

Norvic Shipping Europe ApS

Strandvejen 100, 1., 2900 Hellerup

CVR no. 37 32 71 90

Annual report 2023

Approved at the Company's annual general meeting on 26 June 2024

Chair of the meeting:



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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Norvic Shipping Europe ApS for the financial year 1 January - 31 December 2023.

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

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Hellerup, 26 June 2024
Executive Board:



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Jacob Koch Blicher
Managing Director

Board of Directors:



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Ashfaque Jamil Rahman
Chairman



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Kazi Ishtiaque Rumi



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Tareef Jamil Rahman

Independent auditor's report

To the shareholders of Norvic Shipping Europe ApS

Opinion

We have audited the financial statements of Norvic Shipping Europe ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 as to 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 the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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.

Independent auditor's report

- ▶ 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.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note 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 the Management's review

Management is responsible for the Management's review.

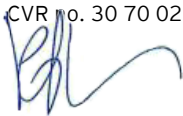
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility 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 our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 26 June 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Peter Andersen
State Authorised Public Accountant
mne34313

Management's review

Company details

Name	Norvic Shipping Europe ApS
Address, Postal code, City	Strandvejen 100, 1., 2900 Hellerup
CVR no.	37 32 71 90
Established	28 December 2015
Financial year	1 January - 31 December
Board of Directors	Ashfaque Jamil Rahman, Chairman Kazi Ishtiaque Rumi Tareef Jamil Rahman
Executive Board	Jacob Koch Blicher, Managing Director
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management commentary

Business review

The Company's objective is to provide chartering, management and operation services as well as post fixture services in this regard.

Financial review

The income statement for 2023 shows a profit of DKK 838,982 against a profit of DKK 716,871 last year, and the balance sheet at 31 December 2023 shows equity of DKK 4,693,233.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2023	2022
	Gross profit	20,894,694	19,602,850
2	Staff costs	-19,078,057	-18,168,650
3	Depreciation of property, plant and equipment	-452,094	-470,649
	Profit before net financials	1,364,543	963,551
	Financial income	0	151,789
	Financial expenses	-257,287	-77,575
	Profit before tax	1,107,256	1,037,765
4	Tax for the year	-268,274	-320,894
	Profit for the year	<u>838,982</u>	<u>716,871</u>
	 Recommended appropriation of profit		
	Retained earnings	<u>838,982</u>	<u>716,871</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2023</u>	<u>2022</u>
	ASSETS		
	Fixed assets		
5	Property, plant and equipment		
	Rights of use assets	420,677	781,256
	Fixtures and fittings, other plant and equipment	273,758	175,215
	Leasehold improvements	12,199	18,199
		<u>706,634</u>	<u>974,670</u>
	Investments		
	Deposits	370,824	216,789
		<u>370,824</u>	<u>216,789</u>
	Total fixed assets	<u>1,077,458</u>	<u>1,191,459</u>
	Non-fixed assets		
	Receivables		
	Receivables from group entities	4,546,987	3,402,229
	Deferred tax assets	22,391	28,682
	Other receivables	179,138	193,901
	Prepayments	253,253	246,361
		<u>5,001,769</u>	<u>3,871,173</u>
	Cash	<u>362,624</u>	<u>379,881</u>
	Total non-fixed assets	<u>5,364,393</u>	<u>4,251,054</u>
	TOTAL ASSETS	<u>6,441,851</u>	<u>5,442,513</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2023</u>	<u>2022</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	50,000	50,000
	Retained earnings	4,643,233	3,804,251
	Total equity	<u>4,693,233</u>	<u>3,854,251</u>
	Liabilities other than provisions		
6	Non-current liabilities other than provisions		
	Lease liabilities	68,635	433,907
		<u>68,635</u>	<u>433,907</u>
	Current liabilities other than provisions		
6	Short-term part of long-term lease liabilities	392,434	389,025
	Trade payables	319,314	236,402
	Corporation tax payable	137,591	145,290
	Other payables	830,644	383,638
		<u>1,679,983</u>	<u>1,154,355</u>
	Total liabilities other than provisions	<u>1,748,618</u>	<u>1,588,262</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>6,441,851</u></u>	<u><u>5,442,513</u></u>

1 Accounting policies

7 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2023	50,000	3,804,251	3,854,251
Transfer through appropriation of profit	0	838,982	838,982
Equity at 31 December 2023	<u>50,000</u>	<u>4,643,233</u>	<u>4,693,233</u>

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Norvic Shipping Europe ApS for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies applied by the Company are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IFRS 15 as interpretation for revenue recognition.

Income from the sale of services, is recognised as the control over the individual identifiable performance obligation is transferred to the customer.

Gross profit

The items revenue and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Rights of use assets	4 years
Fixtures and fittings, other plant and equipment	4 years
Leasehold improvements	4 years

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses, such as from subsidiaries as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

As an interpretation for the recognition of leased assets, the Company has chosen IFRS 16. A leased asset is recognised in the balance sheet when, under a lease agreement concluded for a specific identifiable asset, the Company has made the lease asset available during the lease period and when the Company acquires the right to virtually all the economic benefits from the use of the identified asset and the right to determine the use of the identified asset.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities (due to indexation of lease payments or extension of leases). Service items are not included. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

Deposits

Long-term receivables, consisting of deposits, are measured at amortized cost.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables. Receivables are measured at amortised cost.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprises cash subject only to minor risks of changes in value.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Lease liabilities

As an interpretation for the recognition of leasing obligations, the Company has chosen IFRS 16. A leasing obligation is recognised in the balance sheet when, under a lease agreement concluded for a specific identifiable asset, the Company has made the lease asset available during the lease period and when the Company acquires the right to virtually all the economic benefits from the use of the identified asset and the right to determine the use of the identified asset.

On initial recognition, lease liabilities are measured at the present value of future lease payments discounted by an alternative loan rate.

DKK	2023	2022
2 Staff costs		
Wages/salaries	16,237,591	15,823,567
Pensions	731,058	406,512
Other social security costs	113,574	87,804
Other staff costs	1,995,834	1,850,767
	19,078,057	18,168,650
 Average number of full-time employees	 15	 11
3 Depreciation of property, plant and equipment		
Depreciation of property, plant and equipment	452,094	470,649
	452,094	470,649
4 Tax for the year		
Estimated tax charge for the year	255,591	257,290
Deferred tax adjustments in the year	6,291	-3,977
Tax adjustments, prior years	6,392	67,581
	268,274	320,894

Financial statements 1 January - 31 December

Notes to the financial statements

5 Property, plant and equipment

DKK	Rights of use assets	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2023	1,262,026	958,625	163,641	2,384,292
Additions	0	184,058	0	184,058
Cost at 31 December 2023	1,262,026	1,142,683	163,641	2,568,350
Impairment losses and depreciation at 1 January 2023	480,770	783,410	145,442	1,409,622
Depreciation	360,579	85,515	6,000	452,094
Impairment losses and depreciation at 31 December 2023	841,349	868,925	151,442	1,861,716
Carrying amount at 31 December 2023	420,677	273,758	12,199	706,634
Depreciated over	3-4 years	4 years	4 years	

Right-of-use assets consists of rent of premises.

6 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2023	Short-term portion	Long-term portion	Outstanding debt after 5 years
Lease liabilities	461,069	392,434	68,635	0
	461,069	392,434	68,635	0

7 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Norvic Maritime Holdings Inc.	SSQ Place, 110 Sheppard Avenue East Suite 309 Toronto, Ontario M2N 6Y8, Canada	At the address of the Parent Company