

Magellan Capital Holdings PLC

Registered in England and Wales No. 15038401

Annual Report

For the year ended 31 December 2025



Magellan Capital Holdings PLC
Registered Number: 15038401
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For the year ended 31 December 2025

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Magellan Capital Holdings PLC
Registered Number: 15038401
Company Information
For the year ended 31 December 2025

Directors

Ahmed Omar
Omar Elali

Registered Office

4th Floor
3 More London Riverside
London
SE1 2AQ
United Kingdom

Registered Number

15038401 (England and Wales)

Company Secretary

Richard Ernest

Independent Auditors

Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast
BT2 7DT
United Kingdom

Principal Bankers

Barclays Bank PLC
London Branch
1 Churchill Place
Canary Wharf
London
E14 5HP
United Kingdom

Citibank, N.A. London
Citigroup Centre
Canada Square, Canary Wharf
London
E14 5LB
United Kingdom

Danske Bank A/S
Holmens Kanal
2-12, DK-1092
Copenhagen
Denmark

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Company Information - Continued
For the year ended 31 December 2025

Principal Bankers (Continued)

Arab Banking Corporation
P. O. Box 5698
Manama – Kingdom of Bahrain

HSBC Bank plc
Level 30, 8 Canada Square, Canary Wharf
London, E14 5HQ

Magellan Capital Holdings PLC
Registered Number: 15038401
Strategic Report
For the year ended 31 December 2025

The directors present their strategic report on the affairs of Magellan Capital Holdings PLC (the "Company") and its subsidiary undertakings (together the "Group"), for the year ended 31 December 2025.

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Results and performance

The results for the financial year are set out on pages 24 and 25. The Group generated a pre-tax profit of £56.0 million (2024: £594.9 million). The results for 2024 might not be comparable to those of 2025 because the year's results were significantly impacted by the acquisition of Danish Ship Finance A/S on 10 July 2024, which resulted in the recognition of a £659.9 million acquisition gain and business acquisition-related costs of £6.0 million. The remaining change in pre-tax profit was mainly attributable to a £63.3 million loan impairment charge recognised through profit or loss on the full portfolio of loans acquired through this business combination, as well as the prior year's weakening of the Danish Krone against other currencies.

Net assets stood at £777.7 million (2024: £700.9 million) at the end of the financial year.

The directors consider that the Group's financial position at the end of the financial year is adequate.

Review of the business

Magellan Capital Holdings PLC (the "Company") is a public entity, though its shares are not listed or publicly traded. It operates primarily as a holding company, established with the purpose of raising capital through the issuance of share capital, equity funding, and various loan arrangements to support its holding activities.

The Group is a dedicated provider of financing to reputable shipowners. The Group is focused on supporting the shipping industry in its transition towards net zero emissions while maintaining high credit quality and generating attractive returns for its shareholder.

The Group entered into the following significant transactions during the current financial year:

On 3 January 2025, the Group paid its first bond coupon totalling £12.1 million (equivalent to \$15.1 million at the settlement date). Further information is disclosed in Note 22(b).

On 6 January 2025, the Group repaid the principal amount of Tranche B of £41.5 million (equivalent to €50.0 million at the settlement date), together with accrued interest of £0.2 million (equivalent to €0.2 million). This repayment concluded the settlement of the Bridge Loan (Tranches A and B). Further information is disclosed in Note 22(a).

On 11 March 2025, the Group's investment in a U.S. Treasury Bill (ISIN: US912797NQ65) matured at a redemption value of £5.9 million (equivalent to \$7.6 million at the maturity date), resulting in a capital gain on disposal of £0.1 million (equivalent to \$0.1 million). Further details are disclosed in Note 17.

On 18 March 2025, the Group invested in U.S. Treasury Notes (ISIN: US91282CMP31) for a total consideration of £8.8 million (equivalent to \$7.5 million at the investment date). Further information is disclosed in Note 17.

On 21 March 2025, the Group disposed of the drawn portion of the subordinated notes issued by Coller Credit Backed Loans & Notes II Ltd, with a carrying value of £4.5 million (equivalent to \$5.8 million), to Magellan Investments Holding Limited (ADGM), a related party. Further details are disclosed in Note 17.

On 3 July 2025, the Group paid its second bond coupon totalling £11.4 million (equivalent to \$15.1 million at the settlement date). Further information is disclosed in Note 22(b).

Review of the business - continued

On 14 November 2024, the Company invested in a U.S. Treasury Bill (T-Bill) (ISIN: US912797NA14) for a total consideration of £5.9 million (equivalent to \$7.7 million at the investment date). The T-Bill matured on 30 October 2025 at a redemption value of £6.1 million (equivalent to \$8.0 million), resulting in a capital gain of £0.2 million (equivalent to \$0.3 million). Further details are disclosed in Note 17.

On 17 December 2025, the Company invested in U.S. Treasury Notes (ISIN: US91282CPL99) for a total consideration of £6.6 million (equivalent to \$8.9 million at the investment date). Further information is disclosed in Note 17.

On 29 December 2025, the Company received £21.8 million (equivalent to \$29.3 million at the date of receipt) from HEA Investments (Cayman Islands), a related party, in settlement of intercompany balances.

Key performance indicators ("KPI's")

The key operational performance indicators for the Group are net interest income, profit before tax, and net income, as disclosed in the consolidated statement of profit or loss, and the net asset position, as disclosed in the consolidated statement of financial position. During the year, the Group's operating performance was in line with expectations.

The key financial performance indicators for the Group for the year ended 31 December 2025 are as follows:

- Net interest income: £138.6 million (2024: £72.6 million)
- Equity: £777.7 million (2024: £700.9 million)
- Profit before tax: £55.9 million (2024: £594.9 million)
- Net income: £36.1 million (2024: £602.9 million)
- Net interest and fee income margin*: 43.1% (2024: 44.3%)

* Calculated as net interest and fee income/(Interest revenue calculated using the effective interest method plus Other interest and similar income).

Future outlook

The Group's operations are not expected to change as a result of the current geopolitical issues; however, they had a negative impact on the Group's assessment of its credit risks with respect to loans issued. The Group reflected this increase in credit risks related to the current geopolitical issues in its assessment of management overlays adjustment to the expected credit loss provision. This adjustment resulted in an increase in the management overlays provision in 2025 by £1.4 million, or 0.12 percentage points of the total loans at amortised cost and credit commitments. Refer to note 13.

Financial instruments

The Group's financial assets comprise loans issued and other financial instruments such as reverse repurchase agreements, financial assets at fair value through profit or loss and derivative financial instruments. The Group's credit risk is primarily attributable to its loans issued. The credit risk related to other financial instruments is considered to be low due to short term nature of these financial instruments and high credit rating of counterparties. More details regarding credit risk are provided in note 13.

The Group's financial liabilities comprise mainly interest bearing loans, bonds issued at amortised cost, repurchase agreements and derivative financial instruments.

Principal risks and uncertainties

The Group continually monitors the risks and uncertainties that it faces by regular informal contact between the directors within the Group and other business partners. Set out below are the principal risks associated with the Group's activities, together with the policies agreed by the Boards for their management. See note 28 for more information.

Financial risk

Financial risk arises through the Group's holdings in financial assets and financial liabilities. The key financial risk is that proceeds from financial assets are insufficient to fund obligations arising from distributions to its shareholder as they fall due. The most important components of financial risk are: credit risk, interest rate risk, liquidity risk and foreign currency risk.

The Group adopts the Magellan Capital Holdings PLC group-wide Enterprise Risk Management framework which is tailored and used as a guide to measure, monitor and control all risks inherent in the business, including those relating to financial risk, by ensuring these remain within its risk appetite limits. This system establishes acceptable levels of measurable risks and ensures the sufficiency of equity in light of those risks.

Risk amounts in Danish Ship Finance A/S being the main operating subsidiary is monitored to ensure these are maintained within permissible ranges based on the Group's economic capital model and are reported to the Boards of Directors on a periodic basis within the monthly management accounts.

Risk exposures in Danish Ship Finance A/S, the main operating subsidiary, are monitored to ensure they remain within permissible ranges based on the Group's economic capital model and are reported to the Boards of Directors periodically through the monthly management accounts.

Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The principal risk faced by the Group is the possibility of incurring credit losses in situations where the value of financed vessels cannot cover the outstanding debt in the event of a client's default on a loan. The Group follows several predefined 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 Group has developed internal ratings to clients and reviewing them at least annually, or upon receipt of new information to allow it to monitor and control the risk.

The Group is also exposed to credit risk from cash and cash equivalents and other financial investments. The Group constantly monitors the solvency of contractual counterparties by the use of credit agency reports.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has the policy to mitigate this risk by entering into interest rate swap agreements to make sure that its net exposure to fluctuation in interest rates is minimal.

Management has a system of internal controls and procedures that are designed to mitigate such risks. For more information regarding interest rate risk refer to note 28.

Principal risks and uncertainties - continued

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities. The Group's policy and approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the reputation of the Group. The Magellan group utilises a rolling monthly cash flow forecasting and trading results analysis to constantly monitor the liquidity of all companies within the group.

The cash flow forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements (for example, currency restrictions).

In addition, the liquidity risk policy defines risk limits to ensure adequate liquidity at all times. Liquidity is managed with the objective of ensuring continued access to funding on adequate terms and to avoid any situation where lack of funding could challenge the business model. Ultimately, the aim of the liquidity management framework is to ensure that the Group is consistently able to meet our payment obligations even under stressed market conditions. Further analysis are disclosed in note 28 as per IFRS 7.39.

Foreign currency risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. In its subsidiaries the Group adopted the policy of entering into swap agreements to minimise net exposure to foreign exchange fluctuations.

The Company is exposed to fluctuations in the Danish Krone ("DKK") against the US dollar ("USD"), as its primary source of income is derived from a subsidiary with DKK as its functional currency, while its largest liability being bonds issued for subsidiary acquisition purposes is denominated in USD. The Group management is currently looking at the options (such as swaps or forwards) to reduce the above exposure. For more information regarding foreign currency risks refer to note 28.

Section 172 statement

The Directors consider that, both individually and collectively, they have acted in good faith in a way which would most likely promote the success of the Group for the benefit of the members as a whole, and in doing so have had a regard (amongst other matters) to factors in (a) to (f) as set out in s.172 (1) of the Companies Act 2006 for the decisions during the year ended 31 December 2025. In making this statement the Directors have considered the following matters:

Likely consequences of any decision in the long-term: the Board reviewed the Group's strategy, as disclosed in the Strategic Report, during the year and concluded that it remains appropriate to support the long-term success of the Group. Shorter term expectations in supporting that strategy are approved by the Board as part of the annual budgeting process, against which the performance of the Group is then monitored. Decisions taken during the year are made in the context of the Group's strategy in order to ensure that they are consistent with that strategy.

The interests of the Group's employees: Our employees are key to the success of the Group and recruiting, retaining and developing our team is one of the Group's most important priorities. The Group expects a high standard of integrity and accountability from its employees. In return, the Group rewards and incentivises its staff on the basis of merit, ability and performance. The Group is committed to promoting diversity and equal opportunities and is a supportive employer, providing training and development where required.

Section 172 statement - continued

The need to foster the Group's business relationships with suppliers, customers and others: We work closely with our customers to understand their evolving needs so we can improve and adapt to meet them. Our Group teams are dedicated to making sure we constantly refine what we do - making customers feel confident that we are delivering on our promises to them in everything we do. We maintain a strong customer relationship in order to anticipate and understand the future needs of our customers, building on our years of experience in providing the required solutions.

The need to foster the Group's business relationships with suppliers, customers and others: Supply chain integrity is a critical part of our business as we rely on our suppliers to help meet our customers' needs. We engage with our suppliers mainly via our procurement teams. The Group's suppliers are integral to the day-to-day operation of the Group. Relationships with suppliers are carefully managed to ensure that the Group is always obtaining value for money. The Group seeks to ensure that good relationships are maintained with suppliers through regular contact and the prompt payment of invoices.

The impact of the Group's operations on the community and the environment: Contributing positively to the wider society enables us to create stronger communities and have a positive environmental impact. The Group actively encourages its employees to participate in charitable projects and environmental initiatives (i.e. plastic free). Corporate social responsibility principles are part of our culture and decision-making process.

The desirability of the Group maintaining a reputation for high standards of business conduct: the Board regularly reviews and updates, where appropriate, its business conduct and ethics policies and ensures that these are communicated to relevant stakeholders.

The need to act fairly as between members of the Group: The Group always seeks to ensure that its communications are transparent and its actions are in accordance with the Group's stated strategic aims to promote the long-term success of the Group.

Approved and signed on behalf of the Board:



Ahmed Omar
Director
Date: 20 May 2026



Omar Elali
Director
Date: 20 May 2026

Magellan Capital Holdings PLC
Registered Number: 15038401
Directors' Report
For the year ended 31 December 2025

The directors present their annual report and audited financial statements of Magellan Capital Holdings PLC (the "Company") and its subsidiary undertakings (together the "Group"), for the year ended 31 December 2025.

Principal activities

The principal activity of the Group is in the ship financing business. The subsidiary undertakings principally affecting the profits or net assets of the Group in the year are listed in note 4 to the financial statements.

Directors and Secretary

The directors of the Company who held office throughout the financial year and up to the date of signing the financial statements, were as follows:

- Ahmed Omar
- Omar Elali

Richard Ernest continued to serve as Company Secretary throughout the year.

Going concern

In preparing the financial statements, the directors have considered the ability of the Company to continue as a going concern and continue to monitor the impact of the geopolitical challenges on its financial condition, liquidity, operations and workforce to inform their decisions for the assessment period to 30 June 2027.

The Group continues to demonstrate adaptability and resilience in the current macroeconomic environment, operating effectively, providing financing to reputable shipowners and meeting new client needs, whilst maintaining a healthy working capital position. The Group continues its period of planned growth, in line with its business plan and underpinned by a number of strategic growth areas, placing the Group in a strong financial position at 31 December 2025, with a high level of liquidity.

In the assessment of going concern, the Executive Board has considered the economic environment in the markets in which the Group operates, including prevailing macroeconomic conditions such as inflation, skills availability and the impact of geopolitical uncertainty (including the Iran conflict) on economic growth, and how the position might develop in future. The Executive Board's assessment includes planning appropriate responses for a range of possible scenarios. Under a stress test scenario determined by management assuming no dividends from its only operating subsidiary, it would still have sufficient cash and short-term investments to continue as a going concern for a period to 30 June 2027. Even under this stress test scenario, the Company would maintain comfortable liquidity headroom during the year under assessment. That is, even before modelling the mitigating effect of actions that management would take if these downside risks were to materialise. The Group's financial model shows that the position remains manageable in all scenarios with adequate levels of headroom being maintained even in the downside scenario.

The Directors have confirmed that there are no material uncertainties that cast doubt on the Group's going concern status and that they have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period to 30 June 2027. The consolidated financial statements have therefore been prepared on a going concern basis.

Political Donations and Charitable Contributions

The Company made no political or charitable donations during the year (2024: £nil).

Results

The results for the year are set out on pages 24 and 25. The directors do not recommend payment of a final dividend (2024: £nil).

Dividends paid and declared

During the year, no dividend was paid or proposed (2024: £nil).

Employees

Our employees are key to the success of the Group and recruiting, retaining and developing our team is one of the Group's most important priorities. The Group expects a high standard of integrity and accountability from its employees. In return, the Group rewards and incentivises its staff on the basis of merit, ability and performance.

The Group is committed to promoting diversity and equal opportunities and is a supportive employer, providing training and development where required.

Events after the balance sheet date

Since the reporting date, geopolitical tensions, including the escalation of conflict involving Iran, have adversely impacted the shipping industry. The Company has exposure through loans to shipping clients operating in affected regions. Management continues to assess the potential impact; however, based on the information currently available, they do not expect the impact on the financial statements to material.

Financial instruments

The financial risk management objectives and policies for the Group can be found within the Strategic Report.

Directors' indemnities

The Company has granted the directors with qualifying third-party indemnity provisions within the meaning given to the term by section 234 and 235 of the Companies Act 2006. This is in respect of liabilities to which they may become liable in their capacity as directors of the company. Such indemnities were in force throughout the financial year and will remain in force at the date of this report.

Issue of shares

The issued share capital of the Company for the year ended 31 December 2025 consists of 110,434,001 fully paid ordinary shares of £1.00 each. See note 26 for more information.

Substantial shareholdings

As at the date of this report, the Company did not receive any notifications under chapter 5 of the Disclosure Guidance and Transparency Rules.

Treasury Policies

The objectives of the Group are to manage the Group's financial risk, secure cost-effective funding for the Group's operations, and to minimise the adverse effects of fluctuations in the financial markets on the Group's financial assets and liabilities, on reported profitability and on the cash flows of the Group.

Treasury Policies - continued

The Group finances its activities with its shareholders' equity, loans and bonds issued. Other financial assets and liabilities arise directly from the Group's operating activities.

Use of financial instruments

The main features of the Company's use of financial instruments can be found in the Strategic Report. The use of financial instruments forms part of this Directors' Report and is incorporated into it by cross-reference.

Streamlined energy and carbon reporting ("SECR")

The Board of Directors have reviewed the annual quantity of emissions in tons of carbon dioxide equivalent from activities for which Group is responsible and the annual quantity of emissions resulting from the purchase of electricity, heat, steam or cooling by the Group for its own use in the United Kingdom during the year. They have concluded that the Group consumed less than 40,000 kWh of energy in the United Kingdom during this reporting year.

Therefore, the Directors have taken advantage of the exemption in S20D(7)(a) of the Amendments to the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2018, not to report further details on the energy and carbon consumptions by the Group for the year.

Sustainability-related reporting

Governance of Sustainability-Related Risks and Opportunities

The Board of Directors of the Company have overall responsibility for overseeing the management of sustainability-related risks and opportunities. The Group's governance framework integrates sustainability considerations into decision-making processes, with regular reviews by the Board and key committees, including the Audit and Risk Committee and the Sustainability Committee. These committees ensure that sustainability is embedded within the Group's strategic planning and risk management.

The Board is responsible for setting the tone on sustainability, providing strategic direction, and overseeing the progress of sustainability goals across all subsidiaries.

Material Sustainability Risks and Opportunities

The Group has identified a number of material sustainability-related risks that could impact its business operations, financial position, and long-term performance:

- **Climate change mitigation:** GHG emissions primarily in Scope 3 with financed emissions via lending to the shipping sector.
- **Social factors:** Incidents of corruption and bribery (incl. money laundering/ terror financing and sanction non-compliance) in the value chain and interactions with business partners.
- **Environmental risks:** Energy, including providing finance to the shipping sector that is an energy-intensive sector and relies on fossil fuels primarily.
- **Governance-related risks:** Responsible lending and due diligence, including human rights and governance practices in our value chain.

The Group evaluates these risks and opportunities in terms of their financial materiality, considering both their immediate and long-term implications for the Group's operations and financial outcomes.

Sustainability-related reporting - continued

Risk Management and Strategy

The Group has implemented a comprehensive sustainability strategy that aligns with its long-term business goals. This strategy is designed to manage identified sustainability-related risks and capitalise on emerging opportunities, including in areas such as climate change mitigation, resource efficiency, social responsibility, and corporate governance. The sustainability strategy is reviewed regularly at the Board level to ensure it remains aligned with the Group's objectives and external developments.

Risk Management of Climate-Related Risks

The Group's approach to managing climate-related risks is integrated into its enterprise risk management framework, which is overseen by the Board and senior management. The Group identifies, assesses, and prioritizes climate-related risks and opportunities as part of its regular risk assessments.

Climate-related risks are considered across all levels of the organisation, from strategic planning through to operational execution. Creditor payment policy and practice.

It is the Group's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Companies within the Group and its suppliers providing that all trading terms and conditions have been complied with.

Stakeholder engagement

It is the Board's view that the Company's main stakeholders are its clients, its parent company and other entities within the Group. There is a high level of engagement between the business managed by the Company and the other businesses in the Group to ensure that any decisions made are in the best interests of the Company, the clients serviced by the Company's operations and the Group as a whole. This includes periodic attendance by representatives of the business at Group board meetings and regular senior management meetings.

Independent auditors

During the year, Ernst & Young LLP were reappointed as auditor of the Company. In accordance with Section 491 of the Companies Act 2006, Ernst & Young LLP are deemed to be reappointed and will therefore continue in office.

Directors' statement as to disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each Director has taken all the steps that he/she ought to have taken as a Directors in order to make him/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Approved and signed on behalf of the Board:



Ahmed Omar
Director
Date: 20 May 2026



Omar Elali
Director
Date: 20 May 2026

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic report, Directors' report and the consolidated and company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and the parent company financial statements in accordance with UK adopted International Accounting Standards. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and Company for that year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently, subject to any changes disclosed and explained in the financial statements;
- state whether applicable UK adopted International Accounting Standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the Group and Company will continue in business.

The directors are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the financial statements, Article 4 of the IAS regulations.

These responsibilities are fulfilled by the directors. The directors confirm that they have complied with the above requirements in preparing these consolidated financial statements.

Directors' statements

The Directors make the following statements:

- so far as the Directors are aware, there is no relevant audit information of which the Group's auditor is unaware; and
- They have taken all the steps they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.
- The Board of Directors has reasonable expectation that the Group has adequate resources and support to continue its operational existence for a period of at least 12 months from date of approval of consolidated financial statements. For this reason, they continue to adopt the going concern basis in preparing the consolidated financial statements for the year ended 31 December 2025.
- The consolidated financial statements disclose related party transactions and balances in note 25. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Approved and signed on behalf of the Board:



Ahmed Omar
Director
Date: 20 May 2026



Omar Elali
Director
Date: 20 May 2026

Magellan Capital Holdings PLC
Registered Number: 15038401
Independent Auditor's Report
For the year ended 31 December 2025

Opinion

In our opinion:

- Magellan Capital Holdings PLC's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2025 and of the group's profit for the year ended 31 December 2025;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Magellan Capital Holdings PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise:

Group	Parent company
Consolidated statement of financial position as at 31 December 2025	Company statement of financial position as at 31 December 2025
Consolidated statement of profit or loss for the year ended December 2025	Company statement of changes in equity for the year ended 31 December 2025
Consolidated statement of comprehensive income for the year ended 31 December 2025	Related notes to the company financial statements for the year ended 31 December 2025 including material accounting policy information
Consolidated statement of changes in equity for the year ended December 2025	
Consolidated statement of cash flows for the year ended 31 December 2025	
Related notes to the consolidated financial statements for the year ended 31 December 2025 including material accounting policy information	

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the Group's financial statement close process, we confirmed our understanding of management's going concern assessment process to understand and challenge the key assumptions made in their assessment;
- We assessed the appropriateness of the duration of the going concern assessment period to 30 June 2027 and considered the existence of any significant events or conditions beyond this period based on our inquiry of the Group's plan and knowledge arising from other areas of the audit;
- We obtained management's going concern assessment, including the cash forecast for the going concern period which covers the period from the date of signing this audit opinion to 30 June 2027. The Group has modelled a number of adverse scenarios in their cash forecasts in order to incorporate unexpected changes to the forecasted liquidity of the Group. We tested the mathematical accuracy of the model;
- We agreed the 31 December 2025 cash and debt balances included in the going concern assessment to the Group's year end balances;
- We have tested the factors and assumptions included in each modelled scenario for the cash forecast. We evaluated management's assumptions by corroborating to third-party data and considering whether assumptions were consistent with each other and other areas of the business activities and considered whether there was any indication of management bias. We challenged the appropriateness of the assumptions used to calculate the cash forecasts under base and severe but plausible downside case scenarios, including whether the downside scenarios were sufficiently severe, by reference to historical forecasting accuracy and comparison to other evidence obtained during the audit;
- We considered the mitigating factors included in the cash forecasts that are within control of the Group. This included review of the Company's non-operating cash outflows and evaluating the Company's ability to control these outflows as mitigating actions if required;
- We have performed reverse stress testing in order to identify what factors would lead to the Group utilising all liquidity during the going concern period;

Conclusions relating to going concern - continued

- We challenged management in respect of the assumptions used and factors considered by the Group in the going concern assessment, in particular the economic environment in which the Group operates including macroeconomic conditions such as inflation, skills availability and the impact of geopolitical uncertainty on economic growth, including the conflict in Iran, and how the position might develop in future;
- We reviewed the Group's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

We observe that in management's base case and severe but plausible downside scenarios, there is sufficient headroom without taking the benefit of any identified mitigations.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period to 30 June 2027.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group and parent company's ability to continue as a going concern.

Overview of our audit approach

Audit scope	<ul style="list-style-type: none"> ■ We performed an audit of the complete financial information of two components and audit procedures on specific balances for a further one component; ■ The components where we performed full or specific audit procedures accounted for 100% of equity, profit before tax, interest income calculated using the effective interest method and total assets.
Key audit matters	<ul style="list-style-type: none"> ■ Fraud risk in the recognition of interest income ■ Provision for credit losses on loans
Materiality	<ul style="list-style-type: none"> ■ Overall group materiality of £14.0 million (2024: £10.5) which represents 1.8% (2024: 1.5%) of the group's net assets; ■ Overall parent company materiality of £4.6 million (2024: £3.4), which represents 1.8% (2024: 1.5%) of the parent company's net assets.

An overview of the scope of the parent company and group audits

Tailoring the scope

Our audit scoping reflects the new requirements of ISA (UK) 600 (Revised). We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which we base our audit opinion. We performed risk assessment procedures to identify and assess risks of material misstatement of the group financial statements and identified significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the group financial statements, we considered our understanding of the group and its business environment, the potential impact of climate change and the applicable financial framework.

An overview of the scope of the parent company and group audits - continued

Tailoring the scope - continued

We have identified one component of the group which represents the principal business unit of the group. This component is located in Denmark. For the remaining component, we have performed audit procedures on the significant accounts in the component that we considered had the potential for the greatest impact on the financial statements either because of the size of these accounts or their risk profile.

Our scoping to address the risk of material misstatement for each key audit matter is set out in the Key audit matters section of our report.

All audit work performed for the purposes of the audit was undertaken by the group audit team.

The group audit team included staff members from EY teams in Denmark. During the current year's audit cycle, the UK-based team visited the Denmark-based team as well as the component management.

Climate change

Stakeholders are increasingly interested in how climate change will impact Magellan Capital Holdings Plc. The group has determined that the most significant future impacts from climate change on their operations will be from credit risk and regulatory compliance risk. These risks are explained in the required Task Force on Climate-related Financial Disclosures. All of these disclosures form part of the "Other information", rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the group's business and any consequential material impact on its financial statements.

Our audit effort in considering the impact of climate change on the financial statements was focused on ensuring that the effects of material climate risks as disclosed in the financial statements have been appropriately reflected in the asset and liability valuations and the nature and timing of future cash flows.

We also challenged the Directors' considerations of climate change in their assessment of going concern and associated disclosures.

Based on our work we have not identified the impact of climate change on group financial statements to be a key audit matter or to materially impact a key audit matter.

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 of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
<p>Fraud risk in the recognition of interest income (interest income of £327 million (2024: £166 million))</p> <p>Given interest income is a key performance indicator, we have identified a risk of management override of controls through topside manual journal entries to interest income.</p> <p>The risk is consistent with the prior year.</p>	<p>We obtained an understanding and evaluated the design of controls over the recording and computation of interest income.</p> <p>We evaluated the selection and application of accounting policies established by the entity to determine whether the accounting policies have been applied appropriately and are in line with IFRS.</p> <p>We tested manual journal entries in relation to interest income back to source documentation ensuring appropriate authorisation and business rationale.</p> <p>The audit of topside manual journals included central testing of the consolidation and close-process adjustments, testing all the journal entries that had an impact on interest income and obtaining supporting evidence.</p>

Key observations communicated to the Those Charged with Governance

Interest income for the year ended 31 December 2025 has been recognised appropriately and based on our procedures performed, we have not identified any inappropriate manual journal entries which would impact interest income.

How we scoped our audit to respond to the risk

We performed audit procedures over the consolidated balance, covering 100% of the risk amount.

The testing was performed in combination by the component team and the Group audit team.

Key audit matters - continued

Risk	Our response to the risk
<p>Provision for credit losses on loans (loans at amortised cost of £2,706 million (2024: £2,948 million); provision for credit losses of £55 million (2024: £55 million))</p> <p>A significant proportion of the company's assets consists of loans, which amounted to £2,706 million at 31 December 2025 (2024: £2,948 million) including provisions for credit losses on loans which amounted to £55 million at 31 December 2025 (2024: £55 million). The measurement of expected losses involves management judgement and is subject to significant uncertainty.</p> <p>In 2025, the following required a high level of management judgement and audit attention:</p> <ul style="list-style-type: none"> • Identification of credit-impaired exposures. • Parameters and management judgements in the model used to determine expected credit losses for loans in Stages 1 and 2. • Estimation of the realisable value of collateral in ships and estimation of future cash flows including management judgement involved in determining expected credit losses for loans in Stage 3. • Estimation of the realisable value of collateral in ships and estimation of future cash flows including management judgement involved in determining expected credit losses for loans in Stage 3. • Estimation of management overlays. <p>The risk is consistent with the prior year.</p>	<p>Our audit procedures included reviewing relevant business procedures, understanding and evaluating the design of controls over provision for credit losses and analysis of the loans and the amount of impairment charges.</p> <p>Specifically, the audit included the following procedures:</p> <ul style="list-style-type: none"> • Evaluation of methods and models used for calculation of expected credit losses to ensure compliance with relevant accounting rules. • Test of individual loans on a sample basis <ul style="list-style-type: none"> ◦ Assessment of the appropriateness of staging allocation, including evaluation of whether loans were correctly classified based on credit risk criteria. ◦ Test of key data inputs used in staging assessment, including payments, credit risk indicators and other relevant borrower information. ◦ Assessment of realisable value of collateral in ships, future cash flows, calculation of losses. ◦ Challenge of management judgements including determining the appropriate stage allocation and assessing realisable value of collateral securing these individual loans. • Test of calculation models <ul style="list-style-type: none"> ◦ Assessment and validation of input, assumptions and calculations applied in determination of provisions for loans in Stages 1 and 2. ◦ Challenge of management judgements with focus on consistency and documentation. • Stand back assessment <ul style="list-style-type: none"> ◦ Assessment of overall reasonableness of the provision for credit losses by comparing of the Group's provision for credit losses to our assessment developed based on observable market data. <p>We evaluated the adequacy of the disclosures to the requirements of IFRS 9 and other applicable IFRS standards.</p>

Key audit matters - continued

Key observations communicated to Those Charged with Governance

Based on our procedures performed, we conclude that management's assessment of provision for credit losses on loans is not materially misstated, and the methodology used is in line with the requirements of IFRS 9, Financial Instruments.

How we scoped our audit to respond to the risk

We performed audit procedures over the consolidated balance, covering 100% of the risk amount.

The testing was performed in combination by the component team and the Group audit team.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provided a basis for determining the nature and extent of our audit procedures.

We determined materiality for the group to be £14.0 million (2024: £10.5 million), which is 1.8% of net assets (2024: 1.5% of net assets). We believe that net assets is the appropriate basis since net assets is the basis for assessment of the Group solvency, which is the primary key performance indicators for the Group's key users.

We determined materiality for the parent company to be £4.6 million (2024: £3.4 million) which is 1.8% of net assets (2024: 1.5% of net assets). We believe that net assets is the appropriate basis because solvency is considered as the key performance indicator of the parent company's performance.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the group's overall control environment, our judgement was that performance materiality was 50% of our planning materiality (2024: 50%), namely £7.0 million (2024: £5.3 million) for the group financial statements and £2.3 million (2024: £1.7 million) for the parent company financial statements. We have set performance materiality at this percentage to reduce to an appropriately low level the probability that the aggregate of uncorrected and corrected misstatements exceeds materiality.

Each of two components of the group have different types of activities within the group and, thus, set of accounts different in nature. Therefore, we applied overall group materiality for each of three components.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

Reporting threshold - continued

We would report all uncorrected audit differences in excess of £0.7 million (2024: £0.5 million) for the group financial statements and £0.2 million (2024: £0.2 million) for the parent company financial statements, which is set at 5% of planning materiality (2024: 5%), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluated any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 13 including the strategic report, the director's report and the statement of director's responsibilities, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 12 and 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are responsible for assessing the group and parent 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 unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK-adopted International Accounting Standards, IFRS accounting standards as issued by the International Accounting Standards Board (IASB), the Companies Act 2006, Danish Financial Supervisory Authority and other the relevant tax laws and regulations in the countries in which the Group operates.
- We understood how Magellan Capital Holdings Plc is complying with those frameworks by making enquiries of management, those responsible for legal and compliance procedures and the General Counsel. We corroborated our enquiries through reading of Board minutes as well as consideration of the results of our audit procedures across the group.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by meeting with finance and operational management to understand where they considered there was susceptibility to fraud. We also considered performance targets and their potential to influence management to manage earnings or influence the perception of analysts. We have determined that there is a fraud risk on recognition of interest income referred to in the Key audit matters section. We considered the policies, processes and controls that the group has established to address the risks identified, including the design of controls. We also considered the controls that the group has that otherwise prevent, deter and detect fraud, and how senior management monitors those controls.

Auditor's responsibilities for the audit of the financial statements - continued

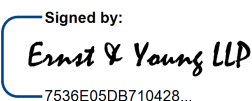
Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud - continued

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included reading any correspondence with regulators, making enquiries of management's specialists, and journal entry testing, with a focus on manual journal entries, consolidation journals and journal entries indicating large or unusual transactions. We based this testing on our understanding of the business, enquiries of management, including legal and the Company Secretary and reading relevant reports. We have also met with the component and Group-level management as well as the senior legal counsels at both component and Group-levels, to inquire of any non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

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Andrei Mankov (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast
Date: 20 May 2026

Magellan Capital Holdings PLC
Registered Number: 15038401
Consolidated Statement of Profit or Loss
For the year ended 31 December 2025

		Year ended 31 Dec 2025 £'000	For the period from 31 Jul 2023 to 31 Dec 2024 £'000
Interest revenue calculated using the effective interest method	6	223,777	124,079
Other interest and similar income	6	102,830	42,374
Interest expense calculated using the effective interest method*	7	(186,584)	(93,845)
Other interest and similar expense	7	(1,395)	-
Net interest income		138,628	72,608
Fee and commission income		2,066	1,132
Net interest and fee income		140,694	73,740
Net gains on financial assets at fair value through profit or loss	11	6,036	15,990
Net losses on derivative operations	12	(54,472)	(39,985)
Gain on acquisition		-	659,877
Total income		92,258	709,622
Staff costs	9	(20,784)	(8,144)
Administrative expenses		(8,024)	(3,222)
Business acquisition-related cost		-	(5,945)
Depreciation and impairment of property, plant and equipment	19	(2,525)	(84)
Loss on early redemption of bonds at amortised cost		(2,438)	(4,693)
Gain on early repayments and modifications of loans issued		2,323	-
Currency remeasurement gain/(loss), net		17,392	(12,294)
Loan impairment reversal/(charges)	13	4,630	(63,284)
Total operating expenses		(9,426)	(97,666)
Operating profit for the year/period		82,832	611,956
Interest expenses on borrowings used for subsidiary acquisition purposes	7	(21,401)	(14,564)
Class B preference shares dividends	24	(5,578)	(2,475)
Profit before income tax for the year/period		55,853	594,917
Income tax (expense)/benefit	14	(19,744)	7,991
Profit for the year/period		36,109	602,908
Profits attributable to:			
Equity holders of the parent		36,047	602,930
Non-controlling interests		62	(22)
Profit for the year/period		36,109	602,908
Earnings per share			
Basic earnings per ordinary share	30	0.33	5.46
Diluted earnings per share	30	0.33	5.46

* excludes interest expenses related to financing obtained for the subsidiary acquisition purposes

The accompanying notes form an integral part of these consolidated financial statements.

Magellan Capital Holdings PLC
Registered Number: 15038401
Consolidated Statement of Comprehensive Income
For the year ended 31 December 2025

	Year ended 31 Dec 2025 £'000	For the period from 31 Jul 2023 to 31 Dec 2024 £'000
Profit for the year/period	36,109	602,908
<i>Other comprehensive income/(loss) that may be recycled to profit or loss (net of tax)::</i>		
Exchange differences arising on translating foreign operations	40,743	(12,932)
Other comprehensive expense for the year/period, net of tax	40,743	(12,932)
Total comprehensive income for the year/period, net of tax	76,852	589,976
Total comprehensive income attributable to:		
Equity holders of the parent	76,735	590,020
Non-controlling interests	117	(44)
Total comprehensive income for the year/period, net of tax	76,852	589,976

All of the amounts above are in respect of continuing operations.

The accompanying notes form an integral part of these consolidated financial statements.

Magellan Capital Holdings PLC
Registered Number: 15038401
Consolidated Statement of Financial Position
As at 31 December 2025

	Notes	31 Dec 2025 £'000	31 Dec 2024 £'000
Assets			
Cash and cash equivalents	15	43,975	81,675
Reverse repurchase agreements	16	591,435	504,266
Financial assets at fair value through profit or loss	17	4,367,843	2,990,130
Due from related parties	25	8,876	6,392
Current tax asset		7,248	7,308
Other assets		3,895	4,529
Derivative financial instruments asset	20	342,532	214,093
Loans at amortised cost	18	2,706,191	2,947,927
Property, plant and equipment	19	43,606	49,399
Deferred tax assets	14	-	1,321
Total assets		8,115,601	6,807,040
Liabilities			
Bank overdrafts	15	5,475	-
Repurchase agreements	16	1,943,337	868,962
Financial liabilities at fair value through the income statement	17	439,975	-
Derivative financial instruments liability	20	287,446	425,546
Due to related parties	25	19,087	17,094
Other liabilities		18,080	3,034
Deferred consideration		14,019	12,163
Bonds issued for operating purposes	21	4,248,307	4,353,631
Borrowings used for subsidiary acquisition purposes	22	272,927	344,389
Provisions	23	5,575	7,935
DSF class B preference shares liability	24	75,823	73,413
Deferred tax liabilities	14	7,859	-
Total liabilities		7,337,910	6,106,167
Equity			
Share capital	26	110,434	110,434
Translation reserve		27,778	(12,910)
Retained earnings		638,977	602,930
Total equity excluding non-controlling interests		777,189	700,454
Non-controlling interests		502	419
Total equity		777,691	700,873
Total liabilities and equity		8,115,601	6,807,040

The financial statements were approved by the Board of Directors and authorised for issue on 20 May 2026.



Ahmed Omar
Director
Date: 20 May 2026



Omar Elali
Director
Date: 20 May 2026

Registered number: 15038401

Registered number: 15038401

The accompanying notes form an integral part of these consolidated financial statements.

Magellan Capital Holdings PLC
Registered Number: 15038401
Consolidated Statement of Changes in Equity
For the year ended 31 December 2025

	Share capital £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Total attributable to equity holders of the parent £'000	Non-controlling interests £'000	Total Equity £'000
Profit for the period	-	-	602,930	602,930	(22)	602,908
Foreign currency translation	-	(12,910)	-	(12,910)	(22)	(12,932)
Total comprehensive income	-	(12,910)	602,930	590,020	(44)	589,976
Issue of share capital (Note 26)	110,434	-	-	110,434	-	110,434
Acquisition of subsidiary	-	-	-	-	515	515
Dividends distributed to holders of non-controlling interest	-	-	-	-	(52)	(52)
Balance as at 31 December 2024 and 1 January 2025	110,434	(12,910)	602,930	700,454	419	700,873
Profit for the year	-	-	36,047	36,047	62	36,109
Foreign currency translation	-	40,688	-	40,688	55	40,743
Total comprehensive income	-	40,688	36,047	76,735	117	76,852
Dividends distributed to holders of non-controlling interest	-	-	-	-	(34)	(34)
Balance as at 31 December 2025	110,434	27,778	638,977	777,189	502	777,691

The accompanying notes form an integral part of these consolidated financial statements.

Magellan Capital Holdings PLC
Registered Number: 15038401
Consolidated Statement of Cashflows
For the year ended 31 December 2025

	Notes	Year ended 31 Dec 2025 £'000	For the period from 31 Jul 2023 to 31 Dec 2024 £'000
Cash flows from operating activities			
Profit before tax for the year/period		55,853	594,917
<i>Adjustment for non-cash items:</i>			
Loan impairment (reversal)/charges	13	(4,630)	63,284
Depreciation and impairment of property, plant and equipment	19	2,525	84
Gain on acquisition		-	(659,877)
Interest expense		209,380	108,409
Class B preference shares dividends		5,578	2,475
Loss on early redemption of bonds at amortised cost		2,438	4,693
Gain on early repayments and modifications of loans issued		(2,323)	-
Other non-cash movements including exchange rate movements		(30,026)	13,701
<i>Changes in operating assets and liabilities</i>			
Change in loans at amortised cost		398,988	549,939
Change in reverse repurchase agreements		(58,647)	(433,741)
Change in financial assets at fair value through profit or loss		(760,899)	(44,143)
Change in derivative financial instruments		(272,972)	207,558
Change in repurchase agreements		998,170	251,890
Change in due to/from related parties		(1,054)	10,845
Change in other assets		864	(4,506)
Change in other liabilities		2,447	(7,321)
Cash flows generated from operations		545,692	658,207
Interest paid		(179,495)	(54,145)
Class B shares dividend payment		(7,127)	-
Income tax paid		(10,211)	9,005
Net cash flows generated from operating activities		348,859	613,067
Cash flows from Investing activities			
Acquisition of a subsidiary, net of cash acquired		-	(495,517)
Proceeds from disposal of property, plant and equipment		15,990	-
Purchase of property, plant and equipment		(10,299)	(326)
Net cash generated from/(used in) investing activities		5,691	(495,843)
Cash flows from financing activities			
Issue of share capital	26	-	110,434
Proceeds from issue of bonds and loans		628,357	738,049
Repayment of bonds and loans		(1,030,056)	(887,464)
Dividends paid to shareholders of non-controlling interests (Class A)		(34)	(52)
Net cash (used in) financing activities		(401,733)	(39,033)

The accompanying notes form an integral part of these consolidated financial statements.

Magellan Capital Holdings PLC
Registered Number: 15038401
Consolidated Statement of Cashflows - Continued
For the year ended 31 December 2025

	Notes	Year ended 31 Dec 2025 £'000	For the period from 31 Jul 2023 to 31 Dec 2024 £'000
Change in cash and cash equivalents		(47,183)	78,191
Net foreign exchange difference		4,008	3,484
Cash and cash equivalents less bank overdrafts at the beginning of the year/period		81,675	-
Cash and cash equivalents less bank overdrafts at the end of the year/period	15	38,500	81,675

During the year ended 31 December 2025 cash proceeds from interest income amounted to £329.2 million (2024: £167.2 million). These cash inflows are included in the net cash flows from operating activities of the above consolidated statement of cash flows.

The accompanying notes form an integral part of these consolidated financial statements.

Magellan Capital Holdings PLC
Registered Number: 15038401
Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

1. General information

Magellan Capital Holdings PLC (the "Company") is a public company limited by shares incorporated and domiciled in the United Kingdom and registered in England and Wales. The address of the registered office is 4th Floor 3 More London Riverside, London, United Kingdom, SE1 2AQ. The Group is a dedicated provider of financing to reputable shipowners. The Group is focused on supporting the shipping industry in its transition towards net zero emissions while maintaining high credit quality and generating attractive returns for its shareholder.

The Company is a holding entity and was established to raise funding through issuance of share capital and loan facilities to finance its holding activities including acquisition of the Danish Ship Finance A/S ("DSF").

The functional currency of the Company and all its subsidiaries is the national currency of Denmark, the Danish Krone ("DKK"), which is the currency of primary economic environment where the Group and its subsidiaries operate. The presentation currency of the Group is the British pound ("£"), which management believes is the most useful currency to adopt for users of these consolidated financial statements.

All the amounts in the financial statements have been rounded to the nearest thousand ("£000"), except where otherwise indicated.

1.1 Comparative information

The Group's financial year ends on 31 December. The first financial period was a long period, commencing on 31 July 2023, and ending on 31 December 2024. These consolidated financial statements for the year ended 31 December 2025 present a twelve-month reporting period, with comparative information presented for a eighteen-month period.

As the current and comparative reporting periods are of different lengths, the amounts presented may not be directly comparable. This presentation is consistent with the requirements of IAS 1, paragraphs 36–37.

Accounting policies that relate to the financial statements as a whole are set out below, while those that relate to specific areas of the financial statements are shown in the corresponding note. All accounting policies have been consistently applied to all the financial periods presented.

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 20 May 2026.

2. Summary of accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and prior period.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with UK-adopted International Accounting Standards and the requirements of the Companies Act 2006.

These consolidated financial statements present the statement of cash flows using the indirect method. All entities within the Group have coterminous reporting dates.

2. Statement of accounting policies - continued

2.2 Changes in accounting policies and disclosures

Amendments to IFRS Accounting Standards (IFRSs) that are mandatorily effective for the current year

In the current year, the Group has applied a number of new standards and amendments to existing IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

- IAS 21 (amendments) - Lack of exchangeability - (Effective 1 January 2025)

The amendment listed above did not have any impact on the amounts recognised in current year and is not expected to significantly affect future periods.

Standards, interpretations and amendments to published standards that are not yet effective

The following new accounting standards and amendments to new accounting standards have been issued but are not yet effective and unless otherwise indicated, have been endorsed:

- IFRS 7 Financial Instruments (amendments) - Regarding the classification and measurement of financial instruments - (Effective 1 January 2026)
- IFRS 9 Financial Instruments (amendments) - Regarding the classification and measurement of financial instruments - (Effective 1 January 2026)
- IFRS 18 (original issue) - Presentation and Disclosures in Financial Statements - (Effective 1 January 2027)
- IFRS 19 (original issue) - Subsidiaries without Public Accountability: Disclosures - (Effective 1 January 2027)
- IAS 21 (amendments) - Regarding translations to a hyperinflationary presentation currency - (Effective 1 January 2027)

IFRS 18 will replace IAS 1 'Presentation of financial statements' for the period beginning 1 January 2027. The main new requirements in the standard will be a change in presentation of the income statement with new categories and new sub-totals, management-defined performance measures being presented in a single note in the financial statements, the cash flow statement using the operating profit sub-total as the starting point, and certain other changes to how information is grouped in the financial statements. The Group is still assessing the impact of the new standard but expects that there will be no impact on its net assets or profit.

The Group is currently assessing the impact of the remaining changes to other standards, interpretations and amendments, but they are not expected to have a material impact. The Group does not plan to early adopt any of the above new accounting standards or amendments. The Group has not adopted any other standard, amendment or interpretation that has been issued but is not yet effective.

2.3 Basis of consolidation

Subsidiaries are those investees, including structured entities, that the Group controls because the Group

- has power to direct relevant activities of the investees that significantly affect their returns,
- has exposure, or rights, to variable returns from its involvement with the investees, and
- has the ability to use its power over the investees to affect the amount of investor's returns.

2. Statement of accounting policies - continued

2.3 Basis of consolidation - continued

Subsidiaries are consolidated from the date on which control is transferred to the Group (acquisition date) and are deconsolidated from the date on which control ceases. The acquisition method of accounting is used to account for the acquisition of businesses other than those acquired from parties under common control.

The consideration transferred is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed at the date of exchange, including fair value of assets or liabilities from contingent consideration arrangements but excludes acquisition related costs such as advisory, legal, valuation and similar professional services.

Transaction costs related to the acquisition and incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt as part of the business combination are deducted from the carrying amount of the debt and all other transaction costs associated with the acquisition are expensed.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date. Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed).

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the acquisition gain (bargain gain under IFRS 3) is recognised in profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. The Company and all of its subsidiaries use uniform accounting policies consistent with the Group's policies.

2.4 Going concern

In preparing the financial statements, the directors have considered the ability of the company to continue as a going concern and continue to monitor the impact of the geopolitical challenges on its financial condition, liquidity, operations and workforce to inform their decisions for the assessment period to 30 June 2027.

The Group demonstrates adaptability and resilience in the current macroeconomic environment, operating effectively, providing financing to reputable shipowners and meeting new client needs, whilst maintaining a healthy working capital position. The Group delivered its planned growth, in line with its business plan and underpinned by a number of strategic growth areas, placing the Group in a strong financial position at 31 December 2025, with a high level of liquidity.

In the assessment of going concern, the Executive Board has considered the economic environment in the markets in which the Group operates, including prevailing macroeconomic conditions such as inflation, skills availability and the impact of geopolitical uncertainty (including the Iran conflict) on economic growth, and how the position might develop in future. The Executive Board's assessment includes planning appropriate responses for a range of possible scenarios. Under a stress test scenario determined by management assuming no dividends from its only operating subsidiary, it would still have sufficient cash and short-term investments to continue as a going concern for a period to 30 June 2027. Even under this stress test scenario, the Company would maintain comfortable liquidity headroom during the period under assessment. That is, even before modelling the mitigating effect of actions that management would take if these downside risks were to materialise. The Group's financial model shows that the position remains manageable in all scenarios with adequate levels of headroom being maintained even in the downside scenario.

2. Statement of accounting policies - continued

2.4 Going concern - continued

The Directors have confirmed that there are no material uncertainties that cast doubt on the Group's going concern status and that they have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period to 30 June 2027. The consolidated financial statements have therefore been prepared on a going concern basis.

2.5 Foreign currencies

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

2.6 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.

Interest on financial instruments measured at fair value is included in other interest and similar income.

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

2.7 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 year.

2.8 Net gains/(losses) on financial assets at fair value through profit or loss

Net gains/(losses) on financial assets at fair value through profit or loss comprise realised and unrealised market value adjustments of financial assets at fair value.

2.9 Net gains/(losses) on derivative operations

Net gains/(losses) on derivative operations include gains and losses on non-trading interest rate risk derivatives held for risk management purposes and used in economic hedge relationship but not qualifying for hedge accounting. The line item includes fair value changes, interest and dividends related to such derivatives. Net gains/(losses) on foreign exchange risk derivatives are included in currency remeasurement gain/(loss) line item of the consolidated statement of profit or loss.

2. Statement of accounting policies - continued

2.10 Staff costs

Staff costs

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

Pension costs

The Group's contributions to defined contribution plans are recognised in the consolidated statement of comprehensive income as they are earned by the staff. The Group has no defined benefit plans.

2.11 Administrative expenses

Expenses are recognised in the consolidated statement of comprehensive income in the year in which they are incurred and include administrative expenses such as professional fees, legal fees, tax fees, acquisition related expenses, service fee charges from related parties in accordance with the Group's transfer pricing agreements and other operating expenses.

2.12 Borrowing costs

The Group borrowings include bonds issued to finance lending (operating) activities and borrowings obtained for acquisition of subsidiaries (bank loans and bonds issued).

Borrowings are initially recognised at their fair value, net of transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on issuance and fees or costs that are an integral part of the EIR.

The EIR amortisation of bonds issued to finance lending (operating) activities is included in the interest expense line in the consolidated statement of profit or loss (before net interest income).

Interest expenses related to borrowings obtained for the acquisition of subsidiaries are included in the interest expenses on borrowings used for subsidiary acquisition purposes line of the statement of consolidated profit or loss. This classification was made to separate interest expenses related to the normal lending activities of the Group from those incurred for financing investing activities.

2.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year for each of the entities. Taxable profit differs from net profit as reported in the income statement because it excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date with respect to each of the entities in the Group.

2. Statement of accounting policies - continued

2.13 Taxation - continued

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2. Statement of accounting policies - continued

2.14 Property, plant and equipment

Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life from the date of receipt, as follows:

- | | |
|---------------------------|------------|
| ■ Furniture and fixtures | 5-10 years |
| ■ Machinery and equipment | 3-5 years |

Land and buildings consisted in 2025 of the Danish Ship Finance A/S's ("DSF") fully owned domiciles located at Sankt Annae Plads 3, DK-1250 Copenhagen K and Langebrogade 5, DK-1411 Copenhagen K. The domicile property located at Sankt Annae Plads 3, DK-1250 Copenhagen K was sold in 2025 (refer to Note 19).

The straight-line depreciation of the domicile property is based on the expected scrap value and an estimated useful life of 40 years.

2.15 Financial assets and liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss includes debt instruments held with a view of subsequent sale. Financial liabilities at fair value through profit or loss represent short positions on publicly traded debt instruments.

Financial assets and liabilities at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

2.16 Derivative assets and liabilities

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. The Group uses derivative financial instruments, such as currency and interest rate swaps for risk management purposes and economic hedge. These instruments do not qualify for hedge accounting and, therefore, it is not applied for these instruments. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivative financial instruments are principally valued by discounted cash flow models using yield curves and foreign exchange spot and forward rates that are based on observable market data.

2.17 Segment reporting

The Group has determined that it has one reportable segment as it is solely involved in ship finance. The information regarding geographic areas is disclosed in Note 6.

2. Statement of accounting policies - continued

2.18 Loans at amortised cost

Loans at amortised cost 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 including business acquisition, 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.

2.19 Expected credit loss provision for loans issued and loan commitments

In addition to loans issued the Group also has cash and cash equivalents and other receivables, where assessment of expected credit loss provision is required by IFRS. Cash and cash equivalents are placed in banks having investment grade credit ratings and, therefore, credit risks are considered to be immaterial. The Group also believes that expected credit loss provision for other receivables is immaterial due to low amount of exposure and short nature of the assets.

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, the loan impairment charge equals the lifetime ECL (Stage 2). If the credit exposure is 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). Purchased or originated credit impaired ("POCI") assets are financial assets that are credit impaired on initial recognition (including business acquisition). The Group only recognises the cumulative changes in lifetime ECL since initial recognition, based on a probability-weighting of the four scenarios, discounted by the credit-adjusted EIR. Refer to note 3.1 for more information regarding the Group's critical judgement in this area.

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").

The Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 13.

The Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. For its ECL calculations the Group generally assesses exposure at defaults as total of outstanding principal amount, accrued interest and unused committed facilities.

The Group determines LGD to be the proportion of exposure at default not covered by fair value of mortgaged vessels, which fair value is calculated at low market and adjusted for legal and other administrative costs to dispose the security. The low market fair value of security is assessed semi-annually. Historical data is obtained from shipping brokers regarding fluctuation of daily freight rates is used to determine freight rates at the period of low demand.

2. Statement of accounting policies - continued

2.19 Expected credit loss provision for loans issued and loan commitments - continued

MEF is based on management's expectations and various scenarios (base case, best case, and worst case) for each shipping segment. As of 31 December 2025 the impact of MEF adjustments to PD is immaterial (2024: immaterial).

$$\text{ECL} = \text{PD} * \text{EAD} * \text{LGD} * \text{MEF}$$

In 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.

Loans are written off either in their entirety or partially when the Group has no reasonable expectation of recovering the asset in its entirety, or a portion thereof. If the amount to be written off is greater than the accumulated loss allowance, the difference will be an additional impairment loss, which is presented as an addition to the allowance applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

2.20 Repurchase and reverse repurchase agreements

Securities (Government bonds, bonds issued by KommuneKredit and Covered bonds backed by mortgages on real estate – note 17) sold under agreements to repurchase at a specified future date are not derecognised from the statement of financial position as the Group retains substantially all of the risks and rewards of ownership. The corresponding cash received is recognised in the consolidated statement of financial position as an asset with a corresponding obligation to return it, including accrued interest as a liability within cash collateral on securities lent and repurchase agreements, reflecting the transaction's economic substance as a loan to the Group. The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of agreement using the EIR.

Conversely, securities (Government bonds, bonds issued by KommuneKredit and Covered bonds backed by mortgages on real estate – note 17) purchased under agreements to resell at a specified future date are not recognised in the statement of financial position. The consideration paid, including accrued interest, is recorded in the statement of financial position, within cash collateral on securities borrowed and reverse repurchase agreements, reflecting the transaction's economic substance as a loan by the Bank. The difference between the purchase and resale prices is recorded in interest income and is accrued over the life of the agreement using the EIR.

2.21 Cash and cash equivalents and bank overdrafts

Cash and cash equivalents, as presented in the statement of cash flows, comprise cash on hand and amounts due from banks on demand or with an original maturity of three months or less, and include bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.22 Due from/to related parties

Amounts due from or to related parties are measured at amortised cost. The company has assessed and concluded that the amounts owed by subsidiaries will be fully recovered. Therefore, credit losses are considered to be immaterial.

2. Statement of accounting policies - continued

2.23 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

(i) Financial assets

Per IFRS 9, there are 2 classifications applicable to the Group by which to recognise a financial asset:

- Amortised cost - a financial asset is measured at amortised cost if both of the following conditions are met:
 - the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
 - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Fair value through profit or loss ("FVTPL") - any financial assets that are not held in a held to collect business model are measured at fair value through profit or loss.

The Group assesses the business model criteria at a portfolio level. Information that is considered in determining the applicable business model includes (i) policies and objectives for the relevant portfolio, (ii) how the performance and risks of the portfolio are managed, evaluated and reported to management, and (iii) the frequency, volume and timing of sales in prior periods, sales expectation for future periods, and the reasons for such sales.

Financial assets of the group that are measured using the amortised cost method include loans, cash and cash equivalents, Reverse repurchase agreements and due from related parties. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. Interest income, foreign exchange movements and impairment losses are recognised in profit or loss.

Financial assets of the group that are measured using FVTPL comprise of other financial investments held at fair value, which are investments in investment grade bonds, US treasury securities, derivatives and subordinated notes. Subsequent to initial recognition, these financial assets are measured at fair value. Net gains or losses and interest income are recognised in profit or loss.

Financial assets are derecognised when contractual rights to cash flows of the assets expire or when the asset is sold and its risks and rewards are transferred.

(ii) Financial liabilities

All financial liabilities are measured at amortised cost, except for derivatives and short positions on listed investment grade bonds, which are measured at FVTPL. Net gains or losses and interest expense are recognised in profit or loss.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

2.24 Share capital

Ordinary shares are classified as equity.

2. Statement of accounting policies - continued

2.25 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. The Group does not have any dilutive financial instruments, and their basic EPS equals to diluted EPS.

3. Critical accounting judgements

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying accounting policies.

Judgements that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities include:

3.1 Expected credit loss provisions

In determining the expected credit losses, the Group makes the following judgments and estimates:

Significant increase in credit risk (SICR)

In assessing whether a significant increase in credit risk (SICR) has occurred for an exposure since initial recognition, the Group considers both quantitative and qualitative information and analysis. In doing so, the Group makes judgements about the appropriate indicators used as SICR triggers. The triggers that the Bank has determined as appropriate include the 30-day backstop, movement in PD and other qualitative factors, such as moving a customer/facility to the watch list, or the account becoming forborne.

Definition of Default

Significant judgement exists with regards to when an asset is considered to have defaulted, and the resulting definition of default against which parameters of ECL model such as PD, LGD and EAD are evaluated.

Post-model adjustments

In assessment of expected credit loss allowance for loans at amortised cost the Group 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.

Other judgements in the determination of ECL include:

Development of ECL models, including the segmentation of products, the various formulas and the choice of inputs, for example which inputs are relevant for the particular exposures in particular shipping segment.

3. Critical accounting judgements - continued

3.2 Determination of functional currency

In preparing the financial statements, management is required to make judgments regarding the functional currency of each subsidiary of the Group. The functional currency is the currency of the primary economic environment in which the Group's subsidiaries operate, and it reflects the currency that influences the Group's financial transactions, costs and financing activities. Management has assessed the primary economic environment in which its entities operate and has determined that the functional currency for the Company and each of its subsidiary is Danish Krone (DKK). Management continually evaluates the appropriateness of the functional currency and will reassess this judgment if there are significant changes in the underlying economic factors or the nature of the Group's subsidiaries operations.

4. Subsidiaries

Details of the Company's significant subsidiaries at 31 December 2025 and 31 December 2024 were as follows:

Name and registered address	Principal activity	Country of incorporation	Percentage ownership (earnings rights)	Percentage ownership (voting rights)
Danish Ship Finance A/S Langebrogade 5, DK-1411 København, Copenhagen K	Ship financing	Denmark	84.9%	98.8%
AX IV Holdco A/S c/o Kromann Reumert Sundkrogsgade 5 2100 København	Holding company	Denmark	100%	100%

The Group included in its ownership and voting rights percentage 15% of shares in AX IV Holdco A/S for which acquisition has not yet been completed but for which the Group has irrevocable commitment to complete acquisition for a predetermined price by 10 July 2026.

5. Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value hierarchy categorises the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 - measurements derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - measurements derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

5. Fair value - continued

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable: - continued

- Level 3 - measurements derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. A fair value measurement requires the Group to determine all of the following:

- the particular asset or liability that is the subject of the measurement (consistently with its unit of account).
- for a non-financial asset, the valuation premise that is appropriate for the measurement (consistently with its highest and best use).
- the principal (or most advantageous) market for the asset or liability.
- the valuation technique(s) appropriate for the measurement, considering the availability of data with which to develop inputs that represent the assumptions that market participants would use when pricing the asset or liability and the level of the fair value hierarchy within which the inputs are categorised.

In the consolidated statement of financial position, financial instruments include financial assets at FVTPL which are measured at fair value based on quoted market prices which are readily available or based on valuation models.

Availability of observable market prices reduces the need for management judgment and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the instruments and markets and is subject to changes based on specific events and general conditions in the financial market.

Valuation models' inputs require a higher degree of management judgment and estimation in the determination of fair value. Management judgment and estimation are usually required for selection of the appropriate valuation model to be used. The valuation of the Group's financial assets at FVTPL is generally based on recent market transactions on an arm's length basis, in the absence of an active market. If no market data is available, the Group may value financial assets at FVTPL using discounted cash flow models, utilising yield to maturity and credit premium rates from observable market data.

Derivative financial instruments are principally valued by discounted cash flow models using yield curves and foreign exchange spot and forward rates that are based on observable market data.

Magellan Capital Holdings PLC
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Notes to the Consolidated Financial Statements - Continued
For the year ended 31 December 2025

5. Fair value - continued

Fair value of the Group's financial instruments that are measured at fair value on a recurring basis

The following table shows an analysis of financial instruments recorded at fair value on a recurring basis by level of the fair value hierarchy:

	2025			Total £'000
	Level 1 £'000	Level 2 £'000	Level 3 £'000	
<i>Assets and liabilities measured at fair value on a recurring basis</i>				
Financial assets at fair value through profit or loss	4,367,843	-	-	4,367,843
Derivative financial instruments asset	-	342,532	-	342,532
Total assets measured at fair value on a recurring basis	4,367,843	342,532	-	4,710,375
Derivative financial instruments liability	-	287,446	-	287,446
Total liabilities measured at fair value on a recurring basis	-	287,446	-	287,446
	2024			Total £'000
	Level 1 £'000	Level 2 £'000	Level 3 £'000	
<i>Assets and liabilities measured at fair value on a recurring basis</i>				
Financial assets at fair value through profit or loss	2,944,917	45,213	-	2,990,130
Derivative financial instruments asset	-	214,093	-	214,093
Total assets measured at fair value on a recurring basis	2,944,917	259,306	-	3,204,223
Derivative financial instruments liability	-	425,546	-	425,546
Total liabilities measured at fair value on a recurring basis	-	425,546	-	425,546

There were no transfers between any levels during 2025 and 2024.

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities. It also excludes those financial assets and liabilities where carrying value approximates their fair value at 31 December 2025 and 31 December 2024.

Magellan Capital Holdings PLC
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Notes to the Consolidated Financial Statements - Continued
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5. Fair value - continued

Fair value of the Group's financial instruments that are measured at fair value on a recurring basis - continued

The following table shows an analysis of financial instruments recorded at fair value on a recurring basis by level of the fair value hierarchy:

	2025				
	Carrying amount £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets					
Loans at amortised cost	2,706,191	-	2,784,205	-	2,784,205
Financial liabilities					
Bonds issued for operating purposes	4,248,307	4,240,704	-	-	4,240,704
Borrowings used for subsidiary acquisition purposes	272,927	-	284,649	-	284,649
	2024				
	Carrying amount £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets					
Loans at amortised cost	2,947,927	-	3,151,423	-	3,151,423
Financial liabilities					
Bonds issued for operating purposes	4,353,631	4,393,962	-	-	4,393,962
Borrowings used for subsidiary acquisition purposes	344,389	-	359,787	-	359,787

For disclosure purposes, the Group measures fair values of loans at amortised costs and borrowings used for subsidiary acquisition purposes using discounted cash flow models, utilising yield to maturity and credit premium rates from observable market data. Bonds issued for operating purposes are measured using their quoted market prices.

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6. Interest income

	Year ended 31 Dec 2025 £'000	Period ended 31 Dec 2024 £'000
<i>Interest income calculated using the effective interest method</i>		
Reverse repurchase agreements	9,756	5,375
Loans and other receivables	212,518	118,130
Other interest income	1,503	574
	223,777	124,079
<i>Other interest and similar income</i>		
Financial assets at fair value through profit or loss	102,830	42,374
	102,830	42,374
Total interest income	326,607	166,453

Information regarding geographic areas:

	Year ended 31 Dec 2025 £'000	Period ended 31 Dec 2024 £'000
Interest income		
Denmark	99,060	62,198
Greece	77,753	30,102
Norway	48,284	23,782
The United Kingdom	26,949	15,909
Other individually immaterial overseas countries	74,561	34,462
Total interest income	326,607	166,453

The Group does not have any non-financial instruments non-current assets requiring IAS 8 geographic disclosure except for property, plant, and equipment located in Denmark. Refer to note 19 for more information.

The Group's management has determined that no individual customer contributes more than 10% of the Group's revenue.

7. Interest expenses

	Year ended 31 Dec 2025 £'000	Period ended 31 Dec 2024 £'000
<i>Interest expenses calculated using the effective interest method</i>		
Repurchase agreements	(43,499)	(13,205)
Bonds issued for operating purposes	(143,085)	(80,640)
Total interest expense related to operating activities	(186,584)	(93,845)
Interest expenses on borrowings used for subsidiary acquisition purposes	(21,401)	(14,564)
Total interest expense using the effective interest rate method	(207,985)	(108,409)
<i>Other interest and similar expense</i>		
Financial liabilities at fair value through profit or loss	(1,395)	-
Total other interest and similar expense	(1,395)	-
Total interest expenses	(209,380)	(108,409)

8. Auditors' remuneration

Auditor's remuneration is included within administrative expenses and comprises:

	Year ended 31 Dec 2025	Period ended 31 Dec 2024
	£'000	£'000
Audit of the Group's annual accounts	184	130
Other services:		
Fees for the Company's subsidiaries audits*	124	106
Fees for tax advisory services	20	80
Fees for other non-audit services	15	68
Total auditors' remuneration for the Group	343	384

* Comprises the fees for the statutory audit of subsidiaries both outside the UK and fees for work performed by associates of EY in respect of the consolidated financial statements of the Company.

9. Staff costs

	Year ended 31 Dec 2025	Period ended 31 Dec 2024
	£'000	£'000
Remuneration to the key management personnel (Note 10)	7,929	1,492
<i>Other employees staff cost:</i>		
Salaries and wages	8,803	5,179
Pensions	1,406	495
Social security costs and financial services employer tax	2,646	978
Total staff costs	20,784	8,144

Salaries include wages and salaries, bonuses, employee benefits and termination benefits. Pensions include defined contributions made to the Danish pension system.

The year-end and average monthly number of employees – full time equivalent during the year were as follows:

	Year ended 31 Dec 2025	Period ended 31 Dec 2024
	Number	Number
Executive officers	3	3
Professional staff	65	63
Technical staff and intermediate managers	10	10
Administrative staff	2	2
Total employees	80	78

The number of employees for the year includes all the employees of subsidiaries. The number of employees does not include contractors who are not directly employed by the Group.

10. Directors' remuneration

The directors of the Company received no remuneration from the Company in respect of qualifying services rendered during the year ended 31 December 2025 (2024: nil).

The Group's key management personnel comprised 20 individuals as at 31 December 2025 (2024: 13). During the year, short-term employee benefits were provided to key management personnel, consisting of both fixed and variable remuneration.

	Year ended 31 Dec 2025	Period ended 31 Dec 2024
	£'000	£'000
Fixed remuneration	4,085	1,076
Variable remuneration	3,844	416
Total remuneration	7,929	1,492

11. Net gains/(losses) on financial assets at fair value through profit or loss

	Year ended 31 Dec 2025	Period ended 31 Dec 2024
	£'000	£'000
Net gains on bonds at fair value	4,802	15,907
Net gains on US Treasury securities	1,234	83
Total	6,036	15,990

12. Net gains/(losses) on derivative operations

The Group uses interest risk swap derivative agreements to hedge its net exposure to changes in variable interest rates fluctuations.

Net gains/(losses) on derivative operations include both settlements of such swap contracts and changes in fair value of open swap agreement.

13. Credit risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits. Credit risk is monitored by the credit risk department of the Group. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties.

As of 31 December 2025, the Group had the following total exposure to credit risks:

	31 Dec 2025	31 Dec 2024
	£'000	£'000
<i>Reconciliation of loans issued</i>		
Loans at amortised cost	2,761,685	3,002,441
Total loans issued	2,761,685	3,002,441

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13. Credit risk - continued

As of 31 December 2025, the Group had the following total exposure to credit risks: - continued

	31 Dec 2025	31 Dec 2024
	£'000	£'000
<i>Reconciliation of credit commitments</i>		
Credit commitments	294,834	421,097
Total credit commitments	294,834	421,097
<i>Reconciliation of other financial exposure</i>		
Cash and cash equivalents	43,975	81,675
Reverse repurchase agreements	591,435	504,266
Investments held at FVTPL	4,367,843	2,990,130
Due from related parties	8,876	6,392
Derivatives financial instruments	342,532	214,093
Other assets	3,895	4,529
Total other financial exposure	5,358,556	3,801,085
Total credit risk exposure from loans issued, credit commitments and other financial instruments	8,415,075	7,224,623

The Group believes that there no material credit risks associated with other financial exposure. The counterparties for investments held at FVTPL, cash and cash equivalents, reverse repurchase agreements and derivative financial instruments generally have investment grade credit ratings.

The Group is mainly exposed to credit risks associated with loans issued (principal) and credit commitments. Information about expected credit losses and assumptions underlying their calculations are disclosed below.

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.

The Group internal rating grades as at 31 December 2025:

Internal rating grade	Internal rating description	12-month PD*MEF range
1	Very strong	0.05%
2	Strong	0.15%
3	Very satisfactory	0.50%
4	Very satisfactory	0.94%
5	Satisfactory	1.77% - 2.36%
6	Satisfactory	3.55% - 4.72%
7	Acceptable	6.21% - 7.83%
8	Less satisfactory	11.32% - 14.16%
9	Vulnerable	18.00%
10	Highly vulnerable	25.00% - 50.00%
11 (impaired)	Credit impaired	50.00%-100%
12 (defaulted)	Default	100%

13. Credit risk - continued

Rating category breakdown - continued

The Group internal rating grades as at 31 December 2024:

Internal rating grade	Internal rating description	12-month PD*MEF range
1	Very strong	0.05%
2	Strong	0.15%
3	Very satisfactory	0.50%
4	Very satisfactory	0.92% - 1.12%
5	Satisfactory	1.77% - 2.24%
6	Satisfactory	3.55% - 4.48%
7	Acceptable	6.21% - 8.89%
8	Less satisfactory	10.98% - 15.20%
9	Vulnerable	18.00%
10	Highly vulnerable	25.00% - 50.00%
11 (impaired)	Credit impaired	50.00%-100%
12 (defaulted)	Default	100%

EAD * LGD are typically assessed by the Group as total amount of loans issued and outstanding loan commitments less estimated recovery from disposal of underlying securities. Due to sensitivity of vessels values, which are used as securities for loans issue and loans commitments to economic downturns the Group uses vessels values at low market as security value for calculation of EAD * LGD amount for each loan or credit commitment.

The loan impairment allowance comprise the following components:

	31 Dec 2025	31 Dec 2024
	£'000	£'000
<i>Model based allowance</i>		
Accumulated loan impairment charges	33,482	34,648
Accumulated loss allowances for credit commitments	3,758	5,347
Total	37,240	39,995
<i>Management overlays</i>		
Accumulated loan impairment charges	22,011	19,866
Accumulated loss allowances for credit commitments	1,817	2,588
Total	23,828	22,454
Overall total	61,068	62,449

13. Credit risk - continued

Rating category breakdown - continued

Reconciliation of total allowance account

	Year ended	Period ended
	31 Dec 2025	31 Dec 2024
	£'000	£'000
At 1 January	62,449	-
New loan impairment charges/ loss allowances/management overlays*	(4,630)	63,284
Translation to presentation currency difference	3,249	(835)
At 31 December	61,068	62,449

* For 2024, this amount includes impairment charge recognised on loans at amortised costs and loan commitments acquired as a part of acquisition of subsidiary. As of acquisition date loans issued are recognised at their fair value, which already accounts for credit risks. These loans are amortised using effective interest rate determined at subsidiary acquisition date. Immediately after acquisition the Group recognised impairment charge on these loans issued with charge being recorded in profit or loss.

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13. Credit risk - continued

There were no movements between loans at amortised cost stages and the whole amount of impairment charge is attributable to Stage 1 loans.

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

At 31 December 2025

Internal rating grade	Stage 1		Stage 2		Stage 3		POCI		Total loans issued	
	Gross amount	ECL	Gross amount	ECL	Gross amount	ECL	Gross amount	ECL	Gross amount	ECL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1	-	-	-	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	-	-
4	72,655	727	-	-	-	-	-	-	72,655	727
5	368,399	3,697	-	-	-	-	-	-	368,399	3,697
6	958,792	12,192	-	-	-	-	-	-	958,792	12,192
7	1,214,954	34,593	-	-	-	-	-	-	1,214,954	34,593
8	146,884	4,284	-	-	-	-	-	-	146,884	4,284
9	-	-	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-	-	-
11 (impaired)	-	-	-	-	-	-	-	-	-	-
12 (defaulted)	-	-	-	-	-	-	-	-	-	-
Total loans issued	2,761,684	55,493	-	-	-	-	-	-	2,761,684	55,493

Credit commitments broken down by rating category and stage

At 31 December 2025

Internal rating grade	Stage 1		Stage 2		Stage 3		POCI		Total credit commitments	
	Gross amount	ECL	Gross amount	ECL	Gross amount	ECL	Gross amount	ECL	Gross amount	ECL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1	-	-	-	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-	-	-	-
5	4,676	22	-	-	-	-	-	-	4,676	22
6	186,230	2,169	-	-	-	-	-	-	186,230	2,169
7	63,830	2,270	-	-	-	-	-	-	63,830	2,270
8	40,098	1,114	-	-	-	-	-	-	40,098	1,114
9	-	-	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-	-	-
11 (impaired)	-	-	-	-	-	-	-	-	-	-
12 (defaulted)	-	-	-	-	-	-	-	-	-	-
Total credit commitments	294,834	5,575	-	-	-	-	-	-	294,834	5,575

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13. Credit risk - continued

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

At 31 December 2024

Internal rating grade	Stage 1		Stage 2		Stage 3		POCI		Total loans issued	
	Gross amount	ECL	Gross amount	ECL	Gross amount	ECL	Gross amount	ECL	Gross amount	ECL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1	-	-	-	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	-	-
4	28,417	-	-	-	-	-	-	-	28,417	-
5	618,166	5,518	-	-	-	-	-	-	618,166	5,518
6	938,417	11,439	-	-	-	-	-	-	938,417	11,439
7	1,119,695	29,756	-	-	-	-	-	-	1,119,695	29,756
8	278,788	7,801	-	-	-	-	-	-	278,788	7,801
9	-	-	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-	-	-
11 (impaired)	-	-	-	-	-	-	18,958*	-	18,958	-
12 (defaulted)	-	-	-	-	-	-	-	-	-	-
Total loans issued	2,983,483	54,514	-	-	-	-	18,958	-	3,002,441	54,514

* This loan was settled in 2025

Credit commitments broken down by rating category and stage

At 31 December 2024

Internal rating grade	Stage 1		Stage 2		Stage 3		POCI		Total credit commitments	
	Gross amount	ECL	Gross amount	ECL	Gross amount	ECL	Gross amount	ECL	Gross amount	ECL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1	-	-	-	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	-	-
4	87,115	360	-	-	-	-	-	-	87,115	360
5	8,910	77	-	-	-	-	-	-	8,910	77
6	123,806	1,539	-	-	-	-	-	-	123,806	1,539
7	172,572	5,212	-	-	-	-	-	-	172,572	5,212
8	28,694	747	-	-	-	-	-	-	28,694	747
9	-	-	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-	-	-
11 (impaired)	-	-	-	-	-	-	-	-	-	-
12 (defaulted)	-	-	-	-	-	-	-	-	-	-
Total credit commitments	421,097	7,935	-	-	-	-	-	-	421,097	7,935

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.

13. Credit risk - continued

Classification, stage migration and loan impairment charges - continued

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.

Loans in arrears/past due to 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 would be 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.

Loan and loan commitment book before loan impairment charges broken down by loan-to-value interval

Loan-to-value interval	Share of loans 2025
0-20%	3%
20-40%	36%
40-60%	53%
60-80%	8%
80-90%	-
90-100%	-
over 100%	-

Loan-to-value interval	Share of loans 2024
0-20%	6%
20-40%	50%
40-60%	38%
60-80%	7%
80-90%	-
90-100%	-
over 100%	-

The tables above shows that at year-end 2025 and 2024, 100% of all loans were secured within 80% of the market value of the mortgage. The market value applied for the above calculated was current market value at 31 December 2025 and 31 December 2024, which is different from SX low market value used for loans impairment provision calculations.

14. Income tax expense

The consolidated income tax has been calculated as an aggregation of the income tax expenses of each individual company. In order to calculate the taxable income of the consolidated entities individually, the accounting profit is adjusted for the temporary and permanent differences, recording the corresponding deferred tax assets and liabilities. At each consolidated income statement date, a current tax asset or liability is recorded, representing income taxes currently refundable or payable. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial statement and income tax purposes, as determined under enacted tax laws and rates.

	Year ended 31 Dec 2025	Period ended 31 Dec 2024
	£'000	£'000
Current tax on income for the year	10,660	1,468
Changes in deferred tax	9,084	(9,459)
Total income tax expense/(benefit)	19,744	(7,991)

The following table reconciles the tax expense at the standard rate to the actual tax expense:

Profit before income tax	55,853	594,917
Total tax expense at UK standard rate of 25% (2024: 25%)	13,963	148,729

Tax effects of:

Effect of different tax rates of entities operating in different jurisdictions	620	(299)
Non-taxable acquisition gain	-	(164,969)
Change unrecognised portion of deferred tax asset	(2,658)	5,749
Class B preference shares dividends	1,450	644
Non-taxable income and non-deductible expenses	6,369	2,155
Total income tax expense/(benefit)	19,744	(7,991)

	As of 1 January 2025	Acquisition of subsidiary	Recognised in profit or loss	Translation to presentation currency difference	As of 31 December 2025
	£'000	£'000	£'000	£'000	£'000
Loans	11,643	-	(8,839)	470	3,274
Employee obligations	2,543	-	412	146	3,101
Tangible assets	(1,711)	-	612	(81)	(1,180)
Issued bonds	(11,156)	-	(2,993)	(663)	(14,812)
Other	2	-	1,725	31	1,758
Net Deferred tax asset/(liability)	1,321	-	(9,083)	(97)	(7,859)

14. Income tax expense - continued

	As of incorporation £'000	Acquisition of subsidiary £'000	Recognised in profit or loss £'000	Translation to presentation currency difference £'000	As of 31 December 2024 £'000
Loans	-	(2,380)	14,238	(215)	11,643
Employee obligations	-	2,209	338	(4)	2,543
Tangible assets	-	(2,768)	880	177	(1,711)
Issued bonds	-	(4,297)	(6,951)	92	(11,156)
Other	-	(939)	954	(13)	2
Net Deferred tax asset/(liability)	-	(8,175)	9,459	37	1,321

Deferred tax assets have not been recognised in respect of the Company's tax losses of £3.2 million (2024: £5.8 million) for the year ended 31 December 2025 because the Company does not believe it is probable that there will be sufficient tax income available for their utilisation in the foreseeable future.

15. Cash and cash equivalents

	31 Dec 2025 £'000	31 Dec 2024 £'000
Cash-in-transit	-	45,096
Cash at bank	43,913	36,511
Custody accounts	62	68
Total cash and cash equivalents (consolidated statement of financial position)	43,975	81,675
Bank overdrafts (consolidated statement of financial position)	(5,475)	-
Cash and cash equivalents less bank overdrafts (consolidated statement of cash flows)	38,500	81,675

The cash at bank balances are held with various banking institutions. Banks are rated at least AA-A based on credit rating agencies.

16. Repurchase and reverse repurchase agreements

Reverse repurchase agreements relate to purchases of securities from credit institutions to be re-sold later. Initially these agreements are recognised at fair value and subsequently are measured at amortised cost.

Repurchase agreements include amounts received under repo transactions (sale of securities with an agreement to repurchase the same securities back later). Initially these agreements are recognised at fair value and subsequently are measured at amortised cost.

Both repurchase and reverse repurchase agreements have maturities less than twelve months.

Repurchase and reverse repurchase agreements, together with financial assets at fair value through profit or loss, are used to manage short-term liquidity. Changes in these balances correspond to actions taken by management for the optimal allocation of excess liquidity.

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17. Financial assets and liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss

	31 Dec 2025	31 Dec 2024
	£'000	£'000
Government bonds and bonds issued by KommuneKredit	43,372	143,579
Covered bonds backed by mortgages on real estate	4,264,991	2,817,724
Equity funds	35,890	-
US Treasury securities	23,590	24,253
Subordinated notes fund	-	4,574
Total financial assets at FVTPL	4,367,843	2,990,130

Financial assets at fair value through profit or loss had the following contractual maturities at 31 December 2025 and 31 December 2024:

	31 Dec 2025	31 Dec 2024
	£'000	£'000
Maturity up to and including 1 year	457,803	521,746
Maturity over 1 year and up to and including 5 years	3,151,677	1,823,640
Maturity over 5 years and up to and including 10 years	450,669	459,064
Maturity over 10 years	271,804	185,680
Total debt instruments at FVTPL	4,331,953	2,990,130
Equity funds	35,890	-
Total financial assets at FVTPL	4,367,843	2,990,130

At 31 December 2025 £109.7 million (2024: £259.2 million) of covered bonds backed by real estate mortgages and governmental bonds were provided as a collateral under Credit Support Annex ("CSA") agreements for the Group's derivative liabilities.

Financial liabilities at fair value through profit or loss

	31 Dec 2025	31 Dec 2024
	£'000	£'000
Short position on government bonds	439,975	-
Total financial liabilities at FVTPL	439,975	-

Short positions on government bonds have maturities less than twelve months.

18. Loans at amortised cost

	31 Dec 2025	31 Dec 2024
	£'000	£'000
Gross loans at exchange rates at the balance sheet date	2,761,685	3,002,441
Accumulated loan impairment charges	(55,494)	(54,514)
Total loans	2,706,191	2,947,927

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18. Loans at amortised cost - continued

Loans issued to customers had the following contractual maturities at 31 December 2025 and 31 December 2024:

	31 Dec 2025	31 Dec 2024
	£'000	£'000
Maturity up to and including 1 year	139,767	86,376
Maturity over 1 year and up to and including 5 years	539,998	237,350
Maturity over 5 years and up to and including 10 years	1,793,090	2,298,291
Maturity over 10 years	233,336	325,910
Total	2,706,191	2,947,927

19. Property, plant and equipment

Reconciliation of carrying value

	Land and buildings	Furniture and fixtures	Total
	£'000	£'000	£'000
At 31 July 2023	-	-	-
Acquisition of subsidiary	49,324	824	50,148
Property improvements during the period	305	-	305
Translation to presentation currency difference	(955)	(16)	(971)
At 31 December 2024	48,674	808	49,482
Property improvements during the year	10,299	-	10,299
Disposal	(16,320)	(401)	(16,721)
Translation to presentation currency difference	2,391	36	2,427
At 31 December 2025	45,044	443	45,487
Accumulated depreciation			
At 31 July 2023	-	-	-
Depreciation charge for the period	(7)	(77)	(84)
Translation to presentation currency difference	-	1	1
At 31 December 2024	(7)	(76)	(83)
Depreciation charges for the year	(2,416)	(109)	(2,525)
Disposals during the year	607	121	728
Translation to presentation currency difference	-	(1)	(1)
At 31 December 2025	(1,816)	(65)	(1,881)
Net book value			
At 31 December 2025	43,228	378	43,606
At 31 December 2024	48,667	732	49,399

In mid-July 2020, the Group 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 when the Company relocated to the new office.

20. Derivatives

	Carrying value of assets £'000	Carrying value of liabilities £'000	Notional amount £'000
Derivatives in economic hedge relationships			
Swap agreements to hedge the foreign exchange risk	165,372	27,516	6,023,767
Swap agreements to hedge the interest rate risk	42,481	90,436	6,929,313
Swap agreements for which financial risks are not fully hedged (interest rate risk swap agreements)	129,544	165,199	5,641,370
Forward interest rate and currency agreements	5,135	4,295	1,826,758
At 31 December 2025	342,532	287,446	20,421,208
Derivatives in economic hedge relationships			
Swap agreements to hedge the foreign exchange risk	30,856	128,108	6,000,754
Swap agreements to hedge the interest rate risk	66,274	137,712	9,911,500
Swap agreements for which financial risks are not fully hedged (interest rate risk swap agreements)	114,761	155,817	4,884,693
Forward interest rate and currency agreements	2,202	3,909	1,855,337
At 31 December 2024	214,093	425,546	22,652,284

At their inception, derivatives often involve only an exchange of cash or other assets in the future, with little or no transfer of initial consideration. However, these instruments frequently involve a high degree of leverage, and the value of the amounts required to be exchanged can be significantly higher than the initial investment. A relatively small movement in the value of the underlying asset or rate underlying a derivative contract may have a significant impact on the profit or loss of the Group. The Group's exposure to derivative contracts is monitored on a regular basis as part of its overall risk management framework.

The derivatives are entered by the Group in order to economically hedge its exposures for risk management purposes that are not designated in hedge relationships as they do not meet the IFRS hedge accounting criteria.

At 31 December 2025 £153.0 million (2024: £23.9 million) of covered bonds backed by real estate mortgages and governmental bonds were received as a collateral under CSA agreements. For the amount of collaterals provided under CSA agreements please refer to note 17.

21. Bonds issued for operating purposes

The Group's subsidiary DSF issued bonds to finance lending (operating) activities. These bonds are initially recognised at fair value and subsequently measured at amortised cost. Bond are ship mortgages, or ship covered bullet bonds with full amount of principal paid at the maturity date. These bonds have nominal interest rates ranging from 0.5% to 4% (2024: 0.5% to 4%) interest rate and have either bi-annual or annual coupons.

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21. Bonds issued for operating purposes - continued

	31 Dec 2025	31 Dec 2024
	£'000	£'000
At 1 January	4,353,631	-
Acquisition of subsidiaries	-	4,868,594
Proceeds from issue of bonds and loans	628,357	290,103
Repayment of bonds and loans	(988,261)	(761,435)
Interest expense	143,085	93,845
Loss on early redemptions of bonds issued	2,438	4,693
Interest paid	(121,957)	(53,231)
Currency remeasurement gain/(loss)	1,598	-
Translation to presentation currency difference	229,416	(88,938)
At 31 December	4,248,307	4,353,631

Bonds by time to maturity

	31 Dec 2025	31 Dec 2024
	£'000	£'000
Up to 1 year	670,731	432,811
From 1 to 5 years	3,030,248	3,079,509
Over 5 years	547,328	841,311
Total issued bonds	4,248,307	4,353,631

22. Loans and borrowings used for subsidiary acquisition purposes

	31 Dec 2025	31 Dec 2024
	£'000	£'000
At 1 January	344,389	-
Proceeds from issue of bonds and loans	-	447,947
Repayment of bonds and loans	(41,795)	(126,029)
Interest expense	20,175	11,632
Interest paid	(22,845)	-
Currency remeasurement gain/loss, net	(30,026)	14,055
Translation to presentation currency difference	3,029	(3,216)
At 31 December	272,927	344,389

All loans and borrowings are unsecured.

23. Other provisions

Other provision comprises expected credit loss allowances related to credit commitments. Movements during the year are:

	31 Dec 2025	31 Dec 2024
	£'000	£'000
At 1 January	7,935	-
(Decrease)/Increase in expected credit loss provision	(2,741)	8,041
Translation to presentation currency difference	381	(106)
At 31 December	5,575	7,935

24. DSF Class B preference shares liability

DSF class B preference shares liability was recognised as a part of acquisition of subsidiary. Initially DSF class B shares were recognised at their fair value at DSF subsidiary acquisition date and are subsequently measured at amortised cost. The dividends attributable to DSF class B shares for the reporting year were recognised as an expense in the Group's profit or loss and are payable in 2026.

	31 Dec 2025	31 Dec 2024
	£'000	£'000
At 1 January	73,413	-
Acquisition of subsidiaries	-	72,363
Class B preference shares dividends accrual	5,578	2,475
Class B preference shares dividends payment	(7,127)	-
Translation to presentation currency difference	3,959	(1,425)
At 31 December	75,823	73,413

25. Related party transactions

The Group's ultimate parent undertaking and controlling party is Magellan Holding Limited.

The smallest and largest company for which the Group accounts are drawn up and which the Company and its subsidiaries are included in is Magellan Holding Limited, a company incorporated in Cayman Islands, with registered office address at Hot Desk 1.5, Floor 18, AI Khatem Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, UAE.

Copies of the Group financial statements, which include the Company and its subsidiaries are available from the above address.

The following table provides the total amount of transactions and balances that have been entered into with related parties for the financial year.

	Transactions with related parties	Entities under common control	Entities under control of key management personnel
	31 Dec 2025	31 Dec 2025	31 Dec 2025
	£'000	£'000	£'000
<i>Statement of profit or loss</i>			
Service fee charges from related parties - Transfer pricing	140	-	-
Interest revenue calculated using the effective interest method	-	38	10,609
Loan impairment reversal/(charges)	-	739	(720)

25. Related party transactions - continued

	Entities under control	Entities under control
	of key management personnel	of key management personnel
	31 Dec 2025	31 Dec 2025
	£'000	£'000
<i>Statement of financial position</i>		
Due from related parties	8,876	-
Loans at amortised cost, net of expected credit loss provision of £1.3 million and £0.8 million, respectively	18,224	155,670
Due to related parties	(19,087)	-
	Entities under control	Entities under control
	of key management personnel	of key management personnel
	31 Dec 2024	31 Dec 2024
	£'000	£'000
<i>Statement of profit or loss</i>		
Interest revenue calculated using the effective interest method	-	5,749
Loan impairment charges	-	1,895
	Entities under control	Entities under control
	of key management personnel	of key management personnel
	31 Dec 2024	31 Dec 2024
	£'000	£'000
<i>Statement of financial position</i>		
Due from related parties	6,392	-
Loans at amortised cost - net of expected credit loss provision of £1.9 million	-	191,034
Due to related parties	(17,094)	-

Balances and transactions between the Group and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

During the year, the Group entered into transactions in the ordinary course of business, with related parties. Related party transactions impacting the consolidated statement of profit or loss during the year are mainly transfer pricing adjustments. No guarantees have been given or received. Due from related parties receivables and due to related party payables are payable on demand, unsecured and have no interest charge. The Group assessed the expected credit loss provision on these due from related party receivables is insignificant.

Loan issued to an entity under control of a member of key management personnel was issued by Danish Ship Finance A/S before its acquisition by the Company and was appraised at fair value at acquisition date. The member of key management personal continued acting as such after Danish Ship Finance A/S acquisition and, therefore, they Group continued treating this loan and related income/impairment charges as related party transactions. This loan issued matures in 2031, is denominated in US dollars, has nominal interest rate of SOFR+1.85% and is secured with a mortgage of vessels having total LTV of 41% (31 December 2024: 40%).

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25. Related party transactions - continued

In 2025 the Group issued a loan to an entity under common control of its ultimate controlling shareholder in total amount of £18.2 million at 31 December 2025. This loan issued matures in 2029, is denominated in US dollars, has nominal interest rate of SOFR+2.75% and is secured with a mortgage of vessels having total LTV of 36%. As of 31 December 2025 the loan had also unused borrowing facilities of £13.1 million.

Remuneration of key management personnel is disclosed in Note 10.

26. Share capital

	31 Dec 2025	31 Dec 2024
	£'000	£'000
Authorised		
110,434,001 ordinary shares of £1.00	110,434	110,434
Total authorised share capital	110,434	110,434
Issued and fully paid		
At 31 December 2024 and 1 January 2025, 110,434,001 ordinary shares of £1 each	110,434	110,434
At 31 December 2025, 110,434,001 ordinary shares of £1.00 each	110,434	110,434

The shares are not listed for trading on a regulated market.

27. Capital management

The Group's objectives, when managing capital, are to safeguard the Group's ability to continue as a going concern in order to provide returns for its shareholder and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. While the Group does not have any formally defined internal or externally imposed target ratios for assessing compliance with its capital management policy, it monitors the adequacy of its capital using a gearing ratio calculated in accordance with internal management policies.

Gearing ratio as of 31 December 2025:

	31 Dec 2025	31 Dec 2024
	£'000	£'000
At 31 December 2025		
Repurchase agreements	(1,943,337)	(868,962)
Financial liabilities at fair value through the income statement	(439,975)	-
Bonds issued for operating purposes	(4,248,307)	(4,353,631)
Borrowings used for subsidiary acquisition purposes	(272,927)	(344,389)
Reverse repurchase agreements	591,435	504,266
Cash and bank balances (includes bank overdrafts)	38,500	81,675
Net debt	(6,274,611)	(4,981,041)
Equity	777,691	700,873
DSF class B preference shares liability	75,823	73,413
Total capital	853,514	774,286
Gearing ratio	735%	643%

27. Capital management - continued

Danish Ship Finance A/S, a subsidiary undertaking, is subject to regulatory capital requirements by the Danish Financial Supervisory Authority (Finanstilsynet) and by the European Union's Capital Requirements Regulation ("CRR") and Capital Requirements Directive ("CRD IV"). As of 31 December 2025 and 31 December 2024 Danish Ship Finance A/S was in compliance with all regulatory requirements with an adequate and sufficient surplus against all measures.

28. Finance risk management

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committees that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committees provide assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk applicable to the Group: interest rate risk and currency risk.

Foreign exchange 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, GBP and NOK, 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.

The Group aims to minimise foreign currency fluctuation exposure to DKK being functional currency for all of its subsidiaries. However, at this moment, it has not yet balanced its position mainly due to acquisition related borrowings.

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28. Finance risk management - continued

Foreign exchange risk - continued

	2025				
	USD	Other currencies	Total currencies	DKK	Total
The net position is specified as follows (£'000):					
Loans at year-end exchange rates	2,565,029	129,409	2,694,438	67,247	2,761,685
Loan impairment charges	(52,964)	(772)	(53,736)	(1,141)	(54,877)
Loans as per the balance sheet	2,512,065	128,637	2,640,702	66,106	2,706,808
Cash and cash equivalents	38,786	4,172	42,958	1,017	43,975
Reverse repurchase agreements	32,167	527,101	559,268	32,167	591,435
Financial assets at fair value through profit or loss	23,590	1,568,815	1,592,405	2,739,548	4,331,953
Due from related parties	8,876	-	8,876	-	8,876
Total assets as per the balance sheet (Excl. derivatives)	2,615,484	2,228,725	4,844,209	2,838,838	7,683,047
Bank overdrafts	(4,402)	(1,073)	(5,475)	-	(5,475)
Repurchase agreements	-	(1,196,074)	(1,196,074)	(747,263)	(1,943,337)
Due to related parties	(19,087)	-	(19,087)	-	(19,087)
Deferred consideration	-	-	-	(14,019)	(14,019)
Bonds issued for operating purposes	-	(1,284,710)	(1,284,710)	(2,963,597)	(4,248,307)
Borrowings used for subsidiary acquisition purposes	(272,927)	-	(272,927)	-	(272,927)
Provisions	(6,138)	572	(5,567)	(9)	(5,576)
Total liabilities as per the balance sheet (Excl. derivatives)	(302,554)	(2,481,285)	(2,783,840)	(3,724,889)	(6,508,728)
Derivatives					
- receivables	813,960	2,298,628	3,112,588	-	
Derivatives					
- payables	(3,318,019)	(1,671,810)	(4,989,829)	-	
Total net position	(191,130)	374,258	183,128	(886,051)	

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28. Finance risk management - continued

Foreign exchange risk - continued

	2024				Total
	USD	Other currencies	Total currencies	DKK	
The net position is specified as follows (£'000):					
Loans at year-end exchange rates	2,796,746	131,564	2,928,310	74,131	3,002,441
Loan impairment charges	(53,373)	-	(53,373)	(1,141)	(54,514)
Loans as per the balance sheet	2,743,373	131,564	2,874,937	72,990	2,947,927
Cash and cash equivalents	81,675	-	81,675	-	81,675
Reverse repurchase agreements	-	168,301	168,301	335,965	504,266
Financial assets at fair value through profit or loss	294,662	606,299	900,961	2,089,169	2,990,130
Due from related parties	6,392	-	6,392	-	6,392
Total assets as per the balance sheet (Excl. derivatives)	3,126,102	906,164	4,032,266	2,498,124	6,530,390
Repurchase agreements	-	(517,005)	(517,005)	(351,957)	(868,962)
Due to related parties	(17,094)	-	(17,094)	-	(17,094)
Deferred consideration	-	-	-	(12,163)	(12,163)
Bonds issued for operating purposes	-	(945,800)	(945,800)	(3,407,831)	(4,353,631)
Borrowings used for subsidiary acquisition purposes	(302,872)	(41,518)	(344,390)	-	(344,390)
Provisions	(7,935)	-	(7,935)	-	(7,935)
Total liabilities as per the balance sheet (Excl. derivatives)	(327,901)	(1,504,323)	(1,832,224)	(3,771,951)	(5,604,175)
Derivatives					
- receivables	896,364	2,555,032	3,451,396	-	
Derivatives					
- payables	(4,144,027)	(1,517,868)	(5,661,896)	-	
Total net position	(449,463)	439,005	(10,458)	(1,273,827)	

Derivatives receivables and payables disclosed above are at notional amounts.

The following tables demonstrate the sensitivity to a reasonably possible change in US Dollars (USD) and Euro exchange rates against Danish Krone (DKK), with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. Impact on pre-tax equity would be equal to the impact on profit before tax.

28. Finance risk management - continued

Foreign exchange risk - continued

	2025	
	Change in year-end exchange rate	Effect on profit before tax £'000
DKK/USD	+15%	(28,669)
	-15%	28,669
DKK/EUR	+15%	56,139
	-15%	(56,139)
	2024	
	Change in period-end exchange rate	Effect on profit before tax £'000
DKK/USD	+15%	(67,419)
	-15%	67,419
DKK/EUR	+15%	65,851
	-15%	(65,851)

Interest rate risk

The Group's 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 economically hedged using DKK or EUR interest rate swaps. In our internal calculations, EUR rates and DKK rates are assumed to be fully correlated.

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 decrease in profit before tax by £15.7 million (2024: £11.0 million) and 1 percentage point decrease in interest rates would technically lead to increase in profit before tax by £13.0 million (2024: £8.8 million).

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 to us.

The Group is mainly exposed to the credit risk of clients through loans collateralised by vessels. The Group is 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 13 includes a more detailed description of credit risk.

28. Finance risk management - continued

Liquidity risk

Liquidity risk is the risk of loss arising from the inability to fulfil immediate and short-term payment obligations. The Group's liquidity risk policy, which is set by the Board of Directors, outlines the risk profile and framework for liquidity risk management. The Group currently funds our lending by issuing covered bonds.

The capital centres are 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. Liquidity risk primarily arises from future liquidity mismatch as loans and issued bonds are not matched on a loan-by-loan basis. 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 may also require liquidity. 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, the Group believes that our liquidity risk may be characterised as low.

The following table analyses the contractual maturities of the Group's financial liabilities (undiscounted cash flows):

	2025			Total carrying amount £'000
	On demand or within 1 year £'000	Between 1 and 5 years £'000	Over 5 years £'000	
Bank overdrafts	5,475	-	-	5,475
Repurchase agreements	1,966,111	-	-	1,966,111
Financial liabilities at fair value through the income statement	439,975	-	-	439,975
Derivative financial instruments	287,446	-	-	287,446
Due to related parties	19,087	-	-	19,087
Other liabilities	18,080	-	-	18,080
Deferred consideration	-	14,429	-	14,429
Bonds issued for operating purposes	744,668	3,386,042	569,270	4,699,980
Borrowings used for subsidiary acquisition purposes	22,402	334,854	-	357,256
Total financial liabilities	3,503,244	3,735,325	569,270	7,807,839
	2024			
	On demand or within 1 year £'000	Between 1 and 5 years £'000	Over 5 years £'000	Total carrying amount £'000
Repurchase agreements	873,933	-	-	873,933
Derivative financial instruments	425,546	-	-	425,546
Due to related parties	17,094	-	-	17,094
Other liabilities	3,034	-	-	3,034
Deferred consideration	-	13,685	-	13,685
Bonds issued for operating purposes	957,461	3,589,223	643,866	5,190,550
Borrowings used for subsidiary acquisition purposes	65,622	382,885	-	448,507
Total financial liabilities	2,342,690	3,985,793	643,866	6,972,349

29. Commitments and contingencies

In the ordinary course of its lending operations, the Group has undertaken commitments in relation to unutilised drawing rights on loans with revolving credit facilities. As of 31 December 2025 and 31 December 2024, these commitments amounted to:

	31 Dec 2025	31 Dec 2024
	£'000	£'000
Commitments in relation to unutilised drawing rights on loans with revolving credit facilities	115,359	131,163
Commitments relating to irrevocable credit commitments	179,475	289,934
Total commitments	294,834	421,097

These commitments are accounted off-balance sheet with expected credit loss provision on their carrying amounts recognised in other provisions. Refer to Note 13. The Group does not have any other material commitments and contingencies.

30. Earnings per share (EPS)

Basic earnings per share is calculated by dividing the profit or loss attributable to equity shareholders of the company (earnings) by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the company and held as treasury shares.

There are no instruments having dilutive effect and dilutive earnings per share equals dilutive EPS.

	Year ended	Period ended
	31 Dec 2025	31 Dec 2024
	£'000	£'000
Profit attributable to equity holders	36,047	602,930
Average number of ordinary shares	110,434	110,434
Earnings per share (in pounds per share) – basic and dilutive	0.33	5.46

31. Events after the reporting period

Subsequent to the reporting period, the geopolitical environment in the Middle East has materially deteriorated due to a significant escalation of conflict. This has resulted in disruptions to air and maritime traffic across the region, an increase in global fuel prices, heightened market volatility, and other economic uncertainties, which could potentially impact the Group in the future. In accordance with International Accounting Standard 10 (IAS 10) 'Events after the Reporting Period', these events are considered non adjusting post balance sheet events and therefore do not require any adjustments to the amounts reported in these consolidated financial statements.

Based on management's assessment, including coverage under the war risk clause. Management continues to closely monitor developments and evaluate any potential implications for exposures and losses.

Other than the event noted above, there have been no subsequent events after the consolidated statement of financial position date that would significantly affect the amounts reported in the consolidated financial statements as at and for the year ended 31 December 2025.

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Company Statement of Financial Position
As at 31 December 2025

	Notes	31 Dec 2025 £'000	31 Dec 2024 £'000
Assets			
Cash and cash equivalents	3	42,554	72,704
Financial assets at fair value through profit or loss	4	23,590	28,827
Due from related parties	5	9,553	6,392
Other assets		518	653
Investment in subsidiaries	9	531,499	504,077
Total assets		607,714	612,653
Liabilities			
Loan from subsidiary	6	37,868	21,310
Due to related parties	5	19,087	17,094
Derivative financial instruments		5,574	-
Other liabilities		15,810	1,162
Borrowings used for subsidiary acquisition purposes	8	272,927	344,389
Total liabilities		351,266	383,955
Equity			
Share capital	7	110,434	110,434
Translation reserve		11,541	(3,101)
Retained earnings including profit for the year of £13.1 million (2024: £121.4 million)		134,473	121,365
Total equity		256,448	228,698
Total liabilities and equity		607,714	612,653

As permitted by section 408 of the Companies Act 2006, the company has not presented its own Statement of Comprehensive Income and related notes as it prepares group accounts.

The financial statements of Magellan Capital Holdings PLC were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

Ahmed Omar
Director
Date: 20 May 2026

Omar Elali
Director
Date: 20 May 2026

Registered number: 15038401

Registered number: 15038401

The accompanying notes form an integral part of these financial statements.

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Company Statement of Changes in Equity
For the year ended 31 December 2025

	Share capital £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Total Equity £'000
Profit for the period	-	-	121,365	121,365
Foreign currency translation	-	(3,101)	-	(3,101)
Total comprehensive profit for the period	-	(3,101)	121,365	118,264
Issue of share capital	110,434	-	-	110,434
Balance as at 31 December 2024 and 1 January 2025	110,434	(3,101)	121,365	228,698
Profit for the year	-	-	13,108	13,108
Foreign currency translation	-	14,642	-	14,642
Total comprehensive profit for the year	-	14,642	13,108	27,750
Balance as at 31 December 2025	110,434	11,541	134,473	256,448

The accompanying notes form an integral part of these financial statements.

1. Significant statement of accounting policies

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement and certain related party transactions. Where required, equivalent disclosures are given in the consolidated financial statements. As permitted by section 408 of the Companies Act 2006 the Company has elected not to present its own profit and loss account for the year and prior period.

The principal accounting policies adopted are the same as those set out in Note 2 to the consolidated financial statements.

The functional currency of the Company is the national currency of Denmark, the Danish Krone ("DKK"), which is the currency of primary economic environment of the Company's main operating subsidiary being the Company's primary source of income operates. The presentation currency of the Company is the British pound ("£"), which management believes is the most useful currency to adopt for users of these consolidated financial statements.

1.1 Financial assets at fair value through profit or loss

The financial assets at fair value through profit or loss are measured on initial recognition at fair value excluding transaction costs and subsequently at fair value with value adjustments through profit or loss.

1.2 Investments

Investments in subsidiaries are stated at cost less provision for impairment. The recoverability of investments is tested annually for impairment in accordance with IAS 36 'Impairment of Assets'.

1.3 Due to/from related parties

Amounts due from or to related parties are measured at amortised cost. The Company has assessed and concluded that the amounts owed by subsidiaries will be fully recovered. Therefore, credit losses are considered to be immaterial.

1.4 Borrowings used for subsidiary acquisition purposes

Borrowings used for subsidiary acquisition purposes 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).

1.5 Loan from subsidiary

Loan from subsidiary is measured at amortised cost.

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Notes to the Company Financial Statements - Continued
For the year ended 31 December 2025

2. Going concern

In preparing the financial statements, the directors have considered the ability of the Company to continue as a going concern and continue to monitor the impact of the geopolitical challenges on its financial condition, liquidity, operations and workforce to inform their decisions for the assessment period to 30 June 2027.

The Company demonstrates adaptability and resilience in the current macroeconomic environment, operating effectively, providing financing to reputable shipowners and meeting new client needs, whilst maintaining a healthy working capital position. The Company delivered its period of planned growth, in line with its business plan and underpinned by a number of strategic growth areas, placing the Company in a strong financial position at 31 December 2025, with a high level of liquidity.

In the assessment of going concern, the Executive Board has considered the economic environment in the markets in which the Company operates, including prevailing macroeconomic conditions such as inflation, skills availability and the impact of geopolitical uncertainty (including the Iran conflict) on economic growth, and how the position might develop in future. The Executive Board's assessment includes planning appropriate responses for a range of possible scenarios. Under a stress test scenario determined by management assuming no dividends from its only operating subsidiary, it would still have sufficient cash and short-term investments to continue as a going concern for a period to 30 June 2027. Even under this stress test scenario, the Company would maintain comfortable liquidity headroom during the year under assessment. That is, even before modelling the mitigating effect of actions that management would take if these downside risks were to materialise. The Company's financial model shows that the position remains manageable in all scenarios with adequate levels of headroom being maintained even in the downside scenario.

The Directors have confirmed that there are no material uncertainties that cast doubt on the Company's going concern status and that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period to 30 June 2027. The company financial statements have therefore been prepared on a going concern basis.

3. Cash and cash equivalents

	31 Dec 2025	31 Dec 2024
	£'000	£'000
Cash-in-transit	-	45,096
Cash at bank	42,492	27,550
Custody accounts	62	58
Total cash and cash equivalents	42,554	72,704

4. Financial assets at fair value through profit or loss

	31 Dec 2025	31 Dec 2024
	£'000	£'000
US Treasury securities	23,590	24,253
Subordinated notes fund	-	4,574
Total	23,590	28,827

5. Related party transactions

The amounts due from/to entities represent amounts due from/to entities under control of the Group's ultimate shareholder.

During the year, the Group entered into transactions in the ordinary course of business, with entities under control of the Group's ultimate shareholder. The transactions related to reimbursement of certain expenses incurred by these entities on behalf of the Company and short-term non-interest-bearing cash transfers made during DSF acquisition finalisation period to provide temporary financial support.

The directors of the Company did not receive any compensation from the Company in the financial year ended 31 December 2025 and period ended 31 December 2024.

6. Loan from subsidiary

As of 31 December 2025, loans from subsidiary account comprises various loans from its subsidiary AX IV Holdco A/S in the amount of £37.9 million (2024: £21.3 million), which is denominated in Danish Kroner and is payable on demand. The loans have an interest rate of 6% per annum. After initial recognition the loans are measured at amortised cost.

7. Share capital

The information regarding share capital is disclosed in Note 26 to the consolidated financial statements.

8. Borrowings used for subsidiary acquisition purposes

The information regarding borrowings used for subsidiary acquisition purposes is disclosed in note 22 to the consolidated financial statements.

9. Investment in subsidiaries

The information regarding voting and ownership rights in the Company subsidiaries as of 31 December 2025 is disclosed in Note 4. The information regarding movements in this account is disclosed below:

	31 Dec 2025	31 Dec 2024
	£'000	£'000
At 1 January 2025	504,077	-
Acquisition of subsidiaries	-	514,894
Translation to presentation currency difference	27,422	(10,817)
Carrying value at 31 December 2025	531,499	504,077

10. Subsequent events

Since the reporting date, geopolitical tensions, including the escalation of conflict involving Iran, have adversely impacted the shipping industry. The Company has exposure through loans to shipping clients operating in affected regions. Management continues to assess the potential impact; however, based on the information currently available, they do not expect the impact on the financial statements to material.