

**Magellan Holding Limited**

**Annual Report and Consolidated Financial Statements**

For the year ended 31 December 2025

Registered Number: 000010528

**Magellan Holding Limited**  
**Registered Number: 000010528**  
**Contents**  
**For the year ended 31 December 2025**

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**Magellan Holding Limited**  
**Registered Number: 000010528**  
**Company Information**  
**For the year ended 31 December 2025**

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**Directors**

Ahmed Omar  
Omar Elali

**Registered Office**

Hot Desk 1.5, Floor 18  
Al Khatem Tower  
Abu Dhabi Global Market Square  
Al Maryah Island  
Abu Dhabi  
United Arab Emirates

**Registered Number**

000010528 (ADGM, UAE)

**Independent Auditor**

Ernst & Young Middle East (ADGM Branch)  
P.O. Box 136  
Tamouh Tower, 16th Floor, Office No. 1603  
Al Reem Island, Emirate of Abu Dhabi  
United Arab Emirates

**Principal Bankers**

Barclays Bank PLC  
IOM International Banking Centre (K)  
25 Circular Road  
Douglas  
IMI 1AD  
Isle of Man  
Great Britain

HSBC Bank Middle East  
Gate Precinct, Building 2, Floor 4  
Dubai International Financial Centre  
Downtown District  
Dubai  
United Arab Emirates

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

**Magellan Holding Limited**  
**Registered Number: 000010528**  
**Company Information - Continued**  
**For the year ended 31 December 2025**

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**Principal Bankers (Continued)**

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

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 Holding Limited**  
**Registered Number: 000010528**  
**Directors' Report**  
**For the year ended 31 December 2025**

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

The directors, in preparing this directors' report, have complied with section 402 of the Abu Dhabi Global Market ("ADGM") Companies Regulations 2020, as amended.

### **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 consolidated financial statements.

### **Directors**

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

- Ahmed Omar
- Omar Elali

### **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 Group 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.

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.

### **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.

## **Issue of shares**

The issued share capital of the Company for the year ended 31 December 2025 consists of 10,000 fully paid ordinary shares of \$1.00 each. See note 26 for more information.

## **Results and performance**

The results for the financial year are set out on pages 14 and 15. The Group generated a pre-tax profit of \$73.3 million (2024: \$768.3 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 an \$851.9 million acquisition gain and business acquisition-related costs of \$7.6 million. The remaining change in pre-tax profit was mainly attributable to a \$81.8 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 \$1,043.7 million (2024: \$881.9 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 Holding Limited (the "Company") is a private entity, limited by shares. It operates primarily as a holding company, established with the purpose of raising capital through the issuance of share capital and equity funding 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 settled its first bond coupon, amounting to \$15.1 million. Further information is provided in Note 22.

On 6 January 2025, the Group settled the principal amount of Tranche B of \$58.7 million (equivalent to €50.0 million at the settlement date), along with accrued interest of \$0.2 million (equivalent to €0.2 million), thereby concluding the settlement of the Bridge Loan (Tranches A and B). Further details are provided in Note 22.

On 11 March 2025, the Group's U.S. Treasury Bill investment (ISIN: US912797NQ65) matured and was redeemed for \$7.6 million, giving rise to a capital gain on disposal of \$0.1 million. Further information is provided in Note 17.

On 18 March 2025, the Group acquired U.S. Treasury Notes (ISIN: US91282CMP31) for a total consideration of \$7.5 million at the transaction date. Further details are provided in Note 17.

On 21 March 2025, the Group disposed of the drawn portion of the subordinated notes issued by Collier Credit Backed Loans & Notes II Ltd, with a carrying value of \$5.8 million, to Magellan Investments Holding Limited (ADGM), an entity under common control. Further details are disclosed in Note 17.

## **Review of the business - continued**

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

On 3 July 2025, the Group settled its second bond coupon in the amount of \$15.1 million. Further details are provided in Note 22.

On 14 November 2024, the Company acquired a U.S. Treasury Bill (ISIN: US912797NA14) for a total consideration of \$7.7 million. The instrument matured on 30 October 2025 and was redeemed for \$8.0 million, giving rise to a capital gain of \$0.3 million. Further information is provided in Note 17.

On 17 December 2025, the Company acquired U.S. Treasury Notes (ISIN: US91282CPL99) for a total consideration of \$8.9 million at the transaction date. Further details are provided in Note 17.

On 29 December 2025, the Company received \$29.3 million from HEA Investments (Cayman Islands), an entity under common control, in settlement of outstanding 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 Company's operating performance was in line with the expectation.

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

- Net interest income: \$182.8 million (2024: \$93.8 million)
- Equity: \$1,043.7 million (2024: \$881.9 million)
- Profit before tax: \$73.3 million (2024: \$768.3 million)
- Net income: \$47.3 million (2024: \$778.6 million)
- Net interest and fee income margin\*: 43.6% (2024: 42.3%)

\* 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 negative impact of the Group's assessment of its credits 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 \$1.9 million, or 0.12 percentage points of the total loans at amortised cost and credit commitments. Refer to note 13.

## **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.

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.

## **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.

### ***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 prioritises 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.

## **Environmental, Social and Governance (“ESG”) Disclosures**

In accordance with section 399B of the ADGM Companies Regulations 2020, as amended, and where the Company meets the condition under section 399A(2)(a), the Directors present the following summary of environmental, social and governance (“ESG”) matters relevant to the Group’s business and strategy.

The Group is a provider of financing solutions to reputable shipowners, with a strategic focus on supporting the global shipping industry’s transition towards net zero emissions, while maintaining prudent credit risk standards and delivering sustainable returns for its shareholder.

To inform the content of this disclosure, the Group has relied upon the following internationally recognised ESG frameworks:

- **Poseidon Principles:** A global framework for responsible ship finance, which assesses and discloses the climate alignment of shipping portfolios against the decarbonisation trajectory set by the International Maritime Organisation (“IMO”).
- **Sustainability Accounting Standards Board (“SASB”) Marine Transportation Standards:** An industry-specific disclosure framework identifying key environmental and social risks relevant to maritime finance.
- **EU Taxonomy Regulation (EU 2020/852):** A classification system for environmentally sustainable economic activities, applied by the Group on a voluntary basis to assess climate alignment of qualifying ship finance transactions.

Key developments and performance highlights for the year ended 31 December 2025 include:

- +6.3% and +12.8% (2024: +12.6% and +18.1%) of new loan origination aligned with IMO decarbonisation goals, as assessed using Poseidon Principles methodology.
- Introduction of climate alignment assessments into credit approvals and post-origination monitoring.
- 100% of counterparties reviewed for compliance with the Maritime Labour Convention (MLC 2006) and human rights standards.
- Underrepresented gender initiatives resulted in 33% (2024: 36%) representation in senior leadership roles.
- ESG oversight maintained through a dedicated ESG and Risk Committee reporting to the Board.

The Group remains committed to responsible financing that supports the maritime industry’s decarbonisation while ensuring sound risk governance and financial resilience. The Group will continue to align its practices with international sustainability frameworks, including the Poseidon Principles, SASB, and the EU Taxonomy, while preparing for broader regulatory shifts. This ESG disclosure is made in accordance with Section 399B of the ADGM Companies Regulations 2020, as amended, and forms part of the consolidated financial statements for the year ended 31 December 2025.

## **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.

**Magellan Holding Limited**  
**Registered Number: 000010528**  
**Directors' Report - Continued**  
**For the year ended 31 December 2025**

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**Independent auditor**

In accordance with section 457 of the ADGM Companies Regulations 2020, as amended, the appropriate arrangements have been put in place for the reappointment of Ernst & Young Middle East (ADGM Branch) as independent auditor of the Group.

**Directors' statement as to disclosure of information to auditors**

So far as the Director is aware, there is no relevant audit information (as defined by section 403 of the ADGM Companies Regulations 2020, as amended) 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 Director in order to make him/herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

**Approved and signed on behalf of the Board:**



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**Ahmed Omar**  
**Director**  
**Date: 25 May 2026**

Signed by:



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**Omar Elali**  
**Director**  
**Date: 25 May 2026**

## **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Directors' report and the consolidated 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 financial statements in accordance with International Financial Reporting Standards ("IFRS"). 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 of the profit or loss of the Group 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 IFRS have been followed for the Group 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 will continue in business.

The directors are also responsible for safeguarding the assets of the Group 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's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the ADGM Companies Regulations 2020, as amended, and, as regards the financial statements, ADGM Companies Regulations (International Accounting Standards) Rules 2015.

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.

**Magellan Holding Limited**  
**Registered Number: 000010528**  
**Statement of Directors' Responsibilities**  
**For the year ended 31 December 2025**

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**Approved and signed on behalf of the Board:**



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**Ahmed Omar**  
**Director**  
**Date: 25 May 2026**

Signed by:  
  
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**Omar Elali**  
**Director**  
**Date: 25 May 2026**



**ERNST & YOUNG – MIDDLE EAST  
(ADGM BRANCH)**  
P.O. Box 136  
Tamouh Tower, 16<sup>th</sup> Floor, Office No. 1603  
Tamouh, Al Reem Island  
Emirate of Abu Dhabi  
United Arab Emirates

Tel: +971 2 417 4400  
+971 2 627 7522  
Fax: +971 2 627 3383  
abudhabi@ae.ey.com  
www.ey.com

## **INDEPENDENT AUDITOR’S REPORT TO THE SHAREHOLDER OF MAGELLAN HOLDING LIMITED**

### **Report on the Audit of the consolidated financial statements**

#### ***Opinion***

We have audited the consolidated financial statements of Magellan Holding Limited (the “Company”), and its subsidiaries (together referred as the “Group”), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, consolidated financial position of the Group as at 31 December 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

#### ***Basis for Opinion***

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). 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 in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Other information***

Other information consists of the information included in the Board of Directors’ report, other than the consolidated financial statements and our auditor’s report thereon. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF MAGELLAN HOLDING LIMITED (continued)**

### **Report on the audit of the consolidated financial statements (continued)**

#### ***Responsibilities of management and the Board of Directors for the consolidated financial statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and in compliance with the applicable provisions of the Companies Regulation 2020 of Abu Dhabi Global Market ("ADGM"), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Group's financial reporting process.

#### ***Auditor's responsibilities for the audit of the consolidated financial statements***

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF  
MAGELLAN HOLDING LIMITED (continued)**

**Report on the audit of the consolidated financial statements (continued)**

*Auditor's responsibilities for the audit of the consolidated financial statements (continued)*

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

***Report on Other legal and regulatory requirements***

Further, as required by the Companies Regulations 2020 of ADGM, we report that, in our opinion:

- i. the consolidated financial statements include, in all material respects, the applicable requirements of the Companies Regulations 2020 of ADGM; and
- ii. the financial information included in the report of the Board of Directors' is consistent with the books of account and records of the Group.

For Ernst & Young – Middle East (ADGM Branch)

James Potter

Partner

25 May 2026

Abu Dhabi, United Arab Emirates

**Magellan Holding Limited**  
**Registered Number: 000010528**  
**Consolidated Statement of Profit or Loss**  
**For the year ended 31 December 2025**

		Year ended 31 Dec 2025	For the period from 28 Aug 2023 to 31 Dec 2024
	Notes	\$'000	\$'000
Interest revenue calculated using the effective interest method	6	295,155	160,335
Other interest and similar income	6	137,470	54,759
Interest expense calculated using the effective interest method*	7	(247,939)	(121,274)
Other interest and similar expense	7	(1,840)	-
<b>Net interest income</b>		<b>182,846</b>	<b>93,820</b>
Fee and commission income		2,725	1,463
<b>Net interest and fee income</b>		<b>185,571</b>	<b>95,283</b>
Net gains on financial assets at fair value through profit or loss	11	7,962	20,663
Net losses on derivative operations	12	(71,847)	(51,672)
Gain on acquisition		-	851,928
<b>Total income</b>		<b>121,686</b>	<b>916,202</b>
Staff costs	9	(27,413)	(10,524)
Administrative expenses		(10,910)	(4,860)
Business acquisition-related cost		-	(7,599)
Depreciation and impairment of property, plant and equipment	19	(3,330)	(108)
Loss on early redemptions of bonds issued		(3,216)	(6,066)
Gain on early repayments and modifications of loans issued		3,064	-
Currency remeasurement gain/(loss), net		22,940	(15,247)
Loan impairment reversal/(charges)	13	6,107	(81,781)
<b>Total operating expenses</b>		<b>(12,758)</b>	<b>(126,185)</b>
<b>Operating profit for the year/period</b>		<b>108,928</b>	<b>790,017</b>
Interest expenses on bank loans and bonds issued for subsidiary acquisition purposes	7	(28,227)	(18,614)
Class B preference shares dividends	24	(7,357)	(3,117)
<b>Profit before income tax for the year/period</b>		<b>73,344</b>	<b>768,286</b>
Income tax (expense)/credit	14	(26,042)	10,329
<b>Profit for the year/period</b>		<b>47,302</b>	<b>778,615</b>
<b>Profits attributable to:</b>			
Equity holders of the parent		47,163	778,643
Non-controlling interests		139	(28)
<b>Profit for the year/period</b>		<b>47,302</b>	<b>778,615</b>
<b>Earnings per share</b>			
Basic earnings per ordinary share	31	4,716.32	77,864.30
Diluted earnings per share	31	4,716.32	77,864.30

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

The accompanying notes on pages 20 to 61 form an integral part of these consolidated financial statements.

**Magellan Holding Limited**  
**Registered Number: 000010528**  
**Consolidated Statement of Comprehensive Income**  
**For the year ended 31 December 2025**

	Year ended 31 Dec 2025 \$'000	For the period from 28 Aug 2023 to 31 Dec 2024 \$'000
<b>Profit for the year/period</b>	<b>47,302</b>	<b>778,615</b>
<i>Other comprehensive income/(loss) that may be recycled to profit or loss (net of tax)::</i>		
Exchange differences arising on translating foreign operations	114,540	(38,132)
<b>Other comprehensive expense for the year/period, net of tax</b>	<b>114,540</b>	<b>(38,132)</b>
<b>Total comprehensive income for the year/period, net of tax</b>	<b>161,842</b>	<b>740,483</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the parent	161,629	740,572
Non-controlling interests	213	(89)
<b>Total comprehensive income for the year/period, net of tax</b>	<b>161,842</b>	<b>740,483</b>


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

The accompanying notes on pages 20 to 61 form an integral part of these consolidated financial statements.

**Magellan Holding Limited**  
**Registered Number: 000010528**  
**Consolidated Statement of Financial Position**  
**As at 31 December 2025**

	Notes	31 Dec 2025 \$'000	31 Dec 2024 \$'000
<b>Assets</b>			
Cash and cash equivalents	15	59,149	102,529
Reverse repurchase agreements	16	795,509	635,043
Financial assets at fair value through profit or loss	17	5,874,967	3,765,291
Due from related parties	25	11,939	8,000
Current tax asset		9,749	9,204
Other assets		5,240	5,701
Derivative financial instruments asset	20	460,722	269,617
Loans at amortised cost	18	3,639,962	3,712,448
Property, plant and equipment	19	58,652	62,211
Deferred tax assets		-	1,663
<b>Total assets</b>		<b>10,915,889</b>	<b>8,571,707</b>
<b>Liabilities</b>			
Bank overdrafts	15	7,364	-
Repurchase agreements	16	2,613,886	1,094,324
Financial liabilities at fair value through the income statement	17	591,787	-
Derivative financial instruments liability	20	386,630	535,908
Due to related parties	25	27,868	22,904
Other liabilities		24,414	3,907
Deferred consideration		18,856	15,267
Bonds issued for operating purposes	21	5,714,185	5,482,710
Borrowings used for subsidiary acquisition purposes	22	367,100	432,240
Provisions	23	7,499	9,993
DSF class B preference shares liability	24	101,985	92,506
Deferred tax liabilities		10,571	-
<b>Total liabilities</b>		<b>9,872,145</b>	<b>7,689,759</b>
<b>Equity</b>			
Share capital	26	10	10
Capital contribution	26	140,858	140,858
Translation reserve		76,256	(38,071)
Retained earnings		825,945	778,643
<b>Total equity excluding non-controlling interests</b>		<b>1,043,069</b>	<b>881,440</b>
Non-controlling interests		675	508
<b>Total equity</b>		<b>1,043,744</b>	<b>881,948</b>
<b>Total liabilities and equity</b>		<b>10,915,889</b>	<b>8,571,707</b>

The financial statements were approved by the Board of Directors and authorised for issue on 25 May 2026.

  
 Ahmed Omar  
 Director  
 Date: 25 May 2026

Signed by:  
  
 Omar Elmaghrabi  
 Director  
 Date: 25 May 2026

Registered number: 000010528

Registered number: 000010528

The accompanying notes on pages 20 to 61 form an integral part of these consolidated financial statements.

**Magellan Holding Limited**  
**Registered Number: 000010528**  
**Consolidated Statement of Changes in Equity**  
**For the year ended 31 December 2025**

	Share capital \$'000	Capital contribution \$'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	-	-	-	778,643	778,643	(28)	778,615
Foreign currency translation	-	-	(38,071)	-	(38,071)	(61)	(38,132)
<b>Total comprehensive income</b>	-	-	<b>(38,071)</b>	<b>778,643</b>	<b>740,572</b>	<b>(89)</b>	<b>740,483</b>
Issue of share capital (Note 26)	10	-	-	-	10	-	10
Capital contribution from shareholder (Note 26)	-	140,858	-	-	140,858	-	140,858
Acquisition of subsidiary	-	-	-	-	-	664	664
Dividends distributed to holders of non- controlling interest	-	-	-	-	-	(67)	(67)
<b>Balance as at 31 December 2024 and 1 January 2025</b>	<b>10</b>	<b>140,858</b>	<b>(38,071)</b>	<b>778,643</b>	<b>881,440</b>	<b>508</b>	<b>881,948</b>
Profit for the year	-	-	-	47,163	47,163	139	47,302
Foreign currency translation	-	-	114,327	139	114,466	74	114,540
<b>Total comprehensive income</b>	-	-	<b>114,327</b>	<b>47,302</b>	<b>161,629</b>	<b>213</b>	<b>161,842</b>
Dividends distributed to holders of non- controlling interest	-	-	-	-	-	(46)	(46)
<b>Balance as at 31 December 2025</b>	<b>10</b>	<b>140,858</b>	<b>76,256</b>	<b>825,945</b>	<b>1,043,069</b>	<b>675</b>	<b>1,043,744</b>

The accompanying notes on pages 20 to 61 form an integral part of these consolidated financial statements.

**Magellan Holding Limited**  
**Registered Number: 000010528**  
**Consolidated Statement of Cashflows**  
**For the year ended 31 December 2025**

	Notes	Year ended 31 Dec 2025 \$'000	For the period from 28 Aug 2023 to 31 Dec 2024 \$'000
<b>Cash flows from operating activities</b>			
Profit before tax for the year/period		73,344	768,286
<i>Adjustment for non-cash items:</i>			
Loan impairment (reversal)/charges	13	(6,107)	81,781
Depreciation and impairment of property, plant and equipment	19	3,330	108
Gain on acquisition		-	(851,928)
Interest expense		276,166	139,888
Class B preference shares dividends		7,357	3,117
Loss on early redemption of bonds at amortised cost		3,216	6,066
Gain on early repayments and modifications of loans issued		(3,064)	-
Other non-cash movements including exchange rate movements		(39,603)	17,184
<i>Changes in operating assets and liabilities</i>			
Change in loans at amortised cost		524,036	710,676
Change in reverse repurchase agreements		(77,353)	(560,515)
Change in financial assets at fair value through profit or loss		(1,003,785)	(56,730)
Change in derivative financial instruments		(360,040)	268,221
Change in repurchase agreements		1,319,808	325,398
Change in due to/from related parties		(1,107)	15,498
Change in other assets		1,136	(5,821)
Change in other liabilities		2,908	(9,370)
<b>Cash flows generated from operations</b>		<b>720,242</b>	<b>851,859</b>
Interest paid		(241,430)	(72,070)
Class B shares dividend payment		(9,586)	-
Income tax paid		(13,467)	11,651
<b>Net cash flows generated from operating activities</b>		<b>455,759</b>	<b>791,440</b>
<b>Cash flows from Investing activities</b>			
Acquisition of a subsidiary, net of cash acquired		-	(638,305)
Proceeds from disposal of property, plant and equipment		21,507	-
Purchase of property, plant and equipment		(13,853)	(421)
<b>Net cash generated from/(used in) investing activities</b>		<b>7,654</b>	<b>(638,726)</b>
<b>Cash flows from financing activities</b>			
Issue of share capital	26	-	10
Receipt of capital contribution	26	-	140,858
Proceeds from issue of bonds and loans		845,172	947,035
Repayment of bonds and loans		(1,385,477)	(1,142,171)
Dividends paid to shareholders of non-controlling interests (Class A)		(46)	(67)
<b>Net cash (used in) financing activities</b>		<b>(540,351)</b>	<b>(54,335)</b>

The accompanying notes on pages 20 to 61 form an integral part of these consolidated financial statements.

**Magellan Holding Limited**  
**Registered Number: 000010528**  
**Consolidated Statement of Cashflows - Continued**  
**For the year ended 31 December 2025**

	<b>Notes</b>	<b>Year ended 31 Dec 2025 \$'000</b>	<b>For the period from 28 Aug 2023 to 31 Dec 2024 \$'000</b>
Change in cash and cash equivalents		(76,938)	98,379
Net foreign exchange difference		26,194	4,150
<b>Cash and cash equivalents less bank overdrafts at the beginning of the year/period</b>		102,529	-
<b>Cash and cash equivalents less bank overdrafts at the end of the year/period</b>	<b>15</b>	<b>51,785</b>	<b>102,529</b>

During the year ended 31 December 2025 cash proceeds from interest income amounted to \$434.1 million (2024: \$215.9 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 on pages 20 to 61 form an integral part of these consolidated financial statements.

**Magellan Holding Limited**  
**Registered Number: 000010528**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 December 2025**

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**1. General information**

Magellan Holding Limited ("the Company") was incorporated and registered in Abu Dhabi Global Market ("ADGM") as a private company limited by shares under the terms of Registration No. 000010528 issued on 28 August 2023 by ADGM, United Arab Emirates ("UAE"). The Company is wholly owned by Hassan Elali ("the Ultimate Beneficial Owner" and the "Shareholder"), who is a UAE resident and Sweden national. The address of the registered office is Hot Desk 1.5, Floor 18, Al Khatem Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, UAE. 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 capital contribution to finance its holding activities including acquisition of Magellan Capital Holdings PLC and Danish Ship Finance A/S ("DSF").

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). As the Company is incorporated under the Abu Dhabi Global Market (ADGM), the financial information is required to be presented in USD ("\$\$") in accordance with Section 442(1) of the ADGM Companies Regulations 2020, as amended.

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 28 August 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 seventeen-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 consolidated financial statements as a whole are set out below, while those that relate to specific areas of the consolidated financial statements are shown in the corresponding note.

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 27 May 2026.

**2. Material accounting policy information**

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 have been prepared in accordance with IFRS Accounting Standards and interpretations issued by the IFRS Interpretations Committee applicable to companies reporting under IFRS Accounting Standards and the applicable provisions of Abu Dhabi Global Market ("ADGM") Companies Regulations 2020 (as amended) and ADGM Companies Regulations (International Accounting Standards) Rules 2015. These financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

## **2. Material accounting policy information - continued**

### **2.2 Changes in accounting policies and disclosures**

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

#### ***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. Material accounting policy information - continued**

### **2.3 Basis of consolidation**

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

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

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 re-assesses 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.

## **2. Material accounting policy information - continued**

### **2.4 Going concern - continued**

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.

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 consolidated 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 period.

**2. Material accounting policy information - continued**

**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.

**2.10 Staff costs**

*Staff costs*

Salaries and other consideration expected to be paid for work carried out during the period 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. Material accounting policy information - continued**

### **2.13 Taxation**

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. Current tax is recognised in the consolidated statement of profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

On 9 December 2022 UAE Federal Decree-Law No 47 of 2022 was published setting in place a general corporate income tax for the first time. The profit threshold of AED 375,000 (USD 102,110) at which the 9% corporate tax will apply was set in place by Cabinet Decision No 116 of 2022 which was published on 16 January 2023, and at this point the tax law was considered enacted and substantively enacted for accounting purposes. Whilst current taxes are not payable on profits generated before the Company's financial year commencing on 1 January 2024, the existence of an enacted tax law results in the need to immediately record deferred taxes on assets and liabilities where the carrying amount differs from the tax base.

#### ***Current income tax***

Income taxes have been provided for in the consolidated financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge comprises current tax and is recognised in profit or loss for the period, except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Taxable profits or losses are based on estimates if the consolidated financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

#### ***Deferred tax***

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are not recorded for temporary differences on initial recognition of goodwill, and subsequently for goodwill which is not deductible for tax purposes. Deferred taxes are recorded on temporary differences arising after initial recognition of goodwill, including those arising on initial introduction of the tax law in the UAE. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised.

## **2. Material accounting policy information - continued**

### **2.13 Taxation - continued**

#### *Deferred tax - continued*

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient future taxable profit available against which the deductions can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Group controls the reversal of temporary differences relating to taxes chargeable on dividends from subsidiaries or on gains upon their disposal. The Group does not recognise deferred tax liabilities on such temporary differences except to the extent that management expects the temporary differences to reverse in the foreseeable future.

### **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. Material accounting policy information - continued**

### **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.

### **2.18 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 3.2 for more information regarding the Group's critical judgement in this area.

## **2. Material accounting policy information - continued**

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

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.

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 (31 December 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 16) 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.

## **2. Material accounting policy information - continued**

### **2.20 Repurchase and reverse repurchase agreements - continued**

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 consolidated 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.

### **2.23 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.

## **2. Material accounting policy information - continued**

### **2.23 Financial instruments - continued**

#### *(i) Financial assets - continued*

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.

### **2.25 Capital contribution**

Capital contribution consists of cash contributions by the Company's shareholder which are classified as equity but is not made in exchange for shares issued to the shareholder and it does not constitute a separate asset in its own right. These contributions are interest-free with no repayment obligation.

### **2.26 Earnings per share (EPS)**

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period. 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. Critical accounting judgements - continued**

#### **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.

#### **3.4 Determination of functional currency**

In preparing the consolidated 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 subsidiaries 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.

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**4. Subsidiaries**

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

<b>Name and registered address</b>	<b>Principal activity</b>	<b>Country of incorporation</b>	<b>Percentage ownership (earnings rights)</b>	<b>Percentage ownership (voting rights)</b>
Magellan Capital Holdings PLC 4th Floor 3 More London Riverside, London, United Kingdom, SE1 2AQ	Holding company	United Kingdom	100%	100%
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).
- 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:

**5. Fair value - continued**

- 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.

***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:

	<b>2025</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<i>Assets and liabilities measured at fair value on a recurring basis</i>				
Financial assets at fair value through profit or loss	5,874,967	-	-	5,874,967
Derivative financial instruments asset	-	460,722	-	460,722
<b>Total assets measured at fair value on a recurring basis</b>	<b>5,874,967</b>	<b>460,722</b>	<b>-</b>	<b>6,335,689</b>
Derivative financial instruments liability	-	386,630	-	386,630
<b>Total liabilities measured at fair value on a recurring basis</b>	<b>-</b>	<b>386,630</b>	<b>-</b>	<b>386,630</b>

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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*

	<b>2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<i>Assets and liabilities measured at fair value on a recurring basis</i>				
Financial assets at fair value through profit or loss	3,708,363	56,928	-	3,765,291
Derivative financial instruments asset	-	269,617	-	269,617
<b>Total assets measured at fair value on a recurring basis</b>	<b>3,708,363</b>	<b>326,545</b>	<b>-</b>	<b>4,034,908</b>
Derivative financial instruments liability	-	535,908	-	535,908
<b>Total liabilities measured at fair value on a recurring basis</b>	<b>-</b>	<b>535,908</b>	<b>-</b>	<b>535,908</b>

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.

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

	<b>2025</b>				
	<b>Carrying amount</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>					
Loans at amortised cost	3,639,962	-	3,744,895	-	3,744,895
<b>Financial liabilities</b>					
Bonds issued for operating purposes	5,714,185	5,703,958	-	-	5,703,958
Borrowings used for subsidiary acquisition purposes	367,100	-	382,867	-	382,867

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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: - continued

	<b>2024</b>				<b>Total \$'000</b>
	<b>Carrying amount \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	
<b>Financial assets</b>					
Loans at amortised cost	3,712,448	-	3,955,447	-	3,955,447
<b>Financial liabilities</b>					
Bonds issued for operating purposes	5,482,710	5,533,331	-	-	5,533,331
Borrowings used for subsidiary acquisition purposes	432,240	-	451,566	-	451,566

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.

**6. Interest income**

	<b>Year ended 31 Dec 2025 \$'000</b>	<b>Period ended 31 Dec 2024 \$'000</b>
<i>Interest income calculated using the effective interest method</i>		
Reverse repurchase agreements	12,868	6,945
Loans and other receivables	280,305	152,658
Other interest income	1,982	732
	<b>295,155</b>	<b>160,335</b>
<i>Other interest and similar income</i>		
Financial assets at fair value through profit or loss	137,470	54,759
	<b>137,470</b>	<b>54,759</b>
<b>Total interest income</b>	<b>432,625</b>	<b>215,094</b>

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**6. Interest income - continued**

Information regarding geographic areas:

	<b>Year ended 31 Dec 2025</b>	<b>Period ended 31 Dec 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Interest income</b>		
Denmark	130,657	80,377
Greece	102,350	38,901
Norway	63,638	30,733
The United Kingdom	39,826	20,548
Other individually immaterial overseas countries	96,154	44,535
<b>Total interest income</b>	<b>432,625</b>	<b>215,094</b>

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**

	<b>Year ended 31 Dec 2025</b>	<b>Period ended 31 Dec 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Interest expenses calculated using the effective interest method</i>		
Repurchase agreements	(57,374)	(17,065)
Bonds issued for operating purposes	(190,565)	(104,209)
<b>Total interest expense related to operating activities</b>	<b>(247,939)</b>	<b>(121,274)</b>
Interest expenses on borrowings used for subsidiary acquisition purposes	(28,227)	(18,614)
<b>Total interest expense using the effective interest rate method</b>	<b>(276,166)</b>	<b>(139,888)</b>
<i>Other interest and similar expense</i>		
Financial liabilities at fair value through profit or loss	(1,840)	-
<b>Total other interest and similar expense</b>	<b>(1,840)</b>	<b>-</b>
<b>Total interest expenses</b>	<b>(278,006)</b>	<b>(139,888)</b>

## 8. Auditor's 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	73	83
Other services:		
Fees for the Company's subsidiaries audits*	407	304
Fees for tax advisory services	26	85
Fees for other non-audit services	20	78
<b>Total auditors' remuneration for the Group</b>	<b>526</b>	<b>550</b>

\* Comprises the fees for the statutory audit of subsidiaries, outside the UAE and fees for work performed by 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)	10,458	1,928
<i>Other employees staff cost:</i>		
Salaries and wages	11,611	6,691
Pensions	1,854	639
Social security costs and financial services employer tax	3,490	1,266
<b>Total staff costs</b>	<b>27,413</b>	<b>10,524</b>

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

The closing number of employees, including the directors, as at 31 December 2025 was 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
<b>Total employees</b>	<b>80</b>	<b>78</b>

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	5,388	1,391
Variable remuneration	5,070	537
<b>Total remuneration</b>	<b>10,458</b>	<b>1,928</b>

#### 11. Net gains 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	6,334	20,557
Net gains on US Treasury securities	1,628	106
<b>Total</b>	<b>7,962</b>	<b>20,663</b>

#### 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	3,714,603	3,839,052
<b>Total loans issued</b>	<b>3,714,603</b>	<b>3,839,052</b>

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**13. Credit risk - continued**

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

	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Reconciliation of credit commitments</i>		
Credit commitments	396,566	530,305
<b>Total credit commitments</b>	<b>396,566</b>	<b>530,305</b>
<i>Reconciliation of other financial exposure</i>		
Cash and cash equivalents	59,149	102,529
Reverse repurchase agreements	795,509	635,043
Investments held at FVTPL	5,874,967	3,765,291
Due from related parties	11,939	8,000
Derivatives financial instruments	460,722	269,617
Other assets	5,240	5,701
<b>Total other financial exposure</b>	<b>7,207,526</b>	<b>4,786,181</b>
<b>Total credit risk exposure from loans issued, credit commitments and other financial instruments</b>	<b>11,318,695</b>	<b>9,155,538</b>

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.

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**13. Credit risk - continued**

*Rating category breakdown - continued*

The Group internal rating grades as at 31 December 2025 and 31 December 2024:

**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%

**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:

	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Model based allowance</i>		
Accumulated loan impairment charges	43,597	45,839
Accumulated loss allowances for credit commitments	5,569	6,711
<b>Total</b>	<b>49,166</b>	<b>52,550</b>

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**13. Credit risk - continued**

The loan impairment allowance comprise the following components: - continued

	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Management overlays</i>		
Accumulated loan impairment charges	30,215	24,935
Accumulated loss allowances for credit commitments	2,705	3,248
<b>Total</b>	<b>32,920</b>	<b>28,183</b>
<b>Overall total</b>	<b>82,086</b>	<b>80,733</b>

Reconciliation of total allowance account

	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
At 1 January	80,733	-
New loan impairment charges/ loss allowances/management overlays*	(6,159)	81,781
Translation to presentation currency difference	7,512	(1,048)
<b>At 31 December</b>	<b>82,086</b>	<b>80,733</b>

\* 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	97,725	978	-	-	-	-	-	-	97,725	978
5	495,515	4,973	-	-	-	-	-	-	495,515	4,973
6	1,289,623	16,399	-	-	-	-	-	-	1,289,623	16,399
7	1,634,174	46,529	-	-	-	-	-	-	1,634,174	46,529
8	197,568	5,764	-	-	-	-	-	-	197,568	5,764
9	-	-	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-	-	-
11 (impaired)	-	-	-	-	-	-	-	-	-	-
12 (defaulted)	-	-	-	-	-	-	-	-	-	-
<b>Total loans issued</b>	<b>3,714,605</b>	<b>74,643</b>	-	-	-	-	-	-	<b>3,714,605</b>	<b>74,643</b>

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	6,289	30	-	-	-	-	-	-	6,289	30
6	250,489	2,917	-	-	-	-	-	-	250,489	2,917
7	85,855	3,053	-	-	-	-	-	-	85,855	3,053
8	53,934	1,498	-	-	-	-	-	-	53,934	1,498
9	-	-	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-	-	-
11 (impaired)	-	-	-	-	-	-	-	-	-	-
12 (defaulted)	-	-	-	-	-	-	-	-	-	-
<b>Total credit commitments</b>	<b>396,567</b>	<b>7,498</b>	-	-	-	-	-	-	<b>396,567</b>	<b>7,498</b>

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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	35,667	-	-	-	-	-	-	-	35,667	-
5	775,879	6,926	-	-	-	-	-	-	775,879	6,926
6	1,177,835	14,357	-	-	-	-	-	-	1,177,835	14,357
7	1,423,723	43,292	-	-	-	-	-	-	1,423,723	43,292
8	349,915	9,791	-	-	-	-	-	-	349,915	9,791
9	-	-	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-	-	-
11 (impaired)	-	-	-	-	-	-	23,795	-	23,795	-
12 (defaulted)	-	-	-	-	-	-	-	-	-	-
<b>Total loans issued</b>	<b>3,763,019</b>	<b>74,366</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,795</b>	<b>-</b>	<b>3,786,814</b>	<b>74,366</b>

\* 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	109,341	452	-	-	-	-	-	-	109,341	452
5	11,183	97	-	-	-	-	-	-	11,183	97
6	155,393	1,932	-	-	-	-	-	-	155,393	1,932
7	218,373	6,542	-	-	-	-	-	-	218,373	6,542
8	36,015	936	-	-	-	-	-	-	36,015	936
9	-	-	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-	-	-
11 (impaired)	-	-	-	-	-	-	-	-	-	-
12 (defaulted)	-	-	-	-	-	-	-	-	-	-
<b>Total credit commitments</b>	<b>530,305</b>	<b>9,959</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>530,305</b>	<b>9,959</b>

***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*

<b>Loan-to-value interval</b>	<b>Share of loans 2025</b>
0-20%	3%
20-40%	35%
40-60%	53%
60-80%	9%
80-90%	-
90-100%	-
over 100%	-

<b>Loan-to-value interval</b>	<b>Share of loans 2024</b>
0-20%	6%
20-40%	50%
40-60%	37%
60-80%	7%
80-90%	-
90-100%	-
over 100%	-

The tables above shows that at year-end 2025, 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**

##### **(a) Income tax - UAE Corporate Tax Law**

On 9 December 2022, the UAE Ministry of Finance (“MoF”) released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (“Corporate Tax Law” or the “Law”) to enact a Federal corporate tax (“CT”) regime in the UAE. The UAE CT regime has become effective for accounting periods beginning on or after 1 June 2023. The Cabinet of Ministers Decision No. 116 of 2022 (widely accepted to be effective from 16 January 2023) specified the threshold of taxable income to which the 0% UAE CT rate would apply, and above which the 9% UAE CT rate would apply. It is widely considered that this would constitute ‘substantive enactment’ of the UAE CT Law for the purposes of IAS 12, the objective of which is to prescribe the basis for accounting for Income Taxes.

Current taxes should be measured at the amount expected to be paid to or recovered from the tax authorities by reference to tax rates and laws that have been enacted or substantively enacted, by the end of the reporting period.

The Company operates in a Free Zone and has performed an assessment of its UAE CT position for the year ended 31 December 2025 to continue to be eligible to qualify as a Qualifying Free Zone Person (“QFZP”). Under this status, any qualifying income incurred would be subject to 0% UAE CT (with any non-qualifying income being subject to 9% UAE CT). Based on this assessment, management has concluded that the Company qualifies as a QFZP as it complies with all of the relevant conditions. Accordingly, the Company expects to continue benefiting from the preferential UAE CT rate of 0% on Qualifying Income, in accordance with Article 18 (read in conjunction with Cabinet Decision No. 100 of 2023 and Ministerial Decision No. 229 of 2025) and Article 3 of the UAE Corporate Tax Law.

The Company has gross unutilised tax losses carried forward as at 31 December 2025 of \$1.0 million (2024: \$700.7 million) which are available to be offset against future taxable profits. However, given the Company has claimed QFZP status, the utilisation of these tax losses is only limited to offset against taxable profits arising on non-qualifying activities of the Company, which are not expected in the foreseeable future. Therefore, no deferred taxes are being recognised in this regard.

Accordingly, no current and deferred UAE Corporate tax has been accounted for the Company in the current reporting year and prior period.

##### **(b) Global minimum tax**

To address concerns around uneven profit distribution and tax contributions of large multinational corporations, various agreements have been reached at the global level, including an agreement by over 135 jurisdictions to introduce a global minimum tax rate of 15%. In December 2021, the Organization for Economic Co-operation and Development (“OECD”) released a draft legislative framework, followed by detailed and implementation guidance released between March 2022 and July 2023, respectively, that is expected to be used by individual jurisdictions, including the UAE, that signed the agreement to amend their local tax laws (“GloBE” or “Pillar Two” or “BEPS 2.0” rules). Once changes to the tax laws in any jurisdiction in which the Group operates are enacted, the Group may be subject to the top-up tax to achieve the required global minimum tax rate.

It is unclear whether the Pillar Two rules create additional temporary differences, whether to remeasure deferred taxes for the Pillar Two rules and which tax rate to use to measure deferred taxes. In response to this uncertainty, on 23 May 2023, the IASB issued amendments to IAS 12 ‘Income taxes’ introducing a mandatory temporary exception to the requirements of IAS 12 under which an entity does not recognise or disclose information about deferred tax assets and liabilities related to the proposed Pillar Two rules.

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**14. Income tax - continued**

Considering the disclosure above, the Group has applied this mandatory exception to recognising and disclosing information on deferred tax assets and liabilities arising from Pillar Two income taxes. Management has conducted a high-level assessment and determined that the Group is not subject to the Pillar Two rules for the year ended 31 December 2025, as the annual revenue thresholds have not been met.

**Income statement**

*The major components of income tax expense for the year/period ended 31 December 2025 and 31 December 2024:*

	<b>Year ended 31 Dec 2025</b>	<b>Period ended 31 Dec 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Current income tax:		
- Current income tax expense/charge	14,060	1,894
Deferred tax:		
- Deferred Tax Income/(Credit)	11,982	(12,223)
<b>Income tax expense/(credit) reported in the consolidated statement of profit or loss</b>	<b>26,042</b>	<b>(10,329)</b>

*Tax reconciliation:*

	<b>Year ended 31 Dec 2025</b>	<b>Period ended 31 Dec 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Profit before tax</b>	<b>73,344</b>	<b>768,286</b>
<b>Adjustments</b>		
At United Arab Emirates' statutory income tax rate of 0% (Qualifying Free Zone Person)	-	-
Effect of other jurisdiction taxes	18,336	68,257
Effect of different tax rates of entities operating in different jurisdictions	818	120,408
Non-taxable acquisition gain	-	(212,982)
Change unrecognised portion of deferred tax asset	(3,506)	13,715
Class B preference shares dividends	1,913	-
Non-taxable income and non-deductible expenses	8,481	273
<b>Income tax on profits</b>	<b>26,042</b>	<b>(10,329)</b>
<b>Effective Tax Rate ("ETR")</b>	<b>36%</b>	<b>0%</b>

**15. Cash and cash equivalents**

	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash-in-transit	-	45,096
Cash at bank	59,066	57,365
Custody accounts	83	68
<b>Total cash and cash equivalents (consolidated statement of financial position)</b>	<b>59,149</b>	<b>102,529</b>

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**15. Cash and cash equivalents - continued**

	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Bank overdrafts (consolidated statement of financial position)	(7,364)	-
<b>Cash and cash equivalents less bank overdrafts (consolidated statement of cash flows)</b>	<b>51,785</b>	<b>102,529</b>

The Group held cash and cash equivalent with financial institutions that are rated at least AA- to A based on rating agency ratings. Accordingly, the ECL provision amount calculated by applying the general approach is considered to be immaterial.

**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.

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

*Financial assets at fair value through profit or loss*

	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Government bonds and bonds issued by KommuneKredit	58,338	180,816
Covered bonds backed by mortgages on real estate	5,736,625	3,548,477
Equity funds	48,274	-
US Treasury securities	31,730	30,248
Subordinated notes fund	-	5,750
<b>Total financial assets at FVTPL</b>	<b>5,874,967</b>	<b>3,765,291</b>

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

	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Maturity up to and including 1 year	615,768	656,952
Maturity over 1 year and up to and including 5 years	4,239,163	2,296,387
Maturity over 5 years and up to and including 10 years	606,172	578,118
Maturity over 10 years	365,590	233,834
<b>Total</b>	<b>5,826,693</b>	<b>3,765,291</b>

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

	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Equity funds	48,274	-
<b>Total financial assets at FVTPL</b>	<b>5,874,967</b>	<b>3,765,291</b>

As of 31 December 2025 \$147.5 million (2024: \$325.3 million) of covered bonds backed by real estate mortgages and governmental bonds were provided as a collateral under Credit Support Annex ("CSA") agreement for the Group's derivative liabilities.

*Financial liabilities at fair value through profit or loss*

	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Short position on government bonds	591,787	-
<b>Total financial liabilities at FVTPL</b>	<b>591,787</b>	<b>-</b>

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

**18. Loans at amortised cost**

	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Gross loans at exchange rates at the balance sheet date	3,714,603	3,786,814
Accumulated loan impairment charges	(74,641)	(74,366)
<b>Total loans</b>	<b>3,639,962</b>	<b>3,712,448</b>

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

	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Maturity up to and including 1 year	187,993	108,776
Maturity over 1 year and up to and including 5 years	726,324	298,905
Maturity over 5 years and up to and including 10 years	2,411,795	2,894,335
Maturity over 10 years	313,850	410,432
<b>Total</b>	<b>3,639,962</b>	<b>3,712,448</b>

19. Property, plant and equipment

*Reconciliation of carrying value*

	<b>Land and buildings \$'000</b>	<b>Furniture and fixtures \$'000</b>	<b>Total \$'000</b>
At 31 July 2023	-	-	-
Acquisition of subsidiary	63,655	1,034	64,689
Property improvements during the period	394	-	394
Translation to presentation currency difference	(2,750)	(20)	(2,770)
<b>At 31 December 2024</b>	<b>61,299</b>	<b>1,014</b>	<b>62,313</b>
Property improvements during the year	13,853	-	13,853
Disposal	(20,968)	(539)	(21,507)
Translation to presentation currency difference	6,417	48	6,465
<b>At 31 December 2025</b>	<b>60,601</b>	<b>523</b>	<b>61,124</b>
<b>Accumulated depreciation</b>			
At 31 July 2023	-	-	-
Depreciation charge for the period	(11)	(97)	(108)
Translation to presentation currency difference	4	2	6
<b>At 31 December 2024</b>	<b>(7)</b>	<b>(95)</b>	<b>(102)</b>
Depreciation charges for the year	(3,186)	(144)	(3,330)
Disposals during the year	801	160	961
Translation to presentation currency difference	-	(1)	(1)
<b>At 31 December 2025</b>	<b>(2,392)</b>	<b>(80)</b>	<b>(2,472)</b>
<b>Net book value</b>			
<b>At 31 December 2025</b>	<b>58,209</b>	<b>443</b>	<b>58,652</b>
At 31 December 2024	61,292	919	62,211

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
<b>Derivatives in economic hedge relationships</b>			
Swap agreements to hedge the foreign exchange risk	222,433	37,011	8,102,268
Swap agreements to hedge the interest rate risk	57,139	121,641	9,320,272
Swap agreements for which financial risks are not fully hedged (interest rate risk swap agreements)	174,243	222,201	7,587,925
Forward interest rate and currency agreements	6,907	5,777	2,457,081
<b>At 31 December 2025</b>	<b>460,722</b>	<b>386,630</b>	<b>27,467,546</b>
<b>Derivatives in economic hedge relationships</b>			
Swap agreements to hedge the foreign exchange risk	38,858	161,421	7,557,000
Swap agreements to hedge the interest rate risk	83,462	173,572	12,481,966
Swap agreements for which financial risks are not fully hedged (interest rate risk swap agreements)	144,524	196,299	6,151,498
Forward interest rate and currency agreements	2,773	4,616	2,336,503
<b>At 31 December 2024</b>	<b>269,617</b>	<b>535,908</b>	<b>28,526,967</b>

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 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.

As 31 December 2025 \$205.8 million (2024: \$29.9 million) of covered bonds backed by real estate mortgages and governmental bonds were received as a collateral under CSA agreement. 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**

	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
As at 1 January	5,482,710	-
Acquisition of subsidiaries	-	6,280,296
Proceeds from issue of bonds and loans	845,172	374,894
Repayment of bonds and loans	(1,329,260)	(983,988)
Interest expense	188,725	121,274
Loss on early redemptions of bonds issued	3,279	6,066
Interest paid	(164,038)	(70,875)
Currency remeasurement gain/(loss)	2,149	-
Translation to presentation currency difference	685,448	(244,957)
<b>At 31 December</b>	<b>5,714,185</b>	<b>5,482,710</b>

Bonds by time to maturity

	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Up to 1 year	902,167	545,057
From 1 to 5 years	4,075,835	3,878,154
Over 5 years	736,183	1,059,499
<b>Total issued bonds</b>	<b>5,714,185</b>	<b>5,482,710</b>

**22. Loans and borrowings used for subsidiary acquisition purposes**

	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
At 1 January	432,240	-
Proceeds from issue of bonds and loans	-	561,009
Repayment of bonds and loans	(56,216)	(157,839)
Interest expense	26,610	15,026
Interest paid	(30,728)	-
Currency remeasurement (loss)/gain, net	(8,880)	17,602
Translation to presentation currency difference	4,074	(3,558)
<b>At 31 December</b>	<b>367,100</b>	<b>432,240</b>

All loans and borrowings are unsecured.

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**23. Other provisions**

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

	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
As at 1 January	9,993	-
(Decrease)/Increase in expected credit loss provision	(2,925)	10,391
Translation to presentation currency difference	431	(398)
<b>At 31 December</b>	<b>7,499</b>	<b>9,993</b>

**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.

	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
At 1 January	92,506	-
Acquisition of subsidiaries	-	97,332
Class B preference shares dividends accrual	7,357	3,117
Class B preference shares dividends payment	(9,587)	-
Translation to presentation currency difference	11,709	(7,943)
<b>At 31 December</b>	<b>101,985</b>	<b>92,506</b>

**25. Related party transactions**

The Company has no immediate and ultimate parent company. The ultimate controlling party is Hassan Elali.

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

	<b>Transactions with related parties</b>	<b>Entities under common control</b>	<b>Entities under control of key management personnel</b>
	<b>31 Dec 2025</b>	<b>31 Dec 2025</b>	<b>31 Dec 2025</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<i>Statement of profit or loss</i>			
Service fee charges from related parties - Transfer pricing	185	-	-
Interest revenue calculated using the effective interest method	-	50	13,993
Loan impairment reversal/(charges)	-	975	(950)
<i>Statement of financial position</i>			
Due from related parties	-	11,939	-
Loans at amortised cost, net of expected credit loss provision of \$1.7 million and \$1.1 million, respectively	-	24,512	209,384
Due to related parties	-	(27,867)	-

25. Related party transactions - continued

	Entities under common control	Entities under control 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	-	7,429
Loan impairment charges	-	2,379
<i>Statement of financial position</i>		
Due from related parties	8,000	-
Loans at amortised cost - net of expected credit loss provision of \$2.4 million	-	240,585
Due to related parties	(22,904)	-

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%).

In 2025 the Group issued a loan to an entity under common control of its ultimate controlling shareholder in total amount of \$24.5 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 \$17.7 million (2024: \$2.4 million).

Remuneration of key management personnel is disclosed in Note 9.

## 26. Share capital

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
<b>Authorised</b>		
10,000 Ordinary shares of \$1 each	10	10
<b>Total authorised share capital</b>	<b>10</b>	<b>10</b>
<b>Issued and fully paid</b>		
On 31 December 2024 and 1 January 2025, 10,000 ordinary shares of \$1.00 each	10	10
<b>At 31 December 2025, 10,000 ordinary shares of \$1 each</b>	<b>10</b>	<b>10</b>

The Company has one class of ordinary shares which carries no right to fixed income.

In addition to the authorised and fully paid-up share capital described above, the shareholder made further capital contributions during the year totalling \$nil (2024: \$140.9 million) to the Company, bringing the total capital contributions as at 31 December 2025 to \$140.9 million. These was subsequently contributed to its wholly-owned subsidiary, Magellan Capital Holdings PLC for ongoing working capital needs.

## 27. Financial risk management and objectives

The activities of the Group expose it to a variety of financial risks: market risk (including foreign exchange risk, financial risk and interest rate risk), credit risk (see note 13) and liquidity risk. The overall risk management programme of the Group seeks to minimise potential adverse effects of these risks on their financial performance.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors are responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures and review the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group's principal financial liabilities consist of interest bearing loans, bonds issued at amortised cost, repurchase agreements and derivative financial instruments. The main purpose of the financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as loans issued and other financial instruments such as reverse repurchase agreements, financial assets at fair value through profit or loss and derivative financial instruments, which arise directly from its operations.

## 28. Capital risk 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.

The gearing ratio as at 31 December 2025 and 31 December 2024 is as below:

	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Repurchase agreements	(2,613,886)	(1,094,324)
Financial liabilities at fair value through the income statement	(591,787)	-
Bonds issued for operating purposes	(5,714,185)	(5,482,710)
Borrowings used for subsidiary acquisition purposes	(367,100)	(432,240)
Less: Reverse repurchase agreements	795,509	635,043
Less: Cash and bank balances (includes bank overdrafts)	51,785	102,529
<b>Net debt</b>	<b>(8,439,664)</b>	<b>(6,271,702)</b>
Equity	1,043,744	881,948
DSF class B preference shares liability	101,985	92,506
<b>Total capital</b>	<b>1,145,729</b>	<b>974,454</b>
Gearing ratio (Total net debt / Net capital)	737%	644%

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.

## 29. 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.

29. Finance risk management - continued

*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 minimize 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.

	2025				
	USD	Other currencies	Total currencies	DKK	Total
<b>The net position is specified as follows (\$'000):</b>					
Loans at year-end exchange rates	3,450,092	174,059	3,624,151	89,623	3,713,774
Loan impairment charges	(71,239)	(1,038)	(72,278)	(1,535)	(73,812)
<b>Loans as per the balance sheet</b>	<b>3,378,853</b>	<b>173,021</b>	<b>3,551,873</b>	<b>88,088</b>	<b>3,639,962</b>
Cash and cash equivalents	52,169	5,612	57,781	1,368	59,149
Reverse repurchase agreements	43,266	708,977	752,243	43,266	795,509
Financial assets at fair value through profit or loss	31,730	2,158,408	2,190,138	3,684,829	5,874,967
Due from related parties	11,939	-	11,939	-	11,939
<b>Total assets as per the balance sheet (Excl. derivatives)</b>	<b>3,517,957</b>	<b>3,046,018</b>	<b>6,563,974</b>	<b>3,817,551</b>	<b>10,381,526</b>
Bank overdrafts	(5,921)	(1,443)	(7,364)	-	(7,364)
Repurchase agreements	-	(1,608,780)	(1,608,780)	(1,005,106)	(2,613,886)
Due to related parties	(27,868)	-	(27,868)	-	(27,868)
Deferred consideration	-	-	-	(18,856)	(18,856)
Bonds issued for operating purposes	-	(1,727,999)	(1,727,999)	(3,986,186)	(5,714,185)
Borrowings used for subsidiary acquisition purposes	(367,100)	-	(367,100)	-	(367,100)
Provisions	(8,257)	769	(7,488)	(11)	(7,499)
<b>Total liabilities as per the balance sheet (Excl. derivatives)</b>	<b>(409,146)</b>	<b>(3,337,453)</b>	<b>(3,746,599)</b>	<b>(5,010,159)</b>	<b>(8,756,758)</b>
Derivatives					
- receivables	1,092,647	3,670,055	4,762,702	-	
Derivatives					
- payables	(5,028,164)	(2,245,869)	(7,274,033)	-	
<b>Total net position</b>	<b>(826,706)</b>	<b>1,132,751</b>	<b>306,044</b>	<b>(1,192,608)</b>	

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**29. Finance risk management - continued**

*Foreign exchange risk - continued*

	2024				Total
	USD	Other currencies	Total currencies	DKK	
<b>The net position is specified as follows (\$'000):</b>					
Loans at year-end exchange rates	3,579,134	165,130	3,744,264	94,787	3,839,052
Loan impairment charges	(66,990)	-	(123,954)	(2,650)	(126,604)
<b>Loans as per the balance sheet</b>	<b>3,512,144</b>	<b>165,130</b>	<b>3,620,310</b>	<b>92,137</b>	<b>3,712,448</b>
Cash and cash equivalents	102,529	-	102,529	-	102,529
Reverse repurchase agreements	-	211,949	211,949	423,094	635,043
Financial assets at fair value through profit or loss	370,775	763,538	1,134,313	2,630,978	3,765,291
Due from related parties	8,000	-	8,000	-	8,000
<b>Total assets as per the balance sheet (Excl. derivatives)</b>	<b>3,993,448</b>	<b>1,140,617</b>	<b>5,077,101</b>	<b>3,146,209</b>	<b>8,223,311</b>
Repurchase agreements	-	(651,090)	(651,090)	(443,234)	(1,094,324)
Due to related parties	(22,904)	-	(22,904)	-	(22,904)
Deferred consideration	-	-	-	(15,267)	(15,267)
Bonds issued for operating purposes	-	(1,191,086)	(1,191,086)	(4,291,624)	(5,482,710)
Borrowings used for subsidiary acquisition purposes	(380,130)	(52,110)	(432,240)	-	(432,240)
Provisions	(9,993)	-	(9,993)	-	(9,993)
<b>Total liabilities as per the balance sheet (Excl. derivatives)</b>	<b>(413,027)</b>	<b>(1,894,286)</b>	<b>(2,307,313)</b>	<b>(4,750,125)</b>	<b>(7,057,438)</b>
Derivatives - receivables	1,128,829	3,217,658	4,346,487	-	
Derivatives - payables	(5,218,747)	(1,911,514)	(7,130,261)	-	
<b>Total net position</b>	<b>(509,497)</b>	<b>552,475</b>	<b>(13,986)</b>	<b>(1,603,916)</b>	

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.

29. Finance risk management - continued

*Foreign exchange risk - continued*

	2025	
	Change in year-end exchange rate	Effect on profit before tax \$'000
DKK/USD	+15%	(124,006)
	-15%	124,006
DKK/EUR	+15%	169,913
	-15%	(169,913)
	2024	
	Change in year-end exchange rate	Effect on profit before tax \$'000
DKK/USD	+15%	(76,425)
	-15%	76,425
DKK/EUR	+15%	82,871
	-15%	(82,871)

*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 \$21.1 million (2024: \$14.0 million) and 1 percentage point decrease in interest rates would technically lead to increase in profit before tax by \$17.5 million (2024: \$11.3 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.

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**29. Finance risk management - continued**

*Liquidity risk - continued*

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	7,364	-	-	7,364
Repurchase agreements	2,644,518	-	-	2,644,518
Financial liabilities at fair value through the income statement	591,787	-	-	591,787
Derivative financial instruments	386,630	-	-	386,630
Due to related parties	27,868	-	-	27,868
Other liabilities	24,414	-	-	24,414
Deferred consideration	-	19,408	-	19,408
Bonds issued for operating purposes	1,001,616	4,554,396	765,697	6,321,709
Borrowings used for subsidiary acquisition purposes	30,132	450,395	-	480,527
<b>Total financial liabilities</b>	<b>4,714,329</b>	<b>5,024,199</b>	<b>765,697</b>	<b>10,504,225</b>

	2024			Total carrying amount \$'000
	On demand or within 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	
Repurchase agreements	1,100,584	-	-	1,100,584
Derivative financial instruments	535,908	-	-	535,908
Due to related parties	22,904	-	-	22,904
Other liabilities	3,907	-	-	3,907
Deferred consideration	-	17,593	-	17,593
Bonds issued for operating purposes	1,201,738	4,504,943	808,136	6,514,817
Borrowings used for subsidiary acquisition purposes	82,364	480,571	-	562,935
<b>Total financial liabilities</b>	<b>2,947,405</b>	<b>5,003,107</b>	<b>808,136</b>	<b>8,758,648</b>

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**30. 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:

	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Commitments in relation to unutilised drawing rights on loans with revolving credit facilities	155,163	165,179
Commitments relating to irrevocable credit commitments	241,403	365,126
<b>Total commitments</b>	<b>396,566</b>	<b>530,305</b>

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.

The Company acts as a guarantor for the 5NC4 Senior Secured Bonds due 2029 (the “Bonds”), amounting to \$360.0 million (2024: \$360.0 million). These Bonds were issued by its wholly owned subsidiary, Magellan Capital Holdings PLC.

**31. 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 period, 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.

	<b>Year ended</b>	<b>Period ended</b>
	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit attributable to equity holders	47,163	778,643
Average number of ordinary shares	10	10
Earnings per share (in dollars per share) – basic and dilutive	4,716.32	77,864.30

There were no instruments or any other items which could cause a dilutive effect on the earnings per share calculation.

**32. 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.