

REVISIONS FIRMAET EDELBO

STATSAUTORISERET
REVISIONSPARTNERSELSKAB

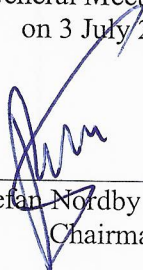
Ocean7 Chartering ApS

Jyllandsgade 19 A
7000 Fredericia

CVR No. 36458720

Annual Report for the financial year 1 January - 31 December 2019

The Annual Report was presented and adopted at
the Annual General Meeting of the company
on 3 July 2020



Stefan Nordby Petersen
Chairman



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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 2019 - 31 December 2019.

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 2019 and of the results of the Company's operations for the financial year 1 January 2019 - 31 December 2019.

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, 30 June 2020

Executive Board


Stefan Nordby Petersen
Manager

Independent Auditor's 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 2019 - 31 December 2019, 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 2019 and of the results of its operations for the financial year 1 January 2019 - 31 December 2019 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.

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.

Svendborg, 30 June 2020

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



Morten Petersen
State Authorised Public Accountant
mne31470

Company details

Company	Ocean7 Chartering ApS Jyllandsgade 19 A 7000 Fredericia
CVR No.	36458720
Date of formation	30 November 2014
Registered office	Fredericia
Financial year	1 January 2019 - 31 December 2019 5. financial year
Executive Board	Stefan Nordby Petersen, Manager
Auditors	Revisionsfirmaet Edelbo, Statsautoriseret Revisionspartnerselskab Kogtvedparken 17 5700 Svendborg CVR-no.: 35486178
Contacts	Morten Petersen, 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.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2019 - 31 December 2019 shows a result of USD 377.488 and the Balance Sheet at 31 December 2019 a balance sheet total of USD 7.107.430 and an equity of USD 400.963.

Post financial year events

The COVID-19 outbreak in March 2020 lead to restrictions i several countries. As it is uncertain how this develops, it is not possible to estimate expectations for the future more accurately. The Company considers the outbreak to be a non-adjusting event. However it is the management's expectations at the time of the financial reporting that a decrease in revenue and profit compared to 2019 may be expected and that the decrease can be significant.

Despite the decrease in revenue and profit it is the management's opinion that the Company has sufficient cash resources at disposal to complete the planned operation for the rest of 2020.

After the end of the financial year, no other events than the above-mentioned have occurred which may change the financial position of the entity substantially.

Accounting Policies

Reporting Class

The Annual Report of Ocean7 Chartering ApS for 1 January - 31 December 2019 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B. In addition, the Company has decided to follow specific rules applying to enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements are presented in USD.

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.

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.

Accounting Policies

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 as well as payroll expenses and other staff 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.

The cost of goods for resale equals landed costs.

Accounting Policies

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.

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	2019 USD	2018 USD
Gross profit		569.534	-1.146.436
Depreciation and amortisation		0	-69.254
Profit from ordinary operating activities		<u>569.534</u>	<u>-1.215.690</u>
Other financial income		5.099	15.771
Financial expenses	1	-90.674	-30.576
Profit from ordinary activities before tax		<u>483.959</u>	<u>-1.230.495</u>
Tax expense on ordinary activities	2	-106.471	279.790
Profit		<u>377.488</u>	<u>-950.705</u>
Proposed distribution of results			
Retained earnings		377.488	-950.705
Distribution of profit		<u>377.488</u>	<u>-950.705</u>

Balance Sheet as of 31 December

Assets	Note	2019 USD	2018 USD
Bunker		2.220.941	1.018.425
Inventories	3	<u>2.220.941</u>	<u>1.018.425</u>
Trade receivables		2.779.890	527.218
Receivables from group enterprises		386.612	544.894
Current deferred tax		147.781	208.443
Short-term tax receivables		0	71.347
Other receivables		56.427	3.885
Deferred income	4	831.998	595.059
Receivables		<u>4.202.708</u>	<u>1.950.846</u>
Cash and cash equivalents		<u>683.781</u>	<u>619.637</u>
Current assets		<u>7.107.430</u>	<u>3.588.908</u>
Assets		<u>7.107.430</u>	<u>3.588.908</u>

Balance Sheet as of 31 December

	Note	2019 USD	2018 USD
Liabilities and equity			
Contributed capital	5	7.697	7.697
Retained earnings	6	393.266	15.778
Equity		400.963	23.475
Trade payables		3.805.907	2.377.163
Payables to group enterprises		99.351	453.953
Tax payables		45.809	0
Other payables		4.000	80.679
Deferred income	7	2.751.400	653.638
Short-term liabilities other than provisions		6.706.467	3.565.433
Liabilities other than provisions		6.706.467	3.565.433
Liabilities and equity		7.107.430	3.588.908
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Notes

	2019 USD	2018 USD
1. Financial expenses		
Finance expenses arising from group enterprises	3.638	17.273
Other finance expenses	87.036	13.303
	<u>90.674</u>	<u>30.576</u>
2. Tax expense		
Tax of the year	45.809	-71.347
Regulation of deferred tax	60.662	-208.443
	<u>106.471</u>	<u>-279.790</u>
3. Inventories		
<i>Inventories are stated as follows:</i>		
Bunkers	2.220.941	1.018.425
Inventories in total	<u>2.220.941</u>	<u>1.018.425</u>
4. Deferred income		
Deferred income recognized as assets comprise costs concerning the subsequent financial year.		
5. Share capital		
Balance at the beginning of the year	7.697	8.055
Exchange adjustments	0	-358
Balance at the end of the year	<u>7.697</u>	<u>7.697</u>
The share capital has remained unchanged for the last 5 years.		
6. Retained earnings		
Balance at the beginning of the year	15.778	466.125
Exchange adjustments	0	358
Additions during the year	377.488	-950.705
Tax-free group subsidy	0	500.000
Balance at the end of the year	<u>393.266</u>	<u>15.778</u>
7. Deferred income		
Deferred income comprise payments received from ongoing voyages, which will be recognized as income in the subsequent financial year.		

Notes

8. Contingent liabilities

The company has entered into contracts regarding chartering of ships per 31st December with a remaining period up to 3 months. The total rent obligation is USD 9.092 thousand (2018: USD 5.529 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 of 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.

9. Collaterals and securities

None as at 31 December 2019.