	-	719
5	4,245	-	-	4,245
6	8,494	-	-	8,494
7	10,657	-	-	10,657
8	1,266	-	-	1,266
9	-	-	-	-
10	-	162	-	162
11 (impaired)	-	-	-	-
12 (default)	-	-	-	-
Total	25,380	162	-	25,543

DKK million

NOTE 8 STAGES FOR CHANGES IN CREDIT RISK
CONTINUED

Credit commitments broken down by rating category and stage

DSF Rating	Stage 1	Stage 2	Stage 3	Credit commitments 30 Jun 2025
1	-	-	-	-
2	-	-	-	-
3	-	-	-	-
4	-	-	-	-
5	56	-	-	56
6	1,258	-	-	1,258
7	1,599	-	-	1,599
8	268	-	-	268
9	-	-	-	-
10	-	-	-	-
11 (impaired)	-	-	-	-
12 (default)	-	-	-	-
Total	3,181	-	-	3,181

DKK million

NOTE 8 STAGES FOR CHANGES IN CREDIT RISK
CONTINUED

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

DSF Rating	Stage 1	Stage 2	Stage 3	Loans and guarantees 30 Jun 2024
1	-	-	-	-
2	-	-	-	-
3	2,073	-	-	2,073
4	4,165	-	-	4,165
5	6,046	-	-	6,046
6	8,991	-	-	8,991
7	10,017	-	-	10,017
8	1,594	-	-	1,594
9	-	-	-	-
10	-	-	-	-
11 (impaired)	-	-	643	643
12 (default)	-	-	-	-
Total	32,887	-	643	33,529

DKK million

NOTE 8 STAGES FOR CHANGES IN CREDIT RISK
CONTINUED

Credit commitments broken down by rating category and stage

DSF Rating	Stage 1	Stage 2	Stage 3	Credit commitments 30 Jun 2024
1	-	-	-	-
2	-	-	-	-
3	-	-	-	-
4	-	-	-	-
5	-	-	-	-
6	1,102	-	-	1,102
7	2,086	-	-	2,086
8	35	-	-	35
9	-	-	-	-
10	-	-	-	-
11 (impaired)	-	-	-	-
12 (default)	-	-	-	-
Total	3,224	-	-	3,224

DKK million

NOTE 8 STAGES FOR CHANGES IN CREDIT RISK
CONTINUED

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

DSF Rating	Stage 1	Stage 2	Stage 3	Loans and guarantees 31 Dec 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 8 STAGES FOR CHANGES IN CREDIT RISK
CONTINUED

Credit commitments broken down by rating category and stage

DSF Rating	Stage 1	Stage 2	Stage 3	Credit commitments 31 Dec 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 8 STAGES FOR CHANGES IN CREDIT RISK
CONTINUED

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	-	-	-	-
Transferred to Stage 2 during the period	-	30	(30)	-
Transferred to Stage 3 during the period	-	-	-	-
New loan impairment charges/loss allowance/management overlays	127	-	-	127
Reversal of loan impairment charges/loss allowance/management overlays	(123)	(9)	-	(132)
Gross write-offs for the period	-	-	-	-
Total ECL allowance account as at 30 June 2025	575	21	-	596
Of which:				
- Accumulated loan impairment charges	282	21	-	303
- Accumulated loss allowances for credit commitments	93	-	-	93
- Management overlays	200	-	-	200
<i>against loans</i>	<i>168</i>	<i>-</i>	<i>-</i>	<i>168</i>
<i>against credit commitments</i>	<i>32</i>	<i>-</i>	<i>-</i>	<i>32</i>
Of which:				
- Management judgments	-	15	-	15

DKK million

NOTE 8 STAGES FOR CHANGES IN CREDIT RISK
CONTINUED

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	-	-	-	-
Transferred to Stage 2 during the period	-	-	-	-
Transferred to Stage 3 during the period	-	-	-	-
New loan impairment charges/loss allowances	137	-	-	137
Reversal of loan impairment charges/loss allowances	(40)	-	(130)	(170)
Gross write-offs for the period	-	-	-	-
Total ECL allowance account as at 30 June 2024	363	-	276	639
Of which:				
- Accumulated loan impairment charges	322	-	276	598
- Accumulated loss allowances for credit commitments	41	-	-	41
- Management overlays	75	-	-	75
<i>against loans</i>	<i>75</i>	<i>-</i>	<i>-</i>	<i>75</i>
<i>against credit commitments</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Of which:				
- Management judgments	-	-	25	25

DKK million

NOTE 8 STAGES FOR CHANGES IN CREDIT RISK
CONTINUED

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 loan impairment charges/loss allowances	287	-	-	287
Reversal of loan impairment charges/loss allowances	(324)	-	(34)	(358)
Gross write-offs for the period	-	-	-	-
Total ECL allowance account as at 31 December 2024	571	-	30	601
Of which:				
- Accumulated loan impairment charges	303	-	30	333
- Accumulated loss allowances for credit commitments	68	-	-	68
- Management overlays	200	-	-	200
<i>against loans</i>	<i>177</i>	<i>-</i>	<i>-</i>	<i>177</i>
<i>against credit commitments</i>	<i>23</i>	<i>-</i>	<i>-</i>	<i>23</i>

Of which:

- Management judgments	-	-	25	25
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DKK million

NOTE 8 CONTINUED 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 and/or is showing significant signs of weakness. 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 2024 provides more detailed information.

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 line mortgage on vessels, assignment in respect of each vessel's primary insurances and, where relevant, supplementary collateral.

The USD market value of mortgaged vessels decreased by 8.2% on average in the first half of 2025.

NOTE 8 Loan book after loan impairment charges broken down
CONTINUED by loan-to-value interval

Loan-to-value interval	Share of loans 30 Jun 2025	Share of loans 30 Jun 2024	Share of loans 31 Dec 2024
0 - 20 %	53%	56%	59%
20 - 40 %	37%	37%	36%
40 - 60 %	10%	6%	6%
60 - 80 %	0%	0%	0%
80 - 90 %	0%	0%	0%
90 - 100 %	0%	0%	0%
Over 100 %	0%	0%	0%

The table above shows that as at 30 June 2025, 100% (31 December 2024: 100%) of all loans were secured within 60% of the market value of the mortgage, and 90% (31 December 2024: 94%) of all loans were within 40% of the market value of the mortgage.

The weighted loan-to-value ratio on the loan book after loan impairment charges was 41% (31 December 2024: 37%).

NOTE 8 Non-performing loans after loan impairment charges broken down
CONTINUED by loan-to-value interval

Loan-to-value interval	Share of loans 30 Jun 2025	Share of loans 30 Jun 2024	Share of loans 31 Dec 2024
0 - 20 %	-	69%	72%
20 - 40 %	-	31%	28%
40 - 60 %	-	0%	0%
60 - 80 %	-	0%	0%
80 - 90 %	-	0%	0%
90 - 100 %	-	0%	0%
Over 100 %	-	0%	0%

As at 30 June 2025 there were none non-performing loans. As at 31 December 2024 100% of non-performing loans were secured within 60% of the market

As at 31 December 2024 the weighted average loan-to-value ratio for non-performing loans after loan impairment charges was 28%.

DKK million	At 30 Jun 2025	At 30 Jun 2024	At 31 Dec 2024
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NOTE 9 ISSUED BONDS AT AMORTISED COST

As at 1 January	38,843	43,595	43,595
Additions in connection with pre-issuance	4,516	3,955	6,730
Amortisation of cost	47	76	148
Adjustment for hedge accounting	190	(302)	(98)
Exchange rate adjustment	(0)	5	8
Own bonds	338	22	466
Ordinary and extraordinary redemptions	(6,018)	(4,168)	(12,007)
At the end of the period	37,917	43,183	38,843

Specification of issued bonds**Bonds issued in DKK**

Bullet bonds	28,667	35,036	30,049
Total Danish bonds	28,667	35,036	30,049

Bonds issued in foreign currency

Bullet bonds	11,191	10,859	11,073
Total bonds issued in foreign currency	11,191	10,859	11,073

Own bonds	(1,941)	(2,711)	(2,278)
Total issued bonds	37,917	43,183	38,843

DKK million	At 30 Jun 2025	At 30 Jun 2024	At 31 Dec 2024
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NOTE 10 EQUITY**Share capital**

A shares	300	300	300
B shares	33	33	33
Total share capital	333	333	333
Tied-up reserve capital	8,343	8,343	8,343
Revaluation reserves	70	70	70
Retained earnings	369	(152)	235
Proposed dividends for the financial year	-	-	288
Total equity	9,115	8,594	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, and each B share of DKK 1.00 entitles the holder to 1 vote.

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.

The tied-up reserve capital may be used only to cover losses which cannot be covered by amounts available for dividend distribution. The tied-up reserve capital must as far as possible be restored by advance transfer of profit for the year, if, in prior years, it was wholly or partly used to cover losses. Hence, no dividends may be paid and no distributions may be made in connection with capital reductions until the tied-up reserve capital has been restored to the same nominal amount as the undistributable reserve was before being used wholly or partly to cover losses.

DKK million	At 30 Jun 2025	At 30 Jun 2024	At 31 Dec 2024
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NOTE 11 CAPITAL ADEQUACY**Common Equity Tier 1 capital**

Share capital - A shares	300	300	300
Share capital - B shares	33	33	33
Tied-up reserve capital	8,343	8,343	8,343
Retained earnings ¹	369	(152)	235
Proposed dividends for the financial period	-	-	288
Revaluation reserves	70	70	70
Total Common Equity Tier 1 capital before deductions	9,115	8,594	9,269

Deductions from Common Equity Tier 1 capital

Proposed dividends for the financial period	-	-	288
Retained earnings ¹	134	-	-
Additional capital charge pursuant to the Executive Order on a Ship Finance Institute	-	-	-
Prudent valuation pursuant to article 105 of the CRR	41	35	34
Deductions for NPE loss coverage	-	82	-
Deductions pursuant to transitional rules regarding B share capital	33	33	33
Total deductions from Common Equity Tier 1 capital	209	151	355
Common Equity Tier 1 capital after deductions	8,907	8,444	8,914
Additional Tier 2 capital	-	2,000	-
Own funds after deductions	8,907	10,444	8,914

DKK million	At 30 Jun 2025	At 30 Jun 2024	At 31 Dec 2024
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**NOTE 11
CONTINUED****Risk exposure amount**

Assets outside the trading book	25,082	33,175	27,055
Off-balance sheet items	1,590	1,512	1,899
Counterparty risk outside the trading book	2,343	2,982	3,165
Market risk	5,334	3,729	4,567
Operational risk	1,779	1,050	1,154
Total risk exposure amount	36,128	42,448	37,840

Common Equity Tier 1 capital ratio	24.7	19.9	23.6
Tier 1 capital ratio	24.7	19.9	23.6
Total capital ratio	24.7	24.6	23.6

The risk exposure amount for market risk consists of:

Position risk related to debt instruments	4,893	3,323	4,210
Total currency position	441	406	357
Total risk-weighted exposure amount for market risk	5,334	3,729	4,567

1) Danish Ship Finance A/S has opted not to apply the Danish FSA for approval to recognise the net profit in the CET1 capital for the first half of 2025. The net profit was recognised in the CET1 capital for the comparative periods.

NOTE 12 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.

Related-party transactions concerning loans and loan offers as at 30 June 2025 totalled a nominal amount of DKK 1,629 million (as at 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.

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.

NOTE 13 SUPPLEMENTARY NOTES WITHOUT REFERENCE

Reference is made to the description of financial risk and policies for financial risk management provided in the risk management sections in the Annual Report 2024, as no significant changes are deemed to have occurred as at 30 June 2025.



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