

Custodia Capital Marine A/S

CVR-no. 29 24 38 40

**Tuborg Havnevej 18
2900 Hellerup**

Annual Report 2019 **(Financial year 1 January 2019 - 31 December 2019)**

The Annual Report is presented and
adopted at the Annual General Meeting of
shareholders on the 14 August 2020

Christian Philip Levin
Chairman of the meeting

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Management's Statement

The Board of Directors and the Executive Board have today considered and approved the Annual Report of 1 January 2019 - 31 December 2019 for Custodia Capital Marine A/S.

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 and liabilities, financial position and results of operations for the financial year ended 31 December 2019.

In our opinion the Management's Review gives a true and fair statement regarding the content in the Management's Review.

We recommend the Annual Report approved at the Annual General Meeting.

Gentofte, 14 August 2020

Executive Board:

Christian Philip Levin

Board of Directors:

Christian Philip Levin

Jørgen Madsen

Kent Hedegaard

Independent Auditor's Reports

To the Shareholders of Custodia Capital Marine A/S

Opinion

We have audited the Financial Statements of Custodia Capital Marine A/S for the financial year 1 January 2019 - 31 December 2019, which comprise the income statement, balance sheet, notes and 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 financial position of the Company at 31 December 2019 and of the results of the operations for the financial year 1 January 2019 - 31 December 2019, 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Independent Auditor's Reports (-continued)

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.

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.

Independent Auditor's Reports (-continued)

- 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.

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 Acts. We did not identify any material misstatement of Management's Review.

Independent Auditor's Reports (-continued)

Allerød, 14 August 2020

**Piaster Revisorerne,
statsautoriseret revisionsaktieselskab
CVR. no.: 25 16 00 37**

Steen Dahl Andersen
State Authorized Public Accountant
mne29455

Company details

Company details	Custodia Capital Marine A/S Tuborg Havnevej 18 2900 Hellerup
CVR no.:	29 24 38 40
Founded:	9 January 2006
Registered office:	Gentofte
Financial year:	1 January - 31 December
Executive Board	Christian Philip Levin
Board of Directors	Christian Philip Levin Jørgen Madsen Kent Hedegaard
Auditor	Piaster Revisorerne, Statsautoriseret Revisionsaktieselskab Engholm Parkvej 8 3450 Allerød

Management's Review

Primary activities of the Company

The company's activity is to operate shipping through related companies.

Development in activities and financial affairs

The company's financial performance is considered satisfying.

Significant events occurred after the end of the financial year

The main business activities are performed in XO Shipping A/S. Covid-19 is in XO Shipping A/S expected to have an effect, but management believes that it is possible to achieve an attractive result for 2020.

Income Statement 1 January - 31 December

- USD -	Notes	2019	2018
Gross profit (loss)		-11.832	-15.329
Other operating expenses		0	-7.385
Operating profit		-11.832	-22.714
Income from investments in group enterprises		1.928.435	210.164
Financial income	1	25.348	16.193
Financial expenses		-247	-45
Profit before tax		1.941.704	203.598
Tax expense	2	-4.642	1.129
Profit for the year		1.937.062	204.727
 Proposed distribution of results			
Retained earnings		-3.062.938	204.727
Proposed dividend recognised in equity		5.000.000	0
Total distribution		1.937.062	204.727

Balance Sheet at 31 December

Assets

- USD -

	Notes	2019	2018
Long-term investments in group enterprises	3	7.034.536	5.106.101
Other long-term investments	4	1.180.510	0
Financial fixed assets		8.215.046	5.106.101
Fixed assets		8.215.046	5.106.101
Receivables from group enterprises		2.331.291	3.419.527
Other receivables		9.130	90.000
Corporation tax		0	1.763
Receivables		2.340.421	3.511.290
Cash and cash equivalents		4.253	5.413
Current assets		2.344.674	3.516.703
Assets		10.559.720	8.622.804

Balance Sheet at 31 December

Equity and liabilities

- USD -	Notes	2019	2018
Share capital		200.000	200.000
Retained earnings		5.352.582	8.415.520
Proposed dividend recognised in equity		5.000.000	0
Equity		10.552.582	8.615.520
Trade payables		2.496	7.284
Corporation tax		4.642	0
Short-term liabilities other than provisions		7.138	7.284
Liabilities other than provisions		7.138	7.284
Equity and liabilities		10.559.720	8.622.804
Contingent liabilities	5		
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Statement of changes in equity 1. January - 31. December

- USD -	2019	2018
Share capital		
Beginning balance	200.000	200.000
End balance	<u>200.000</u>	<u>200.000</u>
Retained earnings		
Beginning balance	8.415.520	8.210.793
Profit (loss)	<u>-3.062.938</u>	<u>204.727</u>
End balance	<u>5.352.582</u>	<u>8.415.520</u>
Proposed dividend recognized in equity		
Beginning balance	0	0
Dividend paid	0	0
Profit (loss)	<u>5.000.000</u>	<u>0</u>
End balance	<u>5.000.000</u>	<u>0</u>
Equity	<u>10.552.582</u>	<u>8.615.520</u>

Notes

- USD -

	2019	2018
1 Financial income		
Finance expenses arising from group enterprises	24.070	15.614
Other financial expenses	1.278	579
	25.348	16.193
2 Tax expense		
Tax expense on ordinary activities	4.642	-1.129
Adjustment of deferred tax	0	0
Tax, prior years	0	0
	4.642	-1.129

Notes

- USD -	2019	2018		
3 Long-term investments in group enterprises				
Cost at 1 January	7.549.029	7.549.029		
Cost at 31 December	<u>7.549.029</u>	<u>7.549.029</u>		
Revaluations at 1 January	-2.442.928	-1.353.092		
Share of profit for the year	1.928.435	210.164		
Dividends received from group enterprises	0	-1.300.000		
Revaluations at 31 December	<u>-514.493</u>	<u>-2.442.928</u>		
Carrying amount at 31 December	<u>7.034.536</u>	<u>5.106.101</u>		
Information from the latest financial statements				
	Ownership Percentage	Share Capital	Profit for the year	Equity
Indigo Shipping A/S				
Hellerup				
Company No. 33 07 06 32	<u>100%</u>	<u>114.353</u>	<u>1.928.435</u>	<u>7.034.536</u>
XO Tiger ApS				
Hellerup				
Company No. 33 53 28 03	<u>100%</u>	<u>14.631</u>	<u>461</u>	<u>-10.100.143</u>
XO Lion ApS				
Hellerup				
Company No. 33 34 75 92	<u>100%</u>	<u>14.780</u>	<u>1.498</u>	<u>-9.584.592</u>

Notes

- USD -

	2019	2018
4 Other long-term investments		
Cost at 1 January	0	0
Additions	1.180.510	0
Cost at 31 December	<u>1.180.510</u>	0
Revaluations at 1 January	0	0
Revaluations at 31 December	0	0
Carrying amount at 31 December	<u>1.180.510</u>	0

5 Contingent liabilities

Joint taxation

The company is a subsidiary in joint taxation with Atlantic Invest A/S. The companies in the joint taxation are jointly liable on corporation taxes and taxes on dividends, interest and royalties.

Commitments

The company has committed to investing DKK 1.500.000. Capital called as at 31 December is DKK 1.180.510.

6 Consolidated financial statements

Parent company

Atlantic Invest A/S

Tuborg Havnevej 18, 2900 Hellerup

Gentofte

Accounting policies

The Annual Report has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with election from reporting class C.

The accounting policies are consistent with those of last year.

General

Reporting currency

The Annual Report is presented in United States Dollars (USD).

In general regarding accounting and measuring

Income is recognized in the income statement when they are earned. Furthermore are all costs, depreciations and write downs recognized in the income statement when incurred.

Assets are recognized in the balance sheet when it is probable that future economical benefits will accrue to the company and the assets value can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economical benefits will be deducted from the company and the value can be measured reliably.

On initial recognition assets and liabilities are measured to cost price. Thereafter assets and liabilities are measured as described for each entry.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Currency retranslation

Transactions denominated in foreign currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Exchange differences arising between the transaction date and the exchange rate at the date of actual payment are recognized in the income statement under financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated into the functional currency at the exchange rates ruling at the balance sheet date. The difference between the exchange rates ruling at the balance sheet date and at the date when the receivable or payable arose is recognized in the income statement under financial income or financial expenses.

Accounting policies

Non-current assets acquired in foreign currency are measured to the exchange rate ruling at the date of the transaction.

Consolidated financial statements

The consolidated financial statements of Atlantic Invest A/S can be obtained at the following address:

Tuborg Havnevej 18, 2900 Hellerup
Gentofte

Income statement

Gross profit

With reference to section 32 of the Danish Financial Statement Act, the items “Revenue” to and including “Other external expenses” are consolidated into one item designated “Gross profit”.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration etc.

Staff costs

Staff costs comprise costs such as wages and salaries, pension costs and other social security benefits etc. to the company's employees.

Income from investments in group enterprises

The proportionate share of the results of group enterprises after tax is recognized in the income statement after the elimination of intercompany proceeds and deduction of goodwill depreciation and goodwill impairment losses.

Income from other investments and receivables that are fixed assets

Dividend, interest and realized and unrealized gains and losses regarding share investment, securities and receivables are recognized In the income statement.

Financial items

Financial income and expenses are recognized in the income statement with the amounts related to the year. Financial income and expenses comprise interest receivable and payable, realised and unrealised capital gains on securities and currency translation adjustments.

Accounting policies

Tax expense

Tax on income for the year, consisting of the year's current tax and deferred tax, is recognized in the income statement to the extent that it relates to the income or loss for the year and on equity to the extent that it relates there to.

Balance sheet

Financial fixed assets

Investments in group enterprises

Investments in group enterprises are recognized according to the equity method and measured at the proportionate share of the entities' net asset values calculated in accordance with the parent company's accounting policies minus or plus the proportionate share of unrealised intercompany proceeds and minus or plus the carrying amount of goodwill measured according to the equity method.

Investments in group enterprises with a negative net asset value are measured at value of USD 0. Any receivables from group enterprises are written down by the share at the negative net asset value if the amount owed is irrecoverable. If the negative net asset value exceeds the receivable, the remaining amount is recognized under provisions to the extent the parent company has a legal or constructive obligation to cover the negative net assets of the group enterprises.

Net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity to the extent that the carrying amount exceeds purchase price deducted goodwill depreciation.

Acquired enterprises or newly founded enterprises are recognized in the financial statements from the date of acquisition or foundation. Enterprises sold or disposed are recognized until the time of disposal.

Gains or losses on disposal of group enterprises are determined as the difference between the sales amount and the carrying amount of net assets at the time of disposal, including non-depreciated goodwill and estimated costs of disposal. Gains and losses are recognized in the income statement under financial income or financial expenses.

Receivables

Receivables are measured at amortized cost which corresponds in all material respects to nominal value. The value is reduced with provisions for expected bad debts.

Accounting policies

Deferred income

Deferred income, recognized under liabilities, comprise income concerning subsequent financial years.

Cash and bank balances

Cash comprises cash balances and bank balances.

Dividends

Dividends expected to be paid in respect of the year are stated as a separate line item under equity.

Current tax and current deferred tax

Current tax liabilities and current tax assets are recognized in the balance sheet as estimated tax on the taxable income for the year, adjusted for change in tax on prior years' taxable income and for tax paid under the on-account tax scheme.

Deferred tax is measured according to the balance sheet liability method on all timing differences between the tax and accounting value of assets and liabilities.

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 income tax is measured using tax rules and tax rates that apply by the balance sheet date when the deferred tax asset is realised or the deferred income tax liability is settled. The change in deferred tax as a result of changes in tax rates is recognized in the income statement.

Liabilities

Other liabilities are measured at amortized cost, corresponding to the nominal value.

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Christian Philip Levin

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Steen Dahl Andersen

Revisor

På vegne af: Piaster Revisorerne, Statsautoriseret revisionsaktieselskab

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