

Fortuna Seaside Invest A/S

Strandvejen 56, 2900 Hellerup

Company reg. no. 37 99 19 02

Annual report

1 July 2022 - 30 June 2023

The annual report was submitted and approved by the general meeting on the 15 November 2023.

Lars Trygved
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance USD 146.940 means the amount of USD 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Executive Board have approved the annual report of Fortuna Seaside Invest A/S for the financial year 1 July 2022 - 30 June 2023.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2023, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 July 2022 – 30 June 2023.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Hellerup, 14 November 2023

Executive board

Lars Trygved

Ulrik Lund Rasmussen

Board of directors

Lars Trygved

Ulrik Lund Rasmussen

Peter Bruno Rasmussen

Henrik Ambjørn Petersen

Sofia Margaretha Weitemeyer
Trygved

Independent auditor's report

To the Shareholders of Fortuna Seaside Invest A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Fortuna Seaside Invest A/S for the financial year 1 July 2022 to 30 June 2023, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2023, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 July 2022 - 30 June 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements" section of our 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 Company Financial Statements

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

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 company financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company 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 Company'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 company 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent company 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 Company to cease to continue as a going concern.

Independent auditor's report

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the consolidated financial statements and the parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 14 November 2023

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Ulrik Bloch-Sørensen
State Authorised Public Accountant
mne2913

Martin Bomholtz
State Authorised Public Accountant
mne34117

Company information

The company

Fortuna Seaside Invest A/S
Strandvejen 56
2900 Hellerup

Company reg. no. 37 99 19 02
Established: 8 September 2016
Domicile: Copenhagen
Financial year: 1 July - 30 June

Board of directors

Lars Trygved
Ulrik Lund Rasmussen
Peter Bruno Rasmussen
Henrik Ambjørn Petersen
Sofia Margaretha Weitemeyer Trygved

Executive board

Lars Trygved
Ulrik Lund Rasmussen

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmegade 45
2100 København Ø

Subsidiary

Fortuna Seaside Bulk Carriers A/S, Hellerup

Consolidated financial highlights

USD in thousands.	<u>2022/23</u>	<u>2021/22</u>	<u>2020/21</u>	<u>2020</u>	<u>2019</u>
Income statement:					
Gross profit	2.450	8.494	6.037	920	2.085
Profit from operating activities	200	6.686	4.554	-266	-1.914
Net financials	24	-211	448	-38	698
Net profit or loss for the year	275	5.058	4.794	-312	-1.777
Statement of financial position:					
Balance sheet total	9.633	10.470	9.161	5.201	6.257
Equity	7.621	7.346	2.288	-2.506	-2.194
Cash flows:					
Operating activities	1.129	5.977	5.703	-1.862	-1.161
Investing activities	-3	-10	35	-11	-17
Financing activities	0	-4.007	-2.070	-123	-1.067
Total cash flows	1.126	1.961	3.668	-1.996	-2.245
Employees:					
Average number of full-time employees	12	10	9	14	14
Key figures in %:					
Liquidity ratio	476,7	333,6	132,7	110,7	114,4
Solvency ratio	79,1	70,2	25,0	-48,2	-35,1

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The financial highlights for 2020 solely comprise the period six month.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Liquidity ratio
$$\frac{\text{Current assets} \times 100}{\text{Short term liabilities other than provisions}}$$

Solvency ratio
$$\frac{\text{Equity less non-controlling interests, closing balance} \times 100}{\text{Total assets, closing balance}}$$

Management's review

Description of key activities of the company

Like previous years, the activities of the group and of Fortuna Seaside Invest A/S are shipping operations.

Development in activities and financial matters

Income from ordinary activities for the parent company after tax totals USD 275.126 against USD 5.057.761 last year. Management considers the net profit for the year satisfactory.

The gross profit for the group for the year totals USD 2.576.886 against USD 8.577.920 last year. Income from ordinary activities after tax totals USD 275.126 against USD 5.057.761 last year. The development must be seen in light of the fact that, according to the annual report 2021/22, the group expected a positive result before tax for 2022/23 between 1-3 mio. USD. Management considers the net profit for the year satisfactory even though the profit was not quite as expected, cf. the annual report for 2021/2022.

Financial risks

Market risks

The group's revenues are exclusively generated from the seaborne transportation of dry bulk commodities and freight rates obtained by the vessels time chartered by the group are a risk factor.

By timechartering vessels only on short term charters and by securing cargo bookings and cargo contracts for the vessels the group has on charter, the group reduces its exposure to fluctuations in the dry cargo freight market.

Foreign currency risks

The majority of the group's transactions are denominated in USD.

The group's exchange rate risk is thus limited and primarily related to administrative expenses related to the group's head office in Denmark.

Credit risks

The group is dependent on its counterparties fulfilling their payment obligations. To check the financial strength of a counterparty, the group makes frequent use of providers of independent due diligence, credit reporting and risk management consultancy services to the shipping industry.

Liquidity risks

The group takes all necessary steps to ensure that the group at all times will have sufficient liquidity to fulfill its commitments.

Environmental issues

The group acknowledge the shipping business in general has an obligation to limit its negative environmental impact. The group has as their objective to reduce pollution by maximizing efficiency considering various measures to reduce the overall fuel consumption as well as using more environmentally fuel. It supports the IMO and EU initiatives to further reduce pollution.

Management's review

Expected developments

For 2023/2024, we will continue to capitalize on market volatility whilst operating with balanced trading commitments. The result will depend on market levels, which we currently assess. Based on current assessment of the market, we should be able to achieve a positive result before tax of between 1 and 3 mio. USD.

Events occurring after the end of the financial year

No events have taken place after June 30th, 2023, that would effect the financial status of the company or the group.

Income statement 1 July - 30 June

All amounts in USD.

Note	Group		Parent	
	2022/23	2021/22	2022/23	2021/22
Gross profit	2.576.886	8.577.920	0	0
Distribution costs	-77.883	-50.223	0	0
Administration expenses	-2.302.745	-1.841.659	-12.957	-8.432
Operating profit	200.182	6.698.134	-12.957	-8.432
Income from investments in group enterprises	0	0	416.847	5.176.704
Other financial income	272.394	-115.772	73.977	-129.602
Writedown relating to financial assets	-8.193	0	-8.193	0
Other financial expenses	-240.636	-95.709	-234.008	-14.393
Financing, net	23.565	-211.481	248.623	5.032.709
Pre-tax net profit	223.747	6.486.653	235.666	5.024.277
Tax on net profit for the year	51.379	-1.428.892	39.460	33.484
2 Net profit for the year	275.126	5.057.761	275.126	5.057.761
Break-down of the consolidated profit:				
Shareholders in Fortuna Seaside Invest A/S	275.126	5.057.761		
	275.126	5.057.761		

Balance sheet at 30 June

All amounts in USD.

Note	Group		Parent		
	2023	2022	2023	2022	
Assets					
Non-current assets					
3	Investments in group enterprises	0	0	5.416.847	10.176.704
4	Other financial investments	0	8.193	0	8.193
5	Deposits	43.394	40.692	0	0
	Total investments	43.394	48.885	5.416.847	10.184.897
	Total non-current assets	43.394	48.885	5.416.847	10.184.897
Current assets					
6	Raw materials and consumables	481.298	1.670.486	0	0
	Total inventories	481.298	1.670.486	0	0
	Trade debtors	88.337	161.838	0	0
	Voyages in progress	62.552	525.657	0	0
7	Deferred tax assets	64.763	43.360	53.282	0
	Receivable corporate tax	0	3.550	0	0
	Tax receivables from group enterprises	0	0	43.098	1.251.492
	Other receivables	12.236	268.985	0	234.000
8	Prepayments	8.927	1.727	0	0
	Total receivables	236.815	1.005.117	96.380	1.485.492
	Cash and cash equivalents	8.871.022	7.745.192	2.171.930	43.645
	Total current assets	9.589.135	10.420.795	2.268.310	1.529.137
	Total assets	9.632.529	10.469.680	7.685.157	11.714.034

Balance sheet at 30 June

All amounts in USD.

Note	Group		Parent	
	2023	2022	2023	2022
Equity and liabilities				
Equity				
	75.476	75.476	75.476	75.476
9	0	0	416.847	5.176.704
10	7.545.661	7.270.535	7.128.814	2.093.831
	7.621.137	7.346.011	7.621.137	7.346.011
Total equity	7.621.137	7.346.011	7.621.137	7.346.011
Liabilities other than provisions				
	823.117	197.295	0	0
	1.049.871	1.644.356	7.294	5.865
	0	0	0	3.144.150
	62.933	1.218.008	56.726	1.218.008
	75.471	64.010	0	0
	2.011.392	3.123.669	64.020	4.368.023
Total liabilities other than provisions	2.011.392	3.123.669	64.020	4.368.023
Total equity and liabilities	9.632.529	10.469.680	7.685.157	11.714.034

1 Staff costs

11 Contingencies

Statement of cash flows 1 July - 30 June

All amounts in USD.

<u>Note</u>	Group	
	<u>2022/23</u>	<u>2021/22</u>
Net profit or loss for the year	275.126	5.057.761
12 Adjustments	-74.943	1.634.874
13 Change in working capital	1.784.143	-49.783
Cash flows from operating activities before net financials	1.984.326	6.642.852
Interest received, etc.	272.393	-115.774
Interest paid, etc.	-6.636	-95.709
Cash flows from ordinary activities	2.250.083	6.431.369
Income tax paid	-1.121.551	-454.575
Cash flows from operating activities	1.128.532	5.976.794
Purchase of fixed asset investments	0	-8.193
Deposits	-2.702	-1.530
Cash flows from investment activities	-2.702	-9.723
Repayments of loans to shareholders	0	-4.006.555
Cash flow from financing activities	0	-4.006.555
Change in cash and cash equivalents	1.125.830	1.960.516
Cash and cash equivalents at 1 July 2022	7.745.192	5.784.676
Cash and cash equivalents at 30 June 2023	8.871.022	7.745.192
Cash and cash equivalents		
Cash and cash equivalents	8.871.022	7.745.192
Cash and cash equivalents at 30 June 2023	8.871.022	7.745.192

Notes

All amounts in USD.

	Group	
	<u>2022/23</u>	<u>2021/22</u>
1. Staff costs		
Salaries and wages	1.632.274	1.278.633
Pension costs	142.138	181.576
Other costs for social security	55.577	55.082
Other staff costs	37.007	29.309
	<u>1.866.996</u>	<u>1.544.600</u>
Executive board and board of directors	566.942	489.176
Average number of employees	<u>12</u>	<u>10</u>
	Parent	
	<u>2022/23</u>	<u>2021/22</u>
2. Proposed distribution of net profit		
Reserves for net revaluation according to the equity method	416.847	5.176.704
Allocated from retained earnings	-141.721	-118.943
Total allocations and transfers	<u>275.126</u>	<u>5.057.761</u>

Notes

All amounts in USD.

	Parent	
	30/6 2023	30/6 2022
3. Investments in group enterprises		
Acquisition sum, opening balance 1 July 2022	5.000.000	5.075.476
Disposals during the year (dividend)	0	-75.476
Cost 30 June 2023	5.000.000	5.000.000
Revaluations, opening balance 1 July 2022	5.176.704	1.552.191
Results of the year	416.847	5.176.704
Dividend	-5.176.704	-1.552.191
Revaluation 30 June 2023	416.847	5.176.704
Carrying amount, 30 June 2023	5.416.847	10.176.704

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	Equity USD	Results for the year USD	Carrying amount, Fortuna Seaside Invest A/S USD
Fortuna Seaside Bulk Carriers A/S, Hellerup	100 %	5.416.847	416.847	5.416.847
		5.416.847	416.847	5.416.847

Notes

All amounts in USD.

	Group		Parent	
	30/6 2023	30/6 2022	30/6 2023	30/6 2022
4. Other financial investments				
Cost 1 July 2022	8.193	0	8.193	0
Additions during the year	0	8.193	0	8.193
Cost 30 June 2023	8.193	8.193	8.193	8.193
Revaluations for the year	0	0	-8.193	0
Revaluation 30 June 2023	0	0	-8.193	0
Writedown for the year	-8.193	0	0	0
Nedskrivninger 30 June 2023	-8.193	0	0	0
Carrying amount, 30 June 2023	0	8.193	0	8.193

	Group	
	30/6 2023	30/6 2022
5. Deposits		
Cost 1 July 2022	40.692	39.162
Additions during the year	2.702	1.530
Cost 30 June 2023	43.394	40.692
Carrying amount, 30 June 2023	43.394	40.692

Notes

All amounts in USD.

	Group	
	<u>30/6 2023</u>	<u>30/6 2022</u>
6. Raw materials and consumables		
Raw materials and consumables	481.298	1.670.486
	<u>481.298</u>	<u>1.670.486</u>

Inventory of raw materials and consumables (bunker oil) is measured at cost on basis of the FIFO method. As 30/6 2023 the net realisable value of the inventory bunker oil is 11 t.USD lower than the cost amount. As per 30/6 2022 the realisable value was 218 t.USD higher than the cost amount.

	Group		Parent	
	<u>30/6 2023</u>	<u>30/6 2022</u>	<u>30/6 2023</u>	<u>30/6 2022</u>
7. Deferred tax assets				
Deferred tax of the results for the year	64.763	43.360	53.282	0
	<u>64.763</u>	<u>43.360</u>	<u>53.282</u>	<u>0</u>
The following items are subject to deferred tax:				
Property, plant, and equipment	2.239	2.985	0	0
Investments	1.802	0	1.802	0
Current assets	60.722	40.375	51.480	0
	<u>64.763</u>	<u>43.360</u>	<u>53.282</u>	<u>0</u>

	Group	
	<u>30/6 2023</u>	<u>30/6 2022</u>
8. Prepayments		
Prepaid insurance	5.910	0
Other prepayments	3.017	1.727
	<u>8.927</u>	<u>1.727</u>

Notes

All amounts in USD.

	Parent	
	30/6 2023	30/6 2022
9. Reserve for net revaluation according to the equity method		
Reserves for net revaluation 1 July 2022	5.176.704	1.552.191
Share of results	416.847	5.176.704
Distributed dividend	-5.176.704	-1.552.191
	<u>416.847</u>	<u>5.176.704</u>

	Group		Parent	
	30/6 2023	30/6 2022	30/6 2023	30/6 2022
10. Retained earnings				
Retained earnings 1 July 2022	7.270.535	2.212.774	2.093.831	660.583
Profit or loss for the year brought forward	275.126	5.057.761	-141.721	-118.943
Distributed dividends from group enterprises	0	0	5.176.704	1.552.191
	<u>7.545.661</u>	<u>7.270.535</u>	<u>7.128.814</u>	<u>2.093.831</u>

11. Contingencies

Contingent liabilities

The Group's annual rent obligation amounts to USD 116,576.

The Group has entered into long-term lease agreements with foreign tonnage. The total liability amounts 30 June 2023 USD to 390,500 relating to the financial year 2023/2024.

The company in the group have pledged bank balances of USD 14,627 as security other bank balances.

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Notes

All amounts in USD.

11. Contingencies (continued)

Joint taxation (continued)

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

	Group	
	<u>2022/23</u>	<u>2021/22</u>
12. Adjustments		
Impairment of loans	234.000	0
Writedown fixed assets	8.193	0
Other financial income	-272.393	115.773
Other financial expenses	6.636	95.709
Tax on net profit for the year	-29.976	1.214.458
Deferred tax	-21.403	208.934
	<u>-74.943</u>	<u>1.634.874</u>

	Group	
	<u>2022/23</u>	<u>2021/22</u>
13. Change in working capital		
Change in inventories	1.189.188	-192.332
Change in receivables	614.709	643.257
Change in trade payables and other payables	-19.754	-500.708
	<u>1.784.143</u>	<u>-49.783</u>

Accounting policies

The annual report for Fortuna Seaside Invest A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The annual report is presented in American dollars (USD). A USD exchange rate on the balance sheet items of 6.8539 (2022 : 7.1620).

The accounting policies are unchanged from the previous year, and the annual report is presented in American dollars (USD).

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the group and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the group and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Accounting policies

The consolidated financial statements

The consolidated income statements comprise the parent company Fortuna Seaside Invest A/S and those group enterprises of which Fortuna Seaside Invest A/S directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' fair value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%. The minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

Purchases and sales of minority interests under continuing control are recognised directly in equity as a transaction between shareholders.

Investments in associates are measured in the statement of financial position at the proportionate share of the enterprises' equity value i calculated in accordance with the parent company's accounting policies and with proportionate elimination of unrealised intercompany gains and losses. In the income statement, the proportional share of the associates' results is recognised after elimination of the proportional share of intercompany gains and losses.

The group activities in joint operations are recognised in the consolidated financial statements record by record.

Non-controlling interests

Non-controlling interests constitute a share of the group's total equity. By distribution of net profit, profit or loss for the year is distributed on the share attributable to the non-controlling interests and the share attributable to the parent's shareholders respectively.

Income statement

Gross profit

Gross profit comprises revenue, production costs, and other operating income.

Accounting policies

Revenue comprises income from voyages and is recognised exclusive of VAT and duties. Revenue is recognised as the work is completed, calculated on the basis of stage of completion (production criterion) at the balance sheet date. Recognition occurs when the following conditions are met:

- the amount of revenue can be measured reliably
 - it is probable that the economic benefits associated with the transaction will flow to the entity
 - the stage of completion of the transaction at the end of the reporting period can be measured reliably:
- and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.
- Stage of completion is determined on the basis of the completed travel time compared to the expected travel time.

Production costs comprise the vessels operation expenses, incurred to generate revenue for the year. The expenses include charter hire for chartered vessels (operating leases), bunker oil consumption, staff costs, other voyage costs such as commissions and harbour charges, repair and maintenance costs, insurance costs and other operation expenses. Like revenue, vessels operation expenses are recognised on the basis of stage of completion.

Furthermore, provisions for losses on contracts are recognised in case of onerous contracts.

Distribution costs

Distribution costs comprise costs incurred for the distribution of goods sold during the year and for sales campaigns carried out during the year. Also, costs concerning sales staff, advertising and exhibitions costs, and amortisations.

Administration expenses

Administration expenses comprise expenses incurred during the year concerning management and administration, including expenses concerning administrative staff, the executive board, office premises, stationery and office supplies, and depreciations.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Accounting policies

Results from investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual entities are recognised in the income statement of the parent as a proportional share of the entities' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The parent and the Danish group enterprises are subject to Danish rules on compulsory joint taxation of Danish group enterprises. The parent acts as an administration company in relation to the joint taxation. This means that the total Danish income tax payable by the Danish group companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Investments

Investments in group enterprises

Investments in group enterprises are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in group enterprises are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

In relation to material assets and liabilities recognised in group enterprises but are not represented in the parent, the following accounting policies have been applied.

Accounting policies

Investments in group enterprises with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover a negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Other financial instruments

Other unlisted financial instruments are measured at cost. Write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Accounting policies

Inventories

Inventories comprise bunker oil kept on board vessels. Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Voyages in progress

Voyages in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from voyages in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of voyages in progress.

The voyages in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of voyages in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of voyages in progress, where invoicing on account exceeds the selling price.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Accounting policies

Income tax and deferred tax

As administration company, Fortuna Seaside Invest A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

Accounting policies

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under "Interest income and dividend received".

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

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Ulrik Bloch-Sørensen

Grant Thornton, Godkendt Revisionspartnerselskab CVR: 34209936

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