

Thopas Holding A/S

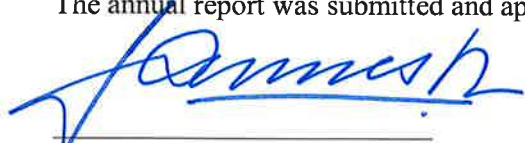
Strandvejen 102B, 2900 Hellerup

Company reg. no. 26 52 35 67

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 16 March 2022.



Jørgen P. Dannesboe
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's statement	1
Independent auditor's report	2
Management's review	
Company information	5
Consolidated financial highlights	6
Management's review	7
Consolidated financial statements and financial statements 1 January - 31 December 2021	
Income statement	8
Balance sheet	9
Consolidated statement of changes in equity	11
Statement of changes in equity of the parent	11
Statement of cash flows	12
Notes	13
Accounting policies	18

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

Today, the Board of Directors and the Managing Director have approved the annual report of Thopas Holding A/S for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2021.

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

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

Hellerup, 7 March 2022

Managing Director

Jacob Palle Madsen

Board of directors

Jørgen P. Dannesboe

Robert R.A. Sjøqvist

Jacob Palle Madsen

Independent auditor's report

To the shareholders of Thopas Holding A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Thopas Holding A/S for the financial year 1 January to 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for both the Group the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 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 Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

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

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent company financial statements.

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 consolidated financial statements and the parent 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.
- 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 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 consolidated financial statements and the parent company 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 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 consolidated financial statements and the parent company 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 Company to cease to continue as a going concern.

Independent auditor's report

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

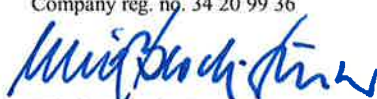
Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

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, 7 March 2022

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36



Ulrik Bloch-Sørensen
State Authorised Public Accountant
mne2913



Martin Bomholtz
State Authorised Public Accountant
mne34117

Company information

The company

Thopas Holding A/S
Strandvejen 102B
2900 Hellerup

Company reg. no. 26 52 35 67
Financial year: 1 January - 31 December

Board of directors

Jørgen P. Dannesboe
Robert R.A. Sjøqvist
Jacob Palle Madsen

Managing Director

Jacob Palle Madsen

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Parent company

Maestro Shipping S.A

Subsidiaries

T.K.B. Shipping A/S, Hellerup
TKB Partners ApS, Hellerup

Consolidated financial highlights

USD in thousands.	2021	2020	2019	2018	2017
Income statement:					
Gross profit	29.757	3.001	2.828	7.251	4.249
Profit from operating activities	27.521	1.448	1.496	5.318	3.490
Net financials	-62	47	-104	-11	-18
Net profit or loss for the year	25.643	1.173	1.080	5.076	3.131
Statement of financial position:					
Balance sheet total	44.102	14.343	16.596	17.438	10.072
Equity	33.325	8.732	8.611	9.150	4.900
Cash flows:					
Operating activities	25.108	166	4.187	2.328	1.728
Investing activities	25	25	-682	-68	-3
Financing activities	-1.050	-1.050	-953	-1.200	0
Total cash flows	24.083	-859	2.552	1.060	1.725
Employees:					
Average number of full-time employees	10	10	10	12	14
Key figures in %:					
Liquidity ratio	408,0	252,5	206,3	208,3	211,6
Solvency ratio	72,3	59,3	0,1	0,0	-
Return on equity	-	-	-	122,8	-

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 financial highlights for 2018 solely comprise the period 1/7 2017 to 31/12 2017.

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

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

Solvency ratio
$$\frac{\text{Equity less non-controlling interests, closing balance} \times 100}{\text{Total assets, closing balance}}$$

Return on equity
$$\frac{\text{*Profit} \times 100}{\text{Average equity exclusive of non-controlling interests}}$$

***Profit** Net profit or loss for the year less non-controlling interests' share hereof

Management's review

The principal activities of the group

Like previous years, the principal activities of the group and of Thopas Holding A/S are shipping activities.

Development in activities and financial matters

The gross loss for the year for the parent company totals t.USD -30 against t.USD -33 last year. Income or loss from ordinary activities after tax totals t.USD 24.360 against t.USD 1.114 last year.

The gross profit for the year for the group totals t.USD 27.521 against t.USD 1.448 last year. Income or loss from ordinary activities after tax totals t.USD 25.643 against t.USD 1.173 last year.

The development is as expected. Management considers the net profit for the year satisfactory.

Financial risks and the use of financial instruments

Operating risks

The Management of the Group performs risk assessment on a continuous basis due to the nature of the Business. Management together with the Board defines procedures to manage and monitor the identified risks which specifically are Time Charter commitments, Contracts of Affreightments and Bunkers. The procedures may contain activities to avoid, to reduce or to shift these risks. It is the objective of the Management to carry market risk and to minimize counterparty risk and Bunker exposure.

Environmental issues

Pollution and the environment can be a major factor in shipping today. As the company operates with chartered vessels, environmental conditions are handled by the shipowners.

Expected developments

For 2022, the group will continue to capitalize on market volatility whilst operating with balanced trading commitments. The result will be depending on market levels, which we currently believe will remain strong, and recent uncertain developments in Eastern Europe. Based on the current assessment of the market, we should be able to achieve a positive result before taxes of between 8 and 13 million USD.

Events occurring after the end of the financial year

No events have occurred after the balance sheet date that upset the assessment of the annual report.

Income statement 1 January - 31 December

Amounts concerning 2021: USD.

Amounts concerning 2020: USD thousand.

Note	Group		Parent	
	2021	2020	2021	2020
Gross profit	29.756.551	3.001	-29.982	-33
1 Staff costs	-2.214.542	-1.533	0	0
Depreciation and impairment of property, land, and equipment	-20.593	-20	0	0
Operating profit	27.521.416	1.448	-29.982	-33
Income from investments in subsidiaries	0	0	24.378.558	1.100
Other financial income from subsidiaries	0	0	8.303	49
Other financial income	256	47	0	2
2 Other financial expenses	-62.570	0	-1.766	0
Pre-tax net profit or loss	27.459.102	1.495	24.355.113	1.118
Tax on net profit or loss for the year	-1.815.988	-322	5.170	-4
3 Net profit or loss for the year	25.643.114	1.173	24.360.283	1.114
Break-down of the consolidated profit or loss:				
Shareholders in Thopas Holding A/S	24.360.282	1.115		
Minority interests	1.282.832	58		
	25.643.114	1.173		

Balance sheet at 31 December

Amounts concerning 2021: USD.

Amounts concerning 2020: USD thousand.

Assets				
Note	Group		Parent	
	2021	2020	2021	2020
Non-current assets				
4 Other fixtures and fittings, tools and equipment	20.258	41	0	0
Total property, plant, and equipment	20.258	41	0	0
5 Investments in subsidiaries	0	0	27.674.328	4.246
6 Receivables from subsidiaries	0	0	0	2.900
7 Other financial investments	112.175	137	112.175	137
Total investments	112.175	137	27.786.503	7.283
Total non-current assets	132.433	178	27.786.503	7.283
Current assets				
Raw materials and consumables	2.976.424	2.620	0	0
Total inventories	2.976.424	2.620	0	0
Trade receivables	3.372.782	1.654	0	0
8 Voyages in progress	6.104.216	2.462	0	0
Income tax receivables	0	0	5.170	0
Other receivables	58.020	72	0	5
9 Prepayments	59.630	42	0	0
Total receivables	9.594.648	4.230	5.170	5
Cash and cash equivalents	31.398.573	7.315	4.083.656	1.232
Total current assets	43.969.645	14.165	4.088.826	1.237
Total assets	44.102.078	14.343	31.875.329	8.520

Balance sheet at 31 December

Amounts concerning 2021: USD.

Amounts concerning 2020: USD thousand.

Equity and liabilities				
Note	Group		Parent	
	2021	2020	2021	2020
Equity				
10 Contributed capital	81.769	82	81.769	82
11 Reserve for net revaluation according to the equity method	0	0	2.827.571	1.241
Retained earnings	16.787.559	7.427	13.959.988	6.186
Proposed dividend for the financial year	15.000.000	1.000	15.000.000	1.000
Equity before non-controlling interest.	31.869.328	8.509	31.869.328	8.509
Non-controlling interests	1.455.726	223	0	0
Total equity	33.325.054	8.732	31.869.328	8.509
Long term liabilities other than provisions				
8 Voyages in progress	5.157.020	2.304	0	0
Trade payables	4.835.869	2.758	0	0
Income tax payable	111.611	83	0	4
Other payables	672.524	466	6.001	7
Total short term liabilities other than provisions	10.777.024	5.611	6.001	11
Total liabilities other than provisions	10.777.024	5.611	6.001	11
Total equity and liabilities	44.102.078	14.343	31.875.329	8.520

12 Contingencies

Consolidated statement of changes in equity

All amounts in USD.

	Contributed capital	Reserve for net revaluation according to the equity method	Retained earnings	Proposed dividend for the financial year	Non-controlling interests
Equity 1 2021	81.769	0	7.427.277	1.000.000	222.894
Distributed dividend	0	0	0	-1.000.000	0
Share of results	0	0	9.360.282	15.000.000	1.232.832
	81.769	0	16.787.559	15.000.000	1.455.726

Statement of changes in equity of the parent

All amounts in USD.

	Contributed capital	Reserve for net revaluation according to the equity method	Retained earnings	Proposed dividend for the financial year
Equity 1 January 2021	81.769	1.241.013	6.186.264	1.000.000
Distributed dividend	0	0	0	-1.000.000
Share of results	0	1.586.558	7.773.724	15.000.000
	81.769	2.827.571	13.959.988	15.000.000

Statement of cash flows 1 January - 31 December

Amounts concerning 2021: USD.

Amounts concerning 2020: USD thousand.

Note	Group	
	2021	2020
Net profit or loss for the year	25.643.114	1.173
13 Adjustments	1.897.723	291
14 Change in working capital	-584.354	-1.251
Cash flows from operating activities before net financials	26.956.483	213
Interest received, etc.	256	47
Interest paid, etc.	-62.570	-1
Cash flows from ordinary activities	26.894.169	259
Income tax paid	-1.785.986	-93
Cash flows from operating activities	25.108.183	166
Repayments received	25.000	25
Cash flows from investment activities	25.000	25
Dividends distributed to non-controlling interests	-50.000	-50
Dividend paid	-1.000.000	-1.000
Cash flows from investment activities	-1.050.000	-1.050
Change in cash and cash equivalents	24.083.183	-859
Cash and cash equivalents at 1 January 2021	7.315.390	8.175
Cash and cash equivalents at 31 December 2021	31.398.573	7.316
Cash and cash equivalents		
Cash and cash equivalents	31.398.573	7.316
Cash and cash equivalents at 31 December 2021	31.398.573	7.316

Notes

Amounts concerning 2021: USD.

Amounts concerning 2020: USD thousand.

	Group		Parent	
	2021	2020	2021	2020
1. Staff costs				
Salaries and wages	2.057.438	1.386	0	0
Pension costs	144.609	137	0	0
Other costs for social security	12.495	10	0	0
	2.214.542	1.533	0	0
Average number of employees	10	10	0	0
2. Other financial expenses				
Other financial costs	62.570	0	1.766	0
	62.570	0	1.766	0
3. Proposed appropriation of net profit				
Reserves for net revaluation according to the equity method			1.586.558	150
Dividend for the financial year			15.000.000	1.000
Transferred to retained earnings			7.773.725	0
Allocated from retained earnings			0	-37
Total allocations and transfers			24.360.283	1.113

Notes

Amounts concerning 2021: USD.

Amounts concerning 2020: USD thousand.

	Group	
	31/12 2021	31/12 2020
4. Other fixtures and fittings, tools and equipment		
Cost 1 January 2021	73.457	73
Cost 31 December 2021	73.457	73
Amortisation and writedown 1 January 2021	-32.606	-12
Depreciation for the year	-20.593	-20
Amortisation and writedown 31 December 2021	-53.199	-32
Carrying amount, 31 December 2021	20.258	41

	Parent	
	31/12 2021	31/12 2020
5. Investments in subsidiaries		
Acquisition sum, opening balance 1 January 2021	3.004.757	3.005
Cost 31 December 2021	3.004.757	3.005
Revaluations, opening balance 1 January 2021	1.241.013	1.091
Results for the year before goodwill amortisation	24.378.558	1.100
Dividend	-950.000	-950
Revaluation 31 December 2021	24.669.571	1.241
Carrying amount, 31 December 2021	27.674.328	4.246

Subsidiaries:

	Domicile	Equity interest
T.K.B. Shipping A/S	Hellerup	75 %
TKB Partners ApS	Hellerup	80 %

Notes

Amounts concerning 2021: USD.

Amounts concerning 2020: USD thousand.

	Parent	
	31/12 2021	31/12 2020
6. Receivables from subsidiaries		
Cost 1 January 2021	2.900.000	3.947
Disposals during the year	-2.900.000	-1.047
Cost 31 December 2021	0	2.900
Carrying amount, 31 December 2021	0	2.900
Amounts owed by group enterprise	0	2.900
	0	2.900

	Group		Parent	
	31/12 2021	31/12 2020	31/12 2021	31/12 2020
7. Other financial investments				
Cost 1 January 2021	137.175	162	137.175	162
Disposals during the year	-25.000	-25	-25.000	-25
Cost 31 December 2021	112.175	137	112.175	137
Carrying amount, 31 December 2021	112.175	137	112.175	137

	Group	
	31/12 2021	31/12 2020
8. Voyages in progress		
Sales value of the production of the period	24.368.378	7.263
Payments on account received	-23.421.182	-7.105
Voyages in progress, net	947.196	158
The following is recognised:		
Voyages in progress for the account of others (Current assets)	6.104.216	2.462
Voyages in progress for the account of others (Short-term liabilities)	-5.157.020	-2.304
	947.196	158

Notes

Amounts concerning 2021: USD.

Amounts concerning 2020: USD thousand.

	Group		Parent	
	31/12 2021	31/12 2020	31/12 2021	31/12 2020
9. Prepayments				
Prepaid insurance	59.630	42	0	0
	59.630	42	0	0
10. Contributed capital				
Contributed capital 1 January 2021	81.769	82	81.769	82
	81.769	82	81.769	82

The share capital consists of 500.000 shares, each with a nominal value of DKK 1. No shares have special rights.

	Parent	
	31/12 2021	31/12 2020
11. Reserve for net revaluation according to the equity method		
Reserves for net revaluation 1 January 2021	1.241.013	1.091
Share of results	1.586.558	150
	2.827.571	1.241

In accordance with the concurrency principle, the company has transferred the expected dividend from the subsidiaries of a total of USD 21.84 million from reserve for net revaluations according to the equity method to retained earnings.

12. Contingencies

Contingent liabilities

The group's annual rent obligation amount to 151 t.USD.

The group has entered into long-term lease agreements for foreign tonnage. The total commitment amounts to December 31, 2021 t.USD 66,988, of which t.USD 31,868 relates to the financial year 2022 and t.USD 35,121 relates to the financial year 2023-2025.

Notes

Amounts concerning 2021: USD.

Amounts concerning 2020: USD thousand.

12. Contingencies (continued)

Joint taxation

With Maestro Shipping A/S, company reg. no 40 90 10 19 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.

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.

	Group 2021	2020
13. Adjustments		
Depreciation, amortisation, and impairment	20.593	19
Other financial income	-256	-47
Other financial expenses	62.570	1
Tax on net profit or loss for the year	1.815.988	318
Other adjustments	-1.172	0
	1.897.723	291
14. Change in working capital		
Change in inventories	-356.625	-393
Change in receivables	-1.725.860	1.487
Change in trade payables and other payables	1.498.131	-2.345
	-584.354	-1.251

Accounting policies

The annual report for Thopas Holding A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized 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 6.5340 (2020 : 6.0352) has been applied.

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.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

The consolidated financial statements

The consolidated income statements comprise the parent company Thopas Holding A/S and those group enterprises of which Thopas Holding A/S directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' market value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%. The minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

Purchases and sales of minority interests under continuing control are recognised directly in equity as a transaction between shareholders.

Accounting policies

Investments in associates are measured in the statement of financial position at the proportionate share of the enterprises' equity value i calculated in accordance with the parent company's accounting policies and with proportionate elimination of unrealised intercompany gains and losses. In the income statement, the proportional share of the associates' results is recognised after elimination of the proportional share of intercompany gains and losses.

The group activities in joint operations are recognised in the consolidated financial statements record by record.

Non-controlling interests

Non-controlling interests constitute a share of the group's total equity. By distribution of net profit, profit or loss for the year is distributed on the share attributable to the non-controlling interests and the share attributable to the parent's shareholders respectively.

Income statement

Gross profit

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.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

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

Accounting policies

Staff costs

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

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.

Results from investments in subsidiaries

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual subsidiaries are recognised in the income statement of the parent as a proportional share of the subsidiaries' post-tax profit or loss.

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 parent and the Danish group enterprises are 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

Plant, and equipment

Plant, and equipment are measured at cost less accrued depreciation and writedown 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.

Accounting policies

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.

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.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries 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.

Investments

Investments in subsidiaries

Investments in subsidiaries are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Accounting policies

Investments in subsidiaries are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

Investments in subsidiaries with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover a negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in subsidiaries transferred to the reserve under equity for net revaluation according to the equity method. Dividends from subsidiaries expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in subsidiaries.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Other financial instruments

Other unlisted financial instruments are measured at cost. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Inventories

Inventories comprise bunker oil kept on board vessels. Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Accounting policies

Receivables

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

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

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Accounting policies

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

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 "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Thopas Holding 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 on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

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.

Accounting policies

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 group'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 group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

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.