
Dannebrog Rederi A/S

Rungsted Strandvej 113, DK-2960 Rungsted Kyst

Annual Report for 2022

CVR No. 67 78 40 14

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 30/3 2023

Christian Thuesen
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Dannebrog Rederi A/S for the financial year 1 January - 31 December 2022.

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 2022 of the Company and of the results of the Company operations for 2022.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Rungsted, 30 March 2023

Executive Board

Rasmus Lund-Jacobsen

Board of Directors

Johan Ernst Wedell-Wedellsborg
Chairman

Rasmus Lund-Jacobsen

Oluf Myhrmann

Independent Auditor's report

To the shareholder of Dannebrog Rederi 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 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Dannebrog Rederi A/S for the financial year 1 January - 31 December 2022, 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.

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.

Independent Auditor's report

- 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, 30 March 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Flemming Eghoff

State Authorised Public Accountant

mne30221

Martin Birch

State Authorised Public Accountant

mne42825

Company information

The Company	Dannebrog Rederi A/S Rungsted Strandvej 113 DK-2960 Rungsted Kyst Telephone: + 45 45 17 77 77 CVR No: 67 78 40 14 Financial period: 1 January - 31 December Municipality of reg. office: Hørsholm
Board of Directors	Johan Ernst Wedell-Wedellsborg, chairman Rasmus Lund-Jacobsen Oluf Myhrmann
Executive board	Rasmus Lund-Jacobsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Income statement 1 January - 31 December

	Note	2022 TUSD	2021 TUSD
Gross profit/loss		62	-1,560
Earnings Before Interest Taxes Depreciation and Amortization		62	-1,560
Income from investments in subsidiaries		0	-75
Income from investments in associates		344	-1,054
Financial income	3	36	85
Financial expenses	4	-244	-325
Profit/loss before tax		198	-2,929
Tax on profit/loss for the year	5	0	120
Net profit/loss for the year		198	-2,809

Distribution of profit

	2022 TUSD	2021 TUSD
Proposed distribution of profit		
Retained earnings	198	-2,809
	198	-2,809

Balance sheet 31 December

Assets

	Note	2022 TUSD	2021 TUSD
Other fixtures and fittings, tools and equipment		0	0
Property, plant and equipment	6	0	0
Investments in subsidiaries	7	0	0
Investments in associates	8	285	6,544
Fixed asset investments		285	6,544
Fixed assets		285	6,544
Raw materials and consumables		0	10
Inventories		0	10
Trade receivables		0	6
Receivables from group enterprises		22	0
Other receivables		7	47
Receivables		29	53
Cash at bank and in hand		24	1,052
Current assets		53	1,115
Assets		338	7,659

Balance sheet 31 December

Liabilities and equity

	Note	2022 TUSD	2021 TUSD
Share capital		12,675	12,675
Retained earnings		-13,769	-13,967
Equity		-1,094	-1,292
Payables to associates		0	6,051
Long-term debt	9	0	6,051
Trade payables		0	21
Payables to group enterprises		1,409	2,758
Other payables		23	121
Short-term debt		1,432	2,900
Debt		1,432	8,951
Liabilities and equity		338	7,659

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Statement of changes in equity

	Share capital	Retained earnings	Total
	TUSD	TUSD	TUSD
Equity at 1 January	12,675	-13,967	-1,292
Net profit/loss for the year	0	198	198
Equity at 31 December	12,675	-13,769	-1,094

Notes to the Financial Statements

1. Going concern

The Company has at 31 December 2022 lost more than 50% of the nominal share capital, wherefore the Company is subject to the rules of capital loss in the Danish Companies Act.

Management has complied with section 119 of the Danish Companies Act and expects to reestablish nominal share capital due to expected profit in the coming years or a capital contribution.

Furthermore in order to strengthen the company's capital resources, the company has received a declaration of support from the parent company. The declaration is valid until and including 31 December 2023.

Based on the above, it is the management's assesment that the company's capital resources are sufficient and, accordingly, present the financial statements according to the principles of going concern.

2. Key activities

The primary activity of the company is to do business related to shipping.

3. Financial income

Interest received from group enterprises

Exchange adjustments

	2022	2021
	TUSD	TUSD
Interest received from group enterprises	34	69
Exchange adjustments	2	16
	<u>36</u>	<u>85</u>

4. Financial expenses

Interest paid to group enterprises

Other financial expenses

	2022	2021
	TUSD	TUSD
Interest paid to group enterprises	91	275
Other financial expenses	153	50
	<u>244</u>	<u>325</u>

5. Income tax expense

Current tax for the year

	2022	2021
	TUSD	TUSD
Current tax for the year	0	-120
	<u>0</u>	<u>-120</u>

Notes to the Financial Statements

6. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	TUSD
Cost at 1 January	33
Cost at 31 December	33
Impairment losses and depreciation at 1 January	33
Impairment losses and depreciation at 31 December	33
Carrying amount at 31 December	0
Amortised over	3 - 10 years

7. Investments in subsidiaries

	2022	2021
	TUSD	TUSD
Cost at 1 January	0	14,908
Disposals for the year	0	-14,908
Cost at 31 December	0	0
Value adjustments at 1 January	0	-14,375
Disposals for the year	0	14,625
Dividend to the Parent Company	0	-250
Value adjustments at 31 December	0	0
Carrying amount at 31 December	0	0

Notes to the Financial Statements

	2022 TUSD	2021 TUSD
8. Investments in associated companies		
Cost at 1 January	6,676	10,267
Disposals for the year	0	-3,591
Cost at 31 December	6,676	6,676
Value adjustments at 1 January	-132	-2,505
Disposals for the year	0	3,430
Net profit/loss for the year	344	-1,057
Dividends received	-6,603	0
Value adjustments at 31 December	-6,391	-132
Carrying amount at 31 December	285	6,544

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Ownership and Votes
Stenwec I P/S	Copenhagen (Denmark)	500.000	50%
Komplementarselskabet Stenwec ApS	Copenhagen (Denmark)	50.000	50%

9. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2022 TUSD	2021 TUSD
Payables to associates		
After 5 years	0	0
Between 1 and 5 years	0	6,051
Long-term part	0	6,051
Within 1 year	0	0
	0	6,051

Notes to the Financial Statements

10. Contingent assets, liabilities and other financial obligations

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 Weco 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.

11. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Weco Shipping A/S	Hørsholm

Notes to the Financial Statements

12. Accounting policies

The Annual Report of Dannebrog Rederi A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2021 are presented in TUSD. Applied US Dollar exchange rate on the 31 December 2022 DKK 697,22 (2021: DKK 656,12).

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 the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when 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.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

USD is used as the presentation currency. All other currencies are regarded as foreign currencies.

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.

Income statement

Net sales

Revenue includes vessels freight income and time charter income. Revenue is recognised in the income statement for the financial year as earned.

Notes to the Financial Statements

Expenses for raw materials and consumables

Vessel operating costs comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises 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 raw materials and consumables and other external expenses.

Income from investments in subsidiaries and associates

The items “Income from investments in subsidiaries” and “Income from investments in associates” in the income statement include 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.

Tax on profit/loss for the year

The Company is comprised by the tonnage tax regime. No provision is made for deferred tax since no deferred tax is expected to arise under the tonnage tax regime.

The Company is jointly taxed with Weco A/S. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-10 years
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Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment 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 subsidiaries and associates

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

Notes to the Financial Statements

The items “Investments in subsidiaries” and “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 with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

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.

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

Inventories

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

Receivables

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

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.

Financial debts

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