

MB Shipbrokers Bulk Chartering A/S

Midtermolen 1, 2100 Copenhagen Ø

CVR no. 37 37 14 75

Annual report 2023

Approved at the Company's annual general meeting on 24 April 2024

Chair of the meeting:



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Anders Hald

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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 MB Shipbrokers Bulk Chartering A/S for the financial year 1 January - 31 December 2023.

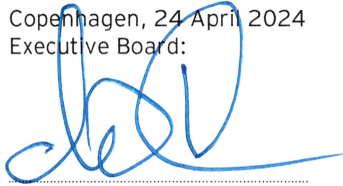
The annual report is prepared in accordance with the Danish Financial Statements Act.

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.

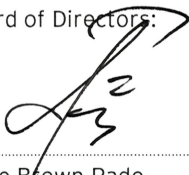
We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 24 April 2024
Executive Board:



Anders Hald
CEO

Board of Directors:



Anne Brown Pade
Chair



Anders Hald



Henrik Franck

Independent auditor's report

To the shareholder of MB Shipbrokers Bulk Chartering A/S

Opinion

We have audited the financial statements of MB Shipbrokers Bulk Chartering A/S 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.

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.

Independent auditor's report

- ▶ 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, 24 April 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28


Mikkel Sthyr
State Authorised Public Accountant
mne26693


Ole Becker
State Authorised Public Accountant
mne33732

Management's review

Company details

Name	MB Shipbrokers Bulk Chartering A/S
Address, Postal code, City	Midtermolen 1, 2100 Copenhagen Ø
CVR no.	37 37 14 75
Established	7 January 2016
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Anne Brown Pade, Chair Anders Hald Henrik Franck
Executive Board	Anders Hald, CEO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

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

Financial review

The income statement for 2023 shows a profit of DKK 7,202,635 against a profit of DKK 57,456,070 last year, and the balance sheet at 31 December 2023 shows equity of DKK 54,105,106.

The decrease in result is due to a general lower broker activity.

The result is overall satisfactory.

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
	Revenue	31,324,878	65,499,195
	Other external expenses	-11,416,727	-10,470,295
	Gross profit	19,908,151	55,028,900
2	Staff costs	-15,517,724	-34,340,367
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-241,506	-1,683,000
	Profit before net financials	4,148,921	19,005,533
	Income from investments in group enterprises	2,480,103	42,925,167
	Income/loss from investments in Participating interests	-903,742	371,188
3	Financial income	959,640	1,850,446
4	Financial expenses	-162,225	-67,264
	Profit before tax	6,522,697	64,085,070
5	Tax for the year	679,938	-6,629,000
	Profit for the year	7,202,635	57,456,070
	Recommended appropriation of profit		
	Proposed dividend for the financial year	18,000,000	10,000,000
	Extraordinary dividend for the financial year	15,000,000	30,000,000
	Net revaluation reserve according to the equity method	-7,425,044	6,849,000
	Retained earnings/accumulated loss	-18,372,321	10,607,070
		7,202,635	57,456,070

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2023</u>	<u>2022</u>
	ASSETS		
	Fixed assets		
6	Intangible assets		
	Order backlog	49,494	291,000
	Goodwill	0	0
		<u>49,494</u>	<u>291,000</u>
7	Investments		
	Investments in group entities	41,482,869	51,850,000
	Investments in Participating interests	0	1,264,000
		<u>41,482,869</u>	<u>53,114,000</u>
	Total fixed assets	<u>41,532,363</u>	<u>53,405,000</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	3,089,522	4,722,000
	Receivables from group entities	0	117,000
8	Deferred tax assets	1,365,949	1,901,411
	Other receivables	0	698,525
9	Prepayments	171,013	18,155
		<u>4,626,484</u>	<u>7,457,091</u>
	Cash	<u>23,175,530</u>	<u>40,539,493</u>
	Total non-fixed assets	<u>27,802,014</u>	<u>47,996,584</u>
	TOTAL ASSETS	<u><u>69,334,377</u></u>	<u><u>101,401,584</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2023</u>	<u>2022</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	1,217,500	1,217,500
	Net revaluation reserve according to the equity method	0	7,425,044
	Retained earnings	34,887,606	55,467,508
	Dividend proposed	<u>18,000,000</u>	<u>10,000,000</u>
	Total equity	<u>54,105,106</u>	<u>74,110,052</u>
	Provisions		
7	Provision, investments in group enterprises	<u>1,046,773</u>	<u>2,459,000</u>
	Total provisions	<u>1,046,773</u>	<u>2,459,000</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	224,651	137,336
	Payables to group entities	5,151,322	5,000,000
	Joint taxation contribution payable	1,675,418	5,971,000
	Other payables	<u>7,131,107</u>	<u>13,724,196</u>
		<u>14,182,498</u>	<u>24,832,532</u>
	Total liabilities other than provisions	<u>14,182,498</u>	<u>24,832,532</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>69,334,377</u></u>	<u><u>101,401,584</u></u>

- 1 Accounting policies
- 10 Contractual obligations and contingencies, etc.
- 11 Security and collateral
- 12 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Dividend proposed	Total
DKK					
Equity at 1 January 2022	1,217,500	576,044	43,681,438	0	45,474,982
Transfer through appropriation of profit	0	6,849,000	40,607,070	10,000,000	57,456,070
Adjustment of investments through foreign exchange adjustments	0	0	901,000	0	901,000
Adjustment of hedging instruments at fair value	0	0	278,000	0	278,000
Distributed extraordinary dividend recognised under equity	0	0	-30,000,000	0	-30,000,000
Equity at 1 January 2023	1,217,500	7,425,044	55,467,508	10,000,000	74,110,052
Transfer through appropriation of profit	0	-7,425,044	-3,372,321	18,000,000	7,202,635
Other value adjustments of equity	0	0	-2,207,581	0	-2,207,581
Dividend distributed	0	0	0	-10,000,000	-10,000,000
Distributed extraordinary dividend recognised under equity	0	0	-15,000,000	0	-15,000,000
Equity at 31 December 2023	1,217,500	0	34,887,606	18,000,000	54,105,106

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of MB Shipbrokers Bulk Chartering A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

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

Income statement

Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition for the consolidated financial statements and parent company financial statements.

On the conclusion of sales contracts that consist of several separate sales transactions, the contract price is split up into the individual sales transactions based on the relative fair value approach. The separate sales transactions are recognised as revenue when the criteria for sale of goods, services or construction contracts are met.

A contract is split up into individual transactions when the fair value of each individual sales transaction can be estimated reliably and when each individual sales transaction represents a stand-alone value for the buyer. Sales transactions are deemed to have a stand-alone value for the buyer when the transaction is individually identifiable and usually sold separately.

Revenue is measured at the fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

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.

Amortisation

The item comprises amortisation of intangible assets.

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

Order backlog	1-7 years
Goodwill	5 years

Profit/loss from investments in group entities and participating interests

The income statement includes the proportional share of the underlying companies' profit or loss after elimination of internal profit/loss and after tax. In group entities, the full elimination of internal profit and loss is carried out without regard to ownership shares. In participating interests, only proportional elimination of profit and loss is carried out, taking into account ownership shares.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Goodwill is amortised over the expected economic life of the asset. Goodwill is amortised on a straight-line basis over the amortisation period, which is 5 years. The amortisation period is fixed on the basis of the expected repayment horizon and is longest for strategically acquired entities with strong market positions and long-term earnings profiles.

Intangible assets consist of order backlog and goodwill. On initial recognition, intangible assets are measured at cost. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Amortisation is made over the estimated economic life without the determination of a residual value. Costs relating to order backlog are amortised over 1-7 years. Amortisation is based on the residual value of the asset after the end of the useful life and is reduced by impairment losses, if any. The amortisation and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further amortisation charges are recognised. In case of changes in the amortisation period or the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates. Amortisation is recognised in the income statement as depreciation and amortisation.

Intangible assets are measured at the lower of cost less accumulated amortisation and recoverable amount. Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively. Gains and losses on the disposal of development projects, patents and licences are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Development costs and internally accumulated rights are recognised in the income statement as costs in the year of acquisition.

Investments in group entities and participating interests

Equity investments in group entities and participating interests are measured according to the equity method.

On initial recognition, equity investments in group entities and participating interests are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in group entities and participating interests measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of fixed assets

The carrying amount of intangible assets, investments in group entities and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

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.

Prepayments

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

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in group entities and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

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.

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.

Payables to credit institutions

Mortgage debt is recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, mortgage debt is measured at amortised cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

Other payables

Other payables are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2023	2022	
2 Staff costs			
Wages/salaries	14,867,840	29,854,705	
Pensions	562,311	1,003,965	
Other social security costs	87,573	140,697	
Other staff costs	0	3,341,000	
	<u>15,517,724</u>	<u>34,340,367</u>	
	2023	2022	
Average number of full-time employees	<u>13</u>	<u>18</u>	
<p>Remuneration of the Executive board and the Board of Directors are not separated into categories in accordance with section 98b(3) of the Danish Financial Statements Act. The total remuneration of the Executive Board and the Board of Directors amounts to DKK 3,022 thousand (2022: DKK 4,116 thousand).</p>			
3 Financial income			
Other interest income	959,640	222,624	
Exchange adjustments	0	1,627,822	
	<u>959,640</u>	<u>1,850,446</u>	
4 Financial expenses			
Other interest expenses	38,543	67,264	
Exchange adjustments	123,682	0	
	<u>162,225</u>	<u>67,264</u>	
5 Tax for the year			
Estimated tax charge for the year	-1,215,400	5,971,000	
Deferred tax adjustments in the year	535,462	658,000	
	<u>-679,938</u>	<u>6,629,000</u>	
6 Intangible assets			
DKK	Order backlog	Goodwill	Total
Cost at 1 January 2023	<u>8,215,000</u>	<u>3,126,000</u>	<u>11,341,000</u>
Cost at 31 December 2023	<u>8,215,000</u>	<u>3,126,000</u>	<u>11,341,000</u>
Impairment losses and amortisation at 1 January 2023	7,924,000	3,126,000	11,050,000
Amortisation for the year	<u>241,506</u>	<u>0</u>	<u>241,506</u>
Impairment losses and amortisation at 31 December 2023	<u>8,165,506</u>	<u>3,126,000</u>	<u>11,291,506</u>
Carrying amount at 31 December 2023	<u>49,494</u>	<u>0</u>	<u>49,494</u>

Financial statements 1 January - 31 December

Notes to the financial statements

7 Investments

DKK	Investments in group entities	Investments in Participating interests	Total
Cost at 1 January 2023	42,005,000	1,225,000	43,230,000
Disposals	0	-1,225,000	-1,225,000
Cost at 31 December 2023	42,005,000	0	42,005,000
Value adjustments at 1 January 2023	9,845,000	39,000	9,884,000
Foreign exchange adjustments	-3,490,265	0	-3,490,265
Dividend received	-9,500,000	0	-9,500,000
Profit/loss for the year	2,480,103	-903,742	1,576,361
Reversal of impairment losses on assets disposed	0	-39,000	-39,000
Transfer due to obtain of control	-903,742	903,742	0
Value adjustments at 31 December 2023	-1,568,904	0	-1,568,904
Carrying amount at 31 December 2023	40,436,096	0	40,436,096
Carrying amount is specified as follows:			
Total Assets	41,482,869		
Total Equity and Liabilities	-1,046,773		
	40,436,096		

Group entities

Name	Domicile	Interest
Maersk Broker Bulk Chartering Asia Ltd.	Hong Kong	100%
Wonsild Dry ApS	Denmark	100%
Maersk Broker America Inc.	USA	100%

8 Deferred tax assets

The Company's deferred tax asset relates mainly to tax loss carryforwards in MB Shipbrokers Bulk Chartering A/S. Management expects to utilize the deferred tax asset in the next 1-3 years.

9 Prepayments

Prepayments in the company primarily consists of operating costs relating to the following years which will be expensed in 2024.

10 Contractual obligations and contingencies, etc.

The Company is jointly taxed with its ultimate parent, MBEB Holding ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes onwards as well as withholding taxes on interest, royalties and dividends falling due for payment.

11 Security and collateral

The Company has not provided any security or other collateral in assets at 31 December 2023.

Financial statements 1 January - 31 December

Notes to the financial statements

12 Related parties

MB Shipbrokers Bulk Chartering A/S' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
MB Shipbrokers Holding A/S	Copenhagen Ø	Ownership

Related party transactions

MB Shipbrokers Bulk Chartering A/S was engaged in the below related party transactions:

<u>DKK</u>	<u>2023</u>
Purchase of goods and services from group entities	9,426,960
Dividend paid	25,000,000
Dividend received	9,500,000
Payables to group entities	5,151,322
Joint taxation contribution payable	1,664,932

Apart from the distribution of dividend, no other transactions were carried out with shareholders during the year.