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Crystal Nordic A/S

Galoche Alle 15
4600 Køge
CVR No. 37369306

Annual report 2019

The Annual General Meeting adopted the annual report on 06.05.2020

Bent Kemplar
Chairman of the General Meeting

Contents

Entity details

Entity

Crystal Nordic A/S

Galoche Alle 15

4600 Køge

CVR No.: 37369306

Registered office: Køge

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Bent Kemplar, Chairman
Jan Eghøj
Wilfried Fuhrmann

Executive Board

Jan Eghøj, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P. O. Box 1600
0900 Copenhagen C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Crystal Nordic A/S for the financial year 01.01.2019 - 31.12.2019.

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 Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Køge, 06.05.2020

Executive Board

Jan Eghøj
CEO

Board of Directors

Bent Kemplar
Chairman

Jan Eghøj

Wilfried Fuhrmann

Independent auditor's report

To the shareholders of Crystal Nordic A/S

Opinion

We have audited the financial statements of Crystal Nordic A/S for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including 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 Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 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.

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the management commentary.

Copenhagen, 06.05.2020

Deloitte Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bjarne Iver Jørgensen
State Authorised Public Accountant
Identification No (MNE) mne35659

Management commentary

Primary activities

The Company's business consists of conducting trade and industry, shipping globally, and financing.

The Company has no employees.

Description of material changes in activities and finances

In 2019 the Company had a negative result of 315 thousand EUR and a positve equity of 23.070 thousand EUR.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

COVID-19 outbreak in 2020 has until now not had any effect on the Company's activities as parent Company for its subsidiaries.

Income statement for 2019

	Notes	2019 EUR'000	2018 EUR '000
Revenue		0	3
Other operating income		555	2,706
Cost of sales		0	(78)
Other external expenses		(244)	(1,495)
Gross profit/loss		**311**	**1,136**
Staff costs	1	0	(954)
Operating profit/loss		**311**	**182**
Income from investments in group enterprises		(683)	2,067
Income from investments in associates		0	48
Other financial income		58	338
Other financial expenses		(1)	(69)
Profit/loss before tax		**(315)**	**2,566**
Tax on profit/loss for the year	2	0	(94)
Profit/loss for the year		**(315)**	**2,472**

Proposed distribution of profit and loss:			
Retained earnings		(315)	2,472
Proposed distribution of profit and loss		**(315)**	**2,472**

Balance sheet at 31.12.2019

Assets

	Notes	2019 EUR'000	2018 EUR'000
Investments in group enterprises		19,130	23,300
Other financial assets		**19,130**	**23,300**
Fixed assets		**19,130**	**23,300**
Trade receivables		0	2,126
Receivables from group enterprises		2,203	0
Other receivables		12	2
Prepayments		0	5
Receivables		**2,215**	**2,133**
Cash		**4,492**	**4,739**
Current assets		**6,707**	**6,872**
Assets		**25,837**	**30,172**

Equity and liabilities

	Notes	2019 EUR'000	2018 EUR'000
Contributed capital		1,219	1,219
Retained earnings		21,851	25,666
Equity		**23,070**	**26,885**
Trade payables		0	695
Payables to group enterprises		2,500	0
Income tax payable		0	82
Other payables		267	2,510
Current liabilities other than provisions		**2,767**	**3,287**
Liabilities other than provisions		**2,767**	**3,287**
Equity and liabilities		**25,837**	**30,172**
Contingent assets	3		
Contingent liabilities	4		
Transactions with related parties	5		
Group relations	6		

Statement of changes in equity for 2019

	Contributed capital EUR'000	Retained earnings EUR'000	Total EUR'000
Equity beginning of year	1,219	25,666	26,885
Ordinary dividend paid	0	(3,500)	(3,500)
Profit/loss for the year	0	(315)	(315)
Equity end of year	**1,219**	**21,851**	**23,070**

Notes

1 Staff costs

	2019 EUR'000	2018 EUR'000
Wages and salaries	0	857
Pension costs	0	75
Other social security costs	0	10
Other staff costs	0	12
	0	**954**

2 Tax on profit/loss for the year

	2019 EUR'000	2018 EUR'000
Current tax	0	99
Adjustment concerning previous years	0	(5)
	0	**94**

3 Contingent assets

The company has a potential deferred tax asset in the amount of EUR 23 thousand which the company has chosen not to recognise.

4 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Coral Tankers ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

5 Transactions with related parties

During the financial year, related party trancastions have been conducted on an arm's length basis.

6 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Coral Tankers ApS, Galoche Alle 15, 4600 Køge, Denmark. Business registration no. 39 16 43 53.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring tosection 110 / section 111 / section 112(1) / 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Revenue

Revenue is recognised in the income statement when:
- The income creating activities have been carried out on the basis of a binding agreement
- The income can be measured reliably
- It is probable that the economic benefits associated with the transaction will flow to the Company Costs relating to the transaction can be measured reliably

Revenue comprises freight and demurrage. Revenue is recognised when it meets the general criteria mentioned above and the stage of completion can be measured reliably. The stage of completion is based on the number of voyage days completed divided by the expected total voyage days for the individual voyage. Accordingly, freight revenue is recognised at selling price multiplied by stage of completion for voyages in progress at year-end.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises profit/loss after full elimination of intra-group profits or losses. Furthermore, income from investments in group enterprises comprises gains/losses from sale of group enterprises.

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates profit/loss after elimination of intra-group profits or losses. Furthermore, income from investments in associates comprises gains/losses from sale of associates.

Other financial income
Financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on payables and transactions in foreign currencies, amortisation of financial assets etc.

Other financial expenses
Financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on payables and transactions in foreign currencies, amortisation of financial liabilities etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Investments in group enterprises
Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises equity value plus or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at EUR 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.
Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.
Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually.
Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Income tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.