

Maestro Shipping A/S

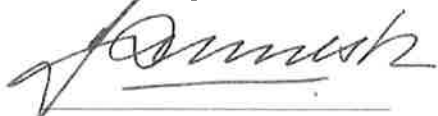
Hummeltoftevej 49, Parterre, 2830 Virum

Company reg. no. 40 90 10 19

Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 3 June 2020.



Jørgen P. Dannesboe
Chairman of the meeting

Notes:

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

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Management's report

The board of directors and the managing director have today presented the annual report of Maestro Shipping A/S for the financial year 1 January to 31 December 2019.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2019 and of the company's results of its activities in the financial year 1 January to 31 December 2019.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

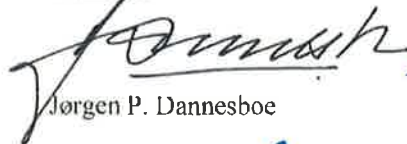
We recommend that the annual report be approved by the general meeting.

Virum, 10 March 2020

Managing Director

Carsten Ib Hansen

Board of directors



Jørgen P. Dannesboe



Carsten Ib Hansen



Peter Hergens Kolte Marcussen



Robert R. A. Sjøqvist

Independent auditor's report

To the shareholder of Maestro Shipping A/S

Opinion

We have audited the annual accounts of Maestro Shipping A/S for the financial year 1 January to 31 December 2019, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January to 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

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

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Independent auditor's report

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 10 March 2020

Grant Thornton

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



Ulrik Bloch-Sørensen
State Authorised Public Accountant
mnc2913

Company information

The company	Maestro Shipping A/S Hummeltoftevej 49, Parterre 2830 Virum
	Company reg. no. 40 90 10 19 Established: 1 June 1975 Domicile: Copenhagen Financial year: 1 January - 31 December
Board of directors	Jørgen P. Dannesboe Carsten Ib Hansen Peter Hergens Kolte Marcussen Robert R. A. Sjøqvist
Managing Director	Carsten Ib Hansen
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø
Bankers	Danske Bank, Holmens Kanal 2, 1090 København K
Parent company	Maestro Shipping S.A., Schweiz
Subsidiaries	Maestro Reefers A/S, København T.K.B. Shipping A/S, København Thopas Holding A/S, København TKB Partners ApS, København

Management commentary

The principal activities of the company

The company act's as parentcompany for the reefer section in Maestro Reefers A/S and as management company concerning the RO/RO activities through Maestro Chartering A/S.

Development in activities and financial matters

The profit of 362 t.DKK for the financial year is considered satisfactory.

Income statement 1 January - 31 December

Amounts concerning 2019: DKK.

Amounts concerning 2018: DKK in thousands.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Net turnover	1.800.000	1.968
Other external costs	-186.145	-137
Gross profit	1.613.855	1.831
1 Staff costs	-2.154.727	-2.185
Operating profit	-540.872	-354
Income from equity investments in group enterprises	316.510	258
Other financial income	613.211	665
2 Other financial costs	-12.738	-13
Pre-tax net profit or loss	376.111	556
Tax on ordinary results	-13.706	-66
Profit or loss from ordinary activities after tax	362.405	490
Net profit or loss for the year	362.405	490
Proposed appropriation of net profit:		
Reserves for net revaluation according to the equity method	316.510	258
Dividend for the financial year	5.000.000	0
Transferred to retained earnings	0	232
Allocated from retained earnings	-4.954.105	0
Total allocations and transfers	362.405	490

Statement of financial position 31 December

Amounts concerning 2019: DKK.

Amounts concerning 2018: DKK in thousands.

Assets		
<u>Note</u>	<u>2019</u>	<u>2018</u>
Non-current assets		
3 Equity investments in group enterprises	1.237.309	921
Other securities and equity investments	87.780	132
Total investments	<u>1.325.089</u>	<u>1.053</u>
Total non-current assets	<u>1.325.089</u>	<u>1.053</u>
Current assets		
Receivable corporate tax	922.240	0
Tax receivables from group enterprises	90.178	72
Other debtors	28.715	147
Total receivables	<u>1.041.133</u>	<u>219</u>
Other securities and equity investments	<u>5.754.584</u>	<u>5.145</u>
Total financial instruments	<u>5.754.584</u>	<u>5.145</u>
Available funds	<u>1.193.897</u>	<u>1.840</u>
Total current assets	<u>7.989.614</u>	<u>7.204</u>
Total assets	<u>9.314.703</u>	<u>8.257</u>

Statement of financial position 31 December

Amounts concerning 2019: DKK.

Amounts concerning 2018: DKK in thousands.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Equity and liabilities		
Equity		
4 Contributed capital	1.000.000	1.000
5 Reserves for net revaluation as per the equity method	737.309	421
6 Results brought forward	1.105.849	6.060
7 Proposed dividend for the financial year	5.000.000	0
Total equity	7.843.158	7.481
Liabilities other than provisions		
Other debts	83.417	0
Total long term liabilities other than provisions	83.417	0
Trade creditors	60.000	60
Corporate tax	0	80
Other debts	1.328.128	636
Total short term liabilities other than provisions	1.388.128	776
Total liabilities other than provisions	1.471.545	776
Total equity and liabilities	9.314.703	8.257

8 Contingencies

Notes

Amounts concerning 2019: DKK.

Amounts concerning 2018: DKK in thousands.

	<u>2019</u>	<u>2018</u>
1. Staff costs		
Salaries and wages	2.142.240	2.173
Other costs for social security	12.487	12
	<u>2.154.727</u>	<u>2.185</u>
 Average number of employees	 <u>2</u>	 <u>2</u>
2. Other financial costs		
Other financial costs	12.738	13
	<u>12.738</u>	<u>13</u>
3. Equity investments in group enterprises		
Acquisition sum, opening balance 1 January 2019	500.000	550
Disposals during the year	0	-50
Cost 31 December 2019	<u>500.000</u>	<u>500</u>
Revaluations, opening balance 1 January 2019	420.799	816
Result for the year	316.510	258
Reversals for the year concerning disposals	0	97
Dividend	0	-750
Revaluation 31 December 2019	<u>737.309</u>	<u>421</u>
 Book value 31 December 2019	 <u>1.237.309</u>	 <u>921</u>
 Group enterprises:		
	Domicile	Share of ownership
Maestro Reefers A/S	København	100 %
4. Contributed capital		
Contributed capital 1 January 2019	1.000.000	1.000
	<u>1.000.000</u>	<u>1.000</u>

No changes have been made in the contributed capital within the last five years.

Notes

Amounts concerning 2019: DKK.

Amounts concerning 2018: DKK in thousands.

	<u>31/12 2019</u>	<u>31/12 2018</u>
5. Reserves for net revaluation as per the equity method		
Reserves for net revaluation 1 January 2019	420.799	610
Adjustment to 1 January	0	303
Share of results	316.510	258
Distributed dividend	0	-750
	<u>737.309</u>	<u>421</u>
6. Results brought forward		
Results brought forward 1 January 2019	6.059.954	5.380
Adjustment to 1 January	0	-303
Profit or loss for the year brought forward	-4.954.105	233
Dividend from subsidiary	0	750
	<u>1.105.849</u>	<u>6.060</u>
7. Proposed dividend for the financial year		
Dividend 1 January 2019	0	1.000
Dividend for the financial year	5.000.000	-1.000
	<u>5.000.000</u>	<u>0</u>
8. Contingencies		
Joint taxation		
The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.		
The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.		
Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.		

Accounting policies

The annual report for Maestro Shipping A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

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.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

Accounting policies

The profit and loss account

Revenue

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Other external costs

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Results from equity investments in group enterprises

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

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

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

Accounting policies

The balance sheet

Financial fixed assets

Equity in group enterprises

Equity in group enterprises recognised in the statement of financial position as a proportional share of the enterprise's equity value. This is calculated on the basis of the accounting policies of the parent less/plus unrealised intercompany profits and losses, and less/plus residual value of positive or negative goodwill measured by applying the purchase method.

Group enterprises with negative equity are recognised at no value and, to the extent they are considered irrevocable, amounts owed by these companies are made subject to impairment by the parent's share of the equity. If the negative equity exceeds the receivables, the residual amount is recognised under liability provisions to the extent that the parent has a legal or actual liability to cover the negative equity of these subsidiaries.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are 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.

Profit or loss in connection with the disposal of group enterprises are measured as the difference between the sales amount and the carrying amount of net assets at the time of sale, inclusive of remaining consolidated goodwill and expected costs of sale or liquidation. Profit and loss are recognised in the income statement under net financials.

For the acquisition of new group enterprises, the purchase method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for pre-determined restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of revaluations is taken into consideration.

Positive differences (goodwill) between cost and fair value of identifiable acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises and are amortised over their estimated useful economic life. The useful life is determined on the basis of management's experience in the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a longterm earnings potential. The carrying amount of goodwill is subject to impairment tests on a continuing basis and written down in the income statement in those cases when the carrying amount exceeds the expected future net income from the enterprise or the activity to which the goodwill is attached.

Accounting policies

Other securities and equity investments

Other unlisted securities are measured at cost. Writedown takes place to the recoverable amount, if this value is lower than the book value.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Securities and equity investments

Securities and equity investments recognised as current assets are measured at fair value on the balance sheet date.

Available funds

Available funds comprise cash at bank and in 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 and associates 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.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity. Proposed dividend is recognised as a liability at the time of approval by the annual general meeting (time of declaration).

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Maestro Shipping A/S is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, Maestro Shipping A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Accounting policies

Payable and receivable joint taxation contributions are recognised in the balance sheet as "Receivable corporate tax" or "Payable corporate tax".

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry over, 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.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

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