
Lauritzen Bulkera Ship Owner A/S

Tuborg Havnevej 15, DK-2900 Hellerup

Annual Report for 1 January - 31 December 2021

CVR No 40 97 42 29

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
24/2 2022

Dorte Rolff
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Lauritzen Bulkera Ship Owner A/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 operations for 2021.

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

Copenhagen, 24 February 2022

Executive Board

Niels Åge Josefsen

Board of Directors

Jacob Winthereik
Chairman

Niels Åge Josefsen

Dorte Rolff

Independent Auditor's Report

To the Shareholder of Lauritzen Bulkers Ship Owner A/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 Lauritzen Bulkers Ship Owner A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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' 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 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.

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.

Independent Auditor's Report

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

- Identify and assess the risks of material misstatement of the 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.

Independent Auditor's Report

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.

Hellerup, 24 February 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Bo Schou-Jacobsen
State Authorised Public Accountant
mne28703

Alexander Oliver Duschek
State Authorised Public Accountant
mne47774

Company Information

The Company

Lauritzen Bulkers Ship Owner A/S
Tuborg Havnevej 15
DK-2900 Hellerup

CVR No: 40 97 42 29
Financial period: 1 January - 31 December
Incorporated: 28 November 2019
Financial year: 2nd financial year
Municipality of reg. office: Gentofte

Board of Directors

Jacob Winthereik, Chairman
Niels Åge Josefsen
Dorte Rolff

Executive Board

Niels Åge Josefsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Income Statement 1 January - 31 December

	Note	2021 USD'000	2019/20 USD'000
Gross profit/loss	3	10.135	2.460
Staff expenses	4	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-1.455	-1.514
Profit/loss before financial income and expenses		8.680	946
Financial income		2	4
Financial expenses		-538	-1.203
Profit/loss before tax		8.144	-253
Tax on profit/loss for the year	5	-19	-22
Net profit/loss for the year		8.125	-275

Distribution of profit

Proposed distribution of profit

Retained earnings		8.125	-275
		8.125	-275

Balance Sheet 31 December

Assets

	Note	2021 USD'000	2020 USD'000
Vessels		28.360	27.304
Prepayments for property, plant and equipment		1.457	0
Property, plant and equipment	6	29.817	27.304
Fixed assets		29.817	27.304
Receivables from group enterprises		1.888	2.946
Other receivables		243	24
Receivables		2.131	2.970
Cash at bank and in hand		8.464	2.033
Currents assets		10.595	5.003
Assets		40.412	32.307

Balance Sheet 31 December

Liabilities and equity

	Note	2021 USD'000	2020 USD'000
Share capital		59	59
Retained earnings		25.493	17.368
Equity		25.552	17.427
Mortgage loans		12.922	13.310
Long-term debt	7	12.922	13.310
Mortgage loans	7	1.736	1.541
Trade payables		12	0
Corporation tax		22	22
Other payables		168	7
Short-term debt		1.938	1.570
Debt		14.860	14.880
Liabilities and equity		40.412	32.307
Subsequent events	1		
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Statement of Changes in Equity

	<u>Share capital</u> USD'000	<u>Retained earnings</u> USD'000	<u>Total</u> USD'000
Equity at 1 January	59	17.368	17.427
Net profit/loss for the year	0	8.125	8.125
Equity at 31 December	59	25.493	25.552

Notes to the Financial Statements

1 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

2 Key activities

The purpose of the Company is to operate as a vessel company for the J. Lauritzen Group.

3 Special items

	<u>2021</u> USD'000	<u>2020</u> USD'000
Gain of sale of Vessels included in Gross profit/loss	6.664	0
	<u>6.664</u>	<u>0</u>

4 Staff expenses

The Company has no employees.

5 Tax on profit/loss for the year

Current tax for the year	22	22
Adjustment of tax concerning previous years	-3	0
	<u>19</u>	<u>22</u>

Notes to the Financial Statements

6 Property, plant and equipment

	Vessels USD'000	Prepayments for property, plant and equipment USD'000
Cost at 1 January	109.178	0
Additions for the year	15.647	1.457
Disposals for the year	-54.882	0
Cost at 31 December	<u>69.943</u>	<u>1.457</u>
Impairment losses and depreciation at 1 January	81.874	0
Depreciation for the year	1.455	0
Reversal of impairment and depreciation of sold assets	-41.746	0
Impairment losses and depreciation at 31 December	<u>41.583</u>	<u>0</u>
Carrying amount at 31 December	<u>28.360</u>	<u>1.457</u>

7 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2021 USD'000	2020 USD'000
Mortgage loans		
Between 1 and 5 years	12.922	13.310
Long-term part	12.922	13.310
Within 1 year	1.736	1.541
	<u>14.658</u>	<u>14.851</u>

Notes to the Financial Statements

8 Contingent assets, liabilities and other financial obligations

As security for the Company's mortgage loans the Company has provided security or other collateral in its vessels for at total amount of USD 14,658k. The total carrying amount of these assets is USD 28,360k.

The Company has entered into an agreement for future delivery of a vessel. The Company has paid a deposit of USD 1,457k recognized as prepayments for property, plant and equipment. The remaining contract amount of USD 13,200k is payable at delivery of the vessel.

Contingent liabilities

The Company is jointly taxed with the Danish subsidiaries of the Lauritzen Foundation. The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

9 Related parties

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company

<u>Name</u>	<u>Place of registered office</u>
Lauritzen Fonden	Tranegårdsvej 20, 2900 Hellerup
Lauritzen Bulkers A/S	Tuborg Havnevej 15, 2900 Hellerup

The Group Annual Report of Lauritzen Fonden and Lauritzen Bulkers A/S may be obtained at the following address:

<http://datacvr.virk..dk/data>

Notes to the Financial Statements

10 Accounting Policies

The Annual Report of Lauritzen Bulkers Ship Owner A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in USD'000. Applied US Dollar exchange rate on the 31 December 2021 : 656,12 (2020: 605,76).

Recognition and measurement

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 depreciation, 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.

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, contributions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

Effective 1 January 2020 a business combination was made, where Lauritzen Bulkers A/S made a contribution of net assets to Lauritzen Bulkers Ship Owner A/S. The net assets comprised two vessels, including related debt, and a cash balance.

Translation policies

USD is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction.

Notes to the Financial Statements

10 Accounting Policies (continued)

Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other external expenses

Other external expenses comprise the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, 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, other operating income and other external expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

Notes to the Financial Statements

10 Accounting Policies (continued)

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

The Company's current tax consists of tax payable according to the regulations of the Danish Tonnage Tax Act for shipping activities and according to general tax regulations for net financial income and other activities. The Company does not perform any other activities.

Income calculated in accordance with the Tonnage Tax Act includes a notional taxable income assessed on the basis of the tonnage employed during the year.

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

Notes to the Financial Statements

10 Accounting Policies (continued)

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Vessels	25 years
Dry dockings	30 - 60 months

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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

Equity

Dividend

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

Notes to the Financial Statements

10 Accounting Policies (continued)

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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