

**TORM
FONDEN**

ANNUAL REPORT

2019

(TORMS UNDERSTØTTESESFOND)
(THE TORM FOUNDATION)



THE TORM FOUNDATION AND THE RESULT FOR THE YEAR

The Foundation's profit before tax was DKK 1.3 million compared to a profit of DKK 2.5 million in 2018. The result is regarded as disappointing.

In 2019, grants of an overall DKK 4 million were allocated to non-profit causes and TORM employees, compared to DKK 1.6 million in 2018. Donations and grants in 2019 are described below.

The Foundation had an equity of DKK 48 million as at 31 December 2019.

EXPECTATIONS FOR 2020

For 2020, the Foundation's profit is expected to be in line with last year and coming from bond yields and corporate bonds. The Foundation's equity is expected to decline in the coming years, as a consequence of the envisaged donations and grants.

AWARDING OF GRANTS

With less funds and income, the Foundation's framework for awarding grants in the period May 2020 – May 2021 is expected to be around DKK 4 million. However, as the Foundation has funds available for distribution, it might be possible to award larger grants if particularly pertinent applications are received.

INCOME STATEMENT FOR THE PERIOD

1 JANUARY – 31 DECEMBER 2019

DKK	2019	2018
Dividend from investments	1,331,047	1,394,705
Interest on bank deposits	-1,687	-19,003
Bond Interest	462,484	427,493
Currency gains, realized, bonds, disposable wealth	-229,029	946,464
Income	1,562,815	2,749,660
Board Fees	40,000	45,000
Management fee	73,750	111,750
Fees and administration	22,761	31,449
Auditors and consulting services	80,000	70,000
Other administration costs	7,675	17,813
Expenses	224,186	276,012
Profit before tax	1,338,629	2,473,648
Tax on funds and adjustment before deferred tax	0	0
Net profit for the year	1,338,629	2,473,648
DISTRIBUTION OF PROFIT		
Proposed appropriation of profit:		
Provision for future use, opening balance	38,994,684	38,777,078
Net profit for the year	1,338,629	2,473,648
Available	40,333,313	41,250,726
Distributed as follows:		
Grants during the year	3,992,325	1,646,042
Provision for consolidation	335,000	610,000
Provision for future use, year end	36,005,988	38,994,684
Total distribution	40,333,313	41,250,726

BALANCE SHEET AS AT 31 DECEMBER 2019

ASSETS (DKK)	2019	2018
Bonds	5,588,695	5,304,711
Shares and equity-based investment associations	5,700,576	4,477,810
Rebill account with available assets	335,000	610,000
Bank deposit	171,525	43,338
Restricted assets	11,795,796	10,435,859
Bonds and bond-based units in investment funds	10,216,368	15,436,229
Share-based investment units	28,706,364	25,016,484
Other receivables	412,575	688,438
Rebill account with restricted assets	-335,000	-610,000
Bank deposit	2,164,009	3,220,863
Available assets	41,164,316	43,752,014
Assets	52,960,112	54,187,873
Restricted capital	11,795,796	10,435,859
Provision for future use	36,005,988	38,994,684
Market value adjustments	519,407	-1,968,960
Total available capital	36,525,395	37,025,740
Equity	48,321,191	47,461,583
Accrued expenses	109,319	93,988
Designated grants	4,529,602	6,632,302
Short-term debt	4,638,921	6,726,290
Liabilities and equity	52,960,112	54,187,873

GRANTS AND AWARDS

The purpose of the Foundation is to provide grants for:

- Present employees of TORM A/S
- Foundations for seamen and maritime causes
- Other non-profit causes

Purpose	Grants				
	2019	2018	2017	2016	2015
Total Grants	3,992,325	1,646,042	1,529,602	5,016,226	11,799,395
Non-profit – including for maritime and related institutions	1,680,000	904,000	638,602	2,996,626	10,175,141
TORM Employees	94,300	0	0	2,500	98,254
TORM Employee Associations	2,218,025	742,042	891,000	2,017,100	1,526,000

GRANTS IN 2019

TORM EMPLOYEES

Grants are awarded to TORM employees primarily in the form of grants to employee associations at TORM's offices and on board its vessels.

Grants to employee associations amounted to DKK 2,218,025. Subsidies for activities in the individual associations in Copenhagen, Manila, Singapore, Mumbai and Houston – employee associations, sports clubs, cultural associations, etc. – are agreed with the clubs or associations based on their applications and requirements in the associations and countries concerned.

GRANTS FOR DANISH SEAFARING AND MARITIME CAUSES

One of the main purposes of the Foundation is to support the development of seafaring and creating opportunities in Denmark and internationally and other Danish maritime ventures such as sailing and training ships.

SUPPORTING DANISH SAILING 2017-2020

The TORM Foundation has been supporting Danish sailing since 2004. In the support period 2017-2020, focus is on "More people at sea". Under this umbrella, the TORM Foundation supports the national Danish sailing team, development of talents, development of sailing clubs and volunteers and education of coaches and volunteers and many other activities.

By the end of 2019, the Danish Sailing Association had 256 member clubs (2018: 252 clubs) with a total of 53,009 members (2018: 52,199 members). This increase of approx. 2% is seen in all age groups and for both women and men. The number of children and young people sailing increased by 100 to 4,191. It is interesting, that girls and women now counts for 24 % of the members of the sailing clubs. This share continues to increase year- by-year.

With what was thought as the last year before the Olympic Games in Tokyo, focus was in 2019 on preparing the selection of participants to the Games. The Danish sailors managed to win several medals at important championships.

At the World Sailing Annual Conference held on Bermuda in November 2019, Anne-Marie Rindom was crowned female Rolex Sailor of the Year 2019. This is an achievement never made before by a Danish sailor. Rindom found form at the right time ahead of Tokyo 2020 and was the leading Laser Radial sailor in 2019. She secured her second world title in 2019 and that success was not isolated; throughout 2019, she secured gold medals at four high-profile events. Before she headed to Japan for the 2019 World Championship, Rindom secured gold at the Trofeo S.A.R. Princesa Sofia Regatta in Palma de Mallorca, Spain. She then topped the standings at her second consecutive event after she won the Hempel World Cup Series event in Genoa, Italy. Just weeks later, Rindom made it three in a row by securing the European Championship title in Porto, Portugal, moving to World #1 as a result.

In other Olympic classes, the Danish sailors also made excellent results. In the Nacra 17 class, Lin Ea Cenholt and Christian Peter Lübeck secured a silver medal at the World Championship and a bronze medal at the European Championship. And in the 49erFX class, Ida Maria Baad and Marie Thusgaard won bronze medals at the World Championship. With three medals at three world championships in different Olympic Classes, the Danish sailing team was in a very strong shape before entering into an expected Olympic year.

Due to the worldwide spread of the COVID-19 pandemic, the plans for the Olympic Games in Tokyo were changed. The Olympic Games are postponed until 2021, and the Danish sailing team has one extra year to prepare the best Danish sailors for the Games.

The youth sailing activities are still in good progress. The Grand Prix Series had a small drop in participants due to one less GP regatta in 2019 and because the Optimist Class decided to have an independent regatta instead of taking part in one GP event. All together 465 sailors competed in the GP series. The Danish Team Championship had 72 sailors from 16 teams – the highest number ever.

Another success was the major youth/elite camp in Oure - the TORM Week 42 camp. In 2019, 130 sailors participated in the event – approx. 20 participants more than normal.

28 local sailing clubs used the concept 'Summer Sailing' for school children and young sailors. The concept is aimed at introducing new sailors to the sport and water activities. Around 900 children took part in this event in 2019. This is small increase in the number of sailing clubs involved but a small decrease in total number of sailors involved compared to 2018.

DEVELOPMENTS IN PROJECTS EXTENDING OVER A PERIOD OF SEVERAL YEARS, SUPPORTED BY THE TORM FOUNDATION

TORM PHILIPPINES EDUCATION FOUNDATION (TPEF)

TORM Philippines Education Foundation (TPEF) was established in 2007 and the TORM foundation has granted support to the TORM Philippines Education Foundation (TPEF) since 2007.

In 2019, 25 students supported by the TORM Philippines Education Foundation graduated from scholarships.

For the school year 2019/2020, the foundation supports 58 scholars across the Philippines with half at various colleges and universities and the other half with apprentices within maritime courses.

Thanks to a close collaboration between TORM, TORM Philippines Education Foundation and Department of Education Division Office of Mountain Province, a new classroom with toilet was constructed and inaugurated under the Adopt-A-School Program. 45 students from kindergarten to Grade six can now receive school training.

In addition to the scholarships, the education foundation ran a number of social development initiatives in 2019. 'Trainers of scholars'- graduates trained in Training of Trainers and Facilitators was conducted to 33 Grade 7- 8 students of San Roque National High School of Bulalacao, Oriental Mindoro.

Another social development initiative was the construction of a basketball court and donation of sport equipment for basketball, volleyball, taekwondo and more.

Scholars' Community Outreach Project in Magabta, Kabugao, Apayao, provided provisions such as school kits to 60 daycare and elementary students, and also the repainting of the daycare center, handout of medicine kits and learning resources. Additionally, former students supported by the foundation decided to donate a water tank to Addang Elementary School, Paracelis, as the school only had access to water via a hosepipe from a water source uphill from the school site.

Essential computer training was also conducted to 40 teachers and staff of Santos E. Conag National High School in Esperanza, Masbate.

BOARD AND ADMINISTRATION

THE BOARD OF THE TORM FOUNDATION



LARS CHRISTENSEN

Chairman of TORM A/S

Member of the board since 2018

Chairman since 2018 (March)



JACOB MELDGAARD

CEO, TORM A/S

Member of the board since 2010



RASMUS HOFFMANN

Chief Engineer

Member of the board of TORM A/S

Member of the board since 2013



Joakim Nørholm Vasehus

Senior Communications Manager, TORM A/S

Member of the board since 2019

ADMINISTRATION



VERONICA BERMANN KRIVAA

Executive Assistant & Travel Manager, TORM A/S

Administrator since 2017

ACCOUNTANTS

PWC