



MOL Chemical Tankers Europe A/S

Tuborg Havnevej 15
2900 Hellerup
CVR No. 17952072

Annual report 2022

The Annual General Meeting adopted the
annual report on 12.05.2023

Akira Sasa

Chairman of the General Meeting

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Entity details

Entity

MOL Chemical Tankers Europe A/S

Tuborg Havnevej 15

2900 Hellerup

Business Registration No.: 17952072

Registered office: Tuborg Havnevej 15

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Akira Sasa

Annette Bruhn Hasenberg

Egil Håkon Giertsen

Tsuyoshi Hattori

Yasuhiro Suzuka

Daisuke Nakayama

Executive Board

Annette Bruhn Hasenberg

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 MOL Chemical Tankers Europe 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 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.

Hellerup, 12.05.2023

Executive Board

Annette Bruhn Hasenberg

Board of Directors

Akira Sasa

Annette Bruhn Hasenberg

Egil Håkon Giertsen

Tsuyoshi Hattori

Yasuhiro Suzuka

Daisuke Nakayama

Independent auditor's report

To the shareholders of MOL Chemical Tankers Europe A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of MOL Chemical Tankers Europe 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. 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 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.

Hellerup, 12.05.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Henrik Wolff Mikkelsen

State Authorised Public Accountant
Identification No (MNE) mne33747

Management commentary

Primary activities

MOL Chemical Tankers Europe A/S and its subsidiary solely operate under the Service Agreement entered with the parent company.

Description of material changes in activities and finances

The net result for the year totals USD 897 thousand against USD 403 thousand last year. The net result is in line with expectations as the revenues of the group are based on a cost-plus structure, which provides a substantial predictability in net result.

The Group expects to generate a profit in 2023 at the same level as in 2022.

Consolidated income statement for 2022

	Notes	2022 USD'000	2021 USD'000
Revenue		10,019	11,471
Other operating income		10	65
Cost of sales		(2)	(30)
Other external expenses		(1,234)	(1,668)
Gross profit/loss		8,793	9,838
Staff costs	1	(7,902)	(8,519)
Depreciation, amortisation and impairment losses	2	(415)	(649)
Operating profit/loss		476	670
Other financial income	3	737	198
Other financial expenses		(281)	(311)
Profit/loss before tax		932	557
Tax on profit/loss for the year	4	(35)	(154)
Profit/loss for the year		897	403
Proposed distribution of profit and loss			
Retained earnings		897	403
Proposed distribution of profit and loss		897	403

Consolidated balance sheet at 31.12.2022

Assets

	Notes	2022 USD'000	2021 USD'000
Land and buildings		598	1,133
Other fixtures and fittings, tools and equipment		0	7
Property, plant and equipment	5	598	1,140
Deposits		143	180
Deferred tax		204	328
Financial assets		347	508
Fixed assets		945	1,648
Trade receivables		87	51
Receivables from group enterprises		1,120	820
Deferred tax		97	0
Other receivables		36	41
Prepayments		126	49
Receivables		1,466	961
Cash		1,781	711
Current assets		3,247	1,672
Assets		4,192	3,320

Equity and liabilities

	Notes	2022 USD'000	2021 USD'000
Contributed capital		98	98
Retained earnings		1,531	1,281
Equity		1,629	1,379
Lease liabilities		220	636
Non-current liabilities other than provisions	6	220	636
Lease liabilities		419	550
Trade payables		388	388
Other payables		1,536	367
Current liabilities other than provisions		2,343	1,305
Liabilities other than provisions		2,563	1,941
Equity and liabilities		4,192	3,320
Contingent liabilities	7		
Assets charged and collateral	8		
Subsidiaries	9		

Consolidated statement of changes in equity for 2022

	Contributed capital USD'000	Retained earnings USD'000	Total USD'000
Equity beginning of year	98	1,281	1,379
Extraordinary dividend paid	0	(650)	(650)
Exchange rate adjustments	0	3	3
Profit/loss for the year	0	897	897
Equity end of year	98	1,531	1,629

Notes to consolidated financial statements

1 Staff costs

	2022 USD'000	2021 USD'000
Wages and salaries	6,365	7,300
Pension costs	523	619
Other social security costs	91	52
Other staff costs	923	548
	7,902	8,519
Average number of full-time employees	46	57

2 Depreciation, amortisation and impairment losses

	2022 USD'000	2021 USD'000
Depreciation on property, plant and equipment	415	648
Profit/loss from sale of intangible assets and property, plant and equipment	0	1
	415	649

3 Other financial income

Other financial income contains realised gain from group internal sale of MOL Chemical Tankers America LLC.

4 Tax on profit/loss for the year

	2022 USD'000	2021 USD'000
Current tax	7	(28)
Change in deferred tax	27	0
Adjustment concerning previous years	1	182
	35	154

5 Property, plant and equipment

	Land and buildings USD'000	Other fixtures and fittings, tools and equipment USD'000
Cost beginning of year	3,771	300
Exchange rate adjustments	(11)	(2)
Additions	18	1
Disposals	(756)	(186)
Cost end of year	3,022	113
Depreciation and impairment losses beginning of year	(2,638)	(293)
Exchange rate adjustments	10	2
Depreciation for the year	(415)	(1)
Reversal regarding disposals	619	179
Depreciation and impairment losses end of year	(2,424)	(113)
Carrying amount end of year	598	0

6 Non-current liabilities other than provisions

	Due after more than 12 months 2022 USD'000
Lease liabilities	220
	220

7 Contingent liabilities

The Group has an unrecognised tax asset which amounts to DKK 2.3 million.

8 Assets charged and collateral

The Group has not pledged any assets or taken on any contingent liabilities.

9 Subsidiaries

	Registered in	Corporate form	Ownership %
MOL Chemical Tankers Colombia S.A.S.	Colombia	S.A.S.	100.00

Parent income statement for 2022

	Notes	2022 USD'000	2021 USD'000
Revenue		10,019	11,476
Other operating income		10	65
Cost of sales		(2)	(30)
Other external expenses		(1,578)	(5,519)
Gross profit/loss		8,449	5,992
Staff costs	1	(7,599)	(5,087)
Depreciation, amortisation and impairment losses	2	(394)	(393)
Operating profit/loss		456	512
Income from investments in group enterprises	3	477	77
Other financial income		224	151
Other financial expenses		(233)	(226)
Profit/loss before tax		924	514
Tax on profit/loss for the year	4	(27)	(111)
Profit/loss for the year		897	403
Proposed distribution of profit and loss			
Retained earnings		897	403
Proposed distribution of profit and loss		897	403

Parent balance sheet at 31.12.2022

Assets

	Notes	2022 USD'000	2021 USD'000
Land and buildings		598	992
Property, plant and equipment	5	598	992
Investments in group enterprises		59	229
Deferred tax		204	0
Financial assets	6	263	229
Fixed assets		861	1,221
Trade receivables		87	51
Receivables from group enterprises		1,120	820
Deferred tax		97	328
Other receivables		167	156
Prepayments		126	22
Receivables		1,597	1,377
Cash		1,531	500
Current assets		3,128	1,877
Assets		3,989	3,098

Equity and liabilities

	Notes	2022 USD'000	2021 USD'000
Contributed capital		98	98
Reserve for net revaluation according to equity method		58	220
Retained earnings		1,473	1,061
Equity		1,629	1,379
Lease liabilities		221	636
Non-current liabilities other than provisions	7	221	636
Lease liabilities		416	404
Trade payables		163	167
Payables to group enterprises		36	60
Other payables		1,524	452
Current liabilities other than provisions		2,139	1,083
Liabilities other than provisions		2,360	1,719
Equity and liabilities		3,989	3,098
Contingent liabilities	8		
Assets charged and collateral	9		

Parent statement of changes in equity for 2022

	Contributed capital USD'000	Reserve for net revaluation according to the equity method USD'000	Retained earnings USD'000	Total USD'000
Equity beginning of year	98	220	1,061	1,379
Effect of divestments of entities etc.	0	(170)	170	0
Extraordinary dividend paid	0	0	(650)	(650)
Exchange rate adjustments	0	3	0	3
Profit/loss for the year	0	5	892	897
Equity end of year	98	58	1,473	1,629

Notes to parent financial statements

1 Staff costs

	2022 USD'000	2021 USD'000
Wages and salaries	6,130	4,275
Pension costs	521	422
Other social security costs	26	31
Other staff costs	922	359
	7,599	5,087
Average number of full-time employees	40	36

2 Depreciation, amortisation and impairment losses

	2022 USD'000	2021 USD '000
Depreciation on property, plant and equipment	394	392
Profit/loss from sale of intangible assets and property, plant and equipment	0	1
	394	393

3 Income from investments in group enterprises

Income from investments in group enterprises contains realised gain from group internal sale of MOL Chemical Tankers America LLC.

4 Tax on profit/loss for the year

	2022 USD'000	2021 USD'000
Change in deferred tax	27	(67)
Adjustment concerning previous years	0	178
	27	111

5 Property, plant and equipment

	Land and buildings USD'000
Cost beginning of year	2,939
Cost end of year	2,939
Depreciation and impairment losses beginning of year	(1,947)
Impairment losses for the year	(394)
Depreciation and impairment losses end of year	(2,341)
Carrying amount end of year	598

6 Financial assets

	Investments in group enterprises USD'000
Cost beginning of year	16
Disposals	(15)
Cost end of year	1
Revaluations beginning of year	213
Exchange rate adjustments	3
Share of profit/loss for the year	5
Reversal regarding disposals	(163)
Revaluations end of year	58
Carrying amount end of year	59

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

7 Non-current liabilities other than provisions

	Due after more than 12 months 2022 USD'000
Lease liabilities	221
	221

8 Contingent liabilities

The Company has an unrecognised tax asset which amounts to DKK 2.3 million.

9 Assets charged and collateral

The Company has not pledged any assets or taken on any contingent liabilities.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

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

Management has voluntarily decided to prepare 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 is generated from Services Level Agreement with the parent company. The service fee is calculated from the Entity's costs related to servicing the agreement applied with a percentage based markup.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises deferred expenses, including voyage expenses, crew cost and port expenses, related to commercial operations before restructuring of the company.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, marketing costs, and administrations costs etc.

Staff costs

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment, intangible assets and lease assets (right-of-use assets) comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, 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, tax surcharge under the Danish Tax Prepayment Scheme and interest expenses on lease obligations under IFRS 16 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

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. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

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

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

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.

Receivables

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

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Lease liabilities

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Other financial liabilities

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