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GAC DENMARK A/S
AUKTIONSGADE 30, 6700 ESBJERG
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2022

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 3 March 2023**

Thomas Høgh Okbo

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 31 17 75 96

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COMPANY DETAILS

Company	GAC Denmark A/S Auktionsgade 30 6700 Esbjerg
	CVR No.: 31 17 75 96 Established: 20 December 2007 Municipality: Esbjerg Financial Year: 1 January - 31 December
Board of Directors	Thomas Høgh Okbo, chairman Sebastian Bo Hyllested Jönsson Bengt Åke Ekstrand
Executive Board	Sebastian Bo Hyllested Jönsson
Auditor	BDO Statsautoriseret revisionsaktieselskab John Tranums Vej 23, 1. sal 6705 Esbjerg Ø

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of GAC Denmark A/S for the financial year 1 January - 31 December 2022.

The Annual Report is presented 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 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

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

Esbjerg, 3 March 2023

Executive Board

Sebastian Bo Hyllested Jönsson

Board of Directors

Thomas Høgh Okbo
Chairman

Sebastian Bo Hyllested Jönsson

Bengt Åke Ekstrand

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of GAC Denmark A/S

Opinion

We have audited the Financial Statements of GAC Denmark A/S for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant 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 assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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.

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.*

INDEPENDENT AUDITOR'S REPORT

- *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 Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, 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 Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary 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 Management Commentary.

Esbjerg, 3 March 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Anders Noe
State Authorised Public Accountant
MNE no. mne41367

MANAGEMENT COMMENTARY

Principal activities

The company's main purpose is to operate Ship Agency and logistics as well as other related services.

Recognition and measurement uncertainty

Recognition and measurement of deferred tax assets are subject to uncertainty and estimates. Due to uncertainties in the market situation for the Company, including timing of the utilisation of the deferred tax asset, the deferred tax asset has not been recognised in total. The deferred tax asset not recognised amount to DKK 7,576 thousand at 31 December 2022 (31 December 2021: DKK 8.522).

Development in activities and financial and economic position

The income statement for 2022 showed a profit of DKK 3,396 thousand, and at 31 December 2022, the balance sheet showed equity of DKK 6,531 thousand.

Result for 2022 and progress compared to previous financial year is considered satisfactory.

In 2022 operational activity and income were affected by War in Ukraine and increase in development of Offshore Energy. The war had a significant impact to trade lanes and as well as the offshore industry due to politics concerning supply of energy. Furthermore the company managed to secure several projects within renewable energy as well as offshore decommissioning.

Significant events after the end of the financial year

No significant events occurred after the end of the financial year of material importance for the company's financial position.

Future expectations

The company is expected to maintain the positive momentum from 2022.

However, the full year result is expected to be lower than 2022 due to several one-off projects completed in 2022.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2022 DKK '000	2021 DKK '000
GROSS PROFIT		9.095	7.200
Staff costs.....	1	-5.919	-6.233
Depreciation, amortisation and impairment losses.....		-215	-232
OPERATING PROFIT		2.961	735
Other financial income.....		575	528
Other financial expenses.....	2	-391	-985
PROFIT BEFORE TAX		3.145	278
Tax on profit/loss for the year.....	3	251	0
PROFIT FOR THE YEAR		3.396	278
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		3.396	278
TOTAL		3.396	278

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2022 DKK '000	2021 DKK '000
Intangible fixed assets acquired.....		9	20
Intangible assets.....	4	9	20
Other plant, machinery tools and equipment.....		471	456
Property, plant and equipment.....	5	471	456
Rent deposit and other receivables.....		91	123
Financial non-current assets.....	6	91	123
NON-CURRENT ASSETS.....		571	599
Trade receivables.....		5.543	8.534
Receivables from group enterprises.....		4.061	7.601
Deferred tax assets.....		251	0
Other receivables.....		1.455	1.348
Prepayments and accrued income.....		55	146
Receivables.....		11.365	17.629
Cash and cash equivalents.....		5.581	3.099
CURRENT ASSETS.....		16.946	20.728
ASSETS.....		17.517	21.327

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2022 DKK '000	2021 DKK '000
Share capital.....	7	800	800
Retained earnings.....		5.731	2.335
EQUITY.....		6.531	3.135
Bank debt.....		89	9.440
Trade payables.....		5.227	7.681
Debt to group enterprises.....		4.060	45
Other liabilities.....		1.610	1.026
Current liabilities.....		10.986	18.192
LIABILITIES.....		10.986	18.192
EQUITY AND LIABILITIES.....		17.517	21.327
 Contingencies etc.	 8		
Related parties	9		

EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2022.....	800	2.335	3.135
Proposed profit allocation.....		3.396	3.396
Equity at 31 December 2022.....	800	5.731	6.531

NOTES

	2022 DKK '000	2021 DKK '000	Note
Staff costs			1
Average number of employees	10	11	
Wages and salaries.....	5.288	5.742	
Pensions.....	539	428	
Social security costs.....	92	63	
	5.919	6.233	
Other financial expenses			2
Group enterprises.....	10	185	
Other interest expenses.....	381	800	
	391	985	
Tax on profit/loss for the year			3
Adjustment of deferred tax.....	-251	0	
	-251	0	
Intangible assets			4
		Intangible fixed assets acquired	
Cost at 1 January 2022.....		402	
Cost at 31 December 2022.....		402	
Amortisation at 1 January 2022.....		382	
Amortisation for the year.....		11	
Amortisation at 31 December 2022.....		393	
Carrying amount at 31 December 2022.....		9	

NOTES

		Note
Property, plant and equipment		5
	Other plant, machinery tools and equipment	
Cost at 1 January 2022.....	1.205	
Additions.....	219	
Cost at 31 December 2022.....	1.424	
Depreciation and impairment losses at 1 January 2022.....	749	
Depreciation for the year.....	204	
Depreciation and impairment losses at 31 December 2022.....	953	
Carrying amount at 31 December 2022.....	471	
 Financial non-current assets		 6
	Rent deposit and other receivables	
Cost at 1 January 2022.....	123	
Additions.....	67	
Disposals.....	-99	
Cost at 31 December 2022.....	91	
Carrying amount at 31 December 2022.....	91	
	2022	2021
	DKK '000	DKK '000
Share capital		
Allocation of share capital:		
Share capital, 8.000 unit in the denomination of 100 DKK.....	800	800
	800	800

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NOTES**Note****Contingencies etc.****8**

At 31 December 2022 the Company has a deferred tax asset of DKK 7.576 thousand, which is not recognised in the financial statements as it is unsure if the tax asset can be utilized.

Contingent liabilities

The Company has no mortgages.

As co-guarantor, the Company is jointly and severally liable together with its previously subsidiary for a joint credit facility in a credit institute with a credit facility of DKK 10,500 thousand (FY2021: DKK 10,500 thousand).

The Company has signed a rental agreement with a commitment for DKK 204 thousand. (FY2021: DKK 400 thousand).

The Company has signed lease agreements with a total commitment of DKK 332 thousand (FY2021: DKK 477 thousand).

Related parties**9**

The Company's related parties include:

Controlling interest

Gulf Agency Company (Holdings) B.V. (NL), Waalhaven O.z. 83D, 3087BM Rotterdam, Netherlands.

Gulf Agency Company (Holdings) B.V. (NL) holds the majority of the share capital in the Company.

Transactions with related parties

The company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

ACCOUNTING POLICIES

The Annual Report of GAC Denmark A/S for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

Change due to changed presentation

In the annual report for 2021, certain costs for the employees were presented in the accounting item "Staff costs", which was not in accordance with the Annual Accounts Act. These costs were to be included in the accounting item "Administrative expenses". Furthermore where Holiday allowance presented as non-current "Other liabilities" instead of current "Other liabilities".

The changed presentation is incorporated in the comparative figures for 2021 and causes the accounting item "Administrative Expenses" in the income statement to be increased by 192 T.DKK. and the accounting item "Staff costs" to be reduced by 192 T.DKK. Furthermore the changed presentation causes the accounting item current "Other liabilities" in the balance sheet to be increased by 351 T.DKK and the accounting item Non-current "Other liabilities" to be reduced by 351 T.DKK. The changed presentation has no impact on results for 2021. The equity and the balance sheet total for 2021 are not affected.

INCOME STATEMENT

Net revenue

Revenues from the sale of goods and services are recognised in the income statement once delivery has taken place and most of the risk and return has been transferred.

As part of the company's shipping agency services to customers, the company offers to do the harbour expense accounts. When doing so the company pays the customers expenses related to a port call. After ship have sailed a final disbursement account (FDA) is sent to the client. These disbursements are not part of the accounts for GAC Denmark A/S. Accounting for these transactions are booked net in the accounts of GAC Denmark A/S. The port call expenses are booked as account payables towards work in progress account. When FDA is invoiced to the customer it is booked against receivables and toward work in progress account. By doing so the harbour accounts for the port call will be presented as net in the financial statement.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales

Cost of sales comprise all costs incurred to provide shipping services, logistics and other transportation activities.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operating lease expenses, management fee, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

ACCOUNTING POLICIES

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Intangible fixed assets

Software is measured at cost less accumulated amortisation and impairment losses.

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 life is three years.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets

Other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	3-10 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Financial non-current assets

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

ACCOUNTING POLICIES

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

Amortised cost for short-term liabilities usually corresponds to the nominal value.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.