E D & F Man Terminals Denmark ApS

Vagervej 2-8
6700 Esbjerg
Denmark

CVR no. 24 21 45 67

Annual report 2021/22

The annual report was presented and approved at the Company's annual general meeting on

12 January 2023

Benny Bech Jørgensen
Chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of E D & F Man Terminals Denmark ApS for the financial year 1 October 2021 – 30 September 2022.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 September 2022 and of the results of the Company's operations for the financial year 1 October 2021 – 30 September 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Esbjerg, 12 January 2023
Executive Board:

Benny Bech Jørgensen

Board of Directors:

Travis Mayer Chairman	Ian Falshaw

Independent auditor's report

To the shareholder of E D & F Man Terminals Denmark ApS

Opinion

We have audited the financial statements of E D & F Man Terminals Denmark ApS for the financial year 1 October 2021 – 30 September 2022 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 September 2022 and of the results of the Company's operations for the financial year 1 October 2021 – 30 September 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 responsibility 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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these 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 company 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.

Independent auditor's report

- 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 the Management's review

Management is responsible for the Management's review.

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

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the 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's review.

Copenhagen, 12 January 2023
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Klaus Rytz
State Authorised
Public Accountant
mne33205

Management's review

Company details

E D & F Man Terminals Denmark ApS
Vagervej 2-8
6700 Esbjerg
Denmark

CVR no.:	24 21 45 67
Established:	21 May 1976
Registered office:	Esbjerg
Financial year:	1 October – 30 September

Board of Directors

Travis Mayer, Chairman
Ian Falshaw

Executive Board

Benny Bech Jørgensen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

The Company's main activity is rental of tank facilities and related services.

Development in activities and financial position

The Company's income statement for 2021/22 shows a profit of DKK 1,081,399 as against DKK 289,770 in 2020/21. Equity in the Company's balance sheet at 30 September 2022 stood at DKK 26,503,454 as against DKK 25,422,055 at 30 September 2021.

Material error prior period

A provision related to clean-up obligation of the land and buildings where identified in the financial year 2021/2022, which relates to prior year periods.

The material error affected the result of the year by DKK 382,298 in the financial statement for 2020/2021, which affected the retained earnings by DKK 382,298 in 2021/2022.

Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report for 2021/22.

Financial statements 1 October – 30 September

Income statement

DKK	Note	2021/22	2020/21
Gross profit		4,785,077	4,214,230
Staff costs	2	-1,931,433	-2,285,601
Depreciation, amortisation and impairment losses		-1,486,147	-1,654,333
Profit before financial income and expenses		1,367,497	274,296
Other financial income		136	297,197
Other financial expenses		-26,194	-58,814
Profit before tax		1,341,439	512,679
Tax on profit for the year	3	-260,040	-222,909
Profit for the year		1,081,399	289,770

Proposed profit appropriation

Retained earnings	1,081,399	289,770
	1,081,399	289,770

Financial statements 1 October – 30 September

Balance sheet

DKK	Note	30/9 2022	30/9 2021
ASSETS			
Fixed assets			
Property, plant and equipment	4		
Land and buildings		19,694,240	19,499,796
Fixtures and fittings, tools and equipment		350,524	533,868
Leasehold improvements		272,343	302,846
Property, plant and equipment in progress		222,239	54,171
		20,539,346	20,390,681
Total fixed assets		20,539,346	20,390,681
Current assets			
Receivables			
Receivables from group entities		900,684	1,673,285
Other receivables		2,500	2,500
Deferred tax asset		1,074,544	790,707
Prepayments		78,301	110,482
		2,056,029	2,576,974
Cash at bank and in hand		6,233,782	4,956,237
Total current assets		8,289,811	7,533,211
TOTAL ASSETS		28,829,157	27,923,892

Financial statements 1 October – 30 September

Balance sheet

DKK	Note	30/9 2022	30/9 2021
EQUITY AND LIABILITIES			
Equity			
Contributed capital		300,000	300,000
Retained earnings		26,203,454	25,122,055
Total equity		26,503,454	25,422,055
Provisions			
Other provisions		700,000	700,000
Total provisions		700,000	700,000
Liabilities other than provisions			
Current liabilities other than provisions			
Trade payables		100,996	201,649
Corporation tax		753,896	694,585
Other payables		770,811	905,603
		1,625,703	1,801,837
Total liabilities other than provisions		1,625,703	1,801,837
TOTAL EQUITY AND LIABILITIES		28,829,157	27,923,892
Contractual obligations, contingencies, etc.	5		
Mortgages and collateral	6		
Related party disclosures	7		

Financial statements 1 October – 30 September

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 October 2021	300,000	25,504,353	25,804,353
Net effect from adjustment of material error	0	-382,298	-382,298
Transferred over the profit appropriation	0	1,081,399	1,081,399
Equity at 30 September 2022	300,000	26,203,454	26,503,454

Financial statements 1 October – 30 September

Notes

1 Accounting policies

The annual report of E D & F Man Terminals Denmark ApS for 2021/22 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Material errors

The Company has identified material errors in the following area that affect previously presented annual reports.

A provision for clean-up should has been recognised at the beginning of the life time of the related assets. The total obligation is calculated at DKK 700,000, which is recognised as an provision and as an addition to the related assets. The addition is depreciated over the lifetime of the related assets.

The effect of the identified errors has been recognised directly in equity at the beginning of the comparative year, and the comparative figures have been restated.

DKK	2021/22	2020/21
Property, plant and equipment, provision for restructuring	0	348,681
Equity effect of provision of resctructuring obligation	0	382,298
Provision of restructuring obligation	0	-700,000
Depreciation for the year	0	-30,979

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the sale of goods, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ®2020.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Financial statements 1 October – 30 September

Notes

1 Accounting policies (continued)

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, premises, bad debts, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	5-30 years
Fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	2-15 years

Financial statements 1 October – 30 September

Notes

1 Accounting policies (continued)

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments and deferred income

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Financial statements 1 October – 30 September

Notes

1 Accounting policies (continued)

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised cost.

Financial statements 1 October – 30 September

Notes

DKK		2021/22	2020/21
2	**Staff costs**		
	Wages and salaries	1,832,836	2,207,118
	Pensions	98,597	78,483
		1,931,433	2,285,601
	Average number of full-time employees	3	3
3	**Tax on profit for the year**		
	Current tax for the year	495,220	258,676
	Deferred tax for the year	-283,837	-93,164
	Adjustment of tax concerning previous years	56,775	49,281
	Adjustment of deferred tax concerning previous years	-8,118	8,116
		260,040	222,909

4 Property, plant and equipment

DKK	Land and buildings	Fixtures and fittings, tools and equipment	Leasehold improve-ments	Property, plant and equipment in progress	Total
Cost at 1 October 2021	29,610,664	1,523,345	448,666	54,171	31,636,846
Additions for the year	1,466,744	0	0	168,068	1,634,812
Cost at 30 September 2022	31,077,408	1,523,345	448,666	222,239	33,271,658
Depreciation and impairment losses at 1 October 2021	-10,110,868	-989,477	-145,820	0	-11,246,165
Depreciation for the year	-1,272,300	-183,344	-30,503	0	-1,486,147
Depreciation and impairment losses at 30 September 2022	-11,383,168	-1,172,821	-176,323	0	-12,732,312
Carrying amount at 30 September 2022	19,694,240	350,524	272,343	222,239	20,539,346

Financial statements 1 October – 30 September

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5 Contractual obligations, contingencies, etc.

Rent and lease obligations	1,376,141	1,520,998

The Company has entered into a lease related to areas at the Port of Esbjerg for the period 1 April 2011 to 1 January 2032 at the latest, is DKK 1,376 thousand.
In addition, the Company has guarenteed the port a yearly income in the form of harbour duties of at least 1.5 times the rent at any time.

Upon expiry of the lease, the Company must return the areas in the same condition in which they were taken over and they must be totally cleaned up. The total clean-up obligation is DKK 700,000.

6 Mortgages and collateral

The Company has not provided any security or other collateral in assets at 30 September 2022.

7 Related party disclosures

E D & F Man Terminals Denmark ApS related parties comprise the following:

Control

E D & F Man Terminals Denmark ApS is part of the consolidated financial statements of E D & F Man Holdings B.V., De Ruyterkade 6, NL-1013 AA Amsterdam, the Netherlands, which is the smallest group, in which the Company is included as a subsidiary.

The consolidated financial statements of E D & F Man Holdings B.V. can be obtained by contacting the Company at the address above.