

REVISIONS FIRMAET EDELBO

STATSAUTORISERET
REVISIONSPARTNERSELSKAB

Ocean7 Chartering ApS

Vendersgade 50
7000 Fredericia

CVR No. 36458720

Annual Report for the financial year 1 January - 31 December 2023

The Annual Report was presented and adopted at
the Annual General Meeting of the company
on 4 June 2024

Martin Erik Spanggaard
Chairman



KOGTVEDLUND

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Management's Statement

Today, Management has considered and adopted the Annual Report of Ocean7 Chartering ApS for the financial year 1 January 2023 - 31 December 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January 2023 - 31 December 2023.

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.

Fredericia, 4 June 2024

Executive Board

Stefan Nordby Petersen
Manager

Independent Auditors' Report

To the shareholders of Ocean7 Chartering ApS

Opinion

We have audited the financial statements of Ocean7 Chartering ApS for the financial year 1 January 2023 - 31 December 2023, which comprise an income statement, balance sheet, statement of changes in equity 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 2023 and of the results of its operations for the financial year 1 January 2023 - 31 December 2023 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 the "Auditors' responsibility 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 statement in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control 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.

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:

Independent Auditors' Report

- *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.

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.

Independent Auditors' Report

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.

Svendborg, 4. juni 2024

**Revisionsfirmaet Edelbo,
Statsautoriseret Revisionspartnerselskab**
CVR-no. 35486178

Morten Troels Pedersen
State Authorised Public Accountant
mne31470

Michael Jensby Jakobsen
State Authorised Public Accountant
mne34290

Company details

Company	Ocean7 Chartering ApS Vendersgade 50 7000 Fredericia
CVR No.	36458720
Date of formation	30 November 2014
Registered office	Fredericia
Financial year	1 January 2023 - 31 December 2023 9. financial year
Executive Board	Stefan Nordby Petersen, Manager
Auditors	RevisionsFirmaet Edelbo, Statsautoriseret Revisionspartnerselskab Kogtvedparken 17 5700 Svendborg CVR-no.: 35486178
Contacts	Morten Troels Pedersen, State Authorised Public Accountant Michael Jensby Jakobsen, State Authorised Public Accountant

Management's Review

The Company's principal activities

The Company's principal activities consist in international brokerage services in respect of freight transport by ships and other related activities.

Insecurity regarding recognition or measurement

There is no material insecurity regarding recognition or measurement.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2023 - 31 December 2023 shows a result of USD -9.688.773 and the Balance Sheet at 31 December 2023 a balance sheet total of USD 19.335.737 and an equity of USD 1.500.526.

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.

Targets and expectations for the year ahead

For the upcoming period, we anticipate a modest yet positive expected result ranging between 0 and 2 million USD. This forecast is grounded in our proactive measures to streamline operations, diversify our business portfolio, and adapt to the evolving market dynamics.

Intellectual capital resources

The consolidated management review appears from the Annual Report of Ocean7 Holdings ApS.

Risks

The consolidated management review appears from the Annual Report of Ocean7 Holdings ApS.

External environment

The consolidated management review appears from the Annual Report of Ocean7 Holdings ApS.

Research and development activities

The Company is not involved in research and development activities.

Net profit/loss for the year compared with expected developments in the most recently published annual report

The past year has been a trial for our Company, a period marked by unpredictability and challenges. While we had hoped for an expected result lower than in 2022, we did not expect to report an actual result of -9.689 thousands USD.

The shipping industry in general faced a range of unexpected and challenging factors that impacted our performance in 2023. Below is a reflection on these challenges:

Global economic uncertainty, exacerbated by unexpected geopolitical events and trade conflicts, had a significant impact on our business. These factors resulted in declining demand for freight, affecting our revenues and margins negatively.

Freight rates were extremely volatile throughout the year, making it challenging to predict and plan our revenues and expenses. The sudden and drastic change in rates exacerbated our financial results and created an unstable business environment.

The result for 2023 is considered unsatisfactory.

Management's Review

Corporate governance

The consolidated management review appears from the Annual Report of Ocean7 Holdings ApS.

Key Figures and Financial Ratios

The development in the Company's key figures and financial ratios can be described as follows:
Numbers appear in thousands

	2023	2022	2021	2020	2019
Gross profit	-12.193	35.499	38.530	-2.339	570
Operating profit/loss	-12.193	35.499	38.530	-2.339	570
Profit/loss for the year	-9.689	27.556	29.867	-1.784	377
Net financial income and expenses	-229	-171	-240	52	-86
Investment in non-current assets	0	0	0	0	0
Total assets	19.336	19.717	34.884	6.120	7.260
Total equity	1.501	1.189	12.784	-1.383	401
Return on equity (ROE) (%)	-720	394	524	363	178
Return on capital employed (%)	-62	130	188	-35	11
Solvency ratio (%)	8	6	37	-23	6

For definitions of key ratios, see Accounting and Valuation Principles

Accounting Policies

Reporting Class

The Annual Report of Ocean7 Chartering ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Company has decided not to include an cash flow statement due to Danish Financial Statements Act §86, 4. The consolidated cash flow statement appears from the Annual Report of Ocean7 Holdings ApS.

The accounting policies applied remain unchanged from last year.

The Financial Statements are presented in USD with exchange rate USD 674,47 at 31 December 2023 (31 December 2022, USD 697,22).

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.

General Information

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.

Revenue

Revenue from sales (chartering income) is recognized in the income statement at the rate of completion of the charter (discharge to discharge principle). This method is applied when total revenues and expenses in respect of the charter at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company.

Direct costs

Direct costs comprises vessel operating cost relating to the Company's ordinary activities, including expenses to achieve the revenue for the year such as TC-hire, port and bunker cost.

Other external expenses

Other external expenses comprise expenses regarding sale, distribution 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.

The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance Sheet

Inventories

Inventories are measured at cost on the basis of the FIFO principle or at the net realisable value if the latter is lower.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Accounting Policies

Accrued income

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

Financial liabilities

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

Leases

All leases including chartering of vessels is listed as operating leases. Lease payments on operating leases are recognised in the income statement on a straight line basis over the time of the lease.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Deferred income

Deferred income entered as liabilities consist of payments received regarding income in the subsequent financial years.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2023 USD	2022 USD
Gross profit		-12.192.690	35.499.116
Employee benefits expense	1	0	0
Profit from ordinary operating activities		-12.192.690	35.499.116
Other financial income		117.053	1.193.748
Financial expences	2	-345.867	-1.365.174
Profit from ordinary activities before tax		-12.421.504	35.327.690
Tax expense on ordinary activities	3	2.732.731	-7.772.072
Profit		-9.688.773	27.555.618

Balance Sheet as of 31 December

	Note	2023 USD	2022 USD
Assets			
Bunker		2.859.899	4.511.569
Inventories	5	2.859.899	4.511.569
Trade receivables		5.568.112	3.800.364
Receivables from group enterprises		23.000	2.981.188
Current deferred tax	6	1.381.475	0
Tax receivables from group enterprises		1.351.256	0
Other receivables		59.677	108.323
Accruals and deferred income	7	4.069.818	6.695.992
Receivables		12.453.338	13.585.867
Cash and cash equivalents		4.022.500	1.619.877
Current assets		19.335.737	19.717.313
Assets		19.335.737	19.717.313

Balance Sheet as of 31 December

	Note	2023 USD	2022 USD
Liabilities and equity			
Contributed capital		7.697	7.697
Retained earnings		1.492.829	181.602
Proposed dividend recognised in equity		0	1.000.000
Equity		1.500.526	1.189.299
Trade payables		7.025.231	5.032.968
Payables to group enterprises		4.353.129	0
Tax payables to group enterprises		0	7.772.072
Other payables		3.142.234	3.373.761
Deferred income	8	3.314.617	2.349.213
Short-term liabilities other than provisions		17.835.211	18.528.014
Liabilities other than provisions		17.835.211	18.528.014
Liabilities and equity		19.335.737	19.717.313
Significant events occurring after end of reporting period	9		
Contingent liabilities	10		
Collaterals and assets pledges as security	11		
Related parties	12		

Statement of changes in Equity

	Contributed capital	Retained earnings	Proposed dividend recognised in equity	Total
Equity 1 January 2023	7.697	181.602	1.000.000	1.189.299
Dividend paid	0	0	-1.000.000	-1.000.000
Profit (loss)	0	-9.688.773	0	-9.688.773
Contribution from group	0	11.000.000	0	11.000.000
Equity 31 December 2023	7.697	1.492.829	0	1.500.526

The share capital has remained unchanged for the last 5 years.

Notes

	2023	2022
	USD	USD
1. Employee benefits expense		
Average number of employees	<u>0</u>	<u>0</u>
<p>The Company does not have its own employees but purchases employee services from the sister company, Ocean7 Management ApS. During the financial year, remuneration has been settled to Ocean7 Management ApS for employees who have performed work in the company.</p>		
2. Financial expenses		
Finance expenses arising from group enterprises	345.867	154.448
Other finance expenses	<u>0</u>	<u>1.210.726</u>
	<u>345.867</u>	<u>1.365.174</u>
3. Tax expense		
Tax expense on ordinary activities	-1.351.256	7.772.072
Adjustments for deferred tax	<u>-1.381.475</u>	<u>0</u>
	<u>-2.732.731</u>	<u>7.772.072</u>
4. Distribution of profit		
Proposed dividend	0	1.000.000
Retained earnings	<u>-9.688.773</u>	<u>26.555.618</u>
	<u>-9.688.773</u>	<u>27.555.618</u>
5. Inventories		
<i>Inventories are stated as follows:</i>		
Bunkers	2.859.899	4.511.569
Inventories in total	<u>2.859.899</u>	<u>4.511.569</u>
6. Current deffered tax		
Deffered tax, this year	<u>1.381.475</u>	<u>0</u>
Balance at the end of the year	<u>1.381.475</u>	<u>0</u>

Current deffered tax asset consist of carryforward losses. Management expects that the carryforward losses can be utilized within a periode of 1 to 3 years.

7. Accruals and deferred income

Acruals and deferred income recognized as assets comprise costs concerning the subsequent financial year, and deferred income relevant to ongoing voyages.

Notes

8. Deferred income

Deffered income recognized as liabilities comprise payments received from ongoing voyages, which will be recognized as income in the subsequent financial year.

9. Significant events occurring after end of reporting period

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

10. Contingent liabilities

The company has entered into contracts regarding chartering of ships per 31th December with a remaining period between 1 and 21 months. The total rent obligation is USD 56.953 thousand.

The group companies are jointly and severally liable for tax on jointly taxed incomes etc of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way af dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability. The group companies consolidated tax liability is recognised in the annual report for S.N.P Holding ApS, cvr-no. 34 88 19 60.

11. Collaterals and securities

As security for time charter contracts, bank deposits of USD 571 thousands are deposited in an escrow account.

12. Related parties

Ocean7 Chartering ApS is consolidated with Ocean7 Holdings ApS, Fredericia, Denmark, Voting rights 100 % , cvr-no.: 40 19 58 58, which is the smallest consilidation, and is consolidated with S.N.P. Holding ApS, Fredericia, Denmark, Voting rights 71,25 % , cvr-no.: 34 88 19 60, which is the largest consilidation. The consolidated financial statements can be requested on www.virk.dk.

Under the exemption rule of the Danish Financial Statements act Section 98c, paragraph 7, the Company only discloses transations with related parties that have not been conducted on normal market terms.

All transactions has been conducted on normal market terms.

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“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Stefan Nordby Petersen

Direktør

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Michael Jensby Jakobsen

REVISIONSFIRMAET EDELBO STATS AUTORISERET

REVISIONSPARTNERSELSKAB CVR: 35486178

Statsautoriseret revisor

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Morten Troels Pedersen

REVISIONSFIRMAET EDELBO STATS AUTORISERET

REVISIONSPARTNERSELSKAB CVR: 35486178

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Martin Erik Spanggaard

Dirigent

Serienummer: 1c056dab-f16c-4d3e-a68c-77507f6e8e37

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