



ANNUAL REPORT 2022

Christiania Shipping A/S

Amerika Plads 38

2100 København Ø

Registration no. 40 53 35 16

The Annual General Meeting adopted the Annual Report on 28 June 2023

Chairman of the General Meeting

Name: Morten Berggreen

Contents

Contents	2
Key figures	3
Board of Directors Report	4
Consolidated financial statements	17
Parent company financial statements	46
Statement by the Board of Directors and Executive Management	62
Independent Auditor's Report.....	63
Definitions and glossary	65
Company information.....	66

Key figures

USD '000	2022	2021	2020	2019	2018
INCOME STATEMENT					
Net freight income	156.978	90.395	86.976	88.496	90.590
Time charter equivalent earnings	97.348	51.123	54.162	54.216	55.768
Operating profit before depreciations etc. (EBITDA)	50.669	7.125	8.370	4.634	3.153
Depreciations, write-downs and gains/losses	-5.156	-5.983	-5.414	-4.513	-2.915
Operating profit (EBIT)	45.513	1.143	2.974	135	-1.439
Net financials	-5.618	-3.872	-2.520	-2.417	144.752
Profit for the year	39.994	-2.804	582	-2.500	143.097
BALANCE SHEET					
Total assets	140.328	80.554	66.909	71.464	52.515
Equity	46.760	3.410	6.196	3.114	5.614
Invested capital	70.414	62.680	53.055	61.927	35.990
Net working capital	-17.121	-834	-1.069	3.308	-3.064
Net investments in tangible assets	-42.602	-202	-900	-10.226	3.158
Net interest-bearing debt	37.575	27.518	35.000	38.700	39.500
Cash and cash equivalents	26.306	5.450	3.209	3.315	5.016
CASH FLOW					
Cash flow from operating activities	35.497	3.827	2.637	8.195	-3.170
Cash flow from investing activities	-42.602	-202	-900	-10.226	3.158
Cash flow from financing activities	28.494	-2.248	-2.871	341	-2.548
Net cash flow of the year	21.389	1.377	-1.134	-1.690	-2.560
EMPLOYEES					
Seafarers	211	188	184	208	305
Land based employees	22	21	15	15	15
FINANCIAL AND ACCOUNTING RATIOS					
TCE-margin (%)	62,0%	56,6%	62,3%	61,3%	61,6%
EBITDA-margin (%)	32,3%	7,9%	9,6%	5,2%	3,5%
EBIT-margin (%)	29,0%	1,3%	3,4%	0,2%	-1,6%
Return on Invested Capital (%)	143,9%	22,7%	31,6%	15,0%	17,5%
Return on Equity (%)	85,5%	-82,2%	9,4%	-80,3%	N/A
Equity ratio	0,80	8,07	5,65	12,43	7,04
OTHER					
Number of owned vessels	14	12	13	14	14
Number of leased vessels	5	4	5	5	5
Total number of vessel days	6.743	6.570	6.692	6.909	7.327
Average TCE	14.437	7.781	8.094	7.847	7.611

Key figures presented in the table above for the years 2018-2020 is based on figures for the parent company Christiania Shipping A/S.

Board of Directors Report

2022 end up as one of the most profitable and active years in the history of Christiania Shipping A/S.

The Group reported:

- EBITDA USD 50.7 million (USD 7.1 million 2021)
- Net profit USD 40.0 million (loss of USD 2.8 million 2021)

The market started the improvement at the end of 2021 and gradually improved during the spring of 2022. The second half of the year was dominated by firm rates and low number of waiting days.

2022 was an active year for Christiania Shipping:

- Three vessels were acquired
- One vessel was sold
- Three vessels were re-financed through bare-boat arrangements
- All vessels owned by Christiania Shipping A/S were transferred to the 100% owned subsidiary Christianiaship A/S, and subsequently re-financed by NIBC Bank
- All outstanding shareholder loans were converted to equity in Christiania Shipping A/S

Business review

Christiania Shipping A/S, previously Herning Shipping A/S, is a specialized chemical vessel-owning and chartering company established in 1972, with roots back to 1963.

Herning Shipping A/S was acquired by Eitzen Avanti AS (formerly ANE Shipping AS) in 2018 and following the acquisition the Company was renamed to Christiania Shipping A/S. The headquarter is in Copenhagen, Denmark.

The core competence of Christiania Shipping is to own and charter sophisticated chemical tankers between 3,500 - 13,000 dwt. with highest focus on safety and quality.

Christiania Shipping has a leading position in trade niches and the vessels are trading in the Atlantic Ocean, Europe, West Africa and the Mediterranean.

As of 31 December 2022, the Group's fleet consisted of 19 stainless steel and Marline-Line coated vessels ranging from 3,500 - 12,000 dwt, of which 14 vessels owned and five vessels on time charter.

Organization

The Group's administration is in Copenhagen. At the end of 2022 the Group employed 22 full time staff. The sick leave during 2022 was 0 days of the total working days (0 days in 2021). The Group has not been affected by serious work-related accidents during the year. As per December 2022, 7 out of 22 employees were female (32%). The work environment is regarded as good. The organization is considered to be well-qualified to perform the tasks within its remit.

Strategic focus

Safety is Christiania Shipping's first and foremost priority and it is an integral part of Christiania Shipping's vision, mission, strategy and values. The Group's overall strategic focus is:

- Develop a safety culture with a target of zero accidents
- Optimize and develop the existing business platform
- Expand and renew the fleet
- Continue the consolidation within the chemical tanker segment and generate profitable growth

Management

Board of Directors

The Board of Directors of Christiania Shipping A/S consists of three members with solid Management experience. The Board has a reasonable size, composition, diversity plus the competences necessary to ensure that they at any given time are qualified to attend to the managerial tasks as the upper Management body of the Group.

In 2022 the Board of Directors consisted of:

- Fridtjof Camillo Eitzen, Chairman

- Axel Camillo Eitzen
- Axel Stove Lorentzen

From 1 January 2023, Fridtjof C. Eitzen commenced as CEO of the Company, while Axel C. Eitzen was elected as chairman of the Board from 12 January 2023.

The Executive Management in 2022 consisted of Axel C. Eitzen (CEO), Torben Larsen (COO), Snorre Krogstad (CFO) and Rune Eriksen (COM).

Market

Rates

After several challenging years in the small chemical market segment, the market has finally improved to a very satisfactory market in 2022.

The TC rates started the year at about USD 10,500 per day on average for the Christiania fleet and steadily increased to USD 18,125 per day on average for the fleet in December. Along with steadily improving rates, the idling days were reduced. Total idling days for 2022 was 140 days (2.1% of available days) compared to 563 days in 2021 (8.6% of total available days).

Supply

The primary market for Christiania Shipping is the small chemical tanker vessel size (1,000 – 9,999 dwt) and medium chemical tanker vessel size (10,000 – 20,000 dwt).

The world-wide small chemical fleet market consists of about 1,300 vessels. The deliveries peaked in 2018 with 58 vessels delivered, which adjusted for removals corresponded to a net fleet growth of 3%. 53 vessels were delivered in 2022, while 31 were removed corresponding to a net growth of about 2%. 19% of the

trading fleet is over 20 years of age while 27% is 15-19 years and only 13% is less than 5 years. The orderbook for 2023 is scheduled at 45 vessels and 10 vessels are scheduled for delivery in 2024. Due to the age profile of the fleet, removals are expected to increase going forward, and the net fleet growth is estimated to be 1% in 2023 and -1% in 2024.

The world-wide medium (10,000 – 20,000 dwt) chemical fleet market consist of about 1,230 vessels. The deliveries peaked in 2018 with 54 vessels delivered, which adjusted for removals corresponded to a net fleet growth of 4%. 25 vessels were delivered in 2022, while 15 were removed corresponding to a net growth of about 1%. 13% of the trading fleet is over 20 years of age while 35% is 15-19 years and only 10 % is less than 5 years. The orderbook for 2023 is scheduled at 26 units and 10 vessels are scheduled for delivery in 2024. Based on the anticipated removals the net fleet growth is estimated to be 1% in 2023 and -1% in 2024.

Supply and demand in the small chemical vessel segment is a thin line where as few as 20-30 vessels can make the difference between a slow market and a good market.

Subsequent events

14 April 2023 Christiania Shipping signed a letter of intent for the acquisition of two newbuilding 13,000 dwt stainless steel vessels to be built at Murakami Hide yard in Japan for delivery in 4th quarter 2025.

See also subsequent events disclosures in note 26.

Financial highlights of the Company in 2022

Profit and loss

For the full year 2022 Christiania Shipping's time charter equivalent earnings was USD 97.3 million, up from USD 51.1 million the previous year. The increase reflects the increased fleet (acquisition of three vessels during the year, partly offset by sale of one), the improved market rates as well as reduced offhire and idling days. The average T/C income for 2022 was USD 14,437 per day compared to USD 7,781 per day in 2021. Total number of off-hire and idling days were 339 in 2022 compared to 783 in 2021.

The vessel operating expenses amounted to USD 27.6 million (USD 27.3 million in 2021) corresponding to average daily operating cost per vessel was USD 5,321 per day compared to USD 5,539 per day in 2021. T/C expenses for the year was USD 13.9 million (USD 11.9 million in 2021). The increase reflects the additional number of TC days from 1,686 days in 2021 to 1,954 days in 2022.

SG&A for the year amounted to USD 5.1 million compared to USD 4.8 million in 2021. The increase is mostly due to two additional employees and general price index growth.

EBITDA for the year was USD 50.7 million compared to USD 7.1 million previous year. Ordinary depreciation was USD 6.3 million at same level as previous year.

Gain from sale of fixed assets was USD 1.1 million compared to USD 0.3 in 2021.

At the beginning of 2022, the Group guided on an EBITDA in excess of USD 20 million, however, because

of improvement in the market rates as well as increased fleet, EBITDA ended substantially higher.

Financial expenses for the year were USD 6.0 million (USD 3.9 million in 2021) the increase is mostly due to increased debt related to the acquisition of three vessels during the year as well as increase in the SOFR rate during the year.

The Group had a tax income for 2022 of USD 99 thousand, compared to a tax expense of USD 74 thousand in 2021.

The Group reported a profit of USD 40.0 million compared to a loss of USD 2.8 million in 2021.

Statement of financial positions

The Group's total assets were USD 140.3 million (USD 80.6 million in 2021). The book value of owned vessels was USD 72.1 million up from USD 36.9 previous year due to the acquisition of three vessels offset by the sale of one vessel during the year. Right-of-use assets was USD 14.0 million compared to USD 26.6 million last year due to refinancing and reclassification for Stella Theresa.

Inventories was USD 3.5 million up from USD 2.7 million last year reflecting the increased fleet during the year. Trade receivables was USD 13.4 million up from USD 5.9 million last year, as a result of increased fleet as well as higher rates compared to last year. Prepayments were USD 3.4 million compared to USD 2.1 million last year.

Restricted cash accounts related to the bank loan with

NIBC, was USD 2.3 million compared to USD 2.0 million previous year. Cash at the end of the year was USD 24.1 million up from USD 3.5 million last year.

The Group's equity amounted to USD 46.7 million compared to USD 3.4 million last year. The increase is due to the net income from the year as well as conversion of shareholder loan of USD 3.4 million to equity.

Total long-term liabilities amounted to USD 70.1 million (USD 56.0 million in 2021). Long-term bank loan was increased from USD 22.9 million at the end of 2021 to USD 31.1 million at the end of 2022. The increase is related to the refinancing of the owned fleet including financing of Lykia Theresa and Diana Theresa. Long-term lease liability was at the end of the year USD 12.9 million down from USD 24.8 million, as a result of refinancing of Stella Theresa.

As result of the sale and leaseback financing arrangement of Stella Theresa, Cathy Theresa and Sigrid Theresa in 2022, long-term financing arrangement liabilities increased to USD 26.0 million from USD 4.5 million in 2021, partly offset by the sale of Sofie Theresa during the year.

All outstanding shareholder loans were converted to equity during the year.

Total current liabilities were USD 23.5 million (USD 21.1 million in 2021), of which USD 6.5 million is short-term bank debt (USD 4.6 million in 2021), USD 0.9 million lease liabilities (USD 1.9 million in 2021), USD 2.7 million financing arrangements liabilities (USD 0.9 million in 2021). Trade payables at year end was USD 7.5 million (USD 9.1 million in 2021), other payables

were USD 1.7 million at same level as in 2021 and deferred income USD 4.0 million (USD 3.0 million in 2021).

Current assets of USD 52.8 million exceeds current liabilities of USD 23.5 million and the liquidity is strong.

Cash flow

Cash flow from operating activities was USD 35.5 million (USD 3.8 million in 2021). Cash flow from investing activities was USD -42.6 million (USD -0.2 million in 2021) mainly related to investments in additional vessels during the year. Cash flow from financing activities was USD 28.5 million (USD -2.2 million in 2021), of which USD 27.4 million is related to sale and leaseback transactions, USD 39.5 million related to refinancing of loans offset by USD 29.1 million in repayment of loans.

Net cash flow was USD 21.4 million (USD 1.4 million in 2021) and cash at the end of the year was USD 24.1 million (USD 3.5 million in 2021).

Parent company

On 31 December 2021, the parent company's total assets amounted to USD 101.2 million (USD 80.4 million in 2021). The parent company equity amounted to USD 46.7 million (USD 3.4 million in 2021). The parent company made a profit of USD 40.0 million (loss of USD 2.8 million in 2021).

During 2022, all vessels owned by the parent company were transferred to the 100% owned subsidiary Christianiaship A/S, and subsequently re-financed by NIBC Bank.

Outlook for 2023

The market for small chemical tankers is dependent upon the volume of easy chemicals transported by sea, which again is dependent upon several factors including the development in the economy and commodity prices among others. These factors, combined with the supply of chemical vessels, will determine the market going

forward.

The demand for chemical vessels was weak for several years due to periods of oversupply of chemical vessels as well as the general impact of covid worldwide. At the end of 2021 there was a gradual market recovery which continued and into a firm market recovery in 2022. The

market was somewhat lower at the beginning of 2023, but still at very healthy rates.

From a historical perspective, the newbuilding orderbook is relatively low with a forecasted net fleet growth of 1% in 2023 for both the 1-10K segment and the 10-20K segment. Based on the forecasted fleet growth combined with the anticipated GDP growth, analysts expect the market to continue to be firm in 2023.

However, the market is still dependent upon a continued stable economic environment and a potential

recession in Europe will of course impact the small chemical vessel market.

The Group expects continued firm rates and steady volumes in 2023 which we expect will result in EBITDA of about USD 40 million on the basis of the existing fleet.

Risk Factors

Being an international player in the chemical tankers segment, Christiania Shipping is exposed to a variety of risks that can affect the Group's result. The risk factors can be divided into the following main risk components:

- Market risk
- Operational risk
- Financial risk

Such risks are normally related to volatility in charter income, charter defaults, unforeseen operational events, operating expenses and unforeseen capital expenditure requirements, fluctuations in interest- and foreign exchange rates, as well as financing risk related to new capital expenditure requirements and refinancing of existing credit facilities.

The Executive Management continuously monitors the risks considered to have the most significant effect on the Group's business performance as well as financial position. Measures deemed relevant to limit the Group's sensitivity to such risks are evaluated on an on-going basis.

Market risk

Christiania Shipping's revenues are exclusively generated from activities in the oil and chemical tankers industry. The oil and chemical tanker industry is cyclical and volatile, which can lead to reductions in freight rates, volumes transported, and ship values.

Fluctuations in freight rates result from changes in the supply of chemical vessels and demand for seaborne transportation of certain chemicals.

Christiania Shipping mitigates the risk of fluctuation in freight rates to a certain degree, by managing the mix between Contracts of Affreightment and spot market business. Contracts tend to reduce volatility in freight rates. Spot market business, on the other hand, provides flexibility but exacerbates the impact of a downturn in the market.

Operational risk

The Group is focused on delivering strong operational performance for the fleet and is striving towards operational excellence through strict attention on vessel maintenance and through continued education of its staff. Despite the Group's high degree of pre-emptive maintenance and education there is a risk for equipment failure and accidents. Risks related to the operation of the vessels, transport of cargo, personal injuries, environmental damages, and war are covered by insurances in internationally recognized insurance companies. The Group aims at minimizing its exposure by using multiple insurance companies.

The Group has established duplication of business-critical IT systems and contingency plans in case of breakdowns. Back-up of data is made in an external IT environment outside the Group's offices.

Even though the Group obtains loss of hire insurance for contracts over a certain length, a technical breakdown will affect the earnings for a period of at least 14 days (deductible).

Risk related to changes in laws and regulation

The Group's operation and vessels are subject to international environmental laws and regulations which have become more stringent in recent years. Although the Group is doing its utmost to comply, changes in laws and regulations may expose the Group.

Bunkers

Bunker fuel constitutes the major cost component affecting time charter equivalent (TCE) earnings and increasing prices can have a material impact on Christiania Shipping's results.

The Group is striving to reduce the impact of bunker price fluctuations by passing bunker fuel costs on to customers. Hence, in 2022 approximately 50% of freight earnings were derived from Contracts of Affreightment, the large majority of which include a bunker price clause that indexes freight rates with

bunker prices.

Financial risk

Investments are typically financed by cash reserves, equity proceeds injected by the shareholders, debt obtained by international banks or international leasing providers. The Group is exposed to financing risk related to potential new investments and refinancing of existing debt.

In July 2022, the Group refinanced its outstanding Bank debt with NIBC. A new 5 year USD 39.5 million loan was entered into with NIBC. The loan agreements include customary financial covenants. At the end of 2022 the Group was in compliance with all its covenants.

In addition to the bank agreement with NIBC, the Group is utilizing financial leases and sale leaseback arrangements, with purchase options and obligations, to finance vessels. At the end of the year, one vessel was classified as financial lease, corresponding in USD 12.9 million in outstanding bareboat obligations, while four vessels were classified as financial agreement totaling USD 26.0 million in outstanding bareboat obligations. The average remaining tenor for the five vessels on bareboat with purchase obligation was at the end of the year 6.1 years.

The Group is dependent upon a stable income to be able to refinance debt or raise new debt in the future.

Interest rate risk

The Group's bank loans are generally subject to floating interest rates. For 2022, the Group did not hedge any of its interest rate risk but will evaluate to hedge the exposure going forward. The Group also finances vessels through bareboat contracts with purchase obligations. These financing arrangements are based on a fixed bareboat rate which a large part of the Group's interest rate exposure. For 2022, about 55% of the Group's interest rate exposure was hedged through fixed bareboat financing arrangements, while the hedged part for 2023 is about 53%.

Currency risk

The Group pursues a finance policy that ensures that foreign exchange risks arise only on the basis of commercial factors. Most of the revenues earned by Christiania Shipping are in the reporting currency USD as well as EUR. A significant portion of the operating expenses as well as administrative expenses are incurred in primarily EUR and DKK, while BB and other financial expenses (BB rate, interest costs and installments) are in USD. To reduce foreign currency exchange risk on EUR, Christiania Shipping strives to match cash inflows and cash outflows as much as possible. A 10 % fluctuation in the USD/EUR exchange rate would have an approx. 2% impact on time charter equivalent earnings for the Group in 2022.

Counterparty risk

It is the Group policy only to grant credit to oil majors and other first-class customers to minimize credit risks. As such, the Group's credit risk relates to receivables from these first-class customers and oil majors in the chemical tanker segment. The credit risk is deemed to be minimal and consequently receivables are not hedged. The Group's maximum credit risk associated with receivables corresponds to their carrying amounts.

For smaller customers and newer customers, it is Group policy to perform a credit assessment based on credit reports retrieved out of the database of one of the world's largest vendors. In most cases, such credit reports include a credit rating and information on potential payment delinquency. Furthermore, it is custom to require freight to be paid before cargo release. For customers with whom Christiania Shipping has a long-lasting relationship, freight is typically paid after cargo release. In 2022, Christiania Shipping did not suffer any significant losses from defaulting customers.

Liquidity risk

The shipping market is capital intensive and insufficient liquidity will severely impact the ability to operate. The Group's approach to manage liquidity risk is to ensure, as far as possible that it will always have sufficient liquidity to meet its obligations. Cash flow developments

are monitored daily, including monthly updates to the Executive Management. Furthermore, the Group evaluates its capital structure and explores various options to safeguard liquidity. The Group has a minimum liquidity covenant in its credit facility.

In 2023, Christiania Shipping expects to have sufficient liquidity for meeting its payment obligations for conducting the normal course of its operations without needing the support from its shareholder.

Environment, Social and Governance Reporting (ESG)

For a short description of our business model, please see page 4 under the Business Review section.

Christiania Shipping will actively initiate and participate in activities related to ESG and will incorporate ESG initiatives in its strategy at any given time. The key focus points of Christiania Shipping are areas related to health & safety, environment & climate and general welfare and training. Christiania Shipping will strive to continuously improve itself in these fields and communicate transparently with stakeholders about results and initiatives.

All of Christiania Shipping's ESG activities emerge from the Group's core business and strategy. The Group is committed to progress in business-driven ESG initiatives in order to deliver high quality and 'best in class' services while meeting own and customers' expectations in respect of responsible business practice. Management sees the business-driven approach as the only way forward when building a long-term sustainable business, where both the Group and society benefit.

Christiania Shipping's ESG policy is based on the ten guiding principles of the United Nations Global Compact (UNGC) that cover the areas of human & labor rights, environment & climate and anti-corruption as well as the principle of continuous improvement.

The Board of Directors and Management of Christiania Shipping are committed to operate the Group in a responsible manner in order to be sustainable. The aim is to manage the Group in a way that generates long-term profitability in combination with care for the environment, the people involved in our business and the society at large.

The maritime industry is subject to comprehensive global regulations governed by IMO, ISO, regional (e.g. EU) and National bodies and Port States. Increased attention is observed from the larger community including finance through "Poseidon Principles" and EU with "Taksonomi" (sustainable economic activity).

Christiania Shipping follows developments through its

membership in the Danish Shipowners Association and in cooperation with classification societies. Christiania Shipping is responsible through its ownership and chartering of its fleet of chemical vessels but have delegated the day-to-day management and supervision of the vessel to the Technical Managers who are responsible for crew and maintenance of the vessels. Christiania is evaluating the governance policy of Technical Managers during the selection process and as part of the continuous evaluation of the technical managers.

Climate and environmental responsibility

Biodiversity and marine pollution

Christiania Shipping has formulated a Health, Safety and Environment (HSE) policy, which includes working towards a "zero oil spill to sea" by coordination of efforts of those ashore and on-board vessels plus working towards a long-term goal of "zero accidents and incidents" by using KPIs to monitor performance.

CII and EEXI

The International Maritime Organisation (IMO) is introducing new regulatory standards for ship energy efficiency - the Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) - and from 2023 all existing ships must meet new energy efficiency standards. The Carbon Intensity Indicator (CII) measures how efficiently a vessel above 5,000 GT transports goods or passengers and is given in grams of CO₂ emitted per cargo-carrying capacity and nautical mile. The CII measurement was initiated as per January 2023. The first reporting of the CII based on 2023 data is due no later than 31 March 2024. Vessels will receive a rating of A (major superior), B (minor superior), C (moderate), D (minor inferior) or E (inferior performance level). The rating thresholds will become increasingly stringent towards 2030. A vessel rated D for three consecutive years or rated as E, will need to develop a plan of corrective actions. From 2024, the CII must be calculated and reported to the DCS verifier together with the aggregated DCS data for the previous year, including any correction factors and voyage adjustments.

The Energy Efficiency Existing Ship Index (EEXI) is a measure introduced by the IMO to reduce the greenhouse gas emissions of ships. The EEXI is a measure related to the technical design of a ship. Ships have to attain EEXI approval once in a lifetime, by the first periodical survey in 2023 at the latest. The required EEXI value is determined by the ship type, the ship's capacity and principle of propulsion and is the maximum acceptable attained EEXI value. Christiania vessel not meeting the EEXI requirements will be fitted with ShaPoLi in accordance with regulations prior first periodical survey. Three vessels are complying, and 6 vessels are currently fitted with ShaPoLi.

Christiania Shipping has initiated all the necessary routines and procedures in order to comply with the CII and EEXI regulations.

In order to improve the vessel efficiency, Christiania Shipping has installed Frugal on 9 of its vessels. Frugal is an automated on-top system optimizing RPM and pitch, applicable for vessels with controllable pitch propeller (CPP). This technology allows automated fuel and CO₂ savings up to 15% and thus helps lower the carbon footprint on the vessels. On vessels with fixed pitch propeller, they system allows the vessel to keep constant consumption, optimizing vessels performance by 3 - 4%.

Further, initiatives as below has been decided or already launched by Christiania Shipping in order to limit CO₂ emissions.

- Hull painting: Christiania will move to Silicon based hull paint instead of normal antifouling paint.
- Bunker system: Testing
- Power management system: Presently investigation upgrade of vessels pms to lower aux consumption
- Trim system: Investigating options to install onboard our vessels to optimized vessels trim and hereby speed /consumption

Christiania Shipping has initiated a new tank cleaning method, by using spectrometers. Applying spectrometers, the Group openly shares particulate contents of tank washing analysis with customers, surveyors and

terminals. The new system ensures:

- A decrease of the number of man entries in tanks for wall wash, inspections etc., and the occurrence of solvent handling used for wall wash medium and the number of third party, surveyor personnel, required to be on board the vessel.
- A reduction of the amount of excessive cleaning chemicals required and the disposal hereof and the cleaning time and unnecessary ship Co₂ emissions.
- A goal for 2022 is to keep developing on tank cleaning safety and optimization.

All vessels have ballast water to manage stability and trim of the vessel. The transfer of invasive species in ballast water is a source of environmental contamination through transportation of organism from one eco system to another. As a result, international and national regulations have been implemented to limit the risk of containment. Christiania Shipping fully complies with all regulations. Ballast water treatment system is installed on seven vessels. The remaining vessels will receive the systems as required by the regulations (at first renewal of their IOPP-certificate).

There are strict international maritime laws regulating on board waste management to prevent disposal of garbage at sea. This is regulated through MARPOL Annex V. Christiania Shipping, through their technical managers, have continuous efforts towards improving on board waste management with the aim to reduce the total environmental impact of the vessels. Each vessel has its own Garbage Record tracking waste treatment ensuring that waste is safely treated and to secure a high level of recycling. Furthermore, technical managers are taking actions to actively manage and encourage suppliers to focus on reducing the usage of plastic wrapping. Our actions to minimize plastic also include the abolition of plastic bottles, replaced with environmentally friendly paper carton. Christiania Shipping, through its technical managers, is fully committed to comply with all applicable regulations related to waste management. Christiania Shipping believes that waste management is important in order to reduce the environmental impact for the vessels, furthermore that the Group and its technical managers

should strive to improve and strengthen the effort towards this going forward. The average amount of waste produced per vessel should track downward over an extended period. Furthermore, 100% of the owned and BB fleet are Green Award certified. Green Award certificate holders are the front runners of the maritime industry and our quality and safety standards as well as enhanced environmental performance have been audited and confirmed with the Green Award certificate.

Accidental spills and emergency preparedness

The technical managers of the vessels are responsible for the emergency preparedness of the vessels. This is conducted, checked and approved via vessels Safety Management System which includes focus on drills, ensuring regular emergency, fire and lifeboat drills as well as verifying that adequate supplies of effective tools and materials are maintained onboard each vessel to respond to oil spills or other emergencies. It is the target to have 0 groundings and 0 oil spills, both of which were achieved in 2022.

	KPI	2022	2021
Fatal Accidents ¹	0	0	0
Oil Spill to Sea ²	0	0	0
Near Miss Incidents ³	24	34,6	28,7
Retention, All Officers ⁴	85%	98.39%	98.35%
Personal Injuries			
Lost Time ⁵	0 days	0 days	0.08 days
Total Recordable Cases Frequency ⁶	3 hours	0 hours	0.12 hours

¹) Fatal accidents are the headcount of work-related accidents leading to the death of an employee

²) Oil Spill to Sea is the number of oil spills

³) Near Miss Incidents are reported cases where no injuries happened, but where there could have been an injury

⁴) Retention of All Officers is the retention percentage of all Officers

⁵) Lost Time is the number of days of time lost due to an injury

⁶) Total Recordable Cases Frequency is the total exposure hours divided by total recordable cases

If an environmental emergency does occur, the technical managers Emergency Response Plan is effectuated enabling a quick response enabling efficient focus on the human capital as well as minimizing environmental impact.

Ship Recycling

The recycling of vessels is a potential source of contamination of the environment. Christiania Shipping is aware of the environmental aspects relating to the recycling of vessels and will therefore take necessary precautions if vessels are sold for recycling. The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 (the "Hong Kong Convention") has been ratified by Denmark, and Christiania Shipping is committed to follow the standards set out therein. Christiania Shipping will through a comprehensive investigation and screening process ensure that any recycling is completed in full compliance with the Hong Kong Convention and ensure that the nominated yard must at minimum meet following requirements:

- Comply with the Hong Kong Convention
- Produce an Inventory Hazardous Material certificate issued by Class (IACS)
- Issue a Ship Recycling Plan
- Issue a Green Recycling Certificate

Social responsibility

The onshore staff and crew onboard the vessels are key resources for Christiania Shipping. The safety, health and well-being of the staff and crew employed by the Group are key factors for the Group's success and highly prioritized to attract highly qualified and motivated employees. The Group's HSE policy ensures that all employees work in a safe work environment both on the vessels and in the offices. It is the Group's aim to operate in accordance with all applicable laws and regulations and to treat its employees with dignity and respect.

The technical management, including crewing of the vessels, has been outsourced to third party managers. The managers are reputable, highly qualified and experienced with the management of chemical vessels and are accredited with ISO certifications and Green Awards. Furthermore, the technical managers have their own social responsibility policy committing to provide a safe, secure, healthy, and environmental responsible workplace.

In 2022, the number of accidents and incidents was 0. Christiania Shipping will continue the efforts to meet our long-term target of 0 accidents and incidents.

General purchasing terms and conditions

There is a risk of violation of human rights in our supply chain. As such, the General Purchasing Terms and Conditions of Christiania Shipping specify that all suppliers and sub-suppliers are required to live up to the rules and regulations applicable for Christiania Shipping. The Group expects its suppliers to operate their businesses in accordance with all applicable laws and regulations and to treat its employees with dignity and respect. In order to ensure to this, it is explicitly stated in the Group's general purchasing terms and conditions that suppliers may not in any way be involved in or related to any form of slavery or forced labor, human trafficking or similar activities. Furthermore, suppliers shall treat all personnel with dignity and respect and shall not tolerate mental or physical abuse or coercion of employees. Nor may suppliers be engaged in or benefit from child labor.

All new suppliers in 2022 have agreed to the purchasing terms and conditions and have as such committed to upholding Christiania Shipping's requirements related to human rights as stated in the terms and conditions.

It is not the goal to draw up a separate policy on human rights in 2023, as the Group believes the General Purchasing Terms and Conditions combined with their Code of Conduct to be adequate.

Labor rights

International and local legislation is adhered to by the Group and its technical managers, including the Maritime Labor Convention (2006) which sets out the rights of the seafarers when it comes to, general working conditions, payment of wages, working hours and rest, right to medical care and annual leave.

Anti-corruption and Anti-Money Laundering

As an industry, shipping is exposed to corruption and the demand of facilitation payments. Christiania Shipping is firmly committed to adherence to high ethical standards in addition to applicable laws,

hereunder anti-corruption. Christiania Shipping has an anti-corruption policy, which states that "all employees of Christiania Shipping shall be opposed to and shall contribute to counteract all forms of corruption" and further, that "no employee of Christiania Shipping may be involved in corruption".

The Technical Managers have their own Anti Bribery Policy committing them to a zero-tolerance approach to bribery as well as strict actions to report demand for bribe.

Christiania Shipping has implemented an Anti-Money Laundering (AML) Policy and Guidelines that further elaborated on the policy statement set out in the Group's CoC. This states that Christiania Shipping will not participate in any form of money laundering, and that no member of Management or any employee may facilitate, support, directly or indirectly, any payment or transfer of money, which is likely to constitute money laundering.

The responsibility to avoid Christiania Shipping getting involved in any money laundering or dubious transaction applies to all employees and involves all departments and throughout the entire activity chain from the choice of customer or business partner all the way to the execution of payments.

The policy and guidelines include a financial background check of customers/vendors plus a sanctions background check. All employees have received a copy of the policy in 2022 plus the training necessary to identify the warning signs of money laundering and financial crime have been completed in the financial year. No issues have been identified in 2022 and employee training will continue going forward to ensure compliance with the Group's policy on this area.

Diversity and equal opportunity

Christiania Shipping believes in equal opportunity. The Group employed 22 full time staff in its office in Copenhagen of which 7 were female (equivalent to 32%).

As per 31 December, the Board of Directors consisted of three members, all men. The Group is aware of the imbalance and will work towards improving the ratio in the future and it is the Group's goal to have one woman on the Board of Directors by 2025. It is the Group's policy, at all times to select the candidate with the strongest qualifications no matter their gender, nationality, religion and political conviction. The gender composition is unchanged compared to last year.

The Executive Management of Christiania Shipping consists of three male. The Group has under 50 employees and therefore no policy regarding the composition of the Executive Management has been made.

Data Ethics

Christiania Shipping take the employees' right to privacy seriously and take measures in order to protect personal data from being misused.

Christiania Shipping does not use advanced technologies such as AI or machine learning. The Group processes regular data such as customer data and employee data. Data is processed in accordance with GDPR and other regulation. With the limited use of data, it is our assessment that a policy for data ethics is not required. The Group will ongoingly assess if a policy is needed.

Consolidated financial statements

Page

Consolidated income statement.....	18
Consolidated balance sheet.....	19
Consolidated statement of changes in equity.....	21
Consolidated statement of cash flow	22
Notes to the consolidated financial statements	23

Consolidated income statement

1 January - 31 December

USD '000	Note	2022	2021
Net freight income	3	156.978	90.395
Voyage related expenses	4	-59.630	-39.272
Time charter equivalent earnings		97.348	51.123
Time charter expenses		-13.932	-11.923
Operating expenses	5	-27.630	-27.314
Administrative expenses	5, 6, 7	-5.117	-4.760
Operating profit before depreciation etc. (EBITDA)		50.669	7.125
Depreciation	8	-6.282	-6.319
Gains from sale of fixed assets	8	1.126	337
Operating profit (EBIT)		45.513	1.143
Finance income	9	345	0
Finance expenses	10	-5.963	-3.872
Profit/loss before tax		39.895	-2.729
Tax for the year	11	99	-74
Profit/loss for the year		39.994	-2.804
Attributable to:			
Shareholders of Christiania Shipping A/S		39.994	-2.804
		39.994	-2.804
OTHER COMPREHENSIVE INCOME			
USD '000		2022	2021
Profit/loss for the year		39.994	-2.804
Items which will be reclassified to the income statement:			
Conversion differences		-57	-
Other comprehensive income		-57	-
Total comprehensive income		39.938	-2.804
Attributable to:			
Shareholders of Christiania Shipping A/S		39.938	-2.804
		39.938	-2.804

Consolidated balance sheet

at 31 December

USD '000	Note	2022	2021
ASSETS			
Vessels	12	72.074	36.928
Prepayments on vessels and dockings under construction	12	1.354	-
Property, plant and equipment	12	7	4
Right-of-use assets	13	13.990	26.582
Deferred tax asset		110	-
Total tangible assets		87.535	63.514
Inventories		3.480	2.677
Trade receivables	14	13.417	5.944
Receivables from parent company		5.498	125
Other receivables		709	783
Prepayments	15	3.383	2.062
Cash and cash equivalents	16	24.056	3.450
Restricted cash	18	2.250	2.000
Total current assets		52.793	17.040
Total assets		140.328	80.554

Consolidated balance sheet

at 31 December

USD '000	Note	2022	2021
EQUITY AND LIABILITIES			
Share capital	17	250	250
Retained earnings		46.510	3.160
Total equity		46.760	3.410
Long-term debt	18	31.059	22.918
Long-term lease liability	13	12.937	24.808
Long-term financing arrangements	19	26.049	4.506
Loans from related parties		-	3.751
Other non-current liabilities		48	48
Total non-current liabilities		70.093	56.031
Current portion of long-term debt	18	6.516	4.600
Current portion of lease liability	13	932	1.896
Current portion of financing arrangements	19	2.678	873
Trade payables	20	7.472	9.144
Payables to related parties		260	-
Current tax liabilities		9	50
Other current liabilities		1.625	1.563
Deferred income		3.983	2.988
Total current liabilities		23.475	21.112
Total liabilities		93.568	77.143
Total equity and liabilities		140.328	80.554

Consolidated statement of changes in equity

1 January - 31 December 2022

USD '000	Share capital	Retained earnings	Total
Equity at 1 January 2022	250	3.160	3.410
Purchase of treasury shares	-	-5	-5
Conversion of intercompany debt into Equity	-	3.417	3.417
Changes in equity	-	3.412	3.412
Comprehensive income for the year			
Translation difference	-	-57	-57
Profit/loss for the year	-	39.994	39.994
Changes in equity	-	39.938	39.938
Equity at 31 December 2022	250	46.510	46.760

During 2022, the parent company Eitzen Avanti AS converted intercompany debt of USD 3.4 million to equity in Christiania Shipping A/S.

1 January - 31 December 2021

USD '000	Share capital	Retained earnings	Total
Equity at 1 January 2021	250	5.964	6.214
Comprehensive income for the year			
Profit/loss for the year	-	-2.804	-2.804
Changes in equity	-	-2.804	-2.804
Equity at 31 December 2021	250	3.160	3.410

Consolidated statement of cash flow

1 January - 31 December

USD '000	Note	2022	2021
Operating profit (EBIT)		45.513	1.143
Adjustment for depreciation	8	6.282	6.319
Adjustment for gains/losses from sale of fixed assets	8	-1.126	-337
Change in working capital excl. Accrued interest and tax liabilities	21	-10.137	519
Interest received	9	345	0
Interest paid	10	-2.242	-1.475
Interest on lease paid	10	-1.604	-1.796
Interest on finance arrangements paid	10	-1.513	-533
Tax paid		-20	-14
Cash flow from operating activities		35.497	3.827
Additions of tangible assets	12	-42.877	-3.252
Executing of purchase option		-2.625	-
Proceeds from the sale of tangible assets		2.900	3.050
Cash flow from investing activities		-42.602	-202
Loan raised	18	39.500	-
Establishment costs for new loan		-398	-
Loans raised from shareholders		-	1.584
Loans to parent company		-5.623	-
Sale and leaseback transactions	19	27.400	5.600
Repayment of lease liability	13	-1.269	-1.479
Repayment of finance agreements	19	-1.714	-472
Purchase of treasury shares		-5	-
Repayment of loans		-29.147	-7.482
Deposit related to new loan facility		-250	-
Cash flow from financing activities		28.494	-2.248
Net cash flow		21.389	1.377
Cash and cash equivalents at beginning of the year		3.450	1.209
Exchange rate adjustments		-782	864
Net cash flow		21.389	1.377
Cash and cash equivalents at end of the year		24.056	3.450

Notes to the consolidated financial statements

	Page
Note 1. Changes to accounting policies and significant accounting policies.....	24
Note 2. Significant accounting estimates, assumptions and uncertainties.....	25
Note 3. Revenue.....	26
Note 4. Voyage related expenses.....	26
Note 5. Staff costs.....	27
Note 6. Sharebased payment.....	28
Note 7. Fees to the auditor appointed at the general meeting.....	28
Note 8. Depreciations, impairments and gains/losses.....	28
Note 9. Financial income.....	29
Note 10. Financial expenses.....	29
Note 11. Tax.....	29
Note 12. Property, plant and equipment.....	30
Note 13. Leases.....	32
Note 14. Trade receivables.....	33
Note 15. Prepayments.....	33
Note 16. Cash and cash equivalents.....	34
Note 17. Share capital.....	34
Note 18. Loans.....	34
Note 19. Financing arrangements.....	35
Note 20. Trade payables.....	35
Note 21. Changes in working capital.....	36
Note 22. Unrecognised contingent assets and liabilities.....	36
Note 23. Mortgages and security.....	36
Note 24. Related party disclosures and transactions with related parties.....	37
Note 25. Financial risks.....	38
Note 26. Subsequent events.....	39
Note 27. Accounting policies.....	40

Note 1. Changes to accounting policies and significant accounting policies

The annual report for the period 1 January – 31 December 2022 with comparative figures comprises the consolidated financial statements of Christiania Shipping A/S (the Group).

The consolidated financial statements of Christiania Shipping A/S for 2022 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and additional requirements from the Danish Financial Statements Act. Christiania Shipping A/S is a Limited Liability Company with its registered office in Denmark.

The consolidated financial statements are presented in United States Dollars (USD). The consolidated financial statements are presented on the basis of historical cost prices. USD/DKK exchange rate at 31 December 2022 at 6,97 (6,56 at 31 December 2021).

The most important elements of accounting policies and changes are compared to last year as a result of new and amended standards which are described below. Applied accounting policies are also included in note 27.

Accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting period and have not been early adopted by the Group. These standards are not

expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Note 2. Significant accounting estimates, assumptions and uncertainties

In applying the Group's accounting policies described in note 1 and note 27, Management is required to make estimates, as well as assumptions for the carrying amount of assets and liabilities that cannot be directly derived from other sources. These estimates and assumptions are based on historical experience and other relevant factors. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognised in the accounting period in which the change takes place and in future accounting periods if the change affects both the period during which the change takes place and subsequent accounting periods.

Significant accounting estimates associated with accounting policies

In connection with the application of the accounting policies described in note 27, Management has made the following accounting estimates, with a significant effect on the amounts recognised:

- Voyage revenues and costs
- Impairment of tangible assets (including reversal of impairments)

Voyage revenues and costs

Estimated voyage revenues and costs are recognised in accordance with the percentage of completion method

with operating revenues and expenses recognised for each voyage. The percentage of completion is estimated by management based on the ratio between the duration of the voyage from load date through the balance sheet date relative to the total duration of voyage through the estimated date of discharge. Applied estimates are reviewed and updated at the end of each accounting period.

Impairment of tangible assets (including reversal of impairments)

The Group evaluates the carrying amount of vessels and other net assets to determine whether events have occurred, impairment indicators, that would require an adjustment to the recognised value of the net assets. If impairment indicators exist Management prepares an impairment test. Impairment tests are based on discounted future cash flow models, which are compared to the carrying amount of the assets within the cash generating units. Impairment tests are prepared based on assumptions including future freight rates, earnings from vessels and Management activities as well as discount rates. All of these factors have been historically volatile.

Note 3. Revenue

USD '000	2022	2021
North West Europe, Mediterranean and others		
Freight revenue	101.819	58.354
Time charter revenue	1.254	-
Demurrage	11.075	7.718
Other voyage related revenue	3.586	1.724
Revenue	117.734	67.797
West Africa		
Freight revenue	33.940	19.451
Time charter revenue	418	-
Demurrage	3.692	2.573
Other voyage related revenue	1.195	575
Revenue	39.245	22.599
Total revenue		
Freight revenue	135.759	77.806
Time charter revenue	1.672	-
Demurrage	14.766	10.291
Other voyage related revenue	4.781	2.298
Total revenue	156.978	90.395

Accrued income included in trade receivables in the balance sheet constitutes contract assets comprising unbilled amounts to customers representing the Group's right to consideration for the services transferred to date. Any amount previously recognised as accrued income is reclassified to trade receivables at the time it is invoiced to the customer.

Part of the deferred income presented in the balance sheet constitutes contract liabilities which represent advance payments and billings in excess of revenue recognised.

There were no significant changes in accrued income and deferred income during the reporting period.

Note 4. Voyage related expenses

USD '000	2022	2021
Bunker costs	38.796	22.180
Port costs	12.609	12.034
Commission	6.414	3.826
Other	1.811	1.233
Voyage related expenses	59.630	39.272

Note 5. Staff costs

USD '000	2022	2021
Land based employees (included in administrative expenses)		
Wages and salaries	2.494	1.861
Pensions	267	142
Bonus	185	-
Other social security expenses	212	30
Other staff expenses	2	3
	3.160	2.036
Seafarers (included in operating expenses)		
Wages and salaries	15.358	15.737
Pensions	207	295
Bonus	12	-
Other staff expenses	54	110
	15.631	16.141
Total staff costs	18.791	18.177
Average employees		
	2022	2021
Land based employees	22	21
Seafarers	211	188
	233	209
Persons in the Board of Directors and key management, average		
	2022	2021
Board of Directors*	3	4
CEO, CFO and key management personnel	2	2
	5	6
* Snorre Schie Krogstad resigned from the Board of Directors on 28 February 2022		
USD '000		
Remuneration to key management personnel		
Salaries	399	371
Bonus	33	-
Contribution based pension	22	19
Other employee benefits	14	26
Share-based payment benefits	33	-
	502	416
Remuneration to Board Members		
Board fees	103	143
	103	143

Note 6. Sharebased payment

In December 2022, Christiania Shipping entered into an agreement regarding granting shares in the parent company, Eitzen Avanti AS, to its employees. Such scheme was approved by shareholders at a Board Meeting dated 9 March 2022. Each share of nominal NOK 0.13 has a market value of NOK 10.55 on the day of the grant. All Christiania Shipping permanent employees who was employed by the Group as of the grant date are eligible to participate in the scheme. Employees may select not to participate in the scheme.

Shares issued by the Group are acquired on-market prior to the issue. Shares held by the Group and not yet issued to employees at the end of the reporting period are shown as treasury shares in the financial statements.

Under the scheme, eligible employees may be granted up to one months salary worth of fully paid ordinary shares in Eitzen Avanti AS for no cash consideration. The number of shares issued to the participants in the scheme is the offer amount divided by the weighted average price of the market value on the grant date and as part of employee benefit costs in the period the shares are granted.

There are no restrictions applied to the shares.

	<u>2022</u>	<u>2021</u>
Number of shares issued under the plan to participating employees on 20 December 2022	170.562	-

Each participant was issued shares worth a monthly salary. The shares had a grant date fair value of USD 181.324.

Note 7. Fees to the auditor appointed at the general meeting

<u>USD '000</u>	<u>2022</u>	<u>2021</u>
Audit	84	57
Tax consultancy	70	30
Other services	57	41
Total	212	128

Note 8. Depreciations, impairments and gains/losses

<u>USD '000</u>	<u>2022</u>	<u>2021</u>
Depreciation of property, plant and equipment	5.173	5.064
Depreciation of right-of-use assets	1.109	1.255
Depreciations	6.282	6.319
Gains/losses from sale of fixed assets	1.126	337
Gains/losses	1.126	337

Note 9. Financial income

USD '000	2022	2021
Interest income	126	0
Interest income related to intercompany loans	219	-
Exchange rate gain	-	-
Financial income	345	0

Note 10. Financial expenses

USD '000	2022	2021
Interest expenses on mortgage	1.578	1.156
Interest expenses related to leases	1.604	1.796
Interest expenses related to financing agreements	1.513	533
Interest expenses related to intercompany loans	135	120
Other interest expenses	32	13
Exchange rate losses	603	68
Other financial expenses	498	187
Financial expenses	5.963	3.872

Note 11. Tax

USD '000	2022	2021
Tax on the results for the year	-96	84
Adjustments of tax regarding previous years	-3	-10
Tax for the year recognized in the income statement	-99	74

The majority of the Group's income tax base is located in Denmark, and therefore subject to the Danish tonnage tax scheme. The Group renewed its participation in the tonnage tax scheme on 1 January 2021, with a binding period of 10 years.

The Group did not own any vessels upon entering the tonnage tax scheme; consequently, the Group has no deferred, or contingent, taxes from the transitional period.

Under the tonnage tax scheme, income and expenses from shipping activities are not subject to direct taxation and accordingly an effective rate reconciliation has not been provided as it would not provide any meaningful information. Instead, the taxable income is calculated from:

- The net tonnage of the vessels used to generate the income from shipping activities
- A rate applicable to the specific net tonnage of the vessel based on a sliding scale

In 2022, the Group have recognised a deferred tax asset of USD 110 thousand (2021: USD 0). There are no unrecognised tax liabilities associated with investments in foreign subsidiaries and jointly controlled companies.

Note 12. Property, plant and equipment

USD '000	Vessels and dockings	Prepayments on vessels and dockings under construction	Property, plant and equipment	Total
Cost at 1 January 2022	232.378	-	5	232.383
Additions during the year	37.954	4.920	3	42.877
Disposals during the year	-10.049	-	-	-10.049
Transfer to/from other items	3.566	-3.566	-	-
Cost at 31 December 2022	263.849	1.354	8	265.211
Accumulated depreciations at 1 January 2022	-97.165	-	-1	-97.166
Disposals during the year	6.228	-	-	6.228
Depreciations for the year	-5.173	-	-0	-5.173
Depreciations at 31 December 2022	-96.110	-	-1	-96.111
Write - downs at 1 January 2022	-98.286	-	-	-98.286
Reversal of write - downs for the year	2.621	-	-	2.621
Write - downs at 31 December 2022	-95.665	-	-	-95.665
Carrying amount at 31 December 2022	72.074	1.354	7	73.435

USD '000	Vessels and dockings	Prepayments on vessels and dockings under construction	Property, plant and equipment	Total
Cost at 1 January 2021	266.564	-	5	266.569
Additions during the year	-	3.252	-	3.252
Disposals during the year	-37.438	-	-	-37.438
Transfer to/from other items	3.252	-3.252	-	-
Cost at 31 December 2021	232.378	-	5	232.383
Accumulated depreciations at 1 January 2021	-118.466	-	-1	-118.467
Disposals during the year	26.366	-	-	26.366
Depreciations for the year	-5.064	-	-	-5.064
Depreciations at 31 December 2021	-97.165	-	-1	-97.166
Write - downs at 1 January 2021	-106.794	-	-	-106.794
Reversal of write - downs for the year	8.508	-	-	8.508
Write - downs at 31 December 2021	-98.286	-	-	-98.286
Carrying amount at 31 December 2021	36.927	-	4	36.931

According to the Group's accounting policy, a write-down is made to the higher of the sales price (less costs to sell) and the value in use if there is an impairment indication.

As of 31 December 2022, Management assessed if any impairment indication exists for the Group's fleet. The fleet, including vessels chartered on time charter and bareboat charter agreements, is seen as one cash-generating unit (CGU). Following the assessment, Management has assessed that there is no impairment indication nor any indications for reversal of impairments.

During 2022, all Christiania Shipping's own vessels was moved to a newly established subsidiary, Christianiaship A/S based on booked values. On a Group level, this transaction has no impact to the carrying amount of the owned vessels. Moreover, during 2022 one vessel was sold to an external party and two vessels was acquired in the vessel-owning company Christianiaship A/S.

During 2022, three vessels have been sold to third parties with repurchase options and obligations. Christiania Shipping entered into lease contracts at the same time. These transactions have been treated as financing transactions.

Please refer to note 27 for further information.

Note 13. Leases

USD '000	2022	2021
Right-of-use assets		
Cost at 1 January	29.106	13.839
Additions during the year	54	15.267
Disposals during the year	-11.532	-
Cost at 31 December	17.628	29.106
Depreciation at 1 January	-2.524	-1.269
Depreciation during the year	-1.114	-1.255
Depreciation at 31 December	-3.638	-2.524
Carrying amount at 31 December	13.990	26.582

USD '000	2022	2021
Lease liabilities		
Within 1 year	932	1.896
Between 1 and 3 years	2.092	3.331
Over 3 years	10.845	21.477
Lease liability recognised		
Current	932	1.896
Non-current	12.937	24.808
Lease liability at 31 December	13.869	26.704

Amounts recognised in the income statement

USD '000	2022	2021
Depreciations charges of right-of-use assets	1.114	1.255
Interest expenses (included in financial expenses)	1.541	1.796
Expenses relating to short-term leases	14.784	11.630
Expenses relating to variable lease payments not included in lease liabilities	-	-
Expenses related to leases of low-values assets not included in short-term leases	-	-

The total cash outflow for leases in 2022 was USD 2.9 million (2021: USD 3.3 million).

The Group's leasing activities primarily consists of bareboat charter leases, which have a duration of up to ten years. Leasing arrangements are accounted for as described in note 27.

Note 14. Trade receivables

USD '000	2022	2021
Receivables from invoiced voyages	8.354	5.994
Receivables from voyages commenced at the balance sheet date	5.113	-
Provisions for bad debt	-50	-50
Trade receivables	13.417	5.944
Hereof:		
Not due	3.232	3.687
Overdue 1-90 days	5.010	2.307
Overdue more than 90 days	112	-
	8.354	5.994

The fair value of trade receivables approximates the carrying amount.

A provisioning account is used to reduce the carrying amount of receivables from sales and services whose value is impaired due to loss risk.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information. The credit risk is generally considered immaterial.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

Note 15. Prepayments

USD '000	2022	2021
Prepayments regarding time charter and bareboat charter agreements	1.577	1.156
Insurance prepayments	42	33
Other prepayments to suppliers etc.	1.763	873
Prepayments	3.383	2.062

Note 16. Cash and cash equivalents

USD '000	2022	2021
USD	13.430	4.428
EUR	12.605	902
GBP	0	-
DKK	211	112
Other currencies	60	7
Cash and cash equivalents	26.306	5.450
Hereof:		
Unrestricted	24.056	3.450
Restricted	2.250	2.000
	26.306	5.450

Note 17. Share capital

	2022			2021		
	Number of shares	Nominal value USD	Share capital USD	Number of shares	Nominal value USD	Share capital USD
Shares	1.701	146,78	249.673	1.701	146,78	249.673
Share capital 31 December	1.701	146,78	249.673	1.701	146,78	249.673

Note 18. Loans

USD '000	2022	2021
Current portion of non-current debt with maturities within 1 year	6.516	4.600
Non-current debt with maturities between 1 and 5 years	31.059	22.918
Non-current debt with maturities over 5 years	-	-
Total	37.575	27.518
Hereof:		
Loans denominated in USD with floating interest rate	37.575	27.518
Total	37.575	27.518

During 2022, the Group refinanced its loan facility. The fair value of the loans approximates the carrying amount. The loan agreement, signed in July 2022, includes financial covenants with respect to liquidity, equity ratio and working capital requirements. These requirements were met at the balance sheet date.

USD '000	31 December 2022	Loan additions	Loan repayments	31 December 2021
Bank loans	37.575	39.204	-29.147	27.518
Loans from related parties	-	-	-3.751	3.751
Total	37.575	39.204	-32.899	31.270

Note 19. Financing arrangements

In 2022, the Group has entered into sale-and-leaseback agreements. The Group has purchase options for the vessels and when the financing expires, the Group has a purchase obligation to acquire the vessels at an agreed value. The following finance arrangements have been established during 2022:

- The Group entered into a finance arrangement with Kyowa Shipping Corporation on 16 February 2022 to finance USD 7.2 million in connection with the sale-and-leaseback of Cathy Theresa.
- The Group entered into a finance arrangement with Ujigami Kaiun Co. Ltd. on 14 July 2022 to finance USD 12 million in connection with the sale-and-leaseback of Stella Theresa.
- The Group entered into a finance arrangement with Hisamoto Kisen Co. Ltd. on 19 September 2022 to finance USD 8.2 million in connection with the sale-and-leaseback of Sigrid Theresa.

Borrower	Lender	Financing 31.12.2022
Christiania Shipping A/S	Kyowa Shipping Corporation	6.476
Christiania Shipping A/S	Ujigami Kaiun Co. Ltd.	11.349
Christiania Shipping A/S	Hisamoto Kisen Co. Ltd.	8.005
Christiania Shipping A/S	Ross Chemicals AS	2.166
Christiania Shipping A/S	Wavefront Asset Management	331
ChristianiaShip A/S	Wavefront Asset Management	400
Total financing		28.727

In accounting for a financing arrangement, the Group continues to recognise the transferred assets and recognises a financial liability for the consideration received from lender. The financial liability is subsequently measured at amortized cost.

Note 20. Trade payables

USD '000	2022	2021
Payables for good and services	7.472	9.144
Trade payables	7.472	9.144

Note 21. Changes in working capital

USD '000	2022	2021
Change in inventories	804	748
Change in trade receivables	7.473	949
Change in other receivables	-74	88
Change in prepayments	1.321	104
Change in trade payables	1.672	-1.874
Change in other liabilities	-63	-535
Change in deferred income	-995	-
Change in working capital excl. accrued interest and tax liabilities	10.137	-519

Note 22. Unrecognised contingent assets and liabilities

The Group is not involved in any lawsuits involving claims against the Group. However, claims have been made against the Group regarding cargo claims etc. It is Management's opinion that the outcome of these disputes will not have any material impact on the Group's financial position, result or cash flow.

The Group is not involved in any lawsuits, disputes etc. involving claims from the Group against third parties.

The Group has not issued any guarantees.

Note 23. Mortgages and security

USD '000	2022	2021
Loans secured by mortgages in vessels	37.575	27.518
Carrying amount of vessels being mortgaged	45.188	32.137
Value of mortgages	37.575	27.518

The assets mortgaged as security relates to a loan facility of USD 37.6 million (2021: USD 27.5 million). The loan expires in July 2027, or when the vessels being mortgaged are disposed of, if earlier.

Note 24. Related party disclosures and transactions with related parties

Related parties with controlling influence

Related parties with controlling influence consist of the Board in Eitzen Avanti AS, based in Oslo, Norway that ultimately controls the Group with 100% ownership.

Transactions with related parties

The related parties comprise the Executive Board, members of the Board of Directors, as well as their close relatives. Related parties also include companies in which the above-mentioned persons have significant interests as well as companies and foundations, which have direct or indirect considerable influence through shareholding. Remuneration to key management personnel are disclosed in note 5.

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

USD '000	2022
Receivable from Eitzen Avanti AS	5.498
Payable to SunChris Ship Management Pte. Ltd.	82
Payable to Camillo Eitzen & Co AS	178
31 December 2022	5.759

During the year, the Group has paid time charter hire to RF Tankers AS of USD 4 million.

Note 25. Financial risks

Due to the nature of Christiania Shipping's operations, the Group is mainly exposed to risks relating to fluctuations in freight rates and bunker prices.

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings:

31 December 2022 USD '000	Under 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
Trade payables	7.472	-	-	-	7.472	7.472
Bank loans	6.516	6.516	24.839	-	37.575	37.575
Lease liability	932	1.009	3.384	8.547	13.872	13.869
Financing arrangements	2.678	3.050	10.668	12.538	28.934	28.727
Total	17.598	10.575	38.891	21.085	87.853	87.643

31 December 2021 USD '000	Under 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
Trade payables	9.144	-	-	-	9.144	9.144
Bank loans	4.600	4.600	18.318	-	27.518	27.518
Lease liability	1.896	2.041	7.087	15.679	26.704	26.704
Financing arrangements	873	1.069	3.437	-	5.379	5.379
Loans from related parties	-	-	-	3.751	3.751	3.751
Total	16.512	7.710	28.842	19.431	72.496	72.495

Freight rates

USD '000

2022 **2021**

Sensitivity re. freight rates: Effect of 1% increase in freight rates (spot)

Change in profit before tax	1.358	778
Change in equity	1.358	778

The Group's income is principally generated from voyages carried out by its fleet of vessels. As such the Group is exposed to volatility in the freight rates.

It is the Group's strategy to minimize its' to this risk by entering physical contacts with different duration, such as cargo contracts and time charters.

All things being equal and the extent the Group's vessels have not already been chartered out at fixed rates, a freight rate change of 1% would lead to the changes in profit and loss as shown above.

There have been no changes in the methods applied from previous periods.

Bunker prices

USD '000	2022	2021
Sensitivity re. bunker prices: Effect of 1% increase in bunker price		
Change in profit before tax	388	207
Change in equity	388	207

The Group's largest variable cost is fuel in the form of bunkers, and the total cost will therefore depend on the market price of bunkers. To reduce this risk the Group generally entering physical delivery contracts which make it possible to levy any changes in the bunker prices on the customer.

All things being equal, a price increase of 1% per ton of bunker oil (without subsequent changes in freight rates) would lead to the changes in profit and loss as shown above.

There have been no changes in the methods applied from previous periods.

Categories of financial instruments

The carrying amounts for the Group's financial instruments are shown below:

USD '000	2022	2021
Cash and cash equivalents	26.306	5.450
Trade receivables	13.417	5.944
Financial assets measured at amortised cost	39.723	11.394
Loans	37.575	27.518
Lease liabilities	13.869	26.704
Financing arrangements	28.727	5.379
Trade payables	7.472	9.144
Debt to related parties	-	3.751
Financial liabilities measured at amortised cost	87.643	72.495

Note 26. Subsequent events

14 April 2023 Christiania Shipping signed a letter of intent for the acquisition of two newbuilding 13,000 dwt stainless steel vessels to be built at Murakami Hide yard in Japan for delivery in 4th quarter 2025.

Note 27. Accounting policies

Accounting policies in addition to those described in note 2, is as described below.

Consolidated financial statements

The consolidated financial statements include Christiania Shipping A/S (parent company) and the enterprises (subsidiaries) which are controlled by the parent company. Control is achieved when the company:

- has the power of the investee
- is exposed or has the right to variable returns from involvement with the investee
- has the ability to use its power to affect its returns

The Group's joint control or significant influence over an entity or activity is subject to an assessment of power and exposure to variability in returns. When assessing joint control, an analysis is carried out to determine which decisions require unanimity and whether these concern the activities that significantly affects return. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Basis of consolidation

The consolidated financial statements have been prepared on the basis of the accounts of Christiania Shipping A/S and its subsidiaries. The consolidated financial statements have been prepared by adding together items of a uniform nature. The accounts used for consolidation purposes have been prepared in accordance with the Group's accounting policies. Intercompany income and expenses, intercompany balances and dividends as well as profit and loss from intercompany transactions have been eliminated on consolidation. Subsidiaries' items are recognised in full in the consolidated financial statements. Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Company. Investments in joint arrangements are recognised and measured in the consolidated financial statements pro

rata with the Group's ownership interest and presented on a line-by-line basis in the consolidated financial statements. The proportionate share of the results of the entities after tax and elimination of unrealised proportionate intercompany profits and losses is recognised in the income statement.

Foreign currency translation

The functional currency and presentation currency of the Group is USD. On initial recognition, transactions in currencies other than the functional currency of the Group are translated using the exchange rate at the date of the transaction. Receivables, payables and other monetary items in foreign currencies, which have not been settled at the balance sheet date, are translated using the rate of exchange at the balance sheet date. Any exchange differences arising between the rate of exchange at the date of the transaction and the rate of exchange at the date of payment and the balance sheet date, respectively, are recognised in the income statement as financial income and expenses. Property, plant and equipment, intangibles, inventories and other non-monetary assets purchased in foreign currencies and measured using historical costs are translated using the rate of exchange at the date of the transaction.

Income statement

Revenue

Revenue comprises freight, demurrage, time charter and other voyage related revenue. Revenue is recognised when or as performance obligations are satisfied by transferring the promised goods or services to the customer, i.e. at a point in time or over time provided that the stage of completion can be measured reliably. Revenue is measured at the consideration the Group expects to be entitled to.

The completion is determined using the load-to-discharge method based on the percentage of the estimated duration of the voyage completed at the reporting date. Freight revenue and related voyage and operating costs are recognized in the income statement according to the entered charter parties from the date of load to the date of delivery of the cargo (discharge).

Accordingly, freight, charter hire and demurrage revenue are recognised at selling price upon delivery of the service as specified in the agreement with the charter parties.

Voyage related expenses

These are expenses related to voyages performed by the Groups vessels. Voyage related expenses consist mainly of bunkers, port expenses and commissions. Voyage related expenses are recognised as incurred.

Operating expenses

Operating expenses include costs relating to the operation and maintenance of vessels, including costs relating to crew. Operating expenses are recognised as incurred.

Administrative expenses

Administrative expenses include the cost of offices, personnel costs and administrative costs. Staff costs comprise wages and salaries, social security and pension costs, etc. and are recognised as incurred.

Depreciation and impairment losses

Depreciation and impairment losses comprise depreciation of tangible fixed assets for the period as well as the impairment of the value of assets by the amount by which the carrying amount of the asset exceeds its recoverable amount. In the event of indications of impairment, the carrying amount is assessed, and the value of the asset is impaired to its recoverable amount equal to the higher of value in use based on net present value of future earnings from the assets and its net selling price.

Financial items

Financial items comprise interest income and expenses, realised and unrealised gains and losses on securities, liabilities and foreign currency transactions, dividends, estimated interest expenses relating to amortization allowances or deductions relating to mortgage debt etc. as well as surcharges and allowances under the Danish Corporate Tax Scheme.

Interest income and expenses are accrued on the basis of the principal and the effective interest rate. The

effective interest rate is the discount rate that will be used to discount the expected future payments that are linked to the financial asset or financial liability so that their present value corresponds to the carrying amount of the asset and liability.

Tax

The Group's current tax of the year consists of estimated tax according to the Danish Tonnage Tax Act for all shipping activities, and according to general tax regulations for net financial income and other activities. Other activities consist of the Group's Management fee income. Shipping activities are taxed based on the net tonnage (vessels) which the Group has at its disposal.

Based on the Group's planned use of vessels and recovery of reversed depreciation, the tonnage tax regime does not result in a deferred tax liability, but is merely incorporated as a contingent liability. Other activities of the Group are not subject to deferred tax either.

Balance sheet

Property, plant and equipment, vessels and dry-docking

Property, plant and equipment, vessels, upgrade costs, dockings and office and IT equipment, and are measured at cost less accumulated depreciation and impairment losses. The cost comprises the cost of acquisition and any expenses directly related to the acquisition until the time when the asset is ready for use, including interest expenses incurred during the period of construction. Other borrowing costs are taken to the income statement. Depreciation is charged over the expected economic lives of the assets, and the depreciation methods, expected lives and residual values are reassessed individually for the assets at the end of each financial year.

Vessels

Vessels are measured at cost less accumulated depreciation and write-downs. All major components of vessels except for dry-docking assets are depreciated on a straight-line basis to the estimated residual value over their estimated useful lives, which the Group estimates to be 25 years. Depreciation is based on cost

less estimated residual value. Residual value is estimated as the light weight tonnage of each vessel multiplied by scrap value per ton. The useful life and residual value of the vessels are reviewed at least at each financial year-end based on market conditions, regulatory requirements and the Group's business plans. Moreover, the Group evaluates the carrying amount of the vessels to determine whether events have occurred that indicate impairment and would require an adjustment of the carrying amounts. Prepayments on vessels under construction are recognised as installments paid.

Dry-dockings

Vessels are required to undergo planned dry dockings for major repairs and maintenance, which cannot be carried out while the vessels are operating. Dry-dockings are generally required every 30-60 months depending on the nature of the work, and the age of the vessel. Costs relating to dry-dockings are capitalised and depreciated on a straight-line basis over a period of 60 months or to the next dock if within 30 months. The residual value is estimated at zero. A portion of the cost of acquiring a new vessel is allocated to the components which are expected to be replaced or refurbished at the next dry-docking. A portion of the acquisition price for a new vessel is allocated to a dry-docking asset. The dry-docking asset is estimated on the basis of the expected costs related to the first-coming docking, which is based on experience with similar vessels. At subsequent measurement dry-dockings, the asset comprises the actual docking costs incurred.

Office and IT equipment

Office and IT equipment is depreciated on a straight-line basis over the estimated useful lives, which does not exceed 5 years.

Leases

The Group leases vessels through bareboat and time charter arrangements. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Lease liabilities

Lease liabilities are initially measured on a present value basis and include the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts to be expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option
- payments to be made under reasonably certain extension options

In calculating the present value of the lease payments, Christiania Shipping uses the incremental borrowing rate at the lease commencement date. This is the rate the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The incremental borrowing rate applied is approximately 8%. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance expenses. Finance expenses are charged to the

income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs

Right-of-use assets are depreciated over the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise rent of the Group head quarter and office equipment etc.

Sale and leaseback transactions

A sale-and-leaseback transaction involves the transfer of an asset by an entity (the seller-lessee) to another entity (the buyer-lessor) and the leaseback of the same asset by the seller-lessee. However, in order for an arrangement to be classified as a sale-and-leaseback agreement, the Group is required to apply IFRS 15 Revenue from Contracts with Customers to determine whether a sale has occurred. That is, control of the underlying asset has to pass to the buyer-lessor in order for the arrangement to be classified as a sale-and-leaseback agreement. If control of the underlying asset is not passed, the transaction should be accounted for as a financing transaction.

In case, the Group's option (and obligation) to repurchase the vessels means that the transaction does not qualify as a sale in accordance with IFRS 15 and therefore does not qualify as a sale and leaseback.

Consequently, the Group should account for the transaction as a financing arrangement in accordance with IFRS 9 Financial instruments.

In accounting for a financing arrangement, the Group continues to recognise the transferred assets and recognises a financial liability for the consideration received from the buyer-lessor. The financial liability is subsequently measured at amortized cost.

Impairment tests

The carrying amounts of property, plant and equipment with finite useful lives are evaluated at the balance sheet date to determine whether there are indications of impairment. If an indication of impairment is identified, the recoverable amount of the asset is estimated in order to determine the need for recognising an impairment loss and the extent hereof. If an asset does not generate cash flows that are independent from other assets, the recoverable amount is determined for the smallest cash-generating unit to which the asset belongs. The Group is considered as one cash generating unit. The recoverable amount is defined as the higher of the fair value of the asset or the cash generating unit less costs to sell and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money, the risks specific to the asset or the cash-generating unit for which the estimates of future cash flows have not been adjusted. For vessels, the fair value is usually determined based on the estimated selling price less costs to sell. If the recoverable amount of the asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount.

An impairment loss for cash-generating units is allocated to the assets of the unit, but no asset will be reduced to a lower value than its fair value deducted expected costs to sell. Impairment losses are recognised in the statement of comprehensive income. If an impairment loss subsequently is reversed as a result of changes in the assumptions used to determine the recoverable amount, the carrying amount of the asset or cash-generating unit is increased to the revised

recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit.

Assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Inventories

Inventories are measured at cost according to the FIFO method, or net realizable value if lower. Inventories consist of bunkers and lubricants etc. The cost of bunkers and lubricants includes the purchase price and delivery costs.

Receivables

Receivables comprise trade receivables (including accrued income) and other receivables. Receivables are classified as receivables that are financial assets, with fixed or determinable payments, which are not quoted in an active market and which are not derivative financial instruments. Receivables are initially measured at fair value and subsequently at amortized cost, which usually equals the nominal value less provisions for bad debts.

In measuring the expected credit losses on trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Dividends

Dividend are recognised as a liability at the time of approval by the General Meeting. Dividends proposed by Management in respect of the year are stated under equity.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are measured as the best estimate of the expenditure required to settle the

obligation at the balance sheet date. Provisions with an expected maturity of more than one year from the balance sheet date are measured at present value.

Non-current and current financial liabilities (interest bearing debt)

Finance loans are initially measured at fair value less any transaction costs. Finance loans are subsequently measured at amortized cost. This means that the difference between the amount on initial recognition and the redemption value is recognised in the income statement as a financial expense over the term of the loan using the effective interest method.

Trade payables and other liabilities

Trade payables and other liabilities are initially measured at fair value less any transaction costs. Liabilities are subsequently measured at amortized cost using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the in-come statement as a financial expense over the term of the liability.

Cash flow statement

The cash flow statements are presented using the indirect method and show cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are stated as the operating profit or loss, adjusted for non-cash operating items and changes in working capital, less corporation tax paid attributable to operating activities.

Cash flows from investing activities include payments in connection with the acquisition and divestment of enterprises and financial assets and the acquisition, development, improvement and sale, etc. of intangibles and property, plant and equipment.

Cash flows from acquisition and divestment of enterprises are shown separately under cash flows from investing activities. Cash flows from acquired enterprises are recognised in the cash flow statement

from the time of their acquisition, and cash flows from divested enterprises are recognised up to the time of sale. Cash flows from financing activities comprise changes in the parent Group's share capital and related costs as well as raising and repayment of loans, instalments on interest bearing debt, acquisition of treasury shares and payment of dividend. Cash flows in other currencies than the functional currency are recognised in the cash flow statement using average exchange rates for the respective months, unless these

deviate materially from the actual exchange rates ruling at the dates of the transactions. If so, the actual exchange rates are used.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Parent company financial statements

	Page
Parent company income statement	47
Parent company balance sheet	48
Parent company statement of changes in equity	50
Notes to the parent company financial statements	51

Parent company income statement

1 January - 31 December

USD '000	Note	2022	2021
Net freight income	3	156.978	90.395
Voyage related expenses	4	-59.630	-39.272
Time charter equivalent earnings		97.348	51.123
Other operating income		54	-
Time charter expenses		-29.687	-11.922
Operating expenses	5	-20.220	-27.314
Administrative expenses	5, 6, 7	-5.087	-4.813
Operating profit before depreciation etc. (EBITDA)		42.408	7.074
Depreciation	8	-4.427	-6.319
Gains from sale of fixed assets	8	1.126	337
Share of results of subsidiaries	9	5.353	28
Operating profit (EBIT)		44.460	1.119
Finance income	10	309	0
Finance expenses	11	-4.886	-3.872
Profit/loss before tax		39.883	-2.753
Tax for the year	12	111	-51
Profit/loss for the year		39.994	-2.804
Attributable to:			
Shareholders of Christiania Shipping A/S		11.641	-2.832
Proposed dividend		23.000	-
Reserve for net revaluation		5.353	28
		39.994	-2.804
OTHER COMPREHENSIVE INCOME			
USD '000		2022	2021
Profit/loss for the year		39.994	-2.804
Items which will be reclassified to the income statement:			
Conversion differences		-57	-
Other comprehensive income		-57	-
Total comprehensive income		39.938	-2.804
Attributable to:			
Shareholders of Christiania Shipping A/S		11.585	-2.832
Proposed dividend		23.000	-
Reserve for net revaluation		5.353	28
		39.938	-2.804

Parent company balance sheet at 31 December

USD '000	Note	2022	2021
ASSETS			
Vessels	13	28.199	36.928
Prepayments on vessels and dockings under construction	13	42	-
Right-of-use assets	14	13.990	26.582
Investments in subsidiaries	15	12.399	277
Deferred tax asset		108	-
Total non-current assets		54.738	63.787
Inventories		3.433	2.677
Trade receivables	16	13.291	5.416
Receivables from parent company		5.498	125
Receivables from group enterprises		1.168	-
Other current receivables		795	866
Prepayments	17	2.318	2.069
Cash and cash equivalents	18	19.940	3.426
Restricted cash		-	2.000
Total current assets		46.442	16.579
Total assets		101.180	80.366

Parent company balance sheet at 31 December

USD '000	Note	2022	2021
EQUITY AND LIABILITIES			
Share capital	19	250	250
Reserve for net revaluation according to equity method		5.399	46
Retained earnings		41.110	3.114
Total equity		46.760	3.410
Long-term debt		-	22.918
Long-term lease liability	14	12.937	24.808
Long-term financing arrangements	20	25.649	4.506
Loans from related parties		-	3.751
Other non-current liabilities		48	48
Total non-current liabilities		38.635	56.031
Current portion of long-term debt		-	4.600
Current portion of lease liability	14	932	1.896
Current portion of financing arrangements	20	2.678	873
Trade payables	21	6.736	9.117
Payables to related parties		260	-
Payables to group enterprises		579	-
Current tax liabilities		-	46
Other current liabilities		615	1.405
Deferred income		3.984	2.988
Total current liabilities		15.785	20.924
Total liabilities		54.420	76.955
Total equity and liabilities		101.180	80.366

Parent company statement of changes in equity

1 January - 31 December 2022

USD '000	Share capital	Reserve for net revaluation according to equity method	Retained earnings	Total
Equity at 1 January 2022	250	46	3.114	3.410
Purchase of treasury shares	-	-	-5	-5
Proposed dividend	-	-	23.000	23.000
Conversion of intercompany debt into Equity	-	-	3.417	3.417
Changes in equity	-	-	26.412	26.412
Comprehensive income for the year				
Translation difference	-	-	-57	-57
Profit/loss for the year	-	5.353	11.641	16.994
Changes in equity	-	5.353	11.585	16.938
Equity at 31 December 2022	250	5.399	41.110	46.760

During 2022, the parent company Eitzen Avanti AS converted intercompany debt of USD 3.4 million to equity in Christiania Shipping A/S.

1 January - 31 December 2021

USD '000	Share capital	Reserve for net revaluation according to equity method	Retained earnings	Total
Correction to prior year	-	18	-	18
Equity at 1 January 2021	250	18	5.946	6.214
Comprehensive income for the year				
Profit/loss for the year	-	28	-2.832	-2.804
Changes in equity	-	28	-2.832	-2.804
Equity at 31 December 2021	250	46	3.114	3.410

Notes to the parent company financial statements

	Page
Note 1. Changes to accounting policies and significant accounting policies.....	52
Note 2. Significant accounting estimates, assumptions and uncertainties.....	53
Note 3. Revenue.....	53
Note 4. Voyage related expenses.....	53
Note 5. Staff costs.....	53
Note 6. Sharebased payment.....	54
Note 7. Fees to the auditor appointed at the general meeting.....	55
Note 8. Depreciations, impairments and gains/losses.....	55
Note 9. Share of results in subsidiaries.....	55
Note 10. Financial income.....	55
Note 11. Financial expenses.....	55
Note 12. Tax.....	56
Note 13. Property, plant and equipment.....	56
Note 14. Leases.....	57
Note 15. Investments in subsidiaries.....	58
Note 16. Trade receivables.....	59
Note 17. Prepayments.....	59
Note 18. Cash and cash equivalents.....	60
Note 19. Share capital.....	60
Note 20. Financing arrangements.....	60
Note 21. Trade payables.....	60
Note 22. Unrecognised contingent assets and liabilities.....	60
Note 23. Related party disclosures and transactions with related parties.....	61
Note 24. Financial risks.....	61
Note 25. Subsequent events.....	61

Note 1. Changes to accounting policies and significant accounting policies

The parent company's annual report for the period 1 January – 31 December 2022 with comparative figures comprises the financial statements of Christiania Shipping A/S ('the Company').

The parent company's financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and additional requirements from the Danish Financial Statements Act. Christiania Shipping A/S is a Limited Liability Company with its registered office in Denmark.

The Parent Company uses the same accounting policies for recognition and measurement as the Group. In such case, where the Parent Company's accounting policies differ from the Group, those are described below. For a detailed description of the Parent Company's accounting policies, see note 27 in the Consolidated Financial Statements.

The financial statements are presented in United States Dollars (USD). The financial statements are presented on the basis of historical cost prices.

Results from investments in subsidiaries

Results from investments in subsidiaries comprises the individual entities' earnings after full elimination of internal gains and losses.

Conversion of foreign currency

Exchange rate adjustments of receivables from or liabilities to subsidiaries, which are considered part of the parent company's investment in the subsidiary, are recognised in the income statement under financial items. In the consolidated financial statements, value adjustments are recognised in other comprehensive income.

Investment in subsidiaries

Investments in subsidiaries are recognised and measured according to the equity method.

The total net revaluation of investments in subsidiaries is transferred through the distribution of profits to "Reserve for net revaluation according to equity method" under equity. The reserve is reduced by dividend payments to the parent company and is adjusted with other changes in equity in subsidiaries.

Subsidiaries with negative net asset value are recognised at USD 0, and a provision to cover the negative balance is recognised if such a present obligation for this purpose exists.

Note 2. Significant accounting estimates, assumptions and uncertainties

For a description of significant accounting estimates, assumptions and uncertainties, see note 2 of the consolidated financial statements.

Note 3. Revenue

See note 3 in the consolidated financial statements.

Note 4. Voyage related expenses

See note 4 in the consolidated financial statements.

Note 5. Staff costs

USD '000	2022	2021
Land based employees (included in administrative expenses)		
Wages and salaries	2.059	1.861
Pensions	167	142
Bonus	185	-
Other social security expenses	24	30
Other staff expenses	10	3
	2.445	2.036
Seafarers (included in operating expenses)		
Wages and salaries	10.799	15.737
Pensions	207	295
Bonus	5	-
Other staff expenses	54	110
	11.065	16.141
Total staff costs	13.510	18.177
Average employees	2022	2021
Land based employees	16	15
Seafarers	211	188
	227	203

Persons in the Board of Directors and key management, average	2022	2021
Board of Directors*	3	4
CEO, CFO and key management personnel	2	2
	5	6

* Snorre Schie Krogstad resigned from the Board of Directors on 28 February 2022

USD '000	2022	2021
Remuneration to key management personnel		
Salaries	399	371
Bonus	33	-
Contribution based pension	22	19
Other employee benefits	14	26
Share-based payment benefits	33	-
	502	416
Remuneration to Board Members		
Board fees	103	143
	103	143

Note 6. Sharebased payment

In December 2022, Christiania Shipping entered into an agreement regarding granting shares in the parent Company, Eitzen Avanti AS, to its employees. Such scheme was approved by shareholders at a Board Meeting dated 9 March 2022. Each share of nominal NOK 0.13 has a market value of NOK 10.55 on the day of the grant. All Christiania Shipping permanent employees who was employed by the Company as of the grant date are eligible to participate in the scheme. Employees may select not to participate in the scheme.

Shares issued by the Company are acquired on-market prior to the issue. Shares held by the Company and not yet issued to employees at the end of the reporting period are shown as treasury shares in the financial statements.

Under the scheme, eligible employees may be granted up to one months salary worth of fully paid ordinary shares in Eitzen Avanti AS for no cash consideration. The number of shares issued to the participants in the scheme is the offer amount divided by the weighted average price of the market value on the grant date and as part of employee benefit costs in the period the shares are granted.

There are no restrictions applied to the shares.

	2022	2021
Number of shares issued under the plan to participating employees on 20 December 2022	129.982	-

Each participant was issued shares worth a monthly salary. The shares had a grant date fair value of USD 138.183.

Note 7. Fees to the auditor appointed at the general meeting

See note 7 in the consolidated financial statements.

Note 8. Depreciations, impairments and gains/losses

USD '000	2022	2021
Depreciation of property, plant and equipment	3.313	5.064
Depreciation of right-of-use assets	1.114	1.255
Depreciations	4.427	6.319
Gains/losses from sale of fixed assets	1.126	337
Gains/losses	1.126	337

Note 9. Share of results in subsidiaries

USD '000	2022	2021
Share of result in subsidiary companies	5.353	28
Total	5.353	28

Note 10. Financial income

USD '000	2022	2021
Interest income	101	0
Interest income related to intercompany loans	209	-
Exchange rate gain	-	-
Financial income	309	0

Note 11. Financial expenses

USD '000	2022	2021
Interest expenses on mortgage	638	1.156
Interest expenses related to leases	1.541	1.796
Interest expenses related to financing agreements	1.513	533
Interest expenses related to intercompany loans	135	120
Other interest expenses	32	13
Exchange rate losses	576	68
Other financial expenses	452	187
Financial expenses	4.886	3.872

Note 12. Tax

USD '000	2022	2021
Tax on the results for the year	-108	61
Adjustments of tax regarding previous years	-3	-10
Tax for the year recognized in the income statement	-111	51

The majority of the Company's income tax base is located in Denmark, and therefore subject to the Danish tonnage tax scheme. The Company renewed its participation in the tonnage tax scheme on 1 January 2021, with a binding period of 10 years.

The Company did not own any vessels upon entering the tonnage tax scheme; consequently, the Company has no deferred, or contingent, taxes from the transitional period.

Under the tonnage tax scheme, income and expenses from shipping activities are not subject to direct taxation and accordingly an effective rate reconciliation has not been provided as it would not provide any meaningful information. Instead, the taxable income is calculated from:

- The net tonnage of the vessels used to generate the income from shipping activities
- A rate applicable to the specific net tonnage of the vessel based on a sliding scale

In 2022, the Company have recognised a deferred tax asset of USD 108 thousand (2021: USD 0). There are no unrecognised tax liabilities associated with investments in foreign subsidiaries and jointly controlled companies.

Note 13. Property, plant and equipment

USD '000	Vessels and dockings	Prepayments on vessels and dockings under construction	Total
Cost at 1 January 2022	232.378	-	232.378
Additions during the year	19.954	2.510	22.465
Disposals during the year	-179.709	-	-179.709
Transfer to/from other items	2.468	-2.468	-
Cost at 31 December 2022	75.092	42	75.134
Accumulated depreciations at 1 January 2022	-97.165	-	-97.165
Disposals during the year	72.299	-	72.299
Depreciations for the year	-3.313	-	-3.313
Depreciations at 31 December 2022	-28.179	-	-28.179
Write - downs at 1 January 2022	-98.286	-	-98.286
Reversal of write - downs for the year	79.573	-	79.573
Write - downs at 31 December 2022	-18.714	-	-18.714
Carrying amount at 31 December 2022	28.199	42	28.241

USD '000	Vessels and dockings	Prepayments on vessels and dockings under construction	Total
Cost at 1 January 2021	266.564	-	266.564
Additions during the year	-	3.252	3.252
Disposals during the year	-37.438	-	-37.438
Transfer to/from other items	3.252	-3.252	-
Cost at 31 December 2021	232.378	-	232.378
Accumulated depreciations at 1 January 2021	-118.466	-	-118.466
Disposals during the year	26.366	-	26.366
Depreciations for the year	-5.064	-	-5.064
Depreciations at 31 December 2021	-97.165	-	-97.165
Write - downs at 1 January 2021	-106.794	-	-106.794
Write - downs for the year	8.508	-	8.508
Write - downs at 31 December 2021	-98.286	-	-98.286
Carrying amount at 31 December 2021	36.927	-	36.927

According to the Company's accounting policy, a write-down is made to the higher of the sales price (less costs to sell) and the value in use if there is an impairment indication.

As of 31 December 2022, Management assessed if any impairment indication exists for the Company's fleet. The fleet, including vessels chartered on time charter and bareboat charter agreements, is seen as one cash-generating unit (CGU). Following the assessment, Management has assessed that there is no impairment indication nor any indications for reversal of impairments.

During 2022, all Christiania Shipping's own vessels was moved to a newly established subsidiary, Christianiaship A/S based on booked values. Moreover, during 2022 one vessel was sold to an external party.

During 2022, three vessels have been sold to third parties with repurchase options and obligations. Christiania Shipping entered into lease contracts at the same time. These transactions have been treated as financing transactions.

Please refer to note 27 in the consolidated financial statements for further information.

Note 14. Leases

See note 13 in the consolidated financial statements.

Note 15. Investments in subsidiaries

USD '000	2022	2021
Cost at 1 January	231	231
Additions	6.769	-
Cost at 31 December	7.000	231
Revaluation at 1 January	46	18
Share of result for the year	5.353	28
Other movements for the year	-	-
Revaluation at 31 December	5.399	46
Carrying amount at 31 December	12.399	277

Company	Location	Nature of investment	2022		2021	
			Net profit USD '000	Equity USD '000	Net profit USD '000	Equity USD '000
Christiania Shipping France SARL	France	100% owned	35	312	28	277
Christianiaship A/S*	Denmark	100% owned	5.318	12.087	-	-

*Christianiaship A/S was established on 20 June 2022

Note 16. Trade receivables

USD '000	2022	2021
Receivables from invoiced voyages	8.229	5.466
Receivables from voyages commenced at the balance sheet date	5.113	-
Provisions for bad debt	-50	-50
Trade receivables	13.291	5.416
Hereof:		
Not due	3.107	3.159
Overdue 1-90 days	5.010	2.307
Overdue more than 90 days	112	-
	8.229	5.466

The fair value of trade receivables approximates the carrying amount.

A provisioning account is used to reduce the carrying amount of receivables from sales and services whose value is impaired due to loss risk.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been Companyed based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information. The credit risk is generally considered immaterial.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

Note 17. Prepayments

USD '000	2022	2021
Prepayments regarding time charter and bareboat charter agreements	1.611	1.156
Insurance prepayments	27	33
Other prepayments to suppliers etc.	680	880
Prepayments	2.318	2.069

Note 18. Cash and cash equivalents

USD '000	2022	2021
USD	7.122	4.428
EUR	12.580	879
GBP	0	-
DKK	211	112
Other currencies	27	7
Cash and cash equivalents	19.940	5.426
Hereof:		
Unrestricted	19.940	3.426
Restricted	-	2.000
	19.940	5.426

Note 19. Share capital

See note 17 in the consolidated financial statements.

Note 20. Financing arrangements

See note 19 in the consolidated financial statements.

Note 21. Trade payables

USD '000	2022	2021
Payables for good and services	6.736	9.117
Trade payables	6.736	9.117

Note 22. Unrecognised contingent assets and liabilities

See note 22 in the consolidated financial statements.

The Parent company is guarantor for the loan facility in its subsidiary, Christianiaship A/S.

Note 23. Related party disclosures and transactions with related parties

See note 24 in the consolidated financial statements.

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

USD '000	2022
Receivable from Eitzen Avanti AS	5.498
Receivable from Christianiaship A/S	1.168
Payable to SunChris Ship Management Pte. Ltd.	82
Payable to Camillo Eitzen & Co AS	178
Payable to Christiania Shipping France S.A.R.L.	579
31 December 2022	7.506

During the year, the Company has paid time charter hire to Christianiaship A/S of USD 15.8 million and RF Tankers AS of USD 4 million.

Note 24. Financial risks

See note 25 in the consolidated financial statements.

Maturities of financial liabilities

The table below analyses the Company's financial liabilities into relevant maturity groupings:

31 December 2022 USD '000	Under 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
Trade payables	6.736	-	-	-	6.736	6.736
Lease liability	932	1.009	3.384	8.547	13.872	13.869
Financing arrangements	2.678	3.450	10.268	12.538	28.934	28.327
Total	10.346	4.459	13.652	21.085	49.542	48.932
31 December 2021 USD '000	Under 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
Trade payables	9.117	-	-	-	9.117	9.117
Bank loans	4.600	4.600	18.318	-	27.518	27.518
Lease liability	1.896	2.041	7.087	15.679	26.704	26.704
Financing arrangements	873	1.069	3.437	-	5.379	5.379
Loans from related parties	-	-	-	3.751	3.751	3.751
Total	16.486	7.710	28.842	19.431	72.469	72.468

Note 25. Subsequent events

See note 26 in the consolidated financial statements.

Statement by the Board of Directors and Executive Management

The Board of Directors and the Executive Management have today considered and approved the consolidated financial statements and the parent financial statements of Christiania Shipping A/S for the financial year 1 January to 31 December 2022.

The consolidated financial statements and the parent financial statements are prepared in accordance with International Financial Reporting Standards as approved by the EU and additional requirements stated in the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the financial statements of the parent company give a true and fair view of the financial position as of 31

December 2022 for the Company and the parent company's operations and the Company's consolidated cash flow for the financial year 2022.

In our opinion the Board of Directors Report provides a fair review of the development in the operations and financial circumstances of the Company and the parent company, of the results for the year and of the financial position of the Company and the parent company as well as a description of the most significant risks and elements of uncertainty which the Company and parent company are facing.

We recommend that the annual report be adopted at the annual general meeting.

Copenhagen, 28 June 2023

Executive Management

Fridtjof Camillo Eitzen

Chief Executive Officer

Board of Directors

Axel Camillo Eitzen

Chairman

Fridtjof Camillo Eitzen

Board member

Axel Stove Lorentzen

Board member

Independent Auditor's Report

To the Shareholder of Christiania Shipping A/S

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Company's financial position at 31 December 2022 and of the results of the Company's operations and cash flows for the financial year 1 January to 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2022 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Christiania Shipping A/S for the financial year 1 January to 31 December 2022, which comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Company and the Parent Company, as well as cash flow statement for the Company ("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' 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 the 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 Financial 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.

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 International Financial Reporting Standards as adopted by the EU and further requirements in 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 judgment and maintain professional skepticism 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.

Copenhagen, 28 June 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Søren Ørjan Jensen

State Authorised Public Accountant

mne33226

Martin Birch

State Authorised Public Accountant

mne42825

Definitions and glossary

Definitions and Glossary

Key figures and key ratios are defined and calculated in accordance with the Danish Association of Financial Analyst's "Recommendations and Financial Ratios".

<u>Key ratios</u>	<u>Calculation formula</u>	<u>Comments</u>
TCE-margin (%)	$\frac{\text{TCE earnings}}{\text{Revenue}}$	The key figure reflects the percentage of revenue, minus voyage related costs that cover capacity costs, net financing costs, taxes and profit.
EBITDA-margin (%)	$\frac{\text{EBITDA}}{\text{Revenue}}$	The key figure reflects the entity's operational profitability.
EBIT-margin (%)	$\frac{\text{EBIT}}{\text{Revenue}}$	The key figure reflects the entity's true business costs.
Return on Invested Capital (%)	$\frac{\text{EBITA}}{\text{Avg. invested capital}}$	The key figure reflects the entity's ability to generate return on invested capital through operations.
Return on Equity (%)	$\frac{\text{Result of the year}}{\text{Avg. equity}}$	The key figure reflects an entity's ability to generate returns to shareholder when taking into account the entity's capital base.
Equity ratio	$\frac{\text{Net interest-bearing debt}}{\text{Equity}}$	The key figure reflects the financial gearing of the entity, expressed as the sensitivity to fluctuations in interest rates, etc. A high financial gearing translates into a high financial risk.

Non-GAAP measures

Time charter equivalent earnings = Net freight income – Voyage related expenses

Company information

Christiania Shipping A/S

Amerika Plads 38

2100 København Ø

Registration no. 40 53 35 16

www.christiania-shipping.com

Board of Directors and Management

BOARD OF DIRECTORS – Christiania Shipping A/S

- Axel Camillo Eitzen
Board member since January 2018, Chairman since January 2023
- Fridtjof Camillo Eitzen
Board member since December 2020
- Axel Stove Lorentzen
Board member since December 2020
- Snorre Schie Krogstad
Board member since December 2020 (resigned from the Board of Directors on 28 February 2022)

KEY MANAGEMENT PERSONNEL

- Fridtjof Camillo Eitzen – Chief Executive Officer
Employed January 2023
- Torben Larsen – Chief Operational Officer
Employed January 2018