



## **Frey P/S**

Soren Frichs Vej 38 L, St. Tv., DK-8230 Abyhøj

(CVR. No. 40 10 17 72)

Annual Report for 1 January – 31 December 2021

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 4 May 2022.

DocuSigned by:

Jacob Ramsgaard Nielsen  
*Chairman*

## **Frey P/S Contents**



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## Frey P/S Management's Statement



The Executive Board and Board of Directors have today considered and adopted the Annual Report of Frey P/S for the financial year 1 January - 31 December 2021.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company's operations for 2021.

In our opinion, Management's Review includes a true and fair view of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Abyhøj, 4 May 2022

### Executive Board

A handwritten signature in blue ink, appearing to read 'JL'.

Jeff Løcke Laursen

### Board of Directors

A handwritten signature in blue ink, appearing to read 'J.Balle'.

Jørgen Balle  
Chairman

A handwritten signature in blue ink, appearing to read 'J.Sigsgaard'.

Johan Sigsgaard (6. maj 2022 21:03 GMT+2)

Johan Sigsgaard

A handwritten signature in blue ink, appearing to read 'Tommy Jensen'.

Tommy Jensen (8. maj 2022 13:08 GMT+1)

Tommy Gade Jensen

A handwritten signature in blue ink, appearing to read 'JJA'.

Jens-Jacob Aarup (6. maj 2022 14:35 GMT+3)

Jens-Jacob Aarup

A handwritten signature in blue ink, appearing to read 'S.Ferreira'.

Sonia Ferreira (9. maj 2022 09:32 GMT+1)

Sonia Ferreira

## **Frey P/S**

### **Independent Auditor's Report**

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To the Shareholders of Frey P/S

#### **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Frey P/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet and notes, including a summary of accounting policies ("financial statements").

#### **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 Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for 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.

#### **Statement on Management's Review**

Management is responsible for Management's Review.

Our opinion on the 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 Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the 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, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

#### **Management's Responsibilities for the Financial Statements**

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the 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 Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## **Frey P/S**

### **Independent Auditor's Report**

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#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 4 May 2022

#### **PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33 77 12 31



Jacob Brinch  
State Authorised Public Accountant  
mne 35447



Christian Møller Gyrsting  
State Authorised Public Accountant  
mne 44111

## **Frey P/S** **Company details**

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Name	Frey P/S
Address, zip code, city	Soren Frichs Vej 38 L, St. Tv., DK-8230 Abyhoj
CVR no.	40 10 17 72
Established	13 December 2018
Financial Year	1 January - 31 December
Board of Directors	Jørgen Balle (Chairman) Johan Sigsgaard Tommy Gade Jensen Jens-Jacob Aarup Sonia Ferreira
Executive Board	Jeff Løcke Laursen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44, DK-2900 Hellerup, Denmark

## Frey P/S Financial Highlights



Seen over four year period, the development of the Company is described by the following financial highlights:  
(The Company was founded in 2018)

Key figures	2021	2020	2019	13/12-31/12
	USD '000	USD '000	USD '000	2018 USD '000
<b>Profit/Loss</b>				
Gross profit/loss	2.270	235	-294	-41
Profit/loss before financial items	142	-1.197	-1.060	-41
Net financials	-523	-99	-8	0
Net profit/loss for the year	-380	-1.296	-1.068	-41
<b>Balance sheet</b>				
Balance sheet total	33.387	20.030	5.539	2.996
Total Equity	2.809	2.930	3.888	2.956
Investment in property, plant and equipment	0	0	0	0
Average number of employees	15	12	6	0
<b>Ratios</b>				
Return on assets	0,4%	-6,0%	-19,1%	-1,4%
Solvency ratio	8,4%	14,6%	70,2%	98,7%
Return on equity	-13,3%	-38,0%	-31,2%	-1,4%

### Financial Highlights

Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financial items} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$

## **Frey P/S Management's Review**



### **Principal activities and financial matters**

The Company carry on business activities globally within containerized commodities trade in the agri commodity markets as well as any related business activities.

### **Development in activities and financial position**

The financial year brought increased sales and despite challenging market conditions the Company increased it's toplevel performance and gained a strong foothold in new origin and destination makets. The financial results of the year shows a gross profit of USD 2.270k, and a loss for the year of of USD 380k. The balance sheet statement shows an equity of USD 2.930k. On that basis, with the market situation in consideration and the Company's growth strategy in mind, management considers the result acceptable.

### **Uncertainty relating to recognition and measurement**

Recognition and measurement in the Annual Report have not been subject to any significant uncertainties.

### **The past year and follow-up on development expectation for last year**

The expectations for the financial year of 2021 was continued growth in gross profit and net result. An increase of USD 2.035k in gross profit and an improvement of the net result of USD 916k is considered as evidence that the Company's strategy to combine logistics and data initiatives are on the right track for continued growth.

### **External environment**

The Company works continuously to minimize the environmental impact of the products. Optimizing the logistics by moving agricultural commodities between surplus and deficit container equipment areas, assisting in reducing trade imbalances and inefficiencies in the container trade supply chain is a fundamental part of the Company's business mo

### **Risks**

The Company operates under risk policies and mandates approved by the Board of Directors. The Company is not exposed to any risks other than the risks common to international trade and other counterparty risks originating from the trade with financial instruments.

The Board of Directors has approved written principles for the overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, long/short positions, hedging activities etc.

As a general rule the Company does not enter into to contracts with a speculative element that might expose the Company to an unhedged risk. The Company mainly enters into contracts that are back-to-back on all significant elements. All risk exposures when not trading back-to-back are hedged to the best possible extent.

For hedges of foreign currency purchases, the Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item.

Derivatives are only used for cash-flow hedging purposes and not as speculative investments.

For the financial year 2021 have not been affected by any unusual events than usual in the industry.

### **Expectations for 2022**

The Company expects a continuous increase in revenue, gross profit and net result through growth in sales in new ori and destination countries combined with data- and analytical initiatives making the flow of agricultural commodities more efficient and profitable.

### **Events after the balance sheet date**

Effective as of 31 March 2022, Maersk A/S has granted the Company with an additional total of USD 35m in capital contribution. The equity injection is considered a clear proof of concept and groupwide support, and with this the Company's liquidity need has been secured for the Financial year 2022.

The Russia-Ukraine war has no significant impact on the expected Financial year 2022 as the Company has no exposure in the region.



## **Frey P/S**

### **Summary of Accounting Policies**



The Annual Report of Frey P/S has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The functional currency of the Company is USD and the Financial Statements for 2021 are presented in USD. At 31 December 2021 the exchange rate USD/DKK is 6.56 (2020: USD/DKK 6.06).

#### **Cash flow statement**

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of A.P. Møller - Mærsk A/S (CVR No. 22756214), the company has not prepared a cash flow statement.

#### **Recognition and measurement in general**

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with the addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

#### **Foreign currency translation**

Transactions in other currency than the functional currency are translated at the exchange rate on the date of the transaction. Monetary items in foreign currency that are not settled on the balance sheet date are translated at exchange rate on the balance sheet date. Foreign exchange rate gains and loss are included in the income statement as financial items. The functional and presentation currency is USD.

#### **Derivatives and hedging activities**

Derivatives are initially recognised at cost on the date a derivative contract is entered into, and they are subsequently remeasured at their fair value. Positive and negative fair values of derivatives are classified as other receivables or other payables as appropriate.

Changes in the fair value of derivative financial instruments are recognized in the income statement, unless the derivatives meets the criteria for accounting hedging, cf. below

#### **Cash flow hedges that qualify for hedge accounting**

The Company hedges the particular risk associated with the cash flow of highly probable forecast transactions.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in equity are reclassified to profit or loss in the period when the hedged item expires.

## **Frey P/S**

### **Summary of Accounting Policies (continued)**

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#### **Income statement**

##### **Revenue**

Revenues are recognised when the performance obligation has been satisfied, which happens upon the transfer of the control to the customer at an amount that reflects the consideration to which the Company expects to be exchanged for the goods and services.

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end
- a binding sales agreement has been made
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received

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

##### **Cost of sales**

Cost of sales includes the purchase of goods for resale and transportation thereof incurred to achieve revenue for the year. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of goods.

##### **Other external costs**

Other external expenses comprise other operating expenses, including expenses for premises, marketing and office expenses, etc.

##### **Gross profit/loss**

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

##### **Staff expenses**

Staff expenses comprise wages and salaries as well as payroll expenses.

##### **Financial income and expenses**

Financial income and expenses comprise interest, realised and unrealised exchange adjustments.

##### **Tax**

Company is tax transparent entity under which the income or expense of the participants under the transparency principle. Income is taxed at the level of the owners rather than at the level of the entity.

#### **Balance Sheet**

##### **Financial assets**

Financial assets comprise of rent- and other deposits.

##### **Inventories**

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations less selling expenses. The net realisable value is determined allowing for marketability and development in expected sales. Inventories mainly comprise grains, feed and oilseeds.

**Frey P/S**  
**Summary of Accounting Policies (continued)**

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**Receivables**

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

**Prepayments**

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

**Cash and cash equivalents**

Cash comprise deposits on demand which are subject to an insignificant risk of change in value.

**Equity**

***Dividend***

Dividend distribution proposed by Management for the year is disclosed as a separate equity item

**Liabilities**

Other liabilities are measured at amortised cost, substantially corresponding to nominal value.

**Frey P/S**  
**Income Statement 1 January - 31 December**



Amount in USD '000

	<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Gross profit/loss</b>		<b>2.270</b>	<b>235</b>
Staff expenses	1	-2.128	-1.432
<b>Profit before financial items</b>		<b>142</b>	<b>-1.197</b>
Financial income		13	58
Financial expenses, group enterprises		-447	-73
Other financial expenses		-88	-84
<b>Loss for the year</b>		<b>-380</b>	<b>-1.296</b>
<b>Distribution of profit</b>			
<b>Proposed distribution of profit/loss</b>			
Retained earnings		-380	-1.296
		<b>-380</b>	<b>-1.296</b>

**Frey P/S**  
**Balance Sheet 31 December**



Amount in USD '000

<b>Assets</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Deposits		133	230
<b>Financial assets</b>		<b>133</b>	<b>230</b>
<b>Total financial assets</b>		<b>133</b>	<b>230</b>
Inventories		629	213
Trade receivables		20.942	10.316
Other receivables		7.050	923
Prepayments		1.935	4
Cash and cash equivalents		2.699	8.343
<b>Total current assets</b>		<b>33.254</b>	<b>19.800</b>
<b>Total assets</b>		<b>33.387</b>	<b>20.030</b>
<b>Liabilities and equity</b>			
Company capital		762	762
Retained earnings		2.047	2.168
<b>Total equity</b>	2	<b>2.809</b>	<b>2.930</b>
Trade payables		8.351	4.866
Payable to group enterprises		21.507	11.692
Other payables		719	542
<b>Total liabilities</b>		<b>30.578</b>	<b>17.100</b>
<b>Total liabilities and equity</b>		<b>33.387</b>	<b>20.030</b>
Derivative financial instruments	3		
Contingent liabilities	4		
Related parties	5		

**Frey P/S**  
**Notes to the Financial Statements**



Amount in USD '000

	<u>2021</u>	<u>2020</u>
<b>1 Staff expenses</b>		
Wages and salaries	2.034	1.360
Pensions	41	31
Other social security expenses	53	41
	<u><b>2.128</b></u>	<u><b>1.432</b></u>
<b>Including remuneration to the Executive Board and Board of Directors</b>	<u><b>464</b></u>	<u><b>387</b></u>
<b>Average number of employees</b>	<u><b>15</b></u>	<u><b>12</b></u>

<b>2 Equity</b>	<u>Company capital</u>	<u>Retained earnings</u>	<u>Total</u>
1 January 2021	762	2.168	2.930
Cash flow hedge reserve, 1 Jan	0	-338	-338
Cash flow hedge reserve, 31 Dec	0	598	598
Profit/Loss of the Year	<u>0</u>	<u>-380</u>	<u>-380</u>
<b>31 December 2021</b>	<u><b>762</b></u>	<u><b>2.047</b></u>	<u><b>2.809</b></u>

**Company capital**

Total company capital consist of 5.000.002 shares with total nominal value of DKK 5.000.002.

Equal to USD 761,610 using the exchange rate at 13th December 2018 at the time of incorporation and the exchange rate of 8th November 2019 at the time of the capital increase.

No Shares have special rights.

**3 Derivative financial instruments**

At 31 December 2021 the financial instruments consists of commodity futures and foreign exchange currency contracts that are part of the Company's ordinary business activity and hedging strategy. The fair value amount in "Other receivables" and "Other Payables" can be specified as follows:

	<u>2021</u>	<u>2020</u>
Currency Forward Contracts - Cash flow hedges, assets	36	23
Currency Forward Contracts - Cash flow hedges, liabilities	-9	0
Commodities Futures - Cash flow hedges, assets	576	435
Commodities Futures - Cash flow hedges, liabilities	-5	-120
<b>Fair value of derivative financial instruments, net</b>	<u><b>598</b></u>	<u><b>338</b></u>

The financial instrument contracts have an expiry period of 1-3 months

<b>4 Contingent liability</b>	<u>2021</u>	<u>2020</u>
Lease obligation, period of non-terminability, 18 months (2020: 6 months)	91	25

**Frey P/S**  
**Notes to the Financial Statements (continued)**

Amount in USD '000

**5 Related parties**

Maersk A/S, Esplanaden 50, DK-1098 Copenhagen K., holds 100% of the company capital.

The company is included in the consolidated financial statements of A.P. Møller - Mærsk A/S (CVR No. 22756214), Copenhagen.

The company discloses all transactions with related parties during 2021. All transactions are on arms length.

Purchase of freight and related services from Maersk Agency Denmark A/S of USD 6.813

Financial expenses to A.P. Møller - Mærsk A/S of USD 447

Financial expenses to Frey GP ApS of USD 2

Salary and administrative services to affiliated companies of USD 503

There have been no other transactions completed, apart from normal management remuneration, with the Board of Directors, senior executives, significant shareholders, affiliated companies or other related parties.

**6 Subsequent events**

Effective as of 31 March 2022, Maersk A/S has granted the Company with an additional total of USD 35m in capital contribution. The equity injection is considered a clear proof of concept and groupwide support, and with this the Company's liquidity need has been secured for the Financial year 2022.

The Russia-Ukraine war has no significant impact on the expected Financial year 2022 as the Company has no exposure in the region.