



Thorco Projects A/S

Svanemøllevej 17
2100 København Ø
CVR No. 37745324

Annual report 2022

The Annual General Meeting adopted the
annual report on 25.04.2023

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: 01.01.2022 - 31.12.2022

Board of Directors

Peter Nørgaard Jensen
Marianne Schelde
Ronald Lambertus Maria Bouwens

Executive Board

Thomas Nørballe Mikkelsen, CEO

Auditors

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

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 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of their operations and the consolidated cash flows 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.

Copenhagen, 25.04.2023

Executive Board

Thomas Nørballe Mikkelsen

CEO

Board of Directors

Peter Nørgaard Jensen

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 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, 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 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022 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 for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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, 25.04.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Gert Rasmussen

State Authorised Public Accountant
Identification No (MNE) mne35430

Management commentary

Financial highlights

	2022 USD'000	2021 USD'000	2020 USD'000	2019 USD'000	2018 USD'000
Key figures					
Revenue	439,654	418,082	150,152	144,987	138,652
Gross profit/loss	56,562	68,473	11,709	13,703	11,630
Operating profit/loss	44,983	56,124	1,126	1,739	1,473
Net financials	779	(2,137)	828	544	1,548
Profit/loss for the year	38,615	40,821	1,089	2,203	3,387
Balance sheet total	98,634	90,751	35,305	27,963	28,799
Equity	53,072	43,374	11,553	10,344	10,419
Equity excl. minority interests				10,298	0
Cash flows from operating activities	27,579	37,962	6,205	(3,309)	-
Cash flows from financing activities	(30,000)	(39,000)	0	1,457	-
Ratios					
Gross margin (%)	12.87	16.38	7.80	9.45	8.39
Net margin (%)	8.78	9.76	0.73	1.52	2.44
Equity ratio (%)	52.56	49.27	32.72	36.99	36.18

Management have decided to present consolidated financial statements for Thorco Projects A/S and subsidiaries for the financial year ended 31 December 2022 and with comparative figures for 2021, 2020 and 2019. Financial highlights for 2018 are presented with the parent figures and without cash flow statements figures. Financial highlights are defined and calculated in accordance with recommendations from 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 (%):

$\frac{\text{Equity excl. minority interests}}{\text{Balance sheet total}} * 100$

Balance sheet total

Primary activities

The primary activities of the Group are to carry out shipping, chartering and other shipping related activities.

Development in activities and finances

The income statement for the Group for 2022 shows a profit of USD 38,615,012, total assets amounts to USD 100,980,364 and at 31 December 2022 equity belonging to parent amounts to USD 53,050,221.

Profit/loss for the year in relation to expected developments

2022 turned out to be a better year than expected for the Group and the shipping industry in general. Thorco Projects A/S has succeeded to retain a leading position in the general cargo segment through strong focus on parceling capabilities, customized solutions and dedicated employees. The result for 2022 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 tendency in the global shipping markets in 2022 and a somewhat normalization experienced in the beginning of 2023, are we still expecting positive results, though not as significant compared to the results in 2022.

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

The Group uses their global presence and trading platform to collect and evaluate market information daily 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>

Statutory report on data ethics policy

Statements on statutory report on data ethics policy 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 2022

	Notes	2022 USD	2021 USD
Revenue	2	439,654,173	418,081,688
Other operating income		39,738	0
Other external expenses	3	(383,132,008)	(349,608,395)
Gross profit/loss		56,561,903	68,473,293
Staff costs	4	(11,573,497)	(12,212,432)
Depreciation, amortisation and impairment losses		(4,950)	(136,577)
Operating profit/loss		44,983,456	56,124,284
Other financial income from group enterprises		520,343	0
Other financial income		1,467,084	1,074,064
Other financial expenses		(1,208,550)	(3,211,242)
Profit/loss before tax		45,762,333	53,987,106
Tax on profit/loss for the year	5	(7,147,320)	(13,166,032)
Profit/loss for the year	6	38,615,013	40,821,074

Consolidated balance sheet at 31.12.2022

Assets

	Notes	2022 USD	2021 USD
Goodwill		0	0
Intangible assets	7	0	0
Other fixtures and fittings, tools and equipment		0	61,862
Property, plant and equipment		0	61,862
Investments in associates		0	1,486,844
Deferred tax	9	1,473,203	0
Financial assets	8	1,473,203	1,486,844
Fixed assets		1,473,203	1,548,706
Raw materials and consumables		5,705,500	11,949,481
Inventories		5,705,500	11,949,481
Trade receivables		12,225,756	15,110,082
Receivables from group enterprises		73,667,488	48,729,914
Other receivables		1,244,614	287,866
Prepayments	10	1,498,953	7,885,054
Receivables		88,636,811	72,012,916
Cash		2,818,711	5,239,537
Current assets		97,161,022	89,201,934
Assets		98,634,225	90,750,640

Equity and liabilities

	Notes	2022 USD	2021 USD
Contributed capital		1,226,092	1,226,092
Reserve for net revaluation according to equity method		0	1,453,247
Retained earnings		1,824,130	10,615,500
Proposed dividend for the financial year		50,000,000	30,000,000
Equity belonging to Parent's shareholders		53,050,222	43,294,839
Equity belonging to minority interests		21,324	79,400
Equity		53,071,546	43,374,239
Deferred tax	9	0	663,000
Other provisions	11	6,364,843	4,000,000
Provisions		6,364,843	4,663,000
Other payables		315,948	240,833
Non-current liabilities other than provisions		315,948	240,833
Trade payables		17,489,557	16,664,886
Payables to group enterprises		3,309,438	6,550,235
Joint taxation contribution payable		10,654,318	12,724,902
Other payables		2,816,805	4,855,611
Deferred income	12	4,611,770	1,676,934
Current liabilities other than provisions		38,881,888	42,472,568
Liabilities other than provisions		39,197,836	42,713,401
Equity and liabilities		98,634,225	90,750,640
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	14		
Group relations	15		
Subsidiaries	16		

Consolidated statement of changes in equity for 2022

	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 belonging to minority interests USD	Total USD
Equity beginning of year	1,226,092	1,453,247	10,615,500	30,000,000	43,294,839	79,400	43,374,239
Ordinary dividend paid	0	0	0	(30,000,000)	(30,000,000)	0	(30,000,000)
Other entries on equity	0	0	1,136,050	0	1,136,050	(53,756)	1,082,294
Transfer to reserves	0	(1,453,247)	1,453,247	0	0	0	0
Profit/loss for the year	0	0	(11,380,667)	50,000,000	38,619,333	(4,320)	38,615,013
Equity end of year	1,226,092	0	1,824,130	50,000,000	53,050,222	21,324	53,071,546

Consolidated cash flow statement for 2022

	Notes	2022 USD	2021 USD
Operating profit/loss		44,983,456	56,124,284
Amortisation, depreciation and impairment losses		4,950	1,037,549
Working capital changes	13	(6,878,088)	(18,236,759)
Tax payments		(11,310,021)	(857,374)
Cash flow from ordinary operating activities		26,800,297	38,067,700
Financial income received		1,987,427	0
Financial expenses paid		(1,208,550)	(105,206)
Cash flows from operating activities		27,579,174	37,962,494
Free cash flows generated from operations and investments before financing		27,579,174	37,962,494
Repayment of debt to group enterprises		0	(30,000,000)
Dividend paid		(30,000,000)	(9,000,000)
Cash flows from financing activities		(30,000,000)	(39,000,000)
Increase/decrease in cash and cash equivalents		(2,420,826)	(1,037,506)
Cash and cash equivalents beginning of year		5,239,537	6,277,043
Cash and cash equivalents end of year		2,818,711	5,239,537
Cash and cash equivalents at year-end are composed of:			
Cash		2,818,711	5,239,537
Cash and cash equivalents end of year		2,818,711	5,239,537

Notes to consolidated financial statements

1 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. .

2 Revenue

The main activity of the Group is Shipping. The activities on each market including the competitive situation and risk profile are regarded as very homogeneous except for the differences in language, etc. In the light of this the Group is not seen as having different segment activities.

3 Fees to the auditor appointed by the Annual General Meeting

	2022 USD	2021 USD
Statutory audit services	27,357	36,495
Tax services	7,673	4,292
Other services	13,546	28,667
	48,576	69,454

4 Staff costs

	2022 USD	2021 USD
Wages and salaries	8,932,269	11,455,685
Pension costs	160,932	193,444
Other staff costs	2,480,296	563,303
	11,573,497	12,212,432

Average number of full-time employees	32	29
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	Remuneration of manage- ment 2022 USD	Remuneration of manage- ment 2021 USD
Total amount for management categories	3,348,773	3,358,203
	3,348,773	3,358,203

5 Tax on profit/loss for the year

	2022	2021
	USD	USD
Current tax	10,655,006	12,825,902
Change in deferred tax	(2,050,689)	697,000
Adjustment concerning previous years	(1,456,997)	(356,870)
	7,147,320	13,166,032

6 Proposed distribution of profit/loss

	2022	2021
	USD	USD
Ordinary dividend for the financial year	50,000,000	30,000,000
Retained earnings	(11,380,667)	10,793,475
Minority interests' share of profit/loss	(4,320)	27,599
	38,615,013	40,821,074

7 Intangible assets

	Goodwill
	USD
Cost beginning of year	2,000,000
Cost end of year	2,000,000
Amortisation and impairment losses beginning of year	(2,000,000)
Amortisation and impairment losses end of year	(2,000,000)
Carrying amount end of year	0

8 Financial assets

	Investments	Deferred tax
	in associates	USD
	USD	USD
Cost beginning of year	33,596	0
Additions	0	1,473,203
Cost end of year	33,596	1,473,203
Revaluations beginning of year	1,452,783	0
Impairment losses for the year	(1,486,379)	0
Revaluations end of year	(33,596)	0
Carrying amount end of year	0	1,473,203

Associates	Registered in	Ownership
		%
SCG Holding B.V.	Holland	20

9 Deferred tax

	2022	2021
Changes during the year	USD	USD
Beginning of year	(663,000)	34,000
Recognised in the income statement	2,136,203	(697,000)
End of year	1,473,203	(663,000)

Deferred tax assets

Deferred tax assets consist of temporary differences between the carrying amount and the tax-based value.

10 Prepayments

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

11 Other provisions

Other provisions consists of pending legal claims etc.

12 Deferred income

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

13 Changes in working capital

	2022	2021
	USD	USD
Increase/decrease in inventories	6,243,981	(6,478,634)
Increase/decrease in receivables	(16,623,895)	(20,620,419)
Increase/decrease in trade payables etc.	2,406,241	11,063,921
Other changes	1,095,585	(2,201,627)
	(6,878,088)	(18,236,759)

14 Unrecognised rental and lease commitments

	2022	2021
	USD	USD
Total liabilities under rental or lease agreements until maturity	31,774,608	23,242,583

15 Group relations

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

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

16 Subsidiaries

	Registered in	Ownership %
Thorco Capital III ApS	Denmark	100.00
Thorco Shipping Germany GmbH	Germany	60.00
Thorco Projects Singapore Pte. LTD.	Singapore	100.00
Thorco Projects USA Inc.	Delaware, USA	100.00
Thorco Shipping America	Texas, USA	75.00

Parent income statement for 2022

	Notes	2022 USD	2021 USD
Revenue	2	438,757,748	418,081,692
Other operating income		13,294	325,632
Other external expenses		(385,160,864)	(351,352,732)
Gross profit/loss		53,610,178	67,054,592
Staff costs	3	(8,818,009)	(10,416,972)
Depreciation, amortisation and impairment losses		0	(133,333)
Operating profit/loss		44,792,169	56,504,287
Income from investments in group enterprises		56,934	(942,038)
Other financial income from group enterprises		520,343	0
Other financial income		1,395,132	427,296
Other financial expenses		(942,587)	(701,504)
Profit/loss before tax		45,821,991	55,288,041
Tax on profit/loss for the year	4	(7,202,655)	(13,358,059)
Profit/loss for the year	5	38,619,336	41,929,982

Parent balance sheet at 31.12.2022

Assets

	Notes	2022 USD	2021 USD
Goodwill		0	0
Intangible assets	6	0	0
Investments in group enterprises		578,234	370,576
Deferred tax	8	1,473,203	0
Financial assets	7	2,051,437	370,576
Fixed assets		2,051,437	370,576
Raw materials and consumables		5,705,500	11,566,882
Inventories		5,705,500	11,566,882
Trade receivables		12,225,756	15,110,081
Receivables from group enterprises		73,527,934	48,729,914
Other receivables		1,238,882	287,867
Prepayments	9	2,373,354	7,833,206
Receivables		89,365,926	71,961,068
Cash		2,661,009	5,116,402
Current assets		97,732,435	88,644,352
Assets		99,783,872	89,014,928

Equity and liabilities

	Notes	2022 USD	2021 USD
Contributed capital		1,226,092	1,226,092
Reserve for net revaluation according to equity method		419,237	362,041
Retained earnings		1,404,893	12,842,753
Proposed dividend for the financial year		50,000,000	30,000,000
Equity		53,050,222	44,430,886
Deferred tax	8	0	577,486
Other provisions	10	6,696,379	4,000,000
Provisions		6,696,379	4,577,486
Other payables	11	315,948	240,833
Non-current liabilities other than provisions		315,948	240,833
Trade payables		17,486,215	14,993,344
Payables to group enterprises		3,243,689	6,478,166
Joint taxation contribution payable		10,668,225	12,825,902
Other payables		2,781,906	3,791,377
Deferred income	12	5,541,288	1,676,934
Current liabilities other than provisions		39,721,323	39,765,723
Liabilities other than provisions		40,037,271	40,006,556
Equity and liabilities		99,783,872	89,014,928
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	13		
Assets charged and collateral	14		
Related parties with controlling interest	15		

Parent statement of changes in equity for 2022

	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	362,041	12,842,753	30,000,000	44,430,886
Ordinary dividend paid	0	0	0	(30,000,000)	(30,000,000)
Transfer to reserves	0	57,196	(57,196)	0	0
Profit/loss for the year	0	0	(11,380,664)	50,000,000	38,619,336
Equity end of year	1,226,092	419,237	1,404,893	50,000,000	53,050,222

Notes to parent financial statements

1 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.

2 Revenue

The main activity of the company is Shipping. The activities on each market including the competitive situation and risk profile are regarded as very homogeneous except for the differences in language, etc. In the light of this the Group is not seen as having different segment activities.

3 Staff costs

	2022	2021
	USD	USD
Wages and salaries	6,176,781	9,754,646
Pension costs	160,932	193,444
Other staff costs	2,480,296	468,882
	8,818,009	10,416,972
Average number of full-time employees	18	26

	Remuneration	Remuneration
	of Manage-	of Manage-
	ment	ment
	2022	2021
	USD	USD
Total amount for management categories	3,348,773	3,358,203
	3,348,773	3,358,203

4 Tax on profit/loss for the year

	2022	2021
	USD	USD
Current tax	10,668,225	12,825,902
Change in deferred tax	(2,050,689)	611,486
Adjustment concerning previous years	(1,414,881)	(79,329)
	7,202,655	13,358,059

5 Proposed distribution of profit and loss

	2022 USD	2021 USD
Ordinary dividend for the financial year	50,000,000	30,000,000
Retained earnings	(11,380,664)	11,929,982
	38,619,336	41,929,982

6 Intangible assets

	Goodwill USD
Cost beginning of year	2,000,000
Cost end of year	2,000,000
Amortisation and impairment losses beginning of year	(2,000,000)
Amortisation and impairment losses end of year	(2,000,000)
Carrying amount end of year	0

7 Financial assets

	Investments in group enterprises USD	Deferred tax USD
Cost beginning of year	7,521	0
Additions	151,476	1,473,203
Cost end of year	158,997	1,473,203
Revaluations beginning of year	362,040	0
Exchange rate adjustments	263	0
Share of profit/loss for the year	56,934	0
Revaluations end of year	419,237	0
Carrying amount end of year	578,234	1,473,203

8 Deferred tax

	2022	2021
	USD	USD
Changes during the year		
Beginning of year	(577,486)	34,000
Recognised in the income statement	2,050,689	(611,486)
End of year	1,473,203	(577,486)

Deferred tax assets

Deferred tax assets consist of temporary differences between the carrying amount and the tax-based value.

9 Prepayments

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

10 Other provisions

Other provisions consists of pending legal claims etc.

11 Other payables

	2022	2021
	USD	USD
Holiday pay obligation	315,948	240,833
	315,948	240,833

12 Deferred income

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

13 Unrecognised rental and lease commitments

	2022	2021
	USD	USD
Total liabilities under rental or lease agreements until maturity	31,774,608	23,242,584

14 Assets charged and collateral

Overdraft is secured by way of mortgage on sales of goods and services.

15 Related parties with controlling interest

Havnegade Capital ApS Odense, Denmark, direct ownership
 Thornico A/S Odense, Denmark, indirect ownership
 Thornico Holding A/S, Odense, Denmark, indirect ownership
 Christian Rosenkrantz Stadil, non public adress, ulitimate owner

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 697.22 at 31 December 2022 (31 December 2021 - USD 656.12).

There has been a correction of classifications in this year's annual report due to the fact that last year there was an incorrect classification of other external expenses, operating expenses, trade payables, other provisions and other payables.

The incorrect classification from last year has no influence on last years results, the total of the balance sheet or the equity.

In the consolidated report are the following accounts been reclassified:

Other external expenses to (349,608 395) compared to (341,737,149) in the annual report last year.

Other operating expenses to 0 compared to (7,871,246) in the annual report last year.

Trade payables to 16,664,886 compared to 24,156,263 in the annual report last year.

Other provisions to 4,000,000 compared to 0 in the annual report last year.

Other payables to 4,855,611 compared to 1,676,934 in the annual report last year-

In the parent company the following accounts have been reclassified:

Other external expenses to (351,352,732) compared to 344,349,890) in the annual report last year-

Other operating expenses to 0 compared to (6,912,839) in the annual report last year-

Other provisions to 4,000,000 compared to 0 in the annual report last year.

Trade payables to 14,993,344 compared to 15,293,344 in the annual report last year.

Other payables to 3,791,377 compared to 7,491,377 in the annual report last year.

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.

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 from group enterprises

Other financial income from group enterprises comprises interest income etc. on receivables from group enterprises.

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 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 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:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

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.

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.

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.

Minority interests

On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

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, improvement and sale, etc. of intangible assets and property, plant and equipment.

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.