Navi Merchants A/S

Klubiensvej 22, DK-2150 Nordhavn

Annual Report for 4 March - 31 December 2021

CVR No 42 18 69 37

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 29/6 2022

Torben Herman Christensen
Chairman of the General Meeting

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Navi Merchants A/S for the financial year 4 March - 31 December 2021.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Nordhavn, 29 June 2022

Executive Board

Simon Christensen
CEO

Board of Directors

Torben Herman Christensen Chairman	Simon Christensen	Gustav Jakobsen

Bjørn Norholdt Eckford-Olsen

Independent Auditor's Report

To the Shareholder of Navi Merchants A/S

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 4 March - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Navi Merchants A/S for the financial year 4 March - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 29 June 2022
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Ulrik Ræbild
statsautoriseret revisor
mne33262

Claus Damhave
statsautoriseret revisor
mne34166

Company Information

The Company	Navi Merchants A/S Klubiensvej 22 DK-2150 Nordhavn CVR No: 42 18 69 37 Financial period: 4 March - 31 December Incorporated: 4 March 2021 Financial year: 1st financial year Municipality of reg. office: Copenhagen
Board of Directors	Torben Herman Christensen, Chairman Simon Christensen Gustav Jakobsen Bjørn Norholdt Eckford-Olsen
Executive Board	Simon Christensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

The development of the Company is described by the following financial highlights:

	2021
	TEUR
Key figures	
Profit/loss	
Gross profit/loss	936
Profit/loss before financial income and expenses	524
Net financials	183
Net profit/loss for the year	597
Balance sheet	
Balance sheet total	9.977
Equity	1.270
Number of employees	8
Ratios	
Return on assets	5,3%
Solvency ratio	12,7%
Return on equity	94,0%

Management's Review

Key activities

The Company's activities consist of bulk freight and management of bulk vessels typically ranging from coasters to handy size vessels and primarily catering for agri- and biomass products.

Development in the year

The income statement of the Company for 2021 shows a profit of EUR 597,319, and at 31 December 2021 the balance sheet of the Company shows equity of EUR 1,269,714.

In 2021, the Company acquired the management of bulk vessels and bulk freight business from Copenhagen Merchants A/S in line with the Company's overall strategy.

Operating risks

It has been assessed, that there are no single significant risks to the operations of the company.

Foreign exchange risks

Activities abroad cause that net profit, cash flow and equity are influenced by exchange rate developments and interest rate trends for a number of currencies. The company does not hedge these risks.

Targets and expectations for the year ahead

For 2022, the Company expects to continue the growth and expects a profit before tax of EUR 10-13 million driven by exceptionally attractive freight levels and favorable timing in closing contracts.

External environment

The Company's activities are not considered to have an extensive impact on the external environment.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

The financial position at 31 December 2021 of the Company and the results of the activities of the Company for the financial year for 2021 have not been affected by any unusual events.

Subsequent events

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

Income Statement 4 March - 31 December

	Note	4.3.2021 - 31.12.2021
		EUR
Gross profit/loss		**935.831**
Staff expenses	1	-399.483
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-12.830
Profit/loss before financial income and expenses		**523.518**
Income from investments in associates		214.664
Financial expenses	2	-31.533
Profit/loss before tax		**706.649**
Tax on profit/loss for the year	3	-109.330
Net profit/loss for the year		**597.319**

Balance Sheet 31 December

Assets

	Note	2021
		EUR
Goodwill		372.066
Intangible assets	4	**372.066**
Investments in associates	5	787.519
Deposits	6	1.715
Fixed asset investments		**789.234**
Fixed assets		**1.161.300**
Inventories		**1.736.656**
Trade receivables		4.576.625
Receivables from associates		229.398
Other receivables		5.177
Prepayments	7	1.818.525
Receivables		**6.629.725**
Cash at bank and in hand		**448.878**
Currents assets		**8.815.259**
Assets		**9.976.559**

Balance Sheet 31 December

Liabilities and equity

	Note	2021
		EUR
Share capital		672.395
Retained earnings		597.319
Equity		**1.269.714**
Provision for deferred tax	9	9.274
Provisions		**9.274**
Trade payables		2.593.254
Payables to group enterprises		5.412.602
Corporation tax		100.056
Other payables		591.659
Short-term debt		**8.697.571**
Debt		**8.697.571**
Liabilities and equity		**9.976.559**
Distribution of profit	8	
Contingent assets, liabilities and other financial obligations	10	
Related parties	11	
Accounting Policies	12	

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	EUR	EUR	EUR
Equity at 4 March	672.395	0	672.395
Net profit/loss for the year	0	597.319	597.319
Equity at 31 December	**672.395**	**597.319**	**1.269.714**

Notes to the Financial Statements

		4.3.2021 - 31.12.2021
		EUR
1	**Staff expenses**	
	Wages and salaries	377.505
	Pensions	20.459
	Other social security expenses	1.519
		399.483
	Average number of employees	**8**
2	**Financial expenses**	
	Interest paid to group enterprises	22.697
	Other financial expenses	7.645
	Exchange adjustments, expenses	1.191
		31.533
3	**Tax on profit/loss for the year**	
	Current tax for the year	100.056
	Deferred tax for the year	9.274
		109.330

4 Intangible assets

	Goodwill
	EUR
Cost at 4 March	0
Additions for the year	384.896
Cost at 31 December	384.896
Impairment losses and amortisation at 4 March	0
Amortisation for the year	12.830
Impairment losses and amortisation at 31 December	12.830
Carrying amount at 31 December	**372.066**
Amortised over	10 years

Notes to the Financial Statements

	2021
	EUR

5 Investments in associates

Cost at 4 March	0
Additions for the year	572.855
Cost at 31 December	572.855
Value adjustments at 4 March	0
Net profit/loss for the year	214.664
Value adjustments at 31 December	214.664
Carrying amount at 31 December	**787.519**

Investments in associates are specified as follows:

Name	Place of registered office	Votes and ownership
Norse Maritime A/S	Copenhagen	15%

The Company's shares in Norse Maritime A/S is classified as associates, as the Company has significant influence due to ownership agreement.

6 Other fixed asset investments

	Deposits
	EUR
Cost at 4 March	0
Additions for the year	1.715
Cost at 31 December	1.715
Carrying amount at 31 December	**1.715**

7 Prepayments

Prepayments consist of prepaid expenses concerning insurance premiums, subscriptions, freight and time charter vessels.

Notes to the Financial Statements

		4.3.2021 - 31.12.2021
		EUR
8	**Distribution of profit**	
	Retained earnings	597.319
		597.319

9	**Provision for deferred tax**	
	Provision for deferred tax at 4 March	0
	Amounts recognised in the income statement for the year	9.274
	Provision for deferred tax at 31 December	**9.274**

10 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:	
Within 1 year	36.320.847
	36.320.847

The total future rental and lease payments primarily consist of rent and Time Charter agreements.

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Torben Herman Christensen Holding A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

11 Related parties

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The company is included in the consolidated financial statements of the parent company

Name	Place of registered office
Torben Herman Christensen Holding A/S	Taarbæk Strandvej 42C, 2930 Klampenborg
CM Holding A/S	Klubiensvej 22, 2150 Nordhavn

Notes to the Financial Statements

12 Accounting Policies

The Annual Report of Navi Merchants A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Financial Statements for 2021 are presented in EUR.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of CM Holding A/S, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

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

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

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

Notes to the Financial Statements

12 Accounting Policies (continued)

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for direct costs and consumables

Expenses for direct costs and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for direct costs and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets.

Income from investments in associates

The item "Income from investments in associates" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

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

Notes to the Financial Statements

12 Accounting Policies (continued)

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

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

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 years.

Impairment of fixed assets

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

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

Investments in associates

Investments in associates are recognised and measured under the equity method.

The item“Investments in associates” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in associates is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the associates.

Associates with a negative net asset value are recognised at EUR 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Notes to the Financial Statements

12 Accounting Policies (continued)

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

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

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

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

Current tax receivables and liabilities

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

Notes to the Financial Statements

12 Accounting Policies (continued)

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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

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

Financial Highlights

Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$