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BDO Statsautoriseret revisionsaktieselskab
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CVR no. 20 22 26 70

DANISH CRUISE HOLDINGS APS

C/O OLE BØDTCHER-HANSEN, SOFIEVEJ 7, 2950 VEDBÆK

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2021

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 28 June 2022

Niels-Erik Thamdrup Lund

CVR NO. 41 04 59 06

CONTENTS

COMPANY DETAILS

Company	Danish Cruise Holdings ApS c/o Ole Bødtcher-Hansen, Sofievej 7 2950 Vedbæk	
	CVR No.:	41 04 59 06
	Established:	1 January 2020
	Municipality:	Hørsholm
	Financial Year:	1 January - 31 December
Executive Board	Søren Rasmussen Niels-Erik Thamdrup Lund Ole Bødtcher-Hansen	
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V	

MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of Danish Cruise Holdings ApS for the financial year 1 January - 31 December 2021.

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

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2021 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2021.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 28 June 2022

Executive Board

Søren Rasmussen	Niels-Erik Thamdrup Lund	Ole Bødtcher-Hansen

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Danish Cruise Holdings ApS

Opinion
We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of Danish Cruise Holdings ApS for the financial year 1 January - 31 December 2021, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2021 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group for the financial year 1 January - 31 December 2021 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 Consolidated Financial Statements and the Annual Financial Statements of the Company" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Consolidated Financial Statements and the Annual Financial Statements of the Company
Management is responsible for the preparation of Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company, Management is responsible for assessing the Group's and the Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements
Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Group's and the Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Annual Financial Statements of the Company, including the disclosures, and whether the Consolidated Financial Statements and the Annual Financial Statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

INDEPENDENT AUDITOR'S REPORT

Statement on Management Commentary
Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Annual Financial Statements of the Company, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Annual Financial Statements of the Company or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Annual Financial Statements of the Company and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

Copenhagen, 28 June 2022

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Morten Christensen	Søren Søndergaard Jensen
State Authorised Public Accountant	State Authorised Public Accountant
MNE no. mne35626	MNE no. mne32069

FINANCIAL HIGHLIGHTS OF THE GROUP

	2021 USD '000	2020 USD '000
Income statement		
Gross profit/loss	14,234	23,514
Operating profit/loss before depreciation and amortisation (EBITDA)	4,723	12,553
Operating profit/loss of main activities	-3,329	4,694
Financial income and expenses, net	-1,647	-1,759
Profit/loss for the year before tax	-4,976	2,936
Profit/loss for the year	-5,440	3,344
Balance sheet		
Total assets	77,884	70,867
Equity	12,972	15,854
Cash flows		
Cash flows from operating activities	-2,445	-2,437
Cash flows from investing activities	-3,092	-934
Cash flows from financing activities	4,626	-1,880
Total cash flows	-911	-5,251
Investment in property, plant and equipment	-3,053	0
Key ratios		
Equity ratio	16.7	22.4

The ratios stated in the list of key figures and ratios have been calculated as follows:

Equity ratio: $\frac{\text{Equity (ex. minorities), at year-end x 100}}{\text{Total assets, at year-end}}$

MANAGEMENT COMMENTARY

Principal activities
The Company's primary activity is to be the owner of shares in associates, to supply financing to associates and to invest in securities and other financial instruments.

The Company owns four vessel owning companies and three management companies. Each vessel owing company owns an expedition cruise vessel. The management companies CMI Leisure, Unipessoal S.A. and CMI Leisure Management Inc. are conducting Hotel Management and Cruise Management International Inc. is conducting Technical Management. Both Hotel and Technical Management are carried out for associated companies as well as for third-party vessel owners.

Unusual matters

Group
In the Consolidated Annual Report for 2020, goodwill between the parent and the consolidated financial statements has been erroneously eliminated. The value amounts to USD 186,116 which is adjusted directly on equity, beginning of year. As a result the comparison numbers in the Consolidated Annual Report for 2020 has also been corrected with a decrease on depreciations in the income statement of USD 30,904 and an increase in Goodwill in the balance sheet of USD 185,422.

We have identified an error in regards to the groups recognition of revenue allocated from contracts, in previous year. The value amounts to USD 7,798,869 which is adjusted directly on equity, beginning of year. As a result the comparison numbers in the Consolidated Annual Report for 2020 has also been corrected with an increase on revenue in the income statement of USD 7,798,869 and an increase of prepayments in the balance sheet of USD 7,798,869. As a result of the correction, prepayments under liablities and trade receiveables have been presented accordingly together with the correction with prepayment under assets.

As a result of the above corrections, we have made adjustments to the Cash Flow Statement accordingly.

Parent Company
As a result of the above correction for the Group in regards to recognition of revenue, we have adjusted the numbers for the Parent Company as well. The value amounts to USD 7,798,869 which is adjusted directly on equity, beginning of year. As a result the comparison numbers in the Annual Report for 2020 has also been corrected with an increase of income from investments in subsidiaries in the income statement of USD 7,798,869 and an increase of investments in subsidiaries in the balance sheet of USD 7,798,869. As a result we have corrected the reserve for net revaluation under the equity method by USD 3,396,938.

Recognition and measurement uncertainty
The current global pandemic of COVID-19 has resulted in a disruption across many industries including the cruise ship industry for 2020 and 2021.

Management is still monitoring the situation closely and have agreements with all of its key stakeholders including the Charterers where revised terms and agreements have been agreed, which take the current market conditions of the cruise ship industry into consideration. Furthermore, the shareholders are also aware of these circumstances, and the shareholders have issued support letters with confirmation to inject cash as needed for the Company to honor its obligations as they fall due for a period of 12 months from the date of these financial statements.

As further described in note 14 to the consolidated financial statements, the shareholders have issued letters of support to the Company.

The Company is, in agreement with its Charterers, preparing all its vessels for operation from the 2022 summer season, whereby COVID uncertainties should be minimal going forward.

Based on above, Management believes that the financial statements are appropriately prepared based on the going concern principle.

MANAGEMENT COMMENTARY

Development in activities and financial and economic position
Although the Company had a sound financial position at the beginning of the year and did everything to preserve cash the Company called additional cash of USD 3.6 million from its shareholders at the end of the year. Further, the Shareholders approved a remission of debt in an amount of USD 2.6 million, which was booked directly to Equity.

During the year the Company incorporated four vessel owning companies on Madeira, Portugal: Adventurer Partners, Unipessoal Lda, Atlprt Atlantic Partners, Unipessoal Lda, Diamond Cruise Partners, Unipessoal Lda and Endeavour Partners, Unipessoal Lda. On December 30, 2021, the vessels owned in the Company's Bahamian companies were sold to the newly incorporated companies including other net assets.

Further, on December 30, 2021, it was decided to refinance the Company's current vessel related loan portfolio with an amount of the same size with better terms in order to strengthen the Company's financial position going forward. The loan refinancing was completed on February 1, 2022.

There have been no other major changes to the Balance Sheet composition during the year except for normal operational changes.

Profit/loss for the year compared to the expected development
As a result of the spread of the COVID-19 virus, economic uncertainties arose during 2020. These uncertainties continued in 2021 and negatively impacted net profit. Management is closely monitoring the COVID-19 situation and the impact this may have on the operation and financial situation of the Company. As further described in note 14 to the consolidated financial statements, the shareholders have issued letters of support to the Company.

In 2021, the Company realized a loss of USD 5,439,843 which was worse than expected. Management therefore considers the result unsatisfactory.

Significant events after the end of the financial year
No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Future expectations
During and shortly after the end of 2020, several vaccine candidates for COVID-19 were approved around the world and vaccinations started to take place. This brought some optimism that the world would revert to a more normalized situation during the 2021 summer season. This did in fact happen, but the market recovery was slow still causing a major challenge for the Expedition Cruise niche market.

The Company has a positive outlook from the 2022 summer season where all its vessels will be back in service. The Company continues to focus on obtaining long term contracts for its vessels and on its unique competence within its niche market. For 2022 Management expects a gross profit in the range between USD 68 to USD 71 million and a profit/loss for the year in the range between USD 1 to USD 4 million.

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INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group		Parent Company	
		2021 USD	2020 USD	2021 USD	2020 USD
GROSS PROFIT	1	**14,233,993**	**23,514,368**	**-30,451**	**-34,352**
Staff costs	2	-9,510,693	-10,961,183	0	0
Depreciation, amortisation and impairment losses		-8,051,935	-7,858,837	-30,904	-30,904
OPERATING LOSS		**-3,328,635**	**4,694,348**	**-61,355**	**-65,256**
Income from investments in subsidiaries		0	0	-5,377,214	3,396,938
Other financial income		86,968	36,773	0	0
Other financial expenses		-1,734,404	-1,795,357	-1,274	-12
LOSS BEFORE TAX		**-4,976,071**	**2,935,764**	**-5,439,843**	**3,331,670**
Tax on profit/loss for the year	3	-463,772	408,393	0	13,183
LOSS FOR THE YEAR	4	**-5,439,843**	**3,344,157**	**-5,439,843**	**3,344,853**

BDO

BALANCE SHEET AT 31 DECEMBER

		Group		Parent Company	
ASSETS	**Note**	**2021**	**2020**	**2021**	**2020**
		USD	USD	USD	USD
Intangible fixed assets acquired....		150,506	205,257	0	0
Acquired licenses.....................		36,228	35,250	0	0
Goodwill...............................		154,518	185,422	154,518	185,422
Intangible assets.....................	5	**341,252**	**425,929**	**154,518**	**185,422**
Ships....................................		49,570,548	54,471,542	0	0
Other plant, machinery tools and equipment.............................		5,755	7,713	0	0
Tangible fixed assets in progress and prepayment......................		27,432	0	0	0
Property, plant and equipment...	6	**49,603,735**	**54,479,255**	**0**	**0**
Investments in subsidiaries..........		0	0	12,954,171	15,689,722
Financial non-current assets.......	7	**0**	**0**	**12,954,171**	**15,689,722**
NON-CURRENT ASSETS..............		**49,944,987**	**54,905,184**	**13,108,689**	**15,875,144**
Raw materials and consumables....		3,908,306	2,120,277	0	0
Inventories............................		**3,908,306**	**2,120,277**	**0**	**0**
Trade receivables.....................		2,036,428	635,472	0	0
Receivables from group enterprises............................		0	0	11,511	0
Deferred tax assets..................	8	0	677,266	0	0
Other receivables....................		2,377,686	1,620,154	7,442	0
Corporation tax receivable..........		25,276	125,791	13,183	0
Joint tax contribution receivable..		0	0	0	13,183
Prepayments..........................	9	17,743,616	8,024,918	0	0
Receivables...........................		**22,183,006**	**11,083,601**	**32,136**	**13,183**
Cash and cash equivalents.........		**1,847,239**	**2,758,106**	**12,110**	**9,437**
CURRENT ASSETS.....................		**27,938,551**	**15,961,984**	**44,246**	**22,620**
ASSETS................................		**77,883,538**	**70,867,168**	**13,152,935**	**15,897,764**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group 2021 USD	Group 2020 USD	Parent Company 2021 USD	Parent Company 2020 USD
Share capital		13,523	13,523	13,523	13,523
Reserve for net revaluation under the equity method		0	0	577,498	3,396,938
Retained earnings		12,958,371	15,840,440	12,380,873	12,443,502
EQUITY		**12,971,894**	**15,853,963**	**12,971,894**	**15,853,963**
Provision for deferred tax	8	0	307,030	0	0
PROVISIONS		**0**	**307,030**	**0**	**0**
Bank loan		4,296,709	13,176,291	0	0
Payables to owners and management		39,385,733	37,343,880	0	5,801
Non-current liabilities	10	**43,682,442**	**50,520,171**	**0**	**5,801**
Bank debt		8,905,924	0	0	0
Prepayments from customers		2,461,733	225,267	0	0
Trade payables		4,488,298	956,184	1,240	0
Debt to Group companies		0	0	157,000	30,000
Debt to associated enterprises		9,670	0	5,047	0
Other liabilities		5,363,577	3,004,553	17,754	8,000
Current liabilities		**21,229,202**	**4,186,004**	**181,041**	**38,000**
LIABILITIES		**64,911,644**	**54,706,175**	**181,041**	**43,801**
EQUITY AND LIABILITIES		**77,883,538**	**70,867,168**	**13,152,935**	**15,897,764**

Contingencies etc.	11
Charges and securities	12
Related parties	13
Uncertainty with respect to going concern	14
Fee to statutory auditor	1

EQUITY

	Group		
	Share capital	Retained earnings	Total
Equity at 1 January 2021	13,523	7,855,455	7,868,978
Change of equity due to correction of errors		7,984,985	7,984,985
Adjusted equity at 1 January 2021	**13,523**	**15,840,440**	**15,853,963**
Proposed profit allocation, note 4		-5,439,843	-5,439,843
Transactions with owners			
Group contribution		2,557,774	2,557,774
Equity at 31 December 2021	**13,523**	**12,958,371**	**12,971,894**

	Parent Company			
	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
Equity at 1 January 2021	13,523	0	8,041,571	8,055,094
Change of equity due to correction of errors		3,396,938	4,401,931	7,798,869
Adjusted equity at 1 January 2021	**13,523**	**3,396,938**	**12,443,502**	**15,853,963**
Proposed profit allocation, note 4		-5,377,214	-62,629	-5,439,843
Transactions with owners				
Group contribution			2,557,774	2,557,774
Other legal bindings				
Other adjustments to equity value		2,557,774	-2,557,774	0
Equity at 31 December 2021	**13,523**	**577,498**	**12,380,873**	**12,971,894**

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2021 USD	2020 USD
Profit/loss for the year	-5,439,843	3,344,157
Depreciation and amortisation, reversed	8,051,935	7,858,837
Adjustment of other financial income	0	-36,773
Adjustment of other financial expenses	0	1,795,357
Tax on profit/loss, reversed	470,751	-408,393
Corporation tax paid	0	-1,800,061
Change in inventories	-1,788,029	-334,259
Change in receivables (ex tax)	-11,877,186	-10,720,223
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	8,137,275	-2,135,700
CASH FLOWS FROM OPERATING ACTIVITY	**-2,445,097**	**-2,437,058**
Purchase of intangible assets	-39,102	0
Purchase of property, plant and equipment	-3,052,634	-933,895
CASH FLOWS FROM INVESTING ACTIVITY	**-3,091,736**	**-933,895**
Instalments on loans	0	-1,880,374
Other changes in non-current debt	2,068,192	0
Other cash flows from financing activities	2,557,774	0
CASH FLOWS FROM FINANCING ACTIVITY	**4,625,966**	**-1,880,374**
CHANGE IN CASH AND CASH EQUIVALENTS	**-910,867**	**-5,251,327**
Cash and cash equivalents at 1. januar	2,758,106	8,009,433
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**1,847,239**	**2,758,106**
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents	1,847,239	2,758,106
CASH AND CASH EQUIVALENTS, NET DEBT	**1,847,239**	**2,758,106**

NOTES

	Group		Parent Company		
	2021 USD	**2020** USD	**2021** USD	**2020** USD	**Note**
Fee to statutory auditor					1
Total fee:					
BDO	54,717	0			
Deloitte	0	59,500			
	54,717	**59,500**			
Specification of fee:					
Statutory audit	32,830	52,000			
Tax consultancy	5,472	7,500			
Other services	16,415	0			
	54,717	**59,500**			
Staff costs					2
Average number of employees	199	242	0	0	
Wages and salaries	6,719,408	8,330,909	0	0	
Pensions	22,905	30,608	0	0	
Social security costs	6,982	29,209	0	0	
Other staff costs	2,761,398	2,570,457	0	0	
	9,510,693	**10,961,183**	**0**	**0**	

The management have not received remuneration for the year.

	Group 2021 USD	Group 2020 USD	Parent Company 2021 USD	Parent Company 2020 USD	Note
Tax on profit/loss for the year					3
Calculated tax on taxable income of the year	0	-9,865	0	-13,183	
Adjustment of tax in previous years	0	157,099	0	0	
Adjustment of deferred tax	463,772	-555,627	0	0	
	463,772	**-408,393**	**0**	**-13,183**	
Proposed distribution of profit					4
Allocation to reserve for net revaluation under the equity method	0	0	-5,377,214	3,396,938	
Retained earnings	-5,439,843	3,344,157	-62,629	-52,085	
	-5,439,843	**3,344,157**	**-5,439,843**	**3,344,853**	

NOTES

Note

Intangible assets 5

	Group		
	Intangible fixed assets acquired	Acquired licenses	Goodwill
Cost at 1 January 2021	457,007	348,404	533,478
Additions	21,196	17,905	0
Cost at 31 December 2021	**478,203**	**366,309**	**533,478**
Amortisation at 1 January 2021	251,750	313,153	348,056
Amortisation for the year	75,947	16,928	30,904
Amortisation at 31 December 2021	**327,697**	**330,081**	**378,960**
Carrying amount at 31 December 2021	**150,506**	**36,228**	**154,518**

	Parent Company
	Goodwill
Cost at 1 January 2021	216,326
Cost at 31 December 2021	**216,326**
Amortisation at 1 January 2021	30,904
Amortisation for the year	30,904
Amortisation at 31 December 2021	**61,808**
Carrying amount at 31 December 2021	**154,518**

Property, plant and equipment 6

	Group		
	Ships	Other plant, machinery tools and equipment	Tangible fixed assets in progress and prepayment
Cost at 1 January 2021	94,890,658	10,914	0
Additions	3,025,199	0	27,432
Cost at 31 December 2021	**97,915,857**	**10,914**	**27,432**
Depreciation and impairment losses at 1 January 2021	40,419,113	3,201	
Depreciation for the year	7,926,196	1,958	
Depreciation and impairment losses at 31 December 2021	**48,345,309**	**5,159**	
Carrying amount at 31 December 2021	**49,570,548**	**5,755**	**27,432**

NOTES

	Note
Financial non-current assets	**7**

	Parent Company
	Investments in subsidiaries
Cost at 1 January 2021	12,292,784
Additions	84,580
Cost at 31 December 2021	**12,377,364**
Revaluation at 1 January 2021	-4,401,931
Profit/loss for the year	-5,377,214
Equity movements	7,798,178
Other adjustments	2,557,774
Revaluation at 31 December 2021	**576,807**
Carrying amount at 31 December 2021	**12,954,171**

Investments in subsidiaries

Name and domicile	Ownership
Adventurer Partners Ltd., Bahamas	100 %
Endeavour Partners Ltd., Bahamas	100 %
Diamond Partners Ltd., Bahamas	100 %
Ocean Atlantic Partners Ltd., Bahamas	100 %
CMI Leisure Ltd., Bahamas	100 %
CMI Leisure Management Inc., USA	100 %
Cruise Management Int. Inc., USA	100 %
ATLPRT Atlantic Partners, Unipessoal Lda, Madeira	100 %
CMI Leisure, Unipessoal S.A., Madeira	100 %
Endeavour Partners, Unipessoal Lda, Madeira	100 %
Diamond Cruise Partners, Unipessoal Lda, Madeira	100 %
Adventurer Partners, Unipessoal Lda, Madeira	100 %

NOTES

Note

Deferred tax assets 8

The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.

	Group		Parent Company	
	2021 USD	**2020** USD	**2021** USD	**2020** USD
Deferred tax, beginning of year......	370,236	0	0	0
Deferred tax of the year, income statement	-370,236	555,627	0	0
Deferred tax of the year, equity.....	0	-185,391	0	0
Deferred tax assets 31 December 2021.....................................	**0**	**370,236**	**0**	**0**
It is recognized as follows:				
Deferred tax (assets)..................	0	677,266	0	0
Deferred tax (provision)..............	0	307,030	0	0
	0	**370,236**	**0**	**0**

Prepayments 9

Prepayments include costs incurred relating to the subsequent financial year.

Long-term liabilities 10

	Group			
	31/12 2021 total liabilities	**Repayment next year**	**Debt outstanding after 5 years**	**31/12 2020 total liabilities**
Bank loan...	13,202,633	8,905,924	0	13,176,291
Payables to owners and management.........	39,385,733	0	0	37,343,880
	52,588,366	**8,905,924**	**0**	**50,520,171**

	Parent Company			
	31/12 2021 total liabilities	**Repayment next year**	**Debt outstanding after 5 years**	**31/12 2020 total liabilities**
Payables to owners and management.........	0	0	0	5,801
	0	**0**	**0**	**5,801**

NOTES

Note

Contingencies etc. 11

Joint liabilities
The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxes entities and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends form these entities.

Tax payable of the group's jointly taxed income amounts to DKK ('000) 0 at the Balance Sheet date.

Charges and securities 12

Group
The following has been provided as collateral for bank loans with an unpaid balance of USD ('000) 13,203 as of 31 December 2021.

- Mortgage deed registered to the ship owners of Ocean Adventurer, Ocean Endeavour and Ocean Diamond. The booked value of the ships amounts to USD ('000) 34,554 as of 31 December 2021.
- Assignment of the insurance amount of the ships.
- Unlimited guarantee by each of the ultimate owners.

The Group has entered into operating lease agreements totaling USD ('000) 1,433 over the next four years.

Related parties 13

Other related parties having permed transactions with the company
The company's related parties having a significant influence comprise owners, subsidiaries as well as the companies' Board of Directors, Board of Executives and executive officers and their relatives. Related parties include also companies in which the above mentioned group of persons has material interests.

Transactions with related parties
The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

NOTES

Note

Uncertainty with respect to going concern 14

The current global pandemic of COVID-19 has resulted in a disruption across many industries including the cruise ship industry for 2020 and 2021.

Management is still monitoring the situation closely and have agreements with all of its key stakeholders including the Charterers where revised terms and agreements have been agreed, which take the current market conditions of the cruise ship industry into consideration. Furthermore, the shareholders are also aware of these circumstances, and the shareholders have issued support letters with confirmation to inject cash as needed for the Company to honor its obligations as they fall due for a period of 12 months from the date of these financial statements.

The Company is, in agreement with its Charterers, preparing all its vessels for operation from the 2022 summer season, whereby COVID uncertainties should be minimal going forward.

Based on above, Management believes that the financial statements are appropriately prepared based on the going concern principle.

ACCOUNTING POLICIES

The Annual Report of Danish Cruise Holdings ApS for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-size enterprises.

The figures in the Annual Report are presented in USD because this currency is regarded as the most relevant as the main part of the Company's activities are settled in this currency. The exchange rate of USD against DKK is 6.36 at 31 December 2021 and 6.06 at 31 December 2020.

The Annual Report is prepared consistently with the accounting principles applied last year.

Change resulting from material misstatement

Group
In the Consolidated Annual Report for 2020, goodwill between the parent and the consolidated financial statements has been erroneously eliminated. The value amounts to USD 186,116 which is adjusted directly on equity, beginning of year. As a result the comparison numbers in the Consolidated Annual Report for 2020 has also been corrected with a decrease on depreciations in the income statement of USD 30,904 and an increase in Goodwill in the balance sheet of USD 185,422.

We have identified an error in regards to the groups recognition of revenue allocated from contracts, in previous year. The value amounts to USD 7,798,869 which is adjusted directly on equity, beginning of year. As a result the comparison numbers in the Consolidated Annual Report for 2020 has also been corrected with an increase on revenue in the income statement of USD 7,798,869 and an increase of prepayments in the balance sheet of USD 7,798,869. As a result of the correction, prepayments under liablities and trade receiveables have been presented accordingly together with the correction with prepayment under assets.

As a result of the above corrections, we have made adjustments to the Cash Flow Statement accordingly.

Parent Company
As a result of the above correction for the Group in regards to recognition of revenue, we have adjusted the numbers for the Parent Company as well. The value amounts to USD 7,798,869 which is adjusted directly on equity, beginning of year. As a result the comparison numbers in the Annual Report for 2020 has also been corrected with an increase of income from investments in subsidiaries in the income statement of USD 7,798,869 and an increase of investments in subsidiaries in the balance sheet of USD 7,798,869. As a result we have corrected the reserve for net revaluation under the equity method by USD 3,396,938.

Consolidated Financial Statements
The Consolidated Financial Statements include the Parent Company Danish Cruise Holdings ApS and the subsidiaries in which Danish Cruise Holdings ApS directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Newly acquired or established enterprises are recognised in the Consolidated Financial Statements from the date of acquisition. Sold or wound up enterprises are recognised in the Consolidated Income Statement up to the date of disposal. Comparative figures are not adjusted for newly acquired, sold or wound up enterprises.

The date of acquisition is the date at which the Group gains actual control over the acquired enterprises.

ACCOUNTING POLICIES

Positive differences (goodwill) between the acquisition value and fair value of acquired and identified assets and liabilities are recognised in intangible fixed assets as goodwill and amortised systematically in the Income Statement under an individual assessment of the useful life.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

INCOME STATEMENT

Net revenue

Revenue from time charters is recognized over the duration of the charters, further revenue include fees as a result of lay-up agreements with charterers.

Revenue from hotel concession, purchases on board and the services rendered as acting technical manager is recognized in the income statement, when the delivery and services are provided to the buyer.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Other operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Group and the Parent Company's employees. Repayments from public authorities are deducted from staff costs.

Income from investments in subsidiaries

The proportional share of the results of subsidiaries, stated according to the Parent Company's accounting policies and with full elimination of unrealised intercompany profits/losses and deduction of amortisation of added value and goodwill resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

In connection with transfers, potential profits are recognised when the economic rights related to the sold subsidiaries are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets
Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 7 years. The period of amortisation is determined based on an assessment of the acquired Company's position in the market and earnings profile, and the industry-specific conditions.

Acquired licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 8 years.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets
Ships, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Ships...	10-20 years	0 %
Other plant, fixtures and equipment...	4 years	0 %

Dry docking expenses are capitalized and depreciated over a period of 30 months.

Ships are written down to the lower of recoverable amount and carrying amount. Estimated useful lives and residual values are reassessed annually.

Items of ships are written down to the lower of recoverable amount and carrying amount.

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Fixed asset investments
Investments in Equity interests in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

Equity investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

ACCOUNTING POLICIES

Acquired enterprises are subject to the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation models. A discounted cash flow model is used to calculate the fair value of investment properties based on a discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, based on an overall assessment of the production equipment. The acquisition date is the date on which the Company gains actual control over the acquired entity.

Consolidated goodwill is amortised over the expected useful life, which is determined on the basis of Management's experience within the individual lines of business. Consolidated goodwill is amortised on a straightline basis over the amortisation period, which is 7 years. The amortisation period is determined on the basis of an assessment of the acquired entity's market position and earnings profile, and the industryspecific condition.

Net revaluation of equity interests in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the Company has a legal or actual liability to cover the subsidiaries deficit.

Impairment of fixed assets
The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

ACCOUNTING POLICIES

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff 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 under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Foreign currency translation
Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

At recognition of foreign subsidiaries that are not independent entities, but integrated entities, monetary items are translated at the exchange rate on the Balance Sheet date. Non-monetary items are translated at the rate at the date of acquisition or at the date of a subsequent revaluation or writedown of the asset. The items of the Income Statement are translated at the rate on the transaction date, items derived from non-monetary items being translated at the historic rates of the non-monetary item.

ACCOUNTING POLICIES

CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.

The cash flow statement shows the Company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:
Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:
Cash and cash equivalents include bank overdraft and cash in hand.