



## **Cosco Shipping Lines Nordic A/S**

Birkerød Kongevej 150 A  
3460 Birkerød  
CVR No. 10702577

## **Annual report 2022**

The Annual General Meeting adopted the  
annual report on 01.03.2023

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**Morten Struve**

Chairman of the General Meeting

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# Entity details

## Entity

Cosco Shipping Lines Nordic A/S

Birkerød Kongevej 150 A

3460 Birkerød

Business Registration No.: 10702577

Registered office: Rudersdal

Financial year: 01.01.2022 - 31.12.2022

## Board of Directors

Tian Dong, chairman

Wang Han

Enjie Yin

Deming Tu

Zaikun Tian

Erik Lund Eriksen

## Executive Board

Deming Tu

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Cosco Shipping Lines Nordic A/S for the financial year 01.01.2022 - 31.12.2022.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Birkerød, 01.03.2023

## Executive Board

**Deming Tu**

## Board of Directors

**Tian Dong**  
chairman

**Wang Han**

**Enjie Yin**

**Deming Tu**

**Zaikun Tian**

**Erik Lund Eriksen**

# Independent auditor's report

## To the shareholders of Cosco Shipping Lines Nordic A/S

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Cosco Shipping Lines Nordic A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 deficiencies in internal control that we identify during our audit.

**Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 01.03.2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Anders Kreiner**

State Authorised Public Accountant  
Identification No (MNE) mne26765

# Management commentary

## Financial highlights

	2022 DKK'000	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000
<b>Key figures</b>					
Revenue	100,957	101,935	91,937	90,730	84,773
Gross profit/loss	42,032	46,891	43,825	38,989	32,095
Operating profit/loss	3,902	4,106	5,999	3,528	2,412
Net financials	544	444	(1,196)	(469)	712
Profit/loss for the year	3,466	3,473	3,733	2,295	2,289
Balance sheet total	28,901	37,339	37,549	92,665	84,143
Equity	9,599	18,155	25,477	22,055	20,093
Cash flows from operating activities	5,996	21,497	920	(2,179)	8,955
Cash flows from financing activities	(11,480)	(10,587)	(1,105)	2,829	(18,192)
Average number of employees	54	55	49	47	48
<b>Ratios</b>					
Gross margin (%)	41.63	46.00	47.67	42.97	37.86
Return on equity (%)	24.98	15.92	15.71	10.89	10.04
Equity ratio (%)	33.21	48.62	67.85	23.80	23.88

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Gross margin (%):

Gross profit/loss \* 100

Revenue

### Return on equity (%):

Profit/loss for the year \* 100

Average equity

### Equity ratio (%):

Equity \* 100

Balance sheet total



### Primary activities

The activities of the Group comprises shipping services.

The Company is a holding company of the following wholly owned subsidiaries, which all carry on shipping activities:

- COSCO SHIPPING Lines Denmark A/S, Birkerød, Denmark
- COSCO SHIPPING Lines (Norway), Oslo, Norway (branch)
- COSCO SHIPPING Lines Sweden AB, Stockholm, Sweden

### Development in activities and finances

Profit for the year amounts to DKK 3,465,691.

The revenue has decreased by 0.3% in 2022, compared to 2021. The development in the revenue is considered on level from last year.

The financial results are better than expected.

### Profit/loss for the year in relation to expected developments

Management expected the Group to show positive development in profit before tax for 2022 based on continued focus on profitable business, the increase in freight rates and the increasing demand on shipping services, and expected the profit before tax to be in the range of 4-5 mio. DKK. The profit before tax for 2022 is DKK 4,445,416, which is within the expected range.

### Outlook

Management expects the Group to show a profit before tax 2023 on the same level as the current year and therefore expect the profit before tax to be in the range of 4-5 mio. DKK.

### Use of financial instruments

#### Exchange rate risk

The Group is exposed to changes in exchange rates, due to the activities and financing structure of the Group. The Group manages the financial risks centrally and coordinates the cash flow usage. The exchange rate risk is arising from the commercial conditions from the activities and therefore the management has a low-risk policy.

This risk is especially relevant in relation to the Group's transactions in EUR and USD. No specific measures are taken to hedge these transactions as the risk is assessed to be limited.

### Foreign branches

Country Manager Ahmed Ait, COSCO Shipping Lines (Norway), branch of Cosco Shipping Lines Nordic A/S, Stortorvet 3, 0104 Oslo, Norway

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Consolidated income statement for 2022

	Notes	2022 DKK	2021 DKK
Revenue		100,957,474	101,934,597
Cost of sales		(50,251,460)	(47,338,542)
Other external expenses		(8,674,272)	(7,705,211)
<b>Gross profit/loss</b>		<b>42,031,742</b>	<b>46,890,844</b>
Staff costs	1	(38,129,935)	(42,784,771)
<b>Operating profit/loss</b>		<b>3,901,807</b>	<b>4,106,073</b>
Other financial income	2	555,977	490,241
Other financial expenses	3	(12,368)	(46,311)
<b>Profit/loss before tax</b>		<b>4,445,416</b>	<b>4,550,003</b>
Tax on profit/loss for the year	4	(979,725)	(1,077,485)
<b>Profit/loss for the year</b>	5	<b>3,465,691</b>	<b>3,472,518</b>

# Consolidated balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK	2021 DKK
Other fixtures and fittings, tools and equipment		0	0
Leasehold improvements		0	0
<b>Property, plant and equipment</b>	6	<b>0</b>	<b>0</b>
Other receivables		539,188	553,969
<b>Financial assets</b>	7	<b>539,188</b>	<b>553,969</b>
<b>Fixed assets</b>		<b>539,188</b>	<b>553,969</b>
Trade receivables		3,474,173	3,777,357
Receivables from group enterprises		6,653,049	8,682,401
Deferred tax	8	661,237	421,038
Other receivables		1,212,524	1,646,623
Tax receivable		0	412,625
<b>Receivables</b>		<b>12,000,983</b>	<b>14,940,044</b>
<b>Cash</b>		<b>16,360,865</b>	<b>21,844,887</b>
<b>Current assets</b>		<b>28,361,848</b>	<b>36,784,931</b>
<b>Assets</b>		<b>28,901,036</b>	<b>37,338,900</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Contributed capital	9	1,000,000	1,000,000
Translation reserve		(1,059,630)	(518,106)
Retained earnings		9,658,754	6,193,063
Proposed dividend for the financial year		0	11,480,000
<b>Equity</b>		<b>9,599,124</b>	<b>18,154,957</b>
Other payables		1,937,870	1,535,466
<b>Non-current liabilities other than provisions</b>	10	<b>1,937,870</b>	<b>1,535,466</b>
Trade payables		4,983,886	4,552,730
Tax payable		938,464	383,691
Other payables		11,441,692	12,712,056
<b>Current liabilities other than provisions</b>		<b>17,364,042</b>	<b>17,648,477</b>
<b>Liabilities other than provisions</b>		<b>19,301,912</b>	<b>19,183,943</b>
<b>Equity and liabilities</b>		<b>28,901,036</b>	<b>37,338,900</b>
Unrecognised rental and lease commitments	12		
Transactions with related parties	13		
Group relations	14		
Subsidiaries	15		

# Consolidated statement of changes in equity for 2022

	Contributed capital DKK	Translation reserve DKK	Retained earnings DKK	Proposed dividend for the financial year DKK	Total DKK
Equity beginning of year	1,000,000	(518,106)	6,193,063	11,480,000	18,154,957
Ordinary dividend paid	0	0	0	(11,480,000)	(11,480,000)
Exchange rate adjustments	0	(541,524)	0	0	(541,524)
Profit/loss for the year	0	0	3,465,691	0	3,465,691
<b>Equity end of year</b>	<b>1,000,000</b>	<b>(1,059,630)</b>	<b>9,658,754</b>	<b>0</b>	<b>9,599,124</b>

# Consolidated cash flow statement for 2022

	Notes	2022 DKK	2021 DKK
Operating profit/loss		3,901,807	4,106,073
Working capital changes	11	2,344,612	18,349,216
Other adjustments		(541,524)	(207,370)
<b>Cash flow from ordinary operating activities</b>		<b>5,704,895</b>	<b>22,247,919</b>
Financial income received		555,977	490,241
Financial expenses paid		(12,368)	(46,311)
Taxes refunded/(paid)		(252,526)	(1,194,857)
<b>Cash flows from operating activities</b>		<b>5,995,978</b>	<b>21,496,992</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>5,995,978</b>	<b>21,496,992</b>
Dividend paid		(11,480,000)	(10,586,979)
<b>Cash flows from financing activities</b>		<b>(11,480,000)</b>	<b>(10,586,979)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>(5,484,022)</b>	<b>10,910,013</b>
Cash and cash equivalents beginning of year		21,844,887	10,934,874
<b>Cash and cash equivalents end of year</b>		<b>16,360,865</b>	<b>21,844,887</b>
Cash and cash equivalents at year-end are composed of:			
Cash		16,360,865	21,844,887
<b>Cash and cash equivalents end of year</b>		<b>16,360,865</b>	<b>21,844,887</b>

# Notes to consolidated financial statements

## 1 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	34,305,358	38,913,904
Pension costs	3,182,412	3,368,183
Other staff costs	642,165	502,684
	<b>38,129,935</b>	<b>42,784,771</b>

Average number of full-time employees	54	55
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	Remuneration of manage- ment 2022 DKK	Remuneration of manage- ment 2021 DKK
Total amount for management categories	7,115,329	6,054,160
	<b>7,115,329</b>	<b>6,054,160</b>

## 2 Other financial income

	2022 DKK	2021 DKK
Other interest income	4,818	0
Exchange rate adjustments	547,935	488,944
Other financial income	3,224	1,297
	<b>555,977</b>	<b>490,241</b>

## 3 Other financial expenses

	2022 DKK	2021 DKK
Other interest expenses	12,368	46,311
	<b>12,368</b>	<b>46,311</b>

**4 Tax on profit/loss for the year**

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	1,219,924	993,041
Change in deferred tax	(240,199)	84,444
	<b>979,725</b>	<b>1,077,485</b>

**5 Proposed distribution of profit/loss**

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Ordinary dividend for the financial year	0	11,480,000
Extraordinary dividend distributed in the financial year	0	10,586,979
Retained earnings	3,465,691	(18,594,461)
	<b>3,465,691</b>	<b>3,472,518</b>

**6 Property, plant and equipment**

	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improvements DKK</b>
Cost beginning of year	408,013	1,297,897
Exchange rate adjustments	(2,732)	(2,203)
<b>Cost end of year</b>	<b>405,281</b>	<b>1,295,694</b>
Depreciation and impairment losses beginning of year	(408,013)	(1,297,897)
Exchange rate adjustments	2,732	2,203
<b>Depreciation and impairment losses end of year</b>	<b>(405,281)</b>	<b>(1,295,694)</b>
<b>Carrying amount end of year</b>	<b>0</b>	<b>0</b>

**7 Financial assets**

	<b>Other receivables DKK</b>
Cost beginning of year	553,969
Disposals	(14,781)
<b>Cost end of year</b>	<b>539,188</b>
<b>Carrying amount end of year</b>	<b>539,188</b>



## 8 Deferred tax

	2022 DKK	2021 DKK
<b>Changes during the year</b>		
Beginning of year	421,038	505,482
Recognised in the income statement	240,199	(84,444)
<b>End of year</b>	<b>661,237</b>	<b>421,038</b>

Deferred tax relates to property, plant and equipment and other provisions.

### Deferred tax assets

The Group expects to use the deferred tax asset in the coming years, due to positive profit.

## 9 Contributed capital

	Number	Par value DKK	Nominal value DKK
Shares	2,000	500	1,000,000
	<b>2,000</b>		<b>1,000,000</b>

## 10 Non-current liabilities other than provisions

	Due after more than 12 months 2022 DKK
Other payables	1,937,870
	<b>1,937,870</b>

Liabilities due after 5 years amounts to DKK 0.

## 11 Changes in working capital

	2022 DKK	2021 DKK
Increase/decrease in receivables	2,781,416	11,166,952
Increase/decrease in trade payables etc.	(436,804)	7,182,264
	<b>2,344,612</b>	<b>18,349,216</b>

## 12 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Total liabilities under rental or lease agreements until maturity	10,477,451	5,761,949

### 13 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

### 14 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
COSCO Container Lines Europe GmbH, Herrengraben 24, D-20459, Hamburg, Germany

The consolidated financial statements of COSCO Container Lines Europe GmbH may be ordered at this address:  
Herrengraben 24,  
20459, Hamburg,  
Germany

### 15 Subsidiaries

	Registered in	Corporate form	Ownership %	Equity DKK	Profit/loss DKK
COSCO SHIPPING Lines Denmark A/S	Denmark	A/S	100	2,787,860	2,287,860
COSCO SHIPPING Lines (Sweden) AB	Sweden	AB	100	5,588,157	585,657

# Parent income statement for 2022

	Notes	2022 DKK	2021 DKK
Revenue		34,643,818	32,679,396
Cost of sales		(23,129,871)	(20,704,351)
Other external expenses		(1,790,117)	(1,578,894)
<b>Gross profit/loss</b>		<b>9,723,830</b>	<b>10,396,151</b>
Staff costs	1	(9,144,745)	(8,660,598)
<b>Operating profit/loss</b>		<b>579,085</b>	<b>1,735,553</b>
Income from investments in group enterprises		1,287,479	11,347,378
Other financial income	2	186,149	412,495
Other financial expenses	3	(5,691)	(241,982)
<b>Profit/loss before tax</b>		<b>2,047,022</b>	<b>13,253,444</b>
Tax on profit/loss for the year	4	(167,370)	(431,207)
<b>Profit/loss for the year</b>	5	<b>1,879,652</b>	<b>12,822,237</b>

# Parent balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK	2021 DKK
Other fixtures and fittings, tools and equipment		0	0
Leasehold improvements		0	0
<b>Property, plant and equipment</b>	6	<b>0</b>	<b>0</b>
Investments in group enterprises		6,347,487	6,347,487
Other receivables		259,452	273,647
<b>Financial assets</b>	7	<b>6,606,939</b>	<b>6,621,134</b>
<b>Fixed assets</b>		<b>6,606,939</b>	<b>6,621,134</b>
Trade receivables		436,295	1,277,779
Receivables from group enterprises		10,657,371	6,876,254
Other receivables		328,652	411,419
Tax receivable		0	118,849
Joint taxation contribution receivable		0	309,509
<b>Receivables</b>		<b>11,422,318</b>	<b>8,993,810</b>
<b>Cash</b>		<b>6,012,392</b>	<b>8,419,873</b>
<b>Current assets</b>		<b>17,434,710</b>	<b>17,413,683</b>
<b>Assets</b>		<b>24,041,649</b>	<b>24,034,817</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Contributed capital		1,000,000	1,000,000
Translation reserve		6,401	0
Retained earnings		6,564,193	4,684,541
Proposed dividend for the financial year		0	11,480,000
<b>Equity</b>		<b>7,570,594</b>	<b>17,164,541</b>
Trade payables		11,532,671	2,242,407
Payables to group enterprises		282,432	0
Tax payable		763,213	379,943
Other payables		3,892,739	4,247,926
<b>Current liabilities other than provisions</b>		<b>16,471,055</b>	<b>6,870,276</b>
<b>Liabilities other than provisions</b>		<b>16,471,055</b>	<b>6,870,276</b>
<b>Equity and liabilities</b>		<b>24,041,649</b>	<b>24,034,817</b>
Unrecognised rental and lease commitments	8		
Contingent liabilities	9		
Related parties with controlling interest	10		
Transactions with related parties	11		

# Parent statement of changes in equity for 2022

	Contributed capital DKK	Translation reserve DKK	Retained earnings DKK	Proposed dividend for the year DKK	Total DKK
Equity beginning of year	1,000,000	0	3,475	11,480,000	12,483,475
Adjustment of material errors	0	0	4,681,066	0	4,681,066
<b>Adjusted equity, beginning of year</b>	<b>1,000,000</b>	<b>0</b>	<b>4,684,541</b>	<b>11,480,000</b>	<b>17,164,541</b>
Ordinary dividend paid	0	0	0	(11,480,000)	(11,480,000)
Exchange rate adjustments	0	6,401	0	0	6,401
Profit/loss for the year	0	0	1,879,652	0	1,879,652
<b>Equity end of year</b>	<b>1,000,000</b>	<b>6,401</b>	<b>6,564,193</b>	<b>0</b>	<b>7,570,594</b>

# Notes to parent financial statements

## 1 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	8,494,300	8,051,240
Pension costs	535,171	517,240
Other staff costs	115,274	92,118
	<b>9,144,745</b>	<b>8,660,598</b>
Average number of full-time employees	11	11

	Remuneration of Manage- ment 2022 DKK	Remuneration of Manage- ment 2021 DKK
Total amount for management categories	7,115,329	6,054,160
	<b>7,115,329</b>	<b>6,054,160</b>

## 2 Other financial income

	2022 DKK	2021 DKK
Financial income from group enterprises	94,557	180,547
Exchange rate adjustments	91,592	231,948
	<b>186,149</b>	<b>412,495</b>

## 3 Other financial expenses

	2022 DKK	2021 DKK
Financial expenses from group enterprises	0	227,821
Other interest expenses	5,691	14,161
	<b>5,691</b>	<b>241,982</b>

## 4 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Current tax	167,370	431,207
	<b>167,370</b>	<b>431,207</b>

## 5 Proposed distribution of profit and loss

	2022 DKK	2021 DKK
Ordinary dividend for the financial year	0	11,480,000
Extraordinary dividend distributed in the financial year	0	10,586,979
Retained earnings	1,879,652	(9,244,742)
	<b>1,879,652</b>	<b>12,822,237</b>

## 6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	51,405	41,442
Exchange rate adjustments	(2,732)	(2,203)
<b>Cost end of year</b>	<b>48,673</b>	<b>39,239</b>
Depreciation and impairment losses beginning of year	(51,405)	(41,442)
Exchange rate adjustments	2,732	2,203
<b>Depreciation and impairment losses end of year</b>	<b>(48,673)</b>	<b>(39,239)</b>
<b>Carrying amount end of year</b>	<b>0</b>	<b>0</b>

## 7 Financial assets

	Investments in group enterprises DKK	Other receivables DKK
Cost beginning of year	6,347,487	273,647
Disposals	0	(14,195)
<b>Cost end of year</b>	<b>6,347,487</b>	<b>259,452</b>
<b>Carrying amount end of year</b>	<b>6,347,487</b>	<b>259,452</b>

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

## 8 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Total liabilities under rental or lease agreements until maturity	1,657,426	1,508,724



**9 Contingent liabilities**

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

**10 Related parties with controlling interest**

COSCO Container Lines Europe GmbH, Herrengaben 24, D-20459, Hamburg, Germany, owns all shares in the Entity, thus exercising control.

**11 Non-arm's length related party transactions**

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

# Accounting policies

## Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements, remain unchanged from last year.

## Material errors in previous years

Management has identified, that the branch in Norway has been adopted in the annual report as a subsidiary, while it should have been consolidated into Cosco Shipping Lines Nordic A/S financial statement. As a result, the consolidation of the entire Cosco Shipping Lines Nordic A/S and the branch COSCO SHIPPING Lines (Norway) has been prepared for the annual year 2022 and with correction of material errors in the comparison period. The impact of the changes in the comparison period is an increase of the annual result by DKK 1,338,762, an increase of total assets by DKK 11,551,342, an increase of the equity of DKK 4,681,066, an increase of the liabilities by DKK 6,870,276 and an increase in the unrecognised rental and lease commitments in note 8 in the notes to parent financial statement of DKK 1,508,724.

The error has no effect on the consolidated annual report.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

## Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its

subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

## **Income statement**

### **Revenue**

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### **Cost of sales**

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

### **Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

### **Staff costs**

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

### **Income from investments in group enterprises**

Income from investments in group enterprises comprises dividends etc. received from the individual group enterprises in the financial year.

### **Other financial income**

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

### **Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

### **Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

## Balance sheet

### Property, plant and equipment

Other fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life Years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	10 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

### Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

**Cash**

Cash comprises cash in hand and bank deposits.

**Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

**Cash flow statement**

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.