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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 2022

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 13 June 2023

Ole Bødtcher-Hansen

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 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 2022.

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 2022 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2022.

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, 13 June 2023

Executive Board

Søren Rasmussen	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 2022, 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 2022 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 2022 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, 13 June 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Morten Christensen
State Authorised Public Accountant
MNE no. mne35626

Søren Søndergaard Jensen
State Authorised Public Accountant
MNE no. mne32069

FINANCIAL HIGHLIGHTS OF THE GROUP

	2022 USD '000	2021 USD '000	2020 USD '000
Income statement			
Gross profit/loss	29.946	14.253	23.514
Operating profit/loss before depreciation and amortisation (EBITDA)	6.393	4.723	12.553
Operating profit/loss of main activities	-8.538	-3.329	4.694
Financial income and expenses, net	-939	-1.647	-1.759
Profit/loss for the year before tax	-9.478	-4.976	2.936
Profit/loss for the year	-9.533	-5.440	3.344
Balance sheet			
Total assets	56.276	77.884	70.867
Equity	34.955	12.972	15.854
Cash flows			
Cash flows from operating activities	12.286	-2.445	-2.437
Cash flows from investing activities	-894	-3.092	-934
Cash flows from financing activities	-9.111	4.626	-1.880
Total cash flows	2.281	-911	-5.251
Investment in property, plant and equipment	-1.132	-3.053	0
Key ratios			
Equity ratio	62.1	16.7	22.4
Return on equity	-39.8	-37.7	42.2

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

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

Return on equity: $\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

MANAGEMENT COMMENTARY

Principal activities
The Group'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 Group owns four vessel owning companies and three management companies. Each vessel owing company owns an expedition cruise vessel.

Recognition and measurement uncertainty
The Group is, after having its vessels back in operation, anticipating that further COVID uncertainties should be very minimal going forward.

There is an uncertainty related to the vessel book value of Ocean Atlantic. The vessel was impaired by USD 8 million down to USD 5.3 million. The Group is working on finding alternative employment for the vessel as soon as possible. Indications for either a Charter Contract or a Sale match the current book value.

The shareholders are aware of these circumstances, and the shareholders have issued support letters with confirmation to inject cash as needed for the Group to honor its obligations as they fall due for a period of 12 months from the date of these financial statements. Please also see note 16.

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

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

On February 28, 2022, the Company held an extraordinary General Meeting and decided to increase the share capital from DKK 90 thousand to DKK 120 thousand by conversion of debt. In total 30,000 new shares of DKK 1 at a par value of 837,467.22 were subscribed to. In USD the total debt conversion amounted to USD 37.8 million.

All the Group's vessels were back in service for the 2022 summer season. Due to the COVID-19 period the start-up prior to the summer season was not without issues, and the Group had to accommodate its Charterers with certain Charter Hire credits and additional crew onboard the vessels to make sure that the operation could be performed according to the agreed terms. As per year-end 2022, the vessel Ocean Atlantic has no employment for 2023. Although management expect to succeed in chartering out Ocean Atlantic during 2023, it has decided to impair the vessel by USD 8 million.

In December 2022 a sale of the three management companies CMI Leisure,Unipessoal S.A., CMI Leisure Management Inc. and Cruise Management International Inc. was completed to Anglo-Eastern International Shipmanagement Ltd. The consideration for the purchase of the shares in the three companies was USD 9.7 million. The sale generated a profit of USD 6.5 million in 2022, which is the received minimum amount from the sale of the CMI companies. Although the Purchase Price is to be adjusted based on a future average EBITDA calculation, Management has decided only to recognize the minimum purchase price already received in 2022, and await certainty that the sold CMI entities will perform at a level to honor an increased purchase price in the future. The three management companies will continue to service the Group's vessels with Hotel and Technical Management services.

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 2022 and negatively impacted net profit.

In 2022, the Group realized a loss of USD 9.5 million which was worse than expected. USD 8 million of the loss was caused by the impairment of Ocean Atlantic. Management 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
Following the COVID-19 period the market recovery has been slow and is still causing challenges for the Expedition Cruise niche market. It is expected though that the 2023 season will be good mainly driven by pent-up demand and the desire to travel again.

The Group has a positive outlook for 2023. The Group continues to focus on obtaining long term contracts for its vessels and on its unique competence within its niche market. For 2023 Management expects a gross profit in the range between USD 34 to USD 37 million and a profit/loss for the year in the range between USD 1 to USD 4 million.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

		Group		Parent Company	
	Note	2022 USD	2021 USD	2022 USD	2021 USD
GROSS PROFIT	1, 2	**29.945.984**	**14.253.168**	**-953.463**	**-30.451**
Staff costs	3	-23.552.785	-9.529.868	0	0
Depreciation, amortisation and impairment losses	2	-14.931.680	-8.051.935	-30.904	-30.904
OPERATING LOSS		**-8.538.481**	**-3.328.635**	**-984.367**	**-61.355**
Income from investments in subsidiaries	2	0	0	-8.594.436	-5.377.214
Other financial income		144.275	86.968	24	0
Other financial expenses		-1.083.572	-1.734.404	-376	-1.274
LOSS BEFORE TAX		**-9.477.778**	**-4.976.071**	**-9.579.155**	**-5.439.843**
Tax on profit/loss for the year	4	-55.321	-463.772	46.056	0
LOSS FOR THE YEAR	5	**-9.533.099**	**-5.439.843**	**-9.533.099**	**-5.439.843**

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BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group 2022 USD	Group 2021 USD	Parent Company 2022 USD	Parent Company 2021 USD
Intangible fixed assets acquired		0	150.506	0	0
Acquired licenses		0	36.228	0	0
Goodwill		123.614	154.518	123.614	154.518
Intangible assets	6	**123.614**	**341.252**	**123.614**	**154.518**
Ships		35.782.824	49.570.548	0	0
Other plant, machinery tools and equipment		0	5.755	0	0
Tangible fixed assets in progress and prepayment		0	27.432	0	0
Property, plant and equipment	7	**35.782.824**	**49.603.735**	**0**	**0**
Investments in subsidiaries		0	0	34.664.749	12.954.171
Financial non-current assets	8	**0**	**0**	**34.664.749**	**12.954.171**
NON-CURRENT ASSETS		**35.906.438**	**49.944.987**	**34.788.363**	**13.108.689**
Raw materials and consumables		249.389	3.908.306	0	0
Inventories		**249.389**	**3.908.306**	**0**	**0**
Trade receivables		328.603	2.036.428	8.452	0
Receivables from group enterprises		0	0	0	11.511
Other receivables		2.026.697	2.377.686	52.133	7.442
Corporation tax receivable		0	25.276	0	13.183
Deferred Revenue	9	13.636.254	17.743.616	0	0
Receivables	10	**15.991.554**	**22.183.006**	**60.585**	**32.136**
Cash and cash equivalents		**4.128.825**	**1.847.239**	**800.504**	**12.110**
CURRENT ASSETS		**20.369.768**	**27.938.551**	**861.089**	**44.246**
ASSETS		**56.276.206**	**77.883.538**	**35.649.452**	**13.152.935**

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BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group 2022 USD	Group 2021 USD	Parent Company 2022 USD	Parent Company 2021 USD
Share capital		18.037	13.523	18.037	13.523
Reserve for net revaluation under the equity method		0	0	24.031.766	577.498
Retained earnings		34.936.491	12.958.371	10.904.725	12.380.873
EQUITY		**34.954.528**	**12.971.894**	**34.954.528**	**12.971.894**
Bank loan		8.827.900	4.296.709	0	0
Payables to owners and management		0	39.385.733	0	0
Non-current liabilities	11	**8.827.900**	**43.682.442**	**0**	**0**
Bank debt		3.134.004	8.905.924	0	0
Prepayments from customers		3.726.378	2.461.733	0	0
Trade payables		3.916.675	4.488.298	152.341	1.240
Debt to Group companies		0	0	438.385	157.000
Debt to associated enterprises		5.047	9.670	5.047	5.047
Other liabilities		1.711.674	5.363.577	99.151	17.754
Current liabilities		**12.493.778**	**21.229.202**	**694.924**	**181.041**
LIABILITIES		**21.321.678**	**64.911.644**	**694.924**	**181.041**
EQUITY AND LIABILITIES		**56.276.206**	**77.883.538**	**35.649.452**	**13.152.935**

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Fee to statutory auditor	1

EQUITY

	Group				
	Share capital	Share Premium	Retained earnings	Proposed dividend	Total
Equity at 1 January 2022	13.523	0	12.958.371	0	12.971.894
Proposed profit allocation, note 5			-15.833.099	6.300.000	-9.533.099
Transactions with owners					
Extraordinary dividend paid				-6.300.000	-6.300.000
Group contribution	4.514	37.811.219			37.815.733
Transfers					
Group contribution		-37.811.219	37.811.219		0
Equity at 31 December 2022	**18.037**	**0**	**34.936.491**	**0**	**34.954.528**

	Parent Company				
	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend	Total
Equity at 1 January 2022	13.523	577.498	12.380.873	0	12.971.894
Proposed profit allocation, note 5		-8.594.436	-7.238.663	6.300.000	-9.533.099
Transactions with owners					
Extraordinary dividend paid				-6.300.000	-6.300.000
Group contribution	4.514		37.811.219		37.815.733
Other legal bindings					
Other adjustments to equity value		37.815.733	-37.815.733		0
Reversal of revaluations in previous years		722.130			722.130
Revaluations in the year			-722.130		-722.130
Transfers					
Transfers		-6.489.159	6.489.159		0
Equity at 31 December 2022	**18.037**	**24.031.766**	**10.904.725**	**0**	**34.954.528**

On February 28, 2022, the Company held an extraordinary General Meeting and decided to increase the share capital from DKK 90 thousand to DKK 120 thousand by conversion of debt. In total 30,000 new shares of DKK 1 at a par value of 837,467.22 were subscribed to. In USD the total debt conversion amounted to USD 37.8 million.

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2022 USD	2021 USD
Profit/loss for the year	-9.533.099	-5.439.843
Depreciation and amortisation, reversed	14.932.354	8.051.935
Tax on profit/loss, reversed	25.276	470.751
Change in inventories	3.658.917	-1.788.029
Change in receivables (ex tax)	6.166.175	-11.877.186
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	-2.963.503	8.137.275
CASH FLOWS FROM OPERATING ACTIVITY	**12.286.120**	**-2.445.097**
Purchase of intangible assets	-60.248	-39.102
Sale of intangible fixed assets	156.258	0
Purchase of property, plant and equipment	-1.131.938	-3.052.634
Sale of property, plant and equipment	142.123	0
CASH FLOWS FROM INVESTING ACTIVITY	**-893.805**	**-3.091.736**
Changes in subordinated loan capital	37.815.733	0
Conversion of loans to subordinated loan capital	-37.815.733	0
Instalments on loans	-2.810.729	0
Other changes in non-current debt	0	2.068.192
Dividends paid in the financial year	-6.300.000	0
Other cash flows from financing activities	0	2.557.774
CASH FLOWS FROM FINANCING ACTIVITY	**-9.110.729**	**4.625.966**
CHANGE IN CASH AND CASH EQUIVALENTS	**2.281.586**	**-910.867**
Cash and cash equivalents at 1. januar	1.847.239	2.758.106
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**4.128.825**	**1.847.239**
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents	4.128.825	1.847.239
CASH AND CASH EQUIVALENTS	**4.128.825**	**1.847.239**

NOTES

	Group		Parent Company		
	2022 USD	2021 USD	2022 USD	2021 USD	Note
Fee to statutory auditor					1
Total fee:					
BDO	48.300	54.717			
	48.300	**54.717**			
Specification of fee:					
Statutory audit	30.000	32.830			
Tax consultancy	5.000	5.472			
Other services	13.300	16.415			
	48.300	**54.717**			

Special items 2

Sale of CMI companies:
As of 30 November 2022, the Parent Company has sold its investments in the subsidiaries Cruise Management Int. Inc., CMI Leisure Management Inc. and CMI Leisure, Unipessoal S.A. The total gain of USD ('000) 6,489 is recognized in the Income Statement as part of "Gross Profit"

For the Parent company, the total gain of USD ('000) 6,489 is recognized in the Income Statement as part of "Income from investments in subsidiaries"

Impairment loss Ocean Atlantic:
There is an uncertainty related to the vessel book value of Ocean Atlantic.

The vessel was impaired by USD 8 million down to USD 5.3 million. The Group is working on finding alternative employment for the vessel as soon as possible.

Indications for either a Charter Contract or a Sale match the current book value.

	Group		Parent Company		
	2022 USD	2021 USD	2022 USD	2021 USD	
Staff costs					3
Average number of employees	642	199	0	0	
Wages and salaries	19.498.587	6.738.583	0	0	
Pensions	23.073	22.905	0	0	
Social security costs	53.725	6.982	0	0	
Other staff costs	3.977.400	2.761.398	0	0	
	23.552.785	**9.529.868**	**0**	**0**	

The management have not received remuneration for the year.

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NOTES

	Group 2022 USD	Group 2021 USD	Parent Company 2022 USD	Parent Company 2021 USD	Note
Tax on profit/loss for the year					4
Calculated tax on taxable income of the year	101.377	0	0	0	
Adjustment of tax in previous years	-46.056	0	-46.056	0	
Adjustment of deferred tax	0	463.772	0	0	
	55.321	**463.772**	**-46.056**	**0**	
Proposed distribution of profit					5
Extraordinary dividend	6.300.000	0	6.300.000	0	
Allocation to reserve for net revaluation under the equity method	0	0	-8.594.436	-5.377.214	
Retained earnings	-15.833.099	-5.439.843	-7.238.663	-62.629	
	-9.533.099	**-5.439.843**	**-9.533.099**	**-5.439.843**	

Intangible assets 6

	Group		
	Intangible fixed assets acquired	Acquired licenses	Goodwill
Cost at 1 January 2022	478.203	366.309	533.478
Additions	50.438	9.810	0
Disposals	-528.641	-376.119	-317.152
Cost at 31 December 2022	**0**	**0**	**216.326**
Amortisation at 1 January 2022	327.698	330.082	378.960
Reversal of amortisation of assets disposed of	-404.273	-344.231	-317.152
Amortisation for the year	76.575	14.149	30.904
Amortisation at 31 December 2022	**0**	**0**	**92.712**
Carrying amount at 31 December 2022	**0**	**0**	**123.614**

	Parent Company
	Goodwill
Cost at 1 January 2022	216.326
Cost at 31 December 2022	**216.326**
Amortisation at 1 January 2022	61.808
Amortisation for the year	30.904
Amortisation at 31 December 2022	**92.712**
Carrying amount at 31 December 2022	**123.614**

NOTES

Note

Property, plant and equipment 7

	Group		
	Ships	Other plant, machinery tools and equipment	Tangible fixed assets in progress and prepayment
Cost at 1 January 2022	97.915.857	10.914	27.432
Additions	1.131.938	0	0
Disposals	-110.731	-10.914	-27.432
Cost at 31 December 2022	**98.937.064**	**0**	**0**
Depreciation and impairment losses at 1 January 2022	48.345.309	5.160	
Reversal of depreciation of assets disposed of	0	-6.955	
Impairment losses	8.000.000	0	
Depreciation for the year	6.808.931	1.795	
Depreciation and impairment losses at 31 December 2022	**63.154.240**	**0**	
Carrying amount at 31 December 2022	**35.782.824**	**0**	**0**

NOTES

	Note
Financial non-current assets	**8**

	Parent Company
	Investments in subsidiaries
Cost at 1 January 2022	12.377.365
Additions	7.670.206
Disposals	-9.414.588
Cost at 31 December 2022	**10.632.983**
Revaluation at 1 January 2022	576.807
Profit/loss for the year	-15.083.595
Reversal of revaluation as a result of disposals	722.819
Other adjustments	37.815.735
Revaluation at 31 December 2022	**24.031.766**
Carrying amount at 31 December 2022	**34.664.749**

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 %
ATLPRT Atlantic Partners, Unipessoal Lda, Madeira	100 %
Endeavour Partners, Unipessoal Lda, Madeira	100 %
Diamond Cruise Partners, Unipessoal Lda, Madeira	100 %
Adventurer Partners, Unipessoal Lda, Madeira	100 %

Deferred Revenue 9

Prepayments include costs incurred relating to the subsequent financial year and deferred revenue relating to contracts.

	Group		Parent Company		
	2022 USD	**2021** USD	**2022** USD	**2021** USD	
Receivables falling due after more than one year					**10**
Deferred Revenue	7.220.748	10.109.635	0	0	
	7.220.748	**10.109.635**	**0**	**0**	

NOTES

Note

Long-term liabilities 11

	Group			
	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Bank loan	11.961.904	3.134.004	0	13.202.633
Payables to owners and management	0	0	0	39.385.733
	11.961.904	**3.134.004**	**0**	**52.588.366**

NOTES

Note

Contingencies etc. 12

Joint liabilities
The Parent 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 13

Group
The following has been provided as collateral for bank loans with an unpaid balance of USD ('000) 11,962 as of 31 December 2022.

- Mortgage deed registered to the ship owners of Ocean Adventurer, Ocean Endeavour and Ocean Diamond. The book value of the ships amounts to USD ('000) 30,465 as of 31 December 2022.
- Assignment of the insurance amount of the ships.
- Unlimited guarantee by each of the ultimate owners.

Related parties 14

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 **15**

The Company is, after having its vessels back in operation, anticipating that further COVID uncertainties should be very minimal going forward.

There is an uncertainty related to the vessel book value of Ocean Atlantic. The vessel was impaired by USD 8 million down to USD 5.3 million. The Company is working on finding alternative employment for the vessel as soon as possible. Indications for either a Charter Contract or a Sale match the current book value.

The shareholders are 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.

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 2022 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 6.97 at 31 December 2022 and 6.36 at 31 December 2021.

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

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.

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.

ACCOUNTING POLICIES

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.

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.

ACCOUNTING POLICIES

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.

Financial non-current assets
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.

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.

Financial fixed assets include also other equity interests that are not expected to be disposed of. These are measured at cost because the equity interests are unlisted.

ACCOUNTING POLICIES

Impairment of fixed assets
The carrying amount of intangible fixed and tangible assets, 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.

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.

ACCOUNTING POLICIES

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.