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# ***Maersk Broker Bulk Chartering A/S***

Midtermolen 1, DK-2100 Copenhagen Ø

## **Annual Report for 1 January - 31 December 2021**

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CVR No 37 37 14 75

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
04/5 2022

Anne Brown Frandsen  
Chairman of the General  
Meeting



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# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Maersk Broker Bulk Chartering A/S for the financial year 1 January - 31 December 2021.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2021.

In our opinion, 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.

Copenhagen, 8 April 2022

## Executive Board

Frank Mortensen

## Board of Directors

Anders Hald  
Chairman

Henrik Franck

Claus Riis Plougmand

Claes Devantier

Thomas Busk Stahl

Bjarne Wium-Ullerichs

Anders Boye

Frank Mortensen

# Independent Auditor's Report

To the Shareholders of Maersk Broker Bulk Chartering A/S

## Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Maersk Broker Bulk Chartering A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

## 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 are independent of the Group 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

# Independent Auditor's Report

## Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and 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 Group or 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 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 Company's and the Group'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 Group's and 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

## Independent Auditor's Report

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Hellerup, 4 May 2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Thomas Wraae Holm  
State Authorised Public Accountant  
mne30141

Kim Danstrup  
State Authorised Public Accountant  
mne32201

## Company Information

### The Company

Maersk Broker Bulk Chartering A/S  
Midtermolen 1  
DK-2100 Copenhagen Ø

CVR No: 37 37 14 75

Financial period: 1 January - 31 December

Municipality of reg. office: Copenhagen

### Board of Directors

Anders Hald, Chairman  
Henrik Franck  
Claus Riis Plougmand  
Claes Devantier  
Thomas Busk Stahl  
Bjarne Wium-Ullerichs  
Anders Boye  
Frank Mortensen

### Executive Board

Frank Mortensen

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

### Bankers

Danske Bank  
Holmens Kanal 2  
1060 København K

# Financial Highlights

Seen over a five-year period, the development of the Group is described by the following financial highlights:

	<b>Group</b>				
	2021 TDKK	2020 TDKK	2019 TDKK	2018 TDKK	2017 TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	224,242	109,717	129,362	104,327	29,376
Gross profit/loss	192,143	82,554	88,439	69,654	16,201
Profit/loss before financial income and expenses	59,039	1,454	-2,126	-6,587	-6,296
Net financials	4,464	-1,117	-2,828	-2,832	1,089
Net profit/loss for the year	53,260	-1,785	-8,813	-4,816	-4,734
<b>Balance sheet</b>					
Balance sheet total	148,714	77,057	112,039	88,145	28,262
Equity	45,474	-8,069	-5,065	-12,215	-7,317
<b>Cash flows</b>					
Cash flows from:					
- investing activities	-345	-153	6,516	-21,495	-2,753
Number of employees	72	75	83	63	17
<b>Ratios</b>					
Gross margin	85.7%	75.2%	68.4%	66.8%	55.2%
Profit margin	26.3%	1.3%	-1.6%	-6.3%	-21.4%

The figures from 2018 and onwards include Maersk Broker Bulk Chartering Asia Ltd. which was acquired on 1 January 2018.

The figures from 2019 and onwards include Wonsild Dry ApS and Maersk Broker America Ltd. which were acquired on 1 January 2019.



# Management's Review

## Key activities

Maersk Broker Bulk Chartering Group's activities has included ship broking in particular bulk chartering ship broking activities.

## Development in the year

The income statement of the Group for 2021 shows a profit of TDKK 53,260, and at 31 December 2021 the balance sheet of the Group shows equity of TDKK 45,474.

The Group increased turnover in 2021 compared to 2020. The result before net financials and acquisitions is higher than our expectations in Annual Report 2020.

## Expectation for 2022

For 2022, we expect a result before net financials to be lower than 2021, although with a high degree of uncertainty due to the situation in Russia and Ukraine

## External environment

Maersk Broker Bulk Chartering Group assumes its share of responsibility to help solve the challenges of the environment and climate, although the direct impact is considered to be limited.

## Subsequent events

No events materially affecting the assessment of The Annual Report and the group's financial position for 2022 have occurred after the balance sheet date, however it is uncertain how the situation in Russia and Ukraine will influence the business.

## Income Statement 1 January - 31 December

	Note	Group		Parent Company	
		2021 TDKK	2020 TDKK	2021 TDKK	2020 TDKK
<b>Revenue</b>		<b>224,242</b>	<b>109,717</b>	<b>68,915</b>	<b>35,492</b>
Other external expenses		<u>-32,099</u>	<u>-27,163</u>	<u>-8,603</u>	<u>-7,169</u>
<b>Gross profit/loss</b>		<b>192,143</b>	<b>82,554</b>	<b>60,312</b>	<b>28,323</b>
Staff expenses	1	-128,053	-72,950	-45,061	-29,617
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-5,051</u>	<u>-8,150</u>	<u>-1,368</u>	<u>-1,837</u>
<b>Profit/loss before financial income and expenses</b>		<b>59,039</b>	<b>1,454</b>	<b>13,883</b>	<b>-3,131</b>
Income from investments in subsidiaries		0	0	38,294	2,348
Income from investments in associates		2,373	-59	476	-1,069
Financial income	2	2,968	1,528	1,301	1,496
Financial expenses	3	<u>-877</u>	<u>-2,586</u>	<u>-473</u>	<u>-1,429</u>
<b>Profit/loss before tax</b>		<b>63,503</b>	<b>337</b>	<b>53,481</b>	<b>-1,785</b>
Tax on profit/loss for the year	4	<u>-10,243</u>	<u>-2,122</u>	<u>-221</u>	<u>0</u>
<b>Net profit/loss for the year</b>		<b>53,260</b>	<b>-1,785</b>	<b>53,260</b>	<b>-1,785</b>

# Balance Sheet 31 December

## Assets

	Note	Group		Parent Company	
		2021 TDKK	2020 TDKK	2021 TDKK	2020 TDKK
Acquired other rights		2,784	5,871	697	1,395
Goodwill		2,599	4,061	1,251	1,876
<b>Intangible assets</b>	5	<b>5,383</b>	<b>9,932</b>	<b>1,948</b>	<b>3,271</b>
Other fixtures and fittings, tools and equipment		153	0	0	0
<b>Property, plant and equipment</b>		<b>153</b>	<b>0</b>	<b>0</b>	<b>0</b>
Investments in subsidiaries	6	0	0	44,199	20,610
Investments in associates	7	4,430	2,025	1,245	621
<b>Fixed asset investments</b>		<b>4,430</b>	<b>2,025</b>	<b>45,444</b>	<b>21,231</b>
<b>Fixed assets</b>		<b>9,966</b>	<b>11,957</b>	<b>47,392</b>	<b>24,502</b>
Trade receivables		51,725	25,257	8,105	5,926
Receivables from group enterprises		0	894	1,207	358
Receivables from associates		600	401	0	0
Other receivables		2,070	2,433	598	1,031
Deferred tax asset	10	7,091	4,278	2,559	2,858
Corporation tax		3	312	0	0
Prepayments	8	491	2,139	103	1,631
<b>Receivables</b>		<b>61,980</b>	<b>35,714</b>	<b>12,572</b>	<b>11,804</b>
<b>Cash at bank and in hand</b>		<b>76,768</b>	<b>29,386</b>	<b>16,505</b>	<b>10,070</b>
<b>Currents assets</b>		<b>138,748</b>	<b>65,100</b>	<b>29,077</b>	<b>21,874</b>
<b>Assets</b>		<b>148,714</b>	<b>77,057</b>	<b>76,469</b>	<b>46,376</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	Group		Parent Company	
		2021 TDKK	2020 TDKK	2021 TDKK	2020 TDKK
Share capital		1,217	1,217	1,217	1,217
Reserve for net revaluation under the equity method		576	0	576	0
Retained earnings		43,681	-9,286	43,681	-9,286
<b>Equity</b>		<b>45,474</b>	<b>-8,069</b>	<b>45,474</b>	<b>-8,069</b>
Provisions relating to investments in group enterprises		0	0	2,470	2,097
<b>Provisions</b>		<b>0</b>	<b>0</b>	<b>2,470</b>	<b>2,097</b>
Long-term payables to group enterprises		6,266	19,737	319	14,407
Other payables		2,027	1,670	2,679	1,670
<b>Long-term debt</b>	11	<b>8,293</b>	<b>21,407</b>	<b>2,998</b>	<b>16,077</b>
Credit institutions		0	23,821	0	23,821
Trade payables		1,233	948	204	458
Short-term payables to group enterprises	11	14,591	21,064	4,768	4,642
Corporation tax		12,204	2,703	0	0
Other payables	11	66,919	15,183	20,555	7,350
<b>Short-term debt</b>		<b>94,947</b>	<b>63,719</b>	<b>25,527</b>	<b>36,271</b>
<b>Debt</b>		<b>103,240</b>	<b>85,126</b>	<b>28,525</b>	<b>52,348</b>
<b>Liabilities and equity</b>		<b>148,714</b>	<b>77,057</b>	<b>76,469</b>	<b>46,376</b>
Subsequent events	15				
Distribution of profit	9				
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## Statement of Changes in Equity

### Group

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1,217	0	-9,286	-8,069
Exchange adjustments relating to foreign entities	0	0	395	395
Fair value adjustment of hedging instruments, end of year	0	0	-112	-112
Net profit/loss for the year	0	576	52,684	53,260
<b>Equity at 31 December</b>	<b>1,217</b>	<b>576</b>	<b>43,681</b>	<b>45,474</b>

### Parent Company

Equity at 1 January	1,217	0	-9,286	-8,069
Exchange adjustments relating to foreign entities	0	0	395	395
Fair value adjustment of hedging instruments, end of year	0	0	-112	-112
Net profit/loss for the year	0	576	52,684	53,260
<b>Equity at 31 December</b>	<b>1,217</b>	<b>576</b>	<b>43,681</b>	<b>45,474</b>

## Cash Flow Statement 1 January - 31 December

	Note	Group	
		2021 TDKK	2020 TDKK
Net profit/loss for the year		53,260	-1,785
Adjustments	12	8,186	10,447
Change in working capital	16	23,812	-12,806
<b>Cash flows from operating activities before financial income and expenses</b>		<b>85,258</b>	<b>-4,144</b>
Financial income		-2,968	1,528
Financial expenses		-876	-2,586
<b>Cash flows from ordinary activities</b>		<b>81,414</b>	<b>-5,202</b>
Corporation tax paid		-355	-3,269
<b>Cash flows from operating activities</b>		<b>81,059</b>	<b>-8,471</b>
Investment in associates		-192	-153
Purchase of property, plant and equipment		-153	0
<b>Cash flows from investing activities</b>		<b>-345</b>	<b>-153</b>
Repayment of loans from credit institutions		-23,821	-778
Repayment of payables to group enterprises		-13,471	-20,156
Repayment of other long-term debt		-1,670	0
Raising of loans from group enterprises		0	11,188
Raising of other long-term debt		0	1,020
<b>Cash flows from financing activities</b>		<b>-38,962</b>	<b>-8,726</b>
<b>Change in cash and cash equivalents</b>		<b>41,752</b>	<b>-17,350</b>
Cash and cash equivalents at 1 January		29,386	47,418
Exchange adjustment of current asset investments		5,630	-682
<b>Cash and cash equivalents at 31 December</b>		<b>76,768</b>	<b>29,386</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		76,768	29,386
<b>Cash and cash equivalents at 31 December</b>		<b>76,768</b>	<b>29,386</b>

# Notes to the Financial Statements

	Group		Parent Company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
<b>1 Staff expenses</b>				
Wages and salaries	113,434	59,370	39,759	24,794
Pensions	4,128	3,881	1,046	1,079
Other social security expenses	1,322	1,572	145	31
Other staff expenses	9,169	8,127	4,111	3,713
	<b>128,053</b>	<b>72,950</b>	<b>45,061</b>	<b>29,617</b>
<b>Average number of employees</b>	<b>72</b>	<b>75</b>	<b>20</b>	<b>20</b>

The total management remuneration to the Executive Board and Board of Directors for the Parent Company and Group amounts to DKK 3,732k (2020: DKK 2,519k) for their management function in the Company. Where remuneration is paid by other companies in the Maersk Broker Group, the amount includes part of the group management fee paid to the Maersk Broker Group.

## 2 Financial income

Income from fixed asset investments	20	0	0	0
Other financial income	27	55	6	23
Exchange gains	2,921	1,473	1,295	1,473
	<b>2,968</b>	<b>1,528</b>	<b>1,301</b>	<b>1,496</b>

## 3 Financial expenses

Interest paid to group enterprises	645	1,563	291	1,187
Other financial expenses	232	245	182	242
Exchange loss	0	778	0	0
	<b>877</b>	<b>2,586</b>	<b>473</b>	<b>1,429</b>

## Notes to the Financial Statements

	Group		Parent Company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
<b>4 Tax on profit/loss for the year</b>				
Current tax for the year	13,038	2,667	0	0
Deferred tax for the year	-2,795	-545	221	0
	<b>10,243</b>	<b>2,122</b>	<b>221</b>	<b>0</b>

## 5 Intangible assets

### Group

	Acquired other rights TDKK	Goodwill TDKK
Cost at 1 January	41,493	10,057
Exchange adjustment	519	0
Cost at 31 December	42,012	10,057
Impairment losses and amortisation at 1 January	35,622	5,996
Exchange adjustment	476	0
Amortisation for the year	3,130	1,462
Impairment losses and amortisation at 31 December	39,228	7,458
<b>Carrying amount at 31 December</b>	<b>2,784</b>	<b>2,599</b>

### Parent Company

	Acquired other rights TDKK	Goodwill TDKK
Cost at 1 January	7,276	3,126
Exchange adjustment	519	0
Cost at 31 December	7,795	3,126
Impairment losses and amortisation at 1 January	5,881	1,250
Exchange adjustment	476	0
Amortisation for the year	741	625
Impairment losses and amortisation at 31 December	7,098	1,875
<b>Carrying amount at 31 December</b>	<b>697</b>	<b>1,251</b>



## Notes to the Financial Statements

	Parent Company	
	2021 TDKK	2020 TDKK
<b>6 Investments in subsidiaries</b>		
Cost at 1 January	42,005	42,005
Cost at 31 December	42,005	42,005
Value adjustments at 1 January	-23,462	3,535
Exchange adjustment	395	-1,219
Net profit/loss for the year	41,143	8,003
Dividend to the Parent Company	-15,503	-28,156
Amortisation of intangible assets, net of tax	-2,849	-5,655
Value adjustments at 31 December	-276	-23,492
Equity investments with negative net asset value transferred to provisions	2,470	2,097
<b>Carrying amount at 31 December</b>	<b>44,199</b>	<b>20,610</b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Maersk Broker Bulk Chartering Asia Ltd.	Hong Kong	HKD 250k	100%
Wonsild Dry ApS	Copenhagen	DKK 1.000k	100%
Maersk Broker America Inc.	USA	USD 550K	100%

## Notes to the Financial Statements

	Group		Parent Company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
<b>7 Investments in associates</b>				
Cost at 1 January	2,852	2,922	1,429	823
Exchange adjustment	177	-223	0	0
Additions for the year	192	153	148	606
Disposals for the year	-434	0	0	0
Cost at 31 December	<u>2,787</u>	<u>2,852</u>	<u>1,577</u>	<u>1,429</u>
Value adjustments at 1 January	-827	-820	-808	261
Disposals for the year	700	0	0	0
Exchange adjustment	-124	52	0	0
Net profit/loss for the year	<u>1,894</u>	<u>-59</u>	<u>476</u>	<u>-1,069</u>
Value adjustments at 31 December	<u>1,643</u>	<u>-827</u>	<u>-332</u>	<u>-808</u>
<b>Carrying amount at 31 December</b>	<b><u>4,430</u></b>	<b><u>2,025</u></b>	<b><u>1,245</u></b>	<b><u>621</u></b>

Investments in associates for the parent company are specified as follows:

- Maersk Broker Albis Bulk Chartering GmbH, Germany, 50%
- Maersk Broker Bulk Chartering (Thailand) Ltd., Thailand, 49%
- Wonsild A/S, Gentofte, 50%.

The Group has in 2019 and 2021 acquired a non-controlling interest in Naodan Chartering Inc (USA) and agreed to acquire remaining shares up until 2024. The subsequent acquisitions of the remaining shares will be acquired at a price equalling fair value at the acquisition time.

# Notes to the Financial Statements

## 8 Prepayments

Prepayments in the group primarily consists of operating costs relating to the following years, including education and bonus, etc. which will be expensed in 2022.

## 9 Distribution of profit

Reserve for net revaluation under the equity method  
Retained earnings

Parent Company	
2021	2020
TDKK	TDKK
576	0
52,684	-1,785
<b>53,260</b>	<b>-1,785</b>

## 10 Deferred tax asset

The Company's and the Group's deferred tax asset relates mainly to tax loss carryforwards in Maersk Broker Bulk Chartering A/S. Management expects to utilize the deferred tax asset in the next 1-2 years.

## 11 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent Company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
<b>Long-term payables to group enterprises</b>				
After 5 years	0	5,330	0	0
Between 1 and 5 years	6,266	14,407	319	14,407
Long-term part	6,266	19,737	319	14,407
Other short-term debt to group enterprises	14,591	21,064	4,768	4,642
	<b>20,857</b>	<b>40,801</b>	<b>5,087</b>	<b>19,049</b>

# Notes to the Financial Statements

## 11 Long-term debt (continued)

	Group		Parent Company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
<b>Other payables</b>				
Between 1 and 5 years	2,027	1,670	2,679	1,670
Long-term part	2,027	1,670	2,679	1,670
Other short-term payables	66,919	15,183	20,555	7,350
	<b>68,946</b>	<b>16,853</b>	<b>23,234</b>	<b>9,020</b>

## 12 Cash flow statement - adjustments

	Group	
	2021	2020
	TDKK	TDKK
Financial income	-2,968	-1,528
Financial expenses	877	2,586
Depreciation, amortisation and impairment losses, including losses and gains on sales	5,051	8,150
Income from investments in associates	-2,373	59
Tax on profit/loss for the year	10,243	2,122
Other adjustments	-2,644	-942
	<b>8,186</b>	<b>10,447</b>

# Notes to the Financial Statements

## 13 Contingent assets, liabilities and other financial obligations

### Contingent liabilities

The Danish group companies under Maersk Broker Holding A/S are jointly and separately liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Maersk Broker Holding A/S, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and separately 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.

## 14 Related parties

### Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act. All transactions have been made on an arm's length basis.

### Consolidated Financial Statements

The Company and Group is included in the consolidated report for the ultimate parent company:

<u>Name</u>	<u>Place of registered office</u>
Maersk Broker K/S	Midtermolen 1 2100 Copenhagen Ø

## 15 Subsequent events

No events materially affecting the assessment of the Annual Report and the group's financial position for 2021 have occurred after the balance sheet date.

## Notes to the Financial Statements

### 16 Cash flow statement - change in working capital

	Group	
	2021	2020
	TDKK	TDKK
Change in receivables	-23,762	9,579
Change in trade payables, etc	47,574	-22,385
	<b>23,812</b>	<b>-12,806</b>

# Notes to the Financial Statements

## 17 Accounting Policies

The Annual Report of Maersk Broker Bulk Chartering A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. 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 flow 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 will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Maersk Broker Bulk Chartering A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates. Enterprises under common control (joint ventures) are included in the consolidated financial statements pro rata.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

### Business combinations

# Notes to the Financial Statements

## 17 Accounting Policies (continued)

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred. Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement over its estimated useful life (up to 8 years). Any remaining negative differences are recognised as income in the income statement at the date of acquisition.

The time of acquisition is the time when the Group obtains control of the entity acquired.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

### Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.



# Notes to the Financial Statements

## 17 Accounting Policies (continued)

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

### Hedge accounting

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

## Income Statement

### Revenue

Revenue from commission income is recognised when the risks and rewards have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

### Staff expenses

Staff expenses comprise salaries, pensions as well as other payroll expenses.

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets.

# Notes to the Financial Statements

## 17 Accounting Policies (continued)

### **Income from investments in subsidiaries and associates**

The items “Income from investments in subsidiaries” and “Income from investments in associates” in the income statement include the proportionate share of the profit for the year.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

### **Tax on profit/loss for the year**

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with other Danish entities owned by Maersk Broker Holding A/S. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## **Balance Sheet**

### **Intangible assets**

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised in the income statement over its estimated useful life as the underlying revenue is realised; however not exceeding 5-8 years.

# Notes to the Financial Statements

## 17 Accounting Policies (continued)

Acquired rights are measured at the lower of cost less accumulated amortisation and impairments to recoverable amount. Acquired rights are amortised as the underlying revenue from acquired customer contracts is realised; however not exceeding 5-8 years.

### **Property, plant and equipment**

Property, plant and equipment is capitalized when the cost incurred is expected to provide future economic benefits. Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets.

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

### **Impairment of fixed assets**

The carrying amounts of intangible assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

### **Investments in subsidiaries and associates**

Investments in subsidiaries and associates are recognised and measured under the equity method.

The items "Investments in subsidiaries" and "Investments in associates" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised inter-company profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries and the associates.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0. Any legal or con-

# Notes to the Financial Statements

## 17 Accounting Policies (continued)

structive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

### Prepayments

Prepayments comprise prepaid expenses concerning education and prepaid employee cost for future accounting periods.

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

# Notes to the Financial Statements

## 17 Accounting Policies (continued)

### Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

#### Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

#### Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

#### Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

#### Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

### Financial Highlights

#### Explanation of financial ratios

Gross margin

$$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

Profit margin

$$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$$