



Thorco Capital III ApS

Svanemøllevej 17
2100 København Ø
CVR No. 37557463

Annual report 2020

The Annual General Meeting adopted the
annual report on 02.07.2021

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

CVR No.: 37557463

Registered office: København

Financial year: 01.01.2020 - 31.12.2020

Executive Board

Thor Stadil

Ronald Lambertus Maria Bouwens

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Executive Board have today considered and approved the annual report of Thorco Capital III ApS for the financial year 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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, 02.07.2021

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 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 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 2020, the carrying amount of the associate in the balance sheet is USD 1,486,379 and in the income statement, the Company's share of income from the associate amounts to USD 165,725. No statutory audit is required for 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.

Material uncertainty related to going concern

With reference to note 1 in the Financial Statements we draw the attention to the Company is dependent on continued group financing. Since there is no written agreement for continued support from group enterprises there is a material uncertainty related to the Company being a going concern.

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, 02.07.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Kim Takata Mücke

State Authorised Public Accountant
Identification No (MNE) mne10944

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

The Financial Statements show a loss after tax of USD 2,115,235, an equity of USD 410,628 and total assets of USD 1,583,682.

The result for the year is affected by a provision of USD 1,150,000 which has been recognized to cover legal claim settled by the High court in 2021.

Management considers the result for the year as unsatisfying.

Events after the balance sheet date

Except for the legal case settled in 2021, no other events have incurred since the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2020

	Notes	2020 USD	2019 USD
Gross profit/loss		(1,663,554)	155,643
Income from investments in group enterprises		(313,372)	67,466
Income from investments in associates		165,725	510,758
Other financial income		942,289	50,090
Impairment losses on financial assets		(2)	(10,000)
Other financial expenses		(1,243,112)	(59,654)
Profit/loss before tax		(2,112,026)	714,303
Tax on profit/loss for the year	2	(3,209)	(30,781)
Profit/loss for the year		(2,115,235)	683,522
Proposed distribution of profit and loss			
Retained earnings		(2,115,235)	683,522
Proposed distribution of profit and loss		(2,115,235)	683,522

Balance sheet at 31.12.2020

Assets

	Notes	2020 USD	2019 USD
Investments in group enterprises		86,728	400,470
Investments in associates		1,486,379	1,200,868
Financial assets	3	1,573,107	1,601,338
Fixed assets		1,573,107	1,601,338
Receivables from group enterprises		2,892	2,715,950
Receivables		2,892	2,715,950
Cash		7,683	6,933
Current assets		10,575	2,722,883
Assets		1,583,682	4,324,221

Equity and liabilities

	Notes	2020 USD	2019 USD
Contributed capital		7,521	7,521
Reserve for net revaluation according to the equity method		1,421,430	1,449,661
Retained earnings		(1,018,323)	949,265
Equity		410,628	2,406,447
Trade payables		4,122	3,174
Payables to group enterprises		0	1,865,471
Joint taxation contribution payable		0	32,138
Other payables		1,168,932	16,991
Current liabilities other than provisions		1,173,054	1,917,774
Liabilities other than provisions		1,173,054	1,917,774
Equity and liabilities		1,583,682	4,324,221
Going concern	1		
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Statement of changes in equity for 2020

	Contributed capital USD	Reserve for net revaluation according to the equity method USD	Retained earnings USD	Total USD
Equity beginning of year	7,521	1,449,661	949,265	2,406,447
Exchange rate adjustments	0	119,416	0	119,416
Profit/loss for the year	0	(147,647)	(1,967,588)	(2,115,235)
Equity end of year	7,521	1,421,430	(1,018,323)	410,628

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.

At this time, no 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 subject to uncertainty. 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

	2020 USD	2019 USD
Current tax	0	32,138
Adjustment concerning previous years	3,209	(1,357)
	3,209	30,781

3 Financial assets

	Investments in group enterprises USD	Investments in associates USD
Cost beginning of year	166,149	33,596
Cost end of year	166,149	33,596
Revaluations beginning of year	234,321	1,167,272
Exchange rate adjustments	(370)	119,786
Share of profit/loss for the year	(313,372)	165,725
Revaluations end of year	(79,421)	1,452,783
Carrying amount end of year	86,728	1,486,379

4 Working conditions

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 certain provisions for reporting class C.

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

The Financial Statement for 2020 are presented in USD with USD exchange rate 605.76 at 31 December 2019 (31 December 2019 - USD 667.59).

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 expenses.

Revenue

Revenue from sales (management services) is recognized when the risks and rewards relating to the services 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 Company.

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

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.

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after pro rata 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.

Impairment losses on financial assets

Impairment losses on financial assets comprise impairment losses on financial assets which are not measured at fair value on a current basis.

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.

Receivables

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

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.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax.