

# **ANNUAL REPORT**

# **2021**

**MOL CHEMICAL TANKERS EUROPE A/S**



**MOL CHEMICAL TANKERS**

**REGISTRATION NO. 17 95 20 72**

**TUBORG HAVNEVEJ 15**

**2900 HELLERUP**

**The Annual General Meeting adopted the annual report on 8 June 2022**

**Chairman of the General Meeting**

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**Name: Annette Bruhn Hasenberg**

## Contents

	Page
Key figures .....	2
Management review .....	3
Consolidated financial statements .....	6
Parent company financial statements .....	27
Statement by the Board of Directors and Executive Management .....	37
Independent auditor's report .....	38
Definitions .....	41
Company information .....	42

## Key figures

<b>USD '000</b>	<b>2021<sup>1</sup></b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>INCOME STATEMENT</b>					
Revenue	11.471	103.440	175.843	136.696	116.751
Time charter equivalent earnings (TCE)	108	54.227	91.300	71.591	70.272
Operating profit bef. depreciation etc. (EBITDA)	1.319	18.120	15.449	1.273	5.835
Depreciation, write-downs and gains/losses	649	11.113	19.985	8.030	8.814
Operating profit (EBIT)	670	7.008	-4.537	-6.757	-3.027
Net financials	-113	-1.984	-7.964	-3.639	-3.313
Result for the year	403	5.080	-12.457	-10.494	-6.477
<b>BALANCE SHEET</b>					
Non-current assets	1.140	1.775	116.125	105.936	113.363
Total assets	3.320	6.702	150.814	133.242	138.497
Equity	1.379	2.592	13.509	58.511	61.434
Invested capital	1.519	452	125.730	113.078	118.743
Net working capital	386	-1.310	9.605	7.142	5.380
Investments in tangible assets	1	7	35	756	295
Cash and securities	711	3.944	6.816	10.412	11.689
<b>CASH FLOW</b>					
Cash flow from operating activities	-933	26.998	5.827	-3.508	134
Cash flow from investing activities	-1	-7	100.008	-721	7.238
Cash flow from financing activities	-2.257	-29.839	-109.401	3.222	-12.838
Cash flow of the year	-3.191	-2.848	-3.566	-1.007	-5.466
<b>EMPLOYEES</b>					
Seafarers	-	20	160	176	186
Land based employees	57	57	65	72	104
<b>FINANCIAL AND ACCOUNTING RATIOS</b>					
TCE margin (%)	0,9%	52,4%	51,9%	52,4%	60,2%
EBITDA margin (%)	11,5%	17,5%	8,8%	0,9%	5,0%
EBIT margin (%)	5,8%	6,8%	-2,6%	-4,9%	-2,6%
Return on Invested Capital (%)	68,0%	11,1%	-3,8%	-5,8%	-2,5%
Return on Equity (%)	20,3%	63,1%	-34,6%	-17,5%	-10,0%
Equity ratio	41,5%	38,7%	9,0%	43,9%	44,4%
<b>OTHER</b>					
Total number of vessel days for the Group	-	3.572	6.427	5.123	4.915
USD/EUR rate at year-end	0,88	0,81	0,89	0,87	0,83
Average USD/EUR rate	0,85	0,88	0,89	0,85	0,89
USD/DKK rate at year-end	6,56	6,06	6,68	6,52	6,21
Average USD/DKK rate	6,29	6,53	6,67	6,32	6,60

1) The company's activities changed back in 2020, with the consequent consequence that 2021 on a full year basis is not comparable with 2017-2019 and only partly in 2020.

## Management review

### MOL Chemical Tankers Europe

MOL Chemical Tankers Europe is a subsidiary of MOL Chemical Tankers Pte. Ltd., Singapore, which is the chemical tanker division of the Japan-based shipping company Mitsui OSK Lines (MOL). MOL is listed on the Tokyo Stock Exchange (TYO: 9104).

The Company's business consists of conducting shipping activities supporting its parent company's strategy, with focus on Asia-Europe, Trans-Atlantic, Inter-Americas and Europe-Arabic Gulf trade lanes. Furthermore, the Company has investments in overseas subsidiaries which are engaged in shipping activities.

## Management

### Board of Directors

The Board of Directors at MOL Chemical Tankers Europe A/S consists of six members with extensive experience within shipping and management. The board has a reasonable size, composition, diversity plus the competences necessary to ensure that the Board of Directors at any given time is qualified to attend to the managerial tasks as the upper management body of the Group.

### Executive Management

Annette Hasenberg is the CEO of MOL Chemical Tankers Europe A/S. She has more than 10 years of experience from the shipping industry. She joined MOL Chemical Tankers Europe in 2010 and became a part of the Executive Management in 2015 and CEO in 2020. Annette Hasenberg is also member of the Board of Directors of MOL Chemical Tankers Europe A/S.

## Key developments in 2021

2021 is the first full financial year during which MOL Chemical Tanker Europe A/S operated as an agent for its parent company. On 29 May 2020, MOL Chemical Tankers Europe A/S announced that it had successfully completed the full integration of its operations with MOL Chemical Tankers Pte. Ltd. by way of the novation of all Contracts of Affreightments and Time Charter Parties.

The consequence for MOL Chemical Tankers Europe of the completion of the full integration was that revenues derived from shipping activities (freights, demurrages) were generated from activities in the first semester of 2020 only. Post full integration, revenues are solely composed of service fees under a Service Agreement entered between MOL Chemical Tankers Pte. Ltd. and MOL Chemical Tankers Europe A/S. Hence, post full integration, all commercial contracts are entered in the

name of MOL Chemical Tankers Pte. Ltd. and MOL Chemical Tankers Europe A/S acts as agent for its parent company.

In the course of 2021, MOL Chemical Tankers Europe focused on developing its commercial platform in cooperation with the other units of the MOL Chemical Tankers Group. On the organizational side, MOL Chemical Tankers decided to centralize its European commercial operations in Copenhagen which entailed a relocation of staff from the London office.

With its strong historical presence in the Trans-Atlantic, Inter-Americas, Europe-Asia and Europe-Arabic Gulf trade lanes, MOL Chemical Tankers Europe and its overseas subsidiaries have strengthened the global footprint of MOL Chemical Tankers.

Furthermore, at fleet operations level, MOL Chemical Tankers Europe focused on unleashing synergies with the rest of the MOL Chemical Tankers Group.

MOL Chemical Tankers Europe continued to harvest the fruits of a focus on unleashing efficiencies in its operations. This was particularly visible on administrative expenses, which were reduced by 2% compared to 2020 despite the increase in headcounts following the centralization of the European commercial

activities in Copenhagen.

### Subsequent events

Effective 1<sup>st</sup> January 2022, MOL Chemical Tankers Europe sold its subsidiary MOL Chemical Tankers America LLC (USA) to MOL Chemical Tankers Pte. Ltd. (Singapore). The proceeds from the sale was immediately after distributed as an extraordinary dividend to MOL Chemical Tankers Pte. Ltd.

## Financial highlights of the Group in 2021

Comparative figures for 2020 are displayed in parentheses.

The Group reported a net result of USD 0.6 million for 2021 (USD 5 million) and a pre-tax profit of USD 0.6 million (USD 5 million).

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 revenue amounted to USD 11 million (USD 103 million). The reduction in revenue is caused by the transfer of commercial activities to MOL Chemical Tankers Pte Ltd in 2020. The revenue in 2021 consists of service fees received from the parent company in Singapore.

As per 31 December 2021, the Group's equity amounted to USD 2 million (USD 3 million). In March 2021, a share capital decrease of USD 1.6 million was implemented.

### Operating expenses and charter hire

Total operating expenses amounted to USD 0 million (USD 1 million) and Time charter expenses amounted to USD 0 million (USD 32 million) as the fleet of time chartered vessels was transferred to MOL Chemical Tankers Pte. Ltd. in 2020 as part of the full integration process.

### Administrative expenses

Administrative expenses amounted USD 10 million

(USD 10 million). The level of administrative expenses was kept stable despite the gradual relocation of London-based employees to MOL Chemical Tankers Europe in Copenhagen.

### Depreciation, write-downs and gains/losses

Depreciation on the Group assets amounted to USD 1 million (USD 12 million).

The effect of IFRS 16 on depreciation amounted to USD 1 million.

### Financial income and expenses

Net financial earnings amounted to USD -2 million (USD -8 million), mainly consisting of interest expenses on leases treated according to IFRS 16.

### Assets, equity and liabilities

As per 31 December 2021, the Group's total assets amounted to USD 4 million (USD 7 million). Non-current assets (predominantly lease assets) was USD 1 million (USD 2 million), consisting of offices leases treated according to IFRS 16. Cash decreased to USD 1 million (USD 4 million), partly as the consequence of the share capital reduction of USD 1.6m which was distributed to the parent company in Singapore.

The Group's equity amounted to USD 2 million (USD 3 million), as the result of the above-mentioned share capital decrease. Total liabilities amounted to USD 2 million (USD 4 million). The decrease was primarily due to the decrease in tax liabilities.

At year-end 2021, equity ratio reached 44.0% (38.8%). The increase is mainly due to decrease in lease liabilities and tax liabilities.

## Cash flow

Cash flow for the year was USD -3 million (USD -3 million), bringing down the cash balance at year-end to USD 1 million (USD 4 million).

Cash flow from operations amounted to USD -1 million (USD 27 million). The decrease is mainly due to the

effects of the full integration that took place in 2020 as well as reduction in working capital.

Cash flow from investing activities amounted to USD 0 million (USD 0 million) due to the halt in investing activities in 2020 continued in 2021.

Cash flow from financing activities amounted to USD -2 million (USD -30 million), mainly due to the share capital reduction of USD 1.6 million.

## Outlook for 2022

In 2022, MOL Chemical Tankers Europe A/S will solely operate under the Service Agreement entered with its parent company. As this Agreement is based on a cost-

plus structure, the Company expects to generate a profit in 2022.

## Risk Management

After the full integration of its operation in MOL Chemical Tankers Pte. Ltd. in 2020, MOL Chemical Tankers Europe A/S and its subsidiaries operate on a low risk profile.

- Liquidity Risk: MOL Chemical Tankers Europe is funded by its parent company under a service agreement (cost plus). This funding structure ensures that MOL Chemical Tankers Europe expects to have sufficient liquidity for running its operations in 2022.
- Financing risk: MOL Chemical Tankers Europe has no interest-bearing debt as all its funding needs are covered by its parent company. In 2021, MOL Chemical Europe A/S implemented a share capital reduction of USD 1.6 million.
- Credit risk: MOL Chemical Tankers Europe acts as agent for its parent company and, hence, has no credit risk on customers and counterparties relating to vessel operations (e.g. bunker suppliers).
- Currency risk: Revenues earned by MOL

Chemical Tankers Europe are in the reporting currency USD while a large portion of the administrative expenses is incurred in DKK. In 2021, a 1% weakening of the USD versus DKK had an effect of USD -0.01 million (-0.05 million) on profit and equity.

- Risk of fraud: MOL Chemical Tankers Europe operates under strict procedures for avoiding risk of fraud (e.g., Phishing, CEO emails, etc.).
- IT operations: MOL Chemical Tankers Europe has established duplication of business-critical IT systems and contingency plans in case of breakdowns. Back-up of data is made at an external IT environment outside the Group's offices.

The Management continuously monitors the potential risks considered to have the most significant effect on the Group's financial position and business performance. Measures deemed relevant to limit the Group's sensitivity to such risks are evaluated on an on-going basis.

## Consolidated financial statements

	Page
Consolidated income statement.....	7
Consolidated balance sheet.....	8
Consolidated statement of changes in equity.....	10
Consolidated statement of cash flow .....	11
Notes to the consolidated financial statements .....	12

## Consolidated income statement

1 January - 31 December

<b>USD '000</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Revenue	3	11,471	103,440
Voyage related expenses		-26	-42,292
<b>Gross profit</b>		<b>11,445</b>	<b>61,148</b>
Other operating income		65	26
Charter hire		-2	-31,684
Operating expenses		-2	-1,011
Administrative expenses	4, 5	-10,187	-10,359
<b>Operating profit before depreciation etc. (EBITDA)</b>		<b>1,319</b>	<b>18,120</b>
Depreciation		-648	-12,134
Gains/losses from sale/disposal of fixed assets etc.		-1	1,021
Share of results of associated companies and joint ventures		-	1
<b>Operating profit (EBIT)</b>		<b>670</b>	<b>7,008</b>
Financial income	6	198	464
Financial expenses	7	-311	-2,448
<b>Result before tax</b>		<b>557</b>	<b>5,024</b>
Tax	8	-154	56
<b>Net result</b>		<b>403</b>	<b>5,080</b>



## Consolidated balance sheet

at 31 December

USD '000	Note	2021	2020
<b>ASSETS</b>			
Property, plant and equipment	10	7	13
<b>Tangible assets</b>		<b>7</b>	<b>13</b>
Leased office facilities	11	1.133	1.762
<b>Lease assets</b>		<b>1.133</b>	<b>1.762</b>
<b>Non-current assets</b>		<b>1.140</b>	<b>1.775</b>
Trade receivables		51	250
Receivables from group companies		820	-
Other receivables	12	221	684
Deferred tax asset	8	328	-
Prepayments	13	49	49
Cash and cash equivalents		711	3.944
<b>Current assets</b>		<b>2.180</b>	<b>4.927</b>
<b>Assets</b>		<b>3.320</b>	<b>6.702</b>

## Consolidated balance sheet

at 31 December

<b>USD '000</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	14	98	1.712
Retained earnings		1.281	880
<b>Equity</b>		<b>1.379</b>	<b>2.592</b>
Lease liabilities	15	636	1.171
<b>Non-current liabilities</b>		<b>636</b>	<b>1.171</b>
Lease liabilities	15	550	646
Trade payables	16	388	548
Other payables		367	1.725
<b>Current liabilities</b>		<b>1.305</b>	<b>2.939</b>
<b>Liabilities</b>		<b>1.941</b>	<b>4.110</b>
<b>Equity and liabilities</b>		<b>3.320</b>	<b>6.702</b>

## Consolidated statement of changes in equity

### 1 January - 31 December

<b>USD '000</b>	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
<b>2021</b>			
<b>Equity at 1 January 2021</b>	<b>1.712</b>	<b>880</b>	<b>2.592</b>
Net result	-	403	403
Foreign exchange differences on translation of foreign operations	-1	-2	-3
Capital reductions during the year	-1.613	-	-1.613
<b>Total change in equity</b>	<b>-1.614</b>	<b>401</b>	<b>-1.213</b>
<b>Equity at 31 December 2021</b>	<b>98</b>	<b>1.281</b>	<b>1.379</b>
<b>2020</b>			
<b>Equity at 1 January 2020</b>	<b>1.375</b>	<b>12.134</b>	<b>13.509</b>
Net result	-	5.080	5.080
Foreign exchange differences on translation of foreign operations	-	3	3
Restructurings during the year	-1.263	1.263	
Issue of share capital during the year	17.600	-17.600	-
Capital reductions during the year	-16.000	-	-16.000
<b>Total change in equity</b>	<b>337</b>	<b>-11.254</b>	<b>-10.917</b>
<b>Equity at 31 December 2020</b>	<b>1.712</b>	<b>880</b>	<b>2.592</b>

## Consolidated statement of cash flow

1 January - 31 December

<b>USD '000</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Operating profit (EBIT)		670	7.008
Reversal of depreciation		648	12.134
Reversal of gains/losses from sale of fixed assets		1	-1.021
Reversal of share of results of associated companies and joint ventures		-	-1
Reversal of other non-cash items		-106	-290
Change in working capital excl. accrued interest and tax assets/liabilities	17	-2.084	11.029
Interest income etc. received		-	7
Interest expenses on loans etc. paid		-	39
Interest expenses on lease liabilities paid		-30	-1.907
Tax paid		-32	-
<b>Cash flow from operating activities</b>		<b>-933</b>	<b>26.998</b>
<u>Investments in tangible assets</u>	<u>10</u>	<u>-1</u>	<u>-7</u>
<b>Cash flow from investing activities</b>		<b>-1</b>	<b>-7</b>
Capital reductions		-1.613	-16.000
Proceeds from borrowings		-	1.250
Installments on loans		-	-3.258
<u>Installments on lease liabilities</u>		<u>-644</u>	<u>-11.831</u>
<b>Cash flow from financing activities</b>		<b>-2.257</b>	<b>-29.839</b>
<b>Net cash flow</b>		<b>-3.191</b>	<b>-2.848</b>
Cash and cash equivalents at beginning of the year		3.944	6.816
Exchange rate adjustments		-42	-24
<u>Net cash flow</u>		<u>-3.191</u>	<u>-2.848</u>
<b>Cash and cash equivalents at end of the year</b>		<b>711</b>	<b>3.944</b>

## Notes to the consolidated financial statements

	Page
Note 1. Significant accounting policies and changes to accounting policies .....	13
Note 2. Significant accounting estimates, assumptions and uncertainties.....	13
Note 3. Revenue.....	13
Note 4. Staff costs .....	14
Note 5. Fees to the auditor appointed at the general meeting .....	14
Note 6. Financial income .....	15
Note 7. Financial expenses .....	15
Note 8. Tax.....	15
Note 9. Tangible assets .....	16
Note 10. Lease assets .....	17
Note 11. Other receivables .....	18
Note 12. Prepayments.....	18
Note 13. Share capital.....	18
Note 14. Lease liabilities .....	19
Note 15. Trade payables.....	19
Note 16. Changes in working capital .....	19
Note 17. Lease liabilities and other contractual obligations.....	20
Note 18. Related party disclosures and transactions with related parties .....	20
Note 19. Companies in the Group .....	21
Note 20. Subsequent events .....	21
Note 21. Accounting policies .....	22

## Note 1. Significant accounting policies and changes to accounting policies

The annual report for the period 1 January - 31 December 2021 with comparative figures comprises the consolidated financial statements of MOL Chemical Tankers Europe A/S and its subsidiaries (the "Group").

There are no significant changes in the accounting policies for the annual report 2021 compared with the 2020 annual report.

The consolidated financial statements of the Group for 2021 have been prepared in accordance with the

requirements in the Danish Financial Statements Act applying reporting class C.

The consolidated financial statements are presented in United States Dollars (USD), which is the presentation currency of the Group activities and the functional currency of the parent company. The year-end USD/DKK rate for 2021 is 6,56 (2020: 6,06).

The consolidated financial statements are presented on the basis of historical cost prices.

## Note 2. Significant accounting estimates, assumptions and uncertainties

In applying the Group's accounting policies described in note 1 and note 21, management is required to make estimates, as well as assumptions for the carrying amount of assets and liabilities that cannot be directly derived from other sources. These estimates and assumptions are based on historical experience and other relevant factors. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognized in the accounting period in which the change takes place and in future accounting periods if the change affects both the period during which the change takes place and subsequent accounting periods.

## Note 3. Revenue

USD '000	2021	2020
Freight revenue	-	84.238
Pool revenue	-	99
Other voyage related revenue	135	12.182
<b>Voyage related revenue</b>	<b>135</b>	<b>96.519</b>
Management fees	11.336	6.921
<b>Revenue</b>	<b>11.471</b>	<b>103.440</b>

**Note 4. Staff costs**

<b>USD '000</b>	<b>2021</b>	<b>2020</b>
<b>Land based employees (included in administrative expenses)</b>		
Wages and salaries	6.830	6.861
Pensions, defined contribution plans	632	639
Other social security costs	52	50
Other staff costs	76	184
	<b>7.590</b>	<b>7.734</b>
<b>Seafarers (included in operating expenses)</b>		
Wages and salaries	-	601
Pensions, defined contribution plans	-	1
Other social security costs	-	1
	-	<b>603</b>
<b>Total staff costs</b>	<b>7.590</b>	<b>8.337</b>
<b>Average employees</b>		
	<b>2021</b>	<b>2020</b>
Land based employees	57	57
Seafarers	-	20
	<b>57</b>	<b>77</b>

Amounts and numbers related to seafarers only relate to vessels that are either owned or chartered on bareboat charter agreements. Seafarers on vessels chartered on time charter agreements are not included.

In 2020, Annette B. Hasenberg took over the role as Chief Executive Officer from Tsuneo Watanabe. As Watanabe san was not remunerated by MOL Chemical Tankers Europe A/S, the number of persons considered CEO and key management personnel was effectively one person. Therefore, salary and other remunerations have been excluded in the 2020 and 2021 figures in accordance with the Danish Financial Statements Act § 98b,3. No remuneration is paid to the Board of Directors.

**Note 5. Fees to the auditor appointed at the general meeting**

<b>USD '000</b>	<b>2021</b>	<b>2020</b>
Audit	29	57
Other assurance services	-	12
Tax consultancy	-	-
Other services	-	1
<b>Total</b>	<b>29</b>	<b>70</b>

**Note 6. Financial income**

<b>USD '000</b>	<b>2021</b>	<b>2020</b>
Interest income	-	11
Exchange rate gains	198	451
Other financial income	-	2
<b>Financial income</b>	<b>198</b>	<b>464</b>

**Note 7. Financial expenses**

<b>USD '000</b>	<b>2021</b>	<b>2020</b>
Interest expenses on lease liabilities	30	1.907
Other interest expenses	3	42
Exchange rate losses	277	498
Other financial expenses	1	1
<b>Financial expenses</b>	<b>311</b>	<b>2.448</b>

**Note 8. Tax**

<b>USD '000</b>	<b>2021</b>	<b>2020</b>
Tax on the results for the year	-28	-59
Adjustments of tax regarding previous years	182	3
<b>Tax for the year recognized in the income statement</b>	<b>154</b>	<b>-56</b>
Recognition of deferred tax asset	328	-
<b>Tax for the year recognized on the balance sheet</b>	<b>328</b>	<b>-</b>

The majority of the Group's income tax base is located in Denmark. The Group renewed its participation in the tonnage tax scheme on 1 January 2017, with a binding period of 10 years. Following the transfer of chartered vessels from MOL Chemical Tankers Europe A/S to MOL Chemical Tankers Pte. Ltd. during 2020, the remaining activities in the Group are subject to normal corporate tax and not subject to tonnage tax.

The Group did not own any vessels upon entering the tonnage tax scheme; consequently, the Group has no deferred, or contingent, taxes from entering the tonnage tax scheme.

At 31 December 2021, the Group's recognized deferred tax assets amount to USD 0.3 million. No deferred tax liabilities are recognized. The tax asset of non-recognized tax losses and tax credits carried forward, with certain limitations in subsidiaries and time, amounts to USD 13.1 million (2020: USD 13.4 million) for the Group. There are no unrecognized tax liabilities associated with investments in foreign subsidiaries.



## Note 9. Tangible assets

<b>USD '000</b>	<b>Property and equipment</b>	<b>Total</b>
<b>2021</b>		
Cost at 1 January 2021	304	304
Additions during the year	1	1
Disposals during the year	-5	-5
<b>Cost at 31 December 2021</b>	<b>300</b>	<b>300</b>
Accumulated depreciation at 1 January 2021	-291	-291
Currency adjustment at 1 January 2021	1	1
Depreciation for the year	-6	-6
Disposals during the year	3	3
<b>Depreciation at 31 December 2021</b>	<b>-293</b>	<b>-293</b>
<b>Carrying amount at 31 December 2021</b>	<b>7</b>	<b>7</b>
<b>2020</b>		
Cost at 1 January 2020	63	63
Currency adjustment at 1 January 2020	234	234
Additions during the year	7	7
Disposals during the year	-	-
<b>Cost at 31 December 2020</b>	<b>304</b>	<b>304</b>
Accumulated depreciation at 1 January 2020	-47	-47
Currency adjustment at 1 January 2020	-234	-234
Depreciation for the year	-10	-10
Disposals during the year	-	-
<b>Depreciation at 31 December 2020</b>	<b>-291</b>	<b>-291</b>
<b>Carrying amount at 31 December 2020</b>	<b>13</b>	<b>13</b>

**Note 10. Lease assets**

<b>USD '000</b>	<b>Chartered vessels</b>	<b>Leased office facilities</b>	<b>Total</b>
<b>2021</b>			
Cost at 1 January 2021	-	3,755	3,755
Additions during the year	-	16	16
Disposals during the year	-	-	-
<b>Cost at 31 December 2021</b>	<b>-</b>	<b>3,771</b>	<b>3,771</b>
Accumulated depreciation at 1 January 2021	-	-1,995	-1,995
Depreciation for the year	-	-643	-643
Disposals during the year	-	-	-
<b>Depreciation at 31 December 2021</b>	<b>-</b>	<b>-2,638</b>	<b>-2,638</b>
<b>Carrying amount at 31 December 2021</b>	<b>-</b>	<b>1,133</b>	<b>1,133</b>
<b>2020</b>			
Cost at 1 January 2020	127,896	2,340	130,236
Additions during the year	3,970	1,415	5,385
Disposals during the year	-131,866	-	-131,866
<b>Cost at 31 December 2020</b>	<b>-</b>	<b>3,755</b>	<b>3,755</b>
Accumulated depreciation at 1 January 2020	-13,165	-964	-14,129
Depreciation for the year	-11,094	-1,029	-12,123
Disposals during the year	24,259	-	24,259
<b>Depreciation at 31 December 2020</b>	<b>-</b>	<b>-1,993</b>	<b>-1,993</b>
<b>Carrying amount at 31 December 2020</b>	<b>-</b>	<b>1,762</b>	<b>1,762</b>

No indication of impairments existed as of 31 December 2021 and consequently, Management has not performed any impairment testing.

**Note 11. Other receivables**

USD '000	2021	2020
Deposits	180	225
Miscellaneous receivables	41	459
<b>Other receivables</b>	<b>221</b>	<b>684</b>

The fair value of other receivables approximates the carrying amount.

**Note 12. Prepayments**

USD '000	2021	2020
Insurance prepayments	4	15
Other prepayments to suppliers etc.	45	34
<b>Prepayments</b>	<b>49</b>	<b>49</b>

**Note 13. Share capital**

	2021			2020		
	Number of shares	Nominal value DKK	Share capital DKK	Number of shares	Nominal value DKK	Share capital DKK
Class A shares	400	1.000,00	400.000	104.600	100,00	10.460.000
<b>Share capital at 31 Dec.</b>	<b>400</b>	<b>1.000,00</b>	<b>400.000</b>	<b>104.600</b>	<b>100,00</b>	<b>10.460.000</b>

On 22 March 2021, the Board of Directors of MOL Chemical Tankers Europe A/S decided to implement a share capital reduction of DKK 10,460,000 and in connection with this, to distribute the amount to the shareholder.

**Note 14. Lease liabilities**

USD '000	Current	Non-current	Total
<b>2021</b>			
Carrying amount at 1 January 2021	646	1,171	1,817
Additions during the year	3	12	15
Transfers from non-current to current during the year	545	-545	-
Installments during the year	-644	-	-644
Other movements	-	-2	-2
<b>Carrying amount at 31 December 2021</b>	<b>550</b>	<b>636</b>	<b>1,186</b>
<b>2020</b>			
Carrying amount at 1 January 2020	26,835	90,055	116,890
Additions during the year	2,202	3,134	5,336
Transfers from non-current to current during the year	6,491	-6,491	-
Installments during the year	-11,831	-	-11,831
Other movements	-23,051	-85,527	-108,578
<b>Carrying amount at 31 December 2020</b>	<b>646</b>	<b>1,171</b>	<b>1,817</b>

**Note 15. Trade payables**

USD '000	2021	2020
Payables for goods and services	274	115
Contract liabilities	-	-25
Accrued costs	114	458
<b>Trade payables</b>	<b>388</b>	<b>548</b>

**Note 16. Changes in working capital**

USD '000	2021	2020
Change in inventories	-	-6,623
Change in trade receivables	-198	-11,641
Change in other receivables excl. tax assets	-50	-4,230
Change in prepayments	-	-4,526
Change in trade payables	160	15,520
Change in other payables excl. accrued interest and tax assets/liabilities	2,172	471
<b>Change in working capital</b>	<b>2,084</b>	<b>-11,029</b>

## Note 17. Unrecognized contingent assets and liabilities

The Group is not involved in any lawsuits, disputes etc. involving claims from the Group against third parties.

The Group has not issued any guarantees. The parent has undertaken payment obligations under the service agreements with its subsidiaries.

In 2021, the taxable result in the company was USD 0.4 million. The corresponding tax was offset by the unrecognized tax asset (USD -13.4 million). Further, a tax amount USD 0.3 million has been recognized in the income statement, the rest is considered a contingent asset. The accumulated amount (including previous years) is USD -13.1 million. The majority of the Group's activities used to be subject to the Danish tonnage tax scheme. But following the full integration in 2020, Management does not expect any incomes that will be covered under this scheme. Management also changed its previous notion and now find it certain that the Group will be able utilize the tax losses as the Group is now funded from a Service Level Agreement with a markup on the Group accumulated costs ensuring a taxable income for all conceivable future.

## Note 18. Related party disclosures and transactions with related parties

### Related parties with controlling influence

MOL Chemical Tankers Europe A/S is 100% owned by MOL Chemical Tankers Pte. Ltd.

### Transactions with related parties

The related parties comprise the parent company and other group related MOL entities, the Executive Board, members of the Board of Directors, as well as their close relatives. Related parties also include companies in which the above-mentioned persons have significant interests as well as companies and foundations, which have direct or indirect considerable influence through shareholding.

In the financial year, the Group had the following transactions with related parties:

<b>USD '000</b>	<b>Key personnel in manage- ment</b>	<b>Associated companies</b>	<b>Other related parties</b>	<b>Total</b>
<b>2021</b>				
Administrative services (income)	-	-	11.341	11.341
<b>2020</b>				
Charter hire (expense)	-	-	11.951	11.951
Administrative services (income)	-	-	6.921	6.921
Net financials	-	-	-41	-41

Transactions with subsidiaries have been eliminated in the consolidated financial statements in accordance with the accounting policies applied.

**Note 19. Companies in the Group**

<u>Company</u>	<u>Country</u>	<u>Registration number</u>	<u>Owner-ship</u>	<u>Voting rights</u>
MOL Chemical Tankers Europe A/S	Denmark	17952072		
MOL MOL Chemical Tankers America LLC	USA	99-0375248	100%	100%
MOL Chemical Tankers Colombia S.A.S.	Colombia	860522025-4	100%	100%

**Note 20. Subsequent events**

MOL Chemical Tankers Europe A/S sold its subsidiary MOL Chemical Tankers America LLC to its parent company MOL Chemical Tankers Pte. Ltd. with effective date 01-01-2022. The book value of the related net assets amounts to USD 178.000 at 31-12-2021 and they have been sold at a price of USD 650.000. The gain will be recognized in the 2022 financial statements.

## Note 21. Accounting policies

Accounting policies, in addition to those described in note 1, are as described below.

### Consolidated financial statements

The consolidated financial statements include MOL Chemical Tankers Europe A/S (parent company) and the enterprises (subsidiaries) which are controlled by the parent company. Control is achieved when the company:

- has the power of the investee
- is exposed or has the right to variable returns from involvement with the investee
- has the ability to use its power to affect its returns

### Basis of consolidation

The consolidated financial statements have been prepared on the basis of the accounts of MOL Chemical Tankers Europe A/S and its subsidiaries. The consolidated financial statements have been prepared by adding together items of a uniform nature. The accounts used for consolidation purposes have been prepared in accordance with the Group's accounting policies. Intercompany income and expenses, intercompany balances and dividends as well as profit and loss from intercompany transactions have been eliminated on consolidation. Subsidiaries' items are recognized in full in the consolidated financial statements.

### Profits or losses on the sale or settlement of subsidiaries

Profits or losses of sale or settlement of subsidiaries that result in termination of control and significant influence are calculated as the difference between the fair value of the sales proceeds or the settlement amount and the fair value of any remaining equity interests and, on the other hand, the carrying amount of the net assets at the disposal or settlement date, including goodwill, withdrawn any minority interests. The realized profit or loss is recognized in the income statement as well as accumulated exchange rate adjustments previously recognized in other comprehensive income.

### Foreign currency translation

The functional and presentation currency of the Group is USD. On initial recognition, transactions in currencies other than the functional currency of each entity are translated using the exchange rate at the date of the transaction. Receivables, payables and other monetary items in foreign currencies, which have not been settled at the balance sheet date, are translated using the rate of exchange at the balance sheet date. Any exchange differences arising between the rate of exchange at the date of the transaction and the rate of exchange at the date of payment and the balance sheet date, respectively, are recognized in the income statement as financial income and expenses. Property, plant and equipment, intangibles, inventories and other non-monetary assets purchased in foreign currencies and measured using historical costs are translated using the rate of exchange at the date of the transaction.

### Income statement

#### Revenue and other operating income

Income, including revenue and other operating income, is recognized in the income statement when:

- The income generating activities have been carried out on the basis of a binding agreement
- The income can be measured reliably
- It is probable that the economic benefits associated with the transaction will flow to the Group
- Costs relating to the transaction can be measured reliably

Until 29 May 2020, revenue comprise freight, demurrage and other income from transportation of freight. Revenue was recognized when or as performance obligations were satisfied by transferring the promised goods or service to the customer, i.e. at a point in time or over time provided that the stage of completion can be measured reliably. Revenue was measured at the consideration the Group expected to be entitled to. Accordingly, freight, charter hire and demurrage revenue were recognized at selling price upon delivery of the service as per the charter parties

concluded. The stage of completion was based on the number of on hire days completed divided by the expected total voyage days for the individual cargo. Accordingly, freight revenue for cargoes under transport at year-end was recognized at selling price multiplied by stage of completion.

Other operating income comprises management fees and other income. Management fees related to voyages are recognized based on the same principles as revenue. Other income is recognized when invoiced.

From, 29 May 2020 the Group generates revenues from Service Level Agreement with the parent company. The Service fee is calculated from the Group entities' costs related to servicing the Agreement applied with a percentage based markup. For periods during the year 2020 when the Group was servicing the SLA as well as its own shipping activities, a cost allocation of the applicable vessel days out of the total days managed by the Group was applied to calculate the applicable service income.

#### ***Voyage related expenses***

These are expenses related to voyages performed by the Group's vessels. Voyage related expenses consisted mainly of bunkers, port expenses and commissions. Voyage related expenses were recognized concurrently with the voyage.

#### ***Charter hire***

Lease payments relating to charter hire arrangements where IFRS 16 is not applied are recognized using the straight-line method in the income statement over the term of the leases. For charter hire arrangements where IFRS 16 was applied, the charter hire cost included the cost of the non-lease (service) component of the contracts.

#### ***Operating expenses***

Operating expenses included costs relating to the operation and maintenance of vessels, including costs relating to crew. Operating expenses were recognized as incurred.

#### ***Administrative expenses***

Administrative expenses include the cost of offices, staff costs and administrative costs. Staff costs comprise wages and salaries, social security and pension costs, etc. and are recognized as incurred.

#### ***Depreciation and impairment losses***

Depreciation and impairment losses comprise depreciation of tangible and intangible fixed assets and lease assets (right-of-use assets) for the period as well as the impairment of the value of assets by the amount by which the carrying amount of the asset exceeds its recoverable amount. In the event of indications of impairment, the carrying amount is assessed, and the value of the asset is impaired to its recoverable amount equal to the higher of value in use based on net present value of future earnings from the assets and its net selling price.

#### ***Financial items***

Financial items comprise interest income and expenses, including interest expenses on lease obligations under IFRS 16, currency gains and losses, dividends, estimated interest expenses relating to amortization allowances or deductions relating to mortgage debt etc. as well as surcharges and allowances under the Danish Corporate Tax Scheme.

Interest income and expenses are accrued on the basis of the principal and the effective interest rate. The effective interest rate is the discount rate that will be used to discount the expected future payments that are linked to the financial asset or financial liability so that their present value corresponds to the carrying amount of the asset and liability.

#### ***Tax***

Until 29 May 2020 the Group's current tax of the year consist of estimated tax according to the Danish Tonnage Tax Act for all shipping activities, and according to general tax regulations for net financial income and other activities.

From 29 May 2020, the Group's activities are taxed according to normal corporate tax rules.



## **Balance sheet**

### ***Property, plant and equipment***

Property, plant and equipment, vessels, upgrade costs, lease assets and office and IT equipment, are measured at cost less accumulated depreciation and impairment losses. The cost comprises the cost of acquisition and any expenses directly related to the acquisition until the time when the asset is ready for use. Depreciation is charged over the expected economic lives of the assets, and the depreciation methods, expected lives and residual values are reassessed individually for the assets at the end of each financial year.

### ***Lease assets (right-of-use assets)***

Lease contracts with a duration of 1 year or more are capitalized and depreciated on a straight-line basis over the lifetimes of the contracts. Lease assets are initially measured based on the net present value of the lease payments, excluding any payments related to non-lease (service) components in the lease contracts. In case the lease arrangements include purchase obligations or purchase options where it is considered that it is reasonably certain that the options will be exercised, then the exercise price as well as the remaining useful life of the leased asset is included in the initially recognized value of the lease asset as well as the depreciation period.

### ***Office and IT equipment***

Office and IT equipment is depreciated on a straight-line basis over the estimated useful lives, which does not exceed 5 years.

### ***Impairment tests***

The carrying amounts of property, plant and equipment and lease assets with finite useful lives are evaluated at the balance sheet date to determine whether there are indications of impairment. If an indication of impairment is identified, the recoverable amount of the asset is estimated in order to determine the need for recognizing an impairment loss and the extent hereof. If an asset does not generate cash flows that are independent from other assets, the recoverable amount is determined for the smallest cash-generating unit to which the asset belongs. The Group is considered as one cash generating unit. The recoverable amount is defined

as the higher of the fair value of the asset or the cash generating unit less costs to sell and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money, the risks specific to the asset or the cash-generating unit for which the estimates of future cash flows have not been adjusted. For vessels, the fair value is usually determined based on the estimated selling price less costs to sell. If the recoverable amount of the asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount.

An impairment loss for cash-generating units is allocated to the assets of the unit, but no asset will be reduced to a lower value than its fair value deducted expected costs to sell. Impairment losses are recognized in the statement of comprehensive income. If an impairment loss subsequently is reversed as a result of changes in the assumptions used to determine the recoverable amount, the carrying amount of the asset or cash-generating unit is increased to the revised recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit.

### ***Other financial fixed assets***

Deposits are considered a non-current asset, when the lease agreements is interminable within 12 months from the balance sheet date.

Other investments are presented as non-current, unless Management intends to dispose of the investments within 12 months from the balance sheet date.

### ***Receivables***

Receivables comprise trade receivables (including accrued income) and other receivables. Receivables are classified as receivables that are financial assets, with fixed or determinable payments, which are not quoted in an active market and which are not derivative financial instruments. Receivables are initially measured at fair value and subsequently at amortized cost, which usually equals the nominal value less

provisions for bad debts.

A provisioning account is used to reduce the carrying amount of receivables from sales and services whose value is impaired due to loss risk.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses are estimated using a provision matrix based on historical experiences. The Group has recognized a loss allowance of 50% against all receivables 181-365 days overdue and 100% against all receivables over 365 days overdue.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

#### **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### **Dividends**

Dividend are recognized as a liability at the time of approval by the General Meeting. Dividends proposed by Management in respect of the year are stated under equity.

#### **Non-current and current financial liabilities (interest bearing debt)**

Finance loans are initially measured at fair value less any transaction costs. Finance loans are subsequently measured at amortized cost. This means that the difference between the amount on initial recognition and the redemption value is recognized in the income statement as a financial expense over the term of the loan using the effective interest method.

#### **Lease liabilities**

Lease liabilities relate to lease contracts with a duration of 1 year or more. Lease liabilities are initially measured

at net present value of the lease payments, excluding any payments related to non-lease (service) components in the lease contracts. Lease liabilities are subsequently measured at amortized cost using the effective interest method.

#### **Other liabilities**

Other liabilities comprise trade payables (including accrued costs) and other payables to public authorities, etc. Other liabilities are initially measured at fair value less any transaction costs. Liabilities are subsequently measured at amortized cost using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognized in the income statement as a financial expense over the term of the liability.

#### **Cash flow statement**

The consolidated cash flow statements are presented using the indirect method and show cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are stated as the operating profit or loss, adjusted for non-cash operating items and changes in working capital, less corporation tax paid attributable to operating activities.

Cash flows from investing activities include payments in connection with the acquisition and divestment of enterprises and financial assets and the acquisition, development, improvement and sale, etc. of intangibles and property, plant and equipment.

Cash flows from acquisition and divestment of enterprises are shown separately under cash flows from investing activities. Cash flows from acquired enterprises are recognized in the cash flow statement from the time of their acquisition, and cash flows from divested enterprises are recognized up to the time of sale. Cash flows from financing activities comprise changes in the parent company's share capital and related costs as well as raising and repayment of loans, instalments on interest bearing debt, acquisition of treasury shares and payment of dividend. Cash flows in

other currencies than the functional currency are recognized in the cash flow statement using average exchange rates for the respective months, unless these

deviate materially from the actual exchange rates ruling at the dates of the transactions. If so, the actual exchange rates are used.

## Parent company financial statements

Page

Parent company income statement .....	28
Parent company balance sheet .....	29
Parent company statement of changes in equity .....	31
Notes to the parent company financial statements .....	32

## Parent company income statement

1 January - 31 December

<b>USD '000</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Revenue	3	11,476	103,427
Voyage related expenses		-26	-42,314
<b>Gross profit</b>		<b>11,450</b>	<b>61,113</b>
Other operating income		65	22
Charter hire		-2	-31,684
Operating expenses		-2	-1,010
Administrative expenses	4, 5	-10,606	-11,305
<b>Operating profit before depreciation etc. (EBITDA)</b>		<b>905</b>	<b>17,136</b>
Depreciation		-392	-11,854
Gains/losses from sale/disposal of fixed assets etc.		-1	1,044
Share of results of subsidiaries		77	115
<b>Operating profit (EBIT)</b>		<b>589</b>	<b>6,441</b>
Financial income	6	151	380
Financial expenses	7	-226	-2,401
<b>Result before tax</b>		<b>514</b>	<b>4,420</b>
Tax	8	-111	260
<b>Net result</b>		<b>403</b>	<b>4,680</b>

## Parent company balance sheet

at 31 December

<b>USD '000</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>			
Property, plant and equipment	10	-	3
<b>Tangible assets</b>		<b>-</b>	<b>3</b>
Leased office facilities	11	992	1,366
<b>Lease assets</b>		<b>992</b>	<b>1,366</b>
Investments in subsidiaries	21	229	158
<b>Financial assets</b>		<b>229</b>	<b>158</b>
<b>Non-current assets</b>		<b>1,220</b>	<b>1,527</b>
Trade receivables		51	250
Receivables from group companies		820	-
Other receivables	12	156	650
Deferred tax asset	8	328	
Prepayments	13	22	40
Cash and cash equivalents		500	3,604
<b>Current assets</b>		<b>1,877</b>	<b>4,544</b>
<b>Assets</b>		<b>3,097</b>	<b>6,071</b>

## Parent company balance sheet

at 31 December

<b>USD '000</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	14	98	1.712
Net revaluations reserve according to the equity method		220	115
Retained earnings		1.061	763
<b>Equity</b>		<b>1.379</b>	<b>2.590</b>
Lease liabilities	15	636	1.024
<b>Non-current liabilities</b>		<b>636</b>	<b>1.024</b>
Lease liabilities	15	404	388
Trade payables	16	266	465
Payables to group companies		60	-
Tax liabilities		-	-9
Other payables		352	1.613
<b>Current liabilities</b>		<b>1.082</b>	<b>2.457</b>
<b>Liabilities</b>		<b>1.718</b>	<b>3.481</b>
<b>Equity and liabilities</b>		<b>3.097</b>	<b>6.071</b>

## Parent company statement of changes in equity

### 1 January - 31 December

<b>USD '000</b>	<b>Share capital</b>	<b>Reserves</b>	<b>Retained earnings</b>	<b>Total</b>
<b>2021</b>				
<b>Equity at 1 January 2021</b>	<b>1.712</b>	<b>115</b>	<b>763</b>	<b>2.590</b>
Foreign exchange differences on translation of foreign operations	-1			-1
Net result	-	105	298	403
Capital reductions during the year	-1.613	-	-	-1.613
<b>Total change in equity</b>	<b>-1.613</b>	<b>105</b>	<b>298</b>	<b>-1.211</b>
<b>Equity at 31 December 2021</b>	<b>98</b>	<b>220</b>	<b>1.061</b>	<b>1.379</b>
<b>2020</b>				
<b>Equity at 1 January 2020</b>	<b>112</b>	<b>14</b>	<b>-3.768</b>	<b>-3.642</b>
Net result	-	101	4.580	4.681
Mergers during the year	-	-	17.551	17.551
Issue of share capital during the year	17.600	-	-17.600	-
<b>Total change in equity</b>	<b>1.600</b>	<b>101</b>	<b>4.531</b>	<b>6.232</b>
<b>Equity at 31 December 2020</b>	<b>1.712</b>	<b>115</b>	<b>763</b>	<b>2.590</b>



## Notes to the parent company financial statements

	Page
Note 1. Changes to accounting policies and significant accounting policies .....	33
Note 2. Significant accounting estimates, assumptions and uncertainties .....	33
Note 3. Revenue.....	34
Note 4. Administrative expenses .....	34
Note 5. Audit Expenses .....	34
Note 6. Financial income .....	35
Note 7. Financial expenses .....	35
Note 8. Tax.....	35
Note 9. Share capital .....	35
Note 10. Unrecognized contingent assets and liabilities .....	35
Note 11. Related party disclosure and transactions with related parties .....	36
Note 12. Subsequent events .....	36
Note 13. Accounting policies .....	36

## Note 1. Changes to accounting policies and significant accounting policies

The parent company of the Group is MOL Chemical Tankers Europe A/S. MOL Chemical Tankers Europe A/S is a limited liability company with its registered office in Denmark.

The parent company's financial statements are prepared in accordance with the requirements in the Danish Financial Statements Act applying to large enterprises in reporting class C.

The accounting policies remain unchanged from the previous year.

The parent company fundamentally uses the same accounting policies for recognition and measurement as the Group. The areas where the parent company's accounting policies differ from the Group are described below.

### Areas where the parent company's accounting policies differ from the Group

#### *Results from investments in subsidiaries*

Results from investments in subsidiaries comprises the individual entities' earnings after full elimination of internal gains and losses.

#### *Conversion of foreign currency*

Exchange rate adjustments of receivables from or liabilities to subsidiaries, which are considered part of the parent company's investment in the subsidiary, are recognized in the income statement under financial items. In the consolidated financial statements, value adjustments are recognized in equity.

#### *Investments in subsidiaries*

Investments in subsidiaries are recognized and measured according to the equity method.

In the balance sheet under the items "investments in subsidiaries", the proportional ownership share of the companies' net asset value is recognized.

The total net revaluation of investments in subsidiaries is transferred through the distribution of profits to "Reserve for net revaluation according to equity method" under equity. The reserve is reduced by dividend payments to the parent company and is adjusted with other changes in equity in subsidiaries.

Subsidiaries with negative net asset value are recognized at USD 0, and a provision to cover the negative balance is recognized if such a present obligation for this purpose exists.

## Note 2. Significant accounting estimates, assumptions and uncertainties

For a description of significant accounting estimates, assumptions and uncertainties, see note 2 of the consolidated financial statements.

**Note 3. Revenue**

<b>USD '000</b>	<b>2021</b>	<b>2020</b>
Freight revenue	-	84.245
Pool revenue	-	78
Other voyage related revenue	135	12.183
<b>Voyage related revenue</b>	<b>135</b>	<b>96.506</b>
Management fees	11.341	6.921
<b>Revenue</b>	<b>11.476</b>	<b>103.427</b>

**Note 4. Administrative expenses**

<b>USD '000</b>	<b>2021</b>	<b>2020</b>
<b>Land based employees (included in administrative expenses)</b>		
Wages and salaries	4.276	4.110
Pensions, defined contribution plans	422	405
Other social security costs	31	20
Other staff costs	57	166
	<b>4.786</b>	<b>4.701</b>
<b>Seafarers (included in operating expenses)</b>		
Wages and salaries	-	601
Pensions, defined contribution plans	-	1
Other social security costs	-	1
	<b>-</b>	<b>603</b>
<b>Total staff costs</b>	<b>4.786</b>	<b>5.304</b>
<b>Average employees</b>		
Land based employees	35	35
Seafarers	-	20
	<b>35</b>	<b>55</b>

In 2020, Annette B. Hasenberg took over the role as Chief Executive Officer from Tsuneo Watanabe. As Watanabe was not remunerated by MOL Chemical Tankers Europe A/S, the number of persons considered CEO and key management personnel was effectively one person. Therefore, salary and other remunerations have been excluded in the 2020 and 2021 figures in accordance with the Danish Financial Statements Act § 98b,3.

**Note 5. Audit expenses**

<b>USD '000</b>	<b>2021</b>	<b>2020</b>
Audit	29	57
Other services	-	1
<b>Total</b>	<b>29</b>	<b>70</b>

**Note 6. Financial income**

<b>USD '000</b>	<b>2021</b>	<b>2020</b>
Interest income	-	10
Exchange rate gains	151	368
<b>Financial income</b>	<b>151</b>	<b>380</b>

**Note 7. Financial expenses**

<b>USD '000</b>	<b>2021</b>	<b>2020</b>
Interest expenses on lease liabilities	24	1,896
Other interest expenses	3	80
Exchange rate losses	198	425
<b>Financial expenses</b>	<b>225</b>	<b>2,401</b>

**Note 8. Tax**

<b>USD '000</b>	<b>2021</b>	<b>2020</b>
Tax on the results for the year	-67	-260
Adjustments of tax regarding previous years	178	-
<b>Tax for the year recognized in the income statement</b>	<b>111</b>	<b>-260</b>
Recognition of deferred tax asset	328	-
<b>Tax for the year recognized on the balance sheet</b>	<b>328</b>	<b>-</b>

**Note 9. Share capital**

See note 13 of the consolidated financial statements.

### **Note 10. Unrecognized contingent assets and liabilities**

In 2021, the taxable result of MOL Chemical Tankers Europe A/S was USD 0.4 million which was offset in tax losses carried forward from previous years. After this, and recognition of 0.4 million deferred tax asset, the accumulated amount of tax losses carried forward is USD 13.1 million. The majority of the Company's activities used to be subject to the Danish tonnage tax scheme. But following the full integration, Management does not expect any incomes that will be covered under this scheme. Management also changed its previous notion and now find it certain that the Company will be able utilize the tax losses as the Group is now funded from a Service Level Agreement with a markup on the Company accumulated costs ensuring a taxable income for all conceivable future.

### **Note 11. Related party disclosure and transactions with related parties**

MOL Chemical Tankers Europe A/S is 100% owned by MOL Chemical Tankers Pte. Ltd.

For a list of transactions with related parties refer to note 18 of the consolidated financial statements.

### **Note 12. Subsequent events**

See note 20 of the consolidated financial statements.

### **Note 13. Accounting policies**

See note 21 of the consolidated financial statements.

## Statement by the Board of Directors and Executive Management

The Board of Directors and the Executive Management have today considered and approved the annual report of MOL Chemical Tankers Europe A/S for the financial year 1 January - 31 December 2021.

The consolidated financial statements for the Group and the financial statements for the Parent Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements for the Group and the financial statements for the Parent Company give a true and fair view of the financial position of the Group and the Parent Company as at 31 December 2021 and of the results of the Group's and

the Parent Company's operations and the Group's consolidated cash flows for the financial year 1 January - 31 December 2021.

In our opinion, the Management's review provides a fair review of the development in the operations and financial circumstances of the Group regarding the results for the year and of the financial position of the Group as well as a description of the most significant risks and elements of uncertainty, which the Group is facing.

We recommend that the annual report be adopted at the annual general meeting.

Hellerup, 08 June 2022

### Executive management

Annette Bruhn Hasenberg

*Chief executive officer*

### Board of Directors

*Shinichi Yamamoto*

Shinichi Yamamoto

*Chairman of the Board*

*Akio Mitsuta*

Akio Mitsuta

*Board member*

*Yasuhiro Suzuka*

Yasuhiro Suzuka

*Board member*

*Kentaro Ayai*

Kentaro Ayai

*Board member*

*Egil Giertsen*

Egil Håkon Giertsen

*Board member*

*Annette B Hasenberg*

Annette Bruhn Hasenberg

*Board member*

# Independent auditor's report

## To the shareholder 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 01.01.2021 - 31.12.2021, 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 statement give a true and fair view of the Group's financial position at 31-12-2021, and of the results of its operations and cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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.

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

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the Danish Financial Statements Act as well as the preparation of 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 Parent'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 Group or 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 these 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 Parent'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 Parent'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.

Copenhagen, 08-06-2022

## **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Business Registration No 33 96 35 56



Kim Takata Mücke  
State-Authorised  
Public Accountant  
MNE no MNE10944

## Definitions

### Ratios

Key figures and key ratios are defined and calculated in accordance with the Danish Association of Financial Analysts and as described below:

<b>Key ratio</b>	<b>Calculation formula</b>	<b>Comments</b>
EBITDA margin (%)	$\frac{\text{EBITDA}}{\text{Revenue}}$	The ratio reflects the entity's operational profitability.
EBIT margin (%)	$\frac{\text{EBIT}}{\text{Revenue}}$	The ratio reflect the entity's true business costs
Return on invested capital (%)	$\frac{\text{EBITA}}{\text{Average invested capital}}$	The ratio reflects the entity's ability to generate return on invested capital through operations.
Return on equity (%)	$\frac{\text{Net result}}{\text{Average equity}}$	The ratio reflects the entity's ability to generate return to shareholders when taking into account the entity's capital base.
Equity ratio	$\frac{\text{Equity}}{\text{Total assets}}$	The ratio reflects the financial gearing of the entity.

## Company information

### **MOL Chemical Tankers Europe A/S**

Tuborg Havnevej 15

2900 Hellerup

Registration no. 17 95 20 72

[www.molchemtankers.com](http://www.molchemtankers.com)

### **Group structure**

Please refer to note 19 in the consolidated financial statement.

## Board of Directors and management

### **BOARD OF DIRECTORS**

- Shinichi Yamamoto - Chairman of the Board  
Board member since April 2021
- Akio Mitsuta  
Board member since Jan 2020
- Kentaro Ayai  
Board member since May 2020
- Yasuhiro Suzuka  
Board member since April 2021
- Egil Giertsen  
Board member since April 2021
- Annette B. Hasenberg  
Board member since June 2018

### **Executive Board**

- Annette B. Hasenberg – Chief Executive Officer  
Employed February 2010  
CEO since May 2020