Deloitte.

Thorco Capital III ApS

Svanemøllevej 17
2100 København Ø
CVR No. 37557463

Annual report 2022

The Annual General Meeting adopted the annual report on 09.06.2023

Jesper Malik Møller Ringsholm
Chairman of the General Meeting

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Entity details

Entity

Thorco Capital III ApS
Svanemøllevej 17
2100 København Ø

Business Registration No.: 37557463
Registered office: København
Financial year: 01.01.2022 - 31.12.2022

Executive Board

Thor Stadil
Ronald Lambertus Maria Bouwens

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Tværkajen 5
P. O. Box 10
5100 Odense

Statement by Management

The Executive Board has today considered and approved the annual report of Thorco Capital III ApS for the financial year 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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.

Hellerup, 09.06.2023

Executive Board

Thor Stadil **Ronald Lambertus Maria Bouwens**

Independent auditor's report

To the shareholder of Thorco Capital III ApS

Qualified opinion

We have audited the financial statements of Thorco Capital III ApS for the financial year 01.01.2022 - 31.12.2022, 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, except for the possible effect of the matter described in the "Basis for qualified opinion" section, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for qualified opinion

The Company's investment in the associated company: SCG Holding B.V, the Netherlands, is recognised and measured under the equity method. At year-end 2022, the carrying amount of the associate in the balance sheet is USD 1,486,379 which have not changed since previous years. There have not been recognized any amounts in the income statement, due to uncertanity of the associated company.

It has not been possible to obtain sufficient and appropriate audit evidence for the amounts recognised for the associate as the associate is not subject to statutory audit and it has not been possible to obtain accounting records from the associated entity.

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 qualified 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.

Odense, 09.06.2023

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Gert Rasmussen
State Authorised Public Accountant
Identification No (MNE) mne35430

Management commentary

Primary activities

The activity of the Company is investment in and operations of assets and companies with relations to ships and operation of ships.

Description of material changes in activities and finances

No material changes in acticities.

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.

Income statement for 2022

	Notes	2022 USD	2021 USD
Gross profit/loss		**(45,225)**	**(184,839)**
Income from investments in group enterprises		(6,481)	0
Other financial income		43,311	69,984
Other financial expenses		(61,301)	(103,645)
Profit/loss before tax		**(69,696)**	**(218,500)**
Tax on profit/loss for the year	2	56,023	177,433
Profit/loss for the year		**(13,673)**	**(41,067)**
Proposed distribution of profit and loss			
Retained earnings		(13,673)	(41,067)
Proposed distribution of profit and loss		**(13,673)**	**(41,067)**

Balance sheet at 31.12.2022

Assets

	Notes	2022 USD	2021 USD
Investments in group enterprises		31,985	53,001
Investments in associates		1,486,379	1,486,379
Financial assets	3	**1,518,364**	**1,539,380**
Fixed assets		**1,518,364**	**1,539,380**
Receivables from group enterprises		42,116	0
Other receivables		5,732	0
Joint taxation contribution receivable		13,907	0
Receivables		**61,755**	**0**
Cash		**126**	**124**
Current assets		**61,881**	**124**
Assets		**1,580,245**	**1,539,504**

Equity and liabilities

	Notes	2022 USD	2021 USD
Contributed capital		7,521	7,521
Reserve for net revaluation according to the equity method		1,454,091	1,421,430
Retained earnings		(1,105,724)	(1,059,390)
Equity		**355,888**	**369,561**
Other provisions		1,154,843	1,150,000
Provisions		**1,154,843**	**1,150,000**
Trade payables		3,765	3,808
Payables to group enterprises		65,749	16,135
Current liabilities other than provisions		**69,514**	**19,943**
Liabilities other than provisions		**69,514**	**19,943**
Equity and liabilities		**1,580,245**	**1,539,504**
Going concern	1		
Employees	4		
Contingent liabilities	5		
Group relations	6		

Statement of changes in equity for 2022

	Contributed capital USD	Reserve for net revaluation according to the equity method USD	Retained earnings USD	Total USD
Equity beginning of year	7,521	1,421,430	(1,059,390)	369,561
Transfer to reserves	0	32,661	(32,661)	0
Profit/loss for the year	0	0	(13,673)	(13,673)
Equity end of year	**7,521**	**1,454,091**	**(1,105,724)**	**355,888**

Notes

1 Going concern

The Company is dependent on financial support from the Group. In order for the Company to continue as a going concern it must be possible for the company to rely on the Group to procure liquidity for continued operations.

A written agreements securing continued operations have been made. Consequently, the Company's ability to continue as a going concern, and thus its ability to meet its commitments as they fall due, is expected to be fullfiled. At present, the Company is being financed by the Group when needed. Management expects that this will also be possible going forward. Therefore, the Financial Statements have been prepared on the basis of the going concern assumption.

2 Tax on profit/loss for the year

	2022 USD	2021 USD
Current tax	(13,907)	0
Adjustment concerning previous years	(42,116)	(177,433)
	(56,023)	**(177,433)**

3 Financial assets

	Investments in group enterprises USD	Investments in associates USD
Cost beginning of year	30,677	33,596
Cost end of year	**30,677**	**33,596**
Revaluations beginning of year	22,324	1,452,783
Exchange rate adjustments	(2,409)	0
Share of profit/loss for the year	(6,481)	0
Other adjustments	(12,126)	0
Revaluations end of year	**1,308**	**1,452,783**
Carrying amount end of year	**31,985**	**1,486,379**

Investments in subsidiaries	Registered in	Equity interest %
Thorco Shipping Germany GmbH	Bremen	60

Investments in associates	Registered in	Equity interest %
SCG Holding B.V.	Groningen	20

4 Employees

The Company has no employees.

5 Contingent liabilities

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

6 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group: Thornico Holding A/S. Odense, Denmark

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 a few provisions for reporting class C.

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

The Financial Statement for 2022 are presented in USD with USD exchange rate 697.22 at 31 December 2022 (31 December 2021 - USD 656.12)

Consolidated financial statements

Referring to section 112(1) 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 the income statements are translated at average exchange rates for the year. Balance sheet items are translated using the exchange rates at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' and associate's 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 recognised directly in equity.

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

Income statement

Gross profit or loss

With reference to section 32 of the Danish Financial Statements Act, gross loss is calculated as a summary of revenue and other external expenseses.

Other external expenses

Other operating expenses comprise expenses relating to the Company's ordinary activities, including general corporate cost.

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.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, currency gains , and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprises reservations for legal disputes over financial assets, interest expenses, including interest expenses on payables to group enterprises, currency losses, and tax surcharge under the Danish Tax Prepayment Scheme 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 Company is participating in a joint-taxation scheme. The current income tax is allocated among the jointly taxed companies 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 unrealised intra-group profits or losses.

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 in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

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

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to reserve for net revaluation according to the equity method in equity.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Investments in associates fall within the definitions of both participating interests and associates, yet in the financial statements they have been presented as investments in associates because this designation reflects more accurately the Company's involvement in the relevant entities.

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

Joint taxation contributions receivable or payable
Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Cash
Cash comprises cash in hand and bank deposits.

Other provisions
Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

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