



Frey P/S

Jaegergaardsgade 97, st., DK-8000 Aarhus C

(CVR. No. 40 10 17 72)

Annual Report for 1 January – 31 December 2020

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 29 April 2021.

Jacob Ramsgaard Nielsen
Chairman

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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 2020.

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 2020 of the Company and of the results of the Company's operations for 2020.

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.

Aarhus, 29 April 2021.

Executive Board

Jeff Løcke Laursen

Board of Directors

Henrik Lind
Chairman

Sune Stilling

Jørgen Balle

Johan Sigsgaard

Tommy Gade Jensen

Frey P/S

Independent Auditor's Report

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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 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 2020, 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

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, 29 April 2021

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

Name	Frey P/S
Address, zip code, city	Jaegergaardsgade 97, st., DK-8000 Aarhus C
CVR no.	40 10 17 72
Established	13 December 2018
Financial Year	1 January - 31 December
Board of Directors	Henrik Lind (Chairman) Sune Stilling Jørgen Balle Johan Sigsgaard Tommy Gade Jensen
Executive Board	Jeff Løcke Laursen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44, DK-2900 Hellerup, Denmark

Principal activities and financial matters

The Company carry on business activities globally within containerized commodities trade in the grains and oil seeds markets as well as any related business activities.

Development in activities and financial position

The result of USD 1.296k loss is in conformity with the company's budget and is as expected.

The balance statement shows an equity of USD 2.930k. On that basis management considers the result acceptable.

Events after the balance sheet date

No significant events have occurred after the end of the financial year that affect the result for the year or the company's financial position.

Significant events during the year

Effective as of 17 February 2020, Maersk A/S has acquired the remaining company capital of the company and Frey P/S is of 17 February 2020 a wholly-owned subsidiary to Maersk A/S. Following the acquisition in 2020 Frey P/S gained access to a loan facility of USD 20.000.000 provided by A.P. Moller - Maersk A/S. The acquisition is considered a clear proof of concept and groupwide support. With the loan facility the Company's liquidity need has been secured for the Financial year 2021.

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.

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.

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

The accounting policies remain unchanged from last year.

The functional currency of the Company is USD and the Financial Statements for 2020 are presented in USD. At 31 December 2020 the exchange rate USD/DKK is 6.06 (2019: USD/DKK 6.67).

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.

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 and price adjustment of securities

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 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.

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>2020</u>	<u>2019</u>
Gross profit/loss		235	-294
Staff expenses	1	-1.432	-766
Profit before financial items		-1.197	-1.060
Financial income		58	43
Financial expenses, group enterprises		-73	0
Other financial expenses		-84	-51
Loss for the year		-1.296	-1.068
Distribution of profit			
Proposed distribution of profit/loss			
Retained earnings		-1.296	-1.068
		-1.296	-1.068

Amount in USD '000

Assets	Note	2020	2019
Deposits		230	16
Financial assets		230	16
Total financial assets		230	16
Inventories		213	0
Trade receivables		10.316	2.596
Other receivables		923	26
Prepayments		4	7
Cash and cash equivalents		8.343	2.894
Total current assets		19.800	5.523
Total assets		20.030	5.539
Liabilities and equity			
Company capital		762	762
Retained earnings		2.168	3.126
Total equity	2	2.930	3.888
Trade payables		4.866	1.320
Payable to group enterprises		11.692	192
Other payables		542	139
Total liabilities		17.100	1.651
Total liabilities and equity		20.030	5.539
Derivative financial instruments	3		
Contingent liabilities	4		
Related parties	5		

Amount in USD '000

	<u>2020</u>	<u>2019</u>
1 Staff expenses		
Wages and salaries	1.360	710
Pensions	31	20
Other social security expenses	41	36
	<u>1.432</u>	<u>766</u>
 Average number of employees	 <u>12</u>	 <u>6</u>

2 Equity	<u>Company capital</u>	<u>Retained earnings</u>	<u>Total</u>
1 January 2020	762	3.126	3.888
Cash flow hedge reserve, 1 Jan	0	0	0
Cash flow hedge reserve, 31 Dec	0	338	338
Profit/Loss of the Year	0	-1.296	-1.296
31 December 2020	<u>762</u>	<u>2.168</u>	<u>2.930</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 2020 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>2020</u>	<u>2019</u>
Currency Forward Contracts - Cash flow hedges, assets	23	0
Currency Forward Contracts - Cash flow hedges, liabilities	0	0
Commodities Futures - Cash flow hedges, assets	435	0
Commodities Futures - Cash flow hedges, liabilities	-120	0
Fair value of derivative financial instruments, net	<u>338</u>	<u>0</u>

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

4 Contingent liability	<u>2020</u>	<u>2019</u>
Lease obligation, period of non-terminability, 6 months	25	15

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 2020. All transactions are on arms length.

Purchase of freight and related services from Maersk Agency Denmark A/S of USD 1.417

Financial expenses to A.P. Møller - Mærsk A/S of USD 73.

Financial expenses to Frey GP ApS of USD 1.

Salary and administrative services to affiliated companies of USD 414.

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.