

Lauritzen Bulkers Ship Owner A/S

Tuborg Havnevej 15, 2900, Hellerup

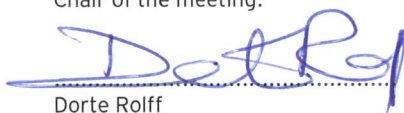
CVR no. 40 97 42 29

Annual report 2019/20

(As of the establishment of the Company 28 November 2019 - 31 December 2020)

Approved at the Company's annual general meeting on 11 June 2021

Chair of the meeting:



Dorte Rolff

The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.





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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Lauritzen Bulkers Ship Owner A/S for the financial year as of the establishment of the Company 28 November 2019 - 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 of the Company at 31 December 2020 and of the results of the Company's operations for the financial year as of the establishment of the Company 28 November 2019 - 31 December 2020.


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

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

Copenhagen, 11 June 2021
Executive Board:


.....
Niels Åge Josefsen

Board of Directors:


.....
Jacob Winthereik
Chair
.....
Niels Åge Josefsen
.....
Dorte Rolff



Independent auditor's report

To the shareholder of Lauritzen Bulkers Ship Owner A/S

Opinion

We have audited the financial statements of Lauritzen Bulkers Ship Owner A/S for the financial year as of the establishment of the Company 28 November 2019 - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are 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 of the Company at 31 December 2020 and of the results of the Company's operations for the financial year as of the establishment of the company 28 November 2019 - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 rules and requirements.

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 as to 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 the 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 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.

Independent auditor's report

- ▶ 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 note 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 11 June 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Torben Bender
State Authorised Public Accountant
mne21332



Management's review

Company details

Name	Lauritzen Bulkera Ship Owner A/S
Address, Postal code, City	Tuborg Havnevej 15, 2900, Hellerup
CVR no.	40 97 42 29
Established	28 November 2019
Registered office	Gentofte
Financial year	28 November 2019 - 31 December 2020
Board of Directors	Jacob Winthereik, Chair Niels Åge Josefsen Dorte Rolff
Executive Board	Niels Åge Josefsen

Management commentary

Business review

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

Financial review

The income statement for 2019/20 shows a loss of USD 275 thousand, and the balance sheet at 31 December 2020 shows equity of USD 17,368 thousand.

During the year the Company received contribution of net assets from Lauritzen Bulkera A/S. For further information reference is made to note 1.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.



Financial statements for the period 28 November 2019 - 31 December 2020

Income statement

Note	USD'000	2019/20 13 months
	Gross profit	2,460
2	Staff costs	0
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-1,514
	Profit before net financials	946
	Financial income	4
	Financial expenses	-1,203
	Profit/loss before tax	-253
	Tax for the year	-22
	Profit/loss for the year	-275
	Recommended appropriation of profit/loss	
	Retained earnings/accumulated loss	-275
		-275



Financial statements for the period 28 November 2019 - 31 December 2020

Balance sheet

Note	USD'000	<u>2019/20</u>
	ASSETS	
	Fixed assets	
3	Property, plant and equipment	
	Vessels	27,304
		<u>27,304</u>
	Total fixed assets	<u>27,304</u>
	Non-fixed assets	
	Receivables	
	Receivables from group enterprises	2,946
	Other receivables	24
		<u>2,970</u>
	Cash	2,033
	Total non-fixed assets	<u>5,003</u>
	TOTAL ASSETS	<u><u>32,307</u></u>



Financial statements for the period 28 November 2019 - 31 December 2020

Balance sheet

Note	USD'000	<u>2019/20</u>
	EQUITY AND LIABILITIES	
	Equity	
4	Share capital	59
	Retained earnings	<u>17,309</u>
	Total equity	<u>17,368</u>
	Liabilities other than provisions	
	Non-current liabilities other than provisions	
	Mortgage debt	<u>13,310</u>
		<u>13,310</u>
	Current liabilities other than provisions	
	Short-term part of long-term liabilities other than provisions	1,541
	Corporation tax payable	22
	Other payables	<u>66</u>
		<u>1,629</u>
		<u>14,939</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>32,307</u></u>

- 1 Accounting policies
- 5 Contractual obligations and contingencies, etc.
- 6 Collateral
- 7 Related parties



Financial statements for the period 28 November 2019 - 31 December 2020

Statement of changes in equity

USD'000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Cash payments concerning formation of enterprise	59	0	59
Additions on merger/corporate acquisition	0	17,584	17,584
Transfer through appropriation of loss	0	-275	-275
Equity at 31 December 2020	<u>59</u>	<u>17,309</u>	<u>17,368</u>

Financial statements for the period 28 November 2019 - 31 December 2020

Notes to the financial statements

1 Accounting policies

The annual report of Lauritzen Bulkera Ship Owner A/S for 2019/20 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Reporting currency

The financial statements are presented in USD as the Company's most significant transactions are settled in USD. At the balance sheet date, the DKK/USD exchange rate was 6.06.

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 Bulkera A/S made a contribution of net assets to Lauritzen Bulkera Ship Owner A/S. The net assets comprised two vessels, including related debt, and a cash balance.

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.

Gross profit

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Other external expenses

Other external expenses include 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.

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Land and buildings	0 years
Vessels	25 years

Financial statements for the period 28 November 2019 - 31 December 2020

Notes to the financial statements

1 Accounting policies (continued)

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Financial statements for the period 28 November 2019 - 31 December 2020

Notes to the financial statements

1 Accounting policies (continued)

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

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.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.



Financial statements for the period 28 November 2019 - 31 December 2020

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

2 Staff costs

The Company has no employees.

3 Property, plant and equipment

USD'000	Vessels
Cost at 28 November 2019	0
Additions on merger/corporate acquisition	109,178
Cost at 31 December 2020	109,178
Accumulated impairment losses and depreciation of additions through mergers and business combinations	80,360
Depreciation	1,514
Impairment losses and depreciation at 31 December 2020	81,874
Carrying amount at 31 December 2020	27,304

Note 6 provides more details on security for loans, etc. as regards property, plant and equipment.

4 Share capital

Analysis of changes in the share capital over the past 2 years:

DKK	2019/20	Opening balance at 28 November 2019
Establishment	59	59
	59	59

5 Contractual obligations and contingencies, etc.

The Company is jointly taxed with the Danish subsidiaries of the Lauritzen Foundation. Together with the other companies included in the joint taxation, the Company has joint and several unlimited liability for Danish withholding taxes on dividends, interest and royalties.

The Company has no other contingent liabilities.



Financial statements for the period 28 November 2019 - 31 December 2020

Notes to the financial statements

6 Collateral

As security for the Company's debt to banks, creditors and other suppliers, the Company has provided security or other collateral in its assets for a total amount of USD 14,852. The total carrying amount of these assets is USD 27,295.

7 Related parties

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Lauritzen Bulkers A/S	Tuborg Havnevej 15, 2900 Hellerup	http://datacvr.virk.dk/Data
Lauritzen Fonden	Tranegårdsvej 20, 2900 Hellerup	http://datacvr.virk.dk/Data

