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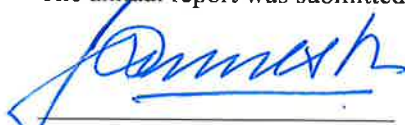
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[www.grantthornton.dk](http://www.grantthornton.dk)**T.K.B. Shipping A/S**  
Strandvejen 102B, 2900 Hellerup

Company reg. no. 21 42 66 95

**Annual report****1 January - 31 December 2023**

The annual report was submitted and approved by the general meeting on the 28 May 2024.



Jørgen P. Dannesboe  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance USD 146.940 means the amount of USD 146,940, and that 23,5 % means 23.5 %.

## Management's statement

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Today, the board of directors and the managing director have presented the annual report of T.K.B. Shipping A/S for the financial year 1 January - 31 December 2023.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2023 and of the company's results of activities and cash flows in the financial year 1 January – 31 December 2023.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Gentofte, 17 May 2024

**Managing Director**

  
Jacob Palle Madsen

**Board of directors**

  
Jørgen P. Dannesboe

  
Robert R.A. Sjøqvist

  
Jacob Palle Madsen

## **Independent auditor's report**

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### **To the Shareholders of T.K.B. Shipping A/S**

#### **Opinion**

We have audited the financial statements of T.K.B. Shipping A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, statement of cash flows, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2023 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 Financial Statements" section of our report. We are independent of the Company 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 Financial Statements**

Management is responsible for the preparation of 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

## **Independent auditor's report**

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

- Identify and assess the risks of material misstatement of the 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 Company'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 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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 Management's Review**

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

## **Independent auditor's report**

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In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

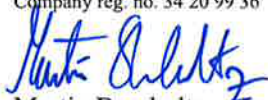
Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 29 May 2024

### **Grant Thornton**

Certified Public Accountants  
Company reg. no. 34 20 99 36



Martin Bomholtz  
State Authorised Public Accountant  
mnc34117

## Company information

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<b>The company</b>	T.K.B. Shipping A/S Strandvejen 102B 2900 Hellerup
	Company reg. no. 21 42 66 95 Established: 13 October 1998 Domicile: Gentofte Financial year: 1 January - 31 December
<b>Board of directors</b>	Jørgen P. Dannesboe Robert R.A. Sjøqvist Jacob Palle Madsen
<b>Managing Director</b>	Jacob Palle Madsen
<b>Auditors</b>	Grant Thornton, Godkendt Revisionspartnerselskab Stockholmsgade 45 2100 København Ø
<b>Parent company</b>	Thopas Holding A/S

## Financial highlights

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USD in thousands.	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Income statement:</b>					
Revenue	100.765	144.573	192.355	95.041	110.951
Gross profit	-3.518	16.956	29.788	3.036	2.862
Profit from operating activities	-5.063	14.965	27.553	1.482	1.529
Net financials	65	-110	-68	-3	-151
Net profit or loss for the year	-4.704	13.284	25.663	1.160	1.069
<b>Statement of financial position:</b>					
Balance sheet total	17.988	27.354	39.911	12.969	16.235
Investments in property, plant and equipment	0	157	0	0	73
Equity	11.715	19.419	29.136	4.473	4.313
<b>Cash flows:</b>					
Operating activities	-7.546	13.213	25.180	149	4.259
Investing activities	0	-157	0	0	-73
Financing activities	-3.045	-23.000	-3.900	-2.094	-1.606
Total cash flows	-10.591	-9.944	21.280	-1.945	2.580
<b>Employees:</b>					
Average number of full-time employees	10	10	10	10	10
<b>Key figures in %:</b>					
Gross margin ratio	-3,5	11,7	15,5	3,2	2,6
Profit margin (EBIT-margin)	-5,0	10,4	14,3	1,6	1,4
Liquidity ratio	285,0	342,9	370,2	231,0	204,0
Solvency ratio	65,1	71,0	73,0	34,5	26,6
Return on equity	-30,2	54,7	152,7	26,4	16,2

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

$$\text{Gross margin ratio} = \frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

$$\text{Profit margin (EBIT margin)} = \frac{\text{Operating profit or loss (EBIT)} \times 100}{\text{Revenue}}$$



## **Financial highlights**

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**Liquidity ratio**

$$\frac{\text{Current assets} \times 100}{\text{Short term liabilities other than provisions}}$$

**Solvency ratio**

$$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$$

**Return on equity**

$$\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$$

## Management's review

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### The principal activities of the company

Consistent with previous years, T.K.B. Shipping A/S has continued to focus on shipping activities in 2023.

### Development in activities and financial matters

The year 2023 posed significant challenges for our operations, reflected in our financial outcomes. The gross profit for the year was recorded at a deficit of \$3.518 million, a stark contrast to the \$16.956 million profit of the previous year. After-tax losses from ordinary activities amounted to \$4.704 million, compared to a gain of \$13.284 million last year. The freight rates in 2023 fluctuated significantly, aligning with our projections of a challenging market. Anticipating a tough year, we expected a pre-tax loss between \$3 million and \$5 million; unfortunately, our results were at the upper end of this range with a \$5 million loss. The management deems year's net profit margin unsatisfactory and is implementing strategic measures to address these setbacks.

#### *Expected developments*

The outcome for 2024 will largely depend on market levels, which are anticipated to stabilize. However, ongoing uncertainties, especially those arising from developments in Eastern Europe, continue to pose risks. Based on the current assessment of the market, a profit between one and four million USD before tax is expected.

### Financial risks and the use of financial instruments

#### *Operating risks*

Continuous risk assessments are integral to our business strategy. In collaboration with the Board, we have developed and refined procedures to manage identified risks, notably in Time Charter commitments, Contracts of Affreightment, and Bunkers. Our objective is to mitigate market risks, minimize counterparty risks, and reduce exposure to fluctuations in bunker prices.

#### *Interest rate risks*

As the company operates without interest-bearing debt, we are insulated from direct interest rate risks.

#### *Market risks*

The volatile nature of the dry bulk transportation market presents significant market risks. We have strategically reduced the volume of vessels under long-term contracts to mitigate these risks amid falling freight rates.

#### *Credit risks*

Our credit risk management strategy includes meticulous selection of time charter contracts and rigorous assessment of counterparties' solvency. We aim to engage only with those whose creditworthiness has been thoroughly vetted.

## Management's review

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### **Human resources and knowledge capital**

Attracting and retaining highly skilled employees within the shipping sector is crucial for our growth and operational success. We are committed to fostering a work environment that promotes learning and expertise.

### **Corporate social responsibility report pursuant to section 99 a of the Danish Financial Statements Act**

In 2023, we formalized our policies on corporate social responsibility, with a focus on environmental sustainability, human rights, anti-corruption measures, and workplace safety and health. Although we do not have written policies in some areas, our principles guide our operations responsibly toward our stakeholders and the environment. Our commitment to reducing our environmental impact includes initiatives to enhance fuel efficiency and strive to utilize environmentally friendly fuels, in line with global efforts to reduce pollution.

#### *Environmental sustainability*

We are dedicated to reducing our environmental impact through operational efficiency and the adoption of cleaner fuels, supporting international efforts to decrease pollution and combat climate change.

#### *Human rights*

As part of the global supply chain, we are committed to upholding human rights, adhering to international standards and best practices to ensure fair and respectful treatment of all employees and supply chain partners.

#### *Diversity and inclusion*

Believing strongly in the benefits of diversity, we have achieved a representation of 50% for women and other diverse backgrounds in our workforce by the end of 2023. This policy of inclusivity will continue to be a priority.

#### *Workplace health and safety*

The health and safety of our employees are paramount. We are dedicated to creating a safe working environment, emphasizing the collective responsibility of all staff members to maintain safety standards.

#### *Data ethics and privacy*

T.K.B. Shipping A/S does not engage in practices that would necessitate a formal data ethics policy, as we do not use personal data for commercial purposes. Our operations remain committed to upholding the highest standards of data privacy and integrity.

## Management's review

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### Target figures and policies for the underrepresented gender

#### Overview of the status of target figures for the underrepresented gender

2023

#### Board of Directors

Total number of members of board of Directors, excluding employee-elected members	3
Underrepresented gender in board of Directors	0 %

#### Other management levels

Total number of other management levels	1
Underrepresented gender at other management levels	0 %

#### *Target figures for the company's top management*

T.K.B. Shipping A/S believes that diversity among employees, including equal distribution of the sexes, contributes positively to the working environment and strengthens the company's performance and competitiveness. The representation of either women or other diverse backgrounds in the staff at the end of the financial year are 50% and it is the company's policy to maintain this level going forward.

The company respects the employees freedom to be members of unions and values the employees' health and security on the workplace highly. It remains committed to fostering a working environment, where health and safety are top priorities. Creating such a workplace necessitates a level of responsibility among employees to safeguard their own and their colleagues' safety.

#### Events after the reporting period

No significant events have occurred post the balance sheet date that necessitate adjustments to this report. We anticipate developing written policies on CSR aspects that were previously not formalized, aligning with our commitment to transparency and ethical business practices.

## Income statement 1 January - 31 December

Amounts concerning 2023: USD.

Amounts concerning 2022: USD thousand.

<u>Note</u>	<u>2023</u>	<u>2022</u>
1 Revenue	100.765.499	144.573
Other operating income	234.750	354
2 Cost of raw materials and consumables	-103.904.711	-127.358
Other external costs	-613.956	-613
<b>Gross profit</b>	<b>-3.518.418</b>	<b>16.956</b>
4 Staff costs	-1.508.203	-1.961
Depreciation and impairment of non-current assets	-36.819	-30
<b>Operating profit</b>	<b>-5.063.440</b>	<b>14.965</b>
Other financial income	127.017	132
Other financial costs	-61.633	-242
<b>Pre-tax net profit or loss</b>	<b>-4.998.056</b>	<b>14.855</b>
Tax on net profit or loss for the year	293.854	-1.571
<b>5 Net profit or loss for the year</b>	<b>-4.704.202</b>	<b>13.284</b>

**Balance sheet at 31 December**

Amounts concerning 2023: USD.

Amounts concerning 2022: USD thousand.

<b>Assets</b>		
<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>Non-current assets</b>		
6 Other fixtures and fittings, tools and equipment	113.524	146
Total property, plant, and equipment	<u>113.524</u>	<u>146</u>
<b>Total non-current assets</b>	<b><u>113.524</u></b>	<b><u>146</u></b>
<b>Current assets</b>		
7 Raw materials and consumables	4.042.942	6.432
Total inventories	<u>4.042.942</u>	<u>6.432</u>
Trade receivables	4.898.248	2.115
8 Voyages in progress	1.925.617	1.440
Receivables from group enterprises	44.937	0
9 Deferred tax assets	173.472	0
Other receivables	61.642	58
10 Prepayments and accrued income	84.779	36
Total receivables	<u>7.188.695</u>	<u>3.649</u>
Cash on hand and demand deposits	<u>6.642.451</u>	<u>17.127</u>
<b>Total current assets</b>	<b><u>17.874.088</u></b>	<b><u>27.208</u></b>
<b>Total assets</b>	<b><u>17.987.612</u></b>	<b><u>27.354</u></b>

**Balance sheet at 31 December**

Amounts concerning 2023: USD.

Amounts concerning 2022: USD thousand.

<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
11	142.741	143
	Retained earnings	19.276
	<b>11.572.278</b>	<b>19.276</b>
	<b>11.715.019</b>	<b>19.419</b>
<b>Liabilities other than provisions</b>		
8	3.026.029	2.963
	Trade creditors	4.312
	Income tax payable	69
	Other payables	591
	<b>6.272.593</b>	<b>7.935</b>
	<b>6.272.593</b>	<b>7.935</b>
	<b>17.987.612</b>	<b>27.354</b>

**3 Fees for auditor****12 Disclosures on fair value****13 Contingencies****14 Related parties**

## Statement of changes in equity

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USD thousand.

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Proposed dividend for the financial year</b>	<b>Total</b>
	<hr/>	<hr/>	<hr/>	<hr/>
Equity 1 January 2022	143	5.992	23.000	29.135
Distributed dividend	0	0	-23.000	-23.000
Profit or loss for the year brought forward	0	13.284	0	13.284
Equity 1 January 2023	<hr/> 143	<hr/> 19.276	<hr/> 0	<hr/> 19.419
Profit or loss for the year brought forward	0	-7.704	0	-7.704
Extraordinary dividend adopted during the financial year	0	3.000	0	3.000
Distributed extraordinary dividend adopted during the financial year.	0	-3.000	0	-3.000
	<hr/> <b>143</b>	<hr/> <b>11.572</b>	<hr/> <b>0</b>	<hr/> <b>11.715</b>



## Statement of cash flows 1 January - 31 December

Amounts concerning 2023: USD.

Amounts concerning 2022: USD thousand.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Net profit or loss for the year	-4.704.202	13.284
15 Adjustments	-327.090	1.712
16 Change in working capital	-2.526.114	-295
Cash flows from operating activities before net financials	-7.557.406	14.701
Interest received, etc.	21.023	131
Interest paid, etc.	-61.633	0
Cash flows from ordinary activities	-7.598.016	14.832
Income tax paid	52.023	-1.619
<b>Cash flows from operating activities</b>	<b>-7.545.993</b>	<b>13.213</b>
Purchase of property, plant, and equipment	0	-157
<b>Cash flows from investment activities</b>	<b>0</b>	<b>-157</b>
Intercompany balances	-44.937	0
Dividend paid	-3.000.000	-23.000
<b>Cash flows from investment activities</b>	<b>-3.044.937</b>	<b>-23.000</b>
<b>Change in cash and cash equivalents</b>	<b>-10.590.930</b>	<b>-9.944</b>
Cash and cash equivalents at 1 January 2023	17.127.391	27.313
Foreign currency translation adjustments (cash and cash equivalents)	105.990	-242
<b>Cash and cash equivalents at 31 December 2023</b>	<b>6.642.451</b>	<b>17.127</b>
<b>Cash and cash equivalents</b>		
Cash on hand and demand deposits	6.642.451	17.127
<b>Cash and cash equivalents at 31 December 2023</b>	<b>6.642.451</b>	<b>17.127</b>

## Notes

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Amounts concerning 2023: USD.

Amounts concerning 2022: USD thousand.

	<u>2023</u>	<u>2022</u>
<b>1. Revenue</b>		
Freight	75.557.990	99.317
Timecharter hire	<u>25.207.509</u>	<u>45.256</u>
	<b><u>100.765.499</u></b>	<b><u>144.573</u></b>
<p>Information is not provided by geographical segment as the global market is one unit, and the activities of the individual vessels are not limited to specific parts of the world.</p>		
<b>2. Cost of raw materials and consumables</b>		
Vessel operating expenses	33.735.841	32.561
Charters expenses	<u>70.168.870</u>	<u>94.797</u>
	<b><u>103.904.711</u></b>	<b><u>127.358</u></b>
<b>3. Fees for auditor</b>		
Total fee for Grant Thornton, Certified Public Accountants	<u>50.510</u>	<u>45</u>
Statutory audit	28.303	21
Tax consultancy	1.016	8
Other services	<u>21.191</u>	<u>16</u>
	<b><u>50.510</u></b>	<b><u>45</u></b>
<b>4. Staff costs</b>		
Salaries and wages	1.359.442	1.823
Pension costs	134.681	129
Other costs for social security	<u>14.080</u>	<u>9</u>
	<b><u>1.508.203</u></b>	<b><u>1.961</u></b>
Average number of employees	<u>10</u>	<u>10</u>

Staff costs include remuneration to the Executive Board and Board of Directors with t.USD 270 (2022 : t.USD 266)

## Notes

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Amounts concerning 2023: USD.

Amounts concerning 2022: USD thousand.

	<u>2023</u>	<u>2022</u>
<b>5. Proposed distribution of net profit</b>		
Extraordinary dividend distributed during the financial year	3.000.000	0
Transferred to retained earnings	0	13.284
Allocated from retained earnings	<u>-7.704.202</u>	<u>0</u>
<b>Total allocations and transfers</b>	<b><u>-4.704.202</u></b>	<b><u>13.284</u></b>
	<u>31/12 2023</u>	<u>31/12 2022</u>
<b>6. Other fixtures and fittings, tools and equipment</b>		
Cost 1 January 2023	230.545	73
Translation by use of the exchange rate valid on balance sheet date 31 December 2023	5.089	0
Additions during the year	<u>0</u>	<u>157</u>
<b>Cost 31 December 2023</b>	<b><u>235.634</u></b>	<b><u>230</u></b>
Amortisation and writedown 1 January 2023	-84.300	-54
Translation by use of the exchange rate valid on balance sheet date 31 December 2023	-992	0
Depreciation for the year	<u>-36.818</u>	<u>-30</u>
<b>Amortisation and writedown 31 December 2023</b>	<b><u>-122.110</u></b>	<b><u>-84</u></b>
<b>Carrying amount, 31 December 2023</b>	<b><u>113.524</u></b>	<b><u>146</u></b>
<b>7. Raw materials and consumables</b>		
Raw materials and consumables	<u>4.042.942</u>	<u>6.432</u>
	<b><u>4.042.942</u></b>	<b><u>6.432</u></b>

Inventory of raw materials and consumables (bunker oil) is measured at cost on basis of the FIFO method. As per 31/12 2023, the net realisable value of the inventory bunker oil is 165 t.USD lower than the cost amount. As per 31/12/2022 the net realisable value was 515 t.USD lower than the cost amount.

## Notes

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Amounts concerning 2023: USD.

Amounts concerning 2022: USD thousand.

	<u>31/12 2023</u>	<u>31/12 2022</u>
<b>8. Voyages in progress</b>		
Sales value of the production of the period	4.318.634	8.408
Progress billings	<u>-5.419.046</u>	<u>-9.931</u>
<b>Voyages in progress, net</b>	<b><u>-1.100.412</u></b>	<b><u>-1.523</u></b>
The following is recognised:		
Voyages in progress for the account of others (Current assets)	1.925.617	1.440
Voyages in progress for the account of others (Short-term liabilities)	<u>-3.026.029</u>	<u>-2.963</u>
	<b><u>-1.100.412</u></b>	<b><u>-1.523</u></b>
<b>9. Deferred tax assets</b>		
Deferred tax of the results for the year	<u>173.472</u>	<u>0</u>
	<b><u>173.472</u></b>	<b><u>0</u></b>
The following items are subject to deferred tax:		
Tax loss carried forward to next year	<u>173.472</u>	<u>0</u>
	<b><u>173.472</u></b>	<b><u>0</u></b>
<b>10. Prepayments and accrued income</b>		
Prepaid external expenses	<u>84.779</u>	<u>36</u>
	<b><u>84.779</u></b>	<b><u>36</u></b>

## Notes

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Amounts concerning 2023: USD.

Amounts concerning 2022: USD thousand.

	<u>31/12 2023</u>	<u>31/12 2022</u>
<b>11. Contributed capital</b>		
Contributed capital 1 January 2023	142.741	143
	<b><u>142.741</u></b>	<b><u>143</u></b>

The share capital consists of 1.000 shares, each with a nominal value of DKK 1.000. No shares have special rights.

## 12. Disclosures on fair value

	<u>Derived financial instruments</u>
Fair value at 31 December 2023	-5.510
Change in fair value of the year recognised in the statement of financial activity	<u>-57.415</u>

## 13. Contingencies

### Contingent liabilities

#### Contractual obligations

The company's annual rent obligation amounts to 156 t.USD. The tenancy can be terminated with 6 months' notice.

The company has entered into long-term lease agreements for foreign tonnage. The total commitment amounts to December 31, 2023 t.USD 29,410, of which t.USD 24,423 relates to the financial year 2024 and t.USD 4,987 relates to the financial years 2025.

As part of its normal operations, the company is occasionally involved in disputes.

The company's management is of the opinion that the outcome of pending disputes will not affect the company's financial situation, which is why no provision has been made to counter this in the annual report.

#### Joint taxation

With as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

## Notes

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Amounts concerning 2023: USD.

Amounts concerning 2022: USD thousand.

### 13. Contingencies (continued)

#### Joint taxation (continued)

The company is proportionally liable for any obligations to withhold tax on interest, royalties, and dividends of the jointly taxed companies.

The liabilities amount to a maximum amount corresponding to the share of the company capital, which is owned directly or indirectly by the ultimate parent company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

### 14. Related parties

#### Controlling interest

Maestro Shipping S.A., Avenue de Guinzet 8, 1700 Fribourg, Switzerland.

#### Transactions

The related party transactions are entered into on market terms.

#### Consolidated financial statements

The company is included in the consolidated financial statements of Thopas Holding A/S, Strandvejen 102B, 2900 Hellerup.

	<u>2023</u>	<u>2022</u>
<b>15. Adjustments</b>		
Depreciation, amortisation, and impairment	36.818	30
Other financial income	-127.017	-132
Other financial costs	61.633	242
Tax on net profit or loss for the year	-293.854	1.571
Foreign currency translation, fixed assets	-4.097	0
Other adjustments	-573	1
	<u><b>-327.090</b></u>	<u><b>1.712</b></u>

## Notes

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Amounts concerning 2023: USD.

Amounts concerning 2022: USD thousand.

	<u>2023</u>	<u>2022</u>
<b>16. Change in working capital</b>		
Change in inventories	2.388.882	-3.455
Change in receivables	-2.990.850	5.952
Change in trade payables and other payables	<u>-1.924.146</u>	<u>-2.792</u>
	<b><u>-2.526.114</u></b>	<b><u>-295</u></b>

## Accounting policies

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The annual report for T.K.B. Shipping A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

The accounting policies are unchanged from the previous year, and the annual report is presented in American dollars (USD). A USD exchange rate on balance sheet items of 6.7447 (2022 : 6.9511) has been applied.

### Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

### Derivatives

At their initial recognition, derivatives are recognised at cost in the statement of financial position. Hereafter, they measured at fair value. Positive and negative fair values of derivatives are recognised under other receivables and payables, respectively.



## Accounting policies

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Changes in the fair value of derived financial instruments classified as and meeting the criteria for hedging the fair value of a recognised asset or a recognised liability are recognised in the income statement together with changes in the fair value of the hedged asset or the hedged liability.

For derived financial statements that are no longer recognised as hedging instruments, changes in fair value are recognised in the income statement on a current basis.

### Income statement

#### Revenue

Revenue comprises income from voyages and is recognised exclusive of VAT and duties. Revenue is recognised as the work is completed, calculated on the basis of stage of completion (production criterion) at the balance sheet date. Recognition occurs when the following conditions are met:

- the amount of revenue can be measured reliably
  - it is probable that the economic benefits associated with the transaction will flow to the entity
  - the stage of completion of the transaction at the end of the reporting period can be measured reliably:
- and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Stage of completion is determined on the basis of the completed travel time compared to the expected travel time.

#### Cost of raw materials and consumables

Production costs comprise the vessels operation expenses, incurred to generate revenue for the year. The expenses include charter hire for chartered vessels (operating leases), bunker oil consumption, staff costs, other voyage costs such as commissions and harbour charges, repair and maintenance costs, insurance costs and other operation expenses. Like revenue, vessels operation expenses are recognised on the basis of stage of completion.

#### Other operating income

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

#### Other external costs

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

#### Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

## Accounting policies

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### **Depreciation, amortisation, and writedown for impairment**

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

### **Tax on net profit or loss for the year**

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

## Statement of financial position

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

Other fixtures, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

## Accounting policies

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Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

### Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

### Impairment loss relating to non-current assets

The carrying amount of tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

### Inventories

Inventories comprise bunker oil kept on board vessels for consumption. Inventories are measured at cost on basis of the FIFO method. Bunker oil is not written down in case the realisable value is lower than the cost value.

### Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

## Accounting policies

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Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

### Contract work in progress

Voyages at the balance sheet day is measured based on the percentage of completion method. Number of days of a voyage, as a percentage of the number of days a voyage is estimated to last, is considered as a close approximation of percentage of completion. The voyage begins on the date when the cargo is loaded, and the voyage ends at the date of the next discharge (load to discharge). Demurrage is recognized if the claim is considered probable.

When it is probable that the total costs of the freight contract will exceed the total revenue, the expected contract loss is immediately recognised as costs and provisions.

The individual voyage in progress is recognized in the balance sheet under short terms receivables or short term liabilities. Net assets consists of the voyage in progress, where the selling price of the work performed based on the percentage of completion exceeds invoicing on account. Net liabilities consists of the voyage in progress, where invoicing on account exceeds the income based on the percentage of completion.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

### Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

### Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

### Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

## Accounting policies

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According to the rules of joint taxation, T.K.B. Shipping A/S is proportionally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

### Liabilities other than provisions

Liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

### Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

### Cash flows from operating activities

Cash flows from operating activities are calculated as the company's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under "Interest income and dividend received".

### Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

### Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the company's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

## **Accounting policies**

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### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand with deduction of short-term bank debts and short-term securities with a maturity less than 3 months that are readily convertible into cash and which are subject to an insignificant risk of changes in value.