DANISH SHIP FINANCE

Interim Report
First half 2026

CVR NO. 27 49 26 49

shipfinance.dk

Company *information*

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Marcus Freuchen Christensen
Omar Elali
Henriette Søgaard Fabricius
Thor Jørgen Guttormsen
Andreas Hertz-Poulsen
Jacob Balslev Meldgaard
Christopher Rex
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Executive Board
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Mid-year update to our *stakeholders*

Highlights of the report

- Danish Ship Finance earned a profit net of tax of DKK 106 million for the first half of 2026
- The loan book at the end of the first half-year stood at DKK 21.7 billion as total loan repayments exceeded disbursements in the period
- Good client-facing activity gives us confidence that lending will grow. At 30 June 2026 agreed loan offers for disbursement amounted to DKK 6.8 billion
- Shipping markets performed well in the period even as the Middle East conflict dramatically increased uncertainty about the global economic outlook
- The credit quality of the loan book remains solid. As at 30 June 2026, there were no non-performing loans. The entire loan book was in credit quality stage 1
- Our business outlook remains well underpinned by a supportive shipping environment and solid credit quality. We maintain our guidance for full-year 2026 net profit in the range of DKK 175 million to DKK 250 million

Shipping markets and financial markets both experienced significant turbulence during the first half of 2026. Largely triggered by the conflict in the Middle East, which proceeded from an initial escalation in February to take a series of unpredictable turns in short succession. Despite the volatility, both shipping and financial markets demonstrated resilience and adaptability with conditions generally stabilising towards mid-year.

The impact of the market turbulence on DSF's business was limited, mitigated by our generally conservative business approach and the hedging strategies in place.

Danish Ship Finance (DSF) posted a profit net of tax of DKK 106 million for the first half of 2026. The result, slightly lower than for the same period of 2025 (DKK 134 million), is fully in line with the expectations we set out in our 2025 Annual Report.

Commercial activity was healthy during the first half of 2026. DSF disbursed DKK 1.9 billion of new loans. Extraordinary loan prepayments of DKK 2.3 billion remained high compared to historical levels. Total loan repayments thus exceeded new loan disbursements in the first half of 2026. The loan book as at 30 June 2026 stood at DKK 21.7 billion.

Net interest and fee income from lending of DKK 86 million in the first half of 2026 (compared to DKK 113 million in the prior year period) reflected the net reduction in the loan book.

In the first six months of 2026, we have seen a change in focus from ship owners, moving from deleveraging to a balanced approach to returns, growth and fleet replacement. DSF continues to operate in a competitive landscape, but we see an increasing trend in the number of loan requests.

Good client-facing activity in the first half of the year gives us confidence that lending volumes will grow from the present level. At the half-year point, the pipeline of agreed loan offers for disbursement over the coming months and quarters amounted to DKK 6.8 billion. DSF made credit commitments to five new clients in the first half of 2026 and loan margins increased marginally over the period. We expect loan demand to further benefit from increased new vessel ordering and our clients' desire to renew and upgrade their fleets.

Shipping markets performed well in the first half of 2026. The Middle East conflict has dramatically increased uncertainty about the global economic outlook. The realised impact on global growth in the first half of the year was modest, with forecasts trimmed only marginally. The effects were instead concentrated regionally and in shipping markets. The de facto closure of the Strait of Hormuz dominated the first half of 2026, disrupting trade flows while lifting freight rates and earnings across most vessel segments.

Charter markets remained strong during the period, supported by supply disruptions, longer voyage distances, and tonnage tied up in and around the Gulf, particularly in the Tanker segments. Shipping rates and shipowners' earnings remain well above historical averages, leaving owners in an exceptionally strong cash position. The ClarkSea Index of rates in the major segments averaged around USD 39,000 per day in the first half, up 61% year-on-year. It peaked at approximately USD 47,000 per day in early March, its highest level since December 2007, before easing to around USD 36,800 per day in June as traffic flows through the Strait began to recover.

Downside risks have shifted rather than disappeared. The Middle East de-escalation remains fragile, and renewed escalation could quickly reignite energy-price and inflation pressures. Fragmentation of global trade, driven by geopolitics and tariffs, poses a further risk. The global orderbook has grown to 21% of the fleet, concentrated in Tankers, Gas and Container Carriers. For the moment, shipping remains in a sweet spot of elevated rates and longer voyage distances compensating for disrupted volumes. Current earnings reflect a disruption premium, a normalisation of trade flows would remove this support as orderbook deliveries accelerate.

The credit quality of the loan book remains solid. Shipowners have robust balance sheets following a prolonged period of favourable earnings. The values of vessels pledged as collateral for our loans remain robust.

As at 30 June 2026, there were no non-performing loans (NPL) and 100% of the loan book was in credit quality stage 1. The weighted loan-to-value (LTV) ratio of the loan book after loan impairment charges was a healthy 38%. Loan impairment charges in the first half of 2026 amounted to an income of DKK 7 million.

The financial markets environment in the first half of 2026 was volatile, with market sentiment particularly affected by the conflict in the Middle East. Our investment portfolio remains conservatively managed and is placed in highly liquid products, mainly high-grade Nordic and European fixed income with a small allocation to liquid equity index tracking products. The investment portfolio generated net interest income of DKK 110 million (compared with DKK 130 million in the same period last year).

DSF entered 2026 with substantial available liquidity and reduced its net outstanding funding in the first six months of the year, while extending funding maturities. New bond issuance was typically combined with repurchase of outstanding shorter-maturity bonds. Good investor demand supported a reduction in our marginal funding costs to the lowest level for several years, which will benefit our business going forward.

As a consequence of an envisaged increase in lending activity, we expect funding requirements in the second half of 2026 to be higher than in the first half of the year.

Our business remains very well capitalised. The CET1 ratio of 25.1% comfortably exceeds the 14.0% regulatory requirement. We maintain substantial surplus liquidity and expect to be able to access funding markets on good terms for any additional funding requirements during the year. Hence, we have the financial capacity to meet our clients' financing needs.

Multiple initiatives in the first half of 2026 strengthened DSF's commercial platform and ability to deliver to our clients:

Our long-serving and highly experienced board member Christian Lütken Frigast assumed the role of Chairman of the Board at the shareholders' Annual General Meeting on 18 March, taking over from Eivind Kolding who resigned from the board.

Supporting the lending business, a new head of the commercial team with deep experience in international shipping finance was brought on board in March.

A dedicated Operations group was formed, bringing together the several teams responsible for managing and operating the backbone of DSF's transaction-based activities. The creation of this unit further sharpens the focus on execution and improves our ability to effectively promote operational excellence across the organisation.

We continue the close cooperation with majority shareholder Magellan Capital Holdings PLC and strive to deliver attractive long-term sustainable results to our shareholders.

With a supportive long-term owner, the strength of the organisation and our robust financial position, we have room to grow the business and the ability to support our clients.

We remain fully committed to serving our clients and fulfilling our ambition of being "the obvious choice in ship finance".

Christian Frigast *Chairman*	**Peter Nyegaard** *Vice Chairman*	**Ahmed Omar** *Vice Chairman*

Financial *highlights*

Key figures

DKK million	H1 2026	H1 2025	FY 2025
Net interest and fee income from lending[1]	86	113	236
Net interest income from investment activities[1]	110	130	233
Net interest and fee income	197	243	470
Market value adjustments	65	83	202
Staff costs and administrative expenses	(112)	(129)	(228)
Loan impairment charges	7	5	15
Net profit for the period	106	134	324
Loan book[2]	21,706	25,543	23,637
Issued bonds	32,695	37,917	35,936
Total equity	9,165	9,115	9,305
Total assets	67,087	64,772	63,960
Common Equity Tier 1 capital after deductions	8,981	8,907	8,986

Key ratios

	H1 2026	H1 2025	FY 2025
Return on equity after tax (%)	1.1	1.5	3.5
Return on investment activities (%)	2.0	2.4	4.9
Common Equity Tier 1 capital ratio (%)[3]	25.1	24.7	26.7
Internal capital adequacy requirement incl. combined capital buffer requirement (%)	14.0	13.8	13.6
Cost/income ratio (%)	48.0	45.9	37.3
Equity as a % of loan book	42.2	35.7	39.4
Loan impairment ratio for the period (%) (avg.)	(0.0)	(0.0)	(0.1)
ECL allowance account, loan as a % of loan book (end of period)	1.8	2.0	2.2
Weighted average loan-to-value ratio after loan impairment charges (%)	38	41	40
Proportion of loans covered within 60% of market value (%)	100	100	99
Net write-offs on loans as a % of avg. loan book	0.0	0.0	0.0

1) The link between income in the income statement and the business areas can be seen in note 3.
2) The link between loans in the balance sheet and the loan book can be seen in note 7.
3) As at 30 June 2026 and 30 June 2025, DSF opted not to obtain approval from the Danish FSA to include the net profit for the respective interim periods in CET1 capital, while the CET1 capital as at 31 December 2025 includes the net profit for the financial year 2025.

Unless otherwise indicated, the key ratios have been calculated in accordance with requirements stipulated in the Danish FSA's executive order on financial reports for credit institutions and investment companies, etc. For definitions, see note 2 in Danish Ship Finance's annual report for 2025.

Management's *report*

The Board of Directors of Danish Ship Finance A/S has today considered the Interim Report for the first half of 2026. Danish Ship Finance A/S presents its financial statements in accordance with the rules set out in the Danish FSA's Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc. (Executive Order on Financial Reports). The Interim Report is unaudited and has not been reviewed by our auditors.

Income statement

- Net profit for the period amounted to DKK 106 million, compared to DKK 134 million for the first half of 2025.
- Net interest and fee income from lending in the period was DKK 86 million including costs of pre-funding and risk hedging, 24% lower than the first half of 2025. The decrease was primarily due to the average loan volume in the first half of 2026 being lower by DKK 4.2 billion compared to the first half of 2025. Volumes were affected by the depreciation of the USD exchange rate against the DKK, although income exposure to the exchange rate was largely hedged.
- Interest income from investment activities in the first half of 2026 amounted to a net income of DKK 110 million, compared to DKK 130 million in the same period in 2025, reflecting a normalisation of short-term market interest rates.
- In total, net interest and fee income decreased to DKK 197 million, DKK 46 million lower than the DKK 243 million reported for the first half of 2025.
- Market value adjustment of securities and foreign exchange in the period generated a net income of DKK 65 million compared to DKK 83 million in the first half of 2025. The positive result was primarily attributable to investment activities. The result includes the negative mark-to-market effect of a shift in long-term market interest rate expectations, which will be fully offset by higher future interest income in the investment portfolio.
- Loan impairment charges in the first half of 2026 resulted in an income of DKK 7 million, compared with an income of DKK 5 million in the same period of 2025. The level of management overlays was reduced by DKK 50 million in the first half of 2026, partially offsetting higher individual loss allowance requirements tied to increased credit commitments, with improved market conditions in key shipping segments supporting the reduction.
- Staff costs and administrative expenses amounted to DKK 112 million in the first half of 2026, compared to DKK 129 million in the same period in 2025. The difference was primarily explained by one-off effects in 2025, associated with organisational changes.
- The cost/income ratio rose to 48.0% in the first half of 2026, from 45.9% in the comparison period, due to total income decreasing more than costs. Total income was down from DKK 325 million to DKK 262 million, mainly driven by lower net interest and fee income as well as lower market value adjustments.
- An impairment charge of DKK 8 million related to the domicile property was recognised as at 30 June 2026. Following the completion of the property, depreciation commenced in January 2026.

Balance sheet and capital structure

- Total assets amounted to DKK 67.1 billion as at 30 June 2026, against DKK 64.0 billion as at 31 December 2025.
- The loan book, measured in DKK terms, decreased to DKK 21.7 billion as at 30 June 2026, from DKK 23.6 billion as at 31 December 2025. New loans of DKK 1.9 billion were disbursed in the period, compared to DKK 3.7 billion in the same period last year. Loan repayments and pre-payments amounted to DKK 4.5 billion. A higher USD/DKK exchange rate increased the loan book volume measured in DKK by DKK 0.7 billion. As at 30 June 2026, there were no non-performing loans.
- The average loan book measured in DKK decreased by 15% compared with the same period in 2025. However, total loan offers increased significantly, amounting to DKK 6.8 billion as at 30 June 2026, compared with DKK 2.0 billion at the same date last year.
- The ECL allowance account stood at DKK 578 million as at 30 June 2026 compared to DKK 585 million at year-end 2025.
- The total volume of bonds issued was DKK 32.7 billion as at 30 June 2026, a decrease of DKK 3.2 billion from 31 December 2025. Bond issuance in the first half of 2026 was DKK 3.3 billion. Bond maturities and buybacks of own bonds totalled DKK 6.6 billion.
- The total capital ratio as at 30 June 2026 remained robust at 25.1%, with a comfortable buffer to regulatory minimum requirements. As before, regulatory capital is fully comprised of Common Equity Tier 1 capital, and DSF opted not to include net profit for the first half of 2026 in the stated capital. The capital ratio at year-end 2025 was 26.7%, determined using the standardised approach, including net profit for the financial year.

Income by business area

DKK million[1]	H1 2026	H1 2025	FY 2025
Lending	139	157	318
Funding	(58)	(50)	(87)
Investments	182	220	441
Income	**262**	**326**	**672**

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

Business areas

DSF's three business areas - lending, funding, and investments - generated a combined total net income of DKK 262 million in the first half of 2026, 20% lower than in the first half of 2025. Net income from lending was DKK 18 million lower, while funding costs remained stable, and income from investments decreased by DKK 37 million, mainly due to lower short-term market interest rates.

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

Lending

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

Net income from lending was down 11% to DKK 139 million in the first half of 2026, compared with DKK 157 million in the same period in 2025. Net fee and commission income amounted to DKK 10 million in the first half of 2026, in line with the DKK 9 million reported for the same period in 2025.

Income, lending

DKK million	H1 2026	H1 2025	FY 2025
Net interest income	129	147	300
Net fees and commission	10	9	18
Income	**139**	**157**	**318**

The reduction in net interest income derived from lending was attributable to a lower average loan book of DKK 22.5 billion in the first half of 2026, compared to DKK 26.7 billion for the same period in 2025. Average net margins improved by 4 bps, compared to the same period in 2025.

Credit quality across the loan book remained solid throughout the first half of 2026, and there were no loan defaults.

Funding

Funding activities consist of the issuance of covered bonds, which are warehoused until disbursed as loans to clients, buybacks of own bonds, and the hedging of financial risks.

Income from funding activities decreased by DKK 8 million year-on-year to a net expense of DKK 58 million in the first half of 2026, compared with a net expense of DKK 50 million in the first half of 2025. While warehousing costs improved significantly, this was offset by continued recycling of higher-cost legacy funding into new lending and one-off market value effects related to bond buybacks.

Income, funding

DKK million	H1 2026	H1 2025	FY 2025
Funding costs not covered	(39)	(21)	(80)
Warehousing	(6)	(35)	(37)
Non-business activities	(13)	6	30
Income	**(58)**	**(50)**	**(87)**

Credit markets experienced periods of elevated volatility during the first half of 2026, reflecting the heightened geopolitical uncertainty. Market conditions stabilised in the latter part of the period and credit spreads tightened as investor sentiment improved.

Funding conditions further improved during the period, supported by strong demand for DSF's bonds. The limited amount of new issuance undertaken was well received in the market, reflecting both the strong relative performance of our bonds and supportive market conditions. While the cost of cross-currency hedging increased, the all-in cost of producing USD-denominated funding improved overall.

Funding costs not covered remained negative at DKK 39 million, reflecting continued recycling of legacy higher-cost funding into new lending, following loan pre-payments in recent years. Funding costs not covered are expected to decline gradually as the funding composition continues to normalise.

Excess liquidity is partly managed through buybacks of existing funding. During the first half of 2026, bond maturities and buybacks of own bonds amounted to DKK 6.6 billion, exceeding the DKK 3.3 billion of bonds issued. The bond buybacks reduced excess liquidity, helped improve the maturity profile of outstanding funding, and lowered the long-term cost of funding.

In May 2026, a new DKK fixed-rate bond maturing in 2032 was opened. Together with the existing floating-rate bond maturing in 2031, the issue attracted strong investor demand and supported maturity extension of the funding portfolio.

The net cost of warehousing pre-funding proceeds was DKK 6 million in the first half of 2026, compared with a cost of DKK 35 million in the first half of 2025. The portfolio saw strong performance and the volume of excess liquidity continued to be managed lower.

Non-business funding activities generated a loss of DKK 13 million in the first half of 2026, compared with an income of DKK 6 million in the first half of 2025. The decline was primarily driven by one-off market value effects related to bond buybacks that will be partly offset by a lower future cost of funds.

Investments

Investment activities comprise the investment of the company's own funds, including its regulatory capital, and amounts held in the expected credit loss (ECL) allowance account.

The company's funds are predominantly invested in liquid high-quality fixed-income securities. Investments are subject to limits approved by the Board of Directors. The bond portfolio consists primarily of Danish AAA-rated government and covered bonds, supplemented by selected Northern European bonds with comparable risk characteristics, and associated hedging instruments. A limited portion of the portfolio is invested in highly liquid exchange-traded funds (ETFs) tracking major global equity indices.

Loan Book Compensation Framework (LBCF)

During the second quarter, the Loan Book Compensation Framework (LBCF) was implemented. The LBCF establishes a dedicated framework for the investment of excess capital arising from temporarily unutilised lending capacity while the loan book remains below its targeted level. The LBCF is further constrained by the amount of risk that would be commensurate with the loan book at its target utilisation. The LBCF supports a disciplined and economically efficient deployment of capital while maintaining the company's overall risk appetite and capital management objectives.

Income, investments

DKK million	H1 2026	H1 2025	FY 2025
Net interest income, incl. LBCF	110	130	233
MV adjustments	71	89	208
Income	**182**	**220**	**441**

The investment portfolio delivered a good performance during the first half of 2026. Financial markets experienced elevated volatility following the escalation of the conflict in the Middle East. Despite an initially negative market impact, the portfolio demonstrated resilience and the effectiveness of DSF's long-term investment strategy.

Net income from investment activities in the first half of 2026, including the LBCF, amounted to DKK 182 million. This corresponds to an annualised return on invested capital of approximately 3.7%. The LBCF made a small negative contribution of DKK 1 million to investment income in the period.

Sustainable finance

Financing the transition
As a long-term provider of senior secured ship finance, we remain committed to Financing the Transition, supporting our clients' decarbonisation efforts while maintaining rigorous oversight of ESG-related transition risks.

The shipping industry continues to face a complex transition towards net-zero emissions. The pace of decarbonisation has moderated amid prolonged regulatory uncertainty, including delayed adoption of the IMO Net-Zero Framework, while uncertainty about future fuels and the need for large-scale investment in new technologies continue to influence decision-making across the sector.

Our approach is underpinned by a robust due diligence framework, including our internal sustainability rating system. In line with our transition finance strategy, we are committed to providing new loans only to clients that demonstrate active engagement in the sustainable transition and achieve a satisfactory sustainability rating on our scale.

We remain focused on supporting our clients by continuing to encourage alignment with the Poseidon Principles decarbonisation trajectories and our ongoing integration of sustainability considerations into credit processes.

We have set a target for sustainable bonds to constitute at least 10% of our investment portfolio. The target was met as at 30 June 2026.

Our own impact
We recognise the importance of our own operational footprint and remain committed to minimising our environmental impact. We continue to work towards reducing emissions from our own operations by a minimum of 5% annually, measured against a 2023 baseline.

We also remain committed to fostering a diverse and inclusive culture and continued to monitor progress against our diversity targets. Our focus remains on achieving our target of at least 40% of leadership positions being held by the underrepresented gender. As at 30 June 2026, 36% of leadership positions were held by the underrepresented gender.

In addition, we are pleased to report that the target of having at least 12.5% of the Board of Directors represented by the underrepresented gender has been met. The updated target is for at least 26.8% of board members to be of the underrepresented gender in 2027. Based on the current composition of the board, achieving this target will require the election of at least one additional female board member at the Annual General Meeting.

CRD VI Implementation

During the first half of 2026, we continued implementation activities related to the Capital Requirements Directive VI (CRD VI), focusing on strengthening sustainability-related governance, data and risk management processes. This work supports the further integration of ESG risks into DSF's governance, strategy and risk management, including how sustainability-related risks are identified, assessed and monitored across relevant business processes.

This is closely linked to our broader efforts to embed sustainability considerations into credit processes, including through our internal sustainability rating system, the ongoing implementation of the new ESG rating model, and the development of a transition plan.

Status on *our targets*

The 2050 net-zero target represents our overarching long-term ambition, while the 2026 targets set the course for the necessary short-term action

Sustainable finance targets

2026 More than 10% of the investment portfolio must comprise sustainable bonds

Status: *10%*

2026 New loans only to clients who are actively engaged in the sustainable transition

Status: *Fully achieved year-to-date*

2026 The environmental performance of the loan portfolio must align with the Poseidon Principles trajectories

Status: *In progress*

2050 Achieve a net-zero loan book

Status: *In progress*

Our own impact targets

2026 Reduce the climate footprint of our own operations by 5% annually compared to a 2023 baseline

Status: *In progress*

2026 12.5% of board members to be of the underrepresented gender

Status: *Achieved.*

New target: *26.8% of board members to be of the under represented gender in 2027*

2026 Minimum 40% of leadership positions to be held by the underrepresented gender

Status: *36%*

The shipping market

The global economic outlook has become more uncertain since the outbreak of the war in the Middle East and disruption to the Strait of Hormuz. The IMF projects global growth to slow from 3.4% in 2025 to 3.0% in 2026, before recovering to 3.4% in 2027. While the reference forecast assumes a relatively short-lived conflict, the downside risks are significant: a longer disruption to energy production and transit could lift energy prices, keep inflation higher for longer, tighten financial conditions and weigh more heavily on energy-importing economies.

The conflict has increased inflationary pressures. Higher oil and gas prices raise the cost of transport, fertilisers, chemicals, food and heating, while risk-off financial market conditions can amplify the impact through higher risk premia and weaker investment. Trade policy uncertainty remains elevated, and the shift towards a more fragmented trading system continues to dampen global investment and cross-border activity, even as some tariff assumptions have been reduced from earlier estimates.

For shipping, the near-term market rates have strengthened sharply. The ClarkSea Index reached an all-time high of USD 48,600 per day in early April, before easing to around USD 36,800 per day in June – though this was still 61% higher year-on-year. The increase has been driven mainly by Tankers, whose earnings have almost tripled as the Hormuz closure has restricted access for much of the commercial fleet, trapped tonnage, raised war-risk costs and created cargo backlogs. LPG and Container earnings remain high, while Dry Bulk earnings have improved from a lower base.

However, the same geopolitical disruptions that support freight rates also make the earnings outlook unusually fragile. Hormuz disruption, Red Sea diversions, sanctions rerouting and trade fragmentation have extended average sailing distances and tightened effective vessel supply, but these are not the same as underlying cargo growth. A normalisation of routing or reopening of constrained trade lanes would release capacity back into the market, while a prolonged escalation could reduce seaborne volumes by curtailing energy exports even as voyage inefficiencies increase.

Meanwhile, supply-side risks are building. The global orderbook has risen to around 20% of the fleet, with deliveries concentrated to Tankers, Gas Carriers and Container vessels. Longer sailing distances have absorbed a meaningful part of the recent fleet growth, but if distances normalise, the capacity overhang will become more visible. Demolition, slower steaming, lay-ups and delivery delays may help clear the surplus, but the first adjustment is likely to come through lower freight rates and, eventually, secondhand prices.

The longer-term challenge is that the relationship between GDP growth and seaborne trade appears to be weakening. Fossil fuel trades account for roughly 35-40% of seaborne volumes, but electrification, renewable power, China's changing import profile and demographic shifts reduce the amount of cargo generated per unit of economic growth. New cargo flows related to the energy transition will emerge, but are unlikely to replace recurring fossil fuel volumes on a one-for-one basis. Current earnings therefore remain supported by disruption, while asset values will increasingly depend on whether high fleet utilisation can be sustained once the temporary inefficiencies unwind.

DRY BULK

The Dry Bulk market has strengthened in 2026, supported by firm trade volumes, longer average hauls and growing Atlantic-to-Asia flows. Iron ore has been the main driver, with strong exports from Australia and Brazil, resilient Chinese imports despite weak steel demand, and the early ramp-up of Simandou adding Capesize demand. Seaborne coal remains weaker, although Middle East the energy disruption has created some temporary upside. Fleet supply is still expanding, but slower speeds, port congestion, and tonnage trapped in the Gulf are helping to keep the market more balanced in the near term. Looking ahead, the outlook for the rest of the year appears positive, particularly for Capesizes, but conditions may soften in 2027 as fleet growth remains steady and underlying demand growth moderates.

OFFSHORE

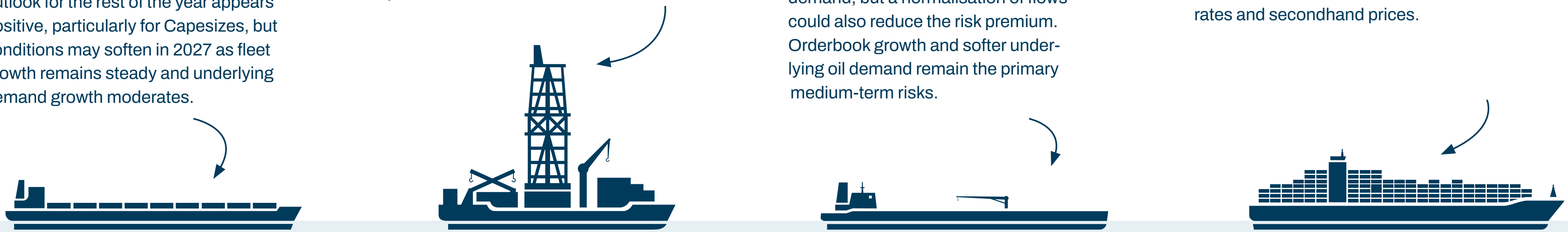
The market for Offshore vessels remains firm, with earnings broadly stable at high levels and asset values supported by tight vessel availability. The North Sea AHTS and PSV markets remain particularly strong, while Brazil and offshore wind continue to absorb capacity. While oil prices have broadly held at levels supportive of offshore activity and E&P investment, recent price actions underscores a degree of fragility. Much of the support appears to be driven by geopolitical risk rather than a durable improvement in demand, leaving the market open to sharper corrections if those risks fade or global growth disappoints. Still, modest orderbooks, an ageing fleet, and continued demand from oil and gas, offshore wind and decommissioning point to a positive medium-term outlook.

OIL TANKERS

The Oil Tanker market has strengthened sharply in 2026, with the Hormuz disruption becoming the key driver of freight rate upside. Gulf loading uncertainty, vessels trapped or avoiding the region, higher war-risk premia and cargo backlogs have created a severe short-term tonnage squeeze, causing Crude Tanker earnings to surge. Crude Tankers have also benefited from sanctions-driven inefficiencies, shadow-fleet isolation and longer Atlantic-to-Asia replacement flows, while Product Tankers have been supported by refinery dislocations and LR2 vessels switching into dirty trades. The outlook remains highly sensitive to Hormuz. A reopening could release stranded cargoes and sustain vessel demand, but a normalisation of flows could also reduce the risk premium. Orderbook growth and softer underlying oil demand remain the primary medium-term risks.

CONTAINER

The Container market has edged higher in 2026, supported by longer disruption-led routings and an earlier seasonal pick-up in mainlane (East-West) demand. However, underlying fundamentals remain exposed. Trade growth is expected to moderate after two strong years, while the orderbook is large and fleet growth is set to accelerate from 2027. A return to shorter Suez routings, weaker consumer demand or renewed tariff pressure could quickly loosen the balance. The near-term outlook is positive, but medium-term risks remain skewed to lower freight rates and secondhand prices.



GAS CARRIERS

The Gas Carrier market remains mixed in 2026, with LNG Carriers still under pressure, but LPG vessels performing more strongly. For both segments, Hormuz disruption has added significant volatility. Seaborne LNG and LPG flows from Qatar and the wider Gulf are exposed to delays, rerouting and higher risk premia, which can support rates through tighter effective vessel supply, but also reduce cargo volumes if exports are curtailed. LNG earnings have found some footing after a weak spell, but heavy deliveries and delayed liquefaction start-ups continue to weigh on utilisation. LPG Carriers have benefited from strong US exports, Panama Canal inefficiencies and Middle East disruption, although fleet growth remains a key risk.

RO-RO/FERRIES & CAR CARRIERS

The Ro-Ro and Ferry markets remained stable in the first half of 2026, with manageable supply growth supporting a positive rebalancing outlook. Meanwhile, earnings in the Car Carrier market have increased in 2026, as record Chinese exports and the Middle East disruption have helped absorb continued fleet growth. Although market conditions have improved, the outlook remains fragile. Fleet expansion is expected to stay elevated in 2026 and 2027, while demand growth is likely to moderate and could be pressured by geopolitical tensions, trade barriers and any return to shorter Red Sea routes. These factors are likely to cap further upside in freight rates and secondhand prices.

Competition

Competition in ship finance remains vigorous. The competitive landscape continues to be characterised by ample available liquidity and sustained pressure on lending terms, despite a growing consensus among lenders that market conditions are approaching a cyclical bottom. While many banks are experiencing margin compression and increased earnings pressure, most continue to provide financing in order to defend volumes and maintain client relationships. This has resulted in a gradual loosening of credit parameters. Covenant packages have weakened, and lenders are increasingly offering extended tenors and more flexible repayment profiles to remain competitive. In parallel, alternative structures such as JOLCO financing have regained traction, further intensifying competition in certain segments.

Chinese leasing institutions have re-emerged as aggressive competitors, including in higher-leverage structures. This have partly been driven by significant prepayment flows in 2025, linked to USTR-related developments, which have increased available liquidity and incentivised fresh deployment of funds.

At the same time, historical margin differentiation across geographical regions has narrowed, with pricing increasingly converging as lenders compete for a limited pool of transactions. A number of banks are expanding their geographical footprint beyond their traditional core markets to originate additional lending volumes, further intensifying competition across regions.

While some international financial institutions have shifted their focus to earnings generation and capital discipline, regional and niche lenders remain active in expanding shipping portfolios, often prioritising volume over pricing. The expected impact of Basel IV on ship finance pricing and capital allocation remains uncertain at this stage and is yet to be fully reflected in market behaviour.

Impact of USD on the income statement

The USD/DKK exchange rate in the first half of 2026 averaged 6.40, compared with 6.84 in the same period in 2025. All else being equal, this had a negative impact of DKK 13 million on net interest and fee income in the period. Net interest and fee income in USD was partially hedged during the period and hence the net effect is lower than this figure and is not considered significant.

The USD/DKK exchange rate of 6.56 as at 30 June 2026 was 3% higher than the USD/DKK exchange rate of 6.35 as at 31 December 2025, which, all else being equal, increased loan impairment charges in the first half of 2026 by DKK 9 million.

Events since the balance sheet date

No events occurred in the period up to the presentation of the Interim Report 2026 which materially affect the financial position of Danish Ship Finance A/S.

Outlook for the second half of 2026

Overall, DSF's business performed in line with our expectations during the first half of 2026.

A good level of client activity in the first half of 2026 and the healthy pipeline of agreed loan offers at the half-year point support our expectation of a gradual recovery in loan volumes. We expect that higher ship financing activity will eventually be followed by a market repricing of shipping loans.

Our investment portfolio performed well over the period. Performance was slightly weaker at the end of first quarter as markets initially reacted to the Middle East crisis. In particular, the repricing of market interest rate expectations affected short-term performance, but this is expected to support higher future earnings in the investments portfolio.

We maintain our guidance for full-year 2026 net profit in the range of DKK 175 million to DKK 250 million.

Our business outlook remains well underpinned by a supportive shipping environment and the very solid credit quality of the loan book. In the box on the right, we outline the principal risks and sensitivities to our outlook.

Full-year net profit may come in at the high end of the guidance range if lending activity remains robust, financial market sentiment does not materially deteriorate, and there continues to be no credit impairments. An increase in loan margins in the second half of 2026 would have a positive effect principally from next year.

We remain confident that Danish Ship Finance will meet its ambitions in 2026 and continue to sustainably grow, develop and prosper in the years to come.

RISKS TO THE FULL-YEAR OUTLOOK

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

Uncertainties related to global politics, escalation of regional conflicts, changes in global trade patterns, epidemics or other events may impact shipping markets. Geopolitical developments remain uncertain and adverse macroeconomic changes could lead to a worsening credit performance and may cause the business outlook for DSF to be reassessed.

While shipping for the time being remains in a sweet spot, with a supportive earnings environment, robust demand, and still a balanced supply of vessels on the water, a large orderbook (currently 21% of the fleet) poses a clear downside risk, which would be amplified by lower global growth or a reduction of global trade. These risks could affect our business in 2026 or beyond.

Loan impairment charges may rise in future, mechanically with an increase in the volume of new lending, or as a consequence of a reduction in credit quality or vessel values.

Expected loan volumes and lending income remain subject to market factors and clients' need for secured financing. Temporary periods of supra-normal profits in key shipping segments may reduce the demand for shipping loans, although the impact on DSF's current-year net profit is likely to be relatively muted. Loan demand measured in DKK is also subject to fluctuations in currency rates. A deterioration in the USD exchange rate against the DKK would be partially mitigated by currency hedges, although could impact financial performance in the coming years.

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

Statement *by Management*

The Board of Directors and the Executive Board have today considered and approved the Interim Report of Danish Ship Finance A/S for the period 1 January - 30 June 2026.

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

In our opinion, the interim financial statements give a true and fair view of the company's assets, liabilities and financial position as at 30 June 2026 and the results of the company's activities for the period 1 January - 30 June 2026.

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

Copenhagen, 25 August 2026

Executive Board

Kristian Skovmand
Chief Executive Officer

Lars Jebjerg
Chief Financial Officer

Board of Directors

Povl Christian Lütken Frigast
(Chairman)

Peter Nyegaard
(Vice Chairman)

Ahmed Mohamed Abdelmonem Omar
(Vice Chairman)

Marcus Freuchen Christensen

Omar Elali

Henriette Søgaard Fabricius

Thor Jørgen Guttormsen

Andreas Hertz-Poulsen

Jacob Balslev Meldgaard

Christopher Rex

Christa Tosi Volpicelli

Income statement

NOTE	DKK million	H1 2026	H1 2025	FY 2025
	Interest income	2,482	3,077	6,442
	Interest expenses	(2,294)	(2,843)	(5,990)
	Net interest income [1]	**188**	**234**	**452**
	Fee and commission income	10	9	18
	Net interest and fee income	**197**	**243**	**470**
4	Market value adjustments	65	83	202
	Staff costs and administrative expenses	(112)	(129)	(228)
	Depreciation and impairment of property, plant and equipment	(14)	(21)	(22)
7	Loan impairment charges	7	5	15
	Profit before tax	**143**	**181**	**437**
	Tax	(38)	(47)	(113)
	Net profit for the period	**106**	**134**	**324**
	Comprehensive income for the period	**106**	**134**	**324**

Balance sheet

NOTE	DKK million	At 30 Jun 2026	At 30 Jun 2025	At 31 Dec 2025
	ASSETS			
	Due from credit institutions and central banks	4,975	2,350	5,055
5,6	Loans and other receivables at amortised cost	21,218	24,907	23,010
	Bonds at fair value	37,754	34,365	33,177
	Shares, etc.	654	1	307
	Land and buildings			
	Domicile properties	322	464	369
	Other tangible assets	38	6	5
	Current tax assets	94	181	61
	Other assets	2,033	2,498	1,976
	Total assets	**67,087**	**64,772**	**63,960**
	LIABILITIES AND EQUITY			
	Liabilities			
	Due to credit institutions and central banks	22,739	14,945	16,552
9	Issued bonds at amortised cost	32,695	37,917	35,936
	Other liabilities	2,250	2,655	2,042
	Total liabilities	**57,684**	**55,517**	**54,529**

NOTE	DKK million	At 30 Jun 2026	At 30 Jun 2025	At 31 Dec 2025
	Provisions			
	Provisions for deferred tax	58	47	56
	Other provisions	180	93	70
	Total provisions	**238**	**140**	**126**
10	**Equity**			
	Share capital	333	333	333
	Tied-up reserve capital	8,343	8,343	8,343
	Revaluation reserves	-	70	-
	Retained earnings	488	369	382
	Proposed dividends for the financial period	-	-	246
	Total equity	**9,165**	**9,115**	**9,305**
	Total liabilities and equity	**67,087**	**64,772**	**63,960**
	Off-balance sheet items			
	Other contingent liabilities	7,778	3,181	2,521
	Total off-balance sheet items	**7,778**	**3,181**	**2,521**

Statement of changes in equity

DKK million	Share capital	Tied-up reserve capital	Revaluation reserves	Retained earnings	Proposed dividend	Total
Equity as at 1 January 2025	**333**	**8,343**	**70**	**235**	**288**	**9,269**
Dividends paid for the financial year 2024	-	-	-	-	(288)	(288)
Comprehensive income	-	-	-	134	-	134
Equity as at 30 June 2025	**333**	**8,343**	**70**	**369**	**-**	**9,115**
Comprehensive income	-	-	(70)	13	246	189
Equity as at 31 December 2025	**333**	**8,343**	**-**	**382**	**246**	**9,305**
Dividends paid for the financial year 2025	-	-	-	-	(246)	(246)
Comprehensive income	-	-	-	106	-	106
Equity as at 30 June 2026	**333**	**8,343**	**-**	**488**	**-**	**9,165**

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

List of notes

NOTE 1 ACCOUNTING POLICIES

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

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

The accounting policies are unchanged from the policies applied in the Annual Report 2025. The Annual Report 2025 provides a detailed description of the accounting policies, including the definitions of the ratios used, which are calculated in accordance with the definitions laid down in the Executive Order on Financial Reports.

The preparation of the interim financial statements is based on Management's estimates and judgments of future events that may significantly affect the carrying amounts of assets and liabilities. As was the case in the Annual Report 2025, the amounts most influenced by critical estimates in the Interim Report are the fair value of financial instruments as well as measurement and impairment of loans.

NOTE 2 KEY FIGURES

DKK million	H1 2026	H1 2025	FY 2025
Net interest income from lending	78	104	218
Net interest income from investment activities	110	130	233
Total net interest income	188	234	452
Net interest and fee income	197	243	470
Market value adjustments	65	83	202
Staff costs and administrative expenses	(112)	(129)	(228)
Loan impairment charges	7	5	15
Profit before tax	143	181	437
Net profit for the period	106	134	324
Loans and other receivables at amortised cost	21,218	24,907	23,010
Bonds	37,754	34,365	33,177
Total equity	9,165	9,115	9,305
Total assets	67,087	64,772	63,960

NOTE 2 CONTINUED KEY RATIOS

DKK million	H1 2026	H1 2025	FY 2025
Common Equity Tier 1 capital ratio (%)	25.1	24.7	26.7
Tier 1 capital ratio (%)	25.1	24.7	26.7
Total capital ratio (%)	25.1	24.7	26.7
Return on equity before tax (%) [1]	1.6	2.0	4.7
Return on equity after tax (%) [1]	1.1	1.5	3.5
Income/cost ratio (including loan impairment charges)	2.2	2.3	2.9
Income/cost ratio (excluding loan impairment charges)	2.1	2.2	2.7
Foreign exchange position (%)	3.7	5.0	6.6
Gearing of loans	2.3	2.7	2.5
Growth in lending for the period (%)	(7.8)	(6.8)	(13.9)
Loan impairment ratio for the period (%)	(0.0)	(0.0)	(0.1)
ECL charges as a % of the loan book	1.8	2.0	2.2
ECL allowance account, loans as a % of loan book	1.8	2.0	2.2
Rate of return on assets (%)	0.2	0.2	0.5

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

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

H1 2026 **DKK million**

NOTE 3 RECONCILIATION OF BUSINESS AREAS

Business areas		Net interest income, lending	Net interest income, investment activities	Fees and commission	Market value adjustments	Staff costs and adm. expenses	Dep. and imp. of property, plant and equipment	Loan impairment charges	Profit before tax
Income									
Lending									
Net interest income	**129**	129						0	
Net fees and commission	**10**			10					
Funding									
Funding costs not covered	**(39)**	(33)			(6)				
Warehousing	**(6)**	(21)			16				
Non-business activities	**(13)**	3			(17)				
Investments									
Net interest income, incl. LBCF	**110**		110						
MV adjustments	**71**				71				
Total income	**262**	78	110	10	65	-	-	0	-
Staff costs and adm. expenses	**(126)**					(112)	(14)		
Loan impairment charges before reclassification of interest	**7**							7	
Profit before tax									143
	Total	**78**	**110**	**10**	**(65)**	**(112)**	**(14)**	**7**	**143**

H1 2025 **DKK million**

NOTE 3 CONTINUED

RECONCILIATION OF BUSINESS AREAS

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

FY 2025 | **DKK million**

NOTE 3 CONTINUED

RECONCILIATION OF BUSINESS AREAS

Business areas		Net interest income, lending	Net interest income, investment activities	Fees and commission	Market value adjustments	Staff costs and adm. expenses	Dep. and imp. of property, plant and equipment	Loan impairment charges	Profit before tax
Income									
Lending									
Net interest income	**300**	300						0	
Net fees and commission	**18**			18					
Funding									
Funding costs not covered	**(80)**	(64)			(17)				
Warehousing	**(37)**	(65)			28				
Non-business activities	**30**	46			(16)				
Investments									
Net interest income	**233**		233						
MV adjustments	**208**				208				
Total income	**672**	218	233	18	203	-	-	0	-
Staff costs and adm. expenses	**(250)**					(228)	(22)		
Loan impairment charges before reclassification of interest	**15**							15	
Profit before tax	**437**								437
	Total	**218**	**233**	**18**	**203**	**(228)**	**(22)**	**15**	**437**

NOTE 4 MARKET VALUE ADJUSTMENTS

DKK million	H1 2026	H1 2025	FY 2025
Market value adjustment of bonds at fair value	57	105	5
Market value adjustment of shares	38	0	12
Exchange rate adjustments	2	13	14
Market value adjustment of derivatives	(33)	(36)	171
Total market value adjustments	**65**	**83**	**202**

NOTE 5 LOANS AT AMORTISED COST

DKK million	At 30 Jun 2026	At 30 Jun 2025	At 31 Dec 2025
As at 1 January	23,010	26,723	26,723
Additions	1,929	3,711	5,560
Ordinary repayments and redemptions	(2,258)	(2,047)	(3,923)
Extraordinary repayments	(2,271)	(655)	(2,502)
Exchange rate adjustment of loans	670	(2,854)	(2,887)
Change in amortised cost	21	0	21
Depreciation, amortisation and impairment	118	30	17
At the end of the period	**21,218**	**24,907**	**23,010**
Gross loans at exchange rates at the balance sheet date	21,615	25,410	23,525
Accumulated loan impairment charges	(398)	(503)	(516)
Total loans	**21,218**	**24,907**	**23,010**
Total loans			
Loans at fair value	21,683	25,415	23,513
Loans at amortised cost	21,218	24,907	23,010

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

NOTE 6 LOAN IMPAIRMENT CHARGES

DKK million	At 30 Jun 2026	At 30 Jun 2025	At 31 Dec 2025
The following ECL charges/loss allowances/management overlays were made on loans/credit commitments			
Total ECL charges	398	503	516
- of which management overlays	*121*	*168*	*213*
Total Loss allowances	180	93	70
- of which management overlays	*80*	*32*	*37*
Total ECL allowance account	**578**	**596**	**585**
Total ECL charges as a % of the loan book	1.8	2.0	2.2
Total ECL allowance account as a % of credit exposure	2.0	2.1	2.2
Reconciliation of total allowance account			
As at 1 January	585	601	601
New ECL charges/loss allowances/management overlays	188	127	188
Reversal of ECL charges/loss allowances/management overlays	(195)	(132)	(204)
Gross write-offs debited to the allowance account	-	-	-
Total	**578**	**596**	**585**
Loan impairment charges for the period			
New ECL charges/loss allowances/management overlays	(188)	(127)	(188)
Reversal of ECL charges/loss allowances/management overlays	195	132	204
Loan impairment charges	**7**	**5**	**15**

NOTE 7 CREDIT RISK

DKK million	At 30 Jun 2026	At 30 Jun 2025	At 31 Dec 2025
Reconciliation of loans and guarantees (loan book)			
Balance sheet			
Loans at amortised cost	21,218	24,907	23,010
Other receivables	91	133	112
Accumulated loan impairment charges/ management overlays	398	503	516
Total balance sheet items	**21,706**	**25,543**	**23,637**
Total loans and guarantees	**21,706**	**25,543**	**23,637**
Reconciliation of other contingent liabilities			
Credit commitments	7,778	3,181	2,521
Total other contingent liabilities	**7,778**	**3,181**	**2,521**
Reconciliation of financial exposure			
Due from credit institutions and central banks	4,975	2,350	5,055
Bonds	37,754	34,365	33,177
Shares, etc.	654	1	307
Derivatives	1,690	2,301	1,621
Total financial exposure	**45,072**	**39,017**	**40,160**
Total credit risk from loans, credit commitments and financial exposures	**74,556**	**67,741**	**66,319**

DKK million

NOTE 7 CONTINUED **RATING CATEGORY BREAKDOWN**

The DSF Rating scale consists of 12 rating categories.

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

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

Loan book before loan impairment charges broken down by rating category

DSF Rating	Loans and guarantees 30 Jun 2026	Loans and guarantees 30 Jun 2025	Loans and guarantees 31 Dec 2025
1 - 2	-	-	-
3 - 4	504	719	618
5 - 6	10,769	12,739	11,360
7 - 8	10,434	11,922	11,659
9 - 10	-	162	-
11 (impaired)	-	-	-
12 (default)	-	-	-
Total	**21,706**	**25,543**	**23,637**

DKK million

NOTE 7 CONTINUED

STAGES FOR CHANGES IN CREDIT RISK

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

DSF Rating	Stage 1	Stage 2	Stage 3	Loans and guarantees 30 Jun 2026
1	-	-	-	-
2	-	-	-	-
3	-	-	-	-
4	504	-	-	504
5	2,258	-	-	2,258
6	8,511	-	-	8,511
7	9,305	-	-	9,305
8	1,128	-	-	1,128
9	-	-	-	-
10	-	-	-	-
11 (impaired)	-	-	-	-
12 (default)	-	-	-	-
Total	**21,706**	**-**	**-**	**21,706**

DKK million

NOTE 7 CONTINUED

STAGES FOR CHANGES IN CREDIT RISK

Credit commitments broken down by rating category and stage

DSF Rating	Stage 1	Stage 2	Stage 3	Credit commitments 30 Jun 2026
1	-	-	-	-
2	-	-	-	-
3	-	-	-	-
4	1,768	-	-	1,768
5	1,040	-	-	1,040
6	2,661	-	-	2,661
7	1,870	-	-	1,870
8	438	-	-	438
9	-	-	-	-
10	-	-	-	-
11 (impaired)	-	-	-	-
12 (default)	-	-	-	-
Total	**7,778**	**-**	**-**	**7,778**

DKK million

NOTE 7 CONTINUED

STAGES FOR CHANGES IN CREDIT RISK

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

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

DKK million

NOTE 7 CONTINUED

STAGES FOR CHANGES IN CREDIT RISK

Credit commitments broken down by rating category and stage

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

DKK million

NOTE 7 CONTINUED

STAGES FOR CHANGES IN CREDIT RISK

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

DSF Rating	Stage 1	Stage 2	Stage 3	Loans and guarantees 31 Dec 2025
1	-	-	-	-
2	-	-	-	-
3	-	-	-	-
4	618	-	-	618
5	3,167	-	-	3,167
6	8,193	-	-	8,193
7	10,406	-	-	10,406
8	1,253	-	-	1,253
9	-	-	-	-
10	-	-	-	-
11 (impaired)	-	-	-	-
12 (default)	-	-	-	-
Total	**23,637**	**-**	**-**	**23,637**

DKK million

NOTE 7 CONTINUED

STAGES FOR CHANGES IN CREDIT RISK

Credit commitments broken down by rating category and stage

DSF Rating	Stage 1	Stage 2	Stage 3	Credit commitments 31 Dec 2025
1	-	-	-	-
2	-	-	-	-
3	-	-	-	-
4	-	-	-	-
5	40	-	-	40
6	1,592	-	-	1,592
7	546	-	-	546
8	343	-	-	343
9	-	-	-	-
10	-	-	-	-
11 (impaired)	-	-	-	-
12 (default)	-	-	-	-
Total	**2,521**	**-**	**-**	**2,521**

DKK million

NOTE 7 CONTINUED

STAGES FOR CHANGES IN CREDIT RISK

Changes in total ECL allowance account broken down by stage

	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2026	585	-	-	585
Transferred to Stage 1 during the period	-	-	-	-
Transferred to Stage 2 during the period	-	-	-	-
Transferred to Stage 3 during the period	-	-	-	-
New ECL charges/loss allowance/management overlays	188	-	-	188
Reversal of ECL charges/loss allowance/management overlays	(195)	-	-	(195)
Gross write-offs for the period	-	-	-	-
Total ECL allowance account as at 30 June 2026	**578**	**-**	**-**	**578**
Of which:				
- ECL charges/loss allowances	378	-	-	378
against loans	*277*	-	-	*277*
against credit commitments	*101*	-	-	*101*
- Management overlays	200	-	-	200
against loans	*121*	-	-	*121*
against credit commitments	*80*	-	-	*80*
Of which:				
- Management judgments	-	-	-	-

DKK million

NOTE 7 CONTINUED

STAGES FOR CHANGES IN CREDIT RISK

Changes in total ECL allowance account broken down by stage

	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2025	571	-	30	601
Transferred to Stage 1 during the period	-	-	-	-
Transferred to Stage 2 during the period	-	30	(30)	-
Transferred to Stage 3 during the period	-	-	-	-
New ECL charges/loss allowances/management overlays	127	-	-	127
Reversal of ECL charges/loss allowances	(123)	(9)	-	(132)
Gross write-offs for the period	-	-	-	-
Total ECL allowance account as at 30 June 2025	**575**	**21**	**-**	**596**
Of which:				
- ECL charges/loss allowances	375	21	-	396
against loans	*282*	*21*	-	*303*
against credit commitments	*93*	-	-	*93*
- Management overlays	200	-	-	200
against loans	*168*	-	-	*168*
against credit commitments	*32*	-	-	*32*
Of which:				
- Management judgments	-	15	-	15

DKK million

NOTE 7 CONTINUED

STAGES FOR CHANGES IN CREDIT RISK

Changes in total ECL allowance account broken down by stage

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

NOTE 7 CONTINUED

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

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

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

The Risk Report 2025 provides more detailed information.

NOTE 7 CONTINUED

Post-model adjustments

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

At 30 June 2026, post-model adjustments amounted to DKK 200 million (31 December 2025: DKK 250 million), allocated across credit exposures financing the following vessel types:

DKK million	H1 2026	H1 2025	FY 2025
Bulk Carriers	47	54	62
Chemical Tankers	45	36	40
Product Tankers	16	31	33
Offshore Vessels	24	4	12
Crude Tankers	36	20	23
LNG	9	16	19
Others	23	39	61
Total	**200**	**200**	**250**

NOTE 7 CONTINUED

Arrears/past-due loans

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

Credit risk mitigation

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

The USD market value of mortgaged vessels decreased by 5.8% on average in the first half of 2026.

NOTE 7 CONTINUED

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

Loan-to-value interval	Share of loans 30 Jun 2026	Share of loans 30 Jun 2025	Share of loans 31 Dec 2025
0 - 20 %	57%	53%	54%
20 - 40 %	36%	37%	37%
40 - 60 %	7%	10%	8%
60 - 80 %	0%	0%	1%
80 - 90 %	0%	0%	0%
90 - 100 %	0%	0%	0%
Over 100 %	0%	0%	0%

The table above shows that as at 30 June 2026, 100% (31 December 2025: 99%) of all loans were secured within 60% of the market value of the mortgage, and 93% (31 December 2025: 91%) of all loans were within 40% of the market value of the mortgage.

The weighted loan-to-value ratio on the loan book after loan impairment charges was 38% (31 December 2025: 40%).

NOTE 7 CONTINUED

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

As at 30 June 2026 there were no non-performing loans.

NOTE 8 ISSUED BONDS AT AMORTISED COST

DKK million	At 30 Jun 2026	At 30 Jun 2025	At 31 Dec 2025
As at 1 January	35,936	38,843	38,843
Additions in connection with pre-issuance	3,329	4,516	5,651
Amortisation of cost	(8)	47	324
Adjustment for hedge accounting	13	190	(101)
Exchange rate adjustment	8	(0)	12
Own bonds	(4,335)	338	434
Ordinary and extraordinary redemptions	(2,249)	(6,018)	(9,228)
At the end of the period	**32,695**	**37,917**	**35,936**
Specification of issued bonds			
Bonds issued in DKK			
Bullet bonds	27,614	28,667	26,649
Total Danish bonds	**27,614**	**28,667**	**26,649**
Bonds issued in foreign currency			
Bullet bonds	11,212	11,191	11,121
Total bonds issued in foreign currency	**11,212**	**11,191**	**11,121**
Own bonds	(6,130)	(1,941)	(1,834)
Total issued bonds	**32,695**	**37,917**	**35,936**

NOTE 9 EQUITY

DKK million	At 30 Jun 2026	At 30 Jun 2025	At 31 Dec 2025
Share capital			
A shares	300	300	300
B shares	33	33	33
Total share capital	**333**	**333**	**333**
Tied-up reserve capital	8,343	8,343	8,343
Revaluation reserve	-	70	-
Retained earnings	488	369	382
Proposed dividends for the financial year	-	-	246
Total equity	**9,165**	**9,115**	**9,305**

The share capital is divided into the following denominations:

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

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

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

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

NOTE 10 CAPITAL ADEQUACY

DKK million	At 30 Jun 2026	At 30 Jun 2025	At 31 Dec 2025
Common Equity Tier 1 capital			
Share capital - A shares	300	300	300
Share capital - B shares	33	33	33
Tied-up reserve capital	8,343	8,343	8,343
Retained earnings[1]	488	369	382
Proposed dividends for the financial period	-	-	246
Revaluation reserves	-	70	-
Total Common Equity Tier 1 capital before deductions	**9,165**	**9,115**	**9,305**
Deductions from Common Equity Tier 1 capital			
Proposed dividends for the financial period	-	-	246
Retained earnings [1]	106	134	-
Additional capital charge pursuant to the Executive Order on a Ship Finance Institute	-	-	-
Prudent valuation pursuant to article 105 of the CRR	44	41	39
Deductions for NPE loss coverage	-	-	-
Deductions pursuant to transitional rules regarding B share capital	33	33	33
Total deductions from Common Equity Tier 1 capital	**180**	**209**	**319**
Common Equity Tier 1 capital after deductions	**8,981**	**8,907**	**8,986**
Own funds after deductions	**8,981**	**8,907**	**8,986**

NOTE 10 CONTINUED

DKK million	At 30 Jun 2026	At 30 Jun 2025	At 31 Dec 2025
Risk exposure amount			
Assets outside the trading book	21,529	25,082	23,031
Off-balance sheet items	3,889	1,590	1,261
Counterparty risk outside the trading book	2,194	2,343	2,173
Market risk	7,074	5,334	6,175
Operational risk	1,043	1,779	1,044
Total risk exposure amount	**35,720**	**36,128**	**33,684**
Common Equity Tier 1 capital ratio	**25.1**	**24.7**	**26.7**
Tier 1 capital ratio	**25.1**	**24.7**	**26.7**
Total capital ratio	**25.1**	**24.7**	**26.7**
The risk exposure amount for market risk consists of:			
Position risk related to debt instruments	6,091	4,893	5,271
Position risk related to shares	654	0	307
Total currency position	329	441	597
Total risk-weighted exposure amount for market risk	**7,074**	**5,334**	**6,175**

1) As at 30 June 2026 and 30 June 2025, DSF opted not to obtain approval from the Danish FSA to include the net profit for the respective interim periods in CET1 capital, while the CET1 capital as at 31 December 2025 includes the net profit for the financial year 2025.

NOTE 11 RELATED PARTIES

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

Related parties comprise majority owners Magellan Capital Holdings PLC, which holds a direct ownership interest of 75.42% and 82.88% of the voting rights in the company and in addition an indirect ownership interest of 14.49% through the holding of 85.00% of the shares in AX IV HoldCo A/S.

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

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

Related-party transactions concerning loans and loan offers as at 30 June 2026 totalled a nominal amount of DKK 1,383 million (as at 31 December 2025: DKK 1,492 million). Transactions with related parties are settled on an arm's-length basis and recognised in the financial statements according to the same accounting policy as for similar transactions with unrelated parties.

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

Consolidated financial statements

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

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

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

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

NOTE 12 SUPPLEMENTARY NOTES WITHOUT REFERENCE

Reference is made to the description of financial risk and policies for financial risk management provided in the risk management sections in the Annual Report 2025, as no significant changes are deemed to have occurred as at 30 June 2026.

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