



## Thorco Projects A/S

Svanemøllevej 17  
2100 København Ø  
CVR No. 37745324

## Annual report 2020

The Annual General Meeting adopted the  
annual report on 07.05.2021

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**Jesper Malik Møller Ringsholm**  
Chairman of the General Meeting

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# Entity details

## Entity

Thorco Projects A/S  
Svanemøllevej 17  
2100 København Ø

Business Registration No.: 37745324  
Registered office: København  
Financial year: 01.01.2020 - 31.12.2020

## Board of Directors

Ejner Kiel Bonderup, Chairman  
Marianne Schelde  
Ronald Lambertus Maria Bouwens

## Executive Board

Thomas Nørballe Mikkelsen, CEO

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
2300 Copenhagen S

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Thorco Projects A/S 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 consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2020 and of the results of their operations and the consolidated cash flows 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.

Copenhagen, 07.05.2021

## Executive Board

**Thomas Nørballe Mikkelsen**

CEO

## Board of Directors

**Ejner Kiel Bonderup**

Chairman

**Marianne Schelde**

**Ronald Lambertus Maria Bouwens**

# Independent auditor's report

## To the shareholder of Thorco Projects A/S

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Thorco Projects A/S 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, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient and 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.

**Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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, 07.05.2021

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Kim Takata Mücke**

State Authorised Public Accountant  
Identification No (MNE) mne10944

# Management commentary

## Financial highlights

	2020 USD'000	2019 USD'000	2018 USD'000	2017 USD'000	2016 USD'000
<b>Key figures</b>					
Revenue	150,152	144,987	138,652	45,657	21,663
Gross profit/loss	11,709	13,703	11,630	2,282	1,027
Operating profit/loss	1,126	1,739	1,473	2,282	1,027
Net financials	828	544	1,548	(537)	5
Profit/loss for the year	1,089	2,203	3,387	1,477	803
Balance sheet total	35,305	27,963	28,799	20,131	14,038
Equity	11,553	10,419	6,758	3,283	1,800
Cash flows from operating activities	7,036	(3,309)	-	-	-
Cash flows from investing activities	(463)	(6)	-	-	-
Cash flows from financing activities	0	1,457	-	-	-
<b>Ratios</b>					
Gross margin (%)	7.80	9.45	8.39	5.00	4.74
Net margin (%)	0.73	1.52	2.44	3.23	3.71
Equity ratio (%)	0.00	0.00	0.00	0.00	0.00

Management have decided to present consolidated financial statements for Thorco Projects A/S and subsidiaries for the financial year ended 31 December 2020 and with comparative figures for 2019. Financial highlights for the financial periods 2016 - 2018 are presented with the parent figures and without activities from cash flow statements.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Gross margin (%):

$\frac{\text{Gross profit/loss}}{\text{Revenue}} * 100$

Revenue

### Net margin (%):

$\frac{\text{Profit/loss for the year}}{\text{Revenue}} * 100$

Revenue



**Equity ratio (%):**

Equity excl. minority interests \* 100  
Balance sheet total

**Primary activities**

The primary activities of the Group are to carry out shipping, chartering and other shipping related activities within the Multi Purpose & Project segment.

**Development in activities and finances**

The income statement for the Group for 2020 shows a profit of USD 1,088,785, total assets amounts to USD 35,305,488 and at 31 December 2020 equity shows USD 11,553,165.

The market conditions in 2020 remained very difficult, especially challenged by the covid-19 pandemic. However, Thorco Projects A/S has succeeded to remain its leading position in the Multi Purpose & Project segment through strong focus on parceling capabilities, customized solutions and dedicated employees.

The result for 2020 is considered satisfactory.

**Uncertainty relating to recognition and measurement**

The Group has no material uncertainty in relation to recognition and measurement.

**Outlook**

On the basis of the general improvements experienced on the global shipping markets we expect to see improvement on our overall results in 2021 compared to 2020. The level of improvement is difficult to quantify due to impact from covid19-pandemic.

**Particular risks****Market and operation risks**

The market and operational risk is directly related to the market volatility and natural fluctuations between demand and supply experienced within global shipping in general and of course specifically within the multi purpose segment. We approach the market basis an asset light strategy and use our global platform to collect and evaluate relevant market information. We eliminate the market risks by keeping a balanced trading book up against our tonnage commitments.

**Environmental performance**

Statements on Environmental performance are included in the ultimate parent Company Thornico Holding A/S ' CSR report. The report can be found on the following website:  
<https://www.thornico.com/company-karma/company-karma-report>

**Research and development activities**

We use our global presence and trading platform to collect and evaluate market information on a daily basis and manage market movements and volatility by balancing our trading book and tonnage exposure.

**Foreign branches**

The Group has no foreign branches.

**Statutory report on corporate social responsibility**

Statutory statements on corporate social responsibility and the underrepresented gender, cf sections 99 a and

99 b of the Danish Financial Statements Act are included in the ultimate parent Company Thornico Holding A/S ' CSR report. The report can be found on the following website:

<https://www.thornico.com/company-karma/company-karma-report>

#### **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.

# Consolidated income statement for 2020

	Notes	2020 USD	2019 USD
Revenue		150,151,871	144,987,304
Other operating income		0	2,770,900
Other external expenses		(138,442,557)	(134,055,685)
<b>Gross profit/loss</b>		<b>11,709,314</b>	<b>13,702,519</b>
Staff costs	1	(6,672,314)	(6,378,000)
Depreciation, amortisation and impairment losses	2	(400,407)	(402,379)
Other operating expenses		(3,510,858)	(4,927,341)
<b>Operating profit/loss</b>		<b>1,125,735</b>	<b>1,994,799</b>
Income from investments in associates		165,725	510,759
Other financial income		1,674,581	884,460
Impairment of financial assets		0	(10,000)
Other financial expenses		(846,523)	(347,989)
<b>Profit/loss before tax</b>		<b>2,119,518</b>	<b>3,032,029</b>
Tax on profit/loss for the year	3	(1,030,733)	(539,679)
<b>Profit/loss for the year</b>	4	<b>1,088,785</b>	<b>2,492,350</b>

# Consolidated balance sheet at 31.12.2020

## Assets

	Notes	2020 USD	2019 USD
Goodwill		133,333	533,333
<b>Intangible assets</b>	5	<b>133,333</b>	<b>533,333</b>
Other fixtures and fittings, tools and equipment		510,924	48,002
<b>Property, plant and equipment</b>	6	<b>510,924</b>	<b>48,002</b>
Investments in associates		1,486,844	1,200,868
Deferred tax	8	34,000	71,000
<b>Financial assets</b>	7	<b>1,520,844</b>	<b>1,271,868</b>
<b>Fixed assets</b>		<b>2,165,101</b>	<b>1,853,203</b>
Raw materials and consumables		5,470,847	4,698,994
<b>Inventories</b>		<b>5,470,847</b>	<b>4,698,994</b>
Trade receivables		8,216,409	4,086,159
Receivables from group enterprises		11,059,151	11,210,718
Receivables from associates		78,001	0
Other receivables		168,569	277,592
Prepayments	9	1,870,367	4,528,701
<b>Receivables</b>		<b>21,392,497</b>	<b>20,103,170</b>
<b>Cash</b>		<b>6,277,043</b>	<b>534,756</b>
<b>Current assets</b>		<b>33,140,387</b>	<b>25,336,920</b>
<b>Assets</b>		<b>35,305,488</b>	<b>27,190,123</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2020 USD</b>	<b>2019 USD</b>
Contributed capital		1,226,092	1,226,092
Reserve for net revaluation according to equity method		1,453,247	1,167,271
Retained earnings		5,822,025	7,905,048
Proposed dividend for the financial year		3,000,000	0
<b>Equity belonging to Parent's shareholders</b>		<b>11,501,364</b>	<b>10,298,411</b>
<b>Equity belonging to minority interests</b>		<b>51,801</b>	<b>45,253</b>
<b>Equity</b>		<b>11,553,165</b>	<b>10,343,664</b>
Other provisions	10	0	13,254
<b>Provisions</b>		<b>0</b>	<b>13,254</b>
Other payables		206,204	89,665
<b>Non-current liabilities other than provisions</b>	11	<b>206,204</b>	<b>89,665</b>
Trade payables		11,700,220	12,927,540
Payables to group enterprises		308,615	2,535,448
Joint taxation contribution payable		862,374	561,967
Other payables		4,635,712	701,585
Deferred income	12	6,039,198	17,000
<b>Current liabilities other than provisions</b>		<b>23,546,119</b>	<b>16,743,540</b>
<b>Liabilities other than provisions</b>		<b>23,752,323</b>	<b>16,833,205</b>
<b>Equity and liabilities</b>		<b>35,305,488</b>	<b>27,190,123</b>
Contingent liabilities	14		
Group relations	15		
Subsidiaries	16		

# Consolidated statement of changes in equity for 2020

	Contributed capital USD	Reserve for net revaluation according to equity method USD	Retained earnings USD	Proposed dividend for the financial year USD	Equity belonging to Parent's shareholders USD
Equity beginning of year	1,226,092	1,167,271	7,905,513	0	10,298,876
Exchange rate adjustments	0	120,251	0	0	120,251
Profit/loss for the year	0	165,725	(2,083,488)	3,000,000	1,082,237
<b>Equity end of year</b>	<b>1,226,092</b>	<b>1,453,247</b>	<b>5,822,025</b>	<b>3,000,000</b>	<b>11,501,364</b>

	Equity belonging to minority interests USD	Total USD
Equity beginning of year	45,253	10,344,129
Exchange rate adjustments	0	120,251
Profit/loss for the year	6,548	1,088,785
<b>Equity end of year</b>	<b>51,801</b>	<b>11,553,165</b>

# Consolidated cash flow statement for 2020

	Notes	2020 USD	2019 USD
Operating profit/loss		1,125,735	1,994,799
Amortisation, depreciation and impairment losses		400,407	402,379
Working capital changes	13	5,169,181	(5,546,194)
Interest income		185,923	372,670
Interest expense		(98,525)	(217,244)
Tax expense		(577,513)	(315,282)
<b>Cash flows from operating activities</b>		<b>6,205,208</b>	<b>(3,308,872)</b>
Acquisition etc. of property, plant and equipment		(465,828)	(9,946)
Sale of property, plant and equipment		2,907	4,060
<b>Cash flows from investing activities</b>		<b>(462,921)</b>	<b>(5,886)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>5,742,287</b>	<b>(3,314,758)</b>
Cash flow from merger		0	1,457,283
<b>Cash flows from financing activities</b>		<b>0</b>	<b>1,457,283</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>5,742,287</b>	<b>(1,857,475)</b>
Cash and cash equivalents beginning of year		534,756	2,392,231
<b>Cash and cash equivalents end of year</b>		<b>6,277,043</b>	<b>534,756</b>
Cash and cash equivalents at year-end are composed of:			
Cash		6,277,043	534,756
<b>Cash and cash equivalents end of year</b>		<b>6,277,043</b>	<b>534,756</b>

# Notes to consolidated financial statements

## 1 Staff costs

	2020 USD	2019 USD
Wages and salaries	4,934,889	5,004,240
Pension costs	232,706	246,218
Other staff costs	1,504,719	1,127,542
	<b>6,672,314</b>	<b>6,378,000</b>

Average number of full-time employees	26	39
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Under the exemption rule section 98b of the Danish Financial Statements act, remuneration to Management is not disclosed.

## 2 Depreciation, amortisation and impairment losses

	2020 USD	2019 USD
Amortisation of intangible assets	400,000	400,000
Depreciation on property, plant and equipment	407	2,379
	<b>400,407</b>	<b>402,379</b>

## 3 Tax on profit/loss for the year

	2020 USD	2019 USD
Current tax	889,799	577,513
Change in deferred tax	37,000	(25,000)
Adjustment concerning previous years	103,934	(12,834)
	<b>1,030,733</b>	<b>539,679</b>

## 4 Proposed distribution of profit/loss

	2020 USD	2019 USD
Retained earnings	1,082,237	2,473,843
Minority interests' share of profit/loss	6,548	18,507
	<b>1,088,785</b>	<b>2,492,350</b>



## 5 Intangible assets

	<b>Goodwill USD</b>
Cost beginning of year	2,000,000
<b>Cost end of year</b>	<b>2,000,000</b>
Amortisation and impairment losses beginning of year	(1,466,667)
Amortisation for the year	(400,000)
<b>Amortisation and impairment losses end of year</b>	<b>(1,866,667)</b>
<b>Carrying amount end of year</b>	<b>133,333</b>

## 6 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment USD</b>
Cost beginning of year	50,381
Additions	463,329
<b>Cost end of year</b>	<b>513,710</b>
Depreciation and impairment losses beginning of year	(2,379)
Depreciation for the year	(407)
<b>Depreciation and impairment losses end of year</b>	<b>(2,786)</b>
<b>Carrying amount end of year</b>	<b>510,924</b>

## 7 Financial assets

	<b>Investments in associates USD</b>
Cost beginning of year	33,596
<b>Cost end of year</b>	<b>33,596</b>
Revaluations beginning of year	1,167,272
Exchange rate adjustments	120,251
Share of profit/loss for the year	165,725
<b>Revaluations end of year</b>	<b>1,453,248</b>
<b>Carrying amount end of year</b>	<b>1,486,844</b>

<b>Associates</b>	<b>Registered in</b>	<b>Ownership %</b>
SCG Holding B.V.	Holland	20

## 8 Deferred tax

	<b>2020</b>	<b>2019</b>
	<b>USD</b>	<b>USD</b>
<b>Changes during the year</b>		
Beginning of year	71,000	0
Recognised in the income statement	(37,000)	25,000
Effect of merges and business combinations	0	46,000
<b>End of year</b>	<b>34,000</b>	<b>71,000</b>

Deferred tax relates to goodwill.

## 9 Prepayments

Prepayments consist of prepaid T/C hire and insurance premiums.

## 10 Other provisions

Other provisions was settled during the year.

## 11 Non-current liabilities other than provisions

	<b>Due after more than 12 months</b>
	<b>2020</b>
	<b>USD</b>
Other payables	206,204
	<b>206,204</b>

## 12 Deferred income

Deferred income consists of payments received from ongoing voyages which will be recognized as income in the subsequent years.

## 13 Changes in working capital

	<b>2020</b>	<b>2019</b>
	<b>USD</b>	<b>USD</b>
Increase/decrease in inventories	(771,853)	(743,283)
Increase/decrease in receivables	(1,289,327)	2,126,187
Increase/decrease in trade payables etc.	6,502,172	(6,804,876)
Other changes	728,189	(124,222)
	<b>5,169,181</b>	<b>(5,546,194)</b>

## 14 Contingent liabilities

	<b>2020</b>	<b>2019</b>
	<b>USD</b>	<b>USD</b>
Other contingent liabilities	23,242,584	14,500,380
<b>Contingent liabilities</b>	<b>23,242,584</b>	<b>14,500,380</b>

Other contingent liabilities comprise short-term T/C hire obligations.

A subsidiary in the group is involved in a legal dispute regarding a claim of 1 mio. USD plus interest, that has been appealed to High Court. After the proceedings, the High Court decided to rule a verdict later this year. The management and their advisors expect the subsidiary to be acquitted of all claims, hence no reservations have been made.

### 15 Group relations

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

### 16 Subsidiaries

	<b>Registered in</b>	<b>Ownership %</b>
Thorco Capital III ApS	Denmark	100
Thorco Shipping America Inc	USA	75
Thorco Shipping Germany GmbH	Germany	60
Thorco Shipping Brazil-Empresa De Navegacao LTDA	Brazil	60

# Parent income statement for 2020

	Notes	2020 USD	2019 USD
Revenue		150,151,871	144,987,304
Other operating income		1,170,500	2,767,294
Other external expenses		(138,152,255)	(134,055,685)
<b>Gross profit/loss</b>		<b>13,170,116</b>	<b>13,698,913</b>
Staff costs	1	(4,377,645)	(4,020,247)
Depreciation, amortisation and impairment losses	2	(400,000)	(400,000)
Other operating expenses		(5,811,628)	(7,539,260)
<b>Operating profit/loss</b>		<b>2,580,843</b>	<b>1,739,406</b>
Income from investments in group enterprises		(824,087)	412,762
Other financial income		431,514	826,259
Other financial expenses		(102,720)	(281,981)
<b>Profit/loss before tax</b>		<b>2,085,550</b>	<b>2,696,446</b>
Tax on profit/loss for the year	3	(1,003,308)	(493,352)
<b>Profit/loss for the year</b>	4	<b>1,082,242</b>	<b>2,203,094</b>

# Parent balance sheet at 31.12.2020

## Assets

	Notes	2020 USD	2019 USD
Goodwill		133,333	533,333
<b>Intangible assets</b>	5	<b>133,333</b>	<b>533,333</b>
Other fixtures and fittings, tools and equipment		445,818	0
<b>Property, plant and equipment</b>	6	<b>445,818</b>	<b>0</b>
Investments in group enterprises		1,311,600	2,135,687
Deferred tax	8	34,000	71,000
<b>Financial assets</b>	7	<b>1,345,600</b>	<b>2,206,687</b>
<b>Fixed assets</b>		<b>1,924,751</b>	<b>2,740,020</b>
Raw materials and consumables		5,470,847	4,698,994
<b>Inventories</b>		<b>5,470,847</b>	<b>4,698,994</b>
Trade receivables		8,209,408	3,823,625
Receivables from group enterprises		11,041,085	11,744,188
Other receivables		98,920	0
Prepayments	9	1,763,998	4,528,701
<b>Receivables</b>		<b>21,113,411</b>	<b>20,096,514</b>
<b>Cash</b>		<b>6,173,663</b>	<b>427,114</b>
<b>Current assets</b>		<b>32,757,921</b>	<b>25,222,622</b>
<b>Assets</b>		<b>34,682,672</b>	<b>27,962,642</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2020 USD</b>	<b>2019 USD</b>
Contributed capital		1,226,092	1,226,092
Reserve for net revaluation according to the equity method		1,304,079	2,128,166
Retained earnings		5,970,733	7,064,404
Proposed dividend for the financial year		3,000,000	0
<b>Equity</b>		<b>11,500,904</b>	<b>10,418,662</b>
Other payables	10	206,204	89,665
<b>Non-current liabilities other than provisions</b>	<b>11</b>	<b>206,204</b>	<b>89,665</b>
Trade payables		11,768,515	12,924,366
Payables to group enterprises		15,679	3,385,927
Joint taxation contribution payable		862,374	529,829
Other payables	12	4,289,798	597,193
Deferred income	13	6,039,198	17,000
<b>Current liabilities other than provisions</b>		<b>22,975,564</b>	<b>17,454,315</b>
<b>Liabilities other than provisions</b>		<b>23,181,768</b>	<b>17,543,980</b>
<b>Equity and liabilities</b>		<b>34,682,672</b>	<b>27,962,642</b>
Contingent liabilities	14		
Related parties with controlling interest	15		

# Parent statement of changes in equity for 2020

	Contributed capital USD	Reserve for net revaluation according to the equity method USD	Retained earnings USD	Proposed dividend for the year USD	Total USD
Equity beginning of year	1,226,092	2,128,166	7,064,404	0	10,418,662
Profit/loss for the year	0	(824,087)	(1,093,671)	3,000,000	1,082,242
<b>Equity end of year</b>	<b>1,226,092</b>	<b>1,304,079</b>	<b>5,970,733</b>	<b>3,000,000</b>	<b>11,500,904</b>

# Notes to parent financial statements

## 1 Staff costs

	2020 USD	2019 USD
Wages and salaries	2,769,174	2,871,495
Pension costs	232,706	246,218
Other staff costs	1,375,765	902,534
	<b>4,377,645</b>	<b>4,020,247</b>
Average number of full-time employees	<b>26</b>	<b>39</b>

Under the exemption rule selection 98b of the Danish Financial Statements act, remuneration to management is not disclosed.

## 2 Depreciation, amortisation and impairment losses

	2020 USD	2019 USD
Amortisation of intangible assets	400,000	400,000
	<b>400,000</b>	<b>400,000</b>

## 3 Tax on profit/loss for the year

	2020 USD	2019 USD
Current tax	862,374	529,829
Change in deferred tax	37,000	(25,000)
Adjustment concerning previous years	103,934	(11,477)
	<b>1,003,308</b>	<b>493,352</b>

## 4 Proposed distribution of profit and loss

	2020 USD	2019 USD
Retained earnings	1,082,242	2,203,094
	<b>1,082,242</b>	<b>2,203,094</b>



## 5 Intangible assets

	<b>Goodwill USD</b>
Cost beginning of year	2,000,000
<b>Cost end of year</b>	<b>2,000,000</b>
Amortisation and impairment losses beginning of year	(1,466,667)
Amortisation for the year	(400,000)
<b>Amortisation and impairment losses end of year</b>	<b>(1,866,667)</b>
<b>Carrying amount end of year</b>	<b>133,333</b>

## 6 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment USD</b>
Additions	445,818
<b>Cost end of year</b>	<b>445,818</b>
<b>Carrying amount end of year</b>	<b>445,818</b>

## 7 Financial assets

	<b>Investments in group enterprises USD</b>
Cost beginning of year	7,521
<b>Cost end of year</b>	<b>7,521</b>
Revaluations beginning of year	2,128,166
Share of profit/loss for the year	(824,087)
<b>Revaluations end of year</b>	<b>1,304,079</b>
<b>Carrying amount end of year</b>	<b>1,311,600</b>

**8 Deferred tax**

	<b>2020</b>	<b>2019</b>
	<b>USD</b>	<b>USD</b>
Intangible assets	34,000	71,000
<b>Deferred tax</b>	<b>34,000</b>	<b>71,000</b>

	<b>2020</b>	<b>2019</b>
	<b>USD</b>	<b>USD</b>
<b>Changes during the year</b>		
Beginning of year	71,000	0
Recognised in the income statement	(37,000)	25,000
Effect of mergers and business combinations	0	46,000
<b>End of year</b>	<b>34,000</b>	<b>71,000</b>

Deferred tax relates to goodwill.

**9 Prepayments**

Prepayments consist of prepaid T/C hire and insurance premiums.

**10 Other payables**

	<b>2020</b>	<b>2019</b>
	<b>USD</b>	<b>USD</b>
Holiday pay obligation	206,204	89,665
	<b>206,204</b>	<b>89,665</b>

**11 Non-current liabilities other than provisions**

	<b>Due after more than 12 months</b>
	<b>2020</b>
	<b>USD</b>
Other payables	206,204
	<b>206,204</b>

**12 Other payables**

	<b>2020</b>	<b>2019</b>
	<b>USD</b>	<b>USD</b>
VAT and duties	0	4,747
Wages and salaries, personal income taxes, social security costs, etc. payable	395,924	25,971
Holiday pay obligation	84,444	155,128
Other costs payable	3,809,430	411,347
	<b>4,289,798</b>	<b>597,193</b>

### 13 Deferred income

Deferred income consists of payments received from ongoing voyages which will be recognized as income in the subsequent years.

### 14 Contingent liabilities

	<b>2020</b>	<b>2019</b>
	<b>USD</b>	<b>USD</b>
Other contingent liabilities	23,242,584	14,500,380
<b>Contingent liabilities</b>	<b>23,242,584</b>	<b>14,500,380</b>

Other contingent liabilities comprise short-term T/C hire obligations.

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

### 15 Related parties with controlling interest

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 C enterprises (large).

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

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

## 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.

## Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are regarded as associates.

## Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's

proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

## **Income statement**

### **Revenue**

Revenue from sales (chartering income) is recognized in the income statement at the rate of completion of the charter (discharge to discharge principle). This method is applied when total revenues and expenses in respect of the charter at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, 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 operating income**

Other operating income comprises income from management services and is of a secondary nature as viewed in relation to the Company's primary activities.

### **Other external expenses**

Other external expenses comprises vessel operating cost relating to the Company's ordinary activities, including expenses to achieve the revenue for the year such as TC-hire, port and bunker cost.

### **Staff costs**

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

### **Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

### **Other operating 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 of financial assets**

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

**Other financial expenses**

Other financial expenses comprise 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).

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

**Balance sheet****Goodwill**

Goodwill acquired is measured at cost less accumulated amortisation and impairment losses. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 5 years.

**Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

**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 intragroup 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 unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in associates.

Associates with negative equity value are measured at DKK 0. Any receivables from these associates are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant associate, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

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.

### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### **Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### **Receivables**

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

### **Prepayments**

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

**Cash**

Cash comprises cash in hand and bank deposits.

**Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

**Other provisions**

Other provisions comprise anticipated costs of commitments.

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.

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.

**Leases**

All leases including chartering of vessels, are accounted for as operating leases. Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the leases.

**Other financial liabilities**

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

**Deferred income**

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

**Cash flow statement**

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.