

# **J. Poulsen Shipping A/S**

**Norvangen 3D  
DK-4220 Korsør**

**CVR no. 66 20 29 17**

**Annual report for 2021**

Adopted at the annual general  
meeting on 8 June 2022

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Søren Andersen  
chairman

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## **Statement by management on the annual report**

The supervisory board and executive board have today discussed and approved the annual report of J. Poulsen Shipping A/S for the financial year 1 January - 31 December 2021.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

Management recommends that the annual report should be approved by the company in general meeting.

Korsør, 8 June 2022

### **Executive board**

Finn J. Poulsen

### **Supervisory board**

Søren Andersen  
chairman

Per Leopold Møller

Bjarne Tvilde

Finn J. Poulsen

## **Independent auditor's report**

*To the of J. Poulsen Shipping A/S*

### **Opinion**

We have audited the financial statements of J. Poulsen Shipping A/S for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

### **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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Management's responsibilities for the financial statements**

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the 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.

## **Independent auditor's report**

### **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.

## **Independent auditor's report**

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

Copenhagen, 8 June 2022

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33 77 12 31

Bo Schou-Jacobsen  
State Authorised Public Accountant  
MNE no. mne28703

## **Company details**

### **The company**

J. Poulsen Shipping A/S  
Norvangen 3D  
DK-4220 Korsør

Telephone: +4558350586

Website: [www.jpship.dk](http://www.jpship.dk)

CVR no.: 66 20 29 17

Reporting period: 1 January - 31 December 2021

Domicile: Slagelse

### **Supervisory board**

Søren Andersen, chairman  
Per Leopold Møller  
Bjarne Tvilde  
Finn J. Poulsen

### **Executive board**

Finn J. Poulsen, CEO

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

## **Accounting policies**

The annual report of J. Poulsen Shipping A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied are consistent with those of last year.

The annual report for 2021 is presented in DKK

J. Poulsen Shipping A/S has merged with J. Poulsen Shipman ApS with effect as of 1 January 2021 according to the aggregation method with J. Poulsen Shipping A/S as the continuing company. Comparative figures have been restated.

Pursuant to sections §110 subsection 1, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

### **Basis of recognition and measurement**

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

### **Income statement**

#### **Gross profit**

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.



## **Accounting policies**

### **Revenue**

Revenue primarily relates to management income, commissions, etc., and is recognised in the income statement when services are delivered in accordance with agreements.

### **Other operating income**

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment.

### **Other external expenses**

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

### **Staff costs**

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

### **Depreciation and impairment losses**

Depreciation and impairment losses comprise the year's depreciation and impairment of property, plant and equipment.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

### **Income from investments in subsidiaries, associates and participating interests**

The proportionate share of the profit/loss for the year of subsidiaries is recognised in the company's income statement after full elimination of intra-group profits/losses.

The proportionate share of the profit/loss for the year of associates is recognised in the company's income statement after elimination of the proportionate share of intra-group profits/gains.

### **Tax on profit/loss for the year**

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation. The current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income.

## **Accounting policies**

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit of the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity. The Company's current tax consists of tax calculated according to the provisions of the Danish Tonnage Tax Act in respect of shipping activities, and according to general tax regulations in respect of other activities. Income calculated in accordance with the Tonnage Tax Act includes a notional taxable income assessed on the basis of the tonnage employed during the year.

### **Balance sheet**

#### **Tangible assets**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Where individual components of an item of property, plant and equipment have different useful lives, and the individual component is a significant part of the total cost, the cost is divided into separate components, which are depreciated separately.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment 3-10 years

Assets costing less than DKK 30.000 are expensed in the year of acquisition.

#### **Investments in subsidiaries, associates and participating interests**

Investments in subsidiaries, associates and participating interests are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method.

Investments in subsidiaries, associates and participating interests with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

## **Accounting policies**

The total net revaluation of investments in subsidiaries and 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 subsidiaries and the associates.

Acquirees are accounted for using the purchase method, see the above description of consolidated financial statements and calculation of goodwill.

### **Other securities and investments, fixed assets**

Investments are measured at fair value.

### **Impairment of fixed assets**

The carrying amount of intangible assets, items of property, plant and equipment and investments in subsidiaries, associates and participating interests is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Where there is indication of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

### **Receivables**

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

### **Prepayments**

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

### **Income tax and deferred tax**

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

## **Accounting policies**

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

### **Liabilities**

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

### **Deferred income**

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
<b>Gross profit</b>		<b>5.150.691</b>	<b>3.290.757</b>
Staff costs	5	-3.048.968	-3.382.897
Depreciation and impairment of property, plant and equipment		<u>-25.779</u>	<u>-33.143</u>
<b>Profit/loss before net financials</b>		<b>2.075.944</b>	<b>-125.283</b>
Income from investments in subsidiaries	6	6.842.578	-196.547
Financial income	7	1.041.486	1.419.604
Financial costs	8	<u>-224.097</u>	<u>-332.169</u>
<b>Profit/loss before tax</b>		<b>9.735.911</b>	<b>765.605</b>
Tax on profit/loss for the year	9	<u>110.521</u>	<u>-86.829</u>
<b>Profit/loss for the year</b>		<b><u>9.846.432</u></b>	<b><u>678.776</u></b>
 <b>Distribution of profit</b>			
 <b>Recommended appropriation of profit/loss</b>			
Proposed dividend for the year		3.500.000	0
Retained earnings		<u>6.346.432</u>	<u>678.776</u>
		<b><u>9.846.432</u></b>	<b><u>678.776</u></b>

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
<b>Assets</b>			
Other fixtures and fittings, tools and equipment		0	0
Leasehold improvements		0	25.779
<b>Tangible assets</b>	10	<u>0</u>	<u>25.779</u>
Investments in subsidiaries	11	1.563.422	1.546.062
Investments in associates	12	0	0
Other fixed asset investments		0	0
<b>Fixed asset investments</b>		<u>1.563.422</u>	<u>1.546.062</u>
<b>Total non-current assets</b>		<u>1.563.422</u>	<u>1.571.841</u>
Receivables from subsidiaries		9.706.309	4.991.821
Receivables from associates		5.748.969	6.425.356
Other receivables		384.318	720.986
Prepayments		7.824	9.804
<b>Receivables</b>		<u>15.847.420</u>	<u>12.147.967</u>
<b>Cash at bank and in hand</b>		<u>1.355.778</u>	<u>440.666</u>
<b>Total current assets</b>		<u>17.203.198</u>	<u>12.588.633</u>
<b>Total assets</b>		<u>18.766.620</u>	<u>14.160.474</u>

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
<b>Equity and liabilities</b>			
Share capital		1.700.000	1.700.000
Retained earnings		6.975.401	628.969
Proposed dividend for the year		3.500.000	0
<b>Equity</b>		<b><u>12.175.401</u></b>	<b><u>2.328.969</u></b>
Banks		1.222.068	1.834.914
Payables to subsidiaries		1.186.862	1.170.925
Other payables		4.182.289	8.825.666
<b>Total current liabilities</b>		<b><u>6.591.219</u></b>	<b><u>11.831.505</u></b>
<b>Total liabilities</b>		<b><u>6.591.219</u></b>	<b><u>11.831.505</u></b>
<b>Total equity and liabilities</b>		<b><u>18.766.620</u></b>	<b><u>14.160.474</u></b>
Capital resources	1		
Uncertainty in the recognition and measurement	2		
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## Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Proposed dividend for the year</u>	<u>Total</u>
Equity at 1 January 2021	1.700.000	628.969	0	2.328.969
Net profit/loss for the year	0	6.346.432	3.500.000	9.846.432
<b>Equity at 31 December 2021</b>	<b><u>1.700.000</u></b>	<b><u>6.975.401</u></b>	<b><u>3.500.000</u></b>	<b><u>12.175.401</u></b>



## Notes

### 1 Capital resources

Based on the current market for the Company's subsidiary owning the vessel m.s. THUNDER BIRD, Management expects positive earnings and cash flows sufficient to service agreed financing agreements and other liabilities. Based hereon and other planned activities, it is the assessment of the Executive Board and the Supervisory Board that the capital resources and the cash flow situation of the Company have been secured until June 2023.

### 2 Uncertainty in the recognition and measurement

The preparation of the Financial Statements requires Management to make estimates and judgements.

These are the basis for recognition and measurement of the Company's income, expenses, assets and liabilities. The applied estimates are based on historical data and other factors that Management considers appropriate under the given circumstances, but which are inherently uncertain or unpredictable. Such assumptions may be incomplete or inaccurate, and unexpected events or circumstances may occur. In addition, the Company is subject to risks and uncertainties that may cause actual outcomes to deviate from these estimates. This means that an estimate can be subject to significant uncertainty.

Significant estimates are normally made when estimating the valuation of investments in and receivables from subsidiaries and associated entities. Recognition and measurement in the Annual Report have not been subject to any uncertainty.

### 3 Subsequent events

No events materially affecting the assessment of the Financial Statements have occurred after the balance sheet date.

### 4 Main activity

The J. Poulsen Shipping A/S Group is engaged in international shipping, including administration and shipping operations.

## Notes

	<u>2021</u>	<u>2020</u>
	DKK	DKK
<b>5 Staff costs</b>		
Wages and salaries	2.827.176	3.163.281
Pensions	172.407	175.467
Other social security costs	49.385	44.149
	<u><b>3.048.968</b></u>	<u><b>3.382.897</b></u>
Average number of employees	<u>7</u>	<u>7</u>
<b>6 Income from investments in subsidiaries</b>		
Share of losses of subsidiaries	6.842.578	-196.547
	<u><b>6.842.578</b></u>	<u><b>-196.547</b></u>
<b>7 Financial income</b>		
Interest received from subsidiaries	955.126	1.164.911
Other financial income	12.469	254.693
Exchange rate gains	73.891	0
	<u><b>1.041.486</b></u>	<u><b>1.419.604</b></u>

## Notes

	<u>2021</u> DKK	<u>2020</u> DKK
<b>8 Financial costs</b>		
Financial expenses, group entities	28.437	28.429
Other financial costs	195.660	251.414
Exchange rate loss	<u>0</u>	<u>52.326</u>
	<b><u>224.097</u></b>	<b><u>332.169</u></b>
<b>9 Tax on profit/loss for the year</b>		
Adjustment of tax concerning previous years	<u>-110.521</u>	<u>86.829</u>
	<b><u>-110.521</u></b>	<b><u>86.829</u></b>
<b>10 Tangible assets</b>		
	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January 2021	<u>1.713.355</u>	<u>100.435</u>
Cost at 31 December 2021	<u>1.713.355</u>	<u>100.435</u>
Impairment losses and depreciation at 1 January 2021	1.713.355	74.656
Depreciation for the year	<u>0</u>	<u>25.779</u>
Impairment losses and depreciation at 31 December 2021	<u>1.713.355</u>	<u>100.435</u>
<b>Carrying amount at 31 December 2021</b>	<b><u>0</u></b>	<b><u>0</u></b>

## Notes

	<u>2021</u>	<u>2020</u>
	DKK	DKK
<b>11 Investments in subsidiaries</b>		
Cost at 1 January 2021	<u>34.030.031</u>	<u>34.030.031</u>
Cost at 31 December 2021	<u>34.030.031</u>	<u>34.030.031</u>
Revaluations at 1 January 2021	-32.483.969	-31.559.158
Net profit/loss for the year	6.842.578	-196.547
Equity investments with negative net asset value amortised over receivables	<u>-6.825.218</u>	<u>-728.264</u>
Revaluations at 31 December 2021	<u>-32.466.609</u>	<u>-32.483.969</u>
<b>Carrying amount at 31 December 2021</b>	<b><u>1.563.422</u></b>	<b><u>1.546.062</u></b>

Investments in subsidiaries are specified as follows:

<u>Name</u>	<u>Registered office</u>	<u>Ownership interest</u>
Leisure Shipping A/S	Korsør	100%
K/S Thunder Bird	Korsør	100%
Komplementar Thunder Bird ApS	Korsør	100%

## Notes

	<u>2021</u>	<u>2020</u>
	DKK	DKK
<b>12 Investments in associates</b>		
Cost at 1 January 2021	7.831.200	7.843.376
Disposals for the year	<u>0</u>	<u>-12.176</u>
Cost at 31 December 2021	<u>7.831.200</u>	<u>7.831.200</u>
Revaluations at 1 January 2021	-7.831.200	-7.843.376
Disposals for the year	<u>0</u>	<u>12.176</u>
Revaluations at 31 December 2021	<u>-7.831.200</u>	<u>-7.831.200</u>
<b>Carrying amount at 31 December 2021</b>	<b><u>0</u></b>	<b><u>0</u></b>

Investments in associates are specified as follows:

<u>Name</u>	<u>Registered office</u>	<u>Ownership interest</u>
Combi Dock A/S i frivillig likvidation	Korsør	50%
H&P MS "Combi Dock" Betribs GmbH & Co. KG	Bremen	50%

## **Notes**

### **13 Contingent liabilities**

The company has made leasing engagements. The future lease payments amounts to TDKK 146.

The company has provided a guarantee for the subsidiary's bank loan, amounting to DKK 27.229K.

The company moreover guarantess a debt to banks in other company amounting to DKK 500K.

#### **Guarantee commitments**

The parent company is jointly taxed with its danish group entities. The entities are jointly and severally liable for danish income taxes as well as withholding taxes on dividends, interest and royalties payable by the group of jointly taxed entities.