

Annual Report 2022  
Damen Ship Lease Coöperatie U.A.  
Gorinchem



## Contents

Page

### Audit Report

1	Engagement	2
2	Fiscal position	3

### Financial statements

1	Consolidated balance sheet as at December 31, 2022	6
2	Consolidated profit & loss account for the year 2022	8
3	Consolidated cash flow statement for the year 2022	9
4	Notes to the consolidated financial statements	11
5	Notes to the consolidated balance sheet as of December 31, 2022	18
6	Notes to the consolidated profit & loss account for the year 2022	28
7	Company balance sheet as of December 31, 2022	30
8	Company profit and loss account over 2022	32
9	General accounting principles for the preparation of the financial statements	33
10	Notes to the company balance sheet as of December 31, 2022	34
11	Notes to the company profit and loss account for the year 2022	41
12	Signing of the financial statements	43

### Other information

1	Independent auditor's report	45
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## AUDIT REPORT

**Audit report**

To the partners of  
Damen Ship Lease Coöperatie U.A.  
Avelingen-west 20  
4202 MS Gorinchem

Gorinchem, March 22, 2023

Dear partners,

Herewith we report the financial year 2022 with regard to your corporation.

**1 Engagement**

Pursuant to your order we have checked the financial statements 2022 of your corporation including the consolidated balance sheet with a total of € 96,202,840 and the consolidated and company profit and loss account closing with a result after tax of € 809,392.

In accordance to article 393.4 Title 9 Book 2 of the Dutch Civil Code the auditor reports findings in the matter of reliability and continuity of the automated data processing, insofar the auditor encounters this in the performance of the audit. On the basis of your administrative systems and our appropriate audit approach, we have concerned your automated data processing in our audit. We have no observations that has to be reported in this report.

For the audit opinion we refer to the chapter "Other information" on page 45 of this report.

## 2 Fiscal position

### 2.1 Fiscal unity

For purposes of corporate income tax, Damen Ship Lease Coöperatie U.A. forms a fiscal unity with its subsidiaries.

The corporate income tax of the subsidiaries is calculated as if the subsidiary is independently tax liable. The parent company takes responsibility for any deficits arising from the tax group.

### 2.2 Taxable amount 2022

The taxable amount for 2022 has been calculated as follows:

	2022	
	€	€
Result before taxes	1,485,325	
Share in result of participating interests	(1,578,501)	
		<u>(93,176)</u>

### 2.3 Tax losses available for set-off

As of December 31, 2022 the total of the offsettable losses amounts € 114,043.

For these offsettable losses a deferred tax claim has been included which has been valued at the nominal tax rate of 19,0%.

#### 2.3.1 Offsettable losses

	Offsettable losses as of January 1, 2022	Loss in 2022	Offsettable losses as of December 31, 2022
	€	€	€
2019	20,867	0	20,867
2022	0	93,176	93,176
	<u>20,867</u>	<u>93,176</u>	<u>114,043</u>

We trust to have been of service. Should you have any questions or comments, we are available to provide a more detailed explanation.

Yours faithfully,  
Van Noordenne Accountants  
On behalf of,

E.R. van Honk RA

## FIANCIAL STATEMENTS

**Annual Report**

**1 Consolidated balance sheet as at December 31, 2022**  
(after appropriation of results)

	December 31, 2022		December 31, 2021	
	€	€	€	€
<b>Assets</b>				
<b>FIXED ASSETS</b>				
<b>Financial fixed assets</b>	(1)			
Other receivables		50,002,259		46,674,592
<b>CURRENT ASSETS</b>				
<b>Receivables, prepayments and accrued income</b>	(2)			
Trade receivables	1,464,108		2,683,744	
Corporate income tax	33,911		3,130	
Taxes and social securities	26,761		188,383	
Other receivables, deferred assets	19,243,064		22,475,058	
		20,767,844		25,350,315
<b>Cash and cash equivalents</b>	(3)			
		25,432,737		29,377,782
		96,202,840		101,402,689





## 2 Consolidated profit &amp; loss account for the year 2022

		2022		2021	
		€	€	€	€
<b>Net turnover</b>	(7)	6,146,189		9,183,114	
Cost of sales	(8)	3,190,691		3,716,121	
<b>Gross margin</b>			2,955,498		5,466,993
Other operating income	(9)		822,834		0
<b>Expenses</b>					
Amortisation and depreciation	(10)	0		206,951	
Impairment of current assets	(11)	67,036		(215,036)	
Other operating expenses	(12)	694,509		877,560	
			761,545		869,475
<b>Operating result</b>			3,016,787		4,597,518
Interest and similar income	(13)	159,483		154,930	
Changes in value of financial assets and of securities	(14)	(1,521,169)		0	
Interest and similar expenses	(15)	(169,776)		(128,754)	
<b>Financial income and expenses</b>			(1,531,462)		26,176
<b>Result before tax</b>			1,485,325		4,623,694
Taxes	(16)		(675,933)		(1,044,752)
<b>Result after tax</b>			809,392		3,578,942

**3 Consolidated cash flow statement for the year 2022**

The cash flow statement has been prepared using the indirect method.

	2022		2021	
	€	€	€	€
<b>Cash flow from operating activities</b>				
Operating result	3,016,787		4,597,518	
Adjustments for:				
Amortisation and depreciation	0		206,951	
Movement of provisions	0		(119,181)	
Movement of working capital:				
Movement of accounts receivable	1,207,478		4,504,709	
Movement of other receivables and prepayments	2,860,667		(2,250,061)	
Movement of creditors subledger	(3,346,756)		(608,489)	
Movement of taxation and social security contributions	161,517		(64,467)	
Movement of accruals and deferred income	1,524,969		(2,943,823)	
Cash flow from operating activities		5,424,662		3,323,158
Interest received	11		0	
Interest paid	(169,776)		(128,754)	
Corporate income tax	(556,622)		(947,894)	
Exchange gains and losses	147,229		154,930	
		(579,158)		(921,718)
<b>Cash flow from operating activities</b>		4,845,504		2,401,439
<b>Cash flow from investing activities</b>				
Investments of other receivables	(22,454,219)		(20,018,200)	
Disposal of other receivables	17,988,954		63,737,758	
Disposal of tangible fixed assets	0		4,632,326	
<b>Cash flow from investing activities</b>		(4,465,265)		48,351,884
<b>Cash flow from financing activities</b>				
Capital withdrawal	(1,000,000)		(750,000)	
Increase in loans	9,326,470		12,712,879	
Decrease in loans	(18,240,754)		(53,528,403)	
Withdrawal debenture loans and privately placed loans	15,000,000		0	
Repayment debenture loans and privately placed loans	(9,411,000)		0	
<b>Cash flow from financing activities</b>		(4,325,284)		(41,565,524)
Transport		(3,945,045)		9,187,799

Damen Ship Lease Coöperatie U.A. Gorinchem

	2022		2021	
	€	€	€	€
Transport		(3,945,045)		9,187,799
		<u>(3,945,045)</u>		<u>9,187,799</u>

**Compilation cash**

	2022		2021	
	€	€	€	€
Cash and cash equivalents at January 1		29,377,782		20,189,983
Movement of cash and cash equivalents		(3,945,045)		9,187,799
Cash and cash equivalents at December 31		<u>25,432,737</u>		<u>29,377,782</u>

#### **4 Notes to the consolidated financial statements**

##### *Activities*

The activities of Damen Ship Lease Coöperatie U.A. consist of providing for the material needs of its members by entering into agreements with them in the business it operates or has operated for this purpose on behalf of its members.

##### *Going concern*

The accounting principles applied to the valuation of assets and liabilities and the determination of results in these financial statements are based on the assumption of continuity of the company.

##### *Registered office, legal form and registration number at the chamber of commerce*

The registered and actual address of Damen Ship Lease Coöperatie U.A. is Avelingen-west 20 in Gorinchem. Damen Ship Lease Coöperatie U.A. is registered at the chamber of commerce under number 54021537.

##### *Change in accounting policies*

From the financial year 2022, interest expenses have been reclassified as cost of sales under gross margin. This reclassification improves the insights of net turnover and cost of sales. This change does also apply to the comparative figures in the report and does not affect equity or financial results.

##### *Estimates*

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Dutch Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.

##### *Group structure*

Damen Ship Lease Coöperatie U.A. in Gorinchem is the head of a group of legal entities.

### List of participating interests

Damen Ship Lease Coöperatie U.A. in Gorinchem is the head of a group of legal entities. The overview of the data as required in accordance with Articles 2:379 and 2:414 of the Dutch Civil Code is included below:

Name, statutory registered office	Share in issued capital	Included in consolidation
	%	
Damen Ship Lease Holding B.V. Gorinchem	100.00	Yes
Bravo Ship Lease Holding B.V. Gorinchem	100.00	Yes
Africa Ship Lease Holding B.V. Gorinchem	100.00	Yes
Global Ship Lease Holding B.V. Gorinchem	100.00	Yes
Damen Ship Lease Finance B.V. Gorinchem	100.00	Yes

### *Related parties*

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the Company are considered to be a related party. In addition, statutory directors, other key management of Damen Ship Lease Coöperatie U.A. or the ultimate parent company and close relatives are regarded as related parties.

Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

### *Consolidation principles*

The consolidation includes the financial information of Damen Ship Lease Coöperatie U.A., its group companies and other entities in which it exercises control or whose central management it conducts. Group companies are entities in which Damen Ship Lease Coöperatie U.A. exercises direct or indirect control based on a shareholding of more than one half of the voting rights, or of which it has the authority to govern otherwise their financial and operating policies. Potential voting rights that can be exercised directly from the balance sheet date are also taken into account.

Group companies and other entities in which Damen Ship Lease Coöperatie U.A. exercises control or whose central management it conducts are consolidated in full. Participating interests in group equity and group result are disclosed separately. Participating interests over which no control can be exercised (associates) are not included in the consolidation.

Intercompany transactions, profits and balances among group companies and other consolidated entities are eliminated, unless these results are realised through transactions with third parties. Unrealised losses on intercompany transactions are also eliminated, unless such a loss qualifies as an impairment. The accounting policies of group companies and other consolidated entities have been changed where necessary, in order to align them to the prevailing group accounting policies.

### **General accounting principles for the preparation of the consolidated annual accounts**

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, income statement and the cash flow statement, references are made to the notes.

Income and expenses are allocated to the year to which they relate. Profits are only included insofar as they have been realized on the balance sheet date. Liabilities and possible losses that originate before the end of the reporting year are taken into account if they have become known before the preparation of the annual accounts.

#### *Comparison with previous year*

The valuation principles and method of determining the result are the same as those used in the previous year, with the exception of the changes in accounting policies as set out in the relevant sections.

#### *Foreign currency*

##### *Functional currency*

Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the profit and loss account, unless hedge-accounting is applied.

#### *Transactions, receivables and liabilities*

Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date.

#### *Financial instruments*

Securities included in financial and current assets are stated at fair value, if these are related to securities held for trading or if they relate to equity instruments not held for trading, as well as derivatives of which the underlying object is listed on a stock exchange. All other on-balance financial instruments are carried at (amortised) cost.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. If no fair value can be readily and reliably established, fair value is approximated by deriving it from the fair value of components or of a comparable financial instrument, or by approximating fair value using valuation models and valuation techniques. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and/or option pricing models, making allowance for entity-specific inputs.

Derivatives are initially recognised in the balance sheet at fair value, the subsequent valuation of derivative financial instruments depends on whether or not the instrument is quoted in an open market. If the underlying object of the derivative financial instrument is listed on a stock exchange, it is valued at fair value. If the object is not quoted in an open market, it will be stated at cost or current value, if lower. Recognition of changes in the value of a derivative financial instrument is dependent on whether or not the instrument is designated as a hedging instrument to which hedge accounting is applied.

Damen Ship Lease Coöperatie U.A. applies hedge accounting. The Company documents the relationship between hedging instruments and hedged items at the inception of the transaction. The Company also tests its assessment, both at hedge inception and on an ongoing basis, or whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. This can be done by comparing the critical characteristics of the hedge instrument with those of the hedged position, and/or by comparing the change in the fair value of the hedge instrument with the hedged position. If there is an indication of ineffectiveness, the company measures this potentially ineffective part by conducting a quantitative ineffectiveness analysis.

*Derivative financial instruments valued at cost for which cost price hedge-accounting is applied*

In applying cost price hedge accounting, the initial recognition of, and the accounting policies for, the hedging instrument are dependent on the hedged item. This means that when the hedged item is carried at cost, the derivative instrument is also carried at cost.

The ineffective portion of the hedge is recognised directly in profit or loss.

The Company shall discontinue prospectively the cost price hedge accounting if:

- the hedging instrument expires or is sold, terminated or exercised;
- the hedge no longer meets the criteria for hedge accounting.

Damen Ship Lease Coöperatie U.A. applies cost price hedge accounting to interest rate swaps that ensure that certain liabilities with variable interest rates are converted into loans with fixed interest rates. The ineffective portion of the change in value of the interest rate swaps is recognised in profit or loss under the financial income and expense.

## **Accounting principles applied to the valuation of assets and liabilities**

*Financial fixed assets*

*Other receivables*

Other receivables presented under financial assets include issued loans (financial lease) that will be held to their maturity date. These receivables are initially measured at fair value and subsequently carried at amortised cost. If loans are issued at a discount or premium, the discount or premium is recognised through profit or loss over the maturities of the loans using the effective interest method. Also transaction costs are included in the initial valuation and recognised through profit or loss as part of the effective interest method. Impairment losses are deducted from amortised cost and expensed in the profit and loss account.



#### *Impairment of non-current assets*

On each balance sheet date, the company assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the realisable value of the asset is determined. If it is not possible to determine the realisable value of the individual asset, the realisable value of the cash-generating unit to which the asset belongs is determined.

An impairment occurs when the carrying amount of an asset is higher than the realisable value; the realisable value is the higher of the realisable value and the value in use. An impairment loss is directly recognised in the profit and loss account while the carrying amount of the asset concerned is concurrently reduced.

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the impairment loss is determined and recognised in the income statement.

The amount of an impairment loss incurred on financial assets stated at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised through profit or loss.

#### *Accounts receivable*

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

The deferred tax asset for offsettable losses has been valued at the nominal tax rate of 19,0%.

#### *Cash and cash equivalents*

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognized as part of debts to lending institutions under current liabilities. Cash at banks and in hand is carried at nominal value.

### *Provisions*

#### *General*

Provisions are measured at the best estimate of the amount that is necessary to settle the obligation as per the balance sheet date. Provisions for pension are valued on the basis of actuarial principles. The other provisions are carried at the nominal value of the expenditure that is expected to be necessary in order to settle the obligation, unless stated otherwise.

If obligations are expected to be reimbursed by a third party, such reimbursement is included as an asset in the balance sheet if it is probable that such reimbursement will be received when the obligation is settled.

#### *Other provisions*

#### *Non-current liabilities*

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the profit and loss account on the basis of the effective interest rate during the estimated term of the long-term debts.

#### *Current liabilities*

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

### **Accounting principles for the determination of the result**

#### *General*

The result is the difference between the realisable value of the services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

#### *Revenue recognition*

##### *General*

Net turnover comprises the income from the supply of services after deduction of discounts and such like and of taxes levied on the turnover.

#### *Supply of services*

Interest revenues are recognised on a straight-line basis over the term of the agreement.

#### *Other operating income*

In other operating income results are recognized which are not directly linked to the supply of goods or services as part of the normal, non-incident operations.

#### *Cost of sales*

Cost of sales comprises the interest expenses and are recognised in the statement of profit or loss on a pro rata basis, taking account of the effective interest rate of the liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

#### *Financial income and expenses*

##### *Interest income and interest expenses*

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Decreases in value of financial instruments at fair value are recognised through profit or loss. Realised increases in the value of financial instruments at fair value initially recognised in equity are taken through profit or loss when the financial instruments are derecognised.

#### *Currency translation differences*

Currency translation differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they are realised, unless hedge accounting is applied.

#### *Taxes*

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

#### **Principles for preparation of the consolidated cash flow statement**

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than three months.

Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognized as cash used in financing activities.

Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognized in the cash flow statement. The value of the related asset and lease liability are disclosed in the notes to the balance sheet items. Payments of finance lease installments qualify as repayments of borrowings under cash used in financing activities and as interest paid under cash generated from operating activities.

## 5 Notes to the consolidated balance sheet as of December 31, 2022

## ASSETS

## FIXED ASSETS

## 1. Financial fixed assets

	2022	2021
	€	€
<i>Lease receivables</i>		
Carrying amount as of January 1	67,100,422	110,819,980
New contracts	22,454,219	20,018,200
Repayments	(18,191,886)	(64,487,112)
Exchange result	215,175	749,354
	<u>71,577,930</u>	<u>67,100,422</u>
Impairment	(3,150,237)	(1,629,068)
Short term lease receivable	(18,425,434)	(18,796,762)
Carrying amount as of December 31	<u><u>50,002,259</u></u>	<u><u>46,674,592</u></u>

At year end this concerns a total of 28 financial lease receivables (2021: 27) with an initial value of € 126,258,392 (2021: € 124,983,842). The duration of all lease contracts is between 36 and 72 months.

After the expiration of the contract (or if desired earlier) the lessee is obligated or has the option to take over the vessel against the original purchase value minus deposits and amortization paid.

Ultimo 2022 the remaining duration of the lease contracts amount between 1 and 57 months.

The future revenues in case lease contracts are not terminated by the lessee before the end of contract amount € 7,566,235.

There is an impairment of lease receivables in BSL 19 and BSL 21 due to the uncertain situation caused by sanctions on Russia, resulting in expected bad debt.

**CURRENT ASSETS***2. Receivables, prepayments and accrued income*

	<u>12/31/2022</u>	<u>12/31/2021</u>
<i>Trade receivables</i>	€	€
Trade receivables	1,531,144	2,683,744
Doubtful debtor provision	(67,036)	0
	<u>1,464,108</u>	<u>2,683,744</u>

A provision is made for doubtful debts.

*Corporate income tax*

Deferred tax claim	<u>33,911</u>	<u>3,130</u>
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A deferred tax asset has been made for the offsettable losses at Damen Ship Lease Coöperatie U.A., Damen Ship Lease Finance B.V. and Bravo Ship Lease Holding B.V.

*Taxes and social securities*

Value added tax	<u>26,761</u>	<u>188,383</u>
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*Other receivables, deferred assets*

Other receivables	18,425,434	18,796,762
Prepayments and accrued income	817,630	3,678,296
	<u>19,243,064</u>	<u>22,475,058</u>

*Other receivables*

Short term lease receivable	<u>18,425,434</u>	<u>18,796,762</u>
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*Prepayments and accrued income*

Revenue to be invoiced	345,549	200,485
Interest	59,791	59,791
Credit invoices to be received	0	19,911
Prepaid amounts Damen Shipyards Gorinchem B.V.	0	3,266,530
Prepaid amounts	412,290	131,579
	<u>817,630</u>	<u>3,678,296</u>

Damen Ship Lease Coöperatie U.A. Gorinchem

	<u>12/31/2022</u>	<u>12/31/2021</u>
<i>3. Cash and cash equivalents</i>	€	€
Rabobank	5,524,071	6,244,522
ING Bank N.V.	19,908,666	17,941,212
Amsterdam Trade Bank N.V.	0	5,192,048
	<u>25,432,737</u>	<u>29,377,782</u>

The cash and cash equivalents are freely disposable.

**EQUITY AND LIABILITIES****4. GROUP EQUITY**

Please refer to the notes to the non-consolidated balance sheet on page 38 of this report for an explanation of the equity.

**5. NON-CURRENT LIABILITIES**

	<u>12/31/2022</u>	<u>12/31/2021</u>
<b>Other debenture loans and privately placed loans</b>	€	€
Bonds	<u>15,000,000</u>	<u>0</u>
	<u>2022</u>	<u>2021</u>
<i>Bonds</i>	€	€
Carrying amount as of January 1	9,411,000	9,411,000
Funds withdrawn	15,000,000	0
Repayment	<u>(9,411,000)</u>	<u>0</u>
Carrying amount as of December 31	15,000,000	9,411,000
Repayment obligations next financial year	<u>0</u>	<u>(9,411,000)</u>
Long-term part as at December 31	<u>15,000,000</u>	<u>0</u>

At March 1, 2019 bonds are issued by Damen Ship Lease Finance B.V. with a nominal value of € 3,000 per bond, for a total amount of € 9,411,000. An interest rate of 7.0% has been calculated. The bonds are fully repaid in 2022.

New bonds are issued at March 1, 2022 by Damen Ship Lease Finance B.V. with a nominal value of € 3,000 each, for a total amount of € 15,000,000. An interest rate of 7.0% has been calculated. The bonds should be fully repaid at February 28, 2025. The payment of the interest will take place at the last workday of the month February.

	<u>12/31/2022</u>	<u>12/31/2021</u>
<b>Debt to finance company</b>	€	€
NIBC Bank N.V.	7,721,638	11,069,074
ATB Bank N.V.	0	5,053,937
Coöperatieve Rabobank U.A.	10,140,578	11,416,737
NIBC Bank N.V. II	16,118,230	11,924,651
	<u>33,980,446</u>	<u>39,464,399</u>

Damen Ship Lease Coöperatie U.A. Gorinchem

	2022	2021
	€	€
<i>NIBC Bank N.V.</i>		
Carrying amount as of January 1	12,253,060	39,647,518
Repayments (incl. amortization transaction costs)	(3,613,339)	(27,394,458)
Carrying amount as of December 31	8,639,721	12,253,060
Repayment obligations next financial year (incl. amortization transaction costs)	(918,083)	(1,183,986)
Long-term part as at December 31	<u>7,721,638</u>	<u>11,069,074</u>

This loan was granted by NIBC Bank N.V., Bank of China Ltd. Frankfurt and Bank of China Luxembourg S.A. Rotterdam. NIBC Bank N.V. acts on behalf of the aforementioned parties as authorized representative.

The loan was granted for an initial amount of € 30,000,000 on April 20, 2012. On November 13, 2015 and August 27, 2017 the loan is increased to respectively € 70,000,000 and € 80,000,000.

Redemptions are paid to rate of the repayments of the outstanding lease receivables. As of December 31, 2022 the interest rate is 4.393% (2021: 2.302%)

By means of an interest rate swap, part of the variable 3-monthly euribor rate has been exchanged for a fixed interest rate of 0.193%. 87% of the interest rate risk is hedged (2021: 103%).

As of December 31, 2022 the interest rate swap had a positive value of € 152,799 (2021: € 100,686 negative).

Of the remainder of the loan as of December 31, 2022 there is no part with a term longer than five years.

The nominal value of the debt to NIBC Bank N.V., excluding transaction costs, amounted to € 8,675,637 at the end of the financial year (2021: € 12,306,935). The transaction costs amount € 35,918 at the end of the financial year (2021: € 53,876).

No additional funds can be withdrawn from the facility.



Damen Ship Lease Coöperatie U.A. Gorinchem

	2022	2021
	€	€
<i>ATB Bank N.V.</i>		
Carrying amount as of January 1	6,088,425	22,492,740
Settlement discount	(822,834)	0
Repayments (incl. amortization transaction costs)	(5,265,591)	(16,404,315)
Carrying amount as of December 31	0	6,088,425
Repayment obligations next financial year (incl. amortization transaction costs)	0	(1,034,488)
Long-term part as at December 31	0	5,053,937

This loan was granted by Amsterdam Trade Bank N.V. on 18 December 2015 for an initial amount of € 30,000,000 for a period of 24 months.

Because of bankruptcy of the Amsterdam Trade Bank N.V. on 22 April 2022 an early repayment is discussed in exchange for a discount on the outstanding indebtedness. A payoff amount of € 4,500,000 is paid resulting in a settlement discount of € 822,834.

*Coöperatieve Rabobank U.A.*

Carrying amount as of January 1	19,193,191	28,536,636
Funds withdrawn	2,170,732	0
Exchange results	(10,559)	736,237
Repayments (incl. amortization transaction costs)	(6,635,181)	(10,079,682)
Carrying amount as of December 31	14,718,183	19,193,191
Repayment obligations next financial year (incl. amortization transaction costs)	(4,577,605)	(7,776,454)
Long-term part as at December 31	10,140,578	11,416,737

This loan was granted by Coöperatieve Rabobank U.A. on May 24, 2018 for an initial amount of € 32,000,000 for a period of 36 months. After this period, Africa Ship Lease Holding B.V. has the yearly option to extend the current facility for another year.

Redemptions are paid to rate of the repayments of the outstanding lease receivables.

As of December 31, 2022 the interest rate is amount between 5.005% and 7.771% (2021: 4.25% - 4.3809%).

Of the remainder of the loan as of December 31, 2022 there is no part with a term longer than five years.

The nominal value of the debt to Coöperatieve Rabobank U.A., excluding transaction costs, amounted to € 14,924,857 at the end of the financial year (2021: € 19,459,581). The transaction costs amount € 206,675 at the end of the financial year (2021: € 266,392).

**Damen Ship Lease Coöperatie U.A. Gorinchem**

	2022	2021
	€	€
<i>NIBC Bank N.V. II</i>		
Carrying amount as of January 1	12,720,379	0
Funds withdrawn	7,155,738	12,712,879
Repayments (incl. amortization transaction costs)	(1,604,210)	7,500
Carrying amount as of December 31	18,271,907	12,720,379
Repayment obligations next financial year (incl. amortization transaction costs)	(2,153,677)	(795,728)
Long-term part as at December 31	16,118,230	11,924,651

This loan was granted by NIBC Bank N.V. on February 5, 2021 for an initial amount of € 35,000,000 . On September 8, 2022 the loan is increased to € 45,000,000.

Redemptions are paid to rate of the repayments of the outstanding lease receivables. As of December 31, 2022 the interest rate is 4.793% (2021: 3.250%).

Of the remainder of the loan as of December 31, 2022 there is no part with a term longer than five years.

The nominal value of the debt to NIBC Bank N.V., excluding transaction costs, amounted to € 18,483,829 at the end of the financial year. The transaction costs amount € 211,923 at the end of the financial year.

	12/31/2022	12/31/2021
	€	€
<b>Accruals and deferred income</b>		
Damen Shipyards Gorinchem B.V.	86,311	271,809
	2022	2021
<i>Damen Shipyards Gorinchem B.V.</i>	€	€
Carrying amount as of January 1	560,846	954,532
Repayments	(289,038)	(393,686)
Carrying amount as of December 31	271,808	560,846
Repayment obligations next financial year	(185,497)	(289,037)
Long-term part as of December 31	86,311	271,809

The interest reimbursement for Africa Ship Lease 18 B.V., Africa Ship Lease 19 B.V. en Africa Ship Lease 20 B.V. is released with the term of the lease contract at March 31, 2025.

## GUARANTEES

### *NIBC Bank N.V.*

The following security has been provided in the financial agreement with the NIBC Bank N.V. creating first ranking security for the agent:

- Pledging of all income and bank accounts;
- Mortgage on the vessels; and
- 'Buy-back agreement' for a buy-back price which is no less than the Agreed Book Value of the relevant Financed Ship at such time.

The above mentioned securities also provide second ranking security for the relevant agent of the facility of Global Ship Lease Holding B.V.

The NIBC applies a solvency requirement of at least 20%;

The NIBC uses a ratio between the liquid assets and the book value of the vessels of at least 2%.

Damen Ship Lease Holding B.V. meets the above mentioned solvency requirement and the liquidity ratio as of December 31, 2022.

### *Coöperatieve Rabobank U.A.*

The following securities has been provided in the financing agreement with Coöperatieve Rabobank U.A.

- Pledging of all income and bank accounts;
- Mortgage on the ships; and
- 'Buy-back agreement' for a buy-back price which is no less than the Agreed Book Value of the relevant Financed Ship at such time.

The Coöperatieve Rabobank U.A. applies a solvency requirement of at least 20%.

The Coöperatieve Rabobank U.A. uses a ratio between the liquid assets of Africa Ship Lease Holding B.V. plus Damen Ship Lease Coöperatie U.A. and the debt service. This ratio should be more than 1.

Africa Ship Lease Holding B.V. meets the above mentioned solvency requirement and liquidity ratio at year-end 2022.

### *NIBC Bank N.V. II*

The following security has been provided in the financial agreement with the NIBC Bank N.V. creating first ranking security for the agent:

- Pledging of all income and bank accounts;
- Mortgage on the vessels; and
- 'Buy-back agreement' for a buy-back price which is the lower of 88% of the purchase price paid for that Financed Ship by the relevant Guarantor or the Agreed Book Value of the relevant Financed Ship at such time.

The securities of the Damen Ship Lease Holding B.V. facility provide second ranking security for the agent of the facility of Global Ship Lease Holding B.V.

The NIBC Bank N.V. applies a solvency requirement of at least 25%;

The NIBC Bank N.V. uses a ratio between the liquid assets and the book value of the vessels of at least 2%.

It is not permitted to make or pay any dividend or other distribution until two years after the date of the financial agreement. After two years it is permitted to make or pay any dividend or other distribution when no event of default would occur immediately after the making of the payment and provided that the financial covenants are being met at the moment of the dividend or other distribution and the solvency ratio remains above 30%.

Global Ship Lease Holding B.V. meets the above mentioned solvency requirement and the liquidity ratio as of December 31, 2022. No dividend or other distribution has been made during 2022.

### *Financial instruments*

Below the policy of the group with regard to financial instruments. The most important financial risks are interest rate risk, liquidity risk and credit risk.

#### *Interest risk*

The interest rate risk policy aims to limit the interest rate risks arising from the financing of the group and thereby also to optimize the net interest expense. This policy translates into a desired profile of fixed-income and floating-income positions including liquid assets.

To hedge the interest rate risk on a long-term debt with a carrying amount as of December 31, 2022 of € 8,675,637, the company concluded an interest rate swap (25 July 2017 to 25 October 2024) with a principal amount of € 7,523,079 and a fair value of € 152,799 positive. The interest rate swap hedges the risk of a floating rate (based on 3-month Euribor rates) by an agreed fixed interest rate of 0.416% for the entire term. The company applies cost price hedge accounting for the processing of the interest rate swap. The cost of the interest rate swap is nil.

#### *Liquidity risk*

Periodically (liquidity) budgets are drawn up. Interim liquidity risks are controlled as much as possible through interim monitoring and possible adjustments.

#### *Credit risk*

The group limits this risk as much as possible by doing business with creditworthy parties.

**6. CURRENT LIABILITIES**

	12/31/2022	12/31/2021
	€	€
<b>Repayment obligation long-term debt</b>		
Bonds	0	9,411,000
Loans	7,649,365	10,790,656
Accruals and deferred income	185,497	289,037
	<u>7,834,862</u>	<u>20,490,693</u>

This concerns the amounts to be repaid in the next financial year (incl. amortization transaction costs).

**Trade creditors**

Creditors	<u>15,814</u>	<u>3,362,570</u>
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**Corporate income tax**

Corporate income tax	<u>319,416</u>	<u>181,587</u>
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**Other liabilities, accruals and deferred income***Accruals and deferred income*

Accountant and administration fees	105,000	72,500
Interest and bank charges	469,610	418,742
Pre-invoiced amounts	4,636,303	3,478,968
Interest bonds	880,274	550,479
Invoices to be received	0	45,529
	<u>6,091,187</u>	<u>4,566,218</u>

**CONTINGENT LIABILITIES***Contingent liabilities**Investment obligation*

As of December 31, 2022 there is an investment obligation with regard to 6 vessels with a total purchase value of € 42,170,922.

**6 Notes to the consolidated profit & loss account for the year 2022**

	2022	2021
	€	€
<b>7. Net turnover</b>		
Lease revenues	5,795,259	8,177,748
Marketing fee	278,930	369,437
Book result ship	0	635,929
Extension fee	52,000	0
Adjustment fee	20,000	0
	<u>6,146,189</u>	<u>9,183,114</u>
<b>8. Cost of sales</b>		
Finance costs	<u>3,190,691</u>	<u>3,716,121</u>
Interest NIBC Bank N.V.	331,491	974,229
Interest NIBC Bank N.V. II	764,006	198,115
Interest ATB Bank N.V.	147,710	655,173
Interest Coöperatieve Rabobank U.A.	958,919	1,229,834
Interest bonds	988,565	658,770
	<u>3,190,691</u>	<u>3,716,121</u>
<b>9. Other operating income</b>		
Settlement discount	<u>822,834</u>	<u>0</u>
<b>Staff</b>		
During the 2022 financial year the company had no employees.		
<b>10. Amortisation and depreciation</b>		
Tangible fixed assets	<u>0</u>	<u>206,951</u>
<u>Depreciation of tangible fixed assets</u>		
Other fixed operating assets	<u>0</u>	<u>206,951</u>
<b>11. Impairment of current assets</b>		
Movement of provision for doubtful debtors	<u>67,036</u>	<u>(215,036)</u>
<b>12. Other operating expenses</b>		
Operating costs	80,915	(5,317)
Selling and distribution expenses	0	131,706
General expenses	613,594	751,171
	<u>694,509</u>	<u>877,560</u>

Damen Ship Lease Coöperatie U.A. Gorinchem

	2022	2021
	€	€
<u>Operating costs</u>		
Allocation maintenance provision	0	(118,274)
Other operating costs	80,915	112,957
	<u>80,915</u>	<u>(5,317)</u>
<u>Selling and distribution expenses</u>		
Commissions	<u>0</u>	<u>131,706</u>
<u>General expenses</u>		
Accountant and administration fees	196,001	185,009
Notarial and advisory costs	75,651	79,534
Legal charges	725	2,434
Management fee	345,661	484,129
Other general expenses	(4,444)	65
	<u>613,594</u>	<u>751,171</u>
<b>Financial income and expenses</b>		
<u>13. Interest and similar income</u>		
Exchange gains and losses	159,472	154,930
Tax interest	11	0
	<u>159,483</u>	<u>154,930</u>
<u>14. Changes in value of financial assets and of securities</u>		
Impairment of lease receivables	<u>(1,521,169)</u>	<u>0</u>
<u>15. Interest and similar expenses</u>		
Bank charges	<u>(169,776)</u>	<u>(128,754)</u>
<u>16. Taxes</u>		
Corporate income tax	(706,714)	(1,038,679)
Corporate income tax prior periods	0	5,473
Movement of deferred tax liabilities	30,781	(11,546)
	<u>(675,933)</u>	<u>(1,044,752)</u>

**7 Company balance sheet as of December 31, 2022**  
after appropriation of results

	December 31, 2022		December 31, 2021	
	€	€	€	€
<b>Assets</b>				
<b>FIXED ASSETS</b>				
<b>Financial fixed assets</b>	<i>(17)</i>			
Participations in group companies	24,591,507		23,691,735	
Receivables from group companies	13,000,000		13,000,000	
		37,591,507		36,691,735
<b>CURRENT ASSETS</b>				
<b>Receivables, prepayments and accrued income</b>	<i>(18)</i>			
Receivables from group companies	98,870		20,131	
Corporate income tax	21,668		17,441	
Other receivables, deferred assets	906,340		716,978	
		1,026,878		754,550
<b>Cash and cash equivalents</b>	<i>(19)</i>			
		10,225,170		5,603,210
		48,843,555		43,049,495





8 *Company profit and loss account over 2022*

		2022		2021	
		€	€	€	€
<b>Gross margin</b>			(41,500)		134,395
<b>Expenses</b>					
Other operating expenses	(25)		30,715		33,706
<b>Operating result</b>			(72,215)		100,689
Interest and similar expenses	(26)		(39,481)		(36,782)
<b>Result before tax</b>			(111,696)		63,907
Taxes	(27)		21,316		(9,587)
			(90,380)		54,320
Result participating interests	(28)		899,772		3,524,622
<b>Result after tax</b>			809,392		3,578,942

## **9 General accounting principles for the preparation of the financial statements**

The company annual account have been prepared in accordance with Title 9 Book 2 of the Netherlands Civil Code.

For the general principles for the preparation of the annual account, the principles for valuation of assets and liabilities and determination of the result, as well as for the notes to the specific assets and liabilities and the results, reference is made to the notes to the consolidated annual account, if there is no further explanation provided.

### *Financial fixed assets*

Participations (associates), over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

If the valuation of an associate based on the net asset value is negative, it will be stated at nil. If and insofar as Global Ship Lease Holding B.V. can be held fully or partially liable for the debts of the associate, or has the firm intention of enabling the participation to settle its debts, a provision is recognised for this.

### *Results from participations (valued at net asset value)*

The result is the amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the earnings achieved by the participation to the extent that this can be attributed to Damen Ship Lease Coöperatie U.A.

**10 Notes to the company balance sheet as of December 31, 2022****ASSETS****FIXED ASSETS***17. Financial fixed assets*

	<u>12/31/2022</u>	<u>12/31/2021</u>
	€	€
<i>Participations in group companies</i>		
Damen Ship Lease Holding B.V.	6,539,746	4,793,827
Bravo Ship Lease Holding B.V.	1,335,188	3,379,796
Global Ship Lease Holding B.V.	11,343,380	10,747,758
Africa Ship Lease Holding B.V.	5,293,987	4,706,890
Damen Ship Lease Finance B.V.	79,206	63,464
	<u>24,591,507</u>	<u>23,691,735</u>
	<u>2022</u>	<u>2021</u>
	€	€
<i>Damen Ship Lease Holding B.V.</i>		
Carrying amount as of January 1	4,793,827	5,827,368
Share in result	1,745,919	966,459
	6,539,746	6,793,827
Dividend	0	(2,000,000)
Carrying amount as of December 31	<u>6,539,746</u>	<u>4,793,827</u>
<i>Bravo Ship Lease Holding B.V.</i>		
Carrying amount as of January 1	3,379,796	2,864,437
Share in result	(2,044,608)	515,359
Carrying amount as of December 31	<u>1,335,188</u>	<u>3,379,796</u>
<i>Global Ship Lease Holding B.V.</i>		
Carrying amount as of January 1	10,747,758	9,718,719
Share in result	595,622	1,029,039
Carrying amount as of December 31	<u>11,343,380</u>	<u>10,747,758</u>

Damen Ship Lease Coöperatie U.A. Gorinchem

	2022	2021
<i>Africa Ship Lease Holding B.V.</i>	€	€
Carrying amount as of January 1	4,706,890	3,704,228
Share in result	587,097	1,002,662
Carrying amount as of December 31	<u>5,293,987</u>	<u>4,706,890</u>
<i>Damen Ship Lease Finance B.V.</i>		
Carrying amount as of January 1	63,464	52,361
Share in result	15,742	11,103
Carrying amount as of December 31	<u>79,206</u>	<u>63,464</u>
	<u>12/31/2022</u>	<u>12/31/2021</u>
<i>Receivables from group companies</i>	€	€
Damen Ship Lease Holding B.V.	2,000,000	2,000,000
Bravo Ship Lease Holding B.V.	2,500,000	2,500,000
Africa Ship Lease Holding B.V.	3,500,000	3,500,000
Global Ship Lease Holding B.V.	5,000,000	5,000,000
	<u>13,000,000</u>	<u>13,000,000</u>

Damen Ship Lease Coöperatie U.A. Gorinchem

	2022	2021
	€	€
<i>Damen Ship Lease Holding B.V.</i>		
Carrying amount as of January 1	2,000,000	4,000,000
Repayment	0	(2,000,000)
Carrying amount as of December 31	<u>2,000,000</u>	<u>2,000,000</u>

The subordinated loan is granted to Damen Ship Lease Holding B.V. on 1 July 2019 for an initial amount of € 5,000,000. The subordinated loan has been subordinated to the debt of NIBC Bank N.V. The interest rate on the loan is fixed and amounts 7.5%.

*Bravo Ship Lease Holding B.V.*

Carrying amount as of January 1	<u>2,500,000</u>	<u>2,500,000</u>
Carrying amount as of December 31	<u>2,500,000</u>	<u>2,500,000</u>

The subordinated loan is granted to Bravo Ship Lease Holding B.V. on 1 July 2019 for an initial amount of € 2,500,000. The interest rate on the loan is fixed and amounts 7.5%.

*Africa Ship Lease Holding B.V.*

Carrying amount as of January 1	<u>3,500,000</u>	<u>3,500,000</u>
Carrying amount as of December 31	<u>3,500,000</u>	<u>3,500,000</u>

The subordinated loan is granted to Africa Ship Lease Holding B.V. on July 1, 2019 for an initial amount of € 2,500,000. An additional amount of € 1,000,000 is granted on September 10, 2020. The subordinated loan has been subordinated to the debt of Coöperatieve Rabobank U.A. The interest rate on the loan is fixed and amounts 7.5%.

*Global Ship Lease Holding B.V.*

Carrying amount as of January 1	5,000,000	0
Funds withdrawn	2,000,000	5,000,000
Repayment	<u>(2,000,000)</u>	<u>0</u>
Carrying amount as of December 31	<u>5,000,000</u>	<u>5,000,000</u>

The subordinated loan is granted to Global Ship Lease Holding B.V. on 9 December 2021 for an initial amount of € 5,000,000. The subordinated loan has been subordinated to the debt of NIBC Bank N.V. The interest rate on the loan is fixed and amounts 7.5%.

**CURRENT ASSETS**

*18. Receivables, prepayments and accrued income*

	<u>12/31/2022</u>	<u>12/31/2021</u>
<i>Receivables from group companies</i>	€	€
Damen Ship Lease Finance B.V.	98,870	20,131

An interest rate of 7.5% has been calculated.

*Corporate income tax*

Deferred tax claim	21,668	3,130
Corporate income tax	0	14,311
	<u>21,668</u>	<u>17,441</u>

A deferred tax asset has been made for the offsettable losses at Damen Ship Lease Coöperatie U.A., Damen Ship Lease Finance B.V. and Bravo Ship Lease Holding B.V.

*Prepayments and accrued income*

Interest	59,791	59,791
Interest subordinated loans	846,549	657,187
	<u>906,340</u>	<u>716,978</u>

*19. Cash and cash equivalents*

ING Bank N.V.	<u>10,225,170</u>	<u>5,603,210</u>
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The cash and cash equivalents are freely disposable.

## EQUITY AND LIABILITIES

### 20. EQUITY

#### *Member capital*

The member capital is paid by:

- € 54,000 N.V. Beheermij. Rottumeroog
- € 54,000 N.V. Beheermij. Ameland
- € 54,000 N.V. Beheermij. Schiermonnikoog
- € 54,000 Zanzibar Investments B.V.
- € 54,000 Yokiki Investments B.V.

- In 2012 each member paid an amount of € 1,000,000.
  - In 2013 each member paid an amount of € 240,000.
  - In 2014 an amount of € 360,000 is withdrawn by each member.
  - In 2015 each member paid an amount of € 150,000.
  - In 2016 each member paid an amount of € 160,000.
  - In 2018 each member paid an amount of € 800,000.
  - In 2019 each member paid an amount of € 560,000.
  - In 2021 an amount of € 150,000 is withdrawn by each member.
  - In 2022 an amount of € 200,000 is withdrawn by each member.
- In total an amount of € 2,254,000 is paid by each member.

The result of the financial year for an amount of € 809,392 is equally divided amongs the members (each 20%), either € 161,878.

In total the member capital amounts as of December 31, 2022 € 32,874,804, divided as follow:

- € 6,574,960 N.V. Beheermij. Rottumeroog
- € 6,574,960 N.V. Beheermij. Ameland
- € 6,574,960 N.V. Beheermij. Schiermonnikoog
- € 6,574,960 Zanzibar Investments B.V.
- € 6,574,960 Yokiki Investments B.V.

### 21. NON-CURRENT LIABILITIES

	<u>12/31/2022</u>	<u>12/31/2021</u>
<b>Debt to participating interests and companies</b>	€	€
Damen Ship Lease Finance B.V.	<u>15,000,000</u>	<u>0</u>



Damen Ship Lease Coöperatie U.A. Gorinchem

	2022	2021
	€	€
<i>Damen Ship Lease Finance B.V.</i>		
Carrying amount as of January 1	9,381,600	9,381,600
New financing	15,000,000	0
Repayments	(9,381,600)	0
Balance as of December 31	15,000,000	9,381,600
Repayment obligations next financial year	0	(9,381,600)
Long-term part as at December 31	15,000,000	0

This loan was granted by Damen Ship Lease Finance B.V. on March 1, 2019 for an initial amount of € 9,381,600. An interest rate of 7.5% has been calculated. The loan is in 2022 fully repaid.

A new loan was granted by Damen Ship Lease Finance B.V. on April 12, 2022 for an initial amount of € 15,000,000. An interest rate of 7.5% has been calculated. The loan should be fully repaid at February 28, 2025.

## 22. CURRENT LIABILITIES

	12/31/2022	12/31/2021
	€	€
<b>Repayment obligation long-term debt</b>		
Debt to participating interests and companies	0	9,381,600

This concerns the amounts to be repaid in the next financial year (incl. amortization transaction costs).

### Trade creditors

Creditors	0	11,132
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### Other liabilities, accruals and deferred income

#### *Accruals and deferred income*

Accountant and administration fees	12,500	5,000
Interest loan Damen Ship Lease Finance B.V.	956,251	586,350
	968,751	591,350

## CONTINGENT ASSETS AND LIABILITIES

### *Contingent liabilities*

#### *Tax entity*

The company constitutes a tax entity for corporate income tax and VAT with Damen Ship Lease Finance B.V.; consequently the company is severally liable for the resulting debts.

#### *Asset maintenance agreement*

Damen Ship Lease Coöperatie U.A. and Damen Ship Lease Finance B.V. have entered into an asset maintenance agreement within the meaning of Article 3:2 paragraph 1 sub c Wft on the basis of which Damen Ship Lease Coöperatie U.A. has an unconditional obligation to Damen Ship Lease Finance B.V. to complement (if necessary) the assets of Damen Ship Lease Finance B.V. so that Damen Ship Lease Finance B.V. can meet its payment obligations under the bond loan towards bondholders.

**11 Notes to the company profit and loss account for the year 2022**

	2022	2021
	€	€
<b>23. Net turnover</b>		
Interest Damen Ship Lease Holding B.V.	152,083	300,055
Interest Bravo Ship Lease Holding B.V.	190,104	200,278
Interest Africa Ship Lease Holding B.V.	266,146	281,782
Interest Global Ship Lease Holding B.V.	427,188	54,822
	<u>1,035,521</u>	<u>836,937</u>
<b>24. Cost of sales</b>		
Finance costs	<u>1,077,021</u>	<u>702,542</u>
Interest Damen Ship Lease Finance B.V.	<u>1,077,021</u>	<u>702,542</u>
<b>Staff</b>		
During 2022, no employees were employed on a full-time basis.		
<b>25. Other operating expenses</b>		
<u>General expenses</u>		
Accountant and administration fees	30,675	33,641
Other general expenses	40	65
	<u>30,715</u>	<u>33,706</u>
<b>Financial income and expenses</b>		
<b>26. Interest and similar expenses</b>		
Bank charges	<u>(39,481)</u>	<u>(36,782)</u>
<b>27. Taxes</b>		
Corporate income tax	2,778	1,959
Movement of deferred tax liabilities	18,538	(11,546)
	<u>21,316</u>	<u>(9,587)</u>

28. Result participating interests

	<u>2022</u>	<u>2021</u>
	€	€
Share in result of Damen Ship Lease Holding B.V.	1,745,919	966,459
Share in result of Bravo Ship Lease Holding B.V.	(2,044,608)	515,359
Share in result of Global Ship Lease Holding B.V.	595,622	1,029,039
Share in result of Africa Ship Lease Holding B.V.	587,097	1,002,662
Share in result of Damen Ship Lease Finance B.V.	15,742	11,103
	<u>899,772</u>	<u>3,524,622</u>

## Signing of the financial statements

Gorinchem, March 22, 2023

Yokiki Investments B.V.  
On behalf of,

N.V. Beheermaatschappij Rottumeroog  
On behalf of,

A.J. Damen

K. Damen

## OTHER INFORMATION



## **Other information**

### **1 Independent auditor's report**

To: Board of directors and members of Damen Ship Lease Coöperatie U.A. registered at Gorinchem

*Report on the audit of the financial statements 2022 included in the annual report*

#### **Our opinion**

We have audited the financial statements 2022 of Damen Ship Lease Coöperatie U.A., based in Gorinchem.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Damen Ship Lease Coöperatie U.A. as of December 31, 2022 and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the consolidated and company balance sheet as at December 31, 2022;
2. the consolidated and company profit and loss account for 2022;
3. the consolidated cash flow statement for 2022; and
4. the notes comprising a summary of the accounting policies and other explanatory information.

#### **Basis for our opinion**

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Damen Ship Lease Coöperatie U.A. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

*Report on the other information included in the annual report*

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

#### *Description of responsibilities regarding the financial statements*

##### **Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

##### **Our responsibilities for the audit of the financial statements**

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;



- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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

Gorinchem, March 22, 2023

Van Noordenne Accountants  
Namens deze

E.R. van Honk RA