



Statsautoriseret
Revisionsinteressentskab

Hafnia Freight ApS

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Annual Report 2018

8. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 19 February 2019

A handwritten signature in black ink, appearing to read 'Eije Patrik Mossberg', written over a horizontal line.

Eije Patrik Mossberg
Chairman

Hafnia Freight ApS

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Management's Statement

Today, Management has considered and adopted the Annual Report of Hafnia Freight ApS for the financial year 1 January 2018 - 31 December 2018.

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 assets, liabilities and financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January 2018 - 31 December 2018.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.


Hellerup, 19 February 2019

Executive Board



Jens Pontoppidan
Manager

Supervisory Board



Eije Patrick Mossberg
Chairman



Michael Steensland-Brun



Jonas Stigsson Moberg

Independent Auditor's Report

To the shareholders of Hafnia Freight ApS

Opinion

We have audited the financial statements of Hafnia Freight ApS for the financial year 1 January 2018 - 31 December 2018, which comprise an income statement, balance sheet and notes. 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 financial position at 31 December 2018 and of the results of its operations for the financial year 1 January 2018 - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, 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 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 as Management considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

Independent Auditor's Report

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

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

- * Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Hafnia Freight ApS

Independent Auditor's Report

Statement on 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 opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements 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 with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Hørsholm, 19 February 2019

KRESTON CM

Statsautoriseret Revisionsinteressentskab

CVR-no. 39463113



Michel Hansen

State Authorised Public Accountant

mne31406

Hafnia Freight ApS

Company details

| | |
|--------------------------|---|
| Company | Hafnia Freight ApS Tuborg Boulevard 5 2900 Hellerup |
| | CVR No. 33747179 |
| | Date of formation 12 May 2011 |
| | Registered office Gentofte |
| | Financial year 1 January 2018 - 31 December 2018 |
| Supervisory Board | Eije Patrick Mossberg, Chairman Michael Steensland-Brun Jonas Stigsson Moberg |
| Executive Board | Jens Pontoppidan, Manager |
| Auditors | KRESTON CM Statsautoriseret Revisionsinteressentskab Usserød Kongevej 157 2970 Hørsholm CVR-no.: 39463113 |

Management's Review

The Company's principal activities

The Company's principal activities consist in offering risk management and related services to companies primarily in cargo and bunker futures, as well as own-account investments in freight futures and related services.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2018 - 31 December 2018 shows a result of USD 2.262.102 and the Balance Sheet at 31 December 2018 a balance sheet total of USD 5.173.462 and an equity of USD 3.311.953.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Treasury shares acquired

The company has purchased own shares nom.84.000 at USD 114.259 in 2018 and it is expected that the shares will be sold during 2019.

Accounting Policies

Reporting Class

The Annual Report has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

The annual report for 2018 is presented in USD, which is the functional currency of the company. On 31 December 2018 the USD/DKK rate is 651,94.

The corresponding exchange rate at 31 December 2017 was 620,77.

Translation policies

Transactions in foreign currencies are translated into USD at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into USD based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross revenue consists of management fees, realized gains and losses on trading of freight derivatives, including fair value adjustments of outstanding derivatives as per year end balances day and costs incurred to achieve revenue.

Revenue

Income from delivery of services is recognised as revenue as the service is delivered.

Other external expenses

Other external expenses comprise expenses regarding sale and administration.

Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

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Accounting Policies

Balance Sheet

Receivables

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

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Other securities and equity investments recognised in current assets

Other securities and equity investments, listed bonds, shares and derivatives in Cargo and Bunkers, are measured at market value at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

Proposed dividend for the year is recognised as a separate item in equity.

Purchase and sale of treasury shares are recognised in equity under distributable reserves.

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Accounting Policies

Provisions

Other provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when, at the balance sheet date, the company has a legal or actual obligation and it is likely that settlement will result in the company spending financial resources.

Provisions that are expected to be settled later than a year from the balance sheet date are measured at the present value and the expected payments. Other provisions are measured at net realisable value.

Financial liabilities

Fixed-rate loans such as mortgage loans and loans from credit institutions are recognised initially at the proceeds received less transaction expenses incurred. In subsequent periods, loans are measured at amortised cost so that the difference between the proceeds and the nominal value is recognised in the Income Statement as an interest expense over the term of the loan.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

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Income Statement

| | Note | 2018 USD | 2017 USD |
|---|------|------------------|----------------|
| Gross profit | | 3.293.028 | 415.496 |
| Other employee expense | 1 | -322.437 | -289.729 |
| Profit from ordinary operating activities | | 2.970.591 | 125.767 |
| Finance income | | 7.002 | 1.071 |
| Other finance expenses | | -75.533 | -99.739 |
| Profit from ordinary activities before tax | | 2.902.060 | 27.099 |
| Tax expense on ordinary activities | 2 | -639.958 | -10.890 |
| Profit | | 2.262.102 | 16.209 |
| Proposed distribution of results | | | |
| Retained earnings | | 2.262.102 | 16.209 |
| Distribution of profit | | 2.262.102 | 16.209 |

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Balance Sheet as of 31 December

| | Note | 2018 USD | 2017 USD |
|----------------------------------|------|------------------|------------------|
| Assets | | | |
| Deferred income assets | | 2.244 | 0 |
| Receivables | | 2.244 | 0 |
| Short-term investments | | 1.356.516 | 31.017 |
| Cash and cash equivalents | | 3.814.702 | 2.595.829 |
| Current assets | | 5.173.462 | 2.626.846 |
| Assets | | 5.173.462 | 2.626.846 |

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Balance Sheet as of 31 December

| | Note | 2018 USD | 2017 USD |
|--|----------|------------------|------------------|
| Liabilities and equity | | | |
| Share capital | | 72.727 | 67.258 |
| Share premium | | 0 | 36.955 |
| Retained earnings | | 3.239.226 | 1.059.897 |
| Equity | | 3.311.953 | 1.164.110 |
| Payables to associates | | 0 | 544.482 |
| Payables to shareholders and management | | 0 | 811.384 |
| Long-term liabilities other than provisions | 3 | 0 | 1.355.866 |
| Trade payables | | 45.599 | 12.189 |
| Payables to associates | | 573.759 | 0 |
| Tax payables | | 639.958 | 10.890 |
| Other payables | | 84.685 | 83.791 |
| Payables to shareholders and management | | 517.508 | 0 |
| Short-term liabilities other than provisions | | 1.861.509 | 106.870 |
| Liabilities other than provisions within the business | | 1.861.509 | 1.462.736 |
| Liabilities and equity | | 5.173.462 | 2.626.846 |
| Contingent liabilities | 4 | | |
| Collaterals and assets pledges as security | 5 | | |

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Statement of changes in Equity

| | Share capital | Share premium | Retained earnings | Total |
|---------------------------------------|--------------------------|--------------------------|------------------------------|------------------|
| Equity 1 January 2018 | 67.258 | 36.955 | 1.059.897 | 1.164.110 |
| Share premium to retained earnings | | -36.955 | 36.955 | 0 |
| Purchase of treasury shares | | | -114.259 | -114.259 |
| Currency adjustments on share capital | 5.469 | | -5.469 | 0 |
| Profit (loss) | | | 2.262.102 | 2.262.102 |
| Equity 31 December 2018 | 72.727 | 0 | 3.239.226 | 3.311.953 |

The share capital consists of 474,134 shares of nominal value of DKK 1. No shares carry any special rights.

The company purchased own shares in 2018, nom. 84.000 at USD 114.259.

The below development in share capital are shown in DKK.

The share capital has developed as follows:

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Balance at the beginning of the year | 474.134 | 459.200 | 459.200 | 459.200 | 459.200 |
| Addition during the year | 0 | 14.934 | 0 | 0 | 0 |
| Balance at the end of the year | 474.134 | 474.134 | 459.200 | 459.200 | 459.200 |

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Notes

| | 2018 | 2017 |
|---|----------------|------------------|
| 1. Employee benefits expense | | |
| According to section 98 B (3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed. | | |
| | 2018 | 2017 |
| Wages and salaries | 319.253 | 288.099 |
| Social security contributions | 2.265 | 1.996 |
| Other employee expense | 2.208 | 806 |
| | 323.726 | 290.901 |
| | | |
| Average number of employees | 2 | 2 |
| | | |
| 2. Tax expense | | |
| Corporate Income tax | 639.958 | 10.890 |
| | 639.958 | 10.890 |
| | | |
| 3. Long-term liabilities | | |
| Payables to associates | 0 | 544.482 |
| Payables to shareholders and management | 0 | 811.384 |
| Balance at the end of the year | 0 | 1.355.866 |
| | | |
| 4. Contingent liabilities | | |
| No contingent liabilities exist at the balance sheet date. | | |
| | | |
| 5. Collaterals and securities | | |
| Of cash and other investments there is USD 1.357.928 pledged as security for open positions per. 31 December 2018. | | |
| In addition, there is no other collateral or pledges as per. 31 December 2018. | | |